

# **ANNUAL REPORT**

**2018-2019**



Rahim Textile Mills Ltd.

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# 38<sup>th</sup>

## Annual Report 2018-2019

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## Rahim Textile Mills Limited

**Registered Office:** 117/A, Tejgaon Industrial Area, Dhaka-1208

**Corporate Head Office:** Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208

**Factory:** Shafipur, Kaliakoir, Gazipur

Tel: IPT+8809612111177-92, 880-2-8878065, Fax: 880-2-8878064

E-mail: allabj@dhaka.net, Website: www.rahimtextile.com

# Rahim Textile Mills Limited

## TRANSMITTAL LETTER

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

**Sub: Annual Report for the year ended 30th June, 2019.**

Dear Sir(s),

We are pleased to enclose a copy of Annual Report together with the Audited Financial Statements comprising Statement of Financial Position as at 30th June, 2019, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30th June, 2019 along with notes thereon for your information and records.

Yours sincerely



**Md. Kamruzzaman**  
Company Secretary

Dated: November 17, 2019

# Rahim Textile Mills Limited

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208

Corporate Head Office: Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208

## NOTICE OF THE 38<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the **38<sup>th</sup> ANNUAL GENERAL MEETING** of the Shareholders of the Company will be held on **Saturday, 21<sup>st</sup> December, 2019 at 9.00 a.m.** at Spectra Convention Centre Limited, House # 19, Road # 7, Gulshan-1, Dhaka-1212 to transact the following business:

Agenda-1. To receive, consider and adopt the Audited Financial Statements for the year ended 30th June, 2019 together with the Report of the Directors' and the Auditors' thereon.

Agenda-2. To declare dividend (s) for the year ended 30th June, 2019.

Agenda-3. To elect Directors in terms of the relevant provision of Articles of Association.

Agenda-4. To appoint Auditors for the year 2019-2020 and to fix their remuneration.

Agenda-5. To appoint Compliance Auditors for the year 2019-2020 and to fix their remuneration.

Agenda-6. To appoint the Managing Director.

Agenda-7. To appoint the Independent Director.

By order of the Board



**Md. Kamruzzaman**

Company Secretary

Dated: November 17, 2019

### Notes:

- (i) The Shareholders whose names would appear in the Share Register of the Company and/or Depository Register of CDBL on the record date i.e. **November 05, 2019** would be entitled to attend at the AGM and to receive the dividends.
- (ii) The Proxy form must be affixed with requisite revenue stamp and be deposited at the Corporate Head Office of the Company not less than 48 hours before the time fixed for the meeting.
- (iii) Admittance to the meeting venue will be on production of attendance slip sent with the Annual Report.
- (iv) The Annual Report is available in the Company's website at **www.rahimtextile.com**

**N.B:** As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM.

## **Corporate Philosophy:**

### **Vision**

We view business as a means to the material and social well-being of the investors, employees and society at large, leading to accretion of wealth through financial and moral gains as a part of the process of the human civilization.

### **Mission:**

Our mission is to produce and provide world class textile and garments products and services and position the country in the higher value segment in the international market.

### **Objectives:**

Our objectives are to conduct transparent business operation based on market mechanism within the legal & social frame work with aims to attain the mission reflected by our vision.

### **Quality Policy:**

Rahim Textile Mills Ltd. is committed to be a provider of world class textile products and services by offering unrivalled quality and satisfying the customers. The Company is committed to avoid use of dyes and chemicals those are health hazard and harmful for the mankind and environment.

### **Corporate Governance:**

Corporate Governance involves decisions making process for any corporate body as a going concern for the benefit of all concerned, present and future. These decisions may be categorized as policy & strategic, operational and executing, performance & evaluation and sharing of the accretional assets between present and future cohorts. The involvement of the entrepreneur in all these areas invokes decision making governance on a continuous basis, the degree of involvement being variable with the extent of delegation of authority top down and reporting for accountability bottom up of the management echelon. These aspects of governance are shared by the Board of Directors, Executive Management, operational participants, workers and others in fulfillment of the common goals that converge in increasing the benefits of the stakeholders. To this end entire corporate governance efforts are blended with 'good governance practices' as ethically and morally acceptable standards under a given socio politico environmental phenomenon of our society in which we work live and exist.

### **The organisms through which the corporate governance functions are carried out:**

#### **BOARD OF DIRECTORS:**

##### **(a)Constitution:**

The Board of Directors, the top Management echelon, consisting of the founder entrepreneurs/ successors and Independent Directors, provides the policy and strategic support and direction for the entire range of the corporate activities. The Board of Directors consist of Seven (7) members including two Independent Directors with varied education and experience which provides a balancing character in decision making process. The Board is re-constituted every year at each Annual General Meeting when one –third of the members retires and seek re-election. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act 1994 are not fulfilled.

##### **(b ) Role & Responsibilities:**

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the Company through appropriate delegation and accountability processes via the lines of command. However, the Board of Directors hold the ultimate responsibility & accountability with due diligence for conducting the activities of the Company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society. The Board of Directors, in fulfillment of its responsibility holds periodic meetings, at least once a quarter and provides appropriate decisions/directions to the Executive Management. Such meeting usually consider operational performance, financial results, review of budgets, capital expenditure proposals for BMRE or new projects/divisions/product lines, procurement of funds by issue of shares or borrowing,

procurement of raw materials, plant & machinery, pricing of products/discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers. The Board of Directors take special care in designing and articulating productivity and compensation plans of employees and workers and rewarding them appropriately on the basis of quality and quantity of performance as an incentive. Board also remains responsible for removal of operational hazards to life and health of workers, friendly environmental work condition and social relationship as demanded of good citizen in a country.

**(C) Relationship with Shareholders and Public:**

The shareholders as owners are required to be provided with material information on the Company's operation quarterly, half-yearly and annually, the latter at the AGM. They are also provided routine services by the Company Affairs Division in matters of their various queries, shares transfer, dematerialization, rematerialization of shares, payment of dividends etc. The Board is, however, responsible to the public for publication of any Price Sensitive Information as per BSEC Regulation. A qualified & experienced person is in charge for all these responsibilities as Company Secretary. The Company has also a web site to provide permissible information/notices/price sensitive information/financial reports and others for the Shareholders and interested investors.

**(d) Relationship with Government:**

In its role on accountability to the government, the Board of Directors is to ensure payments of all dues to government in the form of import duty, custom duty, port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations and make sure to avoid corruption. This has enabled the Company to enhance its contribution to the National Exchequer on a progressive rate year after year.

**(e) Relationship with Financiers/ Bankers:**

The Board oversees the financial transactions and ensures to meet company's commitments to the lenders without default.

**(f) Relationship with Suppliers:**

The Company has to import plant and machinery and the raw materials from abroad, it has to maintain cordial relationship for mutually beneficial interest with its international as well as local suppliers. This has enabled the company to avoid any legal disputes in international/local courts and enhanced the Company's image as a good customer.

**(g) Corporate Social Responsibilities (CSR):**

The Board of Directors is also aware of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race-religion- regional equality, non- employment of child labor, human rights, environmental pollution, social-marketing and social-activities.

**SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR:**

The positions of Chairman and Managing Director are held by separate persons. The Chairman is responsible for the functions of the Board while the Managing Director serves as the Chief Executive Officer (CEO) of the Company.

**CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT AND COMPLIANCE AND COMPANY SECRETARY:**

The Company has appointed Mohammad Sakhawat Hossain, as Chief Financial Officer, Md. Jamal Uddin, as Head of Internal Audit and Compliance and Md. Kamruzzaman, as Company Secretary of the Company as per requirement of the Corporate Governance Code of Bangladesh Securities and Exchange Commission.

**AUDIT COMMITTEE OF BOARD:**

The Board of Directors has constituted an Audit Committee of the Board consisting of three Directors. The present members of audit committee are as follows: (1) Mr. M. Sekander Ali, Independent Director- Chairman (2) Dr. Shamim Matin Chowdhury, Managing Director- Member and (3) Lt. Col. Serajul Islam, Bir Protik (BAR) Retd, Independent Director-Member. The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinates with the Internal and External Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate

MIS are in place for detection of errors, frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the Company and its Directors, officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the Company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies. The Audit Committee of the Board held 4 (four) Meetings during the year 2018-2019.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The Board of Directors has constituted a Nomination and Remuneration Committee (NRC) consisting of three Directors. The present Members of Nomination and Remuneration Committee (NRC) are as follows: (1) Lt. Col. Serajul Islam, Bir Protik (BAR) Retd, Independent Director, Chairman, (2) Dr. Shamim Matin Chowdhury, Managing Director- Member and (3) Mr. M. Sekander Ali, Independent Director, Member. The Nomination and Remuneration Committee (NRC) held 1 (one) meeting during the year 2018-2019.

#### **OTHER GOVERNANCE APPARATUS:**

The Company, in its efforts for Corporate Good Governance Practices, uses a series of top ranking professional service providers including Bankers, Insurers and Technical experts who continuously assist the Board of Directors and the Executive Management in properly discharging their duties to all the shareholders, stakeholders, the Government, and the Public as highlighted below:

##### **(a) Independent Director:**

In compliance of the BSEC Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed Mr. M. Sekander Ali, one of the Senior Development/Investment Bankers of the country, former Managing Director of Investment Corporation of Bangladesh, Bangladesh Shilpa Bank, Bangladesh Shilpa Rin Sangstha and Senior Adviser of Bangladesh Securities and Exchange Commission, as the non-shareholder Independent Director.

Lt. Col. Serajul Islam, Bir Protik (BAR) Retd, a Director of Exim Bank Ltd. and Adviser of Nassa Group & Vice Chairman of Nassa Real Estate Ltd. has also been appointed as the non-shareholder Independent Director. It is expected that their expertise would help contribute to the further disclosure and protect the interest of all investors in general and smaller investors in particular.

##### **(b) Bankers:**

The degree of efficient business operation largely depends on the quality & efficiency of banking services received by the company. Efficient banking service brings down cost of operations. On the other hand, cost of financial services and interest on the lending by the banks are also required to be the minimum. With this end of view, the company has established long term business relationship with the banks namely AB Bank Limited, The City Bank Limited, IFIC Bank Limited and Mutual Trust Bank Ltd. who provide most efficient service at minimum cost/interest that benefit the shareholders.

The company has neither ever defaulted in any commitment with its Bankers nor did get entangled in legal dispute at any court.

##### **(c) Insurer:**

Insurance services cover certain operational risks which are required by law/business practices to be covered by legitimate insurance service providers for protection of the interest of the company, the investors. To this end, the company has to select insurer with the most efficient, reputed and financially sound history so that claims, if any, are settled promptly and the premium rates are market competitive. The Company, based on these considerations, is maintaining insurance business relationship with the highly reputed and publicly listed insurance companies namely Reliance Insurance Ltd., Eastland Insurance Co. Ltd. and United Insurance Co. Ltd.

##### **(d) Auditors:**

The role of the auditors in certification of the financial statement is the most significant aspect of Corporate Governance and protection of interest of investors. As evident from the Annual Reports, the company rigidly follows the code of

International Accounting Standards (IAS), International Financial Reporting Standard (IFRS), The Securities and Exchange Rules 1987 and Financial Reporting Act. 2015 with legally required disclosures of Accounts and Financial Statements. This has been possible due to the high level capability and integrity of M/s. Malek Siddiqui Wali, Chartered Accountants whose performance has played a very trustworthy role in the protection of interest of the investors.

#### **MANAGEMENT COMMITTEE:**

The Management Committee is led by the Managing Director (CEO) who has been appointed by the Board of Directors for a term of 5 years (renewable) with the approval of Shareholders in the Annual General Meeting. The Managing Director is supported by professional, well educated, trained and experienced team consisting of Mr. Ghaus Mohammad, Director-HR & Admin, Brig. General A F Jaglul Ahmed (Rtd.), Executive Director and Mohammad Sakhawat Hossain, Chief Financial Officer.

#### **SEGMENT REPORT:**

The company's operations are carried out on a single business and geographic segment within which the company operates and as such no segment reporting is felt necessary.

#### **RISK PERCEPTION:**

The Company Management perceives investment risk within the national and international economic perspectives in relation to legal and moral requirements involving inter alia, intellectual property right, scientific invention, WTO Regulation etc. and monetary and fiscal investment policies and has prepared its production & marketing strategies to meet the challenges from these risks. The Company Management also perceives credit risk, liquidity risk, market risk, currency risk and interest rate risk.

#### **WE STRIVE FOR**

- We in Rahim, strive, above all, for top quality products at the least cost.
- We owe our shareholders and strive for protection of their capital as well as ensure highest return and growth of their assets.
- We strive for best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company.
- We strive for the best co-operation of the creditors and debtors the banks & financial institutions who provide financial support when we need them, the suppliers of raw materials & suppliers who offer them at the best prices at the opportune moments, the providers of utilities- power, gas & water etc. and the customers who buy our products and services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates to our customers.
- We strive for fulfillment of our responsibility to the Government through payment of entire range of due taxes, duties and claims by various public agencies like municipalities etc.
- We strive, as responsible citizen, for a social order devoid of malpractices, anti environmental behaviors, unethical and immoral activities and corruptive dealings.
- We strive for practicing good-governance in every sphere of activities covering inter alia not being limited to, disclosure & reporting to shareholders, holding AGM in time, distribution of dividends and other benefits to shareholders, reporting/dissemination of price sensitive information etc.
- We strive for equality in sexes, races, religions and regions in all sphere of operation without any discriminatory treatment.
- We strive for an environment free from pollution and poisoning.
- We strive for the achievement of Millennium development goals for the Human Civilization.



## CORPORATE REVIEW

### I. MANAGEMENT APPARATUS:

<b>(a) BOARD OF DIRECTORS:</b>	Mr. Didar A. Husain Dr. Shamim Matin Chowdhury Mr. A. Matin Chowdhury Ms. Saima Matin Chowdhury Mr. Azizur Rahim Chowdhury Mr. M. Sekander Ali Lt. Col. Serajul Islam, Bir Protik (BAR) Retd.	Chairman Managing Director Director Director Director Independent Director Independent Director
<b>(b) AUDIT COMMITTEE:</b>	Mr. M. Sekander Ali Dr. Shamim Matin Chowdhury Lt. Col. Serajul Islam, Bir Protik (BAR) Retd.	Chairman Member Member
<b>(c) NOMINATION AND REMUNERATION COMMITTEE:</b>	Lt. Col. Serajul Islam, Bir Protik (BAR) Retd. Dr. Shamim Matin Chowdhury Mr. M. Sekander Ali	Chairman Member Member
<b>(d) MANAGEMENT COMMITTEE:</b>	Dr. Shamim Matin Chowdhury Mr. Ghaus Mohammad Brig. Gen. A F Jaglul Ahmed (Retd.) Mr. Mohammad Sakhawat Hossain	Chairman Member Member Member
<b>(e) SENIOR CORPORATE OFFICIALS:</b>	Mr. Ghaus Mohammad Brig. Gen. A F Jaglul Ahmed (Retd.) Mr. Mohammad Sakhawat Hossain Mr. S. H. Abdur Rahman Md. Kamruzzaman Md. Jamal Uddin	Director, HR & Admin Executive Director Chief Financial Officer General Manager Company Secretary Head of Internal Audit and Compliance
<b>(f) AUDITORS:</b>	Malek Siddiqui Wali	Chartered Accountants
<b>(g) BANKERS:</b>	i. AB Bank Ltd. ii. The City Bank Ltd. iii. Mutual Trust Bank Ltd. iv. IFIC Bank Ltd.	
<b>(h) INSURERS:</b>	i. Reliance Insurance Ltd. ii. Eastland Insurance Co. Ltd. iii. United Insurance Co. Ltd.	
<b>(i) LISTING:</b>	Dhaka Stock Exchange Ltd.	
<b>(j) REGISTERED OFFICE:</b>	117/A, Tejgaon Industrial Area, Dhaka-1208.	
<b>(k) CORPORATE HEAD OFFICE:</b>	Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208	
<b>(l) INVESTORS' RELATION DEPARTMENT:</b>	Md. Kamruzzaman	Fax No-880-2-8878064, E-mail: kamruzzaman@kntasia.com, Tel: 880-2-8878065, Cell: 8801709998863
<b>(m) FACTORY:</b>	Shafipur, Kaliakoir, Gazipur.	

## II. CORPORATE HISTORY:

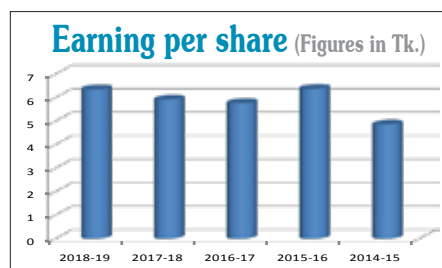
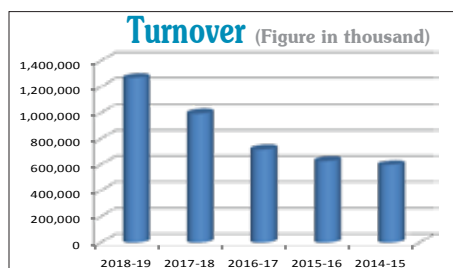
- Year of Incorporation : 31 December, 1981
- Year of Commencement of Production : 01 July, 1987
- Year of Initial Public Offering (IPO) : 1988
- Stock Exchange Listing date : 29 March, 1988
- Awarded Oeko-Tex Certificate : 20 September, 2010
- Awarded Better Cotton Initiative Certificate : 05 January, 2017
- Awarded Organic Content Standard Certificate : 31 August, 2016
- Authorized Capital : Tk.500 Million
- Paid Up Capital : Tk.85.997 Million
- Product Lines : Dyeing, Printing & Finishing for Woven & Knit Fabrics
- Number of Shareholders (30th June 2019) : 2517
- Number of Employees (30th June 2019) : 670

## III. FIVE YEARS OPERATIONAL RESULTS:

(Figures in thousand Tk.)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Turnover</b>	<b>1,269,322</b>	<b>995,951</b>	<b>717,463</b>	<b>630,290</b>	<b>598,622</b>
Gross Profit	172,130	157,205	118,454	108,568	92,310
Operating Profit	115,425	*100,069	59,598	60,540	35,291
Net Profit before Tax	68,907	61,945	59,683	54,060	33,723
Net Profit after Tax	54,497	50,781	44,958	43,331	23,565
Total Assets	2,016,875	1,591,881	1,119,955	655,513	624,344
Fixed Assets	790,977	*796,176	549,749	444,607	448,491
Total Bank Loan	1,163,337	828,956	456,235	197,886	236,787
Total Current Assets	1,225,898	*795,704	570,205	210,906	175,853
Total Current Liabilities	1,385,246	978,488	646,772	365,522	327,935
Current Ratio	0.88:1	*0.81:1	0.88:1	0.58:1	0.54:1
Authorized Capital	500,000	500,000	500,000	500,000	500,000
Paid up Capital	85,997	78,179	67,982	48,559	34,685
Number of shares (Nos.)	8,599,712	7,817,920	6,798,191	4,855,851	3,468,465
Shareholder's Equity	358,689	319,828	279,244	234,285	190,954
Face Value per Share	10	10	10	10	10
Cash Dividend Per Share (%)	20	20	15	-	-
Stock Dividend (%)	10	10	15	40	40
Return on Paid up Capital	30%	30%	30%	40%	40%
<b>Net Assets Value per Share (NAV)</b>	<b>41.71</b>	<b>40.91</b>	<b>41.08</b>	<b>48.25</b>	<b>55.05</b>
<b>Net Operating Cash Flow per Share</b>	<b>(28.50)</b>	<b>*13.74</b>	<b>17.81</b>	<b>32.66</b>	<b>26.89</b>
<b>Earning per share (Tk.)</b>	<b>6.34</b>	<b>*5.90</b>	<b>5.75</b>	<b>6.37</b>	<b>4.85</b>
Number of Shareholders	2,517	2,759	2,808	2,555	2,641
Number of Employees	670	651	669	588	423
<b>Production (In Lac yards)</b>	<b>284.68</b>	<b>278.13</b>	<b>212.29</b>	<b>230.68</b>	<b>220.20</b>

- *Figures for the year 2017-18 has been restated*



# MESSAGE

## FROM THE CHAIRMAN

### **Dear fellow Shareholders, Ladies and Gentlemen**

I take it as a pleasant honor to welcome you on behalf of the Board of Directors to the 38th Annual General Meeting (AGM) of Shareholders of Rahim Textile Mills Ltd. and present before you the Annual Report along with the Audited Financial Statements and the Auditors' and Directors' Report thereon of the Company for the year ended 30th June, 2019.

You may be happy to know that, projection of company's progressive operational sustainable growth in turnover, gross profit, operating profit, net profit, operating assets and shareholders' equity have been steady throughout. There are signs of growth in export market based on our analytical assessment of future.

I would like to mention that due to ever growing expansion, the company had succeeded in earning an increased net profit during 2018-2019 with increase in turnover of Tk.1,269,322,438 as compared to previous period. The escalation of turnover has been possible due to advancement of business trend and fabric related export.

As you may be aware of, Bangladesh Securities and Exchange Commission (BSEC) has introduced mandatory Guidelines on Corporate Governance Code. The Board of Directors of the Company is committed to establish good governance and exercise best practices in all respects, including effective business management in a transparent manner in respect of accountability and abiding by the laws of the land.

Thanks to all Shareholders, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., CDBL, RJSC, Bankers, Customers, Employees and other stakeholders for their whole hearted support to the Company.



**Didar A. Husain**  
Chairman

# Rahim Textile Mills Limited

## DIRECTORS' REPORT TO THE SHAREHOLDERS

### FOR THE YEAR 2018-2019

#### Dear Shareholders,

In terms of provisions of section 184 of the Companies Act 1994, Rule 12 of the Bangladesh Securities and Exchange Rules 1987, BSEC Notification on CGC dated 03 June, 2018 and IAS (International Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders of the Company for the year ended 30 June, 2019 in the following paragraphs:

#### Industry outlook and possible future developments in the industry:

The future of the RMG/Textile Sector is expected to grow in the coming years in the wake of international trade wars between big players in International Trade between WTO members. Due to our competitive advantages in cost of production, Bangladesh is likely to consolidate its position provided policy support to the Private Sector is re-oriented by the government and Financial Institutions.

#### The turnover growth of our company during past few years are given below:

Year	Company's Growth Rate
2018-2019	27.45%
2017-2018	38.82%
2016-2017	13.83%
2015-2016	5.29%
2014-2015	4.06%

#### Segment-wise or product wise performance:

The actual production performance for the year under review has increased due to maximum utilization of manpower and machinery. As a result utilization of production capacity has increased from 92.71% to 94.89%. Earlier the Board of Directors had approved a BMRE plan No.-2 for Tk. 57.53 crore. Thus as against our BMRE plan No.-2 we got a loan of Tk.39.00 crore from The City Bank Ltd. Out of this Tk.38.51 crore has been invested as on 30th June 2019 for import and installation of Machinery and Equipment's, construction of Building and other purposes.

A comparative statement of productions position are given below:

Particulars	2018-2019	2017-2018	% Increase/(decrease)
<b>01 Production Capacity:</b>			
a) Dyeing, Printing & Finishing unit (Lac yards)	300.00	300.00	0%
<b>02 Actual Production:</b>			
a) Dyeing, Printing & Finishing unit (Lac yards)	284.68	278.13	2.36%
<b>03 Capacity Utilization:</b>			
a) Dyeing, Printing & Finishing unit (Percentage)	94.89%	92.71%	2.18%

#### Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any:

Global market is changing continuously causing the increase of fabric demand. New trends are taking place resulting new fabric development in the year under review. Environment and economic issues including Health & Safety issues are affecting the trend & nature of business. Fluctuating prices of raw materials & the price hike of energy contribute to the upward manufacturing cost. In response to the go green call and meeting environmental & compliance requirements, more expensive chemicals had to be selected. We put our efforts to balance this increasing manufacturing cost by research & exploring alternative sources. Our main objectives is to reduce the use of chemicals in production. To satisfy the new trends of buyer, new forms of order are being executed, such as Online Order, Sales order, Speed Order & Super speed order. This kind of orders demand short lead time encompassing enormous risk to execute. As the price of the greige is not constant, the risk of importing greige in advance is higher. To overcome this risk, we need to find alternative methods such as fast rotation of greige import & export through production & delivery. The company is also aware of Financial Risk including Credit Risk, Liquidity Risk, Market Risk, Interest rate Risk, Currency Risk and is prepared to meet with proper control which are elaborately described in the notes of financial statement.

## Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

### (a) Cost of Goods Sold:

This year's cost of goods sold was Tk.1,097.19 million (86.44% of turnover) as compared to last year's cost of goods sold of Tk.838.75 million (84.22% of turnover). This is due to the fact that there has been increase in average production cost by Tk.8.38 per yds (Tk.38.54 in 2018-2019 per yds and Tk.30.16 in 2017-2018 per yds).The increase in production quantity is 6.55 million yards compared with the last year. Production capacity utilization during the year was 94.89%.

### (b) Gross Profit:

The turnover of the company during the year was Tk.1,269.32 million as against last year's turnover of Tk.995.95 million. The increase in turnover is 27.45% over the last year. Gross Profit earned during the year was Tk.172.13 million (13.56% of turnover) as against last year's gross profit of Tk.157.20 million (15.78% of turnover). The decrease in Gross Profit ratio due to increase of cost of imported grey fabrics and increase in prices of dyes & chemicals. The Gross profit ratio has decreased by 2.22% over the previous year.

### (c) Net Profit:

Net profit (after tax) earned during the year was Tk.54.50 million as compared to last year's Net profit (after tax) of Tk.50.78 million. During the year net profit after tax has increased due to increase in sales of imported fabrics.

## Discussion on continuity of any extraordinary activities and their implications (gain or loss):

During the year the company received interest on FDR Tk.1,283,567, Wastage Sales Tk.175,600, Foreign Currency Translation Gain Tk.100,014, and Gain on Foreign Currency Exchange rate Export Tk.3,893,163 total Tk.5,452,344 less Foreign Currency Exchange rate Import loss (Tk.2,577,227) = Tk.2,875,117 which has been shown as Non-Operating Income in note no.23.00 in the Notes of Account.

## Detailed discussion on related party transactions:

Related party transactions are depicted in Note no.31.00 in the Notes of Account.

## Statement of utilization of proceeds raised through public issues, right issues and/or any other instruments:

There were no public issues and/or right issues offered during the year.

## Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.:

Initial Public Offering was made on 1988. There were no Repeat Public Offering, Rights Offer, Direct Listing, etc. in the history of the company.

## Explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements:

The unaudited Earning per share (EPS) for 1st quarter was Tk.2.25, 2nd quarter Tk.5.19 and 3rd quarter Tk.6.26. After Audit the Annual Earning per share (EPS) stood at Tk.6.34. The quarterly variance between 1st quarter to 2nd quarters occurred due to increase of sales revenue. There were no major variance between the quarterly financial performances of other quarters.

## Statement of remuneration paid to the directors including independent directors:

Name of Directors	Designation	Remuneration paid from 1st July 2018 to 30th June 2019 (Tk.)
Mr. Didar A. Husain	Chairman	1,200,000
Dr. Shamim Matin Chowdhury	Managing Director	Nil
Mr. A. Matin Chowdhury	Director	2,400,000
Ms. Saima Matin Chowdhury	Director	Nil
Mr. Azizur Rahim Chowdhury	Director	1,200,000
Md. Qamrul Huda	Independent Director	43,750
Dr. Sultan Hafeez Rahman	Independent Director	6,250
Mr. M. Sekander Ali *	Independent Director	31,250
Lt.Col. Serajul Islam, Bir Protik (BAR) Retd. **	Independent Director	Nil
<b>Total</b>		<b>4,881,250</b>

• Mr. M. Sekander Ali appointed as Independent Director on 30-09-2018.

\*\* Lt. Col. Serajul Islam, Bir Protik (BAR) Retd. appointed as Independent Director on 04-07-2019.

\*\*\* Independent Directors remuneration means Board Meeting attendance fees.

The remuneration of Directors including Independent Directors are depicted in Note no.31.03 & 31.05 in the Notes of Account. The Chairman has drawn allowances up to 31st December 2018 as he was included in marketing activities and thereafter stopped taking any allowances from the company.

**Statement of Directors on Financial Reports:**

The above reports are depicted in **Annexure-I**

**Explanation that significant deviations from the last year’s operating results of the company:**

Turnover increased by 27.45% over the last year. However, the Cost of goods sold (COGS) increased by 2.22% due to increase in price of Dyes & Chemicals and other Raw materials. Operating profit has decreased by 0.96% on sales compared to last year (2018-2019 was 9.09% and 2017-2018 was 10.05%).

**FINANCIAL RESULTS:**

The comparative statements of financial results of the Company for the year 2018-19 as compared to previous year are summarized as follows:

*(Tk. in Thousand)*

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>	<b>% Increase/(Decrease)</b>
Turnover	1,269,322	995,951	27.45%
Cost of goods sold	1,097,193	838,746	2.22%
Gross profit	172,130	157,205	(2.22%)
Operating expenses	56,705	57,136	(1.27%)
Financial expenses	45,948	39,550	(0.35%)
Operating profit	115,425	*100,069	(0.96%)
<b>Net profit (AT)</b>	<b>54,497</b>	<b>50,781</b>	<b>(0.81%)</b>
Gross profit margin	13.56%	15.78%	(2.22%)
Net profit margin	4.29%	5.10%	(0.81%)
<b>Earning per share (Tk.)</b>	<b>6.34</b>	<b>*5.90</b>	<b>--</b>
Face value per share	10	10	--

\*Earning per share and operating profit restated in the year 2017-18.

**Key operating and financial data of last preceding 5(five) years have been presented in summarized form in page no. 09.**

**Dividend:**

Board of Directors has recommended for declaration of Cash Dividend @ 20% i.e. Tk.2.00 per share of Tk.10.00 each and Stock Dividend @ 10% i.e. 0.10 (Zero point one zero) Bonus Share for every 01 (One) ordinary share held by the shareholders on the Record date.

**Board’s statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend:**

No bonus share or stock dividend has been declared during the year 2018-2019 as interim dividend.

**The total number of Board Meetings held during the year 2018-2019 and attendance by each director, stated in Annexure-I.**

**Report on the pattern of shareholding as required by clause 1.(5) (xxiii) of the BSEC Notification dated 03 June 2018, stated in Annexure-II.**

**Appointment/re-appointment of the directors:**

Brief resume and other required information of the directors who have been appointed as Independent Director and who seek re-appointed as Director in the ensuing AGM are stated in **Annexure-III**.

**Management’s Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company’s position and operations along with a brief discussion of changes in the financial statements:**

Management’s Discussion and analysis signed by CEO or MD are stated in **Annexure-IV**.

**Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) are disclosed in Annexure-A.**

**Report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 are disclosed in Annexure-B and Annexure-C.**

## MARKETING:

Global market behavior is guided by transformation of generation pulse, fast fashion forecast and technological domination on everyday lifecycle. These challenges were faced continuously in achieving our objectives to capture a greater market share amidst the advent of newer printing and dyeing houses. Our marketing policy adopted these challenges with effective tools like innovation based on new trends & thoughts. We could seize greater market values implementing unique ideas, process and the current trends. In attaining our goals, we ensured a good bonding languages among the trio of buyer, suppliers and us. We moved forward with the image of a full package of dyeing and printing unit. Eventually, digital print is going to play a dominant role in the future market. We shall catch the growing digital printing market, with proficiency in due times. Therefore, the future is ours.

## CAPITAL EXPENDITURES:

During the year 2018-19 the following capital expenditure were incurred compared to 207-2018:

(Tk. in million)

Particulars	2018-2019	2017-2018
Land/civil construction	209.65	8.26
Plant & Machinery	14.29	59.38
Other Fixed Assets	9.19	26.44
<b>Total</b>	<b>233.13</b>	<b>94.08</b>

Sources of funds are borrowing from Banks and internal generation.

## LONG TERM LOAN REPAYMENT:

During the year the company has repaid the Term Loan amounting to Tk.117,822.911 and created new Term Loan for new BMRE plan. As a result the Term Loan position as on 30th June, 2019 stood at Tk.337,713,504.

## APPROPRIATION OF PROFIT:

The Board of Directors recommended for appropriation of profit as follows:

Retained Earnings brought forward from previous year	: Tk.161,976,124.00
Less: Dividend distribution for the year 2017-2018	: (Tk.23,453,760.00)
<b>Balance surplus brought forward</b>	<b>: Tk.138,522,364.00</b>
Add: Net Profit (after tax) during the year 2018-2019	: Tk. 54,497,426.00
Add: Transfer of excess depreciation of revalued assets	: Tk. 1,310,510.00
<b>Total net free surplus available for appropriation</b>	<b>: Tk.194,330,299.00</b>

## Appropriation Proposed:

- (i) Stock Dividend (Bonus Shares) in the ratio of 1:0.10 (10%)  
i.e.0.10 (Zero point one zero) Bonus Share for every 01 (One) ordinary share held on Record Date : (Tk.8,599,712.00)
- (ii) Cash Dividend @ 20% i.e. Tk.2.00 (Two)per share of Tk.10.00 each : (Tk.17,199,424.00)

**Retained Earnings after payment of Dividend** **Tk.168,531,163.00**

## DECLARATION OF DIVIDEND:

In the line of proposed appropriation of profit, the Board of Directors proposed and recommended for declaration of Cash Dividend @ 20% and Stock Dividend (Bonus Share) @ 10% for the year 2018-2019. This will need cash disbursement of Tk.17,199,424.00 and issuance of 859,971 Ordinary Shares of Tk.10.00 each by capitalization of Tk.8,599,712.00 total Tk.25,799,136.00 out of Retained Earnings (free reserves).The issuance of Bonus Share by capitalization of Tk.8,599,712.00 due to requirement of retention of funds for continuation of existing BMRE plan and to meet other investment requirements which would reduce borrowing from banks and increase profit benefiting the shareholders. The cash and stock dividend will be available to the Shareholders whose names would appear in the Share Register of the Company or in the Depository on the record date.

## ELECTION OF DIRECTORS:

### Rotation of Directors:

Pursuant to Article clause 120 of the Articles of Association of the Company, Mr. Didar A. Husain, Director and Ms. Saima Matin Chowdhury, Director shall retire by rotation and being eligible as per Article 121 of the Articles of Association of the Company, they offered themselves for re-election. Brief resume and other information of the above mentioned directors as per clause 1.(5) (xxiv) of BSEC notification dated 3 June, 2018 are depicted in **ANNEXURE-III**.

#### **APPOINTMENT OF STATUTORY AUDITORS:**

M/s. Malek Siddiqui Wali, Chartered Accountants, Auditors of the Company, will retire at this Annual General Meeting (AGM) and being eligible offered themselves for re-appointment as statutory auditors of the company for the year 2019-2020. M/s. Malek Siddiqui Wali, Chartered Accountants, is a panel auditors of BSEC. In recommendation of the Audit Committee, the Board recommended M/s. Malek Siddiqui Wali, Chartered Accountants, 9-G, Motijheel C/A, Dhaka-1000 for re-appointment as auditors of the Company of the year 2019-2020 with fixation of their remuneration.

#### **APPOINTMENT OF CORPORATE GOVERNANCE COMPLIANCE AUDITORS:**

It is required to appoint a practicing Professional Accountant/Secretary for conducting compliance audit for the year 2019-20 on corporate governance code by Bangladesh Securities and Exchange Commission (BSEC) in compliance with the provision of 9(2) of BSEC Notification dated 3 June 2018 Ref. No. BSEC /CMRRCD/2006-158/207/Admin/80 in order to obtain a certificate on compliance of conditions of the said Corporate Governance Code of the Commission.

M/s. Das Chowdhury Dutta & Co., Chartered Accountants, existing compliance auditors of the company being eligible offered themselves for re-appointment as corporate governance compliance auditors of the company for the year 2019-2020. In recommendation of the Audit Committee, the Board recommended M/s. Das Chowdhury Dutta & Co., Chartered Accountants, Well Tower (1st Floor), Flat-A/1, 12/A, Purana Paltan Line, Dhaka for re-appointment as corporate governance compliance auditors of the Company of the year 2019-2020 with fixation of their remuneration.

#### **APPOINTMENT OF MANAGING DIRECTOR:**

As per condition no.1(4)(b) of Corporate Governance Code of BSEC Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018, the Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company. To comply the said condition the Managing Director of the Company Mr. A. Matin Chowdhury submitted resignation letter from the position of Managing Director. The Board in its meeting held on 31st December 2018 accepted the resignation of Mr. A. Matin Chowdhury and in the same meeting appointed Dr. Shamim Matin Chowdhury as Managing Director of the company with effect from 31st December 2018 for a period of 5 (five) years. The appointment of Dr. Shamim Matin Chowdhury as Managing Director of the company be placed for approval by the shareholders.

#### **APPOINTMENT OF INDEPENDENT DIRECTOR:**

After completion of consecutive two terms i.e 6 (years) as Independent Director of the company by Md. Qamrul Huda, the Board of Directors in its meeting held on 4th July, 2019 appointed Lt. Col. Serajul Islam, Bir Protik (BAR) Retd as Independent Director of the Company for a period of 3 (three) years with effect from 4th July 2019 as per BSEC Regulations and recommended for approval by the shareholders in the ensuing Annual General Meeting. Brief resume and other information of the above mentioned director is depicted in **ANNEXURE-III**.

#### **COMPLIANCE REPORT IN ANNEXURE:**

We are pleased to confirm that the company has complied with all necessary guidelines in accordance with the requirement of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The Corporate Governance Compliance Report for 2018-2019 is attached (**Annexure-C**) in Annual Report along with the certificate of Compliance required under the said guidelines.

The company obtained a certificate from Das Chowdhury Dutta & Co., Chartered Accountants, regarding compliance of conditions of corporate governance code of the Commission, which is enclosed in the Annual Report as **Annexure-B**.

#### **ACKNOWLEDGEMENT:**

The Directors are pleased to express their gratitude for the co-operation and support provided by the Shareholders, Customers, Bankers, Insurance Companies, Suppliers, BSEC, DSE, CDBL, RJSC and dedication by Workers and Employees of the company without whose active support the result would not have been possible.

Looking forward to a bright future for all of us.

On behalf of the Board of Directors,



**Didar A. Husain**  
Chairman



## ANNEXURE – I

### The Directors also report that:

- Related Party Transactions are depicted in **Note no.31.00** in the Notes of Account.
- Remuneration of Directors including Independent Director have been shown in **Note no.31.03 & 31.05** in the Notes of Account.
- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with IAS/IFRS as applicable in Bangladesh and any departure there from has been adequately disclosed.
- The internal control system is sound in design and is effectively implemented and monitored.
- The minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress.
- There is no significant doubt about the company's ability to continue as a going concern.
- Significant deviation from the operating result compared to the last year is depicted in **page no. 13** above.
- Key operating and financial data of last five years have been presented in summarized form in **page no. 09**
- No bonus share or stock dividend has been declared during the year 2018-2019 as interim dividend.
- The total number of Board Meeting and the attendance of directors during the year 2018-2019 were as follows:

Name of Directors	Position	Meeting Held	Attended
Didar A. Husain	Chairman	07	04
Dr. Shamim Matin Chowdhury	Managing Director	07	07
Mr. A. Matin Chowdhury	Director	07	07
Saima Matin Chowdhury	Director	07	02
Azizur Rahim Chowdhury	Director	07	07
Dr. Sultan Hafeez Rahman	Independent Director	07	01
Md. Qamrul Huda	Independent Director	07	07
Mr. M. Sekander Ali *	Independent Director	07	05
Lt. Col. Serajul Islam, Bir Protik (BAR) Retd **	Independent Director		

\* Mr. M. Sekander Ali appointed as Independent Director on 30-09-2018 in place of Independent Director, Dr. Sultan Hafeez Rahman on completion of his consecutive two (2) terms i.e. six (6) years.

\*\* Lt. Col. Serajul Islam, Bir Protik (BAR) Retd. appointed as Independent Director on 04-07-2019 in place of Independent Director, Md. Qamrul Huda on completion of his consecutive two (2) terms i.e. six (6) years.

- The pattern of shareholding as required by clause 1.(5) (xxiii) of the BSEC Notification dated 03 June, 2018, stated in **Annexure-II.**
- Information of Directors who seek appointment/re-appointment as required by clause 1.(5) (xxiv) of the BSEC Notification dated 03 June, 2018, stated in **Annexure-III.**
- Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission is enclosed as **Annexure –C.**

## ANNEXURE-II

### Pattern of Shareholding as on 30th June, 2019:

Name of the Shareholders	Status	Shares held	%
<b>i. Parent/Subsidiary/Associated Companies and other related parties</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>ii. Directors:</b>			
Didar A. Husain	Chairman	1,626,567	18.91
Dr. Shamim Matin Chowdhury	Managing Director	1,153,963	13.42
A. Matin Chowdhury	Director	1,484,588	17.26
Saima Matin Chowdhury	Director	1,615,608	18.79
Azizur Rahim Chowdhury	Director	311,142	3.62
M. Sekander Ali	Independent Director	Nil	Nil
Md. Qamrul Huda	Independent Director	Nil	Nil
Lt. Col. Serajul Islam, Bir Protik (BAR) Retd*	Independent Director	Nil	Nil
<b>iii. Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit &amp; Compliance and their Spouses and Minor Children:</b>			
Dr. Shamim Matin Chowdhury	Chief Executive Officer	1,153,963	13.42
Md. Kamruzzaman	Company Secretary	Nil	Nil
Mohammad Sakhawat Hossain	Chief Financial Officer	Nil	Nil
Md. Jamal Uddin	Head of Internal Audit & Compliance	Nil	Nil
Shirin Didar Husain	Wife of Mr. Didar A. Husain	227,056	2.64
A. Matin Chowdhury	Husband of Dr. Shamim Matin Chowdhury	1,484,588	17.26
<b>iv. Executives</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>v. Shareholders holding 10% or more voting interest in the Company</b>			
Didar A. Husain	Chairman	1,626,567	18.91
Dr. Shamim Matin Chowdhury	Managing Director	1,153,963	13.42
A. Matin Chowdhury	Director	1,484,588	17.26
Saima Matin Chowdhury	Director	1,615,608	18.79

\* Lt. Col. Serajul Islam, Bir Protik (BAR) Retd. appointed as Independent Director on 04-07-2019

## ANNEXURE-III

### Brief Resume of the Directors

#### Directors who seek re-appointment:

##### Mr. Didar A. Husain:

Mr. Didar A. Husain is a renowned and dynamic personality in the Textile Sector of Bangladesh. Just after completing HSC with Honors from Faujdarhat College and while a freshman at Dhaka University, Department of History, he joined the Liberation War of Bangladesh in 1971, and was commissioned in the Bangladesh Army during the war. Having served with the Army with distinction which included being Instructor in the Infantry School for 3 (three) years, he retired as a Major in 1981.

He is the founder sponsor Director of Rahim Textile Mills Limited since 1981. He has more than 37 (thirty seven) years' experience in the Textile Sector. He is the Chairman of Rahim Textile Mills Limited and Managing Director of Graphics Information System Ltd, Property Care Services Bangladesh (Pvt.) Ltd. and Director of Hejaz Publications Ltd. Mr. Husain has been actively involved in the organizational activities of Bangladesh Textile Mills Association (BTMA) and was Vice President for the year 2005 and 2006. He was also a Member of the Business Advisory Body of CRP (Center for Rehabilitation of the Paralyzed), Savar.

##### Ms. Saima Matin Chowdhury:

Ms. Saima Matin Chowdhury is a Director of the Company since 2007, daughter of Mr. A. Matin Chowdhury. She is a bright young executive having High School graduation from Concord Academy, Concord, Massachusetts, USA- B.Sc. from Swarthmore College, Pennsylvania, USA and MBA from Wharton Business School, University of Pennsylvania USA. She has work experience in the Unites States with Ernst & Young and Victoria's Secret. She has more than 12 (twelve) years working experience in the textile sector. She is also the Director of Malek Spinning Mills Limited (listed company), Salek Textile Limited, J.M. Fabrics Limited, Fatehbagh Tea Company Limited and Design Asia Limited.

#### Appointment of Independent Director:

##### Lt. Col. Serajul Islam, Bir Protik (BAR) Retd.

Lt. Col. Serajul Islam, Bir Protik (BAR) Retd. a Director of Exim Bank Ltd. and Adviser of Nassa Group & Vice Chairman of Nassa Real Estate Ltd. has been appointed as Independent Director of the Company with effect from 04th July 2019. He has been also appointed as Member of Audit Committee and Chairman of Nomination and Remuneration Committee of Rahim Textile Mills Ltd.

## ANNEXURE-IV

### Management's Discussion and Analysis

Management's Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements as per condition no 1.5(xxv) of Corporate Governance Code dated June 03, 2018.

- (a) The company has prepared and presented its financial statement as per IAS as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The following IAS are applicable for the financial statements for the year under review:

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flow
IAS-8	Accounting Policies, Changes in Accounting Estimates and errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IFRS-8	Operating Segment
IAS-16	Property, Plant & Equipment
IAS-17	Leases
IFRS-15	Revenue from Contracts with Customers
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-27	Separate Financial Statements
IAS-28	Investment in Associates and Joint Venture
IAS-33	Earning Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-9	Financial Instruments
IAS-40	Investment Property

- (b) There is no changes in accounting policies and estimation for preparation of financial statement for the year ended June 30, 2019. Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "presentation of financial statements". The previous year's figures were presented following the same accounting principles.

The deferred tax on revaluation of depreciable assets was erroneously recognized in the retained earnings. However, the Paragraph 61A(b) of IAS 12: Income Tax requires to recognize the deferred tax on revaluation gain through the other comprehensive income or by deducting revaluation surplus. To correction of such error, the financial statements have been restated as per Par 42(b) of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. A third statement of financial position has also been presented. The balance of deferred tax on depreciable assets was Tk.2,519,510 which is adjusted through Statement of Changes in Equity by restating the opening balance of comprehensive financial statements. The adjustment of excess depreciation of depreciable revalued assets shall be net of tax in accordance with the Para 64 of IAS 12: Income Tax. Considering this, the adjustment of excess depreciation of depreciable revalued assets in comprehensive statement of changes in equity has also been restated.

- (c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons are as follows:

*Figures in Million Taka*

Particulars	Jul 18 to Jun 19	Jul 17 Jun 18	Jul 16 Jun 17	Jul 15 Jun 16	Jul 14 Jun 15
Turnover	1,269.32	995.95	717.46	630.29	598.62
Gross Profit	172.13	157.20	118.45	108.57	92.31
Net Profit before tax	68.91	61.94	59.68	54.06	33.72
Net Profit after tax	54.50	50.78	44.96	43.33	23.56
Shareholders' Equity	358.69	319.83	279.24	234.29	190.95
Total Assets	2,016.87	1,591.88	1,119.95	655.51	624.34
Total Current Assets	1,225.90	795.70	570.21	210.91	175.85
Total Current Liabilities	1,385.25	978.49	646.77	365.52	327.94
Current Ratio	0.88	0.81	0.88	0.58	0.54
Net Asset Value per share	41.71	40.91	41.08	48.25	55.05
Earning per share	6.34	5.90	6.61	8.92	6.79
NOCFPS	(28.50)	13.74	17.81	32.66	26.89

**Turnover:**

Turnover has increased over the last 5 (five) years due to increase in production capacity by implementing BMRE plan and increase in business volume for fabrics printing & finishing work.

**Net Profit after Tax:**

Net Profit after tax has increased compared with last 5 (five) years due to increase in sales of fabrics related products.

**Earning Per Share (EPS):**

Earning Per Share (EPS) during the year 2018-19 has slightly decreased compared to the last 5 (five) years due to declaration and allotment of stock dividend @ 20%, 15%, 40% & 40% respectively.

**Net Operating Cash Flow Per Share (NOCFPS):**

Net Operating Cash Flow Per Share (NOCFPS) has decreased due to payment of creditors & increase of number of shares for declaration and allotment of Stock Dividend compared to the last 4 (four) years.

- (d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario:

*Figures in Million Taka*

Particulars	Rahim Textile Mills Ltd. June 30, 2019	Evince Textiles Ltd. June 30, 2019	Square Textiles Ltd. June 30, 2018	Paramount Textile Ltd. June 30, 2018
Revenue (Turnover)	1,269.32	1,826.67	6,367.12	4,119.60
Gross Profit	172.13	383.55	671.53	692.54
Operating Expenses	56.71	87.50	227.34	205.66
Financial Expenses	45.95	180.74	86.09	171.25
Net Profit before tax	68.91	181.38	348.04	328.73
Net Profit after tax	54.50	145.18	290.91	277.53
Net Profit in %	4.29%	7.95%	4.57%	6.74%
Earnings per share (EPS)	6.34	0.92	1.55	2.15
NOCFPS	(28.50)	2.67	(1.55)	2.67

- (e) Increasing economic growth and creating opportunities for productive employment are among the major socio-economic goals of any developing country like Bangladesh. Government of Bangladesh has set an ambitious GDP growth target of 8.2 percent in the current fiscal year (2019-20), and seeks to achieve still higher growth in the years of the forthcoming five to eight year plan. Looking at the current change of the economy and the behavior of principal macroeconomic indicators, it is not only possible to achieve elevated GDP growth rates, but also the target may even be exceeded only if investment picks up and the policy support promised by the Government continues. Attaining the government's socioeconomic goals, it requires vastly increased investment, but the volume of investment has historically been very low in the country due to low level of domestic savings. Bangladesh's economy is now growing at over 7% annually amidst unfavorable investment climate like shortage of skilled labor, price hike of power and gas and scarcity of land. Fresh investment in this sector may find lower

encouragement due to above. Official estimate of the investment –GDP ratio in the country for the past (2018-19) fiscal year was 31.6 percent, which is far below the 35-40 percent level deemed necessary to sufficiently boost GDP growth and create additional jobs. The National Budget has been increasing at a faster rate during the last decade with substantial developments in socio-economic and human resources indices for which Bangladesh is now being considered as a Model on the High-way to Mid-Level rich country by 2030 and a rich country by 2040.

**(f) Risk and concerns related to the financial statements and such risk and concerns mitigation plan:**

**(1) Credit Risk:**

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

**(2) Liquidity Risk:**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalent) is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

**(3) Market Risk:**

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holding financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

**(4) Currency Risk:**

The company is exposed to currency risk on certain purchases such as import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relates to procurement of raw materials, machineries and equipment from abroad.

**(5) Interest Rate Risk:**

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**(g) Future plan or projection or forecast for company's operation, performance and financial position:**

The Company has, for now, necessary plan outlines to continue its current strategies until any change in national/international business outlook.



**Dr. Shamim Matin Chowdhury**

Managing Director

## Annexure-A

[As per condition No.1 (5) (xxvi)]

### Rahim Textile Mills Limited Declaration by CEO and CFO

Date: October 06, 2019

The Board of Directors  
Rahim Textile Mills Limited  
117/A, Tejgaon Industrial Area  
Dhaka-1208  
Bangladesh

#### Subject: Declaration on Financial Statements for the year ended on 30th June 2019.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Rahim Textile Mills Limited for the year ended on 30th June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30th June 2019 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**(Dr. Shamim Matin Chowdhury)**  
Managing Director



**(Mohammad Sakhawat Hossain)**  
Chief Financial Officer

## Annexure-B

[Certificate as per condition No.1 (5) (xxvii)]

### Report to the Shareholders of Rahim Textile Mills Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Rahim Textile Mills Limited** for the year ended on **30 June 2019**. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018** of the Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except 6(5)(b)(iv), 6(5)(b)(v), 6(5)(b)(vi) and 6(5)(c) and explanation is given in Annexure-C;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws and
- (d) The Governance of the company is satisfactory.

Dhaka, 07 November 2019



**Dipak Ranjan Datta FCA**  
Partner  
Das Chowdhury Dutta & Co.  
Chartered Accountants

## Annexure-C

[As per condition No. 1(5)(xxvii)]

### Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No. 9)

Condition No.	Title	Complied	Not Complied	Remarks (if any)
<b>1</b>	<b>Board of Directors.-</b>			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
<b>1(2)</b>	<b>Independent Directors</b>			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b) (i)	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) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2) (b) (vii)	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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2) (b) (viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFIs); and	√		
1(2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2) (e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) tenure only;	√		



Condition No.	Title	Complied	Not Complied	Remarks (if any)
<b>1(3)</b>	<b>Qualification of Independent Director.-</b>			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company; or	√		
1(3) (b) (iii)	Former official of government or statutory or autonomous body or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	√		
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-</b>			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1 (5) (i)	An industry outlook and possible future developments in the industry;	√		
1 (5) (ii)	The segment-wise or product-wise performance;	√		
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1 (5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering ( IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1 (5) (x)	A statement of remuneration paid to the directors including independent directors;	√		
1 (5) (xi)	A statement that 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)	A statement that proper books of account of the issuer company have been maintained;	√		
1 (5) (xiii)	A statement that 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)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), 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)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1 (5) (xvi)	A statement that minority shareholders have been protected from abuse actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1 (5) (xvii)	A statement that there is no significant doubt 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 there of shall be disclosed;	√		
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not Applicable
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5) (xxiii) (c)	Executives; and	√		
1(5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5) (xxiv) (a)	a brief resume of the director;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(5) (xxiv) (b)	nature of his or her expertise in specific functional areas; and	√		
1(5) (xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5) (xxv) (c)	comparative analysis (including effects of inflation) of the financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5) (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5) (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM;	√		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3 (3) shall be disclosed as per <b>Annexure-A</b> ; and	√		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per <b>Annexure-B and Annexure-C</b> .	√		
1(6)	<b>Meetings of the Board of Directors</b> The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer.-</b>			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No.6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	<b>Governance of Board of Directors of Subsidiary Company.-</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding comp-any;			Not Applicable

Condition No.	Title	Complied	Not Complied	Remarks (if any)
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-</b>			
3(1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange (s).	√		
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings</b> The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
<b>3 (3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and chief financial officer (CFO)</b>			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3) (a) (ii)	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;	√		
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors' Committee.-</b>			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
<b>5</b>	<b>Audit Committee.-</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors.</b>			
5(1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1) (b)	The Audit Committee shall assist the Board 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;	√		
5(1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2) (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2) (c)	All members of the Audit Committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2) (d)	When the term of service of any Committee member expires or there is any circumstances causing any Committee member to be unable to hold office before 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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2) (e)	The company secretary shall act as the secretary of the Committee;	√		
5(2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4) (b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
5(5) (a)	Oversee the financial reporting process;	√		
5(5) (b)	monitor choice of accounting policies and principles;	√		
5(5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5) (d)	oversee hiring and performance of external auditors;	√		
5(5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
5(5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5) (h)	review the adequacy of internal audit function;	√		
5(5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5) (j)	review statement of all related party transactions submitted by the management;	√		
5(5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;			Not Applicable
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6) (a)</b>	<b>Reporting to the Board of Directors</b>			
5(6) (a) (i)	The Audit Committee shall report on its activities to the Board	√		
5(6) (a) (ii) (a)	report on conflicts of interests;	√		
5(6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5(6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	√		
5(6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6) (b)	Reporting to the Authorities			Not Applicable
5(7)	Reporting to the Shareholders and General Investors	√		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)-</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1) (c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b)	√		
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2) (a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2) (b)	All members of the Committee shall be non-executive directors;	√		
6(2) (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
6(2) (e)	In case of death, resignation, disqualification or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as adviser who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			Not Applicable
6(2) (g)	The company secretary shall act as the secretary of the Committee;	√		
6(2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	√		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No.6(2)(h);	√		
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5) (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
6(5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;		√	In progress
6(5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		√	In progress
6(5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;		√	In progress
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		√	In progress
<b>7</b>	<b>External or Statutory Auditors.-</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1) (i)	appraisal or valuation services or fairness opinions;	√		
7(1) (ii)	financial information systems design and implementation;	√		
7(1) (iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1) (iv)	broker-dealer services;	√		
7(1) (v)	actuarial services;	√		
7(1) (vi)	internal audit services or special audit services;	√		
7(1) (vii)	any service that the Audit Committee determines;	√		
7(1) (viii)	audit or certification services on compliance of corporate governance as required under condition No.9(1); and	√		
7(1) (ix)	any other service that creates conflict of interest.	√		
7(2)	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; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
<b>8</b>	<b>Maintaining a website by the Company.-</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance.-</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the AGM	√		
9(3)	The directors of the company shall state, in accordance with the <b>Annexure-C</b> attached, in the directors' report whether the company has complied with these conditions or not	√		



## **AUDIT COMMITTEE REPORT**

### **For the Year 2018-2019**

Rahim Textile Mills Limited having an Audit Committee as a sub-committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

#### **The Audit Committee consists of the following persons:**

Mr. M. Sekander Ali, Independent Director	-Chairman
Dr. Shamim Matin Chowdhury, Managing Director	-Member
Lt. Co. Serajul Islam, Bir Protik (BAR) Retd, Independent Director	-Member
Md. Kamruzzaman, Company Secretary	-Secretary

#### **Meetings of the Audit Committee:**

- The Committee held four (04) meetings during the year.
- The Committee submits its report directly to the Board of Directors.
- Minutes of the Committee meeting are properly recorded.

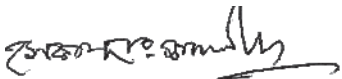
#### **The scope of Audit Committee was defined as under:**

- a. Review with the management and recommend to the Board to approve the quarterly, half yearly and annual financial statements prepared for statutory purpose;
- b. Monitor and oversee financial reporting process, choice of accounting policies and principles, internal audit and compliances process to ensure that it is adequately resourced, approval of the internal audit and compliances plan, review of the internal audit and compliance report, hiring and performance of external auditors;
- c. Meeting with the auditors for review of the annual financial statements before submission to the Board for approval;
- d. Review the adequacy of internal audit function, Management's Discussion and Analysis before disclosing in the Annual Report;
- e. Review statement of all related party transactions submitted by the management;
- f. Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and
- g. Review and consider the report of internal auditors and statutory auditors observations on internal control.

#### **Activities carried out during the year:**

The Committee reviewed with the management the quarterly, half yearly and annual financial statements and recommended to the Board for consideration. The Committee had overseen, financial reporting process, hiring and performance of external auditors, monitor choice of accounting policies and principles, internal audit and compliances process, reviewed and approved the procedure and task of the internal audit, financial report preparation, Management's Discussion and Analysis and the external audit reports.

The Committee found adequate arrangement to present a true and fair view of the activities and the financial statements of the company and a good monitoring system within the business and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.



**M. Sekander Ali**

Chairman

Audit Committee

Date: 9th October, 2019.

**Malek Siddiqui Wali**

CHARTERED ACCOUNTANTS

9-G, Motijheel C/A, 2<sup>nd</sup> Floor,

Dhaka-1000, Bangladesh.

Extension Office: Property Heights, 1<sup>st</sup> Floor

12, R. K. Mission Road, Dhaka-1000

**মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস**

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

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**Independent Auditor's Report**  
**To the Shareholders of Rahim Textile Mills Limited**  
Report on the Audit of the Financial Statements

**Opinion**

We have audited the financial statements of **Rahim Textile Mills Limited** which comprise the financial position as at June 30, 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, the Security and Exchange Rules 1987 and other applicable law and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

<b>Risk</b>	<b>Our response</b>
<b>Revenue recognition</b>	
<p>At the year ended, the company's reported total revenue of Tk. 1,269,322,438.</p> <p>Revenue is measured net of trade discount and VAT. Time of revenue recognition is matter. The revenue may overstated for the early recognition of revenue to achieve the desire result.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Policy of revenue recognition;</li> <li>• Issuance of VAT challan;</li> <li>• Segregation of duties in invoice creation and modification;and</li> <li>• Timing of revenue recognition.</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> <li>• Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;</li> <li>• VAT is correctly dealt with;</li> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items;and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.</li> </ul>
Please see the note 19 in this financial statements.	
<b>Valuation of inventory</b>	
<p>The balance of inventory of the Company at the year-end was Tk. 562,276,081 held in the company's warehouse.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> <li>• evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management;</li> </ul>

Risk	Our response
<p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<ul style="list-style-type: none"> <li>• to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li> <li>• to review the inventory costing procedures and methodology.</li> <li>• comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</li> <li>• reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year;and</li> <li>• Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete.</li> </ul>
<p>Please see the note 6 in this financial statements.</p>	
<p><b>Measurement and recognition of deferred tax</b></p>	
<p>The balance of reported deferred tax liability of the company was Tk. 31,367,776 as on June 30, 2019.</p> <p>The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAs 12: Income Tax.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company’s key controls over the recognition and measurement of deferred tax.</p> <p>We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base.</p> <p>We have also assessed the rate of deferred for each temporary difference.</p> <p>Also, we examined the accounting treatment of deferred tax.</p>
<p>Please see the note 14 in this financial statements.</p>	

### Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor’s report thereon. We have not been provided the Director’s report and other information contained within the annual report except the financial statements to the date of our auditor’s report. We expect to obtain the remaining reports of the Annual report after the date of our auditor’s report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

### Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns;and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka  
October 12, 2019



**Md. Waliullah**  
Chartered Accountants

# Rahim Textile Mills Limited

## Statement of Financial Position

As at 30th June 2019

Particulars	Notes	Amount in Tk.		
		30.06.2019	30.06.2018	30.06.2017
<b>ASSETS:</b>			Restated	Restated
<b>Non Current Assets:</b>				
Property Plant & Equipment	04.00	743,100,177	585,557,161	549,749,118
Capital Work-In-Progress	05.00	47,877,257	210,619,128	-
<b>Total Non Current Assets</b>		<b>790,977,434</b>	<b>796,176,289</b>	<b>549,749,118</b>
<b>Current Assets:</b>				
Inventories	06.00	562,276,081	273,342,055	151,713,301
Accounts Receivable	07.00	546,275,465	357,850,659	233,601,876
Advances, Deposits & Pre-Payments	08.00	60,333,972	82,379,202	175,860,621
Cash & Bank Balances	09.00	57,011,992	82,132,581	9,029,663
<b>Total Current Assets</b>		<b>1,225,897,510</b>	<b>795,704,496</b>	<b>570,205,461</b>
<b>TOTAL ASSETS</b>		<b>2,016,874,944</b>	<b>1,591,880,785</b>	<b>1,119,954,579</b>
<b>SHARE HOLDER'S EQUITY &amp; LIABILITIES:</b>				
<b>Shareholder's Equity:</b>				
Share Capital	10.00	85,997,120	78,179,200	67,981,910
Retained Earnings	11.00	194,330,299	161,976,124	130,038,178
Revaluation Surplus of Fixed Assets	12.00	78,361,719	79,672,229	81,223,630
<b>Total Shareholder's Equity</b>		<b>358,689,138</b>	<b>319,827,553</b>	<b>279,243,718</b>
<b>Non-Current Liabilities:</b>				
Long Term Loan	13.00	241,572,251	265,553,232	169,845,300
Deferred Tax Liabilities	14.00	31,367,776	28,012,125	24,093,474
<b>Total Non-Current Liabilities</b>		<b>272,940,027</b>	<b>293,565,357</b>	<b>193,938,774</b>
<b>Current Liabilities:</b>				
Accounts Payable	15.00	389,422,005	348,864,578	306,721,513
Current Portion of Long Term Loan	16.00	96,141,253	71,147,633	12,265,556
Short Term Loan From Bank	17.00	825,624,484	492,254,853	274,124,259
Others Provision & Liabilities	18.00	74,058,037	66,220,812	53,660,759
<b>Total Current Liabilities</b>		<b>1,385,245,779</b>	<b>978,487,875</b>	<b>646,772,087</b>
<b>Total Liabilities</b>		<b>1,658,185,806</b>	<b>1,272,053,232</b>	<b>840,710,861</b>
<b>TOTAL SHARE HOLDER'S EQUITY &amp; LIABILITIES:</b>		<b>2,016,874,944</b>	<b>1,591,880,785</b>	<b>1,119,954,579</b>
<b>Net Asset Value (NAV ) per share</b>	28.00	<b>41.71</b>	<b>40.91</b>	<b>41.08</b>
<b>Par Value Tk. 10.</b>				

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 12, 2019 and were signed on it's behalf by.



Md. Kamruzzaman  
Company Secretary



Mohammad Sakhawat Hossain  
Chief Financial Officer



A. Matin Chowdhury  
Director



Dr. Shamim Matin Chowdhury  
Managing Director

Signed in terms of our separate report of even date annexed.

Place : Dhaka

Date : October 12, 2019.



Malek Siddiqui Wali  
Chartered Accountants

# Rahim Textile Mills Limited

Statement of Profit or Loss and other Comprehensive income  
For the year ended 30th June 2019

Particulars	Notes	Amount in Tk.	
		30.06.2019	30.06.2018
<b>Sales Revenue</b>	19.00	<b>1,269,322,438</b>	<b>995,950,719</b>
Cost of Goods Sold	20.00	(1,097,192,535)	(838,745,953)
<b>Gross Profit</b>		<b>172,129,903</b>	<b>157,204,766</b>
<b>Operating Expenses:</b>			
Administrative & Selling Expenses	21.00	(56,704,806)	(57,135,927)
<b>Operating Profit</b>		<b>115,425,097</b>	<b>100,068,840</b>
Financial Expenses	22.00	(45,948,027)	(39,550,339)
Non Operating Income/(Loss)	23.00	2,875,117	4,523,658
<b>Net Profit before WPPF &amp; WF and Tax</b>		<b>72,352,187</b>	<b>65,042,159</b>
Contribution to WPPF & WF	24.00	(3,445,342)	(3,097,246)
<b>Net Profit / (Loss) for the year</b>		<b>68,906,844</b>	<b>61,944,913</b>
<b>Income Tax Expenses</b>			
Current Tax	25.00	(12,228,572)	(10,492,573)
Prior years under / (over) provision		1,174,804	3,247,433
Deferred Tax during the year	26.00	(3,355,651)	(3,918,651)
<b>Net Profit / (Loss) for the year after tax</b>		<b>54,497,426</b>	<b>50,781,122</b>
Other comprehensive income:		-	-
<b>Total comprehensive income</b>		<b>54,497,426</b>	<b>50,781,122</b>
<b>Earning Per Share (EPS).(Restated in 2018) Per Value Tk.10</b>	27.00	<b>6.34</b>	<b>5.90</b>
<b>Number of shares used to compute EPS</b>		<b>8,599,712</b>	<b>8,599,712</b>

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 12, 2019 and were signed on it's behalf by.



**Md. Kamruzzaman**  
Company Secretary



**Mohammad Sakhawat Hossain**  
Chief Financial Officer



**A. Matin Chowdhury**  
Director



**Dr. Shamim Matin Chowdhury**  
Managing Director

Signed in terms of our separate report of even date annexed.

Place : Dhaka  
Date : October 12, 2019.



**Malek Siddiqui Wali**  
Chartered Accountants

## Rahim Textile Mills Limited

Statement of Changes in Equity  
For the year ended 30th June 2019

Particulars	Share Capital	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
<b>As at July 1, 2018</b>	<b>78,179,200</b>	<b>79,672,229</b>	<b>161,976,124</b>	<b>319,827,552</b>
Net Profit this period	-	-	54,497,426	54,497,426
Stock Dividend	7,817,920	-	(7,817,920)	-
Cash Dividend	-	-	(15,635,840)	(15,635,840)
Transfer of Excess Depreciation of Revalued Assets	-	(1,310,510)	1,310,510	-
<b>For the year ended 30th June 2019</b>	<b>85,997,120</b>	<b>78,361,719</b>	<b>194,330,299</b>	<b>358,689,139</b>

## Rahim Textile Mills Limited

Statement of Changes in Equity  
For the year ended 30th June 2018

Particulars	Share Capital	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
<b>As at July 1, 2017</b>	<b>67,981,910</b>	<b>83,743,140</b>	<b>127,518,668</b>	<b>279,243,718</b>
Prior Year adjustments	-	(2,519,510)	2,519,510	-
<b>Restated opening balance</b>	<b>67,981,910</b>	<b>81,223,630</b>	<b>130,038,178</b>	<b>279,243,718</b>
Net Profit this period	-	-	50,781,122	50,781,122
Stock Dividend	10,197,290	-	(10,197,290)	-
Cash Dividend	-	-	(10,197,287)	(10,197,287)
Transfer of Excess Depreciation of Revalued Assets	-	(1,551,401)	1,551,401	-
<b>For the year ended 30th June 2018</b>	<b>78,179,200</b>	<b>79,672,229</b>	<b>161,976,124</b>	<b>319,827,552</b>

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 12, 2019 and were signed on it's behalf by.



**Md. Kamruzzaman**  
Company Secretary



**Mohammad Sakhawat Hossain**  
Chief Financial Officer



**A. Matin Chowdhury**  
Director



**Dr. Shamim Matin Chowdhury**  
Managing Director

Signed in terms of our separate report of even date annexed.

Place : Dhaka  
Date : October 12, 2019.



**Malek Siddiqui Wali**  
Chartered Accountants

# Rahim Textile Mills Limited

Statement of Cash Flows  
For the year ended 30th June 2019

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018 Restated
<b>Cash Flow From Operating Activities</b>		
Collections from turnover, bills receivable and other receipts.	1,083,672,732	876,068,313
Payment for purchase of raw materials, accessories, creditors and other expenses	(1,276,336,294)	(719,750,665)
Financial Expenses Paid	(45,948,027)	(39,550,339)
Income Tax Paid	(6,453,386)	(9,317,769)
<b>Net cash generated/(used) in operating activities</b>	<b>(245,064,974)</b>	<b>107,449,540</b>
<b>Cash Flow From Investing Activities</b>		
Acquisition of Property Plant & Equipment	(70,383,680)	(160,576,165)
<b>Net cash generated/(used) in investing activities</b>	<b>(70,383,680)</b>	<b>(160,576,165)</b>
<b>Cash Flow From Financing Activities</b>		
Long Term Loan received/(repayment) from Bank	1,012,640	154,590,009
Sale of Faction share against stock dividend	205,469	310,458
Increase/(decrease) cash credit loan	56,548,982	(16,025,609)
Increase/(decrease) of inland bill loan	247,678,985	(2,792,855)
Dividend Paid	(15,218,025)	(10,009,741)
<b>Net cash generated/(used) in financing activities</b>	<b>290,228,050</b>	<b>126,072,262</b>
<b>Net Cash Inflow / ( Outflow )</b>	<b>(25,220,603)</b>	<b>72,945,637</b>
<b>Cash &amp; Cash Equivalent as at July 01, 2018</b>	<b>82,132,581</b>	<b>9,029,663</b>
<b>Foreign Currency Translation Gain/(Loss)</b>	<b>100,014</b>	<b>157,281</b>
<b>Cash &amp; Cash Equivalent as at June 30, 2019</b>	<b>57,011,992</b>	<b>82,132,581</b>
<b>Net Operating Cash Flow Per Share ( NOCFPS )</b> Note : 30.00	<b>(28.50)</b>	<b>13.74</b>
<b>Per Value Tk.10</b>		
<b>Number of shares used to compute NOCFPS</b>	<b>8,599,712</b>	<b>7,817,920</b>

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 12, 2019 and were signed on it's behalf by.



**Md. Kamruzzaman**  
Company Secretary



**Mohammad Sakhawat Hossain**  
Chief Financial Officer



**A. Matin Chowdhury**  
Director



**Dr. Shamim Matin Chowdhury**  
Managing Director

Signed in terms of our separate report of even date annexed.



**Malek Siddiqui Wali**  
Chartered Accountants

Place : Dhaka

Date : October 12, 2019.



# RAHIM TEXTILE MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 1.0 Significant Accounting Policies and Relevant Information:

#### 1.1 Legal form of the enterprise:

Rahim Textile Mills Limited (RTML) was incorporated as a Private Limited Company on 31st December 1981, under the Companies Act 1913 (Repealed in 1994) with Registered of Joint Stock Companies and Firms, Bangladesh bearing Certificate of Incorporation # C - 9702/528 of December 31, 1981. Subsequently the company was converted into Public Limited Company in the year of 1988. The Company was listed in the Dhaka Stock Exchange Limited on 29th March 1988.

#### 1.2 Address of registered office & factory:

The Registered office of the company is situated at "Tower 117", 117/A, Tejgaon Industrial Area, Dhaka-1208 and its factory office is located at Shafipur, Kaliakair, Gazipur, Bangladesh.

#### 1.3 Nature of business activities:

Rahim Textile Mills Limited is a 100% export-oriented industry of textile sector engaged in dyeing, printing & finishing fabrics. The company has pioneered the printing of knit and others fabrics. Our fabric product in the factory is Oeko-Tex @Standard 100, Class 1 certified. We have also certified by Control Union for organic content standard (OCS 100, blended) and proud member of Better Cotton Initiative (BCI). Our major customer includes H&M, CARREFOUR, C&A, OODJl etc.

### 2.0 Basis of preparation:

#### 2.1 Statement of compliance:

The financial statements of the company under reporting have been prepared under historical cost convention other than land & building which stated at revalued amount as a going concern concept and on accrual basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with the Companies Act, 1994, the Securities and Exchange Rules 1987, International Accounting Standards (IAS) so far adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), International Financial Reporting Standard (IFRS), Financial Reporting Act.2015 and other applicable laws and regulations.

#### 2.2 Responsibility for preparation and presentation of financial statements:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act 1994 and as per the provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards Board (IASB) and completion with the requirement of Bangladesh Security Exchange Commission rules 1987 and International Accounting Standards (IAS).

#### 2.3 Reporting period:

Financial statements of the company cover the period from 01 July 2018 to 30 June ,2019.

#### 2.4 Components of the financial statements:

Financial Statements includes the following components in accordance with the International Accounting Standard IAS-1 "Presentation of Financial Statements" the complete set of:

- i. Statement of Financial Position as on 30 June 2019;
- ii. Statement of Comprehensive Income for the year ended 30 June 2019;
- iii. Statement of Changes in Equity for the year ended 30 June 2019;
- iv. Statement of Cash Flows for the year ended 30 June 2019;
- v. Accounting Policies and Explanatory Notes.

#### 2.5 Comparative information:

Comparative information has been provided in accordance with in respect of the year 2017-18 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statement.

#### 2.6 Reporting currency and level of precision:

The figures in the financial statements are represents in Bangladesh currency (Taka) which has been rounded off to the nearest Bangladeshi Taka.

#### 2.7 Going Concern:

The company has adequate resources to continue in operation for the foreseeable future for this reason the Management continue to adopt going concern basis in preparing the financial statements.

#### 2.8 Foreign currency translation:

Transactions in foreign currencies are translated into Bangladeshi Taka at the exchange rate prevailing on the date of transactions in accordance with IAS- 21 "The Effects of Changes in Foreign Exchange Rate." Foreign Currency balance have been translated into taka at prevailing rate of cutoff date and the difference between translation value or realization value and initial recognition is recognized in the face in statement of comprehensive income .

#### 2.9 Statement of cash flows:

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Cash Flow Statement" and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

**2.10 Net Asset Value (NAV) per share:**

This has been calculated on the basis of available net worth. However, current year's NAV is also calculated considering the revaluation surplus of revalued assets.

**2.11 Earning per share (EPS):**

The company calculates earning per share (EPS) according with IAS 33 "Earning per Share" which has been shown on face of profit and loss account and computation is stated in accounts. This has been arrived at on the basis of profit attributable ordinary shareholder divided by weighted average no of shares.

**2.12 Risk and uncertainties for use of estimates in preparation of Financial Statement:**

The Preparation of Financial Statement is Conformity with, the International Accounting Standards requires management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of effects Financial Statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for, accounting of certain items such as long term contract, provision for doubtful accounts, depreciation and amortization, employees benefit plans, taxes, reserve and contingencies.

**2.13 Compliance with local laws:**

As required Rahim Textile Mills Ltd. Comply with the following legal provisional in addition to the company act 1994 and other applicable laws and regulations

- i. The Income Tax Ordinance 1984
- ii. The Income Tax Rules 1984
- iii. The Value Added Tax Act 2012
- iv. The Value Added Rules 2016
- v. The custom act 1969
- vi. Bangladesh labor law 2006 amend 2018.

**2.14 Compliance with International Accounting Standard (IAS):**

The financial statements have been prepared in compliance with requirements of IAS's adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

**2.15 Current Tax :**

Current tax is measured at the amount expected to be paid to (or receivable from) the taxation authorities based on taxable profit for the company, using the applicable tax rates as per ITO 1984 and considering the announcement applicable tax rate finance act or SRO, for the company at the end of the reporting period. The provision for the current tax for the year is recognized in profit or loss statement as income tax expenses along with corresponding credit entry of current tax liabilities.

**3.00 Significant accounting policies:****3.01 Principal accounting policies:**

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Preparation of Financial Statement". The previous year's figures were presented following the same accounting principles.

**3.02 Recognition of property, plant and equipment and depreciation:**

Fixed assets are stated at their historical cost less accumulated depreciation in accordance with BAS-16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and includes purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use.

Depreciation has been charged on assets including particular revalued assets, where applicable, at the rates varying from 10% to 15% applying reducing balance method irrespective which is allocated to Cost of Goods Sold and Administrative Overhead proportionately. No depreciation was charged on land and land development.

Impairment test has been done at the end of reporting year and no impairment of assets were identified. Thus the assets were depreciated as per regular policy of the company.

The annual depreciation rates are applied on principal category of assets as below:

Category of Property Plant & Equipment's	Rate	Category of Property Plant & Equipment's	Rate
Building and Civil Structure	10%	Utility Facility	15%
Plant and Machinery	10%	Transport Facility	15%
Equipment and Installation	15%	Other Assets	15%
Furniture and Fixtures	10%	Land and Land Development	Nil

**3.03 Revaluation of Property Plant & Equipment's:**

The Company has revalued fixed assets, viz. land, building and construction and machinery which have been included in the balance sheet being revalued depreciated value. It is relevant to note that some assets were revalued in June 30, 2007 by M/S. Asian Surveyors Limited.

**3.04 Inventories:**

Inventories comprise of Raw Materials, Dyes and Chemical, Grey Fabrics, Spare parts, Work in Progress and WIP Finished stage. They are stated at the lower of cost or net realizable value in accordance with the Para 21 and 25 of IAS-2 " Inventories" after making due allowance for any obsolete or slow moving item. The cost of inventories is assigned by using average cost. Net realizable value is determined after deducting the estimated cost of completion and or cost to be incurred for the sale from sales price.

**3.05 Accounts receivables:**

These are carried at original at invoice amount, trade& other receivables are unsecured and considered goods and collectible.

**3.06 Cash and cash equivalent:**

According to IAS-7 'Statement of Cash Flows' comprise of cash-in-hand and demand deposits and cash equivalents are short terms, highly liquid investments that are readily convertible to know amounts of cash and which are subject to and insignificant risk of changes in value, IAS-1. Presentation of Financial Statements' provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS- I, Cash in hand and Bank balances have been considered as cash and cash equivalents.

**3.07 Reserve for revaluation of Property Plant &Equipment's:**

This has been created against revalued value of fixed assets, viz. land, building and construction and machinery and stated in the statement of financial position being surplus of revalued value of aforesaid assets and its book value.

**3.08 Accounts payable:**

This has been recognized for the amounts to be paid in future for goods and services received, whether or not billed by the suppliers.

**3.09 Others Liabilities:**

This has been recognized for amounts to be paid within short time for expenses and utilities services etc.

**3.10 Revenue from goods sold:**

The company recognizes revenue when a risk and renewal relating to sold goods has been transfer to buyer as well as when satisfied all other conditions sets out in IAS-18 "Revenue Recognition"

**3.11 Revenue Recognition:**

In compliance with the requirements of IFRS 15: Revenue from contracts with customers, the Revenue is recognized when (or as) the company satisfies a performance obligation relating to sales contract with customers. Revenue is measured at the fair value of consideration received or receivable

**3.12 Other Income and expenses:**

Other income and expenses are recognized under accrual concept of International Accounting Standard (IAS)

**3.13 Lease Finance**

In compliance with the IAS-17, Lease, Cost of assets acquired under finance lease along with related obligation has been accounted for as assets and liabilities respectively of the company. It is relevant to note that we are continuing a finance lease agreement with United Lease Finance Ltd. for a vehicle purpose.

**3.14 Bad and doubtful debts:**

No provision for bad and doubtful debt was made as the company's sales / export are based on 100% confirmed letter of credit with fixed maturity date.

**3.15 Contribution to Workers' profit participation fund:**

The company made provision for worker's profit participation fund at 5% of the net profit before tax as per provision of the complained profit and is payable to the workers as per law. Bangladesh Sromo Ain-2006 amend by 2018.

**3.16 Income tax provision:**

This has been recognized in the profit or loss account except to the extent that it relates directly to equity and income tax provision is made in accordance with IAS-12 following the applicable tax rate 15 % for SRO No. 2019-20 SRO # 218-Ain/Income Tax/2019 U/S-44 textile sector industries in accordance with the provisions of Income Tax Ordinance 1984.

**3.17 Deferred tax:**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts of said assets and liabilities at taxation purposes. The movement of deferred tax balance at the beginning and deferred tax balance at the period end is accounted for through the profit/loss statement or other comprehensive income or equity as appropriate.

**3.18 Basic Earnings:**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest of extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

**3.19 Basic earnings per share:**

Basic Earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year.

**3.20 Diluted earnings per share:**

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

**3.21 General Comments & Observations:**

- a. All shares have been fully called and paid up. There were no preference shares issued by the company.
- b. There was no bank guarantee issued by the company on behalf of their directors or the company itself except bank loan.
- c. The company has not incurred any foreign currency against royalties, technical fees etc.
- d. Auditors are paid only statutory audit fee approved by the shareholders in the last AGM.
- e. There were no foreign exchanges remitted to the relevant shareholders during the year under audit.
- f. There has no claim against the company not acknowledged as debit at the date of Financial Statement.
- g. No amount of money was expended by the company for compensating any number of the board of special service.

### 3.22 Application of Bangladesh Accounting Standards (IAS):

IAS-1	Presentation of Financial Statements	Complied with
IAS-2	Inventories	Complied with
IAS-7	Statement of Cash Flow	Complied with
IAS-8	Accounting Policies, Changes in Accounting Estimates and errors.	Complied with
IAS-10	Events after the Reporting Period	Complied with
IAS-12	Income Taxes	Complied with
IFRS-8	Operating Segment	N/A
IAS-16	Property, Plant and Equipment	Complied with
IAS-17	Leases	Complied with
IFRS-15	Revenue from Contracts with Customers	Complied with
IAS-19	Employee Benefits	Complied with
IAS-21	The Effects of Changes in Foreign Exchange Rates	Complied with
IAS-23	Borrowing Costs	Complied with
IAS-24	Related Party Disclosures	Complied with
IAS-27	Separate Financial Statements	Complied with
IAS-28	Investment in Associates and Joint Venture	N/A
IAS-33	Earning Per Share	Complied with
IAS-36	Impairment of Assets	Complied with
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied with
IAS-38	Intangible Assets	N/A
IFRS-9	Financial Instruments:	Complied with
IAS-40	Investment Property	N/A

### 3.23 Retirement Benefit:

The Company has operated provident fund, Worker participation fund, life insurance and gratuity benefit to its employees.

### 3.24 Even after the Reporting Period:

In compliance with the requirements of "IAS-10 : Even after the reporting period" that provide additional information about the company's position at the date of the financial position are reflected in the financial statements and even after the reporting period that are not adjusting events are disclosed in the note-37.00 when materials.

### 3.25 Financial Risk Management:

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

#### 3.25.1 Credit risk:

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

#### 3.25.2 Liquidity risk:

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

#### 3.25.3 Market risk:

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

#### 3.26 Currency risk:

The company is exposed to currency risk on certain purchases such as import of raw material, machineries and equipment Majority of the company's foreign currency transactions are denominated in USD and relates to procurement of raw materials, machineries and equipment from abroad.

#### 3.27 Interest rate risk :

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date

#### 3.28 Impairment of Asset

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

#### 3.29 Operating Segment :

These financial statements have been prepared on the basis of single reportable segment.

**04.00 Property Plant & Equipment Assets :**

Details of Fixed Assets and Depreciation as on 30th June, 2019 are shown in the Schedule A-1  
This is arrived at as follows:

**Cost Value of Assets :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening balance</b>	981,632,345	887,544,922
Add : Addition during the year	233,125,550	94,087,423
Less: Adjustment during the year	-	-
<b>Closing balance</b>	<b>1,214,757,895</b>	<b>981,632,345</b>

**Accumulated Depreciation :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening balance</b>	489,807,216	433,353,013
Add : Depreciation during the year	74,040,758	56,454,202
Less: Adjustment during the year	-	-
<b>Closing balance</b>	<b>563,847,974</b>	<b>489,807,216</b>

**Written Down Value at Reporting Date**

<b>650,909,920</b>	<b>491,825,129</b>
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**Revaluation of Fixed Assets :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening balance</b>	123,251,997	123,251,997
Addition during the year	-	-
Less: Adjustment during the year on Revaluation	-	-
<b>Written Down Value at Reporting Date:</b>	<b>123,251,997</b>	<b>123,251,997</b>

**Accumulated Depreciation :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening balance</b>	29,519,965	27,694,787
Add : Depreciation during the year	1,541,776	1,825,178
Less: Adjustment during the year on Revaluation	-	-
<b>Closing balance</b>	<b>31,061,741</b>	<b>29,519,965</b>
<b>Written Down Value at Reporting Date:</b>	<b>92,190,256</b>	<b>93,732,032</b>

**Written Down Value of Property Plant & Equipment at Reporting Date:**

<b>743,100,177</b>	<b>585,557,161</b>
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**04.01** The factory land has charged to the AB bank Ltd. and pariparsu agreement was also made with The City Bank Ltd. & Mutual Trust Bank Ltd. for same properties against bank loan facilities.

**04.02 Fair Value Measurement :**

In 30 June 2007 Land, Building, plant and equipment and Utility Facilities of the company were revalued by the independent professional valuer Asian Surveyors Limited. Such revaluation is ensured by sufficient regulatory standards that increased carrying amount does not differ materially from their fair value.

**05.00 Capital Work-In-Progress :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening Balance</b>	210,619,128	141,654,336
Add : payment during this year	66,852,219	154,323,774
Less : Transfer to CAPEX	(229,594,089)	(85,358,983)
<b>Closing Balance</b>	<b>47,877,257</b>	<b>210,619,128</b>

**06.00 Inventories :**

The total amount is arrived as follows :

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
Dyes & Chemicals	06.01	115,444,752	85,111,171
Grey Fabric	06.02	232,977,392	91,152,174
Printing, Design & Packing Material	06.03	6,804,405	9,828,866
Spares & Stores	06.03	14,083,848	13,651,924
Work in Process	06.04	20,735,477	6,812,893
Work in Process (Finished Stage)	06.05	172,230,207	66,785,027
<b>Closing Balance</b>		<b>562,276,081</b>	<b>273,342,055</b>

**06.01 Dyes & Chemicals :**

Items	30.06.2019		30.06.2018	
	Qty. (Kg)	Tk.	Qty. (Kg)	Tk.
Dyes	44,564	43,966,714	37,917	33,758,936
Chemicals	347,090	71,478,038	265,122	51,352,235
<b>Closing Balance</b>	<b>391,654</b>	<b>115,444,752</b>	<b>303,039</b>	<b>85,111,171</b>

**06.02 Grey Fabrics :**

Items	30.06.2019		30.06.2018	
	Qty. (yards)	Tk.	Qty. (yards)	Tk.
Grey Fabrics	2,820,210	232,977,392	1,122,056	91,152,174

**06.03 Printing & Design Materials & Spares Accessories :**

Items	30.06.2019		30.06.2018	
	Qty. (Kg)	Tk.	Qty. (Kg)	Tk.
Printing, Design & Packing Materials	-	6,804,405	-	9,828,866
Spare Parts & Stores	-	14,083,848	-	13,651,924
<b>Closing Balance</b>	<b>-</b>	<b>20,888,253</b>	<b>-</b>	<b>23,480,790</b>

**06.04 Work-In-Process :**

Items	30.06.2019		30.06.2018	
	Qty. (yards)	Tk.	Qty. (yards)	Tk.
Work-In-Process	542,383	20,735,477	597,127	6,812,893

**06.05 Work in Process (Finished Stage) :**

Items	30.06.2019		30.06.2018	
	Qty. (yards)	Tk.	Qty. (yards)	Tk.
<b>Work in Process (Finished Stage)</b>	<b>3,656,675</b>	<b>172,230,207</b>	<b>3,309,966</b>	<b>66,785,027</b>

**06.06** Physical counting of the stock was carried out by inventory team, consisting of auditor & management staff.

**06.07** Inventory at June 30, 2019 are valued at lower of average cost and net realizable value

**06.08** The inventories are collateralised against short term loan.

**06.09** The inventory was build up to meet increase order for timely delivery during the next year.

**07.00 Accounts Receivable:**

The total amount is arrived as follows :

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Opening Balance	357,850,659	233,601,876
Add : Sales During the Year	1,269,322,438	995,950,719
Less : Realized During the Year	(1,080,897,632)	(871,701,936)
<b>Closing Balance</b>	<b>546,275,465</b>	<b>357,850,659</b>

Trade receivable are considered fully secured and guaranteed by Bank against letter of credit (L/C) within 120 days from the date of acceptance. Classification schedule as required by Schedule XI, Part-I of Companies Act 1994 are as follows :

**Aging of the Receivable :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Below 30 days	42,024,286	92,166,645
Within 31-60 days	85,668,616	-
Within 61-90 days	139,438,801	103,520,425
Within 91 -120 days	135,988,553	64,984,196
Within 121 -180 days	143,155,209	97,179,393
Within 181 -365 days	-	-
Above one years	-	-
<b>Total</b>	<b>546,275,465</b>	<b>357,850,659</b>

**07.01** The above amount is receivable from debtors against confirm export L/C & credit sales. It considered as good.

**07.02** Most of the balances have subsequently been realised. The Debtors have no securities except their personal securities.

**07.03** The above balance included due to related party Tk. 13,519,849 & other parties Tk. 532,755,615

**08.00 Advance Deposit & Pre-payments :**

This consists as follows:

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
Security Deposit	08.01	6,422,938	6,427,309
Deposits	08.02	3,279,737	3,076,637
Advance & Prepayments	08.03	44,177,911	63,557,487
Advance Income Tax	08.04	6,453,386	9,317,769
<b>Closing Balance</b>		<b>60,333,972</b>	<b>82,379,202</b>

**08.01 Security Deposit :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Security Deposit to CDBL	100,000	100,000
Security Deposit to Titas Gas	2,962,437	2,962,437
Security Deposit to Grameen Phone	5,616	5,616
Security Deposit to REB	2,795,580	2,795,580
Security Margin Against Bank Guarantee	559,305	563,676
<b>Closing Balance</b>	<b>6,422,938</b>	<b>6,427,309</b>

**08.02 Deposits :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Deposit to DGDP (Army) for sales contract	2,202,200	1,999,100
Advance to United Finance Ltd.	77,537	77,537
Deposit to Appellate Tribunal	1,000,000	1,000,000
<b>Closing Balance</b>	<b>3,279,737</b>	<b>3,076,637</b>

**08.03 Advance & Prepayments :**

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
Advance for Local Procurement		1,634,210	1,032,811
Advance to Barrister Khurshid Alam		250,000	250,000
Advance to Sohel & Brothers		133,000	-
Advance to Office Work & Others		2,638,550	1,525,975
Material in Transit	08.03.A.	39,522,151	60,748,701
<b>Closing Balance</b>		<b>44,177,911</b>	<b>63,557,487</b>

**08.03.A. Material in Transit :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening Balance</b>	60,748,701	15,919,559
Add : payment during this year	831,228,935	600,847,877
Less : Transfer to purchase A/C	(852,455,485)	(556,018,735)
<b>Closing Balance</b>	<b>39,522,151</b>	<b>60,748,701</b>

**08.04 Advance Income Tax :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Advance Income Tax -Export	4,236,616	5,589,157
Advance Income Tax -Local Supply	1,609,052	3,439,053
Advance Income Tax -Vehicle	192,500	125,000
Advance Income Tax -Import & Others	286,861	144,138
Advance Income Tax -FDR	128,357	20,420
<b>Closing Balance</b>	<b>6,453,386</b>	<b>9,317,769</b>

**08.04 (i) Advance Income Tax Deducted at Source :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening balance</b>	9,317,769	6,765,632
Add : Addition during this year	6,453,386	9,317,769
Less : Tax adjustment for FY-2017-18	(9,317,769)	(6,765,632)
<b>Closing Balance</b>	<b>6,453,386</b>	<b>9,317,769</b>

**08.05** Security deposit are made to statutory authorities and it will be realized when the service received from government authority will discontinue

**08.06** In the opinion of the Directors, all of the current assets , loans and advances considered goods and realizable in the ordinary course of business, at a value at least equal to the amount at which they are stated in the Financial Position.

**08.07** There was no outstanding balance due to Related parties, Directors & other sister Concern.

**08.08** Guarantee Margin includes Guarantee issued to Titas gas & DGDP against Performance and workorder.

**08.09 Maturity Analysis of Advance :**

Advance within 1 (one) year	53,911,034
Advance above 1 (one) year	6,422,938
<b>Total :</b>	<b>60,333,972</b>

**09.00 Cash and Bank Balance:**

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
Cash in Hand	09.01	18,940	50,397
Cash at Bank	09.02	56,993,052	82,082,184
<b>Closing Balance</b>		<b>57,011,992</b>	<b>82,132,581</b>

**09.01 Cash in Hand :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Cash in hand - (Head Office)	11,081	50,000
Cash in hand - (Factory)	7,859	397
<b>Closing Balance</b>	<b>18,940</b>	<b>50,397</b>

**09.02 Cash at Bank Balance:**

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
AB Bank Limited	09.02 (i)	14,983,328	24,587,115
The City Bank Limited	09.02 (ii)	40,308,873	54,704,961
IFIC Bank Limited	09.02 (iii)	796,213	2,022,039
Mutual Trust Bank Limited	09.02 (vi)	904,637	768,069
<b>Closing Balance</b>		<b>56,993,052</b>	<b>82,082,184</b>

**09.02 (i) AB Bank Limited**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Current Account-4005 240125 001	57,682	177,749
Current Account-4005 240125 002	2,421,017	1,810,884
Current Account-4005 240125 003	1,075	2,125
ERQ Account-4005 240125-047	2,661,090	6,548,836
FDR Account-4005 240125-200	2,621,830	2,465,411
DAD Account-4005 240125 251	516	516
DAD Account-4005 240125 254	7,220,119	13,581,594
<b>Closing Balance</b>	<b>14,983,328</b>	<b>24,587,115</b>

**09.02 (ii) The City Bank Limited**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Current Account-1101 068626 001	(1,000,000)	21,544,112
ERQ Account- 5121 06862 6001	14,136,843	9,000,344
FBPAR Account-1006 110412099 0071	14,141,988	12,126,755
FDR Account- 4481068626001	10,889,687	10,000,000
FDR Account- 4401068626001	2,140,355	2,033,750
<b>Closing Balance</b>	<b>40,308,873</b>	<b>54,704,961</b>

**09.02 (iii) IFIC Bank Limited**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Current Account- 1001 113304 001	796,213	2,022,039
<b>Closing Balance</b>	<b>796,213</b>	<b>2,022,039</b>

**09.02 (vi) Mutual Trust Bank Limited**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Current Account- 0046 021000 9262	76,588	768,069
ERQ Account- 0046 026000 0882	139,542	-
FBPAR Account- 0108 026000 2189	688,507	-
<b>Closing Balance</b>	<b>904,637</b>	<b>768,069</b>

**09.03** Cash in hand was physically counted at the end of the year and found in order.

**09.04** The Bank Balances were confirmed and reconciled with Bank statements and found in order.

**09.05** It includes foreign currency deposit amounting USD \$ 335,564 as on 30th June 2019 (2018 USD \$ 496,282.94) equivalent of Tk. 38,988,088 as on 30th June 2019 (2018 Tk.41,257,528).

**10.00 Share Capital :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>a) Authorized Capital :</b>		
50,000,000 Ordinary Shares of Tk. 10/- each	<b>500,000,000</b>	<b>500,000,000</b>
<b>b) Issued, Called &amp; Paid up Capital :Tk. 85,997,120</b>		
8599,712 Ordinary shares of Tk. 10/- each fully paid up	<b>85,997,120</b>	<b>78,179,200</b>

**(i) Composition of Shareholding :**

Particulars	30.06.2019		30.06.2018	
	No. of Share	%	No. of Share	%
Sponsors & Directors	6,191,868	72.00%	5,628,974	72.00%
Government	-	0.00%	-	0.00%
Institutions	276,610	3.22%	650,448	8.32%
Foreign Investors	-	0.00%	-	0.00%
General Investors /Public	2,131,234	24.78%	1,538,498	19.68%
<b>Closing Balance</b>	<b>8,599,712</b>	<b>100.00%</b>	<b>7,817,920</b>	<b>100.00%</b>

**Details of Sponsors & Directors Share Capital are as Follows :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
01. A. Matin Chowdhury	14,845,880	13,496,260
02. Dr. Shamim Matin Chowdhury	11,539,630	10,490,580
03. Didar A. Husain	16,265,670	14,786,980
04. Saima Matin Chowdhury	16,156,080	14,687,350
05. Azizur Rahim Chowdhury	3,111,420	2,828,570
06. M. Sekander Ali ( Independent Director)	-	-
07. Md. Qamrul Huda ( Independent Director)	-	-
	<b>61,918,680</b>	<b>56,289,740</b>



Details of the Share holding as on 30.06.2019 are given below :

Holding Range	No. of Holders	No. of Share	Percentage
1 - 50	389	6,455	0.08%
51-500	1,891	529,914	6.16%
501-5,000	197	301,231	3.50%
5,001-10,000	16	116,495	1.35%
10,001-20,000	9	121,729	1.42%
20,001-30,000	4	95,435	1.11%
30,001-40,000	2	71,871	0.84%
40,001-50,000	Nil	Nil	Nil
50,001-100,000	2	137,658	1.60%
100,001-1,000,000	3	1,338,198	15.56%
1,000,000 to above	4	5,880,726	68.38%
<b>Total:</b>	<b>2,517</b>	<b>8,599,712</b>	<b>100.00%</b>

**10.01** The number of share holding by Sponsors & Directors and others increased as on 30th June,2019 from that of 30th June,2018 due to declaration and allotment of 10% Stock Dividend for the year of 2017-2018.

**10.02 Detailed Break-up of paid up capital :**

Bangladesh Securities and Exchanges Commission notification no BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, 5(2) (a)

Year	Status	% of Bonus Share	Addition of Share	Paid up Share	Paid up Capital Amount
1988	After IPO			1,820,000	18,200,000
2010-11	Bonus	10%	182,000	2,002,000	20,020,000
2011-12	Bonus	10%	200,200	2,202,200	22,022,000
2012-13	Bonus	25%	550,550	2,752,750	27,527,500
2013-14	Bonus	26%	715,715	3,468,465	34,684,650
2014-15	Bonus	40%	1,387,386	4,855,851	48,558,510
2015-16	Bonus	40%	1,942,340	6,798,191	67,981,910
2016-17	Bonus	15%	1,019,729	7,817,920	78,179,200
2017-18	Bonus	10%	781,792	8,599,712	85,997,120

**11.00 Retained Earnings :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening Balance</b>	161,976,124	127,518,668
	-	2,519,510
<b>Restated opening balance</b>	<b>161,976,124</b>	<b>130,038,178</b>
Add : Profit during this year	54,497,426	50,781,122
Less : Declaration & payment of Stock Dividend	(7,817,920)	(10,197,290)
Less : Declaration & payment of cash Dividend	(15,635,840)	(10,197,287)
Add : Excess Depreciation on Revaluation Assets Adjustments	1,310,510	1,551,401
<b>Closing Balance</b>	<b>194,330,299</b>	<b>161,976,124</b>

**12.00 Revaluation Surplus of Fixed Assets :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening Balance</b>	79,672,229	83,743,140
Less: Prior Year Adjustment	-	(2,519,510)
<b>Restated opening balance</b>	<b>79,672,229</b>	<b>81,223,630</b>
Less: Excess Depreciation Adjustment during the year	(1,310,510)	(1,551,401)
Add: Adjustment of depreciation during the year	-	-
<b>Closing Balance</b>	<b>78,361,719</b>	<b>79,672,229</b>

**12.01** Land,Building,Plant & Machinery were revalued on 30.07.2007 by M/S Asian Surveyors Ltd. 28 dilkhusha C/A, 12th floor, Suite No.1203,Dhaka-1000 a firm of professional valuer on the basis of present market price prevailing in the country. The valuation of land was assessed on the basis of market price prevailing in the locality, Valuation of Building were assessed on the basis of present construction cost, Present market value of plant & Machinery has been estimated on the basis of devaluation of Bangladesh currency, inflation over the years, Increase of price level in international market.

**13.00 Long Term Loan :**

The consists of the above head as follows :

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
Long Term loan from AB Bank Ltd.		39,761,811	51,964,294
Long Term loan from City Bank Ltd.		297,285,297	283,268,800
United Leasing Company Ltd.		666,396	1,467,771
<b>Total Loan Amount</b>		<b>337,713,504</b>	<b>336,700,864</b>
Less: Current portion of Long Term Loan	16.00	(96,141,253)	(71,147,633)
<b>Closing Balance</b>		<b>241,572,251</b>	<b>265,553,232</b>

13.01	Name of Bank	Sanction Limit	Outstanding Amount	Terms and conditions of sanction letter
	AB Bank Limited	65.00 Million	39.76 Million	Purpose : Imported capital machinery
				Tenor : 4 Years from the date of 1st disbursement and 1 year moratorium period.
				Repayment : 16 (Sixteen) quarterly
				Installment Size : Tk. 4,416,082/= Per Quarter
				Rate of Interest : Interest rate @ 12%
				Date of maturity : TL maturity date 2022
				Security agreement : Personal gurantee
				Corporate Gurantee N/A
				The factory land has charged to the AB bank Ltd. and pariparsu agreement was also made with The City Bank Ltd.for same properties against bank loan facilities.

13.02	Name of Bank	Sanction Limit	Outstanding Amount	Terms and conditions of sanction letter
	The City Bank Limited	390.00 Million	297.28 Million	Purpose :Imported capital machinery and new construction.
				Tenor : 4 Years from the date of 1st disbursement and 1 year moratorium period.
				Repayment : 16 (Sixteen) quarterly
				Installment Size : Tk. 27,090,402/= Per Quarter
				Rate of Interest : Interest rate @ 11% PA.
				Date of maturity :TL maturity date 2023
				Security agreement : Personal gurantee of all the Directors of Rahim Textile Mills Limited.
				Corporate Gurantee Knit Asia Ltd & Salek Textile Ltd.
				The factory land has charged to the AB bank Ltd. and pariparsu agreement was also made with The City Bank Ltd.for same properties against bank loan facilities.

14.00	Deferred Tax Liabilities :		Note	Amount in Tk.	
	Particulars			30.06.2019	30.06.2018
	Opening Balance			28,012,125	24,093,474
	Add: Provision during this Year		26.00	3,355,651	3,918,651
	<b>Closing Balance of Deferred Tax</b>			<b>31,367,776</b>	<b>28,012,125</b>
	Particulars	Accounts Based	Tax Based	Temporary Diff. 2018-2019	Temporary Diff. 2017-2018
	WDV of Fixed Assets	650,909,920	533,981,671	116,928,250	93,015,466
	Revaluation Surplus of Fixed Assets	92,190,256	-	92,190,256	93,732,032
	<b>Total</b>	<b>743,100,176</b>	<b>533,981,671</b>	<b>209,118,506</b>	<b>186,747,498</b>
	Deferred tax @ 15% on Tk. 209,118,506			<b>31,367,776</b>	<b>28,012,125</b>

15.00	Accounts Payable:		Amount in Tk.	
	Particulars		30.06.2019	30.06.2018
	Raw Materials		359,539,644	311,929,930
	Spareparts, Repair maintenance		5,083,308	8,278,700
	Security Margin against construction works		11,233,642	14,881,642
	Transport service for carrying import and other goods.		2,287,040	276,000
	C & F agencies		1,861,135	1,204,993
	Stationery		459,371	137,484
	Motor Gerage		126,303	266,992
	Internet, Cleaning,Service & Others		8,831,562	11,888,837
	<b>Closing Balance</b>		<b>389,422,005</b>	<b>348,864,578</b>

15.01 Trade Creditors for supply of fabrics,chemicals,spareparts of machineries & service charges are the regular suppliers of the Company and the amount are due on account. Most of the bills have been paid within 120 days.

16.00	Current Portion of Long Term Loan:		Amount in Tk.	
	Particulars		30.06.2019	30.06.2018
	Long Term loan from AB Bank Ltd.		14,505,075	11,552,887
	Long Term loan from The City Bank Ltd.		80,969,782	58,793,371
	United Finance Company Ltd.		666,396	801,375
	<b>Total</b>		<b>96,141,253</b>	<b>71,147,633</b>

**17.00 Short Term Loan from Bank :**

The consists of this head as follows:

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
AB Bank Ltd.	17.01	149,016,523	70,904,532
The City Bank Ltd.	17.02	395,896,115	382,682,970
Mutual Trust Bank Ltd.	17.03	280,711,846	38,667,350
<b>Total</b>		<b>825,624,484</b>	<b>492,254,853</b>

**17.01 AB Bank Ltd.**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Cash Credit Account- 4005240125000	8,863,675	(105,622)
Inland Bill Purchase A/C- 4005240125707	21,334,907	-
EDF Liability Account- 4005240125711	118,817,941	71,010,154
<b>Total</b>	<b>149,016,523</b>	<b>70,904,532</b>

**17.02 The City Bank Ltd.**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Cash Credit Account- 6331068626001	10,150,692	(6,663,735)
Inland Bill Purchase A/C- 9911 06862 6001	186,311,073	-
Deferred/UPAS Liability	83,800,874	4,756,896
EDF Liability Account	115,633,477	384,589,809
<b>Total</b>	<b>395,896,115</b>	<b>382,682,970</b>

**17.03 Mutual Trust Bank Ltd.**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Cash Credit Account- 00460134000129	30,489,572	(275,686)
Inland Bill Purchase A/C	40,033,005	-
Deferred/UPAS Liability	88,843,720	-
EDF Liability	121,345,549	38,943,036
<b>Total</b>	<b>280,711,846</b>	<b>38,667,350</b>

17.04 Particulars	AB Bank Ltd.	The City Bank Ltd.	Mutual Trust Bank Ltd.
Sanction Facility	22.00 Crore	48.00 Crore	58.00 Crore
Tenor	1 year renewable	1 year renewable	1 year renewable
Repayment Terms	N/A	N/A	N/A
Installment Size	N/A	N/A	N/A
Interest Rate	12.00%	11.00%	11.00%
Security	Pari-Passue security of Stock & Book Debts sharing agreement.		

**18.00 Others Provision & Liabilities :**

The consists of this head as follows:

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
Liability for Expenditure	18.01	42,974,070	40,941,469
Provision For WPPF & WF	18.02	16,429,793	12,984,451
Unclaimed Dividend	18.04	2,425,603	1,802,319
Provision For Income Tax	18.06	12,228,571	10,492,573
<b>Total</b>		<b>74,058,037</b>	<b>66,220,812</b>

**18.01 Liability for Expenditure :**

The consists of this head as follows:

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Directors Remuneration Payable	251,500	423,000
Salary Payable	9,790,827	8,420,896
Wages Payable	6,007,944	4,849,220
Overtime Payable	324,211	1,383,483
Electricity Bills Payable	526,300	838,186
Audit fees	115,000	115,000
Gas Bill Payable	2,595,991	2,349,000
Utility Payable	2,400,000	2,400,000
Deduction of Tax & VAT at source	20,187,303	19,531,857
Contribution to Employees P.F.	218,234	181,729
Employer's PF Contribution	218,234	181,729
Employees PF Loan	34,043	18,719
Employees Income Tax Against Salary	304,483	248,650
<b>Total</b>	<b>42,974,070</b>	<b>40,941,469</b>

**18.02 Provision For WPPF & WF:**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Opening balance	12,984,451	12,622,845
Less: Paid to WPPF & WF Members A/C	-	(2,735,640)
Add: Provided this year @ 5% (Note-24)	3,445,342	3,097,246
<b>Closing balance</b>	<b>16,429,793</b>	<b>12,984,451</b>

**18.03** We observed that the above fund has maintained by a separate trustee board as per respective person of labour law and other law & regarding Bangladesh sromo ain-2006 amend by 2015.

**18.04 Unclaimed Dividend :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Unclaimed Dividend up to -2015	1,203,338	1,203,338
Unclaimed Dividend -2016	99,400	99,400
Unclaimed Dividend -2017	496,113	499,582
Unclaimed Dividend -2018	626,753	-
<b>Total</b>	<b>2,425,603</b>	<b>1,802,319</b>

**18.04 (i)**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
<b>Opening Balance</b>	1,802,319	1,304,316
Add : Cash Dividend during this year	15,635,840	10,197,287
Add : Sale of Faction Share	205,469	310,458
<b>Total Unclaimed Dividend</b>	<b>17,643,628</b>	<b>11,812,061</b>
Less : Dividend issue during this year	(15,218,025)	(10,009,741)
<b>Closing Balance</b>	<b>2,425,603</b>	<b>1,802,319</b>

**18.05** This is the amount which represents dividend warrant issued including sale proceeds of faction bonus share but not presented to the bank for payment.

**18.06 Provision For Income Tax:**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Opening Balance	10,492,573	10,013,065
Add: Income Tax for the current year	12,228,572	10,492,573
Less: Adjustment during the year	(10,492,573)	(10,013,065)
<b>Closing Balance</b>	<b>12,228,571</b>	<b>10,492,573</b>

**19.00 Sales Revenue :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Sales to Customers	1,249,049,688	953,187,967
Sales to Related Parties	20,272,749	42,762,752
<b>Total Sales Revenue :</b>	<b>1,269,322,438</b>	<b>995,950,719</b>

**20.00 Cost of Goods Sold :****Raw Material Consumed :**

Particulars	Note	30.06.2019	Percentage	30.06.2018
		Amount in Tk.		Amount in Tk.
Grey Fabrics	20.01	537,301,740	54.40%	321,350,573
Dyes & Chemicals	20.02	308,685,542	40.99%	242,124,607
Printing & Design Materials	20.03	33,051,344	4.61%	27,272,898
<b>Raw Material Consumed</b>		<b>879,038,626</b>	<b>100.00%</b>	<b>590,748,078</b>
Direct Wages & Salaries including bonus		182,895,507		151,001,945
Factory Overhead	20.04	154,626,166		134,167,164
<b>Direct and Factory Overhead</b>		<b>337,521,673</b>		<b>285,169,109</b>
<b>Total Manufacturing Cost</b>	<b>Qty. (yards)</b>	<b>1,216,560,298</b>	<b>Qty. (yards)</b>	<b>875,917,187</b>
Add: Opening Work in Process	597,127	6,812,893	494,723	6,959,220
<b>Cost of Goods Available for Use</b>	<b>597,127</b>	<b>1,223,373,191</b>	<b>494,723</b>	<b>882,876,407</b>
Less: Closing Work in process	542,383	20,735,477	597,127	6,812,893
<b>Cost of Production :</b>	<b>Qty. (yards)</b>	<b>1,202,637,714</b>	<b>Qty. (yards)</b>	<b>876,063,514</b>
<b>Add: Opening W.I.P.(Finished Stage)</b>	3,309,966	66,785,027	2,760,196	29,467,465
<b>Cost of Goods Available for Sales</b>	<b>3,309,966</b>	<b>1,269,422,742</b>	<b>2,760,196</b>	<b>905,530,980</b>
Less: Closing W.I.P.( Finished Stage)	3,656,675	172,230,207	3,309,966	66,785,027
<b>Cost of Goods Sold :</b>		<b>1,097,192,535</b>		<b>838,745,953</b>

**20.01 Grey Fabrics Consumed :**

<i>Name of Products:</i>	<b>30.06.2019</b>		<b>30.06.2018</b>	
	<i>Qty. (yards)</i>	<i>Amount in Tk.</i>	<i>Qty. (yards)</i>	<i>Amount in Tk.</i>
Opening Stock	1,122,056	91,152,174	701,190	42,276,480
Purchase During the year (A)	10,294,188	679,126,958	5,716,943	370,226,267
Less : Closing Stock	(2,820,210)	(232,977,392)	(1,122,056)	(91,152,174)
<b>Closing Balance</b>	<b>8,596,034</b>	<b>537,301,740</b>	<b>5,296,077</b>	<b>321,350,573</b>

**20.02 Dyes & Chemicals Consumed :**

<i>Name of Products:</i>	<b>30.06.2019</b>		<b>30.06.2018</b>	
	<i>Qty. (kgs)</i>	<i>Amount in Tk.</i>	<i>Qty. (kgs)</i>	<i>Amount in Tk.</i>
Opening Stock	303,039	85,111,171	274,960	51,238,843
Purchase during the year (B)	2,928,856	339,019,123	2,654,926	275,996,935
Less : Closing Stock	(391,654)	(115,444,752)	(303,039)	(85,111,171)
<b>Closing Balance</b>	<b>2,840,241</b>	<b>308,685,542</b>	<b>2,626,847</b>	<b>242,124,607</b>

**20.03 Printing & Design Materials, Spares & Accessories Consumed :**

<i>Name of Products:</i>	<b>30.06.2019</b>		<b>30.06.2018</b>	
	<i>Amount in Tk.</i>		<i>Amount in Tk.</i>	
Opening Stock	23,480,790		21,771,293	
Purchase during the year (C)	30,458,807		28,982,395	
Less : Closing Stock	(20,888,253)		(23,480,790)	
<b>Closing Balance</b>	<b>33,051,344</b>		<b>27,272,898</b>	

**(A) Procurement / Supplied by Raw Materials :**

<i>Name of Products:</i>	<i>Qty. (yards)</i>	<b>30.06.2019</b>		<b>30.06.2018</b>	
		<i>Amount in Tk.</i>		<i>Amount in Tk.</i>	
Grey Fabrics Foreign Import	9,792,214	612,587,764		4,829,830	
Grey Fabrics Local Import	501,974	66,539,194		887,113	
<b>Closing Balance</b>	<b>10,294,188</b>	<b>679,126,958</b>		<b>5,716,943</b>	

**(B) Dyes & Chemicals :**

<i>Name of Products:</i>	<i>Qty. (kgs.)</i>	<b>30.06.2019</b>		<b>30.06.2018</b>	
		<i>Amount in Tk.</i>		<i>Amount in Tk.</i>	
Imported	1,312,578	301,566,755		1,080,015	
Local Import	1,616,277	37,452,367		1,574,911	
<b>Closing Balance</b>	<b>2,928,856</b>	<b>339,019,123</b>		<b>2,654,926</b>	

**(C) Printing & Design Material, Spares & Accessories :**

<i>Name of Products:</i>	<b>30.06.2019</b>		<b>30.06.2018</b>	
	<i>Amount in Tk.</i>		<i>Amount in Tk.</i>	
Imported	17,138,675		17,376,937	
Local Purchase	13,320,132		11,605,458	
<b>Closing Balance</b>	<b>30,458,807</b>		<b>28,982,395</b>	

**20.04 Factory Overhead :**

<b>Particulars</b>	<b>Amount in Tk.</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>
Gas Charges	36,942,777	34,265,134
Electricity Charges	9,778,947	13,859,640
Insurance Premium	2,069,676	2,058,438
Uniform & Liveries	218,745	242,620
Repairs & Maintenance	11,804,026	8,557,042
Telephone Charges	692,046	728,258
Packing Expenses	-	2,349,088
Travelling & Conveyance	3,865,282	2,802,567
Fuel Lubricant	5,144,211	4,657,351
Medical expenses	207,746	216,204
Contribution to P.F.	1,838,745	1,477,802
Entertainment	568,449	455,104
Stationery	1,385,147	623,305
Newspaper & Periodicals	8,520	8,100
Testing Charges	1,095,937	1,130,025
Rent, Rates & Taxes	120,000	154,585
Back Processing Charges	591,809	173,559
Compliance Expenses	686,379	80,799
Survey & Inspection Charges	-	462,003
Training Expenses	365,220	604,467
Food & Refreshment Expenses for Staff & Workers.	2,041,100	1,519,627
Lab Expenses	1,071,761	777,960
Loading & Unloading Exp.	410,280	481,983
Fire Fighting Material	-	102,712
Depreciation	73,719,362	56,378,791
<b>Total Factory Overhead</b>	<b>154,626,166</b>	<b>134,167,164</b>

**21.00 Administrative & Selling Expenses :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Director's Remuneration	4,800,000	6,000,000
Salary & Allowances	27,295,150	23,237,113
Festival Bonus	2,546,399	2,593,543
Electricity Charges	420,589	597,022
Printing	-	3,620
Stationery	436,393	501,838
Advertisement	544,237	617,435
Insurance Premium	28,200	88,288
Telephone & Fax Charges	422,252	359,098
Travelling & Conveyance	1,961,463	1,699,826
Fees, Forms & Stamps	2,190,318	1,967,698
Donation & Subscription	60,000	60,000
Selling & Distribution Expenses	5,016,728	8,361,750
Consultancy Fees	-	4,600
Training Expenses	18,860	991,460
Postage & Telegram	46,046	26,314
Repairs & Maintenance	546,788	522,424
Head Office Rent	6,242,292	5,945,040
Annual General Meeting Expenses	323,664	287,580
Entertainment	73,705	24,583
Contribution to P.F.	522,881	423,201
Audit Fees	138,000	128,800
Software Servicing Charges	154,368	130,201
Income Tax Expenses	431,299	296,086
Board Meeting Fees	81,250	-
Food & Refreshment Expenses for Staff	540,752	367,819
Depreciation	1,863,172	1,900,589
<b>Total</b>	<b>56,704,806</b>	<b>57,135,927</b>

**22.00 Financial Expenses :**

Particulars	Note	Amount in Tk.	
		30.06.2019	30.06.2018
Bank Charges & Commission	22.01-22.04	455,062	3,687,891
Excise Duty	22.01-22.04	417,220	-
Bank Interest on Overdraft & IDBP	22.01-22.03	7,882,346	-
Bank Interest on Long Term Loan	22.01-22.03	37,060,311	35,664,076
Lease Interest	22.05	133,089	198,372
<b>Total</b>		<b>45,948,027</b>	<b>39,550,339</b>

**22.01 AB Bank Ltd.**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Bank Charges & Commission	129,940	152,097
Excise Duty	117,270	-
Bank Interest on Overdraft & IDBP	1,356,744	-
Bank Interest on Long Term Loan	6,323,098	9,599,992
<b>Total</b>	<b>7,927,052</b>	<b>9,752,090</b>

**22.02 The City Bank Ltd.**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Bank Charges & Commission	306,516	3,534,759
Excise Duty	239,650	-
Bank Interest on Overdraft & IDBP	4,304,617	-
Bank Interest on Long Term Loan	30,737,213	26,063,881
<b>Total</b>	<b>35,587,997</b>	<b>29,598,639</b>

**22.03 Mutual Trust Bank Ltd.**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Bank Charges & Commission	12,046	1,035
Excise Duty	57,800	-
Bank Interest on Overdraft & IDBP	2,220,985	203
<b>Total</b>	<b>2,290,831</b>	<b>1,238</b>

**22.04 IFIC Bank Ltd.**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Bank Charges & Commission	6,559	-
Excise Duty	2,500	-
<b>Total</b>	<b>9,059</b>	<b>-</b>

**22.05 United Finance Company Ltd.**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Lease Interest	133,089	198,372
<b>Total</b>	<b>133,089</b>	<b>198,372</b>

**22.06 Financial expenses has increased due to create new Term Loan for construction & Machinery purpose.****23.00 Non Operating Income/(Loss) :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Interest received on FDR	1,283,567	204,203
Wastage Sales	175,600	-
Foreign Currency Translation Gain/(Loss)	100,014	157,281
Gain/(Loss) on Foreign Currency Exchange rate-Export	3,893,163	7,876,861
Gain/(Loss) on Foreign Currency Exchange rate-Import	(2,577,227)	(3,714,687)
<b>Total</b>	<b>2,875,117</b>	<b>4,523,658</b>

**24.00 Provision for WPPF & WF**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Contribution this year @ 5% (Net profit before WPPF & WF (72,352,187/21)	3,445,342	3,097,246
	<b>3,445,342</b>	<b>3,097,246</b>

**25.00 Income Tax Provision (Current Tax)**

Particulars	30.06.2019		30.06.2018	
	Based Amount	Tax Amount	Based Amount	Tax Amount
<b>Operating Profit</b>	69,477,070		60,518,500	
Less: Contribution to WPPF & WF	(3,445,342)		(3,097,246)	
<b>Net Profit / (Loss) for the year</b>	<b>66,031,727</b>		<b>57,421,254</b>	
Add: Depreciation as per F.A. Schedule	74,040,758		58,279,380	
Less: Depreciation as per Tax based	(60,980,620)		(46,090,485)	
On Operating Income @ 15%	<b>79,091,866</b>	11,863,780	<b>69,610,149</b>	10,441,522
On Non-Operating Income:	-	-	-	-
Wastage Sales @ 25%	175,600	43,900	-	-
Other Income @ 25%	1,283,567	320,892	204,203	51,051
<b>Total</b>	<b>80,375,433</b>	<b>12,228,572</b>	<b>69,814,352</b>	<b>10,492,573</b>

**26.00 Income Tax Provision (Deferred Tax) :**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Income Tax Provision (Deferred Tax)	3,355,651	3,918,651
	<b>3,355,651</b>	<b>3,918,651</b>

**26.01 Prior Year Adjustment/Restated Statement :**

The deferred tax on revaluation of depreciable assets was erroneously recognized in the retained earnings. However, the Paragraph 61A(b) of IAS 12: Income Tax requires to recognize the deferred tax on revaluation gain through the other comprehensive income or by deducting revaluation surplus. To correction of such error, the financial statements have been restated as per Par 42(b) of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. A third statement of financial position has also been presented. The balance of deferred tax on depreciable assets was Tk. 2,519,510 which is adjusted through Statement of Changes in Equity by restating the opening balance of comparative financial statements. The adjustment of excess depreciation of depreciable revalued assets shall be net of tax in accordance with the Para 64 of IAS 12: Income Tax. Considering this, the adjustment of excess depreciation of depreciable revalued assets in comparative statement of changes in equity has also been restated.

**27.00 Earnings Per Share (EPS):**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
A. Net Profit/ ( Loss) after Tax for this year	54,497,426	50,781,122
B. Weighted average Number of Share	8,599,712	8,599,712
<b>Earning per share (EPS).(Restated in 2018) (A/B)</b>	<b>6.34</b>	<b>5.90</b>

**27.01 Disclosure of EPS : as per clause 5(2)c of the BSEC notification ( No BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June,2018 : Earning Per Share (EPS) has increased compared to financial year June 30, 2018 due to increase of sales revenue.****27.02 Computation of Number of Shares after reporting date**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Number of Shares Outstanding (Opening Balance)	7,817,920	6,798,191
Declaration of Stock Dividend @ 15% for the FY-2016-17	-	1,019,729
<b>Total Number of Share</b>	<b>7,817,920</b>	<b>7,817,920</b>
Declaration of Stock Dividend @ 10% for the FY-2017-18	781,792	781,792
<b>Number of Shares Outstanding as at 30.06.2019</b>	<b>8,599,712</b>	<b>8,599,712</b>

**28.00 Net Assets Value (NAV) Per Share**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Total Assets	2,016,874,944	1,591,880,785
Less : Total Liability	(1,658,185,806)	(1,272,053,232)
<b>A. Net Assets</b>	<b>358,689,139</b>	<b>319,827,553</b>
B. Total Number of Share outstanding at the year end	8,599,712	7,817,920
<b>Net Assets Value (NAV) Per Share (A/B)</b>	<b>41.71</b>	<b>40.91</b>

**28.01 Disclosure of NAV : as per clause 5(2)b of the BSEC notification ( No BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June,2018 :**  
Net Assets Value (NAV) has increased compared to financial year June 30,2018 due to increased of Share Capital, Retained Earnings, and Revaluation Surplus of Fixed Assets accordantly.

**29.00 Reconciliation from net profit to net operating cash flow :**

**Disclosure with calculation: as per clause 5(2)e of the BSEC notification ( No BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June,2018:**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Operating Profit/(Loss)	69,477,070	60,518,501
Depreciation	75,582,534	58,279,380
Other Income/(Loss)	2,775,103	4,366,377
Accounts Receivable (Increase)/Decrease	(188,424,806)	(124,248,783)
Inventories (Increase)/Decrease	(288,934,026)	(121,628,754)
Advance,Deposit & Prepayment (Increase)/Decrease	19,180,846	(48,096,830)
Accounts Payable & Other Liability Increase/(Decrease)	69,699,091	279,092,122
Payment to Employee against Contribution to WPPF	-	(2,735,640)
Liability for Expenditure Increase/(Decrease)	2,032,601	11,220,936
Income Tax Paid	(6,453,386)	(9,317,769)
<b>Total</b>	<b>(245,064,974)</b>	<b>107,449,540</b>

**29.01 Reasons of Negative Cash Flow :**

During the year fund received of sales proceed and other operating source were less than the fund disbursed on account of inventory. The inventory figure was Tk. 273,342,055 during last year but this figure has increased to Tk. 562,276,081. The inventory was build up to meet increase order for timely delivery during the next year.

**30.00 Net Operating Cash Flow Per Share ( NOCFPS )**

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
A. Net Operating Cash Flow	(245,064,974)	107,449,540
B. Number of Shares outstanding at the year end	8,599,712	7,817,920
<b>Net Operating Cash Flow Per Share ( NOCFPS ) (A/B)</b>	<b>(28.50)</b>	<b>13.74</b>

**30.01 Disclosure of NOCFPS : as per clause 5(2)d of the BSEC notification ( No BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018 :**  
Net operating Cash Flow Per Share has decreased compared to financial year June 30,2018 due to payment of creditors and increase of number of share for declared stock dividend.

**31.00 Related Party Disclosure Under IAS-24****31.01 Related Party Transaction :**

Related parties disclosure : As per IAS 24 Para 21 in the from sales of finished goods against export L/C.

The company, in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24. Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and business with them as at 30 June 2019 were as follows :

Name of Sister Concern	Nature of Relationship	Nature of Business	Opening Balance	Transition		Accounts Receivable
				Dr./ Sales	Cr./ Realization	
J. M. Fabrics Limited	Common Director	Sales	6,257,533	5,359,220	11,316,281	300,473
Knit Asia Limited	Common Director	Sales	28,301,160	14,913,529	29,995,313	13,219,376
Hejaz Publications Ltd.	Common Director	Office Rent	-	6,242,292	6,242,292	-
<b>Total Amount</b>			<b>34,558,693</b>	<b>26,515,041</b>	<b>47,553,886</b>	<b>13,519,849</b>

**31.02 Related party disclosure as per IAS-24 Para 17 regarding key management personnel compensation :**

Short term employees benefits	Monthly Salary Two Festival Bonus Medical Assistance Profit Participant
Post Employment Benefits	Provident Fund Gratuity
Other long term benefits	Life insurance
Termination Benefits	As per company policy
Share Based payment	Company does not provided any share based payment



**31.03 Disclosure of director remuneration and attendance fees under para - 4 of schedule XI part II of the companies act 1994 :**

Name	Position	2018-2019	2017-2018
Mr. Didar A. Husain	Chairman	1,200,000	2,400,000
Dr. Shamim Matin Chowdhury	Managing Director	Nil	Nil
Mr. A. Matin Chowdhury	Director	2,400,000	2,400,000
Ms. Saima Matin Chowdhury	Director	Nil	Nil
Mr. Azizur Rahim Chowdhury	Director	1,200,000	1,200,000

**31.04** The Chairman has drawn allowance upto 31st December,2018 but stopped taking all financial benefits from the company.

**31.05 Independent director have received the following meeting attendance fees :**

Name	Position	2018-2019	2017-2018
M. Sekander Ali	Independent Director	31,250	
Md. Qamrul Huda	Independent Director	43,750	28,750
Dr. Sultan Hafeez Rahman	Independent Director	6,250	28,750

**31.06 Disclosure under para 3 of the schedule XI para II of the companies act 1994 :**

Particulars	Range	No of employees			Total
		Head Office	Factory	Worker	
Remuneration	100,000 - 200,000	2		-	2
Salary	0 - 10,000	Nil	Nil		Nil
Salary	10,001 - 14,999	3	50	-	53
Salary	15000 - 29,999	5	110	-	115
Salary	30,000 - 59,999	13	60	-	73
Salary	60,000 - 99,999	8	13	-	21
Salary	100,000 - Above	7	9	-	16
Wages	0 - 5,299	-	-	Nil	Nil
Wages	5,300 - 6,999	-	-	27	27
Wages	7,000 - 10,000	-	-	102	102
Wages	10,000 - Above	-	-	261	261
<b>Total</b>		<b>38</b>	<b>242</b>	<b>390</b>	<b>670</b>

**31.07 Disclosure of Remuneration for External Auditors under para b of schedule XI part II of the Companies Act 1994 :**

The audit fee represents the fees for auditing the accounts of the Company for the financial year 2018-19. No other fees was paid to the auditor for any other services.

**32.00 Disclosure of production shortfall and achievement under para 7 schedule XI Para II of the Companies Act 1994 :**

Particulars	Unit Measurement	Amount in Tk.	
		30.06.2019	30.06.2018
Production Capacity	Yard	30,000,000	30,000,000
Actual Production	Yard	28,468,113	27,813,097
% Achievement	%	94.89%	92.71%
Short Fall	Yard	1,531,887	2,186,903

**33.00 Disclosure of Imported and Local raw material consumption under para 8 schedule XI part II of Companies Act 1994 :**

Value of Dyes & Chemical, Spare parts, Packing Materials and Capital Machinery (BDT) :

Particulars	Local Purchase	Import	Total Purchase	Consumed
Grey Fabrics	66,539,194	612,587,764	679,126,958	537,301,740
Dyes & Chemical	37,452,367	301,566,755	339,019,123	308,685,542
Printing, Design Materials & Spare Parts etc.	13,320,132	17,138,675	30,458,807	33,051,344
<b>Total</b>	<b>117,311,693</b>	<b>931,293,194</b>	<b>1,048,604,888</b>	<b>879,038,626</b>

**34.00 Rearrangement Statements of Cash Flow :**

The cash flow statement of last year wrongly includes the cash flow relating to Overdraft and Inland document Bill Purchase Loan (which actually be part of financial activity. The statement of cash flows of this year has been rearranged).

**35.00 Contingent Liabilities :**

The company has Tk. 138,848,915 contingent liabilities against Letter of Credit (EDF Liability) and Bank Guarantee for the year ended 30th June, 2019. The break up of the amount is as follows:

Particulars	Amount in Tk.	
	30.06.2019	30.06.2018
Letter of Credit (City Bank Limited)	14,432,585	11,345,145
Letter of Credit (AB Bank Limited)	9,496,305	26,223,676
Letter of Credit (Mutual Trust Bank Limited)	107,684,103	-
Bank Guarantee (AB Bank Limited)	7,235,922	7,235,922
<b>TOTAL</b>	<b>138,848,915</b>	<b>44,804,743</b>

**36.00 Post Closing Events :**

There is no significant event has been occurred for reporting for the period from cut-off date of financial year to the date of signing of the financial statements.

**37.00 Events after the reporting period :**

The Board of Directors of the company has approved the financial statements as on October 12, 2019 and they recommended 10% Stock & 20% Cash dividend for the financial year 30th June 2019. Except the fact stated above, on circumstances have arisen that to be disclosed as note or adjusted in the financial statements.

## Rahim Textile Mills Limited

### Property, Plant & Equipment

As at 30th June 2019

Particulars	COST				Rate (%)	DEPRECIATION				Written down value as on 30.06.19
	Balance as on 01.07.18	Addition During the Year	Adjustment During the Year	Total as on 30.06.19		Balance as on 01.07.18	Charges During the Year	Adjustment During the Year	Total as on 30.06.19	
Land & Land Development	14,345,373	-	-	14,345,373	-	-	-	-	-	14,345,373
Building And Civil Structure	134,716,945	209,646,317	-	344,363,262	10%	86,333,181	25,803,008	-	112,136,189	232,227,073
Plant & Machinery	703,745,911	14,285,719	-	718,031,629	10%	335,310,555	38,272,107	-	373,582,663	344,448,967
Equipment And Installation	38,076,489	2,881,454	-	40,957,943	15%	22,860,135	2,714,671	-	25,574,806	15,383,136
Furniture & Fixtures	11,321,797	1,308,150	-	12,629,947	10%	2,380,390	1,024,956	-	3,405,346	9,224,601
Utility Facility	40,401,740	750,900	-	41,152,640	15%	25,530,167	2,343,371	-	27,873,538	13,279,102
Transport Facility	20,766,864	1,651,154	-	22,418,018	15%	9,996,859	1,863,172	-	11,860,031	10,557,987
Other Assets	18,257,226	2,601,856	-	20,859,082	15%	7,395,928	2,019,473	-	9,415,402	11,443,681
<b>As at 30th June 2019</b>	<b>981,632,345</b>	<b>233,125,550</b>	<b>-</b>	<b>1,214,757,895</b>		<b>489,807,216</b>	<b>74,040,758</b>	<b>-</b>	<b>563,847,974</b>	<b>650,909,920</b>

### Revalued Property Plant & Equipments As on 30th June 2019

Particulars	COST				Rate (%)	DEPRECIATION				Written down value as on 30.06.19
	Balance as on 01.07.18	Addition During the Year	Adjustment During the Year	Total as on 30.06.19		Balance as on 01.07.18	Charges During the Year	Adjustment During the Year	Total as on 30.06.19	
Land & Land Development	78,760,479	-	-	78,760,479	-	-	-	-	-	78,760,479
Building And Civil Structure	24,745,906	-	-	24,745,906	10%	16,640,638	810,530	-	17,451,167	7,294,739
Plant & Machinery	16,339,721	-	-	16,339,721	10%	10,365,792	597,393	-	10,963,185	5,376,536
Utility Facility	3,405,891	-	-	3,405,891	15%	2,513,535	133,853	-	2,647,389	758,502
<b>Sub Total as at 30.06.19</b>	<b>123,251,997</b>	<b>-</b>	<b>-</b>	<b>123,251,997</b>		<b>29,519,965</b>	<b>1,541,776</b>	<b>-</b>	<b>31,061,741</b>	<b>92,190,256</b>
<b>Grand Total as at 30.06.19</b>	<b>1,104,884,342</b>	<b>233,125,550</b>	<b>-</b>	<b>1,338,009,892</b>		<b>519,327,181</b>	<b>75,582,534</b>	<b>-</b>	<b>594,909,715</b>	<b>743,100,177</b>
<b>Total as at 30.06.18</b>	<b>1,010,796,919</b>	<b>94,087,423</b>	<b>-</b>	<b>1,104,884,342</b>		<b>461,047,801</b>	<b>58,279,380</b>	<b>-</b>	<b>519,327,181</b>	<b>585,557,161</b>

#### Depreciation charged to :

A i) Depreciation of Cost Of Goods Sold.	73,719,362
B ) Depreciation of Administrative & Selling Expenses.	1,863,172
	<u>75,582,534</u>

#### Note :

Previously Fixed Assets were classified to 20 (Twenty) sub-heads but now amalgamated to 8 (Eight) sub-heads from this financial year as same depreciation rate in line with the classification of Fixed Assets by our other associate companies.

# 37<sup>th</sup> Annual General Meeting



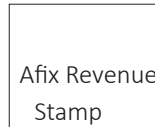
# Rahim Textile Mills Limited

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh  
Corporate Head Office: Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh

## PROXY FORM

I/We .....  
of.....  
being a shareholder(s) of Rahim Textile Mills Limited and a holder of .....shares  
hereby appoint Mr/Mrs/Miss.....  
of.....  
as my/our proxy to attend and vote on my/our behalf at the 38<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, December 21, 2019 at 9.00 a.m. at Spectra Convention Centre Limited, House # 19, Road # 7, Gulshan-1, Dhaka-1212 and at any adjournment thereof.

Signed this .....day of December, 2019



Signature of shareholder(s).....

Signature of Proxy.....

Name of shareholder (s) .....

Name of Proxy.....

Folio/BOID No.

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

Folio/BOID No. of Proxy (if any):

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

**Note:** A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote in his/her stead. The proxy form should reach the Corporate Head Office of the Company not less than 48 hours before the time fixed for the meeting.

# Rahim Textile Mills Limited

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh  
Corporate Head Office: Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh

## Attendance Slip

I hereby record my attendance at the 38<sup>th</sup> Annual General Meeting of Rahim Textile Mills Limited being held today, the December 21, 2019 at 9.00 a.m. at Spectra Convention Centre Limited, House # 19, Road # 7, Gulshan-1, Dhaka-1212 as a holder of .....shares of the Company.

Signature of Shareholder/Proxy.....

Name of Shareholder/Proxy.....

Folio/BOID No.

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

**NOTE:** Shareholder(s) attending the meeting in person or by proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.



## **Rahim Textile Mills Limited**

### **Registered Office:**

117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh

### **Corporate Head Office:**

Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208

### **Factory:**

Shafipur, Kaliakoir, Gazipur

Tel: IPT+8809612111177-92, 880-2-8878065, Fax: 880-2-8878064

E-mail: [allabj@dhaka.net](mailto:allabj@dhaka.net), Website: [www.rahimtextile.com](http://www.rahimtextile.com)

