

AUDITORS' REPORT

We have audited the accompanying financial statements of **Yeakin Polymer Limited** which comprise the Statement of Financial Position as at 30th June, 2016 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and all related consolidated financial statements and a summary of significant accounting policies and other explanatory notes.

The Managements' Responsibility for the Financial Statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair preparation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) and Bangladesh Standards on Auditing (BAS). Those standards require that we comply with ethical requirements and plan and perform to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements including consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) and Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the state of the company as at 30th June, 2016 and of the results of its operations and its cash flows for the year then ended in accordance with the Companies Act, 1994 and other applicable laws and regulations.

Other matter: Under BSA: 560 We draw attention to note no. 3.16 to the financial statements which describes the presentation of statements of cash flows. Our opinion is not qualified in respect of this matter.

We also Report that:

- (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company as far as it appeared from our examination of those books;
 - (c) The Company's Statement of Financial Position, Statement of Appropriation Account, Statement of Comprehensive Income and Statement of Cash Flows dealt with by the report is in agreement with the books of account;
- And
- (d) The expenditure incurred was for the purpose of Company's business.

Sd/
ARTISAN
CHARTERED ACCOUNTANTS

YEAKIN POLYMER LIMITED

83, Siddeswari Circular Road,
Manhattan Tower (6th Floor),
Malibag More, Dhaka-1217.

ARTISAN

CHARTERED ACCOUNTANTS

Statement of Financial Position

As at 30th June, 2016

Particulars	Notes	Amount in Taka	
		30-06-2016	30-06-2015
Property & Assets			
Non-current Assets		478,235,147	398,281,284
Property, Plant & Equipment	04.	371,601,708	308,752,054
Capital Work in Progress	05.	106,633,439	89,529,230
Current Assets		376,431,664	342,207,022
Inventories	06.	144,402,224	124,650,443
Trade Receivable	07.	137,778,985	106,318,616
Other Receivable	08.	984,961	1,452,089
Advances, Deposits & Prepayments	09.	55,313,205	56,207,148
Cash & Cash Equivalent	10.	37,952,289	53,578,727
Total Assets & Property		854,666,811	740,488,306
Shareholders' Equity & Liabilities			
Shareholders' Equity		609,257,202	569,919,935
Share Capital	11.	390,000,000	390,000,000
General Reserve		8,357,000	8,357,000
Tax Holiday Reserve		24,159,453	24,159,453
Retained Earnings	12.	186,740,749	147,403,482
Non-Current Liabilities		54,125,793	33,909,322
Deferred Tax Liabilities	13.	31,686,151	21,073,267
Long Term Bank Loan	14.	22,439,642	12,836,055
Current Liabilities		191,283,816	136,659,050
Current Portion of Long Term Loan	14.	10,723,776	5,293,968
Short Term Bank Loan	15.	101,134,518	58,193,990
Trade Creditors	16.	3,981,541	4,597,665
Liabilities for Expenses	17.	72,418,037	64,336,964
Liability for WPPF	18.	3,025,944	4,236,463
Total shareholders Equity & Liabilities		854,666,811	740,488,306
Net Asset Value Per Share (NAV)	29.	15.62	14.61

Sd/
Chief Financial Officer

Sd/
Managing Director

Sd/
Chairman

Signed in terms of our annexed report of even date.

Dated; Dhaka, the 27th October, 2016.

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th June, 2016

Particulars	Notes	Amount in Taka	
		30-06-2016	30-06-2015
Sales Revenue	19.	374,856,443	419,920,083
Less: Cost of Goods Sold	20.	275,901,347	306,932,915
Gross Profit/ (Loss)		98,955,096	112,987,168
Operating Expenses		21,644,700	14,429,183
Administrative Expenses	21.	15,075,576	11,026,775
Selling & Distribution Expenses	22.	6,569,124	3,402,408
Profit from Operations		77,310,396	98,557,985
Financial Expenses		(13,765,580)	(9,592,259)
Financial Expenses	23.	(14,396,566)	(11,044,348)
Other Income	24.	630,986	1,452,089
Profit before Contribution to WPPF & Income Tax		63,544,816	88,965,726
Less: Provision for Contribution to WPPF	25.	3,025,944	4,236,463
Net Profit/ (Loss) after Contribution to WPPF but before Provision for Income Tax		60,518,872	84,729,263
Less: Income Tax Expenses :		21,181,605	29,655,242
Current Tax	26.	10,568,721	19,657,463
Deferred Tax (Income)/Expenses	27.	10,612,884	9,997,780
Net Profit/ (Loss) after Provision for Income Tax transferred to Retained Earnings		39,337,267	55,074,021
Earnings Per Share	28.	1.01	1.98
Adjusted Earnings Per Share	28.	1.01	1.41

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Managing Director

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Dated; Dhaka, the 27th October, 2016.

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CHARTERED ACCOUNTANTS

Statement of Cash Flows

For the year ended 30th June, 2016

Particulars	Notes	Amount in Taka	
		30-06-2016	30-06-2015
A. Cash flow from operating activities:			
Cash received during the year		344,494,188	392,510,773
Cash received from customers & other		344,494,188	392,510,773
Cash payment during the year		297,064,544	341,930,755
Less: Cash payment to suppliers, employee and other		294,124,068	339,407,061
Cash payment for income tax		2,940,476	2,523,694
Net cash provided/ (used) by operating activities		47,429,644	50,580,018
B. Cash flow from investing activities:			
Paid for acquisition of fixed assets		-	(56,146,957)
Capital Work in Progress		(106,633,439)	(89,529,230)
Net cash provided/ (used) by investing activities		(106,633,439)	(145,676,187)
C. Cash flow from financing activities:			
Issuance of ordinary shares		-	150,000,000
Cash payment for financial expenses		(14,396,566)	(11,044,348)
Short term bank loan receipt/(paid)		42,940,528	(13,459,206)
Long term bank loan receipt		15,033,395	16,755,023
Dividend paid		-	(5,430,000)
Net cash provided/ (used) by financing activities		43,577,357	136,821,469
D. Net Increase/ (Decrease) in cash (A+B+C)		(15,626,438)	41,725,301
E. Opening cash & cash equivalents		53,578,727	11,853,426
Closing cash & cash equivalents (D+E)		37,952,289	53,578,727
Net Operating Cash flow Per share	Tk.	1.22	1.30
Net Operating Cash flow Per share (Weighted Average)		1.22	1.82

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Chief Financial Officer

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Managing Director

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Chairman

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Dated; Dhaka, the 27th October, 2016.

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CHARTERED ACCOUNTANTS

Statement of Changes in Equity

For the year ended 30th June, 2016

Particulars	Amount in Taka					
	Share Capital	Share Money Deposit	General Reserve	Tax Holiday Reserve	Retained Earnings	Total Shareholders Equity
Balance at 1st July, 2015	390,000,000	-	8,357,000	24,159,453	147,403,482	569,919,935
Share Capital	-	-	-	-	-	-
Net Profit/ (Loss) after tax for the period ended 30th June, 2016	-	-	-	-	39,337,267	39,337,267
Dividend Paid	-	-	-	-	-	-
Balance at 30th June, 2016.	390,000,000	-	8,357,000	24,159,453	186,740,749	609,257,202

Statement of Changes in Equity

For the year ended 30th June, 2015

Particulars	Amount in Taka					
	Share Capital	Share Money Deposit	General Reserve	Tax Holiday Reserve	Retained Earnings	Total Shareholders Equity
Balance at 1st July, 2014.	240,000,000	-	8,357,000	24,159,453	97,759,461	370,275,914
Share Capital	150,000,000	-	-	-	-	150,000,000
Dividend	-	-	-	-	(5,430,000)	(5,430,000)
Net Profit/ (Loss) after tax for the year ended 30th June, 2015.	-	-	-	-	55,074,021	55,074,021
Balance at 30th June, 2015.	390,000,000	-	8,357,000	24,159,453	147,403,482	569,919,935

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Dated; Dhaka, the 27th October, 2016.

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CHARTERED ACCOUNTANTS

Notes to the Financial Statements

For the period from 1st July, 2015 to 30th June, 2016

01. Reporting Entity:**01.1 Company Profile:**

Yeakin Polymer Limited (former Yeakin Business Limited) was incorporated in Bangladesh on 8th February, 2001 as a Public Limited Company. The company was converted into a Private Limited Company on 10th November, 2003 and again it was re-converted into a Public Limited Company on 15th May, 2012. The name of the Company was changed on 15th December, 2010 from Yeakin Business Limited to Yeakin Polymer Limited. The Company got consent for raising of capital through Initial Public Offering (IPO) from Bangladesh Securities and Exchange Commission on June 09, 2016 latter no. BSEC/CI/180-222/2013/319.

01.2 Registered Office:

The registered office of the company is located at 83, Siddeshwari Circular Road, Manhattan Tower (6th floor), Malibagh, Dhaka-1217, Bangladesh.

01.3 Nature of Business:

The principal activities of the company are to carry on the business of manufacturing and marketing (local & export) of PP woven regular bags [laminated & un-laminated], BOPP film / Sack kraft paper attach bag, Jumbo / FIBC bag and HDPE / LDPE liner in different size, color, denier, mash, etc.

02. Basis of Preparation:**02.1 Statement of Compliance:**

This financial statement has been prepared on going concern concept and on accrual basis in accordance with the applicable as of International Accounting Standards (IAS), Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, The Income Tax Ordinance, 1984, The Value Added Tax Act, 1991, The Value Added Tax Rules, 1991, The Customs Act, 1969 and other applicable laws and regulations.

02.2 Applicable Bangladesh Accounting Standards (BAS):

The following BASs are applicable for the financial statements for the year under review:

BAS- 1	Presentation of Financial Statements
BAS- 2	Inventories
BAS- 7	Statements of Cash Flows
BAS- 10	Events After the Reporting Period.
BAS- 12	Income Taxes
BAS- 16	Property, Plant & Equipment
BAS- 18	Revenue
BAS- 19	Employee Benefits
BAS- 21	The Effects of Changes in Foreign Exchange Rates
BAS- 23	Borrowing Costs
BAS- 24	Related Party Disclosures
BAS- 33	Earnings Per Share
BAS- 36	Impairment of Assets
BAS- 37	Provisions, Contingent Liabilities and Contingent Assets
BAS- 39	Financial Instrument: Recognition and Measurement

02.3 Approval of Financial Statements:

The financial statement was duly approved by the Board of Directors.

02.4 Functional and Presentational Currency:

The financial statement is presented in Bangladesh Taka (Taka/ Tk), which is both functional currency and presentation currency of the company. The figures of financial statements have been rounded off to the nearest Taka.

02.5 Use of Estimates and Judgments:

The preparation of financial statements requires management to make and apply consistently of judgment, estimates and assumptions for records and balance that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

02.6 Reporting Period:

The accounting period of the company covers financial period from 1st July, 2015 to 30th June, 2016.

02.7 Going Concern :

As per BAS- 1, a company is required to make assessment at the end of each year to assess its capability to continue as going concern. Management of the company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason the Directors continue to adopt the going concern assumption while preparing the financial statements.

03. Significant Accounting Policies:

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

03.1 Financial Instruments:

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, loan and borrowings and other payables are shown at transaction cost.

03.2 Property, Plant and Equipment:

03.2.1 Recognition and Measurement:

Items of property, plant and equipment, excluding land and land development are measured at cost less accumulated depreciation and accumulated impairment losses (if any) in compliance with BAS-16. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

03.2.2 Subsequent Costs:

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

03.2.3 Depreciation:

Depreciation has been charged on item of property, plant and equipment except land and land development is recognized in the statement of comprehensive income using "Straight Line Method" over the estimated useful lives of each items. Depreciation on addition to fixed Assets charged when the Assets are ready for use. The rate of depreciation varies from 5% to 20% p.a. based on useful lives and nature of the assets. Rate of depreciation on property, plant and equipment considering their useful lives are as follows.

The annual depreciation rates applicable to the principal categories are:

Sl. No.	Item of property, plant and equipment	30-06-2016	30-06-2015
01.	Land and Land Development	-	-
02.	Factory Building	5%	5%
03.	Plant & Machinery	6.5%	6.5%
04.	Office Equipment	20%	20%
05.	Furniture & Fixture	10%	10%
06.	Vehicles	10%	10%

03.3 Inventories:

Inventories consist of Raw Materials, Work-In-Process, Finished Goods and Stores & Spares. They are stated at the lower of cost or net realizable value (NRV) in accordance with the BAS-2. Inventories after making due adjustments for any obsolete or slow moving item. The cost of inventories is assigned by using weighted average cost.

03.4 Impairment:

The company reviews the recoverable amount of its assets other than inventories at each reporting date. If there exist any indication that the carrying amount of assets exceeds the recoverable amount, the company recognized such impairment loss in accordance BAS-36.

03.5 Trade Receivables:

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less bad debts due to uncollectibility of any amount so recognised.

03.6 Cash and Cash Equivalents:

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

03.7 Provisions:

A provision is recognised in the Statement of Financial Position when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

03.8 Taxation:

Provision for income tax has been made on the basis of Finance Act, 2014.

03.9 Deferred Taxation:

The company accounts for deferred tax as per BAS- 12 "Income Taxes". Deferred tax is provided using the Financial Position method for all temporary differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the Financial Position date is used to determine deferred tax.

03.10 Employees' Benefit Plan:

The company has maintained employees benefit under the existing employees benefit policy of the company as well as BAS- 19.

Workers Profit Participation Fund and Welfare Fund

The company makes a regular allocation of 5% on net income before tax to this funds and payment is made to the workers as per provisions of Labour Laws 2006.

03.11 Contingencies:

Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured. The deferred tax asset/ liability/ income or liability/ expenses dose not create legal liability/ recoverability to and from the income tax authority. So, Deferred Tax has not been considered in computaion of Current Tax Provision.

03.12 Revenue Recognition:

03.12.1 Revenue from Goods Sold:

Revenue from the sales of goods is measured at the fair value of the consideration received or receivable. The company recognized revenue when risk and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in BAS- 18.

03.13 Earnings per Share:

The company presents basic earnings per share (EPS) data for its ordinary shares.

03.13.1 Basic Earnings Per Share:

Basic EPS is calculated by dividing the net income for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year as per BAS- 33 which is shown on the face of the Statement of Comprehensive Income.

03.14 Advance, Deposits and Prepayments:

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

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

03.15 Borrowing Costs:

Borrowing costs are recognized as expenses in the period in which they are incurred unless capitalization of such is allowed under BAS- 23.

03.16 Statements of Cash Flows :

Statement of Cash Flows is prepared in accordance with BAS- 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987.

03.17 Risk and Uncertainties for use of Estimates in Preparation of Financial Statements:

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for employees benefit plans, taxes, reserves and contingencies.

03.18 Components of the Financial Statements:

According to the International Accounting Standard (BAS-1) "Presentation of Financial Statements" the Complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at 30 June , 2016
- ii) Statement of Profit or loss and other Comprehensive Income for the period from, 1t July to 30 June, 2016
- iii) Statement of Changes in Equity for the period from, 1t July to 30 June, 2016.
- iv) Statement of Cash Flows for the period from, 1t July to 30 June, 2016.
- v) Notes to the Financial Statements for the period from, 1t July to 30 June, 2016.

03.19 Comparative Information:

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2015- 2016 have been re-arranged, wherever considered necessary, to ensure better comparability with the year.

03.20 Events after the Reporting Period:

In compliance with the requirements of BAS-10, Events After the Reporting Period, post Statement of Financial Position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting date that are not adjusting events are disclosed in the notes when material.

04. Property, Plant & Equipment: Tk. 371,601,708.00

Particulars	Cost			Rate of Dep. %	Depreciation			Written Down Value as at 30-06-2016	Written Down Value as at 30-06-2015
	Balance as at 01-07-2015	Addition during the year	Balance as at 30-06-2016		Balance as at 01-07-2015	Charged during the year	Balance as at 30-06-2016		
Land & Land Develop	51,569,984	-	51,569,984		-	-	-	51,569,984	51,569,984
Factory Building	138,765,290	35,102,536	173,867,826	5%	21,181,409	8,693,391	29,874,801	143,993,025	117,583,881
Plant & Machinery	195,128,025	54,426,694	249,554,719	6.5%	61,822,728	16,221,057	78,043,785	171,510,934	133,305,297
Office Equipment	4,846,590	-	4,846,590	20%	3,238,175	969,318	4,207,493	639,097	1,608,415
Furniture & Fixture	7,341,503	-	7,341,503	10%	2,891,829	734,150	3,625,980	3,715,523	4,449,674
Vehicles	616,600	-	616,600	10%	381,796	61,660	443,456	173,144	234,804
Total	398,267,992	89,529,230	487,797,222		89,515,938	26,679,576	116,195,514	371,601,708	308,752,054

Notes:

(a) Depreciation on addition to fixed assets charged when the Assets get installed.

(b) Depreciation have been charged as follows:

Allocation of Depreciation:	Amount in Taka 30-06-2016
Manufacturing Overhead (95%)	25,345,598
Administrative Expenses (5%)	1,333,979
Total	Tk. 26,679,576

Notes	Amount in Taka	
	30-06-2016	30-06-2015
5. Capital Work in Progress: Tk. 106,633,439.00		
Plant & Machinery	51,675,795	54,426,694
Factory Building	54,957,644	35,102,536
Total	106,633,439	89,529,230

06. Inventories: Tk. 144,402,224.00

The break-up of the above is as under:

Raw Materials	20.1	82,935,345	79,817,595
Work-In-Progress	20	23,850,177	20,533,807
Finished Goods	20	26,073,300	14,460,940
Stores & Spares	20.2	11,543,402	9,838,101
Total	Taka	144,402,224	124,650,443

07. Trade Receivable: Tk. 137,778,985.00

M/S. Break-up of the above is as under:

M/S. Al-Amin Banijjya Bhandar, Jessore	4,599,765	2,102,301
M/S. Ali Apon Auto Flower Mills, Jessore	3,885,875	3,340,138
M/S. Abdul Jolil/Dolil Uddin Basta Bhandar, Jaodanga, Jessore	3,917,277	3,569,226
M/S. City Food, Khulna	4,313,727	2,899,091
M/S. Adarasha Rice Mills, Katia, Satkhira	4,007,160	2,570,729
M/S. Azad Store, Rampura, Dhaka	3,404,365	2,670,958
M/S. Abul Kashem, Barobazar, Satkhira	3,584,723	2,579,292
M/S. Aftab Feeds, Rupshi, (HO, Motijheel, Dhaka)	4,343,751	3,769,389
M/S. Aristo Food, Jessore	3,608,546	1,613,850
M/S. Arronno Feeds Ltd., Jessore	2,984,489	1,151,751
M/S. Asif International, Dhaka	4,404,449	1,369,012
M/S. BRAC, Dhaka (For Feed Mills)	1,686,751	666,406
M/S. Shahana Auto	3,512,387	2,079,579
M/S. Sema Store (Chitto), Jaodanga, Satkhira	2,926,361	3,145,909
M/S. Ennoble Trading, Dhaka	3,244,023	1,664,900
M/S. Green Bangla Corporation, Dhaka	2,841,490	1,895,492
M/S. Hossain Traders, Nowapara	3,253,868	2,756,885
M/S. J. A Trading, Chittagong	3,143,552	2,763,552
M/S. Joint Trading Corporation Ltd., Nowapara	2,987,835	3,227,835
M/S. Joloj Trading, kaligong	2,438,058	1,533,690
M/S. Krishi Bitan, Nowapara	2,277,168	1,002,594
M/S. Marine Agro, Khulna	2,218,241	2,415,177
M/S. Mokbul Traders, Khulna	3,196,249	3,511,738
M/S. Mostofa Traders, Khulna	2,484,576	2,403,529
M/S. Masud Brothers, Khulna	2,297,231	2,103,779
M/S. MNR Trade International, Dhaka	1,856,506	1,473,055
M/S. Nowapara Traders, Nowapara	2,737,769	2,052,100
M/S. K B C, Dhaka	1,829,035	1,453,670
M/S. R.S Poultry, Dhaka	3,290,458	3,105,947

	Amount in Taka	
	30-06-2016	30-06-2015
M/S. Rashid Agro Food, Kustia	1,147,671	1,404,654
M/S. Ritu Hatchery, Satkhira	809,040	1,838,496
M/S. Rubel Brothers, Chittagong	3,655,205	3,724,858
M/S. Rustom Traders, Satkhira	1,873,676	497,707
M/S. Rakib Auto Rice, Patkarghata	1,875,712	1,992,698
M/S. S Y Traders, Dhaka	2,600,153	1,367,136
M/S. Satkhira Feed Industries Ltd. Satkhira	969,599	1,076,585
M/S. Super Standard Products Ltd. Dhaka	1,834,469	2,060,362
M/S. Sarker Traders	1,736,937	2,011,244
M/S. Khaitan Traders	2,502,072	1,967,711
M/S. Planet Feed, Dhaka	2,223,351	1,067,247
M/S. Jalil & Brothers. Per Nagoan	3,160,336	1,918,892
M/S. S.B. Poultry feed, Malipota, Khulna	2,009,503	1,129,503
M/S. Total Feeds Ltd. Sonadanga, Khulna	1,917,391	1,763,089
M/S. Tradex International, Dhaka	1,682,258	3,291,234
M/S. Biswas Autor rice, Kathia, Shatkhira	2,220,141	1,181,630
M/S. Uttara Food & Feeds (BD) Ltd., (Vankis), Monirampur, Jessore.	2,965,270	3,284,233
M/S. Mukunda Flower Mills, Station Road, Khulna.	3,627,207	1,002,375
M/S. White Gold Feed Ltd. KDA Road, Khulna	2,556,412	994,785
M/S. Faruk Traders, Dinajpur	1,609,597	1,817,438
M/S. Pappu Traders	1,364,221	1,387,632
M/S. Zerine Composit, Dhaka	1,183,774	2,647,533
Export Sales	979,305	-
Total	Taka 137,778,985	106,318,616

7.1 Information as per Schedule XI of the Companies Act 1994 regarding Trade Receivable:

S/L	Particular	Amount in Taka	
		30-06-2016	30-06-2015
1	Receivable Considered good in respect of which the Company is fully secured.	137,778,985	106,318,616
2	Receivables considered good in respect of which the Company holds no security other than the debtor personal security.	-	-
3	Receivable considered doubtful or bad.	-	-
4	Receivable due by directors or other officers of the company or any of them either severally or jointly with any person or debts due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated	-	-
5	Receivables due by common management.	-	-
6	The maximum amount of receivable due by any director or other officer of the company	-	-

08. Other Receivable: Tk. 984,961.00

Interest on Fixed Deposit (FDR) from Bank

Total

Amount in Taka	
30-06-2016	30-06-2015
984,961	1,452,089
984,961	1,452,089

Taka**09. Advances, Deposits & Prepayments: Tk. 55,313,205.00****The above consists of the following:****Loans & Advances:**

Advance VAT
 Advance against land purchase
 Corporate office
 Khulna Office
 Advance against L/C Margin, C & F Agent and Purchases
 A I T
 Advance to Employees

54,544,608**55,836,348**

2,046,449	8,339,081
1,605,000	1,605,000
600,000	600,000
675,000	675,000
46,103,034	42,773,691
2,301,771	1,800,989
1,213,354	42,587

Security Deposits:

Bangladesh Power Development Board (BPDB)
 Security Deposits to CDBL
 BTCL

746,600**246,600**

194,700	194,700
500,000	-
51,900	51,900

Prepayments:

Fire Insurance

21,997**124,200**

21,997	124,200
--------	---------

Total**Taka****55,313,205****56,207,148****10. Cash & Cash Equivalent: Tk. 37,952,289.00**

Break-up of the above is as under:

Cash in hand:

Head Office, Dhaka
 Khulna, Office
 Factory Office, Satkhira

550,418**899,542**

278,215	471,593
57,653	74,522
214,550	353,427

Cash at Bank:

IBBL, Mouchak Branch Dhaka (A/C # 260914)
 IBBL, Satkhira Branch (A/C # 94816)
 IBBL, Satkhira Branch (SND A/C # 02813)
 IBBL, Noapara Branch (A/C # 58514)
 IBBL, Khulna Branch (A/C # 311101)
 Al Arafa IBL satkhita Branch (A/C # 12280)
 IBBL, Dhaka Branch (SND A/C # 7214)
 Pubali Bank Ltd. Dhaka Branch (A/C # 36433)
 Uttara Bank Ltd. Dhaka Branch (A/C # 4907)
 Janata Bank Ltd. Dhaka Branch (A/C # 9744)
 Bank Asia Ltd. Dhaka Branch (A/C # 194)
 Fixed Deposits (FDR)

37,401,871**52,679,185**

2,351,981	1,909,833
707,910	12,062
28,924	15,879
5,577	5,864
55,703	1,421
807,265	9,509,915
26,959	28,474
235,808	4,222
154,911	1,708,190
5,857	58,517
20,976	1,424,808
33,000,000	38,000,000

Total**10.1****Taka****37,952,289****53,578,727**

10.1 Fixed Deposits (FDR): Tk. 33,000,000.00

	Amount in Taka	
	30-06-2016	30-06-2015
Name of the Bank		
IBBL (MTDR # 725661/3130)	-	5,000,000
Bank Asia Limited (MTDR A/C-8744)	5,000,000	5,000,000
Bank Asia Limited (MTDR A/C-8743)	5,000,000	5,000,000
Bank Asia Limited (MTDR A/C -9911)	3,000,000	3,000,000
Bank Asia Limited (MTDR A/C-9871)	4,000,000	4,000,000
Bank Asia Limited (MTDR A/C- 9880)	5,000,000	5,000,000
Bank Asia Limited (MTDR A/C-9881)	5,000,000	5,000,000
Bank Asia Limited (MTDR A/C-9926)	6,000,000	6,000,000
Total	Taka 33,000,000	38,000,000

Shareholders Equity & Liabilities:**11. Share Capital:****11.1 Authorised Share Capital: Tk. 1,000,000,000.00**

(100,000,000 Ordinary Shares @ Tk. 10/= each)

Taka	1,000,000,000	1,000,000,000
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11.2 Issued, Subscribed & Paid-up Capital: Tk. 390,000,000.00

(39,000,000 Ordinary Shares @ Tk. 10/= each)

	390,000,000	390,000,000
--	-------------	-------------

Total

Taka	390,000,000	390,000,000
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12. Retained Earnings: Tk. 186,740,749.00

Opening balance

147,403,482

97,759,461

Add: Current year Net Profit

39,337,267

55,074,021

Less: Dividend paid

-

(5,430,000)

Closing balance**Taka****186,740,749****147,403,482****13. Deferred Tax Liabilities/ (Assets): Tk. 31,686,151.00**

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of BAS 12: Income Taxes.

Particulars

Written down value of Non- Current Assets as per account

371,601,708

308,752,054

Written down value of Non- Current Assets as per tax base

281,069,849

248,542,721

Taxable temporary difference**90,531,859****60,209,333**

Effective Tax Rate

35%**35%****Current year Deferred Tax Liabilities****31,686,151****21,073,267**

The above calculation has been made as per BAS 12 (25)

14. Long Term Loan: Tk. 22,439,642.00

Amount in Taka	
30-06-2016	30-06-2015

Outstanding position of long term loan from Islami Bank Bangladesh Limited is shown below:

HPSM long term loan (A/C # 205014343000012004)	33,163,418	18,130,023
Less : Current portion of long term loan	10,723,776	5,293,968
Total	22,439,642	12,836,055

Taka

a) Purpose of Investment: For the project implementation.

b) Period of Investment: 5 (Five) years

c) Rate of Return: 14.70% per annum or the rate to be determined by the bank time to time.

15. Short Term Loan: Tk. 101,134,518.00

Outstanding position of short term loan from Islami Bank Bangladesh Limited is shown below:

Bai Murabaha Commercial Short term loan (A/C # 1430400002216)	1,114,268	5,856,290
Murabaha Post Import Short term loan (A/C # 1430400002216)	30,724,242	1,037,700
Murabaha Trust Receipt Short term loan (A/C # 1430400002216)	69,296,008	51,300,000
Total	101,134,518	58,193,990

Taka

a) Purpose of Investment: To purchase/ Import of raw materials for the project.

b) Period of Investment - 01 (One) year on renewal basis.

c) Rate of Return: 14.70% per annum or the rate to be determined by the bank time to time.

16. Trade Creditors : Tk. 3,981,541.00

This consists of the following:

M/S. Gias Enterprise	795,953	173,500
M/S. S.Y Enterprise	416,207	652,950
M/S Golden Plastic	315,513	700
M/S. Tanvir Plastic Center	62,937	22,700
M/S. R.R Enterprise	533,733	1,631,340
M/S. Hossain Traders, Dhaka	103,056	126,830
M/S Decent Trade Ent.	440,467	498,516
M/S. Khandakar Enterprise	62,603	450
M/S. Chowdhury & Commercial Agency	146,182	65,016
M/S. Century Plastic	69,436	-
M/S Danish Industries (PVT) Ltd.	71,574	349,350

	Amount in Taka	
	30-06-2016	30-06-2015
M/S. S. R Impex Co.	59,178	-
M/S. Shahida Enterprise	152,723	99,960
M/S. Rasco Computers	113,199	250,504
M/S. H. H Traders	44,467	-
M/S. Tems Corporation	87,803	32,550
M/S. Shaque Enterprise	125,066	132,600
M/S Royl Ind. Ltd.	43,515	237,225
M/S. Munshi & Brothers	63,423	-
M/S. Nishat Traders	80,506	-
M/S. Nahar Packaging Industries	53,513	268,254
M/S. Q.B Enterprise	140,487	55,220
Total	Taka 3,981,541	4,597,665

17. Liabilities for Expenses: Tk. 72,418,037.00

The above consists of the following:

Salaries & Wages		1,726,987	1,309,526
Electricity charges		21,984	12,789
Provision for bad debts	17.1	-	-
Audit fees		299,000	230,000
TDS for Dividend		-	543,000
Telephone bill		1,306	1,916
Provision for Income Tax	17.2	70,368,760	62,239,733
Total	Taka	72,418,037	64,336,964

17.1 Provision for Bad Debts: Tk. Nil

Opening balance		-	353,739
Less: Bad debts written off		-	(353,739)
Closing balance	Taka	-	-

17.2 Provision for Income Tax: Tk. 70,368,760.00

Opening Balance		62,239,733	43,304,975
Less: Adjusted during the year		(2,439,694)	(722,705)
Add: Provision for July, 2015 to June, 2016		10,568,721	19,657,463
Closing balance	Taka	70,368,760	62,239,733

18. Liability for WPPF: Tk. 3,025,944.00

Opening balance		4,236,463	3,004,259
Add: Provision made for the period		3,025,944	4,236,463
		7,262,407	7,240,722
Less: Payment made for the period		(4,236,463)	3,004,259
Closing balance	Taka	3,025,944	4,236,463

19. Sales: Tk. 374,856,443.00

		Amount in Taka	
		30-06-2016	30-06-2015
Local Sales		370,356,483	419,920,083
Export Sales		4,499,960	-
Total	Taka	374,856,443	419,920,083

Details of Sales

S/L	Sector Wise Products	Quantity	Sales Value
1	PP Woven Feed Bag (50Kg)	3,031,955	81,862,796
2	PP Woven Feed Bag (25-30Kg)	2,359,391	40,109,639
3	PP Woven Textile Jumbo Bag as deemed export	1,951,849	76,122,097
4	PP Woven Fertilizer Bag (50kg)	1,561,386	33,569,803
5	PP Woven Fertilizer Bag (20-30,kg)	2,155,425	34,486,792
6	PP Woven Food Grain Bag (BOPP Pasted)	420,915	9,260,124
7	PP Woven Food Grain Bag (Laminated)	650,590	9,758,845
8	PP Woven Food Grain Bag (Un-Laminated)	998,852	9,988,515
9	PP Woven squair & other bag for export	128,570	4,499,960
10	PP Woven bag & sheet for other sector user	6,213,453	49,707,627
11	HDPE inner liner Bag (Kg) deemed export & local	173,403	25,490,245
Total		Taka	374,856,443

Details of Turnover/Sales mentioning item wise quantity and value as required under of Schedule XI, part-II, Para 3(a) of the Companies Act, 1994

20. Cost of Goods Sold: Tk. 275,901,347.00

Opening Stock of Work-In-Process (WIP)		20,533,807	13,260,130
Add: Materials Consumed	20.1	212,980,788	244,721,830
Add: Stores & Spares Consumed	20.2	12,065,312	13,909,316
Add: Manufacturing Overhead	20.3	65,783,977	54,921,635
Less: Closing Working-In-Process (WIP)	06.	(23,850,177)	(20,533,807)
Cost of Goods Manufactured		287,513,707	306,279,105
Add: Opening Stock of Finished Goods		14,460,940	15,114,750
Cost of Goods available for Sales		301,974,647	321,393,855
Less: Closing Stock of Finished Goods	06.	(26,073,300)	(14,460,940)
Cost of Goods Sold	Taka	275,901,347	306,932,915

20.1 Raw Materials Consumed: Tk. 212,980,788.00

This is made up as follows:

Opening Stock of Raw Materials		79,817,595	66,561,260
Add: Purchase for the year		216,098,538	257,978,165
Less: Closing Stock of Raw Materials	06.	(82,935,345)	(79,817,595)
Raw Materials Consumed during the period	Taka	212,980,788	244,721,830

Amount in Taka	
30-06-2016	30-06-2015

20.2 Stores & Spares Consumed: Tk. 12,065,312.00

Opening balance		9,838,101	4,945,120
Add: Purchased during the year		13,770,613	18,802,297
Less: Closing balance	06.	(11,543,402)	(9,838,101)
Consumed during the period	Taka	12,065,312	13,909,316

20.3 Manufacturing Overhead: Tk. 65,783,977.00

The above consists of the following:

Wages & Salary		11,850,969	11,717,990
Overtime		3,618,048	2,623,050
Carriage inward		2,987,563	1,713,184
Indirect wages		2,634,562	1,083,851
Bonus & Incentive		404,560	389,250
Workers uniform		25,600	16,360
Oil & Diesel expenses		6,638,735	8,222,400
Entertainment		685,230	483,370
Electricity charges		7,805,656	5,737,677
Medical expenses		141,825	86,809
Fire insurance expenses		102,203	106,165
Repairs & Maintenance		1,147,696	807,038
Maintenance Materials		1,127,626	924,927
Consumable Materials		1,268,107	1,694,272
Depreciation	04.	25,345,598	19,315,292
Total	Taka	65,783,977	54,921,635

21. Administrative Expenses: Tk. 15,075,576.00

The above consists of the following:

Directors Remuneration	21.1	1,158,000	1,158,000
Salaries & Allowances		3,817,993	3,591,936
Bonus		940,871	1,019,884
Board meeting fees	21.1	61,500	37,500
Revenue Expenditure, (IPO related)		3,915,749	-
Office rent		724,320	520,470
Subscription		179,164	192,000
Legal & Professional charges		30,000	30,590
Telephone, Fax, Mobile & others Charges		199,339	275,892
Postages & Courier charges		20,846	19,488
Electricity & Water charges		273,038	196,526
Entertainment		452,710	555,731
Printing, Photocopies & Stationery		246,466	227,941
Traveling & Conveyance		469,270	589,477
Audit fees		299,000	230,000
Vehicle Maintenance		250,720	508,798
Guest house expenses		336,391	244,024
News Paper		8,322	10,402
Cleaning & Washing charges		27,600	24,075

		Amount in Taka	
		30-06-2016	30-06-2015
Medical expenses		105,980	61,794
Computer Consumable Materials		91,040	78,330
Fees, Forms & Renewals		63,885	81,875
Miscellaneous expenses		69,393	355,448
Depreciation	04.	1,333,979	1,016,594
Total	Taka	15,075,576	11,026,775

21.1 Payment/ Perquisites to Directors: Tk. 1,219,500.00

An aggregate amount of Tk. 1,219,500.00 paid/ spent for Directors of the company against the following:

Particulars	Amount	Amount
Directors Remuneration	1,158,000	1,158,000
Board meeting expenses	61,500	37,500
Total	Taka	1,219,500
		1,195,500

i) The Board of Directors have drawn Tk. 1500/= per board meeting as attendance fees during the year under review.

ii) 06 No. of meetings of the Board of Directors were held during the period.

22. Selling & Distribution Expenses: Tk. 6,569,124.00

The above consists of the following:

Advertisement expenses		25,455	15,000
Selling & Distribution Comission & Others		705,029	620,050
Carriage outwards		5,833,040	2,746,858
Web Design expenses		5,600	20,500
Total	Taka	6,569,124	3,402,408

23. Financial expenses: Tk. 14,396,566.00

The above consists of the following:

Bank charges		226,688	280,483
Interest/Profit on Loan, (Short Term Loan)		10,414,571	10,738,165
Interest/Profit on Loan, (Long Term Loan)		3,728,307	-
Excise Duty		27,000	25,700
Total	Taka	14,396,566	11,044,348

24. Other Income: Tk. 630,986.00

Interest on Fixed Deposit (FDR) from Bank		630,986	1,452,089
Total	Taka	630,986	1,452,089

Amount in Taka	
30-06-2016	30-06-2015

25. Provision for Workers' Profit Participation Fund: Tk. 3,025,944.00

Provision for Contribution to WPPF		3,025,944	4,236,463
Total	Taka	3,025,944	4,236,463

This represents 5% of net profit before tax after charging the contribution as per provision of the Bangladesh Labour Laws, 2006.

26. Current Tax : Tk. 10,568,721.00

Income tax provided on Net Profit		10,568,721	19,657,463
Total	Taka	10,568,721	19,657,463

27. Deferred Tax Expenses/ (Income): Tk. 10,612,884.00

Particulars

Closing deferred tax liabilities		31,686,151	21,073,267
Opening deferred tax liabilities		21,073,267	11,075,487
Deferred tax expenses/ (Income)	Taka	10,612,884	9,997,780

28. Earnings Per Share (EPS):

a) Net Profit/(Loss) After Tax		39,337,267	55,074,021
b) Weighted Average Number of Shares	28.1	39,000,000	27,821,918
Earnings Per Share (EPS) (a÷b)		1.01	1.98
Adjusted Earnings Per Share		1.01	1.41

28.1 Calculation of Weighted Average Number of Shares:

Allotment of Shares up to 30-06-2016		Days of Utilization of Shares		
			Days of Whole year	
39,000,000	X	366		39,000,000
		366		
Total Weighted Average Number of Shares				39,000,000

29. Net Asset Value Per Share (NAV):

a) Share holder's Equity at the end of the year		609,257,202	569,919,935
b) Number of Ordinary Shares		39,000,000	39,000,000
Net Assets Value Per Share (NAV)		15.62	14.61

Net Asset Value Per Share (NAV) has been disclosed as per the Securities and Exchange Commission's Notification No.SEC/CMRRCD/2009-193/Admin/03-31, dated June 01, 2009.

30. Number of total employees:

Part/Full Time	Number of Employees		
	Head Office	Factory	Total
Part time employees	-	53	53
Full time employee	27	159	186
Grand Total	27	212	239

Workers (Full time employee) are paid minimum wages Tk. 5,300.00 per month.

31. Production Capacity and its Current Utilization (Per Annum)

S/L	Installed Capacity	Actual Production	Utilization
1.	5.95 Core Pices of Different Types of Bags	4.47 Core Pcs	68.33%

32. Details of Related Party Transactions:

S/L	Name of the Related Party	Nature of Relationship	Nature of Transaction	Transaction from 01.07.2015 to 30.06.2016	Transaction from 01.07.2015 to 30.06.2016
1	Satkhira Feed Industries Ltd.	Common Director	Sales	934,343	10,555,690
2	R.R Enterprise	Proprietor	Purchases	620,201	11,752,198

33. Events after reporting period:

The Company raised Tk. 200,000,000 as capital through IPO by issuing 20,000,000 ordinary shares of Taka 10 each after getting the consent from Bangladesh Securities and Exchange Commission. The IPO subscription period was from July 10 to July 20, 2016. The lottery of IPO conducted on August 10, 2016 and on the same day Board of Directors issued allotment letters among the successful applicants. After raising capital Tk. 200,000,000 through IPO total paid up capital stands at Tk. 590, 000,000. Later on the Company listed in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. as on September 01, 2016 vide letter No. DSE/Listing/ULC/2016/6101 & CSE/Listing/YPL/-2016 dated September 01, 2016 respectively. The Shares trading of the Comany started on September 22, 2016 in both stock exchanges. The Board of Directors recommended for issue of stock dividend @ 10% of Paid up Capital to all shareholders for the year ended 30, June 2016.