

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

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

PUBLIC ISSUE OF 34,000,000 ORDINARY SHARES

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PROSPECTUS

Name of Issuer



Name of Issue Manager



(A) PRELIMINARY INFORMATION AND DECLARATIONS:

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

ISSUER:		
Name & Address	Contact Person	Telephone & Fax Number, E-mail, Web Address
Kattali Textile Limited Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong - 4217	Md. Emdadul Hoque Chowdhury Managing Director	Tel: +88-031-2511654 Fax: +88-031-2770044 E-mail: info@kattalitextileltd.com Web: www.kattalitextileltd.com

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NRB Equity Management Ltd. Al-Raji Complex, Suite# G-602, 603 (6 th Floor) 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000.	Md. Muslahuddin Chowdhury Chief Executive Officer	Tel: +88 02 9585326 Fax: +88 02 9585281 E-mail: ceo@nrbequity.com Web: www.nrbequity.com

UNDERWRITERS:		
Name & Address	Contact Person	Phone & Fax Number, E-mail, Web Address
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Beta One Investment Limited Level 4, Green Delta AIMS Tower, 51-52 Mohakhali C/A, Dhaka-1212 Bangladesh	Mohammed Atiquzzaman Managing Director	Phone: +88-029887337 Fax: +88-02-9880733 E-mail: info@betaone.com.bd Web: betaone.com.bd
AIBL capital Management Limited Peoples Insurance Bhaban (7 th Floor) 36 Dilkusha C/A, Dhaka-1000.	Muhammad Husain Ahmad Chief Executive Officer (CC)	Phone: 9551962 PABX-7123255-7 Fax: +88-02-9575379 E-mail: cml@al-arafahbank.com Web: al-arafahbank.com
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AUDITOR:		
Name & Address	Contact Person	Telephone & Fax Number, E-mail, Web Address
Shiraz Khan Basak & Co. Chartered Accountants R.K Tower(Level-10) 86, Bir Uttam C.R Datta Road (312, Sonargaon), Dhaka-1205	Ramendra Nath Basak, FCA Partner	Tel: +88-02-9635139 Fax: +88-02-8621575 Email: shirazkhanbasak@yahoo.com

- ii) "A person interested to get a prospectus may obtain from the issuer and the issue manager"
 iii) "If you have any query about this document, you may consult the issuer, issue manager and underwriter"

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

(V) Risks in relation to the First Issue

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is TK. 10.00 (ten) and the issue price is Tk. 10.00 each i.e. the face value. The issue price has been determined and justified by the issuer and the issue manager/bidding by the eligible investors as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(VI) General Risk

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 128-135."

(VII) The Kattali Textile Limited's Absolute Responsibility

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

(B) AVAILABILITY OF PROSPECTUS

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

The Prospectus and Abridge Version of the Prospectus in hard and soft forms of Kattali Textile Limited shall be obtained from the following address:

ISSUER		
Name & Address	Contact Persons	Telephone & Fax Number, E-mail, Web Address
Kattali Textile Limited Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong - 4217	Md. Emdadul Hoque Chowdhury Managing Director	Tel: +88-031-2511654 Fax: +88-031-2770044 E-mail: info@kattalitextileltd.com Web: www.kattalitextileltd.com

ISSUE MANAGER		
Name & Address	Contact Person	Telephone & Fax Number, E-mail, Web Address
NRB Equity Management Ltd. Al-Raji Complex, Suite# G-602, 603 (6 th Floor) 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000.	Md. Muslahuddin Chowdhury Chief Executive Officer	Tel: +88 02 9585326 Fax: +88 02 9585281 E-mail: ceo@nrbequity.com Web: www.nrbequity.com

STOCK EXCHANGES		
Name & Address	Contact person	Telephone & Fax Number, E-mail, Web Address
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Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Mohammed Javed Sarwar Assistant Manager	Tel: 031-714632-3 Fax: 031-714101 E-mail: javed@cse.com.bd Web: www.cse.com.bd

The Prospectus would also be available on the websites of BSEC (www.sec.gov.bd) at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

II. NAME OF NEWSPAPER AND DATE OF PUBLICATION OF ABRIDGED VERSION OF PROSPECTUS WAS PUBLISHED:

Sl. No	Name of the Newspaper	Date of Publication
1	The Daily Star	02 nd August, 2018
2	The Financial Express	02 nd August, 2018
3	The Daily Samakal	02 nd August, 2018
4	The Daily Banikbarta	02 nd August, 2018

iii. DEFINITIONS AND ACRONYMS/ELABORATIONS.

ACRONYMS	ELABORATION
A	
AGM	Annual General Meeting
Allotment	Letter of allotment for shares
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of Kattali Textile Limited as amended
B	
“Board” or “Board of Directors” or “Our Board”	The Board of Directors of Kattali Textile Limited, as a duly constituted from time to time
BGMEA	Bangladesh Garments Manufacturers and Exporters Association
BOA/C	Beneficiary Owner Account
BDT	Bangladeshi Taka
BB	Bangladesh Bank
BAS	Bangladesh Accounting Standards
BSA	Bangladesh Standards on Auditing
BFRS	Bangladesh Financial Reporting Standards
BOI	Board of Investment
BSEC	Bangladesh Securities and Exchange Commission
C	
CC	Current Charge
CIB	Credit Information Bureau
Certificate	Share Certificate
Commission	Bangladesh Securities and Exchange Commission
Companies Act	Companies Act, 1994
CSE	Chittagong Stock Exchange Limited
CDBL	Central Depository Bangladesh Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Company	Kattali Textile Limited.
D	
DSE	Dhaka Stock Exchange Limited
E	
EPS	Earnings Per Share
EU	European Union
EPB	Export Promotion Bureau
EI	Eligible Investor
Exchange	Stock Exchange
F	
FC A/C	Foreign Currency Account
FDR	Fixed Deposit Receipt
FOB	Free on Board
FY	Fiscal Year
G	
GBP	Great Britain Pound
GSP	Global System of Preference
GOB	Government of Bangladesh

ACRONYMS	ELABORATION
I	
IPO	Initial Public Offering
ICAB	The Institute of Chartered Accountants of Bangladesh
Issue	Public Issue of shares of KTL
Issue Manager	NRB Equity Management Limited
Issuer	Kattali Textile Limited
K	
KTL/Kattali	Kattali Textile Limited
L	
L/C	Letter of Credit
M	
MS -Word	Microsoft Word
MD	Managing Director
“Memorandum” or “Memorandum of Association” or “MOA”	The Memorandum of Association of Kattali Textile Limited, as amended
N	
NAV	Net Asset Value
NBR	National Board of Revenue
NRB	Non-Resident Bangladeshi
NBFI	Non-Bank Financial institution
NRBEML	NRB Equity Management Limited
O	
Offering Price	Price of the Share of KTL being offered
Our Company	Kattali Textile Limited
P	
PE	Price to Earnings
PE-Ratio	Price-Earnings Ratio
R	
RMG	Ready Made Garments
RJSC	Registrar of Joint Stock Companies and Firms
Registered Office	Registered Office of KTL
Rules	Bangladesh Securities & Exchange Commission (Public Issue) Rules-, 2015
S	
Securities	Shares of Kattali Textile Limited
Sponsors	The Sponsors Shareholders of Kattali Textile Limited
STD A/C	Short Term Deposit Account
Subscription	Application Money
T	
TK.	Taka
The Company/ Issuer/KTL	Kattali Textile Limited.
TIN	Tax Identification Number
U	
USD	United States Dollar
V	
VAT	Value Added Tax
W	
WPPF	Workers Profit Participation Fund

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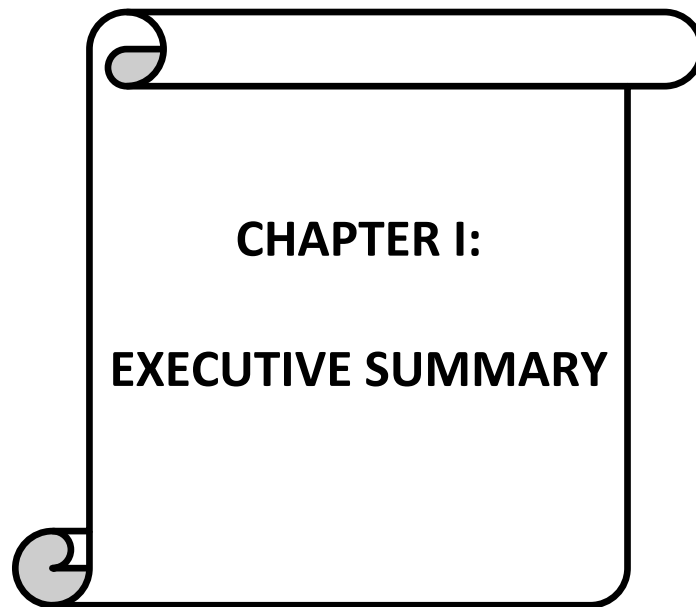
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**CHAPTER I:
EXECUTIVE SUMMARY**

CHAPTER I: EXECUTIVE SUMMARY

(a) ABOUT THE INDUSTRY:

Bangladesh's garments industry can be divided into the knit and woven sectors. Garments products are met one of the basic needs of all human being. It is one of the fastest growing industries in the world. Ready Made Garments (RMG) sector has emerged as the biggest earner of foreign currency. In 1972, the World Bank approximated the gross domestic product (GDP) of Bangladesh at USD 6.29 billion, in 2014, the GDP stood at USD 173.82 billion, growing by almost 27 times (E. H., 2016) in a matter of four decades. Bangladesh's exports industry alone comprised USD 34.6 billion in FY 2016-17, 81.23% of which was made up of ready-made garments. On its own, the knitwear sector encompasses 48.87% of total exports—a staggering USD 13.75 billion. The RMG sector has experienced an exponential growth since the 1980s. The sector contributes significantly to the GDP. Fiscal year basis remarkable improvements have shown in the following table:

VALUE OF TOTAL APPAREL EXPORT FISCAL YEAR BASIS				
YEAR	TOTAL APPAREL EXPORT IN MN.US\$			THE ISSUER (WOVEN & KNIT) IN MN. US\$
	WOVEN	KNIT	TOTAL	
2012-2013	11,039.85	10,475.88	21,515.73	517.55
2013-2014	12,442.07	12,049.81	24,491.88	561.64
2014-2015	13,064.61	12,426.79	25,491.40	564.39
2015-2016	14,738.74	13,355.42	28,094.16	486.26
2016-2017	14,392.59	13,757.25	28,149.84	595.29

Data Source: Export Promotion Bureau compiled by BGMEA

The contribution of the RMG sector to the foreign exchange earnings of the country is satisfactory in terms of its size and investment. According to Export Promotion Bureau's statistics report compiled by BGMEA for export performance for the month of July-June 1983-1984 was 811.00 million USD which is brought forward for the month of July-June 2016-2017 at 34,655.92 million USD. And in the year of 1992-1993 Woven Apparel export was 1,240.48 million USD which is brought forward for the year of 2016-2017 at 14,392.59 million USD. It is easily proved that there is a remarkable change in the RMG sector. The comparative statement is given below:

COMPARATIVE STATEMENT ON EXPORT OF RMG AND TOTAL EXPORT OF BANGLADESH				
YEAR	EXPORT OF RMG (IN MILLION US\$)	TOTAL EXPORT OF BANGLADESH (IN MILLION US\$)	% OF RMG'S TO TOTAL EXPORT	% OF THE ISSUER (WOVEN & KNIT)
2012-13	21,515.73	27,027.36	79.61	2.41%
2013-14	24,491.88	30,186.62	81.13	2.29%
2014-15	25,491.40	31,208.94	81.68	2.21%
2015-16	28,094.16	34,257.18	82.01	1.73%
2016-2017	28,149.84	34,655.92	81.23	2.11%

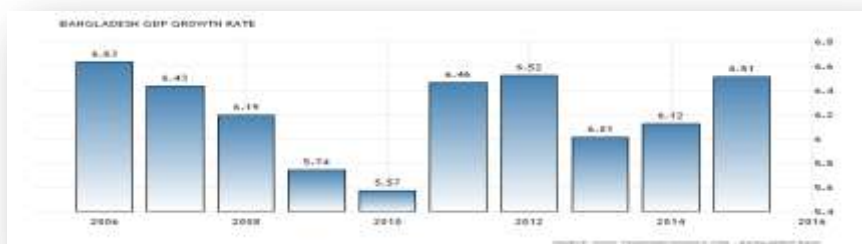
Data Source: Export Promotion Bureau compiled by BGMEA

The textile and clothing (T&C) industries provide the single source of economic growth in Bangladesh's rapidly developing economy. Exports of Textile and garments are the principal source of foreign exchange earnings. By 2002 exports of Textile, clothing, and ready-made garments (RMG) accounted for 77% of Bangladesh's total merchandise exports. Bangladesh is second only to China, the world's second-largest apparel exporter of western brands. Sixty percent of the export contracts of western brands are with European buyers and about forty percent of American buyers. Only 5% of textile factories are owned by foreign investors, with most of the production being controlled by local investors.

Projected Export Possibilities:



Bangladesh is targeting to have 8% of the global apparel market share to achieve the targeted US\$ 50 billion RMG exports by 2021. Currently, apparel demand in the global market is about US\$ 450 billion which will hit US\$ 650 billion by 2021. Bangladesh currently shares 5% of total global apparel demand.

GDP growth of last 10 years is given below by the following graph:



SOURCE: WWW.TRADINGECONOMICS.COM | BANGLADESH BANK

(b) ABOUT THE ISSUER: KATTALI TEXTILE LIMITED

Name of the Company	Kattali Textile Limited
Date of Incorporation as Private Limited	June 26, 2002 Reg. No:C- 4364
Converted Public Limited Company	October 17, 2016
Date of Commercial Operation	March 01, 2004
The Logo of the Issuer	
Installed Capacity (PCS)	4,851,000 Per Year (June, 2017)
Actual Production (PCS)	4,212,988 Per Year (June, 2017)
Factory Location	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217
Telephone &fax Number	Tel: +88-031-2511654 Fax: +88-031-2770044
E-mail Address	info@kattalitextileltd.com
Registered Office, Other offices and plants	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217
Telephone &fax Number	Tel: +88-031-2511654 Fax: +88-031-2770044
E-mail Address	info@kattalitextileltd.com
Contact Person	Md. Emdadul Hoque Chowdhury
Board of Directors/Sponsors and Directors	<ol style="list-style-type: none"> 1. Md. Emdadul Hoque Chowdhury- Managing Director 2. Nasreen Hoque- Chairman 3. Md. Anwarul Haque Chowdhury- Director 4. Md. Mokarrom Anwar Chowdhury- Director 5. Waduda Sabrina (Eian Apparels Ltd.)- Nominee Director 6. Sifat Sabrina (Lucky Corner)- Nominee Director 7. Syed Manzur Quader- Independent Director 8. Mohammed Nurul Alam- Independent Director
Auditor's to the Company with Address	Shiraz Khan Basak & Co. Chartered Accountants R.K Tower(Level-10), 86, Bir Uttam C.R Datta Road (312, Sonargaon), Dhaka-1205
Logo of the Auditor	
Contact person of Auditor along with Website, e-mail address, Telephone, Fax No	Ramendra Nath Basak, FCA Principal- Shiraz Khan Basak & Co. Chartered Accountants Tel:+88-02-9635139, Fax: +88-02-8621575 E-mail: shirazkhanbasak@yahoo.com
Bankers for the IPO	BRAC BANK LIMITED
Lawyer to the Company	Hasan Mohammed Reyad (LL.B & LL.M) Advocate (Supreme Court of Bangladesh) 35, Purana palton Lane (2nd& 3rd Floor) Dhaka-1000, Bangladesh Tel: 9340920, Mob: 01819-547362 E-mail: adv_reyad@yahoo.com
Nature of business	The principal activities of the company are sewing, cutting, finishing and export of different types of garment products like Man's Long Shirt, Boys Pant, Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Fit Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, and Man's Top etc. It is serving many international buyers in the North American and the European markets. The principal buyers of the company are Wal-mart, GRAN INC (USA), Regatta Limited, Kohls, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautica, etc. The company won many awards for its quality products and compliance with economy standards.

(c) FINANCIAL INFORMATION.

Major Financial Information of Kattali Textile Limited (KTL) is as follows:

Sl.	Particulars	30-06-2017	30-06-2016	2015	2014	2013
01	Turnover	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
02	Gross Profit	135,946,059	109,757,750	105,368,223	110,500,724	94,845,739
03	Net Profit Before Tax	107,014,668	83,060,381	79,386,042	86,000,263	74,793,563
04	Net Profit after Tax	106,885,828	57,869,126	67,478,136	68,223,760	67,314,207
05	Total Assets	1,262,022,726	1,036,966,627	890,677,109	829,950,133	669,230,944
06	Paid-up Capital	550,000,000	99,999,000	5,000,000	5,000,000	5,000,000
07	Retained Earnings	576,437,056	443,502,980	452,697,354	385,219,218	316,995,458
08	No. of Share	55,000,000	9,999,900	500,000	500,000	500,000
09	Face Value	10.00	10.00	10.00	10.00	10.00
10	NAV per share	20.48	54.35	31.70	45.67	41.36
11	Earnings per share (Basic)	2.07	1.99	2.45	2.73	3.04

(d) FEATURES OF THE ISSUE AND ITS OBJECTS.

Offer Price	10.00
Number of Shares	34,000,000 ordinary share
Offer Size	340,000,000.00
Issue Manager	NRB Equity Management Limited
Underwriter(s)	1. CAPM Advisory Limited 2. Beta One Investment Limited 3. AIBL capital Management Limited 4. Citizen Securities & Investment Limited
Purpose of Raising Fund	Proceeds from Initial Public Offering (IPO) will be used for Construction of factory building expansion unit, Construction of Dormitory, Acquisition of machinery, Electric Installation of Transformer & Generator, repayment of the loan (overdraft) and IPO expenses.
Date of Implementation	Within 24 months after receiving IPO Proceed

(e) LEGAL AND OTHER INFORMATION.

Name of the Company	Kattali Textile Limited
Private/ Public Company	Incorporation as a Private Limited Company
Date of Incorporation	26 June, 2002
Registration Number	C-4364/2002
Date of Commencement of Business	01 March, 2004
Conversion date of Public Limited Company	17 October, 2016

Sl. No.	Name of Certificate/ license/Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No	Expiry Date	Remarks
1	Certificate of Incorporation	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	C-No. 4364	N/A	As Private Ltd Company June, 26 2002 & converted to Public Ltd company on 17 th Oct, 2016
2	TIN Certificate	National Board of Revenue	431261923476	N/A	-
3	VAT Reg. No.	Customs, Excise & VAT Commissioner ate, Dhaka	24101000223	N/A	-
4	Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	₳-147766	30 th June, 2019	-
5	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	₳-52219	30 th June, 2019	-
6	Trade License	Chittagong City Corporation	178370	30 th June, 2019	-
7	Environment Clearance Certificate	Department of Environment	4404/2003/61	10 th Aug, 2018	-
8	Fire License	Bangladesh Fire Services and Civil Defense	7699/03-04	30 th June, 2018	Applied for Renewal on 27.06.2018

9	BOI License	Board of Investment Certificate	20030903-C	N/A	
10	CCCI Certificate	The Chittagong Chamber of Commerce & Industry	M/GEN/36/169 2/2017-2018	30 th June, 2018	Applied for Renewal on 11.07.2018
11	Boiler Certificate	Office of the Chief Inspector of Boilers	3615	14 th January, 2019	
12	BGMEA Membership Certificate	Bangladesh Garments Manufacturers & Exporters Association	Reg. No. 3900	31 st Dec, 2018	
13	Factory License	Factory and Organization Inspection Authority, Chittagong	3327/Ctg	30 th June, 2018	Applied for Renewal on 27.06.2018
14	Bond License	Customs Bond Commissionerate, Chittagong	5(13)kaboc/A:K A:/Bond(GA)/L i/39/2005	1 st April, 2018	Applied for Renewal on 19.02.2018
15	BERC License	Bangladesh Energy Regulatory Commission	LWC-0616-1049- 1130	8 th May, 2020	
16	Export Promotion Bureau, Enrolment Certificate	Export Promotion Bureau, Government of Bangladesh	BD-02396	30 th June, 2018	Applied for Renewal on 28.06.2018
17	Certificate of Compensation Insurance/Benefit	Bangladesh Garment Manufacturers and Exporters Association (BGMEA)	572	31 st December, 2018	

LITIGATION:

The Company has no litigation relating to Tax, VAT or other government claims against the Company except the following income Tax return which was submitted and assessment is under process.

Income year	Assessment Year	Profit before Tax	Income Tax liability	Status
2016-2017	2017-2018	107,014,668	8,841,340	Return Submitted & assessment is under process
2015-2016	2016-2017	83,060,380	11,332,017	
2014-2015	2016-2017	79,386,042	5,690,581	
2013-2014	2015-2016	86,000,263	8,009,219	

(f) PROMOTERS' BACKGROUND.

The following persons were the subscribers to the Memorandum as a Chairman, Managing Director and Director:

Name	Position
Nasreen Hoque	Chairman
Md. Emdadul Hoque Chowdhury	Managing Director
Md. Anwarul Haque Chowdhury	Director
Md. Mokarrom Anower Chowdhury	Director
Waduda Sabrina (nominee Director of Eian Apparels Ltd.)	Director
Sifat Sabrina (nominee of Lucky Corner)	Director

NASREEN HOQUE, CHAIRMAN

Nasreen Hoque aged 53; Chairman of the Company was born in a well-known Muslim family of Chittagong on 15 July, 1964. Her father name is Late Syed S. M. Mowlana Abul Kashem & Mother is Late Kursida Begum. After completion of her HSC, she engages herself in business. She became a successful business person in short time of her business career with her sincerity, honesty and conceptual problem-solving ability. Her interpersonal skills, leadership behavior, high analytical ability and hardworking nature made her worth as a business leader and she is also Director of Takaful Islami Insurance Ltd.

MD. EMDADUL HOQUE CHOWDHURY, MANAGING DIRECTOR:

Md. Emdadul Hoque Chowdhury, Managing Director of the Company was born on February 23, 1957 in a well known Muslim Family in Chittagong. His Father name is Late Al-Haj Md. Anwar Chowdhury and mother is Late Salema Khatun. After completion of his Bachelors of Arts he engages himself in business since 1971. He became a successful businessman in short time of his business career with his sincerity, honesty, conceptual and practical problem-solving ability. During his tenure of a business career, he gained business knowledge in Textile, agro-based and readymade garments industries. At present, he is Vice Chairman of Takaful Islami Insurance Limited, Elected President (2018-2019) of Rotary Club of Chittagong Pearl, Ex-Director Chittagong Chamber of Commerce and Industry also Ex. Director of BGMEA, Ex- MIC of Chittagong Club Limited, and lifetime member of Chittagong Rifle Club, Chittagong Press Club, Bhatary Golf and Country Club, Chittagong Boat Club & Chittagong Ma-O-Shishu Hospital.

MD. ANWARUL HAQUE CHOWDHURY, DIRECTOR:

Md. Anwarul Haque Chowdhury, Director of Kattali Textile Limited. He is the elder son of Md. Emdadul Hoque Chowdhury & Nasreen Hoque Chowdhury. He was born on October 8th; 1988. He completed his O level in 2005 from International School of Dhaka (ISD), International Baccalaureate Diploma in 2007 from International School of Dhaka (ISD). Bachelor of Business Administration (Intl. Business & Major International Logistics) from Queensland University of Technology (QUT) Australia in 2011 & Masters of Business Administration in Finance from Independent University Bangladesh(IUB) in 2016. He joined the company on a full-time basis immediately after his graduation. He is the head of business development of KTL. He worked as Customer Service Nominee Director at Yum Inc. Melbourne Central and worked as Admin Assistant at Service Stream Communications, Geebung, QLD. At present, he is the key management personnel of the company.

MD. MOKARROM ANOWER CHOWDHURY, DIRECTOR:

Md. Mokarrom Anower Chowdhury, Director of the Kattali Textile Limited. He is the younger son of Emdadul Hoque Chowdhury & Nasreen Hoque Chowdhury. He was born on May 21, 1991. He completed his "O" level in 2008 and "A" level in 2010. He completed his Bachelor of Arts (Major in Communication & Public Relation) from Simon Frezere University. He has vast experience in Financial and Corporate Management. He is responsible for the Merchandising function of the company and therefore plays a vital role in the negotiations with the buyers.

WADUDA SABRINA (NOMINEE DIRECTOR OF EIAN APPARELS LTD.) DIRECTOR:

Waduda Sabrina (Nominee Director of Eian Apparels Ltd.), Director of the Kattali Textile Limited. She is the elder daughter of Md. Emdadul Hoque Chowdhury & Nasreen Hoque Chowdhury. She was born in 1984. She completed her BBA from Independent University of Bangladesh, 2007; Diploma in Business Administration from Brisbane North Institute of TAFE 2008. She has wide experience in Management, Procurement, HR and Internal Audit in the Garments and Textile sector. She is responsible for the procurement and internal audit section of Kattali Textile Limited. She holds shares of several organizations.

SIFAT SABRINA (NOMINEE OF LUCKY CORNER) DIRECTOR:

Mrs. Sifat Sabrina (Nominee of Lucky Corner), Director of the Kattali Textile Limited. She is the younger daughter of Md. Emdadul Hoque Chowdhury & Nasreen Hoque Chowdhury. She was born on September 10, 1985. She completed her BBA & MBA from North South University in 2008 & 2010. She has wide experience in HR and Internal Audit in the Garments and Textile sector. She is responsible for the Human Resource Section of the company and therefore plays a vital role in the Organization.

(g) CAPITAL STRUCTURE AND HISTORY OF CAPITAL RISING.
Capital Structure of the Company:

Particulars	No. of Ordinary Shares	Face value	Amount (BDT)
Authorized Capital	90,000,000	10	900,000,000
Before IPO:			
Paid up capital	55,000,000	10	550,000,000
After IPO:			
To be issued as IPO	34,000,000	10	340,000,000
Paid up capital (Post IPO)	89,000,000	10	890,000,000

HISTORY OF CAPITAL RISING:

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

Particulars	Date of Allotment	Number of Shares				Amount of Paid Up capital (Taka)
		Consideration in cash	Consideration Other than Cash	Face Value (in TK)	Bonus	
First (Subscription to the MOA at the time of incorporation)	26.06.2002	5,00,000	-	10		5,000,000
Second	01.12.2015	2,793,550	-	10	-	27,935,500
Third	06.12.2015	-	-	10	6,706,350	67,063,500
Fourth	25.08.2016	17,567,512		10		175,675,120
Fifth	30.08.2016	17,702,240		10		177,022,400
Sixth	15.10.2016	9,730,348	-	10		97,303,480
Total		48,293,650	-	10	6,706,350	550,000,000

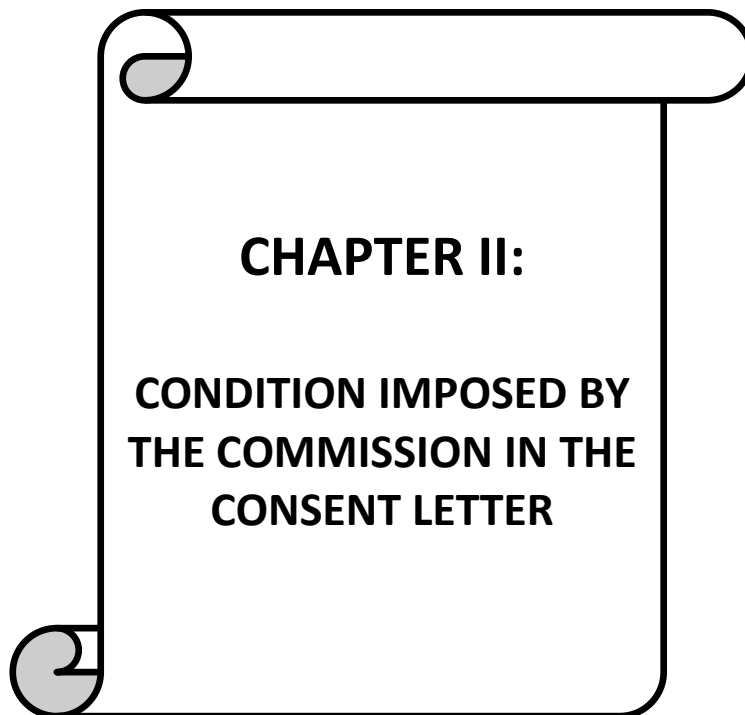
Note: (i) The Company split its share from Tk.100 to Tk.10 on January 22, 2014

(h) SUMMARY OF VALUATION REPORT OF SECURITIES

Sl. No	Valuation Methods	Fair Value (BDT)
Method-1	Net asset value (NAV) at historical or current costs per Share as on 30.06.2017	20.48
Method-2	i. Earning-based-value per Share (Considering average Sector P/E)	29.87
	ii. Earning-based-value per Share (Considering average Market P/E)	28.44
Method-3	Projected earnings for the next three accounting year with rationales of the projection, (if not in commercial operation)	N/A
Method-4	Average market price per share of similar stocks	27.54

(i) Others
Nature of the Business:

The principal activities of the company are to produce and export of different types of garment products like Man's Long Shirt, Boys Pant, Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Fit Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, and Man's Top etc. It is serving many international buyers in the North American and the European markets. The principal buyers of the company are Wal-mart, GRAN INC (USA), Regatta Limited, Kohls, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautica, etc. The company won many awards for its quality products and compliance with economy standards.



CHAPTER II:

**CONDITION IMPOSED BY
THE COMMISSION IN THE
CONSENT LETTER**

CHAPTER II: CONDITIONS IMPOSED BY THE COMMISSION

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM

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

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for the Initial Public Offer (IPO) for **34,000,000** ordinary shares of Tk 10.00 each at par totaling to **Tk. 340,000,000 (Thirty Four Core)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act 1999 and rules made thereunder.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), **within 02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, **within 03 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS-Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the Issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

"DECLARATION ABOUT LISTING OF SHARES WITH THE STOCK EXCHANGE (S):

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

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

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

6. All applicants shall apply for a minimum lot of 500 shares worth Taka **5,000/- (Taka five thousand only)** or its multiples.
7. The IPO shall stand canceled in case of under- subscription in any category above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 2 (two) working days** and release the subscription money **within 10 (ten) working days** after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী.** In case of under- subscription under any of sub-categories of eligible investor's category or general public category, the unsubscribed portion shall be added to another sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, **15% (fifteen)** of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for the lottery and the Commission will forfeit **15% of their subscription money.**
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of **25% of the application money and/or forfeiture of share (unit)** before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in the account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, **within 24 (Twenty Four) hours** of allotment.

13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock -in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock -in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.
16. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

PART-B

Application Process

Step-1 (Applicant)

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

Step-2 (Intermediary)

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

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

Step-3 (Issuer)

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

Step-4 (Intermediary)

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

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of an abridged version of the prospectus.
22. The amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. The amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

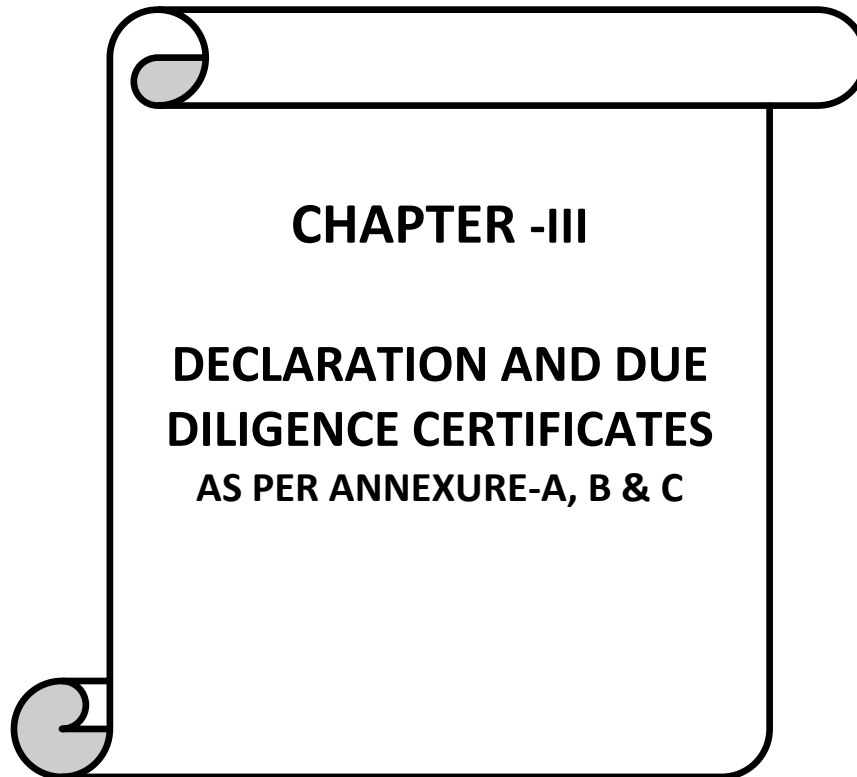
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. 2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5.00 (Taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting an application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange is authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The company shall furnish a status report on utilization of Public Offering proceeds audited by foreign-affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
 - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
 - (c) Whether the utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
 - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
 - (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. **Any material deviation in this respect must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a board approved agenda and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the board of directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.**
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/halfyearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

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



CHAPTER -III

**DECLARATION AND DUE
DILIGENCE CERTIFICATES
AS PER ANNEXURE-A, B & C**

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS INCLUDING THE CEO/MANAGING DIRECTOR OF THE KATTALI TEXTILE LIMITED IN RESPECT OF THE PROSPECTUS
[Rule 4 (1) (d)]

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

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

Sd/-
Nasreen Hoque
Chairman
Date:25 January, 2017

Sd/-
Md. Emdadul Hoque Chowdhury
Managing Director
Date:25 January, 2017

Sd/-
Md. Anwarul Haque Chowdhury
Director
Date: 25 January, 2017

Sd/-
Md. Mokarrom Anower Chowdhury
Director
Date:25 January, 2017

Sd/-
Waduda Sabrina
(Nominee Director of Eian Apparels Ltd.)
Director
Date: 25 January, 2017

Sd/-
Sifat Sabrina
(Nominee Director of Lucky Corner)
Director
Date:25 January, 2017

Sd/-
Syed Manzur Quader
Independent Director
Date: 25 January, 2017

Sd/-
Mohammed Nurul Alam
Independent Director
Date: 25 January, 2017

DUE DILIGENCE CERTIFICATE OF THE ISSUE MANAGER (NRB EQUITY MANAGEMENT LIMITED)
[Rule 4(1) (d)]

To
The Bangladesh Securities and Exchange Commission

Sub: The Public offer of 34,000,000 Ordinary Shares of Tk. 10/- each at par totaling to Tk. 340,000,000/- of Kattali Textile Limited

Dear Sir,

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

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

WE CONFIRM THAT:

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

Sl. No	Name of the issue	Publication Date of Prospectus	Listing year	Issue Price	Dividend Payment History				
					2013	2014	2015	2016	2017
1	Far Chemical Industry Limited	10/03/2014	2014	10	-	20% B	25%B	5% C & 20 %B	10%B

Note: B refers to Bonus/Stock Dividend;

Place: Dhaka
Date: 15 November, 2017

For the Issue Manager
Sd/-
Md. Muslahuddin Chowdhury
Chief Executive Officer
NRB Equity Management Limited

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITERS (CAPM ADVISORY LIMITED)
[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 34,000,000 Ordinary Shares of Tk. 340,000,000 of Kattali Textile Limited.

Dear Sir,

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

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

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk.100, 000,000.00 (Ten Crore) and we have the capacity to underwrite a total amount of Tk. 500,000,000.00(Fifty Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00(Five Core) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No	Name of the Company	Amount Underwriter in (Tk)
1.	IFCO Garments & Textile Limited	17,500,000
2.	IDLC Finance Limited	50,000,000
3.	Delta Hospital Limited	8,000,000
4.	AB Bank Limited	150,000,000
5.	IFIC Bank Limited	150,000,000
	Total	375,500,000

- c) All information as is relevant to our underwriting decision has been received by us and the Draft Prospectus forwarded to the commission has been approved by us.
- d) We shall subscribe and take up the unsubscribed securities against the above-mentioned Public Issue within 15 (fifteen) days of calling up thereof by the Issuer and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mufakhkharul Islam

Managing Director & CEO

CAPM Advisory Limited

Date: November 28, 2016

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (BETAONE INVESTMENTS LIMITED)
[Rule 4 (1) (d)]

To
The Bangladesh Securities and Exchange Commission
Sub: Public Issue of 34,000,000 Ordinary Shares of Tk. 340,000,000 of Kattali Textile Limited

Dear Sir,

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

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

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a Merchant Banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000 (Taka twenty-five crore) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000 (One hundred twenty-five crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 25,000,000 (Taka two crore fifty lac only) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

Sl. No	Name of the Company	Amount underwriter in (BDT)
1	Ananda shipyard & Slipways Limited	9,100,000.00
2	Supreme Seed Company Limited	33,000,000.00
3	South Asia Insurance Company Limited	30,000,000.00
4	SBS Cables Limited	29,410,000.00
5	CARE Specialized Hospital and Research Centre Ltd.	40,000,000.00
6	IDLC Finance Limited (Right Issue)	30,000,000.00
7	Delta Hospital Limited	8,000,000.00
8	AB Bank Limited (Right Issue)	50,000,000.00
9	IFIC Bank Limited (Right Issue)	100,000,000.00
	Total	329,510,000.00

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

For the Underwriter:

Sd/-
Mohammed Atiquazzaman
Managing Director
Beta One Investments Limited

Date: November 24, 2016

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (AIBL CAPITAL MANAGEMENT LIMITED)
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission
Sub: Public Issue of 34,000,000 Ordinary Shares of Tk. 340,000,000 of Kattali Textile Limited.

Dear Sir,

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

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

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a Merchant Banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 500,000,000 (Taka Fifty crore only) and we have the capacity to underwrite a total amount of Tk. 2,500,000,000 (Two hundred and fifty crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 30,000,000 (Taka Three crore only) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

Sl. No	Name of the Company	Amount underwriter in (BDT)
1	Alliance Holding Limited	46,750,000.00
2	AP Spinning Mills Limited	45,000,000.00
3	LSI Industry Limited	20,000,000.00
4	MEB poyManf. Plant Limited	30,000,000.00
5	Pacific Denims Limited	37,500,000.00
6	Amulet Pharmaceuticals Limited	22,500,000.00
7	Nahee Aluminum Composite Panel Ltd.	22,500,000.00
8	BBS Cables Limited	30,000,000.00
	Total	254,250,000.00

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

For the Underwriter:

Sd/-
Muhammad Husain Ahmed Faruki
Chief Executive Officer (CC)
AIBL Capital Management Limited

Date: November 24, 2016

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (CITIZEN SECURITIES & INVESTMENT LIMITED)
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission
Sub: Public Issue of 34,000,000 Ordinary Shares of Tk. 340,000,000 of Kattali Textile Limited.

Dear Sir,

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

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

WE CONFIRM THAT:

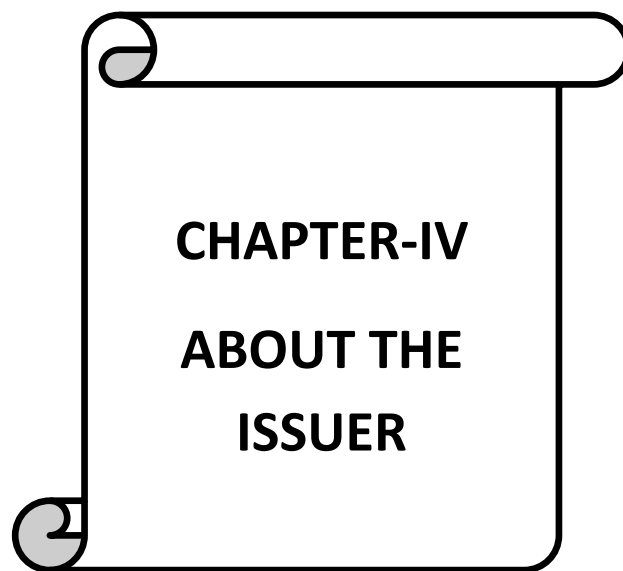
- a. We are registered with the Bangladesh Securities and Exchange Commission as a Merchant Banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,275,000 (Twenty-five crore two lac and seventy-five thousand only) and we have the capacity to underwrite a total amount of Tk. 1,251,375,000 (One hundred twenty-five crore thirteen lac seventy-five thousand only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 14,000,000 (Taka One Crore Forty Lac Only) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

Sl. No	Name of the Company	Amount underwriter in (BDT)
1	Hemple Rhee Mfg Co. (BD) Ltd.	70,000,000.00
2	IDLC Finance limited	30,000,000.00
3	VFS Thread Dyeing Limited	17,000,000.00
4	IFCO Garments & Textile Ltd.	17,500,000.00
5	Silco Pharmaceuticals Ltd.	26,250,000.00
6	Bashundhara paper Mills Ltd.	50,000,000.00
7	AB Bank Limited	100,000,000.00
8	Delta Hospital Limited	8,000,000.00
	Total	318,750,000.00

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

For the Underwriter:

Sd/-
Tahid Ahmed Chowdhury, FCCA
Managing Director & CEO
Citizen Securities & Investment Limited
Date: November 24, 2016



CHAPTER-IV
ABOUT THE
ISSUER

CHAPTER IV: ABOUT THE ISSUER

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

Particular	Description
Name of the Issuer	Kattali Textile Limited
Date of Incorporation as a Private Limited Company	26 th June 2002
Commencement of Commercial Operation	01 March 2004
The Logo of the Issuer	
Corporate & Registered Office Address	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217
Factory Address	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217
Telephone and Fax number	Tel: +88-031-2511654 Fax: +88-031-2770044
Contact Person	Md. Emdadul Hoque Chowdhury Managing Director
Website Address	www.kattalitextileltd.com
E-mail Address	info@kattalitextileltd.com

- (b) The names of the Sponsors and Directors of the Issuer:

Name of the Sponsor & Directors:

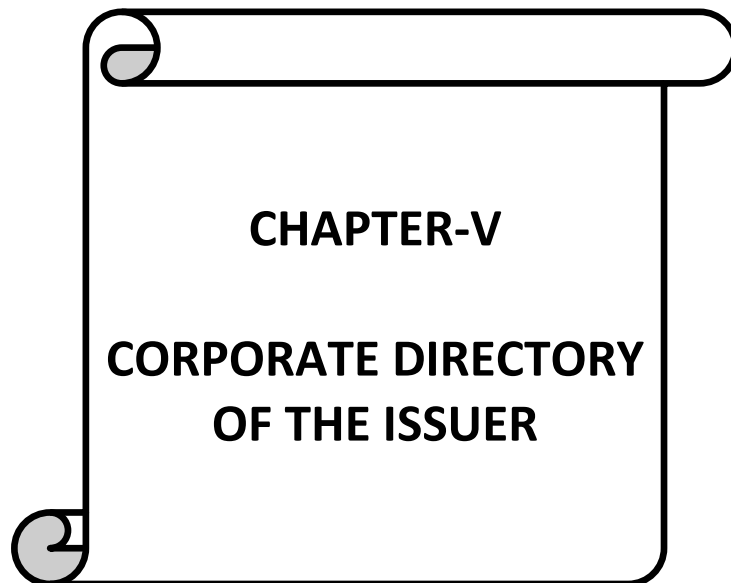
Sl. No.	Name	Position	Remarks
01	Nasreen Hoque	Chairman	Sponsor Director
02	Md. Emdadul Hoque Chowdhury	Managing Director	
03	Md. Anwarul Haque Chowdhury	Director	Director
04	Md. Mokarrom Anower Chowdhury	Director	
05	Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)	Director	
06	Sifat Sabrina (Nominee of Lucky Corner)	Director	
07	Syed Manzur Quader	Independent Director	
08	Mohammed Nurul Alam		

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

Particulars	Name & Address	Logo	Contact person	Telephone and Fax Number
Auditor	Shiraz Khan Basak & Co. R.K Tower(Level-10) 86,Bir Uttam C.R Datta Road (312,Sonargaon), Dhaka-1205		Ramendra Nath Basak,FCA Partner	Tel: +88-02-9635139 Fax: +88-02-8621575 E-mail:shirazkhanbasak@yahoo.com


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

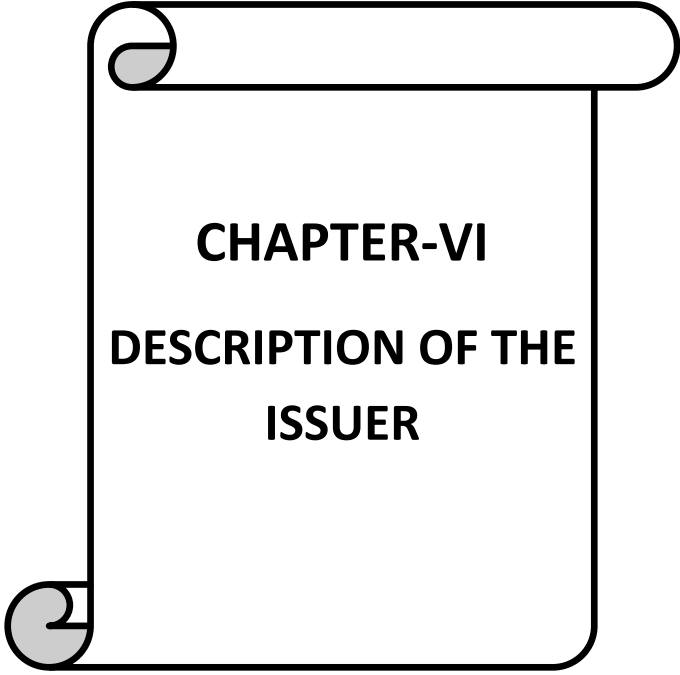
Sl. No.	Name of the Exchange	Logo	Address,
1	DHAKA STOCK EXCHANGE LIMITED (DSE)		9/F, Motijheel C/ A, Dhaka-1000. Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727,+88-02-9569755 Web:www.dsebd.org
2	CHITTAGONG STOCK EXCHANGE LIMITED (CSE)		CSE Building, 1080 Sheikh Mujib Road, Chittagong-4100. Tel: +880-2-9513911-15 Fax: +880-2-9513906 Web: www.cse.com.bd



CHAPTER-V
CORPORATE DIRECTORY
OF THE ISSUER

CHAPTER V: CORPORATE DIRECTORY OF THE ISSUER

Name of the Issuer	Kattali Textile Limited
Date of Incorporation as a Private Limited Company	26 th June, 2002
Commercial Operation (As a proprietorship concern)	1 st March, 2004
Date of Convert Private to Public Limited Company	17 th October, 2016
Logo	
Authorized Capital	900,000,000
Issued, Subscribed & Paid-up Capital	550,000,000
Registered Office	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217
Corporate office	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217
Auditor	Shiraz Khan Basak & Co. R.K Tower (Level-10) 86, Bir Uttam C.R Datta Road (312, Sonargaon), Dhaka-1205, Phone: 02-9635139 E-mail: shirazkhanbasak@yahoo.com
Board of Directors	Md. Emdadul Hoque Chowdhury Nasreen Hoque Md. Anwarul Haque Chowdhury Md. Mokarram Anwar Chowdhury Waduda Sabrina (Nominee Director of Eian Apparels Ltd.) Sifat Sabrina (Nominee of Lucky Corner) Syed Manzur Quader (Independent Director) Mohammed Nurul Alam (Independent Director)
Legal Advisor	Hasan Mohammed Reyad (LL.B (Hon's) & LL.M) Advocate (Supreme Court of Bangladesh) 35, Purana palton Lane (2 nd & 3 rd Floor) Dhaka-1000, Bangladesh Tel: 9340920, Mob: 01819-547362 E-mail: adv_reyad@yahoo.com
Tax Consultant	Md. Absarul Hoque (M Com, CA (KL), ITP) A.Hoque & Associates 1557, Agrabad Access Road, Singapore market (4 th Floor) Suite: 512, Hazipara, CTG, Phone; 01817-015873 e-mail: ahoqueandassociates@yahoo.com
Company Secretary	Sattabrata Das Jumara Bhaban (8 th Floor) Rahamatgong, Chittagong Phone No: +88-031-2511654 E-mail Address: satta13514@yahoo.com
Compliance Officer	Sifat Sabrina Anower Monjil, 3/Joy Nagar Line, College Road, Chawkbazar-4203, Chittagong. Phone; +88-031-2511654 e-mail: Sabrina.lgbd@live.com
Banker of the IPO	Brac Bank Limited
Banker of the Company	✓ Islami Bank Bangladesh Limited ✓ One Bank Limited



CHAPTER-VI
DESCRIPTION OF THE
ISSUER

CHAPTER VI: DESCRIPTION OF THE KATTALI TEXTILE LIMITED
(A) SUMMARY
(i) The summary of the industry and business environment of the Issuer:

Bangladesh's garments industry can be divided into the knit and woven sectors. Garments products are met one of the basic needs of all human being. It is one of the fastest growing industries in the world. Ready Made Garments (RMG) sector has emerged as the biggest earner of foreign currency. In 1972, the World Bank approximated the gross domestic product (GDP) of Bangladesh at USD 6.29 billion, in 2014, the GDP stood at USD 173.82 billion, growing by almost 27 times (E. H., 2016) in a matter of four decades. Bangladesh's exports industry alone comprised USD 34.6 billion in FY 2016-17, 81.23% of which was made up of ready-made garments. On its own, the knitwear sector encompasses 48.87% of total exports – a staggering USD 13.75 billion. The RMG sector has experienced an exponential growth since the 1980s. The sector contributes significantly to the GDP. Fiscal year basis remarkable improvements have shown in the following table:

VALUE OF TOTAL APPAREL EXPORT FISCAL YEAR BASIS				
YEAR	TOTAL APPAREL EXPORT IN MN.US\$			THE ISSUER (WOVEN & KNIT) IN MN. US\$
	WOVEN	KNIT	TOTAL	
2012-2013	11,039.85	10,475.88	21,515.73	517.55
2013-2014	12,442.07	12,049.81	24,491.88	561.64
2014-2015	13,064.61	12,426.79	25,491.40	564.39
2015-2016	14,738.74	13,355.42	28,094.16	486.26
2016-2017	14,392.59	13,757.25	28,149.84	595.29

Data Source: Export Promotion Bureau compiled by BGMEA

The contribution of the RMG sector to the foreign exchange earnings of the country is satisfactory in terms of its size and investment. According to Export Promotion Bureau's statistics report compiled by BGMEA for export performance for the month of July-June 1983-1984 was 811.00 million USD which is brought forwarded for the month of July-June 2016-2017 at 34,655.92 million USD. And in the year of 1992-1993 Woven Apparel export was 1,240.48 million USD which is brought forwarded for the year of 2016-2017 at 14,392.59 million USD. It is easily proved that there is a remarkable change in the RMG sector. The comparative statement is given below:

COMPARATIVE STATEMENT ON EXPORT OF RMG AND TOTAL EXPORT OF BANGLADESH				
YEAR	EXPORT OF RMG (IN MILLION US\$)	TOTAL EXPORT OF BANGLADESH (IN MILLION US\$)	% OF RMG'S TO TOTAL EXPORT	% OF THE ISSUER (WOVEN & KNIT)
2012-13	21,515.73	27,027.36	79.61	2.41%
2013-14	24,491.88	30,186.62	81.13	2.29%
2014-15	25,491.40	31,208.94	81.68	2.21%
2015-16	28,094.16	34,257.18	82.01	1.73%
2016-2017	28,149.84	34,655.92	81.23	2.11%

Data Source: Export Promotion Bureau compiled by BGMEA

The Textile and Clothing (T&C) industries provide the single source of economic growth in Bangladesh's rapidly developing economy. Exports of Textile and garments are the principal source of foreign exchange earnings. Agriculture for domestic consumption is Bangladesh's largest employment sector. By 2002 exports of Textile, clothing and ready-made garments (RMG) accounted for 77% of Bangladesh's total merchandise exports. It also provides employment to around 4.2 million Bangladeshis, mainly women from low-income families. Bangladesh is second only to China, the world's second-largest apparel exporter of western brands. Sixty percent of the export contracts of western brands are with European buyers and about forty percent of American buyers. Only 5% of textile factories are owned by foreign investors, with most of the production being controlled by local investors.

The business environment of the Issuer:

The Issuer's business environment is conducive to the business as we have a good supply of raw materials. We have skilled labors as well. The wage of labor is reasonable also. Government policy is favorable to the sector. Overall it is a business-friendly situation.

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

The information is not applicable for the Kattali Textile Limited. Since, it has no subsidiary and associated company.

(B) GENERAL INFORMATION:

- (i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer:

Registered and Corporate Head Office of Kattali Textile Limited	
Address	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217
Telephone no	+88-031-2511654
Fax Number	+88-031-2770044
E-mail Address	info@kattalitextileltd.com
Factory of Kattali Textile Limited	
Address	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217
Telephone no	+88-031-2511654
Fax Number	+88-031-2770044
E-mail Address	info@kattalitextileltd.com
Business Premises	The Corporate Head office is considered the business premises of the company.
Outlets of the Issuer	The Company has no outlets.

- (ii) The Board of Directors of the Issuer:

Sl. no.	Name	Position
01	Nasreen Hoque	Chairman
02	Md. Emdadul Hoque Chowdhury	Managing Director
03	Md. Anwarul Haque Chowdhury	Director
04	Md. Mokarrom Anower Chowdhury	Director
05	Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)	Director
06	Sifat Sabrina (Nominee of Lucky Corner)	Director
07	Syed Manzur Quader	Independent Director
08	Mohammed Nurul Alam	

- (iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the Chairman, Managing Director, Whole-time Directors, etc. of the issuer;

Sl. No.	Name	Position	Address	Tel no. Fax No, and e-mail address
01	Nasreen Hoque	Chairman	Anower Monjil, 3/ Joy Nagar Line, College Road, Chawkbazar-4203, Chittagong.	Tell: +88-031-2511654, Fax: +88-031-2770044 E-mail: info@kattalitextileltd.com
02	Md. Emdadul Hoque Chowdhury	Managing Director		Tell: +88-031-2511654, Fax: +88-031-2770044 E-mail: info@kattalitextileltd.com
03	Md. Anwarul Haque Chowdhury	Director		Tell: +88-031-2511654 Fax: +88-031-2770044 E-mail: info@kattalitextileltd.com
04	Md. Mokarrom Anower Chowdhury	Director		Tell: +88-031-2511654 Fax: +88-031-2770044 E-mail: info@kattalitextileltd.com
05	Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)	Director		Tell: +88-031-2511654 Fax: +88-031-2770044 E-mail: info@kattalitextileltd.com
06	Sifat Sabrina (Nominee of Lucky Corner)	Director	316 s.k. Mujib Road, Jaks Shopping Complex 2 nd Floor, Agrabad, Chittagong.	Tell: +88-031-2511654 Fax: +88-031-2770044 E-mail: info@kattalitextileltd.com
07	Syed Manzur Quader	Independent Director	Chittagong Independent University, Room-3407, Roksana Monjil, 16 Jamal Khan, Chittagong.	Tell: +88-031-2511654 Fax: +88-031-653475 E-mail: info@kattalitextileltd.com
08	Mohammed Nurul Alam	Independent Director	461 Ishamoti Bhaban, Road-07, Chandgaon R/A, B Block, Po-Chandgaon-4212, Chittagong.	Tell: +88-031-2511654 Fax: N/A E-mail: info@kattalitextileltd.com

(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer:

Name	Position	Address	Telephone no., Fax No, and e-mail address
Md. Fazlul Hoque	Chief Finance Officer (CFO)	R-4, By Lane, #04, BADC road, West khulshi, Chittagong	Mobile:-+88-031-2511654, Fax No:+88-031-2770044 E-mail: fhoque@gmail.com
Sattabrata Das	Company Secretary	Jumara Bhaban (8 th Floor) Rahamatgonj, Chittagong	Mobile:+88-031-2511654, Fax No:+88-031-2770044 E-mail: sattal3514@yahoo.com
Hasan Mohammed Reyad (LL.B & LL.M)	Legal Advisor	35, Purana palton Lane (2 nd & 3 rd Floor) Dhaka-1000, Bangladesh	Tel: 9340920, Mob: 01819-547362 E-mail: adv_reyad@yahoo.com
Shiraz Khan Basak & Co.	Auditor	R.K Tower (Level-10) 86, Bir Uttam C.R Datta Road (312, Sonargaon), Dhaka-1205	Tel:+88-02-9635139 Fax: +88-02-8621575 E-mail: shirazkhanbasak@yahoo.com
Sifat Sabrina	Compliance Officer	Anower Monjil, 3/Joy Nagar Line, College Road, Chawkbazar-4203, Chittagong.	Phone; +88-031-2511654 e-mail: sabrina.lgbd@Live.com

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

MANAGER TO THE ISSUE	CONTACT PERSON	TELEPHONE AND FAX NUMBER
NRB Equity Management Limited Al-Raji Complex, Suite# G-602,603 (6 th Floor) 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000,	Md. Muslahuddin Chowdhury Chief Executive Officer	Tel: +88 02 9585326 Fax: +88 02 9585281 E-mail: ceo@nrbequity.com Web: www.nrbequity.com

(vi) The following details of Credit Rating, where applicable:

As per section 3 of Credit Rating Company Rules, 1996, no Credit Rating Report is required by the Company.

(vii) Details of Underwriting

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

Sl. No	Name & Address	Contact Person, Phone & Email Address	Amount (in Tk)
1	CAPM Advisory Limited Tower Hamlet (9 th floor), 16 Kemal Ataturk Avenue, Banani C/A, Dhaka-1213	Mufakhkharul Islam Managing Director & CEO Phone: +88-02-9856271,9822391-2 Fax:+88-02-9822393 E-mail: ceo@campadvisorybd.com Web:www.capmadvisory.com	50,000,000
2	BetaOne investment Limited, Level 4, green Delta AIMS Tower, 51-52, Mohakhali C/A, Dhaka-1212	Mohammed Atiquzzaman Managing Director Phone: +88-02-9887337, Fax:+88-02-9880733 E-mail: info@betaone.com.bd Web: www.betaone.com.bd	25,000,000
3	AIBL Capital Management Limited People Insurance Bhaban (7 th Floor) 36 Dilkusha C/A, Dhaka-1000	Muhammad Husain Ahmad Faruqi Chief Executive Officer (CC) Phone: +9551962, PABX -7123255-7 Fax:+88-02-9575379 E-mail: cml@alarafabank.com	30,000,000
4	Citizen Securities & Investment Limited Al-Raji Complex, Suite # G 802,166-167, Shaheed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000,	Tahid Ahmed Chowdhury Managing Director & CEO Phone: 02-9514542, 02-9515439 Fax: 02-9570546 E-mail: ceo@citizenscurities.com	14,000,000
Total Amount of Underwritten			119,000,000

(b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;

All the underwriters have sufficient resources as per the regulatory requirements to discharge their respective obligations which are disclosed in CHAPTER (III) under Due Diligence Certificate by The Underwriter(s) page number 29-32.

(c) Major terms and conditions of the underwriting agreements:

- (i) The IPO shall stand canceled in if at least 65% in any category of the IPO is not subscribed.
- (ii) In the case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in this Agreement, in the case of any inconsistency between the provision of this Agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to the publication of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and provide for the payment of underwriting commission maximum **1% (One)** on the amount underwritten.
- (v) The Issuer shall within **10 (Ten)** days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within **15 (Fifteen)** days of the date of the said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case within **7 (seven)** days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
- (vii) In the case of failure by the underwriter to pay for the shares within the stipulated time, the company/Issuer will be under no obligation to pay any underwriting commission under this agreement.

(C) CAPITAL STRUCTURE:

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

Particulars	No. of Ordinary Shares	Nominal price/ issue price/ Face value (Tk.)	Amount in Taka
Authorized Capital	90,000,000	10.00	900,000,000
BEFORE INITIAL PUBLIC OFFERING (IPO)			
Issued, subscribed and paid-up Capital	55,000,000	10.00	550,000,000
AFTER INITIAL PUBLIC OFFERING (IPO)			
To be issued as IPO	34,000,000	10.00	340,000,000
Issued, subscribed and paid-up	89,000,000	10.00	890,000,000

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

Particulars	Date of Allotment	Number of Shares			Face Value of Share in (Taka)	Amount of shares capital (Taka)
		Consideration in cash	Consideration other than cash	Bonus		
First (Subscription to the MOA at the time of incorporation)	26.06.2002	500,000	-	-	10	5,000,000
Second	01.12.2015	2,793,550	-	-	10	27,935,500
Third	06.12.2015	-	-	6,706,350	10	67,063,500
Fourth	25.08.2016	17,567,512			10	175,675,120
Fifth	30.08.2016	17,702,240			10	177,022,400
Sixth	15.10.2016	9,730,348			10	97,303,480
Total		48,293,650	-	6,706,350		550,000,000

Note: (i) The Company split its share from Tk.100 to Tk.10 on January 22, 2014

(ii) The size of the present issue, with a break-up (number of securities, description, nominal value and issue amount):

Particulars		Percent	No of shares	Nominal Value	Issue Amount (Taka)
Offer price BDT 10.00 each at par, total size of the fund to be raised BDT 340,000,000	Eligible Investors (EIs)	Mutual Funds and CIS	10%	3,400,000	34,000,000
		EI excluding Mutual Funds and CIS	40%	13,600,000	136,000,000
	General Public	NRB	10%	3,400,000	34,000,000
		GP excluding NRB*	40%	13,600,000	136,000,000
Total		100%	34,000,000		340,000,000

GP excluding NRB*:13,600,000 Ordinary Shares will be a reserve for General Public and Small Affected Investor.

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

The company has no convertible instruments and share premium accounts

Particulars	Amount in BDT
Paid up capital before the present issue	550,000,000
Paid up capital after the present issue	890,000,000
Paid up capital after conversion of convertible instruments (if any)	N/A
Share premium accounts before the present issue	N/A
Share premium account after the present issue	N/A

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

Sl. No	Name of Director & Sponsor	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Sponsors & Directors	26,982,327	26,982,327	49.06%	30.32%
2	Institutional	1,223,250	14,823,250	2.22%	16.66%
3	Mutual fund	-	3,400,000	-	3.82%
4	Individual	26,794,423	40,394,423	48.72%	45.39%
5	Non-Residential Bangladeshis (NRBs)	-	3,400,000	-	3.82%
		55,000,000	89,000,000	100%	100%

The Company has no convertible instrument.

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

Sl.	Date of Issue	Persons to whom those are issued	Relation with the Issuer	Issue price	Consideration and Valuation	Reasons for the issue	Benefits from the Issue
1	06.12.2015	Mrs. Nasreen Hoque	Chairman	10.00	Bonus	Payment of Dividend	Paid Up Capital Increase
2		Md. Emdadul Hoque Chowdhury	Managing Director				
3		Md. Anwarul Haque Chowdhury	Director				
4		Md. Mokarrom Anwar Chowdhury					
5		Waduda Sabrina (Nominee Director of Eian Apparels Limited)					
6		Sifat Sabrina (Nominee of Lucky Corner)					
7		D.N. Securities Limited					
8		Lucky Shipping					
9		M/S Dayang Traders	Shareholder				
10		Tasnim Sayed					
11		Mr. Junaid Quader					
12		Md. Farid Ahmed					
13		Honorary Capt. (Ret.) SK Muzibul Haque					
14		K.M. Moshir Rahman					
15		Md. Bazlur Rahman					
16		Nadira Akhter					
17		Md. Ruhul Azad					
18		Mr. Hossain Md. Sufiullah					
19		Mrs. Kismat Ara					
20		Mr. SK Reaul Karim					

(vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted:

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

(vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued:

The issuer has not issued any equity shares under stock option to its employees.

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

Kattali textile Limited has not made any issue of specific securities at a price lower than the issue price during the preceding two years.

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

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

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

SL	Name of Sponsors & Directors	Position	Nature of Issue	Date of Allotment & date of share fully paid up	No. of Ordinary Share	Face Value	Issue Price	Consideration	Percentage (%)		*Lock-in Period	% of Pledge of shares
									Pre-IPO	Post-IPO		
1	Nasreen Hoque	Chairman	Ordinary	26.06.02	50,000	10	10	Cash	7.17%	4.43%	3yr.	No Pledge
				30.04.03	150,000			Transfer				
				01.12.15	230,000			Cash				
				06.12.15	589,200			Bonus				
				25.08.16	2,718,500			Cash				
				30.08.16	203,500			Cash				
				Total	3,941,200							
2	Md. Emdadul Hoque Chowdhury	Managing Director	Ordinary	26.06.02	250,000	10	10	Cash	19.24%	11.89%	3yr.	No Pledge
				30.04.03	50,000			Transfer				
				01.12.15	651,130			Cash				
				06.12.15	1,936,400			Bonus				
				25.08.16	6,891,874			Cash				
				30.08.16	803,500			Cash				
				Total	10,582,904							
3	Md. Anwarul Haque Chowdhury	Director	Ordinary	01.12.15	55,000	10	10	Cash	5.18%	3.20%	3yr.	No Pledge
				06.12.15	111,900			Bonus				
				25.08.16	1,209,400			Cash				
				30.08.16	1,022,548			Cash				
				15.10.16	450,000			Cash				
				Total	2,848,848							
4	Md. Mokarrom Anwar Chowdhury	Director	Ordinary	01.12.15	55,000	10	10	Cash	4.53%	2.80%	3yr.	No Pledge
				06.12.15	111,900			Bonus				
				25.08.16	790,000			Cash				
				30.08.16	332,000			Cash				
				15.10.16	1,200,780			Cash				
				Total	2,489,680							

SL	Name of Sponsors & Directors	Position	Nature of Issue	Date of Allotment & date of share fully paid up	No. of Ordinary Share	Face Value	Issue Price	Consideration	Percentage (%)		*Lock-in Period	% of Pledge of shares
									Pre-IPO	Post-IPO		
5	Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)	Director	Ordinary	01.12.2015	105,000	10	10	Cash	6.84%	4.23%	3yr.	No Pledge
				06.12.15	213,700			Bonus				
				25.08.16	1,013,050			Cash				
				30.08.16	1,725,285			Cash				
				15.10.16	703,590			Cash				
				Total	3,760,625							
6	Sifat Sabrina (Nominee of Lucky Corner)	Director	Ordinary	01.12.2015	105,000	10	10	Cash	6.11%	3.77%	3yr.	No Pledge
				06.12.2015	213,700			Bonus				
				25.08.2016	863,500			Cash				
				30.08.2016	1,640,407			Cash				
				15.10.2016	536,463			Cash				
				Total	3,359,070							

Note: (i) The Company split its share from Tk.100 to Tk.10 on January 22, 2014
 (ii) Lock-in period's starts from the date of Issuance of Prospectus
 (iii) There are no pledged shares

- (xi) The details of the aggregate shareholding of the sponsors and Directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the Directors of the issuer and their related parties within six months immediately preceding the date of filing the prospectus.

There occurred no such transaction within six months immediately preceding the date of filing the prospectus.

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

Sl.	Name of Shareholder	Address	Number of Shares	Amount of Securities Owned	Type of Ownership	Percentage of ownership
1	Nasreen Hoque	Anower Monjil, 3/ Joy Nagar Line, College Road, Chawkbazar- 4203, Chittagong.	3,941,200	39,412,000	Chairman	7.17%
2	Md. Emdadul Hoque Chowdhury		10,582,904	105,829,040	Managing Director	19.24%
3	Md. Anwarul Haque Chowdhury		2,848,848	28,488,480	Director	5.18%
4	Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)		3,760,625	37,606,250	Director	6.84%
5	Sifat Sabrina (Nominee of Lucky Corner)		3,359,070	33,590,700	Shareholders	6.11%

There is no event or intent of exercising warrant, option or right to convert any convertible instrument

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

None of the employees of the company own any shares of the issuer company "Kattali Textile Limited" except Chairman, Directors & Managing Director:

SL	Name of Shareholder	Position	Number of Shares	Percentage of Shareholding at present
1	Nasreen Hoque	Chairman	3,941,200	7.17%
2	Md. Emdadul Hoque Chowdhury	Managing Director	10,582,904	19.24%
3	Md. Anwarul Haque Chowdhury	Director	2,848,848	5.18%
4	Md. Mokarrom Anwar Chowdhury		2,489,680	4.53%
5	Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)		3,760,625	6.84%
6	Sifat Sabrina (Nominee of Lucky Corner)		3,359,070	6.11%

D. DESCRIPTION OF BUSINESS:

- i. The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in:

Kattali Textile Limited (KTL) was incorporated as a Private Limited Company on 26 June, 2002 under the Companies Act 1994. It was converted into Public Limited Company on October 17, 2016. The commercial operations of the company started on June 01 March, 2004. The company, Kattali Textile Limited (KTL) is concentrated in Manufacturing, Cutting, Swing & Finishing of 100% woven garments and exporting the same as an exporter. The principal activities of the company are to produce and export of different types of garment products like Men's Long Shirt, Boys Pant, Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Fit Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, and Man's Top etc. It is serving many international buyers in the North American and the European markets. The principal buyers of the company are Wal-mart, GRAN INC (USA), Regatta Limited, Kohls, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautica, etc. The company won many awards for its quality products and compliance with economy standards. The Company (Kattali Textile Limited) has no subsidiaries.

- ii. Location of the project:

The Corporate office and Factory are situated at Chowdhury Bari, Kornel Jones Road, Pahartoli, and Chittagong, Bangladesh.

- iii. Plant, machinery, technology, process, etc:

Kattali Textile Limited has been using sophisticated machinery and technology in order to produce high-quality man's and a woman's woven Garments. It helps the Company to be competitive over the competitors in the market because of latest machineries and technologies.

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

Date of Incorporation	As a private limited company on 26 June, 2002, vide Registration No. C-4364 of 2002
Conversion of Private to Public Limited Company	Converted into a public limited company on October 17, 2016 with Registrar of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994
Installed Capacity (PCS)	4,851,000 per year (June, 2017)
Actual Production (PCS)	4,212,988 per year (June, 2017)
Launching of Plant	6 month from 30 December 2003
Launching of Products	30 December, 2003
Launching of Distribution Channel	30 December, 2003
Date of Commercial Operation	01 March, 2004
Change in ownership and/or key management personnel	None of the ownership and /or key management person changed except Directors of the company.
Appointment of Independent Director(s)	Syed Manzur Quader was appointed On October 15, 2016 & Mohammed Nurul Alam was appointed On December 08, 2016 as Independent Director for the period of 03 (Three) years.

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

The principal product of the company is 100% export oriented woven garments in different constructions. The products are exported to European countries. It is concentrated in Manufacturing, Cutting, Sewing & Finishing of 100% woven garments and exporting the same to European Countries. The principal activities of the company are to produce and export different types of garment products like Men's Long Shirt, Boys Pant, and Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Flt Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top and Man's Top etc. It is serving many international buyers in the North American and the European markets. The principal buyers of the company are Wal-mart, GRAN INC (USA), Regatta Limited, Kohls, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautica, etc. The company won many awards for its quality products and compliance with economy standards.

PAST TRENDS:

Sl.	Name of product	Exporting Country	Major Buyers	Export amount (In Million) Tk				
				2013	2014	2015	2016	2017
1	Mans L/S Shirt	EU Nations, North America	Wall mart, GRAN INC (USA), Regatta Ltd., Kohls, JC Penny, Target	46.58	61.03	97.56	41.09	49.80
2	Boys Pant			41.40	72.27	58.35	52.96	63.65
3	Ladies Shirt			36.23	55.59	62.40	75.68	91.00
4	Boys Polo Shirt			-	38.92	51.73	32.94	38.87
5	Boys Long Pant			-	33.36	35.74	32.10	38.62
6	Boys Jacket			41.50	38.92	42.88	36.84	47.93
7	Men's Fit Front Short			66.59	77.83	57.23	66.34	86.37
8	Ladies Shorts			64.58	57.05	38.76	48.91	59.28
9	Boys Trouser			49.73	50.03	40.24	38.71	46.50
10	Girls Pant			31.05	16.68	-	-	-
11	Girls Skirt's			46.58	22.28	-	-	-
12	Girls Top			31.05	16.68	43.64	27.08	32.49
13	Man's Top			62.23	21.00	35.87	33.62	40.78
Total				517.51	561.64	564.39	486.27	595.29

PAST TRENDS	
Year	Turnover amounts in Taka
30-June-2017	595,295,265
30-June-2016	486,266,104
31, August 2015	564,388,585
31, August 2014	561,642,281
31, August 2013	517,506,289

*All turnovers are export sells. There are no domestic sells.

FUTURE PROSPECTS:

The principal product of the Company is 100% export oriented garment products in different constructions. The products are exported to American & European buyers. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the total Garments Products requirement in the captive market is about 4.34 billion yards, of which roughly 75 to 80 percent is imported from countries such as China, India, Hong Kong, Singapore, Thailand, Korea, Indonesia and Taiwan. Garments products demand is increasing at an average rate of 30 percent per year. In view of increased demand from existing buyers and to attract more volumetric buyers of readymade garments, KTL has taken the decision to expand production capacity.

PROJECTED REVENUE:

Particulars	Export Amount Million in Taka		
	2018	2019	2020
Mans L/S Shirt	51.79	74.71	77.70
Boys Pant	67.47	93.99	96.81
Ladies Shirt	92.19	125.76	128.65
Boys Polo Shirt	40.81	59.08	61.51
Boys Long Pant	39.78	57.58	59.54
Boys Jacket	50.80	66.08	67.78
Men's Fit Front Short	93.28	118.99	121.14
Ladies Shorts	62.24	87.73	91.41
Boys Trouser	48.82	69.44	72.30
Girls Top	35.10	48.57	50.67
Man's Top	42.83	60.31	62.71
Total	625.10	862.26	890.22

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

The Company produces various products, which are 100% woven Garments in a different construction. Among the products there are some products that make 10% more on its total Sales Revenue a table below to show the % of Sales Revenue on the basis of Product:

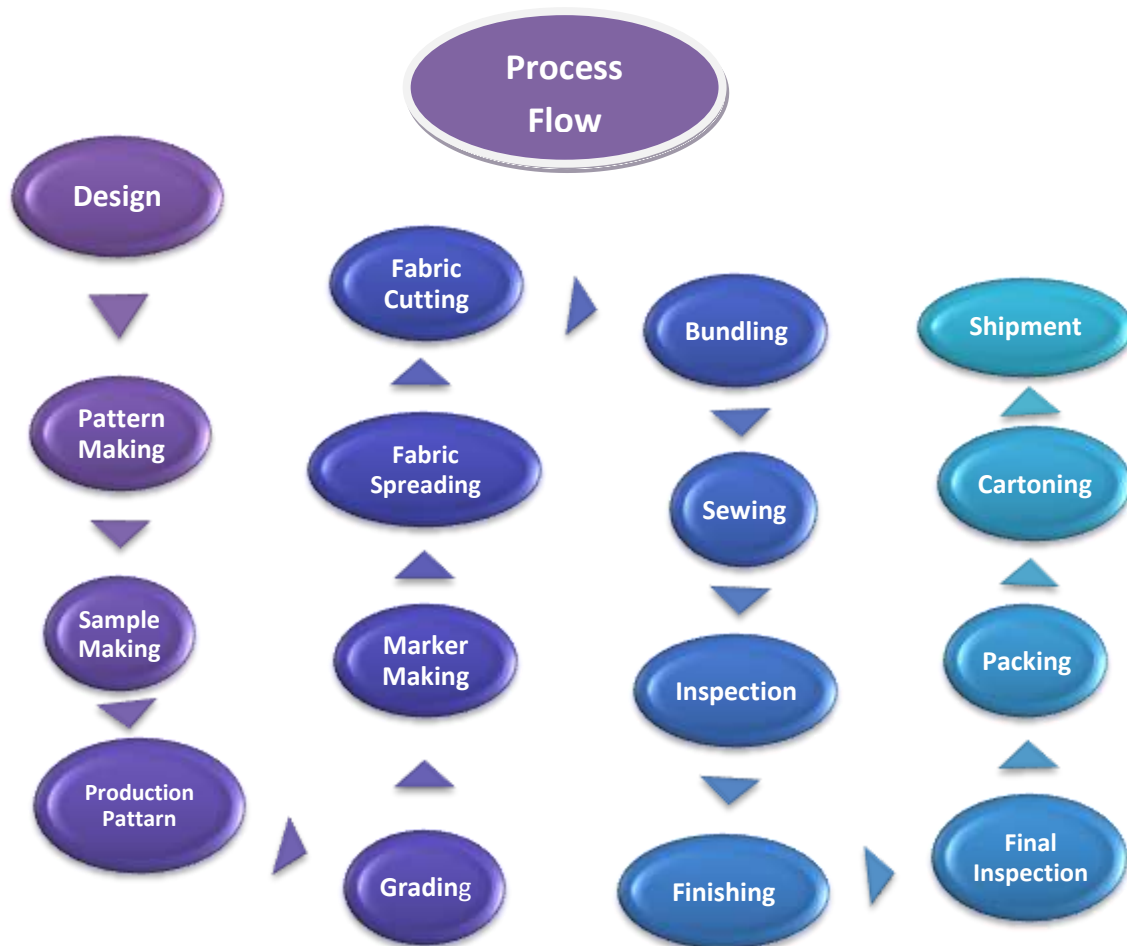
Sl.	Product Name	30 Jun, 2017
1	Mans L/S Shirt	8.37%
2	Boys Pant	10.69%
3	Ladies Shirt	15.29%
4	Boys Polo Shirt	6.53%
5	Boys Long Pant	6.49%
6	Boys Jacket	8.05%
7	Men's Flt Front Short	14.51%
8	Ladies Shorts	9.96%
9	Boys Trouser	7.81%
10	Girls Top	5.46%
11	Man's Top	6.85%

vii. Description of associates, subsidiary and holding company of the issuer and core areas of the business thereof;

There is no subsidiary, associates, subsidiary and holding company of Kattali Textile Limited.

viii. **How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any:**

Product (100% export oriented woven Garments) is delivered to different garments industries under the control of KTL by rented vehicle. The areas covered are Dhaka and Chittagong. A detailed process flow is presented below:



Export Possibility: The Company is export-oriented. It exports different types of garment products regularly. The principal activities of the company are sewing, cutting, finishing and exporting of different types of garment products like Man's Long Shirt, Boys Pant, Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Fit Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, and Man's Top etc. It is serving many international buyers in the North American and the European markets. The principal buyers of the company are Wal-mart, GRAN INC (USA), Regatta Limited, Kohls, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautica, etc. So, the export possibility is always very high for the company.

Export Obligation: Currently, there is no export obligation imposed from the government to export readymade garments products to anywhere of the world accept some condition as imposed by WTO such as quota, duty on trade are prevail as well in exporting to some region and countries are prevail and reviewed by the regular time to time.

ix. Competitive conditions in business with names, percentage and volume of market shares of major competitors;

The Textile and Apparel industry comprises over 5000 manufacturers, most of which are Ready Made Garments manufacturers. However, among the listed companies in the textile sector, only 6 are considered a major competitor of Kattali Textile Limited.

A. LISTED COMPANY

SL	Name of Competitor	Address	Revenue Earned June-17	Market Percentage (%)
01	Zahintex Industries Limited (Annualized)	Bokran Monipur, Gazipur Sadar	1,347,097,359	16.88%
02	C& A Textile Limited (Annualized)	61-68 BSCIC Industrial Estate, Kalurghat, Chittagong	1,970,654,907	24.69%
03	Alltex Industries Limited (Annualized)	Ariabo, Barpa, Rupgonj, Narayangonj, Bangladesh	1,154,701,333	14.47%
04	HWA Well Textile (BD) Limited (Annualized)	138 Eastern Nibash, Flt # 402, Gulshan Avenue, Gulshan-2	1,138,881,123	14.27%
05	Regent Textile Mills Ltd	East Kalurghat, Charkhadirpur, Bandar, Chittagong	1,058,204,192	13.26%
06	Rahim Textile Mills Ltd	134 New Eskaton Road, Dhaka 1000	717,463,000	8.99%

Source: Annual Report-2017 and 3rd Quarter Financial Statements for the period Jul, 16 to Mar, 17

However, there are some other local non-listed Companies who are also the competitors of Kattali Textile Limited those are as follows:

B. NON-LISTED COMPANY

Chittagong Textile Mills Limited	Base Textile Mills Limited
Portland Textile Mills Limited	Afrin Textile Mills Limited
Intimate Textiles Limited	

N:B: There is no entity listed with the stock exchanges except the above Companies in List A & there is no data available regarding the market shares of the respective non-listed companies (List B) in their respective annual report. Due to the unavailability of the information it is not possible for us to input annual turnover of the above non-listed competitors.

x. Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;

The major raw material of Kattali Textile Limited is Garment and Accessories that are readily available and can be procured locally and imported from the following sources:

Sl.	Customer Name	Address	Type of Raw Material
01	KDS Accessories Ltd.	191-192,baizid bostami road,nasirabad i/a, Chittagong-4102	Thread, Poly & Cartons
02	Maxim label & packaging Bangladesh pvt. Ltd.	13-16 (Ind),47-54(Com) 11 th Floor, Zoo Road, Mirpur Housing Estate, Sec#.1,Mirpur,Dhaka	Accessories-sizer/hanger/label & Hangtag
03	Fabian Industries Ltd.	Block- A, Basic Industrial Estate, Sagorica Road, Fouzdar Hat, Chittagong.	Accessories- eyelet/zipper
04	Dongtai Hongda Industrial Co. Ltd.	46, East Xindong Road, Dongtai, Jiangsu, China Tel:86-515-5213779, Fax:86-515-5210163	Garment-twill/cotton
05	M/S. Basic Accessories	47/2, Arambagh (1 st) Floor, Motijheel, Dhaka-1000	Accessories-main label, care label, sticker
06	Sarina Corporation	4f,No.98,Kuang,Fu North Road, Taipei, Taiwan, R.O.C	Garment-spandex/fleece

Contingency plan: As a number of suppliers of raw materials are plenty in the market, if one supplier fails to provide raw material there are always other suppliers available. So there is no possibility of disruption.

xi. Sources of, and the requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption:

All required utility facilities are available to run the factory properly. For the contingency all the utility source are readily available and can be procured locally from the following sources:

Utilities	Sources and Requirement
POWER	Kattali Textile Limited has a connected load of 440 KW as per the Certificate of waiver from the requirement of a license No. BERC\LWC-0616.The Company uses 82% of the approved power of 396KW. The required power is available from own captive power generators. Some provision for future expansion in the captive power has also been considered in this regard.
WATER	The required water supply will be available from the own deep tube-well at the project site.
GAS	KTL's manufacturing operation depends on Gas supply from Karnaphuli Gas Distribution Co. Ltd.

xii. Names address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with amount and percentage thereof; (June- 2017).

Customer list (who account for 10% or more) of the product/services by the Kattali Textile Limited is not same on each year or period it changes day to day on its Exports made to different customers. However, as per the audit report as of 30th June 2017 there is a shortlisted customer who is accounted for 10% or more of Kattali Textile Limited's product/services this is as follows:

Customer Name	Address	Telephone Number & Fax Number	Web Address/E-mail	Amount in Taka	Percentage (%) (June 2017)
Regatta Limited	Risol House, Mercury Way Dimplington Manchester M147, 7rr, United Kingdom	Phone: 0161 866 0486	www.regatta.com	161,317,886	27.10%
Norwest Industries Limited	7/F Park Fook Indl Bldg, 615-617 Tainan West Street, Cheung Sha Wan, Kowloon, Hong Kong	Phone:512-374-4500 Fax:512-374-4051	headofcustomerservices@regatta.com	135,375,537.83	22.74%
JCORP INC	95 Gince Street, St-Laurent QUBEC, H4N 1J7, Canada	T: 514-384-3872 F: 514-384-9777	admin@jcorp.ca	81,822,031	13.74%
White wave Sportswear Inc	8508 Devonshire Montreal Qc, Canada H4p 2L3	Phone:514-789-0809 Fax:514-631-8047	whitewavesportswearInc.com	72,705,664.94	12.21%
ONIA LLC	8 E 41st St New York, NY 10017, United States	Phone: 646-701-0019 646-701-0008	sales@onia.com	71,352,237.32	11.99%

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

Supplier list (who account for 10% or more) of the raw materials/finished Goods of the Kattali Textile Limited is not same on each year or period it changes day to day on its purchase made to different source/suppliers. However, as per audit report as on 30th June 2017 there is a shortlisted supplier who is accounted for 10% or more of Kattali Textile Limited's raw material/ finished Goods supplier those are as follows:

Customer Name	Address	Telephone Number/ Fax Number	Web/E-mail Address	Amount in Taka	Percentage (%)
Jiangsu high Hope Corporation	15 Hubu Street, Nanjing, China	Tel:+86-25-86828059 Fax:+86-25-8421373,	www.jstex.com	80,330,285.02	25.3%
Shaoxing starke Textile Co. Ltd	3rd Floor Jinqiao Textile, Hehu Village, Doumen Town, Shaoxing, Zhejiang, China Postal Code: 312000	Phone:86-575-88138897 Fax: 86-575-88170368	www.starketex.com.cn	57,787,003.46	18.2%
Dongtai Hongda Industrial Co Ltd	4/F, Jinsheng Building, No.53, South Hailing Road, Dongtai City, Yancheng, Jiangsu, China	Tele: 86-515-85213779 Mobile 013912511863 Fax: 86-515-85210163	www.dongtai hongda industrialco. ltd.com	39,371,364.99	12.4%
Anhui whywin international co. Ltd.	5/F Publication & Media Plaza, No.1118 Sheng Quan Road, Hefei, 230071, China	Phone: 86 55 1353 3906 Fax: 86 55 1353 3988	www.whywin.cn	36,196,254.91	11.4%
Sarina Corporation	4f,No.98,Kuang,Fu North Road, Taipei, Taiwan, R.O.C	Tel- + 886-2-2578-2999, Fax- +886-2-2579-1822	sarina88@ms14.hinet.net	32,386,122.82	10.2%

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

The Company has no such contract with Principal Suppliers or Customers.

DECLARATION REGARDING CONTRACT WITH PRINCIPAL SUPPLIERS OR CUSTOMERS

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

Sd/-
Md. Emdadul Hoque
Chowdhury
Managing Director

Sd/-
Md. FazlulHaque
Chief Finance Officer

Sd/-
Nasreen Hoque
Chairman
On behalf of the board

- xv. Description of Licenses, registrations, NOC and permission obtained by the issuer with issue, renewal & expiry dates:

Description of Licenses, registrations, NOC and permission of Kattali Textile Limited are as follows:

SL. No.	Name of Certificate/ license/Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No	Expiry Date	Remarks
1	Certificate of Incorporation	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	C-No. 4364	N/A	As Private Ltd Company June, 26 2002 & converted to Public Ltd company on 17 th Oct, 2016
2	TIN Certificate	National Board of Revenue	431261923476	N/A	-
3	VAT Reg. No.	Customs, Excise & VAT Commissioner ate, Dhaka	24101000223	N/A	-
4	Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	৳-147766	30 th June, 2019	-
5	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	৳-52219	30 th June, 2019	-
6	Trade License	Chittagong City Corporation	178370	30 th June, 2019	-
7	Environment Clearance Certificate	Department of Environment	4404/2003/61	10 th Aug, 2018	-
8	Fire License	Bangladesh Fire Services and Civil Defense	7699/03-04	30 th June, 2018	Applied for Renewal on 27.06.2018
9	BOI License	Board of Investment Certificate	20030903-C	N/A	
10	CCCI Certificate	The Chittagong Chamber of Commerce & Industry	M/GEN/36/169 2/2017-2018	30 th June, 2018	Applied for Renewal on 11.07.2018
11	Boiler Certificate	Office of the Chief Inspector of Boilers	3615	14 th January, 2019	
12	BGMEA Membership Certificate	Bangladesh Garments Manufacturers & Exporters Association	Reg. No. 3900	31 st Dec, 2018	
13	Factory License	Factory and Organization Inspection Authority, Chittagong	3327/Ctg	30 th June, 2018	Applied for Renewal on 27.06.2018
14	Bond License	Customs Bond Commissionerate, Chittagong	5(13)kaboc/ A:K A:/Bond(GA)/L i/39/2005	1 st April, 2018	Applied for Renewal on 19.02.2018
15	BERC License	Bangladesh Energy Regulatory Commission	LWC-0616-1049-1130	8 th May, 2020	
16	Export Promotion Bureau, Enrolment Certificate	Export Promotion Bureau, Government of Bangladesh	BD-02396	30 th June, 2018	Applied for Renewal on 28.06.2018
17	Certificate of Compensation Insurance/Benefit	Bangladesh Garment Manufacturers and Exporters Association (BGMEA)	572	31 st December, 2018	

xvi. Description of any material patents, trademarks, licenses or royalty agreements;

Kattali Textile Limited has no material patents, trademarks or royalty agreements. However, it has several regulatory licenses and certificates in order to continue its operation.

xvii. A number of total employees and number of full-time employees:

The company has 1,235 permanent full-time employees as of 30 June, 2017. Details are as follows:

Salary Range (Monthly)	Number of Employees		Total Employees
	Staff	Worker	
Below Tk. 5,000	-	-	-
Above Tk. 5,000	55	1,180	1,235
Total	55	1,180	1,235

**The Company has no part-time employee.*

xviii. A brief description of the business strategy;

KTL has modern machinery and technology that ensures quality products. Quality is the main concern while formulating a strategy. The company tries to produce goods with the cheap cost so that they can get competitive advantages over their competitors. They also believe in providing customized products to the customer as per need basis so that they can get a maximum market share of products. So innovation is always there. Seek new way of working to improve efficiency and ensure stability it ensures an astable and long-term return to our investor.

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

Total actual capacity and its utilization (Monthly)

Year	Products	Installed capacity (Pcs)	Capacity Utilization for this Products (Pcs)	Actual Capacity Utilization (%)
2015	Garments & Woven	375,000	317,800	84.75%
2016		387,375	336,228	86.80%
2017		404,250	351,082	86.85%

Estimated capacity and its utilization (Monthly)

Year	Products	Projected Capacities Existing & proposed (Pcs)	Projected Capacity Utilization (Pcs)	Projected Capacity Utilization (%)
2018	Garments & Woven	415,000	349,259	84.16%
2019		570,000	481,764	84.52%
2020		570,000	497,382	87.26%

Rationale to Achieve:

We have projected that the capacity utilization will be increased as the total market is increased day by day and market share of the company is increasing. Hence, the management of the Company thinks that the projected capacity is attainable.

(e) DESCRIPTION OF PROPERTY

The written down value of Property, Plant & Equipment owned by the company as per audited accounts as at 30 Jun, 2017 are stated below:

Name of the Assets	Amounts in Taka
	30-06-2017
Land and Land Development	45,769,288
Factory Building and other construction	204,019,314
Plant & Machinery	349,067,169
Electric Installation	12,706,795
Tools & Equipment	21,513,475
Office Equipment	14,173,760
Furniture and Fixtures	17,975,885
Fire Fighting Equipment	12,113,380
Motor Car	4,669,814
Electric Sub-Station	4,167,085
Factory Equipment	25,279,864
Total	711,455,828

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

The entire above mentioned assets are located at the Company's factory premises at Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong - 4217. All of the above-mentioned Property, Plant & Equipment are in working condition. Details are given under as follows:

Sl.No	Name of the Assets	Location and Area	Condition of the Property
1	Land and Land Development	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong -4217	Position held by the company through own land & lease agreement
2	Factory Building and other construction		Factory shade is in good condition
3	Plant & Machinery		Working in good condition
4	Electric Installation		Good condition
5	Tools & Equipment		
6	Office Equipment		
7	Furniture and Fixtures		
8	Fire Fighting Equipment		
9	Motor Car		
10	Electric Sub-Station		
11	Factory Equipment		

Details of Land Properties

SL. No	Deed No	Dag/ Plot No	Area of the Land	Location of the Land	Year of Acquisition	Remarks
1	455	R.S-3316,P.S-5073 B.S-5656	36 Decimal	Mouza: North Kattali,	2004	Own
2	741	R.S-2592, P.S-1513,1514,1515 B.S-1890	0.42 Decimal	Thana: Pahartoli, Chittagong	2016	Own
3	1139	J.L -19 RS Khatian No-8105 (Dormitory CDA)	1.44 Decimal	Mouza:- South Halishahar, Saltgola Patenga Road, Thana: Bandar, Ctg	2016	Lease

Details of Factory Building and other construction

Number of Buildings	Building Description	Types Of Buildings	Total Building Area	Usage (sft)	Total Cost Amount (BDT) As on 30 Jun, 2017	Status of Use
Building-1	Six Floor Factory & Office Building	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in the window, Industrial Door, M.S Grill in Window.	66,000	66,000	237,611,535	In good condition
Building-2	Boiler Room	Pillar-RCC, Wall-Brick, Roof-Prefabricated Steel	1,100	1,100		
Building-3	Substation Room		1,100	1,100		
Building-4	Child Care	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window RCC Roof	300	300		
Building-5	Wastage Godown	Pillar-RCC, Wall-Brick, Roof-Prefabricated Steel	750	750		
Building-6	Canteen	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window RCC Roof	750	750		
Building-7	Security House		110	110		
Building-8	Road	RCC Rod and Bricks	350	350		
Building-9	Water Tank Underground	Brick Wall and RCC Roof	150	150		
Building-10	Dormitory	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	2,540.40	2,540.40		
Building-11	Gulshan Flat		3,160	3,160		

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

All the assets of the Company are in its own name except the mentioned land which has been taken under 25 to 99 years lease agreement these are given below.

Area of land	Lesser	Purpose of Lease	Period of Lease	Lease Amount (BDT/Per Month)	Effective date	Expire date	Address of Land
26 Decimal	Eian Apparels Limited	Factory Building	25 Years	1,65,000	10 th Mar, 2016	2041	Mouza:- North Kattali, Thana: Pahartoli, Ctg
48 Decimal			25 Years	3,25,000	10 th Mar, 2016	2041	
6 Decimal	Emdadul Hoque Chowdhury	Dormitory building for employee	25 Years	50,000	10 th Mar, 2016	2041	
1.44 Decimal	Chittagong Development Authority (CDA)		99 Years	9,352,222 (settlement price)	30 th June, 2016	2115	Mouza:- South Haliashahar, Saltgola Patenga Road, Thana: Bandar, Ctg

(iii) Dates of Purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost:

Own Land:

Deed No.	Dates of purchase	Mutation date	Last payment date of the current rent	PLOT NO.	Deed Value	Registration Cost & other Cost	Area of Land (Decimal)	Mutated Area of Land (Decimal)
455	16/03/2004	24/12/15	05.05.2018	R.S-3316, B.S-5656	1,674,000	83,700	36 Decimal	36 Decimal
741	18/02/2016	08/11/15	05.05.2018	R.S-2592, B.S-1627	235,000	25,850	0.42 Decimal	0.42 Decimal

Lease Land:

Deed No.	Dates of purchase	Mutation date	Last payment date of the current rent	Plot No.	Deed Value	Registration Cost & other Cost	Area of Land (Decimal)	Mutated Area of Land (Decimal)
1139	16/07/2016	08/11/15	05/05/18	B.S Plot No-8105	1,100,000	249,793	1.44 Decimal	1.44 Decimal

Cost for Land	BDT
Deed value	3,009,000
Registration & other cost	359,342
Land Development Cost	42,400,946
Total Cost of Land Asset	45,769,288

Detail of Land Development Cost:

SL. NO	Land development cost	Area of Land	Amount in BDT
1	Earth Filling	62.42 Decimal	42,400,946/=
2	Internal Road		
3	Boundary Wall		
4	Drainage System		

(iv) The names of the persons from whom the lands have been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or Director:

Transferor	Transferee	Deed no.	Date of Acquisition	Area of Land	Cost of Acquisition	Relationship
1. Khadiza Begum, 2. Nurrazam Chowdhury 3. Asaduzzaman Chowdhury 4. Sultana Rajiya 5. Sultana Jesmin	6. Jahanara Begum 7. Laila Begum 8. Safura Khatun 9. Nur Jahan	455	17/03/2004	36 Decimal	1,674,000	There is no relation between the seller of land and the issuer or any sponsor or Director thereof;
1. Abdul halim 2. Nasima Akter 3. Md. Parvez Alam 4. Md. Ariful Islam 5. Md. Abu Jafor 6. Md. Abu Sayed	7. Nasima Akter 8. Doli Akter 9. Salma Akter 10. Salma Akter 11. Sarmin Akter	741	18/02/2016	0.42 Decimal	235,000	

(v) **Details of whether the issuer has received all the approvals pertaining to the use of the land.**

The issuer has received all the approvals pertaining to the use of the land.

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

Land (lease), Factory Building and Plant, Machinery & Equipment of the Company are mortgaged to Islami Bank Bangladesh Limited, Agrabad Branch

Name of the Mortgagee	Deed No.	Khatian no. & Plot no.	Area in Decimal
Islami Bank Bangladesh Limited (IBBL)	455	R.S-3316,P.S-5073 B.S-5656	36 Decimal
	741	R.S-2592, P.S-1513,1514,1515 B.S-1890	0.42 Decimal

(vii) **If the property is taken on the lease, the expiration dates of the lease with the name of the lesser, principal terms and conditions of the lease agreements and details of payment.**

Lessor	Purpose of Lease	Period of Lease	Monthly Rental Amount(BDT)	Effective date	Expiration date
*Eian Apparels Limited	Existing Factory Building (26 Decimal)	25 Years	1,65,000.00	10 th March, 2016	2041
	Expansion Building (48 Decimal)		3,25,000.00		
*Emdadul Hoque Chowdhury	Dormitory Building for Employee Workers	25 Years	50,000.00		
** Chittagong Development Authority	Dormitory (Land & Building)	99 Years	93,52,222.00 (Settlement Price)	30 th June, 2016	2115

Major Condition:

*After completion of the lease payment the ownership of asset will be transferred to the lease for only use of factory building.

** Use for the residential purpose of the employees only.

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

Year of Purchase	Machinery Name	Seller Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimated Life	Used Life	Remaining Life	Remaining Value
2004	Lock Stitch Sewing Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	7,868,233.54	15.00	14.00	1.00	524,549
2004	Cloth Cutting Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	705,416.46	15.00	14.00	1.00	47,028
2004	Sewing Machine				530,136.44	15.00	14.00	1.00	35,342
2004	Sewing Machine	Ramson Garment Finishing Equipments Pvt.Ltd No.320/5, Mysore Road, Bangalore-560 026.India.	India	Brand New	1,016,739.78	15.00	14.00	1.00	67,783
2004	Generator	FG Wilson Asia PTE Ltd. 27 Benoi Sector, Singapore	Singapore	Brand New	1,620,626.33	20.00	14.00	6.00	486,188
2004	Lock Stitch, Bartaking, Eylate Button Hole Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	10,234,736.53	15.00	14.00	1.00	682,316
2004	Calf Forming Neck Press Machine	Fulontech Co. Ltd. 202, Soha 1 Dong, Kawangmyung-City, Korea	Korea	Brand New	436,375.19	15.00	14.00	1.00	29,092
2004	Ironing Table	Nissin Machinery PTE Ltd, No. 193 Kaki Bukit Ave 1 Shun Li Industrial Park Singapore 416031	Singapore	Brand New	1,225,757.37	15.00	14.00	1.00	81,717
2005	Lock Stitch Sewing Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	1,739,136.29	15.00	13.00	2.00	231,885
2005	Sewing Machine	Typical International Corporation, No. 335 South Thai Bai Road, XI, AN P.R.C. Post Road, 710068, China.	China	Brand New	813,536.53	15.00	13.00	2.00	108,472
2005	Sewing Machine	Naomoto Asia Trading Co. PTE. Ltd, Toh. Tok. INK # 04.01, Singapore	Singapore	Brand New	193,163.75	15.00	13.00	2.00	25,755
2005	Sewing Machine	Brother International Singapore PTE LTD. 152 Beach Road No.25-01/04 Gateway East	Singapore	Brand New	980,662.54	15.00	13.00	2.00	130,755
2006	Heat Transfer Machine	IAN Burke Ltd. 15/F The Kwangtung Provincial bank BLDG, 409-415 Hennessy Road, Hongkong	Hong Kong.	Brand New	211,890.26	15.00	12.00	3.00	42,378
2008	Lock Stitch Sewing Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	1,132,728.00	15.00	10.00	5.00	377,576
2009	Bartack, Overlock Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	3,153,657.00	15.00	9.00	6.00	1,261,463
2010	Lock Stitch Sewing Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	6,407,650.00	15.00	8.00	7.00	2,990,237
2010	Needle Lock Sitched Machine	Naomoto Asia Trading Co. PTE. Ltd, Toh. Tok. INK # 04.01, Singapore	Singapore	Brand New	10,463,408.00	15.00	8.00	7.00	4,882,924
2010	Over Lock, Button Hole, Flat Lock Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	15,700,836.00	15.00	8.00	7.00	7,327,057
2010	Sewing Machine				7,603,191.00	15.00	8.00	7.00	3,548,156
2010	Sewing Machine	Brother international Singapore pte ltd. 20 upper circular road #04-01/02 the riverwalk Singapore 058416	Singapore	Brand New	16,724,114.00	15.00	8.00	7.00	7,804,587
2010	Lock Stitch Sewing Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor,	Hong Kong.	Brand New	14,322,903.00	15.00	8.00	7.00	6,684,021

Year of Purchase	Machinery Name	Seller Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimated Life	Used Life	Remaining Life	Remaining Value
		Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.							
2010	Sewing Machine	Ramson Garment Finishing Equipments Pvt.Ltd No.320/5, Mysore Road, Bangalore-560 026.India.	India	Brand New	11,108,117.00	15.00	8.00	7.00	5,183,788
2010	Lock Stitch Sewing Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	24,489,343.00	15.00	8.00	7.00	11,428,226
2011	Fussing Press Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	566,295.00	15.00	7.00	8.00	302,024
2011	Sewing Machine Vacuum Table	Ramson Garment Finishing Equipments Pvt.Ltd No.320/5, Mysore Road, Bangalore-560 026.India.	India	Brand New	436,206.00	13.00	7.00	6.00	201,326
2011	Lock Stitch Sewing Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	14,193,857.00	15.00	7.00	8.00	7,570,057
2011	Eyelet Button Hole Machine	Brother International Singapore PTE LTD. 152 Beach Road No.25-01/04 Gateway East	Singapore	Brand New	1,446,984.00	15.00	7.00	8.00	771,725
2011	Needle Lock Stitched Machine	Typical International Corporation, No. 335 South Thai Bai Road, XI, AN P.R.C. Post Road, 710068, China.	China	Brand New	1,013,280.00	15.00	7.00	8.00	540,416
2011	Sewing Machine	Ramson Garment Finishing Equipments Pvt.Ltd No.320/5, Mysore Road, Bangalore-560 026.	India	Brand New	1,236,131.00	15.00	7.00	8.00	659,270
2011	Saddle Stitch Machine	Naomoto Asia Trading Co. PTE. Ltd, Toh. Tok. INK # 04.01, Singapore	Singapore	Brand New	348,741.00	15.00	7.00	8.00	185,995
2011	Flat Ironing Table	Nissin Machinery PTE Ltd, No. 193 Kaki Bukit Ave 1 Shun Li Industrial Park Singapore 416031	Singapore	Brand New	12,005,176.00	15.00	7.00	8.00	6,402,761
2011	Cloth Cutting Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	813,116.00	15.00	7.00	8.00	433,662
2011	Sewing Machine	Brother International Singapore Pte Ltd. 20 Upper Circular Road #04-01/02 The Riverwalk Singapore	Singapore	Brand New	7,625,878.00	15.00	7.00	8.00	4,067,135
2011	Double Chainstitch Machine				3,465,995.91	15.00	7.00	8.00	1,848,531
2011	Lock Stitch Sewing Machine	Juki Singapore PTE limited 20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	1,760,557.33	15.00	7.00	8.00	938,964
2011	Cloth Cutting Machine				576,841.75	15.00	7.00	8.00	307,649
2011	Lock Stitch Sewing Machine				13,468,268.00	15.00	7.00	8.00	7,183,076
2011	Sewing Machine	Brother International Singapore Pte Ltd.	Singapore	Brand New	12,929,472.00	15.00	7.00	8.00	6,895,718
2011	Lock Stitch button Hole Machine	Typical International Corporation, No. 335 South Thai Bai Road, XI, AN P.R.C. Post Road, 710068, China.	China	Brand New	6,439,248.00	15.00	7.00	8.00	3,434,266
2011	Lock Stitch Sewing Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	12,462,109.00	15.00	7.00	8.00	6,646,458
2011	Needle Detector Machine	Oshimark Co. Ltd. ,No. 2, Min Shen Street, Tu-Cheng, Industrial district, Taipei, Taiwan	Taiwan	Brand New	10,228,208.00	16.00	7.00	9.00	5,753,367
2011	Calf Forming Neck Press Machine	Fulontech Co; LTD. 202, Soha 1 Dong, Kwangmyung-City, Kyungki-Do, Korea	Korea	Brand New	13,073,686.00	15.00	7.00	8.00	6,972,633
2013	Fishing Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	1,760,671.00	15.00	5.00	10.00	1,173,781

Year of Purchase	Machinery Name	Seller Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimated Life	Used Life	Remaining Life	Remaining Value
2013	Sewing Machine Accessories	Brother International Singapore Pte Ltd.	Singapore	Brand New	9,507,608.00	15.00	5.00	10.00	6,338,405
2013	Sewing Machine Accessories	Juki Singapore PTE limited20 Bendemeer Road# 04-12	Singapore	Brand New	4,502,173.99	15.00	5.00	10.00	3,001,449
2013	Lock Stitch Sewing Machine	Cyber hub, Singapore			10,005,638.00	15.00	5.00	10.00	6,670,425
2013	Fussing Press Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	11,443,046.00	15.00	5.00	10.00	7,628,697
2013	Lock Stitch Sewing Machine	Juki Singapore PTE limited20 Bendemeer Road# 04-12	Singapore	Brand New	9,492,906.00	15.00	5.00	10.00	6,328,604
2013	Lock Stitch Sewing Machine	Cyber hub, Singapore			14,420,781.00	15.00	5.00	10.00	9,613,854
2013	Needle Detector Machine	Oshimark Co. Ltd. ,No. 2, Min Shen Street, Tu-Cheng, Industrial district, Taipei, Taiwan	Taiwan	Brand New	10,566,332.00	15.00	5.00	10.00	7,044,221
2014	Sewing Machine	Juki Singapore PTE limited20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	17,062,534.00	15.00	4.00	11.00	12,512,525
2014	Fishing Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Singapore	Brand New	11,475,776.00	15.00	4.00	11.00	8,415,569
2014	Sewing Machine Vacuum Table	Ramson Garment Finishing Equipments Pvt.Ltd No.320/5, Mysore Road, Bangalore-560 026.India.	India	Brand New	3,504,009.00	16.00	4.00	12.00	2,628,007
2014	Fishing Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	8,457,913.00	15.00	4.00	11.00	6,202,470
2014	Calf Forming Neck Press Machine	Fulontech Co; LTD. 202, Soha 1 Dong, Kwangmyung-City, Kyungki, Korea	Korea	Brand New	9,453,980.00	15.00	4.00	11.00	6,932,919
2014	Fishing Machine	Kaiyu Asia Industrial Limited, Room 1708, 17th Floor, Ritz Building, 625 Nathan Road, Kowloon, Hong Kong.	Hong Kong.	Brand New	6,123,386.00	15.00	4.00	11.00	4,490,483
2014	Lock Stitch Sewing Machine	Juki Singapore PTE limited20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	2,419,496.00	15.00	4.00	11.00	1,774,297
2014	Sewing Machine				2,588,146.00	15.00	4.00	11.00	1,897,974
2014	Button Hole machine	Brother International Singapore PTE LTD. 152 Beach Road No.25-01/04 Gateway East, Singapore	Singapore	Brand New	15,702,914.00	15.00	4.00	11.00	11,515,470
2014	Eyelet Button Hole Machine				8,310,812.00	15.00	4.00	11.00	6,094,595
2014	Lock Stitch Sewing Machine	Juki Singapore PTE limited20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	15,593,734.00	15.00	4.00	11.00	11,435,405
2014	Needle Detector Machine	Oshimark Co. Ltd. ,No. 2, Min Shen Street, Tu-Cheng, Industrial district, Taipei, Taiwan	Taiwan	Brand New	11,228,347.00	16.00	4.00	12.00	8,421,260
2014	Sewing Machine	Juki Singapore PTE limited20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	14,607,343.00	15.00	4.00	11.00	10,712,052
2015	Sewing Machine	Brother Machinery (Asia) Limited, Unit 620-622 & 626, 6/F, Ocean Center,5 Canton Road, Tasim Sha Tsui, Kowloon, Hong Kong	Hong Kong.	Brand New	4,138,735.00	15.00	3.00	12.00	3,310,988
2015	Sewing Machine	Juki Singapore PTE limited20 Bendemeer Road# 04-12 Cyber hub, Singapore	Singapore	Brand New	15,075,230.10	15.00	3.00	12.00	12,060,184
2015	Sewing Machine	Brother International Singapore Pte Ltd.20 Upper Circular Road #04-01/02	Singapore	Brand New	12,742,109.91	15.00	3.00	12.00	10,193,688
2016	5 Thered InterLock Machine	R.M.I Automobile	Singapore	Singapore	1,951,626.82	15.00	2.00	13.00	1,691,410
2016	Kansai Machine	60, Sabbir Chember (1 st Floor), Agrabad C/A,			3,027,288.92	15.00	2.00	13.00	2,623,650

Year of Purchase	Machinery Name	Seller Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimated Life	Used Life	Remaining Life	Remaining Value
2016	Flat Lock Machine	Chittagong (Supplier-Juki Singapore)			287,064.65	15.00	2.00	13.00	248,789
2016	Snap Button Machine				202,248.86	15.00	2.00	13.00	175,282
2016	InterLock Machine				923,459.14	15.00	2.00	13.00	800,331
2016	Bartack Machine	R.M.I Automobile 60, Sabbir Chember (1 st Floor), Agrabad C/A, Chittagong (Supplier-Juki Singapore)	Singapore	Singapore	1,163,539.68	15.00	2.00	13.00	1,008,401
2016	Button Attach Machine				868,164.64	15.00	2.00	13.00	752,409
2016	Sewing Machine Vacuum Table				221,842.77	15.00	2.00	13.00	192,264
2016	Button Hole machine				974,263.52	15.00	2.00	13.00	844,362
2016	Sewing Machine				551,941.48	15.00	2.00	13.00	478,349
2016	End Cutter				550,018.87	15.00	2.00	13.00	476,683
2016	Calf Forming Neck Press Machine				431,870.61	15.00	2.00	13.00	374,288
2016	Sewing Machine Vacuum Table	446,202.21	15.00	2.00	13.00	386,709			
2016	Needle Detector Machine	226,456.80	15.00	2.00	13.00	196,263			
2016	Boiler Accessories	218,852.32	15.00	2.00	13.00	189,672			
2016	Button Sewing Machine	1,223,953.84	15.00	2.00	13.00	1,060,760			
2016	Special Iron (Ele+Steel)	R.M.I Automobile 60, Sabbir Chember (1 st Floor), Agrabad C/A, Chittagong (Supplier-Juki Singapore)	Singapore	Brand New	310,646.18	15.00	2.00	13.00	269,227
2016	Heat Transfer Machine				960,461.97	15.00	2.00	13.00	832,400
2016	Calf Forming Neck Press Machine				848,780.34	15.00	2.00	13.00	735,610
2016	Collar Turning & Trimming				598,431.74	15.00	2.00	13.00	518,641
2016	Sewing Machine 2 Needle				1,064,383.63	15.00	2.00	13.00	922,466
2017	Lock Stitch Sewing Machine				4,272,174.91	13.00	1.00	12.00	3,943,546
2017	Over Lock Sewing Machine				1,489,272.74	15.00	1.00	14.00	1,389,988
2017	Top & Button Cover Stitching Machine				1,630,485.99	15.00	1.00	14.00	1,521,787
2017	Elastic Inserting Machine				608,066.36	15.00	1.00	14.00	567,529
2017	Sewing Machine 2 Needle				2,196,380.92	15.00	1.00	14.00	2,049,956
2017	3 Needle 5 Theret Flat Stitch Machine		4,370,276.16	15.00	1.00	14.00	4,078,924		
2017	3 Needle 5 Theret Flat Stitch Machine		7,926,414.07	15.00	1.00	14.00	7,397,986		
2017	Cloth Cutting Machine		512,428.85	15.00	1.00	14.00	478,267		
2017	Cloth Cutting Machine		3,029,704.47	15.00	1.00	14.00	2,827,724		
2017	3 Needle Fed Of Arm Chainstitcher		1,648,149.72	15.00	1.00	14.00	1,538,273		
2017	Fushing Machine		1,172,833.45	15.00	1.00	14.00	1,094,645		
2017	Thread Machine		877,416.91	15.00	1.00	14.00	818,922		
2017	6 Therd Over Lock Machine		4,100,270.18	15.00	1.00	14.00	3,826,919		
2017	Eyelet Button Hole Machine		2,914,187.67	15.00	1.00	14.00	2,719,908		
2017	Sewing Machine		3,436,221.46	15.00	1.00	14.00	3,207,140		
2017	Sewing Machine	2,754,276.80	15.00	1.00	14.00	2,570,658			

Year of Purchase	Machinery Name	Seller Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimated Life	Used Life	Remaining Life	Remaining Value
2017	Collar Press Machine				478,058.30	15.00	1.00	14.00	446,188
2017	Sidecutter Sewing Machine				717,506.03	15.00	1.00	14.00	669,672
2017	InterLock Machine				1,484,458.67	15.00	1.00	14.00	1,385,495
2017	Bartack Machine	R.M.I Automobile 60, Sabbir Chember (1 st Floor), Agrabad C/A, Chittagong (Supplier-Juki Singapore)	Taiwan	Brand new	1,009,885.69	15.00	1.00	14.00	942,560
2017	Button Attach Machine				862,125.64	15.00	1.00	14.00	804,651
2017	Kansai Machine				2,966,215.77	15.00	1.00	14.00	2,768,468
2017	Flat Lock Machine				108,408.23	12.00	1.00	11.00	99,374
2017	Bartack Machine				1,757,713.30	15.00	1.00	14.00	1,640,532
2017	Button Hole machine				789,002.06	15.00	1.00	14.00	736,402
2017	Button Attach Machine		1,231,353.94	15.00	1.00	14.00	1,149,264		
2017	Sewing Machine Vacuum Table		Singapore	Brand New	620,987.10	12.00	1.00	11.00	569,238
2017	Calf Forming Neck Press Machine				342,394.12	15.00	1.00	14.00	319,568
2017	Sewing Machine Vacuum Table				374,294.69	12.00	1.00	11.00	343,103
2017	Special Iron (Ele+Steel)				217,372.34	13.00	1.00	12.00	200,651
2017	Collar Terming Blocking				426,612.41	15.00	1.00	14.00	398,172
2017	Cloth Cutting Machine				310,762.04	15.00	1.00	14.00	290,045
							556,643,239		

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

No machinery is required to be brought by the issuer except the machine to be brought from IPO proceeds. Details are given as follows;

✚ **Date of Placement of Order:** After receiving IPO Fund

✚ **Date or Expected date of Supply:** 120 Days from the placement of order

Sl. No	Name of Supplier	Country of origin	Description	Model	Qty (Set)	Unit price in USD	Total in USD	Exc. Rate (BDT)	Total Amount In BDT
1	Brother Machinery (Asia) Limited	USA	Eastman pro CAD Software including 4 Module, pattern making (Split key), marker making (Split key), nesting and grading with plotter, SPECIAL PROGRAM, Converter, Digitizer.	EPSDNS (USA)	10	38,400	384,000	78.50	30,144,000
2		TAIWAN, CHINA	Vietnam assembled, High speed 3 -needle,5-thread, flatbed interlock stitch equipped with special Oil Barrier Type Machine, Complete set with Taiwan made Direct Drive Servo Motor (500W, 50HZ, 220 V), China made table and stand with Caster and Standard Accessories.	W3562P-01GX356BS	45	1,935	87,075	78.50	6,835,388
3		TAIWAN, CHINA	Vietnam assembled, High-speed 2-needle, 5-thread, overlock Machine, Complete set with Taiwan made Direct Drive Servo Motor (500W, 50HZ, 220 V), China made table and stand with Caster and Standard Accessories.	M932-70-5X5	45	1,399	62,955	78.50	4,941,968
4		CHINA	Vietnam assembled, High-speed 3-needle,6-thread, Overlock Machine, Complete set with China made Clutch Motor (400W, 50HZ, 220 V), table and stand with Caster and Standard Accessories.	M832-355-3X2X4	40	1,213	48,520	78.50	3,808,820
5		JAPAN	Japan Made Head, Hi-Speed, Flat Bed double chain stitch Machine with pre-installed, 11 Needle Gauge and extra Puller conversion sets, Complete set with standard Accessories, China Made Clutch Motor(400W, 220v, 50HZ), Table and Stand.	DFV-1411P-XP	10	1,450	14,500	78.50	1,138,250
6		CHINA, MALAYSIA	Twin Needle Lock stitched for Havey Material. China Made Head and Servo Motor, Malaysia made, table and stand with caster wheel.	T-8420C-005-N64D	45	1,250	56,250	78.50	4,415,625
7		JAPAN	Japan Made Head,3 Needle Feed of The Aram chain stitcher for heavy materials with puller. China made servo Motor, Malaysia made Table and Stand with Caster Wheel.	DA -9280-5-364H/PF-H	20	3,750	75,000	78.50	5,887,500
8		CHINA, MALAYSIA	Direct Drive Electronic Lock Stitch Bar Tacker for heavy material. China made head and control box, Malaysia made table and stand with caster wheel	KE-430FS II-05	15	2,900	43,500	78.50	3,414,750
9		CHINA, MALAYSIA	Submerge Table, electronic eyelet buttonhole machine with upper and lower thread trimmer, Japan Made head China made control box Malaysia made table & stand.	RH-9820-02-12	20	9,800	196,000	78.50	15,386,000
10		Boiler	Oil operated Boiler for the expansion unit			1	24,000	24,000	78.50
Total Cost of Machinery									77,856,300
L/C Commission & Other Charges, Insurance, Other Customs Related Charges, C&F Commission & Other Charges									7,552,061
Civil Works, Electrical Works, Labor Charge, Expertise Charges, Loading Unloading Changes & Contingent Cost									4,379,179
Total Cost Of Machinery									89,787,540

- (x) **In case the machinery is yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned:**
 There is no such machinery which is yet to be delivered.

- (xi) **If the plant is purchased in brand new condition then it should be mentioned;**
 All plants and machineries of the Company were purchased in brand new condition.

DECLARATION RELATED TO MACHINERIES BEING BRAND NEW

We do hereby declare that all of the Plants and Machinery of Kattali Textile Limited at a Total Cost of **Tk. 556,643,239** which Written down Value is **Tk. 349,067,169** as of **30th June 2017** were purchased in Brand new condition from the date of inception. There are no Reconditioned or Second-hand Machinery installed in the Company

Place: Dhaka
 Date: 25th November, 2017

Sd/-
Shiraz Khan Basak
 Chartered Accountants

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

The Company has neither purchased any second hand or reconditioned machineries nor any plan to purchase in future.

- (xiii) **A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission:**

PHYSICAL VERIFICATION REPORT (BY THE ISSUE MANAGER) Of Kattali Textile Limited

This is to certify that we have visited the registered office and factory of **Kattali Textile Limited** on November 15, 2016 and we have found the registered office and factory as details below:

Visited and Accompanied by:

Particulars	Name & Designation	Company
Visited by	Md. Maniruzzaman Chowdhury, Chief Executive Officer (CC)	NRB Equity Management Limited
	Md. Fatehul Hasan, Senior Officer	
Accompanied by	Md. Emdadul Hoque Chowdhury, Managing Director	Kattali Textile Limited
	Md. Zakir Hossain, GM (Factory)	

Company Overview

Kattali Textile Limited (KTL) was incorporated as a Private Limited Company on 26 June, 2002 under the Companies Act 1994. It was converted into a Public Limited Company on October 17, 2016. The authorized and paid-up capital of the company is as follows:

Particulars	Amount in Taka
Authorized Capital	900,000,000
Paid up Capital	550,000,000
The proposed IPO Size (in Tk.)	340,000,000
IPO Size (in share)	34,000,000
Face Value	10/-

Registered Office:

The Registered office of the Company is situated at Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong-4217.

Nature of Business:

The principal activities of the company are to produce and export of different types of garment products like Men's Long Shirt, Boys Pant, Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Flt Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, and Man's Top etc. It is serving many international buyers in the North American and the European markets. The principal buyers of the company are Wall-mart, GRAN INC (USA), Regatta Limited, Kohl's, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautica, etc. The company won many awards for its quality products and compliance with economy standards.

Products

The principal product of the Company is 100% export oriented woven Garments in different constructions. During the visit time the production of the factory was running smoothly.

Location of the Factory:

The factory is situated at Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong 4217.

Description of Property:

We have identified the properties of Kattali Textile Limited are as follows:

Land: We have found 74 decimal of land surrounded by Boundary wall.

Factory Building:

During the course of our visit we have identified the registered office of Kattali Textile Limited. The office premises are located at Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong-4217.

We have also inspected the factory buildings of Kattali Textile Limited. The factory building is located in Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli, Chittagong-4217.

Details of the status of the building are discussed below:

Number of Buildings	Building Description	Type of Buildings	Total Building Area (sqft)	Usage (sft)
Building-1	Six Stories Factory & Office Building	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC- Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in the window, Industrial Door, M.S Grill in Window.	66,000	66,000
Building-2	Boiler House	Pillar-RCC, Wall-Brick, Roof-Prefabricated Steel	1,100	1,100
Building-3	Substation Room	Pillar-RCC, Wall-Brick, Roof-Prefabricated Steel	1,100	1,100
Building-4	Child Care	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window RCC Roof	300	300
Building-5	Wastage Godown	Pillar-RCC, Wall-Brick, Roof-Prefabricated Steel	750	750
Building-6	Canteen	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	750	750
Building-7	Security House	RCC Roof	110	110
Building-8	Road	RCC & Brick made Internal Road	350	350
Building-9	Water Tank Underground	Brick Wall and RCC Roof.	150	150
Building-10	Dormitory (CDA)	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	2,540.40	2,540.40
Building-11	Gulshan Flat:		3,160.00	3,160.00

Plant & Machinery and Office Equipment:

In the prospectus the issuer mentioned, they bought all the machineries in brand new condition. After visiting the factory site, we are absolutely convinced with their reports. Besides these assets we have also found other assets like Furniture & Fixture, Electric Installation, Office Equipment, Electric Substation, Fire Fighting Equipment, Motor Car and Others. It is also mentionable here that during our visit, we also checked Inventory register and roster (Workers" duty register) and found satisfactory. We also noticed that all machineries of KTL are in good condition and running well.

Factory Worker:

Officer and workers were present during the visit time about 895 workers found working in the factory.

Signboard:

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

For the Issue Manager

Sd/-

Md. Maniruzzaman Chowdhury
 Chief Executive Officer (CC)
 NRB Equity Management Limited

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

The issuer is not entitled to any intellectual property right or intangible asset.

- (xv) Full description of other properties of the issuer.

Name of the Assets	Amounts in Taka
	30-06-2017
Land and Land Development	45,769,288
Factory Building and other construction	204,019,314
Plant & Machinery	349,067,169
Electric Installation	12,706,795
Tools & Equipment	21,513,475
Office Equipment	14,173,760
Furniture and Fixtures	17,975,885
Fire Fighting Equipment	12,113,380
Motor Car	4,669,814
Electric Sub-Station	4,167,085
Factory Equipment	25,279,864
Total	711,455,828

Details of Factory Building and other construction

Number of Buildings	Building Description	Types Of Buildings	Total Building Area	Usage (sft)	W.D.V (BDT) As on 30 Jun, 2017	Status of Use
Building-1	Six Floor Factory & Office Building	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall-Weather Coat Thai Aluminum & 5mm Glass in the window, Industrial Door, M.S Grill in Window.	66,000	66,000	204,019,314	In good condition
Building-2	Boiler Room	Pillar-RCC, Wall-Brick, Roof-Prefabricated Steel	1,100	1,100		
Building-3	Substation Room		1,100	1,100		
Building-4	Child Care	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall-Weather Coat, Thai Aluminum & 5mm Glass in window RCC Roof	300	300		
Building-5	Wastage Godown	Pillar-RCC, Wall-Brick, Roof-Prefabricated Steel	750	750		
Building-6	Canteen	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall-Weather Coat, Thai Aluminum & 5mm Glass in window RCC Roof	750	750		
Building-7	Security House	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall-Weather Coat, Thai Aluminum & 5mm Glass in window RCC Roof	110	110		
Building-8	Road	RCC Rod and Bricks	350	350		
Building-9	Water Tank Underground	Brick Wall and RCC Roof	150	150		
Building-10	Dormitory	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall-Weather Coat, Thai Aluminum & 5mm Glass in window	2,540.40	2,540.40		
Building-11	Gulshan Flat	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall-Weather Coat, Thai Aluminum & 5mm Glass in window	3,160	3,160		

Details of the Plant & Machinery:

There is no other Plant & Machinery of the issuer except as mentioned under the paragraph of "Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value"

Details of Furniture & Fixture:

Furniture & Fixture				
Sl No.	Particulars	Qty	Total Cost	WDV (30.06.2017)
1	Almirah	39	24,502,074	17,975,885
2	Bed	24		
3	Decoration	22		
4	Executive Chair	278		
5	File Cabinet	20		
6	Rack	92		
7	Sofa	3		
8	Table	281		
9	Tools	15		
10	Visitor Chair	104		

Details of Office Equipment:

Office Equipment				
Sl No.	Particulars	Qty	Total Cost	WDV (30.06.2017)
1	Computer & Other Accessories		19,524,936	14,173,760
2	Air Conditioner	28		
3	Fax Machine	3		
4	Fingerprint	1		
5	Laptop	12		
6	PC	43		
7	Photocopier	5		
8	Printer	24		
9	Projector	1		
10	Refrigerator	1		
11	Scanner	10		
12	Server	3		
13	Speaker	1		
14	Telephone	75		
15	Intercom	2		
16	TV	1		
17	UPS	6		
18	CC Camera	35		
19	Smoke Ditector	280		
20	Gas Musk	16		

Details of Electric Substation:

Electric Substation				
Sl No.	Particulars	Qty	Total Cost	WDV (30.06.2017)
1	Electric Substation		4,922,058	4,167,085

Details of Motor Car:

Motor Car				
Sl No.	Particulars	Qty	Total Cost	WDV (30.06.2017)
1	Motor Car	2	8,920,000.00	4,669,814

E. PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION.

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

This section is not applicable for the issuer because the issuer (Kattali Textile Limited) started its commercial operation on 01 March, 2004.

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

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

Revenues and results from the operation:

Kattali Textile Limited					
Comparative Statements of Comprehensive Income					
Particulars	For the year ended (Amounts In Taka)				
	30-06-2017	30-06-2016	31-08-2015	31-08-2014	31-08-2013
Net Turnover	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
Cost of Sales	(459,349,206)	(376,508,354)	(459,020,362)	(451,141,557)	(422,660,550)
Gross Profit/ (Loss)	135,946,059	109,757,750	105,368,223	110,500,724	94,845,739
Operating Expenses	(24,402,563)	(19,313,534)	(23,587,108)	(24,118,222)	(21,827,263)
Operating Profit / (Loss)	111,543,496	90,444,216	81,781,114	86,382,502	73,018,476
Financial Expenses	(5,820,380)	(8,785,948)	(4,478,121)	(3,043,215)	(886,476)
Profit Before Non Operating Income	105,723,116	81,658,268	77,302,993	83,339,287	72,132,000
Non- Operating Income	1,291,552	1,402,113	2,083,049	2,660,976	2,661,563
Profit Before Income Tax	107,014,668	83,060,381	79,386,042	86,000,263	74,793,563
Provision For Income Tax	(128,840)	(25,191,255)	(11,907,906)	(17,776,503)	(7,479,356)
Current Tax	(8,841,340)	(11,332,017)	(5,690,581)	(8,009,219)	(5,081,190)
Differed Tax	8,712,500	(13,859,238)	(6,217,325)	(9,767,284)	(2,398,166)
Profit available for appropriation	106,885,828	57,869,126	67,478,136	68,223,760	67,314,207
Earnings Per Share (Basic)	2.07	1.99	2.45	2.73	3.04
Earnings Per Share (Diluted)	1.94	1.05	1.23	1.24	1.22

Kattali Textile Limited
Comparative Financial Statements

Particulars	For the year ended(Amounts in Taka)				
	30-Jun-17	30-Jun-16	31-Aug-15	31-Aug-14	31-Aug-13
ASSETS					
NON CURRENT ASSETS	776,871,445	594,139,198	571,368,939	559,363,389	433,167,264
Property, Plant & Equipment	711,455,829	568,412,333	571,368,939	559,363,389	433,167,264
Capital Work-in Process	65,415,616	25,726,865	-	-	-
CURRENT ASSETS	485,151,282	442,827,429	319,308,170	270,586,744	236,063,680
Advances, Deposits and Prepayments	68,992,696	78,500,735	27,679,545	23,534,239	17,966,970
Inventory	161,083,792	137,696,337	96,685,367	92,388,247	75,308,855
Trade Receivables	254,730,081	224,525,934	193,118,326	151,457,364	132,595,601
Cash and Cash Equivalents	344,712	2,104,423	1,824,932	3,206,894	10,192,254
TOTAL ASSETS	1,262,022,726	1,036,966,627	890,677,109	829,950,133	669,230,944
EQUITY & LIABILITIES					
SHAREHOLDERS' EQUITY	1,126,437,056	543,501,980	457,697,354	390,219,218	321,995,458
Share Capital	550,000,000	99,999,000	5,000,000	5,000,000	5,000,000
Retained Earnings	576,437,056	443,502,980	452,697,354	385,219,218	316,995,458
NON CURRENT LIABILITIES	33,137,855	306,642,267	232,487,730	223,130,839	171,633,555
Share Money deposit	-	264,393,559	203,610,628	203,610,628	161,880,628
Deferred Tax	30,884,274	39,596,774	25,737,537	19,520,211	9,752,927
Long term loan (Non-Current Portion)	2,253,581	2,651,934	3,139,565		
CURRENT LIABILITIES	102,447,815	186,822,380	200,492,025	216,600,076	175,601,931
Accounts Payable	3,932,481	3,371,290	4,852,000	6,009,707	6,426,731
Liabilities for expense	39,357,976	37,894,874	27,194,093	21,035,624	12,809,164
Long Term Loan (Current Portion)	398,325	396,197	-	-	-
Short Term Loan	26,440,767	117,250,613	145,232,108	163,311,641	150,559,799
Bank Overdraft	32,318,266	27,909,406	23,213,824	26,243,105	5,806,237
Total Liabilities	135,585,670	493,464,647	432,979,755	439,730,915	347,235,486
TOTAL EQUITY & LIABILITIES	1,262,022,726	1,036,966,627	890,677,109	829,950,133	669,230,944

Changes in financial position

Particulars	Share Capital	Retained Earnings	Total Equity
As at Jun 30, 2017	550,000,000	576,437,056	1,126,437,056
As at Jun. 30, 2016	99,999,000	443,502,980	543,501,980
As at Aug. 31, 2015	5,000,000	452,697,354	457,697,354
As at Aug. 31, 2014	5,000,000	385,219,218	390,219,218
As at Aug. 31, 2013	5,000,000	316,995,458	321,995,458

Statements of Cash Flows

Particulars	Amount in Taka				
	For the Year Ended				
	30- June-2017	30-June-2016	31- Aug-2015	31- Aug-2014	31- Aug-2013
Cash Flows from Operating Activities					
Cash Receive from Customers	566,382,669	456,260,610	524,810,671	545,441,494	488,439,297
Cash paid From Suppliers	(446,227,355)	(451,096,814)	(443,675,366)	(448,294,696)	(433,246,168)
Payment of Income Tax	(3,955,638)	(2,729,151)	(3,136,366)	(4,342,244)	(3,886,222)
Net Cash Inflow/outflow from Operating Activities	116,199,676	2,434,645	77,998,939	92,804,554	51,306,907
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	(171,260,487)	(32,983,425)	(56,933,532)	(171,665,408)	(122,444,148)
(Increase)/ Decrease in Capital Work in Progress	(39,688,751)	(25,726,865)	-	-	-
Net Cash Outflow from Investing Activities	(210,949,238)	(58,710,290)	(56,933,532)	(171,665,408)	(122,444,148)
Cash Flows from Financing Activities					
Bank Overdraft	4,408,860	4,695,582	(3,029,281)	20,436,868	401,550
Share Money Deposit	185,607,441	88,718,431	-	41,730,000	30,811,882
Proceeds from Short Term Loan	(90,809,846)	(27,981,495)	(18,079,532)	12,751,839	44,341,598
Proceeds from Long Term Loan	(396,225)	(91,434)	3,139,565	-	-
Cash Paid for Financial Expenses	(5,820,380)	(8,785,948)	(4,478,121)	(3,043,215)	(886,476)
Net Cash Inflow/(Outflow) from Financing Activities	92,989,851	56,555,136	(22,447,369)	71,875,492	74,668,554
Net Increase of Cash and Cash Equivalents (A+B+C)	(1,759,711)	279,491	(1,381,961)	(6,985,361)	3,531,312
Cash and Cash Equivalents at the Beginning of the year	2,104,423	1,824,932	3,206,894	10,192,254	6,660,942
Cash and Cash Equivalents at the end of the year (D+E)	344,712	2,104,423	1,824,932	3,206,894	10,192,254
Net Operating Cash Flow Per Share (NOCFPS) (Basic)	2.25	0.08	2.83	3.72	2.32

(a) Internal and external sources of cash:

The internal sources of cash of the company are the share capital and retained earnings. The external sources of cash are bank loans.

Particulars	As per Audited Accounts				
	Year Ended				
	30.06.2017	30-Jun-16	31-Aug-15	31-Aug-14	31-Aug-13
Internal Sources of Cash: (Amount in BDT)					
Paid up Capital	550,000,000	99,999,000	5,000,000	5,000,000	5,000,000
Retained Earnings	576,437,056	443,502,980	452,697,354	385,219,218	316,995,458
Sub-Total	1,126,437,056	543,501,980	457,697,354	390,219,218	321,995,458
External Sources of Cash:					
Share Money Deposit	-	264,393,559	203,610,628	203,610,628	161,880,628
Long Term Loan	2,651,906	3,048,131	3,139,565	-	-
Short Term Loan	26,440,767	117,250,613	145,232,108	163,311,641	150,559,799
Bank Overdraft	32,318,266	27,909,406	23,213,824	26,243,105	5,806,237
Sub-Total	61,410,939	412,601,709	375,196,125	393,165,374	318,246,664
Grand Total	1,187,847,995	956,103,689	832,893,479	783,384,592	640,242,122

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

KTL has no other material commitments for capital expenditures except for those mentioned in the "Utilization of IPO proceeds" in this prospectus.

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

The Company's revenue and other income, as well as operating expenses and net income, have continued to change due to increasing business volume.

Particulars	For the year ended (Amounts In Taka)				
	30-06-2017	30-06-2016	31-08-2015	31-08-2014	31-08-2013
Net Turnover	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
Cost of Sales	(459,349,206)	(376,508,354)	(459,020,362)	(451,141,557)	(422,660,550)
Gross Profit/ (Loss)	135,946,059	109,757,750	105,368,223	110,500,724	94,845,739
Operating Expenses	(24,402,563)	(19,313,534)	(23,587,108)	(24,118,222)	(21,827,263)
Operating Profit / (Loss)	111,543,496	90,444,216	81,781,114	86,382,502	73,018,476
Financial Expenses	(5,820,380)	(8,785,948)	(4,478,121)	(3,043,215)	(886,476)
Profit Before Non Operating Income	105,723,116	81,658,268	77,302,993	83,339,287	72,132,000
Non- Operating Income	1,291,552	1,402,113	2,083,049	2,660,976	2,661,563
Profit Before Income Tax	107,014,668	83,060,381	79,386,042	86,000,263	74,793,563
Provision For Income Tax	(128,840)	(25,191,255)	(11,907,906)	(17,776,503)	(7,479,356)
Current Tax	(8,841,340)	(11,332,017)	(5,690,581)	(8,009,219)	(5,081,190)
Differed Tax	8,712,500	(13,859,238)	(6,217,325)	(9,767,284)	(2,398,166)
Net Profit After Tax	106,885,828	57,869,126	67,478,136	68,223,760	67,314,207

Revenues:

Production capacity has been increased in every year by installing plant and machinery. Resultant, period to period changes in revenues has arisen.

Cost of goods sold:

The increase of cost of goods sold in period to period is in the line with sales volume.

Other operating expenses:

The increase of operating expenses in period to period is in the line with production and sale volume.

Net income:

Net income increased in the period to period is in line with sales volume.

(d) Any seasonal aspects:

The requirement of Garments product is all around the year in almost the same volume, since the demand remains more or less the same in all seasons. Therefore, the companies business is not significantly affected by the seasonal aspect and also Kattali Textile Limited supplies its products to its permanent buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of KTL.

(e) Any known trends, events or uncertainties that may have a material effect on future business:

The known events that may affect the business operations of the Company are:

- ✚ Decrease in demand for the readymade garments products in the international market;
- ✚ Increased production cost;
- ✚ Scarcity of raw materials;
- ✚ Entrance of new Technology;
- ✚ Increased competition;
- ✚ Govt. Policy changes towards the industry;
- ✚ Political unrest;
- ✚ Natural disaster.

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

None of the operating assets of the Company has been disposed of to liquidate any liabilities of the Company.

(g) Any loan is taken from or given to any related party or connected person:

The Company did not take any loan from its Holding/Parent Company or Subsidiary Company or give to aforesaid.

(h) Any future contractual liabilities the issuer may enter into within next one year:

The Company has no plan to enter into any contract creating future liabilities for the Company except for those which are created in the normal course of business activities.

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

The Company does not have any plan for future capital expenditure except for those mentioned in the “Use of IPO Proceeds” section above in this prospectus.

(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities:

(i) Value Added Tax (VAT): Kattali Textile Limited is 100% export oriented. The government of Bangladesh has declared that there is no VAT on 100% export oriented project except local sale by the Bangladesh Gazette dated June 06, 2013 General Order No. 25/VAT/2013. As such, The Company does not have any outstanding VAT as on June 30, 2017. The company VAT registration no: 24101000223 and area code: 240302.

(ii) Income Tax: As per certificate of the Deputy Commissioner of Taxes, The Company’s e-TIN No-431261923476, Tax Circle-046 (Companies), Taxes Zone -03, Chittagong. For the assessment of the company, Income Tax Return has been submitted and the assessment is under process. The applicable tax rate is 12.0% being 100% export oriented company. Year-wise Income Tax status of the Company is depicted below:

Income year	Assessment Year	Status
2016-2017	2017-2018	Income Tax Return is submitted & Assessment is in under process
2015-2016	2016-2017	
2014-2015	2016-2017	
2013-2014	2015-2016	
2012-2013	2014-2015	Income Tax Return was submitted and assessment was completed.

(iii) Customs Duty and other tax liability: Customs duty is not applicable to the Company. There is no customs duty or other tax liability of the Company as on 31 June, 2017.

(iv) Contingent Liability: There exists no situation involving KTL for which any liability for the company is most likely to occur or which may create any possibility of the company’s liability in the near future.

(k) Any financial commitment, including lease commitment, the company had entered into during the past five years:

The Company has no financial commitment, including lease commitment, during the past five years; except the following land lease commitments:

Sl. No	Area (Sft)	Period	Rent per month (BDT)	Address
1	48 Decimal	25 years	325,000	Chowdhury Bari, Kornel Jones road, North Kattali, Chittagong-4217
2	6 Decimal	25 years	50,000	
3	26 Decimal	25 years	165,000	
4	1.44 Decimal	99 years	-	Mouza:- South Haliashahar, Saltgola, Patenga Road, Thana: Bandar, Chittagong

(l) Details of all personnel related schemes:

There are several benefits for the employee of Kattali Textile Limited like

- ✓ Attractive Salary & wages with two Festival Bonus
- ✓ Maternity Leave, Sick Leave & Casual Leave
- ✓ Medical care & Transport facility etc.

Kattali has an attractive Salaries & Wages structure along with two festival bonuses are introduced for the personal satisfaction over the company job for employees. Besides this there are maternity leave, sick leave, casual leave and medical care & transport facility. There are also benefits on natural death, the accidental death benefit (ADB), permanent total disability (PTT) and permanent partial disability (PPD) under the donation activities & corporate social responsibilities of the companies.

Workers Profit Participation Fund (WPPF)

The management has taken a decision as on 31st October 2017 to establish Workers Profit Participation Fund (WPPF).

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

The following amount, to be paid to the Issue Manager, Underwriters and other costs are as follows:

Sl.	Particulars	Nature of Expenditure	Amount in Tk. (approx.)
Issue Management Fees			
1	Manager to the Issue Fee	Maximum 2% (two percent) on the public offer amount.	3,000,000
2	VAT against Issue Management Fees	@ 15% on Issue Management Fees	450,000
Listing Related Expenses			
3	Application Fee for Stock Exchanges	Tk. 50,000 for each exchanges	100,000
4	Listing Fee for Stock Exchanges (DSE & CSE)	@ 0.25% on Tk. 100 million of paid-up capital and 0.15% of the rest amount of paid-up capital; minimum Tk. 50,000 and Maximum Tk. 10 million for each exchange	2,870,000
5	Annual Fee for DSE & CSE	Fixed	890,000
BSEC Fees			
6	Application Fee	Fixed	50,000
7	BSEC Consent Fee	Fee @ 0.40% on the Public Offer amount	1,360,000
IPO Commission			
8	Underwriting Commission	Maximum 1% (One Percent) On 35% (Thirty-Five Percent) of the public offer amount.	595,000
9	Auditor Certification Fees	At Actual	250,000
CDBL Fees and Expenses			
10	Security Deposit	At Actual	500,000
11	Documentation Fee	At Actual	2,500
12	Annual Fee	At Actual	100,000
13	Connection Fee	At Actual	6,000
14	IPO Fees	@0.015% of issue size+0.015% of Pre- IPO paid up capital	133,500
Printing and Post-IPO Expenses			
15	Publication of Prospectus	Estimated (to be paid at actual)5,000 nos of prospectus	800,000
16	Abridged version of Prospectus and Notice in 4 daily newspaper	Estimated (to be paid at actual)	750,000
17	Notice for Prospectus, Lottery, Refund etc. in 4 daily newspaper		300,000
18	Lottery Conducting Expenses & BUET Fee		1,000,000
19	Collection of Forms, Data Processing and Share Software Charge		5,440,000
20	Allotment and Refund		220,000
21	Stationeries and other expenses		307,000
Grand Total			19,124,000
N.B.: Actual costs will vary if above-mentioned estimates differ and will be adjusted accordingly.			

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

Kattali Textile Limited has not revalued any of its assets as on 30 June, 2017.

- (o) Where the issuer is a holding/ subsidiary company, full disclosure about the transactions, including transactions which had taken place within the last five years of the issuance of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or creditor;

Kattali Textile Limited has no subsidiary nor it is operated under a holding company nor does it have any associate company. Hence, no transaction has taken place.

- (p) **Financial Information of Group Companies:** the following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

The Company has no subsidiary/holding company or associate company. Therefore, no transaction has taken place. However, the Directors of the company are involved in other companies which are disclosed in the brief information about Directors in Page 100 of Draft Prospectus and the transaction with those companies are also disclosed in the Section - "Related Party Transactions"

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

The issuer Company is not a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator for this reason this subsection is not applicable for the Issuer.

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

CERTIFICATION REGARDING ANY ALLOTMENT OF SHARES TO ANY PERSON FOR ANY CONSIDERATION OTHERWISE THAN CASH ALONG WITH RELATIONSHIP OF THAT PERSON WITH THE ISSUER

This is to clarify that, **Kattali Textile Limited** has not allotted any Shares other than Cash except issuance of a Bonus Share as on **6th December 2015** for **6,706,350 Shares @ Tk. 10.00** each to the existing Shareholders. A table is given below regarding the allotment of shares to any person for any consideration otherwise than cash along with the relationship of that person with the issuer and rationale of the issue price of the shares:

Sl No	Name of the Shareholders	Relation with The Issuer	No of Share(s)	Issue price	Value
1	Mrs. Nasreen Hoque	Chairman	5,89,200	10.00	58,92,000
2	Md. Emdadul Hoque Chowdhury	Managing Director	19,36,400	10.00	1,93,64,000
3	Md. Anwarul Haque Chowdhury	Director	1,11,900	10.00	11,19,000
4	Md. Mokarrom Anwar Chowdhury		1,11,900	10.00	11,19,000
5	M/s Dayang Traders	Shareholder	2,13,700	10.00	21,37,000
6	Tasnim Sayed		1,11,900	10.00	11,19,000
7	Eian Appeals Limited	Director	2,13,700	10.00	21,37,000
8	Lucky Corner		2,13,700	10.00	21,37,000
9	D.N. Securities Limited	Shareholder	2,13,700	10.00	21,37,000
10	Lucky Shipping		2,14,400	10.00	21,44,000
11	Humaira Tabassum Chowdhury		3,35,100	10.00	33,51,000
12	Mr. Junaid Quader		12,400	10.00	1,24,000
13	Md. Farid Ahmed		3,35,100	10.00	33,51,000
14	Honorary Capt. (Ret.) Sk. Muzibul Haque		7,200	10.00	72,000
15	K.M Moshur Rahman		16,400	10.00	1,64,000
16	Hafsa Alam		3,35,100	10.00	3,351,000
17	Md. Bazlur Rahman		5,02,750	10.00	5,027,500
18	Nadira Akter		3,67,400	10.00	3,674,000
19	Md. Ruhul Azad		8,33,300	10.00	8,333,000
20	Mr. Hossain Md. Sufiullah		10,400	10.00	1,04,000
21	Mrs. Kismat Ara		14,200	10.00	1,42,000
22	Mr. SK. Rezaul Karim		6,500	10.00	65,000
Total			67,06,350		6,70,63,500

Dated: 27th September, 2017
Dhaka

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

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

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

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

Though the issuer company has already started its commercial operation since 2004, the rule is not applicable for Kattali Textile limited.

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

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

There was no significant adjustment given by the auditors during the last financial year. Summary of the financial results and operations are presented below:

Particulars	Amounts In Taka				
	30.06.2017	30.06.2016	31.08.2015	31.08.2014	31.08.2013
Non-Current Assets	776,871,445	594,139,198	571,368,939	559,363,389	433,167,264
Current Assets	485,151,282	442,827,429	319,308,170	270,586,744	236,063,680
Shareholder's Equity	1,126,437,056	543,501,980	457,697,354	390,219,218	321,995,458
Non-Current Liabilities	33,137,855	306,642,267	232,487,730	223,130,839	171,633,555
Current Liabilities	102,447,815	186,822,380	200,492,025	216,600,076	175,601,931
Turnover	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
Gross Profit	135,946,059	109,757,749	105,368,223	110,500,724	94,845,739
Non-Operating Income	1,291,552	1,402,113	2,083,049	2,660,976	2,661,563
Net Profit Before Tax	107,014,668	83,060,381	79,386,042	86,000,263	74,793,563
Total Comprehensive Income	106,885,828	57,869,126	67,478,136	68,223,760	67,314,207

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

Particulars	Amounts In Taka				
	30.06.2017	30.06.2016	31.08.2015	31.08.2014	31.08.2013
Turnover	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
Gross profit	135,946,059	109,757,749	105,368,223	110,500,724	94,845,739
Net profit before tax	107,014,668	83,060,381	79,386,042	86,000,263	74,793,563
Net profit after tax	106,885,828	57,869,126	67,478,136	68,223,760	67,314,207

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

There is only one product of the Company, which contributed to the Company's total revenue:

Product	Sales (June, 2017)	Income (June, 2017)	Sales (June 2016)	Income (June 2016)
100% Woven and Knit garments	595,295,265	106,885,828	486,266,104	57,869,125

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

There is only one product of the company, which is 100% woven Garments product in different constructions, but the Company's other income is not more than 10% of the total income.

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

The Company's income is not dependent upon a single customer or a few major customers.

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

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

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

Particulars	For the year ended (Amounts In Taka)				
	30-06-2017	30-06-2016	31-08-2015	31-08-2014	31-08-2013
Net Turnover	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
Cost of Sales	(459,349,206)	(376,508,354)	(459,020,362)	(451,141,557)	(422,660,550)
Gross Profit/ (Loss)	135,946,059	109,757,750	105,368,223	110,500,724	94,845,739
Operating Expenses	(24,402,563)	(19,313,534)	(23,587,108)	(24,118,222)	(21,827,263)
Operating Profit / (Loss)	111,543,496	90,444,216	81,781,114	86,382,502	73,018,476
Financial Expenses	(5,820,380)	(8,785,948)	(4,478,121)	(3,043,215)	(886,476)
Profit Before Non Operating Income	105,723,116	81,658,268	77,302,993	83,339,287	72,132,000

Particulars	For the year ended (Amounts In Taka)				
	30-06-2017	30-06-2016	31-08-2015	31-08-2014	31-08-2013
Non- Operating Income	1,291,552	1,402,113	2,083,049	2,660,976	2,661,563
Profit Before Income Tax	107,014,668	83,060,381	79,386,042	86,000,263	74,793,563
Provision For Income Tax	(128,840)	(25,191,255)	(11,907,906)	(17,776,503)	(7,479,356)
Current Tax	(8,841,340)	(11,332,017)	(5,690,581)	(8,009,219)	(5,081,190)
Differed Tax	8,712,500	(13,859,238)	(6,217,325)	(9,767,284)	(2,398,166)
Profit available for appropriation	106,885,828	57,869,126	67,478,136	68,223,760	67,314,207
Earnings Per Share (Basic)	2.07	1.99	2.45	2.73	3.04
Earnings Per Share (Diluted)	1.94	1.05	1.23	1.24	1.22

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

In the last few years, production capacity has been increased for efficient management and installation of new plant & machinery, as a result, significant revenue has been increased year by year.

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

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

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

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

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

The known events that may affect the business operations of the Company are:

- ✚ Decrease in demand for the readymade garments products in the local and international market,
- ✚ Increased production cost
- ✚ Scarcity of raw materials,
- ✚ Technological change,
- ✚ Increased competition
- ✚ Govt. Policy changes towards the industry,
- ✚ Political unrest & Hartal
- ✚ Flood and natural calamities.

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

The issuer is aware of the fact that future is always uncertain that affects business and plan as well. So the future labor price or material price may change. However, revenue is always adjusted and follows the trend in line with production cost. Hence, any change in cost will be reflected in sales price. Currently, the sector is growing year-on-year with annual sales of more than Tk. 18 billion so we have a strong influence on the market to set the trend as well.

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

We are expecting the increased net sales or revenue because of sales volume, new product line and sales price. It is forecasted that we will be able to increase our net sales or revenue of around 37.5% (Detail is given on the page no-151) percent on an average for the next 3 years.

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

In the financial year 2016-2017 the RMG industry generated US \$28.14 billion, which was 80.7% of the total export earnings in exports and 12.36% of the GDP. The overall investment in Bangladesh's RMG manufacturing sector has surpassed At present, Bangladesh annually exports around 34,655.92 Million of RMG Products, which earn foreign exchange revenue of nearly US\$ 100 million for the country, as per Bangladesh Garment Manufacturers and Exporters Association

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

The company did not announce new products or business segment.

8) The extent to which the business is seasonal:

Garment prepared from Woven Garments is exported from Bangladesh all around the year is almost in the same volume, since the world demand remains more or less same in all seasons. Therefore, the company's business is not significantly affected by the seasonal aspect.

- (w) **Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lockout, strikes and reasons for the same etc. during the history of operation of the company;**
The Company has neither rescheduled its borrowings with financial institutions/banks nor converted its loans into equity. There has been no lockout, strikes etc.
- (x) **Details regarding the changes in the activities of the issuer during the last five years which may have a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**
There were no changes in the activities of the Company during the last five years and it had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.
- (y) **Injunction or restraining order, if any, with possible implications;**
There was no injunction or restraining order from any Court of Law or competent authority during the entire life of the Company's business.
- (z) **Technology, market, managerial competence and capacity built-up;**
We have been using modern technology. We have modern machinery which is used to produce good quality products. Management is capable enough to deal with enhancing the capacity of the overall phenomenon of the business capacity and built-up to meet up the demand and have a maximum market share.
- (aa) **Changes in accounting policies in the last three years:**
The management of the Company has not changed any accounting policies in the last three years except the change of reporting period of financial statement from 31st August to 30 June from 2016 as per Financial Act, 2015.
- (bb) **Significant developments subsequent to the last financial year: A statement by the Directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months:**

STATEMENT REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

This is to certify that in our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Kattali Textile Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Nasreen Hoque
Chairman

Sd/-
Md. Emdadul Hoque Chowdhury
Managing Director

Sd/-
Md. Anwarul Haque Chowdhury
Director

Sd/-
Md. Mokarrom Anower Chowdhury
Director

Sd/-
Waduda Sabrina
(Nominee Director of Eian Apparels Ltd)
Director

Sd/-
Sifat Sabrina
(Nominee of Lucky Corner)
Director

Sd/-
Syed Manzur Quader
Independent Director

Sd/-
Mohammed Nurul Alam
Independent Director

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

An unaudited financial statement for 3rd Quarter as on 31st March, 2018 has been incorporated in the prospectus as below:

KATTALI TEXTILE LIMITED
Statement of Financial Position
as at 31st March, 2018

Assets	Amounts in Taka	
	31-Mar-18	30-Jun-17
Non Current Assets & Properties	745,710,425	776,871,445
Property, Plant & Equipment	676,919,809	711,455,829
Capital Work In Process	68,790,616	65,415,616
Current Assets	593,037,689	485,151,281
Inventories	201,892,642	161,083,792
Account Receivables	312,326,827	254,730,081
Advances, Deposits and Prepayments	72,904,319	68,992,696
Cash and Cash Equivalents	5,913,901	344,712
Total Assets	1,338,748,114	1,262,022,726
Shareholder's Equity & Liabilities		
Shareholder's Equity	1,206,083,521	1,126,437,055
Share Capital	550,000,000	550,000,000
Retained Earnings	656,083,521	576,437,055
Non-Current Liabilities	33,827,009	33,137,855
Deferred Tax	32,624,711	30,884,274
Long Term Loan (long term portion)	1,202,298	2,253,581
Current Liabilities	98,837,584	102,447,815
Term Loan	30,807,835	32,318,266
Long term Loan (Current Portion)	760,000	398,325
Accounts Payable	3,088,303	3,932,481
Liabilities For Expenses	48,639,606	39,357,976
Liabilities for Contribution to WPPF	4,525,367	-
Short Term Loan	11,016,473	26,440,767
Total Shareholder's Equity & Liabilities	1,338,748,114	1,262,022,726
Net Assets Value Per Share (NAV)	21.93	20.48

Sd/
Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Dated : April 18, 2018

Place: Dhaka

KATTALI TEXTILE LIMITED
Statement of Profit & Loss & Other Comprehensive Income
For the period from 1st July 2017 to 31st March, 2018

Particulars	Amount In Taka			
	3rd Quarter		9 Month	
	01 Jan, 2018 to 31 Mar, 2018	01 Jan, 2017 to 31 Mar, 2017	01 Jul, 2017 to 31 Mar, 2018	01 Jul, 2016 to 31 Mar, 2017
Turnover	164,269,339	161,166,745	490,465,749	419,742,564
Cost of Goods Sold	(122,389,482)	(125,849,039)	(372,235,667)	(326,376,617)
Gross Profit	41,879,857	35,317,706	118,230,082	93,365,947
Operating Expenses	(6,493,668)	(6,607,535)	(18,294,790)	(17,207,925)
Operating Profit	35,386,189	28,710,171	99,935,293	76,158,023
Financial Expenses	(2,630,463)	(1,956,854)	(5,992,073)	(4,453,576)
Profit before Non Operating Income	32,755,726	26,753,317	93,943,220	71,704,446
Other Income	404,129	192,665	1,089,494	757,331
Profit before Income Tax & WPPF	33,159,855	26,945,982	95,032,714	72,461,777
Provision for WPPF	(1,579,041)	-	(4,525,367)	-
Net Profit before Income Tax	31,580,814	26,945,982	90,507,346	72,461,777
Provision for Income Tax	(4,141,400)	16,226,854	(10,960,802)	4,017,507
Current Taxes	(3,337,682)	(2,489,699)	(9,120,445)	(5,339,022)
Deferred Taxes	(803,718)	18,716,553	(1,740,437)	9,356,529
Total Comprehensive Income for the year	27,439,333	43,172,836	79,646,465	76,479,284
Earnings Per Share (EPS)	0.50	0.79	1.45	1.39

Sd/
Director

Sd-
Company Secretary

Sd-
Chief Financial Officer

Sd-
Managing Director

Dated: April 18, 2018

Place: Dhaka

KATTALI TEXTILE LIMITED
Statement of Changes in Equity
for the period from 1 July 2017 to 31 March, 2018 (3rd Quarter)

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Equity
Opening Balance as on 01 July 2017	550,000,000	576,437,056	1,126,437,056
Addition during the period	-	-	-
Net Profit (after tax) transferred from Statement of Comprehensive Income		79,646,465	79,646,465
Balance at the end of the period 31 Mar 2018	550,000,000	656,083,521	1,206,083,521

for the period from 1 July 2016 to 31 March, 2017 (3rd Quarter)

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Equity
Opening Balance as on 01 July 2016	550,000,000	443,502,980	993,502,980
Addition during the period	-	-	-
Adjustment for Excess Depreciation		26,048,248	26,048,248
Net Profit (after tax) transferred from Statement of Comprehensive Income		76,479,284	76,479,284
Balance at the end of the period 31 Mar. 2017	550,000,000	546,030,512	1,096,030,512

Sd/
Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Dated: April 18, 2018

Place: Dhaka

KATTALI TEXTILE LIMITED
Statement of Cash Flows
For the period from 1st July 2017 to 31st March, 2018 (3rd Quarter)

Particulars	Amounts In Taka	
	01 Jul, 2017 to 31 Mar, 2018	01 Jul, 2016 to 31 Mar, 2017
A. Cash Flows from Operating Activities		
Received from Customers	432,869,003	421,188,220
Paid to Suppliers & Others	(376,241,837)	(301,853,810)
Paid for Operating Expenses	(17,446,525)	(14,745,774)
Received from Other Sources	1,089,494	757,331
Payment of Income Tax	(3,030,083)	(2,527,129)
Net Cash Inflow from Operating Activities	37,200,852	102,818,838
B. Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(4,679,457)	(171,260,487)
Proceeds from Capital Work In Progress	(3,375,000)	(29,563,751)
Net Cash Outflow from Investing Activities	(8,054,457)	(200,824,238)
C. Cash Flows from Financing Activities		
Bank Overdraft	(1,510,431)	2,919,218
Proceeds from Share Money Deposit	-	185,607,441
Proceeds from Short Term Loan	(15,424,294)	(86,376,790)
Proceeds from Long Term Loan	(689,608)	(329,326)
Paid for Financial Expenses	(5,992,073)	(4,453,576)
Net Cash Inflow/(Outflow) from Financing Activities	(23,616,406)	97,366,967
D. Net Increase of Cash and Cash Equivalents for the year (A+B+C)	5,569,189	(638,433)
E. Cash and Cash Equivalents at the Beginning of the year	344,712	2,104,423
F. Cash and Cash Equivalents at the end of the year (D+E)	5,913,901	1,465,991
Net Operating Cash Flow Per Share (NOCFPS)	0.68	1.87

Sd/
Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

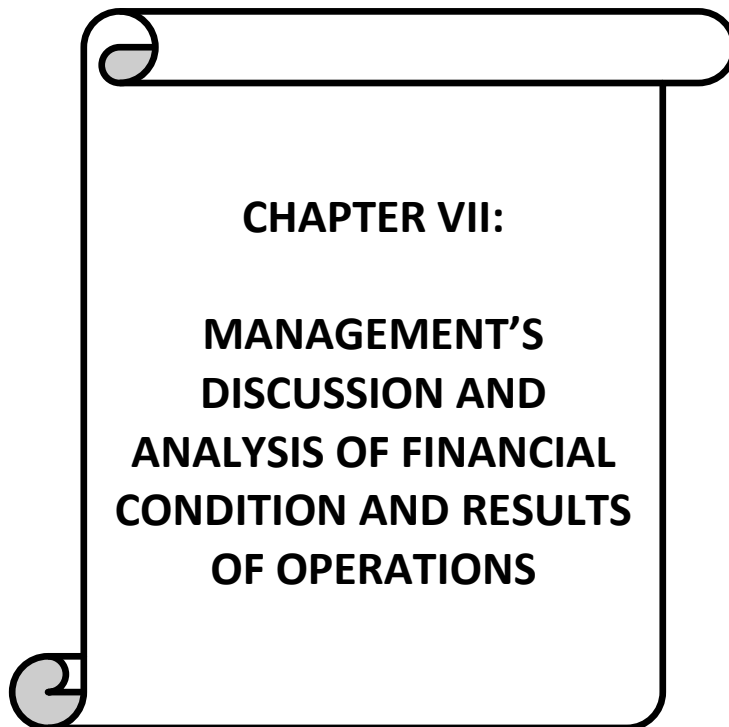
Sd/-
Managing Director

Dated: April 18, 2018

Place: Dhaka

(dd) Factors that may affect the results of operations:

If the Government imposes further restrictions that may affect the result of operations. Besides, factors like the entrance of new technology increase of competition can also affect the business.



CHAPTER VII:

**MANAGEMENT'S
DISCUSSION AND
ANALYSIS OF FINANCIAL
CONDITION AND RESULTS
OF OPERATIONS**

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

(a) OVERVIEW OF BUSINESS AND STRATEGIES:

(I) OVERVIEW OF BUSINESS:

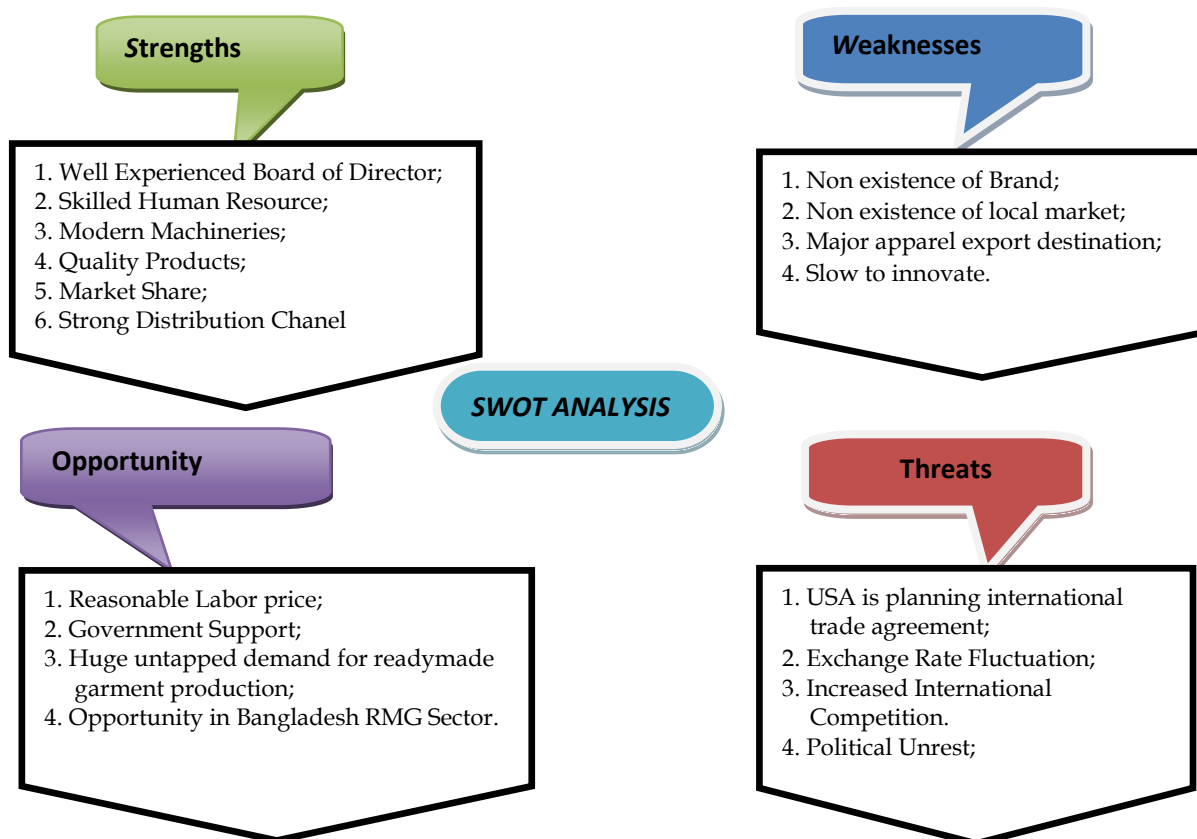
Kattali Textile Limited was commissioned in 2002 with a goal to produce and export different types of readymade garment products like Man's long Shirt, Boys Pant, Ladies shirt, Boy's Long Pant, Boys Jacket, Men's Flt Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, and Man's Top etc. It is serving many international buyers in the North American and the European markets and continues to strive in the highly competitive apparel-manufacturing sector. The principal buyers of the company are Wale-mart, GRAN INC (USA), Regatta Limited, Kohl's, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautical, etc. The company won many awards for its quality products and compliance with economy standards. The company is 100% export oriented and the principal activities of the company are to carry on the business of manufacturing and exporting of all kind of garment products. There is no subsidiary company of Kattali Textile Limited.

(II) BUSINESS STRATEGIES:

KTL has modern machinery and technology that ensures quality products. Quality is the main concern while formulating our strategy. We try to produce goods with the cheap cost so that we can get competitive advantages over our competitors. We also believe in providing customized products to our customer as per need basis so that we can get a maximum market share of our products. So innovation is always there.

(b) SWOT ANALYSIS

A SWOT analysis is a structured planning method that helps to evaluate the strengths, weakness, opportunities and threats involved in the business venture. It identifies the internal and external factors that affect a business venture. Strength and weakness are evaluated with internal factors where opportunity and threat are evaluated by external factors. The SWOT analysis of Kattali Textile Limited is as follows:



STRENGTHS:

- Well Experienced Board of Directors:** We have skilled and well experienced Board of Directors.
- Skilled human resource:** We have skilled human resource and a large base of experienced professionals.
- Modern Machinery:** We have been using modern machinery that increases our productivity.
- Quality Products:** As we export our products, we have to maintain producing quality products that increase our sales volume over the year.
- Market share:** Our market share has been increasing rapidly. Established marketing platform and a proven track record of performance help us to achieve the market share growth.
- Strong Distribution Chanel:** We have very strong distribution Channels through which we can smoothly supply our products.

WEAKNESSES:

- The non-existence of Brand:** We have not been developed yet as a Brand Company.
- Nonexistence of local market:** As we export, we do not have any local market developed yet.
- Slow to innovate:** It is hard to innovate in diversifying new product.
- Major apparel export destination:** Major apparel export destination of Bangladesh European Union. Currently, the BDT is highly appreciated against the Euro which is lowering the export revenue receipt in BDT.

OPPORTUNITY:

- Reasonable Labor price:** Our industry is labor-intensive and reasonable labor price has a huge advantage for cost minimizing that helps us a competitive edge over our competitors.
- Government Support:** There is government support to promote export. Several Government incentives like tax benefits, the Export Development Fund (EDF) facility, cash benefits are available.
- Huge untapped demand for garment production:** We have a great opportunity to development of our business because of huge untapped demand for readymade garment production
- Opportunity in Bangladesh RMG Sector:** Shift of the Chinese Textile Industry towards industrial products, thereby creating opportunity in Bangladesh RMG Sector.

THREAT:

- The USA is planning international trade agreement:** The USA is planning international trade agreement named Trans-Pacific Partnership with 11 Pacific Rim countries. If the deal is passed, least developed countries like Bangladesh will lose market share in US market.
- Exchange Rate Fluctuation:** If Taka appreciations against the dollar, Dollar fluctuation loss are incurred. However, Exchange rate had remained stable over the last 2/3 years because of initiatives were taken by the Bangladesh Bank
- Increased International Competition:** There is rivalry among the competitors to get the market share as maximum as possible.
- Political Unrest:** In our country we have to experience with political unrest. The Company and the whole industry will be adversely affected if the political situation deteriorates.

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

Analysis of the financial statement for the last five years:

Particulars	For the year ended (Amounts In Taka)				
	30-06-2017	30-06-2016	31-08-2015	31-08-2014	31-08-2013
Net Turnover	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
Cost of Sales	(459,349,206)	(376,508,354)	(459,020,362)	(451,141,557)	(422,660,550)
Gross Profit/ (Loss)	135,946,059	109,757,750	105,368,223	110,500,724	94,845,739
Operating Expenses	(24,402,563)	(19,313,534)	(23,587,108)	(24,118,222)	(21,827,263)
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Financial Expenses	(5,820,380)	(8,785,948)	(4,478,121)	(3,043,215)	(886,476)
Profit Before Non Operating Income	105,723,116	81,658,268	77,302,993	83,339,287	72,132,000
Non- Operating Income	1,291,552	1,402,113	2,083,049	2,660,976	2,661,563
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Provision For Income Tax	(128,840)	(25,191,255)	(11,907,906)	(17,776,503)	(7,479,356)
Current Tax	(8,841,340)	(11,332,017)	(5,690,581)	(8,009,219)	(5,081,190)
Differed Tax	8,712,500	(13,859,238)	(6,217,325)	(9,767,284)	(2,398,166)
Net Profit After Tax	106,885,828	57,869,126	67,478,136	68,223,760	67,314,207
Earnings Per Share (Basic)	2.07	1.99	2.45	2.73	3.04
Earnings Per Share (Diluted)	1.94	1.05	1.23	1.24	1.22

Reasons for Fluctuation

Revenue/Sales

The company installed modern machinery in the last five years in order to increase production capacity, As a result, the company enjoyed a steady growth in the last five years. The Company's sales revenue sustained over the period and ensured a substantial increase in the years 2013 to 2017. One of the main reasons behind this was the increasing demand for the company's product as well as industry support. In addition to that, the capacity utilization is also increased due to management efficiency.

Other Income:

Other income changes due to a change in interest rate, wastage sales and foreign exchange rate.

Total Income

In fact, the combined effect of revenue and other income is reflected in the total income. Since revenue is increased, total income is increased naturally.

Cost of Material

KTL's cost of material is in line with revenue and capacity utilization.

Finance Cost and Bank charge

The company has taken short term and long term loan from a bank in the last three years and nine months for importing raw materials, constructing factory building and also procuring new machinery. So the finance cost and bank charges have increased and the trend is relevant to the production and also consistent with the revenue.

Depreciation and amortization expense

We think that, the increase of depreciation is relevant to the procurement and installation of machinery. No significant changes have occurred.

Other expense

Over the year's trend of other expenses are consistent.

Changes in Inventories

There has been an increase of installed capacity and sales volume over the years. The demand for our products is also increasing. So, we have to maintain a sufficient amount of inventory in order to meet the sales order. This inventory has been increasing year to year especially from 2015 to 2017.

Net Profit before/ After Tax

The Company efficiently managed its administrative expenses. As a result, the growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have occurred during the last five years on the above matters.

EPS

Earnings per Share are properly calculated using a weighted average number of ordinary shares for each year.

(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business; the known events that may affect the business operations of the Company are:

- ⬇ Decrease in demand for the readymade garments products in the local and international market,
- ⬇ Increased production cost.
- ⬇ Scarcity of raw materials,
- ⬇ Technological change,
- ⬇ Increased competition
- ⬇ Govt. Policy changes towards the industry,
- ⬇ Political unrest & Hartal,
- ⬇ Flood and natural calamities.

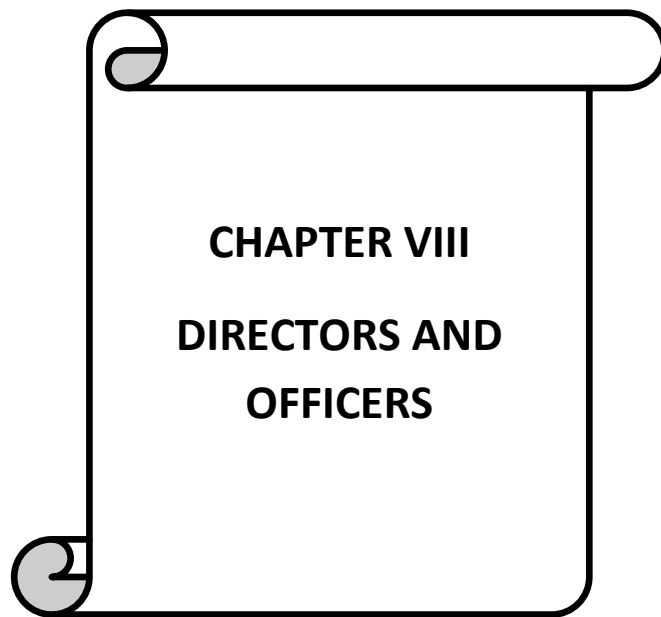
Among these above-mentioned events, there are no known trends, events and/or uncertainties that shall have a material impact on the Company's future business except for those which are natural and beyond the control of human being.

(e) Trends or expected fluctuations in liquidity;

There are no trends of expected fluctuations in liquidity.

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

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



CHAPTER VIII
DIRECTORS AND
OFFICERS

CHAPTER VIII: DIRECTORS AND OFFICERS

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

Sl	Name	Father's Name	Age	Residential Address	Educational Qualification	Experience	Position	Name of the Institutions and Duration for Nominated Director
1	Nasreen Hoque	Late Syed S.M. Mowlana Abul Kashem	53	Anowar Monjil, 3/ Joy Nagar, 180 College Road, Chawkbazar-4203, Chittagong	H.S.C	26 Year	Chairman	-
2	Md. Emdadul Hoque Chowdhury	Md. Anwar Chowdhury	60		Bachelors of Arts	36 Years	Managing Director	-
3	Md. Anwarul Haque Chowdhury	Md. Emdadul Hoque Chowdhury	29		O Level, A Level B.B.A, M.B.A	9 years	Director	-
4	Md. Mocarrom Anwar Chowdhury	Md. Emdadul Hoque Chowdhury	26		O Level, A Level, Bachelor of Arts	8 years	Director	-
5	Waduda Sabrina (Nominee Director of Eian Apparels Ltd)	Md. Emdadul Hoque Chowdhury	33		B.B.A Diploma in Business Administration	15 Years	Director	Nominee Director for the period of 2 years renewable
6	Sifat Sabrina (Nominee of Lucky Corner)	Md. Emdadul Hoque Chowdhury	32		B.B.A, MBA	14 Years	Director	
7	Syed Manzur Quader	Syed Fozlul Quader	37	Chittagong Independent University, Room no-3407, Roksana Monjil, 16 Jamal Khan, Chittagong-4000	Ph.D. in Economics. MSc in Finance & Business Economics. BSS in Economics	13 Years	Independent Director	-
8	Mohammed Nurul Alam	Late Eyakub Ali	71	461 Ishamoti Bhaban, Road-07, Chandgaon R/A, B - Block, PO-Chandgaon-4212, Chittagong	Bachelor of Arts in Economics from Chittagong University	21 Years		

b) The date on which he first became a Director and the date on which his current term of office shall expire;

Directorship tenure in the Company:

S.L	Name	Position	Date of becoming Director for the first time	Date of Expiration of Current Term
1	Nasreen Hoque	Chairman	26 th June, 2002	25 th June, 2018
2	Md. Emdadul Hoque Chowdhury	Managing Director	26 th June, 2002	25 th June, 2020
3	Md. Anwarul Haque Chowdhury	Director	20 th January, 2016	19 th January, 2019
4	Md. Mokarrom Anwar Chowdhury	Director	20 th January, 2016	19 th January, 2018
5	Waduda Sabrina (Nominee Director of Eian Apparels Ltd)	Director	20 th January, 2016	19 th January, 2018
6	Sifat Sabrina (Nominee of Lucky Corner)	Director	07 th November, 2016	06 th November, 2019
7	Syed Manzur Quader	Independent Director	15 th October, 2016	14 th October, 2019
8	Mohammed Nurul Alam	Independent Director	08 th December, 2016	07 th December, 2019

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

Directors interest in other Business:

Name	Designation in KTL	Directorship/Ownership with other companies and Position
Nasreen Hoque	Chairman	1) Eian Apparels Ltd. (Managing Director) 2) Takaful Islami insurance Ltd. (Director) 3) D.N Securities (Managing Director)
Md. Emdadul Hoque Chowdhury	Managing Director	1) Eian Apparels Ltd. (Chairman) 2) D.N Securities (Chairman) 3) Lucky corner (Partner) 4) Lucky Shipping (Proprietor) 5) Takaful Islami Insurance Ltd. (Vice Chairman)
Md. Anwarul Haque Chowdhury	Director	-
Md. Mokarrom Anwar Chowdhury	Director	-
Waduda Sabrina (Nominee of Eian Apparels Ltd.)	Director	Eian Apparels Limited
Sifat Sabrina(Nominee of Lucky Corner)	Director	Lucky Corner
Syed Manzur Quader	Independent	-
Mohammed Nurul Alam	Director	-

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

There is no involvement of any director of the KTL except Md. Emdadul Hoque Chowdhury and Nasreen Hoque of Takaful Islami Insurance Limited as Vice Chairman & Director respectively of an issuer of the listed securities.

SI	Name	Issue Name	Publication Date of Prospectus	Listing Year	Issue Price	Dividend Payment History		
						2016	2015	2014
1	Md. Emdadul Hoque Chowdhury	Takaful Islami Insurance Limited	26 th June, 2008	2008	35.00	5% Cash & 5% Bonus	5% Cash & 5% Bonus	12% Bonus
2	Nasreen Hoque							

Particulars	Tk. In Lac				
	2016	2015	2014	2013	2012
Gross Premium	3,854.24	3,339.46	3,619.84	3,331.73	3,269.91
Net Premium	2,139.06	1,890.91	2,032.54	1,834.44	1,986.33
Net Profit After Tax	492.17	532.90	430.89	607.82	584.12
NAV Per Share	16.79	16.35	16.58	17.45	17.45
EPS	1.36	1.55	1.40	2.28	2.52

e) **Any Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among Directors and top five officers of the company.**

Name	Designation	Relationship
Nasreen Hoque	Chairman	Wife of Md. Emdadul Hoque Chowdhury
Md. Emdadul Hoque Chowdhury	Managing Director	Husband of Nasreen Hoque
Md. Anwarul Haque Chowdhury	Director	Elder son of Md. Emdadul Hoque Chowdhury and Nasreen Hoque.
Md. Mokarrom Anwar Chowdhury	Director	The Younger son of Md. Emdadul Hoque Chowdhury and Nasreen Hoque
Waduda Sabrina (Nominee of Eian Apparels Ltd)	Director	Elder Daughter of Md. Emdadul Hoque Chowdhury and Nasreen Hoque.
Sifat Sabrina (Nominee of Lucky Corner)	Director	The Younger Daughter of Md. Emdadul Hoque Chowdhury and Nasreen Hoque

There is no family relationship among any of the Directors and any of the top five officers of the company except mentioned above.

f) **A very brief description of other businesses of the Directors.**

Name	Directorship/ Ownership with other companies And Position
Nasreen Hoque	1) Eian Apparels Ltd. (Managing Director) 2) Takaful Islami insurance Ltd. (Director) 3) D.N Securities (Managing Director)
Md. Emdadul Hoque Chowdhury	1) Eian Apparels Ltd. (Chairman) 2) D.N Securities (Chairman) 3) Lucky corner (Partner) 4) Lucky Shipping (Proprietor) 5) Takaful Islami Insurance Ltd. (Vice Chairman)
Md. Anwarul Haque Chowdhury	-
Md. Mokarrom Anwar Chowdhury	-
Waduda Sabrina (Nominee of Eian Apparels Ltd.)	Eian Apparels Ltd.(Director)
Sifat Sabrina(Nominee of Lucky Corner)	Lucky Corner
Syed Manzur Quader (Independent Director)	-
Mohammed Nurul Alam (Independent Director)	-

G) SHORT BIO-DATA OF EACH DIRECTOR:

NASREEN HOQUE, CHAIRMAN

Nasreen Hoque aged 53; Chairman of the Company was born in a well-known Muslim family of Chittagong on 15 July, 1964. Her father's name is Late Syed S.M. Mowlana Abul Kashem & mother's name is Late Khursida Begum. After completion of her HSC she engaged herself in business. She is involved in many social activities and related works. She became a successful business person in short time of her business career with her sincerity, honesty and conceptual problem-solving ability. Her interpersonal skills, leadership behavior, high analytical ability and hardworking nature made her worth as a business leader and she is Director of Takaful Islami Insurance Limited.

MD. EMDADUL HOQUE CHOWDHURY, MANAGING DIRECTOR:

Md. Emdadul Hoque Chowdhury, Managing Director of the Company was born on February 23, 1957 in a well known Muslim Family in Chittagong. His Father name is Late Al-Haj Md. Anwar Chowdhury and mother is Late Salema Khatun. After completion of his Bachelors of Arts he engages himself in business since 1971. He became a successful businessman in short time of his business career with his sincerity, honesty, conceptual and practical problem-solving ability. During his tenure of a business career, he gained business knowledge in Textile, agro-based and readymade garments industries. At present, he is Vice Chairman of Takaful Islami Insurance Limited, Elected President (2018-2019) of Rotary Club of Chittagong Pearl, Ex-Director Chittagong Chamber of Commerce and Industry also Ex. Director of BGMEA, Ex- MIC of Chittagong Club Limited, and lifetime member of Chittagong Rifle Club, Chittagong Press Club, Bhatary Golf and Country Club, Chittagong Boat Club & Chittagong Ma-O-Shishu Hospital.

MD. ANWARUL HAQUE CHOWDHURY, DIRECTOR:

Md. Anwarul Haque Chowdhury, Director of Kattali Textile Limited. He is the elder son of Md. Emdadul Hoque Chowdhury & Nasreen Hoque Chowdhury. He was born on October 8th 1988. He completed his O level in 2005 from International School of Dhaka (ISD). International Baccalaureate Diploma in 2007 from International School of Dhaka (ISD). Bachelor of Business Administration (Intl. Business & Major International Logistics) from Queensland University of Technology (QUT) Australia in 2011 & Masters of Business Administration in Finance from Independent University Bangladesh(IUB) 2016. He joined the company on a full-time basis immediately after his graduation. He is the head of Business Development. He worked as Customer Service Nominee Director at Yum Inc. Melbourne Central and worked as Admin Assistant at Service Stream Communications, Geebung, QLD. At present, he is the key management personnel of the company.

MD. MOKARROM ANOWER CHOWDHURY, DIRECTOR:

Md. Mokarrom Anower Chowdhury, Director of the Kattali Textile Limited. He is the younger son of Emdadul Hoque Chowdhury & Nasreen Hoque Chowdhury. He was born on May 21, 1991. He completed his O-level in 2008 and A-level in 2010. He completed his Bachelor of Arts (Major in Communication & Public Relation) from Simon Frezere University. He has vast experience in Financial and Corporate Management. He is responsible for the Merchandising function of the company and therefore plays a vital role in the negotiations with the buyers.

WADUDA SABRINA (NOMINEE OF EIAN APPARELS LTD.) DIRECTOR:

Waduda Sabrina (Nominee Director of Eian Apparels Ltd., Director of the Kattali Textile Limited. She is the elder daughter of Md. Emdadul Hoque Chowdhury & Nasreen Hoque Chowdhury. She was born in 1984. She completed her BBA from The Independent University of Bangladesh in 2007; Diploma in Business Administration from Brisbane North Institute of TAFE in 2008. She has wide experience in Management, Procurement, HR and Internal Audit in the Garments and Textile sector. She is responsible for the procurement and internal audit section. She also holds shares of several organizations. She is associated with various cultural and humanitarian organizations.

SIFAT SABRINA (NOMINEE OF LUCKY CORNER) DIRECTOR:

Mrs. Sifat Sabrina (Nominee of Lucky Corner) Director of the Kattali Textile Limited. She is the younger daughter of Md. Emdadul Hoque Chowdhury & Nasreen Hoque Chowdhury. She was born on September 10, 1985. She completed her BBA & MBA from North South University in 2008 & 2010. She has wide experience in HR and Internal Audit in the Garments and Textile sector. She is responsible for the Human Resource Section of the company and therefore plays a vital role in the Organization.

SYED MANZUR QUADER, INDEPENDENT DIRECTOR:

Syed Manzur Quader, Independent Director of the Kattali Textile Limited. He is the Son of Late Syed Fazlul Quader & Miss Halima Quader. He was born on 16 March, 1980. He completed his SSC and HSC from Chittagong Public School and college and BSS in Economics from Dhaka University and also completed his M.Sc in Finance and Business Economics from the University of Essex (United Kingdom). Then he took Ph.D. in Economics from University of Sheffield (United Kingdom). He has an interest in the teaching profession, as a result, he joins in Independent University as a Lecturer in Economics, School of Business. But at present, he is an Associate Professor of Chittagong Independent University.

MOHAMMED NURUL ALAM, INDEPENDENT DIRECTOR:

Mohammed Nurul Alam, Independent Director of the Kattali Textile Limited. He is the Son of Late Eyakub Ali & Late Morium Khatun. He was born on 15 February, 1947. He completed his S.S.C and H.S.C. from Ishamati Yakub Maryam High School and College and BSS in Economics from Chittagong University. He is the president of Southland Center, Agrabad and also a member of Lions Club, Chittagong. He has an interest to the business professionals. He is well experienced in Business Planning, Formation & Corporate Advisory.

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

Neither the Company nor any of its Directors and shareholders who holds 10% or more shares in the paid-up capital of the Issuer is loan defaulter as per the CIB report of the Bangladesh Bank.

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

Particulars of Top Executives & Departmental heads of the Company:

Sl. No	Name	Position	Education Qualification	Age	Date of Joining	Overall Experience	Previous Employment	Remuneration Salary Paid 30 Jun, 2017
1	Nasreen Hoque	Chairman	HSC	53 Yrs	26.06.2002	25 Yrs	Eian Apparels Ltd.	960,000
2	Md. Emdadul Hoque Chowdhury	MD & CEO	Bachelors of Arts	60 Yrs	02.11.1998	35 Yrs	Eian Apparels Ltd.	1,440,000
3	Md. Anwarul Haque Chowdhury	Head of Business Development	MBA	29 Yrs	02.02.2016	8 Yrs	Service Stream Communications	600,000
4	Waduda Sabrina	Head of Procurement & Internal Audit	BBA	33 Yrs	02.02.2016	15 Yrs	Eian Apparels Ltd.	480,000
5	Sifat Sabrina	Head of HR	MBA	32 Yrs	02.02.2016	14 Yrs	Lucky Corner	-
6	Md. Fazlul Hoque	CFO	B.com	48 Yrs	01.02.2000	26 Yrs	Eian Apparels Ltd	960,000

Sl. No	Name	Position	Education Qualification	Age	Date of Joining	Overall Experience	Previous Employment	Remuneration Salary Paid 30 Jun, 2017
7	Sattabrata Das	Company Secretary	M.Com (Accounting), ITP	33 Yrs	20.04.2012	9 Yrs	Daffodil University	432,000
8	Mr. Yousuf	GM (Commercial)	B.Com	46 Yrs	01.02.2013	29 Yrs	Asian Apparels	432,000
9	Mr. Didarul Islam	Head of IT	BSC (Computer Science & Engineering)	23 Yrs	12.03.2015	4 Yrs	Enosis IT	360,000
10	Mr. Nasirul Hoque	Manager (MKT)	BBS (Mkt)	36 Yrs	01.02.2000	13 Yrs	MN Garments	432,000

*The Company has no permanent Advisers and Consultants.

N: B: Except above there is no Other Director or Shareholder is taking Salary or Remuneration from the Company.

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

There was no change in the key management persons during the last three years except for Director, Independent Director, Company Secretary, and Factory In-charge. There is no change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the prospectus, except Director, Independent Director, Company Secretary and Factory In-charge. These changes occurred only once for each post during the last 3 (Three) years which is not high when compared to the industry.

2017	2016	2015
Mokarram Anwar Chowdhury	Mokarram Anwar Chowdhury	-
Anwarul Haque Chowdhury	Anwarul Haque Chowdhury	-
Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)	Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)	-
Sifat Sabrina (Nominee of Lucky Corner)	Sifat Sabrina (Nominee of Lucky Corner)	-
Syed Manzur Quader (Independent Director)	Syed Manzur Quader (Independent Director)	-
Mohammed Nurul Alam (Independent Director)	Mohammed Nurul Alam (Independent Director)	-
Sattabrata Das, Company Secretary	Sattabrata Das, Company Secretary	-
Md. Fazlul Hoque, CFO	Md. Fazlul Hoque, CFO	Md. Fazlul Hoque, CFO
Mr. Mohshin GM (Merchandiser)	Mr. Mohshin GM (Merchandiser)	Mr. Mohshin GM (Merchandiser)
Mr. Yousuf GM (Commercial)	Mr. Yousuf GM (Commercial)	Mr. Yousuf GM (Commercial)
Mr. Didarul Islam (Head of IT)	Mr. Didarul Islam (Head of IT)	Mr. Didarul Islam (Head of IT)
Mr. Nasirul Hoque, Manager (MKT)	Mr. Nasirul Hoque, Manager (MKT)	Mr. Nasirul Hoque, Manager (MKT)
Md. Zakir Hossain, GM (Factory)	Md. Zakir Hossain, GM (Factory)	Md. Zakir Hossain, GM (Factory)

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

Name	Father's Name	Age (Year)	Personal Addresses	Educational Qualification	Experience	Position/Post		Holding in other Venture
						Present	Past	
Nasreen Hoque	Late Syed S.M. Mowlana Abul Kashem	53	Anowar Monjil,3/ Joy Nagar, 180 College Road, Chawkbazar-4203, Chittagong	H.S.C	26 Years	<ul style="list-style-type: none"> Managing Director Director 	<ul style="list-style-type: none"> Chairman Director 	<ul style="list-style-type: none"> Eian Apparels Ltd. Takaful Islami insurance D.N Securities
Md. Emdadul Hoque Chowdhury	Md. Anwar Chowdhury	60		Bachelors of Arts	36 Years	<ul style="list-style-type: none"> Chairman Chairman Partner Proprietor Vice Chairman 	<ul style="list-style-type: none"> Managing Director Managing Director Partner Proprietor Director 	<ul style="list-style-type: none"> Eian Apparels Ltd. D.N Securities Lucky corner Lucky Shipping Takaful Islami Insurance

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

There are 06 nos. of present directors who are not sponsoring & acquired within five years immediately preceding the date of filing draft prospectus details are given follows:

Name of Directors	Acquisition of Control	Date of Acquisition	Term of Acquisition	Consideration Paid
Md. Anwarul Haque Chowdhury Md. Mokarram Anwar Chowdhury Waduda Sabrina (Nominee of Eian Apparels Ltd) Sifat Sabrina (Nominee of Lucky Corner)	Director	01.12.2015	No Terms at acquisitions	Cash
		06.12.2015		Bonus
		25.08.2015		cash
		30.08.2015		
		15.10.2015		
Syed Manzur Quader Mohammad Nurul Alam	Independent Director	N/A		N/A

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

The Issuer intended to issue share for the expansion of existing business and has vast experience in this sector. The Board of Directors believes, their experience in this sector with the capability of the management shall facilitate the proposed expansion. All the Directors have adequate knowledge to carry out this line of business.

n) Interest of the key management persons

There is no other interest in the key management except remuneration, board meeting fees, lease rental transaction & Car facility for Managing Director.

o) All interests and facilities enjoyed by a Director, whether pecuniary or non-pecuniary

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility are already disclosed in Executive Compensation of the Prospectus.

Sl No.	Name of the Director	Position	Remuneration (Jun-17)	Board fee (July -17)	Car Facility	Total Amount (Jun-17)
1	Nasreen Hoque	Chairman	960,000	50,000	N/A	1,010,000
2	Md. Emdadul Hoque Chowdhury	Managing Director	1,440,000	50,000	YES	1,490,000
3	Md. Anwarul Haque Chowdhury	Director	600,000	50,000	N/A	650,000
4	Md. Mokarrom Anwar Chowdhury	Director	-	40,000	N/A	40,000
5	Waduda Sabrina (Nominee of Eian Apparels Ltd.)	Director	480,000	40,000	N/A	520,000
6	Sifat Sabrina (Nominee of Lucky Corner)	Director	-	40,000	N/A	40,000
7	Syed Manzur Quader	Independent Director	-	50,000	N/A	50,000
8	Mohammad Nurul Alam	Independent Director	-	40,000	N/A	40,000

p) Number of shares held and percentage of shareholding (pre-issue);

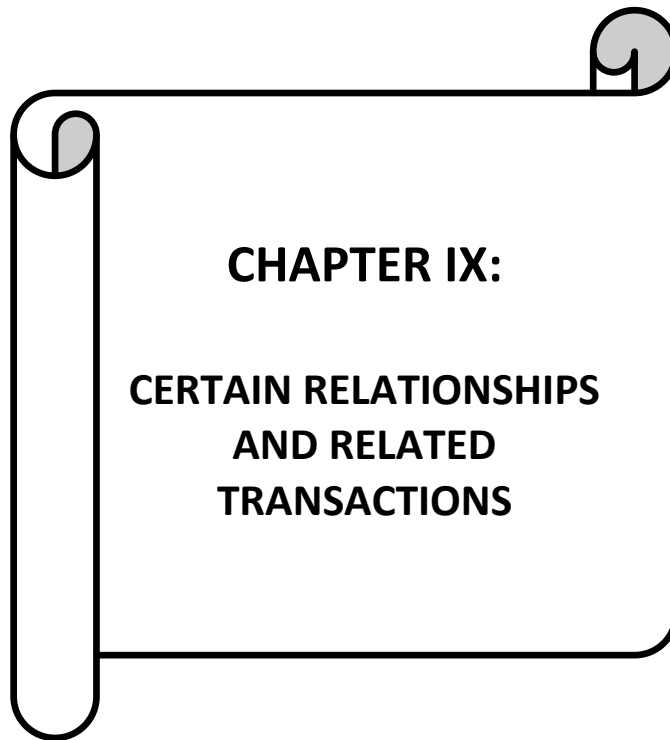
Sl	Name of Directors	Position	No. of shares held	Pre-IPO Shareholding
1	Nasreen Hoque	Chairman	3,941,200	7.17%
2	Md. Emdadul Hoque Chowdhury	Managing Director	10,582,904	19.24%
3	Md. Anwarul Haque Chowdhury	Director	2,848,848	5.18%
4	Md. Mokarrom Anwar Chowdhury	Director	2,489,680	4.53%
5	Waduda Sabrina (Nominee Director of Eian Apparels Ltd.)	Director	3,760,625	6.84%
6	Sifat Sabrina (Nominee of Lucky Corner)	Director	3,359,070	6.11%
7	Syed Manzur Quader	Independent	-	-
8	Mohammed Nurul Alam	Director	-	-

q) Change in Board of Directors during the last three years:

S. L	Name	Present Status	Date of Becoming Director
1	Md. Anwarul Haque Chowdhury	Director	20 th January, 2016
2	Md. Mokarrom Anwar Chowdhury	Director	20 th January, 2016
3	Waduda Sabrina (Nominee Director of Eian Apparels Ltd)	Director	20 th January, 2016
4	Sifat Sabrina (Nominee of Lucky Corner)	Director	07 th November, 2016
5	Syed Manzur Quader	Independent Director	15 th October, 2016
6	Mohammed Nurul Alam	Independent Director	08 th December, 2016

r) Director's engagement with similar business

Mrs. Nasreen Hoque, Chairman & Md. Emdadul Hoque Chowdhury, and Managing Director of the Company have been involved with the similar business, namely Eian Apparels Limited.



**CHAPTER IX:
CERTAIN RELATIONSHIPS
AND RELATED
TRANSACTIONS**

CHAPTER IX: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

TO WHOM IT MAY CONCERN

This is to certify that the Financial Statements of Kattali Textile Limited furnished for our audit does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons.

- I. Any Director or sponsor or executive officer of the issuer;
- II. Any person holding 5% or more of the outstanding shares of the issuer;
- III. Any related party or connected person of any of the above persons;

Except for the transactions described in the following table:

A. Directors remuneration

Name	Position	Amount in (BDT)				
		2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Md. Emdadul Hoque Chowdhury	Managing Director	1,440,000	1,200,000	1,440,000	1,440,000	1,440,000
Mrs. Nasreen Hoque	Chairman	960,000	800,000	960,000	960,000	960,000
Md. Anwarul Haque Chowdhury	Director	600,000	250,000			
Md. Mokarram Anwar						
Waduda Sabrina (Nominee Eian Apparel)		480,000	200,000			
Sifat Sabrina (Nominee Lucky Corner)						
Sayed Manjur Quader		Independent Director				
Mohammed Nurul Alam						
Sub Total (A)		3,480,000	2,450,000	2,400,000	2,400,000	2,400,000

B. Board meeting fees

Md. Emdadul Hoque Chowdhury	Managing Director	50,000	50,000	160,000	160,000	200,000
Mrs. Nasreen Hoque	Chairman	50,000	40,000	160,000	160,000	120,000
Md. Anwarul Haque Chowdhury	Director	50,000	20,000	-	-	-
Md. Mokarram Anwar		40,000	20,000	-	-	-
Waduda Sabrina (Nominee Eian Apparel)		40,000	20,000	-	-	-
Sifat Sabrina (Nominee Lucky Corner)		40,000	-	-	-	-
Sayed Manjur Quader	Independent Director	50,000	-	-	-	-
Mohammed Nurul Alam		40,000	-	-	-	-
Sub Total (B)		360,000	150,000	320,000	320,000	320,000

C. Other Transaction

Eian Apparel Limited	Lease rent	5,880,000	2,950,000	1,980,000	1,980,000	1,980,000
	Dormitory Installment	2,849,283	2,833,150	-	-	-
	Lease Security	-	46,599,000	-	-	-
Md. Emdadul Hoque Chowdhury	Lease Security	-	406,000	-	-	-
	Dormitory (DHK)	-	-	-	-	875,000
	Lease rent	600,000	200,000			
Sub Total(C)		9,329,283	52,988,150	1,980,000	1,980,000	2,855,000
Grand Total (A+B+C)		13,169,283	55,588,150	4,700,000	4,700,000	5,575,000

Place: Dhaka
Date: 25 November, 2017

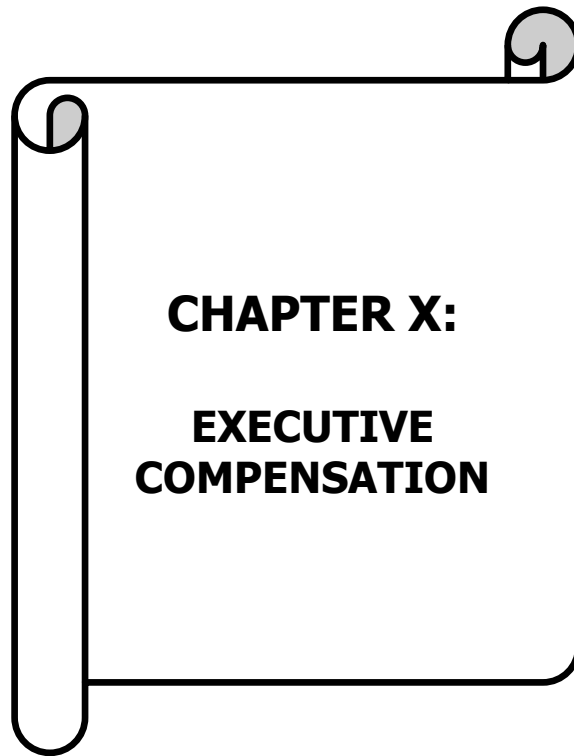
Sd/-
SHIRAZ KHAN BASAK & CO.
Chartered Accountants

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

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

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

The company hasn't taken from or given any loans to any Director or any person connected with the Director.



CHAPTER X:
**EXECUTIVE
COMPENSATION**

CHAPTER X: EXECUTIVE COMPENSATION

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

The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the company in the last accounting year is as follows:

(As per Audited Accounts)

Sl. No.	Name	Designation	June, 2017 (BDT)
1	Nasreen Hoque	Chairman	960,000
2	Md. Emdadul Hoque Chowdhury	Managing Director	1,440,000
3	Md. Fazlul Hoque	CFO	960,000
4	Md. Anwarul Haque Chowdhury	Director	600,000
5	Waduda Sabrina (Nominee of Eian Apparels Ltd.)		480,000
Total			4,440,000

- (b) **Aggregate amount paid to all Directors and officers as a group during the last accounting year:**

Aggregated amount of remuneration paid to all Directors and Officers during the last accounting year is as follows-

(As per Audited Accounts)

Sl. No.	Particulars	Nature of Payment	30-Jun-17 (BDT)
1	Directors	Board Meeting Fees	360,000
2	Directors	Remuneration	3,480,000
3	Officers and Executives	Salary and Allowances	96,116,534
Total			99,956,534

- (c) **If any shareholder Director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year;**

Sl No.	Name	Position	Date of Approval in AGM	Monthly Remuneration (Tk)	Payment made last accounting year/Period (Jun-2017)
1	Nasreen Hoque	Chairman	6 th December, 2015	80,000/-	960,000
2	Md. Emdadul Hoque Chowdhury	Managing Director		120,000/-	1,440,000
3	Md. Anwarul Haque Chowdhury	Director		50,000/-	600,000
4	Md. Mokarrom Anwar Chowdhury			-	-
5	Waduda Sabrina (Nominee of Eian Apparels Ltd.)			40,000/-	480,000

- (d) **The board meeting attendance fees received by the Director including the Managing Director along with the date of approval in AGM/EGM;**

The board meeting attendance fees received by the Director including the Managing Director are as follows:

Sl No.	Name	Position	Date of Approval in AGM	Meeting Attend	Attendance fees Received (Jun-2017)
1	Nasreen Hoque	Chairman	6 th December, 2015	5	40,000/-
2	Md. Emdadul Hoque Chowdhury	Managing Director		5	50,000/-
3	Md. Anwarul Haque Chowdhury	Director		5	50,000/-
4	Md. Mokarrom Anwar Chowdhury			4	40,000/-
5	Waduda Sabrina (Nominee of Eian Apparels Ltd.)			4	40,000/-
6	Sifat Sabrina (Lucky Corner)				40,000/-
7	Syed Manzur Quader	Independent		5	50,000/-
8	Mohammed Nurul Alam	Director		4	40,000/-

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

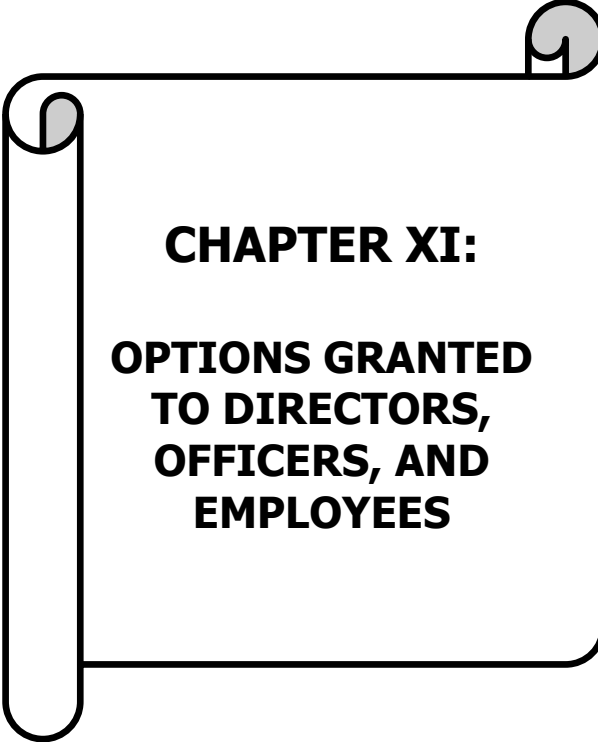
There is no such contract between the company and any of Directors or officers regarding any future compensation to be made to them.

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

The Company has no plan for substantially increasing remuneration to its Directors and/or officers except for those that are paid as an annual increment to their salaries.

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

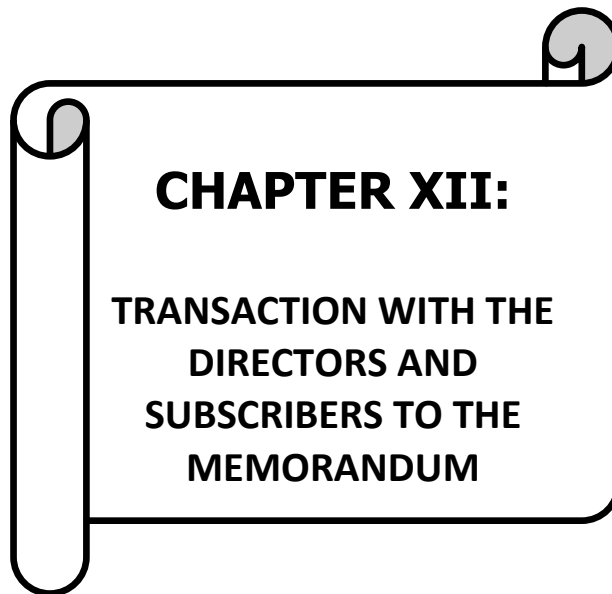
No other benefit/facility except Car Facility for Managing Directors provided to the above persons during the last accounting year.



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

CHAPTER XI: OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Kattali Textile Limited did not grant any options to its Directors and/or any other employees for the purpose of issuing shares.



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

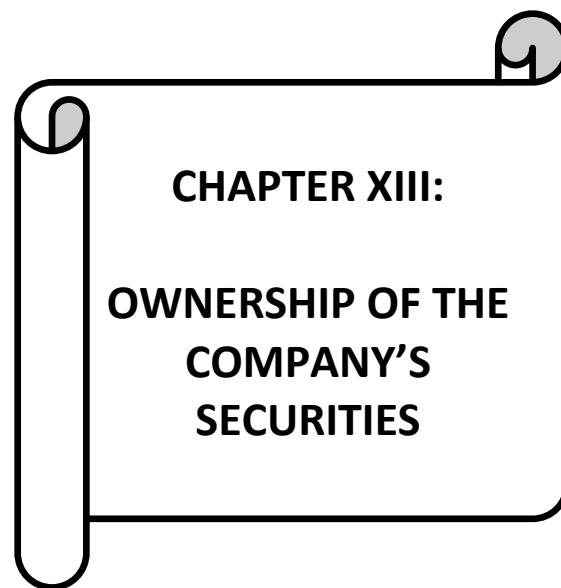
CHAPTER XII: TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

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

Particulars		Emdadul Hoque	Nasreen Hoque	Mokarrom Anwar	Anwarul Haq	Waduda Sabrina	Sifat Sabrina	Syed Monjur Quader	Total
2017	Remuneration	1,440,000	960,000	-	600,000	480,000		-	3,480,000
Jun	Board Meeting	50,000	50,000	40,000	50,000	40,000	40,000	50,000	360,000
	Lease Rent	600,000	-	-	-	-		-	600,000
	Total	2,090,000	1,010,000	40,000	650,000	520,000	40,000	50,000	40,000
2016	Remuneration	1,200,000	800,000	-	250,000	200,000		-	2,450,000
June	Board Meeting	50,000	40,000	20,000	20,000	20,000		-	150,000
	Lease Rent	200,000	-	-	-	-		-	200,000
	Lease Deposit	406,000	-	-	-	-		-	406,000
	Total	1,856,000	840,000	20,000	270,000	220,000		-	3,206,000
2015	Remuneration	1,440,000	960,000	-	-	-		-	2,400,000
Aug	Board Meeting	160,000	160,000	-	-	-		-	320,000
	Total	1,600,000	1,120,000	-	-	-		-	2,720,000
2014	Remuneration	1,440,000	960,000	-	-	-		-	2,400,000
Aug	Board Meeting	160,000	160,000	-	-	-		-	320,000
	Total	1,600,000	1,120,000	-	-	-		-	2,720,000
2013	Remuneration	1,440,000	960,000	-	-	-		-	2,400,000
Aug	Board Meeting	200,000	120,000	-	-	-		-	320,000
	Dormitory Settlement	875,000	-	-	-	-		-	875,000
	Total	2,515,000	1,080,000	-	-	-		-	3,595,000

- b) If any assets were acquired or to be acquired within next two financial year from the Directors and Subscribers to the Memorandum:

No assets have been acquired from the Directors and Subscribers to the Memorandum within last five years.



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

CHAPTER XIII: OWNERSHIP OF THE COMPANY'S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating a number of securities owned and the percentage of the securities represented by such ownership:

SL	Name of Shareholder	Address of the Shareholders	Position	BO IDs	No. of Shares	Pre-IPO (%)
1	Nasreen Hoque	Anowar Monjil, 3/ Joy Nagar, 180 College Road, Chawkbazar-4203, Chittagong	Chairman	1203860015213611	3,941,200	7.17%
2	Md. Emdadul Hoque Chowdhury		Managing Director	1203860013806070	10,582,904	19.24%
3	Md. Anwarul Haque Chowdhury		Director	1203860052329262	2,848,848	5.18%
4	Md. Mokarrom Anwar Chowdhury			1203860014575771	2,489,680	4.53%
5	Eian Apparels Ltd (Nominated Waduda Sabrina)			1203860062160165	3,760,625	6.84%
6	Lucky Corner (Nominated Sifat Sabrina)			1203860062148108	3,359,070	6.11%
7	Mr. Junaid Quader	House No: 339/1, Flat No: D-2 South Kafrul, Dhaka Cantt., Dhaka	Shareholders	1605760062192115	93,700	0.17%
8	Md. Farid Ahmed	Flat-B-7, Firoz Rose 12, Eskaton Road, Dhaka		1605760060986890	2,650,000	4.82%
9	Honorary Capt. (Retd.) Sk. Muzibul Haque	House No: 339/1, Flat No: D-2 South Kafrul, Dhaka Cantt., Dhaka		1605760062192091	817,455	1.49%
10	K.M. Moshur Rahman	House No:70/1, Road No: 5, Old DOHS, Banani, Dhaka		1605760062192075	2,252,015	4.09%
11	Md. Bazlur Rahman	13/7 Asa Tower, Shyamoli, Dhaka		1605760061231731	2,707,360	4.92%
12	Nadira Akter			1605760055703723	2,611,820	4.75%
13	Tasnim Sayed			Anowar Monjil, 3/ Joy Nagar, 180 College Road, Chawkbazar-4203, ctg	1203860062219479	2,112,530
14	M/S Deyang Traders	Sultan Chamber, 2 nd Floor, 163 Sk Mujib Road, Badamtoli, Agrabad, Chittagong		1203860062053671	318,700	0.58%
15	D. N. Securities Ltd.			1203860013501896	223,250	0.41%
16	Lucky Shipping	316, Sk. Mujib Road, Jaks Shopping Complex, 2 nd Floor, Agrabad, Chittagong		1203860061127645	1,422,088	2.59%
17	Md. Ruhul Azad	Vill/Road- Vabonchure, Golmunda, Jaldhaka, Nilphamari-5300, Nilphamari		1605760064017187	1,603,890	2.92%
18	Mr. Hussain Md. Sufiullah	Mac Associates No.1, Station Road, Khulna-9100, Khulna		1605760062192107	1,640,200	2.98%
19	Mrs. Kismat Ara			1605760062192083	605,000	1.10%
20	Mr. Sk. Rezaul Karim	21/4, Babu Khan Road, Khulna		1605760062197177	1,159,665	2.11%
21	Global Shoes Limited	House 127, Road 10, Block C, Nikaton, Gulshan-1, Dhaka		1201960053332061	700,000	1.27%
22	Md. Shamsul Haque	House 50, Road 1, Sector 9, Uttara, Dhaka		1201690000776633	250,000	0.45%
23	Md. Samsul Alam	4/60 Arsibad Neer, Dakkhinkhan Union, Faydabad, Uttara, Dhaka		1205720061093312	50,000	0.09%
24	Howa Nur Begum	House 293, Sen Para, porbata, Mirpur, Kafrul, Dhaka		1201960054792971	1,000,000	1.82%
25	Shammi Akhter Shibly	74/4 South Bashabo, Dhaka		1205150047103162	1,000,000	1.82%
26	Md. Rashiduzzaman	Charbahadurpur, Muladi, Post-8250, Barisal		1205150054201081	100,000	0.18%
27	Khondaker Muinur Rahman	3/C, Hope Apartment, 21-Siddeshwari Road, Dhaka-1217		1201480064004541	800,000	1.45%
28	Md. Shafiul Azam Khan	50 Khazi Dewan, 2 nd Lane, Lalbagh, Dhaka-1211		1204910042626804	200,000	0.36%

SL	Name of Shareholder	Address of the Shareholders	Position	BO IDs	No. of Shares	Pre-IPO (%)
29	Dilruba Begum	Midas Centre (Level 4 & 5), House-05, Road-16 (New), 27 (Old) Dhanmondi, Dhaka-1209		1201480064240754	100,000	0.18%
30	Md. Rezaul Billah	Plot-150, Block-B, Bashundhara, Badda, Dhaka-1229		1202200056025870	400,000	0.73%
31	Monwar Ahmed	38/A, West Tejguri Bazar, Tejgaon, Dhaka		1203000053297340	100,000	0.18%
32	Zaheed Uddin Ahmed	Eastern Eskaton Garden, House-41, Flat-603, Ramna, Dhaka-1217		1203680062544860	400,000	0.73%
33	Shahjalal Equity Management Limited	Moon Island, Suite-8, Plot-34-36, Road-8, Block-E, Niketon, Gulshan, Dhaka		1605760064483259	1,000,000	1.82%
34	Shamim Ara Begum	Vill-Mathvanga, Post-Jaldhaka-5330, Jaldhaka, Nilphamari		1605760064483531	1,380,000	2.51%
35	Md. Jamal Uddin Patwary	Eyar Mohammad House, Abidor Para, Post-Bandor-4100, Doublemuring, Chittagong		1201590008019551	100,000	0.18%
36	Md. Shahriar Hasan	Mowlana Shamsuddin Bari, West Kathghar, Hindupara, PO. Potenga, Chittagong		1201950062692511	100,000	0.18%
37	Md. Mosharraf Uddin Khaled	RF Johora Tower, 1401 SK Mujib Road, Agrabad, Chittagong		1201960045102131	100,000	0.18%
38	Md. Shafiqul Islam	House-148, South Kamlapur, Post-Santinagar-1217, Motijheel Dhaka		1201700000032186	20,000	0.04%
Total Share					55,000,000	100.00%

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

SL No.	Name of the Director	Address	Age (year)	Experience (Year)	BO ID Number	TIN	No. of share	Pre- IPO (%)	Position held in other organization	
									Other Organization	Position
1	Nasreen Hoque	Anowar Monjil, 3/ Joy Nagar, 180 College Road, Chawkbaza-4203,ctg	53	26 Year	1203860015213611	292264952678	3,941,200	7.17%	-Eian apparels Ltd. -Takaful Islami Insurance Ltd.	Managing Director Director
2	Md. Emdadul Hoque Chowdhury		60	36 Years	1203860013806070	7567053572351	10,582,904	19.24%	-Eian apparels Ltd. -D.N. Securities -Lucky Corners -Lucky Shipping -Takaful Islami Insurance Ltd.	Chairman Chairman Partner Proprietor Vice Chairman
3	Md. Anwarul Haque Chowdhury		29	9 years	1203860052329262	812070941732	2,848,848	5.18%	M/S Dying traders	Director
4	Md. Mokarrom Anwar Chowdhury		26	8 years	1203860014575771	891596197963	2,489,680	4.53%	Not involved in other venture	Director
5	Eian Apparels Ltd (Nominated Waduda Sabrina)		33	15 Years	1203860062160165	646400689379	3,760,625	6.84%	Eian Apparels Ltd.	Director

SL No.	Name of the Director	Address	Age (year)	Experience (Year)	BO ID Number	TIN	No. of share	Pre- IPO (%)	Position held in other organization	
									Other Organization	Position
6	Lucky Corner (Nominated Sifat Sabrina)		32	14 Years	1203860062148108	417700879196	3,359,070	6.11%	Not involved in other venture	Director
7	Syed Manzur Quader	316 S.K. Mujib Road, Jaks Shopping Complex 2 nd Floor, Agrabad, Chittagong	37	13 Years	1204180019157810	157706946576	-	-	Chittagong Independent University	Associate Professor
8	Mohammed Nurul Alam	461 Ishamoti Bhaban, Road-07, Chandgaon R/ A, B-Block, Po- Chandgaon-4212, Chittagong	71	21 Years	1203860062617747	-	-	-	Bachelor of Arts In Economics	Businessman

(C) THE AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY THE DIRECTORS CERTIFIED BY THE AUDITORS;

TO WHOM IT MAY CONCERN

This is to certify that all the shares of **Kattali Textile Limited** have been allotted in face value & in cash/bonus and the average cost of acquisition of equity by the Directors is Tk. 10.00 each. Necessary particulars of shareholdings, allotment date and consideration are given below:

Date of Allotment	Nature of Transaction	Nasreen Hoque	Md. Emdadul Hoque Chowdhury	Md. Anwarul Haque Chowdhury	Md. Mokarrom Anwar Chowdhury	Waduda Sabrina (Nominee Director of Eian Apparels)	Sifat Sabrina (Nominee of Lucky Corner)	Consideration	Face value of Share (Tk.)
26.06.02	By Subscription	50,000	250,000	-	-	-	-	Cash	10.00
30.04.03	By Transfer	150,000	50,000	-	-	-	-	Transfer	10.00
01.12.15	By Allotment	230,000	651,130	55,000	55,000	105,000	105,000	cash	10.00
06.12.15	By Allotment	589,200	1,936,400	111,900	111,900	213,700	213,700	Bonus	10.00
25.08.16	By Allotment	2,718,500	6,891,874	1,209,400	790,000	1,013,050	863,500	cash	10.00
30.08.16	By Allotment	203,500	803,500	1,022,548	332,000	1,725,285	1,640,407	cash	10.00
25.10.16	By Allotment	-	-	450,000	1,200,780	703,590	536,463	cash	10.00
Total		3,941,200	10,582,904	2,848,848	2,489,680	3,760,625	3,359,070	-	-

N:B: The Company split its share from Tk. 100.00 to Tk. 10.00 at January 22, 2014

Date: 11.12.2016
Place: Dhaka

Sd/-
SHIRAZ KHAN BASAK & CO.
Chartered Accountants

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

NASREEN HOQUE, CHAIRMAN

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of Issue	No of Equity Shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid up capital	% Post issue paid up capital	Sources of fund
26.06.02	Cash	Ordinary Share	50,000	10	10	50,000	7.17%	4.43%	Own Source
30.04.03	Transfer		150,000	10	10	200,000			
01.12.15	Cash		230,000	10	10	430,000			
06.12.15	Bonus		589,200	10	10	1,019,200			
25.08.16	Cash		2,718,500	10	10	3,737,700			
30.08.16	Cash		203,500	10	10	3,941,200			

The Company split its share from Tk. 100.00 to Tk. 10.00 at January 22, 2014

MD. EMDADUL HOQUE CHOWDHURY, MANAGING DIRECTOR

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid-up capital	% Post issue paid up capital	Sources of fund
26.06.02	Cash	Ordinary Share	250,000	10	10	250,000	19.24%	11.89%	Own Source
30.04.03	Transfer		50,000	10	10	300,000			
01.12.15	Cash		651,130	10	10	951,130			
06.12.15	Bonus		1,936,400	10	10	2,887,530			
25.08.16	Cash		6,891,874	10	10	9,779,404			
30.08.16	Cash		803,500	10	10	10,582,904			

The Company split its share from Tk. 100.00 to Tk. 10.00 at January 22, 2014

MD. ANWARUL HAQUE CHOWDHURY, DIRECTOR

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid-up capital	% Post issue paid up capital	Sources of fund
01.12.15	Cash	Ordinary Share	55,000	10	10	55,000	5.18%	3.20%	Own Source
06.12.15	Bonus		111,900	10	10	166,900			
25.08.16	Cash		1,209,400	10	10	1,376,300			
30.08.16	Cash		1,022,548	10	10	2,398,848			
15.10.16	Cash		450,000	10	10	2,848,848			

The Company split its share from Tk. 100.00 to Tk. 10.00 at January 22, 2014

MD. MOKARROM ANWAR CHOWDHURY, DIRECTOR

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of Issue	No. of Equity shares	Face Value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity Shares	% pre-issue paid-up capital	% Post issue paid up capital	Sources of fund
01.12.15	Cash	Ordinary Share	55,000	10	10	55,000	4.53%	2.80%	Own Source
06.12.15	Bonus		111,900	10	10	166,900			
25.08.16	Cash		790,000	10	10	956,900			
30.08.16	Cash		332,000	10	10	1,288,900			
15.10.16	Cash		1,200,780	10	10	2,489,680			

The Company split its share from Tk. 100.00 to Tk. 10.00 at January 22, 2014

WADUDA SABRINA (NOMINEE DIRECTOR OF EIAN APPARELS LTD.) DIRECTOR

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid-up capital	% Post issue paid up capital	Sources of fund
01.12.15	Cash	Ordinary Share	105,000	10	10	105,000	6.84%	4.23%	Own Source
06.12.15	Bonus		213,700	10	10	318,700			
25.08.16	Cash		1,013,050	10	10	1,331,750			
30.08.16	Cash		1,725,285	10	10	3,057,035			
15.10.16	Cash		703,590	10	10	3,760,625			

The Company split its share from Tk. 100.00 to Tk. 10.00 at January 22, 2014.

SIFAT SABRINA (NOMINEE OF LUCKY CORNER) DIRECTOR

Date of Allotment/ Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid-up capital	% Post issue paid up capital	Sources of fund
01.12.15	Cash	Ordinary Share	105,000	10	10	105,000	6.11%	3.77%	Own Source
06.12.15	Bonus		213,700	10	10	318,700			
25.08.16	Cash		863,500	10	10	1,182,200			
30.08.16	Cash		1,640,407	10	10	2,822,607			
15.10.16	Cash		536,463	10	10	3,359,070			

The Company split its share from Tk. 100.00 to Tk. 10.00 at January 22, 2014

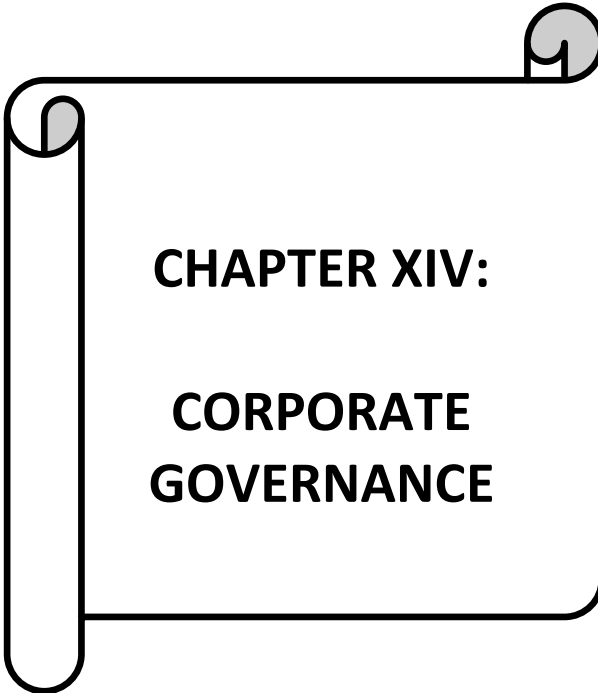
(e) Detail of shares issued by the company at a price lower than the issue price

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

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

There is no history of significant (5% or more) changes in ownership of securities from inception. Beneficial owners holding shares 5% or more as mentioned below:

Date of Allotment/Transfer	Nasreen Hoque	Md. Emdadul Hoque Chowdhury	Md. Emdadul Islam Chowdhury	Mrs. Shaheen Akter	No. of Share
Subscription	50,000	250,000	150,000		50,000
30.04.03 (Transfer)	150,000	50,000	(150,000)		(50,000)
01.12.15	230,000	651,130	-		-
06.12.16	589,200	1,936,400	-		-
25.08.16	2,718,500	6,891,874	-		-
30.08.16	203,500	803,500	-		-
Total	3,941,200	10,582,904	-		-



CHAPTER XIV:

**CORPORATE
GOVERNANCE**

CHAPTER XIV: CORPORATE GOVERNANCE

(a) Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission.

DECLARATION OF THE REQUIREMENTS OF CORPORATE GOVERNANCE GUIDELINES

The Company declares that it has complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

Md. Emdadul Hoque Chowdhury

Managing Director

Kattali Textile Limited.

(b) Compliance report on Corporate Governance requirements certified by Competent authority;

CERTIFICIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE OF KATTALI TEXTILE LIMITED.

[As per required under the Bangladesh Securities Exchange Commission (BSEC) Guideline]

We have examined compliance with the Bangladesh Securities and Exchange Commission (BSEC) guidelines on Corporate Governance by Kattali Textile Limited (the Company) for the period ended 30th June 2017. These guidelines related to the Notification No. SEC/ CMRRCD/2006-158/134/ Admin/44 dated 7th August 2012, as amended vide notification dated 21st July 2013 and 18th August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

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

Based on the audited financial statement as on 30th June 2017 issued by Shiraz Khan Basak & Co., Chartered Accountants dated on 20th October, 2017 and our examination condition of the compliance status of corporate guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 7th August 2012, as amended vide notification dated 21st July 2013 and 18th August 2013, in our opinion and to the best of our information and according to the explanations provided by the management to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned guidelines issued by Bangladesh Securities and Exchange Commission (BSEC). We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Dhaka

Date: 25 November, 2017

Sd/

AHMAD & AKHTAR
Chartered Accountants

STATUS OF COMPLIANCE REPORT ON CORPORATE GOVERNANCE
KATTALI TEXTILE LIMITED

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

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Compiled	Not Compiled	
1	Boards of Directors			
1.1	Board's Size: Boards members should not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	Independent Director:			
1.2(i)	At least 1/5 th of the total number of Directors on the company's board shall be independent Directors.	✓		
1.2(ii)	For the purpose of this clause "Independent Director" means a Director:			
1.2(ii)a)	Independent Directors do not hold any share or hold less than one percent (1%) shares of the total paid-up capital.	✓		
1.2(ii)b)	Independent Directors are not connected with the company's Sponsor or Director or shareholder who holds one percent (1%) or more shares.	✓		
1.2(ii) c)	Independent Directors do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2(ii) d)	Independent Directors are not members, Directors or officers of any stock exchange.	✓		
1.2(ii) e)	Independent Directors are not Shareholder, Directors or officers of any member of a stock exchange or an intermediary of the capital market.	✓		
1.2(ii) f)	Independent Directors are not the partners or executives during the preceding 3 (three) years of the concerned company's statutory audit firm.	✓		
1.2(ii) g)	They are not the Independent Directors in more than 3 (three) listed companies.	✓		
1.2(ii) h)	They have not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).	✓		
1.2(ii) i)	They have not been convicted of a criminal offense involving moral turpitude.	✓		
1.2(iii)	The independent Directors shall be appointed by the board of Directors and approved by the shareholders at the Annual General Meeting (AGM).	✓		
1.2(iv)	The post of independent Directors cannot remain vacant for more than 90 (ninety) days.	✓		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	The tenure of office of an independent Directors shall be for 3 (three) Years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make a meaningful contribution to the business.	✓		
1.3 (ii)	The Independent Director must have at least 12 (twelve) years of corporate management/ professional experience.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to the approval of the Commission.	-	-	N/A

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Compiled	Not Compiled	
1.4	Chairman and Chief Executive Officer shall be filled by different individuals. The chairman shall be elected from among the Directors. The Board of Directors shall clearly define the respective roles and responsibilities of the Chairman and the CEO.	✓		
1.5	The Directors' Report to Shareholders: The Board of Directors of Kattali Textile Limited would like to include the following additional statements in its Report prepared under section 184 of the Companies Act, 1994.	✓		
1.5(i)	Industry outlook and possible future developments in the industry.	✓		
1.5(ii)	Segment-wise or product-wise performance.	-	-	N/A
1.5(iii)	Risks and Concerns.	✓		
1.5(iv)	A Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	-	-	N/A
1.5(vi)	The basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/ or through any others instruments.	-	-	N/A
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer and Direct Listing, etc.	-	-	N/A
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	-	-	N/A
1.5(x)	Remuneration to Directors including independent Directors.	✓		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5(xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5(xiii)	Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	-	-	N/A
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized.	✓		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	-	-	N/A
1.5(xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Compiled	Not Compiled	
1.5(xxix)	The pattern of shareholding shall be reported to disclose the aggregate number of shares.			
1.5(xxix)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	✓		
1.5(xxix)b)	Directors, Chief Executive Officer, Company Secretary and Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	✓		
1.5(xxix)c)	Executives	✓		
1.5(xxix)d)	Shareholders holding ten percent (10%) or more was voting interest in the company (name wise details).	✓		
1.5(xxix)	In the case of the appointment/re-appointment of a Director the company shall disclose the following information to the shareholders:-			
1.5(xxix)a)	A brief resume of the Director.	✓		
1.5(xxix)b)	Nature of his/ her expertise in specific functional areas.	✓		
1.5(xxix)c)	Names of companies in which the person also holds the Directorship and the membership of committees of the board.	✓		
2	Chief Financial Officer (CFO) Head of Internal Audit and Company Secretary (CS)			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define the respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
3	Audit Committee			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect the true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	Constitution of the Audit Committee:			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1(ii)	Constitution of Audit Committee with Board Members including one independent Director.	✓		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience: The term "financially literate" means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/Finance graduate with at least 12 (twelve) years of corporate management/professional experiences.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Compiled	Not Compiled	
3.1(iv)	Filling of Casual Vacancy in Committee.	-	-	N/A
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent Director.	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman of the Audit Committee shall be an independent Director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present at the Annual General Meeting (AGM).	✓		
3.3	Role of Audit Committee:			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee the hiring and performance of external auditors.	✓		
3.3 (v)	Review the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review the quarterly and half-yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of the internal audit function.	✓		
3.3 (viii)	Review statement of significantly related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/Letter of Internal control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offer (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital etc), on a quarterly basis, as a part of their quarterly declaration of financial results.		-	N/A
3.4	Reporting to the Audit Committee			
3.4.1	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(i)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
3.4.1(ii)a)	Report on conflicts of interests.	-	-	N/A
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or a material defect in the internal control system.	-	-	N/A
3.4.1(ii)c)	Suspected infringement of laws, including securities-related laws, rules and regulations.	-	-	N/A
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.	-	-	N/A
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6(six) months from the date of first reporting to the Board of Directors, whichever is earlier.		-	N/A
3.5	Reporting to the Shareholders and General Investors.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Compiled	Not Compiled	
4	External/Statutory Auditors: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4(ii)	Financial information systems design and implementation.	✓		
4(iii)	Bookkeeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other services that the Audit Committee determines.	✓		
4 (viii)	No partner or employee of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
4 (ix)	Statutory Auditors are not appointed as CG compliance Auditors.	✓		
5	SUBSIDIARY COMPANY:			
5 (i)	Provisions relating to the Composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			N/A
5 (ii)	At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a Director of the Board of Directors of the subsidiary company.			N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed on review at the following Board meeting of the holding company.			N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state they have reviewed the affairs of the subsidiary company.			N/A
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
6	DUTIES OF CEO AND CFO:			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and behalf.	✓		
6 (i) a)	These statements do not contain any materially untrue statement or do not omit any material fact or contain statements that might be misleading.	✓		
6.(i)b	These statements together present a true and fair view of the company affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violation of the company's Code of conduct.	✓		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has complied with these conditions.	✓		

Sd/-

Managing Director/Company Secretary
Kattali Textile Limited

c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.

The name of audit committee members and remuneration committee members are as follows:

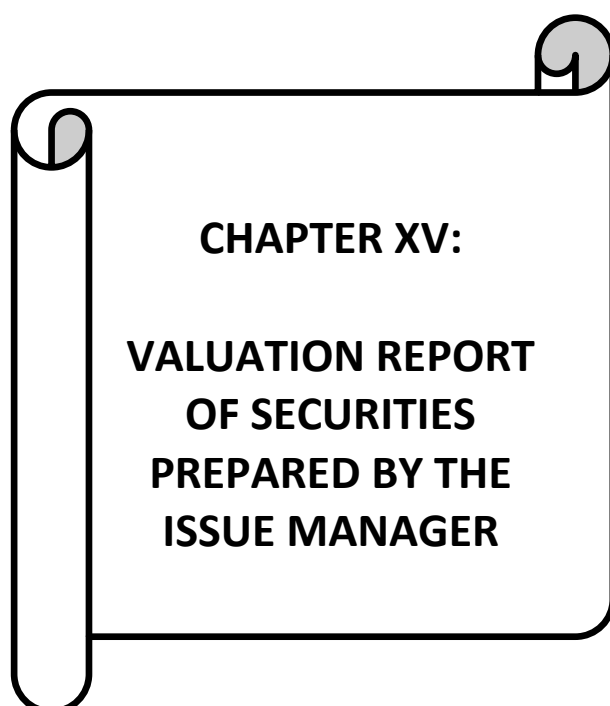
Audit Committee Members Name	Remuneration Committee Members Name
Syed Manzur Quader (Independent Director) Chairman of the Committee	Nasreen Hoque, Chairman of the Committee
Md. Emdadul Hoque Chowdhury	Md. Emdadul Hoque Chowdhury
Md. Anwarul Haque Chowdhury	Mohammed Nurul Alam (Independent Director)
Sattabrata Das	Md. Fazlul Hoque, Chief Financial Officer
	Sattabrata Das

The terms of reference of the audit committee have been agreed upon as follows:

- ✓ To review all internal and external audit report.
- ✓ To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- ✓ To review the finding of the internal and external auditors.
- ✓ To review and approve the Annual "Audit Plan" of the Internal Audit Department.
- ✓ To monitor the implementation of the recommendations of the Internal and External Auditors.
- ✓ To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- ✓ To review the quarterly, half yearly and annual financial statements before submission to the Board.
- ✓ To review the company's statement on internal control systems prior to endorsement by the Board.
- ✓ The company secretary shall be the secretary of the audit committee.

The terms of reference of the remuneration committee have been agreed upon as follows:

- ✓ To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of Directors and senior management of the Company.
- ✓ Determining the remuneration packages.
- ✓ Review the Annual Confidential Report (ACR) of senior management of the company.
- ✓ Review and oversee the Company's overall human resources strategy.



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

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

- a) **The valuation report of securities offered is prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue;**
The valuation report of securities offered is prepared and justified by the issue manager (NRB Equity Management Limited) on the basis of the financial and all other information pertinent to the Issue.

- b) **To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with a rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information;**

Qualitative and Quantitative factors for valuation:

Qualitative Justification:

- Quality Products:** As we export our products, we have to maintain producing quality products that increase our sales volume over the years.
- Modern Machinery:** We have been using modern machineries that increase our productivity.
- Market Share:** Our market share has been increasing rapidly.
- Export:** We have been exporting to different countries.
- Management:** Management is highly experienced and their leading persons in their area.

Quantitative Justification:

Primary Valuation method for the Company is considered on the basis of Net Assets Value based valuation and Earnings based valuation per share.

- c) **While preparing the valuation report, the issue manager shall avoid exaggeration and biases and shall exercise independence and due diligence;**

We, the issue manager while preparing the valuation report, we avoid exaggeration, biases & independence and due diligence.

- d) **The issue manager(s) shall, among others, consider the following methods for valuation of the securities:**

Sl. No	Valuation Methods	Fair Value (BDT)
Method-1	Net asset value (NAV) at historical or current costs per Share (as on 30 th June, 2017)	20.48
Method-2	i. Earning-based-value per Share (Considering average Sector P/E)	29.87
	ii. Earning-based-value per Share (Considering average Market P/E)	28.44
Method-3	Projected earnings for the next three accounting year with rationales of the projection, (if not in commercial operation)	N/A
Method-4	Average market price per share of similar stocks	27.54

The detail valuation working under the above-mentioned methods are furnished under the head of “valuation under different methods as prescribed in Clause No. Annexure- E (B) (14) of Bangladesh Securities and Exchange Commission (public Issue) Rules, 2015” described in this section.

VALUATION UNDER DIFFERENT METHODS AS PRESCRIBED IN CLAUSE NO. ANNEXURE- E (B) (14) OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015

METHOD 1: NET ASSET VALUE (NAV) AT HISTORICAL OR CURRENT COSTS PER SHARE

NAV per share is based on the information of the latest audited financial statements as on June 30, 2017. NAV per share at current costs is **BDT 20.48** that has been derived by dividing the net assets at the end of the period by the number of outstanding shares before IPO as shown in the table below:

Particulars	Note	Amount in BDT
Share Capital	A	550,000,000
Retained Earnings	B	576,437,056
Total Shareholders' Equity (As on 30.06.2017)	C=A+B	1,126,437,056
Number of Shares	D	55,000,000
Net Asset Value (NAV) at historical cost per share	E=C/D	20.48

METHOD 2: I) EARNING-BASED-VALUE PER SHARE (CONSIDERING AVERAGE SECTOR P/E)

Earning-based-value per share based on historical information sourced from audited financial statements and statistics from Dhaka Stock Exchange Limited (DSE). The value was calculated by considering weighted net profit after tax for last 5 (five) years as per audited financial statements and market earnings multiple. The weighted average Earnings per share (EPS) is **BDT 1.79** and the three months average DSE Sector P/E is **16.66** Therefore, Earning-based-value per share based on overall sector P/E has been derived as **BDT 29.87**.

Accounting Year	No. of Shares	Net Profit after Tax	Weighted Average No. of Share	Weighted Average Net Profit after tax
30-Jun-17	55,000,000	106,885,828.00	0.83	88,401,945.00
30-Jun-16	9,999,900	57,869,126.00	0.15	8,702,050.00
31-Aug-15	500,000	67,478,136.00	0.01	507,355.00
31-Aug-14	500,000	68,223,760.00	0.01	512,961.00
31-Aug-13	500,000	67,314,207.00	0.01	506,123.00
Total	66,499,900	367,771,057.00	1.00	98,630,435.00
Total no. of Share outstanding before IPO				55,000,000.00
EPS based on Weighted Average of Net Profit after Tax				1.79
03 Months Average DSE Textile Sector P/E				16.66
Earning Based Value per Share Based on overall Sector P/E				29.87
Earning Based Value per Share Based on Average Textile Sector P/E (16.66*1.79)				
*Average Price Earning of Textile Sector (February, March, April, 2018)				

Information Collected from DSE Monthly review (February, March, April, 2018)

Calculation of Average Sector P/E

Nature of Business of Kattali Textile Limited is similar to the business of Companies Listed in stock Exchanges under the Textile Sector. So we have considered the immediately preceding 03 months average Sector P/E multiple to determine the earning based value per Share.

Month	Sector P/E
Feb-18	16.97
Mar-18	16.02
Apr-18	16.98
Total	49.97
Average	16.66 (49.97/3)

METHOD 2: II) EARNING-BASED-VALUE PER SHARE (CONSIDERING AVERAGE MARKET P/E)

Earning-based-value per share based on historical information sourced from audited financial statements and statistics from Dhaka Stock Exchange Limited (DSE). The value was calculated by considering weighted net profit after tax for the last 5 (five) years as per audited financial statements and market earnings multiple. The weighted average Earnings per share (EPS) is **BDT 1.79** and the three months average DSE Market P/E is **15.86** Therefore, Earning-based-value per share based on overall market P/E has been derived as **BDT 28.44**.

Accounting Year	No. of Shares	Net Profit after Tax	Weighted Average No. Of Share	Weighted Average Net Profit after tax
30-Jun-17	55,000,000	106,885,828.00	0.83	88,401,945.00
30-Jun-16	9,999,900	57,869,126.00	0.15	8,702,050.00
31-Aug-15	500,000	67,478,136.00	0.01	507,355.00
31-Aug-14	500,000	68,223,760.00	0.01	512,961.00
31-Aug-13	500,000	67,314,207.00	0.01	506,123.00
Total	66,499,900	367,771,057.00	1.00	98,630,435.00
Total no. of Share outstanding before IPO				55,000,000.00
EPS based on Weighted Average of Net Profit after Tax				1.79
03 Months Average DSE Market P/E				15.86
Earning Based Value per Share Based on overall Market P/E				28.44
Earning Based Value per Share Based on Average Market P/E (15.86*1.79)				
*Average Price Earning of Textile Sector (February, March, April, 2018)				

Information Collected from DSE Monthly review (February, March, April, 2018)

Calculation of Average Market P/E

So we have considered the immediately preceding 03 months average Market P/E multiple to determine the earning based value per Share.

Month	Market P/E
Feb-18	16.47
Mar-18	15.67
Apr-18	15.43
Total	47.57
Average	15.86 (47.57/3)

METHOD- 3: PROJECTED EARNINGS FOR THE NEXT THREE ACCOUNTING YEAR WITH RATIONALES OF THE PROJECTION, (IF NOT IN COMMERCIAL OPERATION)

Kattali Textile Limited started its commercial operation as on 1st March 2004. So valuation of shares with Projected Earnings for the next three accounting year with rationales of the projection is not applicable for this company.

METHOD 4: AVERAGE MARKET PRICE PER SHARE OF SIMILAR STOCKS

Nature of Business of Kattali Textile Limited is similar to the business of Companies Listed in stock Exchanges under the Textile Sector. So we have considered the Envoy Textile Limited, Zahin Textile Limited & Simtex Industries Limited to calculate the average market price per share of Similar Stock for the last One year. Tables of the calculation are given below:

Sl. No	Date	Envoy Textile Ltd.	Zahin Textile Ltd.	Simtex
1	31-May-17	37.80	19.20	27.90
2	30-Jun-17	39.50	19.60	28.20
3	31-Jul-17	38.80	20.10	33.30
4	31-Aug-17	40.20	19.20	32.90
5	28-Sep-17	39.60	18.20	29.90
6	31-Oct-17	40.80	17.40	28.70
7	30-Nov-17	37.90	16.90	29.30
8	28-Dec-17	34.80	16.60	29.40
9	31-Jan-18	32.50	15.30	28.60
10	28-Feb-18	32.20	14.90	28.70
11	29-Mar-18	30.20	14.30	28.10
12	30-Apr-18	29.90	13.60	27.00
Average Price		36.18	17.11	29.33
Average Price of these 03 (Three) Stocks				27.54

Sources of information:

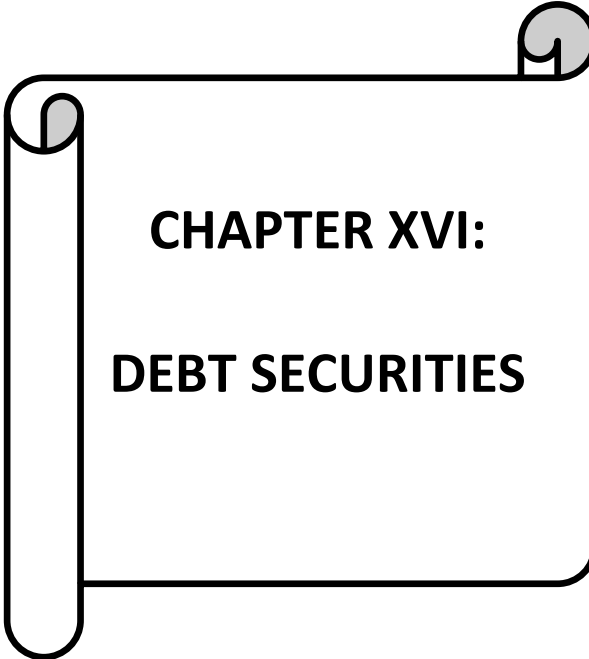
1. Annual Report of Issuer Company (Kattali Textile Limited)
2. Monthly review published by Dhaka Stock Exchange Limited

Offer Price:

Based on the above-mentioned valuation methodologies as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the management of the Company in consultation with the Issue Manager has set the issue price at **BDT 10.00** each at par value.

Conclusion:

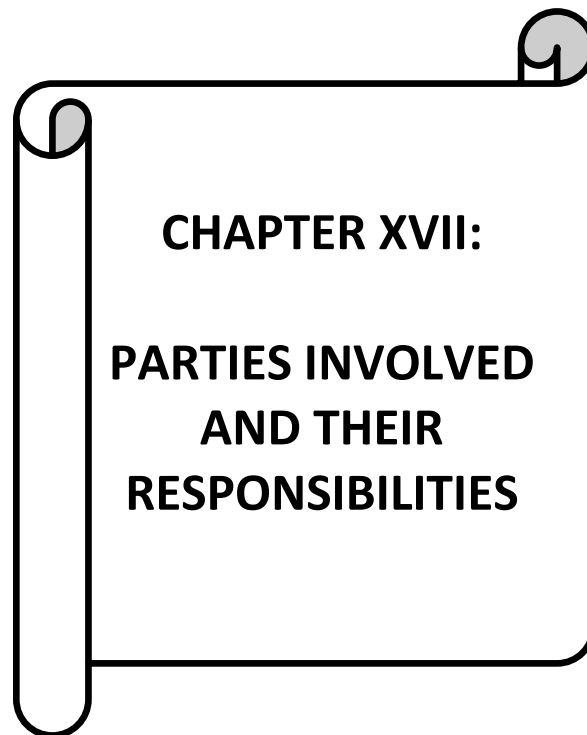
Therefore, the Issue Manager & Management of the Company believes that the offering Price of Tk. 10.00 per Share is justified.



**CHAPTER XVI:
DEBT SECURITIES**

CHAPTER XVI: DEBT SECURITIES

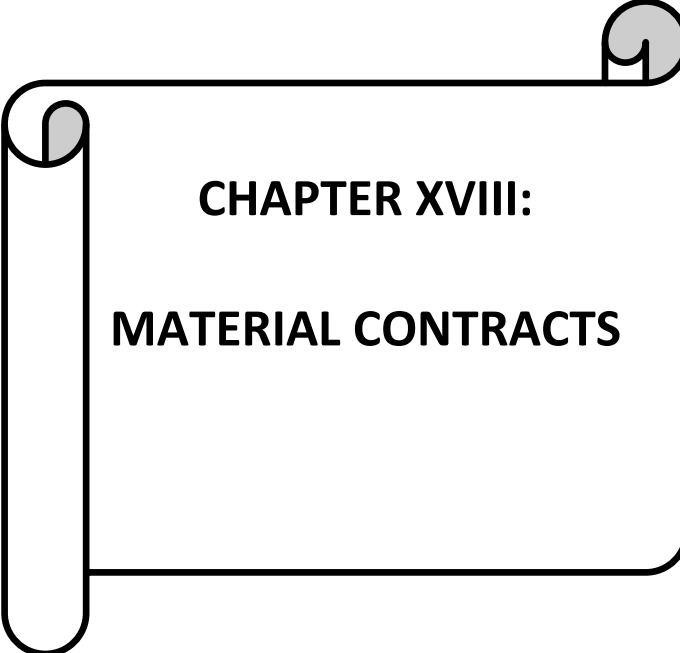
- (a) **The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer of such securities and any other rights the holders of such securities may have;**
Kattali Textile Limited has not issued or is planning to issue any debt securities within 6 (six) months.
- (b) **All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios;**
Kattali Textile Limited has not issued or is planning to issue any debt securities within 6 (six) months.
- (b) **Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders;**
Kattali Textile Limited has not issued or is planning to issue any debt securities within 6 (six) months.
- (c) **Repayment/ redemption/conversion status of such securities.**
Kattali Textile Limited has not issued or is planning to issue any debt securities within 6 (six) months.



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

CHAPTER XVII: PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Major Parties involved with Kattali Textile Limited		Responsibilities of the Parties
Issue Manager	NRB Equity Management Limited	The Issue Managers will act as the manager of the issue for the Public issue as described in Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
Underwriter's to Issue	1. CAPM Advisory Limited	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
	2. Beta One Investment Limited	
	3. AIBL Capital Management Limited	
	4. Citizen Securities & Investment Limited	
Auditor's	Shiraz Khan Basak & Co.	Auditors' responsibility is to express an opinion on these financial statements based on the audit. Auditors conducted the audit in accordance with Bangladesh Standards on Auditing (BSA).
Cost Auditor		Not applicable to the Company.
Valuer		Not applicable to the Company.
Credit Rating Company		Not applicable to the Company.

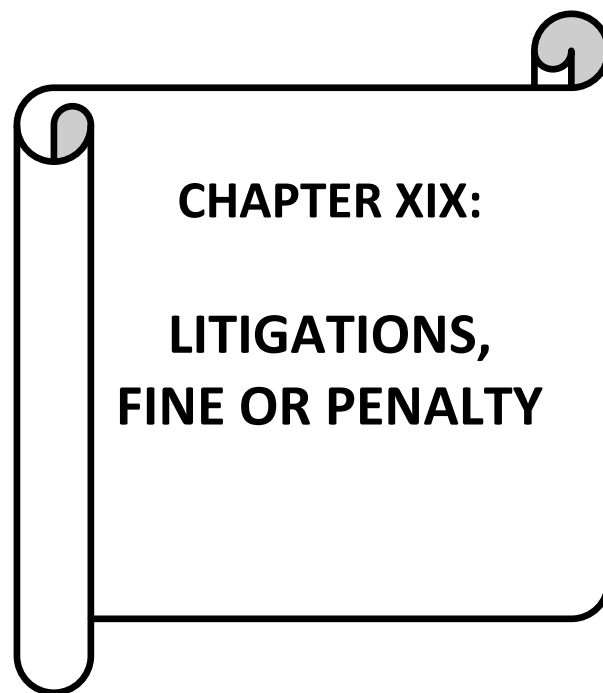


**CHAPTER XVIII:
MATERIAL CONTRACTS**

CHAPTER XVIII: MATERIAL CONTRACTS:

	(a) Major agreements entered into by the Issuer	(b) Material parts of the agreements	(c) Fees payable to different parties
Issue Manager	Issue Management Agreement between the Company, Kattali Textile Limited and the Manager of the issue, NRB Equity Management Limited.	To do the entire task as mentioned in the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015.	To NRB Equity Management Limited Tk. 3,000,000 Lac.
Underwriters	Underwriting Agreement between the Company and the following underwriters: <ol style="list-style-type: none"> 1. Beta one Investment Limited. (2,500,000 Shares) 2. AIBL Capital Management Limited. (3,000,000 Shares). 3. CAPM Advisory Limited (5,000,000 Shares) 4. Citizen Securities & Investment Limited. (1,400,000 Shares) 	The issuer, in the event of under subscription, shall notice to the underwriters within ten days of closer of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 days of the date of said notice and said amount shall be credited to securities subscription account within the said period. The issuer shall within 7 days of the expiry of the period mention above, sent to the commission proof of subscription and deposit of the money by the underwriters.	Underwriting commission at the rate of 0.50% on 35% of the Total IPO amount. (i.e. Tk. 119,000,000.00)

Copies of the above-mentioned contracts and documents and the consent order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.



**CHAPTER XIX:
LITIGATIONS,
FINE OR PENALTY**

CHAPTER XIX: LITIGATION, FINE OR PENALTY
A. THE FOLLOWING LITIGATION INCLUDING OUTSTANDING LITIGATIONS AGAINST THE ISSUER OR ANY OF ITS DIRECTORS AND FINE OR PENALTY IMPOSED BY ANY AUTHORITY:

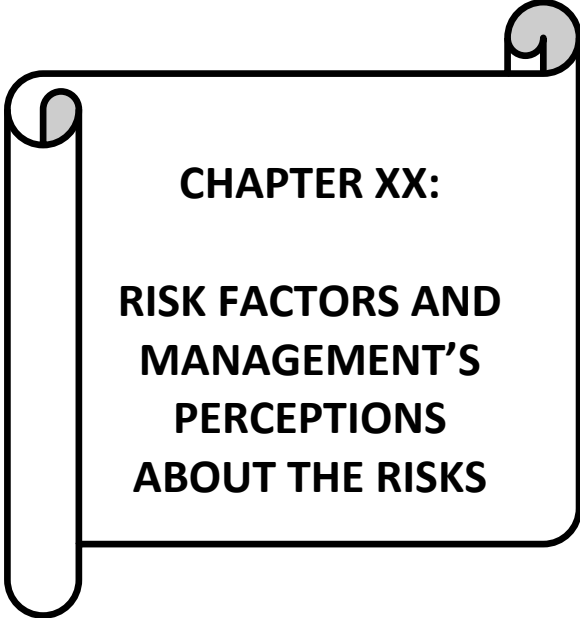
The Kattali Textile Limited or any of its Directors was not involved in any of the following types of Legal processing are mentioned below:

i)	Litigation involving Civil Laws	There are no litigations of the Issuer or Director's in Civil laws
ii)	Litigation involving Criminal Laws	
iii)	Litigation involving Securities, Finance and Economic Laws	There are no litigations of the Issuer or Director's in Securities, Finance and Economic Laws
iv)	Litigation involving Labor Laws	There are no litigations of the Issuer or Director's in Labor Laws
v)	Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)	There are no litigations of the Issuer or Director's in connection to Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)
vi)	Litigation involving any other Laws	There are no litigations of the Issuer or Director's in any other Laws

b. Outstanding cases filed by the company or any of its directors

There are no outstanding cases filed by the Issuer or any of its Directors to any of the following types of legal proceedings mentioned below:

i)	Litigation involving Civil Laws	No cases filed by the company or any of its Directors
ii)	Litigation involving Criminal Laws	
iii)	Litigation involving Securities, Finance and Economic Laws	
iv)	Litigation involving Labor Laws	
v)	Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)	
vi)	Litigation involving any other Laws	



CHAPTER XX:

**RISK FACTORS AND
MANAGEMENT'S
PERCEPTIONS
ABOUT THE RISKS**

CHAPTER XX: RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

Any investment always associates with both internal and external risk factors having both direct and indirect effect on the investments made by the investor. Among those risks some can be averted, others are beyond control, which may cause loss. Before making any investment decision, investors need to consider the associated risk factors, the risk premium and management perception. If any of the following risks actually happens in the business, operational results and financial conditions could suffer and investors could lose their investments partly or fully. The management of Kattali Textile Limited perceives the following risk factors, both external and internal, which are enumerated hereunder:

- (i) Internal risk factors
- (ii) External risk factors

I. INTERNAL RISK FACTORS MAY INCLUDE, AMONG OTHERS:

a) **Credit Risk:**

This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always a credit risk as there is always lending and borrowing between parties in the form of money and goods.

Management Perception:

Credit Risk mainly lies with banks and Financial Institutions. Kattali Textile Limited is concentrating its business in Manufacturing and exporting the same, the company has enjoyed credit facilities from financial institutions. However, a certain degree of credit risk lies because of this obligation. The management is well aware of this and management tries to manage it efficiently through continuous supervision.

b) **Liquidity Risk:**

A company may be unable to meet short-term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception:

Kattali Textile Limited has been dealing with its working capital in an efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

c) **The Risk associated with the Issuer's interest in subsidiaries, joint ventures and associates:**

This risk may arise when the Issuer Company has any Subsidiaries, Joint Ventures and Associates.

Management Perception:

Kattali Textile Limited has no subsidiaries, Joint Ventures and Associates. As a result, this risk factor is not applicable to the Company.

d) **Significant revenue generated from a limited number of customers, losing any one or more of which would have a material adverse effect on the issuer.**

There is risk involved in having a limited number of customer and losing that particular customer has a negative impact on company's sales and Cash flow as well as textile sector.

Management Perception:

Kattali Textile Limited is concentrating in readymade garments Industry and it does not have limited customers from whom it generates a significant amount of revenue, it is almost free from this sort of risk.

e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely.**

An interruption in raw material supply may impediment of the smooth production process.

Management Perception:

In business, having many suppliers of raw materials helps to get competitive advantage of the cheaper price of raw materials. Because, it helps to bargain over price with suppliers. In addition, having many suppliers helps to maintain doing business efficiently. Kattali Textile Ltd. has several suppliers of raw materials and so it does not depend on a single or few suppliers of raw materials.

f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary**

Having 20% revenue generation from sister concern or associated or subsidiary makes issuer dependent on other companies. Hence, there is dependency risk Revenue would be concentrated if it comes from sister concern or associate or subsidiary company.

Management Perception:

Kattali Textile Limited has no sister concern or associate or subsidiary. As a result, this risk factor is not applicable to the Company.

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during the last five years, if any.**

The Company's financial strength may abrade due to negative earnings and cash flow consecutively for more than years.

Management Perception:

The Company does not have any negative earnings, negative cash flows from operating activities, declining turnover or profitability during the last five years.

- h) **Loss-making associate or subsidiary or group companies of the issuer.**

The Company may expose to risk of contagion which refers that the financial problem, especially insolvency, of one member of a group will bring about the deterioration in the condition of all members.

Management Perception:

The Company does not have any associate or subsidiary or group companies. That's why this risk is immaterial for KTL.

- i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates**

Financial performance has a material impact on the sustainability of the Company as going concern.

Management Perception:

Sales are one of the key indicators of the success of a business if there is the good margin of profit. KTL has been experiencing with increasing sales growth which is boosting up the profitability for last five years. Current and quick ratios are also in favor of the company.

- j) **Decline in value of any investment**

Investment value might rise or fall because of market conditions (market risk). The corporate decision, such as whether to expand into a new area of business or merge with another company, can affect the value of the investment.

Management Perception:

The company doesn't have any other investment.

- k) **The risk associated with the useful economic life of plant and machinery, if purchased in second-hand or reconditioned.**

There is obsolesces risk relating to plant & Machinery. If the machinery is purchased from secondhand or reconditioned there is high risk relating to the profitability of the company.

Management Perception:

KTL uses branded machinery for overall operation. Hence, there is no presence of risk associated with it.

- l) **Adverse effect on future cash flow if interest-free loan given to the related party or such loans taken from Directors may recall.**

There is an interest burden on the company if the company gives Loan to the director or related party other excluding Interest if the money taken as loan. On the other hand, if such loan is taken from a related party or Director there will have a negative impact on the cash flows to pay off the loan.

Management Perception:

There is no as such loan was given to related party or loan is taken from Directors.

- m) **Potential conflict of interest, if the sponsors or Directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or Directors.**

Conflict of interest between the issuer and its suppliers or major customer arise due to common management may create an impediment in the day to day business operational process.

Management Perception:

No KTL's sponsor or Director is engaged in the same line of business of the Company. No supplier of raw materials or major customer is related to the same sponsors or Directors. So, such a risk is not relevant to KTL.

- n) **Related party transactions entered into by the company those may adversely affect competitive edge.**
In many cases related party transaction are undertaken in the course of the normal business of an entity, in view of the nature of related party relationships and transaction they may carry a higher risk about the ability of the Company to continue in business as a going concern- if the entity's interest is constantly subordinated to that of related party.

Management Perception:

KTL did not engage in any such transaction, which may adversely affect competitive edge.

- o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities.**

The future business process or revenue may hinder by any such restrictive covenants stipulated in the agreement with shareholders, with the sponsor or any loan agreement with the bank or financial institutes.

Management Perception:

There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

- p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees.**

RMG industry operates mutually by workers and management mutual understanding. Owners are always concern about the worker's demand.

Management Perception:

Employee unrest is part of the business and it is important to deal with labor unrest efficiently. KTL has different incentive packages for their employees so that they can be beneficial through such a package. This is they believe that employees are very important part of the business.

- q) **Seasonality of the business of the issuer**

Revenue of the company would be affected if the business is seasonal or if the company is not doing business over the year.

Management Perception:

Textile sector is the leading industry of our country. Bangladesh is looking forward to earning 50 billion US dollar from this industry in the near future. Hence, there is no Seasonality of the business of the issuer.

- r) **Expiry of any revenue generating contract that may adversely affect the business**

The revenue would be squeezed if any contract for which revenue generated had expired.

Management Perception:

The company is not at risk of losing any revenue generating contract that may adversely affect the business.

- s) **Excessive dependence on debt financing which may adversely affect the cash flow.**

The company may expose to a high degree of risk and its future cash flow from operation shall be squeezed due to financial expenses.

Management Perception:

The management of KTL is fully aware of the risk and always trying to mitigate the dependency on debt financing which may adversely affect the Cash Flow of the Company. This is one of the important facts that drive KTL to equity financing through a Public Offer.

- t) **Excessive dependence on any key management personnel absence of whom may have an adverse effect on the issuer's business performance.**

Key Management personnel has a key role in the organization for the smooth operation of the company. If key management personnel turnover is high that has an adverse impact on an organizational day to day activities.

Management Perception:

Corporate Governance is well practiced in KTL. The company also has a well-placed organogram. So any change in the key management can be replaced with capable professionals.

u) Enforcement of contingent liabilities which may adversely affect the financial condition.

Contingent liabilities are likely to have a negative impact on a company's stock share price because they threaten to reduce the company's asset and net profitability. The extent of the impact on share price depends on the estimated probability of the contingent liabilities becoming actual liabilities.

Management Perception:

The Company does not have any contingent liabilities which may adversely affect the financial condition.

v) Insurance coverage does not adequately protect against certain risks of damages.

The Company shall expose to significant loss if its assets are not properly covered by insurance.

Management Perception:

The company has different insurance coverage for all the relating issues that are risky to operating business.

w) The absence of assurance that Directors will continue its engagement with Company after the expiry of the lock-in period.

The company may expose to certain risk to operate its day to day business operations if the current director's engagement shall not continue after the expiry of the lock-in period.

Management Perception:

The Directors are involved in the business for a long time and they will continue the business after the expiry of the lock-in period.

x) Ability to pay any dividends in the future will depend on upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.

Any future dividend payment depends on the future revenue generation. Any negative earnings in the future shall be hindered future financial stability of the company.

Management Perception:

KTL is a profitable entity over a long time and the profit is on the uptrend. So the management believes that it will be able to pay a dividend from earning a profit.

y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors.

History of non-operation indicates weak operational management of the Company. Non-operation leads to negative cash flow, incurring losses and bankruptcy in the worst case scenario.

Management Perception:

As a manufacturer, KTL takes their operation very seriously. They know, if the operation is stopped for one day that can hamper supply to their customers. In any situation, they do not compromise with their operation. Such case is not happening in the history of KTL.

y) The Risks related to engagement in a new type of business, if any.

Management Perception:

There is no as such risk relating to engagement in a new type of business.

aa) Risk in investing the securities being offered with comparison to other available investment options.

The company would be exposed off potential financial distress if the return on investment is low compared to alternative investment options they have.

Management Perception:

Kattali Textile Limited is a profitable entity for a long time and the management operates the business efficiently. There is the presence of a certain degree of risk associated with investing the securities in the capital market. The potential investors are requested to carefully read the prospectus and understand the business potential of the company before making an investment decision.

bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law.

The company shall have a risk to expose of eroded its brand name and goodwill in case of penalty or action taken by the regulatory authority.

Management Perception:

The management believes that it is highly unlikely that, any penalty or action may be required to be taken by any regulatory authorities for non-compliance with provisions of any law.

- cc) **Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of the amount, the period for which such demands or claims are outstanding, financial implications and the status of the case.**

Any litigation in terms of unsettled tax, VAT or any other Govt. claim may hamper the business operation of The Company as well as may create future potential financial losses.

Management Perception:

The company doesn't have any litigation relating to Tax, VAT or other government claims against the company.

- dd) **Registered office or factory building or place of operation is not owned by the issuer.**

The Registered office is owned by the company where the factory building is owned by the Company.

Management Perception:

Registered office and factory building is owned by the company. The corporate office is also owned by the company.

- ee) **Lack of renewal of existing regulatory permissions/ licenses.**

Non-renewal of license may hamper day to day business operation of the company.

Management Perception:

There is no such issue relating to lack of existing regulatory permissions/ licenses.

- ff) **Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates.**

There may have a legislative impact on the business operation of any Company by any judgment of Honourable High Court in case of failure of any listed company of the group for not comply with the state laws such as The Companies Act 1994 or payment of dividend to the shareholders in due course.

Management Perception:

There is no incident of failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any subsidiaries or associates because KTL does not have any Subsidiary & associates companies.

- gg) **Issuances of securities at lower than the IPO offer price within one year.**

If the issuer was issued share at lower than the IPO offer price within one year, there have possibilities to arise misperception about IPO price.

Management Perception:

The company will don't issue any of its securities at lower than the IPO offer within one year.

- hh) **Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.**

Any refusal of an application for public issue of any securities of the issuer may hinder confidence of the Company or convey a negative impression about the financial status to the shareholders.

Management Perception:

Bangladesh Securities and Exchange Commission (BSEC) has initially refuse IPO Application due to lack of attestation by the Issue Manager in the submitted documents which was dully mitigated & review of IPO Application of Kattali Textile Limited was accepted by BSEC.

II. EXTERNAL RISK FACTORS MAY INCLUDE AMONG OTHERS:

a) Interest Rate Risks:

Interest rate risk is the risk that the company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception:

Since the Kattali Textile Limited has not borrowed funds at a flexible rate, hence, the Interest rate risk does not arise. The company has been repaying borrowed funds on a continuous basis to reduce such interest risk.

b) Exchange Rate Risks:

Exchange rate risk occurs due to changes in exchange rates KTL is engaged in global trade as it procures its raw materials from overseas markets. Therefore, fluctuations in the related foreign currency rates may affect adversely to the Company's liquidity and profitability and expose a threat to the stability of the Company.

Management Perception:

The company receives the entire export proceeds in foreign currency and makes the majority of the Import payments in foreign currency as well. For a given depreciation of Taka against a particular foreign currency like US Dollar, the import payment and export proceeds will both be higher in terms of Taka. In the case of an appreciation of Taka against the same currency, the opposite will occur. Hence, the company has a natural hedge against exchange rate risk.

c) Industry Risks:

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margins, market share etc. which could have an adverse impact on the business, financial condition and results of operation.

Management perception:

The Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashion.

d) Economic and Political risks:

Economic risks:

Our performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials

Management Perception:

Bangladesh economy has been flourishing over the years with a consistent growth rate of 6% plus. Per capita income of our country has been increased as well. In addition, favorable government policies are also the key factors. The government has now aimed at 7% plus future growth for our country.

Political risks;

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

Management Perception:

During the last forty-five years of the post-independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of the peaceful political situation in Bangladesh.

e) Market and Technology-related Risks:

Market risks:

The KTL is an exporter. Any economic recession, changes in tastes and fashions of the consumers, national income and other related factors may cause to decline the market demand for the company products.

Management perception:

KTL always gives values to its customers' satisfaction and changes in tastes and fashion. Hence, KTL has been dedicated to delivering any changes in customers' demand and new fashion trend as well.

Technology-related risks;

Changes in technologies may hamper the cost efficiency of the Company

Management perception:

KTL applies the latest technology in the manufacturing process in the production. KTL is very concerned with using high performance and sophisticated equipment. Not only sophistication but also strength is one of our priorities. In the case of new technologies, we have mastered adaptation techniques without hampering the cost efficiency of the company.

f) Potential or existing government regulations:

The company conducts its business under the Companies Act, 1994, different taxation policy adopted by NBR, Bangladesh Security and Exchange Commission rules and rules adopted by other regulatory bodies. The existing Government rules and regulations are favorable to the Company. Any abrupt changes in the policies may adversely affect the profitability and the operation of the Company.

Management perception:

RMG export is a vital sector for the growth of the economy of Bangladesh. Government incentives and subsidies are crucial to maintaining the sustainability and growth of this sector. The Government is aware of this fact. Hence, it is rationally expected that any undue tax or duty will not be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry. Finally, any changes in VAT, tax, or duty structure will affect all the operators in the industry. However, KTL has the greater resistance ability due to its cost-efficient operation process.

g) Potential or existing changes in global or national policies;

Changes in the existing global or national policies can have either a positive or negative impact on the Company's profitability. The performance of the Company may be affected due to unavoidable circumstances in Bangladesh, as such any structural change in textile industry, war, terrorism, political unrest, natural and man-made disasters like the one happened with 'Rana Plaza' in Savar and 'Tazrin Garments' in Savar in the country which may adversely affect the economy in general.

Management perception:

As a least developed country, Bangladesh enjoys GSP facilities from EU countries. Withdrawal of this facility in the near future is least likely. The organization's management is always conscious of full compliance of the buyer specific requirements on a continuous basis. The company is striving to diversify its international client base through greater marketing initiatives. This will provide the company with greater sustainability against changes in buyer specific policy changes.

h) Statutory clearances and approvals those are yet to be received by the issuer.

To smooth running of the business operation statutory clearance is required.

Management Perception:

The company has collected all the statutory clearance and approval to operate its business. The necessary update and renewal is a continuous process. Hence, there is a limited degree of such risk associated with the company.

i) Competitive condition of the business;

KTL is operating in a free market economy regime. The company might have to face staff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:

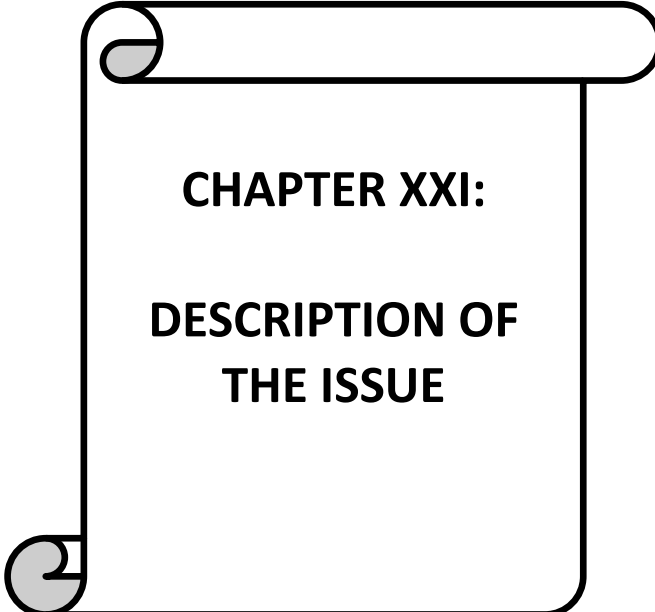
Bangladesh is the prime source of the cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain its cost of products most competitive. Moreover, over the last few years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

j) Complementary and supplementary products/services which may have an impact on the business of the issuer.

Complementary and supplementary product may have an impact on the sale of the existing product of the Company.

Management Perception:

The company has not faced any challenges relating to supplementary and complementary products and Management is concerned with the issue. In future, if necessary, management may diversify the product to be competitive with the competitors.



**CHAPTER XXI:
DESCRIPTION OF
THE ISSUE**

CHAPTER-XXI) DESCRIPTION OF THE ISSUE

(a) **Issue Size:** Total issue size of 34,000,000 Ordinary shares of Tk.10.00 each at par totaling Tk. 340,000,000.00

(b) **Number of Securities to be issued;**
Public issue of 34,000,000 Ordinary shares

(c) **Authorized capital and paid-up capital;**
Authorized capital: Tk. 900,000,000
Paid-up capital: Tk. 550,000,000

(d) **Face value, premium and offer price per unit of securities;**
Face Value: Tk. 10.00
Offer Price per unit of securities: Tk. 10.00

(e) **Number of securities to be entitled to each category of applicants;**
IPO size will be 34,000,000 ordinary shares @ TK. 10.00 each at par totaling Tk. 340,000,000. As per the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, 10% of total Initial Public Offering shall be reserved for mutual funds, 40% for other eligible investors (EIs), 10% for non-resident Bangladeshi (NRB) and 40% for other general public. The position is thus as follows:

Category	Particulars	Number of Shares	Amount in BDT
Eligible Investors (EIs)	10% of IPO i.e. 3,400,000 Ordinary Shares shall be reserved for Mutual Funds.	3,400,000	34,000,000
	40% of IPO i.e. 13,600,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	13,600,000	136,000,000
General Public	10% of IPO i.e. 3,400,000 Ordinary Shares shall be reserved for Non- Resident Bangladeshis (NRB)	3,400,000	34,000,000
	40% of IPO i.e. 13,600,000 Ordinary Shares shall be reserved for (স্বতন্ত্র ক্ষুদ্র বিনিয়োগকারী) General Public (excluding NRB).	13,600,000	136,000,000
Total		34,000,000	340,000,000

(f) **Holding structure of different classes of securities before and after the issue;**

The Company has issued only ordinary shares. Holding structure of different classes of securities before and after the issue is as follows:

Sl. No	Name of Director & Sponsor	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Sponsors & Directors	26,982,327	26,982,327	49.06%	30.32%
2	Institutional	2,223,250	15,823,250	4.04%	17.78%
3	Mutual fund	-	3,400,000	-	3.82%
4	Individual	25,794,423	39,394,423	46.90%	44.26%
5	Non-Residential Bangladeshis (NRBs)	-	3,400,000	-	3.82%
		55,000,000	89,000,000	100%	100%

(g) **Objective of the issue including financing requirements and feasibility in respect of enhanced paid up capital.**

Net proceeds from Initial Public Offering (IPO) will be used for Construction of factory building expansion unit, Construction of Dormitory, Acquisition of New Machinery, Bank Loan Repayment (Overdraft) and for IPO expenses.

Sl No.	Particulars	Amount in TK
1	Construction Of Factory Building Expansion Unit	172,779,916
2	Construction Of Dormitory for employee	25,312,794
3	Acquisition of New Machinery for Expansion Unit	89,787,540
4	Electric Installation of Transformer & Generator	7,995,750
5	Bank Loan Repayment (One Bank Limited)	25,000,000
	Total	320,876,000

Apart from above Tk. 19,124,000 will be used for IPO expenses out of total IPO proceeds. The feasibility report with respect enhances paid-up capital as prepared; Cost & Management Accountants is enclosed below:

Feasibility in respect of enhanced paid-up capital:
Statement of Financial Position (Projected)

Particular	30-Jun-17	Projected		
		30-Jun-18	30-Jun-19	30-Jun-20
Non Current Assets & Properties	776,871,445	1,024,960,143	968,563,841	908,200,884
Property, Plant & Equipment	711,455,829	659,168,527	968,563,841	908,200,884
Capital Work In Process	65,415,616	365,791,616	-	-
Current Assets	485,151,281	623,406,336	805,218,573	1,013,109,239
Inventories	161,083,792	180,820,948	234,378,905	254,758,854
Account Receivables	254,730,081	250,155,756	309,131,341	322,860,367
Advances, Deposits and Prepayments	68,992,696	63,712,459	65,027,693	65,540,114
Cash and Cash Equivalents	344,712	128,717,172	196,680,634	369,949,904
Total Assets	1,262,022,725	1,648,366,478	1,773,782,414	1,921,310,123
Shareholder's Equity & Liabilities				
Shareholder's Equity	1,126,437,055	1,539,998,148	1,669,689,957	1,803,307,874
Share Capital	550,000,000	550,000,000	550,000,000	550,000,000
IPO Proceeds	-	340,000,000	340,000,000	340,000,000
Retained Earnings	576,437,055	649,998,148	779,689,957	913,307,874
Non-Current Liabilities	33,137,855	33,158,579	42,038,181	47,434,524
Share Money Deposit	-	-	-	-
Deferred Tax	30,884,274	33,158,579	42,038,181	47,434,524
Long Term Loan (long term portion)	2,253,581	-	-	-
Current Liabilities	102,447,815	75,209,751	62,054,276	70,567,725
Bank Overdraft	32,318,266	-	-	-
Long term Loan (Current Portion)	398,325	-	-	-
Accounts Payable	3,932,481	1,278,517	2,557,034	3,835,551
Liabilities For Expenses	39,357,976	40,172,201	51,938,948	66,732,174
Short Term Loan	26,440,767	33,759,033	7,558,294	-
Total Shareholder's Equity & Liabilities	1,262,022,725	1,648,366,478	1,773,782,414	1,921,310,123
Net Assets Value Per Share (NAV)	20.48	28.00	30.36	32.79

Statement of Comprehensive Income (Projected)

Particular	30-Jun-17	Projected		
		30-Jun-18	30-Jun-19	30-Jun-20
Turnover	595,295,265	625,104,266	862,259,030	890,215,530
Cost of Goods Sold	(459,349,205)	(489,005,324)	(667,513,693)	(689,347,403)
Gross Profit	135,946,060	136,098,942	194,745,337	200,868,127
Operating Expenses	(24,402,564)	(45,375,993)	(36,983,216)	(38,351,397)
Operating Profit	111,543,496	90,722,950	157,762,121	162,516,730
Financial Expenses	(5,820,380)	(4,134,182)	(4,258,353)	(4,390,507)
Profit before Non Operating Income	105,723,116	86,588,768	153,503,768	158,126,223
Other Income	1,291,552	1,182,991	1,242,140	1,304,247
Profit before Income Tax & WPPF	107,014,668	87,771,758	154,745,908	159,430,470
Provision for WPPF	-	(4,179,608)	(7,368,853)	(7,591,927)
Net Profit before Income Tax	107,014,668	83,592,151	147,377,055	151,838,543
Provision for Income Tax	(128,840)	(10,031,058)	(17,685,247)	(18,220,625)
Current Taxes	(8,841,341)	(7,756,753)	(8,805,644)	(12,824,282)
Differed Taxes	8,712,500	(2,274,305)	(8,879,603)	(5,396,343)
Total Comprehensive Income for the year	106,885,828	73,561,093	129,691,808	133,617,918
Earnings Per Share (EPS)	1.94	1.34	2.36	2.43

Statement of Cash Flows (Projected)

Particulars	30-Jun-17	Projected		
		30-Jun-18	30-Jun-19	30-Jun-20
A. Cash Flows from Operating Activities				
Received from Customers	566,382,669	630,861,582	804,525,585	877,790,752
Paid to Suppliers	(446,227,355)	(505,919,283)	(700,480,047)	(686,437,275)
Payment of Income Tax	(3,955,638)	(4,407,750)	(5,622,984)	(6,135,406)
Net Cash Inflow from Operating Activities	116,199,677	120,534,548	98,422,554	185,218,071
B. Cash Flows from Investing Activities				

Particulars	30-Jun-17	Projected		
		30-Jun-18	30-Jun-19	30-Jun-20
Acquisition of Property, Plant and Equipment	(171,260,487)	-	-	-
Proceeds from Capital Work In Progress	(39,688,751)	(300,376,000)	-	-
Net Cash Outflow from Investing Activities	(210,949,238)	(300,376,000)	-	-
C. Cash Flows from Financing Activities				
Bank Overdraft	4,408,860	(32,318,266)	-	-
Proceeds from IPO	-	340,000,000	-	-
Proceeds from Share Money Deposit	185,607,441	-	-	-
Proceeds from Short Term Loan	(90,809,846)	7,318,266	(26,200,739)	(7,558,294)
Proceeds from Long Term Loan	(396,225)	(2,651,906)	-	-
Paid for Financial Expenses	(5,820,380)	(4,134,182)	(4,258,353)	(4,390,507)
Net Cash Inflow/(Outflow) from Financing Activities	92,989,850	308,213,912	(30,459,092)	(11,948,801)
D. Net Increase of Cash and Cash Equivalents for the year (A+B+C)	(1,759,711)	128,372,460	67,963,462	173,269,270
E. Cash and Cash Equivalents at the Beginning of the year	2,104,423	344,712	128,717,172	196,680,634
F. Cash and Cash Equivalents at the end of the year (D+E)	344,712	128,717,172	196,680,634	369,949,904
Net Operating Cash Flow Per Share	2.11	2.19	1.79	3.37

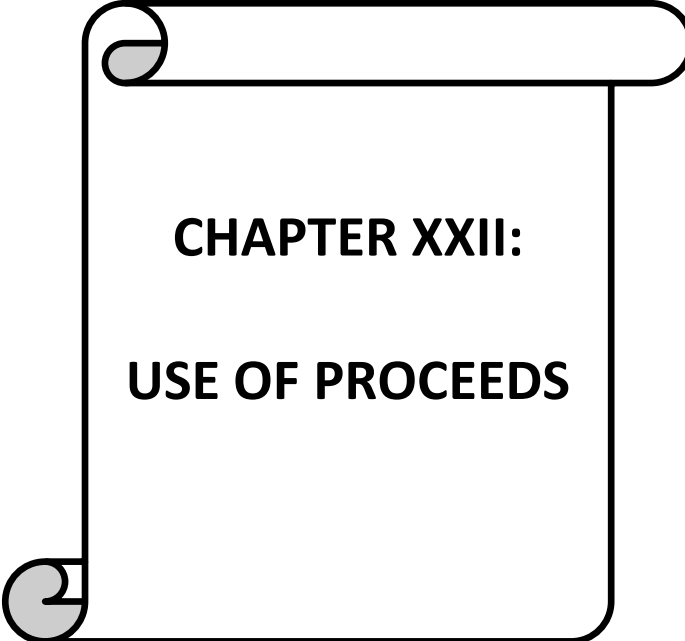
The Projected Financial Statement has been prepared on the underlying assumption

(Each year Calculation is made comparing with respective previous year)

Assumption Indicator	Assumption Basis	Assumptions Years (Amount in Taka)		
		2017-2018	2018-2019	2019-2020
Capacity In Pcs Per Month		415,000	570,000	570,000
Capacity Increase	Capacity will be Increased due to Introducing new Capital Machinery & new Expansion unit.	2.66%	37.35%	0.00%
Utilization of the Capacity	Capacity Utilization will be almost the same.	84.16%	84.52%	87.26%
Sales Revenue Increase	Sales Revenue will be Increased by Increasing Quality, Quantity & Unit Price of the Product.	5.01%	37.94%	3.24%
Operating Expenses	Operating Expenses will be Increase due to an increase in the production & Sales, IPO Expenses will lead higher increase & decrease of the Operating Expenses in 2018 & 2019 respectively.	85.95%	-18.50%	3.70%
Fixed Asset Addition	Fixed Asset will be increased for the purpose of production Increase to fill the demand, all the assets will be added by the KTL won generated source except Tk. 300,876,000 from IPO Proceeds for the new Capital Machinery, Expansion Factory Building & Dormitory Building for the Employees.	-	365,791,616	-
IPO Proceeds	Equity will be rise by Tk. 340,000,000 through IPO in 2018.	340,000,000	-	-
Loan Repayment	About 2.00 Crore will be paid from IPO Proceeds in 2018 for Overdraft Accounts of One Bank Limited & other payment of Loan will be as per regular payment by Kattali from its own source to settlement of Bank Liabilities.	27,651,906	26,200,739	-
Cash Surplus	The investments are projected according to the IPO proceeds utilization. Without further decision of the board regarding investments the surplus of cash will be in any Non-Current Asset, if any will be kept in the form of short-term marketable securities, like govt. treasury bonds.	128,679,936.57	196,554,309.23	369,823,579
Dividend	The dividend is not considered on Projection.			

Place: Dhaka
Dated: 25th November, 2017

Sd/-
Kanchi Lal Das
Ahmed Akhter & Co.
Chartered Accountants



**CHAPTER XXII:
USE OF PROCEEDS**

CHAPTER XXII: USE OF PROCEEDS
a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;
Sources of Fund:

Issue Size (Number of Shares to be issued)	Issue Price	Amount in Taka
34,000,000 Shares	Tk. 10.00	340,000,000
Less: IPO Expenses (Details as Page no: 69)		19,124,000
Net IPO Proceeds		320,876,000

Use of the net proceeds from the IPO:

Net proceeds from Initial Public Offering (IPO) will be used for Construction of Building, a dormitory for employees, acquisition of Machinery & Equipment, Electric Installation of Transformer & Generator and Bank Loan Repayment (One Bank Limited).

The details of which is stated as under:

SI No.	Particulars	Amount in TK	Implementation Schedule
1	Construction of Factory Building Expansion Unit	172,779,916	Within 24 months after receiving IPO Proceed.
2	Construction of Dormitory for employee	25,312,794	
3	Acquisition of New Machinery for Expansion Unit	89,787,540	
4	Electric Installation of Transformer & Generator	7,995,750	
5	Bank Loan Repayment (One Bank Limited)	25,000,000	
	Total	320,876,000	

1. Construction of Factory Building: Expansion Unit
Expansion Building

Details Cost of Estimated for proposed 4 Storied 18,500 sft per floor (with Foundation of Six Storied) New Factory Building in rented premises beside Existing Factory

Name of Work	Item Name	Size	Quantity	Unit	Rate(Tk)	Amount(Tk)	
Civil Work							
Earth Cutting			41,098	cft	40	1,643,910	
Pile	Ms Rod	16	mm	100,302	kg	57.5	5,767,387
		10	mm	48,045	kg	57.5	2,762,559
	Cement			12,501	Kg	430	5,375,591
	Sand			23,370	cft	60	1,402,208
	Stone			43,517	cft	150	6,527,494
						23,479,148	
Pile cap	Ms Rod	20	mm	15,614	kg	57.5	897,805
		12	mm	1,161	kg	57.5	66,750
		16	mm	8,080	kg	57.5	464,593
	Cement			2,340	Bag	430	1,006,308
	Sand			4,889	Cft	60	293,318
	Stone			9,301	cft	150	1,395,131
	B.F.S	Bricks		12,303	nos	8.5	104,571
	Cement			301	Bag	430	129,269
	sand			745	cft	60	44,678
	stone			1,489	cft	150	223,388
						4,625,809	
Short Colum & Grade Beam	Ms Rod	20	mm	12,525	kg	57.5	720,159
		16	mm	5,060	kg	57.5	290,936
		10	mm	7,502	kg	57.5	431,351
	Cement			1,129	Bag	430	485,255
	Sand			2,585	cft	60	155,123
	Stone			4,801	cft	150	720,113
						2,802,935	
Floor	Ms Rod	10	mm	18,556	kg	57.5	1,066,941
	Cement			1,961	Bag	430	843,230
	Sand			6,327	cft	60	379,620
	Stone			12,685	cft	150	1,902,725
	Flat Soling			62,333	nos	8	498,661

Name of Work	Item Name	Size		Quantity		Unit Rate(Tk)	Amount(Tk)
							4,691,178
Brickwork	1st class Brick			617,117	nos	8.5	5,245,493
	cement			2,602	Bag	430	1,119,003
	sand			15,978	cft	60	958,670
							7,323,166
Long Column & Lintel	Ms Rod	20	mm	113,183	kg	57.5	6,508,023
		10	mm	62,357	kg	57.5	3,585,547
	cement			7,832	bag	430	3,367,617
	sand			15,596	cft	60	935,730
	stone			31,277	cft	150	4,691,600
							19,088,516
Beam & Slab	Ms Rod	10	mm	194,972	kg	57.5	11,210,861
		16	mm	46,731	kg	57.5	2,687,033
		20	mm	24,809	kg	57.5	1,426,489
	cement			20,535	Bag	430	8,830,050
	sand			51,449	cft	60	3,086,910
	stone			77,638	cft	150	11,645,750
							38,887,093
Stair & Shear Wall	Ms Rod	12	mm	28,334	kg	57.5	1,629,205
		10	mm	2,088	kg	57.5	120,060
		8	mm	852	kg	57	48,564
	cement			1476	Bag	430	634,680
	sand			3330	Cft	60	199,800
	stone			1570	Sft	150	235,500
							2,867,809
Ceiling Plaster, wall Plaster & other Plaster	cement			3,102	bag	430	1,333,788
	sand			19,234	cft	60	1,154,030
							2,487,818
Tiles	Floor			74,000	sft	160	11,840,000
Thai Glass				21,750	sft	320	6,959,947
Grill				21,750	sft	216	4,697,964
Door				91	nos	7,700	700,740
Plumbing	(10% of Civil Cost)						17,492,965
Paint	Plastic emulsion paint			76,220	Sqft	12	914,640
	Enamel Paint			3,300	Sqft	12	39,600
	External Paint			31,635	Sqft	15	474,525
	Epoxy Paint for Wall			4,950	Sqft	80	396,000
							1,824,765
Labour Cost	Civil			74,000	sft	200.00	14,800,000
	Sanitary						1,690,681
	Tiles						2,006,492
	Paint						994,481
							19,491,654
Total civil Cost							170,905,416
Architectural and Structural							370,000
Electrical Work							1,504,500
Total Estimated Cost of New Expansion Unit							172,779,916

2. Construction of Factory Building: Dormitory

Details Cost of Estimated for proposed 5 Storied 2,400 sft per floor (with Foundation of Six Storied) New Dormitory beside Existing Factory Side.

Name of Work	Item Name	Size		Quantity		Unit Rate(Tk)	Amount(Tk)	
Civil Work								
Earth Cutting				4,792	cft	40	191,664	
Pile	Ms Rod	16	mm	8,812	kg	57.5	506,702	
		10	mm	6,833	kg	57.5	392,886	
	Cement			1,082	Kg	430	465,174	
	Sand			2,552	cft	35	89,313	
	Stone			5,705	cft	150	855,810	
							2,501,549	
Pile cap	Ms Rod	20	mm	2,086	kg	57.5	119,922	
		12	mm	97	kg	57.5	5,555	
		16	mm	928	kg	57.5	53,372	
	Cement			310	Bag	430	133,128	
	Sand			634	Cft	35	22,197	
	Stone			1,207	cft	150	180,990	
	B.F.S	Bricks			1,378	nos	9	11,715
	Cement			36	Bag	430	15,480	
	sand			97	cft	35	3,381	
	stone			199	cft	150	29,880	
							575,619	
Short Colum & Grade Beam	Ms Rod	20	mm	1,685	kg	57.5	96,876	
		16	mm	716	kg	57.5	41,193	
		10	mm	1,033	kg	57.5	59,409	
	Cement			152	Bag	430	65,532	
	Sand			341	cft	35	11,949	
	Stone			683	cft	150	102,420	
							377,379	
Floor	Ms Rod	10	mm	3,109	kg	57.5	178,768	
	Cement			328	Bag	430	141,040	
	Sand			1,226	cft	35	42,910	
	Stone			2,457	cft	150	368,550	
	Flat Soling			11,108	nos	8	88,864	
							820,132	
Brickwork	1st class Brick			100,073	nos	8.50	850,621	
	cement			432	Bag	430	185,760	
	sand			2,691	cft	35	94,185	
							1,130,566	
Long Column & Lintel	Ms Rod	20	mm	19,354	kg	57.5	1,112,855	
		10	mm	10,112	kg	57.5	581,440	
	cement			1,270	bag	430	546,100	
	sand			2,529	cft	35	88,515	
	stone			5,072	cft	150	760,800	
							3,089,710	
Beam & Slab	Ms Rod	10	mm	33,617	kg	57.5	1,932,978	
		16	mm	7,578	kg	57.5	435,735	
		20	mm	4,023	kg	57.5	231,323	
	cement			3,330	Bag	430	1,431,900	
	sand			8,043	cft	35	281,505	
	stone			13,690	cft	150	2,053,500	
							6,366,940	
Stair & Shear Wall	Ms Rod	12	mm	967	kg	57.5	55,603	
		10	mm	744	kg	57.5	42,780	
		8	mm	326	kg	57.00	18,582	
	cement			538	Bag	430	231,340	
	sand			865	Cft	35	30,275	
	stone			550	Sft	150	82,500	

Name of Work	Item Name	Size	Quantity	Unit	Rate(Tk)	Amount(Tk)
						461,080
Ceiling Plaster, wall Plaster & other Plaster	Cement		500	bag	430	215,000
	sand		3,019	cft	35	105,665
						320,665
Tiles	Floor		12,000	sft	160	1,920,000
Thai Glass			3,027	sft	320	968,640
Grill			3,027	sft	210	635,670
Door			47	nos	10,874	511,090
Plumbing	(10% of Civil Cost)					2,533,378
Paint	Plastic emulsion paint		12,540	Sqft	12	150,480
	Enamel Paint		535	Sqft	12	6,420
	External Paint		5,130	Sqft	15	76,950
	Epoxy Paint for Wall		805	Sqft	80	64,400
						298,250
Labour Cost	Civil		12,000	sft	135	1,620,000
	Sanitary					114,652
	Tiles					307,377
	Paint					112,835
						2,154,864
Total civil Cost						24,857,194
Architectural and Structural						115,000
Electric work						340,600
Total Estimated Cost						25,312,794

3. Acquisition of New Machinery for Expansion Unit:

Sl. No	Name of Supplier	Country of origin	Description	Model	Qty (Set)	Unit price in USD	Total in USD	Ex. Rate (BDT)	Total Amount In BDT
1	Brother Machinery (Asia) Limited	USA	Eastman pro CAD Software including 4 Module, pattern making (Split key), marker making (Split key), nesting and grading with plotter, SPECIAL PROGRAM, Converter, Digitizer.	EPSDNS (USA)	10	38,400	384,000	78.50	30,144,000
2		TAIWAN, CHINA	Vietnam assembled, High speed 3 -needle,5-thread, flatbed interlock stitch equipped with special Oil Barrier Type Machine, Complete set with Taiwan made Direct Drive Servo Motor (500W, 50HZ, 220 V), China made table and stand with Caster and Standard Accessories.	W3562P-01GX356 BS	45	1,935	87,075	78.50	6,835,388
3		TAIWAN, CHINA	Vietnam assembled, High-speed 2-needle, 5-thread, Overlock Machine, Complete set with Taiwan made Direct Drive Servo Motor (500W, 50HZ, 220 V), China made table and stand with Caster and Standard Accessories.	M932-70-5X5	45	1,399	62,955	78.50	4,941,968
4		CHINA	Vietnam assembled, High-speed 3-needle,6-thread, overlock Machine, , Complete set with China made Clutch Motor (400W, 50HZ, 220 V), table and stand with Caster and Standard Accessories.	M832-355-3X2X4	40	1,213	48,520	78.50	3,808,820
5		JAPAN	Japan Made Head, Hi-Speed, Flat Bed double chain stitch Machine with pre-installed, 11 Needle Gauge and extra Puller conversion sets, Complete set	DFV-1411P-XP	10	1,450	14,500	78.50	1,138,250

Sl. No	Name of Supplier	Country of origin	Description	Model	Qty (Set)	Unit price in USD	Total in USD	Ex. Rate (BDT)	Total Amount In BDT
			with standard Accessories, China Made Clutch Motor(400W, 220v, 50HZ), Table and Stand.						
6		CHINA, MALAY SIA	Twin Needle Lock stitched for Havey Material. China Made Head and Servo Motor, Malaysia made, table and stand with caster wheel.	T-8420C-005-N64D	45	1,250	56,250	78.50	4,415,625
7		JAPAN	Japan Made Head,3 Needle Feed of The Aram chainstitcher for heavy materials with puller. China made servo Motor, Malaysia made Table and Stand with Caster Wheel.	DA - 9280-5-364H/PF -H	20	3,750	75,000	78.50	5,887,500
8		CHINA, MALAY SIA	Direct Drive Electronic Lock Stitch Bar Tacker for heavy material. China made head and control box, Malaysia made table and stand with caster wheel	KE-430FS II-05	15	2,900	43,500	78.50	3,414,750
9		CHINA, MALAY SIA	Submerge Table, electronic eyelet buttonhole machine with upper and lower thread trimmer, Japan Made head China made control box Malaysia made table & stand.	RH-9820-02-12	20	9,800	196,000	78.50	15,386,000
10	Boiler	Oil operated Boiler for the expansion unit			1	24,000	24,000	78.50	1,884,000
Total Cost of Machinery									77,856,300
Installation & Other Cost:									
L/C Commission & Other Charges, Insurance, Other Customs Related Charges, C& F Commission & Other Charges									7,552,061
Civil Works, Electrical Works, Labor Charge, Expertise Charges, Loading Unloading Changes & Contingent Cost									4,379,179
Total Cost of Machinery with Installation cost									89,787,540

4. Electric Installation of Transformer & Generator:

SL	Particulars	Nos	Amount In Taka
1	11 KV HT Switchgear (VCB)	1 Nos	600,000
2	Transformer 800KVA, 11/ .415 KV	1 Nos	1,300,000
3	LT Switchgear (1250A)	1 Nos	500,000
4	480 KVAR Automatic PFI Plant	1 Nos	540,000
5	Dropout Fuse	1 Set	10,000
6	Light Gear Arrestor	1 Set	10,000
7	Installation, Testing, Commission, Transport, Earthling & Termination Kit & Other Expenses	1 Job	208,000
Substation 800 KVA Aksa Power Generation			3,168,000

550 Kva Standby, 500 KVA/ 400 KW Prime, 3 Phase Water Cooled with Built-in foreign ATS & Canopy Panel-01 Pcs			
Brand:	Aksa Power Generation	1 Nos	4,827,750
Origin:	EU (Turkey)		
Gen Set Model:	APD 550C		
Local/Imported	Imported		
Capacity:			
Standby Power:	550 KVA/440KW		
Prime Power:	550 KVA/440KW		
Engine Brand:	Cummins		
Engine Model:	KTA19G4		
Alt. Brand:	MecAlte, Italy		
Type:	Foreign ATS & Canopy		
Warranty:	One year (Parts Warranty)		
Installation, Testing, Commission, Transport, Earthling & Termination Kit & Other Expenses			
550KVA Standby 3 Phase Water Cooled Aksa Power Brand Diesel Generator			4,827,750
Total Electric Installation for the expansion unit			7,995,750

5. Bank Loan Repayment (One Bank Limited):

Particulars	Amounts in Taka
Balance as on 31 st March, 2018	30,807,835.00
Rate of Interest - 12.50%	
Tenor- 12 Month	
A/C number- 30060462011	
One Bank Limited, Agrabad Branch	
Payment of Loan from IPO Fund	25,000,000
About 2.50 Crore will be paid from IPO Proceeds in 2018 for repayment of above loan of One Bank Limited & other payment (if any) of Loan will be as per regular payment by Kattali from its own source to settlement of Bank Liabilities.	

b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsor's contribution and capital raised of the issuer at the time of submission of a prospectus, in details with an indication of use of such funds in the financial statements.

About Tk 545,000,000/- (Fifty Four Core Fifty Lac Only) has been raised through private placement prior to the public issue. This includes Bonus Share about Tk. 67,063,500 & Allotment of Shares Tk. 477,936,500. This Fund has already deployed by the issuer in the following manner.

Accounting Year	Items	Amount in BDT	Reflected in Cash Flows
31 August, 2007	Working capital	400,500	This figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
	Acquisition of Building, Land Development, Office Equipment	1,686,500	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
31 August, 2008	Working capital	8,803,028	This figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
	Loan Settlement	3,545,736	this figure is included as Payment to Short-term Loan, under the head of Financing Activities
	Acquisition of Electric Installation, building, furniture, land, Firefighting, office equipment, tools & factory equipment	18,413,100	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
31 August, 2009	Working capital	344,690	This figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
	Loan Settlement	3,320,000	this figure is included as Payment to Short-term Loan, under the head of Financing Activities

	Acquisition of Electric Installation, building, furniture, land, office equipment, tools & Factory Equipment	23,557,500	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
31 August, 2010	Working capital	3,250,000	This figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
	Loan Settlement	10,386,943	this figure is included as Payment to Short-term Loan, under the head of Financing Activities
	Acquisition of Electric Installation, building, furniture, land, office equipment, tools & Factory Equipment	27,286,000	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
31 August, 2011	Acquisition of Electric Installation, building, furniture, office equipment & tools	20,936,000	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
31 August, 2012	Working capital	7,729,095	This figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
	Acquisition of Electric Installation, furniture, office equipment, tools & Factory Equipment	2,346,695	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
31 August, 2013	Working capital	7,230,300	This figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
	Loan Adjustment	129,695	the figure is included in Adjustment of Short-term Loan, Under Financing Activities
	Acquisition of Electric Installation, building, furniture, firefighting equipment	23,460,000	the figure is included in a total amount of fixed assets acquired under the head of Investing Activities
31 August, 2014	Working capital	25,065,000	This figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
	Acquisition of Electric Installation, building, firefighting equipment & factory equipment	16,650,000	The figure is included in a total amount of fixed assets acquired under the head of Investing Activities.
30 June, 2016	Working Capital	4,669,283	this figure is included as expenditure for capital work in progress for the development of ongoing property under the head of Investing Activities
	Security Against Land	47,005,000	The figure is included as security against lease land under the head of operating activity.
	Acquisition of Electric Installation, building, land, office equipment, factory equipment, plant & machinery	32,249,290	the figure is included in a total amount of fixed assets acquired under the head of Investing Activities
30 June, 2017	Working Capital	2,909,150	the figure is included in ongoing capital work in progress for the acquisition of property, under the head of Investing Activities
	Acquisition of Electric Installation, building, furniture, firefighting, office equipment, tools, factory equipment, plant & machinery, generator, Substation	187,500,461	the total amount of fixed assets acquired under the head of Investing Activities

- c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture:

The Company has no objects is an investment in a joint venture, a subsidiary, an associate or any acquisition.

- d) If IPO proceeds are not sufficient to complete the project, then the source of the additional fund must be mentioned. In this connection, copies of the contract to meet the additional funds are required to be submitted to the Commission. The means and source of the financing, including details of bridge loan or another financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds:

IPO proceeds are sufficient to complete the project.

- e) A schedule mentioning the stages of implementation and utilization of funds received through a public offer in a tabular form, progress made so far, giving details of the land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer:

DECLARATION ABOUT THE UTILIZATION OF FUNDS RECEIVED THROUGH PUBLIC OFFER

No.	Projects	Progress made so Far	Approximate date of Completion of the projects	Projected date of full commercial operation
1	Land	No Land is required to be acquired.	-	-
2	Construction of Factory Building Expansion Unit	Construction and other civil work will be started after receiving of IPO fund	Within 24 months after receiving IPO Proceed	Within three months of the completion of the project
3	Construction of Dormitory	Construction and other civil work will be started after receiving of IPO fund		
4	Acquisition and Installation of Machinery	Machinery, Erection, Electrical Fittings, Piping and Installation will be started after receiving of IPO fund	Within 24 months after receiving IPO Proceed	
5	Electric Installation of Transformer & Generator	Transformer & Generator Purchase & Installation will be started after receiving of IPO fund		
6	Repayment of Bank Loan	Repayment of Bank Overdraft of One Bank Limited	Within 01 Month after receiving IPO fund	Within 1 Month after receiving IPO fund

Sd/-
Md. Emdadul Hoque Chowdhury
Managing Director

Sd/-
Fazlul Hoq
Chief Financial officer

Sd/-
Mrs. Nasreen Hoque
Chairman
On behalf of Board

- f) **If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus:**
As per rule Annexure-E (B) (21) (f) there is no contract covering any of the activities of the issuer for which the proceeds of the sale of securities are to be used.
- g) **If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long-term investments and an item wise break-up of last three years working capital and next two years projection:**
The company will not use any of the issue proceeds for working capital. So, this part is not applicable to the company.
- h) **Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc. The total project cost activity- wise or project wise, as the case may be:**
The company has planned to expand its existing projects by Machinery, Erection, Electrical & Civil Construction, which have been mentioned in the Use of IPO proceeds and projects Implementation schedule.
- i) **Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented:**
The company has planned to implement the existing projects by using IPO proceeds after receiving the funds, which have been mentioned in the Use of IPO proceeds and projects Implementation schedule.
- j) **The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, Directors, key management personnel, associates and group companies:**
There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, Directors, key management personnel, associates and group companies.

- k) Summary of the project appraisal/feasibility report by the relevant professionals not connected to the issuer, issue manager and register to the issue with the cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report:

**FEASIBILITY REPORT
OF
KATTALI TEXTILE LIMITED**

EXECUTIVE SUMMARY

Kattali Textile Limited (KTL) is a 100% export oriented textile industry which is engaged in manufacturing different types of woven Garments through the integrated manufacturing process of dying, weaving and finishing. KTL is running their business for manufacturing woven Garments in Bangladesh. They have been loved and appreciated by a dedicated and growing group of loyal customers who recognize the difference in our product. Over the years KTL has gain satisfaction from their customers for providing a quality product. Every organization has some purposes for the expansion program. Some projections regarding profitability and other financial issues are analyzed. KTL has made projections of the Statement of Financial Position and Statement of Comprehensive Income. This Feasibility Report discusses and shows the various aspects of the Expansion Program of Kattali Textile Limited (KTL).

COMPANY AT A GLANCE

Name of the Company	Kattali Textile Limited
Registered Office	Chowdhury Bari, Kornel Jones Road, North Kattali, Pahartoli,
Corporate office	Chittagong -4217
Legal Status	Public Company Limited by shares.
Installed Capacity (PCS)	4,851,000 Per Year (June 2017)
Actual Production (PCS)	4,212,988 Per Year (June 2017)
Market for the product	100% export oriented
Date of Incorporation	26 th June, 2002
Commercial Operation	01 March, 2004
Date of Convert Private to Public Limited Company	17 th October, 2016

NATURE OF BUSINESS

The principal activities of the company are to produce and export of different types of world class garment products. The Company is a 100% export oriented textile industry. The principal activities of the company are sewing, cutting, finishing and export of different types of garment products like Man's Long Shirt, Boys Pant, Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Fit Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, and Man's Top etc.

PRINCIPAL PRODUCTS OF THE COMPANY

The company produces a single product 'woven Garments' of various specifications, compositions, color and qualities.

Sl. No	Product Name	Sl. No	Product Name
01	Men's Long Shirt	08	Ladies Shorts
02	Boys Pant	09	Boy's Trouser
03	Ladies shirt	10	Girl's Pant
04	Boy's Polo Shirt	11	Girl's Skirts
05	Boys Long Pant	12	Girl's Top,
06	Boys Jacket	13	Man's Top etc
07	Men's Flt Front Short		

UPCOMING PRODUCTS:

There are some of the upcoming product lines like Swim Shorts, Board Short, Cargo Shorts, Sportswear, Children ware, night wares, Jacket etc to get competitive advantage & generating revenue on upcoming competitive condition.

PRODUCT MARKETPLACE:

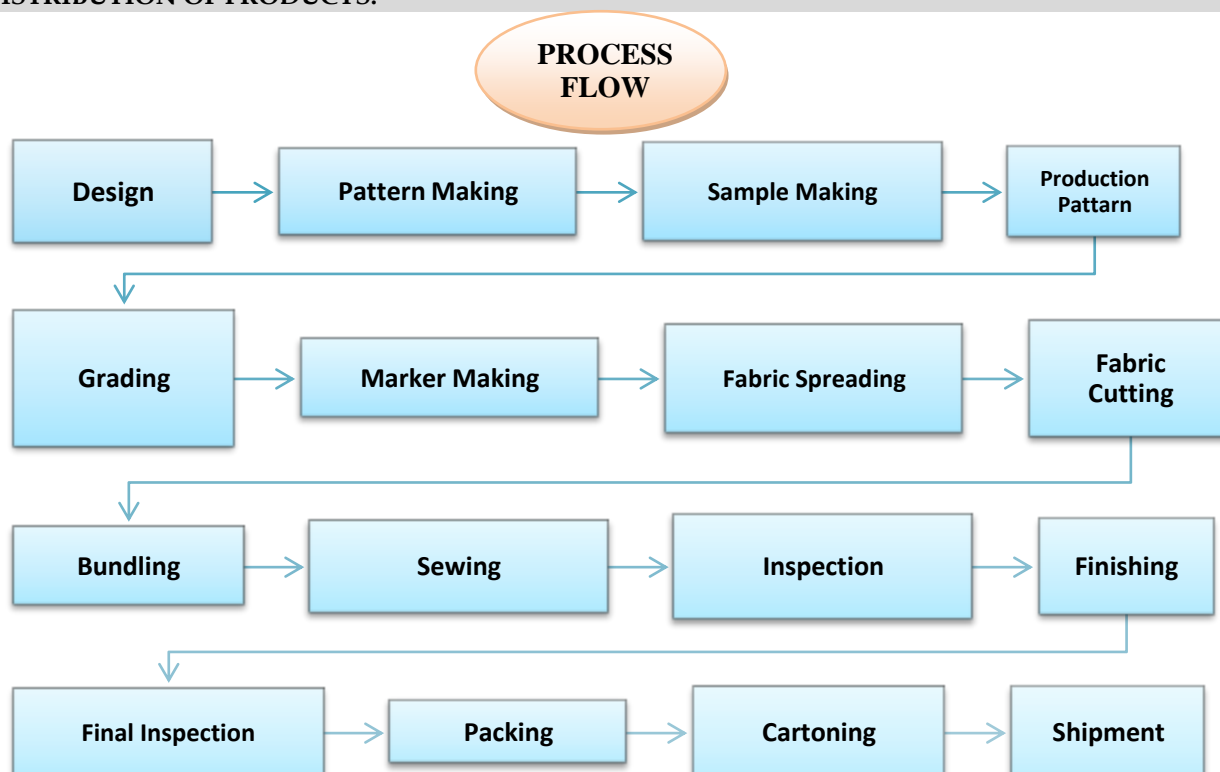
Kattali Textile Limited is a 100% export oriented textile industry. KTL sells its products through Back to Back L/Cs to the local garments manufacturers and exporters who consume the woven Garments as raw materials of their goods. The garment manufacturers then export their goods to the overseas markets.

Therefore, the final destination of the company’s products appears to be the overseas market. It is serving many international buyers in the North American and the European markets and continues to strive in the highly competitive apparel-manufacturing sector. The principal buyers of the company are Wal-mart, GRAN INC, Regatta Limited, Kohls, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautica etc. The company won many awards for its quality products and compliance with economy standards.

FUTURE PROSPECTS:

The principal product of the Company is 100% export oriented garment products in different constructions. The products are exported to American & European buyers. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the total Garments Products requirement in the captive market is about 4.34 billion yards, of which roughly 75 to 80 percent is imported from countries such as China, India, Hong Kong, Singapore, Thailand, Korea, Indonesia and Taiwan. Garments products demand is increasing at an average rate of 30 percent per year

DISTRIBUTION OF PRODUCTS:



BUSINESS STRATEGIES:

KTL has modern machinery and technology that ensures quality products. Quality is the main concern while formulating a strategy. Business strategy is always changing phenomenon of the business. The company tries to produce goods with the cheap cost so that they can get competitive advantages over their competitors. They also believe in providing customized products to the customer as per need basis so that they can get a maximum market share of products. So innovation is always there. Seek new way of working to improve efficiency and ensure stability it ensures a stable and long-term return to our investor.

UTILITY CONSUMPTION:

UTILITIES	SOURCES AND REQUIREMENT
POWER	Kattali Textile Limited has a connected load of 440 KW as per the Certificate of waiver from the requirement of a license No. BERC\LWC-0616. The Company uses 82% of the approved power of 396KW. The required power is available from own captive power generators. Some provision for future expansion in the captive power has also been considered in this regard.
WATER	The required water supply will be available from the own deep tube-well at the project site.
GAS	KTL’s manufacturing operation depends on Gas supply from Karnaphuli Gas Distribution Co. Ltd.
Steam	It has Boiler of 1Ton/hr capacity which is run by gas.

METHODOLOGY:

We have considered the historical data of our last couple of year's revenue and expenses. We have also talked to our staffs. The interviews provided us with the relevant information concerning all aspects of sales and expenses. The responses to these open-ended questions have allowed us to have a greater depth of knowledge into their opinions and so we were able to address them to the best of our ability. A lot of time was spent working on the interviews; also that each had a different idea that is important to the effects of the implementation of sales growth, and enough background information was included. Once we have compiled and analyzed all our data and research we as a group, look at all the different options of implementing the living wall and then decide on the best option for the sales, current and future market and our saleable capacity in near future.

FINANCIAL PROJECTIONS:

The financial projections for the addition of Kattali Textile Limited (KTL) are highlighted in the table below. These figures account for projected productions, sales and additional staffing requirements. There are many ways to present these projections.

The Projected Financial Statement has been prepared on the underlying assumption

(Each year Calculation is made comparing with respective previous year)

Assumption Indicator	Assumption Basis	Assumptions Years (Amount in Taka)		
		2017-2018	2018-2019	2019-2020
Capacity In Pcs Per Month		415,000	570,000	570,000
Capacity Increase	Capacity will be Increased due to Introducing new Capital Machinery & new Expansion unit.	2.66%	37.35%	0.00%
Utilization of the Capacity	Capacity Utilization will be almost the same.	84.16%	84.52%	87.26%
Sales Revenue Increase	Sales Revenue will be Increased by Increasing Quality, Quantity & Unit Price of the Product.	5.01%	37.94%	3.24%
Operating Expenses	Operating Expenses will be Increase due to an increase in the production & Sales, IPO Expenses will lead higher increase & decrease of the Operating Expenses in 2018 & 2019 respectively.	85.95%	-18.50%	3.70%
Fixed Asset Addition	Fixed Asset will be increased for the purpose of production Increase to fill the demand, all the assets will be added by the KTL won generated source except Tk. 300,876,000 from IPO Proceeds for the new Capital Machinery, Expansion Factory Building & Dormitory Building for the Employees.	-	365,791,616	-
IPO Proceeds	Equity will be rise by Tk. 340,000,000 through IPO in 2018.	340,000,000	-	-
Loan Repayment	About 2.00 Crore will be paid from IPO Proceeds in 2018 for Overdraft Accounts of One Bank Limited & other payment of Loan will be as per regular payment by Kattali from its own source to settlement of Bank Liabilities.	27,651,906	26,200,739	-
Cash Surplus	The investments are projected according to the IPO proceeds utilization. Without further decision of the board regarding investments the surplus of cash will be in any Non-Current Asset, if any will be kept in the form of short-term marketable securities, like govt. treasury bonds.	128,679,937	196,554,309	369,823,579
Dividend	The dividend is not considered on Projection.			

Statement of Financial Position (Projected)

Particular	30-Jun-17	Projected		
		30-Jun-18	30-Jun-19	30-Jun-20
Non Current Assets & Properties	776,871,445	1,024,960,143	968,563,841	908,200,884
Property, Plant & Equipment	711,455,829	659,168,527	968,563,841	908,200,884
Capital Work In Process	65,415,616	365,791,616	-	-
Current Assets	485,151,281	623,406,336	805,218,573	1,013,109,239
Inventories	161,083,792	180,820,948	234,378,905	254,758,854
Account Receivables	254,730,081	250,155,756	309,131,341	322,860,367
Advances, Deposits and Prepayments	68,992,696	63,712,459	65,027,693	65,540,114
Cash and Cash Equivalents	344,712	128,717,172	196,680,634	369,949,904
Total Assets	1,262,022,725	1,648,366,478	1,773,782,414	1,921,310,123
Shareholder's Equity & Liabilities				
Shareholder's Equity	1,126,437,055	1,539,998,148	1,669,689,957	1,803,307,874
Share Capital	550,000,000	550,000,000	550,000,000	550,000,000
IPO Proceeds	-	340,000,000	340,000,000	340,000,000
Retained Earnings	576,437,055	649,998,148	779,689,957	913,307,874
Non-Current Liabilities	33,137,855	33,158,579	42,038,181	47,434,524
Share Money Deposit	-	-	-	-
Deferred Tax	30,884,274	33,158,579	42,038,181	47,434,524
Long Term Loan (long term portion)	2,253,581	-	-	-
Current Liabilities	102,447,815	75,209,751	62,054,276	70,567,725
Bank Overdraft	32,318,266	-	-	-
Long term Loan (Current Portion)	398,325	-	-	-
Accounts Payable	3,932,481	1,278,517	2,557,034	3,835,551
Liabilities For Expenses	39,357,976	40,172,201	51,938,948	66,732,174
Short Term Loan	26,440,767	33,759,033	7,558,294	-
Total Shareholder's Equity & Liabilities	1,262,022,725	1,648,366,478	1,773,782,414	1,921,310,123
Net Assets Value Per Share (NAV)	20.48	28.00	30.36	32.79

Statement of Comprehensive Income (Projected)

Particular	30-Jun-17	Projected		
		30-Jun-18	30-Jun-19	30-Jun-20
Turnover	595,295,265	625,104,266	862,259,030	890,215,530
Cost of Goods Sold	(459,349,205)	(489,005,324)	(667,513,693)	(689,347,403)
Gross Profit	135,946,060	136,098,942	194,745,337	200,868,127
Operating Expenses	(24,402,564)	(45,375,993)	(36,983,216)	(38,351,397)
Operating Profit	111,543,496	90,722,950	157,762,121	162,516,730
Financial Expenses	(5,820,380)	(4,134,182)	(4,258,353)	(4,390,507)
Profit before Non Operating Income	105,723,116	86,588,768	153,503,768	158,126,223
Other Income	1,291,552	1,182,991	1,242,140	1,304,247
Profit before Income Tax & WPPF	107,014,668	87,771,758	154,745,908	159,430,470
Provision for WPPF	-	(4,179,608)	(7,368,853)	(7,591,927)
Net Profit before Income Tax	107,014,668	83,592,151	147,377,055	151,838,543
Provision for Income Tax	(128,840)	(10,031,058)	(17,685,247)	(18,220,625)
Current Taxes	(8,841,341)	(7,756,753)	(8,805,644)	(12,824,282)
Differed Taxes	8,712,500	(2,274,305)	(8,879,603)	(5,396,343)
Total Comprehensive Income for the year	106,885,828	73,561,093	129,691,808	133,617,918
Earnings Per Share (EPS)	1.94	1.34	2.36	2.43

Statement of Cash Flows (Projected)

Particulars	30-Jun-17	Projected		
		30-Jun-18	30-Jun-19	30-Jun-20
A. Cash Flows from Operating Activities				
Received from Customers	566,382,669	630,861,582	804,525,585	877,790,752
Paid to Suppliers	(446,227,355)	(505,919,283)	(700,480,047)	(686,437,275)
Payment of Income Tax	(3,955,638)	(4,407,750)	(5,622,984)	(6,135,406)
Net Cash Inflow from Operating Activities	116,199,677	120,534,548	98,422,554	185,218,071
B. Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment	(171,260,487)	-	-	-
Proceeds from Capital Work In Progress	(39,688,751)	(300,376,000)	-	-
Net Cash Outflow from Investing Activities	(210,949,238)	(300,376,000)	-	-
C. Cash Flows from Financing Activities				
Bank Overdraft	4,408,860	(32,318,266)	-	-
Proceeds from IPO	-	340,000,000	-	-
Proceeds from Share Money Deposit	185,607,441	-	-	-
Proceeds from Short Term Loan	(90,809,846)	7,318,266	(26,200,739)	(7,558,294)
Proceeds from Long Term Loan	(396,225)	(2,651,906)	-	-
Paid for Financial Expenses	(5,820,380)	(4,134,182)	(4,258,353)	(4,390,507)
Net Cash Inflow/(Outflow) from Financing Activities	92,989,850	308,213,912	(30,459,092)	(11,948,801)
Net Increase of Cash and Cash Equivalents for the year (A+B+C)	(1,759,711)	128,372,460	67,963,462	173,269,270
E. Cash and Cash Equivalents at the Beginning of the year	2,104,423	344,712	128,717,172	196,680,634
F. Cash and Cash Equivalents at the end of the year (D+E)	344,712	128,717,172	196,680,634	369,949,904
Net Operating Cash Flow Per Share	2.11	2.19	1.79	3.37

MEANS OF FINANCE:

The aforesaid project will be established by using IPO Proceeds.

WEAKNESS:

- Bangladesh produces mostly basic products- which are low-cost items; the share of fashion products i.e., the high value-added product is very low.
- Infrastructure available is not developed for mass production as a country like India and China have a huge infrastructure which enables them to enjoy economies of scale.
- The technology of textile industry is more advanced in other Asian competing countries. Such advancement in technology not yet been taken place in Bangladesh.

THREATS:

- A highly competitive market which may result in a squeeze of profit.
- Unless the new strong market is explored in the home or abroad, any non-cooperation from USA & EU may jeopardize the whole Bangladesh RMG export business and consequently the textile manufacturing.
- Political disturbances like strike and violence's may disrupt production.

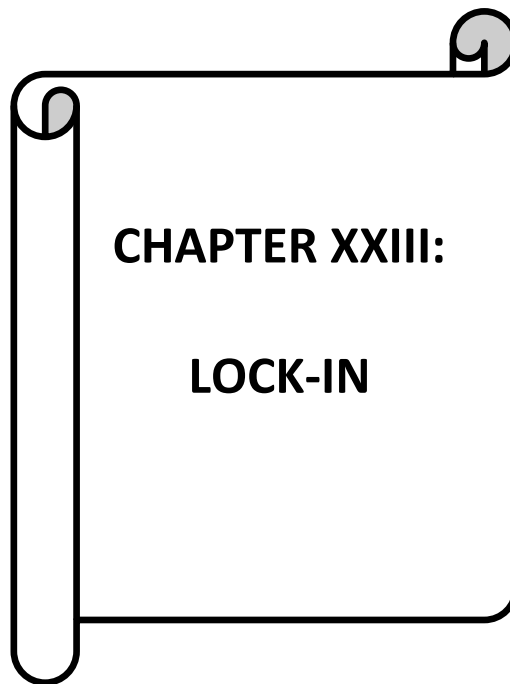
CONCLUSION:

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management & economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data show that the project is viable and lucrative. This projection will help the interested parties to have an idea of the Kattali Textile Limited (KTL).

Place: Dhaka

Dated: 25th November, 2017

Sd/-
Kanchi Lal Das, M.Com, FCA
Ahmad Akhtar & Co.
Chartered Accountants



**CHAPTER XXIII:
LOCK-IN**

CHAPTER XXIII: LOCK-IN

- a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of a prospectus or commercial operation, whichever comes later, in the following manner:
- All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03(three) years;
 - In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years;
 - Twenty-five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and another twenty-five percent (25%) of the shares allotted to them, for 09 (nine) months;
 - All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year; and
 - All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in sub-rules (1), (2) and (3) above, for 01 (one) year.

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

- b) **Statement of securities to be locked in for each shareholder along with Bo account number, lock-in period and number of securities to be locked in.**

The following table indicates the Lock-in status of the shareholders with BO account number, lock-in period, number of securities of Kattali Textile Limited:

SL	Name of Shareholder	Position	No. of Shares	(%) Holding	BO ID	Date of acquisition	Lock in Period
1	Nasreen Hoque	Chairman	3,941,200	7.17%	1203860015213611	26- Jun-02	3years
						01-Dec-15	
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
2	Md. Emdadul Hoque Chowdhury	Managing Director	10,582,904	19.24%	1203860013806070	26- Jun-02	3years
						01-Dec-15	
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
3	Md. Anwarul Haque Chowdhury	Director	2,848,848	5.18%	1203860052329262	01-Dec-15	3years
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
						15-Oct-16	
4	Md. Mokarrom Anwar Chowdhury	Director	2,489,680	4.53%	1203860014575771	01-Dec-15	3years
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
						15-Oct-16	
5	Eian Apparels Ltd. (Nominee Waduda Sabrina)	Director	3,760,625	6.84%	1203860062160165	01-Dec-15	3years
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
						15-Oct-16	
6	Lucky Corner (Nominee Sifat Sabrina)	Director	3,359,070	6.11%	1203860062148108	01-Dec-15	3years
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
						15-Oct-16	
7	Mr. Junaid Quader	Shareholder	93,700	0.17%	1605760062192115	01-Dec-15	1 year
						06-Dec-15	
						25-Feb-16	
						30-Aug-16	
						15-Oct-16	

SL	Name of Shareholder	Position	No. of Shares	(%) Holding	BO ID	Date of acquisition	Lock in Period
8	Md. Farid Ahmed	shareholder	2,650,000	4.82%	1605760060986890	01-Dec-15	1 year
						06-Dec-15	
						30-Aug-16	
						15-Oct-16	
9	Honorary Capt. (Retd.) Sk. Muzibul Haque	shareholder	817,455	1.49%	1605760062192091	01-Dec-15	1 year
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
10	K.M. Moshur Rahman	shareholder	2,252,015	4.09%	1605760062192075	01-Dec-15	1 year
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
11	Md. Bazlur Rahman	shareholder	2,707,360	4.92%	1605760061231731	01-Dec-15	1 year
						06-Dec-15	
						30-Aug-16	
						15-Oct-16	
12	Nadira Akter	shareholder	2,611,820	4.75%	1605760055703723	01-Dec-15	1 year
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
13	Tasnim Sayed	shareholder	2,112,530	3.84%	1203860062219479	01-Dec-15	1 year
						06-Dec-15	
						15-Oct-16	
14	M/S Deyang Traders	shareholder	318,700	0.58%	1203860062053671	01-Dec-15	1 years
						06-Dec-15	
15	D.N Securities Ltd.	shareholder	223,250	0.41%	1203860013501896	01-Dec-15	1 years
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
16	Lucky Shipping	shareholder	1,422,088	2.59%	1203860061127645	01-Dec-15	1 year
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
17	Md. Ruhul Azad	shareholder	1,603,890	2.92%	1605760064017187	01-Dec-15	1 year
						06-Dec-15	
						25-Aug-16	
						30-Aug-16	
18	Mr. Hussain Md. Sufiullah	shareholder	1,640,200	2.98%	1605760062192107	01-Dec-15	1 year
						06-Dec-15	
						30-Aug-16	
						15-Dec-16	
19	Mrs. Kismat Ara	shareholder	605,000	1.10%	1605760062192083	01-Dec-15	1 year
						06-Dec-15	
						30-Aug-16	
20	Mr. Sk. Rezaul Karim	shareholder	1,159,665	2.11%	1605760062197177	01-Dec-15	1 year
						06-Dec-15	
						15-Feb-16	
						30-Aug-16	
21	Global Shoes Limited	shareholder	700,000	1.27%	1201960053332061	15-Dec-16	1 year
22	Md. Shamsul Haque	shareholder	250,000	0.45%	1201690000776633	15-Dec-16	1 year
23	Md. Samsul Alam	shareholder	50,000	0.09%	1205720061093312	15-Dec-16	1 year

SL	Name of Shareholder	Position	No. of Shares	(%) Holding	BO ID	Date of acquisition	Lock in Period
24	Howa Nur Begum	shareholder	1,000,000	1.82%	1201960054792971	15-Dec-16	1 year
25	Shammi Akhter Shibly	shareholder	1,000,000	1.82%	1205150047103162	15-Dec-16	1 year
26	Md. Rashiduzzaman	shareholder	100,000	0.18%	1205150054201081	30- Jul-17	1 year
27	Khondaker Muinur Rahman	shareholder	800,000	1.45%	1201480064004541	30- Jul-17	1 year
28	Md. Shafiul Azam Khan	shareholder	200,000	0.36%	1204910042626804	30- Jul-17	1 year
29	Dilruba Begum	shareholder	100,000	0.18%	1201480064240754	25-Dec-17	1 year
30	Md. Rezaul Billah	shareholder	400,000	0.73%	1202200056025870	25-Dec-17	1 year
31	Monwar Ahmed	shareholder	100,000	0.18%	1203000053297340	25-Dec-17	1 year
32	Zaheed Uddin Ahmed	shareholder	400,000	0.73%	1203680062544860	25-Dec-17	1 year
33	Shahjalal Equity Management Limited	shareholder	1,000,000	1.82%	1605760064483259	25-Dec-17	1 year
34	Shamim Ara Begum	shareholder	1380,000	2.51%	1605760064483531	25-Dec-17	1 year
35	Md. Jamal Uddin Patwary	shareholder	100,000	0.18%	1201590008019551	25-Dec-17	1 year
36	Md. Shahriar Hasan	shareholder	100,000	0.18%	1201950062692511	25-Dec-17	1 year
37	Md. Mosharraf Uddin Khaled	shareholder	100,000	0.18%	1201960045102131	25-Dec-17	1 year
38	Md. Shafiqul Islam	shareholder	20,000	0.04%	1201700000032186	25-Dec-17	1 year
	Total		55,000,000	100.00%			1 year

N.B: Lock in period will start from the issue date of Prospectus



**CHAPTER XXIII:
MARKETS FOR THE
SECURITIES BEING
OFFERED**

CHAPTER XXIV: MARKETS FOR THE SECURITIES BEING OFFERED

STOCK EXCHANGES:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



DHAKA STOCK EXCHANGE LIMITED (DSE)
9/F, Motijheel C/A, Dhaka-1000; and



CHITTAGONG STOCK EXCHANGE LIMITED (CSE)
CSE Building, 1080 Sheikh Mujib Road, Chittagong.

DECLARATION ABOUT LISTING OF SHARES WITH THE STOCK EXCHANGE (S):

None of the Stock Exchanges, if for any reason, grant listing within **75 days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within **fifteen days** from the date of refusal for listing by the stock exchange, or from the date of expiry of the **said 75 (seventy-five) days**, as the case may be.

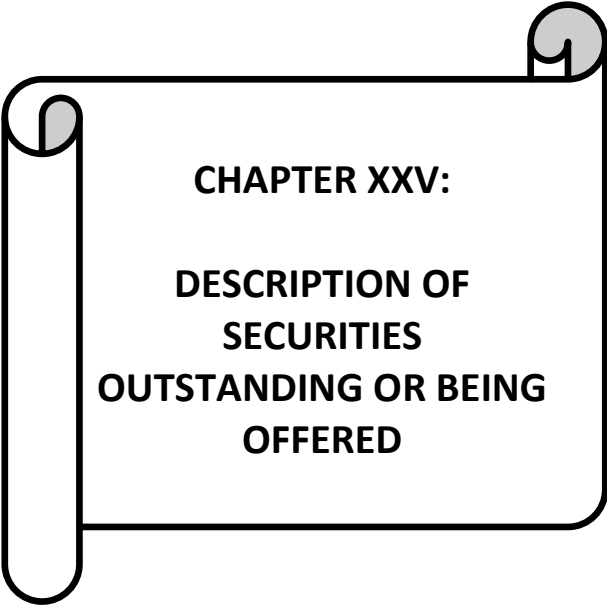
In case of non-refund of the subscription money within the aforesaid **fifteen days**, the Company Directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** per month above the bank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

The issue managers, in addition to the issuer Company, shall ensure due to compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within seven days of the expiry of the aforesaid **fifteen days** 'time period allowed for a refund of the subscription money

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY



**CHAPTER XXV:
DESCRIPTION OF
SECURITIES
OUTSTANDING OR BEING
OFFERED**

CHAPTER XXV: DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information.

a) Dividend, voting and preemption rights;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive the dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, the election of Directors & Auditors' and other usual agenda of General Meeting – Ordinary or Extraordinary. On a show of hand, every shareholder presents in person and every duly authorized Nominee Director of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her. In the case of any additional issue of shares for raising further Capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

b) Conversion and liquidation rights;

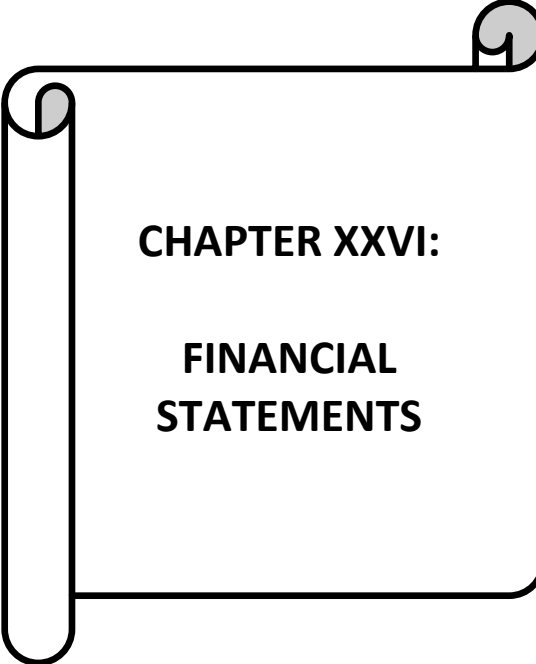
In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared that is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. The dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind. The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un-audited, published by the company from time to time. The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extraordinary General Meeting of the company as provided in section 84 of the Companies Act 1994.



CHAPTER XXVI:
FINANCIAL
STATEMENTS

- A. **The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International Financial Reporting and Auditing Standards as an adopted in Bangladesh from time to time and Financial Reporting Act;**

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
KATTALI TEXTILE LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **KATTALI TEXTILE LIMITED**, which comprises the statement of financial position as at 30 June 2017, Statement of Profit and Loss and Statement of Profit or Loss and the Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's/group's affairs as at 30 June 2017 and of the results of its operations and its cash flows for the year then ended and financial position of **KATTALI TEXTILE LIMITED** as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Report on Other Legal and Regulatory Requirements:

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

- a) we have obtained all 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 account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the statement of Financial Position, Statement of Profit or Loss and other comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with the report are in agreement with the books of account; and
- c) the expenditures incurred were for the purposes of the Company's business.

Date: 20 October, 2017
Place: Dhaka

Sd/-
SHIRAZ KHAN BASAK & CO.
Chartered Accountants

KATTALI TEXTILE LIMITED
Statement of Financial Position
 as at 30 June 2017

Particulars	Note	Amounts in Taka	
		30-Jun-17	30-Jun-16 (Restated)*
Assets:			
Non Current Assets:			
Property, Plant & Equipment	4.00	711,455,829	568,412,333
Capital Work In Process	5.00	65,415,616	25,726,865
		485,151,281	442,827,428
Current Assets:			
Inventories	6.00	161,083,792	137,696,337
Account Receivables	7.00	254,730,081	224,525,933
Advances, Deposits and Prepayments	8.00	68,992,696	78,500,735
Cash and Cash Equivalents	9.00	344,712	2,104,423
Total Assets		1,262,022,726	1,036,966,626
Equity & Liabilities			
Shareholder's Equity:			
		1,126,437,056	543,501,980
Share Capital	10.00	550,000,000	99,999,000
Retained Earnings	11.00	576,437,056	443,502,980
Non-Current Liabilities:			
		33,137,855	306,642,267
Share Money Deposit	12.00	-	264,393,559
Deferred Tax	13.00	30,884,274	39,596,774
Long Term Loan (Non-Current Portion)*	14.00	2,253,581	2,651,934
Current Liabilities			
		102,447,815	186,822,379
Bank Overdraft	15.00	32,318,266	27,909,406
Accounts Payable	16.00	3,932,481	3,371,290
Long Term Loan (Current Portion)*	14.00	398,325	396,197
Liabilities For Expenses	17.00	39,357,976	37,894,873
Short Term Loan	18.00	26,440,767	117,250,613
Total Shareholder's Equity & Liabilities		1,262,022,726	1,036,966,626
Net Assets Value Per Share (NAV)	25.02	20.48	54.35

Those Financial Statements should be read in conjunction with the annexed Notes.

Sd/
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Dated: 20 October, 2017
Place: Dhaka

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

KATTALI TEXTILE LIMITED
Statement of Profit or Loss & Other Comprehensive Income
For the year ended on 30 June 2017

Particulars	Note	Amounts in Taka	
		30-Jun-17	30-Jun-16
Turnover	19.00	595,295,265	486,266,104
Cost of Goods Sold	20.00	(459,349,206)	(376,508,355)
Gross Profit		135,946,059	109,757,749
Operating Expenses	21.00	(24,402,563)	(19,313,534)
Operating Profit		111,543,496	90,444,215
Financial Expenses	22.00	(5,820,380)	(8,785,948)
Profit before Non-Operating Income		105,723,116	81,658,267
Other Income	23.00	1,291,552	1,402,113
Profit before Income Tax		107,014,668	83,060,380
Provision for Income Tax	24.00	(128,840)	(25,191,254)
Current Taxes	24.01	(8,841,340)	(11,332,017)
Deferred Taxes	24.02	8,712,500	(13,859,237)
Total Comprehensive Income for the year		106,885,828	57,869,126
Earnings Per Share (EPS)-Basic	25.01	2.07	1.99
Earnings Per Share (EPS)-Adjusted		1.94	1.05

Those Financial Statements should be read in conjunction with the annexed Notes.

Sd/
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Dated: 20 October, 2017
Place: Dhaka

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

KATTALI TEXTILE LIMITED
Statement of Changes in Equity
for the year ended 30 June 2017

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Equity
Opening Balance as on 01 July 2016	99,999,000	443,502,980	543,501,980
Addition during the period	450,001,000	-	450,001,000
Prior year adjustment for Excess depreciation charged		26,048,248	26,048,248
Net Profit (after tax) transferred from Statement of Profit or Loss & Other Comprehensive Income	-	106,885,828	106,885,828
Balance at the end of the Period 30 June 2017	550,000,000	576,437,056	1,126,437,056

for the Period ended 30 June 2016

Particulars	Share Capital	Retained Earnings	Total Equity
Opening Balance as on 01 September 2015	5,000,000	452,697,354	457,697,354
Allotment Made During the Period	94,999,000	(67,063,500)	27,935,500
Net Profit (after tax) transferred from statement of comprehensive income	-	57,869,126	57,869,126
Balance at the end of the year 30 June 2016	99,999,000	443,502,980	543,501,980

Sd/
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Signed in terms of our separate report of even date annexed

Dated: 20 October, 2017
Place: Dhaka

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

KATTALI TEXTILE LIMITED
Statement of Cash Flows
 for the Period ended 30 June 2017

Particulars	Amounts In Taka	
	30-Jun-17	30-Jun-16
A. Cash Flows from Operating Activities		
Received from Customer & Others	566,382,669	456,260,610
Payments to Suppliers, Employees & others	(446,227,355)	(451,096,814)
Payment of Income Tax	(3,955,638)	(2,729,151)
Net Cash (Used in)/ Generate by Operating Activities	116,199,676	2,434,645
B. Cash Flows from Investing Activities		
Property, Plant and Equipment	(171,260,487)	(32,983,425)
Capital Work In Progress	(39,688,751)	(25,726,865)
Net Cash (used in)/ Generated by Investing Activities	(210,949,238)	(58,710,290)
C. Cash Flows from Financing Activities		
Proceeds from Bank Overdraft	4,408,860	4,695,582
Proceeds from Share Money Deposit	185,607,441	88,718,431
Payment of Short Term Loan	(90,809,846)	(27,981,495)
Payment of Long-Term Loan	(396,225)	(91,434)
Financial Expenses Paid	(5,820,380)	(8,785,948)
Net Cash (used in)/Generated by Financing Activities	92,989,851	56,555,136
D. Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,759,710.93)	279,491
E. Opening Cash and Cash Equivalents	2,104,423	1,824,932
F. Closing Cash and Cash Equivalents (D+E)	344,712	2,104,423
Net Operating Cash Flows Per Share (NOCFPS) Basic- Note 25.3	2.25	0.08
Net Operating Cash Flows Per Share (NOCFPS) Adjusted	2.11	0.04

Those Financial Statements should be read in conjunction with the annexed Notes.

Sd/
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Dated: 20 October, 2017
Place: Dhaka

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

Kattali Textile Limited

Notes, Comprising Summary of Significant Accounting Policies and Other Explanatory Information
for the year ended 30 June 2017

1.00 Background and Introduction

1.01 Formation and Legal Status

Kattali Textile Limited (hereinafter referred to as "the Company") was incorporated as a private company limited by shares on 26 June 2002 under the Companies Act, 1994. The Company started its commercial operation on 01 March, 2004 and converted to Public Limited company on 17 October, 2016. The registered office of the company is located at Chowdhury Bari, Cornel Jones Road, Pahartoli, Chittagong, Bangladesh.

1.02 Nature of Business

The principal activities of the company are to produce and export of different types of garment products like Man's Long Shirt, Boys Pant, Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Flt Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, Man's Top etc. It is serving many international buyers in the North American and the European markets and continues to strive in the highly competitive apparel-manufacturing sector. The principal buyers of the company are Wal-mart, Kohls, JC Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautical, etc. The company won many awards for its quality products and compliance with economy standards.

The Company's current production capacity is 4,04,250 pcs of garment products monthly by using modern sewing machinery.

2.00 Basis of Preparation

2.01 Statement of Compliance

The financial statements of the company under-reporting have been prepared under the historical cost convention ongoing concern concept and consistently accrual basis in accordance with generally accepted accounting principles and practices in Bangladesh in compliance with The Companies Act 1994, International Accounting Standards (IAS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS's) and other applicable laws and regulations of the country.

The Company also complies with amongst others, the following laws and regulation:

The Income Tax Ordinance 1984

The Income Tax Rules 1984

The Value Added Tax Act 1991

The Value Added Tax Rules 1991

Securities & Exchange Ordinance 1969

Bangladesh Securities and Exchange Rules 1987

2.02 Functional and Reporting Currency

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements were rounded off to the nearest Taka.

2.03 Use of Estimates and Judgments

The preparation of financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements are stated in the following notes:

Note 4 Depreciation of property, plant and equipment

Note 24.01 Income tax provision

2.04 Reporting Period

The financial statements of the Company consistently cover a financial year from 01 July, 2016 to 30 June 2017.

2.05 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of Kattali Textile Limited is responsible for the preparation and presentation of financial statements of the Company.

2.6 Comparative Information

Comparative information has been disclosed as required by BAS 34: 'Interim Financial Reporting' in respect of the previous period for all numerical information in the current financial statements as below:

- Statement of Financial Position as of the end of the preceding financial period.
- Statement of Profit or Loss and Other Comprehensive Income for the comparable interim period of preceding financial period.
- Statement of Changes in Equity for the comparable interim period of preceding financial period.
- Statement of Cash Flows for the comparable interim period of preceding financial period.

Re-arrangement

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

3.00 Significant Accounting Policies

The financial statements have been prepared in compliance with the requirement of BASs (Bangladesh Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BASs are applicable for the financial statements for the year under audit:

BAS-1	Presentation of financial statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Reporting Period
BAS-12	Income Taxes
BAS-16	Property, Plant & 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-34	Interim Financial Reporting
BAS-36	Impairment of assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BFRS-5	Non-current Assets Held for Sale and Discontinued Operations
BFRS-8	Operating Segments

In the following areas, the recognition and measurement principles of IFRS are significantly different from those of BAS/BFRS and Companies Act 1994. However the estimated resulting differences would not be material for these financial statements. These immaterial differences with BAS/Companies Act 1994 primarily result from non-application of following BAS/BFRS in Bangladesh:

BAS-32	Financial Instrument: Presentation
BAS-39	Financial Instrument: Recognition and Measurement
BFRS-7	Financial Instrument: Disclosure

3.01 Going Concern:

These financial statements have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

The company has adequate resources to continue its operation for the foreseeable future. As such, the director intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing business.

3.02 Property, Plant and Equipment (PPE)

i) Recognition of Property, Plant & Equipment

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with the BAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost inclusive of inward freight, duties and non-refundable taxes for bringing the asset to its operating condition for its intended use.

Expenditure on repairs and maintenance of Property, Plant and Equipment is treated as an expense when incurred. Subsequent expenditure on property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

ii) Depreciation

Depreciation on fixed asset is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per BAS-16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation rates varying from 3% to 10%. Each item of fixed assets is depreciated from the time in which month the assets comes to use or capitalized. In case of disposal, no depreciation is charged on the date of disposal. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the period.

The depreciation rate is as follows:

Category of Fixed Assets	Rate %
Factory Building and other Construction	3%
Plant & Machinery	10%
Electric Installation	10%
Tools and Equipment	10%
Office Equipment	10%
Furniture & Fixture	10%
Fire Fighting Equipments	10%
Motor Car	10%
Electric Substation	10%
Factory equipment	10%

iii) Retirement and Disposals:

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of the asset under other income in the Statement of Profit or Loss & Other Comprehensive Income.

iv) Impairment of Assets:

The company reviews the recoverable amount of its assets at each reporting date. If there exists any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with BAS-36 "Impairment of Assets".

3.03

Inventories & Consumables:

Inventories comprise of raw materials, work-in-process, finished goods, stores & accessories, oil & lubricants and packing materials, which are valued lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 "Inventories" after making due allowance for any obsolete or slow-moving item and details of valuation are as follows:

i)	Raw materials	at average cost
ii)	Work-in-process	at estimated cost
iii)	Finished goods	at cost or net realizable value whichever is lower
iv)	Stores & Spare Parts, oil & lubricants and packing materials	at cost

3.04

Revenue Recognition

In compliance with the requirements of BAS 18 "Revenue", revenue is recognized only when:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

3.05

Taxation

i) Current Tax

Income tax expenses comprise current tax. Provision of current income tax has been made at the rate of 12% as prescribed in the SRO No 255/AIN/Income Tax/2017. Income tax expenses are recognized in the Statement of Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. However, As per section 53BBB of the Income Tax Ordinance 1984 tax has been deducted at source from export proceeds @ 0.70% and the deducted amount is treated as the final settlement as the final discharge of income tax liability of the company under the provision of section 82(c).

ii) Deferred Tax

Deferred tax is provided for all temporary differences comprising between the tax base of assets and liabilities and their carrying amounts in financial statements in accordance with the provision of BAS-12. During the year the company has recognized for Deferred Tax as per provision of BAS-12.

- 3.06 Loans and Borrowings**
The principal amount of the loans and borrowings are stated at their outstanding amount.
- 3.07 Foreign Currency Transaction/ Translation**
Transactions in foreign currencies are translated into Bangladesh Taka at the Exchange rate prevailing on the date of transactions in accordance with BAS- 21 "The Effects of Changes in Foreign Exchange Rate." Monetary assets and liabilities in foreign currencies at the reporting date are translated into Bangladesh Taka at the rate of exchange prevailing at the reporting date. All exchange differences are recognized in the Statement of Profit or Loss & Other Comprehensive Income.
- 3.08 Provision:**
In accordance with the guidelines as prescribed by BAS 37, provisions are recognized when all the following criteria are met:
- i) When the company has a present obligation as a result of past event;
 - ii) When it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and
 - iii) Reliable estimate can be made of the amount of the obligation.
- We have shown the provisions in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the reporting date.
- 3.09 Contingent Liabilities and Assets**
Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37 Provisions, Contingent Liabilities and Contingent Assets should not be recognized in the year in which the recognition criteria of provision have been made.
- 3.10 Statement of Cash flows**
Statement of Cash Flows is prepared principally in accordance with BAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method.
- 3.11 Events after the Reporting Period**
Events after the reporting period that provide additional information about the Company's position at the reporting period or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the Notes when they are material.
- 3.12 Borrowing Cost:**
Interest-bearing borrowings include Term Loan (HPSM) and short-term bank loan. Interest-bearing borrowings are recognized initially at fair value. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method.
- 3.13 Advertisement and Promotional Expenses**
All cost associated with advertising and promotional activities are charged out in the year incurred.
- 3.14 Trade Receivable**
- i) **Recognition and Measurement**
Trade receivable consists of export sales and local sales, export sales proceeds against sales through L/C with a tenure of 90 days to 120 days and realizable at the maturity date.
 - ii) **Bad and Doubtful Debts**
The Company does not make any provision for bad and doubtful debts because its local sales are realized during the year and export sales are based on 100% confirm the letter of credit with fixed maturity date.
- 3.15 Creditors and Accrual**
Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.
- 3.16 Cash and Cash Equivalents:**
According to BAS 7 "Statement of Cash Flows" cash comprises cash in hand and bank deposit and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value IAS 1 "Presentation of financial statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

3.17 Components of the Financial Statements:

According to the Bangladesh 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 2017.
- ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2017.
- iii) Statement of changes in equity for the year ended 30 June 2017.
- iv) Statement of Cash flows for the year ended 30 June 2017.
- v) Notes, Comprising a Summary of Significant Accounting Policies and other Explanatory Information to the year ended 30 June 2017.

3.18 Earnings Per Share:

Earnings Per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share".

i) 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 weighted average number of ordinary shares outstanding during the year.

ii) Diluted Earnings Per Share:

No diluted Earnings per share was required to be calculated for the year under review as there was no scope for dilution of Earnings Per Share for the year.

3.19 Related Party Transactions

The objective of "Related Party Disclosure", BAS - 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. A party is related to an entity if: [BAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity. The Company transacts with related parties and recognize as per BAS 24 'Related Party Disclosures'.

3.20 Financial Expenses

Financial expenses comprise the interest on external borrowings and bank charges and are recognized as they accrue.

3.21 Employee Benefits

Short Term Employee Benefits

Salaries, bonuses and allowances are accrued in the year in which the associated services are rendered by the employees of the Company.

Workers Profit Participation Fund

As per Section 232 of the Bangladesh Labor (Amendments) Act. 2013 Management has decided to provide 5% of net profit before tax charges as expenses which is payable to workers as defined scheme.

4.00 Property, Plant & Equipment

A. Cost

Opening Balance as on 01 July

Addition during the year

Total Cost as on 30 June 2017

B. Accumulated Depreciation

Opening Balance as on 01 July 2016

Less: Prior year adjustment for excess depreciation Charge

Add. Depreciation for the year

Total Depreciation as on 30 June 2017

Written Down Value (WDV) (A-B) as on 30 June 2017

Detail of fixed assets and depreciation as on 30 June 2017 are shown in the Annexure -A

Amounts in Taka	
30-Jun-2017	30-Jun-2016
817,282,723	784,299,298
171,260,487	32,983,425
988,543,210	817,282,723
248,870,391	212,930,360
(26,048,248)	-
54,265,239	35,940,031
277,087,382	248,870,391
711,455,829	568,412,332

5.00 Capital Work In Progress

A. Kattali Expansion Unit

Opening Balance

Lease Land Development

Lease Rent for the year

Closing Balance

20,822,665	-
34,188,635	19,522,665
3,900,000	1,300,000
58,911,300	20,822,665

B. Dormitory Building For Employee

Opening Balance

Lease Land Development

Construction of Dormitory Building

Lease Rent for the year

Closing Balance

4,904,200	-
-	4,704,200
1,000,116	-
600,000	200,000
6,504,316	4,904,200

Total Cost as on 30 June 2017

65,415,616	25,726,865
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As per BAS 16, the associated cost of Land Development, Construction of Building, Procurement of Machineries & Equipment etc for the expansion unit of Kattali Textile Limited were capitalized and would continue until the unit is going to commercial operations.

6.00 Inventories

Raw Materials in Stock - Note 20.1

Packing materials Note- 20.2

Work- in - process Note- 20

Oil and Lubricants Note -20.4.1

Stores & Spares - Note 20.4.2

Finished Goods - Note 20.3

115,772,447	95,224,714
238,118	201,987
10,255,824	9,185,567
152,812	145,284
351,580	291,258
34,313,011	32,647,527
161,083,792	137,696,337

7.00 Account Receivables

Opening Balance

Add: Export made during the period

Less: Collected/Realized during the year

224,525,933	193,118,326
595,295,265	486,266,104
819,821,198	679,384,430
(565,091,117)	(454,858,497)
254,730,081	224,525,933

7.01 Disclosure as per schedule-XI, Part-I, of The Company Act,1994

Debts exceeding 6 Months

Debts below 6 Months

Other debts less Provision

Debts considered Good & secured

Debts considered Good without security

Debts considered doubtful or Bad

Debts due by directors or other Officers

Debts due from companies under same management

Maximum debt due by Directors or Officers at any time of the year

-	-
254,730,081	224,525,933
-	-
254,730,081	224,525,933
-	-
-	-
-	-
-	-
-	-
254,730,081	224,525,933

There is no related party transaction including in A/C Receivable

Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. These are carried at invoice amount. All receivables have been considered as good and realizable. Therefore, no amount was written off as bad debt and no debt was considered as doubtful to provide for.

8.00 Advance, Deposits & Prepayments

Advances - Note 8.1

Deposits and Prepayments - Note 8.2

21,693,426	31,201,465
47,299,270	47,299,270
68,992,696	78,500,735

8.01 Advances

Advance Against Salary

L/C margin

Advance Income Tax - Note 8.01.1

Advance against Flat Purchase Note 8.01.2

1,011,331	868,916
952,481	439,103
10,729,614	14,390,507
9,000,000	15,502,939
21,693,426	31,201,465

8.01.1 Advance Income Tax

Opening Balance

Addition during the year

Adjustment during the year

14,390,507	11,661,356
3,955,638	2,729,151
18,346,145	14,390,507
(7,616,531)	-
10,729,614	14,390,507

8.01.2 Advance against Flat Purchase

Opening Balance	15,502,939	12,669,789
Addition during the year	2,849,283	2,833,150
	18,352,222	15,502,939
Transfer to Fixed Asset	9,352,222	-
	9,000,000	15,502,939

8.02 Deposits

C & F Association	40,000	40,000
Advance against Land Lease	47,005,000	47,005,000
Electricity Board	129,150	129,150
T & T Security	70,120	70,120
WASA Security	55,000	55,000
	47,299,270	47,299,270

9.00 Cash & Cash Equivalents

Cash in Hand	305,392	508,524
Cash at Bank - Note 9.01	39,321	1,595,899
	344,712	2,104,423

9.01 Cash at Bank

Particulars	Branch	A/C No.	Amounts In Taka	Amounts In Taka
Islami Bank Bangladesh Ltd.	Agrabad	AWCA20501030100333101	867	15,332
Islami Bank Bangladesh Ltd.	Agrabad	MDA 20501032500006609	29,779	89,360
Islami Bank Bangladesh Ltd.	Agrabad	ERQ 20501032100006605	-	193,500
Islami Bank Bangladesh Ltd.	Agrabad	FC 20501032300006607	6,458	4,314
Shajalal Islami Bank Ltd.	Agrabad	300111100013641	-	1,291,201
One Bank Limited	Agrabad	FC 30060462127	1,502	1,484
One Bank Limited	Agrabad	Margin 0030060462291	715	707
			39,321	1,595,899

10.00 Share Capital
10.01 Authorized Capital

90,000,000 Ordinary Shares of Tk 10 each	900,000,000	900,000,000
	900,000,000	900,000,000

10.02 Issued, subscribed and paid-up Capital

55,000,000 Ordinary Shares @ Tk 10 each	550,000,000	99,999,000
	550,000,000	99,999,000

Shareholding Position						
SL	Name of Share Holder	Nature of Shareholding	% of Sharehold	Number of Shares	30-Jun-2017	30-Jun-2016
1	Mrs. Nasreen Hoque	Individual	7.17%	3,941,200	39,412,000	10,192,000
2	Md. Emdadul Hoque Chowdhury	Individual	19.24%	10,582,904	105,829,040	28,875,300
3	Md. Anwarul Haque Chowdhury	Individual	5.18%	2,848,848	28,488,480	1,669,000
4	Md. Mokarrom Anwar Chowdhury	Individual	4.53%	2,489,680	24,896,800	1,669,000
5	M/s Dayang Traders	Individual	0.58%	318,700	3,187,000	3,187,000
6	Tasnim Sayed	Individual	3.84%	2,112,530	21,125,300	1,669,000
7	Eian Appeals Limited	Company	6.84%	3,760,625	37,606,250	3,187,000
8	Lucky Corner	Company	6.11%	3,359,070	33,590,700	3,187,000
9	D.N. Securities Limited	Company	4.04%	2,223,250	22,232,500	3,187,000
10	Lucky Shipping	Company	4.40%	2,422,088	24,220,880	3,194,000
11	Mr. Junaid Quader	Individual	4.17%	2,293,700	22,937,000	5,227,000
12	Md. Farid Ahmed	Individual	4.82%	2,650,000	26,500,000	5,000,000
13	Honoree Capt. (Ret.) Sk. Muzibul Haque	Individual	1.49%	817,455	8,174,550	123,000
14	K.M Moshir Rahman	Individual	3.19%	1,752,015	17,520,150	191,000
15	Md. Bazlur Rahman	Individual	3.10%	1,707,360	17,073,600	7,835,700
16	Nadira Akter	Individual	4.75%	2,611,820	26,118,200	5,481,000
17	Md. Ruhul Azad	Individual	4.92%	2,703,890	27,038,900	10,676,000
18	Mr. Hossain Md. Sufiullah	Individual	2.98%	1,640,200	16,402,000	152,000
19	Mrs. Kismat Ara	Individual	1.10%	605,000	6,050,000	210,000
20	Mr. SK. Rezaul Karim	Individual	2.11%	1,159,665	11,596,650	5,087,000
21	Global Shoes Ltd	Company	1.27%	700,000	7,000,000	

22	Md. Shamsul Haque	Individual	0.45%	250,000	2,500,000	
23	Md. Shamsul Alam	Individual	0.09%	50,000	500,000	
24	Howa Nur Begum	Individual	1.82%	1,000,000	10,000,000	
25	Shammi Akhter Shibly	Individual	1.82%	1,000,000	10,000,000	
	Total		100%	55,000,000	550,000,000	99,999,000

11.00 Retained Earnings

Opening Balance	443,502,980	452,697,354
Addition during the year	106,885,828	57,869,126
Add. Prior year adjustment for excess depreciation charged	26,048,248	-
Less: Issue of Bonus Share	-	(67,063,500)
Closing Balance	576,437,056	443,502,980

12.00 Share Money Deposit

Opening Balance	264,393,559	203,610,628
Addition during the year	185,607,470	88,718,431
	450,001,029	292,329,059
Adjustment During the year	(450,001,000)	(27,935,500)
	29	264,393,559
Paid off/ Adjusted with Cash	(29)	-
	-	264,393,559

13.00 Deferred Tax

Written down value (Accounting Base)	711,455,828	568,412,332
Written down value (Tax Base)	454,086,879	370,428,461
Temporary/(Deductible) Difference	257,368,949	197,983,871
Effective Tax Rate	12%	20%
Deferred Tax Liability/(Asset)	30,884,274	39,596,774

14.00 Long-term Loan (HPHM)

Opening Balance	3,048,131	3,139,565
Addition During this year	400,417	-
	3,448,548	3,139,565
Less. Adjustments during this year	796,642	91,434
	2,651,906	3,048,131
Less: Current Portion of Long-Term Loan	398,325	396,197
	2,253,581	2,651,934

Details of Bank Loan
Limit Amount 2.75 Million

Purpose For Importing, Procuring fabrics & Associates as raw materials of Garments as well as import of garments machinery.

Renewal Date 29.12.2016

	Particulars of Security	Ownership	Location
Security	9.00 dec. of Land with 5,815 sqft Building	Emdadul Hoque Chowdhury	Chittagong
	74 decimal Land	Eian Apperials Limited	
	17 decimal Land	Emdadul Hoque Chowdhury	North Kattali,
	9decimal Land	Emdadul Hoque Chowdhury	Chittagong
	6.13 decimal Land	Emdadul Hoque Chowdhury	
	Factory Building 6 stored	Kattali Textile Limited	

Limit 2.75 Million

Bank name Islami Bank Bangladesh Ltd.

15.00 Bank Overdraft

Particulars	Branch	A/C No.		
One Bank Limited	Agrabad	30060462011	32,318,266	27,909,406
			32,318,266	27,909,406

Details of Bank Loan
Limit Amount 2 Crore

Renewal Date 14.08.2013

	Particulars of Security	Ownership	Location
Security	6.67 decimal Land with building	Emdadul Hoque Chowdhury	Chittagong
	6.60 decimal Land	Emdadul Hoque Chowdhury	Chittagong
	84 decimal Land	Mrs.Nasrin Hoque	North Kattali,
	32 decimal Land	Emdadul Hoque Chowdhury	Chittagong

Bank name One Bank Limited

Period 1 Years

Rate of Interest 16%

16.00 Trade Payable			
Alam Enterprise		511,640	481,639
Badar Box Ind. Ltd.		457,664	442,321
Brightex Garments		50,480	312,581
Crystal wash		-	203,885
Jahan Traders		401,881	84,527
JAM Washing		378,864	502,587
Munna Enterprise		625,618	483,331
MR Enterprise		483,187	-
Sears Accessories		334,984	-
Othithi International		205,731	186,904
Shaffess International		482,432	673,515
		3,932,481	3,371,290
17.00 Liability for Expenses			
Audit Fees		75,000	50,000
Electric Bill Payable		339,426	503,936
Lease Rent Payable		540,000	375,000
Gas Bill Payable		123,275	111,472
Salary and Allowance		1,162,901	964,244
Directors Remuneration		290,000	290,000
Telephone Bill Payable		4,158	1,815
Provision for Income Tax- Note 17.01		36,823,216	35,598,406
		39,357,976	37,894,873
17.01 Income Tax Provision			
Opening Balance		35,598,406	24,266,389
Addition During the Year		8,841,340	11,332,017
		44,439,747	35,598,406
Adjustment During the year		(7,616,531)	-
		36,823,216	35,598,406
18.00 Short-Term Bank Loan			
Particulars	Bank Name		
FBC		-	3,158,545
EPZ B/B Bills		-	707,332
Foreign B/B Bills		-	34,442,052
Inland B/B Bills		-	14,210,210
Import from EPZ BB LC Usance	Islami Bank	-	4,029,769
Inland B/B LC Usance	Bangladesh	-	5,073,684
BAI SALAM	Limited	4,882,473	23,400,000
Bai As Sarf		-	22,433,542
Bai Muajjal FC bills		21,558,294	9,795,479
		26,440,767	117,250,613

Details of Bank Loan

Renewal Date	29.12.2016		
Purpose	For Importing, Procuring fabrics & Associates as raw materials of Garments as well as import of garments machinery/ Spare Parts under Cash L/C.		
Security	Particulars of Security	Ownership	Location
	9.00 dec. of Land with 5,815 sqft building	Emdadul Hoque Chowdhury	Chittagong
	74 decimal Land	Eian Apperials Limited	
	17 decimal Land	Emdadul Hoque Chowdhury	
	9decimal Land	Emdadul Hoque Chowdhury	North Kattali, Chittagong
	6.13 decimal Land	Emdadul Hoque Chowdhury	
	Factory Building 6 stored	Kattali Textile Limited	
Limit	2.75 Million		
Bank name	Islami Bank Bangladesh Ltd.		
Period	1 Years		

19.00 Turnover		
Mans L/S Shirt	49,802,784	41,091,406
Boys Pant	63,653,556	52,956,369
Ladies Shirt	91,006,681	75,681,232
Boys Polo Shirt	38,866,115	32,937,386
Boys Long Pant	38,616,865	32,100,470
Boys Jacket	47,929,177	36,840,259
Men's Flt Front Short	86,373,662	66,339,218
Ladies Shorts	59,275,412	48,907,106
Boys Trouser	46,491,363	38,710,544
Girls Top	32,493,772	27,078,143
Man's Top	40,785,877	33,623,971
	595,295,265	486,266,104
20.00 Cost of Goods Sold		
Raw materials consumed - Note 20.1	295,415,507	244,211,704
Packing materials consumed - Note: 20.2	1,511,637	1,015,326
Opening work-in-process	9,185,567	9,842,872
Closing work-in-process	(10,255,824)	(9,185,567)
Total Consumption	295,856,887	245,884,335
Factory overhead - Note 20.4	165,157,803	125,382,958
Cost of goods manufactured	461,014,690	371,267,293
Opening finished goods	32,647,527	37,888,589
Cost of goods available for sale	493,662,217	409,155,882
Closing finished goods -Note-20.3	(34,313,011)	(32,647,527)
Cost of Goods Sold	459,349,206	376,508,355
20.1 Raw materials consumed		
Opening inventory	95,224,714	48,194,385
Purchase during the year	315,963,240	291,242,033
Total materials available	411,187,954	339,436,418
Closing Inventory	(115,772,447)	(95,224,714)
Raw materials consumed during the year	295,415,507	244,211,704
20.2 Packing materials consumed		
Opening inventory	201,987	304,546
Purchase during the year	1,547,768	912,767
Total materials available	1,749,755	1,217,313
Closing Inventory	(238,118)	(201,987)
Packing materials consumed during the year	1,511,637	1,015,326
20.3 Finished Goods		
Opening inventory	32,647,527	37,888,589
Cost of Goods Manufactured	461,014,690	371,267,293
Total materials available	493,662,217	409,155,882
Cost of Goods Sold	(459,349,206)	(376,508,355)
Closing Finished Stock	34,313,011	32,647,527
20.4 Factory overhead		
Carrying & Handling	2,733,807	2,271,237
C & F Expenses	2,934,972	2,360,484
Carrying Inward	893,203	688,150
Depreciation Annexure-1	52,094,629	34,502,430
Gas Bill	695,362	590,379
Festival Bonus	8,125,130	6,729,532
Medical Expenses	310,755	229,567
Wasa Bill	395,388	411,860
Electricity Bill	4,081,174	2,303,614
Repair & maintenance	3,647,129	2,857,315
Oil & Lubricants - Note 20.4.1	740,823	553,380
Stores & Spare Parts - Note 20.4.2	1,450,471	1,198,197
Wages & Allowance	87,054,960	70,686,813
	165,157,803	125,382,958

20.4.1	Oil & lubricants		
	Opening inventory	145,284	152,635
	Purchase during the year	748,351	546,029
	Total materials available	893,635	698,664
	Closing inventory	(152,812)	(145,284)
	Consumed during the year	740,823	553,380
20.4.2	Stores & Spare Parts		
	Opening inventory	291,258	302,340
	Purchase during the year	1,510,793	1,187,115
	Total spare parts available	1,802,051	1,489,455
	Closing inventory	(351,580)	(291,258)
	Consumed during the year	1,450,471	1,198,197
21.00	Operating Expenses		
	Administrative Expenses-Note 21.01	20,997,752	17,024,764
	Selling & Distribution Expenses-Note 21.02	3,404,811	2,288,770
		24,402,563	19,313,534
21.01	Administrative Expenses		
	Audit Fees	75,000	50,000
	Depreciation -Annexure-1	1,085,305	718,801
	Director Remuneration	3,480,000	2,450,000
	Board Meeting Allowance	360,000	150,000
	Recruitment Expenses	36,208	32,835
	Lease Rent of Land	1,980,000	1,650,000
	Donation	56,989	54,200
	Electricity Bill	816,235	540,354
	Entertainment	855,066	609,572
	Vehicle Maintenance	479,008	279,021
	Legal and Professional Fee	221,300	180,000
	Miscellaneous Expenses	493,182	423,632
	Newspaper & Periodical	14,107	14,229
	Printing & Stationery	499,982	385,457
	Office Maintenance	724,757	604,457
	Salaries & Allowance	8,179,080	7,528,836
	Stamp & Postage	127,985	120,652
	Telephone & Communication	753,939	603,902
	Traveling & conveyance	759,610	628,817
		20,997,752	17,024,764
21.02	Selling & Distribution Expenses		
	Business Promotion	285,667	246,152
	Depreciation -Annexure-1	1,085,305	718,801
	Discount Allowed	30,750	14,017
	Carriage Outward	239,626	104,858
	Mobile Bill	31,061	13,190
	R & D Expenses	32,722	21,557
	Salaries & Allowance	882,494	571,845
	Sales Commission	541,860	381,866
	Forwarding Expenses	166,499	140,797
	Traveling & conveyance	108,827	75,687
		3,404,811	2,288,770
22.00	Financial Expenses		
	Bank Interest	5,747,777	8,759,624
	Bank Charge	72,603	26,324
		5,820,380	8,785,948
23.00	Other Income		
	Wastage Sales	873,156	1,028,145
	Foreign Exchange Gain /(loss)	418,396	373,968
		1,291,552	1,402,113

24.00	Provision for Income Taxes	22,700,577	25,191,254
24.1	Current Taxes Expenses		
	Income Before Taxes	107,014,668	83,060,380
	Add: Depreciation	54,265,239	35,940,031
	Less: Capital Allowance	(87,602,069)	(62,340,324)
		73,677,837	56,660,087
	Tax Rate	12%	20%
	Current Taxes	8,841,340	11,332,017
24.2	Deferred Tax Expenses		
	Differed Tax Expenses	30,884,274	39,596,774
	Less. Opening Differed Tax	39,596,774	25,737,537
		(8,712,500)	13,859,237
25.00	INFORMATION BASED ON PER SHARE		
25.1	A) Earnings Per Share (EPS)-Basic Considering the weighted average number of Share		
	<i>The computation of EPS is given below:</i>		
	Earning attributable to the ordinary shareholders	106,885,828	57,869,126
	Weighted Average Number of Ordinary Share Outstanding at the end of the year	51,586,767	29,085,218
	Earnings Per Share- Basic	2.07	1.99
	<i>Calculation of Weighted Average Number of Shares Outstanding:</i>		
	Number of Share of Paid Up Capital	9,999,900	9,999,900
	Weighted Average Number of Share Money Deposit	41,586,867	19,085,318
	Earnings Per Share- Basic	51,586,767	29,085,218
	B) Basic Earnings Per Share (EPS) – Adjusted Considering full allotted number of Shares		
	<i>The computation of EPS is given below:</i>		
	Earning attributable to the ordinary shareholders	106,885,828	57,869,126
	Number of Ordinary Share Outstanding at the end of the year	55,000,000	55,000,000
	Earnings Per Share- Basic	1.94	1.05
25.2	NET ASSETS VALUE PER SHARE (NAV)		
	Net Asset Per Share (NAV)		
	Total Assets	1,262,022,726	1,036,966,626
	Less. Total Liabilities	135,585,670	493,464,646
	Net Assets Value (NAV)/ Shareholders Equity	1,126,437,056	543,501,980
	Number of ordinary shares outstanding during the year	55,000,000	9,999,900
	Net Assets Value Per Share (NAV)	20.48	54.35
25.3	A) NET OPERATING CASH FLOW PER SHARE (NOCFPS) Basic considering the weighted average number of Share		
	Net Operating Cash Flows (from the statement of cash flows)	116,199,676	2,434,645
	Number of Ordinary Share Outstanding at the end of the year	51,586,767	9,999,900
	Net Operating Cash Flows per share	2.25	0.08
	B) NET OPERATING CASH FLOW PER SHARE (NOCFPS) Adjusted Considering the weighted average number of Shares		
	Net Operating Cash Flows (from the statement of cash flows)	116,199,676	2,434,645
	Weighted Average Number of Ordinary Share Outstanding at the end of the year	55,000,000	55,000,000
	Net Operating Cash Flows per share-Adjusted	2.11	0.04
26.00	OTHER COMMITMENTS, CONTINGENCIES AND RELEVANT INFORMATION		
26.1	Contingencies		
	There is no contingent event that may require recognition of contingent liabilities for the year ended 30 June 2017.		
26.2	Capital expenditure commitment		
	There was no capital expenditure commitment or contract on 30 June 2017. There was no material capital expenditure authorized by the Board but not contracted for the year ended 30 June 2017.		
26.3	Directors' interest in contracts with the company		
	There was no transaction resulting in Directors' interest in the company and no leasing facilities have been made available to the Directors.		
26.4	Segment Reporting		
	As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary.		
26.5	Credit Facility Not Availed		
	There was no credit facility available to the company under any contract, but not availed for the year ended 30 June 2017 other than trade credit available in the ordinary course of business.		

26.6 Attendance Status of Board Meeting of Directors

During the year ended 30 June 2017, there were five Board Meetings were held. The attendance status of all the meetings is as follows:

Sl. No	Name Of Directors	Position	Meeting Held	Attendance June 2017	Attendance June 2016
1	Md. Emdadul Hoque Chowdhury	Managing Director	5	5	5
2	Mrs. Nasreen Hoque	Chairman	5	5	4
3	Md. Anwarul Haque Chowdhury	Director	5	5	2
4	Md. Mokarrom Anwar Chowdhury	Director	5	4	2
5	Waduda Sharmin (Eian Apparels Limited)	Director	5	4	2
6	Sifat Sabrina (Lucky Corner)	Director	5	4	-
7	Syed Manjur Quader	Independent	5	5	-
8	Mohammad Nurul Alam	Director	5	4	-

26.7 Related party disclosures (BAS-24)

The Company has no related party transactions as per Bangladesh Accounting Standards (BAS) -24 "Related Party Disclosures" executive compensation received by the following executives as Directors, Dormitory Installments, Lease Rentals and Lease Deposits received by Mr. Md. Emdadul Hoque Chowdhury and Eian Apparels Limited. Eian Apparels Limited has directorship in Kattali Textile Ltd. The Company carried out a number of transactions with related parties in the normal course of business on the arms-length basis as follows which was also disclosed in Note number 26.8.1 to 26.8.4:

SL No.	Name of the Related Party & Relation	Nature	30-Jun-17	30-Jun-16
1	Md. Emdadul Hoque Chowdhury Managing Director	Director Remuneration & Meeting Attendance Fees	1,490,000	1,250,000
2	Mrs. Nasreen Hoque- Chairman		1,010,000	840,000
3	Md. Anwarul Haque Chowdhury- Director		650,000	270,000
4	Md. Mokarrom Anwar Chowdhury- Director		40,000	20,000
5	Waduda Sharmin (Nominee of Eian Apparels Limited)		520,000	220,000
6	Sifat Sabrina (Nominee of Lucky Corner)		40,000	
7	Syed Manjur Quader- Independent Director	Meeting Att.	50,000	-
8	Mohammad Nurul Alam- Independent Director	Meeting Att.	40,000	-
9	Md. Emdadul Hoque Chowdhury- Managing Director	Lease Rent	600,000	200,000
		Lease Security	-	406,000
10	Eian Apparels Limited	Lease Rent	5,880,000	4,900,000
		Dormitory Ins	2,849,283	2,833,150
		Lease Security	-	46,599,000
			13,169,283	57,538,150

26.8 Disclosure as per requirement of Schedule XI, Part II, Para-4 of the Companies Act, 1994 :
26.8.1 The total amount of remuneration paid to Directors and Managing Directors is as follows :

Sl.	Name	Designation	Amounts In Taka	
			30-Jun-17	30-Jun-16
1	Md. Emdadul Hoque Chowdhury	Managing Director	1,440,000	1,200,000
2	Mrs. Nasreen Hoque	Chairman	960,000	800,000
3	Md. Anwarul Haque Chowdhury	Director	600,000	250,000
4	Md. Mokarrom Anwar Chowdhury	Director	-	-
5	Waduda Sharmin (Eian Apparels Limited)	Director	480,000	200,000
6	Sifat Sabrina (Lucky Corner)	Director	-	-
7	Sayed Manjur Quader	In. Director	-	-
8	Mohammad Nurul Alam		-	-
			3,480,000	2,450,000

26.8.2 Aggregated amount of Board meeting attendance fees are given below :

SL No.	Name	Designation	Amounts In Taka	
			30-Jun-17	30-Jun-16
1	Md. Emdadul Hoque Chowdhury	Managing Director	50,000	50,000
2	Mrs. Nasreen Hoque	Chairman	50,000	40,000
3	Md. Anwarul Haque Chowdhury	Director	50,000	20,000
4	Md. Mokarrom Anwar Chowdhury	Director	40,000	20,000
5	Waduda Sharmin (Eian Apparels Limited)	Director	40,000	20,000
6	Sifat Sabrina (Lucky Corner)	Director	40,000	-
7	Sayed Manjur Quader	In. Director	50,000	-
8	Mohammad Nurul Alam		40,000	-
			360,000	150,000

- 26.8.3 The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

Particulars	30-Jun-17	30-Jun-16
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	3,550,000	2,310,000
Expenses reimbursed to Managing Agent	-	-
Commission or Remuneration payable separately to a managing agent or his associate	-	-
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	-	-
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	-	-
Any other perquisite or benefits in cash or in kind stating approximate money value where applicable.	-	-
Other allowances and commission including guarantee commission Pensions etc.	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds, subscription and interest thereon	-	-
iv) Share Based payments	-	-

As per BAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

- (a) Short-term employee benefits
(b) Post-employee benefits
(c) Other long-term benefits
(d) termination benefits and
(e) share-based payment

	30-Jun-17	30-Jun-16
(a) Short-term employee benefits	12,901,574	10,700,681
(b) Post-employee benefits	-	-
(c) Other long-term benefits	-	-
(d) termination benefits and	-	-
(e) share-based payment	-	-
Total	12,901,574	10,700,681

- 26.8.4 Aggregated amount of Remuneration, Fess, Salary & Wages of employees are given below :

Particulars	30-Jun-2017	30-Nov-15
Directors		
Remuneration	3,480,000	2,450,000
Board Meeting Attendance Fees	360,000	150,000
Wages & Allowance	87,054,960	70,686,813
Salary & Allowance	9,061,574	8,100,681
	99,956,534	81,387,494

- 26.8.5 Disclosures as per requirement of Schedule XI, Part II, Para-III of the Companies Act, 1994

Employee position of the Company as follows:

Salary Range (monthly)	Number of Employee		30-Jun-17	30-Jun-16
	Staff	Worker		
Below 5,500	-	-	-	-
Above 5,500	55	1,180	1,235	950

- 26.9 Disclosure as per requirement of Para 7 of Part II of Schedule XI of the Companies Act, 1994

Utilization of Capacity - Para 7 of Schedule XI, Part II

	30-Jun-17	30-Jun-16
Installed Capacity (Pcs) Per Month	404,250	387,375
Actual Production (Pcs) Per Month	351,082	336,228
Capacity Utilization (%) for the year	86.85%	86.80%

- 26.10 Events after the Reporting Period

No material events had occurred from the end of the reporting period to the date of issue of Financial Statements, which could materially affect the values stated in the Financial Statements except management decision as on 15th October 2017 to establish Workers Profit Participation Fund (WPPF). Necessary steps to recognize the WPPF is in process.

Kattali Textile Ltd.
Schedule of Property, Plant & Equipment
as at 30 June 2017

Annexure-A
(Amount in Taka)

Particulars	Cost			Rate of Dep. (%)	Depreciation				Written Down Value as at 30-06-2017	Written Down Value as at 30-06-2016
	Balance as on 01 July 2016	Addition During the year	Balance as on 30 June 2017		Balance as on 01 July 2016	Adjust for Access Dep. up to June 2016	Charge during the period	Balance as on 30 June 2017		
Land & Land Development	42,476,000	3,293,288	45,769,288	0%	-		-	-	45,769,288	42,476,000
Factory Building and other Construction	212,305,956	25,305,579	237,611,535	3%	30,404,396	(2,945,029)	6,132,854	33,592,221	204,019,314	181,901,560
Plant & Machinery	500,007,039	56,636,200	556,643,239	10%	190,737,206	(21,246,161)	38,085,025	207,576,070	349,067,169	309,269,833
Electric Installation	5,774,480	10,632,616	16,407,096	10%	2,835,690	(152,998)	1,017,609	3,700,300	12,706,796	2,938,790
Tools and Equipment	7,841,770	18,938,690	26,780,460	10%	3,604,378	(177,422)	1,840,029	5,266,985	21,513,475	4,237,392
Office Equipment	9,640,300	9,884,636	19,524,936	10%	4,439,369	(343,739)	1,255,546	5,351,176	14,173,760	5,200,931
Furniture & Fixture	11,046,900	13,455,174	24,502,074	10%	5,167,545	(376,317)	1,734,961	6,526,189	17,975,885	5,879,355
Fire Fighting Equipments	5,708,055	9,578,908	15,286,963	10%	2,279,103	(170,348)	1,064,828	3,173,583	12,113,380	3,428,952
Motor Car	8,920,000	-	8,920,000	10%	3,948,266	(216,948)	518,868	4,250,186	4,669,814	4,971,734
Electric Substation	822,000	4,100,058	4,922,058	10%	377,066	(12,711)	390,619	754,973	4,167,085	444,934
Factory equipment	12,740,223	19,435,338	32,175,561	10%	5,077,373	(406,575)	2,224,900	6,895,697	25,279,864	7,662,850
Total	817,282,723	171,260,487	988,543,210		248,870,391	(26,048,248)	54,265,239	277,087,382	711,455,828	568,412,332

Allocation of depreciation

Manufacturing Expenses Note: 20.4	96%	52,094,629
Administrative Expenses Note: 21.01	2%	1,085,305
Selling & Distribution Expenses Note: 21.02	2%	1,085,305
	100%	54,265,239

- b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;
 Not applicable for Kattali Textile Limited as it is not a holding company.
- c) Selection ratios as specified in Annexure-D;

KATTALI TEXTILE LIMITED
Statement of Ratio Analysis

For the year(s) & Period ended 30 June 2016 & 2017, 31 August 2015, 2014 & 2013

Name of Ratio		For the year ended				
		30-Jun-17	30-Jun-16	31-Aug-15	31-Aug-14	31-Aug-13
A.	Liquidity Ratios					
1	Current Ratio	4.74	2.37	1.59	1.25	1.34
2	Quick Ratio	2.49	1.21	0.97	0.71	0.81
B.	Operating Efficiency Ratios					
1	Accounts Receivable Turnover Ratio	3.98	4.15	5.97	6.70	8.02
2	Inventory Turnover Ratio	3.07	3.21	4.86	5.38	6.55
3	Assets Turnover Ratio	0.52	0.50	0.66	0.75	0.87
C.	Profitability Ratios					
1	Gross Margin Ratio	22.8%	22.60%	18.70%	19.67%	18.33%
2	Operating Income Ratio	18.7%	18.60%	14.50%	15.38%	14.11%
3	Net Income Ratio	18.0%	11.90%	11.96%	12.15%	13.01%
4	Return on Assets Ratio	9.3%	6.00%	7.84%	9.10%	11.33%
5	Return on Equity Ratio	9.5%	10.60%	14.74%	17.48%	20.91%
6	Earnings Per Share (Basic)	2.07	1.99	2.45	2.73	3.04
7	EBITDA Margin	28.0%	26.30%	22.82%	23.90%	21.30%
D.	Solvency Ratios					
1	Debt to Total Asset Ratio	0.11	0.48	0.49	0.53	0.52
3	Debt to Equity Ratio	0.12	0.91	0.95	1.13	1.08
2	Times Interest Earned Ratio	19.16	10.29	18.26	28.39	82.37
4	Debt Service Coverage Ratio	1.82	0.22	0.22	0.22	0.23
E.	Cash Flow Ratios					
1	Net operating Cash Flow Per Share	2.25	0.08	2.83	3.72	2.32
2	Net operating Cash Flow Per Share to EPS	1.09	0.04	1.16	1.36	0.76

Auditors' Certificate regarding calculation of EPS and Ratios

We have examined the following earnings per share (EPS) and other ratios of *KATTALI TEXTILE LIMITED* for the year ended 30 June 2017 & 2016 and 31 August 2015, 2014 & 2013, which have been produced by the management of the company to us. The preparation of the EPS and the other ratios is the responsibility of the company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using accepted principles on the basis of audited financial statements for the year ended 30 June, 2017, 2016 and year ended 31 August 2015, 2014 & 2013.

Based on the review, we certify that the company has properly prepared the following EPS and other ratios using acceptable principles on the basis of audited financial statements for the year ended on 30 June, 2017, 2016 and 31 August 2015, 2014 & 2013.

Name of Ratio		Amount in Taka										
		30-06-2017		30-06-2016		31-08-2015		31-08-2014		31-08-2013		
		Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	
A.	Liquidity Ratios											
1	Current Ratio	Current Assets	485,151,282	4.74	442,827,429	2.37	319,308,170	1.59	270,586,744	1.25	236,063,680	1.34
		Current Liability	102,447,815		186,822,380		200,492,025		216,600,076		175,601,931	
2	Quick Ratio	Current Assets- Inventory- Advance	255,074,794	2.49	226,630,357	1.21	194,943,258	0.97	154,664,258	0.71	142,787,855	0.81
		Current Liability	102,447,815		186,822,380		200,492,025		216,600,076		175,601,931	
B.	Operating Ratios											
1	Accounts Receivable Turnover Ratio	Sales	595,295,265	3.98	486,266,104	4.15	564,388,585	5.97	561,642,281	6.70	517,506,289	8.02
		Average Receivables	149,390,064		117,190,852		94,536,807		83,848,551		64,563,707	
2	Inventory Turnover Ratio	Cost of Sales	459,349,206	3.07	376,508,354	3.21	459,020,362	4.86	451,141,557	5.38	422,660,550	6.55
		Average Inventory	149,390,064		117,190,852		94,536,807		83,848,551		64,563,707	
3	Assets Turnover Ratio	Sales	595,295,265	0.52	486,266,104	0.50	564,388,585	0.66	561,642,281	0.75	517,506,289	0.87
		Average Total Assets	1,149,494,677		963,821,868		860,313,621		749,590,539		594,051,826	
C.	Profitability Ratios											
1	Gross Margin Ratio	Gross Profit	135,946,059	22.8%	109,757,750	22.6%	105,368,223	18.7%	110,500,724	19.7%	94,845,739	18.3%
		Sales	595,295,265		486,266,104		564,388,585		561,642,281		517,506,289	
2	Operating Profit Ratio	Operating Profit	111,543,496	18.7%	90,444,216	18.6%	81,781,114	14.5%	86,382,502	15.4%	73,018,476	14.1%
		Sales	595,295,265		486,266,104		564,388,585		561,642,281		517,506,289	
3	Net Profit Ratio	Profit After Tax	106,885,828	18.0%	57,869,126	11.9%	67,478,136	11.96%	68,223,760	12.1%	67,314,207	13.0%
		Sales	595,295,265		486,266,104		564,388,585		561,642,281		517,506,289	
4	Return on Assets Ratio	Profit After Tax	106,885,828	9.3%	57,869,126	6.00%	67,478,136	7.8%	68,223,760	9.1%	67,314,207	11.3%
		Average Total Assets	1,149,494,677		963,821,868		860,313,621		749,590,539		594,051,826	
5	Return on Equity Ratio	Profit After Tax	106,885,828	9.5%	57,869,126	10.6%	67,478,136	14.7%	68,223,760	17.5%	67,314,207	20.9%
		Shareholders' Equity	1,126,437,056		543,501,980		457,697,354		390,219,218		321,995,458	
6	Earnings Per Share (Basic)	Profit After Tax	106,885,828	2.07	57,869,126	1.99	67,478,136	2.45	68,223,760	2.73	67,314,207	3.04
		Number of Shares	51,586,767		29,085,218		27,567,413		24,969,986		22,127,399	

7	EBITDA Margin	EBITDA	166,839,940	28.0%	127,760,036	26.3%	128,779,684	22.8%	134,460,360	23.9%	110,064,199	21.3%
		Net Sales	595,295,265		486,266,104		564,388,585		561,642,281		517,506,289	
D.	Solvency Ratios											
1	Debt to Total Asset Ratio	Total Debt	135,585,670	0.11	493,464,647	0.48	432,979,755	0.49	439,730,915	0.53	347,235,486	0.52
		Total Assets	1,262,022,726		1,036,966,627		890,677,109		829,950,133		669,230,944	
2	Debt to Equity Ratio	Total Debt	135,585,670	0.12	493,464,647	0.91	432,979,755	0.95	439,730,915	1.13	347,235,486	1.08
		Total Equity	1,126,437,056		543,501,980		457,697,354		390,219,218		321,995,458	
3	Times Interest Earned Ratio	Operating Profit	111,543,496	19.16	90,444,216	10.29	81,781,114	18.26	86,382,502	28.39	73,018,476	82.37
		Net Interest Expenses	5,820,380		8,785,948		4,478,121		3,043,215		886,476	
4	Debt Service Coverage Ratio	Net operating profit	111,543,496	1.82	90,444,216	0.22	81,781,114	0.22	86,382,502	0.22	73,018,476	0.23
		Total Debt Service	61,410,939		412,601,709		375,196,125		393,165,374		318,246,664	
	Cash Flow											
1	Net operating Cash Flow Per Share Basic	Net operating Cash Flow	116,199,676	2.25	2,434,645	0.08	77,998,939	2.83	92,804,554	3.72	51,306,907	2.32
		Number of Ordinary Share Outstanding	51,586,767		29,085,218		27,567,413		24,969,986		22,127,399	
2	Net operating Cash Flow Per Share to EPS Ratio	Net Operating Cash Flow Per share	2.25	1.09	0.08	0.04	2.83	1.16	3.72	1.36	2.32	0.76
		EPS	2.07		1.99		2.45		2.73		3.04	

Dated: November 25, 2017
Place: Dhaka

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

Comparison with the Industry average ratios of same periods:

KATTALI TEXTILE LIMITED		Industry Average***	Remark/ Explanation
Particulars	30/06/2017 Ratio	30/06/2017 Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	4.74	1.67	KTL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
Quick Ratio (Times)	2.49	0.59	KTL's Ratio is better than the industry average ratio of quick assets are relatively higher.
2. Operating Efficiency Ratios :			
Accounts Receivable Turnover Ratio (Times)	3.98	2.15	KTL's Ratio is satisfactory as collection period is shorter.
Inventory Turnover Ratio (Times)	3.07	1.83	KTL's Ratio is satisfactory as inventory is sold timely.
Assets Turnover Ratio (Times)	0.52	0.28	KTL's Ratio is satisfactory than the average industry
3. Profitability Ratios :			
Gross Margin Ratio (%)	22.8%	51.86%	KTL's Ratio needs to be improved with the average industry ratio.
Operating Income Ratio (%)	18.7%	16.24%	KTL's Ratio is satisfactory with the average industry ratio.
Net Income Ratio (%)	18.0%	4.97%	KTL's Ratio is much better than the industry average ratio.
Return on Assets Ratio (%)	9.3%	1.42%	
Return on Equity Ratio (%)	9.5%	3.85%	
Earnings Per Share (Basic)	2.07	0.09	
EBITDA Margin	28%	23.43%	KTL's Ratio is satisfactory with the industry average ratio as higher net operating profit.
4. Solvency Ratios :			
Debt to Total Asset Ratio	0.11	0.52	KTL's Ratio is better as debt burden is lower than assets.
Debt to Equity Ratio (Times)	0.12	0.35	KTL's Ratio is better as debt burden is lower than equity.
Times Interest Earned Ratio (Times)	19.16	1.70	KTL's Ratio is better than the industry average ratio as operating profit is relatively more sufficient to pay the the financial expense.
Debt Service Coverage Ratio	1.82	0.12	KTL's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	2.25	(0.13)	KTL's Ratio is satisfactory as Net Operating Cash Flow is positive.
Net Operating Cash Flow Per Share/EPS	1.09	(1.71)	

Comparison with the Industry average ratios of same periods:

KATTALI TEXTILE LIMITED		Industry Average***	Remark/ Explanation
Particulars	30/06/2016	30.06.2016	
	Ratio	Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	2.37	1.30	KTL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
Quick Ratio (Times)	1.21	0.50	KTL's Ratio is better than the industry average ratio of quick assets are relatively higher.
2. Operating Efficiency Ratios :			
Accounts Receivable Turnover Ratio (Times)	4.15	2.61	KTL's Ratio is satisfactory as collection period is shorter.
Inventory Turnover Ratio (Times)	3.21	2.15	KTL's Ratio is satisfactory as inventory is sold in shorter time.
Assets Turnover Ratio (Times)	0.50	0.68	KTL's Ratio is satisfactory than the average industry
3. Profitability Ratios :			
Gross Margin Ratio (%)	22.6	17.6	KTL's Ratio is better than the industry average ratio as higher Gross profit.
Operating Income Ratio (%)	18.6	11.3	KTL's Ratio is better than the industry average ratio as higher operating profit.
Net Income Ratio (%)	11.9	6.6	KTL's Ratio is better than the industry average ratio as higher net profit.
Return on Assets Ratio (%)	6.00	4.5	KTL's Ratio is satisfactory with the average industry.
Return on Equity Ratio (%)	10.06	8.5	KTL's Ratio is satisfactory with the average industry.
Earnings Per Share (Basic)	1.99	1.84	
EBITDA Margin %	26.3	23.2	KTL's Ratio is better than the industry average ratio as higher net operating profit.
4. Solvency Ratios :			
Debt to Total Asset Ratio %	47.59	51.26	KTL's Ratio is better as debt burden is lower than assets.
Debt to Equity Ratio (Times)	0.90	1.05	KTL's Ratio is better as debt burden is lower than equity.
Times Interest Earned Ratio (Times)	10.29	3.13	KTL's Ratio is better than the industry average ratio as operating profit is relatively more sufficient to pay the financial expense.
Debt Service Coverage Ratio %	21.92	18.0	KTL's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	0.08	2.58	KTL's Ratio is satisfactory as Net Operating Cash Flow is positive.
Net Operating Cash Flow Per Share/EPS	0.04	1.40	

Comparison with the Industry average ratios of same periods:

KATTALI TEXTILE LIMITED		Industry Average***	Remark/ Explanation
Particulars	31/08/ 2015	2015	
	Ratio	Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	1.59	1.27	KTL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
Quick Ratio (Times)	0.97	0.54	KTL's Ratio is better than the industry average ratio of quick assets are relatively higher.
2. Operating Efficiency Ratios :			
Accounts Receivable Turnover Ratio (Times)	5.97	3.34	KTL's Ratio is satisfactory as collection period is shorter than the average industry.
Inventory Turnover Ratio (Times)	4.86	2.26	KTL's Ratio is satisfactory as inventory is sold in shorter time.
Assets Turnover Ratio (Times)	0.66	0.72	KTL's Ratio is satisfactory with the average industry ratio.
3. Profitability Ratios :			
Gross Margin Ratio (%)	18.7	20	KTL's Ratio is satisfactory with the average industry ratio.
Operating Income Ratio (%)	14.5	13.48	KTL's Ratio is satisfactory with the average industry ratio.
Net Income Ratio (%)	11.96	6.61	KTL's Ratio is better than the industry average ratio as higher net profit.
Return on Assets Ratio (%)	7.8	5.39	
Return on Equity Ratio (%)	14.7	8.35	
Earnings Per Share (Basic)	2.45	1.77	
EBITDA Margin %	22.8	0.08	KTL's Ratio is better than the industry average ratio as higher net operating profit.
4. Solvency Ratios :			
Debt to Total Asset Ratio %	48.61	0.43	KTL's Ratio is better as debt burden is lower than assets.
Debt to Equity Ratio (Times)	0.94	0.76	KTL's Ratio is better as debt burden is lower than equity.
Times Interest Earned Ratio (Times)	18.26	2.38	KTL's Ratio is better than the industry average ratio as operating profit is relatively more sufficient to pay the financial expense.
Debt Service Coverage Ratio %	21.80	21	KTL's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	2.83	3.48	KTL's Ratio is satisfactory as Net Operating Cash Flow is positive.
Net Operating Cash Flow Per Share/ EPS	1.16	1.97	

Comparison with the Industry average ratios of same periods:

KATTALI TEXTILE LIMITED		Industry Average***	Remark/ Explanation
Particulars	31/08/ 2014	2014	
	Ratio	Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	1.25	1.49	KTL's Current Ratio is satisfactory with the industry average current ratio.
Quick Ratio (Times)	0.71	0.68	KTL's Ratio is better than the industry average ratio of quick assets are relatively higher.
2. Operating Efficiency Ratios :			
Accounts Receivable Turnover Ratio (Times)	6.70	2.73	KTL's Ratio is satisfactory as collection period is shorter.
Inventory Turnover Ratio (Times)	5.38	2.21	KTL's Ratio is satisfactory as inventory is sold in shorter time.
Assets Turnover Ratio (Times)	1.13	0.80	KTL's Ratio is satisfactory with the average industry ratio.
3. Profitability Ratios :			
Gross Margin Ratio (%)	19.7	21.05	KTL's Ratio is satisfactory with the average industry ratio.
Operating Income Ratio (%)	15.4	15.24	KTL's Ratio is better than the industry average ratio as higher operating profit.
Net Income Ratio (%)	12.1	6.31	KTL's Ratio is better than the industry average ratio as higher net profit.
Return on Assets Ratio (%)	9.10	6.40	KTL's Ratio is better than the industry average ratio as higher net profit.
Return on Equity Ratio (%)	17.5	8.57	KTL's Ratio is better than the industry average ratio as higher net profit.
Earnings Per Share (Basic)	2.73	2.23	KTL's Ratio is better than the industry average ratio as higher net profit.
EBITDA Margin %	23.9	26.0	KTL's Ratio is better than the industry average ratio as higher net operating profit.
4. Solvency Ratios :			
Debt to Total Asset Ratio %	52.98	41.0	KTL's Ratio is better as debt burden is lower than assets.
Debt to Equity Ratio (Times)	1.12	0.70	KTL's Ratio is better as debt burden is lower than equity.
Times Interest Earned Ratio (Times)	28.39	1.93	KTL's Ratio is better than the industry average ratio as operating profit is relatively more sufficient to pay the financial expense.
Debt Service Coverage Ratio %	21.97	27.0	KTL's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	3.72	4.01	KTL's Ratio is satisfactory as Net Operating Cash Flow is positive.
Net Operating Cash Flow Per Share/EPS	1.36	1.80	KTL's Ratio is satisfactory as Net Operating Cash Flow is positive.

Comparison with the Industry average ratios of same periods:

KATTALI TEXTILE LIMITED		Industry Average***	Remark/ Explanation
Particulars	31/08/ 2013	2013	
	Ratio	Ratio	

1. Liquidity Ratios :

Current Ratio (Times)	1.34	0.98	KTL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
Quick Ratio (Times)	0.81	0.54	KTL's Ratio is better than the industry average ratio of quick assets are relatively higher.

2. Operating Efficiency Ratios :

Accounts Receivable Turnover Ratio (Times)	8.02	2.61	KTL's Ratio is satisfactory as collection period is shorter.
Inventory Turnover Ratio (Times)	6.55	2.52	KTL's Ratio is satisfactory as inventory is sold in shorter time.
Assets Turnover Ratio (Times)	0.87	0.76	KTL's Ratio is satisfactory with the average industry ratio.

3. Profitability Ratios :

Gross Margin Ratio (%)	18.3	20.81	KTL's Ratio is satisfactory with the average industry ratio.
Operating Income Ratio (%)	14.10	17.37	KTL's Ratio is satisfactory with the average industry ratio.
Net Income Ratio (%)	13.0	6.07	KTL's Ratio is better than the industry average ratio as higher net profit.
Return on Assets Ratio (%)	11.3	5.26	KTL's Ratio is better than the industry average ratio as higher net profit.
Return on Equity Ratio (%)	20.09	16.31	KTL's Ratio is satisfactory with the average industry.
Earnings Per Share (Basic)	3.04	3.27	KTL's Ratio is better than the industry average ratio as higher net profit.
EBITDA Margin %	21.3	28.0	KTL's Ratio is better than the industry average ratio as higher net operating profit.

4. Solvency Ratios :

Debt to Total Asset Ratio %	51.89	0.30	KTL's Ratio is better as debt burden is lower than assets.
Debt to Equity Ratio (Times)	107.84	2.55	KTL's Ratio is better as debt burden is lower than equity.
Times Interest Earned Ratio (Times)	82.37	1.71	KTL's Ratio is better than the industry average ratio of operating profit is relatively more sufficient to pay the financial expense.
Debt Service Coverage Ratio %	22.94	0.49	KTL's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.

5. Cash Flow ratios :

Net Operating Cash Flow Per Share	2.32	4.79	KTL's Ratio is satisfactory as Net Operating Cash Flow is positive.
Net Operating Cash Flow Per Share/ EPS	0.76	1.46	KTL's Ratio is satisfactory as Net Operating Cash Flow is positive.

** The industry average has been calculated based on Audited Financial Statements and Industry average ratios are calculated on the basis of financial data collected from the Annual Report of the following two publicly traded companies' corresponding accounting years.

- d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and Financial Statements and the aforementioned ratios for immediate proceeding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above-mentioned inclusion and submission will have to be made for the period since commercial operation;

Auditors' Report under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994.

We have compiled the accompanying statements of KATTALI TEXTILE LIMITED U/S 135 (1) and Para 24 (1) Part II of the Third Schedule of Companies Act 1994. The statement comprises of the financial information for the period ended November 30, 2016 audited by Shiraz Khan Basak & Co., Chartered Accountants and for the year June 30, 2016 & 2017, August 31, 2015, 2014, 2013 audited by Shiraz Khan Basak & Co. Chartered Accountants. Our report is as under:

1. The Kattali Textile Limited was incorporated as a private limited company on 26th June, 2002
2. The Kattali Textile Limited was converted as Public Limited Company on 17th October, 2016.
3. The Financial position of the company over the last five years is as follows:

A. Statement of Comprehensive Income of the company is as under;

**Kattali Textile Limited
Statement of Financial Position**

Particulars	For the year ended(Amounts in Taka)				
	30-Jun-17	30-Jun-16	31-Aug-15	31-Aug-14	31-Aug-13
ASSETS					
NON CURRENT ASSETS	776,871,445	594,139,198	571,368,939	559,363,389	433,167,264
Property, Plant & Equipment	711,455,829	568,412,333	571,368,939	559,363,389	433,167,264
Capital Work-in Process	65,415,616	25,726,865	-	-	-
CURRENT ASSETS	485,151,282	442,827,429	319,308,170	270,586,744	236,063,680
Advances, Deposits and Prepayments	68,992,696	78,500,735	27,679,545	235,342,39	17,966,970
Inventory	161,083,792	137,696,337	96,685,367	92,388,247	75,308,855
Trade Receivables	254,730,081	224,525,934	193,118,326	151,457,364	132,595,601
Cash and Cash Equivalents	344,712	2,104,423	1,824,932	3,206,894	10,192,254
TOTAL ASSETS	1,262,022,726	1,036,966,627	890,677,109	829,950,133	669,230,944
EQUITY & LIABILITIES					
SHAREHOLDERS' EQUITY	1,126,437,056	543,501,980	457,697,354	390,219,218	321,995,458
Share Capital	550,000,000	99,999,000	5,000,000	5,000,000	5,000,000
Retained Earnings	576,437,056	443,502,980	452,697,354	385,219,218	316,995,458
NON CURRENT LIABILITIES	33,137,855	306,642,267	232,487,730	223,130,839	171,633,555
Share Money deposit	-	264,393,559	203,610,628	203,610,628	161,880,628
Deferred Tax	30,884,274	39,596,774	25,737,537	19,520,211	9,752,927
Long term loan (Non-Current Portion)	2,253,581	2,651,934	3,139,565	-	-
CURRENT LIABILITIES	102,447,815	186,822,380	200,492,025	216,600,076	175,601,931
Accounts Payable	3,932,481	3,371,290	4,852,000	6,009,707	6,426,731
Liabilities for expense	39,357,976	37,894,874	27,194,093	21,035,624	12,809,164
Long Term Loan (Current Portion)	398,325	396,197	-	-	-
Short Term Loan	26,440,767	117,250,613	145,232,108	163,311,641	150,559,799
Bank Overdraft	32,318,266	27,909,406	23,213,824	26,243,105	5,806,237
Total Liabilities	135,585,670	493,464,647	432,979,755	439,730,915	347,235,486
TOTAL EQUITY & LIABILITIES	1,262,022,726	1,036,966,627	890,677,109	829,950,133	669,230,944

B. Statement of Operating Results:

Kattali Textile Limited
Comparative Statements of Comprehensive Income

Particulars	For the year ended (Amounts In Taka)				
	30-06-2017	30-06-2016	31-08-2015	31-08-2014	31-08-2013
Net Turnover	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
Cost of Sales	(459,349,206)	(376,508,354)	(459,020,362)	(451,141,557)	(422,660,550)
Gross Profit/ (Loss)	135,946,059	109,757,750	105,368,223	110,500,724	94,845,739
Operating Expenses	(24,402,563)	(19,313,534)	(23,587,108)	(24,118,222)	(21,827,263)
Operating Profit / (Loss)	111,543,496	90,444,216	81,781,114	86,382,502	73,018,476
Financial Expenses	(5,820,380)	(8,785,948)	(4,478,121)	(3,043,215)	(886,476)
Profit Before Non Operating Income	105,723,116	81,658,268	77,302,993	83,339,287	72,132,000
Non- Operating Income	1,291,552	1,402,113	2,083,049	2,660,976	2,661,563
Profit Before Income Tax	107,014,668	83,060,381	79,386,042	86,000,263	74,793,563
Provision For Income Tax	(128,840)	(25,191,255)	(11,907,906)	(17,776,503)	(7,479,356)
Current Tax	(8,841,340)	(11,332,017)	(5,690,581)	(8,009,219)	(5,081,190)
Differed Tax	8,712,500	(13,859,238)	(6,217,325)	(9,767,284)	(2,398,166)
Profit available for appropriation	106,885,828	57,869,126	67,478,136	68,223,760	67,314,207
Earnings Per Share (Basic)	2.07	1.99	2.45	2.73	3.04
Earnings Per Share (Diluted)	1.94	1.05	1.23	1.24	1.22

** Diluted Earnings Per Share (EPS) for all the years is calculated considering the latest number of Shares i.e., 55,000,000

C. Dividend declared

Particulars	For the year ended				
	30-06-2017	30-06-2016	31-08-2015	31-08-2014	31-08-2013
Cash Dividend	Nil	Nil	Nil	Nil	Nil
Stock Dividend (Bonus Share)	Nil	Nil	204%	Nil	Nil

- Kattali Textile Limited (KTL) was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. C-No. 4364 dated June 26, 2002 by the Registrar of Joint Stock Companies & Firms. The Company Converted into Public Limited Company and split of Share value from Tk. 100.00 to Tk. 10.00 dated January 22, 2014. Converted to Public Limited Company as of 17th October, 2016.
- The Company started its commercial operation on 1st March, 2004
- The company had no subsidiary company as on the Financial Statements date.
- No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

Dated: November 25, 2017
Place: Dhaka

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

e) Financial spreadsheet analysis for the latest audited financial statements;

KATTALI TEXTILE LIMITED
Statement of Financial Position
as at 30 June 2017

Particulars	Amounts (BDT)	Percentage (%)	Grand Total
ASSETS & PROPERTIES			
NON-CURRENT ASSETS	776,871,444		61.56%
Land & Land Development	45,769,288	3.63%	
Factory Building and other Construction	204,019,314	16.17%	
Plant & Machinery	349,067,169	27.66%	
Electric Installation	12,706,796	1.01%	
Tools and Equipment	21,513,475	1.70%	
Office Equipment	14,173,760	1.12%	
Furniture & Fixture	17,975,885	1.42%	
Fire Fighting Equipments	12,113,380	0.96%	
Motor Car	4,669,814	0.37%	
Electric Substation	4,167,085	0.33%	
Factory equipment	25,279,864	2.00%	
Capital Work In Process	65,415,616	5.18%	
CURRENT ASSETS	485,151,282		38.44%
Inventories	161,083,792	12.76%	
Raw Materials	115,772,447	9.17%	
Packing materials	238,118	0.02%	
Work- in - process	10,255,824	0.81%	
Oil and Lubricants	152,812	0.01%	
Stores & Spares	351,580	0.03%	
Finished Goods	34,313,011	2.72%	
Account Receivables	254,730,081	20.18%	
Advances, Deposits and Prepayments	68,992,696	5.47%	
Advance Against Salary	1,011,331	0.08%	
L/C margin	952,481	0.08%	
Advance Income Tax	10,729,614	0.85%	
Advance against Flat Purchase	9,000,000	0.71%	
C & F Association	40,000	0.00%	
Advance against Land Lease	47,005,000	3.72%	
Electricity Board	129,150	0.01%	
T & T Security	70,120	0.01%	
WASA Security	55,000	0.00%	
Cash and Cash Equivalents	344,712	0.03%	
TOTAL ASSETS & PROPERTIES	1,262,022,726		100.00%

KATTALI TEXTILE LIMITED
Statement of Financial Position
as at 30 June 2017

(continue)

Particulars	Amounts (BDT)	Percentage (%)	Grand Total
EQUITY & LIABILITIES			
SHAREHOLDERS EQUITY	1,126,437,056		89.26%
Share Capital	550,000,000	43.58%	
Retained Earnings	576,437,056	45.68%	
NON- CURRENT LIABILITIES	33,137,855		2.63%
Share Money Deposit	-	0.00%	
Deferred Tax	30,884,274	2.45%	
Long Term Loan (Non-Current Portion)	2,253,581	0.18%	
CURRENT LIABILITIES	102,447,815		8.12%
Bank Overdraft	32,318,266	2.56%	
Accounts Payable	3,932,481	0.31%	
Long Term Loan (Current Portion)	398,325	0.03%	
Liabilities For Expenses	39,357,976	3.12%	
Audit Fees	75,000	0.01%	
Electric Bill Payable	339,426	0.03%	
Lease Rent Payable	540,000	0.04%	
Gas Bill Payable	123,275	0.01%	
Salary and Allowance	1,162,901	0.09%	
Directors Remuneration	290,000	0.02%	
Telephone Bill Payable	4,158	0.00%	
Provision for Income Tax	36,823,216	2.92%	
Short Term Loan	26,440,767	2.10%	
TOTAL EQUITY & LIABILITIES	1,262,022,726		100.00%

Particulars	Amounts (BDT)	Percentage (%)	Grand Total
ASSETS & PROPERTIES			
NON-CURRENT ASSETS	776,871,445		61.56%
Property, Plant & Equipment	711,455,829	56.37%	
Capital Work In Process	65,415,616	5.18%	
CURRENT ASSETS	485,151,282		38.44%
Inventories	161,083,792	12.76%	
Account Receivables	254,730,081	20.18%	
Advances, Deposits and Prepayments	68,992,696	5.47%	
Cash and Cash Equivalents	344,712	0.03%	
TOTAL ASSETS & PROPERTIES	1,262,022,726		100.00%
EQUITY & LIABILITIES			
SHAREHOLDERS EQUITY	1,126,437,056	89.26%	
NON- CURRENT LIABILITIES	33,137,855	2.63%	
CURRENT LIABILITIES	102,447,815	8.12%	
TOTAL EQUITY & LIABILITIES	1,262,022,726		100.00%

KATTALI TEXTILE LIMITED
Statement of Profit or Loss & Other Comprehensive Income
For the year ended on 30 June 2017

Particulars	Amounts (BDT)	Percentage (%)	Grand Total
Turnover	595,295,265		100.00%
Less: Cost of Goods Sold	459,349,206		77.16%
Opening work-in-process	9,185,567	1.54%	
Raw materials consumed	295,415,507	49.63%	
Packing materials consumed	1,511,637	0.25%	
Factory overhead	165,157,803	27.74%	
Less: Closing Work-in-Process	(10,255,824)	-1.72%	
Opening finished goods	32,647,527	5.48%	
Finished Goods Available For Sale	493,662,217		
Less: Closing Finished Goods	(34,313,011)	-5.76%	
Gross Profit	135,946,059		22.84%
Less: Operating Expenses	(24,402,563)		-4.10%
Administrative Expenses	(20,997,752)	-3.53%	
Selling & Distribution Expenses	(3,404,811)	-0.57%	
Operating Profit	111,543,496		18.74%
Less: Financial Expenses	(5,820,380)	-0.98%	
Net Profit Before Non-Operating Income	105,723,116		17.76%
Other Income	1,291,552	0.22%	
Net Profit Before Income Tax	107,014,668		17.98%
Less: Provision for Income Tax	(128,840)		-0.02%
Current Taxes	(8,841,340)	-1.49%	
Deferred Taxes	8,712,500	1.46%	
Total Comprehensive Income for the year	106,885,828		17.96%

Sd/-
Chief Financial Officer
Kattali Textile Limited

Sd/-
Managing Director
Kattali Textile Limited

- f) Earnings per Share (EPS) on the fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

Particulars	Amounts in Taka (Jun-2017)
Net profit after Tax	106,885,828
Total Existing Number of Share	55,000,000
Weighted Average Number of Share	55,000,000
Earnings per Share (EPS)	1.94

- g) All extraordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;

Particulars	Amount in Taka (Jun-2017)
Net profit Before Tax	107,014,668
Less: Other Income	1,291,552
Net profit before Tax except for other income	105,723,116
Add: Deferred Tax Income	8,712,500
Less: Provision for Taxation	(8,841,340)
Net profit after Tax except for other income	105,594,276
Weighted Average Number of Share	55,000,000

- h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;
The company has not annualized quarterly or half-yearly EPS while calculating EPS.
- i) Net asset value (with and without considering revaluation surplus/reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

Particulars	Amount in Taka (Jun-2017)
Share Capital	550,000,000
Retained Earnings	576,437,056
Total Shareholders' Equity	1,126,437,056
Total Number of Ordinary Share	55,000,000
Net Assets Value (NAV) at BDT 10.00 per share	20.48

- j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, the cost of the audit should be borne by the concerned issuer.

This information is not applicable for the issuer.

k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:

- I. Statement of long term and short term borrowings including borrowing from related party or connected persons with the rate of interest and interest paid/accrued;

Certification on Statement of long term and short term borrowings including borrowing from related party or connected persons with the rate of interest and interest paid/accrued

This is to certify that, Kattali Textile Limited has long-term and short-term borrowings from two Bank (Islami Bank Bangladesh Limited & One Bank Limited) and there is no other borrowing from related party or connected persons. Details of Interest Accrued/Paid with applicable rate is mentioned below;

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30.06.2017	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
For the year ended on 30-Jun-17						
Islami Bank Bangladesh Limited	Lender	Long Term	2,651,906		400,417	
Sub Total			2,651,906		400,417	
Islami Bank Bangladesh Limited	Lender	Short Term	26,440,767			
One Bank Limited	Lender	Short Term (OD)	32,318,266	16%	5,347,360	
Sub Total			58,759,033		5,347,360	
Grand Total			61,410,939		5,747,777	
For the year ended on 30-Jun-16						
Islami Bank Bangladesh Limited	Lender	Long Term	3,048,131		244,388	
Sub Total			3,048,131		244,388	
Islami Bank Bangladesh Limited	Lender	Short Term	117,250,613		3,834,654	
One Bank Limited	Lender	Short Term (OD)	27,909,406	16%	4,680,582	
Sub Total			145,160,019		8,515,236	
Grand Total			148,208,150		8,759,624	
For the year ended on 31-Aug-15						
Islami Bank Bangladesh Limited	Lender	Long Term	3,139,565			
Sub Total			3,139,565		-	
Islami Bank Bangladesh Limited	Lender	Short Term	145,232,108			
One Bank Limited	Lender	Short Term (OD)	23,213,824	16%	4,465,659	
Sub Total			168,445,932		4,465,659	
Grand Total			171,585,497		4,465,659	
For the year ended on 31-Aug-14						
Islami Bank Bangladesh Limited	Lender	Long Term	-			
Sub Total			-		-	
Islami Bank Bangladesh Limited	Lender	Short Term	163,311,640			
One Bank Limited	Lender	Short Term (OD)	26,243,105	16%	2,990,514	
Sub Total			189,554,745		2,990,514	
Grand Total			189,554,745		2,990,514	
For the year ended on 31-Aug-13						
Islami Bank Bangladesh Limited	Lender	Long Term	-			
Sub Total			-		-	
Islami Bank Bangladesh Limited	Lender	Short Term	150,559,800			
One Bank Limited	Lender	Short Term (OD)	5,806,237	16%	867,697	
Sub Total			156,366,037		867,697	
Grand Total			156,366,037		867,697	

The company does not have any long-term and short-term borrowings from related party or connected persons for the period from 01 Sept. 2012 to 30 June, 2017.

Dated: 25 November, 2017

Place: Dhaka

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

II. Statement of principal terms of secured loans and assets on which charge has been created against those loans with names of lenders, purpose, sanctioned amount, the rate of interest, primary security, collateral/other security, repayment schedule and status;

Certification on Statement of Principal Terms of Secured Loans and Assets on which Charge have been Created Against Those Loans with names of lenders, purpose, sanctioned amount, the rate of interest, primary security, collateral or other security, repayment schedule and status

A. Islami Bank Bangladesh Limited

Particulars	30 June 2017	30 June 2016	Aug 31, 2015	Aug 31, 2014	Aug 31, 2013
Names of lenders	Islami Bank Bangladesh Limited	Islami Bank Bangladesh Limited	Islami Bank Bangladesh Limited	Islami Bank Bangladesh Limited	Islami Bank Bangladesh Limited
Purpose	For Importing, Procuring fabrics & Associates as raw materials of Garments as well as import of garments machinery/ Spare Parts under Cash L/C.				
Status of Asset Charged	Land & Building Mortgaged	Land & Building Mortgaged	Land & Building Mortgaged	Land & Building Mortgaged	Land & Building Mortgaged
Sanctioned Amount	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Rate of Interest	N/A	N/A	N/A	N/A	N/A
Primary Security/ Collateral/Other Security	9 Decimal Land of Land with 5,815 sqft Building 74 Decimal Land 17 Decimal Land 9 Decimal Land 6.13 Decimal Land Factory Building 6 Storied	9 Decimal Land of Land with 5,815 sqft Building 74 Decimal Land 17 Decimal Land 1.65 Decimal Land 6.13 Decimal Land Factory Building 6 Storied	9 Decimal Land of Land with 5,815 sqft Building 74 Decimal Land 17 Decimal Land 1.65 Decimal Land 6.13 Decimal Land Factory Building 6 Storied	9 Decimal Land of Land with 5,815 sqft Building 74 Decimal Land 17 Decimal Land 1.65 Decimal Land 6.13 Decimal Land Factory Building 6 Storied	9 Decimal Land of Land with 5,815 sqft Building 74 Decimal Land 17 Decimal Land 1.65 Decimal Land 6.13 Decimal Land Factory Building 6 Storied
Re-payment schedule	1-2 Years	1-2 Years	1-2 Years	1-2 Years	1-2 Years
Status (Current Balance)	29,092,673	120,298,744	148,371,673	163,311,640	150,559,800

B. One Bank Limited (Overdraft)

Particulars	30 June 2017	30 June 2016	Aug 31, 2015	Aug 31, 2014	Aug 31, 2013
Names of lenders	One Bank Limited	One Bank Limited	One Bank Limited	One Bank Limited	One Bank Limited
Purpose	To Finance Working Capital Requirement				
Status of Asset Charged	Land & Building Mortgaged	Land & Building Mortgaged	Land & Building Mortgaged	Land & Building Mortgaged	Land & Building Mortgaged
Sanctioned Amount	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Rate of Interest	16%	16%	16%	16%	16%
Primary Security/ Collateral/Other Security	<ul style="list-style-type: none"> ✓ 6.67 decimal Land with building ✓ 6.60 decimal Land ✓ 84 decimal Land ✓ 32 decimal Land 				
Re-payment schedule	12 Months	12 Months	12 Months	12 Months	12 Months
Status (Current Balance)	32,318,266	27,909,406	23,213,824	26,243,105	5,806,237

Place: Dhaka
Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

Prospectus

III. Statement of unsecured loans with terms and conditions.

CERTIFICATION ON UNSECURED LOAN WITH TERMS AND CONDITIONS OF KATTALI TEXTILE LIMITED

This is to certify that Kattali Textile Limited has not taken any unsecured loan from any person/body/ Related Party from 01 September 2012 to 30 June 2017.

Place: Dhaka

Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

IV. Statement of inventories showing the amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

CERTIFICATION ON STATEMENT OF INVENTORIES RAW MATERIAL, PACKING MATERIAL, WORK-IN-PROCESS, OIL AND LUBRICANTS, STORE & SPARE PARTS AND FINISH GOODS OF KATTALI TEXTILE LIMITED

After due verification we certify that the statement of Inventories showing the amount of Raw Material, Packing Material, Work-In-Process, Oil and Lubricants, Store & Spares and Finished Goods of Kattali Textile Limited for the last five years were as follows:

STATEMENT OF INVENTORIES

Item	For the year ended (Amount in BDT)				
	30 June 2017	30 June 2016	August 31, 2015	August 31, 2014	August 31, 2013
Raw Materials	115,772,447	95,224,714	48,194,385	49,143,497	44,859,885
Packing Materials	238,118	201,987	304,546	294,435	291,435
Work in progress	10,255,824	9,185,567	9,842,872	9,243,281	8,646,626
Oil and Lubricants	152,812	145,284	152,635	146,985	147,265
Store & Spares	351,580	291,258	302,340	295,460	275,480
Finish Goods	34,313,011	32,647,527	37,888,589	33,264,589	21,088,164
Total	161,083,792	137,696,337	96,685,367	92,388,247	75,308,855

Place: Dhaka

Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

V. Statement of trade receivables showing receivable from related party and connected persons.

**CERTIFICATION ON STATEMENT OF ACCOUNTS RECEIVABLES
SHOWING RECEIVABLE FROM RELATED PARTY AND CONNECTED
PERSONS OF KATTALI TEXTILE LIMITED**

After due verification we certify that the Statement of Accounts Receivables showing Receivables from Related Party and connected persons of Kattali Textile Limited for the last five years were as follows:

Particulars	Amount in BDT				
	30 June 2017	30 June 2016	Aug. 31 2015	Aug. 31 2014	Aug. 31 2013
General Party	254,730,081	224,525,933	193,118,326	151,457,364	132,595,601
From Related Party	-	-	-	-	-
From Connected person	-	-	-	-	-
Total	254,730,081	206,025,933	195,339,368	151,457,364	132,595,601

Place: Dhaka

Date: 25 November 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

VI. Statement of any loan given by the issuer including loans to related party or connected persons with the rate of interest and interest realized/accrued;

**Certification on Statement of any Loan given by the issuer
Including loan to Related Party or Connected Persons with the rate of interest
and interest realized/accrued by the Kattali Textile Limited**

This is to certify that Kattali Textile Limited did not give any loan to any Related Party or connected person from 01 September 2012 to 30 June 2017.

Place: Dhaka

Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

VII. Statement of other income showing interest income, dividend income, discount received, other non-operating income;

**Certification on Statement of Another Income showing
Interest income dividend income discount received & other non-operating
Income of Kattali Textile Limited**

LIST OF OTHER INCOME IN THE LAST FIVE YEARS

Particulars	Amount in BDT				
	30 June 2017	30 June 2016	August 31, 2015	August 31, 2014	August 31, 2013
Interest Income		-	-	-	-
Dividend Income		-	-	-	-
Wastage Sales	873,156	1,028,145	1,124,621	1,628,422	1,719,309
Discount received	-	-	-	-	-
Other Non-Operating Income	418,396	373,968	958,428	1,032,554	942,254
Total	1,291,552	1,402,113	2,083,049	2,660,976	2,661,563

Place: Dhaka

Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

VIII. Statement of turnover showing separately in cash and through banking channel;

**Certification on Statement of Turnover showing
Separately in cash and through banking channel of Kattali Textile Limited**

After due verification we certify that the turnover showing separately in cash and through banking channel of Kattali Textile Limited 01 September 2012 to 30 June 2017 were as follows:

Particulars	Amount in BDT				
	30 June, 2017	30 June, 2016	August 31, 2015	August 31, 2014	August 31, 2013
In Cash	-	-	-	-	-
Through Banking Channel	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289
Grand Total	595,295,265	486,266,104	564,388,585	561,642,281	517,506,289

Place: Dhaka

Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

IX. Statement of related party transaction;
CERTIFICATION ON STATEMENT OF RELATED PARTY TRANSACTION OF KATTALI TEXTILE LIMITED

This is to certify that the Financial Statement of Kattali Textile Limited furnished for our audit does not have any transaction during the last five years or any proposed transaction between the issuer and any of the following persons.

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

Except the transactions described in the following table:

A. Directors remuneration

Name	Position	Amount in (BDT)				
		2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Md. Emdadul Hoque Chowdhury	Managing Director	1,440,000	1,200,000	1,440,000	1,440,000	1,440,000
Mrs. Nasreen Hoque	Chairman	960,000	800,000	960,000	960,000	960,000
Md. Anwarul Haque Chowdhury	Director	600,000	250,000			
Md. Mokarram Anwar						
Waduda Sabrina (Nominee Eian Apparel)		480,000	200,000			
Sifat Sabrina (Nominee Lucky Corner)						
Sayed Manjur Quader		Independent Director				
Mohammed Nurul Alam						
Sub Total (A)		3,480,000	2,450,000	2,400,000	2,400,000	2,400,000

B. Board meeting fees

Md. Emdadul Hoque Chowdhury	Managing Director	50,000	50,000	160,000	160,000	200,000
Mrs. Nasreen Hoque	Chairman	50,000	40,000	160,000	160,000	120,000
Md. Anwarul Haque Chowdhury	Director	50,000	20,000			
Md. Mokarram Anwar		40,000	20,000			
Waduda Sabrina (Nominee Eian Apparel)		40,000	20,000			
Sifat Sabrina (Nominee Lucky Corner)		40,000				
Sayed Manjur Quader		Independent Director	50,000			
Mohammed Nurul Alam		40,000				
Sub Total (B)		360,000	150,000	320,000	320,000	320,000

C. Other Transaction

Eian Apparel Limited	Lease rent	5,880,000	2,950,000	1,980,000	1,980,000	1,980,000
	Dormitory Installment	2,849,283	2,833,150			
	Lease Security		46,599,000			
Md. Emdadul Hoque Chowdhury	Lease Security		406,000			
	Dormitory (DHK)				-	875,000
	Lease rent	600,000	200,000			
Sub Total (C)		9,329,283	52,988,150	1,980,000	1,980,000	2,855,000
Grand Total (A+B+C)		13,169,283	55,588,150	4,700,000	4,700,000	5,575,000

Dated: 25 November, 2017

Place: Dhaka

Sd/-
 Shiraz Khan Basak & Co.
 Chartered Accountants

X. Reconciliation of business income shown in tax return with net income shown in audited financial statements;

**Certification regarding Reconciliation of Business
Income Shown in Tax Return with Net Income Shown in
Audited Financial Statements of Kattali Textile Limited for the last five years**

This is to certify that the Income of Kattali Textile Limited as per Audited Financial Statements and Income shown on a Tax Return are similar during the last five-year except for an adjustment of depreciation & final settlement under 82(c) of Income Tax Ordinance 1984 for the Income year 2013-2014 to 2015-2016 and Assessment Year 2014-2015 to 2016-2017. The reconciliation of Income shown in audited Financial Statement & Income Shown on Tax Return is shown below:

Particulars	Income Year (Amount in Taka)				
	30 th June 2017	30 th June 2016	31 st August 2015	31 st August 2014	31 st August 2013
Net profit before tax Shown as per Audited Financial Statement	107,014,667	83,060,380	79,386,042	86,000,263	74,793,564
Add: Accounting Depreciation	54,265,240	35,940,031	44,927,983	45,469,283	34,402,939
Less: Depreciation Tax Base	(86,554,528)	(62,340,324)	(86,376,819)	(78,074,753)	(58,384,600)
Taxable Business Income	74,725,379	56,660,087	37,937,206	53,394,793	50,811,903
Income as per Income Tax Return assessed under 82(c) of the Income Tax Ordinance, 1984	Return will be submitted on due date	13,645,755	20,909,107	53,394,793	50,811,900

Place: Dhaka

Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

XI. Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

**CERTIFICATION ON RECEIPTS AND PAYMENTS
ABOVE TK. 500,000 (FIVE LAC) WERE MADE THROUGH BANKING
CHANNEL OF KATTALI TEXTILE LIMITED**

This is to Certify that all Receipts and Payments of Kattali Textile Limited above Tk. 500,000/= (Five Lac) were made through banking channel for the year ended 01 September 2012 to 30 June 2017.

Place: Dhaka

Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

XII. Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

**CERTIFICATION ON BOOKS OF ACCOUNTS OF
KATTALI TEXTILE LIMITED IS IN CONFORMITY WITH BANK STATEMENTS**

This is to certify that the Books of Accounts of Kattali Textile Limited from 1st September 2012 to 30 June 2017 are in conformity with Bank Statements.

Place: Dhaka

Date: 25 November, 2017

Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants

XIII. Statement of payment status of TAX, VAT and other taxes/duties;

**CERTIFICATION ON STATUS OF PAYMENT
OF TAX, VAT AND OTHER TAXES/DUTIES
OF KATTALI TEXTILE LIMITED**

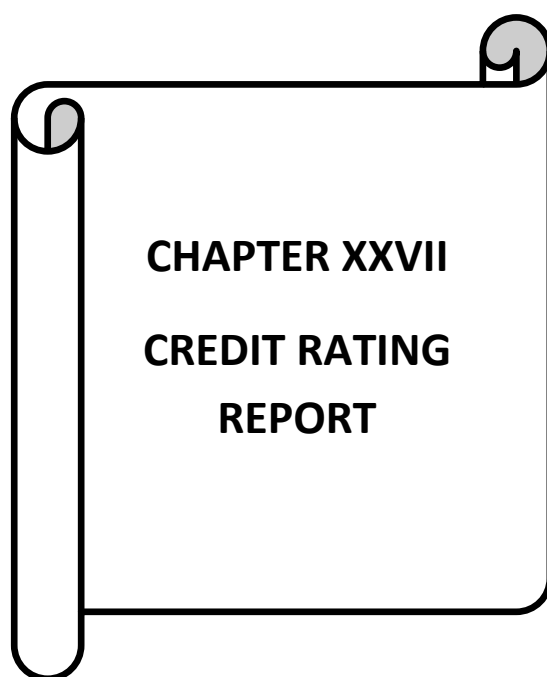
After due verification, we certify that the status of TAX, VAT and other taxes/duties payment of Kattali Textile Limited for the last five years were as follows:

Particulars	Amount in BDT				
	30 June 2017	30 June 2016	Aug 31, 2015	Aug 31, 2014	Aug 31, 2013
Tax (TDS)	3,955,638	2,729,151	3,136,366	4,342,244	3,886,222
VAT	-	-	-	-	-
Others Taxes/Duties	-	-	-	-	-
Total	3,955,638	2,729,151	3,136,366	4,342,244	3,886,222

Place: Dhaka

Date: 25 November, 2017

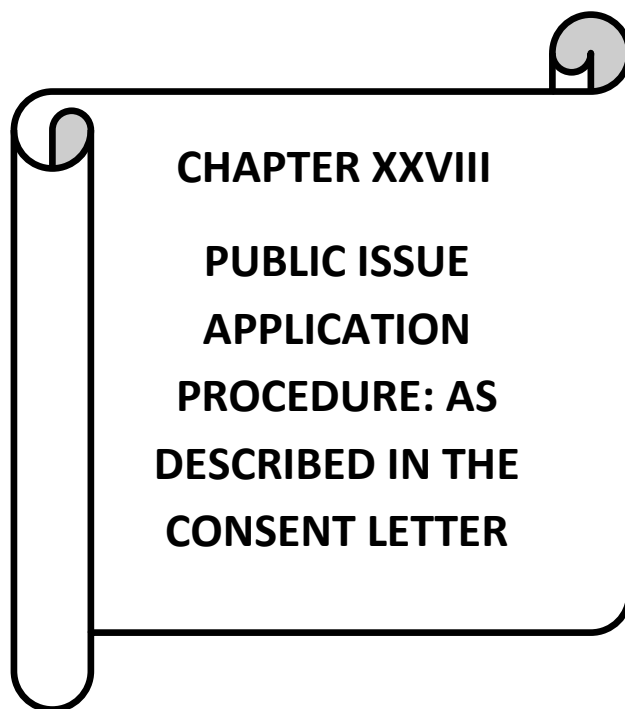
Sd/-
SHIRAZ KHAN BASAK & CO
Chartered Accountants



CHAPTER XXVII
CREDIT RATING
REPORT

CHAPTER XXVII: CREDIT RATING REPORT

As per Section 3 of Credit Rating Companies Rules, 1996, no Credit Rating Report is required by the Company.



CHAPTER XXVIII
PUBLIC ISSUE
APPLICATION
PROCEDURE: AS
DESCRIBED IN THE
CONSENT LETTER

CHAPTER XXVIII PUBLIC ISSUE APPLICATION PROCEDURE: AS DESCRIBED IN THE CONSENT LETTER**APPLICATION PROCESS****STEP-1 (APPLICANT)**

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

STEP-2 (INTERMEDIARY)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose Namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a) Post the amount separately in the customer account (other than NRB and Foreign applicants), and upon the availability of fund, block the amount equivalent to the application money;
 - b) Accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of an application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
 - c) Instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within **03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with the exchange.

STEP-3 (ISSUER)

9. The Issuer shall prepare a consolidated list of the applications and send the applicants' BOIDs in the electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

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

STEP-4 (INTERMEDIARY)

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

MISCELLANEOUS:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance with the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of **Sonali Bank Limited** on the date of publication of an abridged version of Prospectus.
22. The amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. The amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of **Tk.2,00,000.00 (taka two lac) for a public issue**.

24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of **Tk. 5.00 (taka five)** only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting an application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange is authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in the case of violation of any provision of the public issue application process with intimation to the Commission.

“All eligible Stock Broker and Merchant Banker shall receive the IPO Subscription”

The IPO subscription money collected from the successful application (other than NRB application) by the Stockbroker/ Merchant Bankers will be remitted to the Company’s **Account No. 1501203618441001** with **BRAC Bank Limited, 1 Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh** for this purpose.

The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

SL No	Name of the A/C	Account Number	Type of A/C	Currency	Bank & Branch
1	Kattali Textile Limited	1501203618441001	Current Account	BDT	BRAC Bank Limited, 1 Gulshan Avenue, Gulshan-1
2		1501203618441002	FC Account	USD	
3		1501203618441003		GBP	
4		1501203618441004		EURO	

APPLICATION FORM

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

Interested persons are entitled to a Prospectus, if they desire and that copies of Prospectus may be obtained from the issuer and the Issue Managers.

KATTALI TEXTILE LIMITED

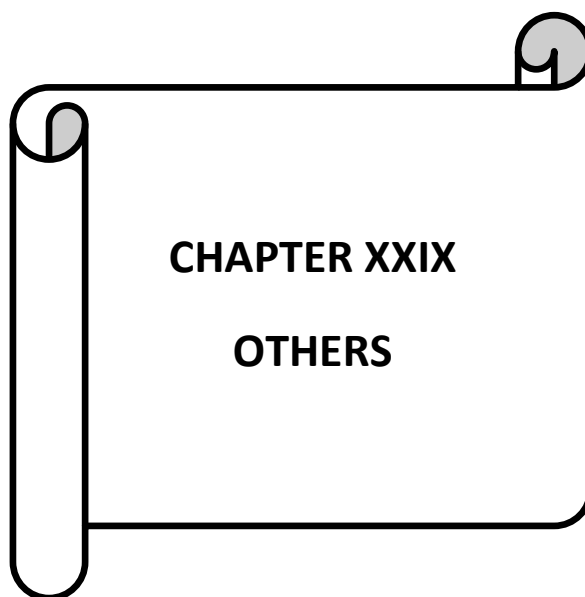
APPLICATION FOR PUBLIC ISSUE

Date:

Name of Applicant	:																
Client Code	:																
BO ID No.	:																
Category of Applicant	:																
Name of the Company/Fund	:																
Number of Shares/Units	:											Shares of Taka			Each		
Total Amount in Taka	:																
Amount in word	:																
Mode of Payment	:																
Cheque/Draft Information	:																

Signature of
Applicants

Signature of
Authorised officer



Auditor's additional disclosures against query of BSEC:

01. Your Query:

It is observed that you have retained earnings of Tk. 477.38 million as on November 30, 2016 whereas the company intends to obtain Tk. 340.00 million from the capital market through IPO which will be used for business expansion as well as loan repayment. Justify your position regarding the same.

Our Response:

The company has invested its retained earnings from Tk. 477.38 million and a substantial part of its shareholders existing paid-up capital in the working capital and fixed assets of the company. It has also invested its existing retained earnings and existing capital Tk. 550.00 million against several compliance requirements of the buyers (like investment in firefighting equipment, canteen for the workers, first aid for workers, etc and Expansion Unit against its lease deposit, lease rentals and land development cost. The Company is now starting to construct up a new dormitory building for its workers. The company is using more than 75% of its existing production capacity in present export generation. The company is mostly capital intensive. It has used minimum bank loans for managing its working capital and fixed assets. Therefore, the full amount of retained earnings and a substantial part of its paid-up capital was used against its existing business. Out of its existing paid-up capital Tk. 550.00 million, Tk. 57.132 million was invested in Capital Working in Progress of the Expansion Unit and Dormitory for the employees as follows:

(Taka)

Particulars	Kattali Expansion Unit investment
	Year 2015-2016
a) Capital Work in Progress	
Land Development	
48 decimal land (new factory)	19.523 million
Dormitory building for workers	4.704 million
b) Lease Rental	
48 decimal land (new factory)	1.30 million
Dormitory building for workers	0.200 million
c) Lease Deposit Advance	
48 decimal land (new factory)	30.999 million
Dormitory building for workers	0.406 million
Total	57.132 million

Except Tk. 25.00 million of loan repayment, the rest of the IPO amount Tk. 300.876 million will be used for the Expansion Unit and construction of dormitory building as follows:

(Taka)

Particulars	Kattali Expansion Unit investment
1) Construction of new Factory building	172.779 million
2) Construction of Dormitory Building	25.312 million
3) Acquisition of Machinery	89.788 million
4) Electric Installation	7.995 million
5) Loan repayment-One Bank Ltd	25.000 million
Total	320.876 million

Tk. 25.00 million will be paid against One Bank Ltd loan from the proceeds of IPO. It is expected that new revenue will be generated in 2018, 2019 and 2020 Tk. 625.10 million, Tk. 862.26 million and Tk. 890.215 million respectively as a result of the new investment. And capacity will be increased additionally by 37.35% in the Year 2019 approximately from the existing capacity when the new Unit will start production. Net Profit will also be in 2018, 2019 and 2020 Tk. 73.56 million, Tk. 129.63 million and Tk. 133.494 million respectively. Therefore the new investment is more justified for the expansion unit.

02. Your Query:

As on 30.11.2016 it appears that you have Tk 49,92,93,697 as retained earnings justify your posit why you have needed further Tk. 34,00,00,000 from IPO.

Our Response:

The company is using more than 75% of its existing production capacity in present export generation. The company is mostly capital intensive. It has used minimum bank loans for managing its working capital and fixed assets. Therefore, the full amount of retained earnings and a substantial part of its paid-up capital were used against its existing business. The company is now expanding its business existing business through establishing another Expansion Unit and have started investing in the same Expansion Unit. Out of its existing paid-up capital Tk. 550.00 million, Tk. 57.132 million was invested in Capital Working in Progress of the Expansion Unit and Dormitory building as follows:

(Taka)

Particulars	Kattali Expansion Unit investment	
	Year 2015-2016	
a) Capital Work in Progress		
Land Development		
48 decimal land (new factory)		19.523 million
Dormitory building for workers		4.704 million
b) Lease Rental		
48 decimal land (new factory)		1.30 million
Dormitory building for workers		0.200 million
c) Lease Deposit Advance		
48 decimal land (new factory)		30.999 million
Dormitory building for workers		0.406 million
Total		57.132 million

Tk. 25.00 million will be used to repay the loan of One Bank Ltd and rest of the IPO amount Tk. 295.876 million will be used for the Expansion Unit and construction of dormitory building as follows:

Particulars	Kattali Expansion Unit investment	
	(Taka)	
1. Construction of new Factory building		172.779 million
2. Construction of Dormitory Building		25.313 million
3. Acquisition of Machinery		89.788 million
4. Electric Installation		7.996 million
5. Loan repayment -One Bank Ltd		25.000 million
Total		320.876 million

It is expected that new revenue will be generated in 2018, 2019 and 2020 Tk. 625.10 million, Tk. 862.269 million and Tk. 890.215 million respectively as a result of the new investment. And capacity will be increased additionally by 37.35% in the Year 2019 approximately from the existing capacity when the new Unit will start production. Net Profit will also be in 2018, 2019 and 2020 Tk. 73.561 million, Tk. 129.691 million and Tk. 133.617 million respectively. Therefore, the new investment Tk. 34.00 crore from IPO proceeds is more justified.

3. Disclosure regarding Payment to Suppliers, Employees & Others Tk. 446,227,355.00

The break-up of the above is as under:

Cash paid to Suppliers, Employees and Others

For the year ended 30th June 2017

SL	Particulars	Amount (BDT)
1	Payment to Suppliers	327,078,661
2	Payment to Employees	108,025,422
3	Payment to Others	11,123,272
	Total	446,227,355

Note: Mentioned here that, Salary wages and Overhead cost shown in the accounts have found in order.

4. Disclosure regarding Calculation of Weighted Average Earnings Per Share as on 30th June 2017

Basic Earnings Per Share (EPS) - Basic

The computation of EPS is given below:

Earning attributable to the ordinary shareholders

Number of Weighted average Share Outstanding at the end of the year Note (i)

Earnings Per Share-Basic

	30 th June 2017	30 th June 2016
Earning attributable to the ordinary shareholders	106,885,828	57,869,126
Number of Weighted average Share Outstanding at the end of the year Note (i)	51,586,767	29,085,218
Earnings Per Share-Basic	2.07	1.99

i) A table below to Show Calculation of Weighted Average Number of Shares year wise-

Particulars	Weighted average Number of Shares for the year ended on				
	30 th June 2017	30 th June 2016	31 st Aug, 2015	31 st Aug, 2014	31 st Aug, 2013
Paid Up Capital (In Share)	9,999,900	500,000	500,000	500,000	500,000
Add. Bonus Share (100% Used for all period)	-	6,706,350	6,706,350	6,706,350	6,706,350
Add. Allotment of Share- Cash which used 100% during the year	-	2,793,550	-	-	-
Weighted of Share Money Deposit (In Share) Note- (ii)	41,586,867	19,085,318	20,361,063	17,490,636	14,921,049
Weighted Average Equivalent Number of Shares	51,586,767	29,085,218	27,567,413	24,696,986	22,127,399

(ii) Calculation of Weighted Average of Share money Deposit (In Share)

Particulars	Weighted average of Share money Deposit (In Share) for the year ended as on				
	30 th June 2017	30 th June 2016	31 st Aug, 2015	31 st Aug, 2014	31 st Aug, 2013
Opening Balance of Share money Deposit (in Share)	26,063,346	20,361,063	20,361,063	16,188,063	13,106,875
Add. Addition of Share Money Deposit during the year (Weighted) in Share	15,523,521	1,517,805		1,302,573	1,814,174
Less. Allotment made Use 100% during the year (in Share)	-	(2,793,550)	-	-	-
Weighted Average of Share money Deposit (In Share)	41,586,867	19,085,318	20,361,063	17,490,636	14,921,049

MANAGEMENT DECLARATIONS:
STATEMENT REGARDING COST AUDIT

This is to certify that, as per Section 220 (1) of the Companies Act, 1994, Cost Audit by order" cost and management accountant "within the meaning of the Cost and Management Accountants Ordinance, 1977(LIII of 1977) is not applicable for "Kattali Textile Limited".

Sd/-
Md. Emdadul Haque Chowdhury
Managing Director
Kattali Textile Limited

Sd/-
Md. Fazlul Hoque
Chief Finance Officer
Kattali Textile Limited

Sd/-
Md. Muslahuddin Chowdhury
Chief Executive Officer
NRB Equity Management Ltd.

**MANAGEMENT DECLARATION REGARDING
HOLDING ANNUAL GENERAL MEETING**

We the management of "Kattali Textile Limited", declare that our company is holding of Annual General Meeting (AGM) regulatory as per Section. 81 of the Companies Act, 1994.

Sd/-
Nasreen Haque
Chairman

Sd/-
Md. Emdadul Haque Chowdhury
Managing Director

Sd/-
Md. Anwarul Haque Chowdhury
Director

Sd/-
Md. Mokarrom Anower Chowdhury
Director

Sd/
Waduda Sabrina
(Nominee of Eian Apparels Ltd.)

Sd/-
Sifat Sabrina
(Nominee of Lucky Corner)

Sd/-
Syed Manzur Quader
Independent Director

Sd/-
Mohammed Nurul Alam
Independent Director

MANAGEMENT DECLARATION REGARDING ANY MATERIAL CHANGE IN PAID -UP CAPITAL

We the management of “Kattali Textile Limited”, declared that our company has not made any material change including raising of Paid-up Capital after the date of Audited Financial Statements as included in the Prospectus.

Sd/-
Nasreen Haque
Chairman

Sd/-
Md. Emdadul Haque Chowdhury Managing
Director

Sd/-
Md. Anwarul Haque Chowdhury
Director

Sd/-
Md. Mokarrom Anower Chowdhury Director

Sd/-
Director
Waduda Sabrina
(Nominee of Eian Apparels Ltd.)

Sd/-
Director
Sifat Sabrina
(Nominee of Lucky Corner)

Sd/-
Syed Manzur Quader
Independent Director

Sd/-
Mohammed Nurul Alam
Independent Director

MANAGEMENT DECLARATION CONSENT OF DIRECTORS TO SERVE AS DIRECTORS

We hereby agree that we have been serving as Directors of “Kattali Textile Limited” and will continue to act as Directors of the Company.

Sd/-
Nasreen Haque
Chairman

Sd/-
Md. Emdadul Haque Chowdhury
Managing Director

Sd/-
Md. Anwarul Haque Chowdhury
Director

Sd/-
Md. Mokarrom Anower Chowdhury
Director

Sd/-
Director
Waduda Sabrina
(Nominee of Eian Apparels Ltd.)

Sd/-
Director
Sifat Sabrina
(Nominee of Lucky Corner)

Sd/-
Syed Manzur Quader
Independent Director

Sd/-
Mohammed Nurul Alam
Independent Director

MANAGEMENT DECLARATION EXPLANATION REGARDING USE OF IPO FUND AND CAPACITY UTILIZATION

The expansion with IPO fund is mainly related to introducing new expansion unit of Kattali Textile Limited, which includes factory building for expansion unit, dormitory building for employees and acquisition of few capital machineries for the expansion unit in near future. This will be a separate production line which requires the additional construction of the building, other civil works, Capital Machineries, Generator and transformer for uninterrupted power supply. The management believes that is enough to run the business smoothly and successfully.

Moreover, the proposed expands product line promote sales of existing products along with the new products and will facilitate the company to attract more and more customers with diversified products. This will also reduce the risk of the business and enhance the image of the company. Also the residence facility of the employee will enhance their satisfaction to work with Kattali Textile Limited. This will boost up their work more effectively.

Sd/-
Md. Emdadul Haque Chowdhury
Managing Director

STATEMENT REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

This is to certify that in our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Kattali Textile Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months

Sd/-
Nasreen Haque
Chairman

Sd/-
Md. Emdadul Haque Chowdhury Managing
Director

Sd/-
Md. Anwarul Haque Chowdhury
Director

Sd/-
Md. Mokarrom Anower Chowdhury Director

Sd/-
Director
Waduda Sabrina
(Nominee of Eian Apparels Ltd.)

Sd/-
Director
Sifat Sabrina
(Nominee of Lucky Corner)

Sd/-
Syed Manzur Quader
Independent Director

Sd/-
Mohammed Nurul Alam
Independent Director