

"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন"

"Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions."

## PROSPECTUS Of Aman Cotton Fibrous Limited



Public Offering of 20,833,333 ordinary shares, of these ordinary shares 60% i.e. 12,500,000 ordinary shares are reserved for Eligible Investor (EI) which includes 50% i.e. 10,416,667 ordinary shares for EI excluding Mutual Funds and CIS and 10% i.e. 2,083,333 ordinary shares for Mutual Funds and CIS at a cut off price of Tk. 40.00 and remaining 40% i.e. 8,333,333 ordinary shares at a discounted price of Tk. 36.00 per share for General Public including NRB total approximately Tk. 800,000,000.

Opening date of Subscription: ..... , 2018  
Closing date of Subscription (Cut-off date): ..... , 2018



**MANAGER TO THE ISSUE**  
ICB Capital Management Limited  
Green City Edge (5<sup>th</sup> & 6<sup>th</sup> Floor), 89 Kakrail,  
Dhaka-1000, www.icml.com.bd

**CREDIT RATING BY**  
Credit Rating Agency of Bangladesh Limited (CRAB)

### CREDIT RATING STATUS

Date of Rating: 31 December 2017		
	Long Term	Short Term
Rating	A2	ST-2
Validity	30 December 2018	

Issue Date of the Prospectus: .....

**Preliminary Information and Declarations**

- I) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;

Issuer Company	Contact person	Telephone, Fax Number, email & web address
<b>Aman Cotton Fibrous Limited</b> 2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	Noornavi Bhuiyan, FCA Chief Financial Officer	Tel: +88 02 7911691-3, FAX: +880-2-58950510 E-mail:cs@amangroupbd.com Web: www.amancotton.com

Manager to the Issue	Contact person	Telephone, Fax Number, email & web address
<b>ICB Capital Management Ltd.</b> Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor), 89 Kakrail, Dhaka-1000.	Md. Sohel Rahman Chief Executive Officer (Additional Charge)	Tel: +880-2-8300421, 8300395, 8300555, 8300367 FAX: +880-2-8300396 E-mail:info@icml.com.bd Web: www.icml.com.bd

Underwriters	Contact person	Telephone, Fax Number, email & web address
<b>ICB Capital Management Ltd.</b> Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor), 89 Kakrail, Dhaka-1000.	Md. Sohel Rahman Chief Executive Officer (Additional Charge)	Tel: +880-2-8300421, 8300395, 8300555, 8300367 FAX: +880-2-8300396 E-mail:info@icml.com.bd Web: www.icml.com.bd
<b>Roots Investment Limited</b> Diganto Tower, 1 <sup>st</sup> Floor 12/1, R.K. Mission Road, Motijheel, Dhaka, 1203	Mohammad Sarwar Hossain Managing Director(Acting)	Tel: +880-2-7116954, +880-2-7117914 +880-2-7117972, FAX: +880-2-7119908 E-mail:info@rootsinvestment.com Web: www.rootsinvestment.com
<b>Prime Bank Investment Limited</b> Peoples Insurance Bhaban (11 <sup>th</sup> Floor) 36, Dilkusha C/A, Dhaka-1000	Md. Tabarak Hossain Bhuiyan Managing Director & CEO	Tel: 88 02 9555674, 88 02 9557688 Fax : +88 02 9559257Email. pbil.bd@gmail.com www.pbil.com.bd
<b>Bengal Investments Limited</b> Bilquis Tower (8 <sup>th</sup> Floor) Plot# 6, Road 46, Gulshan Circle 2 Dhaka-1212	M.M. Mostafa Bilal CEO & Managing Director	Tel: +880-2-8825508, FAX: +880-2-8825518 E-mail: info@bengal- investments.com www.bengal-investments.com
<b>LankaBangla Investments Limited</b> City Center, Level-24 90/1 Motijheel C.A, Dhaka –1000.	Hassan Zayed Chowdhury Chief Executive Officer (Acting)	+88-02-9512621, 9561238 Fax : +88-02-9561107 Email. kayes@lankabangla- investments.com www.lankabangla-investments.com
Auditor	Contact person	Telephone, Fax Number, email & web address
<b>MahfelHuq &amp; Co.</b> Chartered Accountants BGIC Tower (4 <sup>th</sup> Floor) 34, Topkhana Road. Dhaka-1000	Md. Abu Kaiser FCA Partner	Tel: +880-2-9553143 E-mail: mahfelcofca@yahoo.com Web: www.mahfelhuq.com

Credit Rating Company	Contact person	Telephone, Fax Number, email & web address
Credit Rating Agency of Bangladesh Ltd (CRAB) SenaKalyanBhaban, 195 Motijheel C/A Floor 4, Suite 403 Dhaka-1000	Razib Ahmed Asst. Vice President & Co-Head (Corporate Rating Unit)	Tel: +88 029571238, +88 029571497 Fax: +88 029563837 Email:razib.ahmed@crab.com.bd www.crabrating.com
Valuer	Contact person	Telephone, Fax Number, email & web address
S.H. Khan &Co. Chartered Accountants Raz Bhaban (1 <sup>st</sup> Floor), 29, Dilkusha C/A, Dhaka-1000	Md. Shahadat Hossain Khan FCA Partner	Tel: +88 02 7162829, 7171882 FAX: +88 02 9557914 mail:shk_shkhan@hotmail.com

ii) "A person interested to get a Prospectus may obtain from the issuer and the issue manager"

iii) "If you have any query about this document, you may consult the issuer, issue manager and underwriter"

IV) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

V) Risks in relation to the First Issue

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk. 40.00 i.e. '4 times for Eligible Investor including Mutual Funds and CIS' and Tk. 36.00 i.e. '3.60 times for General Public' of the face value. The issue price has been determined and justified by the issuer and the issue manager or bidding by the eligible investors as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing"

VI) General Risk

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 138-150."

VII) Aman Cotton Fibrous Limited's Absolute Responsibility

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

**AVAILABILITY OF PROSPECTUS**

(i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;

The Prospectus and Abridge version of Prospectus of Aman Cotton Fibrous Limited are available in hard and soft forms at the following addresses

Issuer Company	Contact person	Telephone, Fax Number, email & web address
<b>Aman Cotton Fibrous Limited</b> 2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	Noornavi Bhuiyan, FCA Chief Financial Officer	Tel: +88 02 7911691-3, FAX: +880-2-58950510 E-mail:cs@amangroupbd.com Web: www.amancotton.com

Manager to the Issue	Contact person	Telephone, Fax Number, email & web address
<b>ICB Capital Management Ltd.</b> Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor), 89 Kakrail, Dhaka-1000.	Md. Sohel Rahman Chief Executive Officer (Additional Charge)	Tel: +880-2-8300421, 8300395, 8300555, 8300367 FAX: +880-2-8300396 E-mail:info@icml.com.bd Web: <a href="http://www.icml.com.bd">www.icml.com.bd</a>

Registrar to the Issue	Contact person	Telephone, Fax Number, email & web address
<b>Prime Bank Investment Limited</b> Peoples Insurance Bhaban (11 <sup>th</sup> Floor) 36, Dilkusha C/A, Dhaka-1000	Md. Tabarak Hossain Bhuiyan Managing Director & CEO	Tel: 88 02 9555674, 88 02 9557688 Fax : +88 02 9559257 Email. pbil.bd@gmail.com <a href="http://www.pbil.com.bd">www.pbil.com.bd</a>

Underwriters	Contact person	Telephone, Fax Number, email & web address
<b>ICB Capital Management Ltd.</b> Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor), 89 Kakrail, Dhaka-1000.	Md. Sohel Rahman Chief Executive Officer (Additional Charge)	Tel: +880-2-8300421, 8300395, 8300555, 8300367 FAX: +880-2-8300396 E-mail:info@icml.com.bd Web: <a href="http://www.icml.com.bd">www.icml.com.bd</a>
<b>Roots Investment Limited</b> Diganto Tower, 1 <sup>st</sup> Floor 12/1, R.K. Mission Road, Motijheel, Dhaka, 1203	Mohammad Sarwar Hossain Managing Director(Acting)	Tel: +880-2-7116954, +880-2-7117914 +880-2-7117972, FAX: +880-2-7119908 E-mail:info@rootsinvestment.com Web: <a href="http://www.rootsinvestment.com">www.rootsinvestment.com</a>
<b>Prime Bank Investment Limited</b> Peoples Insurance Bhaban (11 <sup>th</sup> Floor) 36, Dilkusha C/A, Dhaka-1000	Md. Tabarak Hossain Bhuiyan Managing Director & CEO	Tel: 88 02 9555674, 88 02 9557688 Fax : +88 02 9559257 Email. pbil.bd@gmail.com <a href="http://www.primebank.com.bd">www.primebank.com.bd</a> , <a href="http://www.pbil.com.bd">www.pbil.com.bd</a>
<b>Bengal Investments Limited</b> Bilquis Tower (8 <sup>th</sup> Floor) Plot# 6, Road 46, Gulshan Circle 2 Dhaka-1212	M.M. Mostafa Bilal CEO & Managing Director	Tel: +880-2-8825508, FAX: +880-2-8825518 E-mail: <a href="mailto:info@bengal-investments.com">info@bengal-investments.com</a> <a href="http://www.bengal-investments.com">www.bengal-investments.com</a>
<b>LankaBangla Investments Limited</b> City Center, Level-24 90/1 Motijheel C.A, Dhaka –1000.	Hassan Zabeed Chowdhury Chief Executive Officer (Acting)	+88-02-9512621, 9561238 Fax : +88-02-9561107 Email. <a href="mailto:kayes@lankabangla-investments.com">kayes@lankabangla-investments.com</a> <a href="http://www.lankabangla-investments.com">www.lankabangla-investments.com</a>

Stock Exchanges	Contact person	Telephone, Fax Number, email & web address
Dhaka Stock Exchange Ltd (DSE) DSE Library, Research and Information Department 9/F, Motijheel C/A, Dhaka-1000.	Md. Afzalur Rahman Manager	Tel: +88 02 9564601-7 +88 02 9666944-8 Fax: +88 02 9569755 +88 02 9564727 E-mail: research@dsebd.org; web: www.dsebd.org
Chittagong Stock Exchange Ltd (CSE) CSE Building, 1080, Sk. Mujib Road Agrabad, Chittagong -4100 Dhaka Liaison Office: Eunoos Trade Center (Level-15) 52-53 Dilkusha C/A, Dhaka-1000.	Mohammed Javed Sarwar Assistant Manager	Tel: +88 031 714632-3 +88031 720871 Fax: +88 031 714101 +880-2-9513911-15 E-mail: javed@cse.com.bd; Web: www.cse.com.bd

Prospectus is also available on the websites of Aman Cotton Fibrous limited ([www.amancotton.com](http://www.amancotton.com)), ICB Capital Management Limited ([www.icml.com.bd](http://www.icml.com.bd)), BSEC ([www.sec.gov.bd](http://www.sec.gov.bd)), DSE ([www.dsebd.org](http://www.dsebd.org)), CSE ([www.csebd.com](http://www.csebd.com)) and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

ii) Names and dates of the newspapers where abridged version of prospectus was published

Sl. No.	Name of the News paper	Date of Publication	Page number of the newspaper
01			
02			
03			
04			

## iii) Definitions and Acronyms or Elaborations

Term	Elaboration
<b>A</b>	
ACFL	: Aman Cotton Fibrous Limited
Allotment	: Letter of Allotment for Shares
<b>B</b>	
BERC	: Bangladesh Energy Regulatory Commission
BSEC	: Bangladesh Securities and Exchange Commission
BAS	: Bangladesh Accounting Standards
BB	: Bangladesh Bank
BSA	: Bangladesh Standard of Auditing
BO A/C	: Beneficiary Owner's Account or Depository Account
<b>C</b>	
CDBL	: Central Depository Bangladesh Limited
Certificate	: Share Certificate
CIB	: Credit Information Bureau
Commission	: Bangladesh Securities and Exchange Commission
Companies Act	: Companies Act, 1994 (Act No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
<b>D</b>	
Depository Act	: Depository Act, 1999
DSE	: Dhaka Stock Exchange Limited
<b>E</b>	
EPS	: Earnings Per Share
<b>F</b>	
FC Account	: Foreign Currency Account
FI	: Financial Institution
<b>G</b>	
GOB	: Government of The People's Republic of Bangladesh
<b>I</b>	
IAS	: International Accounting Standards
IPO	: Initial Public Offering
Issue	: Public Issue of Shares of Aman Cotton Fibrous Limited
Issuer	: Aman Cotton Fibrous Limited
<b>N</b>	
NAV	: Net Asset Value
NBR	: National Board of Revenue
NRB	: Non-Resident Bangladeshi
<b>O</b>	
Offer Price	: The Price of the Shares of Aman Cotton Fibrous Limited being Offered
Ordinance	: Securities and Exchange Ordinance, 1969
<b>P</b>	
P/BV	: Price to Book Value
P/E	: Price Earnings Ratio
PTS	: Primary Textile Sector
<b>R</b>	
Registered Office	: Head Office of the Company
RMG	: Ready-Made Garments
RJSC	: Registrar of Joint Stock Companies & Firms
<b>S</b>	
Securities/Shares	: Shares of Aman Cotton Fibrous Limited
Sponsors	: The Sponsor Shareholders of Aman Cotton Fibrous Limited
SND Accounts	: Short Notice Deposit Account
Stockholders	: Shareholders
Subscription	: Application Money

## TABLE OF CONTENTS

	Particulars	Page No.
<b>CHAPTER I</b>	<b>EXECUTIVE SUMMARY</b>	1-4
	About the industry	1
	About the Issuer	1
	Financial Information	1
	Features of the issue and its objects	2
	Legal and Other Information	2
	Promoters' background	2-3
	Capital structure and history of capital raising	4
	Summary of Valuation Report of Securities	4
	Others	4
<b>CHAPTER II</b>	<b>CONDITIONS IMPOSED BY THE COMMISSION</b>	5-11
	Disclosure In Respect Of Issuance Of Security In Demat Form	5
	Conditions Under 2cc Of The Securities And Exchange Ordinance, 1969	5-11
	Allocation of Shares of 'Aman Cotton Fibrous Limited'	11
<b>CHAPTER III</b>	<b>DECLARATION AND DUE DILIGENCE CERTIFICATES</b>	12-19
	Declaration About The Responsibility Of The Directors, Including The Ceo Of The Issuer In Respect Of The Prospectus	12
	Due Diligence Certificate By Issue Manager	13-14
	Due Diligence Certificate By The Underwriter	15-19
<b>CHAPTER IV</b>	<b>ABOUT THE ISSUER</b>	20-21
<b>CHAPTER V</b>	<b>CORPORATE DIRECTORY OF THE ISSUER</b>	22
<b>CHAPTER VI</b>	<b>DESCRIPTION OF THE ISSUER</b>	23-83
	Summary of the Industry	23
	Summary of consolidated financial, operating and other Information	23
	General Information	23-29
	Capital Structure	30-35
	Description of the Business	36-43
	Description of Property	43-59
	Plan of Operation and Discussion of Financial Condition	60-83
<b>CHAPTER VII</b>	<b>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION</b>	84-87
	Overview of business and strategies	84
	SWOT analysis	84 - 85
	Analysis of the financial statements of last five years with reason(s) of fluctuating revenue/sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after	86 - 87

	tax, EPS etc.	
	Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business.	87
	Trends or expected fluctuations in liquidity	87
	Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.	87
<b>CHAPTER VIII</b>	<b>DIRECTORS AND OFFICERS</b>	88-102
	Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated/represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him;	88-96
	Changes in the key management persons during the last three years	97
	A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position	98-100
	If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing Prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.	101
	If the sponsors/directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed	101
	Interest of the Key management persons	101
	All Interest and facilities enjoyed by the directors, whether pecuniary or non-pecuniary	101
	Number of Shares held and percentage of Shareholding (Pre issue)	102
	Changes in the Board of Directors in last three years	102
	Director's engaged with similar business	102
<b>CHAPTER IX</b>	<b>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</b>	103-105
<b>CHAPTER X</b>	<b>EXECUTIVE COMPENSATION</b>	106-107
	The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:	106
	Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:	106
	If any shareholder director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year:	106
	The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM:	106-107
	Any contract with any director or officer providing for the payment of future compensation	107
	If the issuer intends to substantially increase the remuneration paid to its directors and	107



	officers in the current year, appropriate information regarding thereto:	
	Any other benefit/facility provided to the above persons during the last accounting year	107
<b>CHAPTER XI</b>	<b>OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES</b>	108
<b>CHAPTER XII</b>	<b>TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM</b>	109-110
<b>CHAPTER XIII</b>	<b>OWNERSHIP OF THE COMPANY'S SECURITIES</b>	111-117
	The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership:	111
	There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:	112-115
	The average cost of acquisition of equity shares by the directors certified by the auditors	116
	A detail description of capital built up in respect of shareholding (name-wise) of the issuers/sponsors/ directors. In this connection, a statement to be included:	116-117
	Detail of shares issued by the company at a price lower than the issue price:	117
	History of significant (5% or more) changes in ownership of securities from inception	117
<b>CHAPTER XIV</b>	<b>CORPORATE GOVERNANCE</b>	118-126
	Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC);	118
	A compliance report of Corporate Governance requirements certified by competent authority	118-124
	Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.	125-126
<b>CHAPTER XV</b>	<b>VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER</b>	127-131
<b>CHAPTER XVI</b>	<b>DEBT SECURITIES</b>	132
<b>CHAPTER XVII</b>	<b>PARTIES INVOLVED AND THEIR RESPONSIBILITIES</b>	132
<b>CHAPTER XVIII</b>	<b>MATERIAL CONTRACTS</b>	133-136
<b>CHAPTER XIX</b>	<b>OUTSTANDING LITIGATIONS, FINE OR PENALTY</b>	137
<b>CHAPTER XX</b>	<b>RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS</b>	138-150
	Internal risk factors may include, among others:	138-145

	External risk factors may include among others:	146-150
CHAPTER XXI	DESCRIPTION OF THE ISSUE	151-160
CHAPTER XXII	USE OF PROCEEDS	161-169
	Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;	161-164
	Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;	165
	If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;	165
	If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;	165
	A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;	165
	If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;	166
	If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection;	166
	Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case	166

	may be;	
	Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;	166
	The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;	166
	Summary of the project appraisal/ feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report.	166-167
<b>CHAPTER XXIII</b>	<b>LOCK-IN</b>	168
<b>CHAPTER XXIV</b>	<b>MARKETS FOR THE SECURITIES BEING OFFERED</b>	169
<b>CHAPTER XXV</b>	<b>DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED</b>	170
	Dividend, voting and preemption rights;	170
	Conversion and liquidation rights;	170
	Dividend policy;	170
	Other rights of the securities holders;	170
<b>CHAPTER XXVI</b>	<b>FINANCIAL STATEMENTS</b>	171-221
	Auditors' report for the FY 2015-16 ended 30 June 2016	172-201
	Information as is required under section 186 of the company act 1994 relating to holding company	201
	Selected ratios as specified in Annexure-D	201-204
	Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the Companies Act, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation	205-207
	Financial spread sheet analysis for the latest audited financial statements;	208-210
	Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;	211
	All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;	211
	Quarterly or half-yearly EPS should not be annualized while calculating the EPS;	212
	Net asset value (with and without considering revaluation surplus/reserve) per unit of the securities being offered at the date of the latest audited statement of financial position	212
	The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.	212
	Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-	212-221

	Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;	212-213
	Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;	214-215
	Statement of unsecured loans with terms & conditions;	216
	Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;	216
	Statement of trade receivables showing receivable from related party and connected persons;	217
	Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;	217
	Statement of other income showing interest income, dividend income, discount received, other non operating income	218
	Statement of turnover showing separately in cash and through banking channel;	218
	Statement of related party transaction;	218-219
	Reconciliation of business income shown in tax return with net income shown in audited financial statements;	220
	Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;	220
	Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;	221
	Statement of payment status of tax, VAT and other taxes or duties	221
<b>CHAPTER XXVII</b>	<b>CREDIT RATING REPORT</b>	222-228
<b>CHAPTER XXVIII</b>	<b>PUBLIC ISSUE APPLICATION PROCEDURE</b>	230-234
<b>CHAPTER XXIX</b>	<b>OTHERS</b>	235-303
	Additional Auditors Disclosers	235-244
	Additional disclosers of Management	245-247
	Audited Financial Statements for the year ended June 30, 2017	248-278
	Unaudited Financial Statements for the period ended December 31, 2017	279-303

**CHAPTER I: EXECUTIVE SUMMARY:****(a) About the industry**

Spinning is basically a sub-sector of Bangladesh's textile and clothing industry. It is also termed as Primary Textile Sector (PTS). PTS is the backbone of the clothing industry because it provides the backward linkage for both the knit and woven sectors. The primary job of spinning mills is to produce yarn from raw cotton. As per Bangladesh Textile Mills Association web site (BTMA), there are 424 yarn manufacturers. Out of 424, there are 341 yarn manufacturers which are currently in operation. Annual yarn spinning capacity of this industry is 2410 million kg. Main raw material of this sector is raw cotton which is mostly imported from USA, Australia, India, Pakistan, China, Central America, East & West Africa etc. During last fiscal year (2015-16), 1,375,257 Ton raw cotton was imported.

PTS contributes to economy in different ways as follows:

- Value addition in knit & woven RMG are over 70% & 35% respectively.
- Around 90% yarn demand for knit RMG & 35-40% yarn demand for woven RMG are met by Primary Textile Sector
- Local fabric demand & the yarn demand for handloom are also met by Primary Textile Sector
- PTS industries producing around 1200 MW power through Captive Generator.
- Generate huge cliental base for Banking, Insurance, Shipping, Transport, Hotel, Cosmetics, and Toiletries & related economic activities

The Government of Bangladesh also promote this Primary Textile Sector by extending various facilities such as Bonded Warehouse, Cash Assistance in lieu of Bonded Warehouse, Import of Capital Machinery, some Spare Parts, raw materials at a concessionary rate of duty and preferential tax rate.

**(b) About the Issuer**

Aman Cotton Fibrous Limited (ACFL) is primarily engaged in manufacturing of high quality cotton yarn in Bangladesh and marketing and selling of product in the domestic market as deemed export. The installation of a high capacity air conditioning and filtration plant has enabled the mill to meet the international standards. The Company manufactures 100% cotton Carded, Combed & Semi-combed ring spun grey yarn for knitting as well as weaving. From the beginning of operation of ACFL, it has managed to comply with the international standards of management, which was reflected to attain of ISO 9001:2008 Certificate.

The Company was incorporated as a private Limited Company with the issuance of certificate of incorporation bearing No.: Raj-C-403 dated December 28, 2005 by the Registrar of Joint Stock Companies & Firms. The Company commenced its commercial production on November 01, 2007. Subsequently the shareholders in their Extra-ordinary General Meeting held on April 22, 2012 approved conversion of status of the company from private limited to public limited company. Corporate office of the Company is located at 2 Ishakha Avenue, Sector # 6, Uttara, Dhaka-1230 in rented premise.

The factory is located at Boiragirchala, Sreepur, Gazipur. It has 176,983.12sft. (Approximate) covered area including adequate usages area of 3,06,570.89sft. for quality control, utility, store, workshop, dormitory, office & others. Aman Cotton Fibrous Limited possesses an installed capacity of producing 6,780 MT of cotton yarn per year. All the machinery imported from Germany, Switzerland, Italy, Japan & China are contemporary, high-tech and hi-speed most modern machines to spin the finest quality cotton yarn conforming to global standards.

**(c) Financial Information**

(Amount in BDT)

Particulars	For the year ended on and as at 30 June				
	2015-16	2014-15	2013-14	2012-13	2011-12
Revenue	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031
Gross Profit	433,547,662	432,088,249	493,887,854	494,198,755	500,890,959
Net Profit Before Tax	319,448,826	301,921,747	351,037,574	356,043,180	338,434,674
Net Profit After Tax	270,759,277	256,713,297	296,365,313	289,156,006	305,481,982
Total Assets	4,085,266,348	3,872,011,641	3,724,158,205	3,408,549,454	2,695,276,357
Shareholders' Equity	2,850,201,690	2,551,343,162	2,295,925,367	2,000,418,254	1,473,955,883
Number of Shares	80,000,000	80,000,000	80,000,000	80,000,000	10,000,000
Face Value	10	10	10	10	10
NAV Per Share with revaluation	35.63	31.89	28.68	25.01	147.40
Basic Earnings Per Share	3.38	3.21	3.70	3.61	30.55
Fully Diluted Earnings Per Share	3.38	3.21	3.70	3.61	3.82

**(d) Features of the issue and its objects**

Face Value	BDT 10.00
Cut-off Price	BDT 40.00
Public Offer Price	BDT 36.00
Number of Shares to be Offered	20,833,333
Total Issue Size	BDT 80.00 Crore (app.)
Issue Manager	ICB Capital Management Ltd.
Register to the Issue	Prime Bank Investment Limited
Objectives of the Issue	For acquisition & installation of brand new European machineries for expansion of existing project for increasing its capacity, repayment of existing long term loan and defraying the IPO expenses.

**(e) Legal and other Information**

Name of the Issues (Licenses, registration, NOC and permissions obtained)	Issue Date	Renewal date	Expiry date
Certificate of Incorporation	28-12-2005	N/A	N/A
ETIN Certificate	10-02-2014	N/A	N/A
VAT Certificate	06-09-2012	N/A	N/A
Valid Trade license from Dhaka CITY corporation, South	17-07-2013	20-07-2017	30-06-2018
Fire License from Bangladesh Fire Service and Civil Defense (Dhaka Division)	01-07-2007	04-07-2017	30-06-2018
Factory License from Dhaka District	25-10-2007	02-08-2017	30-06-2018
IRC from Controller office of Import and Export, Dhaka	13-03-2007	23-07-2017	30-06-2018
ERC from Controller office of Import and Export, Dhaka	04-05-2009	18-07-2017	30-06-2018
Environment clearance from Gazipur District	25-09-2007	21-11-2017	24-09-18
BTMA Certificate	23-08-2016	27-12-2017	31-12-2018
BERC License	10-11-2009	17-10-2016	09-11-2018
Boiler Certificate	31-01-2016	10-12-2017	09-05-2018
Board of Investment (BOI) registration no. L-52050604085	20-04-2016	N/A	N/A
ISO 9001:2008 certificate	25-03-2016	N/A	15-09-2018

**(f) Promoters' background**

When the company was incorporated, following persons/institutions were the subscriber to the memorandum:

SL.	Name
1	Md. Rafiqul Islam
2	Md. Shofiqul Islam
3	Md. Toufiqul Islam

A brief profile of all promoters are given below:

**MD. RAFIQUUL ISLAM**

Md. Rafiqul Islam, aged 54, Bangladeshi, was the founder Chairman of this Company. A visionary entrepreneur Mr. Islam is now the Managing Director of the Company. He did his Masters of Science with honors from the University of Rajshahi.

He has 35 years of business experience in diversified business areas. He started his business career in the year 1984 engaging him in a family business named Aman Trading Corporation. He became a successful businessman within a short span of time by dint of his sincerity, honesty and hard working. He has established a good number of companies operating in the field of agriculture, research, cement, garments, textile, dying, feed mills, poultry & hatchery project etc. Under his dynamic leadership, Aman Group could establish its position in the corporate arena with a short span of time. He has gradually built a good number of successful business houses now a big conglomerate under the banner of Aman Group which consists of more than 25 companies. Currently, he is the Chairman of Aman Feed Ltd., Aman Economic Zone Ltd. and Anwara Poultry & Hatchery Ltd. He is also the Managing Director of dozens of companies including Aman Tex Ltd., Aman Cement Mills Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., Aman Plant Tissue Culture Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Akin Feed Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., Aman Foods Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Anwara Mannan Textile Mills Ltd., Aman Foods & Beverage Ltd., Aman Packaging Ltd., Aman Seeds Storage Ltd., Aman Jute Fibrous Ltd., A.M. Cold Storage Ltd., Aman Packaging and Accessories Ltd., Aman Associates Ltd. Mr. Islam is the Director of Aman Poultry & Hatchery Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited and Aman Breeders Ltd. He is also the Proprietor of Islam Brothers & Co. and Aman Trading Corporation.

A widely travelled person Mr. Islam is well renowned for his philanthropic activities in the locality. He is currently a Member of the Bangladesh Cement Manufacturers Association, Bangladesh Fertilizer Association, Bangladesh Cold Storage Association, Rajshahi Chamber of Commerce & Industries and a corporate member of Uttara Club, Dhaka

#### **MD. SHOFIQUIL ISLAM**

Md. Shofiquil Islam, aged 52, Bangladeshi, is the Sponsor Director of the Company. He is a graduate of Arts. He started his business career in the year 1991 by joining in family business with a vision to contribute in the generation of employments for the rural mass of the country through establishment of potential industrial units in different disciplines.

He is the Chairman of Akin Feed Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., also the Managing Director of Aman Feed Ltd., Anwara Poultry & Hatchery Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited, Director of Aman Foods & Beverage Ltd., Aman Foods Ltd., Aman Tex Ltd., Aman Cement Mills Ltd., Aman Seeds Storage Ltd., Aman Poultry & Hatchery Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., A. M. Cold Storage Ltd., Aman Plant Tissue Culture Ltd., Aman Associates Ltd., Anwara Mannan Textile Mills Ltd., Aman Breeders Ltd., Aman Jute Fibrous Ltd., Aman Packaging & Accessories Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Juvenile Trade International Ltd., Aman Packaging Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Aman Economic Zone Ltd., and Proprietor of M/s Juvenile Construction.

He is a Member of Rajshahi Chamber of Commerce & Industries and Uttara Club, Dhaka.

#### **MD. TOUFIQUIL ISLAM**

Md. Toufiqul Islam, aged 43, Bangladeshi, is the Sponsor Director of the Company. He is an MBA. He started his business career in the year 1996 by joining in family business with a vision to contribute in the generation of employments for the mass people of the rural areas of the country through establishment of potential industrial units in different disciplines.

He is the Managing Director of Aman Breeders Ltd., Juvenile Trade International Ltd., Aman Economic Zone Ltd., Director of Aman Feed Ltd., Aman Tex Ltd., Aman Cement Mills Ltd., Aman Seeds Storage Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., A. M. Cold Storage Ltd., Aman Plant Tissue Culture Ltd., Aman Associates Ltd., Anwara Mannan Textile Mills Ltd., Aman Jute Fibrous Ltd., Aman Packaging & Accessories Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Aman Foods & Beverage Ltd., Aman Packaging Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Akin Feed Ltd., Anwara Poultry & Hatchery Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., Aman Foods Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited and Proprietor of M/s R S & T International.

## (g) Capital structure and history of capital raising

## Authorized Capital

Particulars	No. of Ordinary Shares	Nominal Value in BDT	Total Amount in BDT
Authorized Capital	200,000,000	10	2,000,000,000

## Paid-up Capital

Date of allotment	Consideration	No. of Shares	Face Value	Amount in BDT
28.12.2005	Cash	10,000	100.00	1,000,000
30.03.2012	Bonus	9,900,000	10.00	99,000,000
09.10.2012	Bonus	70,000,000	10.00	700,000,000
Total 80,000,000 Ordinary Shares @Tk. 10.00 each				800,000,000

## Paid-up capital before and after the Public Issue

Particulars of Paid-up Capital	No. of Ordinary Shares	Amount in BDT
Before Initial Public Offering	80,000,000	800,000,000
Initial Public Offering under Book Building Method	20,833,333	208,333,330
After Initial Public Offering	100,833,333	1,008,333,330

## (h) Summary of Valuation Report of securities

Summary of Valuation Methodology of Aman Cotton Fibrous Limited		Price
Sl.	Method Used	
1(a)	Net Asset value (NAV) per share at current cost (with Revaluation)	35.63
1(b)	Net Asset value (NAV) per share at historical cost (without Revaluation)	32.31
2(a)	Valuation with reference To Earning-Based-Value Per Share (Considering Sectoral (Textile Sector) P/E)	50.47
2(b)	Valuation with reference To Earning-Based-Value Per Share (Considering Overall Market P/E)	54.10
3	Average Market price of similar stock Based Valuation	41.14
4	P/BV multiple of similar stock Based Valuation	51.30
5	P/E multiple of similar stock Based Valuation	70.18

Note: The detailed workings of the valuation under above methods are given in this prospectus under the head of Valuation Report of Securities' prepared by the Issue Manager

## (i) Others

## Declaration by the Issue Manager

This is to hereby declared that the Issue Manager "ICB Capital Management Limited" or any of its connected persons is in no way connected with the Issuer "Aman Cotton Fibrous Limited" or any of its connected person nor does hold any securities thereof.

17August, 2017

Sd/-  
(Md. Sohel Rahman)  
Chief Executive Officer (Additional Charge)  
ICB Capital Management Limited

## Declaration

This is to hereby declared that Aman Cotton Fibrous Limited has not made any material change including raising of paid up capital after the date of audited financial statements as on June 30, 2016 as included in the prospectus.

Date: 17 August 2017

Sd/-  
(Md. Rafiqul Islam)  
Managing Director  
Aman Cotton Fibroud Limited



**CHAPTER- II: CONDITIONS IMPOSED BY COMMISSION****DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM**

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Aman Cotton Fibrous Ltd. will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

**CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969****PART-A**

1. The Company shall go for Initial Public Offer (IPO) for 20,833,333 ordinary shares, of these ordinary shares 60% i.e. 12,500,000 ordinary shares are reserved for Eligible Investor (EI) which includes 50% i.e. 10,416,667 ordinary shares for EI excluding Mutual Funds and CIS and 10% i.e. 2,083,333 ordinary shares for Mutual Funds and CIS at a cut off price of Tk. 40.00 and remaining 40% i.e. 8,333,333 ordinary shares at a discounted price of Tk. 36.00 per share for General Public including NRB and other total approximately Tk. 800,000,000 (Taka eighty crore only) following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 02 (two) working days of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 03 (three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS-Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

**"Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money."

6. All applicants under general public category shall apply for **minimum market lot of 100 shares worth Taka 3,600/- (Taka three thousand Six hundred only)** for a market lot or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any categories above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 02 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. 20% of the securities for other general public shall be reserved for **ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী**. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of under-subscription under any of sub-categories of general public category, the undersubscribed portion shall be added to other sub-category of the same category.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.
11. Making any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares through stock dividends, shall be subject to a lock-in period of 02 (two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. 25% of the shares allotted to eligible investors (including Mutual Fund), shall be locked-in for 6 (six) months and other 25% of the shares allotted to them, shall be locked-in for 9 (nine) months.
16. The company shall not declare any dividend/bonus shares before listing of its securities with any exchange from the date of this consent for raising of capital.
17. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

## **PART-B**

### **Application Process**

#### **Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - (a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - (b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

#### **Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the **"Public Issue Application Account"** maintained with its bank within the first banking hour of next working day of the cut-off date;
  - c) Instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~')

separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### **Step-3 (Issuer)**

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

- a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
- a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk.5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (**FC account which has been debited to apply by NRB or foreign applicants**) through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

- 20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
- 21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
- 22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
- 23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
- 24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
- 25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
- 26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
- 27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

**PART-C**

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
  - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
  - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
  - (c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
  - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
  - (e) The auditors should also confirm that:(i)assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting. Before the said general meeting, such deviation as recommended by the board of directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations for approval. After such approval, such decision shall be published as price-sensitive information.
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly

financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.

8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

#### **PART-D**

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

#### **Consent to commence bidding by the eligible investors for price discovery of issuance of 20,833,333 Ordinary Shares of ACFL.**

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

#### **Allocation of Shares of 'Aman Cotton Fibrous Limited'**

Further to the letter Ref: BSEC/CI/IPO-202/2012/527 dated September 21, 2017 regarding consent to commence bidding by the eligible investors, was issued by Bangladesh Securities and Exchange Commission to allocate the shares in the following manner as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015:

Eligible Investor (EI)		General Public (GP)	
EI excluding mutual funds and CIS	Mutual Funds and CIS	GP excluding NRB	NRB
50%	10%	30%	10%
10,416,667	2,083,333	6,250,000	2,083,333

**CHAPTER- III: DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE(S)- A, B AND C**

**Declaration about the responsibility of the Directors' including the Managing Director of the Aman Cotton Fibrous  
Limited in respect of the prospectus  
[Rule 4 (1) (d)]**

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the Prospectus, Documents, Financial Statements, Exhibits, Annexes, Papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this Public Issue and Prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this Prospectus to enable the investors to make a well-informed decision for investment.

Sd/-  
(Md. Shofiqul Islam)  
Chairman

Sd/-  
(Md. Rafiqul Islam)  
\*\*Managing Director

Sd/-  
(Md. Toufiqul Islam)  
Director

Sd/-  
(Md. Toriqul Islam)  
Director

Sd/-  
(Md. Rabiul Haque)  
Nominated Director  
Representing Aman Seeds Storage  
Limited

Sd/-  
(A.K.M. Akhtaruzzaman)  
Independent Director

Sd/-  
(Md. Mizanur Rahman)  
Independent Director

\*\* Managing Director of the company is also a shareholder of the company



**Due diligence certificate furnished by issue manager**

To  
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 20,833,333 Ordinary Shares of Tk. 800,000,000 by Aman Cotton Fibrous Limited

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the Prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- (a) The Prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the Prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the Prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl.	Issue Month/Year (July to June)	Issue FY	Issue Price	Dividend Payment History
1	Orion Pharma Limited	2012-13	60.00	2017- 15%C 2016-15%C 2014- 15%C, 2013- 15%C, 2012- 20%C, 20% B.
	Bengal Windsor Thermoplastics Limited		40.00	2017- 10%B 2016-10%C 2015- 10%B, 2014- 23%C, 2013- 14%C, 8%B,
2	Apollo Ispat Complex Limited	2013-14	22.00	2017- 10%B 2016-5%C, 10%B 2015- 3%C, 12%B, 2014- 15%B
	Shurwid Industries Limited		10.00	2017- No Dividend 2014- 15%B
	SaifPowertec Limited		30.00	2017- 5%C,28%B 2016-5%C, 27%B, 2015- 29%B, 2014- 27%B
	Western Marin Shipyard Limited		35.00	2014- 5%C, 10%B
3	National Feed Mills Limited	2014-15	10.00	2017- 10%B 2016-15%B 2014- 10%B
	Hamid Fabrics Limited		35.00	2017- 15%C 2015- 15%C, 5%B, 2014- 10%C, 10%B
4	The ACME Laboratories Limited	2015-16	77.00	2017- 35%C 2016-35%C 2015-35%C 2014-35%C
	Doreen Power Generations and Systems Limited		29.00	2017- 10%C,10%B 2016- 10%C, 20%B
5	BBS Cables Limited	2016-17	10.00	2017- 5%C,15%B

For Manager to the Issue

Sd/-

**(Md. Sohel Rahman)**Chief Executive Officer (Additional Charge)  
ICB Capital Management LimitedDhaka,  
Date: 19 November,2017

**Due diligence certificate by the underwriter(s)**  
[See rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

**Sub: Public offer of 20,833,333 Ordinary Shares of Tk. 800,000,000.00 only of Aman Cotton Fibrous Limited.**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 131.86 (One hundred thirty one point eight six) crore and we have the capacity to underwrite a total amount of Tk. 1000.80 (Taka one thousand point eight zero) crore as per relevant legal requirements. We have committed to underwrite for up to Tk. 2.00 (two point zero zero) crore for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
1	STS Holdings Limited	60,900,000.00
2	Dhaka Regency Hotel & Resort Limited	52,500,000.00
3	AB Bank Limited	1,000,000,000.00
4	Bengal Poly and Paper Sack Limited	10,000,000.00
5	Delta Hospital Limited	16,000,000.00
6	ADN Telecom Limited	199,500,000.00
7	Desh General Insurance Company Ltd.	5,600,000.00
8	Esquire Knit Composite Ltd.	40,000,000.00
9	Energypac Power Generation Ltd.	42,500,000.00
10	Ratanpur Steel Re-Rolling Mills Ltd.	50,000,000.00
	<b>Total=</b>	<b>1,477,000,000.00</b>

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

**Sd/-**  
**(Md. Sohel Rahman)**  
Chief Executive Officer  
(Additional Charge)  
ICB Capital Management Ltd.

Date: 19 November, 2017

**Due diligence certificate by the underwriter(s)**

To

The Bangladesh Securities and Exchange Commission

Sub: Public offer of 20,833,333 ordinary shares of tk. 80 crore of Aman Cotton Fibrous Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,670,000,000.00 (Taka One Hundred Sixty Seven Crore only) and we have the capacity to underwrite a total amount of Tk. 8,350,000,000.00 (Taka Eight Hundred Thirty Five Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. **20,000,000.00**(TakaTwo Croreonly) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (in BDT)
1	VFS Thread Dyeing Limited	20,000,000.00
2	STS Holdings Limited	60,800,000.00
3	Dhaka Regency Hotel and Resort Limited	52,500,000.00
4	Bashundhara Paper Mills Limited	50,000,000.00
5	AB Bank Limited	800,000,000.00
6	Delta Hospital Limited	8,000,000.00
7	Runner Automobiles Limited	15,000,000.00
8	Esquire Knit Composite Limited	20,000,000.00
9	Shamsul Alamin Real Estate Limited	30,000,000.00
10	Desh General Insurance Company Limited	5,600,000.00
11	Energypac Power Generation Limited	410,000,000.00
12	Ratanpur Steel Re-Rolling Mills Ltd	100,000,000.00
13	Index Agro Limited	35,000,000.00
14	Ashuganj Power Station Company Limited	70,000,000.00
<b>Total</b>		<b>1,676,900,000.00</b>

- c) All information as are relevant to our underwriting decision have been received by us and the Prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

**(Hassan Zabed Chowdhury)**

Chief Executive Officer (Acting)

LankaBangla Investments Limited

Date: November 15, 2017

**Due diligence certificate by the underwriter(s)**

To  
The Bangladesh Securities and Exchange Commission

**Sub: Public offer of 20,833,333 Ordinary Shares of Tk. 800,000,000.00 of Aman Cotton Fibrous Limited.**

Dear Sir,

We, the under-noted Underwriter to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (3) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the Prospectus, other documents and materials as relevant to our underwriting decision; and
- (4) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 135000000 (Taka Thirteen Crore Fifty Lac) only and we have the capacity to underwrite a total amount of Tk. 6,75,000,000/- (Taka Sixty Seven Crore Fifty Lac) only as per relevant legal requirements. We have committed to underwrite for up to Tk. **20,000,000** (Taka Two crore ) only for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (In Taka)
1	Summit Shipping Limited	52,500,000.00
2	Alliance Holdings Limited	16,940,000.00
3	Mohammed Elias Brothers Poy Manufacturing Co. Limited	10,000,000.00
4	STS Holdings Limited	75,000,000.00
5	Esquire Knit & Compozit	10,000,000.00
6	Express insurance Limited	1,500,000.00
7	Ratanpur steel Re-Rolling Mills Limited	100,000,000.00
	<b>Total</b>	<b>265,940,000.00</b>

(c) All information as are relevant to our underwriting decision have been received by us and the Prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-  
(**Mohammad Sarwar Hossain**)  
Managing Director(Acting)  
Roots Investment Limited

Date: 19.11.2017

## Due diligence certificate by the underwriter(s)

To  
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 20,833,333 Ordinary Shares of Tk. 800,000,000.00 of Aman Cotton Fibrous Limited

Dear Sir,

We, the under-noted Underwriter to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (5) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the Prospectus, other documents and materials as relevant to our underwriting decision; and
- (6) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (c) We are registered with The Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid –up capital stands at Tk. 10.00 (ten) crore only and we have the capacity to underwrite a total amount of Tk. 50.00 (fifty) crore only as per relevant legal requirements. We have committed to underwrite for up to Tk. 20.00 (twenty) crore for the upcoming issue.
- (d) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (In Taka)
1	Nil	Nil
	<b>Total</b>	Nil

- (c) All information as are relevant to our underwriting decision have been received by us and the Prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-  
(M. M. Mostafa Bilal)  
Chief Executive Officer  
Bengal Investments Limited

Date: 19 November, 2017

**Due diligence certificate by the underwriter(s)**

To  
The Bangladesh Securities and Exchange Commission

**Sub: Public offer of 20,833,333 Ordinary Shares of Tk. 800,000,000.00 of Aman Cotton Fibrous Limited**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the Prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 3,000,000,000 (taka three hundred crore) and we have the capacity to underwrite a total amount of Tk. 15,000,000,000 (taka fifteen hundred crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 20,000,000/- (taka two crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

Sl.	Name of issue	Amount underwritten (in BDT)
1	Ananda Shipyards & Slipways Limited	18,180,000
2	Alliance Holdings Limited	41,250,000
3	GQ Ball Pen Industries Limited	40,200,000
4	Genuity Systems Limited	50,000,000
5	Infinity Technology International Limited	52,500,000
	<b>Total</b>	<b>202,130,000</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the Prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-  
**Md. Tabarak Hossain Bhuiyan**  
Managing Director & CEO  
Prime Bank Investment Limited

Date: November 19, 2017

**CHAPTER-IV: ABOUT THE ISSUER:**

- (a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address

## Corporate and Plant

Name of the Issuer	:	Aman Cotton Fibrous Limited
Date of Incorporation as a Private Limited Company	:	28 December 2005
Date of Commencement of Commercial Operation	:	November 01, 2007
Conversion from Private Company to Public Limited	:	April 22, 2012
The Logo of the Issuer	:	
Addresses of Registered Office	:	Boiragirchala, Sreepur, Gazipur, Bangladesh
Plants	:	Boiragirchala, Sreepur, Gazipur, Bangladesh.
Corporate Office	:	2 Ishakha Avenue, Sector-6, Uttara, Dhaka-1230
Telephone and Fax number	:	PH-880-2-7911691-3,880-2-7911016,880-2-8962297, FAX-880-2-58950510
Contact Person	:	NoornaviBhuyian FCA, CFO
Website and E-mail Address	:	<a href="http://www.amancotton.com">http://www.amancotton.com</a> cs@amangroupbd.com

- (b) The names of the sponsors and directors of the issuer;

## Sponsors of the company

Sl. No.	Name
1	Md. Shofiquil Islam
2	Md. Rafiquil Islam
3	Md. Toufiquil Islam

## Directors of the Company

Sl. No	Name	Status
01	Md. Shofiquil Islam	Chairman
02	Md. Rafiquil Islam	Managing Director
03	Md. Toufiquil Islam	Director
04	Md. Toriquil Islam	Director
05	Md. Rabiul Haque	Nominated Director
06	A.K.M Akhtaruzzaman	Independent Director
07	Md. Mizanur Rahman	Independent Director




(c) The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses



**Auditor:**

Particulars	Description
Name	: MahfelHuq & Co.
Logo	: 
Address	: BGIC Tower(4 <sup>th</sup> Floor) 34, Topkhana Road, Dhaka-1000
Telephone Number	: +88 02 9581786
Fax Number	: FAX: +88 02 9571005
Contact Person	: Md. Abu Kaiser FCA Partner
Website Address	: <a href="http://www.mahfelhuq.com">www.mahfelhuq.com</a>
E-mail Address	: <a href="mailto:mahfelcofca@yahoo.com">mahfelcofca@yahoo.com</a>

**Registrar to the Issue:**

Particulars	Description
Name	: Prime Bank Investment Ltd.
Logo	: 
Address	: Peoples Insurance Bhaban (11 <sup>th</sup> Floor) 36 Dilkusha C/A Dhaka – 1000
Telephone Number	: : +88 02 9555674, +88 02 9557688
Fax Number	: Fax : +88 02 9559257
Contact Person	: Md. Tabarak Hossain Bhuiyan Managing Director & CEO
Website Address	: <a href="http://www.primebank.com.bd">www.primebank.com.bd</a> , <a href="http://www.pbil.com.bd">www.pbil.com.bd</a>
E-mail Address	: <a href="mailto:pbil.bd@gmail.com">pbil.bd@gmail.com</a>

(d) The name(s) of the stock exchanges where the specified securities are proposed to be listed

SL #	Name of the Exchange	Logo	Address
1	Dhaka Stock Exchange Limited (DSE)		9/F, Motijheel C/A, Dhaka-1000.
2	Chittagong Stock Exchange Limited (CSE)		CSE Building, 1080 Sheikh Mujib Road, Chittagong.

**CHAPTER V: CORPORATE DIRECTORY OF THE ISSUER:**

Date of Incorporation as a Private Limited Company	:	28 December 2005
Commercial Operation	:	01 November 2007
Change of Denomination from Tk. 100 to Tk. 10 per share	:	27 December 2011
Date of Conversion into a Public Limited Company	:	22 April 2012
Authorized Capital	:	Tk. 2,000,000,000.00
Issued, Subscribed & Paid-up Capital	:	Tk. 800,000,000.00
Addresses of the Registered Office	:	Boiragirchala, Sreepur, Gazipur, Bangladesh
Corporate Office	:	2 Ishakha Avenue, Sector-6, Uttara, Dhaka-1230
Factory	:	Boiragirchala, Sreepur, Gazipur, Bangladesh
Board of Directors	:	7 Directors (including Two Independent Directors)
Auditor	:	MahfelHuq & Co. BGIC Tower (4 <sup>th</sup> Floor) 34, Topkhana Road, Dhaka-1000
Valuer	:	S.H. Khan & Co. Chartered Accountants RazBhaban (1st Floor), 29, Dilkusha C/A, Dhaka-1000 mail:shk_shkhan@hotmail.com
Legal Advisor	:	Dr. Kamal Hossain & Associate Chamber Building (2 <sup>nd</sup> Floor) 122-124 Motijheel C/A Dhaka 1000 Bangladesh.
Tax Consultant	:	A. Hossain & Company Chartered Accountants Paramount Height 65/2/1 Box Culvert Road Purana Paltan, Dhaka-1000
Managers to the Issue	:	ICB Capital Management Ltd. Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor) 89, Kakrail, Dhaka-1000
Registrar to the Issue	:	Prime Bank Investment Ltd. Peoples Insurance Bhaban (11th Floor) 36 Dilkusha C/A Dhaka – 1000
Telephone and Fax number	:	PH-880-2-7911691-3, 880-2-7911016, 880-2-8962297 FAX-880-2-58950510
Website and E-mail Address	:	<a href="http://www.amancotton.com">http://www.amancotton.com</a> cs@amangroupbd.com
Compliance Officer	:	Krishna Kr. Sharma ACS Company Secretary
Banker for IPO	:	The City Bank Ltd.

All investors are hereby informed by the Company that the Company Secretary would be designated as Compliance Officer who will monitor the compliance of the Acts, Rules, Regulations, Notifications, Guidelines, Conditions, Orders/Directions issued by the Commission and/or Stock Exchange(s) applicable to the conduct of the business activities of the Company, so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

**CHAPTER VI: DESCRIPTION OF THE ISSUER:****(a) Summary of the Industry**

(i) Spinning is basically a sub-sector of Bangladesh's textile and clothing industry. It is also termed as Primary Textile Sector (PTS). PTS is the backbone of the clothing industry because it provides the backward linkage for both the knit and woven sectors. The primary job of spinning mills is to produce yarn from raw cotton. As per Bangladesh Textile Mills Association web site (BTMA), there are 424 yarn manufacturers. Out of 424, there are 341 yarn manufacturers which are currently in operation. Annual yarn spinning capacity of this industry is 2410 million kg. Main raw material of this sector is raw cotton which is mostly imported from USA, Australia, India, Pakistan, China, Central America, East & West Africa etc. During last fiscal year (2015-16), 1,375,257 Ton raw cotton was imported.

PTS contributes to economy in different ways as follows:

- Value addition in knit & woven RMG are over 70% & 35% respectively.
- Around 90% yarn demand for knit RMG & 35-40% yarn demand for woven RMG are met by Primary Textile Sector
- Local fabric demand & the yarn demand for handloom are also met by Primary Textile Sector
- PTS industries producing around 1200 MW power through Captive Generator.
- Generate huge cliental base for Banking, Insurance, Shipping, Transport, Hotel, Cosmetics, and Toiletries & related economic activities

The Government of Bangladesh also promote this Primary Textile Sector by extending various facilities such as Bonded Warehouse, Cash Assistance in lieu of Bonded Warehouse, Import of Capital Machinery, some Spare Parts, raw materials and at a concessionary rate of duty and preferential tax rate.

**Business environment of the Issuer**

In today's world environmental sustainability is a core component of sustainable success. Environmental sustainability is about finding innovative ways to minimize the impact of industrial operations on the environment through state-of-the-art technologies. Sustainability means to take responsibility; Responsibility towards protecting the environment in which we live and operate. So, all products should be made in a caring and responsible way that preserves the environment for future generations. While improving working conditions and protecting the environment are certainly admirable goals, we have also proven to be good business strategies. Therefore, international community is getting increasingly interested in sustainable business and eco-friendly production. There is also a growing pressure on industries for environmental compliance, and at the same time international buyers are giving preference to green producers. Moreover, it is now apparent that companies that fail to integrate sustainability into their core strategies will fail to maintain their competitiveness over time.

Taking all these factors into consideration, Aman Cotton Fibrous Limited (ACFL) runs several programs to promote environment friendly green concepts among entrepreneurs and motivate them to adopt energy-efficient technologies and resource-efficient production technologies. In order to institutionalize the process, the Company has set up an Environment friendly WTP.

Besides, there are a good number of green Textile Industries in Bangladesh. Moreover, beyond the regulations and compliance of the government and buyers, many textiles have commendable environment-friendly practices like use of energy- and resource-efficient technology and machinery, ACFL is one of good Environmental Friendly Industry. Environmental sustainability is not a mere buzzword, rather it is an integral part of any business that wants to sustain in today's world and also in the days coming. This is also true for our Textile industry, which is gradually going green and ACFL has been making efforts to facilitate the process.

**(ii) Summary of consolidated financial, operating and other information**

ACFL has no subsidiary or associate companies. Hence, summary of consolidated financial, operating and other information is not applicable.

**(b) General Information**

- (j) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the Issuer are as follows:

Registered Office	:	Boiragirchala, Sreepur, Gazipur, Bangladesh Phone: +88 0682-552740-41 Fax: +88 0682-552742
Corporate Head Office	:	2 Ishakha Avenue, Sector-6, Uttara, Dhaka-1230 PH-880-2-7911691-3,880-2-7911016,880-2-8962297, FAX-880-2-58950510
Factory	:	Boiragirchala, Sreepur, Gazipur, Bangladesh Phone: +88 0682-552740-41 Fax: +88 0682-552742
Other offices/business premises and outlets	:	We have no other offices/business premises and outlets.

(ii) **The Board of Directors of the Issuer**

Sl. No	Name	Status
01	Md. Shofiqul Islam	Chairman
02	Md. Rafiqul Islam	Managing Director
03	Md. Toufiqul Islam	Director
04	Md. Toriqul Islam	Director
05	Md. Rabiul Haque	Nominated Director of Aman Seeds Storage Ltd.
06	A.K.M Akhtaruzzaman	Independent Director
07	Md. Mizanur Rahman	Independent Director

Note: Mr. Md. Rabiul Haque has been nominated by Aman Seeds Storage Limited as a Director of Aman Cotton Fibrous Limited.

(iii) **Names, addresses, telephone numbers, fax numbers and e-mail addresses of the Chairman, Managing Director, whole time Directors, etc. of the Issuer**

Sl.	Name	Position	Address	Telephone number, Fax number and e-mail address
1	Md. Shofiqul Islam	Chairman	2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	Tel:+88 02 7911691-3 FAX: +88 02 8920510 E-mail: <a href="mailto:shofiqul@amangrouppbd.com">shofiqul@amangrouppbd.com</a>
2	Md. Rafiqul Islam	Managing Director	2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	Tel:+88 02 7911691-3 FAX: +88 02 8920510 E-mail: <a href="mailto:rafique@amangrouppbd.com">rafique@amangrouppbd.com</a>
3	Md. Toufiqul Islam	Director	2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	Tel:+88 02 7911691-3 FAX: +88 02 8920510 E-mail: <a href="mailto:biplob@amangrouppbd.com">biplob@amangrouppbd.com</a>
4	Md. Toriqul Islam	Director	2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	Tel:+88 02 7911691-3 FAX: +88 02 8920510 E-mail: <a href="mailto:romeo@amangrouppbd.com">romeo@amangrouppbd.com</a>
5	Md. Rabiul Haque	Nominated Director	2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	Tel:+88 02 7911691-3 FAX: +88 02 8920510 E-mail: <a href="mailto:rabiul@amangrouppbd.com">rabiul@amangrouppbd.com</a>
6	A.K.M Akhtaruzzaman	Independent Director	House No. 40b. Aat No SE, Road 11, Jigatola, Dhanmondi, Dhaka, Bangladesh	Tel:+88 02 7911691-3 FAX: +88 02 8920510 E-mail: <a href="mailto:zamanbabu2012@gmail.com">zamanbabu2012@gmail.com</a>

7	Md. Mizanur Rahman	Independent Director	Vill: Seroil Motpukur More, Post: Ghuramara, P.S: Boalia, Rajshahi	Tel:+88 02 7911691-3 FAX: +88 02 8920510 E-mail: mizan_96@yahoo.com
---	--------------------	----------------------	--	---

(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, Company Secretary, Legal Advisor, Auditors and Compliance Officer

Name	Position	Address	Telephone, Fax number and e-mail
Noornavi Bhuiyan, FCA	Chief Financial Officer	2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	PABX:+88 02 7911691-3 FAX: +88 02 8920510 E-mail:nnbhuiyan@amangroubpd.com
Krishna Kr. Sharma,ACS	Company Secretary	2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	PABX:+88 02 7911691-3 FAX: +88 02 8920510 E-mail:sharma@amangroubpd.com
Md.Ramzan Ali Sikder Partner Dr. Kamal Hossain and Associates	Lawyer (Legal Advisor)	Metropolitan Chamber Building 2nd Floor 122-124 Motijheel CA Dhaka 1000, Bangladesh	Tel: +880-2-955 2946; 956 4954 Fax: + 880-2-956 4953 Mob: 01711593895 Email: rasikder@khossain.com Web: <a href="http://www.khossain.com">www.khossain.com</a>
MahfelHuq & Co. Chartered Accountants BGIC Tower(4 <sup>th</sup> Floor) 34,Topkhana Road,Dhaka- 1000	Auditor	BGIC Tower(4 <sup>th</sup> Floor) 34,Topkhana Road, Dhaka-1000	Ph: +880-2-9553143 FAX: +88 02 9571005 E-mail:mahfelcofca@yahoo.com Web: <a href="http://www.mahfelhuq.com">www.mahfelhuq.com</a>
Krishna Kr. Sharma,ACS	Compliance Officer	2 Ishakha Avenue, Sector-06, Uttara, Dhaka-1230, Bangladesh	PABX:+88 02 7911691-3 FAX: +88 02 8920510 E-mail:sharma@amangroubpd.com

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.

Name	Address	Contact person	Telephone, Fax number, E-mail and Web.
<b>Manager to the Issue</b>			
ICB Capital Management Ltd.	Green City Edge (5 <sup>th</sup> & 6 <sup>th</sup> Floor) 89 Kakrail Dhaka-1000.	Md. Sohel Rahman Chief Executive Officer (Additional Charge)	Tel: +880-2-8300421, +880-2-8300395, +880-2-8300555, +880-2-8300367 FAX: +88 02 8300396 E-mail: <a href="mailto:info@icml.com.bd">info@icml.com.bd</a> Web: <a href="http://www.icml.com.bd">www.icml.com.bd</a>
<b>Registrar to the Issue</b>			
Prime Bank Investment Ltd.	Peoples Insurance Bhaban (11 <sup>th</sup> Floor) 36 Dilkusha C/A Dhaka – 1000	Md. Tabarak Hossain Bhuiyan Managing Director & CEO	Te: +88 02 9555674, +88 02 9557688 FAX: +88 02 9559257 E-mail: <a href="mailto:pbil.bd@gmail.com">pbil.bd@gmail.com</a> Web: <a href="http://www.pbil.com.bd">www.pbil.com.bd</a>

**(vi) Details of Credit Rating****(a) The names of all the credit rating agencies from which credit rating has been obtained;**

So far ACFL has obtained 8 credit ratings. Details of those ratings are given below:

Name of the Credit Rating Agencies	Rating Date
Credit Rating Agency of Bangladesh Limited (CRAB)	30 June 2011
	21 June 2012
	23 January 2013
	12 December 2013
	30 December 2014
	30 December 2015
	24 November 2016
	19 January 2017
	31 December 2017

**(b) The details of all the credit ratings obtained for the issue and the issuer;**

Year	Entity Rating		Rating Date	Outlook
	Long Term	Short Term		
2011	A2 (Lr)	ST-3	30 June 2011	-
2012	A2 (Lr)	ST-3	21 June 2012	Stable
2013	A2 (Lr)	ST-3	23 January 2013	Stable
2013	A2 (Lr)	ST-3	12 December 2013	Stable
2014	A2 (Lr)	ST-3	30 December 2014	Stable
2015	A2 (Lr)	ST-3	30 December 2015	Stable
2016	A2 (Lr)	ST-2	24 November 2016	Stable
2017	A2 (Lr)	ST-2	19 January 2017	Stable
2017	A2 (Lr)	ST-2	30 December 2018	Stable

**(c) The rationale or description of the rating(s) so obtained, as furnished by the credit rating agency(s);**

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed the long-term rating of Aman Cotton Fibrous Ltd (hereinafter referred to as ACFL or the Company) at **A<sub>2</sub>** (pronounced **Single 'A' Two**) and **A<sub>2</sub> (Lr)** rating of BDT 94.5 million aggregate Long Term Outstanding and BDT 20.0 million CC (Hypo) in the Long Term. CRAB has also retained **ST-2** rating of BDT 2,370.0 million aggregate fund and non fund based limits in the Short Term availed by the Company.

**Credit Strengths**

1. Positive Sales growth, stable financial position observed;
2. Established market position, stable customer profile, good product quality, tag with captive consumption of yarn reflect continuous capacity utilization of average 96.0% in last six years.
3. Continuing financial and operational flexibility of the Company arising from Aman group; experience of promoter in various industries;

4. Continuing business with diversified product range (across count ranges) is likely to insulate from decline in demand from any specific segment to an extent; moderate value addition facilities expected to provide relatively higher realization/margin.

#### **Credit Concerns**

1. Decreasing trend of yarn price, managing positive sales growth through increasing quantity;
2. Continuing high working capital intensity having very high CCC given the seasonal nature of cotton availability;
3. Although leverage position of the Company slightly improved in this surveillance period, borrowed fund of the Company is still above 2 times of its EBITDA;
4. Continuing earning vulnerability of the textile industry to exchange rates and cotton price fluctuations; fragmented industry structure with intense competition from both local and foreign company.

The assigned ratings of Aman Cotton Fibrous Ltd in this surveillance period positively factors in Company's positive sales growth after FY12 and stable financial position, having net profit margin stable to 16% in last two years, maintaining positive operating cash flow, strong equity base of BDT 3,129.3 million with improving debt to equity ratio, and satisfactory level of coverage position. Continuing financial and operational flexibility enjoyed by ACFL by virtue of being a part of the Aman Group which helped the Company survive from the volatility of world cotton and local yarn market continued in last few years; significant experience of the promoters in the textile, and other businesses; and benefits of having balanced presence across count ranges, captive yarn consumption, and maintaining capacity utilization on average of 96.0% in last six years; and good relation with the financing banks are also considered when the ratings of the Company derives.

The assigned ratings of the Company in this surveillance period are however constrained by decreasing trend of average selling price or yarn since FY12 and managing sales growth through increasing quantity. The outlook of the industry directly correlated with export orders received by the end users. The recessionary global outlook even though will be persistent, costly labor and production cost of competitive countries will move forward of the textile industry. Company's long presence in textile industry and management strength has led to reduced volatility in earnings in the past. Considering borrowed fund to EBITDA, Company's borrowed fund was still above 2 times than its EBITDA. Cash Conversion Cycle of the Company was above 400 days in last few years due to high inventory processing period and receivable collection period. The Company should address those issues going forward.

#### **(d) Observations and risk factors stated in the Credit Rating Report:**

The business model and competitive position of the Company in last few years is unchanged. After starting of its commercial operation in November 2007, the Company has already established presence in the cotton yarn market of the Country on the back of long-standing relationships with clientele through its diversified product range and product quality in last one decade. There were few changes in top 10 buyers of the Company in FY17 (3 changes), but they still contributed around 60% of total sales of the Company in the same period (around 65% in FY16). With below moderate customer concentration, 16.3% of its sales are made by the sister concern, which ensures revenues and stable production capacity utilization even during the slowdown, mitigates the risk to some extent.

ACFL has a wide product range diversified across cotton yarn, with the ability to manufacture count range from 20 s to fine 40 s. The Company fully concentrates on the medium counts (24 s-30 s), with major part of revenue coming from those counts that are largely marketed to the deemed export market. The Company imported cotton mostly from Uzbekistan, USA, etc cotton export countries. This, coupled with effective cotton mixing (Card, combed) ensures higher quality of yarn, helping the Company attract premium pricing in the market. The present count range provides stability to volumes, especially with the recent volatility in the demand for yarn.

## (vi) Following details of underwriting:

(a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them

Sl. #	Name and Address of the underwriters	Contact person	Telephone numbers, Fax numbers and E-mail	Amount in Tk.
1	ICB Capital Management Ltd. Green City Edge (5th & 6th Floor), 89 Kakrail, Dhaka-1000.	Md. Sohel Rahman Chief Executive Officer (Additional Charge)	Tel: +880-2-8300421, 8300395, 8300555, 8300367 FAX: +88 02 8300396 E-mail: ceocmcl@accesstel.net;	20,000,000
2	Roots Investment Limited Diganto Tower, 1st Floor, 12/1, R.K. Mission Road, Motijheel, Dhaka, 1203	Mohammad Sarwar Hossain Managing Director(Acting)	Tel: +880-2-01712990348, +880-2- 01833148258 FAX: +880-2-7116908 E-mail: info@rootsinvestment.com	20,000,000
3	Prime Bank Investment Limited Peoples Insurance Bhaban (11 <sup>th</sup> Floor) 36, Dilkusha C/A, Dhaka-1000	Md. Tabarak Hossain Bhuiyan Managing Director & CEO	+88 02 9555674, +88 02 9557688 Fax : +88 02 9559257 Email: <a href="mailto:pbil.bd@gmail.com">pbil.bd@gmail.com</a>	20,000,000
4	Bengal Investments Limited Bilquis Tower (8th Floor) Plot# 6 Road 46 Gulshan Circle 2, Dhaka-1212	(M.M. Mostafa Bilal) CEO & Managing Director	Tel: +88-02-8825508 Fax: +88-02-8825518 E-mail: <a href="mailto:info@bengal-investments.com">info@bengal-investments.com</a>	200,000,000
5	LankaBangla Investments Limited Eunoos Trade Center (Level - 21) 52-53, Dilkusha C/A, Dhaka -1000.	KhandakarKayesHasan, CFA Chief Executive Officer	+88-02-7122595, 9561238 Fax : +88-02-7113585 Email: <a href="mailto:kayes@lankabangla-investments.com">kayes@lankabangla-investments.com</a>	20,000,000
Total				280,000,000

## (b) Declaration by the Underwriters

We are one of the underwriters of the Initial Public Offering (IPO) of Aman Cotton Fibrous Limited. We will underwrite totaling to BDT 20,000,000 (taka two crore) on a firm commitment basis. In this connection, we hereby declare that:

We the underwriter(s) have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For Underwriter(s)

Sd/-

(Managing Director/ Chief Executive Officer)

ICB Capital Management Ltd.

Roots Investment Limited

Prime Bank Investment Limited

LankaBangla Investments Limited

## Declaration by the Underwriters

We are one of the underwriters of the Initial Public Offering (IPO) of Aman Cotton Fibrous Limited. We will underwrite totaling to BDT 200,000,000 (taka twenty crore) on a firm commitment basis. In this connection, we hereby declare that:

We the underwriter(s) have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For Underwriter(s)

Sd/-

(CEO & Managing Director)

Bengal Investments Limited



**(c) Major Terms and Conditions of the Underwriting Agreements**

1. In case of under-subscription in any category by up to 35% in an Initial Public Offer, the undersubscribed portion of securities shall be taken up by the underwriter.
2. In case of failure to deposit the remaining amount by the eligible investors, the unsubscribed securities shall be taken up by the underwriter.
3. The underwriting agreement and the underwritten amount and allocation of underwriting portion shall be revised after completion of the bidding period, where the cut-off price will be determined at nearest integer of the lowest bid price at which the total securities offered to eligible investors would be exhausted. The public offering price will be determined at 10% discount (at nearest integer) from the cut-off price.
4. The issuer, in the event of under subscription, shall send notice to the underwriter(s) within ten days of closure of subscription calling upon them to subscribe the securities and pay for this in cash in full within fifteen days of the date of said notice and the said amount shall be credited into securities subscription account within the said period. If payment is made by Cheque/ Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this agreement, until such time as the Cheque/ Bank Draft has been encased and the Company's account credited. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit of money by the underwriter to the Commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this Agreement.

In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

5. The Company shall pay to the underwriter an underwriting commission at the rate of 0.20% of the amount underwritten hereby agreed to be underwritten by it.

## (c) Capital Structure

(i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

Particulars	No. of Ordinary Shares	Allotment Dates**	Nominal Price/Face Value*	Issue Price	Amount in Tk.
Authorized Capital	200,000,000	Allotment Dates are given below	10.00	10.00	2,000,000,000
Issued, Subscribed and Paid up capital	80,000,000		10.00	10.00	800,000,000
Total Paid-up Capital before IPO	80,000,000				800,000,000
After IPO					
To be issued as IPO	20,833,333		10.00	Cut-off price Tk.40&General offer price Tk.36	208,333,330
Paid-up Capital after IPO	100,833,333		10.00		1,008,333,330

\*\*The Company has raised its paid-up capital in following phases:

Particulars of allotment	Date of allotment	Mode of Consideration			Nominal Price	Issue Price	Amount in Tk.
		In Cash	Other than Cash	Bonus Share			
First (at the time of incorporation)	28.12.2005	*10,000	-	-	100/-	100/-	1,000,000
Second	30.03.2012	-	-	9,900,000	10/-	10/-	99,000,000
Third	09.10.2012	-	-	70,000,000	10/-	10/-	700,000,000
<b>Total</b>	<b>80,000,000 Ordinary Shares @Tk. 10.00 each</b>						<b>800,000,000</b>

\*The company changed in the denomination of face value of share from Tk. 100 to Tk. 10 on 27 December 2011.

(ii) Size of the present Issue, with break-up (number of securities, description, nominal value and issue amount);

Particulars	Number of Securities	Description	Nominal Value/Face Value	Issue Amount in Tk.
For Els	12,500,000	Offer price Tk. 40.00 each, including a premium of Tk. 30.00 per share	10.00	500,000,000
For general public	8,333,333	Offer price Tk. 36.00 each, including a premium of Tk. 26.00 per share	10.00	300,000,000
<b>Total(App)</b>				<b>800,000,000</b>

(iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);

Particulars	Amount in Tk.
Paid up capital before the present issue (as on June 30, 2016)	800,000,000
Paid up capital after the present issue	1,008,333,330
Paid up capital after conversion of convertible instruments (if any)	The Company has no convertible instrument
Share premium account before the present issue (as on June 30, 2016)	N/A
Share premium account after the present issue	591,666,658

## (iv) Category - wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);

The paid-up capital of the Company is Tk. 800,000,000.00. The Company intends to Public Offering of 20,833,333 ordinary shares, of these ordinary shares 60% i.e. 12,500,000 ordinary shares are reserved for Eligible Investor (EI) which includes 50% i.e. 10,416,667 ordinary shares for EI excluding Mutual Funds and CIS and 10% i.e. 2,083,333 ordinary shares for Mutual Funds and CIS at a cut off price of Tk. 40.00 and remaining 40% i.e. 8,333,333 ordinary shares at a discounted price of Tk. 36.00 per share for General Public including NRB total approximately Tk. 800,000,000. The Company has no convertible instrument.

Directors & Sponsor shareholding structure with percentage before and after the present issue is as follows:

Sl. No.	Name	Category	No. of Ordinary Shares Hold		Percentage of Holding	
			Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Md. Shofiqul Islam	Directors & Sponsor	15,600,000	15,600,000	19.50	15.47
2	Md. Rafiqul Islam	Directors & Sponsor	15,600,000	15,600,000	19.50	15.47
3	Md. Toufiqul Islam	Directors & Sponsor	15,600,000	15,600,000	19.50	15.47
4	Md. Toriqul Islam	Director	22,800,000	22,800,000	28.50	22.62
5	Md. Rabiul Haque (Nominee Director of Aman Seeds Storage Ltd)	Director	3,200,000	3,200,000	4.00	3.17
<b>Total</b>			<b>72,800,000</b>	<b>72,800,000</b>	<b>91.00</b>	<b>72.20</b>

## Other than Directors &amp; Sponsor Shareholdings:

Sl. No.	Name	Category	No. of Ordinary Shares Hold		Percentage of Holding	
			Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Ms. Mukta Islam	Shareholder	3,600,000	3,600,000	4.50	3.57
2	Ms. Sajeda Islam	Shareholder	3,600,000	3,600,000	4.50	3.57
<b>Total</b>			<b>7,200,000</b>	<b>7,200,000</b>	<b>9.00</b>	<b>7.14</b>

(v) Where Shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price and whether any benefits have been accrued to the issuer out of the issue;

Date of issue		Other than Cash			Relationship with the issuer	Reasons for issue	Iss ue Price	whether any benefits have been accrued to the issuer out of the issue
	persons to whom those are issued	No. of share	Considerati on & Valuation	Total				
30.03.2012	Md. Shofiquil Islam	1,930,500	Bonus shares issued at Face Value per Tk. 10	9,900,000	Chairman	To distribute accumulated profit	10/-	No benefit have been accrued to the issuer out of the issue
	Md. Rafiquil Islam	1,930,500			Managing Director			
	Md. Toufiqul Islam	1,930,500			Director			
	Md. Toriquil Islam	2,821,500			Director			
	Ms. Mukta Islam	445,500			Shareholder			
	Ms. Sajeda Islam	445,500			Shareholder			
	Aman Seed Storage Ltd.	396,000			Director			
09.10.2012	Md. Shofiquil Islam	13,650,000	Bonus shares issued at Face Value per Tk. 10	70,000,000	Chairman	To distribute accumulated profit	10/-	
	Md. Rafiquil Islam	13,650,000			Managing Director			
	Md. Toufiqul Islam	13,650,000			Director			
	Md Toriquil Islam	19,950,000			Director			
	Ms. Mukta Islam	3,150,000			Shareholder			
	Ms. Sajeda Islam	3,150,000			Shareholder			
	Aman Seeds Storage Ltd.	2,800,000			Director			
Total				79,900,000				

(vi) Where Shares have been allotted in terms of merger, amalgamation or acquisition details of the scheme and shares allotted;

The Company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

(vii) Where the issuer has issued equity shares under one or more employee stock option schemes, including the price at which such equity shares were issued;

The Company did not issue any equity shares under one or more stock option schemes to its employees.

(viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof

The issuer has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

(ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue

The Company has no such decision or plan, contract, negotiation and consideration to alter its capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them

Name & Position	Nature of Issue	Date of Allotment, Transfer and date when the shares were made fully paid up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period	Number & % of pledge of shares
Md. Shofiqul Islam Chairman (Sponsor)	Ordinary	28.12.2005	25,000	10.00	Cash	19.50%	15.47	3 Yrs	No share is pledged by the company
		30.03.2012	1,930,500		Bonus				
		09.10.2012	13,650,000		Bonus				
		15.03.2006 (Transferred to Mukta Islam)	15,605,500 5500		Cash				
		<b>Total</b>	<b>15,600,000</b>						
Md. Rafiqul Islam Managing Director (Sponsor)	Ordinary	28.12.2005	50,000	10.00	Cash	19.50%	15.47	3 Yrs	No share is pledged by the company
		30.03.2012	1,930,500		Bonus				
		09.10.2012	13,650,000		Bonus				
		15.03.2006 (Transferred to Md Toriqul Islam)	15,630,500 30,500		Cash				
		<b>Total</b>	<b>15,600,000</b>						
Md. Toufiqul Islam Director (Sponsor)	Ordinary	28.12.2005	25,000	10.00	Cash	19.50%	15.47	3 Yrs	No share is pledged by the company
		30.03.2012	1,930,500		Bonus				
		09.10.2012	13,650,000		Bonus				
		15.03.2006 (Transferred to Sajeda Islam)	15,605,500 5,500		Cash				
		<b>Total</b>	<b>15,600,000</b>						
Name: Md Toriqul Islam Position: Director	Ordinary	15.03.2006 (Transferred from Rafiqul Islam)	30,500	10.00	Cash	28.50%	22.62	3 Yrs	No share is pledged by the company
		30.03.2012	2,821,500		Bonus				
		09.10.2012	19,950,000		Bonus				
		01.02.2012 (Transferred to Aman Seeds Storage Ltd.)	22,802,000 2,000		Cash				
		<b>Total</b>	<b>22,800,000</b>						
Name: Ms.	Ordinary	15.03.2006	5,500	10.00	Cash	4.50%	3.57	3 Yrs	No share

Mukta Islam		(Transferred from Md. Shofiqul Islam) 30.03.2012 09.10.2012	445,500 3,150,000		Bonus Bonus  Cash				is pledged by the company
		01.02.2012 (Transferred to Aman Seeds Storage Ltd.)	3,601,000 1,000						
		Total	3,600,000						
Name: Ms. Sajeda Islam Position: Shareholder	Ordinary	15.03.2006 (Transferred from Md. Toufiqul Islam) 30.03.2012 09.10.2012	5,500  445,500 3,150,000	10.00	Cash  Bonus Bonus  Cash	4.50%	3.57	3 Yrs	No share is pledged by the company
		01.02.2012 (Transferred to Aman Seeds Storage Ltd.)	3,601,000 1,000						
		Total	3,600,000						
Name: Md. Rabiul Haque Position: Nominee Director of Aman Seeds Storage Ltd.	Ordinary	01.02.2012 1) Transferred from Md Toriqul Islam	2,000	10.00	Cash  Cash  Cash  Bonus Bonus	4.00%	3.17	3 Yrs	No share is pledged by the company
		2) Transferred from Mukta Islam	1,000 1,000						
		3) Transferred from Sajeda Islam 30.03.2012 09.10.2012	396,000 2,800,000						
		Total	3,200,000						
		Grand Total	80,000,000						

(xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the Prospectus;

**Aggregate shareholding of the sponsors and directors:**

Sl.	Name of Sponsor & Director	Number of Shares Held	Percentage	
			Pre-IPO	Post-IPO
1	Md. Shofiqul Islam	15,600,000	19.50	15.47
2	Md. Rafiqul Islam	15,600,000	19.50	15.47
3	Md. Toufiqul Islam	15,600,000	19.50	15.47
4	Md Toriqul Islam	22,800,000	28.50	22.62
5	Ms. Mukta Islam	3,600,000	4.50	3.57
6	Ms. Sajeda Islam	3,600,000	4.50	3.57
7	Md. Rabiul Haque Nominee Director of Aman Seeds Storage Ltd.	3,200,000	4.00	3.17

**Transferred by the sponsor and/or by the directors of the issuer:**

No share is purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the Prospectus.

(xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

Sl. no	Name of the Shareholders	Address	Quantity of Securities Held	Pre-IPO percentage
1	Md. Shofiqul Islam	Seroil, Ghoramara, Rajshahi	15,600,000	19.50
2	Md. Rafiqul Islam	Seroil, Ghoramara, Rajshahi	15,600,000	19.50
3	Md. Toufiqul Islam	Seroil, Ghoramara, Rajshahi	15,600,000	19.50
4	Md. Toriqul Islam	Seroil, Ghoramara, Rajshahi	22,800,000	28.50

As far as the existing information is concerned, there is neither any event occurred nor any intent of exercising warrant, option or right to convert any convertible instrument.

(xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.

**Securities owned by the top ten salaried officers**

Sl.	Name of the Officers	Position	Number of Share Owned	Percentage of ownership
1	Md. Rafiqul Islam	Managing Director	15,600,000	19.50

Note 1: No other top ten salaried officers and all other officers or employees as a group does not hold any shares of the company.

Note 2: The Managing Director is a salaried executive and the shareholders in its meeting held on 14 December 2014 approved MD's salary and allowances.

**(d) Description of the Business**

**(i) The date on which the issuer company was incorporated and the date on which it commenced operation and nature of business which the company and its subsidiaries are engaged in or propose to engage in;**

The Company was incorporated on December 28, 2005 and commenced its commercial production on 1<sup>st</sup> November 2007. ACFL does not have any subsidiary.

**Nature of Business:**

Aman Cotton Fibrous Limited is engaged in manufacturing of high quality combed and carded yarn from raw cotton ranging from 20's to fine 40's which has huge demand in the market. Most of its clients are export oriented knit garment manufacturing companies. As a result, its sales are deemed as export. At present, the company has 30,960 spindles capable of manufacturing 6,780 MT of yarn per year.

**(ii) Location of the project**

The Registered office and factory of the company is located at Boiragirchala, Sreepur, Gazipur, Bangladesh.

**(iii) Plant, machinery, technology, process etc.****PLANT**

ACFL's factoryplant is an industrial complex having several buildings, where workers produces different type of carded and combed yarn ranging from 20's to fine 40's. Our factory has large warehouses and warehouse-like facilities that contain machinery and equipment used for production. The plant is located with access to multiple modes of transportation with adequate loading and unloading facilities.

The plant has been established in 2007 for the production of cotton yarn having 30,960 spindles capable of manufacturing 6,780 MT of yarn per year. Present capacity utilization is about 94% based on average yarn count of 30/s. Production capacity is based on a schedule of 300 working days per annum and 3 shifts of eight hours each per day. The working days are set by deducting Fridays and public holidays and assuming that annual maintenance works and unexpected work interruptions will take 25 days. The plant uses heat/electricity to transform streams of raw materials into finished products.

**MACHINERY**

Aman Cotton Fibrous Ltd. uses sophisticated machinery and equipment mostly imported from Germany, Switzerland, Italy, Japan and China to spin the finest quality cotton yarn conforming to global standards. The brand of major machinery brands is of Reiter, Toyota, Trutzscler, Trumac, Kaiser, Luwa etc. The list of major machinery and equipment used for the production of cotton yarn are given under the chapter Description of Property.

**TECHNOLOGY**

The manufacturing technology and machinery for yarn making operation have been imported from suppliers in Europe and Asia mostly European technologies especially, Germany, Switzerland and Italy are the prime suppliers of our technology. Among these machineries Rieter, Trutzchler, Trumac, Kaiser and Toyota brands have the reputation to be the best choice for the source of technology. For air conditioning equipment Luwa, Switzerland had been chosen. Air conditioning equipment is needed for production of all preparatory section such as blowing room, carding room, roving frame room and ring frame room, pinning section and yarn finishing sections.

**PROCESS**

ACFL imports raw materials i.e. cotton and stored in cotton warehouses. After testing quality, the raw cotton is taken into production floor. Then, raw cotton is feed into machine for processing. This starts with raw bales of cotton and processes them in stages until they produce yarn (fibers twisted into threads used in weaving or knitting).



The manufacturing process starts with stock cleaning and mixing of ginned cotton. After removing trash and foreign materials, the chute is transfer for further process of intense cleaning and mixing to carding. In this condition, the material becomes in a form of rope called carded sliver.

The carded sliver goes to drawing frames. In these processes the sliver becomes more even and well blended. Depending on the demand of the production schedule and staple length of fiber, the sliver obtained from the drawing frame goes to roving frame, comber machine or open end spinning.

(iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/ or key management personnel etc.;

Date of Incorporation as Private Limited Company	:	28 December, 2005
Conversion from Private to Public	:	22 April, 2012
Starting of Commercial Operation	:	01 November, 2007
Capital Raise (Last)	:	Tk. 700,000,000 (Bonus) on 09 October 2012
Capacity	:	Installed capacity: 6780 MT Actual Production: 6283 MT (2015-2016)
Changes in Ownership	:	Four new Shareholders holding in aggregate 41.50% of total shares have been inducted on 15.03.2006 & 01.02.2012. Furthermore, two independent directors have been appointed to the Board on 15.02.2016
Change in key Management Personnel	:	No major changes have taken place except in position of CFO and Company Secretary. Mr. Nooravi Bhuiyan, FCA took over the charge of CFO after leaving Mr. Kahir Mahmood. Mr. Krishna Kr. Sharma, ACS was promoted as Company Secretary in place of Mr. Nandan Chandra Dey, FCMA after his leaving.
Appointment of first Independent Director	:	15 February 2016

(v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;

The principal product of the Company is combed & carded cotton yarn of different counts. The products are supplied to local textile industries, which are exported mostly to Europe and USA.

#### Past trends

Last five years sales of Aman Cotton Fibrous Ltd. are as under:

Particulars	Amount in Taka				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Net Sales	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031

#### Future prospect regarding export and local market:

ACFL mainly works as backward linkage to textile industry for knitting and fabric weaving purposes. Therefore, the chance of exporting directly is remote. Rather ACFL is working as deemed exporter by supplying yarn through back to back L/C.

#### Demand and supply forecast for the sector:

As per BTMA, annual yarn spinning capacity is 2410 million kgs. which is capable of meeting 90% of total demand. The rest of the demand is fulfilled by importing yarn from abroad.

(vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;

The company produces a single product 'Yarn'. Therefore, 100% revenue generated for the Company is contributed by its only product yarn.

## (vii) Description of Associates, subsidiary/related holding Company &amp; their core areas of business

ACFL does not have any associate, subsidiary and holding company.

## (viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligation, if any

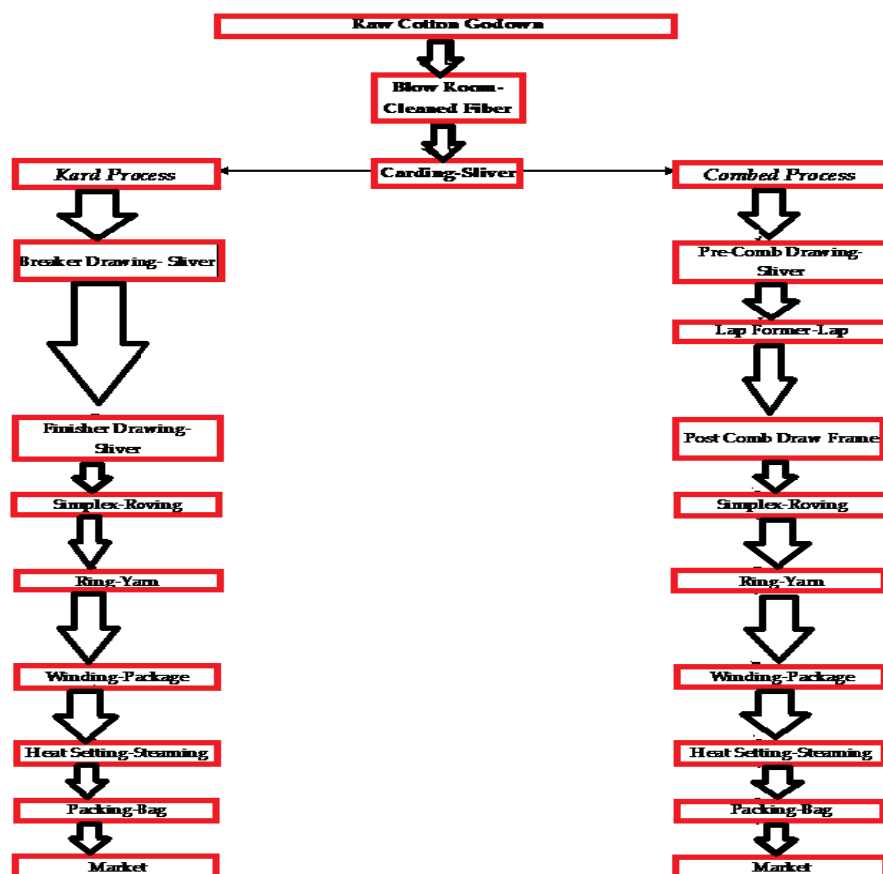
Aman cotton Fibrous Limited has its own distribution network to distribute its products to 100% export oriented Textile and Garment Industries. All products produced in the factory, are brought to the central depot at factory area, as per work order the product is delivered to the customer by the own or buyer's vehicles. Company's product distribution systems are depicted below:

## Distribution Channel

The final product reaches to the buyers from our warehouse through the following channel of distribution:



## Process Flow Chart:



**Export Possibilities and Obligation:**

The Company does not have any direct export obligation rather there is good potential of expansion for deemed export.

**(ix) Competitive conditions in business with names, percentage and volume of market share of major competitors;**

In Bangladesh, there are 424 yarn manufacturers. Out of 424, there are 341 yarn manufacturers which are currently in operation. Major competitors are:

- 1) Square Spinning Mills Limited
- 2) Viyellatex Spinning Mills Limited
- 3) Maleque Spinning Mills Limited
- 4) Badsha Spinning Mills Limited
- 5) Naheed Cotton Mills Limited
- 6) Saiham Cotton Mills Limited
- 7) Maksons Spinning Mills Limited
- 8) Arif Knit Spinning Limited
- 9) Matin Spinning Mills Limited
- 10) Apex Spinning & Knitting Mills Limited
- 11) Delta Spinners Ltd.
- 12) Zaheen Spinning Limited

Apart from this, as per annual report of the listed companies and audited financial statements of Aman Cotton Fibrous Limited, the turnover and paid up capital are presented below:

S.L	Company Name	Turnover (Taka in crore)	Paid-up Capital (Taka in crore)
1.	APEXSPINN	431.93	8.40
2.	DELTASPINN	107.68	137.59
3.	DSSL	79.36	60.00
4.	MATINSPINN	200.52	97.49
5.	MHSML	106.11	89.80
6.	ZAHEENSPIN	93.26	85.69

There is no data available regarding market shares of the respective listed company in their annual report.

**(x) Sources and availability of raw materials and the Names and address of the principal suppliers and contingency plan in the case of disruption.**

ACFL procures almost all of its raw cotton from abroad. List of major raw material (RM) suppliers are given below:

SL No.	Name of Party	Address	Name of RM
1.	UzpakhtaeexportJoint stock Company	105, Mustakillik Avenue, Tashkent, Republic of Uzbekistan-100077.	Raw Cotton
2.	VaibhavLaxmi Exporter Pvt. Ltd.	Kalyanpura Road, Nanikadi. Ta.Kadi, Dist:Mehsana(NG), India. Pin-382715.	Raw Cotton
3.	Louis Dreyfus Commodities	29,Route DE Laeroport-1215, Switzerland	Raw Cotton
4.	Olam International Ltd.	9, Temasek Boulevard.11-02, Suntec Tower Tow, Singapore.	Raw Cotton
5.	Sunny Trexim Pvt. Ltd.	AJC Tower (5th Flor), 204, AJC Bose Road, Kolkata-700017, India.	Raw Cotton

The list of other major material supplier is given below:

SL No.	Name of supplier	Country	Name of RM
1.	Bangla Trac Ltd.	4, Mohakhali, C/A,Dhaka-1212	Spare Parts & Cat Oil
2.	Sinobanglainsdustries	Noor Tower, 4th Floor, 110 BirUttam C R	PP Woven Bag

		Dutta Road, Dhaka-1205.	
3.	Zahidul Enterprise	Mazar Road, 1st Coloni, Mirpur-1, Dhaka-1216.	Paper Cone
4.	FS Associates	House # 43(GF), Road # 12, Sector #13 Uttara, Dhaka-1230.	Chemical
5.	Sail International Ltd.	3 NawratanColony, Level # 4, New Baily Road, Dhaka-1000.	Ring Travellers

#### Contingency plan in case of Disruption of supplier

There are so many suppliers in the world like USA, Uzbekistan, India and Australia etc. if one supplier fails to deliver raw material there are always other suppliers available. So there is no possibility of disruption. Packing Material suppliers are also available in our country.

#### (xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;

Power	Water	Gas
The Company has electric connection from Rural Electrification Board (REB), Gazipur.	Own deep Tube-well draws water and the capacity of deep tube is 60m <sup>3</sup> /hr. There are 3 storage tanks available in utility building and aforesaid storage tanks capacity is 240,000 liters which meet the demand of all process machineries.	The company does not require Gas except for its captive power plant and ordinary use to perform official activities. Titas Gas Transmission & Distribution Company Limited supply required gas as per our demand against approved load.
<b>Contingency plan:</b> To ensure uninterrupted power supply the company has 4 (four) Caterpillargas generators with a total capacity of 4.545 MW. The company also has a Diesel run generator of 230 KVA as a stand by source of power.	<b>Contingency plan:</b> At present the company does not have any arrangement for any interruption in the supply of water except the above.	<b>Contingency plan:</b> At present the company does not have any arrangement for any interruption in the supply of gas except the above.

#### (xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or service with the amount and percentage thereof

The Company has no such customer who contributes 10% or more of the total revenue except the followings based on FY 2015-16:

Customer Name	Address	Telephone Number	Web Address	E-mail	Fax Number	Amount in BDT	(%)
Aman Tex Ltd.	2 Ishakha avenue, Sector-6, Uttara, Dhaka.	Tel: 880-2-962297, 7911016, 7911691-3.	www.amangroubpd.com	<a href="mailto:mosharof@amangroubpd.com">mosharof@amangroubpd.com</a>	880-2-8920510	250,303,533	14.77
Shahriyar Fabric Industries Ltd.	Palashbar, Ashulia, Savar, Dhaka-1349.	Tel: +88 02 7789453	www.gildan.com	<a href="mailto:hnroy@gildan.com">hnroy@gildan.com</a>	Fax:+88 02 7788239	392,751,200	23.18

(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom account for 10% or more of its raw materials or finished goods with the amount and percentage thereof

The Company has following Suppliers from whom the Company purchases 10% or more of its raw material based on FY 2015-16.

Sl. No.	Suppliers Name	Address	Telephone Number	Web Address	E-mail	Fax Number	Amount in BDT	(%)
1	State Joint stock Foreign Trade Co.	105, Mustakillik Avenue, Tashkent, Republic of Uzbekistan-100077.	+(998 71)2 68 04 01	www.uzinterimpeks.uz	info@uzinterimpeks.uz	+ (998 71)2 68 30 30	668,074,923	69.26
2	Olam International Ltd.	9, Temasek Boulevard.11-02, Suntec Tower Tow, Singapore.	65-83394100	www.olamgroup.com	enquiries@olamnet.com	65 6339 9765	118,355,173	12.27

(xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quality of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by the CEO or MD, CFO and Chairman on behalf of the Board of Directors

The Company has no such contract with principal suppliers or Customers.

#### Declaration regarding Contract with Principal suppliers or customers

We, on behalf of the Board of Directors certify that Aman Cotton Fibrous Limited did not enter into any contract with its principal suppliers or customers.

Sd/-  
Md. Noornavi Bhuiyan, FCA  
Chief Financial Officer

Sd/-  
Md. Rafiqul Islam  
Managing Director

Sd/-  
Md. Shofiqul Islam  
Chairman

(xv) Description of licenses, registration, NOC and permissions obtained by the Company with issue, renewal and expiry dates

Name of the Issues (Licenses, registration, NOC and permissions obtained)	Issue Date	Renewal date	Expiry date
Certificate of Incorporation	28-12-2005	N/A	N/A
ETIN Certificate	10-02-2014	N/A	N/A
VAT Certificate	06-09-2012	N/A	N/A
Valid Trade license from Dhaka CITY corporation, South	17-07-2013	20-07-2017	30-06-2018
Fire License from Bangladesh Fire Service and Civil Defense (Dhaka Division)	01-07-2007	04-07-2017	30-06-2018
Factory License from Dhaka District	25-10-2007	02-08-2017	30-06-2018
IRC from Controller office of Import and Export, Dhaka	13-03-2007	23-07-2017	30-06-2018
ERC from Controller office of Import and Export, Dhaka	04-05-2009	18-07-2017	30-06-2018
Environment clearance from Gazipur District	25-09-2007	11-01-2016	24-09-2018
BTMA Certificate	23-08-2016	27-12-2017	31-12-2018
BERC License	10-11-2009	17-10-2016	09-11-2018
Boiler Certificate	31-01-2016	10-12-2017	09-05-2018
Board of Investment (BOI) registration no. L-52050604085	20-04-2016	N/A	N/A
ISO 9001:2008 certificate	25-03-2016	N/A	15-09-2018

(xvi) Description of any material patents, trademarks, licenses or royalty agreements

Aman Cotton Fibrous Limited does not have any material patents, trademarks, licenses or royalty agreements.

(xvii) Number of total employees and number of full-time employees

The company has 674 full time employees as on June 30, 2016 and a varying number of seasonal and temporary workers as required. The details are given below:

Salary Range (Monthly)	Category	Officers and Staffs		Workers (Permanent)	Total
		Head Office	Factory		
Not less than Taka 5,300/-	Full time Employees	11	96	567	674
	Part time employees	-	-	-	-
Less than Taka 5,300/-	Full time Employees	-	-	-	-
	Part time employees	-	-	-	-
	<b>Total</b>	<b>11</b>	<b>96</b>	<b>567</b>	<b>674</b>

**(xviii) Brief Description of Business strategy**

ACFL's key strategic objectives are to

- Ensure sustainable growth and modernization of existing facilities with potential for success through increasing capacity and manufacturing efficiency;
- Achieve global competitiveness and to derive the full benefit of our demographic and wages advantage;
- Achieve technological superiority;
- Strengthening financial resources;
- Maintain state-of-the-art manufacturing facilities for ensuring best quality products to the customers;
- Obtain world class accreditation by proper execution of ISO 9001:2008 standard and best practices that are proven effective

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rational to achieve the projected level;

**Total actual capacity and its utilization**

Products	Unit	Installed Capacity per year			Capacity Utilization for this products			Actual Capacity Utilization %		
		2015-16	2014-15	2013-14	2015-16	2014-15	2013-14	2015-16	2014-15	2013-14
Yarn	(MT)	6,780	6,780	6,780	6,283	6,502	6,668	92.67	95.90	98.35

Note: The percentage of actual capacity utilization is calculated considering yearly basis.

**Estimated capacity and its utilization**

Products	Unit	Installed Capacity per year			Capacity Utilization for this products			Actual Capacity Utilization %		
		July'16 to June'17	July'17 to June'18	July'18 to June'19	July'16 to June'17	July'17 to June'18	July'18 to June'19	July'16 to June'17	July'17 to June'18	July'18 to June'19
Yarn	(MT)	6,780	6,780	15,280	6,310	6,441	10,904	93.07%	95.00%	92.22%

Existing capacity is projected to be utilized at the rate 95% while new capacity will be utilized at the rate 0%, 90% and 95% for the next three years. The Company has projected that the capacity utilization is reasonable. As the total market is increasing day by day and market share of the company will be increased by expanding its capacity as discussed in Use of Proceeds. Hence, the management of the Company thinks that the projected capacity is attainable.

**(e) Description of Property****(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;**

The Principal Plants and other Property of Aman Cotton Fibrous Limited mostly located at its factory at Boiragirchala, Sreepur, Gazipur. The company has a total land area measuring 663.34decimal within one boundary wall where plants, building and other properties are situated. The Corporate Office is situated at 2 Ishakha Avenue, Sector # 6, Uttara and Dhaka, Bangladesh. The company possesses the following fixed assets as on June 30, 2016:

Sl. No.	Name of Assets	At Cost (BDT)	Location
1	Land & Land Development	193,798,486	Factory
2	Building & Civil Construction	655,467,956	Factory
3	Plant & Machinery	1,318,233,135	Factory
4	Electrical Installation	13,388,299	Factory
5	Electrical Equipment	5,138,566	Factory
6	Gas Line Installation	2,805,322	Factory
7	Fire Equipment	2,286,100	Factory and HO
8	Vehicle	19,794,494	Factory and HO
9	Office Equipment	1,088,717	Factory and HO
10	Computer & IT Equipment	1,584,430	Factory and HO
11	Furniture & Fixture	4,250,475	Factory and HO
<b>Total</b>		<b>2,217,835,980</b>	

The above-mentioned properties are in good condition. The plant and machinery of the Company have been owned by the Company and were purchased in brand new condition.

\*The Company has 663.34 decimal land the description of which is as under:

Sl. No.	Deed No.	Date	Khatian No.			Plot No.			Land (Decimal)	
			CS	SA	RS	CS	SA	RS		
1	3039	3/5/2006	-	466	293	-	1843	7738	-	35.00
2	3234	14/05/2006	-	299	282	-	1943	12570	35.00	68.50
			-	298	1207	-	1944	12570	27.00	
			-	298	1207	-	1944	12571	6.50	
3	2670	20/04/2006	-	466	293	-	1843	7739	-	180.00
4	5216	17/07/2006	-	466	937	-	1843	7740	-	17.50
5	2669	20/04/2006	-	1001	244	-	1968	12587	3.00	46.50
			-	1001	244	-	1959	12590	5.00	
			-	1001	244	-	1961	12581	3.00	
			-	806	71	-	1945	12572	31.50	
			-	806	71	-	1967	12586	3.00	
			-	267	243	-	1944	12571	1.00	
6	3184	10/5/2006	-	466	937	-	1843	7741, 7742	-	30.00
7	3185	10/5/2006	-	466	937	-	1843	7742	19.00	20.25
			-	466	937	-		7743	1.25	
8	4613	27/06/2006	-	466	293	-	1843	7746	-	33.00
9	6599	6/9/2006	-	806	71	-	1962	12584	24.50	77.00
			-	1001	244	-	1966	12585	46.00	
			-	1001	244	-	1967	12586	6.50	
10	14984	20/09/2011	-	573	626	-	1971	12660	-	56.89
11	2063	2/2/2012	-	573	626	-	1971	12660	-	7.11
12	19074	28/11/2012		800	633		1841,1842	7729	5.37	26.82
				41	632		1840,1841	7737	6.70	
				466	293		1843	7739	14.75	
13	13939	14/08/2012		806	71		1962	12584	-	24.00
14	7532	11/10/2006		466	293		1843	7746	13.50	35.25
				267	243		1944	12571	5.50	
				806	71		1967	12586	12.25	
				1001	244		1968	12587	4.00	
15	1098	15/02/2007		477	329		1841/2210	7757	-	5.52
<b>Total Are of Land (decimals)</b>										<b>663.34</b>



## (ii) Whether the property is owned by the company or taken on lease;

All the property of the Company are of its own name. The Company didn't acquire any of its property on lease.

## (iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Deed No.	Dates of purchase	Mutation & DCR date	Last payment date of current rent (খাজনা)	R. S Dag No.	Deed Value	Registrat ion Cost	Land Development Cost	Total Cost	Area of Land as per deed (Decimal)	Area of Land as per Mutation (Decimal)	Current use of the Land
3039	03.05.2006	M-08.08.2006 D-10.08.2006	02.08.17 for 1424	7738	3,80,000	51,300	177,160,521	431,300.00	35	35	In use
3234	14.05.2006	M-08.08.2006 D-10.08.2006	02.08.17 for 1424	12570, 12571	4,65,000	62,775		527,775	68.50	68.50	In use
2670	20.04.2006	M-08.08.2006 D-10.08.2006	02.08.17 for 1424	7739	20,00,000	270,000		2,270,000	180	* 179.50	In use
5216	17.07.2006	M-26.09.2006 D-26.09.2006	02.08.17 for 1424	7740	2,00,000	27,000		227,000	17.50	17.50	In use
2669	20.04.2006	M-08.08.2006 D-10.08.2006	02.08.17 for 1424	12587, 12590, 12581, 12572, 12586, 12571	4,00,000	54,000		454,000	46.50	46.50	In use
3184	10.05.2006	M-08.08.2006 D-10.08.2006	02.08.17 for 1424	7741, 7742	3,25,000	43,875		368,875	30	30	In use
3185	10.05.2006	M-26.09.2006 D-26.09.2006	02.08.17 for 1424	7742, 7743	2,20,000	29,700		249,700	20.25	20.25	
4613	27.06.2006	M-26.09.2006 D-26.09.2006	02.08.17 for 1424	7746	3,60,000	48,600		408,600	33	33	In use
6599	06.09.2006	M-25.09.2006 D-26.09.2006	02.08.17 for 1424	12584, 12585, 12586	5,90,000	79,650		669,650	77	77	In use
14984	21.09.2011	M-19.04.2012 D-23.05.2012	02.08.17 for 1424	12660	37,01,000	499,635		4,200,635	56.89	56.89	In use
2063	02.02.2012	M-19.04.2012 D-23.05.2012	02.08.17 for 1424	12660	5,10,000	68,850		578,850	7.11	7.11	In use
19074	28.11.2012	M-15.12.2013  D-16.01.2014	02.07.17 for 1424	7737	24,00,000	324,000		2,724,000	26.82	26.82	In use
			02.08.17 for 1424	7729& 7739							

		M- 24.04.2014 D- 24.04.2014									
13939	14.08.2012	M- 24.04.2014 D- 24.04.2014	02.08.17 for 1424	12584	27,00,000	364,500		3,064,500	24	24	In use
7532	11.10.2006	M- 25.03.2007 D- 24.04.2007 M- 25.02.2007 D- 25.04.2007	02.08.17 for 1424	7746, 12571, 12586, 12587	3,20,000	43,200		363,200	35.25	35.25	In use
1098	15.02.2007	M- 24.04.2014 D- 24.04.2014	02.07.17 for 1424	7757	88000	11,880		99,880	5.52	5.52	In use
Total					14,659,000	1,978,965	177,160,521	193,798,486	663.34	662.82	

\*The company purchased 180 decimal Land out of total area of 199 decimal under the same DAG # 7739 and got mutation for 179.50 decimal i.e. 0.50 decimal less than the area mentioned in the deed. It may be mentioned that the rest 19 decimal (199-180) were sold to other two parties. In the process of mutation, the seller made a plea to the AC Land office during the hearing against the notice issued in favor of the seller of land for mutation purpose. During hearing the seller of the land requested the AC Land office for excluding 0.50 decimal land on which there was a family graveyard. From humanitarian and religious ground, the company has finally agreed to the plea of the seller and hence the land areas in the mutation were less than the area mentioned in the Land Deed by 0.50 decimal. Thus, the company is not in a position to provide rent receipt and mutation for that 0.50 decimal land.

(iv) The names of the persons from whom the lands has been acquired/ proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

Serial No.	Names of the persons from whom the lands have been acquired	Area of Land (in decimal)	cost of acquisition			Relation
			Deed value	Registration cost	Total cost	
01.	1. Md. Abdur Rashid Bhuiyah 2. Md. Altaf Hossain Bhuiyah 3. Most. RoushanAra	35.00	3,80,000	51,300	4,31,300	No relation
02.	Md. AfsarUddin Khan	68.50	4,65,000	62,775	5,27,775	No relation
03.	1. Md. Jobed Ali 2. Most. Amenakhatur 3. Md. Abdur Rashid 4. Md. Chan Miah 5. Mohammad Ali alias Shukkur Master 6. Md. ManikMiah	180.00	20,00,000	2,70,000	22,70,000	No relation
04.	Most. RoshiaAkterKhanam	17.50	2,00,000	27,000	2,27,000	No relation
05.	1. Md. Chan Miah 2. Mohammad Ali alias Shukkur Ali Master 3. Md. ManikMiah	46.50	4,00,000	54,000	4,54,000	No relation
06.	1.Md. Rafiqul Islam 2. Md. Liakat Ali 3. Most. RamjanerNesa	30.00	3,25,000	43,875	3,68,875	No relation
07.	1. Md. JashimUddin 2. Md. MajurUddin 3. Md. Islam Uddin 4. Md. Shafiqul Islam	20.25	2,20,000	29,700	2,49,700	No relation
08.	1. Md. Rafiqul Islam 2. Md. Liakat Ali	33.00	3,60,000	48,600	4,08,600	No relation
09.	Aman Tex Ltd.	77.00	5,90,000	79,650	6,69,650	Common Director

10.	1. Md. HelalUddin 2. Md. Babul Mondol 3. Md. Rafiqul Islam Mondol ( Bulbul) 4. Md. KamruzzamanMondol 5. Md. Nozrul Islam Mondol	56.89	37,01,000	4,99,635	42,00,635	No relation
11.	Md. Asaduzzaman Mondol	7.11	5,10,000	68,850	5,78,850	No relation
12.	1. AlhazAbdur Rahim Bhuiyah 2. M SaifulBhuiyah	26.82	24,00,000	3,24,000	27,24,000	No relation
13.	1. Most. MeherBanu 2. Most. Begam through their constituted attorney 1. Md. ShamsuddinSarkar 2. Md. Nurul Islam vide power of attorney Deed no. 13172 Dated: 11.08.2011	24.00	27,00,000	3,64,500	30,64,500	No relation
14.	Mohammad Ali alias Shukkur Master	35.25	3,20,000	43,200	3,63,200	No relation
15.	1. A.K.M. Mofazzal Hossain Khan ( Sagar) 2. Md. Alamgir Hossain 3. Md. Kamal Hossain 4. Most. Nazma 5. Most. Asma 6. Md. Abu Saeed 7. Most. AfrozaTuhin 8. Most. MahfuzaTanha 9. Most. MahbubaTonima	5.52	88,000	11,880	99,880	No relation
	<b>Total</b>	<b>663.34</b>	<b>1,46,59,000</b>	<b>19,78,965</b>	<b>1,66,37,965</b>	

The names of the persons from whom the lands will be acquired

Sl. No.	Names of the persons from whom the lands will be acquired	Area of Land (in decimal)	Deed value	advances	Registration cost (estimated)	Total cost	Relation
01.	Md. Rafiqul Islam Md. Shofiqul Islam Md. Toufiqul Islam	138.75 101.25 37.50	10,82,25,000	5,05,00,000	13,528,125	121,753,125	Sponsors
	Sub-Total	277.50	10,82,25,000	5,05,00,000	13,528,125	121,753,125	
02.	Anwara Mannan Textile Mills Ltd.	38.75	1,51,12,500	1,50,00,000	3,098,063	18,210,563	Common Management
	<b>Grand Total</b>	<b>316.25</b>	<b>12,33,37,500</b>	<b>6,55,00,000</b>	<b>16,626,188</b>	<b>139,963,688</b>	

(v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;

The Company does not have such land for which it needs approvals from any authority pertaining to use those.

(vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

All the property of the Company are in its own name. However a total of 507.75 decimal land out of total 663.34 decimals are given as mortgaged to Islami Bank Bangladesh Limited against loan facilities. Details of mortgaged land are as under:

SL.	Deed No.	Date	Mouza	District	Area of Land (Decimal)
1.	3039	03.05.2006	Sreepur	Sreepur, Gazipur	35.00
2.	3234	14.05.2006	Keowa	Sreepur, Gazipur	68.50
3.	2670	20.04.2006	Sreepur	Sreepur, Gazipur	180.00
4.	5216	17.07.2006	Sreepur	Sreepur, Gazipur	17.50
5.	2669	23.06.2006	Sreepur	Sreepur, Gazipur	46.50
6.	3184	09.05.2006	Sreepur	Sreepur, Gazipur	30.00
7.	3185	09.05.2006	Sreepur	Sreepur, Gazipur	20.25
8.	4613	27.06.2006	Sreepur	Sreepur, Gazipur	33.00
9.	6599	06.09.2006	Keowa	Sreepur, Gazipur	77.00
<b>Total Area of Land under Mortgage</b>					<b>507.75</b>

- (vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

No property was taken on lease by the Company

- (viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin and remaining economic life, purchase price and written down value

Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin and remaining economic life, purchase price and written down value as on June 30, 2016 is follows:

Name of Assets	No of Machine	Date of Purchase	Name of Supplier	Address of Supplier	year of Sale	Condition	Country of Origin	useful economic life at purchase	Estimated remaining useful life	Total purchase price with other cost (Amount in BDT)	Written down value (Amount in BDT)
Gas Generator	03 Set	09.01.07	Caterpillar S. A. R. L	Singapore Branch, 7 Tractor Road, Singapore.	Not Sold	Brand new	USA	25 years	16 years	69,208,519	12,644,547
Fork Lift	01 Unit	09.01.07	Linda Material Handling Asia.		Not Sold	Brand new	USA	25 years	16 years	3,141,276	573,917
Chillar with heat Exchanger	01 Set	15.02.07	LS Cable Ltd.,	778, Yongam-Rl, Bongdong-EUP, Wanju-Gun, Jeollabuk-Do, Korea.	Not Sold	Brand new	Korea	25 years	16 years	27,989,820	5,113,801
Ring Frame	60 Set	17.02.07	Shanghai P&E (China)	Shanghai PNE Import and Export Company Ltd. Room no 2506, Liu Lin Building, No 1 Huai Hai Road, Shanghai, China.	Not Sold	Brand new	China	25 years	16 years	189,509,561	34,623,812
Humidification Plan	01 Lot	24.02.07	Luwa Textile	Wilstrasse 11, P.o Box Ch -8610 Uster, Switzerland	Not Sold	Brand new	Switzerland	25 years	16 years	46,566,233	8,507,754
Cooling Tower	05 Unit	10.03.07	Spaco Cooling Machine Tower Ind. Co Ltd	64/27 Moo 7, Raspathana Road, Kwang Sappansoong, Ket Sappansoong, BKK.10240 Thailand.	Not Sold	Brand new	Thailand	25 years	16 years	7,602,806	1,389,048
Blow Room and Carding	Blow room 01 Set, Carding 12 set	09.03.07	Tructschler GmbH	Textilmaschinenfabrik, Duvenstrasse 82-92, 41199 Monchengladbach, Germany.	Not Sold	Brand new	Germany	25 years	16 years	121,798,684	22,252,886
Compressor	03 Unit	20.03.07	Kaesser Compressor GmbH	Sitz: Carl- Kaesser-Str, 26, D-96450 Coburg, Germany.	Not Sold	Brand new	Germany	25 years	16 years	5,905,708	1,078,987
Draw Frame	04 Set	20.03.07	Rieler Machine Works Ltd	Ch-8406, Winterthur, Switzerland.	Not Sold	Brand new	Switzerland	25 years	16 years	31,418,143	5,740,164
BBT	01 Lot	29.03.07	EAE Elektrik Asansor	Endustakrisi Ins, san, Ve Tic. AsCakmakli Mah, 2 Cadde, 119, Sokak, 12.B. Cekmece-Kirac/Istanbul.	Not Sold	Brand new	Istanbul	25 years	16 years	16,850,499	3,078,624
Roving Frame	07 Set	17.04.07	Marubeni Tekmatex Corporation	Marubeni Building 3rd Floor, 4-2 Othemachi 1-Chome, Chiyoda-Ku, Tokyo 100-8088, Japan	Not Sold	Brand new	Japan	25 years	16 years	60,027,175	10,967,097
Ac Plant Piping	01 Lot	16.05.07	Shah paran, Shoel & Brothers.	Ashcona Main Road(East Para), Dakhin Khan, Dhaka-1230, 79/A3, Lutfur Rahman Lane, North south Road, Dhaka-1000.	Not Sold	Brand new	Korea	20 years	11 years	4,091,727	747,567
BBT Bridge Support	01 Lot	18.03.07	Nawabpur	85/86, Nawabpur Road, Dghaka-1100	Not Sold	Brand new	Bang.	20 years	11 years	3,019,782	551,721
Fire Hydrant Pipe & Pipe Fittings	01 Lot	21.05.07	Shah paran, Shoel & Brothers.	Ashcona Main Road(East Para), Dakhin Khan, Dhaka-1230, 79/A3, Lutfur Rahman Lane, North south Road, Dhaka-1000.	Not Sold	Brand new	Korea	20 years	11 years	6,070,326	1,109,061
Sub Station	01 Lot	16.06.07	Perfect Automation Engineering	Concept Tower (2nd Floor), Suite # 303, 68-69 Green Road, Dhanmondi, Dhaka-1205.	Not Sold	Brand new	Turkey	20 years	11 years	11,316,194	2,067,494
Bell Press	01 Set	15.12.07	Sunita Impex Pvt Ltd	36A, Bentinck Street, 1st Floor, Calcutta-700069, India	Not Sold	Brand new	India	25 years	17 years	959,925	175,381
Auto Coner	09 Set	06.07.07	Savio Italy	Societa Per Azioni Unipersonale, Italy.	Not Sold	Brand new	Italy	25 years	17 years	129,740,107	23,703,801
PFI Plan	01 Unit	26.07.07	Federal Elektrik Investment n Trade Co	1,0 S.B Hanli Beldesi 1.Yol no. 25, Adapazari/Turkiye.	Not Sold	Brand new	Istanbul	25 years	17 years	9,010,712	1,646,277
Vision Shield	01 Unit	12.07.07	Rieler Machine Works Ltd	Ch-8406, Winterthur, Switzerland.	Not Sold	Brand new	Switzerland	25 years	17 years	8,339,175	1,523,587
Waste Heat Recovery Boiler	01 Unit	27.07.07	Schneider Int'l GmbH	Hildburghauser Strasse 79, 12249 Berlin, Germany.	Not Sold	Brand new	Germany	25 years	17 years	8,129,943	1,485,359

Overhead Travelling	30 Unit	12.07.07	Iuwa textile Air Engineering AG	Wilstrasse 11, P.o Box Ch -8610 Uster,Switzerland	Not Sold	Brand new	Switzerland	25 years	17 years	7,679,276	1,403,020
Ring M/c Spindle.	01 Set	02.08.07	Nobibra Boskovic S.R.O	Nakamenici -68001 Boskovic Germany	Not Sold	Brand new	Germany	25 years	17 years	406,311	74,233
Silver Can	01 Lot	21.07.07	Dante Bertoni S.R.L.	Via Dei Pellegrini,,Catarate(VA), Italy.	Not Sold	Brand new	Italy	25 years	17 years	12,016,119	2,195,372
Boiler	01 Unit	09.07.07	Wysuc overseas	1107,Kuk-Je officetel,Dong- Gu,Daegu, Korea	Not Sold	Brand new	Korea	25 years	17 years	2,835,478	518,048
Ring Cup	30960 Pcs	28.07.07	Shanghai P&E Imp	Huai Hai road (M) Shanghai 200021-P.R. China	Not Sold	Brand new	China	25 years	17 years	675,970	123,502
Plastic Crates	500 Pcs	15.07.07	Nikamal Crates	77/78, Nilkamal House Road No, 13/14, Mido, Andheri (E) Mumbai-400093, India.	Not Sold	Brand new	India	25 years	17 years	607,608	111,012
Ring & Simplec Bobbin	R-150000 S-64000	14.07.07	DAE SUNG Co Ltd	55-23 Sang pyung Dogn chinju, Korea.	Not Sold	Brand new	Korea	25 years	17 years	16,381,472	2,992,931
Uster Lab Machine:HVLUT-5,Afis	01 Lot	14.07.07	Uster Technology AG	Wilstrasse 11, P.o Box Ch -8610 Uster,Switzerland	Not Sold	Brand new	Switzerland	25 years	17 years	30,199,284	5,517,475
Lab Equipment	01 Lot	14.07.07	Mesdan Spa	Via Masseri no,6 25080 Rafa Di Puegnago (BS) Italy	Not Sold	Brand new	Italy	25 years	17 years	2,114,818	386,381
Ring Apron	16000 Pcs	08.07.07	Wong chang Aron	466, poongho Dong,jinhae, kyononam, R. O Korea	Not Sold	Brand new	Korea	25 years	17 years	417,113	76,208
Excshust Fan for generator	05 Set	24.08.07	Bestair Engineering	2nd Flr,Room No,201 Sol rangsit Pathumtant 8, Prachathipat, thnyaburi, Pathumt, 1230 Thailand	Not Sold	Brand new	Thailand	25 years	17 years	1,037,123	189,485
YCP (Obem).	01 Unit	15.08.07	OBEM S.P.A	Via Brignana 21, 13900 Biella (BI)- Italy	Not Sold	Brand new	Italy	25 years	17 years	8,305,816	1,517,491
Ring Shop	01 Unit	24.08.07	Rosink GmbH+CO.	Bentheimer Str .207,D-48529 Nordhorn Germany	Not Sold	Brand new	Germany	25 years	17 years	5,537,327	1,011,682
L/F,Comber & D/F DUE	01 Lot (L/F-1 Set, Comber-5 Set, D/F- 5 Set)	18.09.07	Rieter Machine works Ltd	Klosterstrasse 20, Ch-8406,Winterthur, Switzerland.	Not Sold	Brand new	Switzerland	25 years	17 years	62,874,231	11,487,260
Cables & Fittings	01 Lot	Various date	Polycables	Sena kalyan bhaban,floor# 9 suite# 902,195, motijheel C/A Dhaka.	Not Sold	Brand new	Bang.	20 years	12 years	15,941,754	2,912,594
Water Piping For Chillar & Generator	01 Lot	18.09.07	Shah paran, Shoel & Brothers.	Ashcona Main Road(East Para), Dakhin Khan, Dhaka-1230, 79/A/3, Lutfur Rahman Lane,North south Road,Dhaka-1000.	Not Sold	Brand new	Korea	20 years	12 years	20,117,096	3,675,437
WTP	01 Set	21.09.07	FS associates	HM Plaza,Floor# 08 Room #5 plot# 34 Road # 02 sector # 03 Uttara C/A, Dhaka.	Not Sold	Brand new	india	20 years	12 years	2,216,830	405,019
Deep Tube Well	01 Set	24.09.07	Sigma pump	House-24, Road-18, Sec-3, Uttara, Dhaka-1231	Not Sold	Brand new	india	20 years	12 years	2,516,726	459,811
Centrifugal Motor Pump	01 Lot	24.09.07	Sigma pump	House-24, Road-18, Sec-3, Uttara, Dhaka-1231	Not Sold	Brand new	india	20 years	12 years	1,500,190	274,087
Compressor	01 Lot	30.09.07	Shah paran, Shoel & Brothers.	Ashcona Main Road(East Para), Dakhin Khan, Dhaka-1230, 79/A/3, Lutfur Rahman Lane,North south Road,Dhaka-1000.	Not Sold	Brand new	korea	20 years	12 years	6,020,200	1,099,904
Erection & Installation										21,012,560	3,839,041
Automatic Winder Machine	01 Set	15.07.08	Savo,Macchine Tessili S.P.A	Via Udine, 105-33170 Pordenone (PN) Italy	Not Sold	Brand new	Italy	25 years	18 years	18,512,175	4,348,562
Carding Machine	01 Set	07.08.08	Tructzschler GmbH	Textilmaschinenfabrik,Duvenstrasse 82-92,41199 Monchengladbach,Germany.	Not Sold	Brand new	Germany	25 years	18 years	9,361,505	2,199,043
Caterpillar Generator	01 Set	28.09.08	Catterpillar S. A. R. L	Singapore Branch, 7 Tractor Road,Singapore.	Not Sold	Brand new	USA	25 years	18 years	25,541,650	5,999,806

Hydraulic Press Machine	01 Lot	30.05.09	Bracker Ag	Obermattstrasse 65, Ch-8330, Pfaffikon-Zurich, Switzerland	Not Sold	Brand new	Switzerland	25 years	18 years	1,589,689	373,423
Cables & Fittings	01 Lot	Various date	Polycables	Sena kalyan bhaban,floor# 9 suite# 902,195, motijheel C/A Dhaka.	Not Sold	Brand new	Bang.	20 years	13 years	44,335,747	10,414,592
Supply Air Duct	01 Lot	18.07.08	Mita Engineering	Cha-80/1/Ka, Progati Sarani, North Badda, Dhaka	Not Sold	Brand new	Bang.	20 years	13 years	39,958,811	9,386,436
Trolley & Others	01 Lot	22.08.08	Nawabpur	85/86, Nawabpur Road, Dghaka-1100	Not Sold	Brand new	Bang.	20 years	13 years	4,001,846	940,045
Tools & Accessories	01 Lot	13.10.08	Shah paran, Shoel & Brothers.	Ashcona Main Road(East Para), Dakhin Khan, Dhaka-1230, 79/A/3, Lutfur Rahman Lane,North south Road,Dhaka-1000.	Not Sold	Brand new	Bang.	20 years	13 years	5,060,400	1,188,703
Workshop Machinery	01 Lot	13.10.08	Nawabpur	85/86, Nawabpur Road, Dghaka-1100	Not Sold	Brand new	Bang.	20 years	13 years	3,512,125	825,007
Fire Hydrant System	01 Lot	21.10.08	Bengal international	18, Shahid Tajuddin Ahmed Sarani, Mogbazar, Dhaka.	Not Sold	Brand new	Malaysia	20 years	13 years	5,002,600	1,175,125
Weight Scale	01 Set	23.11.08	Avery Bangladesh Ltd	Magenete House, 71, Dilkusha Commercial Area, GPO Box No.322, Dhaka-1000.	Not Sold	Brand new	UK	20 years	13 years	3,815,000	896,154
Card Punching Machine	01 Set	26.12.08	Bioaccess Tech com	Bhuyan mansion,6th Floor,Suite# 41/a,6 Motijheel C/A Dhaka.	Not Sold	Brand new	Bang.	20 years	13 years	32,000	7,517
Slub Attachment	01 Lot	19.01.10	Printer S.A	Ctra, Mamresa A Santpedor, KM-4,6 Sant Pador, Spain	Not Sold	Brand new	Spain	25 years	19 years	8,472,165	2,432,387
Workshop Machinery & Installation	01 Lot	18.07.09	Nawabpur	85/86, Nawabpur Road, Dghaka-1100	Not Sold	Brand new	China	20 years	14 years	9,287,606	2,666,504
Cable & pipe Fittings	01 Lot	Various date	Polycables	Sena kalyan bhaban,floor# 9 suite# 902,195, motijheel C/A Dhaka.	Not Sold	Brand new	Bang.	20 years	14 years	16,432,284	4,717,764
Fork Lift	04 Unit	24.09.09	HNS Automobiles	242 Tejgaon Industrial Area, Gulshan link road,Dhaka.	Not Sold	Brand new	South Korea	20 years	14 years	10,260,000	2,945,681
Erection & Installation										16,141,107	4,634,168
Motor pump & Pipe Fittings	01 Lot	15.10.10	Sigma pump	House-24, Road-18, Sec-3, Uttara, Dhaka-1231	Not Sold	Brand new	India & korea	20 years	15 years	4,113,656	1,503,148
Comber Machine	L/F- 1 Set, Comber - 4 Set.	19.07.12	Rieler	Klosterstrasse 20, Ch-8406,Winterthur, Switzerland.	Not Sold	Brand new	Switzerland	25 years	22 years	64,208,830	33,517,410
Texpart	01 Lot	29.07.13	Derlikon Textile	Zweigniederlassung Minister Gustav-Stresemann-Weg 148155, Germany	Not Sold	Brand new	Germany	25 years	23 years	4,578,511	2,811,778
Winder Machine (Savio)	01 Set	13.12.13	Itema Asia Ltd.	Room-808, Tower 1, Enterprise Square 9 Sheung Yuet Road, Kowloon	Not Sold	Brand new	Italy	25 years	23 years	17,141,319	10,526,912
Carding (Cards TC 11)	01 Set	25.03.14	Tructzschler Gmbh	Postfach 410164, D-41241, Monchengladbach, Germany	Not Sold	Brand new	Germany	25 years	23 years	9,697,692	5,955,595
Automatic Fire Protection	01 Lot	24.03.14	Argus Fire Control	Argus Fire Control, 2723 Interstate Street, Charlotte, North Carolina 2808, USA	Not Sold	Brand new	USA	25 years	23 years	4,127,223	2,534,631
Cardshop	01 Lot	25.07.14	Tructzschler Gmbh	Textilmaschinenfabrik,Duvenstrasse 82-92,41199 Monchengladbach,Germany.	Not Sold	Brand new	Germany	25 years	24 years	8,497,574	6,410,359
Graf	01 Lot	30.03.16	DAE Song Co Ltd	Dae Sung Co., LT D, No- 55-23 Sang Pyung Dong, Chinju, Korea	Not Sold	Brand new	Korea	25 years	24 years	3,442,005	2,906,956
									Total	1,318,233,135	300,568,579

- (ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.

The Company required the following machineries to buy in future for its expansion project serial no. 1 to 12 will be bought from IPO proceeds and serial no. 13 to 19 will be bought from Bank and own financing. The list of machineries and other required information is given below:

SI No.	Machinery	No. of unit	Per Unit cost	Total Cost of Machinery	Name of Supplier	Country of Origin	Date of Placement of Order	Expected Date of Supply
01	Recycling plant	01 Lot	8,580,000	8,580,000	Trumac	China/India	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
02	Bale Press	01 set	9,790,000	9,790,000	Valvan	Belgium	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
03	Blowroom	1 lot (2 line)	89,000,000	89,000,000	Trutzscler	Germany	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
04	Carding	12 sets	9,493,333.33	113,920,000	Trutzscler	Germany	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
05	Breaker Drawing	06 sets	2,800,000	26,700,000	SB D 45 (Single delivery)	Switzerland	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
06	Finisher Drawing	03 sets	3,300,000		RSB D 45 (Single delivery)			
07	Rotor (Auto Coro)	05 sets	50,196,000	250,980,000	Schalafröst	Switzerland	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
08	Roving Frame	03 sets	14,245,000	42,735,000	Toyota/Marzoly	Japan/Italy	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
09	Winding Auto Corner	04 sets	11,125,000	44,500,000	Maruta 21C/Polar (72D0	Japan/Italy	Within 3 Months from the date of closing of subscription	6 Months from the date of Order



10	Heat set yarn conditioning	01 set	7,120,000	7,120,000	Obem	Italy	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
11	Compressor	02 sets	2,225,000	4,450,000	Kaiser	Germany	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
12	Humidification Plant	01 Lot	65,600,000	65,600,000	Luwa	Switzerland	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
13	Ring Frame	10 sets	134,628,00	134,628,000	Toyota/Marzoly/LMW (1008 Spindle)	Japan/ Italy/ India	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
14	Generator	01 set	32,760,000	32,760,000	Catarpiller	USA	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
15	Production Accessories	01 Lot	8,190,000	8,190,000	-	Korea	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
16	( Ring bobbin / Simplex Bobbin)				DAE SUNG Co Ltd			
17	Sliver Can	01 Lot	10,680,000	10,680,000	Dante Bertoni S.R.L.	Italy	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
18	BBT	01 Lot	26,840,000	26,840,000	EAE Electric	Istanbul, Turkey	Within 3 Months from the date of closing of subscription	6 Months from the date of Order
19	PFI PLANT	01 Lot	3,900,000	3,900,000	Federal electric	Istanbul, Turkey	Within 3 Months from the date of closing of subscription	6 Months from the date of Order

- (x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;

There are no such machineries which are yet to be delivered.

- (xi) If plant is purchased in brand new condition then it should be mentioned;

The company purchased all the Plants in brand new condition. In this connection, Auditor's certificate is as follows:

**DECLARATION RELATED TO MACHINERIES BEING BRAND NEW**

We do hereby declare that all the plants and machineries of the Company amounting to Tk. 131,82,33,135 as on June 30, 2016 were purchased in brand new condition. There are no re-conditioned or second hand machineries installed in the Company.

Place: Dhaka  
Dated: July 27, 2017

Sd/-  
MahfelHuq & Co.  
Chartered Accountants

- (xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;

The company neither uses any re-conditioned/second-hand plant & machinery nor has any plan to buy secondhand or reconditioned machineries.

- (xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the commission;

**Physical Verification Report by the issue manager of Aman Cotton Fibrous Limited**

This is to certify that we have visited the registered office and factory of Aman Cotton Fibrous Limited on February 20, 2017. Another team of our office also visited the same on June 22, 2016 and we have found the registered office and factory as details below:

**Visited and Accompanied by:**

Particulars		Name & Designation	Company
Visited by (ICB Capital Management Ltd.)	:	<b>Md. Sohel Rahman</b> Chief Executive Officer (Additional Charge)	ICB Capital Management Ltd.
		<b>Md. Jahangir Alam</b> Deputy Chief Executive Officer	
		<b>Md. FazlulHoque</b> Executive Officer	
Accompanied by	:	<b>Noornavi Bhuiyan, FCA</b>	Aman Cotton Fibrous Limited

**Registered Office:**

The registered office of the Company is located at 2 Ishakha Avenue (2<sup>nd</sup> Floor), Sector-06, Uttara, Dhaka, Bangladesh rented by the Company.

**Location of the Factory:**

The factory is situated at Boiragirchala, Sreepur, Gazipur.

**Nature of Business:**

Aman Cotton Fibrous Limited is engaged in manufacturing of high quality combed and carded yarn from raw cotton ranging from 20's to 40's counts and sales & marketing.

**Products:**

The Company produces a single product 'Yarn' of various counts.

**Description of Property:**

We have identified the properties of Aman Cotton Fibrous Ltd. are as follows:

1) **Corporate Office Building:** 1500 square feet of floor space situated at 2, Ishakha Avenue (3<sup>rd</sup> Floor), Sector - 6, Uttara, Dhaka – 1230. This floor space is rented from Aman Group Limited and per month rent is BDT. 75,000.00.

2) **Land:** We have found 663.34 decimals of land surrounded by Boundary wall.

3) **Factory Building:** The factory has thirteen buildings including main factory building. Single storied pre-fabricated factory Building, One three stories office building, Single storied pre-fabricated two sheds, Three storied plant & Service building, Two Storied Utility Building, Pump House, Workshop, Six Storied Male worker Dormitory, Four Storied Ladies Dormitory, Six Storied family quarter, Eight Storied Officer's Dormitory, Four Storied Ladies Dormitory and Four Storied Officer's Mess,

Details of the buildings status are discussed below:

No. of Buildings	Building Description	Type (Brick/Tin/Prefabricated Steel)	Total Building Area Each Floor (sft)	Usage (sft)
<b>Building-1</b>	Single storied pre-fabricated factory Building	R.C.C Foundation, R.C.C Column Pedestal, RCC-Grade Beam, RCC-Floor , RCC-Lintel, Steel Column, Steel rafter, steel purlin & M.S profile sheet, outside Ceramic Brick Wall, inside Plaster, , Inside wall-Plastic Paint, Outside Wall-Barger water repellent, thai Aluminum with 5mm Glass in window, false ceiling Industrial Door, M.S Grillat Window.	101,361.00	101,361.00
<b>Building-2</b>	Three storied R.C.C AC plant & Service building	R.C.C Foundation, R.C.C Column Pedstal, RCC-Grade Beam, RCC-Floor with neat cement finishing, RCC-Lintel, out side Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Barger water repellent, thai Aluminum with 5mm Glass at window, Industrial Door, M.S Grillat Window.	13,376.33	40,129
<b>Building-3</b>	Single storied pre-fabricated Raw Cotton Godown	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with neat cement finish , RCC-Lintel, truss & profile sheet roof outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Barger water repellent, thai Aluminum with 5mm Glass in window, Industrial Door, M.S Grill at Window.	13,378.89	13,378.89

<b>Building-4</b>	Single storied pre-fabricated yarn Godown	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with neat cement finish, RCC-Lintel, truss with profile sheet roof outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Barger water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	13,866.00	13,866.00
<b>Building-5</b>	Two Storied R.C.C Utility Building	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with neat cement finish, RCC-Lintel, outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Barger water repellent, thai Aluminum & 5mm Glass at window, Industrial Door, M.S Grill at Window.	7,005.50	14,011
<b>Building-6</b>	Single storied R.C.C Pump House	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with neat cement finish, RCC-Lintel, outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Barger water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	2,018.00	2,018.00
<b>Building-7</b>	Two Storied R.C.C store & Workshop	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with neat cement finish, RCC-Lintel, outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Barger water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	3,599.00	7198.00
<b>Building-8</b>	Six Storied R.C.C Male worker Dormitory	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with neat cement finish, RCC-Lintel, outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Bager water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	5,633.00	33,800.00
<b>Building-9</b>	Six Storied R.C.C family quarter	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with tiles works, finishing RCC-Lintel, outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Bager water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	2,025.00	12,150.00
<b>Building-10</b>	Eight Storied R.C.C Officer's Dormitory	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with tiles finish, RCC-Lintel, outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Bager water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	2,019.00	16,152.00
<b>Building-11</b>	Five Storied R.C.C Ladies Dormitory	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with neat cement finishing, RCC-Lintel, outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Bager water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	7,701.40	38,507.00

<b>Building-12</b>	Four Storied Officer's Mess	R.C.C Foundation, R.C.C Column, RCC-Grade Beam, RCC-Floor with tiles finish, RCC-Lintel, outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Bager water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	3,000.00	12,000.00
<b>Building-13</b>	Single storied pre-fabricated Auto mobile Work Shop	R.C.C Foundation, R.C.C Column Pedestal, RCC-Grade Beam, RCC-Floor with neat cement finish, truss with profile sheet roof outside Ceramic Brick Wall, inside Plaster, Inside wall-Plastic Paint, Outside Wall-Barger water repellent, thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill at Window.	2,000.00	2,000.00
		<b>Total</b>	<b>176,983.12</b>	<b>306,570.89</b>

In addition, there are R.C.C Foundation pre-fabricated loading unloading Bay and Bell press shed covering 3050 sft and 2017 sft respectively.

4) List of machineries are given as follows:

Sl. No.	Name of Machinery	No of Machine
1	Gas Generator	03 Set
2	Chillar with heat Exchanger	01 Set
3	Ring Frame	60 Set
4	Conditioning Machine	01 Lot
5	Cooling Tower	05 Unit
6	Blow Room and Carding	Blow room 01 Set, Carding 12 set
7	Compressor	04 Unit
8	Draw Frame	04 Set
9	Roving Frame	07 Set
10	Ac Plant Piping	01 Lot
11	BBT Bridge Support	01 Lot
12	Fire Hydrant Pipe & Pipe Fittings	01 Lot
13	Sub Station	01 Lot
14	Bell Press	01 Set
15	Auto Coner	09 Set
16	PFI Plan	01 Unit
17	Vision Sheild	01 Unit
18	Waste Heat Recovery Boiler	01 Unit
19	Overhead Travelling	30 Unit
20	Ring M/c Spindle.	01 Set
21	Silver Can	01 Lot
22	Boiler	01 Unit
23	Ring Cup	30960 Pcs
24	Plastic Crates	500 Pcs
25	Ring & Simplex Bobbin	R-150000 S- 64000
26	Uster Lab Machine:HVLUT-5,Afis	01 Lot
27	Lab Framer	02 Lot
28	Ring Shop	01 Unit
29	Cables & Fittings	01 Lot
30	WTP	01 Set
31	Deep Tube Well	01 Set

32	Centrifugal Motor Pump	01 Lot
33	Compressor	01 Lot
34	Erection & Installation	
35	Automatic Winder Machine	01 Set
36	Carding Machine	01 Set
37	Caterpillar Generator	01 Set
38	Breaker Drawer	14 Lot
39	Workshop Machinery	01 Lot
40	Fire Hydrant System	01 Lot
41	Weight Scale	01 Set
42	Card Punching Machine	01 Set
43	Motor pump & Pipe Fittings	01 Lot
44	Comber Machine	L/F- 1 Set, Comber - 4 Set.
45	Texpart	01 Lot
46	Winder Machine (Savio)	01 Set
47	Carding (Cards TC 11)	01 Set

Besides these assets we have also found other assets like Furniture & Fixture, Vehicles, Substation, Electrical Installation & Equipment, Generator, Office Equipment, Fire Equipment and Air Conditions.

It is also mentionable here that during our visit, we also checked Inventory register and roster (Workers' duty register) and found satisfactory. We also noticed that all machineries of ACFL are running well.

Signboard:

The signboard of the Company is well displayed at the registered office and factory premises and there are no other Office/Factory within the said factory premises.

Sd/-  
(Md. FazlulHoque)  
Executive Officer

Sd/-  
(Md. Jahangir Alam)  
Deputy Chief Executive Officer

Sd/-  
(Md. Sohel Rahman)  
Chief Executive Officer (Additional  
Charge)

(xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;

There is no intellectual property, right or intangible asset.

## (xv) Full description of other properties of the issuer;

The details of other properties are stated in the following table –

(Amount in BDT)

Name of Assets	Written down value as on 30 June 2016
Building & Civil Construction	588,849,129
Plant & Machinery	300,568,579
Electrical Installation	7,688,888
Electrical Equipment	2,291,593
Gas Line Installation	973,655
Fire Equipment	300,579
Vehicle	5,309,751
Office Equipment	361,230
Computer & IT Equipment	213,872
Furniture & Fixture	1,445,077

**(f) Plan of Operation and Discussion of Financial Condition:**

- (i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:-

The Company was incorporated as a private Limited Company with the issuance of certificate of incorporation bearing No.: Raj-C-403 dated December 28, 2005 by the Registrar of Joint Stock Companies & Firms. The Company commenced its commercial production on November 01, 2007. Subsequently the shareholders in their Extra-ordinary General Meeting held on April 22, 2012 approved conversion of status of the company from private limited to public limited company.

- (ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

The Company's revenues and results from operations, Statement of Financial position, Changes in Financial Position and Statement of Cash Flows for the last five years are mentioned below:

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

Particulars	Amount in Taka				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
		*Restated	*Restated		
<b>Sales</b>	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031
Cost of Goods Sold	(1,260,904,822)	(1,277,876,133)	(1,476,265,229)	(1,479,412,627)	(1,507,741,072)
<b>A. Gross profit</b>	<b>433,547,662</b>	<b>432,088,249</b>	<b>493,887,854</b>	<b>494,198,755</b>	<b>500,890,959</b>
Administrative expenses	(25,597,344)	(23,665,546)	(21,331,851)	(17,174,152)	(22,049,382)
Selling and distribution expenses	(15,780,854)	(22,051,817)	(23,062,094)	(10,094,099)	(9,973,750)
<b>B. Operating expenses</b>	<b>(41,378,198)</b>	<b>(45,717,363)</b>	<b>(44,393,945)</b>	<b>(27,268,251)</b>	<b>(32,023,132)</b>
<b>C. Operating profit/(loss) (A-B)</b>	<b>392,169,464</b>	<b>386,370,886</b>	<b>449,493,909</b>	<b>466,930,504</b>	<b>468,867,827</b>
Financial Expenses	(60,511,204)	(78,027,512)	(82,160,265)	(81,951,103)	(113,511,419)
<b>Profit before Other Income</b>	<b>331,658,260</b>	<b>308,343,374</b>	<b>367,333,644</b>	<b>384,979,401</b>	<b>355,356,408</b>
Add-Non-operating income	3,763,007	8,674,461	1,255,809	(11,134,062)	-
<b>D. Net profit before tax and provision of WPPF</b>	<b>335,421,267</b>	<b>317,017,835</b>	<b>368,589,453</b>	<b>373,845,339</b>	<b>355,356,408</b>
<b>E. Provision for expenses</b>	<b>(15,972,441)</b>	<b>(15,096,087)</b>	<b>(17,551,879)</b>	<b>(17,802,159)</b>	<b>(16,921,734)</b>
Contribution to WPPF	(15,972,441)	(15,096,087)	(17,551,879)	(17,802,159)	(16,921,734)
<b>F. Net profit before tax (D-E)</b>	<b>319,448,826</b>	<b>301,921,747</b>	<b>351,037,574</b>	<b>356,043,180</b>	<b>338,434,674</b>
Current tax	(38,311,791)	(37,073,679)	(44,234,558)	(39,857,656)	(35,543,193)
Deferred tax income/(Expenses)	(10,377,758)	(8,134,772)	(10,437,705)	(27,029,518)	2,590,502
<b>Net profit after tax</b>	<b>270,759,277</b>	<b>256,713,297</b>	<b>296,365,313</b>	<b>289,156,006</b>	<b>305,481,982</b>
<b>Other comprehensive income</b>	<b>28,099,251</b>	<b>(1,295,501)</b>	<b>(858,199)</b>	<b>237,306,364</b>	<b>(7,250,645)</b>
Gain on revaluation	-	-	-	279,312,378	-
Unrealized gain/(loss) on securities available for sale	147,260	(1,546,930)	(858,199)	(109,157)	(7,250,645)
Related Tax	(14,726)	251,429	-	-	-
Tax on Revaluation Reserve	27,966,717	-	-	(41,896,857)	-
<b>Total comprehensive income</b>	<b>298,858,528</b>	<b>255,417,795</b>	<b>295,507,113</b>	<b>526,462,371</b>	<b>298,231,337</b>



## Statement of Financial Position

Particulars	Amount In Taka				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
		*Restated	*Restated		
<b>Non Current Assets :</b>	<b>1,694,546,466</b>	<b>1,423,180,208</b>	<b>1,403,827,936</b>	<b>1,370,367,592</b>	<b>858,774,747</b>
Property, plant and equipments	1,381,113,217	1,272,133,079	1,320,515,041	1,370,367,592	856,184,245
Capital Work in Progress	313,433,249	151,047,129	83,312,895	-	-
Deferred Tax Assets	-	-	-	-	2,590,502
<b>Current Assets :</b>	<b>2,390,719,882</b>	<b>2,448,831,433</b>	<b>2,320,330,269</b>	<b>2,038,181,862</b>	<b>1,836,501,610</b>
Investment in Listed Securities	4,080,480	3,933,220	5,489,069	5,102,456	87,672,400
Inventories	958,845,202	1,006,523,507	978,635,108	989,433,514	646,719,638
Accounts Receivable and other Receivables	775,314,538	811,075,653	990,446,869	990,981,270	993,035,949
Advances, deposits & pre-payments	481,846,578	615,226,630	336,401,599	40,696,435	58,846,518
Loan to Sister Concern	129,376,835	-	-	-	-
Cash & cash equivalents	41,256,249	12,072,423	9,357,624	11,968,187	50,227,105
<b>Total Assets</b>	<b>4,085,266,348</b>	<b>3,872,011,641</b>	<b>3,724,158,205</b>	<b>3,408,549,454</b>	<b>2,695,276,357</b>
<b>Financed By:</b>					
<b>Shareholders' Equity :</b>	<b>2,850,201,690</b>	<b>2,551,343,162</b>	<b>2,295,925,367</b>	<b>2,000,418,254</b>	<b>1,473,955,883</b>
Share capital -paid up	800,000,000	800,000,000	800,000,000	800,000,000	100,000,000
Retained earnings	1,786,949,775	1,516,190,498	1,259,477,202	963,002,733	858,936,438
Available for Sale (AFS) Reserve	(2,130,323)	(2,262,857)	(967,356)	-	-
Tax holiday reserve	-	-	-	-	515,019,445
Revaluation Surplus	265,382,238	237,415,521	237,415,521	237,415,521	-
<b>Non Current Liabilities:</b>	<b>150,854,123</b>	<b>157,971,915</b>	<b>184,503,634</b>	<b>262,338,138</b>	<b>269,884,262</b>
Long term Borrowings - Net of Current Maturity	83,771,435	73,314,994	107,730,056	196,002,265	269,884,262
Deferred Tax Liability	67,082,688	84,656,921	76,773,578	66,335,873	-
<b>Current Liabilities &amp; Provisions :</b>	<b>1,084,210,535</b>	<b>1,162,696,566</b>	<b>1,243,729,204</b>	<b>1,145,793,062</b>	<b>951,436,213</b>
Short term Borrowings	903,116,174	918,432,430	987,464,257	924,762,809	788,394,912
Long Term Borrowing - Current Maturity	59,799,522	77,198,235	113,439,082	110,739,082	94,726,248
Accounts Payable	3,570,666	3,026,385	5,033,814	6,870,379	9,050,369
Liabilities for expenses & Others	39,077,004	28,388,427	29,613,967	28,019,943	23,721,491
Provision for Taxation	78,647,169	135,651,089	108,178,084	75,400,849	35,543,193
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>4,085,266,348</b>	<b>3,872,011,641</b>	<b>3,724,158,205</b>	<b>3,408,549,454</b>	<b>2,695,276,357</b>

## Changes in financial position

Particulars	Share capital -paid up	Tax holiday Reserve	Revaluation Surplus	Available For Sale (AFS) Reserve	Retained earnings	Total
Balance as on 30 Jun 2012	100,000,000	515,019,445	-	-	858,936,438	1,473,955,883
Balance as on 30 Jun 2013	800,000,000	-	237,415,521	-	963,002,733	2,000,418,254
Balance as on 30 Jun 2014	800,000,000	-	237,415,521	(967,356)	1,259,477,202	2,295,925,367
Balance as on 30 Jun 2015	800,000,000	-	237,415,521	(2,262,857)	1,516,190,498	2,551,343,162
Balance as on 30 Jun 2016	800,000,000	-	265,382,238	(2,130,323)	1,786,949,775	2,850,201,690

**Statement of Cash Flows**

Particulars
-------------

Amount in Taka				
30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12

**Cash Flows from Operating Activities :**

Cash Received from customer & Others  
Cash Paid to Suppliers, Employees & Others

**Cash Generated from Operations**

Tax paid

**Net Cash Generated from Operating Activities**

1,748,419,306	1,897,997,562	1,970,687,484	1,975,666,061	1,922,352,670
(1,000,411,064)	(1,573,013,318)	(1,737,615,920)	(1,706,728,758)	(1,387,339,735)
<b>748,008,242</b>	<b>324,984,244</b>	<b>233,071,564</b>	<b>268,937,303</b>	<b>535,012,935</b>
(72,337,860)	(9,620,674)	(11,707,498)	(11,250,353)	(11,457,323)
<b>675,670,382</b>	<b>315,363,570</b>	<b>221,364,066</b>	<b>257,686,950</b>	<b>523,555,612</b>

**Cash Flows from Investing Activities:**

Acquisition of Property, Plant & Equipment  
Capital Work in Progress  
Loan to Sister Concern  
Advance against Land Purchase  
Advance against Land Development  
Dividend Income  
Net Investment in shares  
Interest Income

**Net Cash Used in Investing Activities**

(12,280,819)	(10,862,076)	(35,641,705)	(327,493,499)	(86,137,759)
(326,928,341)	(84,092,862)	(83,312,895)	-	-
(129,376,835)	-	-	-	-
(65,500,000)	-	-	-	-
(12,900,000)	-	-	-	-
150,323	-	-	-	-
-	12,223	(481,258)	35,000,000	(63,650,000)
-	-	488,735	-	-
<b>(546,835,672)</b>	<b>(94,942,715)</b>	<b>(118,947,123)</b>	<b>(292,493,499)</b>	<b>(149,787,759)</b>

**Cash Flows from Financing Activities:**

Increase/ (Decrease) in Long Term Borrowing  
Increase/ (Decrease) in Short Term Borrowing  
Interest paid

**Net Cash Flow From/(Used) in Financing Activities****Net Increase/ (Decrease) in cash and cash equivalents**

Cash and Cash Equivalents at the beginning including For. Ex.

Cash and Cash Equivalents at the ending of the year

Add, Unrealized foreign exchange gain/(loss) in cash &amp; cash equivalents

**Cash and Cash Equivalents at closing Including For. Ex. Gain/(loss)**

(9,230,402)	(34,415,062)	(88,272,209)	(73,881,997)	(87,371,619)
(15,316,256)	(105,272,674)	65,401,448	152,380,731	(126,830,521)
(75,123,607)	(78,027,512)	(82,160,265)	(81,951,103)	(113,511,419)
<b>(99,670,265)</b>	<b>(217,715,248)</b>	<b>(105,031,026)</b>	<b>(3,452,369)</b>	<b>(327,713,559)</b>
<b>29,164,445</b>	<b>2,705,607</b>	<b>(2,614,083)</b>	<b>(38,258,918)</b>	<b>46,054,294</b>
<b>12,072,423</b>	<b>9,357,624</b>	<b>11,968,187</b>	<b>50,227,105</b>	<b>4,172,811</b>
<b>41,236,868</b>	<b>12,063,231</b>	<b>9,354,104</b>	<b>11,968,187</b>	<b>50,227,105</b>
19,381	9,192	3,520	-	-
<b>41,256,249</b>	<b>12,072,423</b>	<b>9,357,624</b>	<b>11,968,187</b>	<b>50,227,105</b>

**(a) Internal and external sources of cash;**

The internal and external sources of cash are given below:

(Amount in BDT)

Particulars	June, 2016	June, 2015	June, 2014	June, 2013	June, 2012
<b>Internal Sources of Cash</b>					
Share Capital	800,000,000	800,000,000	800,000,000	800,000,000	100,000,000
Retained earnings	1,784,819,452	1,513,927,641	1,258,509,846	963,002,733	858,936,438
<b>Sub-Total</b>	<b>2,584,819,452</b>	<b>2,313,927,641</b>	<b>2,058,509,846</b>	<b>1,763,002,733</b>	<b>958,936,438</b>
<b>External Sources of Cash</b>					
Long term Borrowings	83,771,435	73,314,994	107,730,056	196,002,265	269,884,262
Long term Borrowings – Current Maturity	59,799,522	77,198,235	113,439,082	110,739,082	94,726,248
Short term Borrowings	903,116,174	918,432,430	987,464,257	924,762,809	788,394,912
<b>Sub-Total</b>	<b>1,046,687,131</b>	<b>1,068,945,659</b>	<b>1,208,633,395</b>	<b>1,231,504,156</b>	<b>1,153,005,422</b>
<b>Grand Total</b>	<b>3,631,506,583</b>	<b>3,382,873,300</b>	<b>3,267,143,241</b>	<b>2,994,506,889</b>	<b>2,111,941,860</b>

**(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;**

ACFL has no other material commitments for capital expenditures except for those mentioned in the Utilization of IPO proceeds in this Prospectus.

**(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income:**

Particular	June, 2016	June, 2015	June, 2014	June, 2013	June, 2012
Sales	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031
Cost of Goods Sold	1,260,904,822	1,277,876,133	1,476,265,229	1,479,412,627	1,507,741,072
Other operating Exp. including Financial expenses	101,889,402	123,744,875	126,554,210	109,219,354	145,534,551
Net profit/ (loss) after tax	270,759,277	256,713,296	296,365,313	289,156,006	305,481,982

**Causes for Changes in Sales**

There was no significant fluctuation in the revenue during the last five years except sales of 2012-2013, 2014-2015 and 2015-2016 registering a decrease by 1.74, 13.21 and 0.91 percent respectively resulted from decline in the sale price of yarn both in the local and international markets as well as sales quantity reduction in 2014-2015.

**Causes for Changes in Cost of Goods Sold**

There was no significant fluctuation in the Cost of Goods sold during last five years except in the year 2014-15 registering a decreased by 13.43 percent due to fall in price in the international markets.

**Causes for Changes in other operating expense**

There was no significant fluctuation in the other operating expenses except finance cost which decreased over the last four years due to decrease in interest rates and gradual settlement of term loan obligations.

**Causes for Changes in Net Profit After Tax**

Net Profit after Tax decreased because of the fall in cotton and yarn price in the international market.

**(d) Any seasonal aspects of the issuer's business;**

There is no significant seasonal aspect on the company's business except purchase of raw materials which are procured mostly during March-July because of having harvesting time each year.

**(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business;**

There are no known trends, events that may have material effect on the issuer's future business. However there are some uncertainties which may affect the future business as follows -

- Increased competition
- Political unrest
- Natural disaster
- Change in Govt. policies
- Increased production cost

**(f) Any assets of the company used to pay off any liabilities;**

None of the assets of the company has been used to pay off any liabilities of the company.

(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;

Aman Cotton Fibrous Limited has not taken any loan from its related party within last five years. However, the company has given loan to the following related parties:

Name of Related Party	Amount in BDT					Status
	As on 30.06.2016	As on 30.06.2015	As on 30.06.2014	As on 30.06.2013	As on 30.06.2012	
Aman Cement Mills Unit-2 Ltd.	95,361,835	-	-	-	-	Temporary Loan
Aman Jute Fibrous Ltd.	13,515,000	-	-	-	-	Temporary Loan
Anwara Mannan Textile Mills Ltd.	20,500,000	-	-	-	-	Temporary Loan

(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;

The Company has no plan to enter into any contractual liabilities other than normal course of business within next one year.

(i) The estimated amount, where applicable, of future capital expenditure;

The Company has not any plan to make any capital expenditure except for those mentioned in the 'Use of Proceeds' Chapter XXII of this prospectus.

(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;

#### Value Added Tax (VAT)

The project of the company is 100 percent export oriented. Government of Bangladesh has declared that there is no VAT on 100% export oriented industry except local sales. There is no outstanding VAT claim up to 30 June 2016.

#### Income Tax

The Company has been enjoying reduced tax rate at 15% since 30 June 2016 as per SRO 193-AIN/2015/193-Income. Previously the Company enjoyed tax holiday from 01 November 2007 to 31 October 2011 as per নথি নং ১১(২৬)অনু১/২০০৮/১০৪৪(২) dated ০৬/০৮/২০০৮ and the tax payment status of the Company for the last five years are as follows:

Income Year	Assessment Year	Status
2011-2012	2012-2013	The Deputy Commissioner of Taxes, Circle-08, and Zone-01 certified that "Assessment has been completed for the assessment year 2012-13".  As per demand notice u/s 135 dated 16.02.2017 present tax demand is Tk.2,61,46,900/- but appeal has been made against the learned CT (A) Order to the Taxes Appellant Tribunal.
2012-2013	2013-2014	The Deputy Commissioner of Taxes, Circle-08, and Zone-01 certified that "Assessment has been completed for the assessment year 2013-14".  As per demand notice u/s 135 dated 16.02.2017 present tax demand is Tk. 3,38,07,652/- but appeal has been made against the learned CT (A) Order to the Taxes Appellant Tribunal.
2013-2014	2014-2015	Return has been filed but assessment is under process.
2014-2015	2015-2016	Return has been filed but assessment is under process.
2015-2016	2016-2017	Return has been filed but assessment is under process.

**Customs Duty or other tax liabilities:** The Company does not have any outstanding customs duty or any other similar liabilities.

(k) **Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;**

Aman Cotton Fibrous Limited does not have any financial commitment during the last five years except following operating lease agreement:

Particulars	Rental Agreement for Corporate Office
Lessor	Aman Group
Lessee	Aman Cotton Fibrous Limited
Nature of Agreement	Rental agreement for corporate office
Date of Lease Agreement	July 18, 2017
Effective Date of Tenancy	July 1, 2017
Period of Lease	3 (Three) years
Date of Lease Expiration	June 30, 2020
Description of rental property	1500 square feet of floor space situated at 2, Ishakha Avenue (3 <sup>rd</sup> Floor), Sector - 6, Uttara, Dhaka - 1230
Rent	BDT 75,000 per month

#### **Financial Lease Commitment during Last Five Years**

Aman Cotton Fibrous Limited does not enter into any financial lease agreement during the last five years.

(l) **Details of all personnel related schemes for which the company has to make provision for in future years;**

The Company considers its human resources as the most valuable assets and the profitability of company largely depends on the efficient & effective productivity of human resources. The Company provides facilities and incentives to motivate employees for its continued profitability and prosperity.

The following benefits and related scheme are applicable for company's payroll employees:

Yearly Increment :	Upon management approval and salary brackets/scale, annual increments on basic salaries may be given to employees.
Allownaces :	According to performance and pay scale, allowances are given for expenses such as house rent, conveyance, medical expense, car maintenance and mobile phone facility.
Festival Bonus :	Employees are given festival bonus in Eids equivalent to one-month gross salary in a year.
WPPF :	The company provides 5% of its net profit before tax after charging such expense as workers profit participation in accordance with Bangladesh Labour (Amendment) Act, 2013.
Group Insurance :	The Company has Group Insurance Policy in order to help employees keeping up sound health with Prime Islami Life Insurance Company Ltd.
Earn Leave Benefit :	Employees are allowed encashment of un-availed earn leave after twelve months services.
Maternity Benefit :	Females Employees are entitled to maternity benefit up to the birth of two children.
Medical Facilities :	The company provides free medical consultation and first aid to the employees through own medical officer and medical assistance from the companies medicals centre in the factory premises.

## (m) Break down of all expenses related to the public issue:

## Breakdown of IPO Expenses (Estimated):

Particulars	Rate	Amount in BDT (Approx.)
<b>Issue Management Fee:</b>		
Manager to the issue Fee	2% of the public offer amount (including premium) of tk. 05.00 million whichever is higher	16,000,000
VAT against Issue Management Fee	@ 15% on the Issue Management Fee	2,400,000
<b>Listing Related Expenses:</b>		
Application Fee for Stock Exchanges	Tk. 50,000 for each exchanges	100,000
Annual Fee for Stock Exchanges	@ 0.05% on Tk. 100 million of paid-up capital and 0.02% on the rest amount of paid-up capital; minimum Tk. 50,000 and Maximum Tk. 6 lacs for each exchanges	463,333
Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on Tk. 100 million of paid-up capital and 0.15% on the rest amount of paid-up capital; minimum Tk. 50,000 and Maximum Tk. 10 million for each exchanges	3,225,000
<b>BSEC Fee:</b>		
Application Fee	Tk. 50,000 (non-refundable)	50,000
Consent Fee	@ 0.40% on the public offering amount	3,200,000
<b>IPO Commission/Expenses:</b>		
Underwriting Commission	@ 0.20% on the underwritten amount	560,000
Credit Rating Fee		230,000
Auditors' Certification Fee		200,000
<b>CDBL Fee and Expenses:</b>		
Security Deposit of Eligible Securities	At actual	500,000
Documentation Fee	At actual	2,500
Annual Fee	At actual	100,000
Connection Fee	At actual	6,000
IPO Fees	@0.0175% of issue size+0.0175% of Pre-IPO paid up capital	280,000
<b>Printing and Post IPO Expenses:</b>		
Registrar to the Issue Fees	Lump sump	500,000
Publication of Prospectus	Estimated	700,000
Abridged version of Prospectus and Notice in	Estimated	621,667
Notice for Prospectus, Lottery, Refund etc. in	Estimated	801,500
Bidding related Expenses (Stock Exchanges)	Estimated	990,000
Lottery Conducting Expenses & BUET Fee	Estimated	900,000
Collection of Forms, Data Processing and Share Software Charge	Estimated	2,600,000
Allotment and Refund	Estimated	350,000
Stationeries and Other Expenses	Estimated	220,000
	<b>Grand Total</b>	<b>35,000,000</b>
<b>N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly</b>		

(n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

Name of the Independent Valuer	S.H Khan & Co., Chartered Accountants
Valuer's Qualification	Chartered Accountant
Valuer's Experience	30 Years.
Valuer's Address	RazBhaban (1st floor), 29 Dilkusha C/A, Dhaka-1000.
Date of Signing Revaluation Report	May 20, 2013.
Nature of Revalued Assets	Land and Land development
Methods of Valuation	Net Realizable Value method (the market approach)
Assumptions	Generally Accepted Accounting Principles, Location, Size of the land, Commercial importance and facilities available and likely future appreciation.

**Purpose of valuation:**

The financial statements of the company have been prepared in accordance with Bangladesh Accounting Standard (BAS) based on historical cost convention previously. However, the value of land has increased due to high inflationary trend and devaluation of local currency. In this circumstance the management has decided to revalue the land to incorporate the fair value of these assets in the financial statements.

**Basis of revaluation:**

The Valuer has estimated the value of the land of the company under Estimated Net Realizable Value method (the market approach) depending on the nature of assets and rationale applicable.

Summary of revaluation of fixed assets as on May 15, 2013 is given below.

SL No.	Class of Fixed Assets	Revalued Amount (Taka)	Carrying Cost (Taka)	Revaluation Surplus (Taka)
1	Land	464,338,000	185,025,622	279,312,378
	<b>Total</b>	<b>464,338,000</b>	<b>185,025,622</b>	<b>279,312,378</b>

**Auditors' certificate on compliance of BSEC notification**

**dated August 18, 2013 regarding revaluation of assets**

This is to certify that S.H. Khan & Co. Chartered Accountants has revalued the fixed asset (land) of Aman Cotton Fibrous Limited on 15 May 2013. In our opinion, the company has recognized its assets revaluation in its financial statements as per decision of Board of Directors of the Company and as per requirements of BAS 16 – Property, Plant and Equipment.

We also certify that the revaluation was done in compliance with BSEC notification SEC/CMRRCD/2009-193/150/Admin/51 dated 18 August 2013 except few as mentioned in our report on compliance status dated 20 February 2017.

Dhaka  
Date: February 20, 2017

Sd/-  
**MahfelHuq & Co.**  
Chartered Accountants

(o) Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary/holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

Aman Cotton Fibrous Limited does not have any Holding/Subsidiary Company.

(p) Financial Information of Group Companies and companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:



## Financial Information regarding Group:

Sl No	Name of the Company	Date of Incorporation	Nature of Business	Closing Date	Accounting Year	No. of Share	Equity Capital	Reserves	Sales (Tk)	Profit After Tax (Tk)	EPS (Tk)	Diluted EPS (Tk)	Net Asset Value (NAV) Tk		Remarks	Status of Listing	Information regarding significant adverse factors	Has become sick or is under winding up
													With Revaluation	Without Revaluation				
1	Aman Cotton Fibrous Ltd	28.12.2005	Yarn Production	June, 30	2016	80,000,000	800,000,000	2,050,201,690	1694452484	270759277	3.38	3.38	35.63	32.31		Non Listed		
					2015		800,000,000	1,751,343,162	1,709,964,382	256,713,296	3.21	3.21	31.89	28.92				
					2014		800,000,000	1,495,925,367	1,970,153,083	296,365,312	3.70	3.70	28.68	25.72				
2	Aman Feed Ltd	07.02.2005	Poultry Feed, Fish Feed & Cattle Feed	2016	96,000,000	960,000,000	2,321,752,982	3,654,092,037	429,926,122	4.48	4.48	34.18	33.02		Listed with DSE & CSE in 2015. Market price of shares: Highest: 87.10 Lowest: 72.70 No changes in capital Structure. Cut of Date: 01.08.17			
				2015	80,000,000	800,000,000	2,071,826,861	2,839,770,808	305,566,321	5.07	3.18	35.90	34.50					
				2014	60,000,000	600,000,000	1,246,260,540	2,641,647,263	298,180,480	4.97	4.94	30.77	28.91					
3	Aman Cement Mills Ltd	18.11.1999	Portland Composite Cement	2016	60,610,000	606,100,000	1,040,788,279	815,006,373	73,157,310	1.21	1.21	27.17	20.88			No significant adverse factors	Neither sick nor is under winding up	
				2015		606,100,000	982,933,483	808,784,876	72,943,368	1.20	1.20	25.94	19.48					
				2014		606,100,000	907,859,318	808,126,828	110,456,814	1.82	1.82	24.70	18.02					
4	Aman Tex Ltd	22.08.2004	Textile & RMG	2016	2,820,000	28,200,000	2,453,068,026	3,517,402,447	324,978,940	115.24	5.17	880.00	880.00					
				2015	200,000	20,000,000	2,065,752,167	3,351,217,043	401,202,236	2,006.01	64.71	10,429.00	10,429.00					
				2014		20,000,000	1,465,434,771	3,295,758,322	355,217,892	1,776.09	57.29	7,427.00	7,427.00					
5	Anwara Mannan Textile Mills Ltd	10.01.2010	Yarn Production	2016	2,000,000	20,000,000	1,540,830,248	2,820,021,142	164,128,398	82.06	82.06	780.42	780.42					
				2015		20,000,000	1,377,839,143	2,871,691,500	165,172,845	82.59	82.59	698.92	698.92					
				2014		20,000,000	1,212,666,298	3,469,297,825	212,726,484	106.36	106.36	616.33	616.33					
6	Aman Cold Storage Ltd	02.01.1996	June, 30	2016	10,000	1,000,000	60,608,352	13,703,400	5,525,617	552.56	552.56	6,160.84	6,160.84					
			December, 31	2015		1,000,000	55,082,735	27,502,480	10,795,573	1,079.56	1,079.56	5,608.27	5,608.27					
				2014		1,000,000	44,287,162	24,675,000	8,126,299	812.63	812.63	4,528.72	4,528.72					

7	Milan Cold Storage Ltd	06.11.1967	Preserving & Trading of Potato and Potato Seeds	June, 30	2016	3,040	304,000	27,541,248	19,302,063	9,662,820	3,178.56	3,178.56	9,159.62	9,159.62	Non Listed	No significant adverse factors	Neither sick nor is under winding up
				December, 31	2015		304,000	17,878,428	39,875,000	5,901,500	1,941.28	1,941.28	5,981.06	5,981.06			
					2014		304,000	11,976,928	39,597,975	5,881,875	1,934.83	1,934.83	4,039.78	4,039.78			
8	Aman Agro Industries Ltd	09.09.2002	Preserving & Trading of Potato and Potato Seeds	June, 30	2016	250,000	25,000,000	20,257,394	19,665,000	8,952,460	35.81	35.81	181.03	181.03			
				December, 31	2015		25,000,000	11,304,934	40,226,540	2,223,220	8.89	8.89	14.52	14.52			
					2014		25,000,000	9,081,714	39,200,378	2,116,039	8.46	8.46	13.63	13.63			
9	A.M Cold Storage Ltd	15.06.2010	Preserving & Trading of Potato and Potato Seeds	June, 30	2016	50,000	5,000,000	17,572,228	19,550,000	8,662,839	173.26	173.26	451.44	451.44			
				December, 31	2015		5,000,000	8,909,389	40,250,000	1,661,385	33.23	33.23	278.19	278.19			
					2014		5,000,000	7,248,004	37,022,625	1,364,478	27.29	27.29	244.96	244.96			
10	Aman Seeds Storage Ltd	29.06.2011	Preserving & Trading of Potato and Potato Seeds	June, 30	2016	50,000	5,000,000	7,053,638	12,314,200	2,305,969	46.12	46.12	241.07	241.07			
				December, 31	2015		5,000,000	4,747,669	25,297,470	4,218,412	84.37	84.37	194.95	194.95			
					2014		5,000,000	529,257	24,750,000	462,672	9.25	9.25	110.59	110.59			
11	Aman Jute Fibrous Ltd	28.08.2002	Jute Manufacturing	June, 30	2016	10,000	1,000,000	388,852,019	266,075,845	(21,078,797)	(2,107.88)	(2,107.88)	38,985.20	38,985.20	Production started on May 2015		
					2015		1,000,000	409,930,816	918,525	(1,869,184)	(186.92)	(186.92)	41,093.08	41,093.08			
					2014		1,000,000	411,800,000	N/A	N/A	N/A	N/A	41,280.00	41,280.00			
12	Aman Cement Mills Unit-2 Ltd	13.06.2011	Portland Composite Cement	June, 30	2016	400,000	4,000,000	900,000,000	N/A	N/A	N/A	N/A	2,260.00	2,260.00	Construction is under Process		
					2015		4,000,000	900,000,000	N/A	N/A	N/A	N/A	2,260.00	2,260.00			
					2014		4,000,000	900,000,000	N/A	N/A	N/A	N/A	2,260.00	2,260.00			
13	Aman Plant Tissue Culture Ltd	08.04.2009	Seed Hybridization	June, 30	2016	5,000	500,000	21,687,648	10,970,049	2,594,865	518.97	518.97	4,437.53	4,437.53			
				December, 31	2015		500,000	19,092,783	22,916,799	2,861,520	572.30	572.30	3,918.56	3,918.56			
					2014		500,000	16,231,263	21,983,532	2,627,907	525.58	525.58	3,346.25	3,346.25			

14	Aman Breeders Ltd	06.06.2012	Poultry & Hatchery	June, 30	2016	200,000	2,000,000	21,336,150	130,317,214	11,086,718	55.43	55.43	116.68	116.68		Non Listed	No significant adverse factors	Neither sick nor is under winding up
					2015		2,000,000	10,249,432	223,060,142	6,472,287	32.36	32.36	61.25	61.25				
					2014		2,000,000	3,777,145	196,952,437	5,857,625	29.29	29.29	28.89	28.89				
15	Aman Poultry & Hatchery Ltd	07.04.2009	Poultry & Hatchery	June, 30	2016	727,090	72,709,000	162,476,412	327,287,646	15,878,092	21.84	21.84	323.46	323.46				
					2015		72,709,000	146,598,320	101,449,534	5,418,131	7.45	7.45	301.62	301.62				
					2014		72,709,000	141,180,189	89,788,775	3,641,388	5.01	5.01	294.17	294.17				
16	Aman Cotton Fibrous Unit-2 Ltd	03.12.2012	Yarn Production	June, 30	2016	500,000	5,000,000	257,721,454	N/A	N/A	N/A	N/A	525.44	525.44	New Project			
					2015		5,000,000	257,721,454	N/A	N/A	N/A	N/A	525.44	525.44				
					2014		5,000,000	221,587,408	N/A	N/A	N/A	N/A	453.17	453.17				
17	Aman Tex Unit-2 Ltd	18.09.2013	Knit Composite	June, 30	2016	200,000	2,000,000	833,824,793	476,844,292	22,824,793	114.12	114.12	4,179.12	4,179.12	Production started from 01 July 2015			
					2015		2,000,000	-	N/A	N/A	N/A	N/A	10.00	10.00				
18	Aman Steel Mills Ltd	11.09.2004	Steel Mill	June, 30	2016	200,000	20,000,000	250,000,000	N/A	N/A	N/A	N/A	1,350.00	1,350.00	New Project			
					2015		20,000,000	250,000,000	N/A	N/A	N/A	N/A	1,350.00	1,350.00				
					2014		20,000,000	250,000,000	N/A	N/A	N/A	N/A	1,350.00	1,350.00				
19	Aman Packaging Ltd	09.01.2007	Packaging Factory	June, 30	2016	10,000	1,000,000	8,370,459	N/A	N/A	N/A	N/A	937.05	937.05	New Project			
					2015		1,000,000	8,370,459	N/A	N/A	N/A	N/A	937.05	937.05				
					2014		1,000,000	8,370,459	N/A	N/A	N/A	N/A	937.05	937.05				
20	Aman Foods Ltd	04.06.2009	Flour Mills & Consumer Items	June, 30	2016	10,000	10,000,000	300,000,000	N/A	N/A	N/A	N/A	31,000.00	31,000.00	New Project			
					2015		10,000,000	290,622,308	N/A	N/A	N/A	N/A	30,062.23	30,062.23				
					2014		10,000,000	292,931,827	N/A	N/A	N/A	N/A	30,293.18	30,293.18				

21	Aman Packaging & Accessories Ltd	29.12.2014	Packaging Factory	June, 30	2016	100,000	1,000,000	66,152,564	7,266,736	(1,248,194)	(12.48)	(12.48)	66.15	66.15	New Project	Non Listed	No significant adverse factors	Neither sick nor is under winding up			
				2015			1,000,000	67,400,758	N/A	N/A	N/A	N/A	68.40	68.40							
22	Aman Shipyard Ltd	29.12.2014	Shipyard	June, 30	2016	100,000	1,000,000	15,609,422	N/A	N/A	N/A	N/A	166.09	166.09	New Project						
				2015			1,000,000	15,609,422	N/A	N/A	N/A	N/A	166.09	166.09							
23	Aman Foods & Beverage Ltd	03.05.2011	Flour Mills & Consumer Items	June, 30	2016	200,000	2,000,000	4,000,000	N/A	N/A	N/A	N/A	30.00	30.00	New Project						
				2015			2,000,000	2,954,312	N/A	N/A	N/A	N/A	24.77	24.77							
				2014			2,000,000	3,193,021	N/A	N/A	N/A	N/A	25.97	25.97							
24	Aman Green Energy Ltd	29.03.2016	Energy	June, 30	2016	200,000	2,000,000	-	N/A	N/A	N/A	N/A	10.00	10.00	New Project						
25	Akin Feed Ltd	18.04.2016	Feed	June, 30	2016	990,000	9,900,000	6,508,489	N/A	N/A	N/A	N/A	16.57	16.57	New Project						
26	Aman Economic Zone Ltd	18.04.2016	Economic Zone	June, 30	2016	200,000	2,000,000	-	N/A	N/A	N/A	N/A	10.00	10.00	New Project						
27	Anwara Poultry & Hatchery Ltd	28.04.2016	Poultry & Hatchery	June, 30	2016	200,000	2,000,000	-	N/A	N/A	N/A	N/A	10.00	10.00	New Project						
28	Anwara Cold Storage Ltd	18.05.2016	Preserving & Trading of Potato and Potato Seeds	June, 30	2016	200,000	2,000,000	-	N/A	N/A	N/A	N/A	10.00	10.00	New Project						
29	Islam Brothers & Co.	N/A	Trading	June, 30	2016	Proprietorship	3,273,200,348	-	7,527,274,479	186,148,248					-						
					2015		3,087,052,100	-	6,610,587,415	193,635,245	-	-	-	-							
					2014		2,893,416,855	-	6,479,852,786	182,311,314	-	-	-	-							
30	Juvenile Construction	N/A	Trading	June, 30	2016	Proprietorship	128,158,791		1,049,207,485	3,215,889					-						
					2015		124,942,902	-	852,310,576	2,463,524	-	-	-	-							
					2014		122,479,378	-	871,483,206	2,311,314	-	-	-	-							

31	R S & T International	N/A	Trading	June, 30	2016	Proprietorship	170,837,933		855,520,147	3,601,588					-	Non Listed	No significant factors	Neither sick nor is under winding up
					2015		167,236,345	-	356,327,807	3,063,524	-	-	-	-				
					2014		164,172,821	-	389,429,297	29,201,014	-	-	-	-				
32	Aman Trading Corporation	N/A	Trading	June, 30	2016	Proprietorship	61,329,268		1,382,792,412	2,217,055					-			
					2015		59,112,213	-	3,971,400,193	3,235,245	-	-	-	-				
					2014		55,876,968	-	4,058,661,414	3,301,718	-	-	-	-				
33	Aman Associates Ltd	09.10.2005	Trading	June, 30	2016	10,000	1,000,000	12,974,119	306,828,196	2,714,966					-			
					2015		1,000,000	10,259,153	290,826,127	2,235,245	-	-	-	-				
					2014		1,000,000	8,023,908	295,114,135	2,311,314	-	-	-	-				
34	Juvenile Trade International Ltd	02.08.2005	Trading	June, 30	2016	10,000	1,000,000	11,187,446	314,841,926	2,515,878					-			
					2015		1,000,000	8,671,568	304,011,174	2,263,215	-	-	-	-				
					2014		1,000,000	6,408,353	307,846,947	2,011,479	-	-	-	-				
35	Aman Hybrid Seeds Ltd	13.04.2009	Seeds	June, 30	2016	5,000	500,000			-	-	-	-	-	-			
					2015		500,000			-	-	-	-	-				
					2014		500,000			-	-	-	-	-				
36	Aman Heights Ltd	13.03.2010	Hotel & Porjoton	June, 30	2016	50,000	5,000,000			-	-	-	-	-	-			
					2015		5,000,000			-	-	-	-	-				
					2014		5,000,000			-	-	-	-	-				

## (12) The related business transactions within the group and their significance on the financial performance of the issuer

There were no related business transactions within the group which have significance on the financial performance of the issuer except the following transaction

Name of the Company	Relationship	Nature of Transaction	2015-2016		2014-2015		2013-2014	
			Value of transaction during the Year	Balance at year end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)
Aman Group Ltd.	Common Director	Rent	900,000	-	900,000	-	900,000	-
Aman Tex Ltd.	Common Director	Sales	250,303,533	29,798,045	308,187,012	12,628,248	-	-
Aman Packaging & Accessories Ltd	Common Director	Purchase	3,061,382	-	-	-	-	-
Islam Brothers & Co	Common Director	Advance against land	50,500,000	50,500,000	-	-	-	-
Anwara Mannan Textile Mills Ltd	Common Director	Advance against land	15,000,000	15,000,000	-	-	-	-
Anwara Mannan Textile Mills Ltd	Common Director	Loan given	20,500,000	20,500,000	-	-	-	-
		Interest Receivable	5,198,438	5,198,438	-	-	-	-
Aman Cement Mills unit -2 Ltd	Common Director	Loan given	95,361,835	95,361,835	-	-	-	-
		Interest Receivable	8,385,420	8,385,420	-	-	-	-
Aman Jute Fibrous Ltd	Common Director	Loan given	13,515,000	13,515,000	-	-	-	-
		Interest Receivable	1,028,545	1,028,545	-	-	-	-

## (13) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions

ACFL does not have any Subsidiary or Associate Company. ACFL, however, has entered into business transactions with one of its sister concern namely Aman Tex Ltd. that exceeds value in aggregate ten per cent of the total sales as detailed below:

Name of the Company	Year/Period ended on	Nature of Transaction	Amount (In BDT)	% of Total sales
Aman Tex Ltd	30-Jun-16	Sale of yarn	250,303,533	14.77%
	30-Jun-15		308,187,012	18.02%
	30-Jun-13		306,979,939	15.58%

(q) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the Prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer

Not applicable.

(r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

**Certificate of Share allotted other than Cash**

After due verification, we certify that the following shares have been allotted for consideration in otherwise than cash of Aman Cotton Fibrous Ltd. as of June 30, 2016

<b>Date of allotment</b>	<b>Persons to whom those are issued</b>	<b>No. of shares allotted</b>	<b>Relationship with the Issuer</b>	<b>Reasons for the issue</b>	<b>Rational of issue price</b>
30-Mar-12	Md. Rafiqul Islam	1,930,500	Director	Distribution of accumulated profit (Bonus)	Face Value
	Md. Shofiqul Islam	1,930,500	Director		
	Md. Toufiqul Islam	1,930,500	Director		
	Md Toriqul Islam	2,821,500	Director		
	Ms. Mukta Islam	445,500	Shareholder		
	Ms. Sajeda Islam	445,500	Shareholder		
	Aman Seed Storage Ltd.	396,000	Shareholder		
9-Oct-12	Md. Rafiqul Islam	13,650,000	Director	Distribution of accumulated profit (Bonus)	Face Value
	Md. Shofiqul Islam	13,650,000	Director		
	Md. Toufiqul Islam	13,650,000	Director		
	Md Toriqul Islam	19,950,000	Director		
	Ms. Mukta Islam	3,150,000	Shareholder		
	Ms. Sajeda Islam	3,150,000	Shareholder		
	Aman Seed Storage Ltd.	2,800,000	Shareholder		

**Place: Dhaka**  
**Date: July 27, 2017**

**Sd/-**  
**Mahfel Huq & Co.**  
**Chartered Accountants**

(s) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public

There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

(t) Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary:

#### **Business Strategies**

ACFL's key strategic objectives are to

- Ensure sustainable growth and modernization of existing facilities with potential for success through increasing capacity and manufacturing efficiency;
- Achieve global competitiveness and to derive the full benefit of our demographic and wages advantage;
- Achieve a significant market share through specific marketing strategy;
- Achieve technological superiority;
- Strengthening financial resources;
- Maintain state-of-the-art manufacturing facilities for ensuring best quality products to the customers;
- Obtain world class accreditation by proper execution of ISO 9001:2008 standard and best practices that are proven effective

#### **Future plans**

##### ***From IPO Proceeds***

In pursuance of aforesaid strategies, ACFL and its professional team have been working relentlessly keeping in mind the growth prospect as well. ACFL has a plan for massive expansion doubling its capacity to produce special yarn by acquiring brand new machineries using IPO proceeds (Use of IPO proceeds in detail shown in Chapter -XXII).

##### ***Other than IPO Proceeds***

The company is constructing its new factory building on its 316.25 DCM Land situated at Boiragirchala, Sreepur, Gazipur from sources other than IPO proceeds. This new factory building will facilitate installing new machineries to be procured for producing special yarn that will contribute significantly to our existing earning streams.



(u) Discussion on the results of operations shall inter-alia contain the following

(1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure

There was no significant adjustment given in the auditor's report containing significant items of income and expenditure during the last financial year. Summary of the financial results and operations are presented below:

Amount in Taka

Particulars	Year ended				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Non-Current Assets	1,694,546,466	1,423,180,208	1,403,827,936	1,370,367,592	858,774,747
Current Assets	2,390,719,882	2,448,831,433	2,320,330,269	2,038,181,862	1,836,501,610
Total Assets	4,085,266,348	3,872,011,641	3,724,158,205	3,408,549,454	2,695,276,357
Shareholders' Equity	2,850,201,690	2,551,343,162	2,295,925,367	2,000,418,254	1,473,955,883
Long term Borrowings	83,771,435	73,314,994	107,730,056	196,002,265	269,884,262
Current Liabilities & Provisions	1,084,210,535	1,162,696,566	1,243,729,204	1,145,793,062	951,436,213
Net Sales	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031
Gross profit	433,547,662	432,088,249	493,887,854	494,198,755	500,890,959
Net profit before tax	319,448,826	301,921,747	351,037,574	356,043,180	338,434,674
Net profit after tax	270,759,277	256,713,297	296,365,313	289,156,006	305,481,982

(2) A summary of major items of income and expenditure

Major items of Income

Particulars	Year ended				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Net Sales	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031

Major items of expenditure

Particulars	Period ended				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Cost of goods sold	1,260,904,822	1,277,876,133	1,476,265,229	1,479,412,627	1,507,741,072
Operating expenses	41,378,198	45,717,363	44,393,945	27,268,251	32,023,132
Financial expenses	60,511,204	78,027,512	82,160,265	81,951,103	113,511,419

(3) The income and sales on account of major products or services

ACFL earns more than 99.99% revenue from sale of yarn.

(4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring

There was no such other income that constitutes 10% or more of the total income.

(5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations

The Company has no material part of income dependent upon a single customer or a few major customers except the following

Customer Name	Address	Telephone Number	Web Address	E-mail	Fax Number	Amount in BDT	(%)
Aman Tex Ltd.	2 Ishakha avenue, Sector-6, Uttara, Dhaka.	Tel: 880-2-962297, 7911016, 7911691-3.	www.amangroupbd.com	<a href="mailto:mosharof@amangroupbd.com">mosharof@amangroupbd.com</a>	880-2-8920510	250,303,533	14.77
Shahriyar Fabric Industries Ltd.	Palashbar, Ashulia, Savar, Dhaka-1349.	Tel: +88 02 7789453,	www.gildan.com	<a href="mailto:hnroy@gildan.com">hnroy@gildan.com</a>	Fax: +88 02 7788239	392,751,200	23.18

Revenue from sales varies depending on the fluctuation of foreign currency on the cut-off date.

(6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.

The Company has not followed any unorthodox procedure for recording of sales and revenues.

(v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure

The Statement of Profit or Loss and other Comprehensive Income for the years ended on 30 June 2016, 2015, 2014 and 2013 are given hereunder.

## Statement of Profit or Loss and Other Comprehensive Income

Particulars	Amount in Taka			
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
		*Restated	*Restated	
<b>Sales</b>	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382
Cost of Goods Sold	(1,260,904,822)	(1,277,876,133)	(1,476,265,229)	(1,479,412,627)
<b>A. Gross profit</b>	<b>433,547,662</b>	<b>432,088,249</b>	<b>493,887,854</b>	<b>494,198,755</b>
Administrative expenses	(25,597,344)	(23,665,546)	(21,331,851)	(17,174,152)
Selling and distribution expenses	(15,780,854)	(22,051,817)	(23,062,094)	(10,094,099)
<b>B. Operating expenses</b>	<b>(41,378,198)</b>	<b>(45,717,363)</b>	<b>(44,393,945)</b>	<b>(27,268,251)</b>
<b>C. Operating profit/(loss) (A-B)</b>	<b>392,169,464</b>	<b>386,370,886</b>	<b>449,493,909</b>	<b>466,930,504</b>
Financial Expenses	(60,511,204)	(78,027,512)	(82,160,265)	(81,951,103)
<b>Profit before Other Income</b>	<b>331,658,260</b>	<b>308,343,374</b>	<b>367,333,644</b>	<b>384,979,401</b>
Add-Non-operating income	3,763,007	8,674,461	1,255,809	(11,134,062)
<b>D. Net profit before tax and provision of WPPF</b>	<b>335,421,267</b>	<b>317,017,835</b>	<b>368,589,453</b>	<b>373,845,339</b>
<b>E. Provision for expenses</b>	<b>(15,972,441)</b>	<b>(15,096,087)</b>	<b>(17,551,879)</b>	<b>(17,802,159)</b>
Contribution to WPPF	(15,972,441)	(15,096,087)	(17,551,879)	(17,802,159)
<b>F. Net profit before tax (D-E)</b>	<b>319,448,826</b>	<b>301,921,747</b>	<b>351,037,574</b>	<b>356,043,180</b>
Current tax	(38,311,791)	(37,073,679)	(44,234,558)	(39,857,656)
Deferred tax income/(Expenses)	(10,377,758)	(8,134,772)	(10,437,705)	(27,029,518)
<b>Net profit after tax</b>	<b>270,759,277</b>	<b>256,713,297</b>	<b>296,365,313</b>	<b>289,156,006</b>
<b>Other comprehensive income</b>	<b>28,099,251</b>	<b>(1,295,501)</b>	<b>(858,199)</b>	<b>237,306,364</b>
Gain on revaluation	-	-	-	279,312,378
Unrealized gain/(loss) on securities available for sale	147,260	(1,546,930)	(858,199)	(109,157)
Related Tax	(14,726)	251,429	-	-
Tax on Revaluation Reserve	27,966,717	-	-	(41,896,857)
<b>Total comprehensive income</b>	<b>298,858,528</b>	<b>255,417,795</b>	<b>295,507,113</b>	<b>526,462,371</b>
<b>Basic Earning per share</b>	<b>3.38</b>	<b>3.21</b>	<b>3.69</b>	<b>3.61</b>
<b>Basic Earning per share (restated)</b>	<b>3.38</b>	<b>3.21</b>	<b>3.70</b>	<b>3.61</b>
<b>Fully Diluted Earnings Per Share</b>	<b>3.38</b>	<b>3.21</b>	<b>3.70</b>	<b>3.61</b>

**Analysis of reasons for the changes in significant items of income and expenditure:**

In the last few years, the price of cotton and yarn has fallen significantly in the international market that resulted in decrease in sales and cost of goods sold.

**Causes for Changes in Sales**

Revenue decreased for the year ended June 30, 2015 and 2016 due to fall in the sales price of yarn in international market.

**Causes for Changes in Cost of Goods Sold**

Cost of Goods sold decreased in 2015 and 2016 due to fall in the purchase price of Raw Cotton in international markets.

**Causes for Changes in operating expense**

There was no significant fluctuation in the other operating expenses except finance cost which decreased over the last four years due to decrease in interest rates and gradual settlement of term loan obligations.

**Causes for Changes in non operating income**

In 2013, ACFL realized capital loss from its investment in secondary market. Since the end of 2010, the capital market constantly fell with some fluctuation. Therefore, the investment made by ACFL had unrealized loss which was realized in 2013.

**(1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

There are no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income and discretionary reduction of expenses.

**Changes in accounting policies**

There is no change(s) in the accounting policies of the Company during last three years other than depreciation policy changed in 2013 from straight line to reducing balance method and which has been followed consistently.

The Management of the Company has changed the method of depreciation upon a decision of Board of Directors of the Company. Which method of depreciation would be preferable and more realistic depends on the nature of the business and assets. Reducing Balance Method is being preferred when revenue earned during initial year is high and the economic life of the assets is higher than depreciation life. Moreover, it also depends on taxation rate.

Considering the nature of the major fixed Assets, the company has changed its method to reducing balance method as it gives more realistic picture than straight line method. Moreover, It commensurate with that of the Third Schedule of Income Tax Ordinance 1984. The estimated life of an asset with straight line method is much less than that of the economic life of our major capital assets and thus reducing balance method gives more representative and fair presentation of Fixed assets of the company.

**(2) Significant economic changes that materially affect or are likely to affect income from continuing operations**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

**(3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

There are no known trends that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations except following uncertainties:

- Decrease in demand of the readymade garments products in the local and international market,
- Increased production cost
- Scarcity of raw materials
- Scarcity of gas
- Technological change
- Increased competition
- Govt. Policy change towards the industry
- Political unrest
- Natural calamities

**(4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

The issuer is aware of the fact that future is always uncertain that affects business and plan as well. So, in future labor price or material cost may change. However, revenue is always adjusted and follows the trend in line with production cost. Hence, any change in material cost is adjusted with sales price. However, labor cost is partially adjusted with the selling price and improving production efficiency which is a continuous process. It is worthwhile to mention that Bangladesh is one of the largest yarn producing countries in the world. We believe that like in the past we have the ability to set trends under any circumstances.

**(5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Any material increase in the sales volume, increase in selling price as well and introduction of new products would have a significant impact on the net sales and revenue of the Company. ACFL, however, does not have any plan to introduce any new product or services in near future. But the Management of the Company expects that there would have a positive and significant impact on the revenue and sales volume with the introduction of new machineries in its production process. It is also expected that due to increased competition in the market where ACFL operates, the revenue of the Company may be affected adversely due to decrease in selling price. If the new machineries are added with the existing pool as planned, the revenue of the Company would increase significantly.

**(6) Total turnover of each major industry segment in which the issuer operated**

YEAR	EXPORT OF RMG (IN MILLION US\$)	TOTAL EXPORT (IN MILLION US\$)	% OF RMG'S TO TOTAL EXPORT
2009-10	12,496	16,204	77.12
2010-11	17,914	22,924	78.15
2011-12	19,089	24,287	78.60
2012-13	21,515	27,018	79.63
2013-14	24,491	30,186	81.13
2014-15	25,491	31,208	81.68
2015-16	28,094	33,930	82.80

*Source: Export Promotion Bureau*

**(7) Status of any publicly announced new products or business segment**

The Company did not announce any new products or business segment.

**(8) The extent to which the business is seasonal;**

In general, demand for yarn prevails throughout the year but it remains slightly higher during the months from November to July.

**(w) Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company:**

ACFL has never been defaulted in repayment of loan. It has not even rescheduled its loan due to default in making repayment of the same on due date. Moreover, there is no history of conversion of loan into equity, lock out and strikes.

**(x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**

There were no changes in the activities of the Company during the last five years and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

**(y) Injunction or restraining order, if any, with possible implications;**

There was no injunction or restraining order from any Court of Law or competent authority during the entire life of the Company's business.

**(z) Technology, market, managerial competence and capacity built-up****TECHNOLOGY**

The manufacturing technology and machinery for yarn making operation have been imported from suppliers in Europe and Asia mostly European technologies especially, Germany, Switzerland and Italy are the prime suppliers of our technology. Among these machineries Rieter, Trutzchler, Trumac, Kaiser and Toyota brands have the reputation to be the best choice for the source of technology. For air conditioning equipment Luwa, Switzerland had been chosen. Air conditioning equipment is needed for production of all preparatory section such as blowing room, carding room, roving frame room and ring frame room, pinning section and yarn finishing sections.

**Market**

Spinning is basically a sub-sector of Bangladesh's textile and clothing industry. It is also termed as Primary Textile Sector (PTS). PTS is the backbone of the clothing industry because it provides the backward linkage for both the knit and woven sectors. The primary job of spinning mills is to produce yarn from raw cotton. As per Bangladesh Textile Mills Association (BTMA's) web site, there are 424 yarn manufacturers. Out of 424, there are 341 yarn manufacturers which are currently in operation. Annual yarn spinning capacity of this industry is 2410 million kg. Main raw material of this sector is raw cotton which is mostly imported from USA, Australia, India, Pakistan, China, Central America, East & West Africa etc. During last fiscal year (2015-16), 1,375,257 Ton raw cotton was imported.

**Managerial competence**

All the members of the management team of the company are equipped with required knowledge having long experience, skills and competencies. The departmental Heads are professionally qualified in their respective fields. The management team is led by Mr. Md. Rafiqul Islam, Managing Director and acts for the best interest of the company. Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology, among others.

**Capacities build up**

To keep pace with the contemporary technology and customer demand, the company continuously investing and deploying enough resources including human resources. To cope up with the growing market demand and strengthening long term sustainability, the Company is going to expand its production capacity with latest modern technology and machinery.

**(aa) Changes in accounting policies in the last three years**

There is no change(s) in the accounting policies of the Company during last three years other than depreciation policy changed in 2013 from straight line to reducing balance method and which has been followed consistently.

The Management of the Company has changed the method of depreciation upon a decision of Board of Directors of the Company. Which method of depreciation would be preferable and more realistic depends on the nature of the business and assets. Reducing Balance Method is being preferred when revenue earned during initial year is high and the economic life of the assets is higher than depreciation life. Moreover, it also depends on taxation rate.

Considering the nature of the major fixed Assets, the company has changed its method to reducing balance method as it gives more realistic picture than straight line method. Moreover, It commensurate with that of the Third Schedule of Income Tax Ordinance 1984. The estimated life of an asset with straight line method is much less than that of the economic life of our major capital assets and thus reducing balance method gives more representative and fair presentation of Fixed assets of the company.

(bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the Prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months; Statement by the directors whether there have arisen any circumstances since the date of the last financial statements which materially and adversely affect the trading or profitability of the issuer, or the value of its assets, or its ability within the next twelve months;

**Statement regarding significant developments subsequent to the last financial year**

This is to certify that in our opinion and to the best of our knowledge there has not arisen any circumstances since the date of the last financial statements as disclosed in this prospectus and which materially and adversely affect or is likely to affect the trading or profitability of Aman Cotton Fibrous Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-  
(Md. Shofiqul Islam)  
Chairman

Sd/-  
(Md. Rafiqul Islam)  
Managing Director

Sd/-  
(Md. Toufiqul Islam)  
Director

Sd/-  
(Md. Toriqul Islam)  
Director

Sd/-  
(Md. Rabiul Haque)  
Nominee Director

Sd/-  
(A.K.M Akhtaruzzaman)  
Independent Director

Sd/-  
(Md. Mizanur Rahman)  
Independent Director

(cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;

Audited Financial Statements for the year ended on 30 June 2017 and Unaudited Half Yearly Financial Statements for the period ended 31<sup>st</sup> December 2017 have been incorporated in Chapter XXIX.

**(dd) Factors that may affect the results of operations;**

There is no such known factor that may affect the results of operations other than the followings:

- Decrease in demand for yearn due to decrease in the global demand for readymade garments;
- Unusual increase in production cost;
- Scarcity of raw materials;
- Shortage in supply of gas;
- Technological obsolescence;
- Increased competition;
- Govt. Policy change pertaining to this industry;
- Political unrest;
- Natural calamities etc.

## CHAPTER VII: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### a) Overview of business and strategies:

#### Overview of business:

According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the total fabric requirement in the captive market is about 3 billion yards, of which roughly 85 to 90 percent is imported from abroad. Fabric as well as Yarn demand is increasing at an average rate of 20 percent per year.

Under this context, it is likely that there will be new entrants in the market to make it more competitive. Because of an established marketing platform and a proven track record of performance in terms of quality and customers satisfaction, Aman Cotton Fibrous Limited enjoys its intrinsic strengths and capable of capitalizing the same for grabbing market opportunities in coming years.

#### Production Process

ACFL imports raw materials i.e. cotton and stored in cotton warehouses. After testing quality, the raw cotton is taken into production floor. Then, raw cotton is feed into machine for processing. This starts with raw bales of cotton and process them in stages until they produce yarn (fibers twisted into threads used in weaving or knitting).

The manufacturing process starts with stock cleaning and mixing of ginned cotton. After removing trash and foreign materials, the chute is transfer for further process of intense cleaning and mixing to carding. In this condition, the material becomes in a form of rope called carded sliver.

The carded sliver goes to drawing frames. In these processes the sliver becomes more even and well blended. Depending on the demand of the production schedule and staple length of fiber, the sliver obtained from the drawing frame goes to roving frame, comber machine or open end spinning

#### Finishing

The in-house finishing unit ensures that any yarn that moves out of our factory meets buyers' requirements. The finishing plant machineries are judiciously selected so that it can customize the process of cotton Yarn. The finishing range is equipped to do numerous kinds of special finishes Stain Resistant, Nano-Care and Anti Bacteria finish.

#### ACFL's Strategies

- Ensure sustainable growth and modernization of existing facilities with potential for success through increasing capacity and manufacturing efficiency;
- Achieve global competitiveness and to derive the full benefit of our demographic and wages advantage;
- Achieve technological superiority;
- Strengthening financial resources;
- Maintain state-of-the-art manufacturing facilities for ensuring best quality products to the customers;
- Obtain world class accreditation by proper execution of ISO 9001:2008 standard and best practices that are proven effective

### (b) SWOT analysis:

A SWOT analysis is a structured planning method that helps to evaluate the strengths, weaknesses, opportunities and threats involved in a business venture. It identifies the internal and external factors that affect business venture. Strength and Weakness are evaluated with internal factors whereas Opportunity and Threat are evaluated by external factors. The SWOT analysis of the company is as follows:

#### Strengths

- State of the art factory located nearby Dhaka district;
- Established marketing platform and a proven track record of performance;
- Managed by a group of experienced professionals;
- Strong intellectual knowledge and market network;
- On an average company gets 80-90 percent repeat orders;



- Large capacity to cater to big orders;
- H & M nominated Factory;
- Long standing existence;
- Diversified business sector exposures;
- Uses sophisticated European and USA origin machineries;
- Standby power supply from own gas generators;
- Adequate supply of skilled workforce;
- Proven and reliable customers base;
- Availability of abundant good quality cotton from the local and international Market.

#### **Weaknesses**

- Market is becoming more competitive;
- Absence of few deferred service benefits that is imperative to attract and retain talents;
- Comparatively higher management cost;
- No backward and forward linkage entity;

#### **Opportunities**

- Increasing global demand for cheap clothing;
- Large population and low labor cost;
- Relocation of international apparel business to low cost countries like Bangladesh;
- Leverage on existing client base to enter new business verticals;
- Expanding domestic textile and garment as well as export market;
- Export reach can be enhanced through rigorous marketing efforts;
- Setting up of similar plant would entail heavy capital investment;
- Ample space available for expansion;
- Strong support from Government including incentives like Export Development Fund (EDF) facility.

#### **Threats**

- The Company and the whole industry will be adversely affected if political situation deteriorates;
- Major textiles & apparel export destination of Bangladesh is EU. Upward local currency fluctuation as against Euro could be a big threat in terms of export remittance;
- New entrants;
- Adverse change in Govt. policies;
- Imposition of embargo by any buyer country on our domestic products;
- Dependency more on overseas market for raw materials;
- Lack of power supply in future due to scarcity gas

(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

**Financial Statements information:**

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Sales	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031
YoY change in Sales	-0.91%	-13.21%	-0.18%	-1.74%	4.09%
Other income / Non-Operating Income	3,763,007	8,674,461	1,255,809	(11,134,062)	-
YoY change in Income	-56.62	590.75	-111.28	-	-
Total Income	1,698,215,491	1,718,638,843	1,971,408,892	1,962,477,320	2,008,632,031
YoY change in Total Income	-1.19%	-12.82%	0.46%	-2.30%	4.09%
COGS	1,260,904,822	1,277,876,133	1,476,265,229	1,479,412,627	1,507,741,072
YoY change in COGS	-1.33%	-13.44%	-0.21%	-1.88%	4.23%
Finance Cost	60,511,204	78,027,512	82,160,265	81,951,103	113,511,419
YoY change in Finance Cost	-22.45%	-5.03%	0.26%	-27.80%	-10.69%
Depreciation	67,842,901	75,602,666	85,494,256	92,622,530	190,982,489
YoY change in Depreciation	-10.26%	-11.57%	-7.70%	-51.50%	1.04%
Administrative expense	25,597,344	23,665,546	21,331,851	17,174,152	22,049,382
YoY change in Administrative Expense	8.16%	10.94%	24.21%	-22.11%	3.69%
Selling & Dist. Expense	15,780,854	22,051,817	23,062,094	10,094,099	9,973,750
YoY change in Selling & Dist. Expense	-28.44%	-4.38%	128.47%	1.21%	12.74%
Inventory	958,845,202	1,006,523,507	978,635,108	989,433,514	646,719,638
YoY change in Inventory	-4.74%	2.85%	-1.09%	53%	9%
Net Profit before tax	319,448,826	301,921,747	351,037,574	356,043,180	338,434,674
YoY change in Net Profit Before Tax	5.81%	-13.99%	-1.41%	5.20%	3.81%
Net Profit after tax	270,759,277	256,713,296	296,365,313	289,156,006	305,481,982
YoY change in Net Profit After Tax	5.47%	-13.38%	2.49%	-5.34%	-6.30%
EPS	3.38	3.21	3.70	3.61	30.55

**Reason of fluctuation:****Revenue**

There was no significant fluctuation in the revenue during the last five years except sales of 2012-2013, 2014-2015 and 2015-2016 registering a decrease by 1.74, 13.21 and 0.91 percent respectively resulted from decline in the sale price of yarn both in the local and international markets as well as sales quantity reduction in 2014-2015.

**Other Income**

The Company incurred capital loss amounting Tk 11,134,062 in the year 2012-2013 resulted from the sale of shares.

**Total Income**

Fluctuation in the total income is the result of changes in the revenue and other income as narrated above.

**Cost of Goods Sold (COGS)**

There was no significant fluctuation in the COGS during the last five years except a favorable change in the years 2014-2015 and 2015-2016 registering a decrease by 13.44 and 1.33 percent respectively due to decline in the cost of raw cotton both in the local and international markets.

**Finance Cost:**

There was no significant fluctuation in the finance cost during the last five years. Finance cost has, however, decreased over the last years due to decrease in interest rates and gradual settlement of term loan obligations.

**Depreciation and Amortization**

There was no significant fluctuation in depreciation cost except for 2012-13 due to change in the depreciation policy from Straight Line Method to Reducing Balance Method. Since then the Company has been following the Reducing Balance Method consistently over the following years.

**Other Expenses**

Other expense is consistent over the last five years except 2013-2014 registering an increase by 62.80 percent due to increase in manpower and salary of employees. The expense has also increased due to increase in sample cost.

**Changes of Inventory**

There is no significant change of inventory level over the past years except for 2012-2013. This has resulted from (i) increase in the price of raw material from Tk. 168.88 to Tk. 184.52 per KG and (ii) change in company's policy for maintaining substantial quantity of stock during harvesting season to avoid the risk of price fluctuation and ensure quality.

**Earnings per Share (EPS)**

The Eps was consistent over the last five years.

**(d) Known trends demands, commitments, events or uncertainties that is likely to have an effect on the company's business.**

There are no known trends, events and/or uncertainties that shall have a material impact on the Company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- Decrease in demand for yarn due to decrease in the global demand for readymade garments,
- Unusual increase in production cost
- Scarcity of raw materials
- Shortage in supply of gas
- Technological obsolescence
- Increased competition
- Govt. Policy change pertaining to this industry
- Political unrest
- Natural calamities etc.

**(e) Trends or expected fluctuations in liquidity**

There are no trends or expected fluctuations in liquidity.

**(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition**

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

**CHAPTER VIII: DIRECTORS AND OFFICERS:**

(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him;

**Particulars of Directors**

SL #	Name of the Directors	Father's name	Age	Residential address	Educational qualification	Experience	Position in the company	Name of the Institutions and Duration for Nominated Director
01	Md. Shofiqul Islam	Alhaj Abdul Mannan	52	Seroil, Ghoramara, Rajshahi	B.A	26	Chairman	-
02	Md. Rafiqul Islam	Alhaj Abdul Mannan	54	Seroil, Ghoramara, Rajshahi	B.Sc (Hons), M.Sc	35	Managing Director	-
03	Md. Toufiqul Islam	Alhaj Abdul Mannan	43	Seroil, Ghoramara, Rajshahi	MBA	22	Director	-
04	Md. Toriqul Islam	Md. Rafiqul Islam	26	Seroil, Ghoramara, Rajshahi	B.Sc - Major in Manufacturing Engineering	7	Director	-
05	Md. Rabiul Haque	Md. SadarUddin	51	U/1, Noorjahan Road, Mohammadpur, Dhaka	M.Com (Accounting), LLB	27	Nominated Director	Nominated by Aman Seeds Storage Ltd.
06	A.K.M Akhtaruzzaman	Md. Abdul Wahab	59	House-40B, Flat-5E, Road-11(New), Jigatala, Dhanmondi, Dhaka-1209.	B. Sc. Engineering (Civil)	36	Independent Director	-
07	Md. Mizanur Rahman	Md. Zillur Rahman	38	Vill: Seroil Motpukur More, Post: Ghuramara, P.S: Boalia, Rajshahi	B. Sc. Engineering (Civil)	12	Independent Director	-

(b) The date on which he first became a director and the date on which his current term of office shall expire Directorship tenure in the Company;

SL #	Name of the Director's	First date of appointment as Director	Date of Expiry current term as Director
01	Md. Shofiqul Islam	28-12-2005	AGM of 2018
02	Md. Rafiqul Islam	28-12-2005	AGM of 2018
03	Md. Toufiqul Islam	28-12-2005	AGM of 2017
04	Md. Toriqul Islam	15-03-2006	AGM of 2017
05	Md. Rabiul Haque	26-04-2012	N/A*
06	A.K.M Akhtaruzzaman	15-02-2016	14-Feb-2019
07	Md. Mizanur Rahman	26-09-2016	26-Sep-2019

\*As per Articles of Association of ACFL, nominated director is not subject to rotation.

(c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;

### Directors' interest in other Business

Name of the Directors	Position in ACFL	Directorship/Sponsorship/Ownership with other companies	Position held
Md. Shofiquil Islam	Chairman	Anwara Cold Storage Ltd. Akin Feed Ltd. Aman Feed Limited Anwara Poultry & Hatchery Ltd. Aman Cotton Fibrous Unit-2 Ltd. Aman Cement Mills Limited Aman Tex Ltd. Aman Tex Unit-2 Limited Anwara Mannan Textile Mills Ltd. Aman Seeds Storage Ltd. Aman Plant Tissue Culture Ltd. Aman Agro Industries Ltd. Milan Cold Storage Ltd. Aman Cold Storage Ltd. A.M.Cold Storage Ltd. Aman Poultry & Hatchery Ltd. Aman Breeders Ltd. Aman Jute Fibrous Ltd. Aman Packaging Ltd. Aman Packaging & Accessories Ltd. Aman Shipyard Ltd. Aman Green Energy Ltd. Aman Economic Zone Ltd. Aman Foods & Beverage Ltd. Aman Heights Ltd. Aman Hybrid Seeds Ltd. Aman Foods Ltd. Aman Associates Ltd. Juvenile Trade International Ltd. Aman Steel Mills Ltd. Juvenile Construction	Chairman Chairman Managing Director Managing Director Managing Director Managing Director Director Director Director Chairman Proprietor

[illegible]

Md. Toriquel Islam	Director	Aman Cement Mills Unit-2 Ltd. Aman Poultry & Hatchery Ltd. Aman Feed Ltd. Anwara Mannan Textile Mills Ltd. A.M.Cold Storage Ltd. Aman Foods & Beverage Ltd. Juvenile Trade International Ltd. Akin Feed Limited Aman Foods Ltd. Aman Economic Zone Ltd.	Managing Director Managing Director Director Director Director Director Director Director Director Director
Md. Rabiul Haque	Director (Nominated by Aman Seeds Storage Ltd)	No Directorship/Sponsorship/Ownership with other companies	-
A.K.M Akhtaruzzaman	Independent Director	No Directorship/Sponsorship/Ownership with other companies	-
Md. Mizanur Rahman	Independent Director	No Directorship/Sponsorship/Ownership with other companies	-

Mr. Rafiqul Islam, Managing Director of ACFL is also MD of others Companies for which he taken proper approval from the Ministry of Commerce, The Peoples' Republic of Bangladesh vide letter no. সূত্র নং-বাম/ডিও-১/২৯/২০১১/১১২ তারিখঃ ০৫-০৩-২০১৩ খ্রীঃ, সূত্র নং-বাম/ডিও-১/১৫/২০১৪/১৩২ তারিখঃ ২৩-০৪-২০১৪ খ্রীঃ এবং সূত্র নং-বাম/ডিও-১/এমডি/২৭/২০১৬/৩৪৯ তারিখঃ ২৪-১১-২০১৬ খ্রীঃ under Section 109 of Companies Act, 1994.

(d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer Company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer

Neither any of the directors of ACFL is associated with the securities market in any manner nor is a director of any issuer of other listed securities except the followings:

Name of the Listed Company	Name of the Directors of the Issuer are Associated With	2016-2017		2015-2016		2014-2015	
		Stock Dividend	Cash Dividend	Stock Dividend	Cash Dividend	Stock Dividend	Cash Dividend
Aman Feed Ltd.	Md. Shofiquel Islam Md. Rafiqul Islam Md. Toufiqul Islam Md. Toriquel Islam	10%	20%	10%	20%	20%	10% (Only public shareholders)

(e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers;

There are no family relationships among the top five Officers and directors except the followings.

Sl. No	Name of the Director	Position in the Company	Relationship
01	Md. Shofiquel Islam	Chairman	Brother of Md. Toufiqul Islam and Md. Rafiqul Islam and Uncle of Md. Toriquel Islam.
02	Md. Rafiqul Islam	Managing Director	Brother of Md. Toufiqul Islam & Md. Shofiquel Islam and Father of Md. Toriquel Islam.
03	Md. Toufiqul Islam	Director	Brother of Md. Shofiquel Islam & Md. Rafiqul Islam and uncle of Md. Toriquel Islam.
04	Md. Toriquel Islam	Director	Son of Md. Rafiqul Islam & nephew of Md. Shofiquel Islam and Md. Toufiqul Islam.
05	Md. Rabiul Haque	Nominee Director of Aman Seeds Storage Ltd.	No family relation with other Directors.

**(f) A very brief description of other businesses of the directors**

Brief descriptions of other business of the directors are given below:

Name of the Directors	Position in ACFL	Directorship/Sponsorship/Ownership with other companies	Date of Incorporation	Legal Status	Nature of Business	Equity Capital (paid up as on 30 June 2016)
<b>Businesses under common directorship</b>						
Md. Shofiqul Islam	Chairman	Anwara Cold Storage Ltd.	18.05.2016	Private Limited	Preserving & Trading of potato and potato seeds	2,000,000
Md. Rafiqul Islam	Managing Director	Akin Feed Ltd.	18.04.2016	Public Limited	Feed	9,900,000
Md. Toufiqul Islam	Director	Aman Feed Limited	07.02.2005	Public Limited	Poultry Feed, Fish Feed & Cattle Feed	960,000,000
		Anwara Poultry & Hatchery Ltd.	28.04.2016	Private Limited	Poultry & Hatchery	2,000,000
		Aman Cotton Fibrous Unit-2 Ltd.	03.12.2012	Private Limited	Yarn Production	5,000,000
		Aman Cement Mills Limited	18.11.1999	Public Limited	Portland Composite Cement	606,100,000
		Aman Tex Ltd.	27.08.2004	Public Limited	Textile & RMG	28,200,000
		Aman Tex Unit-2 Limited	18.09.2013	Private Limited	Knit Composite	2,000,000
		Anwara Mannan Textile Mills Ltd.	10.01.2010	Private Limited	Yarn Production	20,000,000
		Aman Seeds Storage Ltd.	29.06.2011	Private Limited	Preserving & Trading of potato and potato seeds	5,000,000
		Aman Plant Tissue Culture Ltd.	08.04.2009	Private Limited	Seeds Hybridization	500,000
		Aman Agro Industries Ltd.	09.09.2002	Private Limited	Preserving & Trading of potato and potato seeds	25,000,000
		Milan Cold Storage Ltd.	06.11.1967	Private Limited	Preserving & Trading of potato and potato seeds	304,000
		Aman Cold Storage Ltd.	02.01.1996	Private Limited	Preserving & Trading of potato and potato seeds	1,000,000



		A.M.Cold Storage Ltd.	15.06.2010	Private Limited	Preserving & Trading of potato and potato seeds	5,000,000
		Aman Poultry & Hatchery Ltd.	07.04.2009	Private Limited	Poultry & Hatchery	72,709,000
		Aman Breeders Ltd.	06.06.2012	Private Limited	Poultry & Hatchery	2,000,000
		Aman Jute Fibrous Ltd.	28.08.2002	Private Limited	Jute goods Manufacturing	1,000,000
		Aman Packaging Ltd.	09.01.2007	Private Limited	Packaging Factory	1,000,000
		Aman Packaging & Accessories Ltd.	29.12.2014	Private Limited	Packaging Factory	1,000,000
		Aman Shipyard Ltd.	29.12.2014	Private Limited	Shipyard	1,000,000
		Aman Green Energy Ltd.	29.03.2016	Private Limited	Energy	2,000,000
		Aman Economic Zone Ltd.	18.04.2016	Private Limited	Economic Zone	2,000,000
		Aman Foods & Beverage Ltd.	03.05.2011	Private Limited	Flour Mills & Consumer Items	2,000,000
		Aman Foods Ltd.	04.06.2009	Private Limited	Flour Mills & Consumer Items	10,000,000
		Aman Heights Limited	13.03.2010	Private Limited	Hotel & Porjoton	50,00,000
		Aman Hybrid Seeds Limited	13.04.2009	Private Limited	Seeds	5,00,000
		Aman Associates Ltd.	09.10.2005	Private Limited	Trading	1,000,000
		Aman Steel Mills Ltd.	11.09.2004	Private Limited	Steel Mill	20,000,000
<b>Businesses under directorship of Md. Rafiqul Islam, Md.Shofiquil Islam &amp; Md. Toufiqul Islam</b>						
Md. Shofiquil Islam	Chairman					
Md. Toufiqul Islam	Director	Juvenile Trade International Ltd.	02.08.2005	Private Limited	Trading	1,000,000
Md. Rafiqul Islam	Managing Director					
<b>Businesses under proprietorship of Md.Shofiquil Islam</b>						
Md. Shofiquil Islam	Chairman	Juvenile Construction	N/A	Proprietorship	Trading	128,158,791
<b>Businesses under proprietorship of Md. Rafiqul Islam</b>						

Md. Rafiqul Islam	Managing Director	Islam Brothers & Co	N/A	Proprietorship	Trading	3,273,200,348
		Aman Trading Corporation	N/A	Proprietorship	Trading	61,329,268
Businesses under proprietorship of Md. Toufiqul Islam						
Md. Toufiqul Islam	Director	R S & T International.	N/A	Proprietorship	Trading	170,837,933
Businesses under Directorship of Md. Toriqul Islam						
Md. Toriqul Islam	Director	Aman Cement Mills Unit-2 Ltd.	13.06.2011	Private Limited	Portland Composite Cement	4,000,000
		Aman Poultry & Hatchery Ltd	07.04.2009	Private Limited	Poultry & Hatchery	72,709,000
		Aman Feed Ltd	07.02.2005	Public Limited	Poultry Feed, Fish Feed & Cattle Feed	960,000,000
		Anwara Mannan Textile Mills Ltd	10.01.2010	Private Limited	Yarn Production	20,000,000
		A.M.Cold Storage Ltd	15.06.2010	Private Limited	Preserving & Trading of potato and potato seeds	5,000,000
		Aman Foods & Beverage Ltd	03.05.2011	Private Limited	Flour Mills & Consumer Items	2,000,000
		Juvenile Trade International Ltd.	02.08.2005	Private Limited	Trading	1,000,000
		Akin Feed Limited	18.04.2016	Public Limited	Feed	9,900,000
		Aman Foods Ltd.	04.06.2009	Private Limited	Flour Mills & Consumer Items	10,000,000
	Director	Aman Economic Zone Ltd.	18.04.2016	Private Limited	Economic Zone	2,000,000

**(g) Short Bio Data of the Directors****MD. RAFIQUIL ISLAM**

Md. Rafiqul Islam, aged 54, Bangladeshi, was the founder Chairman of this Company. A visionary entrepreneur Mr. Islam is now the Managing Director of the Company. He did his Masters of Science with honors from the University of Rajshahi.

He has 35 years of business experience in diversified business areas. He started his business career in the year 1984 engaging him in a family business named Aman Trading Corporation. He became a successful businessman within a short span of time by dint of his sincerity, honesty and hard working. He has established a good number of companies operating in the field of agriculture, research, cement, garments, textile, dying, feed mills, poultry & hatchery project etc. Under his dynamic leadership, Aman Group could establish its position in the corporate arena with a short span of time. He has gradually built a good number of successful business houses now a big conglomerate under the banner of Aman Group which consists of more than 25 companies. Currently, he is the Chairman of Aman Feed Ltd., Aman Economic Zone Ltd. and Anwara Poultry & Hatchery Ltd. He is also the Managing Director of dozens of companies including Aman Tex Ltd., Aman Cement Mills Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., Aman Plant Tissue Culture Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Akin Feed Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., Aman Foods Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Anwara Mannan Textile Mills Ltd., Aman Foods & Beverage Ltd., Aman Packaging Ltd, Aman Seeds Storage Ltd., Aman Jute Fibrous Ltd., A.M.Cold Storage Ltd., Aman Packaging and Accessories Ltd., Aman Associates Ltd. Mr. Islam is the Director of Aman Poultry & Hatchery Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited and Aman Breeders Ltd. He is also the Proprietor of Islam Brothers & Co. and Aman Trading Corporation.

A widely travelled person Mr. Islam is well renowned for his philanthropic activities in the locality. He is currently a Member of the Bangladesh Cement Manufacturers Association, Bangladesh Fertilizer Association, Bangladesh Cold Storage Association, Rajshahi Chamber of Commerce & Industries and a corporate member of Uttara Club, Dhaka.

#### **MD. SHOFIQUIL ISLAM**

Md. Shofiquil Islam, aged 52, Bangladeshi, is the Sponsor Director of the Company. He is a graduate of Arts. He started his business career in the year 1991 by joining in family business with a vision to contribute in the generation of employments for the rural mass of the country through establishment of potential industrial units in different disciplines.

He is the Chairman of Akin Feed Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., also the Managing Director of Aman Feed Ltd., Anwara Poultry & Hatchery Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited, Director of Aman Foods & Beverage Ltd., Aman Foods Ltd., Aman Tex Ltd., Aman Cement Mills Ltd., Aman Seeds Storage Ltd., Aman Poultry & Hatchery Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., A. M. Cold Storage Ltd., Aman Plant Tissue Culture Ltd., Aman Associates Ltd., Anwara Mannan Textile Mills Ltd., Aman Breeders Ltd., Aman Jute Fibrous Ltd., Aman Packaging & Accessories Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Juvenile Trade International Ltd., Aman Packaging Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Aman Economic Zone Ltd., and Proprietor of M/s Juvenile Construction.

He is a Member of Rajshahi Chamber of Commerce & Industries and Uttara Club, Dhaka.

#### **MD. TOUFIQUIL ISLAM**

Md. Toufiqul Islam, aged 43, Bangladeshi, is the Sponsor Director of the Company. He is an MBA. He started his business career in the year 1996 by joining in family business with a vision to contribute in the generation of employments for the mass people of the rural areas of the country through establishment of potential industrial units in different disciplines.

He is the Managing Director of Aman Breeders Ltd., Juvenile Trade International Ltd., Aman Economic Zone Ltd., Director of Aman Feed Ltd., Aman Tex Ltd., Aman Cement Mills Ltd., Aman Seeds Storage Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., A. M. Cold Storage Ltd., Aman Plant Tissue Culture Ltd., Aman Associates Ltd., Anwara Mannan Textile Mills Ltd., Aman Jute Fibrous Ltd., Aman Packaging & Accessories Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Aman Foods & Beverage Ltd., Aman Packaging Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Akin Feed Ltd., Anwara Poultry & Hatchery Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., Aman Foods Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited and Proprietor of M/s R S & T International.

#### **MD TORIQUIL ISLAM**

**Director, Aman Cotton Fibrous Limited**

Md Toriquil Islam, aged 26 years, is the Director of the Company. He is a graduate of Science major in Manufacturing Engineering. He has completed his graduation from a renowned University of Malaysia. He started his business career Six years' back. He is the Managing Director of Aman Cement Mills Unit-2 Ltd., Aman Poultry & Hatchery Ltd., and Director of Aman Feed Ltd., Anwara Mannan Textile Mills Ltd, A. M. Cold Storage Ltd., Juvenile Trade International Ltd., Aman Foods & Beverage Ltd., Akin Feed Ltd., Aman Economic Zone Ltd., Aman Foods Ltd. He has also experience in the line of administration, finance & accounts & human resource management.

#### **MD. RABIUL HAQUE**

**Director, Representing Aman Seeds Storage Ltd.**

Mr. Md. Rabiul Haque, a member of Audit Committee is a Masters in Accounting and has completed Chartered Accountancy Course. He did his bachelor of law. He has more than 27 years working experience in accounting, finance and corporate affairs matters. He is also a member of Dhaka Bar Association.

#### **A.K.M Akhtaruzzaman**

**Independent Director**

Mr. A.K.M Akhtaruzzaman son of Md. Abdul Wahab, Jigatala, Dhanmondi, Dhaka was born in 1957. Mr. Akhtaruzzaman passed B. Sc. in Engineering from Rajshahi Engineering College. He served in many organizations under different capacities. Presently he is a director

of Abdul Monem Ltd. and has been looking after different Projects since 1984 as Coordinator. He has in his bag an extensive experience in the areas of administration, finance & accounts and budgeting & Costing. He is also financially literate.

**Md. Mizanur Rahman**  
Independent Director

Mr. Md. Mizanur Rahman, son of Md. Zillur Rahman, Seroil Motpukur More, Boalia, Ghoramara, Rajshahi, was born in 1978 and passed B. Sc in Civil Engineering from Bangladesh Institute of Technology (BIT), Rajshahi in 2003. He undertook different training & workshops including 'Participatory Management of Low-Cost Water Supply Sanitation' organized by ITN Bangladesh. He has diversified work experience in various organization including Abdul Monem Ltd., Rajshahi University and Mati-O-Kathamo.

**(h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank**

**Credit Information Bureau (CIB) report**

Neither ACFL nor any of its Sponsors or Directors or shareholders who hold 10% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

**(i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included;**

Particulars of Top Executives & Departmental heads of the Company including Consultants & Advisers

Name	Position	Date of Joining in the company	Age	Educational Qualification	Experience in Company	Overall Experience (in year)	Salary paid (2015-16)	Previous employment
Md. Rafiqul Islam	Managing Director	28.12.2005	54	B. Sc (Hons), M. Sc	12	35	4,800,000	N/A
Md. Shafiullah	Executive Director	29.06.2008	59	B.sc in Textile Engineering	7.11	30	1,103,282	Padma Textile Mills Ltd
Noornavi Bhuiyan, FCA	Chief Financial Officer	06.10.14	35	Chartered Accountant	2.00	7	1,069,153	Bestway Group
*Krishna Kr. Sharma ACS	Company Secretary	05.12.2015	41	Chartered Secretaries	0.50	13	-	Premier Cement Mills Ltd Novo Nordisk Pharmaceuticals Pty. Ltd (Western Australia)
*Mohammad Hanifur Rahman	Head of HR	04-02-2016	38	MBA HRM	0.50	13	-	Palmal Group
Md. NazrulAhsan	Head of Maintenance & Utility	12.12.2006	45	B.sc in Mechanical	9.6	20	937,048	KDS Accessories Ltd
*Md. KaziZiaul MonirUzzal	Head of Marketing & Sales	21.04.2011	41	M.Com-Management	5	12	-	Aman Spinning Mills Ltd
Mohammad FakhruAlamSelim	Deputy Manager Commercial	11.11.2007	50	M.A	8.7	23	481,736	ABA Group
Adviser	ACFL has no adviser							
Consultant	ACFL has no consultant							

*\*The salary of Md. Kazi Ziaul Monir Uzzal, Company Secretary and Head of HR is paid by Aman Group.*

Apart from this, no other director including Chairman, or any shareholder of the Company do not receive any monthly Salary from the Company.

(j) Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed;

During the last three years, the following management personnel changed their job from the Company otherwise the way of retirement:

Sl. No.	Name	Designation	Department	Remarks
01.	Md. Kahir Mahmood FCA	Chief Financial Officer	Accounts & Finance	Left on 13-04-14
02.	Md. Belal Hossain	Assistant General Manager	Production	Left on 20-10-15
03.	Nandan Chandra Dey, FCMA	Company Secretary	Company Secretariat	Left on 19-12-15
04.	Noomavi Bhuiyan, FCA	Chief Financial Officer	Accounts & Finance	Join on 06-10-14
05.	Krishna Kr. Sharma ACS	Company Secretary	Company Secretariat	Join on 05-12-15

It appears from above that employee turnover in the key management positions is not high compared to that of industry rate.

(k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position;

SL #	Name of the Sponsor's	Father's name	Age	Personal address	Educational qualification	Exp. in the business	Position /Posts held in the past	Directorship held	Status of the Sponsor in other ventures and position	
									Name of the Company	Position
1	Md. Shofiqul Islam	Alhaj Abdul Mannan	52	House#17, Road# 11 Sector#06, Uttara Model Town, Dhaka	B.A	30	Chairman	Since inception to date	Anwara Cold Storage Ltd. Akin Feed Ltd. Aman Feed Limited Anwara Poultry & Hatchery Ltd. Aman Cotton Fibrous Unit-2 Ltd. Aman Cement Mills Limited Aman Tex Ltd. Aman Tex Unit-2 Limited Anwara Mannan Textile Mills Ltd. Aman Seeds Storage Ltd. Aman Plant Tissue Culture Ltd. Aman Agro Industries Ltd. Milan Cold Storage Ltd. Aman Cold Storage Ltd. A.M.Cold Storage Ltd. Aman Poultry & Hatchery Ltd. Aman Breeders Ltd. Aman Jute Fibrous Ltd. Aman Packaging Ltd. Aman Packaging & Accessories Ltd. Aman Shipyard Ltd. Aman Green Energy Ltd. Aman Economic Zone Ltd. Aman Foods & Beverage Ltd. Aman Heights Ltd. Aman Hybrids Seeds Ltd. Aman Foods Ltd. Aman Associates Ltd. Juvenile Trade International Ltd. Aman Steel Mills Ltd. Juvenile Construction	Chairman Chairman Managing Director Managing Director Managing Director Managing Director Director Director Director Chairman Proprietor

[illegible]

[illegible]



(l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing Prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.;

None of the Directors of the Company except Mr. Md. Rabiul Haque (nominated by Aman Seeds Storage Ltd.) acquired controlling shares within five years immediately preceding the date of filing Prospectus. Moreover, Mr. Md. Rabiul Haque does not hold/acquire any share personally. The position of Aman Seeds Storage Ltd, holding in ACFL is as follows,

S.I No.	Date of Acquisition	No. of Share	Terms of Acquisition	Consideration paid for such acquisition
1.	01-02-2012	4,000	Cash at Face Value	40,000

(m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed;

All the sponsors/directors have experience in the proposed line of business.

(n) Interest of the Key management persons;

Name	Designation	Salary paid (2015-16)
Md. Rafiqul Islam	Managing Director	4,800,000
Md. Shafiullah	Executive Director	1,103,282
Noornavi Bhuiyan, FCA	Chief Financial Officer	1,069,153
Krishna Kr. Sharma, ACS	Company Secretary	*
Md. Hanifur Rahman	Head of HR	*
Md. Nazrul Ahsan	Head of Maintenance & Utility	937,048
Md. Kazi Ziaul Monir Uzzal	Head of Marketing & Sales	*
Mohammad Fakhru Alam Selim	Deputy Manager Commercial	481,736

\* Salary is paid by the Group

(o) All Interest and facilities enjoyed by the directors, whether pecuniary or non-pecuniary;

All Interest and facilities enjoyed by the directors, whether pecuniary or non-pecuniary as on 30 June 2016 are as follows:

Name of Directors	Relationship	Nature of facilities	Amount in Taka
Md. Shofiqul Islam	Chairman	Remuneration	Nil
		Board Attendance Fee	51,750
Md. Rafiqul Islam	Managing Director	Remuneration	4,800,000
		Board Attendance Fee	51,750
Md. Toufiqul Islam	Director	Remuneration	Nil
		Board Attendance Fee	51,750
Md. Toriqul Islam	Director	Remuneration	Nil
		Board Attendance Fee	51,750
Md. Rabiul Haque	Nominated Director of Aman Seeds Storage Ltd.	Remuneration	Nil
		Board Attendance Fee	51,750
A.K. M. Akhtaruzzaman	Independent Director	Board Attendance Fee	23,000
Md. Zafrul Islam Farook	Independent Director	Board Attendance Fee	23,000
Md. Mizanur Rahman	Independent Director	Board Attendance Fee	-

**(p) Number of Shares held and percentage of Shareholding (Pre issue)**

Sl. No.	Name of the Shareholders	BO ID	Address	No. of Shares	Shareholding (%)
1	Md. Shofiqul Islam	1201830058881483	Seroil, Ghoramara, Rajshahi	15,600,000	19.50
2	Md. Rafiqul Islam	1201830058881440	Seroil, Ghoramara, Rajshahi	15,600,000	19.50
3	Md. Toufiqul Islam	1201830058881467	Seroil, Ghoramara, Rajshahi	15,600,000	19.50
4	Md. Toriqul Islam	1201830058881491	Seroil, Ghoramara, Rajshahi	22,800,000	28.5
5	Aman Seeds Storage Ltd (represented by Md. Rabiul Haque)	1201830061494081	12-13 Aaminul Hardware Market, Ranibazar, Rajshahi.	3,200,000	4.00
6	A.K. M. Akhtaruzzaman (Independent Director)	-	House No. 40b. Aat No SE, Road 11, Jigatola, Dhanmondi, Dhaka, Bangladesh	-	-
7	Md. Mizanur Rahman (Independent Director)	-	Vill: Seroil Motpukur More, Post: Ghuramara, P.S: Boalia, Rajshahi	-	-

**(q) Changes in the Board of Directors in last three years;**

There are no changes in the Board of Directors in last three years except the following:

Sl. No.	Name of the Directors	Date of Joining	Date of retirement	Present Status
01	A.K. M. Akhtaruzzaman (Independent Director)	15-02-2016	Continuing	Independent Director
02	Md. Mizanur Rahman (Independent Director)	04-10-2016	Continuing	Independent Director

**(r) Director's engaged with similar business**

Following Directors are engaged in similar business:

Sl No.	Name of the Directors	Position in Similar Business	Nature of Business
01	Md. Rafiqul Islam	Director	Acting as directors in Anwara Mannan Textile Mills Limited engaged in yarn manufacturing
02	Md. Shofiqul Islam	Director	
03	Md. Toufiqul Islam	Director	
04	Md. Toriqul Islam	Director	

CHAPTER IX: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS:

(a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:-

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

**TO WHOM IT MAY CONCERN**

This is to certify that the Financial Statements of Aman Cotton Fibrous Ltd furnished for our audit does not have any transaction during last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any Director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuers;
- (iii) Any related party or connected person of any of the above persons;

Except the transactions described in the following table:

Name of the Company/person	Relationship	Nature of Transaction	2015-2016		2014-2015		2013-2014		2012-2013		2011-2012	
			Value of transaction during the Year	Balance at Period end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	16,000	-
		Remuneration	4,800,000	(360,000)	2,400,000	-	-	-	-	-	-	-
Md. Shofiqul Islam	Director & Shareholder	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	16,000	-
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	16,000	-
Md. Toriqul Islam	Director & Shareholder	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	11,000	-
Md. Rabiul Haque	Nominated Director	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	15,000	-
A.K.M Akhtaruzzaman	Independent Director	Board Meeting Fee	23,000	-	-	-	-	-	-	-	-	-
Md. Zafrul Islam Faruk	Independent Director	Board Meeting Fee	23,000	-	-	-	-	-	-	-	-	-
Aman Group Ltd.	Common Director	Rent	900,000	-	900,000	-	900,000	-	-	-	-	-
Aman Tex Ltd.	Common Director	Sales	250,303,533	29,798,045	308,187,012	12,628,248	-	-	306,979,939	145,589,324	427,318,000	269,973,327
Aman Packaging & Accessories Ltd	Common Director	Purchase	3,061,382	-	-	-	-	-	-	-	-	-
Islam Brothers & Co	Common Director	Advance against land	50,500,000	50,500,000	-	-	-	-	-	-	-	-
Anwara Mannan Textile Mills Ltd	Common Director	Advance against land	15,000,000	15,000,000	-	-	-	-	-	-	-	-
Anwara Mannan Textile Mills Ltd	Common Director	Loan given	20,500,000	20,500,000	-	-	-	-	-	-	-	-
		Interest Receivable	5,198,438	5,198,438	-	-	-	-	-	-	-	-
Aman Cement Mills unit -2 Ltd	Common Director	Loan given	95,361,835	95,361,835	-	-	-	-	-	-	-	-
		Interest Receivable	8,385,420	8,385,420	-	-	-	-	-	-	-	-
Aman Jute Fibrous Ltd	Common Director	Loan given	13,515,000	13,515,000	-	-	-	-	-	-	-	-
		Interest Receivable	1,028,545	1,028,545	-	-	-	-	-	-	-	-

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

- (b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the Prospectus

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned under clause(a) of CHAPTER (IX).

- (c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the Prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.

The company has not taken or given any loan from/to any director or any person connected with the director within last five years except the following:

years except the following:

(Amount in BDT)							
Name of The Party	Nature of Relationship	Nature of Transaction	Amount Given during last five years ended on 30 June 2016		Rate of interest	Maturity of Loan	Outstanding Amount Receivable as on 30 June 2016
			Loan Given	Loan Taken			
Anwara Mannan Textile Mills Ltd.	Concern under common management	Intercompany Loan	20,500,000	-	11%	Three years from the date of disbursement	25,698,438
Aman Cement Mills Unit-2 Ltd.	Concern under common management	Intercompany Loan	95,361,835	-		Three years from the date of disbursement	103,747,255
Aman Jute Fibrous Ltd.	Concern under common management	Intercompany Loan	13,515,000	-		Three years from the date of disbursement	14,543,545

**CHAPTER X: EXECUTIVE COMPENSATION:**

- (a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer;

The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

(Amount in BDT)

SL	Name	Designation	Remuneration/salaries (Tk.) for the year ended 30 June, 2016
1	Md. Rafiqul Islam	Managing Director	4,800,000
2	Md. Shafiullah	Executive Director	1,103,282
3	Noornavi Bhuiyan FCA	Chief Financial Officer	1,069,153
4	Md. Nazrul Ahsan	Deputy General Manager	937,048
5	Md. Fakhru Alam Salim	Deputy Manager - Commercial	481,736
<b>Total</b>			<b>8,391,219</b>

- (b) Aggregate Amount of Remuneration paid to all directors and officers as a group during last accounting year (2015-2016).

(Amount in BDT)

Particular	Nature of Payments	Amount Paid For the year ended 30 June, 2016
Directors	Board Meeting Fees	304,750
Directors	Remuneration	4,800,000
Executives & Employees	Salary and Allowance	35,704,259
<b>Total</b>		<b>40,809,009</b>

- (c) If any shareholder director received any Monthly salary or perquisite or benefit of shareholder director and approval date of AGM or EGM including terms thereof and payments made last year;

The shareholders in its 9th Annual General Meeting (AGM) held on 14th December 2014 fixed monthly remuneration of Tk 400,000 to the Managing Director who is involved in day-to-day operations of the Company. The amounts of fixed remuneration made for the last accounting year is as follows with effects from 01 January 2015 are stated below:

Name	Designation	Payment for last year
Mr. Md. Shofiqul Islam	Chairman	Nil
Mr. Md. Rafiqul Islam	Managing Director	Tk. 4,800,000
Mr. Md. Toufiqul Islam	Director	Nil
Mr. Toriqul Islam	Director	Nil
Mr. Md. Rabiul Haque	Nominated Director representing Aman Seed Storage Ltd.	Nil

- (d) The Board Meeting attendance fee of Directors including managing director along with date of approval in AGM or EGM;

The Board meeting attendance fees received by all the Directors including the Managing Director, for the year ended June 30, 2016 are as follows:

Name & Designation	Attendance	Board Meeting Fee (Amount in Tk.)	Date of Approval in AGM
Md. Shofiqul Islam, Chairman	9	51,750	14 <sup>th</sup> December 2014
Md. Rafiqul Islam, Managing Director	9	51,750	
Md. Toufiqul Islam, Director	9	51,750	
Md. Toriqul Islam, Director	9	51,750	

Md. Rabiul Haque Nominated Director representing Aman Seeds Storage Ltd.	9	51,750	
A.K.M. Akhtaruzzaman Independent Director	4	23,000	N/A
Md. Zaful Islam Farook Independent Director Retired on 25 <sup>th</sup> September 2016	4	23,000	
Md. Mizanur Rahman Independent Director Join as on 26 <sup>th</sup> September 2016	-	-	

**(e) Any contract with any director or officer providing for the payment of future compensation;**

There is no such contract between the Company and any of its directors or officers regarding any future compensation to be made to them.

**(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto;**

There is no intention to increase remuneration substantially of the Directors and officers in the current year. However, the remuneration of the officers is increased based on annual appraisal of their performance which is made as per company's policies.

**(g) Any other benefitor facility provided to the above persons during the last accounting year.**

DGM & GM are provided full time car facilities with maintenance from the Company during last accounting year

Other than the remuneration/salary/perquisite mentioned in clause (a) (b) (c) & (d) 9(a)(b)(c)(d) of chapter X,

## CHAPTER XI: OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES:

- (1) The following information in respect of any option held by each director, the salaried officers, and all other officers as a group, namely: -

- (i) The date on which the option was granted;
- (ii) The exercise price of the option;
- (iii) The number of shares or stock covered by the option;
- (iv) The market price of the shares or stock on the date the option was granted;
- (v) The expiration date of the option;
- (vi) Consideration against the option.

The Company did not grant any options to its directors, officers and other employees.

- (2) If such options are held by any person other than the directors, and the officers of the issuer company, the following information shall be given in the prospectus, namely:-

- (i) The total number of shares or stock covered by all such outstanding options;
- (ii) The range of exercise prices;
- (iii) The range of expiration dates;
- (iv) Justification and consideration of granting such option.

Not applicable



**CHAPTER XII: TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM:**

(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;

The Directors and Subscribers to the Memorandum have not received any benefit directly or indirectly except remuneration of Managing Director, board attendance fee and dividend received by the directors during the last five years, details of which are given below. The issuer has not received or to be received any assets, services or other consideration from its Directors and Subscribers to the Memorandum except fund against allotment of shares and purchase of land.

Amount received by the directors and subscriber to the memorandum from the company:

(Amount in BDT)

Name of the directors and subscribers	Nature of Relationship	Nature of transaction	2011-2012	2012-2013	2013-14	2014-2015	2015-2016
Md. Rafiqul Islam	Managing Director	Remuneration	-	-	-	2,400,000	4,800,000
		Dividend (Cash)	-	-	-	-	-
		Dividend (Bonus)	1,930,500 Ordinary Shares	13,650,000 Ordinary Shares	-	-	-
		Board Atten. Fee	16,000	45,000	45,000	46,000	51,750
		Loan refund	-	-	-	-	-
Md. Shofiqul Islam	Chairman	Remuneration	-	-	-	-	-
		Dividend (Cash)	-	-	-	-	-
		Dividend (Bonus)	1,930,500 Ordinary Shares	13,650,000 Ordinary Shares	-	-	-
		Board Atten. Fee	16,000	45,000	45,000	46,000	51,750
Md. Toufiqul Islam	Director	Remuneration	-	-	-	-	-
		Dividend (Cash)	-	-	-	-	-
		Dividend (Bonus)	1,930,500 Ordinary Shares	13,650,000 Ordinary Shares	-	-	-
		Board Atten. Fee	16,000	45,000	45,000	46,000	51,750
Md. Toriqul Islam	Director	Remuneration	-	-	-	-	-
		Dividend (Cash)	-	-	-	-	-
		Dividend (Bonus)	2,821,500 Ordinary Shares	19,950,000 Ordinary Shares	-	-	-
		Board Atten. Fee	11,000	45,000	45,000	46,000	51,750
Md. Rabiul Haque (Representative of Aman Seeds Storage Limited)	Nominated Director	Remuneration	-	-	-	-	-
		Dividend (Cash)	-	-	-	-	-
		Dividend (Bonus)	396,000 Ordinary Shares	2,800,000 Ordinary Shares	-	-	-
		Board Atten. Fee	15,000	45,000	45,000	46,000	51,750
A.K. M. Akhtaruzzaman	Independent Director	Board Atten. Fee	-	-	-	-	23,000
Md. Zaful Islam Farook	Independent Director	Board Atten. Fee	-	-	-	-	23,000
Md. Mizanur Rahman	Independent Director	Board Atten. Fee	-	-	-	-	-

Asset to be transferred to the company by its directors and their connected persons:

ACFL has executed registered Binanama for acquiring land from the following persons the details of which are as under:

Transferor	Transferee	Relationship	Asset	Area of Land (Decimal)	Deed Value (BDT)	Advance paid (BDT)	Method of Price Determination
Md. Rafiqul Islam	Aman Cotton Fibrous Ltd.	Managing Director	Land	138.75	10,82,25,000	5,05,00,000	Market Price
Md. Shofiqul Islam		Chairman		101.25		-	
Md. Toufiqul Islam		Director		37.50		-	
Anwara Mannan Textile Mills Ltd.		Sister Concern	Land	38.75	1,51,12,500	1,50,00,000	

(b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.

The following Asset will be acquired or to be acquired within next two years by the company from the aforesaid person:

Transferor	Transferee	Relationship	Asset	Amount of Land (Decimal)	Acquisition cost of Seller (Deed Value)	Deed Value (BDT)	Advance paid (BDT)	Method of Price Determination
Md. Rafiqul Islam	Aman Cotton Fibrous Ltd.	Managing Director	Land	138.75	1,07,00,000	10,82,25,000	5,05,00,000	Market Price
Md. Shofiqul Islam		Chairman		101.25	80,12,500		-	
Md. Toufiqul Islam		Director		37.50	26,87,500		-	
Anwara Mannan Textile Mills Ltd.		Sister Concern	Land	38.75	[*]	1,51,12,500	1,50,00,000	

\* Land owned by Anwara Mannan Textile Mills Ltd. was not acquired within five years.

**CHAPTER XIII: OWNERSHIP OF THE COMPANY'S SECURITIES:**

(a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form

Name of the Shareholders	Address	BO ID	No. of Securities	Pre-IPO (%)	Post- IPO (%)
Mr. Md. Rafiqul Islam	Seriol,Ghoramara,Rajshahi, Bangladesh	1201830058881440	15,600,000	19.50	15.47
Mr. Md. Shofiqul Islam	Seriol,Ghoramara,Rajshahi, Bangladesh	1201830058881483	15,600,000	19.50	15.47
Mr. Md. Toufiqul Islam	Seriol,Ghoramara,Rajshahi, Bangladesh	1201830058881467	15,600,000	19.50	15.47
Mr. Md. Toriqul Islam	Seriol,Ghoramara,Rajshahi, Bangladesh	1201830058881491	22,800,000	28.50	22.62
Ms. Mukta Islam	Seriol,Ghoramara,Rajshahi, Bangladesh	1201830061494073	3,600,000	4.50	3.57
Ms. Sajeda Islam	Seriol,Ghoramara,Rajshahi, Bangladesh	1201830061494065	3,600,000	4.50	3.57
Aman Seeds Storage limited	12-13, Aminul Hardware Market, Rani Bazar, Rajshahi	1201830061494081	3,200,000	4.00	3.17

(b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue;

Name of the Directors'	Address	Age (years)	Experience (years)	BO ID	E- TIN number	No. of shares held	Pre-IPO %	Name of other Company	Position held
Md. Rafiqul Islam	Seriol,Ghoramara, Rajshahi, Bangladesh	54	35	1201830058881440	151899596142	15,600,000	19.50	Aman Feed Limited Anwara Poultry & Hatchery Ltd. Aman Economic Zone Ltd. Aman Cotton Fibrous unit-2 Ltd. Aman Tex Ltd. Aman Cement Mills Limited Aman Tex Unit-2 Limited Anwara Mannan Textile Mills Ltd. Aman Foods Ltd. Aman Seeds Storage Ltd. Aman Jute Fibrous Ltd. Aman Cold Storage Ltd. Milan Cold Storage Ltd. A.M.Cold Storage Ltd. Aman Agro Industries Ltd. Aman Plant Tissue Culture Ltd. Aman Foods &Beverage Ltd. Aman Steel Mills Ltd. Aman Packaging Ltd. Aman Packaging & Accessories Ltd. Aman Shipyard Ltd. Aman Green Energy Ltd. Anwara Cold Storage Ltd. Aman Associates Ltd. Akin Feed Ltd. Aman Poultry & Hatchery Ltd. Aman Breeders Ltd. Aman Heights Ltd. Aman Hybrid Seeds Ltd. Juvenile Trade International Ltd. Islam Brothers & Co Aman Trading Corporation	Chairman Chairman Chairman Managing Director Director Director Director Director Shareholder Proprietor Proprietor

Name of the Directors'	Address	Age (years)	Experience (years)	BO ID	E- TIN number	No. of shares held	Pre-IPO %	Name of other Company	Position held
Md. Shofiqul Islam	Seriol,Ghoramara, Rajshahi, Bangladesh	52	26	1201830058881483	735253952927	15,600,000	19.50	Anwara Cold Storage Ltd. Akin Feed Ltd. Aman Feed Limited Anwara Poultry & Hatchery Ltd. Aman Cotton Fibrous Unit-2 Ltd. Aman Cement Mills Limited Aman Tex Ltd. Aman Tex Unit-2 Limited Anwara Mannan Textile Mills Ltd. Aman Seeds Storage Ltd. Aman Plant Tissue Culture Ltd. Aman Agro Industries Ltd. Milan Cold Storage Ltd. Aman Cold Storage Ltd. A.M.Cold Storage Ltd. Aman Poultry & Hatchery Ltd. Aman Breeders Ltd. Aman Jute Fibrous Ltd. Aman Packaging Ltd. Aman Packaging & Accessories Ltd. Aman Shipyard Ltd. Aman Green Energy Ltd. Aman Economic Zone Ltd. Aman Foods & Beverage Ltd. Aman Heights Ltd. Aman Hybrid Seeds Ltd. Aman Foods Ltd. Aman Associates Ltd. Juvenile Trade International Ltd. Aman Steel Mills Ltd. Juvenile Construction	Chairman Chairman Managing Director Managing Director Managing Director Managing Director Director Director Director Chairman Proprietor

[illegible]

Name of the Directors'	Address	Age (years)	Experience (years)	BO ID	E- TIN number	No. of shares held	Pre-IPO %	Name of other Company	Position held
Md Toriqui Islam	Seriol,Ghoramara, Rajshahi, Bangladesh	26	7	1201830058881491	811999868220	22,800,000	28.50	Aman Cement Mills Unit-2 Ltd. Aman Poultry & Hatchery Ltd Aman Feed Ltd Anwara Mannan Textile Mills Ltd. A.M.Cold Storage Ltd. Aman Foods & Beverage Ltd Juvenile Trade International Ltd. Akin Feed Limited Aman Foods Ltd Aman Economic Zone Ltd.	Managing Director Managing Director Director Director Director Director Director Director Director Director
Aman Seeds Storage Ltd. (represented by Nominated Director Md. Rabiul Haque)	U/1 Noorjahan Road, Mohammadpur, Dhaka, Bangladesh	51	27	1201830061494081	843895231263	3,200,000	4.00	Mr. Rabiul Haque does not have any holding in other companies.	N/A
A. K. M. Akhtaruzzaman (Independent Director)	House # 40B, Flat 5E, Road 11 (New), Jigatola, Dhanmondi, Dhaka Bangladesh	59	36	Nil	784083426058	Nil	Nil	A. K. M. Akhtaruzzaman does not have any holding in other companies.	N/A
Md. Mizanur Rahman (Independent Director)	Seriol, Ghoramara,Boalia, Rajshahi, Bangladesh	38	12	Nil	439191875227	Nil	Nil	Md. Mizanur Rahman does not have any holding in other companies.	N/A

Mr. Rafiqul Islam , Managing Director of ACFL is also MD of others Companies for which he taken proper approval from the Ministry of Commerce, The Peoples' Republic of Bangladesh vide letter no. সূত্র নং- বাম/ডিও-১/২৯/২০১১/১১২ তারিখঃ ০৫-০৩-২০১৩ খ্রীঃ, সূত্র নং-বাম/ডিও-১/১৫/২০১৪/১৩২ তারিখঃ ২৩-০৪-২০১৪ খ্রীঃ এবং সূত্র নং-বাম/ডিও-১/এমডি/২৭/২০১৬/৩৪৯ তারিখঃ ২৪-১১-২০১৬ খ্রীঃ under Section 109 of Companies Act, 1994.

- (c) The average cost of acquisition of equity shares by the directors certified by the auditors;

**To Whom It May Concern**

This is to certify that all the shares of The Aman Cotton Fibrous Limited have been allotted to its Directors in face value & in Cash/Bonus/other than cash and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Necessary particulars of shareholdings, allotments dates and consideration are given:

Date of Allotment	Nature of Transaction	No. of Shares Hold					Consideration	Average acquisition cost of share
		Md. Rafiqul Islam	Md. Shofiqul Islam	Md. Toufiqul Islam	Md. Toriqul Islam	Aman Seeds Storage Limited		
On MA/AA	By Subscription	50,000	25,000	25,000	-	-	Cash	10
15.03.2006	Transfer	(30,500)	(5,500)	(5,500)	30,500	-	Cash	10
01.02.2012	Transfer	-	-	-	(2,000)	4,000	Cash	10
30.03.2012	By Allotment	1,930,500	1,930,500	1,930,500	2,821,500	396,000	Bonus	10
09.10.2012	By Allotment	13,650,000	13,650,000	13,650,000	19,950,000	2,800,000	Bonus	10
<b>Total</b>		<b>15,600,000</b>	<b>15,600,000</b>	<b>15,600,000</b>	<b>22,800,000</b>	<b>3,200,000</b>		

Place: Dhaka.  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

- (d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors. In this connection, a statement to be included:-

A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors:

**Md. Rafiqul Islam**

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Source of fund
On MA/AA	Cash	Ordinary Share	50,000	10.00	10.00	50,000	19.50 %	15.47	Own Source
Transfer 15.03.2006	Cash		(30,500)	10.00	10.00	19,500			
30.03.2012	Bonus Share		1,930,500	10.00	10.00	1,950,000			
09.10.2012	Bonus share		13,650,000	10.00	10.00	15,600,000			

**Md. Shofiqul Islam**

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Source of fund
On MA/AA	Cash	Ordinary Share	25,000	10.00	10.00	25,000	19.50 %	15.47	Own Source
Transfer 15.03.2006	Cash		(5,500)	10.00	10.00	19,500			
30.03.2012	Bonus Share		1,930,500	10.00	10.00	1,950,000			
09.10.2012	Bonus share		13,650,000	10.00	10.00	15,600,000			



**Md. Toufiqul Islam**

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Source of fund
On MA/AA	Cash	Ordinary Share	25,000	10.00	10.00	25,000	19.50 %	15.47	Own Source
Transfer 15.03.2006	Cash		(5,500)	10.00	10.00	19,500			
30.03.2012	Bonus Share		1,930,500	10.00	10.00	1,950,000			
09.10.2012	Bonus share		13,650,000	10.00	10.00	15,600,000			

**Md. Toriqul Islam**

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Source of fund
15.03.2006	Cash	Ordinary Share	30,500	10.00	10.00	30,500	28.50 %	22.62	Own Source
Transfer 01.02.2012	Cash		(2,000)	10.00	10.00	28,500			
30.03.2012	Bonus Share		2,821,500	10.00	10.00	2,850,000			
09.10.2012	Bonus share		19,950,000	10.00	10.00	22,800,000			

**Aman Seeds Storage Limited**

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Source of fund
01.02.2012	Cash	Ordinary Share	4,000	10.00	10.00	4,000	4.00%	3.17	Own Source
30.03.2012	Bonus Share		396,000	10.00	10.00	400,000			
09.10.2012	Bonus share		2,800,000	10.00	10.00	3,200,000			

**(e) Detail of shares issued by the company at a price lower than the issue price;**

All the shares are issued by the Company at face value of Tk. 10.00 before this issue.

**(f) History of significant (5% or more) changes in ownership of securities from inception.**

Date of Allotment/Transfer	Md. Rafiqul Islam	Md. Shofiqul Islam	Md. Toufiqul Islam	Md. Toriqul Islam	Ms. Mukta Islam	Ms. Sajeda Islam	Aman Seeds Storage Ltd.
As per MA/AA	50,000	25,000	25,000	-			
15.03.2006	(30,500)			30,500			
15.03.2006		(5,500)			5,500		
15.03.2006			(5,500)			5,500	
01.02.2012	-	-	-	(2,000)			2,000
01.02.2012					(1,000)		1,000
01.02.2012						(1,000)	1,000

\*Face value is considered Tk. 10 each per share

**CHAPTER –XIV: CORPORATE GOVERNANCE:****a) Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission;**

The Company declares that it is in compliance with the requirements of the applicable regulations of Corporate Governance Guidelines of BSEC in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under applicable law.

Sd/-  
**Md. Rafiqul Islam**  
 Managing Director  
 Aman Cotton Fibrous Limited

**(b) Compliance report of Corporate Governance requirements certified by Ahmed Zaker & Co. to The Members of Aman Cotton Fibrous Limited and its subsidiary**

**Certificate on Compliance of Conditions of Corporate Governance  
 To the Shareholders of Aman Cotton Fibrous Limited**

We, in respect of Aman Cotton Fibrous Limited (the Company), have examined the status of its compliance with the conditions of Corporate Governance issued by Bangladesh Securities & Exchange Commission (BSEC) through its notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 under section 2CC of the Securities & Exchange Ordinance 1969.

The compliance with the said conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission (BSEC) and reporting the status thereof is the responsibility of the management of the Company. Our responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Company.

To the best of our information and according to the explanations given to us we certify that Aman Cotton Fibrous Limited has complied with the Conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August 2012.

Dhaka,  
 July 27, 2017

AKM Mohitul Haq FCA  
 Partner  
**Ahmed Zaker & Co.**  
 Chartered Accountants

## Compliance Report to BSEC Notification

### Status of Compliance of Corporate Governance

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's  
Notification # SEC/CMRRCD/2006-158/134/Admin/44 dated on 07th August, 2012 issued under section 2CC of the SEC, 1969

Condition No.	Title	(Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.1	Board's Size	✓		
1.2	<b>Independent Directors</b>			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		
1.2 (ii) a)	For the purpose of this clause "independent Director" means a director- who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2 (ii) b)	who is not a sponsor of the company and is not connected with the company's any sponsor or shareholder who holds one (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not above mentioned shares in the company . Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		
1.2 (ii) d)	who is not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		

1.2 (ii) f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies;	√		
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	√		
1.2 (iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days;			N/A
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded;	√		
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√		
1.3	<b>Qualification of Independent Director(ID)</b>			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences;	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;			N/A
1.4	<b>Chairman of the Board and Chief Executive Officer:</b> The Position of the Chairman of the Board and the Chief Executive Officer of the Companies shall be filled by different Individuals.	√		
1.5	<b>The Directors Report to Shareholders</b>			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
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			N/A
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 issues, rights issues and/or through any others instruments			N/A

1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report			N/A
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	√		
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 reasons 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 reasons thereof should be explained			N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) 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 meetings held during the year and attendance by each director shall be disclosed	√		
1.5(xxi)	<b>The pattern of shareholding shall be reported to disclose the aggregate number of shares held by:</b>			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details),	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses 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)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			

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)	names of companies in which the person also holds the directorship and the membership of committees of the board	√		
2.1	<b>Appointment of Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>	√		
2.2	Requirement to attend the Board Meetings	√		
3	<b>Audit Committee</b>			
3 (i)	The company shall have an 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. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1	<b>Constitution of Audit Committee</b>			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	√		
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)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee	√		
3.1 (v)	The company secretary shall act as the secretary of the Committee	√		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
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 Annual General Meeting (AGM)	√		

3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
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 board for approval	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions 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 Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus			N/A
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1 (ii) a)	report on conflicts of interests	√		
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system	√		
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations	√		
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately	√		
3.4.2	Reporting to the Authorities	√		
3.5	Reporting to the Shareholders and General Investors	√		
4 (i)	Appraisal or valuation services or 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 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	√		

5	<b>Subsidiary Company</b>			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company			N/A
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			N/A
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			N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also			N/A
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			N/A
6	<b>Duties of Chief Executive Officer &amp; Chief Financial Officer</b>			
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	<b>Reporting and Compliance of Corporate Governance</b>			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	√		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		



**(c) Details relating to the Issuer's Audit Committee and Remuneration Committee, including the name of committee members and a summary of terms of reference under which the committee operate**

The Company's Board of Directors has been constituted in compliance with the Companies Act, 1994 and in accordance with best practices relating to corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The Company's executive management provides the Board of Directors with detailed reports on its performance periodically.

**Issuer's Audit Committee**

In accordance with the currently accepted Best Practice and Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), the Board approved the Audit Committee comprises of the following Non-Executive and Independent Directors of the Company:

- Mr. A.K.M. Akhtaruzzaman, Chairman (Independent Director)
- Mr. Md. Torikul Islam, Director, Member
- Mr. Md. Rabiul Haque, Member

All the members of audit committee are financially literate. In addition, Mr. Md. Rabiul Haque, a member of audit committee is a Masters in Accounting and has completed Chartered Accountancy Course. He did his bachelor of law and has more than 27 years working experience in accounting, finance and corporate affairs matters.

**Terms of reference of Audit Committee**

The main objective of the Audit Committee is to assist the Board of Directors to effectively carry on its responsibilities relating to financial and other relevant affairs of the Company. The Committee is empowered to monitor, review and examine the following:-

- Oversee the financial reporting process.
- Monitor implementation/ following the accounting policies and principles.
- Monitor Internal Control Risk Management Process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the Annual Financial Statements and other reports before submission to the Board for approval.
- Review along with the management, the Quarterly and Half Yearly Financial Statements before submission to the Board for approval.
- Review the adequacy of Internal Audit team performance in terms of internal audit report and audit procedure.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
- When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue, the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/Prospectus.

**Remuneration Committee**

The Remuneration Committee consists of the following members:

1. Mr. Md. Rafiqul Islam, Managing Director, (Chairman of the Committee)
2. Mr. Md. Md. Mizanur Rahman, Independent Director, (Member)
3. Mr. Md. Mukter Hossain Talukder FCA, Group Chief Financial Officer, (Member )
4. Mr. Md. Hanifur Rahman, DGM (HR), (Member)

### Terms of reference of Remuneration Committee

The main scope of work of the remuneration committee is as follows:

- Oversee the evolution Process
- Formulation and Implementation of the new remuneration policy
- To make recommendation on the remuneration policy and structure of the Directors and the senior management
- Ensure all incentive plans in compliance with relevant legislation, codes of conduct and good remuneration practice.
- Determine the design and targets for any annual performance
- set the budget for annual salary increases
- Determine the remuneration of the Executive Directors and the senior management
- Establish guidelines for recruitment of the Chief Executive and the senior management
- Formulate remuneration policy for the Board's approval and implement the approved policy
- Consider and recommend the annual performance bonus for the Executive Directors, the senior management and general staff based on their achievements against the performance criteria and with reference to market norms. Review and approve the remuneration of all senior officers in the risk management and compliance functions.

**CHAPTER XV: VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER:**

The valuation report of securities offered is prepared and justified by the Issue Manager on the basis of the financials and all other information pertinent to the issue.

**Qualitative and Quantitative factors for valuation****Qualitative Factors:**

- Maintaining unique quality of Yarn;
- Highly committed and professional management team;
- Visionary Board of Directors;
- State-of-the art technology and machineries;
- One of the top ranking Spinning company running successfully since 2007;
- Enjoying consistent earnings and EPS
- Dealing business with reliable and renowned buyers;
- Pro-investors Board reflected in the dividend payment record of sister concern;
- Significant accumulation of retained earnings;

Valuation under different methods as prescribed in clause no. Annexure-E(B)(14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015

Summary of Valuation Methodology of Aman Cotton Fibrous Limited		Price (Amount in Tk.)
Sl.	Method Used	
1(a)	Net Asset value (NAV) per share at current cost (with Revaluation)	35.63
1(b)	Net Asset value (NAV) per share at historical cost (without Revaluation)	32.31
2(a)	Valuation with reference To Earning-Based-Value Per Share (Considering Sectoral (Textile Sector) P/E)	50.47
2(b)	Valuation with reference To Earning-Based-Value Per Share (Considering Overall Market P/E)	54.10
3	Average Market price of similar stock Based Valuation	41.14
4	P/BV multiple of similar stock Based Valuation	51.30
5	P/E multiple of similar stock Based Valuation	70.18

**Method 1(a): Net Asset value (NAV) per share at current cost (with Revaluation)**

Share Capital	800,000,000
Revaluation Surplus	265,382,238
Available for Sale (AFS) Reserve	(2,130,323)
Retained Earnings	1,786,949,775
<b>Shareholders' Equity (A)</b>	<b>2,850,201,690</b>
Number of Share Outstanding as on June 30, 2016 (B)	80,000,000
Net Asset value (NAV) per share (A/B)	<b>35.63</b>

**Method 1(b): Net Asset value (NAV) per share at historical cost (without revaluation)**

Share Capital	800,000,000
Retained Earnings	1,786,949,775
Available for Sale (AFS) Reserve	(2,130,323)
<b>Shareholders' Equity (A)</b>	<b>2,584,819,452</b>
Number of Share Outstanding as on June 30, 2016 (B)	80,000,000
Net Asset value (NAV) per share (A/B)	<b>32.31</b>

**Method 2(a): Valuation with reference To Earning-Based-Value Per Share (Considering Sectoral (Textile Sector) P/E)**

Earning-based-value per share based on historical information sourced from audited financial statements and statistics from Dhaka Stock Exchange Limited (DSE). The value was calculated by considering weighted net profit after tax for last 5 (five) years as per audited financial statements and sector earnings multiple. The weighted average Earnings per share (EPS) is **BDT 3.49** and the 3 months average DSE Sector P/E is **14.46**. Therefore, Earning-based-value per share has been derived as **BDT 50.47**.

Year	No. of Shares	Net Profit After Tax	Weight (%)	Weighted Net Profit After Tax
2015-16	80,000,000	270,759,277	0.2424	65,632,049
2014-15	80,000,000	256,713,297	0.2424	62,227,303
2013-14	80,000,000	296,365,313	0.2424	71,838,952
2012-13	80,000,000	289,156,006	0.2424	70,091,416
2011-12	10,000,000	305,481,982	0.0304	9,286,652
Total	330,000,000	1,418,475,875	1.0000	279,076,372
Weighted Average Net Profit after Tax [C]				279,076,372
Number of shares as on June 30, 2016 [D]				80,000,000
Weighted Average Earnings per share(EPS)[E= C/D]				3.49
DSE Textile sector average P/E of 3 months from Apr'17-Jun'17P/E [F]				14.46
Earning Based Value per share (BDT) [G =E × F]				50.47

**Calculation of Textile Sector P/E:**

Particulars	Apr'17	May'17	Jun'17	Average
Sectoral Market PE (Textile Sector)	14.2	14.15	15.03	14.46

**Method 2(b): Valuation with reference To Earning-Based-Value Per Share (Considering Overall Market P/E)**

Earning-based-value per share based on historical information sourced from audited financial statements and statistics from Dhaka Stock Exchange Limited (DSE). The value was calculated by considering weighted net profit after tax for last 5 (five) years as per audited financial statements and overall market earnings multiple. The weighted average Earnings per share (EPS) is **BDT 3.49** and the 3 months average DSE Market P/E is **15.50**. Therefore, Earning-based-value per share has been derived as **BDT 54.10**.

Year	No. of Shares	Net Profit After Tax	Weight (%)	Weighted Net Profit After Tax
2015-16	80,000,000	270,759,277	0.2424	65,632,049
2014-15	80,000,000	256,713,297	0.2424	62,227,303
2013-14	80,000,000	296,365,313	0.2424	71,838,952

2012-13	80,000,000	289,156,006	0.2424	70,091,416
2011-12	10,000,000	305,481,982	0.0304	9,286,652
Total	330,000,000	1,418,475,875	1.0000	279,076,372
<b>Weighted Average Net Profit after Tax during the period 2012 to 2016 [H]</b>				<b>279,076,372</b>
Number of shares as on June 30, 2016 [I]				80,000,000
<b>Weighted Average Earnings per share (EPS)[J= H/I]</b>				<b>3.49</b>
DSE Overall Market average P/E of 3 months from Apr'17-Jun'17P/E2 [K]				15.50
<b>Earning Based Value per share (BDT) [JxK]</b>				<b>54.10</b>

**Calculation of Overall Market P/E2:**

Particulars	Apr'17	May'17	Jun'17	Average
Overall Market PE	15.50	15.25	15.74	15.50

Source: Dhaka Stock Exchange Limited

**Method 3: Average Market Price of Similar Stock Based Valuation**

The nature of Business of ACFL is similar to the business operation with the Companies listed under Textile Sector in Stock Exchanges of Bangladesh. For similar stocks we have considered the comparable companies listed with Dhaka Stock Exchange Limited.

Sl. No.	Name of Company	Last One Year Market Price			Market Price as on July 31, 2017
		Lowest	Highest	Average	
1	APEXSPINN	102.20	145.10	123.65	120.20
2	DELTASPINN	7.50	12.50	10.00	11.80
3	DSSL	9.30	24.50	16.90	23.40
4	MATINSPINN	35.30	43.00	39.15	40.00
5	MHSML	13.40	29.20	21.30	28.00
6	ZAHEENSPIN	21.10	40.30	30.70	28.60
<b>Average</b>				<b>40.28</b>	<b>42.00</b>
<b>Average Market price of Similar Stock based valuation</b>					<b>41.14</b>

Source: Dhaka Stock Exchange Limited

S.L	Company Name	Turnover (Taka in crore)	Paid-up Capital (Taka in crore)	EPS ( in BDT)	NAV
1	APEXSPINN	431.93	8.40	3.42	51.67
2	DELTASPINN	107.68	137.59	0.34	15.50
3	DSSL	79.36	60.00	1.68	20.47
4	MATINSPINN	200.52	97.49	3.02	41.64
5	MHSML	106.11	89.80	1.72	16.32
6	ZAHEENSPIN	93.26	85.69	1.56	12.19

APEXSPINN	Apex Spinning & Knitting Mills Limited
DELTASPINN	Delta Spinners Limited
DSSL	Dragon Sweater and Spinning Limited
MATINSPINN	Matin Spinning Mills Limited
MHSML	Mozaffar Hossain Spinning Mills Limited
ZAHEENSPIN	Zaheen Spinning Limited

**Reference:**

1. The companies considered as peer of ACFL are listed in the Stock Exchanges of Bangladesh, which are Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
2. We have considered the companies listed under textiles sector only to make the comparison more relevant.
3. Data used here is taken from monthly review of Dhaka Stock Exchange Limited and last published annual Financial Statements, available on July 31, 2017.

**Explanation of similarities:**

1. ACFL having a turnover of BDT 169.45 crore, it is justifiable to consider the companies having more or close to the turnover of ACFL. In our Analysis, companies having more than BDT 79.36 crore are considered as comparable annual turnovers.
2. Considering the Capital Base of ACFL of BDT 80.00 crore, companies with paid-up Capital of more than 80.00 crore are considered as comparable companies except Apex Spinning & Knitting Mills Limited and DSSL.
3. Companies having annually published data have been considered only.

**Method 4: P/BV multiple of similar stock Based Valuation**

Sl. No.	Company	Average Price of Last one Year	NAV	P/BV
1	APEXSPINN	123.65	51.67	2.39
2	DELTASPINN	10.00	15.50	0.65
3	DSSL	16.90	20.47	0.83
4	MATINSPINN	39.15	41.64	0.94
5	MHSML	21.30	16.32	1.31
6	ZAHEENSPIN	30.70	12.19	2.52
<b>Average</b>				<b>1.44</b>

<b>Price/Book value (P/BV) multiple of similar stock Based Valuation</b>	
a. Net Asset Value (NAV) with revaluation per share of Aman Cotton Fibrous Limited	35.63
b. Average P/BV of peer companies	1.44
<b>Fair Price (BDT) (a × b)</b>	<b>51.30</b>

**P/BV multiple of similar stock Based Valuation (Assumptions)**

1. The average market price of the last one year from August 2016 to July 2017 of the peer companies is considered and NAVs has been considered based on last Annual Report from the website of Dhaka Stock Exchange;
2. The NAV of Aman Cotton Fibrous Limited is year ended as on June 30, 2016.

**Method 5: P/E multiple of similar stock Based Valuation**

Sl. No.	Company	Average Price of Last Year	EPS	P/E
1	APEXSPINN	123.65	3.42	36.15
2	DELTASPINN	10.00	0.34	29.41
3	DSSL	16.90	1.68	10.06
4	MATINSPINN	39.15	3.02	12.96
5	MHSML	21.30	1.72	12.38
6	ZAHEENSPIN	30.70	1.56	19.68
				<b>20.11</b>

<b>P/E multiple of similar stock Based Valuation</b>	
c. Weighted Average EPS of Aman Cotton Fibrous Limited	3.49
d. P/E of peer companies	20.11
<b>Fair Price (BDT) (a × b)</b>	<b>70.18</b>

**Conclusion:**

From the above justification, it can be seen that the fair value of Aman Cotton Fibrous Limited (ACFL) under different valuation methods are determined considering the future growth perspective, risk aspects and the performance of similar comparable companies, listed with stock exchanges.

**DETERMINATION OF CUT-OFF PRICE**

<b>The summary of electronic bidding process participated by the Eligible Investors (EIs): Face Value</b>	<b>BDT 10.00</b>
Total No. of Participants	<b>492</b>
Total No. of Confirmed Participants	<b>394</b>
Cut-off Price (applicable for EIs quota allotment)	<b>BDT 40.00</b>
General Public Offering Price (10% discounted price from the cut-off price) applicable for general public & NRB	<b>BDT 36.00</b>

**CHAPTER XVI: DEBT SECURITIES**

The Company neither issued nor is planning to issue any debt security within next six months.

**CHAPTER XVII: PARTIES INVOLVED AND THEIR RESPONSIBILITIES**

<b>Parties involve with Aman Cotton Fibrous Ltd</b>		<b>Responsibilities</b>
a) <b>Issue Manager</b>	ICB Capital Management Limited	The Issue Manager is responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 including preparation and disclosures made in the prospectus, Roadshow and other responsibilities as mentioned in the due diligence certificate
b) <b>Underwriters</b>	ICB Capital Management Limited Roots Investment Ltd. Prime Bank Investment Limited Bengal Investments Limited LankaBangla Investments Limited	The Underwriter(s) is responsible to underwrite the public offering on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015. In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s)
c) <b>Statutory Auditor</b>	MahfelHuq & Co. Chartered Accountants BGIC Tower(4 <sup>th</sup> Floor) 34, Topkhana Road, Dhaka-1000	To express an opinion on financial statements of the auditor based on their audit. An auditor conducting an audit in accordance with Bangladesh Standards on Auditing (BSA) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements whether caused by fraud or error
d) <b>Cost Auditor</b>	Not Applicable.	Not Applicable.
e) <b>Valuer</b>	S.H Khan & Co Chartered Accountants RAZ BHABAN 1 <sup>st</sup> Floor, 29. Dilkhusa C/A DHAKA-1000.	The responsibility of the valuer is to value the investment property in accordance with International Valuation Standards (IVSs) and condition and guidelines for valuation of assets by Bangladesh Securities and Exchange Commission (BSEC).
f) <b>Credit Rating Agency</b>	Credit Rating Agency of Bangladesh Limited (CRAB)	Credit Rating Company is responsible for conducting the long term and short term rating of the company based on its financial statements and other relevant qualitative and quantitative information. Credit Rating Company shall publish the rating in its public website when it issues or updates a final rating.



**CHAPTER XVIII: MATERIAL CONTRACTS:****(a) Major agreements entered into by the Issuer.**

- 1) Issue Management Agreement between the Company and ICB Capital Management Limited;
- 2) Agreement with Underwriters
- 3) Registrar to the Issue Agreement with Prime Bank Investment Limited;

**(b) Material part of the agreements:**

Contract	Material parts of the agreements	
Issue Management Agreement with  ICB Capital Management Ltd.	Signing Date	March 31, 2016
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement
	Principal Terms and Condition:	<ol style="list-style-type: none"> <li>1) According to Article 2.1; the scope of the services to be rendered by the ISSUE MANAGER to the ISSUER under this agreement shall cover Regulatory Compliance, Underwriting Co-operation, Issue Arrangements and Public offer and invitation.</li> <li>2) According to Article 3.1 Without prejudice ISSUER hereby declares that it agrees to comply with all statutory formalities under Companies Act, 1994, Guidelines issued by Bangladesh Securities and Exchange Commission and other relevant status to enable it to make the issue.</li> <li>3) According to Article 4.1 Without prejudice to other stipulations relative to the responsibility of the ISSUE MANAGERS, it is responsible towards the COMPANY for strict compliance of this Agreement and to comply with all term therein.</li> <li>4) According to Article 5.1 The Issuer shall pay to <b>Issue Managers</b> at <b>2.00%</b> on the public offer amount (including premium) for the Issue Management Services.</li> <li>5) According to Article 8.1 The Issue Manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, and other relevant rules, regulations, practices, directives, guidelines, etc.</li> </ol>

Contract	Material parts of the agreements	
Underwriting Agreement with  ICB Capital Management Ltd.	Signing Date	: April 20, 2016
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement

Roots Investment Ltd.  Prime Bank Investment Ltd.  Bengal Investments Ltd.  LankaBangla Investments Ltd.	Principal Terms and Condition:	<ol style="list-style-type: none"> <li>1. In case of under-subscription in any category by up to 35% in an Initial Public Offer, the undersubscribed portion of securities shall be taken up by the underwriter.</li> <li>2. In case of failure to deposit the remaining amount by the eligible investors, the unsubscribed securities shall be taken up by the underwriter.</li> <li>3. The underwriting agreement and the underwritten amount and allocation of underwriting portion shall be revised after completion of the bidding period, where the cut-off price will be determined at nearest integer of the lowest bid price at which the total securities offered to eligible investors would be exhausted. The public offering price will be determined at 10% discount (at nearest integer) from the cut-off price.</li> <li>4. The issuer, in the event of under subscription, shall send notice to the underwriter(s) within ten days of closure of subscription calling upon them to subscribe the securities and pay for this in cash in full within fifteen days of the date of said notice and the said amount shall be credited into securities subscription account within the said period. If payment is made by Cheque/ Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this agreement, until such time as the Cheque/ Bank Draft has been encased and the Company's account credited. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit of money by the underwriter to the Commission.   In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.   In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this Agreement.   In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.</li> <li>5. The Company shall pay to the underwriter an underwriting commission at the rate of 0.20% of the amount underwritten hereby agreed to be underwritten by it.</li> </ol>
--	--------------------------------	---

Contract	Material parts of the agreements	
Registrar to the Issue Agreement with  Prime Bank Investment Ltd.	Signing Date	: June 30, 2016
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement
	Principal Terms and Condition:	<p>According to Article 2; The scope of the services to be rendered by the Registrar to the Issue under this Agreement shall be as detailed hereunder:</p> <ul style="list-style-type: none"> <li>a. The Registrar shall ensure due compliance of the Book-building procedures and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.</li> <li>b. The Registrar shall coordinate all other actions necessary for completing the post-issue functions or to comply with the regulatory requirements with the support of Issuer.</li> <li>c. The Registrar shall coordinate for completing the post-issue processing activities for public issue of the Company within the stipulated time as specified by the Bangladesh Securities and Exchange Commission.</li> <li>d. The Registrar will have to complete all statements and ensure timely delivery of them to the relevant authorities /organizations.</li> </ul> <p>The Registrar will have to deliver one soft copy of entire database of all applications to the Company in the format and headings specified by the Company.</p> <p>According to Article 3.1; without prejudice the Issuer hereby declares that it has complied with or agrees to comply with all statutory formalities under the Companies Act 1994, Guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and other relevant laws.</p> <p>According to Article 6.1; The Registrar hereby undertakes to keep in strict compliance to all information (whether written or oral) proprietary documents and data secured in connection with or as a result of this Agreement (Confidential Information) and shall limit the availability of such information to its employees, who have a need to see and use it for the express and limited purpose stated in this Agreement.</p>

**(C) Fees Payable to different parties**

**Manager(s) to the Issue fee**

ICB Capital Management Limited is the Manager to the Issue. The Issue Manager will get 2% of the Issue size including premium as issue management fee.

**Commission for the Underwriters**

The company shall pay to the underwriters an underwriting commission at the rate of 0.20% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

**Registrar to the Issue fee**

Prime Bank Investment Limited is the Registrar to the Issue. The Registrar to the Issue will get Tk 500,000 as Registrar to the Issue fee.

**Credit Rating fee**

The Credit rating of the Company is conducted by the Credit Rating Agency of Bangladesh Ltd. (CRAB) and they got Tk. 230,000 as credit rating fee.

**CHAPTER XIX: OUTSTANDING LITIGATIONS, FINE OR PENALTY:****a) The following outstanding litigation against the issuer or any of its Directors and fine or penalty imposed by any authority:**

- (i) Litigation involving Civil Laws
- (ii) Litigation involving Criminal Laws
- (iii) Litigation involving Securities, Finance and Economic Laws
- (iv) Litigation involving Labor Laws
- (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)
- (vi) Litigation involving any other Laws

There is no outstanding litigation against the issuer or any of its Directors and fine or penalty imposed by any of the above authorities except penalty of Tk. 5.00 Lac to the Issuer imposed by Bangladesh Securities and Exchange Commission through order no. SEC/Enforcement/2094/2014/336 dated 20 July 2014. ACFL duly deposited the aforesaid amount on 21 July 2014.

**b) Cases including outstanding litigations filed by the Company or any of its directors:**

- (i) **Litigation involving Civil Laws:** No cases filed by the company or any of its directors.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the company or any of its directors
- (iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors regarding some disallowances of expenses and adding back of arbitrary income
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):** There are no outstanding cases filed by the Company or any of its Directors relating to above litigations except Income tax where the Company filed appeal to the Commissioner (Appeal) against the order of the DCT:

2011-2012	2012-2013	As per demand notice u/s 135 dated 16.02.2017 present tax demand is Tk.2,61,46,900/- but appeal has been made against the learned CT (A) Order to the Taxes Appellant Tribunal.
2012-2013	2013-2014	As per demand notice u/s 135 dated 16.02.2017 present tax demand is Tk. 3,38,07,652/- but appeal has been made against the learned CT (A) Order to the Taxes Appellant Tribunal.

- (VI) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

**CHAPTER XX: RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS:**

In the business world return and risks has reciprocal relationship. Thus, Aman Cotton Fibrous Limited would be subject to risk of a typical nature of similar Textiles Companies. The common risks are commercial and business risks that can be mitigated effectively. Before making any investment decision, Investors should take the risk factors into consideration. Such major risk factors are described in brief as under:

**(I) INTERNAL RISK FACTORS MAY INCLUDE, AMONG OTHERS****(a) Credit Risk**

ACFL may be exposed to credit risk if any buyer ever fails to remit the sales proceeds due to willful default of their business failure and/ or financial crisis.

**Management Perception**

ACFL has a business deal with reputed customers having long standing and proven track record of timely settlement of sales Proceeds.

Moreover, we have a robust system of quality control to mitigate the risk of discrepancy in our products. It may further be mentioned that all the exports are made against L/Cs.

**(b) Liquidity Risk**

ACFL is exposed to liquidity risk in effect that ACFL may not be able to meet its financial obligations when they fall due. ACFL'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 jeopardizing company's reputation.

**Management Perception**

ACFL conducts liquidity management in a manner that maintains stability and flexibility in day-to-day funding activities. Our liquidity risk management starts by managing daily payment of cheques, daily cash inflow and outflow and our access to other funding sources as and when required. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient fund to make the expected payment within due date. In extreme stressed conditions, the company may get support from the sister concerns in the form of short-term financing.

**(c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates**

ACFL has no subsidiary, joint ventures or associate company.

**Management Perception**

ACFL is not exposed to any such risk, as presently it has no subsidiary, joint ventures or associate concern.

**(d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;**

ACFL may expose to the risk of losing one or more customer(s) from which significant revenue is generated and that might have a material impact on ACFL.

#### **Management Perception**

ACFL is not depended on a limited number of customers. Knowing the consequence of potential concentration risk of depending on few customers, ACFL always keeps on its strategy of exploring new customers. Moreover, we give emphasize more on doing business with organizations having good reputation and excellent track record of long-term commitment.

**(e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;**

We may expose to risk of depending on single or few suppliers due to failure in supply of quality raw materials in a timely manner.

#### **Management Perception**

Delay in supply of substandard materials in time may adversely affect the production of ACFL. ACFL procures raw materials from different sources and constantly monitors the quality of materials and evaluates suppliers' creditability. We minimize the above risk by identifying different prospective suppliers at competitive price and ensuring the quality of raw materials.

**(f) More than 20% revenue of the Company comes from sister concern or associate or subsidiary;**

ACFL may be exposed to the risk of generating revenue of 20% or more from its sister concern or associate or subsidiary.

#### **Management Perception**

ACFL does not have any associate or subsidiary company. ACFL has business transaction with one of its sister concern namely Aman Tex Limited, that generates revenue of less than 20% and management perception that the limit will not exceed 20% in near future.

**(g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;**

ACFL may expose to this risk if it has any negative cash flow from operating activities or experience a declining turnover and profitability.

#### **Management Perception**

During the last 5 years the company had no negative earnings or negative cash flow from operating activities. Moreover, the company did not experience either any diminishing turnover or profitability during last 5 years. Likewise, Management does not perceive any such risk in coming years.

**(h) Loss making associate or subsidiary or group companies of the issuer;**

ACFL may expose to such risk if the group has any loss making associate or subsidiary company.

**Management Perception**

ACFL is a concern of Aman Group that consists of several companies. There is no subsidiary or associate company of ACFL. Currently, none of the sister concerns incurs any loss that has an adverse impact on operating results of the company. All concerns of Aman Group are managed by a group of talented professionals of long experienced professionals in their respective fields. Moreover, most of the sister concerns are financially strong enough to manage their operations and assist their weak concern if necessary in times of needs.

Management does not perceive any such indication that cause them reasonable assurance to believe that any of its sister concern may incur loss in the coming years that may require financial support from ACFL.

**(i) Financial weakness and poor performance of the Company or any of its subsidiary or associates**

ACFL may face such risk if any unexpected and unusual happening takes place in near future. There are certain things that can't be foreseen and even apprehend beforehand and which are absolutely beyond one's control like natural disaster or calamities, war, strike, riot, international sanction etc. Happening of such event may cause ACFL financially weak and results in poor performance.

**Management Perception**

ACFL has been a profitable company being managed by a group of experienced professionals. From the financial indicators it would be evident that the company has been running profitably since its inception and Management does not perceive any such event that may adversely impact the operation or financial results of the company in coming years. ACFL has also taken required measures to minimize certain risks through shifting the same to third parties like insurance company.

**(j) ACFL Decline in value of any investment**

ACFL may be exposed to market risk that may result in from the fluctuation in the market value of Investment in securities. When the market value of securities falls below the cost price, ACFL needs to provide required amount of provision thereby impacts the profitability of the company.

**Management Perception**

ACFL has an investment in the listed Securities to the tune of Tk. 64,47,506/ as on 30 June 2016. The market value of the securities as on that date was Tk. 40,80,480 as against Tk. 39,33,220 of 30 June 2015. Required provision due to fluctuation in the market price was made in the accounts in the respective accounting year as shown under Note 5.01 of the Notes to the Financial Statements. Management does not perceive that any significant loss may likely to incur from the investment in coming years as experienced portfolio manager is managing the investment. Moreover, the size of the investment is not significantly high.

**(k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned**

ACFL may be exposed to this risk if it ever decides to purchase secondhand or reconditioned plant and machineries.

**Management Perception**

Till to date ACFL did not procure any secondhand plant and machinery. All the machineries are of European and USA origin. Management does not have any intention to buy any secondhand or reconditioned plant and machineries in coming years.



**(l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall**

ACFL may be exposed to this risk if sudden call is made if any loan is taken from directors and no interest is charged on loan to related party.

**Management Perception**

ACFL does not have any loan exposure taken from any directors of the company. ACFL, however, on rare instance make advances to its sister concern(s) to meet its short-term requirement. The Company always ensures that such advances are adjusted within the stipulated time, so that its cash flows are not affected by such transactions. The Company is, however, in the process of formulating a policy restricting any advances to any Directors and sister concerns.

**(m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the Company and if any supplier of raw materials or major customer is related to the same sponsors or directors;**

ACFL may encounter such risk since one of its sister concern namely Anwara Mannan Textile Mills Ltd. is engaged in similar business where four directors of ACFL out of total seven are common. In addition, another sister concern namely Aman Tex Limited having common directors is one of the major customers who purchases on an average 14-20 percent of total sales of ACFL.

**Management Perception**

The Management of ACFL and its Directors have always been very meticulous in complying with the necessary guidelines and other applicable rules and regulations. However, one of its sister concerns namely Anwara Mannan Textile Mills Ltd. is engaged in similar business where four directors of ACFL out of total seven are common. The Management of ACFL doesn't perceive any potential risk of conflicts, as they are not competitors of each other. And all the transactions are executed through arm's length transaction. Management is always sensitive as to the operation of the group which is being managed independently with strict compliance of business norms and ethical standards.

Moreover, one of the sister concern namely Aman Tex Limited is one of the major customers who purchases on an average 14-20 percent of total sales of ACFL. All the sales are made to Aman Tex Limited at a competitive price similar to that of other customers.

**(n) Related party transactions entered into by the company those may adversely affect competitive edge;**

**Management Perception**

ACFL has some business transaction as disclosed under the head of related party transaction in the notes to the financial statements. Management perceives that such transactions would have no adverse effect on competitive edge.

**(o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities;**

**Management Perception**

There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities and management perceives in a right way.

**(p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees**

The operations and the operating and financial results of ACFL may be affected by strikes, work stoppages or increase in wage demands by employees.

**Management Perception**

ACFL is one of the leading textiles industries of the country in terms of work environment and employee satisfaction. We always prioritize our human resources over other issues, as we believe that the success of ACFL immensely depends upon the performance of its 674 patrons. With a view to going forward by retaining the talents, ACFL always offers inspiring propositions along with a classic working environment. Considering the facts, it is apparent that the risk of strikes, work stoppages or increase in wage demands by employees is remote for ACFL.

**(q) Seasonality of the business of the issuer****Management Perception**

Yarn products are the basic raw material of Textiles industry in and related, Bangladesh Textiles market is considered to be more promising in coming years. So the risk of variability of company's operating results is expected to vary insignificantly over the month of a year. Hence, Management perceives that the business of ACFL is not grossly affected by the seasonality of the demand of its products and supply of raw materials.

**(r) Expiry of any revenue-generating contract that may adversely affect the business****Management Perception**

ACFL has no fixed-term revenue-generating contract with any parties the expiry of which may adversely affect the business of the Company. The nature of the business of ACFL is that its production is a continuous process based on the orders from different customers under confirmed Letter of Credits and not on any fixed term contract basis. Hence, the question of affecting the business of ACFL due to expiry of revenue-generating contract does not arise.

**(s) Excessive dependence on debt financing which may adversely affects the cash flow**

The cash flow of ACFL may be affected adversely by the excessive reliance of debt.

**Management Perception**

ACFL is not excessively depended on debt. Based on the financials as on June 30, 2016, the debt to equity ratio was 0.37. As on the same date the debt service coverage ratio was 0.44. The credit rating company CRAB has also awarded 'A2' for long term and 'ST-2' for short term. 'A2' refers adequate safety for timely repayment of financial obligations and 'ST3' refers good certainty of timely payment and company liquidity factors & fundamentals are sound. We trust that our initiative to go for IPO will allow us for acquiring perpetual capital enabling ACFL to avoid over-reliance on debt financing thus improving corporate debt-equity ratio further. Management also perceives that as ACFL has been generating sufficient cash flow from operating activities, and the trend is expected to continue in the coming years, the Company would be in a stronger position in terms of settlement of its debt obligations.

**(t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the Company's business performance**

**Management Perception**

ACFL is a structured company and has been conducting its business by professionals for decades with good reputation. Succession planning is one of the key strategies of ACFL for ensuring its smooth operation. ACFL is not dependent on any key management personnel the absence of whom would adversely affect company's business performance.

**(u) Enforcement of contingent liabilities, which may adversely affect financial condition**

A contingent liability is where there is significant uncertainty about a number of aspects regarding the liabilities. A contingent liability arises where an event that occurred in the past may lead to the entity having a liability in the future. But the financial impact of the event will only be confirmed by the outcome of some future events not holding entity's control. ACFL is exposed to risk of having a contingent liability disclosed in the financial statements.

**Management Perception**

Aman Cotton Fibrous Limited has a contingent liability disclosed in the financial statements on the ground that the Company has filed appeal to the higher tax authority stating that 'learned Deputy Commissioner of Taxes disallowed certain expenses hypothetically without assigning any reason merely on surmise which was unjustified and unlawful'. To our assessment, the management is of the opinion that it is likely that the order of the Tax authority would come in favor of the Company. If for any reasons, which has remote possibility, the decision goes against the Company (partly or fully), necessary provision would be made as per para 30 of BAS 37 at the time of disposal of the order by the tax authority and the Company has the financial strength to pay the liability out of cash from operating activities.

**(v) Insurance coverage not adequately protect against certain risks of damages**

**Management Perception**

As a part of risk management process, ACFL transfers risks through insurance for inventory, plant & machinery, building covering fire & lighting damage, Group insurance coverage for permanent employees, riot & strike damage, malicious damage, aircraft damage, explosion and impact damage. So, risk of damages is mitigated.

**(w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;**

**Management Perception**

All the existing directors of the Company have given their consent to serve the Company after the expiry of lock-in period.

**(x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure**

**Management Perception**

The Company's net profit after tax and other business performance indicators show increasing trend due to the Management dedication and strategic action to face competition and challenges in the industry for sustainable growth.

Strong financial performance for successive years is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology. Over the years company's financial performance is improving due to visionary outlook, experienced and skilled top tier management, favorable economic and Government rules and regulations, and commendable repayment

culture is contributing for growth of the Company. The Company has a robust financial management practices. Besides, as at 30 June Company's retained earnings stood at Tk. 178,69,49,775/- as shown in the Prospectus under business strategies and future plan that the company's net profit after tax for the next three accounting years would be positive.

**(y) History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors**

**Management Perception**

Since the beginning of its operation in 2007, ACFL has no history of non-operation. The company is running by a professional team and its sponsors have adequate business background and experience, which reduce the non-operating risk.

**(z) Risks related to engagement in new type of business, if any**

**Management Perception**

ACFL has no plan to engage in new type of business in near future.

**(aa) Risk in investing the securities being offered with comparison to other available investment options; Management Perception**

Like other securities, the share price of ACFL may be affected by manifold factors. Management perceives that the investors in the shares of ACFL would get better return than that of other available investment options.

**(bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law**

**Management Perception**

There is no record of any penalty or action taken against the Company by any regulatory authorities for non-compliance with provisions of any law except mentioned in the Chapter : Outstanding Litigations, Fine or Penalty.

**(cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;**

ACFL may be exposed to this risk if any decision goes against the Company relating to any law suit, Tax, VAT, or any other Government claims.

**Management Perception**

The Company does not have any litigation except the dispute with the Tax Authority i.e., there was an income tax demand relating to the Assessment Year: 2012-2013 and 2013-2014 for Tk.2,61,63,690/- and Tk.5,35,3,617/- respectively against which Appeal is pending with the Tax Authority. It is expected that the appeal order would come in favour of the Company. In this regard, a disclosure about contingent liability has been made in the financial statements on the ground that the Company has filed appeal to the higher tax authority stating that 'learned Deputy Commissioner of Taxes disallowed certain expenses hypothetically without assigning any reason merely on surmise which was unjustified and unlawful'

**(dd) Registered office or factory building or place of operation is not owned by the issuer**

**Management Perception**

ACFL has its own registered office and factory building. So, management do not perceive any vulnerability that usually arise due to requirement for shifting of rented factory or offices.

**(ee) Lack of renewal of existing regulatory permissions/licenses Management Perception**

A dedicated team supervises the renewal processes for all the regularity permission/licenses and renewals. So, risk due to lapses in the validity of renewal of licenses from concerned regulatory authorities.

**(ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the Company or any of its subsidiaries or associates**

**Management Perception**

Currently, ACFL has no listed securities and it has no subsidiary or associate. However, the ordinary shares of one of its sister concern namely Aman Feed Limited are listed with Dhaka and Chittagong Stock Exchange. There is no record of failure in holding AGM or declaring dividend of that listed company. Last year the listed company declared 30 percent dividend including 10 percent stock dividend. Management is in the firm believed that the Company will set a good track record in terms of payment of dividend.

**(gg) Issuances of securities at lower than the IPO offer price within one year**

**Management Perception**

ACFL has no plan to issue any securities at a price lower than that of the IPO price within one year of IPO.

**(hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.**

**Management Perception**

ACFL has no subsidiary or associates. ACFL has no experience of refusal of application for public issue of any securities at any time by the Commission.

**(ii) Delay in the execution of Projects as per original plan**

The execution of the project may be delayed due to delay in receiving the IPO proceeds. This may happen due to reasons beyond Company's control.

**Management Perception**

Management does not perceive that there will be any delay in the process of execution of the projects as planned. If for any reason the projects get delayed in execution due to delay in getting IPO proceeds, Management may go for raising fund from alternative options for temporary period including bank loan to ensure timely completion of the project in order to avoid cost escalation. And as soon as the IPO proceeds is available all the debts incurred due to delay in getting IPO proceeds will be settled immediately.

**EXTERNAL RISK FACTORS****(a) Interest rate risks**

Interest rate risk is the risk that Company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect Companies having floating rate loans or Companies investing in debt securities.

**Management Perception**

In order to manage this risk and overcome it, the Company shall exercise prudence in its cash flow management, supported by continued strength in sales and marketing. ACFL is very careful in forecasting the prices of raw materials and manages its costs in an effective manner. To maintain effective rate of return ACFL also follow knowledge and information based products mix, so as to ensure that the debt repayments are met on schedule, even if the interest rates goes up.

**(b) Exchange rate risks**

Exchange rate risk occurs due to changes in foreign currency exchange rates. As the Company has taken foreign currency loan, imports major raw materials and some packing materials from abroad and earns most of the revenue in local currency, unfavorable volatility or fluctuation may affect the profitability of the Company. On the other hand, if exchange rate decreased against local currency opportunity will be created for generating more profit.

**Management Perception**

ACFL earns most of its revenue in US dollars, thereby creating in built hedging scopes. Besides, in case of significant BDT devaluation in order to keep the cost to minimum, appropriate and responsible hedging mechanisms may be applied. However, if the price of the US dollar appreciates too sharply against the BDT, this will be a nationwide phenomenon experienced by the entire industry. In such a scenario, there will be a market adjustment in end product prices. Management perceives that for the greater interest of the Company, the Government shall continue the policy of managing the currency conversion rate stable in terms US Dollar in the coming days as of the Past.

**(c) Industry risks**

The company's major raw material is Raw Cotton. Currently, it completely depends on external vendors for procurement of Raw Cotton. As price of yarn largely depends on production of raw cotton which in turn is dependent upon environmental conditions, company's cash flows and profitability might adversely be affected at any point of time.

**Management Perception**

Price volatility of cotton and yarn in international market is a common phenomenon, which affects, more or less, all operators belonging to this particular industry segment. So, the nature of relative competency is expected to remain the same. However, ACFL management is always watchful about timely Raw Cotton procurement from both domestic and foreign markets. The history of efficient Raw Cotton procurement establishes the superior sourcing ability of the management. Moreover, management maintains a significant stock of raw materials during season to address the risk of unusual rise in the price of the same during off-season.

**(d) Economic and political risks**

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

**Management Perception**

Although the country has passed a political turmoil until the end of 2014, a sound political atmosphere is prevailing from early 2015, which is expected to continue in future. Both the ruling and opposition parties are committed to the betterment of the country. Management doesn't, however, perceive any significant political turmoil that may have significant and adverse effect of Company's operations.

**(e) Market and technology-related risks****Market demand**

Almost entire revenue of the company is earned through export of Cotton Yarn. Therefore, fall of price and/or demand in international market may adversely affect the profitability of the company, and thereby the value of shares. Additionally, loss of competitive advantage may negatively impact the earning ability of the company. Diversifying the export markets and building strong brand equity will enable the company to grow and withstanding the market risk.

**Management Perception**

Although currently almost 95% of its total exports go to Europe and residual 5% to USA, the company is focusing on other overseas markets with a view to expanding its business horizon following business diversification strategy that would help minimizing volatility in achieving targeted sales.

ACFL has been using brand new European and USA machinery with latest technology. As a result buyers of ACFL enjoys longstanding belongingness and it is expected that this machinery would render equivalent services for another 20 years without any major disruption.

**Risk from change in competitive dynamics**

The company may face competition from some renowned and strong competitors like A & A Textiles Ltd., Delta Spinning Mills Ltd, and Maksons Spinning Mills Limited etc. in domestic arena. In addition to that, entrance of new entity might put price pressure and cause a shrink in market share in future.

**Management Perception**

There is a large demand-supply gap for the product of Cotton Yarn both in local and international markets. Being one of the high quality Cotton Yarn producers in the country, ACFL is capable of making full use of the opportunities. The company is comfortably operating for its well-thought-out arrangement of good quality machineries, as well as sound product demand from its customers.

**Technology Related Risk**

Technology always plays a vital role for any business for ensuring better product quality, for providing better services to the customers and for minimizing costs. Textile is a technology dependent industry and continuous technological improvement is an integral part of this business. Obsolete technology or machineries will make it difficult for any textile company to sustain in such a competitive industry.

**Management Perception**

As the machinery of the company is very sophisticated and state-of-the art, it is expected that there is very low probability of sudden obsolescence of technology in the near future. Majority of its machinery is imported from globally renowned manufacturers from European countries and USA. Furthermore, the company will be constantly adding new machinery from similar countries in its factory for maintaining its production quality and volume.

**(f) Potential or Existing Government Regulations**

The company conducts its business under the Companies Act, 1994, different fiscal policies, Rule and Regulations of Bangladesh Security and Exchange Commission and other regulatory authorities. The existing Government rules and regulations are favorable for the Company. Any abrupt changes in the policies may adversely affect the profitability and the operation of the Company.

**Management Perception**

RMG export is a vital sector for the growth of the economy of Bangladesh. Government incentives and subsidies are crucial to maintain the sustainability and growth of this sector. The Government is aware of this fact. Hence, it is rationally expected that any undue tax or duty will not be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry. Finally, any changes in VAT, tax, or duty structure will affect all the operators in the industry. However, ACFL has the greater resistance ability due to its cost-efficient operation process.

**(g) Potential or existing Changes in Global and National Policies**

Changes in the existing global or national policies can have either positive or negative impact on the Company's profitability. The performance of the Company may be affected due to unavoidable circumstances in Bangladesh, as such any structural change in textile industry, war, terrorism, political unrest, natural and man-made disasters which may adversely affect the economy in general.

**Management Perception**

As a least developed country, Bangladesh enjoys GSP facilities from EU countries. Withdrawal of this facility in the near future is least likely. The organization's management is always conscious about full compliance of the buyer specific requirements on a continuous basis. The company is striving to diversify its international client base through greater marketing initiatives. This will provide the company with greater sustainability against changes in buyer specific policy changes.

**(h) Statutory clearances and approvals those are yet to be received by the issuer****Management Perception**

The company has collected all the statutory clearance and approval to operate the business. The necessary update and renewal is a continuous process. Hence, there is a limited degree of such risk associated with the company.

**(i) Competitive condition of the business**

ACFL is operating in a free market economy regime. The company might have to face stiff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.



**Management Perception**

Bangladesh is the prime source of cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain its cost of products most competitive. Moreover, over the last few years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

**(j) Complementary and supplementary products or services which may have an impact on business of the issuer;****Management Perception**

The company has not faced any challenges relating to supplementary and complementary products and Management is always concerned with these issues. In future, if necessary, Management may diversify its products to take the competitive advantage over the competitors.

**Other risk factors:****a) Risk related to acting as backward linkage to sister concern**

ACFL is exposed to the risk of acting as backward linkage to its sister concern. In case, when the sister concern fails to pay its obligation the company's business may adversely be affected.

**Management Perception**

ACFL sells more than 80 percent to third parties those are 100% export-oriented garment industries. ACFL also sells its products to its sister concern against back to back L/C and hence the payment is guaranteed. Moreover, the demand of ACFL's products is high in the market where it operates and is well diversified. Selling of such small quantity of its products to third parties would not be difficult. So management does not perceive any significant risk that may result from selling of its products to sister concern.

**b) Risk related to establishment of expansion project.**

If the implementation of expansion project is delayed then targeted sales may be hampered accordingly profitability may be reduced.

**Management Perception**

ACFL has already started its expansion project. ACFL has the strong support from its group concern. The prospective business and profitability of ACFL is also growing. This risk will be mitigated by the short term finance from lenders.

**c) Risk related to advance against land purchase**

ACFL is exposed to this risk if the seller declines to hand over the land to ACFL or demands a higher price considering the present market value.

**Management Perception**

Since the transaction has been executed through a registered Bainanama and the land is within the possession of ACFL over which some construction works have been completed, the risk of non-delivery of land or claiming a higher price is remote. Moreover, since the deal is going to happen within the related parties, there is a remote possibility that the seller will demand a higher price because it will tarnish the image of the group.

**d) Risk related to not provisioning against appeal made to the Income Tax Authority for Tk. 79,697,307/-**

ACFL is exposed to this risk that ACFL made no provision against appeal made to the Income Tax Authority for Tk. 79,697,307/-. In case, the verdict goes against the company, how the liabilities will be met by ACFL.

### **Management Perception**

Aman Cotton Fibrous Limited had disclosed the event as contingent liability instead of providing provision in the financial statements on the ground that the Company has filed appeal to the higher tax authority stating that 'learned Deputy Commissioner of Taxes disallowed certain expenses hypothetically without accepting bills, vouchers and audited accounts which was unjustified and unlawful'. To our assessment, we are of the opinion that it is likely that the order of the Tax authority would come in favor of the Company and hence no provision has been made in the accounts and thereby disclosed as contingent liability. If for any reasons, which has remote possibility, the decision goes against the Company (partly or fully), necessary provision would be made as per para 30 of BAS 37 at the time of disposal of the order by the tax authority and the Company has the financial strength to pay the liability out of cash from operating activities.

**CHAPTER XXI: DESCRIPTION OF THE ISSUE:**

a) Issue Size: raising fund of BDT 80.00 crore.

(b) Number of securities to be issued;

Public issue of ACFL is 20,833,333 ordinary shares.

(c) Authorized capital and paid-up capital;

Authorized capital: Tk. 2,000,000,000

Paid-up capital: Tk 800,000,000

(d) Face value, premium and offer price per unit of securities;

Face Value: Tk. 10.00

Cut-off price for EIs - Tk. 40.00 (premium: Tk. 30.00)

Offer Price per unit of securities for General Public and NRB- Tk.36.00 (premium Tk. 26.00)

(e) Number of securities to be entitled for each category of applicants;

Offering of 20,833,333 ordinary shares, of these ordinary shares 60% i.e. 12,500,000 ordinary shares are reserved for Eligible Investor (EI) which includes 50% i.e. 10,416,667 ordinary shares for EI excluding Mutual Funds and CIS and 10% i.e. 2,083,333 ordinary shares for Mutual Funds and CIS at a cut off price of Tk. 40.00 and remaining 40% i.e. 8,333,333 ordinary shares at a discounted price of Tk. 36.00 per share for General Public including NRB total approximately Tk. 800,000,000. The position is as follows:

Eligible investor (EI)				General public			
Mutual Funds& CIS		EI excluding mutual fund and CIS		NRB		GP excluding NRB	
%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares
10%	2,083,333	50%	10,416,667	10%	2,083,333	30%	6,250,000

(f) Holding structure of different classes of securities before and after the issue;

SL. No.	Category of Shareholders	No. of Shares		Percentage (%)	
		Before IPO	After IPO	Before IPO	After IPO
1	Directors & Sponsors	72,800,000	72,800,000	91.00	72.20
2	Institutional	-	-	-	-
3	Public	7,200,000	28,033,333	9.00	27.80

(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital incorporated are available in the Section- XXII under the head of "Use of Proceeds".

**List of EIs Allotment:**

As per the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, 60% (EI Including Mutual Funds and CIS) of the proposed issue of 20,833,333 Ordinary Shares i.e. 12,500,000 Ordinary Shares were allotted to Eligible Investor (EI) in the following manner:

Company Name	Eligible Investor (EI)		Total
	Mutual Funds and CIS	EI excluding mutual fund and CIS	
	10%	50%	
Aman Cotton Fibrous Ltd.	2,083,333	10,416,667	12,500,000

**List of Eis Allotment:****Mutual Funds and CIS :**

Sl. No.	Name of Eis	BOLD	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	ATC Shariah Unit Fund	1604580062139247	141,598.	5,663,920.00	1.1328
2	Asian Tiger Sandhani Life Growth Fund	1601670043502041	141,598.	5,663,920.00	1.1328
3	CAPM BDBL MUTUAL FUND 01	1604580062240983	141,654.	5,666,160.00	1.1332
4	CAPM UNIT FUND	1604620049839524	141,654.	5,666,160.00	1.1332
5	CREDENCE FIRST GROWTH FUND	1604580062906208	141,653.	5,666,120.00	1.1332
6	GRAMEEN ONE: SCHEME TWO	1604620016329737	141,654.	5,666,160.00	1.1332
7	LankaBangla 1st Balanced Unit Fund	1604620062083293	141,654.	5,666,160.00	1.1332
8	MTB UNIT FUND	1604620044751744	113,324.	4,532,960.00	.9066
9	NAM IBBL Islamic Unit Fund	1604580062970426	141,654.	5,666,160.00	1.1332
10	Prime Finance Second Mutual Fund	1604580043115667	84,992.	3,399,680.00	.6799
11	Prime Financial First Unit Fund	1604620033389306	28,330.	1,133,200.00	.2266
12	Reliance Insurance Mutual Fund	1604620041309123	141,654.	5,666,160.00	1.1332
13	Rupali Life Insurance First Mutual Fund	1604620040597192	42,496.	1,699,840.00	.3400
14	SEML IBBL Shariah Fund	1604580062684827	141,654.	5,666,160.00	1.1332
15	SEML Lecture Equity Management Fund	1604620060706290	141,654.	5,666,160.00	1.1332
16	Sandhani Life Unit Fund	1604620045167045	84,992.	3,399,680.00	.6799
17	UFS-PRAGATI LIFE UNIT FUND	1604620062898126	33,997.	1,359,880.00	.2720
18	UFS-Popular Life Unit Fund	1604580061410085	137,121.	5,484,840.00	1.0970
<b>Sub Total</b>			<b>2,083,333.</b>	<b>83,333,320.</b>	<b>16.6664</b>

**Others Eis****Alternative Investment Fund Managers:**

Sl. No.	Name of Eis	BOLD	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	Athena Venture & Equities Ltd.	1202880061465472	31,385.	1,255,400.00	.2511
2	BD Venture Limited	1204030061462361	31,385.	1,255,400.00	.2511
3	Maslin Capital Limited	1202550062056956	31,385.	1,255,400.00	.2511
<b>Sub Total</b>			<b>94,155.</b>	<b>3,766,200.</b>	<b>.75</b>

**Alternative Investment Funds**

Sl. No.	Name of Eis	BOLD	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	Alternative Investment Fund of Bangladesh	1205870060884946	31,385.	1,255,400.00	.2511
<b>Sub Total</b>			<b>31,385.</b>	<b>1,255,400.</b>	<b>.25</b>

**Asset Management Companies :**

Sl. No.	Name of Eis	BOLD	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	Alif Assets Management Limited	1204220062575820	31,384.	1,255,360.00	.2511
2	Alliance Capital Asset Management Limited	1201470060935343	25,108.	1,004,320.00	.2009
1	Asset and Investment Management Services of Bangladesh Limited	1201470000025083	31,385.	1,255,400.00	.2511
2	Assurance Asset Management Limited	1203680058401547	31,385.	1,255,400.00	.2511
3	BDV Asset Management Company Limited	1201830063045236	31,385.	1,255,400.00	.2511
4	CAPM (Capital & Asset Portfolio Management) Company Limited	1605270062612291	31,385.	1,255,400.00	.2511
5	CREDENCE ASSET MANAGEMENT LTD	1204280061152015	31,384.	1,255,360.00	.2511
6	HF ASSET MANAGEMENT LIMITED	1201730062934235	2,196.	87,840.00	.0176
7	LankaBangla Asset Management Company Ltd.	1204030045890257	31,385.	1,255,400.00	.2511
8	National Asset Management Ltd	1202790063397829	31,385.	1,255,400.00	.2511
9	Prime Finance Asset management Company Limited	1604420046916682	9,416.	376,640.00	.0753
10	Shanta Asset Management Ltd.	1203490060953009	31,385.	1,255,400.00	.2511
11	ZENITH INVESTMENTS LIMITED	1201830059761388	9,416.	376,640.00	.0753
<b>Total</b>			<b>328,599.</b>	<b>13,143,960.</b>	<b>2.63</b>

**Banks:**

Sl. No.	Name of Eis	BOID	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	BRAC BANK LIMITED	1201820021984509	31,384.	1,255,360.00	.2511
2	Bangladesh Commerce Bank Limited	1203000004128342	31,385.	1,255,400.00	.2511
3	Eastern Bank Limited	1201950030178336	31,385.	1,255,400.00	.2511
4	MERCANTILE BANK LIMITED	1602170000104251	31,384.	1,255,360.00	.2511
5	MIDLAND BANK LTD.	1202550062701952	31,385.	1,255,400.00	.2511
6	Modhumoti Bank Limited	1201470054857861	23,538.	941,520.00	.1883
7	NRB BANK LIMITED	1201910058623240	31,385.	1,255,400.00	.2511
8	National Bank Limited	1203980000035329	31,385.	1,255,400.00	.2511
9	Pubali Bank Ltd.	1203440044860791	31,385.	1,255,400.00	.2511
10	SHAHJALAL ISLAMI BANK LIMITED	1204090005685607	31,385.	1,255,400.00	.2511
<b>Sub Total</b>			<b>306,001.</b>	<b>12,240,040.</b>	<b>2.45</b>

**Financial Institutions:**

Sl. No.	Name of Eis	BOID	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	Bangladesh Finance And Investment Company Ltd.	1205150002440950	31,384.	1,255,360.00	.2511
2	Delta Brac Housing Finance Corporation Ltd	1203620020217413	31,385.	1,255,400.00	.2511
3	Farest Finance & Investment Ltd	1204690000134328	31,385.	1,255,400.00	.2511
4	GSP Finance Company(Bangladesh) Ltd.	1202830004187028	31,384.	1,255,360.00	.2511
5	INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED	1204480057176141	31,385.	1,255,400.00	.2511
6	INTERNATIONAL LEASING AND FINANCIAL SERVICES LIMITED	1204220018130161	31,385.	1,255,400.00	.2511
7	Lanka Bangla Finance Limited	1201830000012221	31,385.	1,255,400.00	.2511
8	MIDAS Financing Limited	1201830000101207	31,385.	1,255,400.00	.2511
9	Meridian Finance & Investment Limited	1203680061474558	31,385.	1,255,400.00	.2511
10	National Housing Finance And Investments Ltd	1203250012440935	31,384.	1,255,360.00	.2511
11	Phoenix Finance & Investments Limited	1203410014915119	31,385.	1,255,400.00	.2511
12	Prime Finance & Investment Limited	1205000000017151	31,385.	1,255,400.00	.2511
13	RELIANCE FINANCE LTD	1203850015056676	24,104.	964,160.00	.1928
<b>Sub Total</b>			<b>400,721.</b>	<b>16,028,840.</b>	<b>3.21</b>

**Insurance Companies:**

Sl. No.	Name of Eis	BOID	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	Agrani Insurance Company Limited	1202540017855805	31,385.	1,255,400.00	.2511
2	Asia Pacific General Insurance Company Ltd	1204110014843771	31,384.	1,255,360.00	.2511
3	Bangladesh General Insurance Company	1203510000204471	31,384.	1,255,360.00	.2511
4	Continental Insurance Limited	1203510009734492	31,385.	1,255,400.00	.2511
5	Dhaka Insurance Limited	1204820006536421	6,277.	251,080.00	.0502
6	Express Insurance Limited	1203190018037457	31,385.	1,255,400.00	.2511
7	Fareast Islami Life Insurance Co. Ltd	1205790011903928	31,385.	1,255,400.00	.2511
8	Karnaphuli Insurance Company Ltd	1205780008042260	6,276.	251,040.00	.0502
9	National Life Insurance Company Limited	1205720000268934	31,385.	1,255,400.00	.2511
10	Pragati Insurance Ltd	1201830000019025	31,385.	1,255,400.00	.2511
11	Prime Insurance Co. Ltd	1201740000210297	31,385.	1,255,400.00	.2511
12	Purabi General Insurance Company Ltd.	1201470000003791	31,385.	1,255,400.00	.2511
13	RELIANCE INSURANCE LIMITED	1203680000008794	31,384.	1,255,360.00	.2511
14	Sandhani Life Insurance Company Ltd	1201470000004349	31,385.	1,255,400.00	.2511
15	TAKAFUL ISLAMI INSURANCE LTD.	1204500005139362	31,385.	1,255,400.00	.2511
<b>Sub Total</b>			<b>420,555.</b>	<b>16,822,200.</b>	<b>3.36</b>

**Merchant Bankers and Portfolio Managers:**

Sl. No.	Name of Eis	BOID	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	Sonali Investment Limited	1605180039866810	12,554.	502,160.00	.1004
2	AIBL CAPITAL MANAGEMENT LIMITED	1204290045062825	7,533.	301,320.00	.0603
3	Abaci Investments Limited	1602770003383900	31,384.	1,255,360.00	.2511
4	Agrani Equity & Investment Limited	1605110020703440	31,385.	1,255,400.00	.2511
5	Alliance Financial Services Limited	1205150054817961	31,385.	1,255,400.00	.2511
6	Alpha Capital Management Limited.	1605550049519826	15,692.	627,680.00	.1255
7	Asian Tiger Capital Partners Investments Ltd.	1204500060779129	31,373.	1,254,920.00	.2510
8	BANCO FINANCE AND INVESTMENT LTD	1605570061564795	31,385.	1,255,400.00	.2511
9	BD Finance Capital Holdings Limited	1205150045165228	31,384.	1,255,360.00	.2511
10	BLI CAPITAL LIMITED	1605650050408172	31,385.	1,255,400.00	.2511
11	BMSL Investment Limited	1203110040416300	31,385.	1,255,400.00	.2511
12	BRAC EPL Investments Limited	1604650000060261	31,385.	1,255,400.00	.2511
13	BetaOne Investments Limited	1605770048617871	15,692.	627,680.00	.1255
14	CAPM Advisory Limited	1605290048619978	31,385.	1,255,400.00	.2511
15	Citizen Securities & Investment Limited	1605860051858499	31,385.	1,255,400.00	.2511
16	City Bank Capital Resources Limited	1204500046667286	31,384.	1,255,360.00	.2511
17	EBL INVESTMENTS LIMITED	1201950048415426	30,619.	1,224,760.00	.2450
18	FAS Capital Management Limited	1604630040382971	31,385.	1,255,400.00	.2511
19	FAS Finance & Investment Limited	1604630019840113	31,385.	1,255,400.00	.2511
20	First Security Islami Capital & Investment Ltd.	1605140054136021	31,385.	1,255,400.00	.2511
21	GSP Investments Limited	1604190062608083	31,384.	1,255,360.00	.2511
22	IIDFC Capital Limited	1604790028773041	31,385.	1,255,400.00	.2511
23	IL Capital Limited	1204220046667010	31,385.	1,255,400.00	.2511
24	Janata Capital and Investment Limited	1201530034513871	31,385.	1,255,400.00	.2511
25	LANKABANGLA INVESTMENTS LIMITED	1201830043239232	31,384.	1,255,360.00	.2511
26	MIDAS INVESTMENT LIMITED	1204500045224956	31,385.	1,255,400.00	.2511
27	MTB Capital Limited	1605070043537970	31,385.	1,255,400.00	.2511
28	NBL Capital and Equity Management Ltd.	1203980043489533	31,385.	1,255,400.00	.2511
29	NRB Equity Management Limited	1605760062455351	25,108.	1,004,320.00	.2009
30	PLFS INVESTMENTS LIMITED	1605410018300497	31,385.	1,255,400.00	.2511
31	Prime Finance Capital Management Limited	1201740042118883	31,384.	1,255,360.00	.2511
32	Riverstone Capital Limited	1202830060966133	18,831.	753,240.00	.1506
33	Sandhani Life Finance Ltd.	1605610032935344	31,385.	1,255,400.00	.2511
34	Sigma Capital Management Limited	1605920060608197	30,130.	1,205,200.00	.2410
35	Sonar Bangla Capital Management Ltd.	1202880045245749	31,385.	1,255,400.00	.2511
36	Swadesh Investment Management Ltd	1204380000164777	31,385.	1,255,400.00	.2511
37	Trust Bank Investment Limited	1205660051158541	31,384.	1,255,360.00	.2511
38	Uttara Finance and Investments Limited	1203770012801322	31,385.	1,255,400.00	.2511
<b>Sub Total</b>			<b>1,097,690.</b>	<b>43,907,600.</b>	<b>8.78</b>

**Recognized Provident, Pension and Gratuity Funds:**

Sl. No.	Name of Eis	BOID	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	"CROSS FREIGHT LIMITED" EMPLOYEES PROVIDENT FUND	1204030059705612	31,384.	1,255,360.00	.2511
2	"GLOBAL AVIATION SERVICES LIMITED" EMPLOYEES PROVIDENT FUND	1204030059705655	31,384.	1,255,360.00	.2511
3	ABACI INVESTMENTS LTD EMPLOYEES CONTRIBUTORY PROVIDENT FUND	1602770061586161	31,384.	1,255,360.00	.2511
4	ABDULLAH SAAD TRADING LTD E.P.F	1204890062535998	31,385.	1,255,400.00	.2511
5	AIMS Employees Provident Fund	1201470061222017	31,385.	1,255,400.00	.2511
6	BD VENTURE LTD. EMPLOYEES PROVIDENT FUND	1204030063795776	31,385.	1,255,400.00	.2511
7	BEDL Employees Provident Fund	1202550061369343	31,385.	1,255,400.00	.2511
8	BIZUNI LINK SERVICES LTD. EMPLOYEES PROVIDENT FUND	1605650062922536	31,385.	1,255,400.00	.2511
9	BRAC BANK EMP GRATUITY FUND	1201820060512573	31,384.	1,255,360.00	.2511
10	Bashundhara Food & Beverage Industries Ltd-Staff Provident Fund	1201910063170199	31,385.	1,255,400.00	.2511
11	Bashundhara Paper Mills Ltd.-Staff Provident Fund	1204500062965033	31,385.	1,255,400.00	.2511
12	CARGO CENTER LIMITED EMPLOYEES PROVIDENT FUND	1204030062589122	31,384.	1,255,360.00	.2511
13	CMCL Employee Provident & Benevolent Fund	1204800062138541	31,384.	1,255,360.00	.2511
14	CREDIT RATING AGENCY OF BANGLADESH LIMITED EMPLOYEES GRATUITY FUND	1602770063645388	10,984.	439,360.00	.0879
15	CREDIT RATING AGENCY OF BANGLADESH LTD EMPLOYEES PROVIDENT FUND	1602770062410997	23,538.	941,520.00	.1883
16	Confidence Salt Limited Employees Provident Fund	1203640062375336	31,385.	1,255,400.00	.2511
17	Contributory Prov. Fund of GHS	1604650063706577	31,385.	1,255,400.00	.2511
18	Cross Freight Limited Employees Gratuity Fund	1605650063578992	31,384.	1,255,360.00	.2511
19	DBH EMPLOYEES GRATUITY FUND	1203620063768074	31,385.	1,255,400.00	.2511

Sl. No.	Name of Eis	BOLD	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
20	DBH STAFF PROVIDENT FUND	1203620062792018	31,385.	1,255,400.00	.2511
21	DataFort Limited Employees Gratuity Fund	1605650063580273	31,384.	1,255,360.00	.2511
22	EBL SECURITIES LIMITED EMPLOYEES GRATUITY FUND	1201950063496943	18,831.	753,240.00	.1506
23	EVENT FAIR LIMITED EMPLOYEES PROVIDENT FUND	1201830063565793	31,385.	1,255,400.00	.2511
24	EXPO HOLDINGS (BD) :LTD. EMPLOYEES PROVIDENT FUND	1204030062589114	31,384.	1,255,360.00	.2511
25	Eastern Shares & Securities Limited Employees Provident Fund	1203640062418380	31,385.	1,255,400.00	.2511
26	Employees Provident Fund of IL Capital Ltd	1204220061518085	31,385.	1,255,400.00	.2511
27	Employees Provident Fund of IL SL	1204220061493946	31,385.	1,255,400.00	.2511
28	Evince Textiles Limited Employees Provident Fund	1605280063628435	3,767.	150,680.00	.0301
29	Expo Freight Limited Employee's Provident Fund	1204030031916200	31,384.	1,255,360.00	.2511
30	Expo Freight Limited Employees Gratuity Fund	1204030063402792	31,384.	1,255,360.00	.2511
31	F&A Consultants Bangladesh Ltd. Employees Provident Fund	1201830063665449	31,385.	1,255,400.00	.2511
32	FFIL Employees (Contributory) Provident Fund	1204690063788614	15,693.	627,720.00	.1255
33	FILIC Employees Provident Fund	1205790006347386	31,385.	1,255,400.00	.2511
34	FREIGHT CARE AVIATION SERVICES LTD. EMPLOYEES P.F	1204030062589149	31,384.	1,255,360.00	.2511
35	FSB EMPLOYEES (CONTRIBUTORY) PROVIDENT FUND	1204690061509213	1,569.	62,760.00	.0126
36	GM PUBLICATIONS LTD EMPLOYEES PROVIDENT FUND	1201830063565777	14,513.	580,520.00	.1161
37	Global Aviation Services Ltd. Employees Gratuity Fund.	1605650063580696	31,384.	1,255,360.00	.2511
38	Grameen CyberNet Ltd Employees Provident Fund	1203260062227948	31,385.	1,255,400.00	.2511
39	Hwa Well Textiles (BD) Limited Employees Provident Fund	1605550062518491	12,554.	502,160.00	.1004
40	IIDFC Employees Provident Fund	1604790062775116	31,385.	1,255,400.00	.2511
41	ILFSL Employees Provident Fund	1204220061571871	31,385.	1,255,400.00	.2511
42	Infotainment Media Ltd. Employees Provident Fund	1204030062883862	31,385.	1,255,400.00	.2511
43	Island Securities Ltd. Employees (Contributory) Pro. Fund	1201960062925422	31,385.	1,255,400.00	.2511
44	LANKABANGLA INVESTMENTS LIMITED EMPLOYEES' PROVIDENT FUND	1201830053200901	31,384.	1,255,360.00	.2511
45	LLOL Employees' (Contributory) Provident Fund	1205720062960726	31,384.	1,255,360.00	.2511
46	LankaBangla Finance Limited Employees Provident Fund	1204030053199415	31,385.	1,255,400.00	.2511
47	Lawyers & Associates Ltd Employees Provident Fund	1201830063485850	31,385.	1,255,400.00	.2511
48	MEENHAR FISHERIES LTD EMPLOYEES PROVIDENT FUND.	1201780061573549	31,385.	1,255,400.00	.2511
49	MEENHAR MARINE FOODS LTD EMPLOYEES PROVIDENT FUND	1201780061526835	4,394.	175,760.00	.0352
50	MEENHAR SEA FOODS LIMITED EMPLOYEES PROVIDENT FUND	1201780061514804	31,385.	1,255,400.00	.2511
51	MIKA SECURITIES LTD. EMPLOYEES (CONTRIBUTORY) PROVIDENT FUND	1203260063570051	31,385.	1,255,400.00	.2511
52	Meenhar securities Limited Employees Provident Fund	1201780061492114	31,385.	1,255,400.00	.2511
53	Meghna Cement Mills Ltd- Staff Provident Fund	1201510014775878	31,372.	1,254,880.00	.2510
54	Meridian Finance & Investment Limited Employees Provident Fund	1205950063762647	31,385.	1,255,400.00	.2511
55	Mona FCS Ltd. Employee Provident Fund	1201470046129641	31,384.	1,255,360.00	.2511
56	Multi Securities & Services Ltd. Employees Provident Fund	1202830041434061	31,384.	1,255,360.00	.2511
57	NHFIL Employees Provident Fund	1201830061564404	31,384.	1,255,360.00	.2511
58	PFCML EMPLOYEES (CONTRIBUTORY) PROVIDENT FUND	1204690060969830	31,384.	1,255,360.00	.2511
59	PMCL Employee Provident Fund	1204570063477895	31,385.	1,255,400.00	.2511
60	PPL Employees Provident Fund	1204800062933273	31,385.	1,255,400.00	.2511
61	PRFL Employee Provident & Benevolent Fund	1204800062408094	31,385.	1,255,400.00	.2511
62	Paradise Employees Provident Fund	1204570063478493	31,385.	1,255,400.00	.2511
63	Parkway Securities Limited Employees Provident Fund	1201520061641343	31,384.	1,255,360.00	.2511
64	Perfect Touch Employment Provident Fund	1204800061834041	31,385.	1,255,400.00	.2511
65	Potential Employees Provident Fund	1204570063477887	31,384.	1,255,360.00	.2511
66	Pragati Insurance Limited Employee's Provident Fund	1201950000019033	31,385.	1,255,400.00	.2511
67	Premier Cement Mills Limited Employees Provident Fund	1201960045088787	31,385.	1,255,400.00	.2511
68	QUASEM DRYCELLS LTD.EMPLOYEES PROVIDENT FUND	1203260061945350	31,385.	1,255,400.00	.2511
69	RAK PAINTS PVT. LTD EMPLOYEES PROVIDENT FUND	1205020062533707	9,416.	376,640.00	.0753
70	RAK POWER PVT. LTD. EMPLOYEES PROVIDENT FUND	1205020062321620	15,692.	627,680.00	.1255

Sl. No.	Name of Eis	BOID	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
71	RAK SECURITY AND SERVICES (PVT) LTD. EMPLOYEES PROVIDENT FUND	1205020062321599	31,384.	1,255,360.00	.2511
72	RANGS ELECTRONICS LIMITED EMPOLYEEES PROVIDENT FUND	1605580063793445	31,384.	1,255,360.00	.2511
73	Reliance Insurance Provident Fund	1201750036943995	31,384.	1,255,360.00	.2511
74	SATCOM IT LIMITED EMPLOYEES PROVIDENT FUND	1204040061469545	31,384.	1,255,360.00	.2511
75	SHADESH MANAGEMENT LIMITED E.P.F	1204890062814823	31,385.	1,255,400.00	.2511
76	STAFF CONTRIBUTORY PROVIDENT FUND FOR TVS AUTO BANGLADESH LIMITED	1203260062418985	31,384.	1,255,360.00	.2511
77	STAR CERAMICS LTD. EMPLOYEES PROVIDEND FUND	1205020062321572	31,385.	1,255,400.00	.2511
78	Sandhani Life Insurance Co. Ltd. Employee' s Gratuity Fund	1201470063462365	31,385.	1,255,400.00	.2511
79	Sandhani Life Insurance Co. Ltd. Employee' s Provident Fund	1201470040729859	31,385.	1,255,400.00	.2511
80	Simtex Industries Ltd. Employees Contributory Provident Fund	1605120062942193	6,277.	251,080.00	.0502
81	THE ACME LABORATORIES LTD. EMPLOYEES PROVIDENT FUND	1203140048480028	31,385.	1,255,400.00	.2511
82	TVS AUTO BANGLADESH LIMITED EMPLOYEES GRATUITY FUND	1605580063793461	31,384.	1,255,360.00	.2511
83	UCAS EMPLOYEES PROVIDENT FUND	1605550062904961	10,006.	400,240.00	.0800
84	UNIVERSITY OF SCIENCE AND TECHNOLOGY STAFF AND WORKERS PROVIDENT FUND	1201950062933800	31,384.	1,255,360.00	.2511
85	WINGS CLASSIC TOURS AND TRAVELS LTD EMPLOYEES PF	1204030062589130	31,384.	1,255,360.00	.2511
86	aamra networks limited Employees Provident Fund	1201830062424941	31,385.	1,255,400.00	.2511
87	aamra technologies limited employees provident fund	1201830062414390	31,385.	1,255,400.00	.2511
<b>Sub Total</b>			<b>2,469,682.</b>	<b>98,787,280.</b>	<b>19.76</b>



**Stock Dealers :**

Sl. No.	Name of Eis	BOID	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
1	3A & Company Ltd	1201840061865964	31,384.	1,255,360.00	.2511
2	A. A. Securities Limited	1203760063412334	31,385.	1,255,400.00	.2511
3	A. L. Securities Ltd.	1203500045200605	31,385.	1,255,400.00	.2511
4	A.R. CHOWDHURY SECURITIES LTD.	1202820030981801	31,384.	1,255,360.00	.2511
5	AB & Co. Ltd	1201940007747374	31,385.	1,255,400.00	.2511
6	AB Securities Limited	1203710026451391	25,108.	1,004,320.00	.2009
7	ACE CAPITAL MANAGEMENT SERVICE LTD.	1204660039432717	31,385.	1,255,400.00	.2511
8	AHC SECURITIES LTD.	1204960041270501	31,385.	1,255,400.00	.2511
9	AL HAJA JAHANARA SECURITIES LTD.	1203460030627408	12,553.	502,120.00	.1004
10	AL-MUNTAHA TRADING CO. LTD.	1203210030687270	31,385.	1,255,400.00	.2511
11	ALI SECURITIES CO. LTD.	1202960050888017	31,384.	1,255,360.00	.2511
12	ALPHA EQUITIES LTD.	1204230040549939	6,276.	251,040.00	.0502
13	AM SECURITIES AND FINANCIAL SERVICES LTD.	1204080016105241	22,962.	918,480.00	.1837
14	ANCHOR SECURITIES LTD	1202950048476574	31,385.	1,255,400.00	.2511
15	ANF Management Co. Ltd.	1202590028555866	31,384.	1,255,360.00	.2511
16	ARC Securities Ltd.	1202580030051617	31,385.	1,255,400.00	.2511
17	ARENA SECURITIES LTD.	1202850003772483	31,385.	1,255,400.00	.2511
18	ASENZ SECURITIES LTD.	1204100019226122	31,385.	1,255,400.00	.2511
19	Adil Securities Ltd	1202060000039196	31,385.	1,255,400.00	.2511
20	Alpha Securities Ltd.	1204450039260134	31,373.	1,254,920.00	.2510
21	Aries Securities Limited	1203010029391671	31,385.	1,255,400.00	.2511
22	Associated Capital Securities Ltd.	1203080004167191	31,385.	1,255,400.00	.2511
23	Azam Securities Limited	1203060004162271	31,385.	1,255,400.00	.2511
24	Azim Securities Ltd.	1204870061958089	23,538.	941,520.00	.1883
25	B & B ENTERPRISE Ltd.	1202790028773976	31,385.	1,255,400.00	.2511
26	B.K. Capital Management Limited	1205970033264471	2,510.	100,400.00	.0201
27	BASE CAPITAL LTD.	1204990052522739	31,385.	1,255,400.00	.2511
28	BDBL Investment Services Ltd.	1201920061824845	31,385.	1,255,400.00	.2511
29	BDBL Securities Limited	1202180045048887	25,108.	1,004,320.00	.2009
30	BE RICH LIMITED	1204180017222163	31,385.	1,255,400.00	.2511
31	BEXIMCO SECURITIES LIMITED	1201930016160034	31,385.	1,255,400.00	.2511
32	BRAC EPL Stock Brokerage Limited	1201820000005731	18,830.	753,200.00	.1506
33	BRB Securities Limited	1203910038355843	31,384.	1,255,360.00	.2511
34	Banco Securities Ltd	1202150033195699	31,385.	1,255,400.00	.2511
35	Bank Asia Securities Limited	1204490045011859	31,385.	1,255,400.00	.2511
36	British Bengal Securities Limited	1203820012508151	31,384.	1,255,360.00	.2511
37	Buriganga Equity Management Ltd.	1205980063271625	15,692.	627,680.00	.1255
38	CENTURY SECURITIES LIMITED	1202740002848051	31,384.	1,255,360.00	.2511
39	CHITTAGONG CAPITAL LIMITED	1203790012153033	31,385.	1,255,400.00	.2511
40	CMSL Securities Ltd	1201750000001535	31,385.	1,255,400.00	.2511
41	COAST TO COAST SECURITIES LTD.	1204670029976093	6,276.	251,040.00	.0502
42	Chittagong Shares & Securities Limited	1203230050895631	31,385.	1,255,400.00	.2511
43	City Brokerage Limited	1204500028949639	31,385.	1,255,400.00	.2511
44	Commerce Bank Securities and Investment Limited	1203000044662073	31,385.	1,255,400.00	.2511
45	D.N. Securities Ltd.	1203860013501896	31,384.	1,255,360.00	.2511
46	DESA SECURITIES LIMITED	1203920014940996	23,539.	941,560.00	.1883
47	DMR SECURITIES SERVICES LTD.	1203320039848311	31,385.	1,255,400.00	.2511
48	DSFM Securities Ltd.	1202980004064050	31,385.	1,255,400.00	.2511
49	Delta Capital Limited	1202530000819950	31,385.	1,255,400.00	.2511

Sl. No.	Name of Eis	BOID	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
50	Dragon Securities Ltd.	1202140000080456	31,384.	1,255,360.00	.2511
51	Dynamic Stock Management Limited	1206000063279621	15,692.	627,680.00	.1255
52	E-Securities Limited	1202880003801810	31,384.	1,255,360.00	.2511
53	EBL Securities Limited	1201950000015755	31,385.	1,255,400.00	.2511
54	EMINENT SECURITIES LTD.	1201710030210546	31,385.	1,255,400.00	.2511
55	ETBL Securities & Exchange Ltd.	1203250030563472	31,384.	1,255,360.00	.2511
56	EXPO Traders Limited	1203600019188321	6,277.	251,080.00	.0502
57	Eastern Shares & Securties Ltd	1203640007850771	31,385.	1,255,400.00	.2511
58	Ershad Securities Ltd.	1202320027911837	31,385.	1,255,400.00	.2511
59	FARIDA RAQUIB SECURITIES LTD	1203270038301295	7,846.	313,840.00	.0628
60	FIRSTLEAD SECURITIES LTD	1203750030648423	31,384.	1,255,360.00	.2511
61	FOREMOST SECURITIES LTD.	1301030050981811	3,139.	125,560.00	.0251
62	Far East Shares & Securities Limited	1204200017263638	31,385.	1,255,400.00	.2511
63	Fareast Islami Securities Ltd.	1205790055232286	31,385.	1,255,400.00	.2511
64	Fareast Stocks & Bonds Limited.	1204690031201818	1,569.	62,760.00	.0126
65	First Capital Securities Ltd.	1204430039584103	31,385.	1,255,400.00	.2511
66	GALAXY CAPITAL LIMITED	1204800033270280	31,384.	1,255,360.00	.2511
67	GMF Securities.Ltd	1201990030226682	31,384.	1,255,360.00	.2511
68	Gateway Equity Resources Ltd.	1202380000345568	31,384.	1,255,360.00	.2511
69	Globe Securities Ltd	1201700032687860	3,766.	150,640.00	.0301
70	Greenland Equities Limited	1202190030807625	31,384.	1,255,360.00	.2511
71	HAC SECURITIES LIMITED	1202840028703445	6,277.	251,080.00	.0502
72	HAJI MOHAMMAD ALI SECURITIES LTD	1204460050952161	6,277.	251,080.00	.0502
73	HARUN SECURITIES LTD.	1204800062000069	31,384.	1,255,360.00	.2511
74	HASSAN SHARES AND SECURITIES LTD.	1203130054061821	31,384.	1,255,360.00	.2511
75	Haji Ahmad Brothers Securities Ltd	1202640029233333	5,876.	235,040.00	.0470
76	Hallmark Securities Ltd.	1204020023309987	31,384.	1,255,360.00	.2511
77	Harpoon Securities Limited	1203940015369940	31,373.	1,254,920.00	.2510
78	Hasan Securities Limited	1204820033567045	31,385.	1,255,400.00	.2511
79	Hazrat Amanat Shah Securities Ltd	1204570028771356	31,385.	1,255,400.00	.2511
80	Howlader Equity Services Ltd.	1202260030433948	31,385.	1,255,400.00	.2511
81	IMTIYAZ HUSAIN SECURITIES LTD.	1201480030262640	31,384.	1,255,360.00	.2511
82	INTER CONTINENTAL SECURITIES LIMITED	1301030034950845	31,385.	1,255,400.00	.2511
83	ISLAND SECURITIES LTD	1201960028837738	31,385.	1,255,400.00	.2511
84	Ibrahim Securities Ltd.	1202280032649844	1,884.	75,360.00	.0151
85	Indicate Securities Consultants Limited	1204380019701075	31,385.	1,255,400.00	.2511
86	International Leasing Securities Ltd.	1204220030590007	31,385.	1,255,400.00	.2511
87	International Securities Co Ltd	1201850000007904	31,385.	1,255,400.00	.2511
88	Investment Promotion Services Ltd.	1202010061719713	31,385.	1,255,400.00	.2511
89	Islami Bank Securities Ltd	1603700032969047	31,384.	1,255,360.00	.2511
90	Ispi Securities Limited	1204770029642745	15,692.	627,680.00	.1255
91	JAHAN SECURITIES LTD.	1202610029280542	31,384.	1,255,360.00	.2511
92	JESCO CAPITAL MANAGEMENT LTD.	1301030033042976	31,384.	1,255,360.00	.2511
93	Joytun Securities Int. Ltd.	1202800029047556	31,385.	1,255,400.00	.2511
94	K-Securities & Consultants Ltd.	1202350046570111	6,277.	251,080.00	.0502
95	KABIR SECURITIES LIMITED	1203330029280914	31,385.	1,255,400.00	.2511
96	KHB Securities Limited	1204520020759867	31,385.	1,255,400.00	.2511
97	KISHWAR SECURITY INVESTMENT LIMITED.	1204700031431552	31,385.	1,255,400.00	.2511
98	Kazi Firoz Rashid Securities Ltd.	1202450000545359	31,384.	1,255,360.00	.2511
99	M & Z SECURITIES LTD.	1203370023260349	31,384.	1,255,360.00	.2511
100	M. Securities Ltd.	1202250030345204	31,384.	1,255,360.00	.2511

Sl. No.	Name of Eis	BOLD	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
101	M. ZUBAIR SECURITIES LTD.	1202890003832461	31,384.	1,255,360.00	.2511
102	MAM Securities Ltd.	1201540030520453	31,385.	1,255,400.00	.2511
103	MASCO Shares and Securities Ltd.	1205960050929592	6,276.	251,040.00	.0502
104	MD. FAKHRUL ISLAM SECURITIES LTD.	1203040004144191	6,277.	251,080.00	.0502
105	MERCANTILE BANK SECURITIES LTD.	1602170046182750	31,384.	1,255,360.00	.2511
106	MIAN ABDUR RASHID SECURITIES LTD.	1204130045188475	31,384.	1,255,360.00	.2511
107	MODERN EQUITY LTD.	1203900050881751	31,384.	1,255,360.00	.2511
108	MODERN SECURITIES LTD	1203570028973202	31,385.	1,255,400.00	.2511
109	MOSHIHOR SECURITIES LTD	1201580030169036	31,384.	1,255,360.00	.2511
110	MTB Securities Ltd.	1601880000161286	31,385.	1,255,400.00	.2511
111	MUNTAHA SHARES & CAPITAL LIMITED	1204950040989661	31,385.	1,255,400.00	.2511
112	Mah Securities Limited	1204120062858558	31,385.	1,255,400.00	.2511
113	Md. Sahidullah Securities Ltd.	1202760029429745	31,384.	1,255,360.00	.2511
114	Meenhar Securities Ltd	1201780019220259	31,385.	1,255,400.00	.2511
115	Merchant Securities Ltd	1203310005907344	31,385.	1,255,400.00	.2511
116	Midway Securities Ltd.	1201890029057248	31,385.	1,255,400.00	.2511
117	Mika Securities Ltd	1203260005126048	31,385.	1,255,400.00	.2511
118	Mirpur Securities Ltd.	1203970028927180	31,385.	1,255,400.00	.2511
119	Mohammad Talha & Co. Ltd	1202690051007241	31,384.	1,255,360.00	.2511
120	Mohammadi Stock Market Ltd	1205880060990197	31,384.	1,255,360.00	.2511
121	Mona Financial Consultancy & Securities Ltd.	1201470000000763	31,384.	1,255,360.00	.2511
122	Mondol Securities Ltd.	1203530051153217	7,056.	282,240.00	.0564
123	Multi Securities & Services Limited	1202830003717284	31,384.	1,255,360.00	.2511
124	NCCB Securities and Financial Services Limited	1202090044996438	31,385.	1,255,400.00	.2511
125	NLI SECURITIES LIMITED	1205720053777852	31,385.	1,255,400.00	.2511
126	NRBC BANK SECURITIES LIMITED	1205950062197150	7,846.	313,840.00	.0628
127	Nabiul Karim Securities Ltd	1204170032507280	12,553.	502,120.00	.1004
128	PFI Securities Limited	1201740018057708	25,108.	1,004,320.00	.2009
129	PIONEER SHARES & SECURITIES LTD	1204980063439357	31,385.	1,255,400.00	.2511
130	PRILINK SECURITIES LTD.	1203300005828888	31,385.	1,255,400.00	.2511
131	PRUDENTIAL CAPITAL LTD.	1204250037999816	31,385.	1,255,400.00	.2511
132	Parkway Securities Ltd.	1201520020432993	31,384.	1,255,360.00	.2511
133	Parom Securities Ltd.	1205890060789530	31,385.	1,255,400.00	.2511
134	Phoenix Securities Limited	1203410030216859	31,385.	1,255,400.00	.2511
135	Popular Equities Limited	1201490000000803	3,139.	125,560.00	.0251
136	Pubali Bank Securities Limited	1203440006495692	31,385.	1,255,400.00	.2511
137	Quayum Securities Ltd.	1202650025289597	31,384.	1,255,360.00	.2511
138	RAK Capital Ltd.	1301030030642865	31,384.	1,255,360.00	.2511
139	RASTI SECURITIES CONSULTANT LTD.	1203360030200233	31,385.	1,255,400.00	.2511
140	RNI SECURITIES LTD.	1202430028980067	31,384.	1,255,360.00	.2511
141	ROYAL CAPITAL LIMITED	1201590000001005	31,384.	1,255,360.00	.2511
142	RUPALI BANK SECURITIES LTD.	1205820052766436	12,553.	502,120.00	.1004
143	Raja Securities Limited	1204810047566389	2,510.	100,400.00	.0201
144	Rapid Securities Ltd	1201900000011350	31,384.	1,255,360.00	.2511
145	Rashid Investment Services Limited	1202160045159261	31,385.	1,255,400.00	.2511
146	Reliance Brokerage Services Limited	1203850038318433	9,416.	376,640.00	.0753
147	Reliance Securities Consultant Ltd.	1204320039229492	31,385.	1,255,400.00	.2511
148	Remons Investment & Securities Ltd.	1202600028884856	31,385.	1,255,400.00	.2511
149	Rose Securities Ltd	1202540019187226	31,385.	1,255,400.00	.2511
150	S & H EQUITIES LTD.	1202810030631630	31,385.	1,255,400.00	.2511
151	S. B. SECURITIES LTD.	1204070016097639	31,385.	1,255,400.00	.2511
152	S.N.SECURITIES LTD	1301030039490358	31,385.	1,255,400.00	.2511
153	SADEQUE FINANCE MANAGEMENT LTD.	1204910044087087	15,692.	627,680.00	.1255
154	SAHCO Securities Limited	1205680051285768	3,767.	150,680.00	.0301
155	SBC Securities & Investment Ltd.	1204550006749122	31,385.	1,255,400.00	.2511
156	SCL Securities Ltd.	1201570062821331	31,385.	1,255,400.00	.2511
157	SHAH MOHAMMAD SAGIR & CO. LTD.	1203020029399204	31,384.	1,255,360.00	.2511
158	SHOHRAB SECURITIES & TRADE LTD.	1204040048025437	31,384.	1,255,360.00	.2511
159	SHYAMOL EQUITY MANAGEMENT LTD.	1202400023261956	31,384.	1,255,360.00	.2511
160	SIBL SECURITIES LIMITED	1205200044789105	31,385.	1,255,400.00	.2511

Sl. No.	Name of Eis	BOLD	Alloted Volume	Alloted Value (BDT)	% outstanding shares post offering
161	SINHA SECURITIES LIMITED	1203140030627218	25,108.	1,004,320.00	.2009
162	SKYS SECURITIES LIMITED	1203340017227570	31,385.	1,255,400.00	.2511
163	SOUTH ASIA SECURITIES LIMITED	1202310051029524	20,401.	816,040.00	.1632
164	Saad Securites Ltd.	1203150030569148	31,372.	1,254,880.00	.2510
165	Saya Securities Ltd.	1204510063410980	2,850.	114,000.00	.0228
166	Secure Capital Limited	1205850060373408	31,385.	1,255,400.00	.2511
167	Securities Broking & Management Services Ltd	1202420029722439	31,385.	1,255,400.00	.2511
168	Shahjalal Islami Bank Securities Limited	1204090044634741	31,385.	1,255,400.00	.2511
169	Shakil Rizvi Stock Ltd.	1201510028774467	31,385.	1,255,400.00	.2511
170	Shanta Securities Ltd.	1203490029025239	31,385.	1,255,400.00	.2511
171	Sharp Securities limited	1203180019173164	31,384.	1,255,360.00	.2511
172	Sheltech Brokerage Limited	1202550050945829	15,693.	627,720.00	.1255
173	Smart Share & Securities Ltd	1205900061489748	25,108.	1,004,320.00	.2009
174	Sohel Securities Ltd.	1202390050897731	31,385.	1,255,400.00	.2511
175	Square Securities Management Ltd.	1201560000061025	31,384.	1,255,360.00	.2511
176	Starport Securities Ltd.	1205800061723515	31,385.	1,255,400.00	.2511
177	Sterling Stocks & Securities Ltd.	1205690053649516	25,108.	1,004,320.00	.2009
178	Super Shares & Securities Ltd.	1204900039383607	31,385.	1,255,400.00	.2511
179	Synthia Securities Ltd.	1203190004536751	6,277.	251,080.00	.0502
180	T.K. Shares & Securities Ltd.	1203560048490581	3,138.	125,520.00	.0251
181	TRUSTEE SECURITIES LTD.	1202240000175934	31,385.	1,255,400.00	.2511
182	Thea Securities Ltd.	1203280028971031	31,384.	1,255,360.00	.2511
183	Times Securities Limited	1203350043297593	31,384.	1,255,360.00	.2511
184	Tobarrak Securities Ltd.	1202120045725081	5,649.	225,960.00	.0452
185	Total Communication Ltd.	1203220004814607	31,385.	1,255,400.00	.2511
186	Transcon Securities Ltd.	1204390019842064	31,384.	1,255,360.00	.2511
187	Trust Bank Securities Limited	1205660050869603	31,385.	1,255,400.00	.2511
188	UGC Securities Limited	1203770036375456	31,385.	1,255,400.00	.2511
189	Unique Share Management Limited	1204730050946328	31,385.	1,255,400.00	.2511
190	Uniroyal Securities Ltd	1201770000002901	30,619.	1,224,760.00	.2450
191	United Financial Trading Co. Ltd.	1203110029000391	31,385.	1,255,400.00	.2511
192	VANGUARD SHARES & SECURITIES LTD.	1301030000143363	31,385.	1,255,400.00	.2511
193	VISION CAPITAL MANAGEMENT LTD	1204280029275995	31,385.	1,255,400.00	.2511
194	Vantage Securities Ltd.	1204560021549096	31,385.	1,255,400.00	.2511
195	WIFANG SECURITIES LIMITED	1203520038128053	25,108.	1,004,320.00	.2009
196	Western Security Investment Mangement Ltd.	1202930033641081	31,385.	1,255,400.00	.2511
<b>Sub Total</b>			<b>5,267,879.</b>	<b>210,715,160.</b>	<b>42.15</b>

**CHAPTER XXII: USE OF PROCEEDS**

Net proceeds from Initial Public Offering (IPO) will be used for acquisition & installation of brand new European machineries for expansion of existing project by increasing its capacity, repayment of existing long term loan and defraying the IPO expenses. The underline costs are estimated. These may vary up to implementation of the projects. Utilization of the proceeds of IPO is projected as follows:

a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up:

Sl no.	Particulars	IPO Proceeds (Amount in BDT)
01	Acquisition & installation of machineries	663,375,000
02	Loan Repayment	101,625,000
03	<b>Net proceeds</b>	<b>765,000,000</b>
04	IPO Expenses (approx.)	35,000,000
	<b>Total Proceeds (approx.)</b>	<b>800,000,000</b>

Acquisition & installation of machineries

Sl No.	Machinery	No. of unit	Per Unit cost	Total Cost of Machinery	Name of Supplier	Country of Origin	Technical Specification	Date of Placement of Order	Expected Date of Supply	Source of fund
01	Recycling plant	01 Lot	8,580,000	8,580,000	Trumac	China/India	600 kg/hr Bale opener, Model : BOE Connected load : 7 KW Electronic Metal Part Separator, Model : SPEM Connected load : 0. 7 KW Pre-cleaner, Model : CL-P Connected load : 7.9 KW Condenser, Model : BR-COI Connected load : 13.2 KW Waste Feeder , Model : FDR, Connected load : 13.2 KW	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	IPO Proceeds
02	Bale Press	01 set	9,790,000	9,790,000	Valvan	Belgium	1200 kg/hr Type : V75S3250-SKR Connected load : 18.5 KW	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	

03	Blowroom	1 lot , 2 line	89,000,000	89,000,000	Trutzscler	Germany	2000 kg/hr Bale Opener , Model : BOA-35 Connected load : 12.5 Kw Multifunction separator , Model : SP-MF, Connected load : 0.75 Kw Condenser , Model : BR-CO1, Connected load : 13.2 Kw Pre-cleaner , Model : CL-P, Connected load : 15.8 Kw Fan, Model : BR-FD425, Connected Load : 13 Kw Universal Multi mixer, Model : MX-U10 Connected load : 5.8 Kw Condenser, Model : BR-CO1, Connected load : 13.2 Kw Cleamat . Model : CL-C3 Connected load : 24.46 Kw Fan, Model : BR-FD425, Connected load : 6.5 Kw Securoprop , Model : SP-FPO, Connected Load : 6.3 Kw Condenser, Model: BOR-COU Connected load : 6.6 Kw Fan, Model : BR-FD425 Connected load : 6.5 Kw	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	IPO Proceeds
04	Carding	12 sets	9,493,333.33	113,920,000	Trutzscler	Germany	100 kg/hr/mc Model : TC 11 Connected load : 17 Kw	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
05	Breaker Drawing	06 sets	2,800,000	26,700,000	SB D 45 (Single delivery)	Switzerland	187 kg/hr/mc Brand : Rieter Model : SB D 45 Connected load : 6 Kw	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
06	Finisher Drawing	03 sets	3,300,000		RSB D 45 (Single delivery)		187 kg/hr/mc Brand : Rieter Model : RSB D 45 Connected load : 6 Kw			
07	Rotor (Auto Coro)	05 sets	50,196,000	250,980,000	Schalafröst	Switzerland	125 kg/hr/mc Oirlikonschlaforshht Autocoro-8 Connected load : 180 Kw	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	

08	Roving Frame	03 sets	14,245,000	42,735,000	Toyota/Marzoly	Japan/Italy	200 kg/hr/mc No of Spindle : 144 Connected load : 35 Kw	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	IPO Proceeds
09	Winding Auto Corner	04 sets	11,125,000	44,500,000	Maruta 21C/Polar (72D)	Japan/Italy	150 kg/hr/mc No of drum : 72 Connected load : 40 Kw	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
10	Heat set yarn conditioning	01 set	7,120,000	7,120,000	Obem	Italy	1500 kg/hr/mc Connected Load : 12	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
11	Compressor	02 sets	2,225,000	4,450,000	Kaiser	Germany	8.2 M3/min/mc Model : CSD 102 Connected load : 55 KW	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
12	Humidification Plant	01 Lot	65,600,000	65,600,000	Luwa	Switzerland	Luwa AC-1, connected : 350 Kw AC-2, connected Load : 128 Kw AC-3, Connected Load : 174 Kw FDP recycle , Connected Load: 95Kw	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
Sub Total (A)				663,375,000						
13	Ring Frame	10 sets	134,628,00	134,628,000	Toyota/Marzoly/LMW (1008 Spindle)	Japan/ Italy/ India	62 kg /hr/mc No of Spindle : 1008 Connected load : 52 KW	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	Bank & Own Source
14	Generator	01 set	32,760,000	32,760,000	Catarpiller	USA	Model: G3516 C Rated Capacity : 1600 KW	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
15	Production Accessories			8,190,000		Korea		Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
16	( Ring bobbin / Simplex Bobbin)	01 Lot	8,190,000		DAE SUNG Co Ltd		DAE SUNG Bobbin Length : For Ring Frame : 210 /200 mm For simplex : 445 mm			
17	Sliver Can	01 Lot	10,680,000	10,680,000	Dante Bertoni S.R.L.	Italy	Dante Bertoni S.R.L. Can Dimension : For Finisher : 500 X1100 mm For Breaker : 600 X1200 mm For Carding : 1000 X12 00 mm	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
18	BBT	01 Lot	26,840,000	26,840,000	EAE Electric	Istanbul, Turkey	EAE	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
19	PFI PLANT	01 Lot	3,900,000	3,900,000	Federal electric	Istanbul, Turkey	Federal	Within 3 Months from the date of closing of subscription	6 Months from the date of Order	
Sub Total (B)				216,998,000						
Total C= (A+B)				880,373,000						

## Loan Repayment

Sl. No.	Bank & Branch Name	Amount to be paid in Taka
1.	Islami Bank Bangladesh Ltd., Ramna Branch, Dhaka	21,577,775
2.	Union Capital Ltd. Head Office	80,047,225
Total		101,625,000

Sd/-  
(Noornavi Bhuiyan FCA)  
Chief Financial Officer

Sd/-  
(Md. Rafiqul Islam)  
Managing Director

Sd/-  
(Md. Shofiqul Islam)  
Chairman



b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

The company has not received any fund through privately placed from sponsors and other persons.

(c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no objective to invest in any joint venture, subsidiary, associate or for any acquisition purpose.

(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

IPO proceeds are not sufficient to complete the project. Total estimated project cost is Tk. 1,776,317,000. Tk. 600,000,000 is shortfall which will be financed from Social Islami Bank Limited.

(Amount in BDT)

Total estimated project Cost	Own Source	Fund from IPO proceeds	Additional amount required	Source of additional Fund
1,776,317,000	512,942,000	663,375,000	600,000,000	Bank Loan

(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Implementation schedule of IPO proceed

Sl. No	Progress made so far		Approximate date of Completion of the Projects	Projected date of full Commercial Operation
1	Land	The Company has executed registered Bainanama for acquiring land on which the expansion project will be established. The total land is under the possession of ACFL and all expenditure in this respect will bear company's own source.		
2	Civil Works	Civil work is going on and all expenditure in this respect will bear company's own source.		
3	Acquisition & installation of machineries	Acquisition and Installation of plant & Machinery will be started after receiving IPO Fund.	To be completed within 12 months of receiving the IPO fund	Within three months of the completion of the project
4	Loan Repayment	Loan Repayment will be made immediately after receiving IPO proceeds.		
5	IPO Expenses	IPO expenses will be adjusted Within 03 months of receiving the IPO proceeds.		

Sd/-  
(Nooravi Bhuiyan FCA)  
Chief Financial Officer

Sd/-  
(Md. Rafiqul Islam)  
Managing Director

Sd/-  
(Md. Shofiquel Islam)  
Chairman

(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the Prospectus;

There is no contract covering any of the activities of the issuer company for which the proceeds of sale of securities from IPO is to be used.

(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection;

There is no object of the issue is utilization of the issue proceeds for working capital.

(h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project - wise, as the case may be;

Break up of Project costs

(figures in '000)

Item	Total Cost
Land & Land Development	138,756
Building & Other Civil Construction	605,914
Machinery & Equipment	1,015,197
Other Asset (Furniture-Fixture, Vehicle etc.)	4,550
Other Cost	11,900
<b>Total Cost</b>	<b>1,776,317</b>

(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;

The implementation of the project will be implemented in a single phase.

(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;

There is no such material transaction with sponsors, directors, key management personnel, associates and group companies in relation to utilization of the issue proceeds except cost relating to land and land development. Out of total cost of land and land development of Tk. 138,756,000 an amount of Tk.65,500,000 has already been incurred. The rest of the amount will be financed from sources other than IPO proceeds. It may be mentioned that the owners of the land are Anwara Mannan Textile Mills limited and Md. Rafiqul Islam, MD of ACFL and the Proprietor of Islam Brothers - a related concern of Aman Group.

(k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report;

July 27, 2017

The Managing Director  
Aman Cotton Fibrous Limited  
2 Ishakha Avenue,  
Sector-06, Uttara,  
Dhaka-1230

**Subject: Business Feasibility Review Report on BMRE for 25,000 kg per day Special yarn Mill of Aman Cotton Fibrous Limited.**

We have examined the financial estimation, projections and the reasonableness of management assumptions for BMRE for 25,000 kg per day of special yarn mill project of **Aman Cotton Fibrous Limited (ACFL)**. Accordingly, ACFL has prepared the projected financial statements for the years from July 01, 2017 to June 30, 2022. These projected financial statements comprise of projected Statement of Financial position, Statement of Profit or Loss, Projected Statement of Cash Flows for the proposed project.

We formed a competent team of engineers and financial experts to conduct this review. Based on our independent checking and examination we have found that these assumptions made by management are found reasonable and satisfactory for preparing these projected financial statements and we report that as per calculated Net Present Value (NPV) of this project are having positive NPV indicating that projects are feasible. Moreover, calculated NPV, IRR and Payback period, of the projects including BMRE shows in below table:

Particulars	Results
Cost of the Project	Tk. 1,776,317,000
Total Equity of the Project (Except IPO)	Tk. 512,942,000
Debt (Long Term)	Tk. 600,000,000
Net Present Value	Tk. 5881.36 mn
Payback period	4.72 years
Internal rate of return	19.61%
Means of finance	Tk 512,942,000 through own Sources
	Tk 663,375,000 through IPO Proceeds
	Tk 600,000,000 Through Bank Finance
	Total Tk. 1,776,317,000

Sd/-  
Biplab Hossain FCA  
Partner  
Islam Quazi Shafique & Co.

*Disclaimer:*

*Our opinion is based on the documents and explanations presented to us by **Aman Cotton Fibrous Limited**. The actual achievement of the targets is subject to proper implementation and maintenance of the related systems and processes as well as the operating environment. The management of Aman Cotton Fibrous Limited is suggested to make changes to the plan as necessary to adjust with the changes in the operating environment, circumstances and available systems & tools at the time of acquisition, construction / development, installation and operation.*

**CHAPTER XXIII: LOCK- IN****a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:**

- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03(Three) years;
- (2) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years;
- (3) Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months;
- (4) All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year;
- (5) All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in subrules (1), (2) and (3) above, for 01 (one) year.

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

**b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked in**

The following table indicates the **Lock-In** status of the shareholders of Aman Cotton Fibrous Limited:

SL. No.	Name in Full	Position with the Company	BO Account Number	Number of shares held and to be locked in	% of share held	Date of Acquisition	Lock-in period from the date of issuance of Prospectus
01.	Md. Shofiqul Islam	Shareholder	1201830058881483	15,600,000	19.50	28.12.05 30.03.12 09.10.12	3 years
02.	Md. Rafiqul Islam	Shareholder	1201830058881440	15,600,000	19.50	28.12.05 30.03.12 09.10.12	3 years
03	Md. Toufiqul Islam	Shareholder	1201830058881467	15,600,000	19.50	28.12.05 30.03.12 09.10.12	3 years
04.	Md. Toriqul Islam	Shareholder	1201830058881491	22,800,000	28.50	15.03.16 30.03.12 09.10.12	3 years
05.	Ms. Mukta Islam	Shareholder	1201830061494073	3,600,000	4.50	15.03.16 30.03.12 09.10.12	3 years
06.	Ms. Sajeda Islam	Shareholder	1201830061494065	3,600,000	4.50	15.03.16 30.03.12 09.10.12	3 years
07.	Aman Seeds Storage Ltd.	Shareholder	1201830061494081	3,200,000	4.00	01.02.12 30.03.12 09.10.12	3 years
<b>Total</b>				<b>80,000,000</b>	<b>100.00</b>		

**CHAPTER XXIV: MARKETS FOR THE SECURITIES BEING OFFERED**

The issuer shall apply to the following stock exchanges within 7 (seven) working days from the date of consent accorded by the Commission to issue Prospectus:

SL No.	Name of the Exchange	Logo	Address
1	Dhaka Stock Exchange Limited (DSE)		9/F, Motijheel C/A, Dhaka-1000.
2	Chittagong Stock Exchange Limited (CSE)		CSE Building, 1080 Sheikh Mujib Road, Chittagong.

**Declaration about Listing of Shares with the Stock Exchange(s)**

If none of the Stock Exchange(s), if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

**Trading and Settlement**

Trading and Settlement Regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the company.

**The issue shall be placed in “N” Category with DSE & CSE.**

**CHAPTER XXV: DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

**(a) Dividend, voting and preemption rights;**

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

**(b) Conversion and liquidation rights;**

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

**(c) Dividend policy;**

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

**(d) Other rights of the securities holders;**

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

**CHAPTER XXVI: FINANCIAL STATEMENTS**

INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
AMAN COTTON FIBROUS LTD

We have audited the accompanying financial statements of **Aman Cotton Fibrous Limited** which comprises the Statement of Financial position as at 30 June 2016, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and Regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

***Auditors' Responsibility***

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

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

**Opinion**

In our opinion, the financial statements prepared in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) present fairly in all material respects the financial position of the company as at 30 June 2016 and the result of its operation and its cash flows for the year then ended and comply with the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

We further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Financial Statements dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the company's business.

Dated, Dhaka;

25 October, 2016

Sd/-

**MahfelHuq& CO.**

Chartered Accountants



**AMAN COTTON FIBROUS LTD.**  
**Statement of Financial Position**  
**As at 30 June, 2016**

A S S E T S	Notes	Amount in Taka		
		June 30, 2016	June 30, 2015	July 01, 2014
<b>Non Current Assets :</b>		<b>1,694,546,466</b>	<b>1,423,180,208</b>	<b>1,403,827,936</b>
Property, Plant and Equipment	3.00	1,381,113,217	1,272,133,079	1,320,515,041
Capital Work in Progress	4.00	313,433,249	151,047,129	83,312,895
<b>Current Assets :</b>		<b>2,390,719,882</b>	<b>2,448,831,433</b>	<b>2,320,330,269</b>
Investment in Listed Securities	5.00	4,080,480	3,933,220	5,489,069
Inventories	6.00	958,845,202	1,006,523,507	978,635,108
Accounts and Other Receivables	7.00	775,314,538	811,075,653	990,446,869
Advances, Deposits & Pre-Payments	8.00	481,846,578	615,226,630	336,401,599
Loan to Sister Concern	9.00	129,376,835	-	-
Cash & Cash Equivalents	10.00	41,256,249	12,072,423	9,357,624
<b>Total Assets</b>		<b>4,085,266,348</b>	<b>3,872,011,641</b>	<b>3,724,158,205</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITY</b>				
<b>Shareholders' Equity :</b>		<b>2,850,201,690</b>	<b>2,551,343,162</b>	<b>2,295,925,367</b>
Share Capital -Paid up	11.00	800,000,000	800,000,000	800,000,000
Retained Earnings	12.00	1,786,949,775	1,516,190,498	1,259,477,202
Available For Sale (AFS ) Reserve	12.01	(2,130,323)	(2,262,857)	(967,356)
Revaluation Surplus	13.00	265,382,238	237,415,521	237,415,521
<b>Non Current Liabilities :</b>		<b>150,854,123</b>	<b>157,971,915</b>	<b>184,503,634</b>
Long Term Borrowings- Net of Current Maturity	14.00	83,771,435	73,314,994	107,730,056
Deferred Tax Liability	28.04	67,082,688	84,656,921	76,773,578
<b>Current Liabilities :</b>		<b>1,084,210,535</b>	<b>1,162,696,566</b>	<b>1,243,729,204</b>
Short Term Borrowings	15.00	903,116,174	918,432,430	987,464,257
Long Term Borrowings-Current Maturity	16.00	59,799,522	77,198,235	113,439,082
Accounts Payable	17.00	3,570,666	3,026,385	5,033,814
Liabilities for Expenses & Others	18.00	39,077,004	28,388,427	29,613,967
Provision for Taxation	28.02	78,647,169	135,651,089	108,178,084
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>4,085,266,348</b>	<b>3,872,011,641</b>	<b>3,724,158,205</b>
NAV per share with revaluation	19.00	35.63	31.89	28.68
NAV per share without revaluation	19.00	32.31	28.92	25.72

The annexed notes 1 to 35 form an integral part of these Financial Statements.

Sd/-  
Company Secretary

Sd/-  
Chief Financial Officer

Sd/-  
Director

Sd/-  
Managing Director

Signed as per annexed report on even date.

Place : Dhaka  
Date : October 25 , 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**AMAN COTTON FIBROUS LTD.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2016**

Particulars	Notes	Amount in Taka	
		June 30, 2016	June 30, 2015
<b>Sales</b>	<b>20.00</b>	<b>1,694,452,484</b>	<b>1,709,964,382</b>
Cost of Sales	<b>21.00</b>	(1,260,904,822)	(1,277,876,133)
<b>Gross Profit</b>		<b>433,547,662</b>	<b>432,088,249</b>
<b>Operating Expenses:</b>		<b>(41,378,198)</b>	<b>(45,717,363)</b>
Administrative Expenses	<b>24.00</b>	(25,597,344)	(23,665,546)
Selling and Distribution Expenses	<b>25.00</b>	(15,780,854)	(22,051,817)
<b>Operating Profit</b>		<b>392,169,464</b>	<b>386,370,886</b>
Financial Expenses	<b>26.00</b>	(60,511,204)	(78,027,512)
<b>Profit before Other Income</b>		<b>331,658,260</b>	<b>308,343,374</b>
Non Operating Income	<b>27.00</b>	3,763,007	8,674,461
<b>Profit before Contribution to WPPF</b>		<b>335,421,267</b>	<b>317,017,835</b>
Contribution to WPPF		(15,972,441)	(15,096,087)
<b>Profit before Tax</b>		<b>319,448,826</b>	<b>301,921,747</b>
<b>Provision for Tax:</b>	<b>28.00</b>	(48,689,549)	(45,208,451)
Current Tax	<b>28.01</b>	(38,311,791)	(37,073,679)
Deferred Tax	<b>28.05</b>	(10,377,758)	(8,134,772)
<b>Net Profit after Tax</b>		<b>270,759,277</b>	<b>256,713,296</b>
<b>Other Comprehensive Income :</b>		<b>28,099,251</b>	<b>(1,295,501)</b>
Unrealized gain/(loss) on securities available for sale	<b>5.01</b>	147,260	(1,546,930)
Related tax		(14,726)	251,429
Tax on Revaluation reserve		27,966,717	-
<b>Total Comprehensive Income</b>		<b>298,858,528</b>	<b>255,417,795</b>
<b>Basic Earnings Per Share</b>	<b>29.01</b>	<b>3.38</b>	<b>3.21</b>
<b>Diluted Earnings per share</b>	<b>29.02</b>	<b>3.38</b>	<b>3.21</b>

The annexed notes 1 to 35 form an integral part of these Financial Statements.

Sd/-  
**Company Secretary**

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed as per annexed report on even date.

Place : Dhaka  
Date : October 25 , 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**AMAN COTTON FIBROUS LTD.**  
**Statement of Changes in Equity**  
**For the Year ended June 30, 2016**

**Amount In Taka**

Particulars	Share Capital	Revaluation Surplus	Available For Sale (AFS) Reserve	Retained Earnings	Total
Balance as on July 01, 2015	800,000,000	237,415,521	(2,262,857)	1,516,190,498	2,551,343,162
Unrealised gain/(loss) on securities available for sale	-	-	147,260	-	147,260
Related tax	-	27,966,717	(14,726)	-	27,951,991
Profit for the year	-	-	-	270,759,277	270,759,277
Balance as on 30-06- 2016	<b>800,000,000</b>	<b>265,382,238</b>	<b>(2,130,323)</b>	<b>1,786,949,775</b>	<b>2,850,201,690</b>

**Statement of Changes in Equity**  
**For the Year ended June 30, 2015**

Particulars	Share Capital	Revaluation Surplus	Available For Sale (AFS) Reserve	Retained Earnings	Total
Balance as on July 01, 2014	800,000,000	237,415,521	-	1,258,509,846	2,295,925,367
Change in reclassification	-	-	(967,356)	967,356	-
<b>Restated</b>	<b>800,000,000</b>	<b>237,415,521</b>	<b>(967,356)</b>	<b>1,259,477,202</b>	<b>2,295,925,367</b>
Unrealised gain/(loss) on securities available for sale	-	-	(1,546,930)	-	(1,546,930)
Related tax	-	-	251,429	-	251,429
Profit for the year	-	-	-	256,713,296	256,713,296
Balance as on 30-06- 2015	<b>800,000,000</b>	<b>237,415,521</b>	<b>(2,262,857)</b>	<b>1,516,190,498</b>	<b>2,551,343,162</b>

Sd/-  
**Company Secretary**

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed as per annexed report on even date.

Place : Dhaka  
Date : October 25 , 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**AMAN COTTON FIBROUS LTD.**  
**Statement of Cash Flows**  
**For the Year ended June 30, 2016**

Particulars	Note	Amount in Taka	
		June 30, 2016	June 30, 2015
<b>Cash Flows from Operating Activities :</b>			
Cash Received from Customer & Others		1,748,419,306	1,897,997,562
Cash Paid to Suppliers, Employees & Others		(1,000,411,064)	(1,573,013,318)
<b>Cash Generated from Operations</b>		<b>748,008,242</b>	<b>324,984,244</b>
Tax Paid		(72,337,860)	(9,620,674)
<b>Net Cash Generated from Operating Activities</b>		<b>675,670,382</b>	<b>315,363,570</b>
<b>Cash Flows from Investing Activities:</b>			
Acquisition of Property, Plant & Equipment		(12,280,819)	(10,862,076)
Capital Work In Progress		(326,928,341)	(84,092,862)
Loan to Sister Concern		(129,376,835)	-
Advance against Land Purchase		(65,500,000)	-
Advance against Land Development		(12,900,000)	-
Dividend Income		150,323	-
Net Investment in shares		-	12,223
<b>Net Cash Used in Investing Activities</b>		<b>(546,835,672)</b>	<b>(94,942,715)</b>
<b>Cash Flows from Financing Activities:</b>			
Increase/(Decrease) in Long Term Borrowing		(9,230,402)	(34,415,062)
Increase/(Decrease) in Short Term Borrowing		(15,316,256)	(105,272,674)
Interest Paid		(75,123,607)	(78,027,512)
<b>Net Cash flow From/(Used) in Financing Activities</b>		<b>(99,670,265)</b>	<b>(217,715,248)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>29,164,445</b>	<b>2,705,607</b>
Cash & Cash Equivalents at the beginning including For. Ex.		12,072,423	9,357,624
Cash & Cash Equivalents at the ending of the year		41,236,868	12,063,231
Add, Unrealized foreign exchange gain/(loss) in cash & cash equivalent		19,381	9,192
<b>Cash and Cash Equivalents at Closing including including For. Ex. gain/(loss)</b>		<b>41,256,249</b>	<b>12,072,423</b>
Net Operating cash flow per share		8.45	3.94

Sd/-  
**Company Secretary**

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed as per annexed report on even date.

Place : Dhaka  
Date : October 25 , 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**AMAN COTTON FIBROUS LTD.**  
**Notes to the Financial Statements**  
**For the Year ended June 30, 2016**

**1.00 Significant information of the enterprise:****1.01 Legal form of the Enterprise :**

Aman Cotton Fibrous Ltd. was incorporated as a private Limited Company with the issuance of certificate of incorporation bearing No-C-403 dated December 28, 2005 by the Registrar of Joint Stock Companies & Firms and the Company commenced its commercial production on November 01, 2007. Subsequently the shareholders in their Extra-ordinary General Meeting held on 22 April, 2012 approved conversion of status of the company from private limited to public limited company.

**1.02 Registered and Corporate Office of the Company:**

Registered office of the company is situated at Boiragirchala, Shreepur, Gazipur.

Corporate office of the company is situated at 2, Ishakha Avenue, Sector # 6, Uttara, Dhaka-1230.

**1.03 Address of the Factory:**

The factory of the Company was established at Boiragirchala, Shreepur, Gazipur.

**1.04 Principal Activities and nature of the business**

The Principal activities and nature of the business of the company is to manufacture of high quality yarn in Bangladesh and marketing and selling of product in the global and domestic Market.

**2.00 Significant Accounting Policies:****2.01 Basis of preparation of Financial Statements:**

The Financial Statement of the Company are prepared on a going concern assumption and in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, The Securities and Exchange rules 1987 and other laws and rules applicable in Bangladesh.

**2.02 Accounting Convention**

The Financial Statements have been prepared on the basis of historical cost basis except land & land development (which have been stated at current cost), monetary assets at realisable value and Investment in listed Securities are carried at fair value based on the year ended quoted price.

**2.03 Date of authorisation :**

The Board of Directors of Aman Cotton Fibrous Ltd. approved this financial Statements on 25 October, 2016.

**2.04 Reporting Period :**

The Financial Statements of the Company cover one Financial year from 01 July, 2015 to 30 June, 2016.

**2.05 Statement of Cash Flows:**

Statement of Cash Flows have been prepared in accordance with BAS 7 " Statement of Cash Flows " and the cash flow from the operating activities are shown under direct method as prescribed.

**2.06 Recognition of Property, Plant & Equipment and Depreciation:**

In accordance with the International Accounting Standard adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as BAS 16 "Property, Plant and Equipment" have been accounted for at cost less accumulated depreciation except land and land development. Cost includes expenditure that is directly attributed to the acquisition of the items. Depreciation is charged in addition to fixed assets when it is available for use. Depreciation on all Property, Plant & Equipment have been applied on Reducing Balance method as per decision of the Board at the following rate :

Land & Land Development	-
Building & Civil Construction	2.5%
Plant & Machinery	15%
Electrical Installation	10%
Electrical Equipment	10%
Gas Line Installation	10%
Fire Equipment	15%
Vehicle	20%
Office Equipment	10%
Computer & IT Equipment	20%
Furniture & Fixture	10%

Depreciation has been allocated @ 95% for manufacturing and 5% for non manufacturing expenditure.

Revaluation of assets : The company has revalued its Land on 15 may, 2013 and incorporated the revaluation surplus in the Financial Statement accordingly and shown in note # 13.00

**2.07 Impairment :**

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 asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the period no impaired loss occurred to recognize in the Financial Statements.

**2.08 Revenue Recognition:**

Revenue is recognized only when it is probable that the economic benefit of such transaction has been derived as per " BAS-18". Sales revenue is recognised when the shipments are made, transactions related to sales are completed and the sales invoices are issued in favour of the buyers.

**2.09 Valuation of Current Assets:****Accounts Receivable:**

These are stated at their original invoice less provision/ write off. Management considered the entire receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's financial statement.

**Inventories:**

In compliance with the requirements of BAS 2 "Inventories", the Inventories have been valued at the lower of cost and net realizable value after making due allowance for any obsolete or slow moving items.

**2.10 Financial Instruments:****Derivative:**

According to BFRS 7: "Financial Instruments : Disclosures", the Company was not a Party to any derivative contract (financial instruments) at the financial statement date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

**Non-Derivative:**

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

**2.11 Currency of Reporting and Foreign currency transactions:****Currency of Reporting**

The financial statement of the Company has been prepared in the Bangladesh Taka (BDT).

**Foreign Currency Transactions**

Transactions in foreign currencies are converted into equivalent Taka applying the rate ruling at the date of such transactions as per BAS-21 "The Effect of Changes in Foreign Exchange Rates".

**2.12 Long Term Borrowings:**

Long term liabilities comprises the amount borrowed from the bank and other Financial Institutions for the long period of time and shown in the accounts at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

**2.13 Contingent Liabilities:**

Contingent Liabilities are those which arise due to the past event which shall be settled in the future on the occurrence or non occurrence of some uncertain event, cost of which can be measured reliably as per BAS-37 "Provision, Contingent Liabilities and Contingent Assets". In the year under review there is no such contingent liabilities as well as no commitment is made , to be settled in the future.

**2.14 Taxation:****Current Tax**

Provision for Current income Tax has been made at the rate of 15% as prescribed in the Finance Act, 2016 on the accounting profit made by the Company making some adjustment with the profit as per ITO 1984 in compliance with BAS-12 "Income Taxes".

**Deferred Taxation**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities for the year ended June 30, 2016 has been recognized in the statement of comprehensive income as per BAS-12 "Income Taxes".

**2.15 Employee Benefits:**

The Company is operating Workers Profit Participation Fund (WPPF) according to Bangladesh Labour Law 2006 and Bangladesh labor ( Amendment ) Act 2013 are accounted for securing benefits to the employees in accordance with the provision of Bangladesh Accounting Standard (BAS) 19, “ Employee Benefit”. The company pays two festival bonuses to all employees in every year.

**2.16 Borrowing cost:**

The borrowing cost is capitalized unless active developments of related assets are interrupted or cease when the borrowing cost directly transferred to the profit and loss account as per BAS-23 " Borrowing Cost".

**2.17 Earning Per Share:**

The Company calculates Earning Per Share (EPS) in accordance with BAS-33 " Earning Per Share" which has been shown on the face of the Statement of Comprehensive Income and details are shown in Note-29.

**Basic Earnings Per Share**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra or 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 shares issued during the year multiplied by a time weighted factor is the number of months the specific shares is outstanding as a proportion of the total number of months in the year.

**Diluted earnings per share:**

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the year.

**2.18 Information about business segments:**

As per BFRS 8 “Operating Segment”, this is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related product or service and that is subject to risk and return that are different from those of other business segment. During the year under review the company had no operational segment either business or geographical segments.



## **2.19 Application of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards(BFRS) :**

The Financial Statements have been prepared in compliance with requirement of BAS and BFRS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following BASs and BFRS are applicable for the financial statements for the period under review :

- BAS- 1 Presentation of Financial Statements
- BAS- 2 Inventories
- BAS- 7 Statement of Cash Flows
- BAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS- 10 Events after the Reporting Period
- BAS- 12 Income Taxes
- BAS- 16 Property, Plant and Equipment
- BAS- 18 Revenue
- BAS- 21 The effects of changes in Foreign Exchange Rate
- BAS- 23 Borrowing Cost
- BAS- 24 Related Party Disclosure
- BAS- 32 Financial Instruments Presentation
- BAS- 33 Earning Per Share (EPS)
- BAS- 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS- 39 Financial Instruments : Recognition and Measurement
- BFRS- 7 Financial Instruments : Disclosures

## **2.20 Information on Financial Statement:**

### **Responsibility for preparation and presentation of financial statements:**

The Company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994

### **Components of the Financial Statements:**

Following are the component of the financial statements

- a) Statement of Financial Position as at June 30, 2016
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2016
- c) Statement of Changes in Equity for the year ended June 30, 2016
- d) Statement of Cash Flows for the year ended June 30, 2016
- e) Explanatory notes to the financial statements.

### **Comparative:**

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Previous year's figure has been re-arranged and restated whenever considered necessary to ensure comparability with the current year's presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

**Re-arrangement of Financial Statements**

BAS-1, Presentation of Financial Statements and BAS-8, Accounting Policies, Changes in Accounting Estimates and Errors requires that every Financial Statements shall state the reason of rearrangement and accordingly Unrealised gain or loss arising from available for sale financial assets, that was included in retained earnings in previous year that has been reclassified as Available For Sale (AFS) Reserve in the reporting year in accordance with BAS 39 Financial Instruments: Recognition and Measurement.

Deferred tax associated with the unrealised gain or loss arising from available for sale financial assets, that was not recognised in preceding period has been recognised and accounted for during the year in statement of profit or loss and other comprehensive income in accordance with BAS 12: Income Taxes.

During the year an amount of Tk. 22,62,857 has been reclassified as AFS Reserve, and Tk.14,726 has been recognised and accounted for as Deferred Tax and comparative figure has been restated accordingly.

**General:**

The figure has been rounded off to the nearest Taka.

**3.00 Property, Plant and Equipment:**

	Amount in Taka	
	June 30, 2016	June 30, 2015
Land & Land Development	473,110,864	464,338,000
Building & Civil Construction	588,849,129	436,241,329
Plant & Machinery	300,568,579	350,190,147
Electrical Installation	7,688,888	8,543,209
Electrical Equipment	2,291,593	2,546,215
Gas Line Installation	973,655	1,081,838
Fire Equipment	300,579	353,623
Vehicle	5,309,751	6,637,189
Office Equipment	361,230	401,366
Computer & IT Equipment	213,872	194,520
Furniture & Fixture	1,445,077	1,605,641
	<b>1,381,113,217</b>	<b>1,272,133,079</b>

**3.01 Movement of Fixed Assets****Fixed Assets at cost :**

Opening Balance	2,320,325,318	2,293,104,614
Add: Addition during the year	176,823,040	27,220,704
Closing Balance	2,497,148,358	2,320,325,318
Less: Accumulated Depreciation	(1,116,035,141)	(1,048,192,239)
<b>Written Down Value (WDV)</b>	<b>1,381,113,217</b>	<b>1,272,133,079</b>

Details please see Annexure-'A'

**4.00 Capital Work in Progress**

Capital work in progress represents the cost of construction of Workers Dormitory, Factory Building, Ducting, Staff Quarter, Internal Road, Drain, Boundary wall etc.

**4.01 The details breakup of the above are as follows:****Worker's Dormitories**

Opening Balance	151,047,129	74,081,255
Addition made during the year	99,552,411	76,965,874
Less: Transferred to the Factory Building & Civil Construction	(164,542,221)	-
	<b>86,057,319</b>	<b>151,047,129</b>

**Internal Road**

Opening Balance	-	4,885,395
Addition made during the year	-	1,680,083
Less: Transferred to the Factory Building & Civil Construction	-	(6,565,478)
	-	-

**Drain (Surface & Storm Drain)**

Opening Balance	-	1,458,730
Addition made during the year	-	2,228,924
Less: Transferred to the Factory Building & Civil Construction	-	(3,687,654)
	-	-

**Boundary Wall**

Opening Balance	-	2,887,515
Addition made during the year	-	3,217,981
Less: Transferred to the Factory Building & Civil Construction	-	(6,105,496)
	-	-
	<b>86,057,319</b>	<b>151,047,129</b>

**4.02 The details breakup of the new Factory Building are as follows:**

New Factory Building is being constructed on 316.25 DCM Land at Sreepur, Dist-Gazipur, to produce specialized yarn to fulfill the market demand.

This is made up as under

Factory Building	167,669,302	-
Worker's Dormitories	6,111,553	-
Ducting	32,583,418	-
Road & Boundary Wall	12,664,006	-
Staff Quarter	8,347,651	-
	<b>227,375,930</b>	<b>-</b>
<b>Total Capital Work in Progress (4.01+4.02)</b>	<b>313,433,249</b>	<b>151,047,129</b>

**5.00 Investment in Listed Securities :**

This represents investment in listed shares

Market Value of Securities	4,080,480	3,933,220
	<b>4,080,480</b>	<b>3,933,220</b>

Detail descriptions of the securities are as under.

Name of the Securities	Quantity	Cost Value (Tk)	Market Value (Tk)	Unrealised Gain/(Loss)
Lanka Bangla Finance	54,458	2,499,056	1,535,715	(963,341)
Meghna Life	28,644	2,455,351	1,635,572	(819,779)
BBS	2,880	135,540	117,792	(17,748)
Al-Arafah Bank Ltd.	10,500	151,604	138,600	(13,004)
SALAMCRST	25,500	1,205,954	652,800	(553,154)
	<b>121,983</b>	<b>6,447,506</b>	<b>4,080,480</b>	<b>(2,367,026)</b>

\*Details of Margin loan against purchase of listed companies share have been shown in note no - 15.

**5.01 Unrealized Gain / (Loss) during the year:**

Unrealized Gain / (Loss) as per Current Year Portfolio Statement	(2,367,026)	(2,514,286)
Unrealized Gain / (Loss) as per Last Year Portfolio Statement	(2,514,286)	(967,356)
<b>Unrealized Gain / (Loss) during the year</b>	<b>147,260</b>	<b>(1,546,930)</b>

**6.00 Inventories :**

Finished Goods	[Note-6.01]	173,937,525	182,593,176
Working-in-process	[Note-6.02]	17,062,856	16,404,930
Raw Materials	[Note-6.03]	707,020,640	803,296,250
Packing Materials	[Note-6.04]	3,325,771	2,629,785
Other Materials	[Note-6.05]	57,498,410	1,599,366
		<b>958,845,202</b>	<b>1,006,523,507</b>

**6.01 Finished Goods :****Value in Taka-**

Carded	92,357,820	107,604,994
Combed	81,579,705	74,988,183
	<b>173,937,525</b>	<b>182,593,176</b>

**Quantity in MT-**

Carded	423	530
Combed	362	369
	<b>785</b>	<b>899</b>

**6.02 Working-in-process****Value in Taka-**

Carded	10,259,412	10,329,030
Combed	6,803,443	6,075,900
	<b>17,062,856</b>	<b>16,404,930</b>

**Quantity in MT-**

Carded	51	51
Combed	33	30
	<b>84</b>	<b>81</b>

**6.03 Raw Materials :****Value in Taka-**

Raw Cotton	707,020,640	803,296,250
	<b>707,020,640</b>	<b>803,296,250</b>

**Quantity in MT-**

Raw Cotton	5,188	5,675
	<b>5,188</b>	<b>5,675</b>

**6.04 Packing Materials :****Value in Taka-**

CONE	718,784	1,247,380
Poly Bag	1,485,239	928,321
WPP Bag	1,023,998	432,707
Sticker	97,749	21,377
	<b>3,325,771</b>	<b>2,629,785</b>

**Quantity in Pcs & Kgs-**

CONE (pcs.)	266,216	461,992
Poly Bag(kg.)	7,858	4,912
WPP Bag (Kg.)	40,960	17,308
Sticker (pcs.)	977,490	213,771

**6.05 Other Materials****Value in Taka-**

Spare Parts	57,498,410	1,560,674
Textile wax	-	38,692
	<b>57,498,410</b>	<b>1,599,366</b>

**7.00 Accounts and Other Receivables:**

Accounts Receivables ( Notes-7.01)	760,702,135	811,075,653
Other Receivables ( Notes-7.02)	14,612,403	-
	<b>775,314,538</b>	<b>811,075,653</b>

**7.01 Accounts Receivable :**

Opening Balance	811,075,653	990,446,869
Add: Sales during the year	1,694,452,484	1,709,964,382
Available for collection	2,505,528,137	2,700,411,251

Less: Realized during the year	(1,746,137,015)	(1,892,116,178)
	<b>759,391,122</b>	<b>808,295,073</b>

Add: Translated Foreign Exchange Gain/(Loss) (Note-23.00)	1,311,013	2,780,580
	<b>760,702,135</b>	<b>811,075,653</b>

There is no related party transaction except transaction with Aman Tex Ltd. Details of Related party transactions have been shown in note - 31.

	29,798,045	12,628,248
--	------------	------------

**7.02 Other Receivables :**

Interest Receivable from Sister Concern

<b>14,612,403</b>	<b>-</b>
-------------------	----------

**7.03 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994**

Maturity less than 6 months

760,702,135 811,075,653

Maturity more than 6 months

14,612,403 Nil

**775,314,538 811,075,653**

Debts considered Good &amp; Secured

730,904,090 798,447,405

Debts considered Good without security

- -

Debts considered doubtful &amp; bad

- -

Debts due by directors or other officers &amp; staffs

14,612,403 -

Debts due from companies under same management

29,798,045 12,628,248

Maximum debt due by directors or officers &amp; staffs at any time

- -

All the debts are considered good as it has been made through letter of credit.

**8.00 Advances, Deposits & Pre-Payments :**

This is made-up as follows:

**a) Advance against Income tax**

Opening Balance

22,977,851 22,957,851

Add: During the year

TDS on Export Sales

10,521,947 9,600,674

TDS on Vehicles Tax Token &amp; Fitness Renewal Fee

50,000 20,000

Tax on Dividend Income

30,063 -

AIT through pay order

61,735,850 -

Lesss: Adjustment during the year

(95,315,711) (9,600,674)

(22,977,851) 20,000

Total of Advance against Income Tax

**- 22,977,851****b) Other advance**

Advance against work

2,159,098 6,543,070

Advance against Purchases

346,397,652 530,704,933

Advance against Land Purchase

65,500,000 -

Advance against Land Development

12,900,000 -

Advance against L/C Margin

42,581,033 45,980,111

Advance against Loan Installment

2,288,130 -

Advance to ICB Capital Management Ltd

1,000,000 -

**472,825,913 583,228,114****c) Security Deposits-**

Mymensingh PBS-2 for Electricity Connection

746,250 746,250

BTCL for T &amp; T Line Connection

18,000 18,000

Titas Gas T &amp; D Co.Ltd. for Gas Connection

6,320,415 6,320,415

Bank Guarantee for Titas Gas Connection

1,936,000 1,936,000

**9,020,665 9,020,665****481,846,578 615,226,630****8.01 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994**

Maturity less than 6 months

610,040,741 583,228,114

Maturity more than 6 months

9,020,665 31,998,516

**619,061,406 615,226,630**

Advance, deposits &amp; prepayments considered good &amp; secured

619,061,406 615,226,630

Advance, deposit &amp; prepayments considered Good without security

- -

Advance, deposit &amp; prepayments considered doubtful &amp; bad

- -

Advance, deposit &amp; prepayments due by directors or other officers &amp; staffs

- -

Advance, deposit &amp; prepayments due from companies under same management

- -

Maximum advance due by directors or officers &amp; staffs at any time

- -

**619,061,406 615,226,630**

**9.00 Loan to Sister Concern**

Temporary loan has been provided to the following concern of Aman Group at interest of 12.5% for their Operational purpose. This amount will be adjusted within the shortest time.

Aman Cement Mills Unit 2 Ltd	95,361,835	-
Aman Jute Fibrous Ltd	13,515,000	-
Anwara Mannan Textile Mills Ltd	20,500,000	-
	<b>129,376,835</b>	<b>-</b>

**10.00 Cash and Cash Equivalents :**

This is made-up as follows:

Cash in hand	4,616,257	1,248,382
Cash at Banks (Note : 10.01)	36,639,992	10,824,041
	<b>41,256,249</b>	<b>12,072,423</b>

**10.01 Details Break-up of cash at Bank is as follows :**

IBBL, Ramna Branch	8,020,006	6,082,466
NBL, Dilkusha Br.	6,366	7,630
IBBL, Palton Br.	7,489	7,726
EXIM Bank Ltd. Mawna Br.	9,768	10,918
EXIM Bank Ltd. Rajuk Br.	363,554	650,127
IBBL, Uttara Br.	400,188	1,242,270
IBBL, Mawna Br.	10,435	20,585
IBBL, Ramna Br,	368,615	75,385
Standard Bank Ltd	-	945
Prime Bank Ltd, Motijheel Br.	3,951	5,331
Prime Bank Ltd, Uttara Br.	113,012	215,849
IBBL, Ramna Branch,	203,397	467,498
ONE Bank Ltd., Motijheel Branch,	635,179	259,965
Shahjalal Islami Bank Ltd, Dhaka Main Br.,	51,029	52,329
Bank Asia , Uttara Br. Islamic wing	9,675	5,825
Bank Al- Falah Ltd, Dhaka	48,894	60,924
IBBL , Ramna, Dhaka FCAD ORQ	2,388,133	45
Pubali Bank, Principal Br,	12,735	22,095
South Bangla Agriculture & Commerce Bank Ltd,	3,275	4,425
Woori Bank, Uttara Branch	5,762,378	263,320
Woori Bank, Uttara Branch	17,182,440	1,368,383
Woori Bank, Uttara Branch	170,593	-
Meghna Bank Ltd, Uttara Branch	868,880	-
	<b>36,639,992</b>	<b>10,824,041</b>

**11.00 Share Capital :**

Share Capital represents the followings:

Authorized:

200,000,000 Ordinary Shares of Taka 10 each.	2,000,000,000	2,000,000,000
--	---------------	---------------

Issued subscribed and fully paid up capital:

80,000,000 Ordinary shares of Taka 10 each.	800,000,000	800,000,000
	<b>800,000,000</b>	<b>800,000,000</b>

**11.01 Share Holding Position :**

Particulars of share holders and their share holding position is as under:

Name of the Shareholders	Number of Shares		%	Amount in Taka	
	30 June, 2016	30 June, 2015		June 30, 2016	June 30, 2015
Md. Rafiqul Islam	15,600,000	15,600,000	19.50%	156,000,000	156,000,000
Md. Shofiqul Islam	15,600,000	15,600,000	19.50%	156,000,000	156,000,000
Md. Toufiqul Islam	15,600,000	15,600,000	19.50%	156,000,000	156,000,000
Md. Toriqul Islam	22,800,000	22,800,000	28.50%	228,000,000	228,000,000
Ms. Mukta Islam	3,600,000	3,600,000	4.50%	36,000,000	36,000,000
Ms. Sajeda Islam	3,600,000	3,600,000	4.50%	36,000,000	36,000,000
Aman Seed Storage Ltd.	3,200,000	3,200,000	4.00%	32,000,000	32,000,000
	<b>80,000,000</b>	<b>80,000,000</b>	100.00%	<b>800,000,000</b>	<b>800,000,000</b>

**11.02 Classification of shares by holding :**

Slabs by Number of Shares	No.of Shareholders	No.of Shares	No.of Shares	Holding %
Less than 500	-	-	-	-
From 501 to 5,000	-	-	-	-
From 5,001 to 10,000	-	-	-	-
From 10,001 to 20,000	-	-	-	-
From 20,001 to 30,000	-	-	-	-
From 30,001 to 40,000	-	-	-	-
From 40,001 to 50,000	-	-	-	-
From 50,001 to 1,00,000	-	-	-	-
From 1,00,001 to 1,000,000	-	-	-	-
Above 1,000,000	7	80,000,000	80,000,000	100%
	<b>7</b>	<b>80,000,000</b>	<b>80,000,000</b>	<b>100%</b>

**12.00 Retained Earnings :**

Opening Balance	1,516,190,498	1,259,477,202
Add: Transferred from current year profit	270,759,277	256,713,296
<b>Closing Balance</b>	<b>1,786,949,775</b>	<b>1,516,190,498</b>

**12.01 Available For Sale (AFS) Reserve :**

Opening Balance	(2,262,857)	(967,356)
Add: Addition during the year	147,260	(1,546,930)
Add: Related Tax	(14,726)	251,429
<b>Closing Balance</b>	<b>(2,130,323)</b>	<b>(2,262,857)</b>

**13.00 Revaluation Surplus :**

Revaluation surplus made on Land and Land Development in the year 2013 by the approved enlisted valuer S.H.Khan & Co.

Chartered Accountants. Details are shown as follows :

Fair Value/Market Value	464,338,000	464,338,000
Book Value	185,025,622	185,025,622
<b>Revaluation surplus</b>	<b>279,312,378</b>	<b>279,312,378</b>
Less : Deferred Tax on Revaluation @ 3%	(13,930,140)	(41,896,857)
<b>Net Balance of Revaluation surplus</b>	<b>265,382,238</b>	<b>237,415,521</b>

Deferred Tax on revaluation surplus has been computed @ 3% as per provision of Finance Act 2016.

Name of the Valuer : **S.H. KHAN & CO. Chartered Accountants**. Address: Raz Bhaban ( 1st floor), 29 Dilkusha C/A, Dhaka-1000.

Date of Revaluation: 15 May, 2013

**14.00 Long Term Borrowings - Net of Current Maturity :**

This represents amount payable to Islami Bank Bangladesh Limited, Ramna Branch, Dhaka for implementation of project.

This is made up as follows:

**14.01 Islami Bank Bangladesh Ltd.**

Opening Balance at 1st July	150,513,229	221,169,138
Add : Received during the year	5,942,620	28,923,578
Add: Profit & Rent Charged which are paid/ Payable for the year	17,320,576	26,287,589
	173,776,425	276,380,305
Less: Repayment during the year -		
Principal	(109,293,661)	(99,579,487)
Profit & Rent	(17,320,576)	(26,287,589)
<b>Closing Balance at 30 June</b>	<b>47,162,188</b>	<b>150,513,229</b>
Less: Current maturity transferred to current Liability	(44,190,848)	(77,198,235)
<b>Balance after current maturity</b>	<b>2,971,340</b>	<b>73,314,994</b>



**14.02 Union Capital Limited**

This is made up as follows:

Opening Balance	-	-
Add, Addition made during the year	100,000,000	-
	<b>100,000,000</b>	-
Add, Interest Charged during the year	3,273,159	-
	<b>103,273,159</b>	-
Less, Payment made during the year	6,864,390	-
Closing Balance at 30 June	<b>96,408,769</b>	-
Less: Current maturity transferred to current Liability	(15,608,674)	-
Balance after current maturity	<b>80,800,095</b>	-
<b>Total Closing Balance at June 30</b>	<b>83,771,435</b>	<b>73,314,994</b>

<b>14.03</b>	Name of Bank	Nature	Limit	Tenure	Interest rate (%)	Security
	Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	HPSM	842,143,773	11-01-2007 to 29- 03-2019	12%	Land, Building & Machine
	Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	HPSM	34,866,198	14-12-2014 to 19- 05-2019	12%	Land, Building & Machine
	Union Capital Ltd, 73 Sonargaon Road, Dhaka	Term Finance	100,000,000	60 Months	13.25%	175 Decimal Land

**15.00 Short Term Borrowings :**

The following represents loan sanctioned by the Islami Bank Bangladesh Ltd, Ramna Branch, Dhaka, Meghna Bank Ltd, Uttara Branch, Dhaka and Standard Bank Ltd, Principal Branch, Dhaka to provide working capital of the company which is fully secured by hypothecation of inventory and also includes current maturity of long term loan.

Islami Bank Bangladesh Ltd, Ramna, Dhaka-BAI MURABAHA/TR	233,595,000	510,561,787
Islami Bank Bangladesh Ltd, Ramna, Dhaka-MPI	219,817,901	181,905,165
Islami Bank Bangladesh Ltd, Ramna, Dhaka - EDF	305,063,983	189,976,698
Islami Bank Bangladesh Ltd, Ramna, Dhaka - MDB-Foreign	-	18,762,172
Meghna Bank Limited, Uttara, Dhaka - LTR	64,167,750	-
Meghna Bank Limited, Uttara, Dhaka - MFCI or EDF	63,635,955	-
Standard Bank Ltd, Principal Branch, Motijheel	16,472,606	16,788,910
	<b>902,753,195</b>	<b>917,994,732</b>
Margin loan for purchase of listed share from Shahjalal Islami Bank Securities, Dilkusha Branch, Code no - 03850	362,979	437,698
<b>Total Balance</b>	<b>903,116,174</b>	<b>918,432,430</b>

Details of the sanction are as under .

15.01	Name of Bank	Nature	Sanction Limit	Tenure	Interest rate	Security
	Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	BAI MURABAHA/T R/MPI/MDB/M	700,000,000	Below one year	12%	Inventory Hypothecation
		Special Limit (MFCI/MPI)	552,870,000			
	Bank Al Falah., Islamic Banking Motijheel Branch, Dhaka	Bill Discounting	*50,000,000 (Composite)	180 Days	LCY -9% FCY - 5.50%	
	Standard Bank Ltd, Pricipal Branch, Motijheel	CC-Hypo	20,000,000	Below one year	12.5%	
	Meghna Bank Ltd, Uttara Branch	LTR	500,000,000	Below one year	12%	
		EDF/UPAS			Six months USD LIBOR plus 2.5%	

\* This represents a composite facility sanctioned in favour of Aman Cotton Fibrous Ltd, Anwara Mannan Textile Mills Ltd and Aman Tex Ltd. All or any of the above company may avail the facility partly or in full. The company, however, did not avail any facility out of this sanction.

#### 16.00 Long Term Borrowings - Current Maturity [Note-14.00]

<b>59,799,522</b>	<b>77,198,235</b>
-------------------	-------------------

#### 17.00 Accounts Payable :

Opening Balance	3,026,385	5,033,814
Add: Purchased during the year	979,198,665	1,149,305,096
Available for payment	982,225,050	1,154,338,910
Less: Payment made during the year	(978,654,384)	(1,151,312,525)
<b>Balance as on June 30</b>	<b>3,570,666</b>	<b>3,026,385</b>

There is no related party transaction except Aman Packaging & Accessories Ltd for Packing Material Purchase. Detail have been shown in note no - 31.

#### 18.00 Liabilities for Expenses & Others :

This is made-up as follows:

Gas Bill	11,302,545	5,600,268
Salary & wages	3,947,556	3,679,389
Remuneration Payable	360,000	-
WPPF Payable	21,017,454	18,631,491
TDS & VAT Payable	2,185,980	392,969
Audit & Professional fees Payable	247,500	69,000
Telephone	3,718	3,059
Electricity	12,251	12,251
	<b>39,077,004</b>	<b>28,388,427</b>

#### 19.00 Net Asset Value (NAV) :

##### NAV per share with revaluation :

Shareholders' Equity including revaluation surplus	2,850,201,690	2,551,091,733
Number of ordinary shares outstanding	80,000,000	80,000,000
<b>Net Asset Value (NAV) per Share</b>	<b>35.63</b>	<b>31.89</b>

##### NAV per share without revaluation :

Shareholders' Equity excluding revaluation surplus	2,584,819,452	2,313,676,212
Number of ordinary shares outstanding	80,000,000	80,000,000
<b>Net Asset Value (NAV) per Share</b>	<b>32.31</b>	<b>28.92</b>
Par Value of Share	10	10

**20.00 Sales :**

Carded-Yarn	1,247,420,514	1,282,171,073
Combed -Yarn	447,031,970	427,793,309
	<b>1,694,452,484</b>	<b>1,709,964,382</b>

**Quanty in MT-**

Carded-Yarn	4,759	4,685
Combed -Yarn	1,639	1,486
	<b>6,398</b>	<b>6,171</b>

**21.00 Cost of Goods Sold :**

Raw materials consumption [Note-21.01]	1,060,865,450	1,162,319,765
Packing materials consumption [Note- 21.03]	13,912,839	14,389,734
Factory Overhead [Note-21.05]	178,128,808	155,992,002
<b>Prime Cost</b>	<b>1,252,907,097</b>	<b>1,332,701,501</b>
Opening WIP [Note-6.02]	16,404,930	17,639,555
Closing WIP [Note-6.02]	(17,062,856)	(16,404,930)
<b>Cost of prouduction</b>	<b>1,252,249,171</b>	<b>1,333,936,126</b>
Opening finished goods [Note-6.01]	182,593,176	126,533,183
Closing Finished goods [Note 6.01]	(173,937,525)	(182,593,176)
	<b>1,260,904,822</b>	<b>1,277,876,133</b>

**21.01 Raw Materials Consumption :**

Opening Balance [Note-6.03]	803,296,250	832,083,615
Purchase during the year [Note-21.02]	964,589,840	1,133,532,400
Available for use	1,767,886,090	1,965,616,015
Closing Balance [Note-6.03]	(707,020,640)	(803,296,250)
	<b>1,060,865,450</b>	<b>1,162,319,765</b>

**21.02 Raw Materials Purchase :****Value in [Taka]**

Raw Cotton	964,589,840	1,133,532,400
	<b>964,589,840</b>	<b>1,133,532,400</b>

**Quantity in [MT]**

Raw Cotton	7,078	8,008
	<b>7,078</b>	<b>8,008</b>

**21.03 Packing Materials Consumption :**

Opening Balance (Note-6.04)	2,629,785	1,246,823
Purchase during the year [21.04]	14,608,825	15,772,696
Available for use	17,238,610	17,019,519
Closing Balance [Note-6.04]	(3,325,771)	(2,629,785)
	<b>13,912,839</b>	<b>14,389,734</b>

**21.04 Packing Materials Purchase :****Value inTaka-**

CONE	7,634,412	8,816,666
Poly Bag	2,848,797	3,218,103
WPP Bag	3,746,850	3,548,850
Sticker	378,766	189,076
	<b>14,608,825</b>	<b>15,772,696</b>

**Quantity in Pcs & Kgs-**

CONE (pcs.)	2,827,560	3,265,432
Poly Bag(kg.)	15,073	17,027
WPP Bag (Kg.)	149,874	141,954
Sticker (pcs.)	3,787,655	1,890,764

**21.05 Factory Overhead :**

Wages & allowances	28,867,564	26,928,542
Overtime	1,487,698	1,336,753
Factory Salary	11,141,092	10,543,257
Festival Bonus	2,653,452	2,169,764
C&F Charges	3,104,568	2,968,396
Carriage Inward	1,109,176	865,329
Spare Parts	2,652,582	2,021,345
Wax Roll	991,646	993,765
Fuel & Lubricants	1,386,874	1,465,907
Chemical used	1,754,873	1,335,646
Diesel for Generator	1,031,456	932,458
Indirect materials	734,078	613,245
Electricity	212,198	163,526
Gas Bill	56,550,795	31,831,536
Depreciation	64,450,756	71,822,533
	<b>178,128,808</b>	<b>155,992,002</b>

**22.00 Transaction Foreign Exchange Gain/(Loss) upon realization :**

Particulars	Actual realized/ setteled Amount	Realized/setteled as per Book	Total (2015-2016)	Total (2014-2015)
Accounts Receivables	1,747,440,649	1,746,137,015	1,303,634	5,068,568
			<b>1,303,634</b>	<b>5,068,568</b>

**23.00 Translation Foreign Exchange Gain/ (Loss)**

Particulars	Monetary Assets in USD as per Bank Statement	BDT as on June 30, 2016 @ 78.40	BDT as per Books of Accounts	Gain/(Loss) in Taka (2015-2016)	Gain/(Loss) in Taka (2014-2015)
Accounts Receivables	9,702,833	760,702,135	759,391,122	1,311,013	2,780,580
Cash & Cash Equivalents	35,231	2,762,122.94	2,742,742	19,381	9,192
				<b>1,330,394</b>	<b>2,789,772</b>

**24.00 Administrative Expenses :**

This is made-up as follows -

Salary and Allowances	9,465,674	8,912,132
Festival Bonus	1,060,576	1,234,610
Directors Remuneration	4,800,000	2,400,000
Board meeting fee	304,750	230,000
Office Rent	981,000	981,000
Delivery Expenses	151,327	121,348
Staff Fooding	788,412	773,436
Electricity	197,874	163,526
Fax and Mobile Exp	267,501	16,043
Telephone	31,439	25,763
Postage and Courier	18,964	14,128
Entertainment	73,486	103,977
Local Conveyance	119,875	113,787
Stationery	179,784	191,233
Office Supplies	38,762	21,405
Gardening	4,883	5,616
Fuel, Oil and Lubricants	687,658	1,012,028
Fees, Forms, and Renewals	229,872	143,408
Misc. Expenses	848,763	936,542
Repair & Maintenance ( Civil)	267,586	227,811
Repair & Maintenance (Machine)	678,905	976,243
Medical Expenses	3,080	7,440
Audit & Professional fees	316,250	69,000
Bank Charges	251,807	643,088
Uniform & Liveries	12,156	26,459
Testing Expenses	49,764	87,643
Repair & Maintenance (Electric)	289,786	379,076
Commercial expenses	83,405	67,535
Paper & Periodicals	1,860	1,136
Depreciation	3,392,145	3,780,133
	<b>25,597,344</b>	<b>23,665,546</b>

**25.00 Selling and Distribution Expenses :**

This is made-up as follows -

Salary & Allowances	10,606,402	10,113,456
Festival Bonus	777,063	856,742
Carriage Outward	821,642	1,199,900
Advertisement	26,050	12,000
Sample Expenses	342,187	6,342,674
Freight Charges	667,984	654,329
Tours & Travels	187,569	286,498
BTMEA	305,900	146,000
Stationery	191,127	176,597
Other Expenses	478,060	286,548
L/C Realisation Charges	1,376,870	1,977,073
	<b>15,780,854</b>	<b>22,051,817</b>

**26.00 Financial Expenses :**

Interest on Term loan from Union Capital Ltd	3,273,159	-
Interest on loan from Meghna Bank Limited - LATR & EDF	93,250	-
Profit/rent (Interest) on HPSM A/C-IBBL, Ramna, Dhaka	17,320,576	26,287,589
Profit (Interest) on MPI, BAIM & TR A/C.-IBBL, Ramna and SBL Dhaka	43,476,713	39,258,988
Interest on MFCI - EDF	10,959,909	12,480,935
Interest charged on Loan to sister concern	(14,612,403)	-
	<b>60,511,204</b>	<b>78,027,512</b>

**27.00 Non Operating Income :**

This is arrived at as follows:

Translation Gain/ (Loss) on Cash & Cash Equivalents	19,381	9,192
Realized Gain/(Loss) on sale of listed securities	-	3,305
Misc. Income	978,657	812,816
Dividend Income	150,323	-
Transaction Gain/ (Loss)	1,303,634	5,068,568
Translation Gain/ (Loss) on Accounts Receivable	1,311,013	2,780,580
	<b>3,763,007</b>	<b>8,674,461</b>

**28.00 Provision for Taxation :****28.01 Current Tax :**

Net Profit Before Tax	319,448,826	301,921,747
Accounting Depreciation	67,842,901	75,602,667
Unrealized Foreign Exchange Gain/(Loss)	(1,330,394)	(2,789,772)
Other Income	(2,432,614)	(812,816)
Gain on sale of Listed Share	-	(3,305)
Tax Depreciation	(136,713,480)	(128,657,233)
<b>Business Income</b>	<b>246,815,240</b>	<b>245,261,287</b>
Gain on sale of Listed Share	-	3,305
Set off capital loss carried forward from the income year 2011-2012	-	(3,305)
	-	-

**a) Minimum Tax :**

- (i) the minimum tax under sub-section (2); or  
(ii) the minimum tax under sub-section (4).

<b>Minimum tax</b>	<b>10,521,947</b>	<b>10,311,833</b>
--------------------	-------------------	-------------------

**b) Regular Tax :**

Tax on taxable business income	37,022,286	36,789,193
Tax on other income	1,264,440	284,486
Tax on dividend income	25,065	-
	<b>38,311,791</b>	<b>37,073,679</b>
<b>Tax liabilities (Higher of A &amp; B)</b>	<b>38,311,791</b>	<b>37,073,679</b>

**28.02 Provision For Taxation :**

Opening Balance	135,651,089	108,178,084
Add -Provision for the year	38,311,791	37,073,679
<b>Total Liability</b>	<b>173,962,880</b>	<b>145,251,763</b>
Less: Adjustment during the year	(95,315,711)	(9,600,674)
<b>Total Tax Liability</b>	<b>78,647,169</b>	<b>135,651,089</b>

**28.03 Deferred Tax :**

Deferred Tax liabilities represents the amount provided for Tk.1,39,30,140/= on Revaluation Surplus of Fixed Asset that will be continued before disposal of such Asset and the amount of 53,389,251/= provided on Temporary difference of written down value as per Accounts and written down value of tax base by multiplying applicable tax rate @ 15%.

**28.04 Deferred Tax Liability/(Assets) :**

Carrying Amount of the PPE (except land)	908,002,353	807,795,079
Tax Base of PPE (except	555,178,262	523,841,565
Taxable/(Deductible) Temporary Difference	352,824,091	283,953,513
Tax Rate	15%	15%
Deferred Tax Liability/(Assets) at Closing	52,923,614	42,593,027
Add : Translation Gain/ (Loss) ( Note-23.00)	465,638	418,466
	<b>53,389,251</b>	<b>43,011,493</b>
Add, Unrealised Gain/(Loss) on securities available for sale	(236,703)	(251,429)
Add : Tax on Revaluation (Note- 13.00)	13,930,140	41,896,857
Total Deferred Tax Liability/(Assets) at Closing	<b>67,082,688</b>	<b>84,656,921</b>

Deferred Tax on translation gain or loss has been computed @ 35% as applicable to other income.

**28.05 Deferred Tax Expenses/(Income) :**

Deferred Tax Liability/(Assets) at Closing except revaluation	53,389,251	43,011,493
Deferred Tax Liability/(Assets) as at Opening except revaluation	43,011,493	34,876,721
<b>Deferred Tax Expenses/(Income)</b>	<b>10,377,758</b>	<b>8,134,772</b>

**29.00 Earnings Per Share :**

**3.38** **3.21**

**29.01 Basic Earnings per share :**

Net Profit after tax on core Business	266,996,269	255,887,983
Weighted Average No. of Shares	80,000,000	80,000,000

**Basic Earnings Per Share**

**3.34** **3.20**

**Non Operating Income**

3,763,007 825,313

Weighted Average No. of Shares

80,000,000 80,000,000

**Basic Earnings Per Share on non operating income**

**0.04** **0.01**

**29.02 Diluted Earnings per share :**

Profit after tax	270,759,277	256,713,296
Total existing number of shares	80,000,000	80,000,000
<b>Diluted Earnings per share</b>	<b>3.38</b>	<b>3.21</b>

**30.00 Contingent liabilities & Capital Commitments :**

- a) There is no claim against the company not acknowledged as debt.
- b) There is no un-availed credit facilities, other than those in the normal course of business, available to the company as on 30 June, 2016
- c) The Income Tax related to the Assessment year 2012-2013 & 2013-2014 against the DCT Assesment order of Tk. 26,163,690 and Tk. 53,533,617 respectively is under Appeal with the Tax Authority. As such no additional Tax provision in respect of above year has been made in this year.
- d) Capital Commitments for Tk 12,33,37,500 represents the following:

Name of Party	Date of Registered Baina	Deed no.	DCM	Total Advance	Advance Against
Islam Brothers	29.06.2016	8750	277.5	50,500,000	Land at Sreepur, Gazipur.
Anwara Mannan Textile Mills Ltd	29.06.2016	8751	38.75	15,000,000	
<b>Total</b>			<b>316.25</b>	<b>65,500,000</b>	

**31.00 Related Party Disclosure :**

The party is related to the company if the party cast significant influence over the subject matters and also holding the controlling power of the management affairs of the company and any transaction made during the year with the party related therewith is termed as related party transaction as per BAS-24 “Related Party Disclosure”. During the year under audit related party transactions were made that which has influenced the company’s business. The details of related party transactions during the year along with the relationship is illustrated below in accordance of BAS 24 :

Particulars			June 30, 2016	June 30, 2015
Name of the Party	Relationship with the Company	Nature of transaction	Transacted amount in BDT	Transacted amount in BDT
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fee	51,750	46,000
		Remuneration	4,800,000	2,400,000
Md. Shofiqul Islam	Director & Shareholder	Board Meeting Fee	51,750	46,000
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fee	51,750	46,000
Md.Toriquil Islam	Director & Shareholder	Board Meeting Fee	51,750	46,000
Md. Rabiul Haque	Nominated Director	Board Meeting Fee	51,750	46,000
A.K.M Akhtaruzzaman	Independent Director	Board Meeting Fee	23,000	-
Md. Zafrul Islam Farook	Independent Director	Board Meeting Fee	23,000	-
Aman Group	Common Director	Rent	900,000	900,000
Aman Tex Ltd.	Common Director	Sales	250,303,533	308,187,012
		Receivables	29,798,045	12,628,248
Aman Packaging & Accessories Ltd	Common Director	Purchase	3,061,382	-
		Payable	Nil	-
Islam Brothers & Co	Common Director	Advance	50,500,000	-
Anwara Mannan Textile Mills Ltd	Common Director	Advance	15,000,000	-
Anwara Mannan Textile Mills Ltd	Common Director	Loan	20,500,000	-
		Interest Receivable	5,198,438	-
Aman Cement Mills unit-2 Ltd	Common Director	Loan	95,361,835	-
		Interest Receivable	8,385,420	-
Aman Jute Fibrous Ltd	Common Director	Loan	13,515,000	-
		Interest Receivable	1,028,545	-

**32.00 Disclosure of Managerial Remuneration :****32.01 Total amount of remuneration paid to directors during the year is as follows:**

Particulars			June 30, 2016	June 30, 2015
Name	Designation	Nature of transaction	Transacted amount in BDT	Transacted amount in BDT
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fee	51,750	46,000
Md. Shofiqul Islam	Director & Shareholder	Board Meeting Fee	51,750	46,000
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fee	51,750	46,000
Md.Toriquil Islam	Director & Shareholder	Board Meeting Fee	51,750	46,000
Md. Rabiul Haque	Nominated Director	Board Meeting Fee	51,750	46,000
A.K.M Akhtaruzzaman	Independent Director	Board Meeting Fee	23,000	-
Md. Zafrul Islam Farook	Independent Director	Board Meeting Fee	23,000	-
<b>Total</b>			<b>304,750</b>	<b>230,000</b>



- 32.02** The total amount of remuneration paid to the top five salaried officers of the company in the accounting year is as follows :

Name	Designation	June 30, 2016	June 30, 2015
Md. Rafiqul Islam	Managing Director	4,800,000	-
Noornavi Bhuiyan ACA	CFO	1,069,153	400,000
Belal Hossain	AGM Production	-	693,000
Md. Shafiullah	Executive Director - Factory	1,103,282	1,104,000
Md. Nazrul Ahsan	DGM - Maintenance & Utility	937,048	729,000
Md. Fakhru Alam Salim	Deputy Manager- Commercial	481,736	420,000
	<b>Total</b>	<b>8,391,219</b>	<b>3,346,000</b>

- 32.03** Aggregate amount of remuneration paid to all directors and Officers during the Financial year is as follows :

Particulars	Nature of Payment	June 30, 2016	June 30, 2015
Directors	Board meeting Fee	304,750	230,000
Directors	Remuneration	4,800,000	2,400,000
Officers & Executives	Salary, Bonus & Other allowaces	35,704,259	33,829,961
	<b>Total</b>	<b>40,809,009</b>	<b>36,459,961</b>

**33.00 General :**

**33.01 Audit Fee :**

Audit fee of Tk. 138,000 only represents the audit fee inclusive of VAT.

**33.02 Employee long term benefit :**

The Company has no Gratuity Fund & PF scheme as yet as such no provision has been made in the financial statement.

**33.03 Capacity of Production :**

Particulars	June 30, 2016	June 30, 2015
Licensed Capacity in Metric Ton	6,780	6,780
Installed Capacity in Metric Ton	6,780	6,780
Utilized Capacity in Metric Ton	6,283	6,502
Percentage of Capacity Utilized	92.67%	95.90%

**33.04 Number of Employees :**

Salary Range (Monthly)	Officers & Staffs		worker (Permanent)	Total
	Head Office	Factory		
Not less than Taka 5,300/-	11	96	567	674
Less than Taka 5,300/-	-	-	-	-
<b>Total</b>	<b>11</b>	<b>96</b>	<b>567</b>	<b>674</b>

**33.05 Events after Balance Sheet Date :**

As per BFRS -10 " Event after the Balance Sheet Date" are those event favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statement are authorized for issue. Two types of event can be identified:

Those that provide evidence of conditions that existed at the end of the reporting year ( adjusting events after reporting date); and

Those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

- 33.06** No material events has occurred after the balance sheet date to the date of issue of these financial statements, which could affect the values stated in the financial statements.

- 33.07** There is no interest capitalized during the year.

**34.00 WPPF :**

As per Bangladesh Labor Law 2006 and Bangladesh labor (Amendment) Act 2013, WPPF has been calculated @ 5% of net profit after charge the WPPF before Income Tax.

**35.00 Disclosure as per requirement of schedule XI, part II, para 8 of Company Act 1994**

Disclosure requirement of schedule XI, part II, para 8 ( b & d ) of Company Act 1994 CIF Value of Raw Cotton, Spare Parts, Packing Materials and Capital Machinery (BDT) and Consumption

Particulars	Local Purchase	Import	Total	Consumed	% of Consumption
Raw Cotton	184,307,281	780,282,559	964,589,840	1,060,865,450	98.46
Store and Accessories	18,551,595	38,946,815	57,498,410	2,652,582	0.25
Packing Materials	14,608,825	-	14,608,825	13,912,839	1.29
Capital Machinery	-	3,442,005	3,442,005	-	-
<b>Total</b>	<b>217,467,701</b>	<b>822,671,379</b>	<b>1,040,139,080</b>	<b>1,077,430,871</b>	<b>100.00</b>

In the period under review the company did not remit any amount as dividend, technical know how, royalty, professional consultation fees, interest and other matters either its shareholders or others.

FOB Value of Export:

The FOB value of export for the year ended June 30, 2016 is as follows:

Particulars	In Foreign Currency \$	In BDT
Export	21,585,381.96	1,694,452,484

**AMAN COTTON FIBROUS LIMITED**  
**Annexure of Property, Plant & Equipment**  
**As at June 30 , 2016**

**(a) COST :**

ASSET ITEMS	C O S T			Rate of Deprecia tion	D E P R E C I A T I O N			ANNEXURE-A	
	Balance as at 01.07.2015	Addition during the year	Balance as at 30.06.2016		Balance as at 01.07.2015	Charged During the Year	Balance as at 30.06.2016	Written down value as on 30.06.2016	Written down value as on 30.06.2015
Land & Land Development	185,025,622	8,772,864	193,798,486	-	-	-	-	193,798,486	185,025,622
Building & Civil Construction	490,925,735	164,542,221	655,467,956	2.5%	54,684,405	11,934,422	66,618,827	588,849,129	436,241,329
Plant & Machinery	1,314,791,130	3,442,005	1,318,233,135	15%	964,600,983	53,063,573	1,017,664,556	300,568,579	350,190,147
Electrical Installation	13,388,299	-	13,388,299	10%	4,845,090	854,321	5,699,411	7,688,888	8,543,209
Electrical Equipment	5,138,566	-	5,138,566	10%	2,592,351	254,621	2,846,973	2,291,593	2,546,215
Gas Line Installation	2,805,322	-	2,805,322	10%	1,723,484	108,184	1,831,667	973,655	1,081,838
Fire Equipment	2,286,100	-	2,286,100	15%	1,932,477	53,043	1,985,521	300,579	353,623
Vehicle	19,794,494	-	19,794,494	20%	13,157,305	1,327,438	14,484,743	5,309,751	6,637,189
Office Equipment	1,088,717	-	1,088,717	10%	687,351	40,137	727,487	361,230	401,366
Computer & IT Equipment	1,518,480	65,950	1,584,430	20%	1,323,960	46,598	1,370,558	213,872	194,520
Furniture & Fixture	4,250,475	-	4,250,475	10%	2,644,834	160,564	2,805,398	1,445,077	1,605,641
<b>Balance as on 30.06.2016 (a)</b>	<b>2,041,012,940</b>	<b>176,823,040</b>	<b>2,217,835,980</b>		<b>1,048,192,239</b>	<b>67,842,901</b>	<b>1,116,035,141</b>	<b>1,101,800,839</b>	<b>992,820,701</b>
<b>Balance as on 30.06.2015 (a)</b>	<b>2,013,792,236</b>	<b>27,220,704</b>	<b>2,041,012,940</b>		<b>972,589,573</b>	<b>75,602,667</b>	<b>1,048,192,239</b>	<b>992,820,701</b>	

**(b) REVALUATION :**

ASSET ITEMS	C O S T			Rate of Deprecia tion	D E P R E C I A T I O N			Written down value as on 30.06.2016
	Balance as at 01.07.2015	Addition during the year	Balance as at 30.06.2016		Balance as at 01.07.2015	Charged During the Year	Balance as at 30.06.2016	
Land & Land Development	279,312,378	-	279,312,378	-	-	-	-	279,312,378
<b>Balance as on 30.06.2016 (b)</b>	<b>279,312,378</b>	<b>-</b>	<b>279,312,378</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>279,312,378</b>
<b>Balance as on 30.06.2015 (b)</b>	<b>279,312,378</b>	<b>-</b>	<b>279,312,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>279,312,378</b>

**C.Total (a+b)**

<b>Balance as on 30.06.2016 (a+b)</b>	<b>2,320,325,318</b>	<b>176,823,040</b>	<b>2,497,148,358</b>	<b>1,048,192,239</b>	<b>67,842,901</b>	<b>1,116,035,141</b>	<b>1,381,113,217</b>
<b>Balance as on 30.06.2015 (a+b)</b>	<b>2,293,104,614</b>	<b>27,220,704</b>	<b>2,320,325,318</b>	<b>972,589,573</b>	<b>75,602,667</b>	<b>1,048,192,239</b>	<b>1,272,133,079</b>

Allocation of Depreciation	Ratio	June 30, 2016	June 30, 2015
Manufacturing	95%	64,450,756	71,822,533
Non Manufacturing	5%	3,392,145	3,780,133
		<b>67,842,901</b>	<b>75,602,666</b>

**ANNEXURE - B**

**AMAN COTTON FIBROUS LTD.**  
**Statement of Inventory Movement**  
**For the Year ended June 30, 2016**

**FINISHED GOODS :***Quantity in MT*

Items	Opening Balance as at 01.07.2015	Production during the year	Sales during the year	Closing Balance as at 30.06.2016
Yarn-Carded	530	4,652	4,759	423
Yarn-Combed	369	1,631	1,639	362
<b>Total</b>	<b>899</b>	<b>6,283</b>	<b>6,398</b>	<b>785</b>

**WORK-IN-PROCESS :***Quantity in MT*

Items	Opening Balance as at 01.07.2015	Production during the year	Transferred to Production	Closing Balance as at 30.06.2016
Yarn-Carded	51	39	39	51
Yarn-Combed	30	24	21	33
<b>Total</b>	<b>81</b>	<b>63</b>	<b>60</b>	<b>84</b>

**RAW MATERIALS :***Quantity in MT*

Items	Opening Balance as at 01.07.2015	Purchase during the year	Consumption during the year	Closing Balance as at 30.06.2016
Raw Cotton	5,675	7,078	7,565	5,188
<b>Total</b>	<b>5,675</b>	<b>7,078</b>	<b>7,565</b>	<b>5,188</b>

**PACKING MATERIALS :***Quantity in Pcs.*

Items	Opening Balance as at 01.07.2015	Purchase during the year	Consumption during the year	Closing Balance as at 30.06.2016
CONE	461,992	2,827,560	3,023,336	266,216
Poly Bag (kg)	4,912	15,073	12,126	7,858
WPP Bag	17,308	149,874	126,222	40,960
Sticker	213,771	3,787,655	3,023,936	977,490
<b>Total</b>	<b>697,984</b>	<b>6,780,162</b>	<b>6,185,621</b>	<b>1,292,525</b>

(b) Information as is required under section 186 of the company act 1994 relating to holding company;

As there is no holding company, Information as is required under section 186 of the company Act 1994 is not applicable here.

(c) Selected Ratios as specified in Annexure – D

**Ratio Analysis**

We have examined the following accounting ratios of Aman Cotton Fibrous Limited for the year ended June 30, 2016, 2015, 2014, 2013 and 2012 as submitted by its management. The preparation of these ratios is the responsibility of the company's management our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements.

Based on our review, we hereby certify that the Company has properly prepared the following ratios for the years as stated below:

Sl. No.	Financial Ratio	Formula	Years				
			30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
<b>Liquidity Ratio:</b>							
1	Current Ratio (Times)	Current Assets Current Liability	2.21	2.11	1.87	1.78	1.93
2	Quick Ratio (Times)	Current Assets-Inventory Current Liability	1.32	1.24	1.08	0.92	1.25
<b>Operating Efficiency Ratio:</b>							
1	Accounts Receivable Turnover (Times)	Sales Average Accounts Receivable	2.16	1.90	1.99	1.99	2.11
2	Inventory Turnover (Times)	Cost of Goods Sold Average Inventory	1.28	1.29	1.50	1.81	2.43
3	Asset Turnover (Times)	Sales Average Total Assets	0.43	0.45	0.55	0.65	0.76
<b>Profitability Ratios:</b>							
1	Gross Margin Ratio (%)	(Sales-Cost of Goods Sold) X 100 Sales	25.59	25.27	25.07	25.04	24.94
2	Operating Profit Ratio (%)	Operating Profit X 100 Sales	23.14	22.60	22.82	23.66	23.34
3	Net Profit Ratio (%)	Net Profit After Tax X 100 Sales	15.98	15.01	15.04	14.65	15.21
4	Return on Assets (%)	Net Profit After Tax X 100 Average Total Assets	6.81	6.76	8.31	9.47	11.59
5	Return on Equity (%)	Net Profit After Tax X 100 Average Shareholders Equity	10.03	10.59	13.80	16.65	23.06
6	Earning Per Share (EPS) (Tk.)	Net Profit After Tax Weighted Average No. of Shares	3.38	3.21	3.70	3.61	30.55
7	EBITDA Margin (%)	EBITDA X 100 Sales	27.29	26.64	26.33	26.89	32.01
<b>Solvency Ratios :</b>							
1	Debt to total Assets (Times)	Total Debt Total Assets	0.26	0.28	0.32	0.36	0.43
2	Debt to Equity Ratio (Times)	Total Debts Total Equity	0.37	0.42	0.53	0.62	0.78
3	Times Interest Earned Ratio (Times)	Earning Before Interest and Tax (EBIT) Interest Charged	5.06	4.87	5.27	5.34	3.98
4	Debt Service Coverage (Times)	Net Operating Income Principal+Interest	0.44	0.40	0.41	0.44	0.50
<b>Cash Flow Ratios:</b>							
1	Net operating cash Flow Per Share (Tk.)	Operating Cash Flow No of Shares Outstanding	8.45	3.94	2.77	3.22	52.36
2	Net operating cash Flow to EPS (Times)	Operating Cash Flow Per Share EPS	2.50	1.23	0.75	0.89	1.71

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & CO.  
Chartered Accountants

## Industry Average Ratio Compare with the Aman Cotton Fibrous Limited

**Ratio Analysis**

We have examined the following accounting ratios of Aman Cotton Fibrous Limited for the year ended June 30, 2016, 2015, 2014, 2013 and 2012 as submitted by its management. The preparation of these ratios is the responsibility of the company's management our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements.

**Industry Average ratio compare with the Aman Cotton Fibrous Limited.**

Industry Average Ratio Compare with the Aman Cotton Holdings Limited.												
Sl. No.	Financial Ratio	Formula	Years									
			30-Jun-16	Industry Average	30-Jun-15	Industry Average	30-Jun-14	Industry Average	30-Jun-13	Industry Average	30-Jun-12	Industry Average
<b><u>Liquidity Ratio:</u></b>												
1	Current Ratio (Times)	Current Assets Current Liability	2.21	1.63	2.11	1.89	1.87	2.22	1.78	1.63	1.93	1.79
2	Quick Ratio (Times)	Current Assets-Inventory Current Liability	1.32	0.97	1.24	1.19	1.08	1.53	0.92	1.15	1.25	1.23
<b><u>Operating Efficiency Ratio:</u></b>												
1	Accounts Receivable Turnover (Times)	Sales Average Accounts Receivable	2.16	3.84	1.90	4.39	1.99	3.36	1.99	2.33	2.11	2.28
2	Inventory Turnover (Times)	Cost of Goods Sold Average Inventory	1.28	2.04	1.29	2.13	1.50	2.08	1.81	1.92	2.43	1.94
3	Asset Turnover (Times)	Sales Average Total Assets	0.43	0.35	0.45	0.36	0.55	0.42	0.65	0.42	0.76	0.42
<b><u>Profitability Ratios:</u></b>												
1	Gross Margin Ratio (%)	(Sales-Cost of Goods Sold) X 100 Sales	25.59	17.91	25.27	20.36	25.07	20.97	25.04	21.70	24.94	13.08
2	Operating Profit Ratio (%)	Operating Profit X 100 Sales	23.14	12.60	22.60	15.79	22.82	16.17	23.66	16.84	23.34	6.96
3	Net Profit Ratio (%)	Net Profit After Tax X 100 Sales	15.98	6.75	15.01	8.94	15.04	8.56	14.65	7.74	15.21	(2.27)
4	Return on Assets (%)	Net Profit After Tax X 100 Average Total Assets	6.81	0.02	6.76	0.03	8.31	0.04	9.47	0.03	11.59	0.01
5	Return on Equity (%)	Net Profit After Tax X 100 Average Shareholders Equity	10.03	0.03	10.59	0.05	13.80	0.06	16.65	0.07	23.06	0.01
6	Earning Per Share (EPS) (Tk.)	Net Profit After Tax Weighted Average No. of Shares	3.38	1.12	3.21	1.57	3.70	1.49	3.61	1.64	30.55	0.52
7	EBITDA Margin (%)	EBITDA X 100 Sales	27.29	17.55	26.64	20.25	26.33	20.36	26.89	20.83	32.01	10.84
<b><u>Solvency Ratios :</u></b>												
1	Debt to total Assets (Times)	Total Debt Total Assets	0.26	0.33	0.28	0.29	0.32	0.26	0.36	0.33	0.43	0.39
2	Debt to Equity Ratio (Times)	Total Debts Total Equity	0.37	0.56	0.42	0.48	0.53	0.44	0.62	0.69	0.78	0.73
3	Times Interest Earned Ratio (Times)	Earning Before Interest and Tax (EBIT) Interest Charged	5.06	3.49	4.87	4.24	5.27	2.72	5.34	1.81	3.98	0.57
4	Debt Service Coverage (Times)	Net Operating Income Principal+Interest	0.44	0.32	0.40	0.38	0.41	0.50	0.44	0.39	0.50	0.24
<b><u>Cash Flow Ratios:</u></b>												
1	Net operating cash Flow Per Share (Tk.)	Operating Cash Flow No of Shares Outstanding	8.45	0.04	3.94	1.72	2.77	3.92	3.22	4.65	52.36	0.48
2	Net operating cash Flow to EPS (Times)	Operating Cash Flow Per Share EPS	2.50	0.03	1.23	1.10	0.75	2.64	0.89	2.83	1.71	1.02

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

**Note:**

The stand-alone ratio of the Aman Cotton Fibrous Ltd have been calculated based on Audited Financial Statements and Industry average ratios are calculated on the basis of financial data collected from Annual Report of following four publicly traded Companies corresponding accounting years:

Sl No.	Name of The Company	Considered Accounting Years	Remarks
1	Maksons Spining Mills Ltd	For the Year ended June 30, 2012, 2013, 2014, 2015 & 2016	
2	Malek Spining Mills Ltd	For the Year ended June 30, 2012, 2013, 2014, 2015 & 2016	
3	Metro Spining Ltd	For the Year ended June 30, 2012, 2013, 2014, 2015 & 2016	
4	Matin Spining Mills Ltd	For the Year ended June 30, 2012, 2013, 2014, 2015 & 2016	

**Analysis:**

Industry average ratios have been calculated taking into account the financials of four peer companies listed with stock exchanges as mentioned above. It is to be mentioned that most of the spinning companies are not listed with stock exchanges and thus we have taken the reference value of the above listed companies only. From the calculated ratios, it is observed that most of the ratios of ACFL are favorable reflecting strong financial position.

The above ratios reveal that ACFL has been consistently maintaining satisfactory ratios over the periods with little exception of accounts receivable turnover and inventory turnover ratios.

The company had to change its storage policy for raw materials in the year 2013, resulted from substantial upward move in the price of raw materials in the international market. In order to minimize the fluctuation risk, we are to maintain a significant level of stock for raw cotton for the whole year production mostly purchase during the season i.e. during February to July each year in order (i) to keep the cost of materials at a minimum level; (ii) to ensure its quality; and (iii) uninterrupted production. So it maintains buffer stock and now it is within the capacity.

Although the accounts receivable ratio is comparatively high but a substantial part of it has been received. It is to be mentioned here that ACFL sells its products to the buyer against deferred L/C ranging from 90-180 days that results in higher receivables in that case, ACFL usually gets higher price and thus better off. As a result sales and credit ratio is comparatively high.

In addition current year's higher Net Operating Cash Flow Per Share and Net Operating Cash Flow to EPS resulted from the realization of advances earlier paid for purchases as well as reduction in inventory.



(d) Auditors' report Under Section-135 (1), Paragraph -24(1) of Part-II of Schedule-III of the Companies Act 1994:

**Auditor's Report**

In pursuance of section 135 (1) under para 24 (1) of part II of the Third Schedule of the Companies Act 1994.

We have examined the financial statements of **Aman Cotton Fibrous Limited** for the year ended June 30, 2016 and 2015 Audited by Mahfel Huq & Co, Chartered Accountants and for the year ended June 30, 2014, 2013 and 2012 audited by Ahmed Zaker & Co., Chartered Accountants in pursuance of section 135 (I) under para 24 (1) of part II of the Third Schedule of the Companies Act 1994 and we report that;

The following information has been correctly extracted from the relevant audited financial statements.

**Statement of Financial Position**

Particulars	Amount In Taka				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
<b>Non Current Assets :</b>	<b>1,694,546,466</b>	<b>1,423,180,208</b>	<b>1,403,827,936</b>	<b>1,370,367,592</b>	<b>858,774,747</b>
Property, plant and equipments	1,381,113,217	1,272,133,079	1,320,515,041	1,370,367,592	856,184,245
Capital Work in Progress	313,433,249	151,047,129	83,312,895	-	-
Deferred Tax Assets	-	-	-	-	2,590,502
<b>Current Assets :</b>	<b>2,390,719,882</b>	<b>2,448,831,433</b>	<b>2,320,330,269</b>	<b>2,038,181,862</b>	<b>1,836,501,610</b>
Investment in Listed Securities	4,080,480	3,933,220	5,489,069	5,102,456	87,672,400
Inventories	958,845,202	1,006,523,507	978,635,108	989,433,514	646,719,638
Accounts Receivable and other Receivables	775,314,538	811,075,653	990,446,869	990,981,270	993,035,949
Advances, deposits & pre-payments	481,846,578	615,226,630	336,401,599	40,696,435	58,846,518
Loan to Sister Concern	129,376,835	-	-	-	-
Cash & cash equivalents	41,256,249	12,072,423	9,357,624	11,968,187	50,227,105
<b>Total Assets</b>	<b>4,085,266,348</b>	<b>3,872,011,641</b>	<b>3,724,158,205</b>	<b>3,408,549,454</b>	<b>2,695,276,357</b>
<b>Financed By:</b>					
<b>Shareholders' Equity :</b>	<b>2,850,201,690</b>	<b>2,551,343,162</b>	<b>2,295,925,367</b>	<b>2,000,418,254</b>	<b>1,473,955,883</b>
Share capital -paid up	800,000,000	800,000,000	800,000,000	800,000,000	100,000,000
Retained earnings	1,786,949,775	1,516,190,498	1,259,477,202	963,002,733	858,936,438
Available for Sale (AFS) Reserve	(2,130,323)	(2,262,857)	(967,356)	-	-
Tax holiday reserve	-	-	-	-	515,019,445
Revaluation Surplus	265,382,238	237,415,521	237,415,521	237,415,521	-
<b>Non Current Liabilities:</b>	<b>150,854,123</b>	<b>157,971,915</b>	<b>184,503,634</b>	<b>262,338,138</b>	<b>269,884,262</b>
Long term Borrowings - Net of Current Maturity	83,771,435	73,314,994	107,730,056	196,002,265	269,884,262
Deferred Tax Liability	67,082,688	84,656,921	76,773,578	66,335,873	-
<b>Current Liabilities &amp; Provisions :</b>	<b>1,084,210,535</b>	<b>1,162,696,566</b>	<b>1,243,729,204</b>	<b>1,145,793,062</b>	<b>951,436,213</b>
Short term Borrowings	903,116,174	918,432,430	987,464,257	924,762,809	788,394,912
Long Term Borrowing - Current Maturity	59,799,522	77,198,235	113,439,082	110,739,082	94,726,248
Accounts Payable	3,570,666	3,026,385	5,033,814	6,870,379	9,050,369
Liabilities for expenses & Others	39,077,004	28,388,427	29,613,967	28,019,943	23,721,491
Provision for Taxation	78,647,169	135,651,089	108,178,084	75,400,849	35,543,193
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>4,085,266,348</b>	<b>3,872,011,641</b>	<b>3,724,158,205</b>	<b>3,408,549,454</b>	<b>2,695,276,357</b>
<b>NAV per share with revaluation</b>	<b>35.63</b>	<b>31.89</b>	<b>28.68</b>	<b>25.01</b>	<b>147.40</b>
<b>NAV per share without revaluation</b>	<b>32.31</b>	<b>28.92</b>	<b>25.72</b>	<b>22.04</b>	<b>147.40</b>

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

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

Particulars	Amount in Taka				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
		*Restated	*Restated		
<b>Sales</b>	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031
<b>Cost of Goods Sold</b>	(1,260,904,822)	(1,277,876,133)	(1,476,265,229)	(1,479,412,627)	(1,507,741,072)
<b>A. Gross profit</b>	<b>433,547,662</b>	<b>432,088,249</b>	<b>493,887,854</b>	<b>494,198,755</b>	<b>500,890,959</b>
Administrative expenses	(25,597,344)	(23,665,546)	(21,331,851)	(17,174,152)	(22,049,382)
Selling and distribution expenses	(15,780,854)	(22,051,817)	(23,062,094)	(10,094,099)	(9,973,750)
<b>B. Operating expenses</b>	<b>(41,378,198)</b>	<b>(45,717,363)</b>	<b>(44,393,945)</b>	<b>(27,268,251)</b>	<b>(32,023,132)</b>
<b>C. Operating profit/(loss) (A-B)</b>	<b>392,169,464</b>	<b>386,370,886</b>	<b>449,493,909</b>	<b>466,930,504</b>	<b>468,867,827</b>
Financial Expenses	(60,511,204)	(78,027,512)	(82,160,265)	(81,951,103)	(113,511,419)
<b>Profit before Other Income</b>	<b>331,658,260</b>	<b>308,343,374</b>	<b>367,333,644</b>	<b>384,979,401</b>	<b>355,356,408</b>
Add-Non-operating income	3,763,007	8,674,461	1,255,809	(11,134,062)	-
<b>D. Net profit before tax and provision of WPPF</b>	<b>335,421,267</b>	<b>317,017,835</b>	<b>368,589,453</b>	<b>373,845,339</b>	<b>355,356,408</b>
<b>E. Provision for expenses</b>	<b>(15,972,441)</b>	<b>(15,096,087)</b>	<b>(17,551,879)</b>	<b>(17,802,159)</b>	<b>(16,921,734)</b>
Contribution to WPPF	(15,972,441)	(15,096,087)	(17,551,879)	(17,802,159)	(16,921,734)
<b>F. Net profit before tax (D-E)</b>	<b>319,448,826</b>	<b>301,921,747</b>	<b>351,037,574</b>	<b>356,043,180</b>	<b>338,434,674</b>
Current tax	(38,311,791)	(37,073,679)	(44,234,558)	(39,857,656)	(35,543,193)
Deferred tax income/(Expenses)	(10,377,758)	(8,134,772)	(10,437,705)	(27,029,518)	2,590,502
<b>Net profit after tax</b>	<b>270,759,277</b>	<b>256,713,297</b>	<b>296,365,313</b>	<b>289,156,006</b>	<b>305,481,982</b>
<b>Other comprehensive income</b>	<b>28,099,251</b>	<b>(1,295,501)</b>	<b>(858,199)</b>	<b>237,306,364</b>	<b>(7,250,645)</b>
Gain on revaluation	-	-	-	279,312,378	-
Unrealized gain/(loss) on securities available for sale	147,260	(1,546,930)	(858,199)	(109,157)	(7,250,645)
Related Tax	(14,726)	251,429	-	-	-
Tax on Revaluation Reserve	27,966,717	-	-	(41,896,857)	-
<b>Total comprehensive income</b>	<b>298,858,528</b>	<b>255,417,795</b>	<b>295,507,113</b>	<b>526,462,371</b>	<b>298,231,337</b>
<b>Basic Earning per share</b>	<b>3.38</b>	<b>3.21</b>	<b>3.69</b>	<b>3.61</b>	<b>30.55</b>
<b>Basic Earning per share (restated)</b>	<b>3.38</b>	<b>3.21</b>	<b>3.70</b>	<b>3.61</b>	<b>3.82</b>
<b>Fully Diluted Earnings Per Share</b>	<b>3.38</b>	<b>3.21</b>	<b>3.70</b>	<b>3.61</b>	<b>3.82</b>

Note- The Company changed in the denomination of face value of share from Tk. 100 to Tk. 10 on 27 December 2011.

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

**Points to be noted:**

A. The company was incorporated on December 28, 2005 and converted to public limited company on April 22, 2012.

B. Dividend declared (Additional disclosure as per requirement from the Securities & Exchange Commission):

Accounting year	Cash dividend	Stock dividend	Total dividend
2009-10	0%	0%	0%
2010-11	0%	9900%	9900%
2011-12	0%	700%	700%
2012-13	0%	0%	0%
2013-14	0%	0%	0%
2014-15	0%	0%	0%

C. The statement of assets and liabilities (statement of financial position) as at June 30, 2016, 30 June 2015, 2014, 2013, and 2012 of the company has been duly certified by respective auditors.

D. The statement of operating result (statement of profit or loss and other comprehensive income) for the year ended June 30, 2016, 2015, 2014, 2013, and 2012 of the company has been duly certified by respective auditors.

E. The company has no subsidiaries.

F. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in the purchase of any other business.

G. Figures related to previous years have been rearranged wherever considered necessary.

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

## (e) Financial spread sheet analysis

## Worksheet Analysis

Aman Cotton Fibrous Ltd

For the year ended June 30, 2016

Particulars	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance		Statement of Profit or Loss and Other Comprehensive Income		Statement of Changes In Equity		Statement of Financial Position	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Property, Plant & Equipment at Revalued	2,577,836,488			80,688,130	2,497,148,358	-					2,497,148,358	-
Capital Work in Progress	315,592,347			2,159,098	313,433,249	-					313,433,249	-
Investment in Listed Securities	3,933,220		147,260		4,080,480	-					4,080,480	-
Inventories as at 30.6.2015	1,062,422,551				1,062,422,551	-	1,062,422,551				-	-
Inventories as at 30.6.2016	-		958,845,202	958,845,202	-	-		958,845,202			958,845,202	-
Accounts and Other Receivables	774,003,525		1,311,013		775,314,538	-					775,314,538	-
Advances, Deposits & Pre-Payments	9,020,665		472,825,913		481,846,578	-					481,846,578	-
Loan to Sister Concern	129,376,835				129,376,835	-					129,376,835	-
Cash & Cash Equivalents	41,236,868		19,381		41,256,249	-					41,256,249	-
Share Capital		800,000,000			-	800,000,000			-	800,000,000	-	800,000,000
Retained Earning		1,516,190,498		-	-	1,516,190,498			-	1,516,190,498	-	1,516,190,498
AFS	2,262,857		-	132,534	2,130,323	-			2,130,323		2,130,323	-
Revaluation Surplus		237,415,521		27,966,717		265,382,238	-	-		265,382,238	-	265,382,238
Long Term Borrowings		83,771,435				83,771,435					-	83,771,435
Deferred Tax Liability		84,656,921	27,966,717	10,392,484		67,082,688					-	67,082,688
Short Term Borrowing		903,116,174				903,116,174					-	903,116,174
Current Maturity of Long Term Borrowing		59,799,522				59,799,522					-	59,799,522
Account Payable		3,570,666				3,570,666					-	3,570,666
Liabilities for Expenses & Others		5,045,012		34,031,991		39,077,004					-	39,077,004
Provision for Taxes		40,335,378		38,311,791		78,647,169					-	78,647,169
Accumulated Depreciation		1,048,192,239		67,842,901		1,116,035,141					-	1,116,035,141
Sales		1,694,452,484		-	-	1,694,452,484		1,694,452,484			-	
Cost of Goods Sold excluding Depreciation	1,471,540,606		11,314,796	389,978,685	1,092,876,717	-	1,092,876,717	-				
Administrative Expenses	15,391,695		6,497,254	-	21,888,949	-	21,888,949	-				
Selling & Distribution Expenses	15,780,854				15,780,854	-	15,780,854	-				
Financial Expenses	60,511,204				60,511,204	-	60,511,204	-				
Non Operating Income		2,432,614		1,330,394	-	3,763,007	-	3,763,007				
Contribution to WPPF			15,972,441		15,972,441	-	15,972,441	-				
Current Tax			38,311,791		38,311,791	-	38,311,791	-				
Deferred Tax (Income)/Expenses			10,377,758	-	10,377,758	-	10,377,758	-				
Depreciation			67,842,901		67,842,901	-	67,842,901	-				
Audit & Professional fees	68,750		247,500		316,250	-	316,250	-				
	6,478,978,465	6,478,978,465	1,611,679,927	1,611,679,927	6,630,888,027	6,630,888,027	2,386,301,417	2,657,060,693	2,130,323	2,581,572,736	5,203,431,812	4,932,672,535
Net Profit after Tax					-	-	270,759,277			270,759,277		
	6,478,978,465	6,478,978,465	1,611,679,927	1,611,679,927	6,630,888,027	6,630,888,027	2,657,060,693	2,657,060,693	2,130,323	2,852,332,013	5,203,431,812	5,203,431,812

**Financial Spread Sheet Analysis**  
**Statement of financial position**

Particulars	Amount In Taka									
	30-Jun-16	% on Total Assets	30-Jun-15	% on Total Assets	30-Jun-14	% on Total Assets	30-Jun-13	% on Total Assets	30-Jun-12	% on Total Assets
<b>Non Current Assets :</b>	<b>1,694,546,466</b>	<b>41.48</b>	<b>1,423,180,208</b>	<b>36.76</b>	<b>1,403,827,936</b>	<b>37.70</b>	<b>1,370,367,592</b>	<b>40.20</b>	<b>858,774,747</b>	<b>31.77</b>
Property, plant and equipments	1,381,113,217	33.81	1,272,133,079	32.85	1,320,515,041	35.46	1,370,367,592	40.20	856,184,245	31.77
Capital work in progress	313,433,249	7.67	151,047,129	3.90	83,312,895	2.24	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	2,590,502	0.10
<b>Current Assets :</b>	<b>2,390,719,882</b>	<b>58.52</b>	<b>2,448,831,433</b>	<b>63.24</b>	<b>2,320,330,269</b>	<b>62.30</b>	<b>2,038,181,862</b>	<b>59.80</b>	<b>1,836,501,610</b>	<b>68.14</b>
Investment in Listed securities	4,080,480	0.10	3,933,220	0.10	5,489,069	0.15	5,102,456	0.15	87,672,400	3.25
Inventories	958,845,202	23.47	1,006,523,507	25.99	978,635,108	26.28	989,433,514	29.03	646,719,638	23.99
Accounts receivable & others	775,314,538	18.98	811,075,653	20.95	990,446,869	26.60	990,981,270	29.07	993,035,949	36.84
Advances, deposits & pre-payments	481,846,578	11.79	615,226,630	15.89	336,401,599	9.03	40,696,435	1.19	58,846,518	2.18
loan to sister concern	129,376,835	3.17	-	-	-	-	-	-	-	-
Cash & cash equivalents	41,256,249	1.01	12,072,423	0.31	9,357,624	0.25	11,968,187	0.35	50,227,105	1.86
<b>Total Assets</b>	<b>4,085,266,348</b>	<b>100</b>	<b>3,872,011,641</b>	<b>100</b>	<b>3,724,158,205</b>	<b>100</b>	<b>3,408,549,454</b>	<b>100</b>	<b>2,695,276,357</b>	<b>100</b>
<b>Financed By:</b>										
<b>Shareholders' Equity :</b>	<b>2,850,201,690</b>	<b>69.77</b>	<b>2,551,343,162</b>	<b>65.89</b>	<b>2,295,925,367</b>	<b>61.68</b>	<b>2,000,418,254</b>	<b>58.69</b>	<b>1,473,955,883</b>	<b>54.69</b>
Share capital -paid up	800,000,000	19.58	800,000,000	20.66	800,000,000	21.48	800,000,000	23.47	100,000,000	3.71
Retained earnings	1,786,949,775	43.74	1,516,190,498	39.16	1,259,477,202	33.82	963,002,733	28.25	858,936,438	31.87
Tax holiday reserve	-	-	-	-	-	-	-	-	515,019,445	19.11
Available for sale (AFS) reserve	(2,130,323)	(0.05)	(2,262,857)	(0.06)	(967,356)	-	-	-	-	-
Revaluation surplus	265,382,238	6.50	237,415,521	6.13	237,415,521	6.38	237,415,521	6.97	-	-
<b>Non Current Liabilities:</b>	<b>150,854,123</b>	<b>3.69</b>	<b>157,971,915</b>	<b>4.08</b>	<b>184,503,634</b>	<b>4.95</b>	<b>262,338,138</b>	<b>7.70</b>	<b>269,884,262</b>	<b>10.01</b>
Long term Borrowings - net of current maturity	83,771,435	2.05	73,314,994	1.89	107,730,056	2.89	196,002,265	5.75	269,884,262	10.01
Deferred tax liability	67,082,688	1.64	84,656,921	2.19	76,773,578	2.06	66,335,873	1.95	-	0.00
<b>Current Liabilities &amp; Provisions :</b>	<b>1,084,210,535</b>	<b>26.54</b>	<b>1,162,696,566</b>	<b>30.03</b>	<b>1,243,729,204</b>	<b>33.40</b>	<b>1,145,793,062</b>	<b>33.62</b>	<b>951,436,213</b>	<b>35.30</b>
Short term borrowings	903,116,174	22.11	918,432,430	23.72	987,464,257	26.52	924,762,809	27.13	788,394,912	29.25
Long term borrowing - current maturity	59,799,522	1.46	77,198,235	1.99	113,439,082	3.05	110,739,082	3.25	94,726,248	3.51
Accounts payable	3,570,666	0.09	3,026,385	0.08	5,033,814	0.14	6,870,379	0.20	9,050,369	0.34
Liability for expenses & others	39,077,004	0.96	28,388,427	0.73	29,613,967	0.80	28,019,943	0.82	23,721,491	0.88
Provision for income tax	78,647,169	1.93	135,651,089	3.50	108,178,084	2.90	75,400,849	2.21	35,543,193	1.32
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>4,085,266,348</b>	<b>100</b>	<b>3,872,011,641</b>	<b>100</b>	<b>3,724,158,205</b>	<b>100</b>	<b>3,408,549,454</b>	<b>100</b>	<b>2,695,276,357</b>	<b>100</b>
<b>NAV per share with revaluation</b>	<b>35.63</b>		<b>31.89</b>		<b>28.70</b>		<b>25.01</b>		<b>147.40</b>	
<b>NAV per share without revaluation</b>	<b>32.31</b>		<b>28.92</b>		<b>25.73</b>		<b>22.04</b>		<b>147.40</b>	

The statement of operating results of Aman Cotton Fibrous Limited is as under:

Particulars	Amount in Taka									
	30-Jun-16	% on Sales	30-Jun-15	% on Sales	30-Jun-14	% on Sales	30-Jun-13	% on Sales	30-Jun-12	% on Sales
	*Restated		*Restated		*Restated		*Restated		*Restated	
Sales	1,694,452,484	100.00	1,709,964,382	100.00	1,970,153,083	100.00	1,973,611,382	100.00	2,008,632,031	100.00
Cost of goods sold	(1,260,904,822)	(74.41)	(1,277,876,133)	(74.73)	(1,476,265,229)	(74.93)	(1,479,412,627)	(74.96)	(1,507,741,072)	(75.06)
<b>A. Gross profit</b>	<b>433,547,662</b>	<b>25.59</b>	<b>432,088,249</b>	<b>25.27</b>	<b>493,887,854</b>	<b>25.07</b>	<b>494,198,755</b>	<b>25.04</b>	<b>500,890,959</b>	<b>24.94</b>
Administrative expenses	(25,597,344)	(1.51)	(23,665,546)	(1.38)	(21,331,851)	(1.08)	(17,174,152)	(0.87)	(22,049,382)	(1.10)
Selling and distribution expenses	(15,780,854)	(0.93)	(22,051,817)	(1.29)	(23,062,094)	(1.17)	(10,094,099)	(0.51)	(9,973,750)	(0.50)
<b>B. Operating expenses:</b>	<b>(41,378,198)</b>	<b>(2.44)</b>	<b>(45,717,363)</b>	<b>(2.67)</b>	<b>(44,393,945)</b>	<b>(2.25)</b>	<b>(27,268,251)</b>	<b>(1.38)</b>	<b>(32,023,132)</b>	<b>(1.59)</b>
<b>C. Operating profit/loss (A-B)</b>	<b>392,169,464</b>	<b>23.14</b>	<b>386,370,886</b>	<b>22.60</b>	<b>449,493,909</b>	<b>22.82</b>	<b>466,930,504</b>	<b>23.66</b>	<b>468,867,827</b>	<b>23.34</b>
Financial Expenses	(60,511,204)	(3.57)	(78,027,512)	(4.56)	(82,160,265)	(4.17)	(81,951,103)	(4.15)	(113,511,419)	(5.65)
<b>Profit Before Other Income</b>	<b>331,658,260</b>	<b>19.57</b>	<b>308,343,374</b>	<b>18.03</b>	<b>367,333,644</b>	<b>18.64</b>	<b>384,979,401</b>	<b>19.51</b>	<b>355,356,408</b>	<b>17.69</b>
Non-operating income	3,763,007	0.22	8,674,461	0.51	1,255,809	0.06	(11,134,062)	(0.56)	-	-
<b>D. Net profit before tax and provision of WPPF</b>	<b>335,421,267</b>	<b>19.80</b>	<b>317,017,835</b>	<b>18.54</b>	<b>368,589,453</b>	<b>18.71</b>	<b>373,845,339</b>	<b>18.94</b>	<b>355,356,408</b>	<b>17.69</b>
<b>E. Provision for expenses</b>	<b>(15,972,441)</b>	<b>(0.94)</b>	<b>(15,096,087)</b>	<b>(0.88)</b>	<b>(17,551,879)</b>	<b>(0.89)</b>	<b>(17,802,159)</b>	<b>(0.90)</b>	<b>(16,921,734)</b>	<b>(0.84)</b>
Provision for WPPF	(15,972,441)	(0.94)	(15,096,087)	(0.88)	(17,551,879)	(0.89)	(17,802,159)	(0.90)	(16,921,734)	(0.84)
<b>F. Net profit before tax (D-E)</b>	<b>319,448,826</b>	<b>18.85</b>	<b>301,921,747</b>	<b>17.66</b>	<b>351,037,574</b>	<b>17.82</b>	<b>356,043,180</b>	<b>18.04</b>	<b>338,434,674</b>	<b>16.85</b>
Current tax	(38,311,791)	(2.26)	(37,073,679)	(2.17)	(44,234,558)	(2.25)	(39,857,656)	(2.02)	(35,543,193)	(1.77)
Deferred tax income/(Expenses)	(10,377,758)	(0.61)	(8,134,772)	(0.48)	(10,437,705)	(0.53)	(27,029,518)	(1.37)	2,590,502	0.13
<b>Net profit after tax</b>	<b>270,759,277</b>	<b>15.98</b>	<b>256,713,297</b>	<b>15.01</b>	<b>296,365,313</b>	<b>15.04</b>	<b>289,156,006</b>	<b>14.65</b>	<b>305,481,982</b>	<b>15.21</b>
<b>Other comprehensive income</b>	<b>28,099,251</b>	<b>1.66</b>	<b>(1,295,501)</b>	<b>(0.08)</b>	<b>(858,199)</b>	<b>(0.04)</b>	<b>237,306,364</b>	<b>12.02</b>	<b>(7,250,645)</b>	<b>(0.36)</b>
Gain on revaluation	-	-	-	-	-	-	279,312,378	14.15	-	-
Unrealized gain/(loss) on securities available for sale	147,260	0.01	(1,546,930)	(0.09)	(858,199)	(0.04)	(109,157)	(0.01)	(7,250,645)	(0.36)
Related Tax	(14,726)	(0.00)	251,429	0.01	-	-	-	-	-	-
Tax on Revaluation Reserve	27,966,717	1.65	-	-	-	-	(41,896,857)	(2.12)	0	-
<b>Total comprehensive income</b>	<b>298,858,528</b>	<b>17.64</b>	<b>255,417,795</b>	<b>14.94</b>	<b>295,507,113</b>	<b>15.00</b>	<b>526,462,371</b>	<b>26.68</b>	<b>298,231,337</b>	<b>14.85</b>
Basic Earning per share	3.38		3.21		3.69		3.61		30.55	
Basic Earning per share (restated)	3.38		3.21		3.70		3.61		3.82	

Note- The Company changed in the denomination of face value of share from Tk. 100 to Tk. 10 on 27 December 2011.

#### Statement of Cash Flows

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
<b>Net cash Provided/(Used)from operating activities</b>	<b>675,670,382</b>	<b>315,363,570</b>	<b>221,364,066</b>	<b>257,686,950</b>	<b>523,555,612</b>
<b>Net cash used in investing activities</b>	<b>(546,835,672)</b>	<b>(94,942,715)</b>	<b>(118,947,123)</b>	<b>(292,493,499)</b>	<b>(149,787,759)</b>
<b>Net cash/Generated/( used) in financing activities</b>	<b>(99,670,265)</b>	<b>(217,715,248)</b>	<b>(105,031,026)</b>	<b>(3,452,369)</b>	<b>(327,713,559)</b>
Net cash increase/ (decrease) in cash and cash equivalents	29,164,445	2,705,607	(2,614,083)	(38,258,918)	46,054,294
Cash and cash equivalents at opening	12,072,423	9,357,624	11,968,187	50,227,105	4,172,811
<b>Cash and cash equivalents at closing Excluding Unrealized Gain</b>	<b>41,236,868</b>	<b>12,063,231</b>	<b>9,354,104</b>	<b>11,968,187</b>	<b>50,227,105</b>
Unrealized Gain on Cash & Cash Equivalents	19,381	9,192	3,520	-	-
<b>Cash and cash equivalents at closing Including Unrealized Gain</b>	<b>41,256,249</b>	<b>12,072,423</b>	<b>9,357,624</b>	<b>11,968,187</b>	<b>50,227,105</b>
Net Operating Cash Flow Per Share	8.45	3.94	2.77	3.22	52.36
Net Operating Cash Flow Per Share (Restated)	8.45	3.94	2.77	3.22	6.54
Net Operating Cash Flow Per Share/ EPS	2.50	1.23	0.75	0.89	1.71

(f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis

**Earnings Per Share (EPS) on fully diluted basis (with the total existing no. of shares)**

Particulars	Amount In BDT
Net profit after Tax for the year ended June 30, 2016	270,759,277
Number of Ordinary Shares outstanding	80,000,000
<b>EPS</b>	<b>3.38</b>

**Earnings Per Share (EPS) on weighted average number of shares basis**

Particulars	Amount In BDT
Net profit after Tax for the year ended June 30, 2016	270,759,277
Number of Ordinary Shares outstanding	80,000,000
<b>EPS (As Bonus issue without consideration)</b>	<b>3.38</b>

(g) All extra-ordinary income or non-recurring income coming from other than core operations Should be shown separately while showing the Net Profit as well as the Earnings Per Share

Net Profit after tax excluding extra-ordinary income or non-recurring income from other than core operations:

Particulars	Amount In BDT
Net profit after Tax for the year ended June 30, 2016	270,759,277
Less: Other Income	(3,763,007)
<b>Net profit after tax except other income</b>	<b>266,996,270</b>

**Earnings Per Share (EPS) excluding extra-ordinary income or non-recurring income coming from other than core operations:**

Particulars	Amount In BDT
Net profit after Tax for the year ended June 30, 2016	270,759,277
Less: Other Income	(3,763,007)
<b>Net profit after tax except other income</b>	<b>266,996,270</b>
Number of Ordinary Shares outstanding	80,000,000
<b>Earnings Per Share (EPS) on fully diluted basis</b>	<b>3.34</b>

(h) Quarterly or half yearly EPS should not be annualized while calculating the EPS

Quarterly or half yearly EPS is not applicable for ACFL.

(i) Net asset value (with and without considering revaluation Surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position:

**Net asset value (with and without considering revaluation surplus/reserve) per unit of the securities being offered at the date of the latest audited statement of financial position;**

**Net Assets Value per share with revaluation surplus as at June 30, 2016:**

Particulars	Amount in BDT
Total assets	4,085,266,348
Less: Total Liabilities	(1,235,064,658)
Net Assets Value	2,850,201,690
Number of Ordinary Shares outstanding	80,000,000
<b>Net Assets Value per share with revaluation surplus</b>	<b>35.63</b>

**Net Assets Value per share without revaluation surplus as at June 30, 2016:**

Particulars	Amount in BDT
Total assets	4,085,266,348
Less: Total Liabilities	(1,235,064,658)
Net Assets Value with Revaluation Surplus	2,850,201,690
Less: Revaluation Surplus	(265,382,238)
Net Assets Value Without Revaluation Surplus	2,584,819,452
Number of Ordinary Shares outstanding	80,000,000
<b>Net Assets Value per share without revaluation surplus</b>	<b>32.31</b>

(j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer:

If required, ACFL will be complied with this issue.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-

(i) Statement of long term and short borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;



**Auditor's Certificates**

Statement of Long Term and Short term Borrowings including Borrowing from Related Party or Connected Persons with rate of Interest and Interest paid/Accrued.

After due verification, we certify that the Long Term and Short term Borrowings including Borrowings from Related Party or Connected persons of the Aman Cotton Fibrous Ltd for the last five years made up as follows:

**For The Year Ended June 30, 2016**

For The Year Ended June 30, 2016						
Name of the Institutions	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2016	Interest Rate(%)	Interest Paid	Interest Accrued
Islami Bank Bangladesh Ltd	Lender	Long Term	2,971,340	12.00%	75,123,607	Nil
Union Capital Ltd	Lender	Long Term	80,800,095	13.25%		
Islami Bank Bangladesh Ltd	Lender	Current Maturity of Long Term	44,190,848	12.00%		
Union Capital Ltd	Lender	Current Maturity of Long Term	15,608,674	13.25%		
Islami Bank Bangladesh Ltd	Lender	Short Term	758,476,884	12% for LTR and 6 Months USD LIBOR+2.5% for EDF		
Margin loan from Shahjalal Islami Bank Securities Ltd	Lender	Short Term (Margin Loan)	362,979	15%		
Standard Bank Ltd	Lender	Short Term	16,472,606	12.50%		
Meghna Bank Ltd	Lender	Short Term	127,803,705	12% for LTR and 6 Months USD LIBOR+2.5% for EDF		
			1,046,687,131			

**For The Year Ended June 30, 2015**

For The Year Ended June 30, 2015

Name of the Institutions	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2015	Interest Rate(%)	Interest Paid	Interest Accrued
Islami Bank Bangladesh Ltd	Lender	Long Term	73,314,994	13.50%	78,027,512	Nil
Islami Bank Bangladesh Ltd	Lender	Current Maturity of Long Term	77,198,235	13.50%		
Islami Bank Bangladesh Ltd	Lender	Short Term	901,205,822	13.5% for LTR and 6 Months USD LIBOR+2.5% for EDF		
Margin loan from Shahjalal Islami Bank Securities Ltd	Lender	Short Term (Margin Loan)	437,698	15%		
Standard Bank Ltd	Lender	Short Term	16,788,910	13.50%		
			<b>1,068,945,659</b>			

**For The Year Ended June 30, 2014**

For the Year ended June 30, 2014

Name of the Institutions	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2014	Interest Rate(%)	Interest Paid	Interest Accrued
Islami Bank Bangladesh Ltd	Lender	Long Term	107,730,056	15.00%	82,160,265	Nil
Islami Bank Bangladesh Ltd	Lender	Current Maturity of Long Term	113,439,082	15.00%		
Islami Bank Bangladesh Ltd	Lender	Short Term	971,278,859	15% for LTR and 6 Months USD LIBOR+2.5% for EDF		
Shahjalal Islami bank Sec Ltd	Lender	Margin Loan	271,513	15.00%		
Standard Bank Ltd	Lender	Short Term	15,913,885	15.00%		
			<b>1,208,633,395</b>			

**For The Year Ended June 30, 2013**

For the Year ended June 30, 2013

Name of the Institutions	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2013	Interest Rate (%)	Interest Paid	Interest Accrued
Islami Bank Bangladesh Ltd	Lender	Long Term	196,002,265	15.00%	81,951,103	Nil
Islami Bank Bangladesh Ltd	Lender	Current Maturity of Long Term	110,739,082	15.00%		
Islami Bank Bangladesh Ltd	Lender	Short Term	858,283,277	15% for LTR and 6 Months USD LIBOR+2.5% for EDF		
Bank Alfalah Ltd	Lender	Short Term	49,145,068	Bill Purchase @ 7%-8%		
Standard Bank Ltd	Lender	Short Term	17,334,464	15.00%		
			<b>1,231,504,156</b>			

**For The Year Ended June 30, 2012**

As on June 30, 2012						
Name of the Institutions	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2012	Interest Rate (%)	Interest Paid	Interest Accrued
Islami Bank Bangladesh Ltd	Lender	Long Term	269,884,262	15.00%	113,511,419	Nil
Islami Bank Bangladesh Ltd	Lender	Current Maturity of Long Term	94,726,248	15.00%		
Islami Bank Bangladesh Ltd	Lender	Short Term	734,610,228	15% for LTR and 6 Months USD LIBOR+2.5% for EDF		
Margin loan from Shahjalal Islami Bank Securities Ltd	Lender	Short Term (Margin Loan)	31,439,684	15.00%		
One Bank Ltd	Lender	Short Term	22,345,000	15%-16%		
			1,153,005,422			

The Aman Cotton Fibrous Ltd does not have any Long Term and Short Term Borrowings from related party or connected persons for the period from 1st of July 2011 to June 30, 2016.

Place: Dhaka  
Date: July 27, 2017

Sd/-  
**Mahfel Huq & Co**  
Chartered Accountants

(ii)

**Aman Cotton Fibrous Ltd**

Statement of Principal Terms of Secured Short Term Loans and Assets on which charge have been created against those loan.

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Name of Lenders	Islami Bank Bangladesh Ltd	Islami Bank Bangladesh Ltd	Islami Bank Bangladesh Ltd	Islami Bank Bangladesh Ltd	Islami Bank Bangladesh Ltd
Purpose	Working Capital	Working Capital	Working Capital	Working Capital	Working Capital
Status of Asset Charged	Hypothecation of Inventory	Hypothecation of Inventory	Hypothecation of Inventory	Hypothecation of Inventory	Hypothecation of Inventory
Sanctioned Amount	(Funded 70 Crore & Non Funded 110 Crore)	(Funded 70 Crore & Non Funded 110 Crore)	(Funded 70 Crore & Non Funded 110 Crore)	(Funded 70 Crore & Non Funded 110 Crore)	(Funded 70 Crore & Non Funded 110 Crore)
Rate of Interest	12% for LTR and 6 Months USD LIBOR+2.5% for EDF	13.5% for LTR and 6 Months USD LIBOR+2.5% for EDF	15% for LTR and 6 Months USD LIBOR+2.5% for EDF	15% for LTR and 6 Months USD LIBOR+2.5% for EDF	15% for LTR and 6 Months USD LIBOR+2.5% for EDF
Primary Security/Collateral/Other Security	Personal Guarantee of all Directors	Personal Guarantee of all Directors	Personal Guarantee of all Directors	Personal Guarantee of all Directors	Personal Guarantee of all Directors
Repayment Schedule	Below One Year	Below One Year	Below One Year	Below One Year	Below One Year
Status (Current Balance)	758,476,884	901,205,822	971,278,859	858,283,277	734,610,228

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Name of Lenders	Standard Bank Ltd	Standard Bank Ltd	Standard Bank Ltd	Standard Bank Ltd	-
Purpose	Working Capital	Working Capital	Working Capital	Working Capital	-
Status of Asset Charged	Hypothecation of Inventory	Hypothecation of Inventory	Hypothecation of Inventory	Hypothecation of Inventory	-
Sanctioned Amount	Tk- 2 Crore	Tk- 2 Crore	Tk- 2 Crore	Tk- 2 Crore	-
Rate of Interest	13.50%	13.50%	15%	15%	-
Primary Security/Collateral/Other Security	Personal Guarantee of all Directors	Personal Guarantee of all Directors	Personal Guarantee of all Directors	Personal Guarantee of all Directors	-
Repayment Schedule	Below One Year	Below One Year	Below One Year	Below One Year	-
Status (Current Balance)	16,472,606	16,788,910	15,913,885	17,334,464	-

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Name of Lenders	Meghna Bank Ltd	-	-	-	One Bank Ltd
Purpose	Working Capital	-	-	-	Working Capital
Status of Asset Charged	Hypothecation of Inventory	-	-	-	Hypothecation of Inventory
Sanctioned Amount	(Funded 20 Crore & Non Funded 30 Crore)	-	-	-	3,26,50,000
Rate of Interest	12% for LTR and 6 Months USD LIBOR+2.5% for EDF	-	-	-	15%-16%
Primary Security/Collateral/Other Security	Personal Guarantee of all Directors	-	-	-	Usual Charge Documents
Repayment Schedule	Below One Year	-	-	-	Below One Year
Status (Current Balance)	127,803,705	-	-	-	22,345,000

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co  
Chartered Accountants

**Aman Cotton Fibrous Ltd****Statement of Principal Terms of Secured Long Term Loans and Assets on which charge have been created against those loan.**

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Name of Lenders	Islami Bank Bangladesh Ltd	Islami Bank Bangladesh Ltd	Islami Bank Bangladesh Ltd	Islami Bank Bangladesh Ltd	Islami Bank Bangladesh Ltd
Purpose	Project Loan	Project Loan	Project Loan	Project Loan	Project Loan
Status of Asset Charged	504.75 Dec Land Sreepur, Gazipur and Factory Building, Vehicle & Machinery.				
Sanctioned Amount	1) 77.56 Crore	1) 77.56 Crore	1) 77.56 Crore	1) 77.56 Crore	1) 77.56 Crore
	2) 4.68 Crore	2) 4.68 Crore	2) 4.68 Crore	2) 4.68 Crore	-
	3) 1.96 Crore	3) 1.96 Crore	3) 1.96 Crore	-	-
	4) 2.90 crore	4) 2.90 crore	-	-	-
	5) .59 Crore	-	-	-	-
Rate of Interest	12.00%	14.50%	15.20%	15%	15%
Primary Security/Collateral/Other Security	Personal Guarantee of all Directors	Personal Guarantee of all Directors	Personal Guarantee of all Directors	Personal Guarantee of all Directors	Personal Guarantee of all Directors
Repayment Schedule	1) 96 Equal Monthly Installment	1) 96 Equal Monthly Installment	1) 96 Equal Monthly Installment	1) 96 Equal Monthly Installment	96 Equal Monthly Installment
	2) 96 Equal Monthly Installment	2) 96 Equal Monthly Installment	2) 96 Equal Monthly Installment	2) 96 Equal Monthly Installment	-
	3) 48 Equal Monthly Installment	3) 48 Equal Monthly Installment	3) 48 Equal Monthly Installment	-	-
	4) 60 Equal Monthly Installment	4) 60 Equal Monthly Installment	-	-	-
	5) 36 Equal Monthly Installment	-	-	-	-
Status (Current Balance)	47,162,188	150,513,229	221,169,138	306,741,347	364,610,510

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Name of Lenders	Union Capital Ltd	-	-	-	-
Purpose	Term Finance	-	-	-	-
Status of Asset Charged	Registered Mortgage of 175 Dec. land with POA	-	-	-	-
Sanctioned Amount	10 crore	-	-	-	-
Rate of Interest	13.25%	-	-	-	-
Primary Security/Collateral/Other Security	Personal Guarantee of all Directors Charge Creation on all Assets no of 59 post dated cheques	-	-	-	-
Repayment Schedule	60 Months	-	-	-	-
Status (Current Balance)	96,408,769	-	-	-	-

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co  
Chartered Accountants

(iii)

**Certification of Unsecured Loans with Terms & Conditions**

This is to certify that The Aman Cotton Fibrous Limited has not taken any unsecured loan from any person/body/related party from 01 July 2011 to June 30, 2016.

**Place: Dhaka**  
**Date: July 27, 2017**

**Sd/-**  
**Mahfel Huq & Co.**  
**Chartered Accountants**

(iv)

**Certification on Statement of Inventories of**  
**Aman Cotton Fibrous Ltd**

After due verification, we certify that the statement of inventories showing amount of raw material, packing material, stock in process, finished goods and store & accessories of Aman Cotton Fibrous Ltd for the last five years were as follows:

<b>Items</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>30-Jun-14</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Raw Materials	707,020,640	803,296,250	832,083,615	852,865,306	545,908,667
Packing Materials	3,325,771	2,629,785	1,246,823	522,650	946,272
Work-In-Process	17,062,856	16,404,930	17,639,555	12,577,500	12,152,990
Finished Goods	173,937,525	182,593,176	126,533,183	122,358,320	86,819,040
Spare and Accessories	57,498,410	1,599,366	1,131,933	1,109,738	892,669
<b>Total</b>	<b>958,845,202</b>	<b>1,006,523,507</b>	<b>978,635,108</b>	<b>989,433,514</b>	<b>646,719,638</b>

**Place: Dhaka**  
**Date: July 27, 2017**

**Sd/-**  
**Mahfel Huq & Co**  
**Chartered Accountants**

(v)

**Certification on Statement of Trade Receivable of**  
**Aman Cotton Fibrous Ltd**

After due verification, we certify that the statement of Trade receivables from related party & connected person and other persons of Aman Cotton Fibrous Ltd for the last five years were as follows:

Particulars	Amount in BDT				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
General	730,904,090	798,447,405	990,446,869	845,391,946	723,062,622
From Related Party (Aman Tex Ltd.)	29,798,045	12,628,248	-	145,589,324	269,973,327
From Connected Persons	-	-	-	-	-
<b>Total</b>	<b>760,702,135</b>	<b>811,075,653</b>	<b>990,446,869</b>	<b>990,981,270</b>	<b>993,035,949</b>

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co  
Chartered Accountants

(vi)

**Statement of any Loan Given by the Issuer Including Loans to Related**  
**Party or Connected Persons**

This is to certify that The Aman Cotton Fibrous Limited had not given any loan to related Party or connected persons except the following from 01 July 2011 to June 30, 2016.

Year	Name of Related Party	Amount	Status
2015-2016	Aman Cement Mills Unit- 2 Ltd	95,361,835	Temporary Loan
	Aman Jute Fibrous Ltd	13,515,000	Temporary Loan
	Anwara Mannan Textile Mills Ltd	20,500,000	Temporary Loan

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

(vii)

**Certification on Statement of Other Income of**  
**Aman Cotton Fibrous Ltd**

After due verification, we certify that the statement of Other Income of Aman Cotton Fibrous Ltd for the last five years were as follows:

Particulars	Amount in BDT				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Interest Income	14,612,403	-	488,733	-	-
Dividend Income	150,323	-	-	-	-
Profit/(Loss) on Sale of Share	-	3,305	763,556	(11,134,062)	-
Other Non-Operating Income	978,657	812,816	-	-	-
Transaction & Translation Gain	2,634,028	7,858,340	3,520	-	-
<b>Total</b>	<b>18,375,411</b>	<b>8,674,461</b>	<b>1,255,809</b>	<b>(11,134,062)</b>	<b>-</b>

Place: Dhaka  
Date: July 27, 2017

Sd/-  
**Mahfel Huq & Co**  
Chartered Accountants

(viii)

**Certification on Statement of Turnover of**  
**Aman Cotton Fibrous Ltd**

After due verification, we certify that the statement of Turnover of Aman Cotton Fibrous Ltd for the last five years were as follows:

Particulars	Amount in BDT				
	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
In Cash	-	-	-	-	-
Through Banking Channel	1,694,452,484	1,709,964,382	1,970,153,083	1,973,611,382	2,008,632,031
<b>Total</b>	<b>1,694,452,484</b>	<b>1,709,964,382</b>	<b>1,970,153,083</b>	<b>1,973,611,382</b>	<b>2,008,632,031</b>

Place: Dhaka  
Date: July 27, 2017

Sd/-  
**Mahfel Huq & Co**  
Chartered Accountants

(ix)

**TO WHOM IT MAY CONCERN**

This is to certify that the Financial Statements of Aman Cotton Fibrous Ltd furnished for our audit does not have any transaction during last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any Director or sponsor or executive officer of the issuer;  
(ii) Any person holding 5% or more of the outstanding shares of the issuers;  
(iii) Any related party or connected person of any of the above persons;  
Except the transactions described in the following table:

Name of the Company/person	Relationship	Nature of Transaction	2015-2016		2014-2015		2013-2014		2012-2013		2011-2012	
			Value of transaction during the Year	Balance at Period end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)	Value of transaction during the year	Balance at year end. Receivable/(Payable)
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	16,000	-
		Remuneration	4,800,000	(360,000)	2,400,000	-	-	-	-	-	-	-
Md. Shofiqul Islam	Director & Shareholder	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	16,000	-
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	16,000	-
Md. Toriqul Islam	Director & Shareholder	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	11,000	-
Md. Rabiul Haque	Nominated Director	Board Meeting Fee	51,750	-	46,000	-	45,000	-	45,000	-	15,000	-
A.K.M Akhtaruzzaman	Independent Director	Board Meeting Fee	23,000	-	-	-	-	-	-	-	-	-
Md. Zafrul Islam Faruk	Independent Director	Board Meeting Fee	23,000	-	-	-	-	-	-	-	-	-
Aman Group Ltd.	Common Director	Rent	900,000	-	900,000	-	900,000	-	-	-	-	-
Aman Tex Ltd.	Common Director	Sales	250,303,533	29,798,045	308,187,012	12,628,248	-	-	306,979,939	145,589,324	427,318,000	269,973,327
Aman Packaging & Accessories Ltd	Common Director	Purchase	3,061,382	-	-	-	-	-	-	-	-	-
Islam Brothers & Co	Common Director	Advance against land	50,500,000	50,500,000	-	-	-	-	-	-	-	-
Anwara Mannan Textile Mills Ltd	Common Director	Advance against land	15,000,000	15,000,000	-	-	-	-	-	-	-	-
Anwara Mannan Textile Mills Ltd	Common Director	Loan given	20,500,000	20,500,000	-	-	-	-	-	-	-	-
		Interest Receivable	5,198,438	5,198,438	-	-	-	-	-	-	-	-
Aman Cement Mills unit -2 Ltd	Common Director	Loan given	95,361,835	95,361,835	-	-	-	-	-	-	-	-
		Interest Receivable	8,385,420	8,385,420	-	-	-	-	-	-	-	-
Aman Jute Fibrous Ltd	Common Director	Loan given	13,515,000	13,515,000	-	-	-	-	-	-	-	-
		Interest Receivable	1,028,545	1,028,545	-	-	-	-	-	-	-	-

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

(x)

**Reconciliation of Business Income Shown in Tax Return with Net Income Shown in Audited Financial Statements**

Particulars	Amount in Taka				
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Income shown in Audited Financial Statements	319,448,826	301,921,747	351,037,574	356,043,181	338,434,674
Less: Other Income :	(3,763,008)	(3,605,893)	(2,864,813)	-	-
Unrealized foreign exchange gain/(loss)	(1,330,394)	(2,789,772)	(1,612,524)	-	-
Interest income	-	-	(488,733)	-	-
Misc Income	(2,282,291)	(812,816)	-	-	-
Dividend income	(150,323)	-	-	-	-
Gain on sale of listed securities	-	(3,305)	(763,556)	-	-
Add: Accounting Depreciation	67,842,901	75,602,667	85,494,256	92,622,530	127,321,659
Add: Inadmissible Item	-	-	-	-	-
	<b>383,528,719</b>	<b>373,918,521</b>	<b>433,667,017</b>	<b>448,665,711</b>	<b>465,756,333</b>
Less: Admissible Expenses	-	-	-	-	-
Less: Tax Depreciation	(136,713,480)	(128,657,233)	(153,762,473)	(182,948,004)	(115,977,648)
<b>Total Taxable Business Income</b>	<b>246,815,240</b>	<b>245,261,287</b>	<b>279,904,544</b>	<b>265,717,707</b>	<b>349,778,685</b>
Less: Exempted	-	-	-	-	(112,824,065)
<b>Taxable Business Income</b>	<b>246,815,240</b>	<b>245,261,287</b>	<b>279,904,544</b>	<b>265,717,707</b>	<b>236,954,620</b>
Add: Other Income	2,407,614	812,816	488,733	-	-
<b>Income Shown in Tax Return</b>	<b>249,222,854</b>	<b>246,074,103</b>	<b>280,393,277</b>	<b>265,717,707</b>	<b>236,954,620</b>

Place: Dhaka  
July 27, 2017

Sd/-  
**Mahfel Huq & Co**  
Chartered Accountants

(xi)

**Auditors' Disclosure Regarding Confirmation That All Receipts and Payments of the Issuer above Tk. 5, 00,000/- (Five Lac) were made through Banking Channel**

This is to certify that all receipts and payments of Aman Cotton Fibrous Limited above Tk. 5,00,000/- (Five lac) were made through banking channel from July 01, 2011 to June 30, 2016.

Place: Dhaka  
Date: July 27, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants



(xii)

**Auditors' Disclosure Regarding Confirmation that Bank Statements of  
the Issuer are in Conformity with Its Books of Accounts**

This is to certify that Bank Statements of the Aman Cotton Fibrous Limited are in conformity with its books of accounts from July 01, 2011 to June 30, 2016.

Place: Dhaka  
Date: July 27, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

(xiii)

**Certification on Status of Payment of Tax, VAT and Other Taxes/Duties of  
Aman Cotton Fibrous Ltd**

After due verification, we certify that the status of Tax, VAT and Other Taxes/Duties payment of Aman Cotton Fibrous Ltd for the last five Years were as follows:

Particulars	Payment Status				
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
TAX	72,337,860	9,620,674	11,707,498	11,250,353	11,457,323
VAT	169,845	124,249	120,000	36,848	11,903
Other Taxes/Duties	156,220	160,885	753,646	1,992,351	-

Place: Dhaka  
Date: July 27, 2017

Mahfel Huq & Co.  
Chartered Accountants

## CHAPTER XXVII: CREDIT RATING REPORT

## Credit Rating Report (Surveillance)

### Aman Cotton Fibrous Limited

Particulars	Ratings Outstanding	Remarks
Aman Cotton Fibrous Limited	A <sub>2</sub>	Entity
BDT 94.5 million aggregate Long Term Outstanding (LTO)	A <sub>2</sub> (Lr)	Please see Appendix-1 for details
BDT 20.0 million aggregate Cash Credit (Hypo) limits*	A <sub>2</sub> (Lr)	
BDT 2,370.0 million aggregate Fund & Non Fund based limits	ST-2	
Outlook	Stable	

Lr- Loan rating; ST-Short Term \* Due to its revolving nature, CRAB views Cash Credit (CC) as long term facility.

**Date of Rating:** 31 December 2017.

**Validity:** The entity rating and loan ratings are valid up to 30 December 2018.

**Rating Based on:** Audited financial statements up to 30 June 2017, business data and bank liability position up to 30 June 2017 and as on 15 December 2017 respectively, and other relevant quantitative as well as qualitative information up to the date of rating declaration.

**Methodology:** CRAB's Corporate Rating Methodology ([www.crab.com.bd](http://www.crab.com.bd))

#### Analysts:

**Razib Ahmed**

[razib.ahmed@crab.com.bd](mailto:razib.ahmed@crab.com.bd)

**Nur Elahee Molla**

[nur\\_elahee@crab.com.bd](mailto:nur_elahee@crab.com.bd)

#### Financial Highlights

	Month	Year ended June 30			
		(12)	(12)	(12)	(12)
BDT in Million		2017	2016	2015	2014
Sales Revenue		1,734.3	1,694.5	1,710.0	1,970.2
EBITDA		466.5	460.0	463.3	535.8
EBITDA Margin (%)		26.9	27.1	27.1	27.2
Net Profit Margin (%)		16.0	16.0	15.0	15.0
Return on Average Asset (%)		6.6	6.8	6.8	8.3
Quick Ratio (x)		1.5	1.3	1.2	1.1
Debt to Equity (x)		0.4	0.4	0.5	0.6
Borrowed Fund to EBITDA (x)		2.2	2.3	2.3	2.3
Cash Flow from Operation		199.6	438.8	210.7	112.8
Free Cash Flow		73.7	262.0	183.5	77.2
EBIT/Interest (x)		6.4	6.5	5.0	5.5

#### ■ PROFILE

Aman Cotton Fibrous Limited (ACFL), a concern of Aman group, is a cotton yarn manufacturer promoted by a group of sponsors in the year 2005; which offers a wide range of cotton yarn made out of imported cotton from various countries. The Company commenced commercial production in November 2007 with capacity of 30,960 spindles capable of producing 6,780MT of yarn per year. The counts of cotton yarn range from 20"s to 40"s with the average count being 24"s to 30"s depending on the demand in the market. The promoter and his family hold the major portion of shares of the Company.

#### ■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed the long-term rating of Aman Cotton Fibrous Ltd (hereinafter referred to as ACFL or the Company) at

**A<sub>2</sub>** (pronounced **Single 'A' Two**) and **A<sub>2</sub> (Lr)** rating of BDT 94.5 million aggregate Long Term Outstanding and BDT 20.0 million CC (Hypo) in the Long Term. CRAB has also retained **ST-2** rating of BDT 2,370.0 million aggregate fund and non fund based limits in the Short Term availed by the Company.

#### Credit Strengths

1. Positive Sales growth, stable financial position observed;
2. Established market position, stable customer profile, good product quality, tag with captive consumption of yarn reflect continuous capacity utilization of average 96.0% in last six years.
3. Continuing financial and operational flexibility of the Company arising from Aman group; experience of promoter in various industries;
4. Continuing business with diversified product range (across count ranges) is likely to insulate from decline in demand from any specific segment to an extent; moderate value addition facilities expected to provide relatively higher realization/margin.

#### Credit Concerns

5. Decreasing trend of yarn price, managing positive sales growth through increasing quantity;
6. Continuing high working capital intensity having very high CCC given the seasonal nature of cotton availability;
7. Although leverage position of the Company slightly improved in this surveillance period, borrowed fund of the Company is still above 2 times of its EBITDA;
8. Continuing earning vulnerability of the textile industry to exchange rates and cotton price fluctuations; fragmented industry structure with intense competition from both local and foreign company.

The assigned ratings of Aman Cotton Fibrous Ltd in this surveillance period positively factors in Company's positive sales growth after FY12 and stable financial position, having net profit margin stable to 16% in last two years, maintaining positive operating cash flow, strong equity base of BDT 3,129.3 million with improving debt to equity ratio, and satisfactory level of coverage position. Continuing financial and operational flexibility enjoyed by ACFL by virtue of being a part of the Aman Group which helped the Company survive from the volatility of world cotton and local yarn market continued in last few years; significant experience of the promoters in the textile, and other businesses; and benefits of having balanced presence across count ranges, captive yarn consumption, and maintaining capacity utilization on average of 96.0% in last six years; and good relation with the financing banks are also considered when the ratings of the Company derives.

The assigned ratings of the Company in this surveillance period are however constrained by decreasing trend of average selling price or yarn since FY12 and managing sales growth through increasing quantity. The outlook of the industry directly correlated with export orders received by the end users. The recessionary global outlook even though will be persistent, costly labor and production cost of competitive countries will move forward of the textile industry. Company's long presence in textile industry and management strength has led to reduced volatility in earnings in the past. Considering borrowed fund to EBITDA, Company's borrowed fund was still above 2 times than its EBITDA. Cash Conversion Cycle of the Company was above 400 days in last few years due to high inventory processing period and receivable collection period. The Company should address those issues going forward.

#### ■ BACKGROUND

Aman Cotton Fibrous Limited (ACFL) emerged with commitment for meeting the requirement of manufacturing and supplying high quality cotton yarn with the finance from Islami Bank Bangladesh Ltd. The Company is a public limited and is a concern of AMAN GROUP. The production of ACFL was started from November 2007 with an installed capacity of 30,960 spindles capable of producing 6,780.0MT of yarn per year. The mill is situated in the village of Boiragirchala in Sreepur Upazilla of Gazipur district. Subsequently the shareholders in its EGM held on 22 April 2012 approved the conversion of the status of the Company from private Limited to Public Limited Company.

#### ■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Operation

Industry/Market

Management

Financial

Credit Facility

Collateral

The business model and competitive position of the Company in last few years is unchanged. After starting of its commercial operation in November 2007, the Company has already established presence in the cotton yarn market of the Country on the back of long-standing relationships with clientele through its diversified product range and product quality in last one decade. There were few changes in top 10 buyers of the Company in FY17 (3 changes), but they still contributed around 60% of total sales of the Company in the same period (around 65% in FY16). With below moderate customer concentration, 16.3% of its sales are made by the sister concern, which ensures revenues and stable production capacity utilization even during the slowdown, mitigates the risk to some extent.

**Table 1**  
**Business Performance**

Month	Year ended June 30					
	(12)	(12)	(12)	(12)	(12)	(12)
	2017	2016	2015	2014	2013	2012
Sales Revenue (Mil. BDT)	1,734.3	1,694.5	1,710.0	1,970.2	1,973.6	2,008.6
Export Sales (%)	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA (Mil. BDT)	466.5	460.0	463.3	535.8	559.7	667.1
EBITDA Margin (%)	26.9	27.1	27.1	27.2	28.4	33.2
<b>Sales Volumes</b>						
Installed Capacity (MT/per year)	6,780.0	6,780.0	6,780.0	6,780.0	6,780.0	6,780.0
Total Production (MT/per year)	6,310.0	6,283.0	6,502.0	6,668.0	6,672.0	6,598.0
Total Sales (MT/per year)	6,723.0	6,398.0	6,171.0	6,640.0	6,513.0	6,596.0
Capacity Utilisation (%)	93.1	92.7	95.9	98.3	98.4	97.3
Yarn Price per KG (BDT)	258.0	264.8	277.1	296.7	303.0	304.5

ACFL has a wide product range diversified across cotton yarn, with the ability to manufacture count range from 20"s to fine 40"s. The Company fully concentrates on



		process. The management of the Company is headed by the Managing Director. Head of the Plant (HoP) is directly involved in all the activities of the factory. HoP time-to-time reports to the Director (Technical) of corporate office or Managing Director of the Company. Top executives of Aman Group are experienced in their own fields. Up to June 2017 total workforce of ACFL are 678 (Staff: 107, Workers: 571). Employees are covered with various safety measures including standard in campus medical facilities. Most of the female employees have residential facilities inside the campus provided with quality dormitory facilities including dinning support from the mill.
Operation	Industry/Market	The Company experienced positive sales growth in FY17 after FY12 because of increasing quantity of yarn to sales (FY17: 6,723MT, FY16: 6398MT). Negative sales growth of the Company was continued up to FY16 from FY13, due to low yarn price for low cotton price, and dollar devaluation. Relatively cheaper price of polyester yarn in the market is also liable for low demand of cotton yarn to some extent. However, the production of the Company was not affected as much as most other spinning mills of the country because the Company has diversified product, captive consumption by Group's textile mills, and strong support from the Group in which the Company exists. Recently, the top management of the Company also thinks for introducing new product, specialized yarn, which will further increase Company's competitive strength in the market.
Management	Financial	
Credit Facility	Collateral	

Table 4							
Profitability Ratios							
	Month	Year ended June 30					
(%)		(12)	(12)	(12)	(12)	(12)	(12)
		2017	2016	2015	2014	2013	2012
Gross Profit Margin		25.5	25.6	25.3	25.1	25.0	24.9
EBITDA Margin		26.9	27.1	27.1	27.2	28.4	33.2
Net Profit Margin		16.0	16.0	15.0	15.0	14.7	15.2
Return on Average Asset		6.6	6.8	6.8	8.3	9.5	11.6
Return on Average Equity		9.3	10.0	10.6	13.8	16.6	23.1

Profitability ratios of ACFL seem satisfactory and show a steady trend in last few years. Net profit after tax reached BDT 277.0 million in FY17, which was BDT 270.8 FY16. However return on assets and return of equity show downward trend in last few years.

Table 5							
Leverage & Coverage Position							
	Month	Year ended June 30					
(Mil. BDT)		(12)	(12)	(12)	(12)	(12)	(12)
		2017	2016	2015	2014	2013	2012
Equity		3,129.3	2,850.2	2,551.3	2,295.9	2,000.4	1,474.0
Adjusted Equity*		2,863.9	2,584.8	2,313.9	2,058.5	1,763.0	1,474.0
Borrowed Fund		1,031.0	1,046.7	1,068.9	1,208.6	1,231.5	1,153.0
EBITDA		466.5	460.0	463.3	535.8	559.7	667.1
Fund Flow from Operation (FFO)		352.7	350.8	340.0	399.0	410.8	515.5
Cash Flow from Operation (CFO)		199.6	438.8	210.7	112.8	86.1	318.9
Free Cash Flow (FCF)		73.7	262.0	183.5	77.2	(520.7)	232.8
<b>Ratios</b>							
Borrowed Fund to Equity (x)		0.3	0.4	0.4	0.5	0.6	0.8
Borrowed Fund to Adjusted Equity (x)		0.36	0.40	0.46	0.59	0.70	0.78
Borrowed Fund to EBITDA (x)		2.2	2.3	2.3	2.3	2.2	1.7
FFO/Debt (%)		34.2	33.5	31.8	33.0	33.4	44.7
CFO/Debt (%)		19.4	41.9	19.7	9.3	7.0	27.7
FCF/Debt (%)		7.2	25.0	17.2	6.4	(42.3)	20.2
EBIT/Interest (x)		6.4	6.5	5.0	5.5	5.7	4.2
FCF/Interest (x)		1.2	4.3	2.4	0.9	(6.4)	2.1
(EBITDA-CAPEX)/Interest (x)		5.4	4.7	5.6	6.1	(0.6)	5.1

\*Adjusted Equity:excluding Revaluation surplus

The financial profile of the Company has improved continuously in last six years



**APPENDIX 1: ACFL Loan Particulars**

Details of Credit Facilities of Aman Cotton Fibrous Ltd as of 15 December 2017 (Mil. BDT)						
Loan Type	Funded/ Non Funded	Bank	Nature of Facility	Limit	Outstandi ng	Limit Expiry
Long Term	Funded	Islami Bank Bangladesh Ltd	HPSM	238.7	14.2	29.03.2019
		Union Capital Ltd	Project Loan	100.0	80.3	2021
			Total Long Term	338.7	94.5	
Short Term	Funded & Non funded	Islami Bank Bangladesh Ltd	LC/Bills/MPI/Bai-	1,100.0	0.0	19.03.2018
			Murabaha/MDB/BG*	(700.0)	692.4	19.03.2018
			EDF	770.0	74.5	19.03.2018
		Meghna Bank Ltd	LC (Sight/Deferred-Local/Foreign)	500.0	0.0	31.03.2018
			EDF/PAD/LTR**	(500.0)	491.6	31.03.2018
		Standard Bank Ltd	CC (HYPO)	20.0	17.5	n.a
			Total Short Term Funded & Non Funded	2,390.0	1,276.0	

\*including MPI/TR/BIAM Limit 700.0 million as funded limit

\*\*Inner limit of LC

Source: ACFL

**CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)**

<b>Long Term Rating</b>	<b>Definition</b>
<b>AAA</b> Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
<b>AA<sub>1</sub>, AA<sub>2</sub>, AA<sub>3</sub>*</b> Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
<b>A<sub>1</sub>, A<sub>2</sub>, A<sub>3</sub></b> Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
<b>BBB<sub>1</sub>, BBB<sub>2</sub>, BBB<sub>3</sub></b> Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
<b>BB<sub>1</sub>, BB<sub>2</sub>, BB<sub>3</sub></b> Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
<b>B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub></b> Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
<b>CCC<sub>1</sub>, CCC<sub>2</sub>, CCC<sub>3</sub></b> Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
<b>CC</b> Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
<b>C</b> Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
<b>D</b> (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

**\*Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.



**LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS**  
*(All loans/facilities with original maturity exceeding one year)*

<b>RATINGS</b>	<b>DEFINITION</b>
<b>AAA (Lr)</b> <b>(Triple A)</b> <b>Highest Safety</b>	Loans/facilities rated <b>AAA (Lr)</b> are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
<b>AA (Lr)*</b> <b>(Double A)</b> <b>High Safety</b>	Loans/facilities rated <b>AA (Lr)</b> are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
<b>A (Lr)</b> <b>Adequate Safety</b>	Loans/facilities rated <b>A (Lr)</b> are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
<b>BBB (Lr)</b> <b>(Triple B)</b> <b>Moderate Safety</b>	Loans/facilities rated <b>BBB (Lr)</b> are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
<b>BB (Lr)</b> <b>(Double B) Inadequate Safety</b>	Loans/facilities rated <b>BB (Lr)</b> are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
<b>B (Lr)</b> <b>High Risk</b>	Loans/facilities rated <b>B (Lr)</b> are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
<b>CCC (Lr)</b> <b>Very High Risk</b>	Loans/facilities rated <b>CCC (Lr)</b> are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
<b>CC (Lr)</b> <b>Extremely High Risk</b>	Loans/facilities rated <b>CC (Lr)</b> are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
<b>C (Lr)</b> <b>Near to Default</b>	Loans/facilities rated <b>C (Lr)</b> are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
<b>D (Lr)</b> <b>Default</b>	Loans/facilities rated <b>D (Lr)</b> are in default or are expected to default on scheduled payment dates.

*\*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

**SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS**

*(All loans/facilities with original maturity within one year)*

	<b>DEFINITION</b>
<b>ST-1</b> <b>Highest Grade</b>	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
<b>ST-2</b> <b>High Grade</b>	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
<b>ST-3</b> <b>Adequate Grade</b>	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
<b>ST-4</b> <b>Marginal</b>	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
<b>ST-5</b> <b>Inadequate Grade</b>	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
<b>ST-6</b> <b>Lowest Grade</b>	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

© Copyright 2018, CREDIT RATING AGENCY OF BANGLADESH LIMITED ("CRAB"). All rights reserved. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT CRAB'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by CRAB from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and CRAB, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall CRAB have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of CRAB or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if CRAB is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY CRAB IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

**CHAPTER XXVIII: PUBLIC ISSUE APPLICATION PROCEDURE****Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of Prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

**Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - d) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - e) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the **"Public Issue Application Account"** maintained with its bank within the first banking hour of next working day of the cut-off date;
  - f) Instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - e) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - f) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.

- g) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
- h) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - c) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - d) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
  - c) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - d) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk.5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (**FC account which has been debited to apply by NRB or foreign applicants**) through banking channel within 10 (ten) working days from the date of lottery.

#### **Miscellaneous:**

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of Prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

**All eligible Stock Brokers and Merchant Bankers shall receive the IPO Subscription.**

The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers / Merchant Bankers will be remitted to the Company's Account no. 2921399871001 with The City Bank Ltd., Principal Office Branch, Jibon Bima Tower, 10, Dilkusha C / A , Dhaka, Bangladesh for this purpose.

The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts for the Company for IPO purpose as follows:

Sl.	Name of the A/C	Account No.	Type of A/c	Currency	Bank & Branch
1.	Aman Cotton Fibrous Ltd.	5121399871001	FC A/C	USD	The City Bank Ltd., Principal Office Branch.
2.		5121399871002		EURO	
3.		5121399871003		GBP	

## Application Form

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ।  
জেনে ও বুঝে বিনিয়োগ করুন।

Interested persons are entitled to a Prospectus, if they desire, and that copies of Prospectus may be obtained from the issuer and the issue manager

**Aman Cotton Fibrous Limited**

## APPLICATION FOR PUBLIC ISSUE

Date	:																			
Name of applicant	:																			
Client Code	:																			
BO ID No.	:	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>																		
Category of applicant	:																			
Name of the Company/Fund	:																			
Number of Shares/Units	:																			
Total amount	:																			
Amount in word	:																			
Mode of payment	:																			
Cheque/Draft information	:																			

\_\_\_\_\_  
Signature of  
Applicant(s)

\_\_\_\_\_  
Signature of  
Authorized Officer

## CHAPTER XXIX: OTHERS

**Auditors' additional disclosures required to submit and incorporated in the prospectus:**

It appears from note 2.06 to the financial statements for the year ended on June 30, 2016 depreciation on all property, plant and equipment has been applied from the year 2012-2013 re balance method which was straight line method previously. Mention the basis of such change depreciation method and also mention the effect of such change on NAV, net profit and EPS. appears from note 19.00 and 20.00 to the financial statements for the year ended on June 30, 2016 onwards;

**Auditor's Disclosure**

The Management of the Company has changed the method of depreciation upon a decision of Board of Directors of the Company. Which method of depreciation would be preferable and more realistic depends on the nature of the business and assets. Reducing Balance Method is being preferred when revenue earned during initial year is high and the economic life of the assets is higher than depreciation life. Moreover, it also depends on taxation rate.

Considering the nature of the major fixed Assets, the company has changed its method to reducing balance method as it gives more realistic picture than straight line method. Moreover, It commensurate with that of the Third Schedule of Income Tax Ordinance 1984. The estimated life of an asset with straight line method is much less than that of the economic life of our major capital assets and thus reducing balance method gives more representative and fair presentation of Fixed assets of the company.

The effect of such change on NAV, net profit and EPS are as under keeping the other information as same :

Year ended on	Changes in NAV (With revaluation)		Changes in NAV (without revaluation)		Changes in Net Profit (In Crore)		Changes in EPS	
	Before	After	Before	After	Before	After	Before	After
June 30, 2013	23.57	25.01	20.60	22.04	17.41	29.52	2.18	3.69
June 30, 2014	27.11	28.70	24.14	25.73	16.93	29.63	2.12	3.70
June 30, 2015	31.29	31.89	28.33	28.92	20.89	25.67	2.61	3.21
June 30, 2016	35.98	35.63	32.66	32.31	29.89	27.07	3.74	3.38

It may be mentioned that the company has complied with the provision of BAS 8 regarding change in policy. The Company has been following the depreciation policy consistently since the year of change.

**Please provide name wise schedule and subsequent realization of accounts receivable of Tk.76,07,02,135/- ;**

**Auditor's Disclosure**

All the accounts receivables of Aman Cotton Fibrous limited were good and realizable. All the receivables as of June 30, 2016 have been realized subsequently. Name wise schedule and realization status as on June 30, 2017 is given in Annexure-01.

It appears from note 8.00 to the financial statements for the year ended on June 30, 2016 that there is an advance against purchase of Tk 34,63,97,652/- . Please provide name, address of the parties to whom these advances were given. Also mention the reason of such huge advance against purchase;

**Auditor's Disclosure**

This advance was made against purchase of material as given below:

Parties	Address	Amount (In BDT)	Reason
N. B Brothers	Samsdia Market, Badarpati Road, Boxirhat, Chittagong	69,347,652	In order to get better price, The company often makes advance to suppliers for materials.
Tayyabia Trading	Samsdia Market, Badarpati Road, Boxirhat, Chittagong	19,45,50,000	
Nazimuddin Brothers	952, Osman Manzil, Asadgonj, Chittagong.	8,25,00,000	
<b>Total</b>		<b>34,63,97,652</b>	

It also appears from note 8.00 to the financial statements for the year ended on June 30, 2016 that there is an advance against land purchase of Tk. 6,55,00,000/- given to related parties. Please mention the current status of this advance and whether these transaction/agreements were made on arms length basis or not;

**Auditor's Disclosure**

This advance was made against purchase of factory land measuring 316.25 decimal in the name of two parties under Registered Baina Deed. The total agreed value of the land is Tk 12,33,37,500 against which Tk 6,55,00,000/- was made as advance. The land is under the possession of Aman Cotton Fibrous Ltd. Some civil construction has been made on the land by the company. Considering the commercial value and economic significance of the land of surrounding areas, the price appears to be reasonable.

**Year-wise break-up of interest charged on different bank loans, capitalization of loan interest and interest charged as financial expenses on the income statement;**

**Auditor's Disclosure**

Year-wise break-up of interest charged on different bank loans is under:

Year wise break up	2016	2015	2014	2013	2012
Interest charged on Long term Loan	20,593,735	26,287,589	41,324,049	55,461,334	59,246,236
Interest charged on Short term Loan	54,529,872	51,739,923	40,836,216	26,489,769	54,265,183
Interest Capitalization	Nil	Nil	Nil	Nil	Nil
<b>Financial Expenses</b>	<b>75,123,607</b>	<b>78,027,512</b>	<b>82,160,265</b>	<b>81,951,103</b>	<b>113,511,419</b>



It appears from statement of Comprehensive Income for the year ended on June 30, 2016 that a provision/contribution has been made @5% on Profit before Tax for WPPF 2015-2016 and 2014-2015 Tk. 15,972,441 and Tk. 1,50,96,087.00 respectively. But the amount of distribution from this fund among workers during these two years is not mentioned in the audited financials and there is no such item like provision for WPPF in the statement of financial position. Mention the reason behind this. Also disclose whether this fund is formed, managed, used (distributed) and invested as per section 234, 235, 240 and 242 of Bangladesh Labor (Amendment) Act, 2013;

#### **Auditor's Disclosure**

Provision for WPPF has been disclosed under Note – 18 : Liabilities for Expenses and Others of the Notes to the Financial Statements. Moreover, the closing balance of WPPF as disclosed under the Note has been derived after adding the provision for current year and subtracting the payments made during the year.

ACFL has been providing required provision for WPPF since FY 2011-2012 and distributing the same amongst the employees as per law. Now the company has formed a Board of Trustee as required by Section 235 of the Bangladesh Labor (Amendment), Act 2013, accordingly this fund will be distributed by the board of Trustee. Movement of WPPF is given below:

<b>Particulars</b>	<b>For the year ended June 30, 2016</b>	<b>For the year ended June 30, 2015</b>
Opening Balance	1,86,31,491	1,93,32,094
Add: Provision during the Year	15,972,441	1,50,96,087
Less: Distributions	1,35,86,478	1,57,96,690
Closing Balance	21,017,454	1,86,31,491

It is observed from the statement of ratio analysis that Return on Asset and Return on Equity' of the company are declining sharply year by year. Provide auditor's explanation in this regard;

#### **Auditor's Disclosure**

The investment in the fixed assets had been increased consistently over the years in order to meet the increasing demand of the buyers. Moreover, the equity of the company has also increased year after year due to increase in profitability against which no outflow i.e. dividend had been paid since 2013. Moreover, ACFL has revalued its fixed assets that contributed to increase the equity in the form of Revaluation Reserve. So, due to increase in investment in fixed assets, undistributed accumulated profit and revaluation surplus, the Return on Assets and Return on Equity have been decreased.

**It appears from note 30.00 to the financial statements for the year ended on June 30, 2016 that the company has contingent liabilities regarding income tax assessment order by DCT which is now under Appeal with the Tax Authority. It is also observed that the company has not made any provision for this contingent liability. As such, please mention how the company will pay its liability if the verdict goes against the company;**

**Auditor's Disclosure**

Aman Cotton Fibrous Limited had disclosed the event as contingent liability instead of making provision in the financial statements on the ground that the Company has filed appeal to the higher tax authority stating that 'learned Deputy Commissioner of Taxes disallowed certain expenses hypothetically without assigning any reason merely on surmise which was unjustified and unlawful'. To our assessment, we are of the opinion that it is likely that the order of the Tax authority would come in favor of the Company and hence no provision has been made in the accounts and thereby disclosed as contingent liability. If for any reasons, which has remote possibility, the decision goes against the Company (partly or fully), necessary provision would be made as per para 30 of BAS 37 at the time of disposal of the order by the tax authority and the Company has the financial strength to pay the liability out of cash from operating activities.

**Whether the company has complied with the provision of the section 103 of the Companies Act, 1994 regarding loan to directors or their related companies as shown in 'note 9.00;**

**Auditor's Disclosure**

The company extended temporary financial support to its sister concern to meet there short term requirements as per usual practice. So far our understanding of the concept of Section 103 of The Companies Act, 1994 we are of the opinion that this Section is applicable for lending Company only.

**It appears that the company has not made any provision regarding appeal made to the Tax Authority against order of DCT as shown in note 30., Explain whether it complies with BAS;**

**Auditor's Disclosure**

Aman Cotton Fibrous Limited has complied with BAS 37 disclosing the event as contingent liability according to paragraph 86 as it is not probable that an outflow of resources embodying economic benefits is remote to settle the obligation as per paragraph 27 and 28 of BAS 37.

**Specify whether changes in depreciation method in the year ended 30th June 2013 had been accounted for in accordance with the requirement of the paragraph 61 of the BAS-16;**

**Auditor's Disclosure**

The company has accounted for changes in depreciation method in the year ended 30th June 2013 in accordance with the requirement of the paragraph 61 of the BAS-16.

**Information as per requirement of schedule XI part I I Para 4 are not disclosed;**

**Auditor's Disclosure**

Disclosure as per Schedule XI para 4 of the Companies Act 1994, for remuneration paid to Managing Director and directors as shown in the note: 31.00 of the notes to the financial statements is given in Annexure -02.

**Break-up of cash receipt from customer & others, cash paid to suppliers, employee & others in the Cash Flow Statement;**

**Auditor's Disclosure**

A detail Break-up of cash receipt from customer & others, cash paid to suppliers, employee & others in the Cash Flow Statement are as under :

**01. Cash Received from Customer & Others**

Cash received from Customers	1,744,826,002
Add, Misc Income-Sale of Scrap	3,593,304
	<b><u>1,748,419,306</u></b>

**02. Cash Paid to Suppliers, Employees & Others**

For Suppliers	(915,189,546)
For Employees	( 71,635,040)
For Others-WPPF	(13,586,478)
	<b><u>(1,000,411,064)</u></b>

**Updated status of capital Work-In-Progress;**

**Auditor's Disclosure**

The updated statement of Capital Work in Progress as stated in the Accounts are given below:

Sl. No	Name of Assets	Asset Status
01.	Workers Dormitory	100% of the Work has been Completed and transferred to Property, Plant & Equipment in the Financial Statements of June 30, 2017.
02.	New factory building with other construction	51% completed and rest of the work will be done within next 6 Month.

**Separate disclosures of land and land development expenses;**

**Auditor's Disclosure**

Disclosure regarding land and land development expenses is enclosed herewith in Annexure-03.

**Detailed of land development expenses;****Auditor's Disclosure**

Detailed schedule in relation to land development expenses is given below.

**Cost of Land Development Work**

SL .	Description	Unit	Qty	Rate	Total Cost (In Taka)
01	Sand filling works (15' depth sand filling), including pond filling.	Cft	5,427,089.00	Tk.20.00	Tk.108,541,780.00
02	Hire Charge Dozer	Month	7.00	Tk.1,400,000.00	Tk.9,800,000.00
03	Hire Charge Vivrio Compactor	Month	7.00	Tk.1,500,000.00	Tk.10,500,000.00
04	Labour for watering	Person	6,500.00	Tk.550.00	Tk.3,575,000.00
05	Internal Road Development				Tk.3,607,968.00
06	Others Cost (House transfer etc.)				Tk.41,135,773.00
				<b>Grand Total</b>	<b>Tk.177,160,521.00</b>

**Whether you have obtained balance confirmation certificates from all the parties of accounts receivables (note 7.01);****Auditor's Disclosure**

Aman Cotton Fibrous Limited is an export oriented industry. The Company sells its products through Letter of Credit (L/C). The receivables have been confirmed from the L/C opening corresponding bank. Hence, we did not go for extended balance confirmation from debtors as mentioned in note 7.01.

**Name-wise schedule of advance against land and land development with relationship as disclosed in note 8.00;****Auditor's Disclosure**

Name-wise schedule of advance against land and land development with relationship is given below.

<b>A. Advance against Land:</b>					
<b>Name of Party</b>	<b>Date of Registered Baina</b>	<b>Deed no.</b>	<b>Decimal</b>	<b>Total Advance</b>	<b>Relation with the Company</b>
Md. Rafiqul Islam Md. Shofiqul Islam Md. Toufiqul Islam	28.12.16	17645	277.5	5,05,00,000	Director
Anwara Mannan Textile Mills Ltd	28.12.16	17646	38.75	1,50,00,000	Sister Concern
<b>Total</b>				<b>6,55,00,000</b>	

<b>B. Advance against Land Development</b>		
<b>Name of Party</b>	<b>Amount</b>	<b>Relation with Company</b>
Al-Kawsher Traders	35,00,000	No relation
M/s Master Enterprise	36,00,000	No relation
Padma Supplies Agency	35,00,000	No relation
M/s Badal Enterprise	23,00,000	No relation
<b>Total</b>	<b>1,29,00,000</b>	

**Annexure-01: Subsequent Realization Status of Accounts Receivable**

**AMAN COTTON FIBROUS LTD**  
**Subsequent Realization Status of Accounts Receivable**  
As on May 31, 2017

Sl No.	Name of Party	Amount in BDT		
		Receivable as on 30.06.2016	Amount realized since 01.07.16	Balance as On 31.05.17
1	HDF Apparels Ltd	8,541,762	8,541,762	Nil
2	Ashan composite Ltd	11,635,260	11,635,260	Nil
3	Anowara Knit Composite Ltd.	56,026,464	56,026,464	Nil
4	Silken Sewing Ltd	658,900	658,900	Nil
5	Anowara Style Ltd	15,615,600	15,615,600	Nil
6	Anowara Cotton Ltd	20,202,000	20,202,000	Nil
7	Ibrahim Knit Garments	24,573,900	24,573,900	Nil
8	Noorunnahar Knitwear Ltd.	10,603,710	10,603,710	Nil
9	Anowar Fashion Ltd.	90,998,195	90,998,195	Nil
10	Shahriyar Fabrics Ltd.	227,798,177	227,798,177	Nil
11	Blithe Fashion Ltd	18,235,230	18,235,230	Nil
12	Unifill Composite Dying Mills Ltd	20,734,350	20,734,350	Nil
13	Aman Tex Ltd	29,798,045	29,798,045	Nil
14	Logos Apparels Ltd	1,809,600	1,809,600	Nil
15	Target Fashion Ltd	3,275,610	3,275,610	Nil
16	Peak Apparels Ltd	1,404,000	1,404,000	Nil
17	Fiat Fashion Ltd.	7,441,200	7,441,200	Nil
18	Fakhriddin Textile Ltd	7,335,900	7,335,900	Nil
19	Flamingo Fashion Ltd	10,467,500	10,467,500	Nil
20	Krishno Chura Fashion Ltd	25,804,350	25,804,350	Nil
21	Mallike Fabrics Ltd	728,520	728,520	Nil
22	Knit Bazar Ltd	10,295,649	10,295,649	Nil
23	Norp knitwear Ltd	13,088,244	13,088,244	Nil
24	Jinnat Fashion Ltd	11,700,000	11,700,000	Nil
25	Dal Knit Wear Ltd	2,839,200	2,839,200	Nil
26	Renaissance Apparels Ltd	653,640	653,640	Nil
27	C & A Textile Ltd	4,005,280	4,005,280	Nil
28	TEB Fashion Ltd.	9,764,262	9,764,262	Nil
29	Saturn Textile Mills Ltd	17,386,640	17,386,640	Nil
30	Pentra Fort Ltd	11,287,692	11,287,692	Nil
31	Square Fashion Ltd	11,037,000	11,037,000	Nil
32	Unique Designe Ltd	5,900,934	5,900,934	Nil
33	Blue Planet Knitwear Ltd.	12,160,064	12,160,064	Nil
34	MM Knitwear Ltd	42,730,350	42,730,350	Nil
35	Ayman Textile Ltd.	11,243,190	11,243,190	Nil
36	HAMS Garments Ltd.	2,921,716	2,921,716	Nil
<b>Total</b>		<b>760,702,135</b>	<b>760,702,135</b>	Nil

**Annexure 02: Information as per requirement of schedule XI part I I Para 4**

a)	<b>Key Management Personnel:</b>		
	As per Company Act , 1994 part-II , Schedule-XI (4) The profit and loss account will give by way of a note detailed information , showing separately the following payments provided or made during the financial year to the directors , including managing director , the managing agents or manager, if any ,by the company , subsidiaries of the company and any other person:-		
<b>No.</b>	<b>Particulars</b>	<b>30.06.16</b>	<b>30.06.15</b>
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	48,00,000	24,00,00
(b)	Expenses reimbursed to Managing Agent	-	-
(c)	Commission or Remuneration payable separately to a managing agent or his associate	-	-
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	-	-
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	-	-
(f)	Any other perquisite or benefits in cash or in kind stating approximate money value where applicable.	-	-
(g)	Other allowances and commission including guarantee commission	-	-
(h)	Pensions etc.		
	(i) Pensions	-	-
	(ii) Gratuities	-	-
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
	(iv) Compensation for loss of office		
	(v) Consideration in connection with retirement from office		
	Total:	48,00,000	24,00,000

**Annexure 03: Disclosures of land and land development expenses**

<b>A. Land</b>					
<b>Deed No.</b>	<b>Dates of purchase</b>	<b>Deed Value</b>	<b>Registration Cost</b>	<b>Total Cost</b>	<b>Area of Land (Decimal)</b>
3039	03.05.2006	3,80,000	51,300	431,300	35
3234	14.05.2006	4,65,000	62,775	527,775	68.5
2670	20.04.2006	20,00,000	270,000	2,270,000	180
5216	17.07.2006	2,00,000	27,000	227,000	17.5
2669	20.04.2006	4,00,000	54,000	454,000	46.5
3184	10.05.2006	3,25,000	43,875	368,875	30
3185	10.05.2006	2,20,000	29,700	249,700	20.25
4613	27.06.2006	3,60,000	48,600	408,600	33
6599	06.09.2006	5,90,000	79,650	669,650	77
14984	21.09.2011	37,01,000	499,635	4,200,635	56.89
2063	02.02.2012	5,10,000	68,850	578,850	7.11
19074	28.11.2012	24,00,000	324,000	2,724,000	26.82
13939	14.08.2012	27,00,000	364,500	3,064,500	24
7532	11.10.2006	3,20,000	43,200	363,200	35.25
1098	15.02.2007	88,000	11,880	99,880	5.52
<b>Total</b>		<b>1,46,59,000</b>	<b>1,978,965</b>	<b>16,637,965</b>	<b>663.34</b>

<b>B. Land Development Cost:</b>	<b>177,160,521</b>
----------------------------------	--------------------

<b>Total C= (A+B)</b>	<b>193,798,486</b>
-----------------------	--------------------

**Sd/-**  
**Mahfel Huq & Co.**  
 Chartered Accountants



**Additional Disclosures of the Management.****Statement Regarding Cost Audit**

This is to certify that, as per provision of the Companies Act 1994, Cost Audit by Professional Accountant is not applicable for Aman Cotton Fibrous Limited.

Sd/- Noornavi Bhuiyan, FCA CFO Aman Cotton Fibrous Ltd	Sd/- Md. Rafiqul Islam Managing Director Aman Cotton Fibrous Limited	Sd/- Md. Sohel Rahman Chief Executive Officer (Additional Charge) ICB Capital Management Limited
---	---	--

It appears from note 12.00 to the financial statements for the year ended on June 30, 2013 and revaluation report done by S. H. Khan & Co. Chartered Accountant that land and land development has been revalued at Tk. 46,43,38,000.00, the cost price of which is only Tk. 1,66,37,965.00 which is about 28 times higher than cost price. Please mention the reason for such high revaluation by the revaluer.

*Reply of ACFL:* As per Note 12.00 of the financial statements for the year ended on June 30, 2013, the Book Value of the revalued asset was Tk. 185,025,622 while the Market Value was Tk. 464,338,000 which is 2.50 times. Compared to the unusual price hike in the real estate sector in the last decade, fair value which is 2.50 times of the cost price, seems normal.

It is observed that the company have started their business with an initial capital of Tk. 10 lac in the year 2005 and increased its paid up capital through issuance of bonus share @ 9,900% in the year 2011-12 and @ 700% in the year 2012-13 and total paid up capital stands at Tk. 800 million as of June 30, 2013. Within the short span of 12 (Twelve) years the shareholders equity stands Tk. 285,02,01,690- as on June 30, 2016 which indicates very high growth of the company's performance compared to the industry. Provide management explanation in this regards;

*Reply of ACFL:* ACFL has started its business in the middle of the last decade and since then the sector has been going through a notable growth except slightest volatility due to global recession for a very short period of time. The spinning business in Bangladesh now and onward seems to be a profitable business due to fair growth of RMG sector. As a result, the company has been growing with satisfactory results from operations. Moreover, ACFL enjoyed Tax Holiday facility for four years from 01 November 2007 to 31 October 2011. Thereafter, ACFL has been enjoying special corporate tax rate of 15%. Moreover, revaluation reserve has contributed to the increase in equity. Last but not the least, ACFL's operation are efficiently managed by a pool of qualified and experienced people added with high-tech machinery that has a significant impact on the profitability of the Company. The combined effect of all these together had a notable impact on shareholders' equity and growth of company's performance.

It appears from the draft prospectus that Aman Cotton Fibrous Limited was established as a backward linkage (partial) to the companies under Aman group. As per audited financials of the last three full years, about 20% products of Aman Cotton Fibrous Limited was sold to Aman Tex Limited. Aman Cotton Fibrous Limited is concentrated on the companies under Aman group for major portion of its revenue/sale proceeds. There is also a conflict of interest with regard to pricing of products of Aman Cotton Fibrous Limited. Under-pricing of Aman Cotton Fibrous Limited's products will lower the production cost of its sister/associated concerns and help to make high profit to its sister/associated concerns. But, profitability of public company- Aman Cotton Fibrous Limited will be hampered due to under pricing as well as demand by the companies under Aman group . Please explain as to how mitigate the risk of concentration on the companies under Aman group for revenue/sale proceeds as well as justify pricing policy of Aman Cotton Fibrous Limited's products as to mitigate such conflict of interest and incorporate such risk under risk factors;

*Reply of ACFL:* More than 60% of our products are sold to unrelated parties. Since our products are having higher demand from the buyers because of its quality, we don't perceive any challenges for selling of the products that we are currently selling to our sister concern. It may be mentioned that the price charged to our sister concern namely Aman Tex Limited is similar to that of other price i.e. no price differentiation is made. Although we are not currently exposed to general public, we shall be more careful in future to avoid any conflict of interest after going to IPO. We have incorporated the aforesaid risk under the risk factors.

In Chapter VI you have shown that your projected revenue will increase from Tk. 163.76 crore to Tk. 352.86 crore from year 1 to year 3. However, last five years revenue (Chapter VI) shows that each year your company's revenue had decreased from previous year. Explain about this contradictory information shown in Chapter VI;

*Reply of ACFL:*As we have disclosed that ACFL has an expansion program for increasing the existing capacity of 19,000 MT to 44,000 MT per day that represents an increase of 231 percent of its existing capacity. The projection has been made on the assumption that the expansion project will run at 95% capacity and we are convinced that the growth of our RMG sector will sustain. The industry is now the single biggest export earner for Bangladesh that accounts for 81% of total export earnings of the country and its prospect is very bright. Considering our quality of products, local demand and sectoral growth, we firmly believe that the targeted revenue can be achieved. May we draw our kind attention to the fact that during the last financial year there was no considerable fall in the quantity sold rather due to fall in the price of RMG product in the global market, the revenue seems to have been decreased.

It appears from note 9.00 to the financial statements for the year ended on June 30, 2016 that the company had given loan of Tk. 12,93,76,835/-to its three (03) sister concern. It also appears from note 14.00 to the financial statements for the year ended on June 30, 2016 that the company has long term loan of Tk. 8,37,71,435/- , Provide the justification of given loan to sister concerns instead of paying off the long term loan for which the company has to pay interest;

*Reply of ACFL:*The sister concerns of Aman Group provide short-term financial support to each other to meet its temporary needs. We acknowledge the rational of your concern and noted the same with appreciation. We are also of the opinion that financial charge on such facility would ensure more transparency in the operations of the group activities. And with a view to that we have decided to settle all the outstanding transactions at the earliest for the greater interest of the stakeholders more particularly for the prospective shareholders. It is relevant to mention that Management has already started charging interest on outstanding balance @ 11.00% p.a. since the date of disbursement that has been fairly reflected in the financial statements ended on 30 June 2016.

**Mutation and rent receipt for 0.50 decimal of land for which Mutation and rent receipt were not submitted earlier;**

*Reply of ACFL:* We purchased 180 decimal Land out of total area of 199 decimal under the same DAG # 7739 and got mutation for 179.50 decimal i.e. 0.50 decimal less than the area mentioned in the deed. It may be mentioned that the rest 19 decimal (199-180) were sold to other two parties. In the process of mutation, the seller made a plea to the AC Land office during the hearing against the notice issued in favor of the seller of Land for mutation purpose. During hearing the seller of the land requested the AC Land office for excluding 0.50 decimal land on which there was a family graveyard. From humanitarian and religious ground, we have finally agreed to the plea of the seller and hence the land areas in the mutation were less than the area mentioned in the Land Deed by 0.50 decimal. Thus we could not submit the rent receipt and mutation for that 0.50 decimal land.

**You have not made any group insurance as per requirement of 'Labour Law';**

*Reply of ACFL:* The Company has taken necessary steps to do group insurance policy under the leadership of BTMA which is the authority to execute the same for all export oriented industries. The company has taken steps to execute the same.

**It is observed that Managing Director of the company is also Managing Director of some other companies. Explain regarding the compliance of Section 109 of the Company Act 1994;**

*Reply of ACFL:* Mr. Rafiqul Islam has been serving as Managing Director of some other sister concerns. In this connection, necessary approval has been obtained from the Ministry of Commerce to act as Managing Director of some other companies in compliance with the requirement of Section 109 of Companies Act, 1994.

Sd/-  
Md. Rafiqul Islam  
Managing Director

AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

**Independent Auditor's Report**  
**To the Shareholders of**  
**AMAN COTTON FIBROUS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying Financial Statements of AMAN COTTON FIBROUS LIMITED, which comprise the Statement of Financial Position as at 30 June 2017 and 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 information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Report on Other Legal and Regulatory Requirements**

In accordance with The Companies Act 1994 and The Securities and Exchange Rules 1987, we further report that:

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purpose of the company's business.

Sd/-

Place : Dhaka  
Date : October 24, 2017

**MAHFEL HUQ & Co.**  
Chartered Accountants

**AMAN COTTON FIBROUS LTD.**  
**Statement of Financial Position**  
**As at 30 June, 2017**

A S S E T S	Notes	Amount in Taka	
		June 30, 2017	June 30, 2016
<b>Non Current Assets :</b>		<b>1,794,381,963</b>	<b>1,694,546,466</b>
Property, Plant and Equipment	3.00	1,442,587,677	1,381,113,217
Capital Work in Progress	4.00	351,794,286	313,433,249
<b>Current Assets :</b>		<b>2,543,511,142</b>	<b>2,390,719,882</b>
Investment in Listed Securities	5.00	6,404,575	4,080,480
Inventories	6.00	981,166,296	958,845,202
Accounts and Other Receivables	7.00	843,778,786	775,314,538
Advances, Deposits & Pre-Payments	8.00	483,276,839	481,846,578
Loan to Sister Concern	9.00	189,896,835	129,376,835
Cash & Cash Equivalents	10.00	38,987,811	41,256,249
<b>Total Assets</b>		<b>4,337,893,105</b>	<b>4,085,266,348</b>
<b><u>SHAREHOLDERS' EQUITY &amp; LIABILITY</u></b>			
<b>Shareholders' Equity :</b>		<b>3,129,326,452</b>	<b>2,850,201,690</b>
Share Capital -Paid up	11.00	800,000,000	800,000,000
Retained Earnings	12.00	2,063,982,851	1,786,949,775
Available For Sale (AFS ) Reserve	12.01	(38,637)	(2,130,323)
Revaluation Surplus	13.00	265,382,238	265,382,238
<b>Non Current Liabilities :</b>		<b>151,789,290</b>	<b>150,854,123</b>
Long Term Borrowings- Net of Current Maturity	14.00	73,442,949	83,771,435
Deferred Tax Liability	28.04	78,346,341	67,082,688
<b>Current Liabilities :</b>		<b>1,056,777,363</b>	<b>1,084,210,535</b>
Short Term Borrowings	15.00	924,138,221	903,116,174
Long Term Borrowings-Current Maturity	16.00	33,385,425	59,799,522
Accounts Payable	17.00	3,206,987	3,570,666
Liabilities for Expenses & Others	18.00	36,037,680	39,077,004
Provision for Taxation	28.02	60,009,050	78,647,169
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>4,337,893,105</b>	<b>4,085,266,348</b>
NAV per share with revaluation	19.00	<b>39.12</b>	<b>35.63</b>
NAV per share without revaluation	19.00	<b>35.80</b>	<b>32.31</b>

The annexed notes 1 to 35 form an integral part of these Financial Statements.

SD/-  
**Company Secretary**

SD/-  
**Chief Financial Officer**

SD/-  
**Director**

SD/-  
**Managing Director**

Signed as per annexed report on even date.

Place : Dhaka  
Date : October 24, 2017

SD/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**AMAN COTTON FIBROUS LTD.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2017**

Particulars	Notes	Amount in Taka	
		June 30, 2017	June 30, 2016
<b>Sales</b>	<b>20.00</b>	<b>1,734,266,045</b>	<b>1,694,452,484</b>
Cost of Sales	<b>21.00</b>	(1,291,717,191)	(1,260,904,822)
<b>Gross Profit</b>		<b>442,548,854</b>	<b>433,547,662</b>
<b>Operating Expenses:</b>		<b>(40,477,243)</b>	<b>(41,378,198)</b>
Administrative Expenses	<b>24.00</b>	(26,562,639)	(25,597,344)
Selling and Distribution Expenses	<b>25.00</b>	(13,914,604)	(15,780,854)
<b>Operating Profit</b>		<b>402,071,611</b>	<b>392,169,464</b>
Financial Expenses	<b>26.00</b>	(63,023,368)	(60,511,204)
<b>Profit before Other Income</b>		<b>339,048,243</b>	<b>331,658,260</b>
Non Operating Income	<b>27.00</b>	5,130,123	3,763,007
<b>Profit before Contribution to WPPF</b>		<b>344,178,366</b>	<b>335,421,267</b>
Contribution to WPPF		(16,389,446)	(15,972,441)
<b>Profit before Tax</b>		<b>327,788,920</b>	<b>319,448,826</b>
<b>Provision for Tax:</b>	<b>28.00</b>	(50,755,844)	(48,689,549)
Current Tax	<b>28.01</b>	(39,724,602)	(38,311,791)
Deferred Tax	<b>28.05</b>	(11,031,242)	(10,377,758)
<b>Net Profit after Tax</b>		<b>277,033,076</b>	<b>270,759,277</b>
<b>Other Comprehensive Income :</b>		<b>2,091,686</b>	<b>28,099,251</b>
Unrealized gain/(loss) on securities available for sale	<b>5.01</b>	2,324,096	147,260
Related tax		(232,410)	(14,726)
Tax on Revaluation reserve		-	27,966,717
<b>Total Comprehensive Income</b>		<b>279,124,762</b>	<b>298,858,528</b>
<b>Basic Earnings Per Share</b>	<b>29.01</b>	<b>3.46</b>	<b>3.38</b>
<b>Diluted Earnings per share</b>	<b>29.02</b>	<b>3.46</b>	<b>3.38</b>

The annexed notes 1 to 35 form an integral part of these Financial Statements.

SD/-                                      SD/-                                      SD/-                                      SD/-  
**Company Secretary      Chief Financial Officer      Director      Managing Director**

Signed as per annexed report on even date.

Place : Dhaka  
Date : October 24, 2017

SD/-  
**Mahfel Huq & Co.**  
Chartered Accountants



**AMAN COTTON FIBROUS LTD.**  
**Statement of Changes in Equity**  
**For the Year ended June 30, 2017**

**Amount In Taka**

Particulars	Share Capital	Revaluation Surplus	Available For Sale (AFS) Reserve	Retained Earnings	Total
Balance as on July 01, 2016	800,000,000	265,382,238	(2,130,323)	1,786,949,775	2,850,201,690
Unrealised gain/(loss) on securities available for sale	-	-	2,324,096	-	2,324,096
Related tax	-	-	(232,410)	-	(232,410)
Profit for the year	-	-	-	277,033,076	277,033,076
Balance as on 30-06- 2017	<b>800,000,000</b>	<b>265,382,238</b>	<b>(38,637)</b>	<b>2,063,982,851</b>	<b>3,129,326,452</b>

**Statement of Changes in Equity**  
**For the Year ended June 30, 2016**

Particulars	Share Capital	Revaluation Surplus	Available For Sale (AFS) Reserve	Retained Earnings	Total
Balance as on July 01, 2015	800,000,000	237,415,521	(2,262,857)	1,516,190,498	2,551,343,162
Unrealised gain/(loss) on securities available for sale	-	-	147,260	-	147,260
Related tax	-	27,966,717	(14,726)	-	27,951,991
Profit for the year	-	-	-	270,759,277	270,759,277
Balance as on 30-06- 2016	<b>800,000,000</b>	<b>265,382,238</b>	<b>(2,130,323)</b>	<b>1,786,949,775</b>	<b>2,850,201,690</b>

SD/-  
**Company Secretary**

SD/-  
**Chief Financial Officer**

SD/-  
**Director**

SD/-  
**Managing Director**

Signed as per annexed report on even date.

Place : Dhaka  
Date : October 24, 2017

SD/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**AMAN COTTON FIBROUS LTD.**  
**Statement of Cash Flows**  
**For the Year ended June 30, 2017**

Particulars	Note	Amount in Taka	
		June 30, 2017	June 30, 2016
<b>Cash Flows from Operating Activities :</b>			
Cash Received from Customer & Others		1,692,113,403	1,748,419,306
Cash Paid to Suppliers, Employees & Others		(1,313,453,812)	(1,000,411,064)
<b>Cash Generated from Operations</b>		<b>378,659,591</b>	<b>748,008,242</b>
Tax Paid		(58,362,721)	(72,337,860)
<b>Net Cash Generated from Operating Activities</b>		<b>320,296,870</b>	<b>675,670,382</b>
<b>Cash Flows from Investing Activities:</b>			
Acquisition of Property, Plant & Equipment		(36,274,322)	(12,280,819)
Capital Work In Progress		(127,955,980)	(326,928,341)
Loan to Sister Concern		(60,520,000)	(129,376,835)
Advance against Land Purchase		(1,562,500)	(65,500,000)
Advance against Land Development		3,672,881	(12,900,000)
Dividend Income		186,971	150,323
<b>Net Cash Used in Investing Activities</b>		<b>(222,452,950)</b>	<b>(546,835,672)</b>
<b>Cash Flows from Financing Activities:</b>			
Increase/(Decrease) in Long Term Borrowing		(36,742,583)	(9,230,402)
Increase/(Decrease) in Short Term Borrowing		21,022,047	(15,316,256)
Interest Paid		(84,521,069)	(75,123,607)
<b>Net Cash flow From/(Used) in Financing Activities</b>		<b>(100,241,605)</b>	<b>(99,670,265)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>(2,397,685)</b>	<b>29,164,445</b>
Cash & Cash Equivalents at the beginning including For. Ex. gain/(loss)		<b>41,256,249</b>	<b>12,072,423</b>
Cash & Cash Equivalents at the ending of the year		<b>38,858,564</b>	<b>41,236,868</b>
Add, Unrealized foreign exchange gain/(loss) in cash & cash equivalents		129,247	19,381
<b>Cash and Cash Equivalents at Closing including including For. Ex. gain/(loss)</b>		<b>38,987,811</b>	<b>41,256,249</b>
Net Operating cash flow per share		<b>4.00</b>	<b>8.45</b>

SD/-  
**Company Secretary**

SD/-  
**Chief Financial Officer**

SD/-  
**Director**

SD/-  
**Managing Director**

Signed as per annexed report on even date.

Place : Dhaka  
Date : October 24, 2017

SD/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**AMAN COTTON FIBROUS LTD.**  
**Notes to the Financial Statements**  
**For the Year ended June 30, 2017**

**1.00 Significant information of the enterprise:****1.01 Legal form of the Enterprise :**

Aman Cotton Fibrous Ltd. was incorporated as a private Limited Company with the issuance of certificate of incorporation bearing No-C-403 dated December 28, 2005 by the Registrar of Joint Stock Companies & Firms and the Company commenced its commercial production on November 01, 2007. Subsequently the shareholders in their Extra-ordinary General Meeting held on 22 April, 2012 approved conversion of status of the company from private limited to public limited company.

**1.02 Registered and Corporate Office of the Company:**

Registered office of the company is situated at Boiragirchala, Shreepur, Gazipur.

Corporate office of the company is situated at 2 , Ishakha Avenue, Sector # 6, Uttara, Dhaka-1230.

**1.03 Address of the Factory:**

The factory of the Company was established at Boiragirchala, Shreepur, Gazipur.

**1.04 Principal Activities and nature of the business**

The Principal activities and nature of the business of the company is to manufacture of high quality yarn in Bangladesh and marketing and selling of product in the global and domestic Market.

**2.00 Significant Accounting Policies:****2.01 Basis of preparation of Financial Statements:**

The Financial Statement of the Company are prepared on a going concern assumption and in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, The Securities and Exchange rules 1987 and other laws and rules applicable in Bangladesh.

**2.02 Accounting Convention**

The Financial Statements have been prepared on the basis of historical cost basis except land & land development (which have been stated at current cost), monetary assets at realisable value and Investment in listed Securities are carried at fair value based on the year ended quoted price.

**2.03 Date of authorisation :**

The Board of Directors of Aman Cotton Fibrous Ltd. approved this financial Statements on October 24, 2017.

**2.04 Reporting Period :**

The Financial Statements of the Company cover one Financial year from 01 July , 2016 to 30 June, 2017.

**2.05 Statement of Cash Flows:**

Statement of Cash Flows have been prepared in accordance with BAS 7 " Statement of Cash Flows " and the cash flow from the operating activities are shown under direct method as prescribed.

**2.06 Recognition of Property, Plant & Equipment and Depreciation:**

In accordance with the International Accounting Standard adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as BAS 16 "Property, Plant and Equipment" have been accounted for at cost less accumulated depreciation except land and land development. Cost includes expenditure that is directly attributed to the acquisition of the items. Depreciation is charged in addition to fixed assets when it is available for use. Depreciation on all Property, Plant & Equipment have been applied on Reducing Balance method as per decision of the Board at the following rate :

Land & Land Development	-
Building & Civil Construction	2.5%
Plant & Machinery	15%
Electrical Installation	10%
Electrical Equipment	10%
Gas Line Installation	10%
Fire Equipment	15%
Vehicle	20%
Office Equipment	10%
Computer & IT Equipment	20%
Furniture & Fixture	10%

Depreciation has been allocated @ 95% for manufacturing and 5% for non manufacturing expenditure.

Revaluation of assets : The company has revaluated its Land on 15 may, 2013 and incorporated the revaluation surplus in the Financial Statement accordingly and shown in note # 13.00

**2.07 Impairment :**

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 asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the period no impaired loss occurred to recognize in the Financial Statements.

**2.08 Revenue Recognition:**

Revenue is recognized only when it is probable that the economic benefit of such transaction has been derived as per "BAS-18". Sales revenue is recognised when the shipments are made, transactions related to sales are completed and the sales invoices are issued in favour of the buyers.

**2.09 Valuation of Current Assets:****Accounts Receivable:**

These are stated at their original invoice less provision/ write off. Management considered the entire receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's financial statement.

**Inventories:**

In compliance with the requirements of BAS 2 "Inventories", the Inventories have been valued at the lower of cost and net realizable value after making due allowance for any obsolete or slow moving items.

**2.10 Financial Instruments:****Derivative:**

According to BFRS 7: "Financial Instruments : Disclosures", the Company was not a Party to any derivative contract (financial instruments) at the financial statement date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

**Non-Derivative:**

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

**2.11 Currency of Reporting and Foreign currency transactions:****Currency of Reporting**

The financial statement of the Company has been prepared in the Bangladesh Taka (BDT).

**Foreign Currency Transactions**

Transactions in foreign currencies are converted into equivalent Taka applying the rate ruling at the date of such transactions as per BAS-21 "The Effect of Changes in Foreign Exchange Rates".

**2.12 Long Term Borrowings:**

Long term liabilities comprises the amount borrowed from the bank and other Financial Institutions for the long period of time and shown in the accounts at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

**2.13 Contingent Liabilities:**

Contingent Liabilities are those which arise due to the past event which shall be settled in the future on the occurrence or non occurrence of some uncertain event, cost of which can be measured reliably as per BAS-37 " Provision, Contingent Liabilities and Contingent Assets". In the year under review there is no such contingent liabilities as well as no commitment is made , to be settled in the future.

**2.14 Taxation:****Current Tax**

Provision for Current income Tax has been made at the rate of 15% as prescribed in the Finance Act, 2016 on the accounting profit made by the Company making some adjustment with the profit as per ITO 1984 in compliance with BAS-12 "Income Taxes".

**Deferred Taxation**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities for the year ended June 30, 2017 has been recognized in the statement of comprehensive income as per BAS-12 "Income

**2.15 Employee Benefits:**

The Company is operating Workers Profit Participation Fund (WPPF) according to Bangladesh Labour Law 2006 and Bangladesh labor ( Amendment ) Act 2013 are accounted for securing benefits to the employees in accordance with the provision of Bangladesh Accounting Standard (BAS) 19, “ Employee Benefit”. The company pays two festival bonuses to all employees in every year.

**2.16 Borrowing cost:**

The borrowing cost is capitalized unless active developments of related assets are interrupted or cease when the borrowing cost directly transferred to the profit and loss account as per BAS-23 " Borrowing Cost".

**2.17 Earning Per Share:**

The Company calculates Earning Per Share (EPS) in accordance with BAS-33 " Earning Per Share" which has been shown on the face of the Statement of Comprehensive Income and details are shown in Note-29.

**Basic Earnings Per Share**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra or 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 shares issued during the year multiplied by a time weighted factor is the number of months the specific shares is outstanding as a proportion of the total number of months in the year.

**Diluted earnings per share:**

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the year.

**2.18 Information about business segments:**

As per BFRS 8 “Operating Segment”, this is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related product or service and that is subject to risk and return that are different from those of other business segment. During the year under review the company had no operational segment either business or geographical segments.

**2.19 Application of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards(BFRS) :**

The Financial Statements have been prepared in compliance with requirement of BAS and BFRS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following BASs and BFRS are applicable for the financial statements for the period under review :

- BAS- 1 Presentation of Financial Statements
- BAS- 2 Inventories
- BAS- 7 Statement of Cash Flows
- BAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS- 10 Events after the Reporting Period
- BAS- 12 Income Taxes
- BAS- 16 Property, Plant and Equipment
- BAS- 18 Revenue
- BAS- 21 The effects of changes in Foreign Exchange Rate
- BAS- 23 Borrowing Cost
- BAS- 24 Related Party Disclosure
- BAS- 32 Financial Instruments Presentation
- BAS- 33 Earning Per Share (EPS)
- BAS- 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS- 39 Financial Instruments : Recognition and Measurement
- BFRS- 7 Financial Instruments : Disclosures

**Responsibility for preparation and presentation of financial statements:**

The Company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994

**Components of the Financial Statements:**

Following are the component of the financial statements

- a) Statement of Financial Position as at June 30, 2017
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2017
- c) Statement of Changes in Equity for the year ended June 30, 2017
- d) Statement of Cash Flows for the year ended June 30, 2017
- e) Explanatory notes to the financial statements.

**Comparative:**

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Previous year's figure has been re-arranged and restated whenever considered necessary to ensure comparability with the current year's presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

**General:**

The figure has been rounded off to the nearest Taka.



**3.00 Property, Plant and Equipment:**

	Amount in Taka	
	June 30, 2017	June 30, 2016
Land & Land Development	476,783,745	473,110,864
Building & Civil Construction	663,722,844	588,849,129
Plant & Machinery	285,889,539	300,568,579
Electrical Installation	6,920,000	7,688,888
Electrical Equipment	2,062,434	2,291,593
Gas Line Installation	876,289	973,655
Fire Equipment	255,492	300,579
Vehicle	4,247,801	5,309,751
Office Equipment	325,107	361,230
Computer & IT Equipment	203,857	213,872
Furniture & Fixture	1,300,569	1,445,077
	<b>1,442,587,677</b>	<b>1,381,113,217</b>

**3.01 Movement of Fixed Assets****Fixed Assets at cost :**

Opening Balance	2,497,148,358	2,320,325,318
Add: Addition during the year	125,869,265	176,823,040
Closing Balance	2,623,017,623	2,497,148,358
Less: Accumulated Deprecation	(1,180,429,947)	(1,116,035,141)
<b>Written Down Value (WDV)</b>	<b>1,442,587,677</b>	<b>1,381,113,217</b>

Details please see Annexure-'A'

**4.00 Capital Work in Progress**

Capital work in progress represents the cost of construction of Workers Dormitory, Factory Building, Ducting, Staff Quarter, Internal Road, Drain, Boundary wall etc.

**4.01 The details breakup of the above are as follows:****Worker's Dormitories**

Opening Balance	86,057,319	151,047,129
Addition made during the year	3,537,624	99,552,411
Less: Transferred to the Factory Building & Civil Construction	(89,594,943)	(164,542,221)
	<b>-</b>	<b>86,057,319</b>

**4.02 The details breakup of the new Factory Building are as follows:**

New Factory Building is being constructed on 316.25 DCM Land at Sreepur, Dist-Gazipur, to produce specialized yarn to fulfill the market demand.

This is made up as under

Factory Building	237,142,267	167,669,302
Worker's Dormitories	30,762,792	6,111,553
Ducting	47,260,585	32,583,418
Road & Boundary Wall	14,754,580	12,664,006
Staff Quarter	21,874,062	8,347,651
	<b>351,794,286</b>	<b>227,375,930</b>
<b>Total Capital Work in Progress (4.01+4.02)</b>	<b>351,794,286</b>	<b>313,433,249</b>

**5.00 Investment in Listed Securities :**

This represents investment in listed shares

Market Value of Securities

6,404,575	4,080,480
<b>6,404,575</b>	<b>4,080,480</b>

Detail descriptions of the securities are as under.

Name of the Securities	Quantity	Cost Value (Tk)	Market Value (Tk)	Unrealised Gain/(Loss)
Lanka Bangla Finance	62,626	2,499,056	3,488,268	989,212
Meghna Life	30,076	2,455,351	1,672,225	(783,126)
BBS	3,168	135,540	155,232	19,692
Al-Arafah Bank Ltd.	10,500	151,604	196,350	44,746
SALAMCRST	25,500	1,205,954	892,500	(313,454)
	<b>131,870</b>	<b>6,447,506</b>	<b>6,404,575</b>	<b>(42,930)</b>

\*Details of Margin loan against purchase of listed companies share have been shown in note no - 15.

**5.01 Unrealized Gain / (Loss) during the year:**

Unrealized Gain / (Loss) as per Current Year Portfolio Statement	(42,930)	(2,367,026)
Unrealized Gain / (Loss) as per Last Year Portfolio Statement	(2,367,026)	(2,514,286)
<b>Unrealized Gain / (Loss) during the year</b>	<b>2,324,096</b>	<b>147,260</b>

**6.00 Inventories :**

Finished Goods	[Note-6.01]	71,010,160	173,937,525
Working-in-process	[Note-6.02]	17,897,270	17,062,856
Raw Materials	[Note-6.03]	820,671,208	707,020,640
Packing Materials	[Note-6.04]	3,864,568	3,325,771
Other Materials	[Note-6.05]	67,723,091	57,498,410
		<b>981,166,296</b>	<b>958,845,202</b>

**6.01 Finished Goods :****Value inTaka-**

Carded	47,756,786	92,357,820
Combed	23,253,374	81,579,705
	<b>71,010,160</b>	<b>173,937,525</b>

**Quantity in MT-**

Carded	253	423
Combed	119	362
	<b>372</b>	<b>785</b>

**6.02 Working-in-process****Value inTaka-**

Carded	9,818,780	10,259,412
Combed	8,078,490	6,803,443
	<b>17,897,270</b>	<b>17,062,856</b>

**Quantity in MT-**

Carded	53	51
Combed	42	33
	<b>95</b>	<b>84</b>

**6.03 Raw Materials :****Value in Taka-**

Raw Cotton

820,671,208	707,020,640
<b>820,671,208</b>	<b>707,020,640</b>

**Quantity in MT-**

Raw Cotton

5,778	5,188
<b>5,778</b>	<b>5,188</b>

**6.04 Packing Materials :****Value in Taka-**

CONE

422,911 718,784

Poly Bag

1,711,592 1,485,239

WPP Bag

1,555,189 1,023,998

Sticker

174,876 97,749

<b>3,864,568</b>	<b>3,325,771</b>
------------------	------------------

**Quantity in Pcs & Kgs-**

CONE (pcs.)

156,634 266,216

Poly Bag(kg.)

9,616 7,858

WPP Bag (Kg.)

62,208 40,960

Sticker (pcs.)

1,748,759 977,490

**6.05 Other Materials****Value in Taka-**

Spare Parts

67,723,091	57,498,410
<b>67,723,091</b>	<b>57,498,410</b>

**7.00 Accounts and Other Receivables:**

Accounts Receivables ( Notes-7.01)

810,668,683 760,702,135

Other Receivables ( Notes-7.02)

33,110,103 14,612,403

<b>843,778,786</b>	<b>775,314,538</b>
--------------------	--------------------

**7.01 Accounts Receivable :**

Opening Balance

760,702,135 811,075,653

Add: Sales during the year

1,734,266,045 1,694,452,484

Available for collection

2,494,968,180 2,505,528,137

Less: Realized during the year

(1,687,199,292) (1,746,137,015)

<b>807,768,888</b>	<b>759,391,122</b>
--------------------	--------------------

Add: Translated Foreign Exchange Gain/(Note-23.00)

2,899,795 1,311,013

<b>810,668,683</b>	<b>760,702,135</b>
--------------------	--------------------

There is no related party transaction except transaction with Aman Tex Ltd. Details of Related party transactions have been shown in note - 31.

62,298,006	29,798,045
------------	------------

**7.02 Other Receivables :**

Interest Receivable from Sister Concern

<b>33,110,103</b>	<b>14,612,403</b>
-------------------	-------------------

**7.03 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994**

Maturity less than 6 months	810,668,683	760,702,135
Maturity more than 6 months	33,110,103	14,612,403
	<b>843,778,786</b>	<b>775,314,538</b>
Debts considered Good & Secured	748,370,677	730,904,090
Debts considered Good without security	-	-
Debts considered doubtful & bad	-	-
Debts due by directors or other officers & staffs	33,110,103	14,612,403
Debts due from companies under same management	62,298,006	29,798,045
Maximum debt due by directors or officers & staffs at any time	-	-
All the debts are considered good as it has been made through letter of credit.		

**8.00 Advances, Deposits & Pre-Payments :**

This is made-up as follows:

**a) Advance against Income tax**

Opening Balance	-	22,977,851
Add: During the year		
TDS on Export Sales	10,445,555	10,521,947
TDS on Vehicles Tax Token & Fitness Renewal Fee	35,000	50,000
Tax on Dividend Income	37,383	30,063
AIT through pay order	47,844,783	61,735,850
Lesss: Adjustment during the year	(58,362,721)	(95,315,711)
	-	(22,977,851)
Total of Advance against Income Tax	-	-

**b) Other advance**

Advance against work	4,581,590	2,159,098
Advance against Purchases	370,521,358	346,397,652
Advance against Land Purchase	67,062,500	65,500,000
Advance against Land Development	9,227,119	12,900,000
Advance against L/C Margin	6,417,607	42,581,033
Advance against Loan Installment	2,288,130	2,288,130
Advance against C&F agency & Others	3,566,570	-
Advance to ICB Capital Management Ltd	2,000,000	1,000,000
	<b>465,664,874</b>	<b>472,825,913</b>

**c) Security Deposits-**

Mymensingh PBS-2 for Electricity Connection	746,250	746,250
BTCL for T & T Line Connection	18,000	18,000
Titas Gas T & D Co.Ltd. for Gas Connection	6,320,415	6,320,415
Bank Guarantee for Titas Gas Connection	10,527,300	1,936,000
	<b>17,611,965</b>	<b>9,020,665</b>
	<b>483,276,839</b>	<b>481,846,578</b>

**8.01 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994**

Maturity less than 6 months	465,664,874	472,825,913
Maturity more than 6 months	17,611,965	9,020,665
	<b>483,276,839</b>	<b>481,846,578</b>
Advance, deposits & prepayments considered good & secured	416,214,339	416,346,578
Advance, deposit & prepayments considered Good without security	-	-
Advance, deposit & prepayments considered doubtful & bad	-	-
Advance, deposit & prepayments due by directors or other officers & staffs	67,062,500	65,500,000
Advance, deposit & prepayments due from companies under same management	-	-
Maximum advance due by directors or officers & staffs at any time	-	-
	<b>483,276,839</b>	<b>481,846,578</b>

**9.00 Loan to Sister Concern**

Temporary loan has been provided to the following concern of Aman Group at interest of 11% for their Operational purpose. This amount will be adjusted within the shortest time.

Aman Cement Mills Unit 2 Ltd	93,061,835	95,361,835
Aman Jute Fibrous Ltd	13,515,000	13,515,000
Anwara Mannan Textile Mills Ltd	83,320,000	20,500,000
	<b>189,896,835</b>	<b>129,376,835</b>

**10.00 Cash and Cash Equivalents :**

This is made-up as follows:

Cash in hand	9,506,849	4,616,257
Cash at Banks (Note : 10.01)	29,480,962	36,639,992
	<b>38,987,811</b>	<b>41,256,249</b>

**10.01 Details Break-up of cash at Bank is as follows :**

IBBL, Ramna Branch	426,110	8,020,006
NBL, Dilkusha Br.	5,676	6,366
IBBL, Palton Br.	7,201	7,489
EXIM Bank Ltd. Mawna Br.	8,619	9,768
EXIM Bank Ltd. Rajuk Br.	17,944	363,554
IBBL, Uttara Br.	71,207	400,188
IBBL, Mawna Br.	36,275	10,435
IBBL, Ramna Br,	375,092	368,615
Prime Bank Ltd, Motijheel Br.	2,801	3,951
Prime Bank Ltd, Uttara Br.	110,672	113,012
IBBL, Ramna Branch,	17,021	203,397
ONE Bank Ltd., Motijheel Branch,	7,593	635,179
Shahjalal Islami Bank Ltd, Dhaka Main Br.,	49,729	51,029
Bank Asia , Uttara Br. Islamic wing	8,525	9,675
Bank Al- Falah Ltd, Dhaka	46,544	48,894
IBBL , Ramna, Dhaka FCAD ORQ	1,090,087	2,388,133
Pubali Bank, Principal Br,	66,625	12,735
South Bangla Agriculture & Commerce Bank Ltd,	2,125	3,275
Woori Bank, Uttara Branch	1,108,238	5,762,378
Woori Bank, Uttara Branch	1,974,332	17,182,440
Woori Bank, Uttara Branch	80,032	170,593
Meghna Bank Ltd, Uttara Branch	4,466,213	868,880
Meghna Bank Ltd, Uttara Branch	19,492,416	-
City Bank Ltd, Principal Branch	9,885	-
City Bank Ltd, Principal Branch	-	-
City Bank Ltd, Principal Branch	-	-
City Bank Ltd, Principal Branch	-	-
	<b>29,480,962</b>	<b>36,639,992</b>

**11.00 Share Capital :**

Share Capital represents the followings:

Authorized:

200,000,000 Ordinary Shares of Taka 10 each.	2,000,000,000	2,000,000,000
--	---------------	---------------

Issued subscribed and fully paid up capital:

80,000,000 Ordinary shares of Taka 10 each.	800,000,000	800,000,000
	<b>800,000,000</b>	<b>800,000,000</b>

**11.01 Share Holding Position :**

Particulars of share holders and their share holding position is as under:

Name of the Shareholders	Number of Shares		%	Amount in Taka	
	30 June, 2017	30 June, 2016		June 30, 2017	June 30, 2016
Md. Rafiqul Islam	15,600,000	15,600,000	19.50%	156,000,000	156,000,000
Md. Shofiqul Islam	15,600,000	15,600,000	19.50%	156,000,000	156,000,000
Md. Toufiqul Islam	15,600,000	15,600,000	19.50%	156,000,000	156,000,000
Md. Toriqul Islam	22,800,000	22,800,000	28.50%	228,000,000	228,000,000
Ms. Mukta Islam	3,600,000	3,600,000	4.50%	36,000,000	36,000,000
Ms. Sajeda Islam	3,600,000	3,600,000	4.50%	36,000,000	36,000,000
Aman Seed Storage Ltd.	3,200,000	3,200,000	4.00%	32,000,000	32,000,000
	<b>80,000,000</b>	<b>80,000,000</b>	<b>100.00%</b>	<b>800,000,000</b>	<b>800,000,000</b>

**11.02 Classification of shares by holding :**

Slabs by Number of Shares	No. of Shareholders	No. of Shares	No. of Shares	Holding %
Less than 500	-	-	-	-
From 501 to 5,000	-	-	-	-
From 5,001 to 10,000	-	-	-	-
From 10,001 to 20,000	-	-	-	-
From 20,001 to 30,000	-	-	-	-
From 30,001 to 40,000	-	-	-	-
From 40,001 to 50,000	-	-	-	-
From 50,001 to 1,00,000	-	-	-	-
From 1,00,001	-	-	-	-
Above 1,00,000	7	80,000,000	80,000,000	100
	<b>7</b>	<b>80,000,000</b>	<b>80,000,000</b>	<b>100</b>

**12.00 Retained Earnings :**

Opening Balance	1,786,949,775	1,516,190,498
Add: Transferred from current year profit	277,033,076	270,759,277
<b>Closing Balance</b>	<b>2,063,982,851</b>	<b>1,786,949,775</b>

**12.01 Available For Sale (AFS) Reserve :**

Opening Balance	(2,130,323)	(2,262,857)
Add: Addition during the year	2,324,096	147,260
Add: Related Tax	(232,410)	(14,726)
<b>Closing Balance</b>	<b>(38,637)</b>	<b>(2,130,323)</b>

**13.00 Revaluation Surplus :**

Revaluation surplus made on Land and Land Development in the year 2013 by the approved enlisted valuer S.H.Khan & Co. Chartered Accountants. Details are shown as follows :

Fair Value/Market Value	464,338,000	464,338,000
Book Value	185,025,622	185,025,622
<b>Revaluation surplus</b>	<b>279,312,378</b>	<b>279,312,378</b>
Less : Deferred Tax on Revaluation @ 3%	(13,930,140)	(13,930,140)
<b>Net Balance of Revaluation surplus</b>	<b>265,382,238</b>	<b>265,382,238</b>

Deferred Tax on revaluation surplus has been computed @ 3% as per provision of Finance Act 2016.

Name of the Valuer : **S.H. KHAN & CO. Chartered Accountants.** Address: Raz Bhaban ( 1st floor), 29 Dilkusha C/A, Dhaka-1000.

Date of Revaluation: 15 May, 2013

**14.00 Long Term Borrowings - Net of Current Maturity :**

This represents amount payable to Islami Bank Bangladesh Limited, Ramna Branch, Dhaka for implementation of project.

This is made up as follows:

**14.01 Islami Bank Bangladesh Ltd.**

Opening Balance at 1st July	47,162,188	150,513,229
Add : Received during the year	-	5,942,620
Add: Profit & Rent Charged which are paid/ Payable for the year	3,794,160	17,320,576
	<u>50,956,348</u>	<u>173,776,425</u>
Less: Payment made during the year -		
Principal	(25,584,413)	(109,293,661)
Profit & Rent	(3,794,160)	(17,320,576)
<b>Closing Balance at 30 June</b>	<b>21,577,775</b>	<b>47,162,188</b>
Less: Current maturity transferred to current Liability	(15,391,028)	(44,190,848)
<b>Balance after current maturity</b>	<b>6,186,747</b>	<b>2,971,340</b>

**14.02 Union Capital Limited**

This is made up as follows:

Opening Balance	96,408,769	-
Add, Addition made during the year	-	100,000,000
	<u>96,408,769</u>	<u>100,000,000</u>
Add, Interest Charged during the year	11,723,130	3,273,159
	<u>108,131,899</u>	<u>103,273,159</u>
Less, Payment made during the year	(22,881,300)	(6,864,390)
Closing Balance at 30 June	<u>85,250,599</u>	<u>96,408,769</u>
Less: Current maturity transferred to current Liability	(17,994,397)	(15,608,674)
Balance after current maturity	<u>67,256,202</u>	<u>80,800,095</u>
<b>Total Balance after Current Maturity at June 30</b>	<b>73,442,949</b>	<b>83,771,435</b>

14.03	Name of Bank	Nature	Limit	Tenure	Interest rate (%)	Security
	Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	HPSM	842,143,773	11-01-2007 to 29-03-2019	12%	Land, Building & Machine
	Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	HPSM	34,866,198	14-12-2014 to 19-05-2019	12%	Land, Building & Machine
	Union Capital Ltd, 73 Sonargaon Road, Dhaka	Term Finance	100,000,000	60 Months	12.50%	175 Decimal Land

**15.00 Short Term Borrowings :**

The following represents loan sanctioned by the Islami Bank Bangladesh Ltd, Ramna Branch, Dhaka, Meghna Bank Ltd, Uttara Branch, Dhaka and Standard Bank Ltd, Principal Branch, Dhaka to provide working capital of the company which is fully secured by hypothecation of inventory and also includes current maturity of long term loan.

Islami Bank Bangladesh Ltd, Ramna, Dhaka-BAI MURABAHA/TR	585,693,015	233,595,000
Islami Bank Bangladesh Ltd, Ramna, Dhaka-MPI	11,126,350	219,817,901
Islami Bank Bangladesh Ltd, Ramna, Dhaka - EDF	186,895,767	305,063,983
Islami Bank Bangladesh Ltd, Ramna, Dhaka - MDB-Local	10,432,496	-
Islami Bank Bangladesh Ltd, Ramna, Dhaka - MDB-Foreign	25,062,646	-
Meghna Bank Limited, Uttara, Dhaka - LTR	79,099,326	64,167,750
Meghna Bank Limited, Uttara, Dhaka - MFCI or EDF	-	63,635,955
Standard Bank Ltd, Principal Branch, Motijheel	25,575,667	16,472,606
	<b>923,885,267</b>	<b>902,753,195</b>
Margin loan for purchase of listed share from Shahjalal Islami Bank Securities, Dilkusha Branch, Code no - 03850	252,954	362,979
<b>Total Balance</b>	<b>924,138,221</b>	<b>903,116,174</b>

**15.01 Details of the sanction are as under .**

Name of Bank	Nature	Sanction Limit	Tenure	Interest rate	Security
Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	BAI MURABAH A/TR/MPI/M	700,000,000	Below one year	12%	Inventory Hypothecation
Standard Bank Ltd, Principal Branch,	CC-Hypo	20,000,000	Below one year	11%	
Meghna Bank Ltd, Uttara Branch	LTR	500,000,000	Below one year	12%	
	EDF/UPAS			Six months USD LIBOR plus 2.5%	

**16.00 Long Term Borrowings - Current Maturity (Note-14)**

<b>33,385,425</b>	<b>59,799,522</b>
-------------------	-------------------

**17.00 Accounts Payable :**

Opening Balance	3,570,666	3,026,385
Add: Purchased during the year	1,114,826,902	979,198,665
Available for payment	1,118,397,568	982,225,050
Less: Payment made during the year	(1,115,190,581)	(978,654,384)
<b>Balance as on June 30</b>	<b>3,206,987</b>	<b>3,570,666</b>

There is no related party transaction except Aman Packaging & Accessories Ltd for Packing Material Purchase. Detail have been shown in note no - 31.

**18.00 Liabilities for Expenses & Others :**

This is made-up as follows:

Gas Bill	6,089,361	11,302,545
Salary & wages	3,813,312	3,947,556
Remuneration Payable	360,000	360,000
WPPF Payable	23,031,702	21,017,454
TDS & VAT Payable	1,996,093	2,185,980
Audit & Professional fees Payable	115,000	247,500
Telephone	4,643	3,718
Electricity	14,548	12,251
Others Payable	613,021	-
	<b>36,037,680</b>	<b>39,077,004</b>



**19.00 Net Asset Value (NAV) :****NAV per share with revaluation :**

Shareholders' Equity including revaluation surplus	3,129,326,452	2,850,201,690
Number of ordinary shares outstanding	80,000,000	80,000,000
<b>Net Asset Value (NAV) per Share</b>	<b>39.12</b>	<b>35.63</b>

**NAV per share without revaluation :**

Shareholders' Equity excluding revaluation surplus	2,863,944,214	2,584,819,452
Number of ordinary shares outstanding	80,000,000	80,000,000
<b>Net Asset Value (NAV) per Share</b>	<b>35.80</b>	<b>32.31</b>
Par Value of Share	10	10

**20.00 Sales :**

Carded-Yarn	1,232,258,560	1,247,420,514
Combed -Yarn	502,007,485	447,031,970
	<b>1,734,266,045</b>	<b>1,694,452,484</b>

**Quanty in MT-**

Carded-Yarn	4,856	4,759
Combed -Yarn	1,867	1,639
	<b>6,723</b>	<b>6,398</b>

**21.00 Cost of Sales :**

Raw materials consumption [Note-21.01]	986,733,312	1,060,865,450
Packing materials consumption [Note- 21.03]	13,904,226	13,912,839
Factory Overhead [Note-21.05]	188,986,703	178,128,808
<b>Prime Cost</b>	<b>1,189,624,240</b>	<b>1,252,907,097</b>
Opening WIP [Note-6.02]	17,062,856	16,404,930
Closing WIP [Note-6.02]	(17,897,270)	(17,062,856)
<b>Cost of proudction</b>	<b>1,188,789,825</b>	<b>1,252,249,171</b>
Opening finished goods [Note-6.01]	173,937,525	182,593,176
Closing Finished goods [Note 6.01]	(71,010,160)	(173,937,525)
	<b>1,291,717,191</b>	<b>1,260,904,822</b>

**21.01 Raw Materials Consumption :**

Opening Balance [Note-6.03]	707,020,640	803,296,250
Purchase during the year [Note-21.02]	1,100,383,880	964,589,840
Available for use	1,807,404,520	1,767,886,090
Closing Balance [Note-6.03]	(820,671,208)	(707,020,640)
	<b>986,733,312</b>	<b>1,060,865,450</b>

**21.02 Raw Materials Purchase :****Value in [Taka]**

Raw Cotton	1,100,383,880	964,589,840
	<b>1,100,383,880</b>	<b>964,589,840</b>

**Quantity in [MT]**

Raw Cotton	7,747	7,078
	<b>7,747</b>	<b>7,078</b>

**21.03 Packing Materials Consumption :**

Opening Balance [Note-6.04]	3,325,771	2,629,785
Purchase during the year [21.04]	14,443,022	14,608,825
Available for use	<b>17,768,793</b>	17,238,610
Closing Balance [Note-6.04]	(3,864,568)	(3,325,771)
	<b>13,904,226</b>	<b>13,912,839</b>

**21.04 Packing Materials Purchase :****Value in Taka-**

CONE	7,895,065	7,634,412
Poly Bag	2,475,980	2,848,797
WPP Bag	3,691,475	3,746,850
Sticker	380,503	378,766
	<b>14,443,022</b>	<b>14,608,825</b>

**Quantity in Pcs & Kgs-**

CONE (pcs.)	2,924,098	2,827,560
Poly Bag(kg.)	13,910	15,073
WPP Bag (Kg.)	147,659	149,874
Sticker (pcs.)	3,805,026	3,787,655

**21.05 Factory Overhead :**

Wages & allowances	29,862,124	28,867,564
Overtime	1,447,326	1,487,698
Factory Salary	12,812,291	11,141,092
Festival Bonus	1,272,363	2,653,452
C&F Charges	3,298,573	3,104,568
Carriage Inward	1,522,475	1,109,176
Spare Parts	2,832,196	2,652,582
Wax Roll	-	991,646
Fuel & Lubricants	1,821,123	1,386,874
Chemical used	1,766,335	1,754,873
Diesel for Generator	1,106,874	1,031,456
Indirect materials	632,187	734,078
Electricity	227,156	212,198
Gas Bill	69,210,614	56,550,795
Depreciation	61,175,066	64,450,756
	<b>188,986,703</b>	<b>178,128,808</b>

**22.00 Transaction Foreign Exchange Gain/(Loss) upon realization :**

Particulars	Actual realized/ settled Amount	Realized/settled as per Book	Total (2016-2017)	Total (2015-2016)
Accounts Receivables	1,688,186,379	1,687,199,292	987,087	1,303,634
			<b>987,087</b>	<b>1,303,634</b>

**23.00 Translation Foreign Exchange Gain/ (Loss)**

Particulars	Monetary Assets in USD as per Bank Statement	BDT as on June 30, 2017 @ 80.5	BDT as per Books of Accounts	Gain/(Loss) in Taka (2016-2017)	Gain/(Loss) in Taka (2015-2016)
Accounts Receivables	10,097,111	812,817,444	809,917,649	2,899,795	1,311,013
Cash & Cash Equivalents	258,494	20,808,803	20,679,556	129,247	19,381
				<b>3,029,042</b>	<b>1,330,394</b>

**24.00 Administrative Expenses :**

This is made-up as follows -

Salary and Allowances	9,381,982	9,465,674
Festival Bonus	1,336,063	1,060,576
Directors Remuneration	4,800,000	4,800,000
Board meeting fee	397,250	304,750
Office Rent	981,000	981,000
Delivery Expenses	190,898	151,327
Staff Fooding	796,542	788,412
Electricity	205,221	197,874
Fax and Mobile Exp	287,659	267,501
Telephone	37,472	31,439
Postage and Courier	14,600	18,964
Entertainment	76,234	73,486
Local Conveyance	143,476	119,875
Stationery	212,120	179,784
Office Supplies	43,329	38,762
Gardening	4,250	4,883
Fuel, Oil and Lubricants	504,403	687,658
Fees, Forms, and Renewals	507,985	229,872
Misc. Expenses	742,106	848,763
Repair & Maintenance ( Civil)	166,806	267,586
Repair & Maintenance (Machine)	478,167	678,905
Medical Expenses	4,043	3,080
Audit & Professional fees	316,250	316,250
Bank Charges	450,381	251,807
Uniform & Liveries	15,600	12,156
Road Show Expenses	824,082	-
Testing Expenses	56,318	49,764
Repair & Maintenance (Electric)	268,889	289,786
Commercial expenses	97,861	83,405
Paper & Periodicals	1,912	1,860
Depreciation	3,219,740	3,392,145
	<b>26,562,639</b>	<b>25,597,344</b>

**25.00 Selling and Distribution Expenses :**

This is made-up as follows -

Salary & Allowances	8,818,776	10,606,402
Festival Bonus	476,138	777,063
Carriage Outward	861,800	821,642
Advertisement	22,092	26,050
Sample Expenses	356,563	342,187
Freight Charges	541,142	667,984
Tours & Travels	186,092	187,569
BTMEA	257,000	305,900
Stationery	198,322	191,127
Other Expenses	794,949	478,060
L/C Realisation Charges	1,401,730	1,376,870
	<b>13,914,604</b>	<b>15,780,854</b>

**26.00 Financial Expenses :**

Interest on Term loan from Union Capital Ltd	11,723,130	3,273,159
Interest on loan from Meghna Bank Limited - LATR & EDF	4,215,466	93,250
Profit/rent (Interest) on HPSM A/C-IBBL, Ramna, Dhaka	3,794,160	17,320,576
Profit (Interest) on MPI, BAIM & TR A/C.-IBBL, Ramna and SBL, Dhaka	54,175,439	43,476,713
Interest on MFCI - EDF	10,612,874	10,959,909
Interest charged on Loan to sister concern	(21,497,701)	(14,612,403)
	<b>63,023,368</b>	<b>60,511,204</b>

**27.00 Non Operating Income :**

This is arrived at as follows:

Translation Gain/ (Loss) on Cash & Cash Equivalents	129,247	19,381
Misc. Income	927,023	978,657
Dividend Income	186,971	150,323
Transaction Gain/ (Loss)	987,087	1,303,634
Translation Gain/ (Loss) on Accounts Receivable	2,899,795	1,311,013
	<b>5,130,123</b>	<b>3,763,007</b>

**28.00 Provision for Taxation :****28.01 Current Tax :**

Net Profit Before Tax	327,788,920	319,448,826
Accounting Depreciation	64,394,806	67,842,901
Unrealized Foreign Exchange Gain/(Loss)	(3,029,042)	(1,330,394)
Other Income	(2,101,081)	(2,432,614)
Tax Depreciation	(133,972,907)	(136,713,480)
<b>Business Income</b>	<b>253,080,695</b>	<b>246,815,240</b>

**a) Minimum Tax :**

- (i) the minimum tax under sub-section (2); or  
(ii) the minimum tax under sub-section (4).

<b>Minimum tax</b>	<b>14,782,313</b>	<b>10,521,947</b>
--------------------	-------------------	-------------------

**b) Regular Tax :**

Tax on taxable business income	37,962,104	37,022,286
Tax on other income	1,730,103	1,264,440
Tax on dividend income	32,394	25,065
	<b>39,724,602</b>	<b>38,311,791</b>

**Tax liabilities (Higher of A & B)**

<b>39,724,602</b>	<b>38,311,791</b>
-------------------	-------------------

**28.02 Provision For Taxation :**

Opening Balance	78,647,169	135,651,089
Add -Provision for the year	39,724,602	38,311,791
<b>Total Liability</b>	<b>118,371,771</b>	<b>173,962,880</b>
Less: Adjustment during the year	(58,362,721)	(95,315,711)
<b>Total Tax Liability</b>	<b>60,009,050</b>	<b>78,647,169</b>

**28.03 Deferred Tax :**

Deferred Tax liabilities represents the amount provided for Tk.1,39,30,140/= on Revaluation Surplus of Fixed Asset that will be continued before disposal of such Asset and the amount of 64,420,494/= provided on Temporary difference of written down value as per Accounts and written down value of tax base by multiplying applicable tax rate @ 15%.

**28.04 Deferred Tax Liability/(Assets) :**

Carrying Amount of the PPE (except land)	965,803,932	908,002,353
Tax Base of PPE (except land)	543,401,738	555,178,262
Taxable/(Deductible) Temporary Difference	422,402,193	352,824,091
Tax Rate	15%	15%
Deferred Tax Liability/(Assets) at Closing	63,360,329	52,923,614
Add : Translation Gain/ (Loss) ( Note-23.00)	1,060,165	465,638
	<b>64,420,494</b>	<b>53,389,251</b>
Add, Unrealised Gain/(Loss) on securities available for sale	(4,293)	(236,703)
Add : Tax on Revaluation (Note- 13.00)	13,930,140	13,930,140
Total Deferred Tax Liability/(Assets) at Closing	<b>78,346,341</b>	<b>67,082,688</b>

Deferred Tax on translation gain or loss has been computed @ 35% as applicable to other income.

**28.05 Deferred Tax Expenses/(Income) :**

Deferred Tax Liability/(Assets) at Closing except revaluation	64,420,494	53,389,251
Deferred Tax Liability/(Assets) as at Opening except revaluation	53,389,251	43,011,493
<b>Deferred Tax Expenses/(Income)</b>	<b>11,031,242</b>	<b>10,377,758</b>

**29.00 Earnings Per Share :**

**3.46 3.38**

**29.01 Basic Earnings per share :**

Net Profit after tax on core Business	271,902,953	266,996,269
Weighted Average No. of Shares	80,000,000	80,000,000
<b>Basic Earnings Per Share</b>	<b>3.40</b>	<b>3.34</b>
<b>Non Operating Income</b>	5,130,123	3,763,007
Weighted Average No. of Shares	80,000,000	80,000,000
<b>Basic Earnings Per Share on non operating income</b>	<b>0.06</b>	<b>0.04</b>

**29.02 Diluted Earnings per share :**

Profit after tax	277,033,076	270,759,277
Total existing number of shares	80,000,000	80,000,000
<b>Diluted Earnings per share</b>	<b>3.46</b>	<b>3.38</b>

**30.00 Contingent liabilities & Capital Commitments :**

- a) There is no claim against the company not acknowledged as debt.  
b) There is no un-availed credit facilities, other than those in the normal course of business, available to the company as on 30 June, 2017

c) The Income Tax related to the Assessment year 2012-2013, 2013-2014, 2014-2015 & 2015-2016 against the DCT Assesment order is under Appeal with the Tax Authority. As such no additional Tax provision in respect of above year has been made in this year.

Assessment Year	Amount
2012-2013	2,077,824
2013-2014	33,383,837
2014-2015	1,334,810
2015-2016	3,735,510

d) Capital Commitments under the head advance against land purchase at Sreepur, Gazipur for Tk 12,33,37,500 represents the following:

Name of Party	Date of Registered Baina	Deed no.	DCM	Total Advance as on June 30, 2017	Total Advance as on June 30, 2016
Islam Brothers	29.06.2016	8750	277.5	52,000,000	50,500,000
Anwara Mannan Textile Mills Ltd	29.06.2016	8751	38.75	15,062,500	15,000,000
<b>Total</b>			<b>316.25</b>	<b>67,062,500</b>	<b>65,500,000</b>

**31.00 Related Party Disclosure :**

The party is related to the company if the party cast significant influence over the subject matters and also holding the controlling power of the management affairs of the company and any transaction made during the year with the party related therewith is termed as related party transaction as per BAS-24 “Related Party Disclosure”. During the year under audit related party transactions were made that which has influenced the company’s business. The details of related party transactions during the year along with the relationship is illustrated below in accordance of BAS 24 :

Particulars			June 30, 2017	June 30, 2016
Name of the Party	Relationship with the Company	Nature of transaction	Transacted amount in BDT	Transacted amount in BDT
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fee	56,750	51,750
		Remuneration	4,800,000	4,800,000
Md. Shofiquil Islam	Director & Shareholder	Board Meeting Fee	56,750	51,750
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fee	56,750	51,750
Md.Toriquil Islam	Director & Shareholder	Board Meeting Fee	56,750	51,750
Md. Rabiul Haque	Nominated Director	Board Meeting Fee	56,750	51,750
A.K.M Akhtaruzzaman	Independent Director	Board Meeting Fee	56,750	23,000
Md. Zafrul Islam Farook	Independent Director	Board Meeting Fee	56,750	23,000
Aman Group	Common Director	Rent	900,000	900,000
Aman Tex Ltd.	Common Director	Sales	282,522,224	250,303,533
		Receivables	62,298,006	29,798,045
Aman Packaging & Accessories Ltd	Common Director	Purchase	8,170,889	3,061,382
		Payable	Nil	Nil
Islam Brothers & Co	Common Director	Advance	52,000,000	50,500,000
Anwara Mannan Textile Mills Ltd	Common Director	Advance	15,062,500	15,000,000
Anwara Mannan Textile Mills Ltd	Common Director	Loan	83,320,000	20,500,000
		Interest Receivable	11,721,073	5,198,438
Aman Cement Mills unit-2 Ltd	Common Director	Loan	93,061,835	95,361,835
		Interest Receivable	18,873,835	8,385,420
Aman Jute Fibrous Ltd	Common Director	Loan	13,515,000	13,515,000
		Interest Receivable	2,515,195	1,028,545

**32.00 Disclosure of Managerial Remuneration :****32.01 Total amount of remuneration paid to directors during the year is as follows:**

Particulars			June 30, 2017	June 30, 2016
Name	Designation	Nature of transaction	Transacted amount in BDT	Transacted amount in BDT
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fee	56,750	51,750
Md. Shofiqul Islam	Director & Shareholder	Board Meeting Fee	56,750	51,750
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fee	56,750	51,750
Md. Toriqul Islam	Director & Shareholder	Board Meeting Fee	56,750	51,750
Md. Rabiul Haque	Nominated Director	Board Meeting Fee	56,750	51,750
A.K.M Akhtaruzzaman	Independent Director	Board Meeting Fee	56,750	23,000
Md. Zafrul Islam Farook	Independent Director	Board Meeting Fee	56,750	23,000
<b>Total</b>			<b>397,250</b>	<b>304,750</b>

**33.00 General :****33.01 Audit Fee :**

Audit fee of Tk. 115,000 only represents the audit fee inclusive of VAT.

**33.02 Employee long term benefit :**

The Company has no Gratuity Fund & PF scheme as yet as such no provision has been made in the financial statement.

**33.03 Capacity of Production :**

Particulars	June 30, 2017	June 30, 2016
Licensed Capacity in Metric Ton	6,780	6,780
Installed Capacity in Metric Ton	6,780	6,780
Utilized Capacity in Metric Ton	6,310	6,283
Percentage of Capacity Utilized	93.07%	92.67%

**33.04 Number of Employees :**

Salary Range (Monthly)	Officers & Staffs		Worker (Permanent)	Total
	Head Office	Factory		
Not less than Taka 5,300/-	9	98	571	678
Less than Taka 5,300/-	-	-	-	-
<b>Total</b>	<b>9</b>	<b>98</b>	<b>571</b>	<b>678</b>

**33.05 Events after the Reporting Period:**

As per BAS -10 " Event after the Reporting Period" are those events favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statement are authorized for issue. Two types of event can be identified:

Those that provide evidence of conditions that existed at the end of the reporting year ( adjusting events after reporting date); and

Those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

No material events has occurred after the balance sheet date to the date of issue of these financial statements, which could affect the values stated in the financial statements.

**33.06** There is no interest capitalized during the year.**34.00 WPPF :**

As per Bangladesh Labor Law 2006 and Bangladesh labor (Amendmend) Act 2013,WPPF has been calculated @ 5% of net profit after charge the WPPF before Income Tax.

**35.00 Disclosure as per requirement of schedule XI, part II, para 8 of Company Act 1994**

Disclosure requirement of schedule XI, part II, para 8 ( b & d ) of Company Act 1994 CIF Value of Raw Cotton, Spare Parts, Packing Materials and Capital Machinery (BDT) and Consumption

Particulars	Local Purchase	Import	Total	Consumed	% of Consumption
Raw Cotton	129,521,358	1,604,744,687	1,734,266,045	986,733,312	98.33
Store and Accessories	-	13,056,877	13,056,877	2,832,196	0.28
Packing Materials	14,443,022	-	14,608,825	13,904,226	1.39
Capital Machinery	-	-	-	-	-
<b>Total</b>	<b>143,964,380</b>	<b>1,617,801,564</b>	<b>1,761,931,746</b>	<b>1,003,469,733</b>	<b>100.00</b>

In the period under review the company did not remit any amount as dividend, technical know how, royalty, professional consultation fees, interest and other maters either its shareholders or others.

FOB Value of Export:

The FOB value of export for the year ended June 30, 2017 is as follows:

Particulars	In Foreign Currency \$	In BDT
Export	21,683,746.50	1,734,266,045



**AMAN COTTON FIBROUS LIMITED**  
**Annexure of Property, Plant & Equipment**  
**As at June 30, 2017**

**(a) COST :**

ASSET ITEMS	C O S T			Rate of Deprecia tion	D E P R E C I A T I O N			ANNEXURE-A	
	Balance as at 01.07.2016	Addition during the year	Balance as at 30.06.2017		Balance as at 01.07.2016	Charged During the Year	Balance as at 30.06.2017	Written down value as on 30.06.2017	Written down value as on 30.06.2016
Land & Land Development	193,798,486	3,672,881	197,471,367	-	-	-	-	197,471,367	193,798,486
Building & Civil Construction	655,467,956	89,594,943	745,062,899	2.5%	66,618,827	14,721,228	81,340,055	663,722,844	588,849,129
Plant & Machinery	1,318,233,135	32,565,041	1,350,798,176	15%	1,017,664,556	47,244,082	1,064,908,638	285,889,539	300,568,579
Electrical Installation	13,388,299	-	13,388,299	10%	5,699,411	768,889	6,468,299	6,920,000	7,688,888
Electrical Equipment	5,138,566	-	5,138,566	10%	2,846,973	229,159	3,076,132	2,062,434	2,291,593
Gas Line Installation	2,805,322	-	2,805,322	10%	1,831,667	97,365	1,929,033	876,289	973,655
Fire Equipment	2,286,100	-	2,286,100	15%	1,985,521	45,087	2,030,608	255,492	300,579
Vehicle	19,794,494	-	19,794,494	20%	14,484,743	1,061,950	15,546,693	4,247,801	5,309,751
Office Equipment	1,088,717	-	1,088,717	10%	727,487	36,123	763,610	325,107	361,230
Computer & IT Equipment	1,584,430	36,400	1,620,830	20%	1,370,558	46,414	1,416,973	203,857	213,872
Furniture & Fixture	4,250,475	-	4,250,475	10%	2,805,398	144,508	2,949,906	1,300,569	1,445,077
<b>Balance as on 30.06.2017 (a)</b>	<b>2,217,835,980</b>	<b>125,869,265</b>	<b>2,343,705,245</b>		<b>1,116,035,141</b>	<b>64,394,806</b>	<b>1,180,429,947</b>	<b>1,163,275,299</b>	<b>1,101,800,839</b>
<b>Balance as on 30.06.2016 (a)</b>	<b>2,041,012,940</b>	<b>176,823,040</b>	<b>2,217,835,980</b>		<b>1,048,192,239</b>	<b>67,842,901</b>	<b>1,116,035,141</b>	<b>1,101,800,839</b>	

**(b) REVALUATION :**

ASSET ITEMS	C O S T			Rate of Deprecia tion	D E P R E C I A T I O N			Written down value as on 30.06.2017
	Balance as at 01.07.2016	Addition during the year	Balance as at 30.06.2017		Balance as at 01.07.2016	Charged During the Year	Balance as at 30.06.2017	
Land & Land Development	279,312,378	-	279,312,378	-	-	-	-	279,312,378
<b>Balance as on 30.06.2017 (b)</b>	<b>279,312,378</b>	<b>-</b>	<b>279,312,378</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>279,312,378</b>
<b>Balance as on 30.06.2016 (b)</b>	<b>279,312,378</b>	<b>-</b>	<b>279,312,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>279,312,378</b>

**C.Total (a+b)**

<b>Balance as on 30.06.2017 (a+b)</b>	<b>2,497,148,358</b>	<b>125,869,265</b>	<b>2,623,017,623</b>		<b>1,116,035,141</b>	<b>64,394,806</b>	<b>1,180,429,947</b>	<b>1,442,587,677</b>
<b>Balance as on 30.06.2016 (a+b)</b>	<b>2,320,325,318</b>	<b>176,823,040</b>	<b>2,497,148,358</b>		<b>1,048,192,239</b>	<b>67,842,901</b>	<b>1,116,035,141</b>	<b>1,381,113,217</b>

<b>Allocation of Depreciation</b>	<b>Ratio</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Manufacturing	95%	61,175,066	64,450,756
Non Manufacturing	5%	3,219,740	3,392,145
		<b>64,394,806</b>	<b>67,842,901</b>

**ANNEXURE - B**

**AMAN COTTON FIBROUS LTD.**  
**Statement of Inventory Movement**  
**For the Year ended June 30, 2017**

**FINISHED GOODS :***Quantity in MT*

Items	Opening Balance as at 01.07.2016	Production during the year	Sales during the year	Closing Balance as at 30.06.2017
Yarn-Carded	423	4,686	4,856	253
Yarn-Combed	362	1,624	1,867	119
<b>Total</b>	<b>785</b>	<b>6,310</b>	<b>6,723</b>	<b>372</b>

**WORK-IN-PROCESS :***Quantity in MT*

Items	Opening Balance as at 01.07.2016	Production during the year	Transferred to Production	Closing Balance as at 30.06.2017
Yarn-Carded	51	43	41	53
Yarn-Combed	33	28	19	42
<b>Total</b>	<b>84</b>	<b>71</b>	<b>60</b>	<b>95</b>

**RAW MATERIALS :***Quantity in MT*

Items	Opening Balance as at 01.07.2016	Purchase during the year	Consumption during the year	Closing Balance as at 30.06.2017
Raw Cotton	5,188	7,747	7,157	5,778
<b>Total</b>	<b>5,188</b>	<b>7,747</b>	<b>7,157</b>	<b>5,778</b>

**PACKING MATERIALS :***Quantity in Pcs.*

Items	Opening Balance as at 01.07.2016	Purchase during the year	Consumption during the year	Closing Balance as at 30.06.2017
CONE	266,216	2,924,098	3,033,681	156,634
Poly Bag (kg)	7,858	13,910	12,153	9,616
WPP Bag	40,960	147,659	126,411	62,208
Sticker	977,490	3,805,026	3,033,758	1,748,759
<b>Total</b>	<b>1,292,525</b>	<b>6,780,162</b>	<b>6,206,003</b>	<b>1,977,215</b>

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2017  
OF  
AMAN COTTON FIBROUS LIMITED

**AMAN COTTON FIBROUS LTD.**  
**Statement of Financial Position (Un-Audited)**  
**As at December 31, 2017**

A S S E T S	Notes	Amount in Taka	
		Dec. 31, 2017	June 30, 2017
<b><u>Non Current Assets :</u></b>		<b>1,827,635,068</b>	<b>1,794,381,963</b>
Property, Plant and Equipment	3.00	1,414,216,203	1,442,587,677
Capital Work in Progress	4.00	413,418,865	351,794,286
<b><u>Current Assets :</u></b>		<b>2,572,510,363</b>	<b>2,543,511,142</b>
Investment in Listed Securities	5.00	90,030	6,404,575
Inventories	6.00	975,004,276	981,166,296
Accounts and Other Receivables	7.00	835,877,828	843,778,786
Advances, Deposits & Pre-Payments	8.00	492,335,344	483,276,839
Loan to Sister Concern	9.00	200,341,161	189,896,835
Cash & Cash Equivalents	10.00	68,861,724	38,987,811
<b>Total Assets</b>		<b>4,400,145,431</b>	<b>4,337,893,105</b>
<b><u>SHAREHOLDERS' EQUITY &amp; LIABILITY</u></b>			
<b><u>Shareholders' Equity :</u></b>		<b>3,263,461,322</b>	<b>3,129,326,452</b>
Share Capital -Paid up	11.00	800,000,000	800,000,000
Retained Earnings	12.00	2,198,101,846	2,063,982,851
Available For Sale (AFS ) Reserve	12.01	(22,762)	(38,637)
Revaluation Surplus	13.00	265,382,238	265,382,238
<b><u>Non Current Liabilities :</u></b>		<b>149,751,669</b>	<b>151,789,290</b>
Long Term Borrowings- Net of Current Maturity	14.00	60,658,771	73,442,949
Deferred Tax Liability	26.04	89,092,898	78,346,341
<b><u>Current Liabilities :</u></b>		<b>986,932,440</b>	<b>1,056,777,363</b>
Short Term Borrowings	15.00	877,222,927	924,138,221
Long Term Borrowings-Current Maturity	16.00	27,835,355	33,385,425
Accounts Payable	17.00	2,199,421	3,206,987
Liabilities for Expenses & Others	18.00	28,014,890	36,037,680
Provision for Taxation	26.02	51,659,847	60,009,050
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>4,400,145,431</b>	<b>4,337,893,105</b>
NAV per share with revaluation	19.00	<b>40.79</b>	<b>39.12</b>
NAV per share without revaluation	19.00	<b>37.48</b>	<b>35.80</b>

sd/-  
**Company Secretary**

sd/-  
**Chief Financial Officer**

sd/-  
**Director**

sd/-  
**Managing Director**

Place : Dhaka  
Date : January 18, 2018

**AMAN COTTON FIBROUS LTD.**  
**Statement of Profit or Loss and Other Comprehensive Income (Un- Audited)**  
**For the half year ended December 31, 2017**

Particulars	Notes	Six Months Ended		2nd Quarter Ended	
		Amount in Taka		Amount in Taka	
		July 01 to Dec 31, 2017	July 01 to Dec 31, 2016	Oct 01 to Dec 31, 2017	Oct 01 to Dec 31, 2016
<b>Sales</b>	<b>20.00</b>	<b>798,553,404</b>	<b>857,022,001</b>	<b>391,942,108</b>	<b>435,363,063</b>
Cost of Sales	<b>21.00</b>	(591,788,281)	(637,404,250)	(289,085,883)	(312,229,506)
<b>Gross Profit</b>		<b>206,765,123</b>	<b>219,617,750</b>	<b>102,856,225</b>	<b>123,133,557</b>
<b>Operating Expenses:</b>		<b>(20,351,195)</b>	<b>(20,351,713)</b>	<b>(9,521,876)</b>	<b>(9,731,570)</b>
Administrative Expenses	<b>22.00</b>	(13,650,128)	(13,589,555)	(6,327,706)	(7,602,316)
Selling and Distribution Expenses	<b>23.00</b>	(6,701,067)	(6,762,158)	(3,194,170)	(2,129,254)
<b>Operating Profit</b>		<b>186,413,927</b>	<b>199,266,037</b>	<b>93,334,348</b>	<b>113,401,987</b>
Financial Expenses	<b>24.00</b>	(23,850,154)	(30,038,485)	(7,978,520)	(14,860,082)
<b>Profit before Other Income</b>		<b>162,563,773</b>	<b>169,227,553</b>	<b>85,355,828</b>	<b>98,541,906</b>
Non Operating Income	<b>25.00</b>	2,905,124	476,036	1,667,428	343,919
<b>Profit before Contribution to WPPF</b>		<b>165,468,897</b>	<b>169,703,589</b>	<b>87,023,256</b>	<b>98,885,825</b>
Contribution to WPPF		(7,879,471)	(8,081,123)	(4,143,965)	(4,708,849)
<b>Profit before Tax</b>		<b>157,589,426</b>	<b>161,622,465</b>	<b>82,879,292</b>	<b>94,176,976</b>
<b>Provision for Tax:</b>	<b>26.00</b>	(23,470,430)	(25,123,081)	(12,391,839)	(35,978,917)
Current Tax	<b>26.01</b>	(12,725,637)	(20,790,710)	(2,989,262)	(13,466,928)
Deferred Tax	<b>26.05</b>	(10,744,794)	(4,332,371)	(9,402,577)	(22,511,989)
<b>Net Profit after Tax</b>		<b>134,118,996</b>	<b>136,499,384</b>	<b>70,487,453</b>	<b>58,198,059</b>
<b>Other Comprehensive Income :</b>		<b>15,874</b>	<b>694,884</b>	<b>2,435</b>	<b>462,895</b>
Unrealized gain/(loss) on securities available for sale		17,638	772,093	2,706	514,327
Related tax		(1,764)	(77,209)	(271)	(51,432)
<b>Total Comprehensive Income</b>		<b>134,134,870</b>	<b>137,194,268</b>	<b>70,489,888</b>	<b>58,660,954</b>
<b>Basic Earnings Per Share</b>	<b>27.01</b>	<b>1.68</b>	<b>1.71</b>	<b>0.88</b>	<b>0.73</b>
<b>Diluted Earnings per share</b>	<b>27.02</b>	<b>1.68</b>	<b>1.71</b>	<b>0.88</b>	<b>0.73</b>

sd/-  
**Company Secretary**

sd/-  
**Chief Financial Officer**

sd/-  
**Director**

sd/-  
**Managing Director**

Place : Dhaka  
Date : January 18, 2018

**AMAN COTTON FIBROUS LTD.**  
**Statement of Changes in Equity (Un-Audited)**  
**For the half year ended December 31, 2017**

**Amount In Taka**

<b>Particulars</b>	<b>Share Capital</b>	<b>Revaluation Surplus</b>	<b>Available For Sale (AFS) Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as on July 01, 2017	800,000,000	265,382,238	(38,637)	2,063,982,851	3,129,326,452
Unrealised gain/(loss) on securities available for sale	-	-	17,638	-	17,638
Related tax	-	-	(1,764)	-	(1,764)
Profit for the year	-	-	-	134,118,996	134,118,996
Balance as on 31-12- 2017	<b>800,000,000</b>	<b>265,382,238</b>	<b>(22,762)</b>	<b>2,198,101,846</b>	<b>3,263,461,322</b>

**Statement of Changes in Equity**  
**For the half year ended December 31, 2016**

**Amount In Taka**

<b>Particulars</b>	<b>Share Capital</b>	<b>Revaluation Surplus</b>	<b>Available For Sale (AFS) Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as on July 01, 2016	800,000,000	265,382,238	(2,130,323)	1,786,949,775	2,850,201,690
Unrealised gain/(loss) on securities available for sale	-	-	772,093	-	772,093
Related tax	-	-	(77,209)	-	(77,209)
Profit for the year	-	-	-	136,499,384	136,499,384
Balance as on 31-12- 2016	<b>800,000,000</b>	<b>265,382,238</b>	<b>(1,435,439)</b>	<b>1,923,449,159</b>	<b>2,987,395,958</b>

sd/-  
**Company Secretary**

sd/-  
**Chief Financial Officer**

sd/-  
**Director**

sd/-  
**Managing Director**

Place : Dhaka

Date : January 18, 2018

**AMAN COTTON FIBROUS LTD.**  
**Statement of Cash Flows (Un- Audited)**  
**For the Half Year ended December 31, 2017**

Particulars	Note	Amount in Taka	
		Dec. 31, 2017	Dec. 31, 2016
<b>Cash Flows from Operating Activities :</b>			
Cash Received from Customer & Others		820,328,192	878,215,145
Cash Paid to Suppliers, Employees & Others		(600,037,240)	(704,812,465)
<b>Cash Generated from Operations</b>		<b>220,290,952</b>	<b>173,402,680</b>
Tax Paid		(21,074,839)	(27,286,179)
<b>Net Cash Generated from Operating Activities</b>		<b>199,216,113</b>	<b>146,116,501</b>
<b>Cash Flows from Investing Activities:</b>			
Acquisition of Property, Plant & Equipment		(3,537,076)	(8,334,275)
Capital Work In Progress		(61,624,579)	(56,633,609)
Loan to Sister Concern		(10,444,326)	-
Advance against Land Purchase		-	(1,562,500)
Net Investment in shares		6,332,183	-
<b>Net Cash Used in Investing Activities</b>		<b>(69,273,798)</b>	<b>(66,530,384)</b>
<b>Cash Flows from Financing Activities:</b>			
Increase/(Decrease) in Long Term Borrowing		(18,334,248)	(27,562,056)
Increase/(Decrease) in Short Term Borrowing		(46,915,294)	(4,382,763)
Interest Paid		(34,868,918)	(37,344,686)
<b>Net Cash flow From/(Used) in Financing Activities</b>		<b>(100,118,460)</b>	<b>(69,289,505)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>29,823,855</b>	<b>10,296,612</b>
Cash & Cash Equivalents at the beginning including For. Ex. gain/(loss)		<b>38,987,811</b>	<b>41,256,249</b>
Cash & Cash Equivalents at the ending of the year		<b>68,811,666</b>	<b>51,552,861</b>
Add, Unrealized foreign exchange gain/(loss) in cash & cash equivalents		50,058	-
<b>Cash and Cash Equivalents at Closing including including For. Ex. gain/(loss)</b>		<b>68,861,724</b>	<b>51,552,861</b>
Net Operating cash flow per share		2.49	1.83

sd/-	sd/-	sd/-	sd/-
<b>Company Secretary</b>	<b>Chief Financial Officer</b>	<b>Director</b>	<b>Managing Director</b>

Place : Dhaka  
Date : January 18, 2018

**AMAN COTTON FIBROUS LTD.**  
**Notes to the Financial Statements**  
**For the Half Year ended December 31, 2017**

**1.00 Significant information of the enterprise:****1.01 Legal form of the Enterprise :**

Aman Cotton Fibrous Ltd. was incorporated as a private Limited Company with the issuance of certificate of incorporation bearing No-C-403 dated December 28, 2005 by the Registrar of Joint Stock Companies & Firms and the Company commenced its commercial production on November 01, 2007. Subsequently the shareholders in their Extra-ordinary General Meeting held on 22 April, 2012 approved conversion of status of the company from private limited to public limited company.

**1.02 Registered and Corporate Office of the Company:**

Registered office of the company is situated at Boiragirchala, Shreepur, Gazipur.

Corporate office of the company is situated at 2, Ishakha Avenue, Sector # 6, Uttara, Dhaka-1230.

**1.03 Address of the Factory:**

The factory of the Company was established at Boiragirchala, Shreepur, Gazipur.

**1.04 Principal Activities and nature of the business**

The Principal activities and nature of the business of the company is to manufacture of high quality yarn in Bangladesh and marketing and selling of product in the global and domestic Market.

**2.00 Significant Accounting Policies:****2.01 Basis of preparation of Financial Statements:**

The Financial Statements of the Company are prepared on a going concern assumption and in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, The Securities and Exchange rules 1987 and other laws and rules applicable in Bangladesh.

**2.02 Accounting Convention**

The Financial Statements have been prepared on the basis of historical cost basis except land & land development (which have been stated at current cost), monetary assets at realisable value and Investment in listed Securities are carried at fair value based on the year ended quoted price.

**2.03 Date of authorisation :**

The Board of Directors of Aman Cotton Fibrous Ltd. approved this financial Statements on January 11, 2018.



**2.04 Reporting Period :**

The Financial Statements of the Company cover Six Months from 01 July , 2017 to December 31, 2017.

**2.05 Statement of Cash Flows:**

Statement of Cash Flows have been prepared in accordance with BAS 7 " Statement of Cash Flows " and the cash flow from the operating activities are shown under direct method as prescribed.

**2.06 Recognition of Property, Plant & Equipment and Depreciation:**

In accordance with the International Accounting Standard adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as BAS 16 "Property, Plant and Equipment" have been accounted for at cost less accumulated depreciation except land and land development. Cost includes expenditure that is directly attributed to the acquisition of the items. Depreciation is charged in addition to fixed assets when it is available for use. Depreciation on all Property, Plant & Equipment have been applied on Reducing Balance method as per decision of the Board at the following rate :

Land & Land Development	-
Building & Civil Construction	2.5%
Plant & Machinery	15%
Electrical Installation	10%
Electrical Equipment	10%
Gas Line Installation	10%
Fire Equipment	15%
Vehicle	20%
Office Equipment	10%
Computer & IT Equipment	20%
Furniture & Fixture	10%

Depreciation has been allocated @ 95% for manufacturing and 5% for non manufacturing expenditure.

Revaluation of assets : The company has revaluated its Land on 15 may, 2013 and incorporated the revaluation surplus in the Financial Statement accordingly and shown in note # 13.00

**2.07 Impairment :**

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 asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the period no impaired loss occurred to recognize in the Financial Statements.

**2.08 Revenue Recognition:**

Revenue is recognized only when it is probable that the economic benefit of such transaction has been derived as per "BAS-18". Sales revenue is recognised when the shipments are made, transactions related to sales are completed and the sales invoices are issued in favour of the buyers.

**2.09 Valuation of Current Assets:****Accounts Receivable:**

These are stated at their original invoice less provision/ write off. Management considered the entire receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's financial statement.

**Inventories:**

In compliance with the requirements of BAS 2 "Inventories", the Inventories have been valued at the lower of cost and net realizable value after making due allowance for any obsolete or slow moving items.

**2.10 Financial Instruments:****Derivative:**

According to BFRS 7: "Financial Instruments : Disclosures", the Company was not a Party to any derivative contract (financial instruments) at the financial statement date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

**Non-Derivative:**

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

**2.11 Currency of Reporting and Foreign currency transactions:****Currency of Reporting**

The financial statement of the Company has been prepared in the Bangladesh Taka (BDT).

**Foreign Currency Transactions**

Transactions in foreign currencies are converted into equivalent Taka applying the rate ruling at the date of such transactions as per BAS-21 "The Effect of Changes in Foreign Exchange Rates".

**2.12 Long Term Borrowings:**

Long term liabilities comprises the amount borrowed from the bank and other Financial Institutions for the long period of time and shown in the accounts at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

**2.13 Contingent Liabilities:**

Contingent Liabilities are those which arise due to the past event which shall be settled in the future on the occurrence or non occurrence of some uncertain event, cost of which can be measured reliably as per BAS-37 " Provision, Contingent Liabilities and Contingent Assets". In the year under review there is no such contingent liabilities as well as no commitment is made , to be settled in the future.

**2.14 Taxation:****Current Tax**

Provision for Current income Tax has been made at the rate of 15% as prescribed in the Finance Act, 2016 on the accounting profit made by the Company making some adjustment with the profit as per ITO 1984 in compliance with BAS-12 "Income Taxes".

**Deferred Taxation**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities for the half year ended December 31, 2017 has been recognized in the statement of comprehensive income as per BAS-12

**2.15 Employee Benefits:**

The Company is operating Workers Profit Participation Fund (WPPF) according to Bangladesh Labour Law 2006 and Bangladesh labor ( Amendment ) Act 2013 are accounted for securing benefits to the employees in accordance with the provision of Bangladesh Accounting Standard (BAS) 19, “ Employee Benefit”. The company pays two festival bonuses to all employees in every year.

**2.16 Borrowing cost:**

The borrowing cost is capitalized unless active developments of related assets are interrupted or cease when the borrowing cost directly transferred to the profit and loss account as per BAS-23 " Borrowing Cost".

**2.17 Earning Per Share:**

The Company calculates Earning Per Share (EPS) in accordance with BAS-33 " Earning Per Share" which has been shown on the face of the Statement of Comprehensive Income and details are shown in Note-27.

**Basic Earnings Per Share**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra or 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 shares issued during the year multiplied by a time weighted factor is the number of months the specific shares is outstanding as a proportion of the total number of months in the year.

**Diluted earnings per share:**

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the year.

**2.18 Information about business segments:**

As per BFRS 8 “Operating Segment”, this is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related product or service and that is subject to risk and return that are different from those of other business segment. During the year under review the company had no operational segment either business or geographical segments.

**2.19 Application of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards(BFRS) :**

The Financial Statements have been prepared in compliance with requirement of BAS and BFRS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following BASs and BFRS are applicable for the financial statements for the period under review :

- BAS- 1 Presentation of Financial Statements
- BAS- 2 Inventories
- BAS- 7 Statement of Cash Flows
- BAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS- 10 Events after the Reporting Period
- BAS- 12 Income Taxes
- BAS- 16 Property, Plant and Equipment
- BAS- 18 Revenue
- BAS- 21 The effects of changes in Foreign Exchange Rate
- BAS- 23 Borrowing Cost
- BAS- 32 Financial Instruments Presentation
- BAS- 33 Earning Per Share (EPS)
- BAS- 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS- 39 Financial Instruments : Recognition and Measurement
- BFRS- 7 Financial Instruments : Disclosures

**Responsibility for preparation and presentation of financial statements:**

The Company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994

**Components of the Financial Statements:**

Following are the component of the financial statements

- a) Statement of Financial Position as at December 31, 2017
- b) Statement of Profit or Loss and Other Comprehensive Income for the half year ended December 31, 2017
- c) Statement of Changes in Equity for the half year ended December 31, 2017
- d) Statement of Cash Flows for the half year ended December 31, 2017
- e) Explanatory notes to the financial statements.

**Comparative:**

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Previous year's figure has been re-arranged and restated whenever considered necessary to ensure comparability with the current year's presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

**General:**

The figure has been rounded off to the nearest Taka.

These Financial Statements is unreconciled, unconfirmed and unaudited.

**3.00 Property, Plant and Equipment:**

	Amount in Taka	
	Dec. 31 2017	June 30, 2017
Land & Land Development	478,046,073	476,783,745
Building & Civil Construction	655,426,308	663,722,844
Plant & Machinery	266,596,608	285,889,539
Electrical Installation	6,228,000	6,920,000
Electrical Equipment	1,856,191	2,062,434
Gas Line Installation	788,660	876,289
Fire Equipment	217,168	255,492
Vehicle	3,398,241	4,247,801
Office Equipment	292,596	325,107
Computer & IT Equipment	195,846	203,857
Furniture & Fixture	1,170,512	1,300,569
	<b>1,414,216,203</b>	<b>1,442,587,677</b>

**3.01 Movement of Fixed Assets****Fixed Assets at cost :**

Opening Balance	2,623,017,623	2,497,148,358
Add: Addition during the year	3,537,076	125,869,265
Closing Balance	2,626,554,699	2,623,017,623
Less: Accumulated Depreciation	(1,212,338,496)	(1,180,429,947)
<b>Written Down Value (WDV)</b>	<b>1,414,216,203</b>	<b>1,442,587,677</b>

Details please see Annexure-'A'

**4.00 Capital Work in Progress****The details breakup of the new Factory Building are as follows:**

New Factory Building is being constructed on 316.25 DCM Land at Sreepur, Dist-Gazipur, to produce specialized yarn to fulfill the market demand.

This is made up as under

Factory Building	284,455,139	237,142,267
Worker's Dormitories	37,350,120	30,762,792
Ducting	49,248,214	47,260,585
Road & Boundary Wall	15,967,566	14,754,580
Staff Quarter	26,397,826	21,874,062
<b>Total Capital Work in Progress</b>	<b>413,418,865</b>	<b>351,794,286</b>

**5.00 Investment in Listed Securities :**

This represents investment in listed shares

Market Value of Securities	90,030	6,404,575
	<b>90,030</b>	<b>6,404,575</b>

Detail descriptions of the securities are as under.

Name of the Securities	Quantity	Cost Value (Tk)	Market Value (Tk)	Unrealised Gain/(Loss)
Lanka Bangla Finance		-	-	-
Meghna Life	1,503	115,322	90,030	(25,292)
BBS	-	-	-	-
Al-Arafah Bank Ltd.	-	-	-	-
SALAMCRST	-	-	-	-
	<b>1,503</b>	<b>115,323</b>	<b>90,030</b>	<b>(25,292)</b>

\*Details of Margin loan against purchase of listed companies share have been shown in note no - 15.

**6.00 Inventories :**

Finished Goods	[Note-6.01]	64,895,640	71,010,160
Working-in-process	[Note-6.02]	19,544,120	17,897,270
Raw Materials	[Note-6.03]	818,958,773	820,671,208
Packing Materials	[Note-6.04]	4,589,232	3,864,568
Other Materials	[Note-6.05]	67,016,511	67,723,091
		<b>975,004,276</b>	<b>981,166,296</b>

**6.01 Finished Goods :****Value in Taka-**

Carded	48,744,240	47,756,786
Combed	16,151,400	23,253,374
	<b>64,895,640</b>	<b>71,010,160</b>

**Quantity in MT-**

Carded	249	253
Combed	81	119
	<b>330</b>	<b>372</b>

**6.02 Working-in-process****Value in Taka-**

Carded	9,386,440	9,818,780
Combed	10,157,680	8,078,490
	<b>19,544,120</b>	<b>17,897,270</b>

**Quantity in MT-**

Carded	49	53
Combed	52	42
	<b>101</b>	<b>95</b>

**6.03 Raw Materials :****Value in Taka-**

Raw Cotton	818,958,773	820,671,208
	<b>818,958,773</b>	<b>820,671,208</b>

**Quantity in MT-**

Raw Cotton	4,874	5,778
	<b>4,874</b>	<b>5,778</b>

**6.04 Packing Materials :****Value in Taka-**

CONE	411,881	422,911
Poly Bag	1,986,170	1,711,592
WPP Bag	1,979,396	1,555,189
Sticker	211,786	174,876
	<b>4,589,232</b>	<b>3,864,568</b>

**Quantity in Pcs & Kgs-**

CONE (pcs.)	152,548	156,634
Poly Bag(kg.)	11,158	9,616
WPP Bag (Kg.)	79,176	62,208
Sticker (pcs.)	2,117,856	1,748,759

**6.05 Other Materials****Value in Taka-**

Spare Parts	67,016,511	67,723,091
Textile wax		
	<b>67,016,511</b>	<b>67,723,091</b>

**7.00 Accounts and Other Receivables:**

Accounts Receivables ( Notes-7.01)	791,748,961	810,668,683
Other Receivables ( Notes-7.02)	44,128,867	33,110,103
	<b>835,877,828</b>	<b>843,778,786</b>

**7.01 Accounts Receivable :**

Opening Balance	810,668,683	760,702,135
Add: Sales during the year	798,553,404	1,734,266,045
Available for collection	1,609,222,087	2,494,968,180
Less: Realized during the year	(818,768,798)	(1,687,199,292)
	<b>790,453,289</b>	<b>807,768,888</b>

Add: Translated Foreign Exchange Gain/(Loss)	1,295,672	2,899,795
	<b>791,748,961</b>	<b>810,668,683</b>

**7.02 Other Receivables :**

Interest Receivable from Sister Concern	<b>44,128,867</b>	<b>33,110,103</b>
---	-------------------	-------------------

**7.03 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994**

Maturity less than 6 months	791,748,961	810,668,683
Maturity more than 6 months	44,128,867	33,110,103
	<b>835,877,828</b>	<b>843,778,786</b>

Debts considered Good & Secured	769,931,765	748,370,677
Debts considered Good without security	-	-
Debts considered doubtful & bad	-	-
Debts due by directors or other officers & staffs	44,128,867	33,110,103
Debts due from companies under same management	21,817,196	62,298,006
Maximum debt due by directors or officers & staffs at any time	-	-

All the debts are considered good as it has been made through letter of credit.



**8.00 Advances, Deposits & Pre-Payments :**

This is made-up as follows:

**a) Advance against Income tax**

Opening Balance	-	-
Add: During the year		
TDS on Export Sales	4,074,839	10,445,555
TDS on Vehicles Tax Token & Fitness Renewal Fee	-	35,000
Tax on Dividend Income	-	37,383
AIT through pay order	17,000,000	47,844,783
Lesss: Adjustment during the year	(21,074,839)	(58,362,721)
	-	-
Total of Advance against Income Tax	-	-

**b) Other advance**

Advance against work	3,395,685	4,581,590
Advance against Purchases	360,514,574	370,521,358
Advance against Land Purchase	67,062,500	67,062,500
Advance against Land Development	9,227,119	9,227,119
Advance against L/C Margin	18,504,548	6,417,607
Advance against Loan Installment	2,288,130	2,288,130
Advance against C&F agency & Others	8,330,823	3,566,570
Advance to ICB Capital Management Ltd	5,400,000	2,000,000
	<b>474,723,379</b>	<b>465,664,874</b>

**c) Security Deposits-**

Mymensingh PBS-2 for Electricity Connection	746,250	746,250
BTCL for T & T Line Connection	18,000	18,000
Titans Gas T & D Co.Ltd. for Gas Connection	6,320,415	6,320,415
Bank Guarantee for Titans Gas Connection	10,527,300	10,527,300
	<b>17,611,965</b>	<b>17,611,965</b>
	<b>492,335,344</b>	<b>483,276,839</b>

**8.01 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994**

Maturity less than 6 months	474,723,379	465,664,874
Maturity more than 6 months	17,611,965	17,611,965
	<b>492,335,344</b>	<b>483,276,839</b>
Advance, deposits & prepayments considered good & secured	425,272,844	416,214,339
Advance, deposit & prepayments considered Good without security	-	-
Advance, deposit & prepayments considered doubtful & bad	-	-
Advance, deposit & prepayments due by directors or other officers & staffs	67,062,500	67,062,500
Advance, deposit & prepayments due from companies under same management	-	-
Maximum advance due by directors or officers & staffs at any time	-	-
	<b>492,335,344</b>	<b>483,276,839</b>

**9.00 Loan to Sister Concern**

Temporary loan has been provided to the following concern of Aman Group at interest of 11% for their Operational purpose. This amount will be adjusted within the shortest time.

Aman Cement Mills Unit 2 Ltd	98,180,236	93,061,835
Aman Jute Fibrous Ltd	14,258,325	13,515,000
Anwara Mannan Textile Mills Ltd	87,902,600	83,320,000
	<b>200,341,161</b>	<b>189,896,835</b>

**10.00 Cash and Cash Equivalents :**

This is made-up as follows:

Cash in hand	9,187,091	9,506,849
Cash at Banks (Note : 10.01)	59,674,633	29,480,962
	<b>68,861,724</b>	<b>38,987,811</b>

**10.01 Details Break-up of cash at Bank is as follows :**

IBBL, Ramna Branch	15,464	426,110
NBL, Dilkusha Br.	5,100	5,676
IBBL, Palton Br.	6,626	7,201
EXIM Bank Ltd. Mawna Br.	8,043	8,619
EXIM Bank Ltd. Rajuk Br.	17,369	17,944
IBBL, Uttara Br.	137,397	71,207
IBBL, Mawna Br.	32,040	36,275
IBBL, Ramna Br,	375,954	375,092
Prime Bank Ltd, Motijheel Br.	2,226	2,801
Prime Bank Ltd, Uttara Br.	110,097	110,672
IBBL, Ramna Branch,	734,633	17,021
ONE Bank Ltd., Motijheel	433,685	7,593
Shahjalal Islami Bank Ltd,	49,154	49,729
Bank Asia , Uttara Br. Islamic wing	7,950	8,525
Bank Al- Falah Ltd, Dhaka	45,393	46,544
IBBL , Ramna, Dhaka FCAD ORQ	10,192,400	1,090,087
Pubali Bank, Principal Br,	66,050	66,625
South Bangla Agriculture & Commerce Bank Ltd,	1,435	2,125
Woori Bank, Uttara Branch	2,802,367	1,108,238
Woori Bank, Uttara Branch	637,817	1,974,332
Woori Bank, Uttara Branch	581,955	80,032
Meghna Bank Ltd, Uttara Branch	88,127	4,466,213
Meghna Bank Ltd, Uttara Branch	43,313,467	19,492,416
City Bank Ltd, Principal Branch	9,885	9,885
City Bank Ltd, Principal Branch	-	-
City Bank Ltd, Principal Branch	-	-
City Bank Ltd, Principal Branch	-	-
	<b>59,674,633</b>	<b>29,480,962</b>

**11.00 Share Capital :**

Share Capital represents the followings:

Authorized:

200,000,000 Ordinary Shares of Taka 10 each.	2,000,000,000	2,000,000,000
--	---------------	---------------

Issued subscribed and fully paid up capital:

80,000,000 Ordinary shares of Taka 10 each.	800,000,000	800,000,000
	<b>800,000,000</b>	<b>800,000,000</b>

**11.01 Share Holding Position :**

Particulars of share holders and their share holding position is as under:

Name of the Shareholders	Number of Shares		%	December 31, 2017
	31-Dec-17	30 June, 2017		
Md. Rafiqul Islam	15,600,000	15,600,000	19.50%	156,000,000
Md. Shofiqul Islam	15,600,000	15,600,000	19.50%	156,000,000
Md. Toufiqul Islam	15,600,000	15,600,000	19.50%	156,000,000
Md. Toriqul Islam	22,800,000	22,800,000	28.50%	228,000,000
Ms. Mukta Islam	3,600,000	3,600,000	4.50%	36,000,000
Ms. Sajeda Islam	3,600,000	3,600,000	4.50%	36,000,000
Aman Seed Storage Ltd.	3,200,000	3,200,000	4.00%	32,000,000
	<b>80,000,000</b>	<b>80,000,000</b>	<b>100.00%</b>	<b>800,000,000</b>

**11.02 Classification of shares by holding :**

Slabs by Number of Shares	No.of Shareholders	No.of Shares	No.of Shares
Less than 500	-	-	-
From 501 to 5,000	-	-	-
From 5,001 to 10,000	-	-	-
From 10,001 to 20,000	-	-	-
From 20,001 to 30,000	-	-	-
From 30,001 to 40,000	-	-	-
From 40,001 to 50,000	-	-	-
From 50,001 to 1,00,000	-	-	-
From 1,00,001 to 1,000,000	-	-	-
Above 1,000,000	7	80,000,000	80,000,000
	<b>7</b>	<b>80,000,000</b>	<b>80,000,000</b>

**12.00 Retained Earnings :**

Opening Balance	2,063,982,851	1,786,949,775
Add: Transferred from current year profit	134,118,996	277,033,076
<b>Closing Balance</b>	<b>2,198,101,846</b>	<b>2,063,982,851</b>

**12.01 Available For Sale (AFS) Reserve :**

Opening Balance	(38,637)	(2,130,323)
Add: Addition during the year	17,638	2,324,096
Add: Related Tax	(1,764)	(232,410)
<b>Closing Balance</b>	<b>(22,762)</b>	<b>(38,637)</b>

**13.00 Revaluation Surplus :**

Revaluation surplus made on Land and Land Development in the year 2013 by the approved enlisted valuer S.H.Khan & Co. Chartered Accountants. Details are shown as follows :

Fair Value/Market Value	464,338,000	464,338,000
Book Value	185,025,622	185,025,622
<b>Revaluation surplus</b>	<b>279,312,378</b>	<b>279,312,378</b>
Less : Deferred Tax on Revaluation @ 3%	(13,930,140)	(13,930,140)
<b>Net Balance of Revaluation surplus</b>	<b>265,382,238</b>	<b>265,382,238</b>

Deferred Tax on revaluation surplus has been computed @ 3% as per provision of Finance Act 2016.

Name of the Valuer : **S.H. KHAN & CO. Chartered Accountants**. Address: Raz Bhaban ( 1st floor), 29 Dilkusha C/A, Dhaka-1000.

Date of Revaluation: 15 May, 2013

**14.00 Long Term Borrowings - Net of Current Maturity :**

This represents amount payable to Islami Bank Bangladesh Limited, Ramna Branch, Dhaka for implementation of

**14.01 Islami Bank Bangladesh Ltd.**

This is made up as follows:

Opening Balance at 1st July	21,577,775	47,162,188
Add : Received during the year	-	-
Add: Profit & Rent Charged which are paid/ Payable for the year	1,046,956	3,794,160
	22,624,731	50,956,348
Less: Payment made during the year -		
Principal	(10,616,668)	(25,584,413)
Profit & Rent	(1,046,956)	(3,794,160)
<b>Closing Balance at 30 June</b>	<b>10,961,107</b>	<b>21,577,775</b>
Less: Current maturity transferred to current Liability	(8,686,609)	(15,391,028)
<b>Balance after current maturity</b>	<b>2,274,498</b>	<b>6,186,747</b>

**14.02 Union Capital Limited**

This is made up as follows:

Opening Balance	85,250,599	96,408,769
Add, Addition made during the year	-	-
	<b>85,250,599</b>	<b>96,408,769</b>
Add, Interest Charged during the year	4,821,822	11,723,130
	<b>90,072,421</b>	<b>108,131,899</b>
Less, Payment made during the year	(12,539,402)	(22,881,300)
Closing Balance at 30 June	<b>77,533,019</b>	<b>85,250,599</b>
Less: Current maturity transferred to current Liability	(19,148,746)	(17,994,397)
Balance after current maturity	<b>58,384,273</b>	<b>67,256,202</b>
<b>Total Balance after Current Maturity at June 30</b>	<b>60,658,771</b>	<b>73,442,949</b>

14.03	Name of Bank	Nature	Limit	Tenure	Interest rate (%)	Security
	Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	HPSM	842,143,773	11-01-2007 to 29-03-2019	12%	Land, Building & Machine
	Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	HPSM	34,866,198	14-12-2014 to 19-05-2019	12%	Land, Building & Machine
	Union Capital Ltd, 73 Sonargaon Road, Dhaka	Term Finance	100,000,000	60 Months	12.50%	175 Decimal Land

**15.00 Short Term Borrowings :**

The following represents loan sanctioned by the Islami Bank Bangladesh Ltd, Ramna Branch, Dhaka, Meghna Bank Ltd, Uttara Branch, Dhaka and Standard Bank Ltd, Principal Branch, Dhaka to provide working capital of the company which is fully secured by hypothecation of inventory and also includes current maturity of long term loan.

Islami Bank Bangladesh Ltd, Ramna, Dhaka-BAI MURABAHA/TR	431,361,360	585,693,015
Islami Bank Bangladesh Ltd, Ramna, Dhaka-MPI	18,201,675	11,126,350
Islami Bank Bangladesh Ltd, Ramna, Dhaka - EDF	-	186,895,767
Islami Bank Bangladesh Ltd, Ramna, Dhaka - MDB-Local	-	10,432,496
Islami Bank Bangladesh Ltd, Ramna, Dhaka - MDB-Foreign	-	25,062,646
Meghna Bank Limited, Uttara, Dhaka - LTR	93,969,035	79,099,326
Meghna Bank Limited, Uttara, Dhaka - MFCI or EDF	313,324,971	-
Standard Bank Ltd, Principal Branch, Motijheel	20,414,456	25,575,667
	<b>877,271,497</b>	<b>923,885,267</b>
Shahjalal Islami Bank Securities, Dilkusha Branch, Code no - 03850	(48,570)	252,954
<b>Total Balance</b>	<b>877,222,927</b>	<b>924,138,221</b>

**15.01 Details of the sanction are as under .**

Name of Bank	Nature	Sanction Limit	Tenure	Interest rate	Security
Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	BAI MURABAHA/TR/MPI/MDB	700,000,000	Below one year	12%	Inventory Hypothecation
Standard Bank Ltd, Principal Branch, Motijheel	CC-Hypo	20,000,000	Below one year	11%	
Meghna Bank Ltd, Uttara Branch	LTR	500,000,000	Below one year	12%	
	EDF/UPAS			Six months USD LIBOR plus 2.5%	

**16.00 Long Term Borrowings - Current Maturity (Note-14)**

<b>27,835,355</b>	<b>33,385,425</b>
-------------------	-------------------

**17.00 Accounts Payable :**

Opening Balance	3,206,987	3,570,666
Add: Purchased during the year	488,504,532	1,114,826,902
Available for payment	491,711,519	1,118,397,568
Less: Payment made during the year	(489,512,098)	(1,115,190,581)
<b>Balance as on June 30</b>	<b>2,199,421</b>	<b>3,206,987</b>

**18.00 Liabilities for Expenses & Others :**

This is made-up as follows:

Gas Bill	5,863,221	6,089,361
Salary & wages	3,676,193	3,813,312
Remuneration Payable	360,000	360,000
WPPF Payable	16,160,672	23,031,702
TDS & VAT Payable	1,099,396	1,996,093
Audit & Professional fees Payable	125,000	115,000
Telephone	5,058	4,643
Electricity	13,164	14,548
Others Payable	712,186	613,021
	<b>28,014,890</b>	<b>36,037,680</b>

**19.00 Net Asset Value (NAV) :****NAV per share with revaluation :**

Shareholders' Equity including revaluation surplus	3,263,461,322	3,129,326,452
Number of ordinary shares outstanding	80,000,000	80,000,000
<b>Net Asset Value (NAV) per Share</b>	<b>40.79</b>	<b>39.12</b>

**NAV per share without revaluation :**

Shareholders' Equity excluding revaluation surplus	2,998,079,084	2,863,944,214
Number of ordinary shares outstanding	80,000,000	80,000,000
<b>Net Asset Value (NAV) per Share</b>	<b>37.48</b>	<b>35.80</b>
Par Value of Share	10	10

**20.00 Sales :**

Carded-Yarn	572,802,357	636,917,641
Combed -Yarn	225,751,047	220,104,360
	<b>798,553,404</b>	<b>857,022,001</b>

**Quanty in MT-**

Carded-Yarn	2,296	2,399
Combed -Yarn	874	798
	<b>3,170</b>	<b>3,197</b>

**21.00 Cost of Sales :**

Raw materials consumption [Note-21.01]	482,642,915	509,795,302
Packing materials consumption [Note- 21.03]	6,849,387	5,660,003
Factory Overhead [Note-21.05]	97,828,309	91,633,720
<b>Prime Cost</b>	<b>587,320,612</b>	<b>607,089,025</b>
Opening WIP [Note-6.02]	17,897,270	17,062,856
Closing WIP [Note-6.02]	(19,544,120)	(10,414,900)
<b>Cost of proudction</b>	<b>585,673,762</b>	<b>613,736,980</b>
Opening finished goods [Note-6.01]	71,010,160	173,937,525
Closing Finished goods [Note 6.01]	(64,895,640)	(150,270,255)
	<b>591,788,281</b>	<b>637,404,250</b>

**21.01 Raw Materials Consumption :**

Opening Balance [Note-6.03]	820,671,208	707,020,640
Purchase during the year [Note-21.02]	480,930,480	531,858,600
Available for use	1,301,601,688	1,238,879,240
Closing Balance [Note-6.03]	(818,958,773)	(729,083,938)
	<b>482,642,915</b>	<b>509,795,302</b>

**21.02 Raw Materials Purchase :****Value in [Taka]**

Raw Cotton	480,930,480	531,858,600
	<b>480,930,480</b>	<b>531,858,600</b>

**Quantity in [MT]**

Raw Cotton	2,862	3,820
	<b>2,862</b>	<b>3,820</b>

**21.03 Packing Materials Consumption :**

Opening Balance [Note-6.04]	3,864,568	3,325,771
Purchase during the year [21.04]	7,574,052	7,006,889
Available for use	<b>11,438,620</b>	<b>10,332,660</b>
Closing Balance [Note-6.04]	(4,589,232)	(4,672,657)
	<b>6,849,387</b>	<b>5,660,003</b>

**21.04 Packing Materials Purchase :****Value inTaka-**

CONE	4,049,384	4,195,375
Poly Bag	1,346,570	1,120,096
WPP Bag	1,990,800	1,543,527
Sticker	187,298	147,891
	<b>7,574,052</b>	<b>7,006,889</b>

**Quantity in Pcs & Kgs-**

CONE (pcs.)	1,499,772	1,678,150
Poly Bag(kg.)	7,565	5,926
WPP Bag (Kg.)	79,632	61,741
Sticker (pcs.)	1,872,977	1,478,908

**21.05 Factory Overhead :**

Wages & allowances	14,637,659	13,472,324
Overtime	654,098	786,874
Factory Salary	6,398,186	5,677,123
Festival Bonus	612,982	1,272,363
C&F Charges	1,768,644	1,718,097
Carriage Inward	787,254	612,343
Spare Parts	1,418,675	1,212,090
Wax Roll	-	991,646
Fuel & Lubricants	863,232	662,321
Chemical used	756,167	663,465
Diesel for Generator	565,498	498,786
Indirect materials	298,763	321,117
Electricity	148,376	143,549
Gas Bill	38,605,653	34,041,246
Depreciation	30,313,122	29,560,376
	<b>97,828,309</b>	<b>91,633,720</b>

**22.00 Administrative Expenses :**

This is made-up as follows -

Salary and Allowances	4,267,238	4,956,768
Festival Bonus	669,158	1,060,576
Directors Remuneration	2,400,000	2,400,000
Board meeting fee	198,625	304,750
Office Rent	490,500	490,500
Delivery Expenses	92,786	81,312
Staff Fooding	298,769	412,324
Electricity	290,676	102,544
Fax and Mobile Exp	100,176	146,436
Telephone	16,098	16,232
Postage and Courier	6,493	10,112
Entertainment	33,434	39,908
Local Conveyance	187,203	72,142
Stationery	104,178	92,347
Office Supplies	19,874	20,340
Gardening	1,962	1,823
Fuel, Oil and Lubricants	243,182	337,789
Fees, Forms, and Renewals	265,128	113,487
Misc. Expenses	588,099	439,353
Repair & Maintenance ( Civil)	90,451	145,064
Repair & Maintenance (Machine)	236,546	289,783
Medical Expenses	6,743	1,023
Audit & Professional fees	125,000	125,000
Bank Charges	685,745	112,046
Uniform & Liveries	8,934	4,078
Road Show Expenses	364,066	-
Testing Expenses	31,428	26,136
Repair & Maintenance (Electric)	187,275	186,186
Commercial expenses	43,871	44,698
Paper & Periodicals	1,063	989
Depreciation	1,595,427	1,555,809
	<b>13,650,128</b>	<b>13,589,555</b>

**23.00 Selling and Distribution Expenses :**

This is made-up as follows -

Salary & Allowances	4,212,152	3,912,124
Festival Bonus	242,873	777,063
Carriage Outward	472,088	396,761
Advertisement	8,023	11,064
Sample Expenses	167,152	130,118
Freight Charges	243,142	300,005
Tours & Travels	96,021	93,086
BTMEA	114,300	151,243
Stationery	77,326	93,452
Other Expenses	378,638	321,641
L/C Realisation Charges	689,352	575,601
	<b>6,701,067</b>	<b>6,762,158</b>

**24.00 Financial Expenses :**

Interest on Term loan from Union Capital Ltd	4,821,822	6,181,454
Interest on loan from Meghna Bank Limited - LATR & EDF	1,655,497	77,013
Profit/rent (Interest) on HPSM A/C-IBBL, Ramna, Dhaka	1,046,956	584,780
Profit (Interest) on MPI, BAIM & TR A/C-IBBL, Ramna and SBL, Dhaka	25,615,969	24,823,537
Interest on MFCI - EDF	1,728,674	5,677,902
Interest charged on Loan to sister concern	(11,018,764)	(7,306,202)
	<b>23,850,154</b>	<b>30,038,485</b>

**25.00 Non Operating Income :**

This is arrived at as follows:

Translation Gain/ (Loss) on Cash & Cash Equivalents	50,058	-
Misc. Income	674,096	476,036
Transaction Gain/ (Loss)	432,863	-
Translation Gain/ (Loss) on Accounts Receivable	1,295,672	-
Gain on sale of Share	452,435	-
	<b>2,905,124</b>	<b>476,036</b>

**26.00 Provision for Taxation :****26.01 Current Tax :**

Net Profit Before Tax	157,589,426	161,622,465
Accounting Depreciation	31,908,549	31,116,185
Unrealized Foreign Exchange Gain/(Loss)	(1,345,730)	-
Other Income	(1,559,394)	(476,036)
Tax Depreciation	(107,779,838)	(54,768,635)
<b>Business Income</b>	<b>78,813,014</b>	<b>137,493,980</b>

**a) Minimum Tax :**

- (i) the minimum tax under sub-section (2); or  
(ii) the minimum tax under sub-section (4).

<b>Minimum tax</b>	<b>6,066,970</b>	<b>7,219,167</b>
--------------------	------------------	------------------

**b) Regular Tax :**

Tax on taxable business income	11,821,952	20,624,097
Tax on other income	858,441	166,613
Tax on dividend income	45,244	-
	<b>12,725,637</b>	<b>20,790,710</b>
<b>Tax liabilities (Higher of A &amp; B)</b>	<b>12,725,637</b>	<b>20,790,710</b>

**26.02 Provision For Taxation :**

Opening Balance	60,009,050	78,647,169
Add -Provision for the year	12,725,637	39,724,602
<b>Total Liability</b>	<b>72,734,686</b>	<b>118,371,771</b>
Less: Adjustment during the year	(21,074,839)	(58,362,721)
<b>Total Tax Liability</b>	<b>51,659,847</b>	<b>60,009,050</b>

**26.03 Deferred Tax :**

Deferred Tax liabilities represents the amount provided for Tk.1,39,30,140/= on Revaluation Surplus of Fixed Asset that will be continued before disposal of such Asset and the amount of 75,165,287/= provided on Temporary difference of written down value as per Accounts and written down value of tax base by multiplying applicable tax rate @ 15%.

**26.04 Deferred Tax Liability/(Assets) :**

Carrying Amount of the PPE (except land)	936,170,130	965,803,932
Tax Base of PPE (except land)	437,896,648	543,401,738
Taxable/(Deductible) Temporary Difference	498,273,482	422,402,193
Tax Rate	15%	15%
Deferred Tax Liability/(Assets) at Closing	74,741,022	63,360,329
Add : Translation Gain/ (Loss)	424,265	1,060,165
	<b>75,165,287</b>	<b>64,420,494</b>
Add, Unrealised Gain/(Loss) on securities available for sale	(2,529)	(4,293)
Add : Tax on Revaluation (Note- 13.00)	13,930,140	13,930,140
<b>Total Deferred Tax Liability/(Assets) at Closing</b>	<b>89,092,898</b>	<b>78,346,341</b>

Deferred Tax on translation gain or loss has been computed @ 35% as applicable to other income.



<b>26.05 Deferred Tax Expenses/(Income) :</b>		
Deferred Tax Liability/(Assets) at Closing except	75,165,287	57,721,622
Deferred Tax Liability/(Assets) as at Opening except	64,420,494	53,389,251
<b>Deferred Tax Expenses/(Income)</b>	<b>10,744,794</b>	<b>4,332,371</b>
<b>27.00 Earnings Per Share :</b>	<b>1.68</b>	<b>1.71</b>
<b>27.01 Basic Earnings per share :</b>		
Net Profit after tax on core Business	131,213,872	136,023,348
Weighted Average No. of Shares	80,000,000	80,000,000
<b>Basic Earnings Per Share</b>	<b>1.64</b>	<b>1.70</b>
<b>Non Operating Income</b>	2,905,124	476,036
Weighted Average No. of Shares	80,000,000	80,000,000
<b>Basic Earnings Per Share on non operating income</b>	<b>0.04</b>	<b>0.01</b>
<b>27.02 Diluted Earnings per share :</b>		
Profit after tax	134,118,996	136,499,384
Total existing number of shares	80,000,000	80,000,000
<b>Diluted Earnings per share</b>	<b>1.68</b>	<b>1.71</b>
<b>28.00 Contingent liabilities &amp; Capital Commitments :</b>		
a) There is no claim against		
b) There is no un-availed credit facilities, other than those in the normal course of business, available to the company as on December 31, 2017		
c) The Income Tax related to the Assessment year 2012-2013, 2013-2014, 2014-2015 & 2015-2016 against the DCT Assesment order is under Appeal with the Tax Authority. As such no additional Tax provision in respect of above year has been made in this year.		

**AMAN COTTON FIBROUS LIMITED**  
**Annexure of Property, Plant & Equipment**  
**As at December 31 , 2017**

**(a) COST :**

(a) COST :								ANNEXURE-A
ASSET ITEMS	C O S T			Rate of Depreciat ion	D E P R E C I A T I O N			Written down value as on 31.12.2017
	Balance as at 01.07.2017	Addition during the year	Balance as at 31.12.2017		Balance as at 01.07.2017	Charged During the Year	Balance as at 31.12.2017	
Land & Land Development	197,471,367	1,262,328	198,733,695	-	-	-	-	198,733,695
Building & Civil Construction	745,062,899	-	745,062,899	2.5%	81,340,055	8,296,536	89,636,591	655,426,308
Plant & Machinery	1,350,798,176	2,238,348	1,353,036,524	15%	1,064,908,638	21,531,278	1,086,439,916	266,596,608
Electrical Installation	13,388,299	-	13,388,299	10%	6,468,299	692,000	7,160,299	6,228,000
Electrical Equipment	5,138,566	-	5,138,566	10%	3,076,132	206,243	3,282,375	1,856,191
Gas Line Installation	2,805,322	-	2,805,322	10%	1,929,033	87,629	2,016,662	788,660
Fire Equipment	2,286,100	-	2,286,100	15%	2,030,608	38,324	2,068,932	217,168
Vehicle	19,794,494	-	19,794,494	20%	15,546,693	849,560	16,396,253	3,398,241
Office Equipment	1,088,717	-	1,088,717	10%	763,610	32,511	796,121	292,596
Computer & IT Equipment	1,620,830	36,400	1,657,230	20%	1,416,973	44,411	1,461,384	195,846
Furniture & Fixture	4,250,475	-	4,250,475	10%	2,949,906	130,057	3,079,963	1,170,512
Balance as on 31.12.2017 (a)	2,343,705,245	3,537,076	2,347,242,321		1,180,429,947	31,908,549	1,212,338,496	1,134,903,825

**(b) REVALUATION :**

ASSET ITEMS	C O S T			Rate of Depreciat ion	D E P R E C I A T I O N			Written down value as on 31.12.2017
	Balance as at 01.07.2017	Addition during the year	Balance as at 31.12.2017		Balance as at 01.07.2017	Charged During the Year	Balance as at 31.12.2017	
Land & Land Development	279,312,378	-	279,312,378	-	-	-	-	279,312,378
<b>Balance as on 31.12.2017 (b)</b>	<b>279,312,378</b>	<b>-</b>	<b>279,312,378</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>279,312,378</b>

**C.Total (a+b)**

<b>Balance as on 31.12.2017 (a+b)</b>	<b>2,623,017,623</b>	<b>3,537,076</b>	<b>2,626,554,699</b>		<b>1,180,429,947</b>	<b>31,908,549</b>	<b>1,212,338,496</b>	<b>1,414,216,203</b>
<b>Allocation of Depreciation</b>	<b>Ratio</b>	<b>Dec 31, 2017</b>	<b>June 30, 2016</b>					
Manufacturing	95%	30,313,122	64,450,756					
Non Manufacturing	5%	1,595,427	3,392,145					
		<b>31,908,549</b>	<b>67,842,901</b>					

**ANNEXURE - B**

**AMAN COTTON FIBROUS LTD.**  
**Statement of Inventory Movement**  
**For the Half Year ended Dec 31, 2017**

**FINISHED GOODS :***Quantity in MT*

Items	Opening Balance as at 01.07.2017	Production during the year	Sales during the year	Closing Balance as at 31.12.2017
Yarn-Carded	253	2,292	2,296	249
Yarn-Combed	119	836	874	81
<b>Total</b>	<b>372</b>	<b>3,128</b>	<b>3,170</b>	<b>330</b>

**WORK-IN-PROCESS :***Quantity in MT*

Items	Opening Balance as at 01.07.2017	Production during the year	Transferred to Production	Closing Balance as at 31.12.2017
Yarn-Carded	53	38	42	49
Yarn-Combed	42	31	21	52
<b>Total</b>	<b>95</b>	<b>69</b>	<b>63</b>	<b>101</b>

**RAW MATERIALS :***Quantity in MT*

Items	Opening Balance as at 01.07.2017	Purchase during the year	Consumption during the year	Closing Balance as at 31.12.2017
Raw Cotton	5,778	2,862	3,766	4,874
<b>Total</b>	<b>5,778</b>	<b>2,862</b>	<b>3,766</b>	<b>4,874</b>

**PACKING MATERIALS :***Quantity in Pcs.*

Items	Opening Balance as at 01.07.2017	Purchase during the year	Consumption during the year	Closing Balance as at 30.12.2017
CONE	156,634	1,499,772	1,503,857	152,548
Poly Bag (kg)	9,616	7,565	6,022	11,158
WPP Bag	62,208	79,632	62,664	79,176
Sticker	1,748,759	1,872,977	1,503,879	2,117,856
<b>Total</b>	<b>1,977,215</b>	<b>3,459,946</b>	<b>3,076,422</b>	<b>2,360,739</b>