

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.”

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PROSPECTUS

Name of Issuer:



Nurani Dyeing & Sweater Limited

Name of Issue Managers:



Imperial Capital Limited



EBL Investments Limited

&



CAPM Advisory Limited

(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	Telephone & Fax Number, E-mail, Web Address	Contact Person
Nurani Dyeing & Sweater Limited (NDSL) Sonartori Tower (6 th Floor), 12 Baponon C/A, Banglamotor, Dhaka.	Tel: +880-2-9632704 Fax: +880-2-9632701 Email: mahbub.dipu@yahoo.com Web: www.ndsl-bd.com	Md. Mahbub Alam Dipu Company Secretary

Issue Managers:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Imperial Capital Limited Saiham Sky View Tower (3 rd Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: salauddin_sikder@yahoo.com Web: www.imperialcapital.org	Md. Salauddin Sikder FCMA CEO & Managing Director
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Underwriters:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
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EBL Investments Limited 59 Motijheel C/A, 1 st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: tanvir@eblinvestments.com Web: www.eblinvestments.com	Moinul Hossain Asif Managing Director

Auditor:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Ahmed Zaker & Co. Chartered Accountants 45, Bijoy Nagar, Saiham Sky View Tower (2 nd Floor), Dhaka-1000.	Tel: +88-02-8391440-3 Fax: +88-02-8391011 E-mail: azcbangladesh@gmail.com web: www.ahmed-zaker.com	Satya Ranjan Saha, ITP Sr. Manager (Audit)

The Company has no involvement with Valuer, Credit rating is not applicable for the issuer.

(ii) A person interested to get a prospectus may obtain from the issuer and the issue managers.

(iii) **“If you have any query about this document, you may consult the issuer, issue manager and underwriter”**

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

(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, i.e. the face value. The issue price has been determined and justified by the issuer and the issue managers 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) 113-122"

(vii) 'Issuer'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 abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses:

Issuer:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Nurani Dyeing & Sweater Limited (NDSL) Sonartori Tower (6 th Floor), 12 Baponon C/A, Banglamotor, Dhaka.	Tel: +880-2-9632704 Fax: +880-2-9632701 Email: mahbub.dipu@yahoo.com Web: www.ndsl-bd.com	Md. Mahbub Alam Dipu Company Secretary

Issue Managers:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Imperial Capital Limited Saiham Sky View Tower (3 rd Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: salauddin_sikder@yahoo.com Web: www.imperialcapital.org	Md. Salauddin Sikder FCMA CEO & Managing Director
EBL Investments Limited 59 Motijheel C/A, 1 st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: info@eblinvestments.com Web: www.eblinvestments.com	Moinul Hossain Asif Managing Director
CAPM Advisory Limited Tower Hamlet (9 th Floor) 16, Kemal Ataturk Avenue Banani C/A, Dhaka-1213.	Tel: +88-02-9822391-2 Fax: +88-02-9822393 E-mail: contact@capmadvisorybd.com Web: www.capmadvisorybd.com	Tania Sharmin Managing Director & CEO

Stock Exchanges:

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000	Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: research@dsebd.org Web: www.dsebd.org	Afzalur Rahaman Manager
Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Tel: 031-714632-3 Fax: 031-714101 E-mail: jabed@cse.com.bd Web: www.cse.com.bd	Mohammed Javed Sarwar Assistant Manager

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

- (ii) **Names and dates of the newspapers where abridged version of prospectus was published.**

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

Sl. No.	Name of the Newspaper	Date of Publication
1	The Daily Samakal	March 06, 2017
2	The Daily Share Biz	March 06, 2017
3	The Financial Express	March 06, 2017
4	The Independent	March 06, 2017

(iii) **Definitions and Acronyms/Elaborations**

Acronyms/Elaborations:

A

“Articles” or “Articles of Association” or “AoA”	:	The Articles of Association of Nurani Dyeing & Sweater Limited, as amended
AGM	:	Annual General Meeting
Allotment	:	Allotment of shares

B

“Board” or “Board of Directors” or “our Board”	:	The Board of Directors of Nurani Dyeing & Sweater Limited, as duly constituted from time to time including any committees thereof
BAS	:	Bangladesh Accounting Standards
BB	:	Bangladesh Bank
BDT	:	Bangladeshi Taka
BFRS	:	Bangladesh Financial Reporting Standards
BGMEA	:	Bangladesh Garment Manufactures & Exporters Association
BO A/C	:	Beneficiary Owner's Account
BOI	:	Board of Investment
BSEC	:	Bangladesh Securities and Exchange Commission
BKMEA	:	Bangladesh Knitting Manufactures & Exporters Association

C

CAPMAL	:	CAPM Advisory Limited
CDBL	:	Central Depository Bangladesh Limited
Certificate	:	Share Certificate
CFO	:	Chief Financial Officer
CIB	:	Credit Information Bureau
Commission	:	Bangladesh Securities and Exchange Commission
CSE	:	Chittagong Stock Exchange Limited

D

DSE	:	Dhaka Stock Exchange Limited
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E

EBLIL	:	EBL Investments Limited
E-Mail	:	Electronic Mail
EMS	:	Express Mail Service
EPS	:	Earnings Per Share
ETP	:	Effluent Treatment Plant
Exchanges	:	Stock Exchanges

F

FC A/C	:	Foreign Currency Account
FDR	:	Fixed Deposit Receipt
FOB	:	Free on Board
FY	:	Fiscal Year

G

GOB	:	Government of Bangladesh
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I

ICL	:	Imperial Capital Limited
IPO	:	Initial Public Offering
Issue	:	Public Issue of shares
Issue Managers	:	Imperial Capital Ltd., EBL Investments Ltd. & CAPM Advisory Ltd.
Issuer	:	Nurani Dyeing & Sweater Limited

L

L/C	:	Letter of Credit
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M

“Memorandum” or “Memorandum of Association” or “MoA”	:	The Memorandum of Association of NDSL, as amended
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N

NAV	:	Net Asset Value
NBFI	:	Non-Banking Financial Institution
NBR	:	National Board of Revenue
NRB	:	Non-Resident Bangladeshi

O

“Our Company”	:	Nurani Dyeing & Sweater Limited, a public limited company incorporated under the Companies Act
Offering Price	:	Price of the Securities of NDSL

P

PE	:	Price to Earnings
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R

Registered Office	:	Registered Office of NDSL
RJSC	:	Registrar of Joint Stock Companies and Firms
RMG	:	Ready Made Garments

S

Sponsors	:	The sponsor shareholders of Nurani Dyeing & Sweater Limited
STD A/C	:	Short Term Deposit Account
Securities	:	Share of Nurani Dyeing & Sweater Limited
Securities Market	:	The Share Market of Bangladesh
Subscription	:	Application Money

T

The Company/Issuer	:	Nurani Dyeing & Sweater Limited, a public limited company incorporated under the Companies Act
TT	:	Telephonic Transfer

V

VAT	:	Value Added Tax
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W

WDV	:	Written Down Value
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Table of Contents

CHAPTER (I): EXECUTIVE SUMMARY.....	1
(a) About the industry:.....	1
(b) About the Issuer:.....	1
(c) Financial Information:.....	2
(d) Features of the issue and its objects:.....	2
(e) Legal and other Information:.....	3
(f) Promoters' background:.....	4
(a) Summary of Valuation Report of securities:.....	5
CHAPTER (II): CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER ...	6
DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM:	6
CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:	6
CHAPTER (III): DECLARATION AND DUE DILIGENCE CERTIFICATES.....	13
DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS.....	13
DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER.....	14
DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER.....	16
DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER.....	18
DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER	20
DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER	22
CHAPTER (IV): ABOUT THE ISSUER	24
Particulars of the Company:	24
Name of the Sponsors and Directors:	24
Particulars of Auditor and Registrar to the Issue:	25
Name of the Stock Exchanges where the Securities to be listed:.....	25
CHAPTER (V): CORPORATE DIRECTORY OF THE ISSUER	26
CHAPTER (VI): DESCRIPTION OF THE ISSUER.....	27
(a) Summary:.....	27
(b) General Information:	28
(c) Capital Structure:.....	32
(d) Description of Business:	38
(e) Description of Property:.....	47
(f) Plan of Operation and Discussion of Financial Condition:.....	57
(a) Internal and external sources of cash;.....	61
(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;.....	62

(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;.....	62
(d) Any seasonal aspects of the issuer's business;	62
(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business;	62
(f) Any assets of the company used to pay off any liabilities;.....	63
(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;	63
(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;	63
(i) The estimated amount, where applicable, of future capital expenditure;.....	63
(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;.....	63
(k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;	64
(l) Details of all personnel related schemes for which the company has to make provision for in future years;	64
(m) Break down of all expenses related to the public issue;	65
(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;.....	67
(o) Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary/holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;	67
(p) Financial Information of Group Companies: 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:.....	68
(q) Discussion on the results of operations shall inter-alia contain the following:.....	73

(r) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:.....	75
(s) Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc.	76
(t) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;.....	77
(u) Injunction or restraining order, if any, with possible implications;.....	77
(v) Technology, market, managerial competence and capacity built-up;.....	77
(w) Changes in accounting policies in the last three years;.....	77
(x) 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;	78
(y) 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;.....	78
(z) Factors that may affect the results of operations.	78

CHAPTER (VII): MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS..... 79

(a) Overview of business and strategies:	79
(b) SWOT ANALYSIS:	79
(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue/sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.....	80
(d) Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company’s business:	81
(e) Trends or expected fluctuations in liquidity:	81
(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:	81

CHAPTER (VIII): DIRECTORS AND OFFICERS 82

(a) Name, Father’s Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:.....	82
(b) Date of first Directorship and Expiry of Current Tenure of the directors:	83
(c) Name of Interest and Involvement in other business/organization of directors:	83

(d) Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance:.....	83
(e) Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:.....	84
(f) Brief description of other businesses of the directors:	84
(g) Short bio-data of each director:.....	84
(h) Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:.....	85
(i) Name, 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:.....	86
(j) Changes in the key management persons during the last three years:.....	86
(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:.....	87
(l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.	88
(m) If the sponsors/directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed:.....	88
(n) Interest of the key management persons:	88
(o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:	88
(p) Number of shares held and percentage of shareholding (pre issue):.....	88
(q) Change in board of directors during last three years:	88
(r) Director's engagement with similar business:	88
CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.....	89
CHAPTER (X): EXECUTIVE COMPENSATION.....	91
(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:.....	91
(b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:.....	91
(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:.....	91

(d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM:.....	91
(e) Any contract with any director or officer providing for the payment of future compensation:.....	91
(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:	91
(g) Any other benefit/facility provided to the above persons during the last accounting year:.....	91
CHAPTER (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES	92
CHAPTER (XII): TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM.....	92
Benefits from the Company during last five years:.....	92
Directors and Subscribers' Assets to the Company:.....	92
CHAPTER (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES	93
a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership:.....	93
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:.....	94
c) The average cost of acquisition of equity shares by the directors certified by the auditors:	95
d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors. In this connection, a statement to be included: -.....	96
e) Detail of shares issued by the company at a price lower than the issue price:.....	98
f) History of significant (5% or more) changes in ownership of securities from inception:	98
CHAPTER (XIV): CORPORATE GOVERNANCE	99
a) Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC);.....	99
b) A compliance report of Corporate Governance requirements certified by competent authority;	99
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.	107
CHAPTER (XV): VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGERS.....	108
CHAPTER (XVI): DEBT SECURITIES.....	109
CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES	110
CHAPTER (XVIII): MATERIAL CONTRACTS.....	111
CHAPTER (XIX): OUTSTANDING LITIGATIONS, FINE OR PENALTY	112
CHAPTER (XX): RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS ..	113
(i) Internal risk factors may include, among others:.....	113
(ii) External risk factors may include among others:.....	119

CHAPTER (XXI): DESCRIPTION OF THE ISSUE	123
(a) Issue Size:	123
(i) Number of securities to be issued;	123
(ii) Authorized capital and paid-up capital;	123
(iii) Face value, premium and offer price per unit of securities;	123
(iv) Number of securities to be entitled for each category of applicants;	123
(v) Holding structure of different classes of securities before and after the issue;	124
(vi) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.	124
CHAPTER (XXII): USE OF PROCEEDS	128
(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;	128
(b) Where the sponsors' contribution or privately placed fund has been brought prior to the public issue and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;	134
(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;	134
(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;	134
(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;	135
(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;	135
(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;	135

(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;	135
(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;.....	135
(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;.....	136
(k) Summary of the project appraisal/ feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report.....	136
CHAPTER (XXIII): LOCK-IN.....	141
CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED	143
CHAPTER (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED	144
(a) Dividend, voting and preemption rights;.....	144
(b) Conversion and liquidation rights;.....	144
(c) Dividend policy;.....	144
(d) Other rights of the securities holders;	144
CHAPTER (XXVI): FINANCIAL STATEMENTS	146
(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 adopted in Bangladesh from time to time and Financial Reporting Act;.....	146
(b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;	172
(c) Selected ratios as specified in Annexure-D;.....	172
(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 balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;.....	184
(e) Financial spread sheet analysis for the latest audited financial statements;.....	187
(f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;	190
(g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;.....	190
(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;.....	190

(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.....	190
(j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.	190
(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-	191
(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;.....	191
(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;	194
(iii) Statement of unsecured loans with terms & conditions;.....	198
(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;	198
(v) Statement of trade receivables showing receivable from related party and connected persons;	199
(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;.....	205
(vii) Statement of other income showing interest income, dividend income, discount received, other non operating income;.....	205
(viii) Statement of turnover showing separately in cash and through banking channel;.....	206
(ix) Statement of related party transaction;.....	206
(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;	207
(xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;.....	208
(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;.....	208
(xiii) Statement of payment status of TAX, VAT and other taxes/duties; and.....	209
CHAPTER (XXVII): PUBLIC ISSUE APPLICATION PROCEDURE.....	242
CHAPTER (XXVIII): OTHERS.....	247

CHAPTER (I): EXECUTIVE SUMMARY

(a) About the industry:

The ready-made garment (RMG) industry is a strategic sector for Bangladesh. In FY2013-14, it provided 4.2 million direct jobs, 16 percent of GDP, and more than 75 percent of foreign exchange earnings. Over the past two decades, starting from the early 1980s, Bangladesh has built a strong reputation centered on price advantage via low-cost labor and investment incentives; production capacity, and satisfactory quality levels, especially in value and mid-market price point segments.

The RMG business in Bangladesh started in the late 70s with merely a casual effort. The first consignment of knitwear export was made in 1973 while the first shipment of woven was made in 1977. In 1981-82 the contribution of woven garments to total exports was about 1.10% whereas the agro-based the then economy received much of her foreign earnings from Jute & Jute products famously known as the Golden Fiber. But with the passage of time from agrarian to manufacturing transformation Bangladesh developed significantly in areas of poverty alleviation, employment, women empowerment, industrial growth and economic diversification - thanks solely to labor intensive RMG sector. In fact, from fiscal year 2007-08 Bangladesh knitwear continues to capture lion's share in national exports (39.93% in FY 2013-14) what was slightly 7.64% in the two decades back, thereby slanting the economy towards knit garments.

The export-oriented Knitwear industry is the top-leading exporting sector in Bangladesh in terms of export. Its contribution in creating employment opportunities for female workers without high educational background in the formal sector is exceptional! The industry has a great contribution in poverty reduction by providing entry-level workers with a great scale of employment opportunities and earnings higher than the national poverty line. Such a dynamic development of the industry entails great diversity in efficiency, even in comparison with the garment industry of other developing countries. The Knitwear industry of Bangladesh has global competitiveness in terms of product quality & price through industrial upgrading in terms of usage of latest machineries and vertical integration and industrial agglomeration.

[Source: BKMEA website]

(b) About the Issuer:

Incorporation	As Private Limited Company	December 14, 2005 & Reg. no. CH- 5656/05
Converted Public Limited Company	December 07, 2014	
Commencement of Commercial Operation	February 05, 2009	
Factory Location	Fatepur, Feni, Bangladesh	
Registered Office	304 Sk. Mujib Road, Agrabad C/A, Chittagong	
Corporate Office	Sonartori Tower (6 th Floor), 12 Baponon C/A, Banglamotor, Dhaka	
Nature of Business	The Company imports yarn from China, Indonesia, and India. Then it produces Sweater after dyeing the imported yarn. In addition, the company also sales imported yarn after dying to the export oriented bonded factory.	

(c) Financial Information:

Major financial information of Nurani Dyeing & Sweater Limited (NDSL) is as follows:

Sl.	Particulars	30.06.2016 (15 Months)	31.03.2015 (Re-stated)	31.03.2014	31.03.2013	31.03.2012
1	Revenue	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468
2	Gross Profit	257,984,648	193,239,272	183,740,011	89,390,833	61,188,094
3	Net Profit before Tax	86,608,470	54,487,885	56,999,325	19,335,420	(5,828,810)
4	Net Profit after Tax	71,411,112	44,922,511	51,251,390	17,401,878	(5,828,810)
5	Total Assets	1,721,757,374	1,498,004,658	1,451,628,891	1,326,282,483	964,639,332
6	Share Capital	400,000,000	100,000,000	88,000,000	88,000,000	88,000,000
7	Retained Earnings	174,885,457	103,474,345	58,551,834	7,300,444	(10,101,434)
8	No. of Shares	40,000,000	10,000,000	8,800,000	8,800,000	8,800,000
9	Face Value	10.00	10.00	10.00	10.00	10.00
10	NAV Per Share	14.37	20.35	16.65	10.83	8.85
11	Earnings per Share (EPS)	1.86	4.63	5.82	1.98	(0.66)

N.B: considered all the shares face value is Tk.10.00 and the Company split its share from Tk. 100.00 to Tk. 10.00 on 18.10.2014.

(d) Features of the issue and its objects:

Offer Price	BDT 10.00
Number of Shares	43,000,000 Ordinary Shares
Offer Size	Tk. 430,000,000.00
Purpose of Raising Fund	proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment, Construction and other civil works, for paying off loan and for IPO Expenses
Date of Implementation	Within 21 months after receiving IPO fund

(e) Legal and other Information:

SL	Name of Certificate/license/Registration	License Issuer/Issuing Authority	Certificate / License No.	Issue Date	Validity/Current Status
01	Trade License	Shorshadi Union Parishad	15	11.07.2015	30.06.2017
02	TIN Certificate	National Board of Revenue	463773344092	29.11.2013	N/A
03	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Feni	23051001835	29.07.2012	N/A
04	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	R 0091632	19.10.2008	30.06.2017
05	Import Registration Certificate		B 0191440	06.11.2008	30.06.2017
06	BGMEA	Bangladesh Garment Manufacturers & Exporters Association	4761	06.06.2015	31.12.2017
07	Fire License	Bangladesh Fire Services and Civil Defense	Noa/11/08-09	01.07.2008	30.06.2017
08	BOI License	Board of Investment Bangladesh	L-62050801009-H	31.01.2008	N/A
09	Environment Clearance Certificate	Department of Environment, Chittagong Division	7115/2006/303	06.07.2015	01.02.2017 (Applied for renewal)
10	Factory License	Department of Factory, Chittagong Division	558/Feni	10.11.2013	30.06.2017
11	Boiler License	Department of Explosive	G 28-2015(09)/185	20.04.2015	19.04.2017
12	Bonded Warehouse License	Customs Bond Commissionerate	5(13)CaBoC/ Aka/Li(SA:)/17/2009	28.10.2009	27.10.2017

(f) Promoters' background:

When the Company was incorporation time following persons were the subscribers to the memorandum:

Sl. No.	Name of Promoter
1	Mrs. Rehana Alam
2	Sk. Nurul Alam
3	Sk. Nur Mohammed Azger

Their background is stated below:

Mrs. Rehana Alam, *Chairman*

Mrs. Rehana Alam is the Chairman of the Company and the wife of Mr. Sk. Nurul Alam, Managing Director of the Company. Mrs Alam has been associated herself with the business world for the last few years and taken interest in the business. She is also the Chairman of Nurani Knit Composite Limited. She is the director of M/S Modern Cold Storage Limited. She has travelled USA, UK, Singapore, Bangkok, Srilanka, Malaysia, India, China and many other countries for business purposes.

Sk. Nurul Alam, *Managing Director*

Mr. Sk. Nurul Alam is the sponsor and Managing Director of the Company. He is also the Managing Director of Nurani Knit Composite Limited and Chairman & Managing Director of Daudpur Rice Mills (Pvt.) Limited, Daudpur Soya Processing Ind. Limited and M/S Modern Cold Storage Limited. He is graduated from Science and widely traveled, dynamic business person and man of means who has wide experience in trade and industry.

Mr. Alam is a matured entrepreneur and business man entered into the real man of business horizon after graduation and continues his uninterrupted success in setting up and managing the agro-based industry and other business. He has travelled many countries to develop the business.

Sk. Nur Mohammed Azger, *Director*

Sk. Nur Mohammed Azger is a Director of Nurani Dyeing & Sweater Limited born in 1986; He is the son of Sk. Nurul Alam, Managing Director and Rehana Alam, Chairman of Nurani Dyeing and Sweater Limited. He has completed his BBA degree from North South University, Dhaka. He is also a Director of Nurani Knit Composite Limited. He is a member of BGMEA, BKMEA, FCCI (Feni Chamber of Commerce and Industry) and Chittagong Boat Club.

Capital structure and history of capital raising:

The Company intends to issue 43,000,000 ordinary shares of Tk. 10.00 each at par through Initial public offering (IPO) totaling to Tk. 430,000,000.00 subject to regulatory approvals.

Particulars	No of Shares	Face Value (Tk.)	Amount in Taka
Before IPO:			
Authorized Capital	100,000,000	10.00	1,000,000,000
Paid up capital	40,000,000	10.00	400,000,000
Total paid up capital before IPO (A)	40,000,000	10.00	400,000,000
After IPO:			
To be issued as IPO (B)	43,000,000	10.00	430,000,000
Paid up capital (Post IPO) (A+B)	83,000,000	10.00	830,000,000

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

Particulars of Allotment	Date of Allotment	Consideration		Amount in Taka
		In Cash	Other than Cash	
1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	14/12/2005	50,000	-	500,000
2 nd	31/03/2008	3,400,000	-	34,000,000
3 rd	14/12/2008	2,850,000	-	28,500,000
4 th	02/08/2009	630,000	-	6,300,000
5 th	26/06/2010	1,870,000	-	18,700,000
6 th	28/06/2014	1,200,000	-	12,000,000
7 th	07/05/2015	30,000,000	-	300,000,000
Total		40,000,000	-	400,000,000

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on 18th October, 2014 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

(a) Summary of Valuation Report of securities:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based value per share	
Price based on Net Asset Value per share (without revaluation reserve)	14.37
Method 2: Historical Earnings based value per share	
Earnings based Value per share based on Overall Market P/E	13.21
Method 3: Average market price per share of similar stocks:	31.36

CHAPTER (II): CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM:

As per provision of the Depository Act, 1999 and regulation made there under, shares will be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (rights/bonus) will be issued in dematerialized form only.

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

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 4,30,00,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 43,00,00,000.00 (Taka Forty Three Crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (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 **5 (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 **5 (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 Managers within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

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

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

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

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07**

(Seven) days of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money.”

6. All applicants shall apply for minimum market lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manger 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 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 other 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. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis. No eligible investors shall apply for more than 10% (ten percent) of the total securities reserved for the other eligible investors.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.
11. Making 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 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 5% or more shares through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share shares 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 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 abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains 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.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of next working day of the cut-off date. In case of 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 exchange.

Step-3 (Issuer)

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

‘~’ separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.

- c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
- d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

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

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

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

PART-C

1. The issue managers 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 managers 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 status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer’s cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
 - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission’s consent letter;
 - (c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;

- (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
- (e) The auditors should also confirm that:(i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in respect of time or purpose of utilization must have prior approval of the shareholders in the general meeting and if approved by the shareholders, the meeting resolution shall be submitted to the Commission and the Exchanges along with reasonable explanations.
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগীব্যবসানিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

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

CHAPTER (III): DECLARATION AND DUE DILIGENCE CERTIFICATES

Annexure-A

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS

[Rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

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

Sd/-
Mrs. Rehana Alam
Chairman & Director
Date: July 16, 2016

Sd/-
Sk. Nurul Alam
Managing Director & Director
Date: July 16, 2016

Sd/-
Sk. Nur Mohammed Azger
Director
Date: July 16, 2016

Sd/-
Bibi Hajera
Director
(Nominee of Daudpur Rice Mills (Pvt) Ltd.)
Date: July 16, 2016

Sd/-
Md. Anwarul Hoque
Independent Director
Date: July 16, 2016

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(IMPERIAL CAPITAL LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 43,000,000 Ordinary Shares of Tk. 430,000,000.00 by Nurani Dyeing & Sweater Limited.

Dear Sir,

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

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

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Serial. No.	Name of the Issue	Issue Month/Year	Issue Price (Tk.)	Dividend Payment History					
				30-Jun-13	31-Dec-13	30-Jun-14	31-Dec-14	30-Jun-15	30-Jun-16
1	AFC Agro Biotech Limited	Oct-13	10.00	N/A	10% B	N/A	15% B	N/A	20% B
2	Tung Hai Knitting & Dyeing Limited	Apr-14	10.00	N/A	10% B	N/A	10% B	N/A	10% B
3	Shasha Denims Limited	Nov-14	35.00	N/A	-	N/A	20% C, 15% B	N/A	25% C
4	C & A Textiles Limited	Sep-14	10.00	-	N/A	11% B	N/A	12% B	10% B
5	Simtex Industries Limited	Jul-15	20.00	-	N/A	-	N/A	-	20% C, 2% B
6	Yeakin Polymer Limited	Jun-16	10.00	-	N/A	-	N/A	-	10% B
7	Fortune Shoes Limited	Jul-16	10.00	-	N/A	-	N/A	-	-

Note: B refers to Bonus/Stock Dividend; C refers to Cash Dividend.

Place: Dhaka
Date: January 03, 2017

Sd/-
Md. Salauddin Sikder FCMA
 CEO & Managing Director
Imperial Capital Limited

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(EBL INVESTMENTS LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 43,000,000 Ordinary Shares of Tk. 430,000,000.00 by Nurani Dyeing & Sweater Limited.

Dear Sir,

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

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

WE CONFIRM THAT:

- a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

- h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k) We also declare that we have not managed any public issue in the last 05 (five) years.

Sd/-

Moinul Hossain Asif

Managing Director

EBL Investments Limited

Place: Dhaka

Date: January 03, 2017

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(CAPM ADVISORY LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 43,000,000 Ordinary Shares of Tk. 430,000,000.00 by Nurani Dyeing & Sweater Limited.

Dear Sir,

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

- (3) 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;
- (4) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

- h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl.	Name of the Issue	Issue Month/Year	Issue Price (Tk.)	Dividend payment history			
				2015		2016	
				Cash	Bonus	Cash	Bonus
1	Olympic Accessories Limited	February/2015	10.00	5%	7%	-	12%

For the Issue Manager

Sd/-

Mufakhkharul Islam
Managing Director & CEO
CAPM Advisory Limited

Place: Dhaka
Date: January 09, 2016

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(AFC CAPITAL LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 43,000,000 Ordinary Shares of Tk. 430,000,000.00 by Nurani Dyeing & Sweater 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. 130,000,000.00 (Thirteen Crore only) and we have the capacity to underwrite a total amount of Tk. 650,000,000.00 (Sixty-Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 75,250,000.00 (Seven Crore Fifty-Two Lac Fifty Thousand) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the Company	Amount Underwritten (TK.)
1	STS Holdings Limited	60,800,000
2	Intraco Refueling Station Limited	20,000,000
3	Bashundhara Paper Mills Limited	50,000,000
4	IFIC Bank Limited	50,000,000
5	Index Agro Industries Limited	70,000,000
6	Indo-Bangla Pharmaceuticals Limited	17,500,000
7	LankaBangla Finance Limited	88,369,970
Total		356,669,970

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

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mahbub H. Mazumdar FCMA

Chief Executive

AFC Capital Limited

Date: January 08, 2017

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(EBL INVESTMENTS LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 43,000,000 Ordinary Shares of Tk. 430,000,000.00 by Nurani Dyeing and Sweater 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 300,000,000.00 (Three Hundred million only) and we have the capacity to underwrite a total amount of Tk 1500,000,000.00 (Fifteen Hundred Million) as per relevant legal requirements. We have committed to underwrite for up to Tk. 75,250,000.00 (seven crore fifty two lac fifty thousand) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of The Company	Amount Underwritten (in Tk.)
1	SBS Cables	41,922,000.00
2	Pacific Denims Limited	75,000,000.00
3	ADN Telecom	38,700,000.00
4	IDLC	50,000,000.00
5	Silco Pharmaceuticals	26,250,000.00
6	STS Holdings Ltd.	20,000,000.00
7	Dhaka Regency Hotel and Resort Ltd.	21,000,000.00
8	Intraco refueling station	30,000,000.00
9	Bashundhara Paper Mills Ltd.	50,000,000.00
10	AB Bank Ltd.	100,000,000.00
11	IFIC Bank	100,000,000.00
12	Delta Hospital Limited	8,000,000.00
13	INDEX Agro Industries ltd.	70,000,000.00
14	Indo Bangla Pharmaceuticals Ltd.	17,500,000.00
Total:		648,372,000.00

- (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 un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Moinul Hossain Asif

Managing Director

EBL Investments Limited

Date: January 8, 2017

CHAPTER (IV): ABOUT THE ISSUER

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

Particulars of the Company:

Particulars	Description
Name of the issuer	: Nurani Dyeing & Sweater Limited (NDSL)
Dates of incorporation	: 14 December, 2005.
Commencement of its commercial operations	: The Company started its commercial operation on February 05, 2009.
Logo	: 
Addresses of its registered office	: 304 Sk. Mujib Road, Agrabad C/A, Chittagong.
Corporate Office	: Sonartori Tower (6 th Floor), 12 Baponon C/A, Banglamotor, Dhaka.
Telephone number (Corporate Office)	: +88-02-9632704
Fax number (Corporate Office)	: +88-02-9632701
Factory	: Fatepur, Feni, Bangladesh.
Cell number (Factory)	: +8801926996780
E-mail address (Factory)	: nuranidyeingltd@gmail.com
Contact person	: Md. Mahbub Alam Dipu, Company Secretary
Website address	: www.ndsl-bd.com
E-mail address	: nuranidirector@live.com

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

Name of the Sponsors and Directors:

Sponsors:

Sl. No	Sponsors
1	Sk. Nurul Alam
2	Mrs. Rehana Alam
3	Sk. Nur Mohammed Azger

Directors:

Sl.	Name	Position
1	Mrs. Rehana Alam	Chairman
2	Sk. Nurul Alam	Managing Director & Director
3	Sk. Nur Mohammed Azger	Director
4	Bibi Hajera Nominee of Daudpur Rice Mills (Pvt.) Limited	Director
5	Md. Anwarul Hoque	Independent Director

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

Particulars of Auditor and Registrar to the Issue:

Auditor:

Particulars		Description
Name	:	Ahmed Zaker & Co., Chartered Accountants
Logo	:	
Address	:	45, Bijoy Nagar, Saiham Sky View Tower (2 nd Floor), Dhaka-1000.
Telephone number	:	+88-02-8391440-3
Fax numbers	:	+88-02- 8391011
Contact person	:	Satya Ranjan Saha, ITP , Sr. Manager (Audit)
Website address	:	www.ahmed-zaker.com
E-mail address	:	azcbangladesh@gmail.com

Registrar to the Issue is not applicable for NDSL.

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

Name of the Stock Exchanges where the Securities to be listed:

Stock Exchanges	Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000.		Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755
	Chittagong Stock Exchange Ltd. CSE Building, 1080, Sheikh Mujib Road Chittagong 4100.		Tel: +880-2-9513911-15 Fax: +880-2-9513906

CHAPTER (V): CORPORATE DIRECTORY OF THE ISSUER

Name of the Company	:	Nurani Dyeing & Sweater Limited (NDSL)
Logo	:	
Legal Position	:	NDSL was incorporated as a Private Limited Company on 14 th December, 2005 and subsequently converted into a Public Limited Company on 7 th December, 2014 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Chittagong, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is CH- 5656 of 2005.
Date of Incorporation	:	December 14, 2005, & CH- 5656/05.
Date of Commercial Operation	:	February 05, 2009
Authorized Capital	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk.10.00 each
Paid up Capital	:	Tk. 400,000,000 divided into 40,000,000 Ordinary Share of Tk. 10.00 each
Corporate Office	:	Sonartori Tower (6 th Floor) 12 Baponon C/A, Banglamotor, Dhaka. Tel: +88-02-9632704 Fax: +88-02-9632701
Factory	:	Fatepur, Feni, Bangladesh.
Board of Directors	:	5 Directors.
Auditors	:	Ahmed Zaker & Co. Chartered Accountants 45, Bijoynagar, Saiham Sky View Tower (2 nd Floor), Dhaka-1000. Phone: +88-02-8391440-3 Fax: +88-02-8391011
Legal Advisors	:	Barrister Arafat Rahman
Lead Banker for IPO	:	Eastern Bank Limited, Principle Branch
Banker of the Company	:	Janata Bank Ltd., Agrani Bank Ltd. & AB Bank Ltd
Compliance Officer	:	Md. Mahbub Alam Dipu , Company Secretary

CHAPTER (VI): DESCRIPTION OF THE ISSUER

(a) Summary:

- (i) **The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;**

Summary of the industry:

The ready-made garment (RMG) industry is a strategic sector for Bangladesh. In FY2013-14, it provided 4.2 million direct jobs, 16 percent of GDP, and more than 75 percent of foreign exchange earnings. Over the past two decades, starting from the early 1980s, Bangladesh has built a strong reputation centered on price advantage via low-cost labor and investment incentives; production capacity, and satisfactory quality levels, especially in value and mid-market price point segments.

The RMG business in Bangladesh started in the late 70s with merely a casual effort. The first consignment of knitwear export was made in 1973 while the first shipment of woven was made in 1977. In 1981-82 the contribution of woven garments to total exports was about 1.10% whereas the agro-based the then economy received much of her foreign earnings from Jute & Jute products famously known as the Golden Fiber. But with the passage of time from agrarian to manufacturing transformation Bangladesh developed significantly in areas of poverty alleviation, employment, women empowerment, industrial growth and economic diversification - thanks solely to labor intensive RMG sector. In fact, from fiscal year 2007-08 Bangladesh knitwear continues to capture lion's share in national exports (39.93% in FY 2013-14) what was slightly 7.64% in the two decades back, thereby slanting the economy towards knit garments.

The export-oriented Knitwear industry is the top-leading exporting sector in Bangladesh in terms of export. Its contribution in creating employment opportunities for female workers without high educational background in the formal sector is exceptional. The industry has a great contribution in poverty reduction by providing entry-level workers with a great scale of employment opportunities and earnings higher than the national poverty line. Such a dynamic development of the industry entails great diversity in efficiency, even in comparison with the garment industry of other developing countries. The Knitwear industry of Bangladesh has global competitiveness in terms of product quality & price through industrial upgrading in terms of usage of latest machineries and vertical integration and industrial agglomeration.

[Source: BKMEA website]

Business environment:

The Issuer's business environment is conducive to the business as we have 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.**

This information is not applicable for Nurani Dyeing & Sweater Limited since it has no subsidiary 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;**

Particulars	Description
Name and Registered Office Address	Nurani Dyeing & Sweater Limited 304 Sk. Mujib Road, Agrabad C/A, Chittagong.
Corporate Office	Sonartori Tower (6 th Floor), 12 Baponon C/A, Banglamotor, Dhaka.
Telephone and Fax Numbers of the Corporate Office	Tel: +88-02-9632704
	Fax: +88-02-9632701
Factory	Fatepur, Feni, Bangladesh.
Cell and E-mail of the Factory	+8801926996780
	nuranidyeingltd@gmail.com
Outlets of the Issuer	As the issuer company is 100% export oriented (Deemed Export) garments company hence has no outlets.

- (ii) **The board of directors of the issuer;**

Sl.	Name	Position
1	Mrs. Rehana Alam	Chairman
2	Sk. Nurul Alam	Managing Director & Director
3	Sk. Nur Mohammed Azger	Director
4	Bibi Hajera Nominee of Daudpur Rice Mills (Pvt.) Limited	Director
5	Md. Anwarul Hoque	Independent Director

- (iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;

Sl.	Name	Address	Telephone & Fax Number	E-mail Address
1	Mrs. Rehana Alam <i>Chairman</i>	Sonartori Tower (6 th Floor), 12 Biponon C/A, Banglamotor, Dhaka.	Tel: +88-02-9632704 Fax: +88-02-9632701	rehanandsl@gmail.com
2	Sk. Nurul Alam <i>Managing Director</i>			alamndsl@gmail.com
3	Sk. Nur Mohammed Azger <i>Director</i>			director@alamgroup.com
4	Bibi Hajera <i>Nominee Director of Daudpur Rice Mills (Pvt.) Limited</i>			hajerandsl@gmail.com
5	Md. Anwarul Hoque <i>Independent Director</i>			anwarulndsl@gmail.com

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

Names	Address	Telephone Number	Fax number	E-mail Address
Md. Amir Hossain <i>CFO</i>	Sonartori Tower (6 th Floor), 12 Biponon C/A, Banglamotor, Dhaka.	+88-02-9632704	+88-02-9632701	accountsndsl@yahoo.com
Md. Mahbub Alam Dipu <i>Company Secretary</i>				mahbub.dipu@yahoo.com
Ahmed Zaker & Co. Chartered Accountants	45, Bijoy Nagar, Saiham Sky View Tower (2 nd Floor), Dhaka-1000.	+88-02-8391440-3	+88-02-8391011	azcbangladesh@gmail.com
Barrister Arafat Rahman <i>Legal Advisor</i>	Eastern View (4 th Floor) 50, DIT Extension Road, Naya Paltan, Dhaka-1000.	+88-02-9350050	+88-02-329694	ns11018@hotmail.com
Md. Mahbub Alam Dipu <i>Compliance Officer</i>	Sonartori Tower (6 th Floor), 12 Biponon C/A, Banglamotor, Dhaka.	+88-02-9632704	+88-02-9632701	mahbub.dipu@yahoo.com

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

Name & Address	Telephone & Fax Number	Contact Person	Website & E-mail Address
Imperial Capital Limited Saiham Sky View Tower (3 rd Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102)	Md. Salauddin Sikder FCMA CEO & Managing Director	Web: www.imperialcapital.org E-mail: salauddin_sikder@yahoo.com
EBL Investments Limited 59 Motijheel C/A, 1st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-8392372	Moinul Hossain Asif Managing Director	Web: www.eblinvestments.com E-mail: info@eblinvestments.com
CAPM Advisory Limited Tower Hamlet (9 th Floor), 16, Kemal Ataturk Avenue, Banani C/A, Dhaka-1213.	Tel: +88-02-9822391-2 Fax: +88-02-9822393	Tania Sharmin Managing Director & CEO	Web: www.capmadvisorybd.com E-mail: contact@capmadvisorybd.com

(vi) The following details of credit rating, where applicable:

- The names of all the credit rating agencies from which credit rating has been obtained;
- The details of all the credit ratings obtained for the issue and the issuer;
- The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s);
- Observations and risk factors as stated in the credit rating report.

As per Section 3 of Credit Ratings Companies Rules, 1996, no credit rating report is required by the Company.

(vii) Following details of underwriting:

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

Names & Address	Telephone & Fax Number and E-mail address	Contact Person	Amount Underwritten (in BDT)
AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	Md. Abul Bashar Parvez Deputy Manager	75,250,000.00
EBL Investments Limited 59 Motijheel C/A, 1 st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: asif@eblinvestments.com Web: www.eblinvestments.com	Moinul Hossain Asif Managing Director	75,250,000.00
Total			150,500,000.00

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 20-23.

c) Major terms and conditions of the underwriting agreements.

- (i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
- (ii) In 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 the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.50% (zero point five zero percent) 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 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 Underwriters to the Commission.

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 of Allotment	Date of Allotment	Consideration		Amount in Taka
		In Cash	Other than Cash	
1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	14/12/2005	50,000	-	500,000
2 nd	31/03/2008	3,400,000	-	34,000,000
3 rd	14/12/2008	2,850,000	-	28,500,000
4 th	02/08/2009	630,000	-	6,300,000
5 th	26/06/2010	1,870,000	-	18,700,000
6 th	28/06/2014	1,200,000	-	12,000,000
7 th	07/05/2015	30,000,000	-	300,000,000
Total		40,000,000	-	400,000,000

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on 18th October, 2014 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

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

Particulars			Percentage	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Initial Public Offering through Fixed Price Method	Eligible investors (EIs)	Mutual Funds	10%	4,300,000	10.00	10.00	43,000,000
		Other EIs	40%	17,200,000			172,000,000
	General public	NRB	10%	4,300,000			43,000,000
		Others*	40%	17,200,000			172,000,000
		Total	100%	43,000,000			430,000,000

Other*: 172,000,000 Ordinary shares will be reserved for General Public and Small Affected Investors.

- (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 account.

Particulars	Amount in BDT
Paid up capital before the present issue	400,000,000
Paid up capital after the present issue	830,000,000
Paid up capital after conversion of convertible instruments (if any)	N/A
Share premium account 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);**

The paid-up capital of the Company is Tk. 400,000,000.00. The Company intends to issue 43,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Initial public offering (IPO) totaling to Tk. 430,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instrument.

Category wise shareholding structure with percentage before and after the present issue is as follows:

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Director & Sponsor	31,350,000	31,350,000	78.38%	37.77%
2	Institutional	-	17,200,000	0.00%	20.72%
3	Mutual fund	-	4,300,000	0.00%	5.18%
4	Individual	8,650,000	25,850,000	21.63%	31.14%
5	Non Resident Bangladeshis (NRBs)	-	4,300,000	0.00%	5.18%
Total		40,000,000	83,000,000	100.00%	100.00%

- (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;**

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time.

- (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 equity shares under one or more employee stock option schemes.

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

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

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

The Company has no 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. No.	Name & Position	Nature of issue	Date of Allotment and Acquisition & Date of Shares fully Paid-up	No. of Shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period *	Number & % of pledge of Shares
1	Name: Sk. Nurul Alam Position: Managing Director	Ordinary Share	14-Dec-05	20,000	10.00	Cash	21.35%	10.29%	3 Yrs.	No Pledge
			31-Mar-08	500,000						
			14-Dec-08	750,000						
			26-Jun-10	670,000						
			28-Jun-14	600,000						
			7-May-15	6,000,000						
			Total	8,540,000						
2	Name: Mrs. Rehana Alam Position: Chairman	Ordinary Shares	14-Dec-05	20,000	10.00	Cash	18.75%	9.04%	3 Yrs.	No Pledge
			31-Mar-08	700,000						
			14-Dec-08	600,000						
			2-Aug-09	630,000						
			26-Jun-10	200,000						
			28-Jun-14	450,000						
			7-May-15	4,900,000						
			Total	7,500,000						
3	Name: Sk. Nur Mohammed Azger Position: Director	Ordinary Shares	14-Dec-05	10,000	10.00	Cash	5.78%	2.78%	3 Yrs.	No Pledge
			31-Mar-08	200,000						
			26-Jun-10	1,000,000						
			28-Jun-14	150,000						
			7-May-15	950,000						
			Total	2,310,000						

4	Name: Bibi Hajera Representative of Daudpur Rice Mills (Pvt) Ltd. Position: Director	Ordinary Share	31-Mar-08	2,000,000	10.00	Cash	32.50%	15.66%	3 Yrs.	No Pledge
			14-Dec-08	550,000						
			25-Sep-14 (Transfer)	(50,000)						
			7-May-15	12,750,000						
			12-Jul-15 (Transfer)	(2,250,000)						
			Total	13,000,000						
5	Name: Md. Anwarul Hoque Position: Independent Director	-	-	-	-	-	-	-	-	-
	Total						78.38%	37.77%		

The Company split its share from Tk. 100.00 to Tk. 10.00 on 18.10.2014.

*[*From the issue date of Prospectus]*

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

Aggregate shareholding of the Sponsors and Directors:

Sl.	Name of Sponsor & Director	Position	Number of Ordinary Shares held	% of Holdings	
				Pre-IPO	Post-IPO
1	Sk. Nurul Alam	Managing Director	8,540,000	21.35%	10.29%
2	Mrs. Rehana Alam	Chairman	7,500,000	18.75%	9.04%
3	Sk. Nur Mohammed Azger	Director	2,310,000	5.78%	2.78%
4	Bibi Hajera Nominee of Daudpur Rice Mills (Pvt) Ltd.	Director	13,000,000	32.50%	15.66%
5	Md. Anwarul Hoque	Independent Director	-	0.00%	0.00%
Total			31,350,000	78.38%	37.77%

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

No share is purchased or sold or otherwise transferred by the sponsor and/or by the directors of the Nurani Dyeing & Sweater Limited and their related parties within six months immediate preceding the date of filing the prospectus

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

Sl.	Name of the Shareholders	Address	Designation	No. of Ordinary Share	Pre-IPO
1	Sk. Nurul Alam	Ukilpara, Feni, Bangladesh	Managing Director	8,540,000	21.35%
2	Mrs. Rehana Alam		Chairman	7,500,000	18.75%
3	Sk. Nur Mohammed Azger		Director	2,310,000	5.78%
4	Bibi Hajera, Nominee of Daudpur Rice Mills (Pvt) Ltd.	51, Trunk Road, Feni Bangladesh	Director	13,100,000	32.75%
Total				31,450,000	78.38%

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 group, indicating the percentage of outstanding shares represented by the securities owned.**

There is no employee in Nurani Dyeing & Sweater Limited who holds any shares of the Company except the following:

Sl.	Name of the Shareholders	Address	Designation	No. of Ordinary Share	Pre-IPO
2	Sk. Nur Mohammed Azger	Ukilpara, Feni, Bangladesh	Chief Operating Officer & Director	2,310,000	5.78%

(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;**

Nurani Dyeing & Sweater Limited (NDSL) is a Dyeing and Sweater manufacturers in Bangladesh. NDSL is a 100% export oriented Sweater industry as well as deemed exporter and Dyeing Yarn for use in the export of sweater industries. NDSL has earned a reputation as a successful Dyeing and Sweater manufacturer over the last few years by manufacturing quality products and achieving satisfactory revenue especially from export.

NDSL was incorporated as a Private Limited company on 14th December, 2005 and subsequently converted into a public limited company on 7th December, 2014 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Chittagong, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is CH-5656 of 2005.

The Company started its commercial operation on February 05, 2009.

The Company imports yarn from China, Indonesia, India. Then it produces Sweater after dyeing the imported yarn. In addition, the company also sales imported yarn after dying to the export oriented bonded factory.

There is no subsidiary company of NDSL.

- (ii) **Location of the project;**

NDSL's registered office is situated at 304 Sk. Mujib Road, Agrabad C/A, Chittagong, corporate office is situated at Sonartori Tower (6th Floor), 12 Biponon C/A, Banglamotor, Dhaka and Factory is located at Fatepur, Feni, Bangladesh.

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

Nurani Dyeing & Sweater Limited has been using modern machineries and technologies (Cabinet and Spray Hang Yarn Dyeing Machine for dyeing and Computerized Juckred Knitting Machine for Knitting) in order to produce high quality of dyed yarn, knitted various types of sweater.

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

History of the issuer	On 14 December, 2005 incorporated as a Private Limited Company.
	Converted into a Public Limited Company on 07 December, 2015.
Launching of plant	On February 05, 2009.
Capacity	Dyeing Unit: 6,206,667 Lbs/Year
	Sweater Unit: 2,111,038 Pcs/Year.
Capital raise (Last)	Tk. 300,000,000.00 (Cash consideration) on 07.05.2015.
Products	Dyeing of yarn & knitting of various types of sweater.
Market for the product	100% export oriented garments industries in Bangladesh (as deemed exporter), USA, Germany, Sweden, Italy, Canada, New Zealand, from inception.
Change in ownership/key management personnel	1. On May 17, 2016 Mr. Md. Anwarul Hoque appointed as Independent Director for the period of 3 (Three) years. 2. On May 17, 2015 Bibi Hajera appointed as Representative of Daudpur Rice Mills (Pvt) Ltd. 3. On November 1, 2015 Abdul Awal appointed as Director Factory. 4. On November 1, 2015 Saiful Islam appointed as General Manager Marketing.

- (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;

Market for such Products:

Products of NDSL: The Company has two major products:

1. Sweaters knitted from knitting section
2. Dyed Yarn from dyeing section

Past trends:

Last 5 years sales of Nurani Dyeing & Sweater Limited:

(Amount in BDT)

Particular	30-Jun-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Revenue	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468

**All revenue is export sells. There is no domestic sells.*

Future prospects:

The RMG business in Bangladesh started in the late 70s with merely a casual effort. The first consignment of knitwear export was made in 1973 while the first shipment of woven was made in 1977. In 1981-82 the contribution of woven garments to total exports was about 1.10% whereas the agro-based the then economy received much of her foreign earnings from Jute & Jute products famously known as the Golden Fiber. But with the passage of time from agrarian to manufacturing transformation Bangladesh developed significantly in areas of poverty alleviation, employment, women empowerment, industrial growth and economic diversification - thanks solely to labor intensive RMG sector. In fact, from fiscal year 2007-08 Bangladesh

knitwear continues to capture lion's share in national exports (39.93% in FY 2013-14) what was slightly 7.64% in the two decades back, thereby slanting the economy towards knit garments.

[Source: BKMEA website]

- (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;

Products	As on June 30, 2016	
	Revenue (Tk.)	%
Yarn Dyeing	925,975,598	70.93%
Knitting	379,542,691	29.07%

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

Nurani Dyeing & Sweater Limited has the following associates and related Company:

Sl.	Name of the company	Relationship	Core area of Business
1	Daudpur Rice Mills (Pvt.) Ltd.	Associate	Processing all kinds of rice
2	Daudpur Soya Processing Ind. Ltd.	Related company	Soya processing for poultry feed
3	Nurani Knit Composite Ltd.		Manufacturers, merchandiser and exporter of knitted garments.
4	Modern Cold Storage Ltd.		Mainly used for storage of fresh fruits and vegetables

- (viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations;

On receiving the orders from its customers, NDSL manufactures the products and supply them to the customers' destination as per their requirements. The Company imports yarn from foreign and local suppliers and apply dyeing processes on the yarn to meet the specific demand of its customers. To make sure that the dyeing plant keeps running around the clock throughout the year, it has set up a knitting section in the factory premises. Being the export of the Company deemed export, it supplies the products to the local destinations.

Yarn Dyeing Process:



Sweater Production Process:



Export possibilities and export obligations:

We don't have any export obligation rather there is good potential of expansion for export.

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

There are many Companies engaged in Sweater and Dyeing industries in Bangladesh. Major competitors are:

Sl.	Name	Country of Origin
1	Mithun Knitting Limited	Bangladesh
2	Tung Hai Knitting & Dyeing Ltd.	Bangladesh
3	ABC Knitting Dyeing & Finishing Limited	Bangladesh
4	Shepherd Yarn Limited	Bangladesh
5	Zahintex Industries Limited	Bangladesh

Apart from this, as per annual report of the listed companies and audited financial statements of Nurani Dyeing & Sweater Limited, the sales amounts are presented below:

Amount in BDT (Million)

Sl. No.	Name of the Company	Year End	Period	2015/2016
1	Nurani Dyeing & Sweater Limited	30 June	From 1 Jul, 2016 to 30 Sep, 2016	273.37
2	Mithun Knitting Limited	30 June	From 1 Jul, 2016 to 30 Sep, 2016	207.11
3	Tung Hai Knitting & Dyeing Ltd.	30 June	From 1 Jul, 2016 to 30 Sep, 2016	266.84
4	Zahintex Industries Limited	30 June	From 1 Jul, 2016 to 30 Sep, 2016	434.51

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

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

Main raw materials of the NDSL are yarn and chemicals, which the Company procures from overseas market. The Company has some trusted suppliers of its materials and chemicals. Below are examples:

Sl. No.	Name of Suppliers	Address	Name of Raw Materials.	Country Of Origin
1	Jiangsu Guo Tai In'l Group Guomao Co. Ltd.	15-24F, Guotai Times Plaza, Ren Ming Road, Zhang Jia Gang, Jiang Su, China	Yarn	China
2	Indorama Polyester Industries Public Co. Ltd.	75/92 Ocean Tower 2 Soi 19 Sukhumvit Khwang Khlongtoey Nuea Khet Watthana province Bangkok 10110	Yarn	Thailand
3	Fenatex Co. Ltd.	18/8 Fico Place Building, 9 th Floor, Sukhumvit 21 (Asoke) Rd., Klongtoey Nuea, Wattana, Bangkok 10110 Thailand	Yarn	Thailand
4	Sunflag (Thailand) Ltd.	12 th Floor, B.B. Building, 54 Sukhumvit 21 Road, Klongton Nuea, Wattana, 10110 Bangkok Thailand	Yarn	Thailand
5	PT Mitra Pte. Ltd.	PT Mitra Pte. Ltd. 101 Cecil Street #16-05 Tong Eng Building, Singapore 069533	Yarn	Singapore
6	Jiangsu Guotai Huasheng	16-22/F, Guotai New Century Plaza,	Yarn	China

	Industrial Co. Ltd.	Middle Renmin Rd., Zhangjiagang City, Jiangsu Province, China		
7	PT Susilia Indah Synthetic Fibers Industries	Jl. Imam Bonjol No. 133, KM2 Karawaci, Tangerang 15115, Indonesia	Yarn	Indonesia
8	Nadeem International Private Ltd.	801-804, Lakson Square Building No. 3-A, Sarwar Shaheed Road Karachi.	Yarn	Pakistan
9	Jiangsu Gtig Eastar Co. Ltd.	27-29F,Guotai Mension, Zhangjiagang City, Jiangsu Province, China	Yarn	China
10	Evergreen Global Pte. Ltd.	77, High Street # 10-05, High Street Plaza Singapore 179433	Yarn	Singapore
11	Bhilosa Industries Pvt. Ltd.	3rd Floor, Bakhtawar Commercial-Premises Co-op Society Ltd. Nariman Point, Mumbai – 400 021.	Yarn	India
12	Fujian Siyu Trade Co. Ltd.	20th floor, B1 building, Wanda Plaza, Finance Street, Taijiang District, Fuzhou City.	Yarn	China
13	PT. Hanil Indonesia	Adhi Graha Building 18th Floor Suite 1801 JL. Jend Gatot Subroto KAV. 56 Jakarta 12950 - Indonesia	Yarn	Indonesia
14	Zhejiang Jiabao Polyester Co. Ltd.	360, Yuedong North Road, Paojiang Economic & Technological Development Zone, Shaoxing.	Yarn	China
15	Yibin Hiest Fibre Ltd. Corp.	Nanguang County, Nan'an , Yibin City, Sichuan P.R. China.	Yarn	China
16	R N Spinning Mills Ltd	Plot # 100-107 & 127-134 Comilla Export Processing Zone, Comilla	Yarn	Bangladesh
17	Kung Keng Textile (Bangladesh) Ltd.	Plot # 133-148 & 164, DEPZ (Extension), Ganakbari, Ashulia, Savar, Dhaka.	Yarn	Bangladesh
18	Purbani Synthetic Spinning Ltd.	Dewaliabari, Konabari, Gazipur, Bangladesh.	Yarn	Bangladesh
19	Shaoxing Yiyi Textile & Polyester Co. Ltd.	Qianqing Town, Shaoxing City, Zhejiang, China	Yarn	China
20	Raj Rayon Industries Ltd.	Survey No. 177/1/3 Surangi, Dist. Silvassa, Dadra & Nagar Haveli-396230, India	Yarn	India
21	Best Chem International Co. Ltd.	No. 15, Lane 192, Sec 2, Nanshan Road, Lujhu Township, Taoyuan County 338, Taiwan	Chemicals	Taiwan
22	T and T Industries Corporation	6F., No. 124, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Chemicals	Taiwan
23	Rhyme (Bd) Singapore Pte. Ltd.	Temasek Blvd, Singapore 038988	Chemicals	Singapore
24	HP Chemicals Joint Stock Company	No1- Binh Bridge - So Dau - Hong Bang - Hai Phong - Viet Nam	Chemicals	Vietnam
25	Huntsman (Singapore) Pte. Ltd.	150 Beach Road, 37-00 Gateway West Singapore 189720, Singapore	Chemicals	Singapore
26	Yee Tien Chemical Enterprise Co. Ltd.	8F, No.96,Yen-Ping N. Road, Sec.2, Taipei, Taiwan, R.O.C.	Chemicals	Taiwan

Contingency Plan in case of any disruption:

As 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. Therefore, there is no possibility of disruption.

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

For electricity consumption NDSL depends on REB line. To ensure un-interrupted producing activities NDSL procured and implemented 01 (One) unit Gas Generator having capacity of 520 KW and one Diesel generator having capacity of 336 KW.

Gas:

The fuel of electricity producing generators is natural gas. NDSL has the connection of Bakrabad Gas Company Limited.

Water:

At different stages throughout the production process in NDSL there requires water which is supplied by the company's own deep tube-well accompanied with a water reserve tank of the capacity of 46,000 liters.

Contingency Plan in case of any disruption:

To tackle the disruption of utilities, Company has installed generators as mentioned in above.

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

Following are the major customers of the Company who purchase (Yarn) of the company product, no customer purchase 10% or more of Sweater of the company.

Sl.	Name & Address	Telephone, Web Address, E-mail & Fax Number	Total sales amount	% of total sales (Yarn)
1	Nexus Sweater Ind. (Pvt.) Ltd. <i>Chowdhury Bari Road, Vogra, Nexus Tower, Joydebpur, Gazipur-1700.</i>	Tel: +88-02-9294374, +88-02-9294357 Web: www.nexuswearer.com E-mail: info@nexuswearer.com Fax: +88-02-9257590	199,559,791	15.29%
2	Asif Apparels Ltd. <i>House No. # 32, Road No. # 11, Sector # 4, Uttara, Dhaka-1230.</i>	Tel: +88-02-8922216 E-mail: asif@bdmail.net Fax: +88-02-8921194	163,887,732	15.83%

Asif Apparels Ltd. has no web address.

- (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/finished goods with amount and percentage thereof;**

No particular suppliers from whom Nurani Dyeing and Sweater Limited purchases 10% or more of its raw material/finished goods.

- (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 is not any of such contract, 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 Nurani Dyeing & Sweater Limited did not enter into any contract with its principal suppliers or customers.

Sd/-
Sk. Nurul Alam
Managing Director

Sd/-
Md. Amir Hossain
Chief Financial Officer

Sd/-
Mrs. Rehana Alam
Chairman

Dated: December 21, 2016
Dhaka

- (xv) **Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;**

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, NDSL has several regulatory licenses and certificates in order to continue its operations. The table shows list of licenses:

SL	Particulars	License Issuer/Issuing Authority	Certificate/ License No.	Issue Date	Validity/Current Status
01	Trade License	Shorshadi Union Parishad	15	11.07.2015	30.06.2017
02	TIN Certificate	National Board of Revenue	46377334409 2	29.11.2013	N/A
03	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Feni	23051001835	29.07.2012	N/A
04	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	R 0091632	19.10.2008	30.06.2017
05	Import Registration Certificate		B 0191440	06.11.2008	30.06.2017
06	BGMEA	Bangladesh Garment Manufacturers & Exporters Association	4761	06.06.2015	31.12.2017
07	Fire License	Bangladesh Fire Services and Civil Defense	Noa/11/08-09	01.07.2008	30.06.2017
08	BOI License	Board of Investment Bangladesh	L-62050801009-H	31.01.2008	N/A
09	Environment	Department of	7115/2006/3	06.07.2015	01.02.2017

	Clearance Certificate	Environment, Chittagong Division	03		(Applied for renewal)
10	Factory License	Department of Factory, Chittagong Division	558/Feni	10.11.2013	30.06.2017
11	Boiler License	Department of Explosive	G 28- 2015(09)/185	20.04.2015	19.04.2017
12	Bonded Warehouse License	Customs Bond Commissionerate	5(13)CaBoC/ Aka/Li(SA:)/ 17/2009	28.10.2009	27.10.2017
13	NOC	AB Bank Limited	AB/GUL/C AM/513/16	27.10.2016	-

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

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, it has several regulatory licenses and certificate in order to continue its operation.

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

Number of employees is as follows:

Employees

Number of employees

30 June, 2016
535
535

The above-mentioned number of employee includes office staff & workers, which are full time employee. Mentionable here that, the Company has also 30 part time employees.

(xviii) A brief description of business strategy;

NDSL's key strategic objectives are to:

1. Maintain the buyers demand, choice, and expectation to grab the overseas market.
2. Catch up the latest fashion prevailing around the world.
3. Ensure better quality of products in competitive price.

- (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, rationale to achieve the projected levels.

With regard to above, a table is presented in the following page:

Total actual capacity and its utilization:

Product	Unit	Installed Capacity				Capacity utilization for this Products				Actual Capacity Utilization (%)			
		Apr'13 to Mar'14	Apr'14 to Mar'15	Apr'15 to Mar'16	Apr'16 to Jun'16 (3 months)	Apr'13 to Mar'14	Apr'14 to Mar'15	Apr'15 to Mar'16	Apr'16 to Jun'16 (3 months)	Apr'13 to Mar'14	Apr'14 to Mar'15	Apr'15 to Mar'16	Apr'16 to Jun'16 (3 months)
Sweaters knitted from knitting section	Pcs	1,626,337	1,643,038	2,111,038	527,760	992,895	1,099,359	1,410,281	341,568	61.05%	66.91%	62.26%	64.72%
Dyed Yarn from dyeing section	Lbs	6,206,667	6,206,667	6,206,667	1,551,667	4,374,745	4,083,333	4,308,017	1,127,568	70.48%	65.79%	69.41%	72.67%

Projected capacity and its utilization:

Product	Unit	Installed Capacity			Capacity utilization for this Products			Actual Capacity Utilization (%)		
		Jul'16 to Jun'17	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'16 to Jun'17	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'16 to Jun'17	Jul'17 to Jun'18	Jul'18 to Jun'19
Sweaters knitted from knitting section	Pcs	2,322,142	2,763,349	2,763,349	1,625,499	2,072,512	2,210,679	70%	75%	80%
Dyed Yarn from dyeing section	Lbs	6,827,334	8,124,527	8,124,527	4,779,134	6,093,395	6,499,622	70%	75%	80%

The Company has projected that the capacity utilization will increase. 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 & Equipments owned by the company as per audited accounts as on 30 June, 2016 are stated below: -

Sl. No.	Particulars	W.D. V at 30-06-2016
1	Land and Land Development	11,093,940
2	Factory Building	196,617,732
3	Machinery	381,389,418
4	Electric Equipment & Installation	6,258,692
5	Laboratory Equipments	1,707,960
6	Generator	5,106,523
7	Gas Line Installation	1,583,425
8	Tube Well	921,328
9	ETP	3,337,710
10	Vehicle	21,951,797
11	Furniture & Fixture	3,574,755
12	Office Equipment	8,498,183
Total		642,041,463

(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 rented Corporate Office: Sonartori Tower (6th Floor), 12 Biponon C/A, Banglamotor, Dhaka and Factory: Fatepur, Feni, Bangladesh. All of the above-mentioned Property, Plant & Equipments are in working condition.

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

All the assets of the Company are in its own name. The Company's corporate office located at Sonartori Tower (6th Floor), 12 Biponon C/A, Banglamotor, Dhaka.

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

Deed No.	Date of purchase	Mutation date	Last date of current rent (খাজনা)	C.S. Dag No.	Deed Value	Land development & Other Cost in Tk.	Area of land (Decimal)	Current use
4200	13.07.06	10.10.06	26/05/16	374, 375, 382, 383, 384	2,727,000	7,309,960	90.00	Dyeing Factory, Sweater Factory & warehouse, open developed field

Details of land and land development cost are as follows (as shown in Annexure 1 of financial statement for the period ended 30 June, 2016):

Sl. No.	Particular	Amount in Tk.
A	Land	2,727,000
B	Land development cost	
1	Earth Filling:	
	Earth Filling and entire factory premises area development cost up to 30.06.2016 by local sand, soil, with labor & carrying, including ditch area filling. 318,133 cft @ Tk. 21.00 per cft	6,680,800
2	Internal Road:	
	Development and construction by Soil, Sand, Brick, stone Labor, Carrying cost of internal connectivity road area of factory premises. Road area 139.20 mtr @ Tk. 12,113.07 per mtr	1,686,140
Total		11,093,940

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

Name of the persons from whom the land have been acquired	Cost of acquisition	Relations
Shamsuddin Cotton Mills Limited	27,27,000	Common Management company.

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

The Company has received all the approvals pertaining to 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 name of the mortgagee;

90.00 decimals of land along with 5 Storied Building (8 Storied Foundation) of the Company are mortgaged to AB Bank Limited, Gulshan Branch.

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

No Property is taken by the Company under lease agreement.

(viii) 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;

Date of Purchase	Sellers Name	B/E No. & Date	Address	Years of Sale	Condition when Purchased	Country of Origin	Useful Economic Life at Purchase	Remaining Economic Life	Purchase Price in Tk.	W.D.V in Tk. (31.03.16)	W.D.V in Tk. (30.06.16)
2009	D.H EURO HI-TECH CO.LTD.	C-132691 Dt.14/12/2008	703 HOHWANGGUM PLAZA BLDG 318-5 SHINJEONG-DONG YANG CHEON KU SEOUL KOREA.	N/A	Brand New Capital Machineries, Dyeing Machine and Packing Machine.	China	20 Years	13 Years	66,638,425	25,358,756	24,724,788
		C-121331 Dt-12.11.2008			Air Compressor, Boiler Machine	Korea					
2011	D.H EURO HI-TECH CO.LTD.	C-169404 Dt-23.12.10	703 HOHWANGGUM PLAZA BLDG 318-5 SHINJEONG-DONG YANG CHEON KU SEOUL KOREA.	N/A	Brand New Knitting Machine, Linking Machine, Washing Machine, Hydro Extractor Machine, Auto Tumbler Machine, Nidle Ditector	China,	20 Years	15 Years	35,361,727	18,478,250	18,016,294
2012	NINGBO CIXING CO.LTD	C - 65037 Dt-25.05.2010	WEISHAN ROAD, ANDONG INDUSTRIAL, ZONE, CIXI, NINGBO, CHINA	N/A	Brand New Capital Machineries, Continuous Tunnel Hank Dryer	China	20 Years	16 Years	21,834,000	13,529,438	13,191,202
	GUANGXI LIUGONG MACHNERY CO. LD.	C-8486 Dt. 30.06.2011	1 LIUTAI ROAD, LIUZHOU, GUANGXI P.R. CHINA.		Brand New Capital Machineries, Fork Lift						
2013	CIXING (HONG KONG) LTD.	C 131719 Dt. 19/11/2012	6 WANG KUNG ROAD, KOWLOON BAY KOWLOON HONGKONG	N/A	Brand New Capital Machineries, Computerized Flat knitting Machine	China	20 Years		54,576,084	39,785,965	38,791,316
2014	D.H EURO HI-TECH CO. LTD.	C-13585 Dt-15.1.2014	703 HOHWANGGUM PLAZA BLDG 318-5 SHINJEONG-DONG YANG CHEON KU SEOUL KOREA.	N/A	Brand New Capital Machineries, Computerized knitting Machine	China	20 Years	17 Years	206,783,170	167,494,368	163,307,009
		C-88714 DT. 18.02.2014			Brand New Capital Machineries	China					
2015	CIXING (HONG KONG) LTD.	C 111356 DT. 25.09.2014	6 WANG KUNG ROAD, KOWLOON BAY KOWLOON HONGKONG	N/A	Brand New Capital Machineries, Linking Machin, Local Machine	China	20 Years	18 Years	2,893,665	2,560,894	2,496,872
2016	D.H EURO HI-TECH CO.LTD..	C 530158 DT. 13.11.2015	703 HOHWANGGUM PLAZA BLDG 318-5 SHINJEONG-DONG YANG CHEON KU SEOUL KOREA.	N/A	Brand New Capital Machineries, Computerized knitting Machine	China	20 Years	19 Years	125,002,651	123,960,962	120,861,938

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

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds, the details of which are below:

Sl.	DESCRIPTION	BRAND	QTY	Unit PRICE (US\$)	Total Price (US\$)	Date of Placement of Order	Date or Expected Date of Supply
1	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 2000 Lbs, Materials: SUS 304 L Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve, Main Electronic parts Dyestuff Additional tank Included, Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C, Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging , Liquid Ratio: 1:7-8 , Origin : China	PDM.D.H.EUR O TECH	1 Set	\$165,000.00	\$165,000.00	After receiving IPO Fund	Within 18 Months After receiving IPO Fund
2	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 1000 Lbs, Materials: SUS 304 L Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve, Main Electronic parts. Dyestuff Additional tank Included. Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C. Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging. Liquid Ratio: 1:7-8 , Origin : China	PDM.D.H.EUR O TECH	2 Set	\$103,000.00	\$206,000.00		

3	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 500 Lbs, Materials: SUS 304 L Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve. Main Electronic parts. Dyestuff Additional tank Included. Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C. Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging .Liquid Ratio: 1:7-8 , Origin : China	PDM.D.H.EUR O TECH	2 Set	\$65,000.00	\$130,000.00		
4	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 250 Lbs, Materials: SUS 304 L, Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve. Main Electronic parts. Dyestuff Additional tank Included. Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C. Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging. Liquid Ratio: 1:7-8 , Origin : China	PDM.D.H.EUR O TECH	3 Set	\$33,500.00	\$100,500.00		
5	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 50 Lbs, Materials: SUS 304 L, Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve. Main Electronic parts. Dyestuff Additional tank Included. Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature : 140° C. Rising rate of temperature : About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging ,Liquid Ratio: 1:7-8 , Origin : China	PDM.D.H.EUR O TECH	2 Set	\$20,500.00	\$41,000.00		
6	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 1-10 Lbs, Materials: SUS 304 L, Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Gas, water, air valve. Main Electronic parts. Dyestuff Additional	PDM.D.H.EUR O TECH	6 Set	\$17,350.00	\$104,100.00		

	tank Included .Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C .Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging . Liquid Ratio: 1:7-8 , Origin : China						
7	HIGH SPEED SOFT CONE WINDING MACHINE Individual AC motor control each Head, Nep Join, Thin & Thik control, The winding pressure can be controlled by balance with optical sensor. SPINDELS: 48 Spindles, Metal winding drum. H.S Code: 8445.40.00, LxWxH=11250x5600x7000 mm, weight: 2200 KG Power: 440V/50Hz, 3 phase, 6.48 kw. ORIGIN: CHINA	DHEURO-TECH	4 Set	\$132,000.00	\$528,000.00		
8	HIGH SPEED HARD CONE WINDING MACHINE Individual AC motor control each Head, The winding pressure can be controlled by balance with optical sensor. SPINDELS: 48 Spindles, Metal winding drum. H.S Code: 8445.40.00, LxWxH=11250x5600x7000 mm, weight: 2200 KG Power: 440V/50Hz, 3 phase, 6.48 kw. ORIGIN: CHINA	DHEURO-TECH	4 Set	\$135,000.00	\$540,000.00		
9	HIGH FREQUENCY CONE DRYER This Machine Adopts the Advanced system Dyeing Process. The Main Motor is controlled by the frequency converter CAPACITY: 500 Cones, ORIGIN : CHINA	DHEURO-TECH	2 Set	\$165,000.00	\$330,000.00		
10	HYDRO EXTRACTOR This is Automatic Inverter Control centrifugal Hydro-Extractor. CAPACITY: 72 CONES, ORIGIN: CHINA	DHEURO-TECH	6 Set	\$22,500.00	\$135,000.00		
11	FORK LIFT CAPACITY: 5 TONS, ORIGIN: CHINA	DHEURO-TECH	4 Set	\$30,000.00	\$120,000.00		
12	LABRETRY EQUIPMENT Electronic balance. Capacity: 200g, Redit: 0.001gm, Pan Size: 125 mm. & Capacity: 2000 g. Redit: .01 gm. Electro thermal Blast Dteing Chamber-1 Set Light Box- 1 Set ORIGIN: CHINA	DHEURO-TECH	1 Set	\$148,000.00	\$148,000.00		
13	AIR CHILLER VORTEX WIND COOLING CHILLER , FAN COIL UNIT CAPACITY : 60 TONS. ORIGIN: CHINA	DHEURO-TECH	1 Set	\$153,946.00	\$153,946.00		

14	BOILER Automatic controlling system that all functions are achieved perfectly by single touch. High safety by the double and triple safety control system. Simple structure for cleaning and routing check through the front and rear fan box. CAPACITY: 6 TONS, ORIGIN: KOREA	SAMHO	1 Set	\$95,000.00	\$95,000.00		
15	DIESEL GENERATOR. ENGINE: Brand new original DOOSAN water-cooled diesel engine P126TI, Alternator: DASSEN Synchronous Brushless AC alternator, DC300S, Ratings: 380V/240V, 3 phases 4 wires, 50Hz, 1500Rpm, 0.8PF, IP23, H insulation class, 50C Radiator with engine driven fan mounted on skid. Set mounted intelligent GCP-10 control panel with Automatic Starting, Hyundai MCCB breaker mounted, Anti-vibration mountings, 24V DC Electric start system with lead-acid type starting batteries Standard tools kit, CAPACITY: 250 KVA, ORIGIN : KOREA,	DASSEN	2 Set	\$69,500.00	\$139,000.00		
16	AUTO CONE PACKING MACHINE CAPACITY: 12 Cone/ Each Packing, ORIGIN: CHINA	DHEURO-TECH	2 Set	\$20,000.00	\$40,000.00		
Total Price C & F Chittagong by SEA					\$2,975,546.00		
Total Import Value (in Taka)					234,843,680.00		
Other Charges (in Taka)					8,456,320.00		
Total (in Taka)					243,300,000.00		

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

There are no machineries which are yet to be delivered.

- (xi) If 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.

**AUDITOR'S CERTIFICATE REGARDING PURCHASED IN BRAND NEW
CONDITION OF MACHINERIES**

Based on our verification of the related documents as produced to us by the management of Nurani Dyeing & Sweater Ltd., we observed that, no re-conditioned or second- hand plant & machinery is used by Nurani Dyeing & Sweater Ltd.

Place: Dhaka;
Dated: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

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

The Company neither 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
Of
Nurani Dyeing & Sweater Limited**

This is to certify that we have visited the factory of Nurani Dyeing & Sweater Limited on 13th June, 2016 & 20th December, 2016 and we have found the factory as details bellow:

Visited and Accompanied by:

Particulars		Name & Designation	Company
Visited by (Imperial Capital Limited)	:	Md. Salauddin Sikder FCMA <i>CEO & Managing Director</i>	Imperial Capital Limited
	:	Md. Shazzad Hossain <i>Assistant Manager</i>	
Visited by (EBL Investments Limited)	:	Moinul Hossain Asif <i>Managing Director</i>	EBL Investments Limited
	:	Pankaj Kumar Mutsuddi <i>Manager</i>	
Visited by (CAPM Advisory Limited)	:	Mufakhkharul Islam <i>Managing Director & CEO</i>	CAPM Advisory Limited
Accompanied by	:	Md. Mahbub Alam Dipu <i>Company Secretary</i>	Nurani Dyeing & Sweater Limited
	:	Saiful Islam <i>General Manager- Factory</i>	

Company Overview

Nurani Dyeing & Sweater Limited (NDSL) is a Dyeing and Sweater manufacturer in Bangladesh. NDSL was incorporated as a Private Limited company on 14th December, 2005 and subsequently converted into a public limited company on 7th December, 2014. The Certificate of Incorporation number is CH- 5656 of 2005. The Company started its commercial operation on February 05, 2009.

The authorized and paid-up capital of the company is as follows:

Authorized Capital	: Tk. 1,000,000,000.00
Paid up Capital	: Tk. 400,000,000.00
Proposed IPO Size	: Tk. 430,000,000.00 (4.30 Crore Shares @ Tk. 10.00 each)
IPO Size (in share)	: 43,000,000 Shares

Registered Office

NDSL's registered office is situated at 304 Sk. Mujib Road, Agrabad C/A, Chittagong and corporate office is situated at Sonartori Tower (6th Floor), 12 Biponon C/A, Banglamotor, Dhaka.

Nature of Business

The Company imports yarn from China, Indonesia, India. Then it produces Sweater after dyeing the imported yarn. In addition, the company also sales imported yarn after dyeing to the export oriented bonded factory.

Products

The Company has two major products:

1. Sweaters knitted from knitting section
2. Dyed Yarn from dyeing section

Location of the Factory

The factory is situated at Fatepur, Feni, Bangladesh.

DESCRIPTION OF PROPERTY

We have identified that the factory of Nurani Dyeing & Sweater Limited is located at Fatepur, Feni, Bangladesh. We have found properties at the factory like:

- 1) **Land:** We have found 90.00 decimals of land surrounded by boundary wall.
- 2) **Factory Building:** The factory has total three buildings. Details of the buildings status are discussed below:

Number of Buildings	Type (Bricks/Tin/Prefabricated Steel)	Area (Sft) per floor	Total Building Area	Cost per sq. ft (BDT)	Total Cost (BDT)	Status of Use
Building-1	Pillar- RCC, Wall-Brick Roof-Brick. (8 Storied Foundation and construction completed upto 5 th floor)	11,000	66,000	2,349.83	241,007,907	Knitting Section

Building-2	Pillar- RCC, Wall-Brick, Roof-Prefabricated Steel (2 Storied)	-	20,000			Dyeing Section
Building-3	Pillar- RCC, Wall-Brick, Roof-Prefabricated Steel (Under Construction)	-	16,564			Warehouse

3) **Machinery:**

No. of Dyeing Machinery	No. of Knitting Machinery	Total
38	1,248	1,286

- 4) **Generator:** NDSL has procured and implemented One Unit Gas Generator having capacity of 520 KW and another unit Diesel generator having capacity of 336 KW.
- 5) **ETP:** NDSL has an ETP plant to purify the waste water produced from the manufacturing process. The company follows the rules and guidelines of the environment directorate's policies and directives. It is also mentionable here that ETP extension is under process.

Besides these assets, we have also found other assets like Vehicle, Electric Equipment, Tube Well, Gas Line Installation, some scrap machineries and Others.

Signboard:

The signboard of the Company is well displayed at the factory premises.

Sd/-

Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

Sd/-

Moinul Hossain Asif
Managing Director
EBL Investments Limited

Sd/-

Mufakhkharul Islam
Managing Director & CEO
CAPM Advisory Limited

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

The Company has no intellectual property right or intangible asset.

- (xv) **Full description of other properties of the issuer;**

Total properties of NDSL are categorized as Land, Building, Vehicles, Machineries & Equipment, utilities, Electrical Equipment and office Equipment, among which major of the them are shortly described in above and summery of the remaining categorizes are given below:

Particulars	W.D. V at 30-06-2016
Electric Equipment & Installation	6,258,692
Laboratory Equipments	1,707,960
Generator	5,106,523
Gas Line Installation	1,583,425
Tube Well	921,328
ETP	3,337,710
Vehicle	21,951,797
Furniture & Fixture	3,574,755
Office Equipment	8,498,183

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

The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years:

REVENUE AND RESULTS FROM OPERATION:

Particulars	Amount in Taka				
	30.06.2016*	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Revenue	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468
Less: Cost of Goods Sold	1,047,533,641	788,302,863	760,465,471	533,869,177	618,026,374
Gross Profit	257,984,648	193,239,272	183,740,011	89,390,833	61,188,094
Operating Expenses	45,150,031	33,308,207	28,447,947	42,934,477	21,360,719
Less: Administrative Expenses	36,441,922	25,274,044	20,542,479	40,653,021	18,342,968
Less: Selling & Distribution Expenses	8,708,109	8,034,163	7,905,468	2,281,456	3,017,751
Operating Profit	212,834,617	159,931,064	155,292,064	46,456,356	39,827,375
Add: Other Income	233,572	171,394	192,010	178,346	181,054
Less: Financial Expenses	126,459,719	105,614,574	98,484,749	27,299,282	45,837,239
Net profit before tax	86,608,470	54,487,885	56,999,325	19,335,420	(5,828,810)
Less: Income Tax Expense	15,197,357	9,565,374	5,747,935	1,933,542	-
Current Tax	15,197,357	9,565,374	5,747,935	1,933,542	-
Net Profit after tax	71,411,112	44,922,511	51,251,390	17,401,878	(5,828,810)

* Revenue and Results from Operation 30.06.2016 including 15 months

FINANCIAL POSITION:

Particulars	Amount In Taka				
	30.06.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012

APPLICATION OF FUND

NON-CURRENT ASSETS

	672,179,679	521,835,322	438,113,395	242,715,084	214,888,324
Property, Plant & Equipment	642,041,463	406,925,845	438,113,395	242,655,084	214,828,324
Capital work in Progress	30,138,216	114,909,477	-	-	-
Preliminary Expenses	-	-	-	60,000	60,000

CURRENT ASSETS

	1,049,577,695	976,169,336	1,013,515,496	1,083,567,399	749,751,008
Inventories	448,952,933	436,956,736	436,411,499	612,878,205	357,549,255
Accounts Receivable	391,968,937	367,303,321	396,052,425	396,722,040	353,342,097
Advances, Deposits & Pre-Payments	206,021,664	159,954,882	178,577,310	71,665,137	27,977,343
Investments	1,871,349	3,315,539	1,701,284	1,528,475	1,367,964
Cash & Cash Equivalents	762,812	8,638,858	772,978	773,542	9,514,348

TOTAL ASSETS

1,721,757,374	1,498,004,658	1,451,628,891	1,326,282,483	964,639,332
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SOURCES OF FUND

SHAREHOLDERS' EQUITY & LIABILITIES

SHAREHOLDERS' EQUITY

	574,885,457	203,474,345	146,551,834	95,300,444	77,898,566
Share Capital	400,000,000	100,000,000	88,000,000	88,000,000	88,000,000
Retained Earnings	174,885,457	103,474,345	58,551,834	7,300,444	- 10,101,434

NON-CURRENT LIABILITIES

	419,752,924	496,466,256	679,491,000	202,768,565	95,900,981
Share Money Deposit	-	103,000,000	115,000,000	115,000,000	-
Term Loan	419,752,924	393,466,256	564,491,000	87,768,565	95,900,981

CURRENT LIABILITIES	727,118,993	798,064,057	625,586,056	1,028,213,474	790,839,785
Current Portion of Term Loan	152,302,814	89,145,304	-	-	-
Accounts Payable	180,377,230	192,555,292	131,049,938	377,467,048	265,124,204
Short Term Loan	378,518,331	504,348,655	489,050,476	595,829,154	504,293,964
Liabilities for Expenses	8,955,582	7,941,069	5,485,642	1,781,272	1,684,777
Provision for Tax	6,965,036	4,073,737	-	-	-
Liability for Imported Machine	-	-	-	53,136,000	19,736,840
TOTAL EQUITY AND LIABILITIES	1,721,757,374	1,498,004,658	1,451,628,891	1,326,282,483	964,639,332

CHANGES IN FINANCIAL POSITION:

Particulars	Ordinary Share Capital	Retained Earnings	Share Money Deposit	Total
Balance as on March 31, 2012	88,000,000	(10,101,434)	-	77,898,566
Balance as on March 31, 2013	88,000,000	7,300,444	115,000,000	210,300,444
Balance as on March 31, 2014	88,000,000	58,551,834	115,000,000	261,551,834
Balance as on March 31, 2015 (Re-stated)	100,000,000	103,474,345	103,000,000	306,474,345
Balance as on March 31, 2016	400,000,000	159,927,130	-	559,927,130
Balance as on June 30, 2016	400,000,000	174,885,457	-	574,885,457

CASH FLOWS:

Particulars	Amount in Taka				
	April, 2015 to June, 2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
	Rearranged	Restated	Restated	Restated	Restated
Cash Flows from Operating Activities:					
Cash Collection From Turnover & Others	1,280,852,673	1,010,291,239	944,875,097	579,880,067	736,271,233
Cash Paid to Suppliers	(986,499,959)	(618,944,029)	(902,692,299)	(704,040,479)	(677,561,196)
Cash Paid to Employees	(90,308,627)	(65,959,265)	(22,583,078)	(24,847,162)	(33,644,886)
Cash Paid to Others	(26,327,376)	(14,484,979)	(15,937,535)	(7,034,788)	(11,731,603)
Cash generated from operation	177,716,710	310,902,967	3,662,185	(156,042,363)	13,333,548
Interest Paid	(126,459,719)	(105,614,574)	(98,115,932)	(27,264,752)	(45,764,413)
Income Tax Paid	(12,306,058)	(5,491,637)	(5,747,935)	(1,977,377)	(707,423)
Net Cash provided from Operating Activities:(A)	38,950,933	199,796,756	(100,201,682)	(185,284,492)	(33,138,288)
Cash Flows from Investing Activities:					
Acquisition of Property, Plant & Equipment	(138,884,032)	(8,997,276)	(269,761,840)	(21,876,924)	(17,957,355)
Advance for Vehicle	(3,100,900)	-	-	-	-
Payment for Capital Work in Progress	(67,133,662)	(114,909,477)	-	-	-
Encashment of FDR	3,061,763	17,139	19,201	17,835	308,379
Investment in FDR	(1,384,000)	(1,460,000)	-	-	-
Net Cash used in Investing Activities:(B)	(207,440,831)	(125,349,614)	(269,742,639)	(21,859,089)	(17,648,976)
Cash flows from Financing Activities					
Proceeds from issuance of Share Capital	197,000,000	-	-	-	-
Received/(Payment) of Share Money Deposit	-	-	-	115,000,000	-
Received/(Payment) of Short Term Loan	(125,830,325)	15,298,179	(106,778,678)	91,535,190	54,956,815
Received/(Payment) of Long Term Loan	89,444,179	(81,879,441)	476,722,435	(8,132,416)	4,852,271
Net Cash provided by/(used) in Financing Activities:(C)	160,613,853	(66,581,262)	369,943,757	198,402,774	59,809,086
Net increase/(decrease) in cash & Cash equivalents: (A+B+C)	(7,876,045)	7,865,880	(563)	(8,740,806)	9,021,822
Cash & Cash equivalents at the beginning of the year	8,638,858	772,978	773,542	9,514,348	492,526
Closing Cash & Cash equivalents at the end of the year	762,812	8,638,858	772,978	773,542	9,514,348

(a) Internal and external sources of cash;

Particulars	30.06.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Internal Sources of Cash					
Share capital	400,000,000	100,000,000	88,000,000	88,000,000	88,000,000
Retained Earnings	174,885,457	103,474,345	58,551,834	7,300,444	(10,101,434)
Total	574,885,457	203,474,345	146,551,834	95,300,444	77,898,566
External Sources of Cash					
Term Loan	572,055,738	482,611,559	564,491,000	87,768,565	95900981
Share Money Deposit	-	103,000,000	115,000,000	115,000,000	-
Short Term Loan	378,518,331	504,348,655	489,050,476	595,829,154	504293963.7
Total	950,574,069	1,089,960,215	1,168,541,476	798,597,719	600,194,945
Grand Total	1,525,459,526	1,293,434,560	1,315,093,311	893,898,163	678,093,511

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

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned under the head 'Use of Proceeds' from IPO fund.

- (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 production by adding new machine and increase sales volume.

Particular	Amount In Taka				
	30.06.2016 (15 Months)	31.03.2015 (Re-stated)	31.03.2014	31.03.2013	31.03.2012
Revenue	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468
Cost of Goods Sold	1,047,533,641	788,302,863	760,465,471	533,869,177	618,026,374
Operating Expenses	45,150,031	33,308,207	28,447,947	42,934,477	21,360,719
Net Profit after Tax	71,411,112	44,922,511	51,251,390	17,401,878	(5,828,810)

Causes for changes:

Revenues:

Production capacity has been increased in every year by installing plant and machinery. Resultant, period to period changes in revenues have been arisen except for the year 2013 due to political unrest and rescission in world economy.

Cost of goods sold:

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

Other operating expenses:

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

Net income:

Net income increase in period to period is in line with sales volume.

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

NDSL supplies its products to its regular buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of NDSL.

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

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

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

- I. Political unrest
- II. Natural disaster.

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

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

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

Director Sk. Nur Mohammed Azger took Tk. 5,500,000.00 as loan in the year 2014 and subsequently paid in the year 2015. Other than above no loan taken or given to any related party or connected person of the issuer.

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

The Company has no plan to enter into any 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 has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' from IPO fund.

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

VAT: NDSL is a 100% export oriented company. As result, enjoying VAT exempted from NBR. There is no VAT liability of the Company as on 30 June, 2016.

Customs Duty or other tax liabilities: There is no customs duty Liability of the Company as on 30 June, 2016.

Income Tax: The Company is a regular tax payer. The TIN number of the company is 463773344092/Circle-24 (Companies), Taxes Zone-2, Chittagong. Following are the details of income tax related information of the Company:

Income Year	Assessment Year	Status
2015-2016	2016-2017	Income Tax Return has been submitted and assessment is under process.
2014-2015	2015-2016	As per certificate given by DCT of Tax Circle-24(Companies), Taxes Zone-2, Chittagong, dated 22.09.2016 the Company's income tax assessment has been completed for the assessment year 2015-2016 and taxes thereon paid in full.
2013-2014	2014-2015	As per certificate given by DCT of Tax Circle-24(Companies), Taxes Zone-2, Chittagong, dated 14.05.2015 the Company's income tax assessment has been completed for the assessment year 2014-2015 and taxes thereon paid in full.
2012-2013	2013-2014	As per certificate given by DCT of Tax Circle-24(Companies), Taxes Zone-2, Chittagong, dated 13.03.2014 the Company's income tax assessment has been completed for the assessment year 2013-2014 and taxes thereon paid in full.
2011-2012	2012-2013	As per certificate given by DCT of Tax Circle-46(Companies), Taxes Zone-3, Chittagong, dated 20.01.2013 the Company's income tax assessment has been completed for the assessment year 2012-2013 and taxes thereon paid in full.
2010-2011	2011-2012	As per certificate given by DCT of Tax Circle-11(Companies), Taxes Zone-3, Chittagong, dated 09.01.2012 the Company's income tax assessment has been completed for the assessment year 2011-2012 and taxes thereon paid in full.

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

The Company has no operating lease obligation with anyone. However, the corporate office of the Company is established in a rented space under the following condition:

Address	Area (Sft)	Rent/Sft.	Period	Rent p/m (Tk.)
Sonartori Tower, 6 th Floor, 12 Sonargaon Road, Dhaka-1000.	1,000	@ Tk. 26/-	April 2014 to March 2018.	26,000/-

Loans:

Sl	Name of Bank	Sanction Amount	Purpose of Loan	Sanction Date	Expiry Date	Installment-Qtr.	Outstanding at 30 June, 2016	Mortgage /Lien
1	AB Bank Limited	504,331,000	Term Loan	19.11.2015	31.12.2019	35,695,972	572,055,738	90.00 decimals land along with building of NDSL
2	Bangladesh Development Bank Limited	192,517,000	Project Loan	16.11.2008	15.11.2013	9,625,850	-	-
3	AB Bank Limited	790,000,000	Short Term	19.11.2015	-	-	153,772,374	90.00 decimals land of NDSL
4	Agrani Bank Limited	270,000,000	Short Term	07.07.2015	-	-	72,964,146	LC Documents, Material Stock
5	Janata Bank Limited	190,000,000	Short Term	07.02.2013	-	-	46,681,810	LC & Import Documents, Machineries

NB: Apart from the above loans, the Company does not or did not have, during the period since its commencement of commercial operation any finance lease or such type of other commitment.

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

NDSL gives its employees remunerations including two festival bonuses, weekly free medical checkup, group insurance with Sonali life Insurance, WPPF and other perquisites.

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

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

Sl. No.	Particulars	Basis	Amount in BDT (approx.)	
A.	MANAGERS TO THE ISSUE FEES			3,450,000
1	Manager to the Issue fee	1% on the public offer amount or Tk. 03.00 million whichever is lower. (ICL-17 Lac, EBLIL-8 lac & CAPMAL-5 Lac.)	3,000,000	
2	VAT against Issue Management Fees	15% of issue management fees	450,000	
B.	FEES RELATED TO LISTING WITH THE STOCK EXCHANGES			4,020,000
3	Prospectus Submission Fees to DSE & CSE	Fixed	100,000	
4	DSE and CSE Annual Fee	Fixed	830,000	
5	Fees related to Listing with the stock exchanges	@ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 50 thousand maximum Tk. 1 crore for each exchanges)	2,690,000	
6	Data Transmission Fee for DSE & CSE	Fixed	400,000	
C.	BSEC FEES			1,770,000
7	Application fee	Fixed	50,000	
8	Consent fee	fee @ 0.40% on entire offer	1,720,000	
D.	IPO RELATED FEES			952,500
9	Underwriting commission (0.50%)	Commission @ 0.50% on Underwritten Amount	752,500	
10	Auditors Certification fees	At Actual	200,000	
E.	CDBL FEES AND EXPENSES			733,000
11	Security Deposit	At Actual	500,000	
12	Documentation fee	At Actual	2,500	
13	Annual fee	At Actual	100,000	
14	Connection Fee (TK. 500 per month* 12)	At Actual	6,000	
15	Initial Public Offering fee	@.015% of issue size+.015% of Pre-IPO paid up capital	124,500	
F.	PRINTING AND POST PUBLIC OFFER EXPENSES			7,729,500
16	Publication of prospectus (About 3,500 copies)	Estimated (to be paid at actual)	700,000	
17	Abridge Version of Prospectus and Notice in 4 daily news paper	Estimated (to be paid at actual)	600,000	
18	Notice for prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	250,000	

19	Lottery related expenses including BUET fee	Estimated (to be paid at actual)	800,000	
20	Data Processing and Share Software Charge	Estimated (to be paid at actual)	4,798,800	
21	Courier Expenses	Estimated (to be paid at actual)	200,000	
22	Administrative & Stationary Expense	Estimated (to be paid at actual)	380,700	
Grand Total				18,655,000

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;

Nurani Dyeing & Sweater Limited has not made any revaluation of its asset.

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

The Company 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:** 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:

SL. No.	Name of Companies	1) Date of Incorporation	2) Nature of Business	Accounting Year	3) Equity Capital	4) Reserves	5) Sales (In crore)	6) Profit After Tax (In Crore)	7) EPS & Diluted EPS	8) NAV	9) Status of Listing	10) Information Regarding Significant Adverse Factors	11) Has Become Sick or is under winding up
1	Modern Cold Storage Ltd.	28-Oct-1980	Mainly used for storage of fresh fruits and vegetables	31.03.16	11,575,000	-	70,880,576	1,063,209	9.19	(132.79)	N/A	No	No
				31.03.15	11,575,000	-	70,539,804	811,208	7.01	(141.97)			
				31.03.14	11,575,000	-	68,154,400	273,552	2.36	(151.34)			
2	Daudpur Rice Mills (Pvt) Ltd.	29-Aug-1979	Processing all kinds of rice	Not in Operation	1,800,000	-	-	-	-	100	N/A	No	No
3	Daudpur Soya Processing Ind. Ltd.	28-Jan-2004	Soya processing for poltry feed	Not in Operation	15,000,000	-	-	-	-	100	N/A	No	No
4	Nurani Knit Composit Ltd.	25-Jan-2006	Manufacturers, merchandiser and exporter of knitted garments.	Not in Operation	500,000	-	-	-	-	100	N/A	No	No

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

There were no related business transactions within the group, which have significance on the financial performance of the issuer.

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

There were no transactions of Nurani Dyeing & Sweater Limited between group companies/subsidiaries/associate companies, which exceed in value in the aggregate ten per cent of the total sales or purchases of the Company.

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

Not applicable.

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

AUDITOR'S CERTIFICATE REGARDING ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR CONSIDERATION IN CASH/OTHER THAN CASH

This is to certify that the paid-up capital of Nurani Dyeing & Sweater Limited as of March 31, 2016 was **Tk. 400,000,000** divided into **40,000,000** Ordinary Shares of **BDT 10.00** each. Details are follows:

Particulars of Allotment	Date of Allotment	Number of shares issued			Amount in taka
		Consideration in Cash	Consideration in other than Cash	Bonus	
1st (subscribe to the Memorandum & Articles of Association at the time of incorporation)	14/12/2005	50,000	-	-	500,000
2nd	31/03/2008	3,400,000	-	-	34,000,000
3rd	14/12/2008	2,850,000	-	-	28,500,000
4th	02/08/2009	630,000	-	-	6,300,000
5th	26/06/2010	1,870,000	-	-	18,700,000
6th	28/06/2014	1,200,000	-	-	12,000,000
7th	07/05/2015	30,000,000	-	-	300,000,000
Total		40,000,000			400,000,000

The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on 18th October, 2014 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

We certify that the Company has not issued any shares otherwise than for cash and the books of accounts of the Company have been verified and found in order.

Place: Dhaka
Date: July 16, 2016

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

16) 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

17) Business strategies and future plans. Projected statement of financial position, compressive statement of income and earnings per share for the next three accounting years as per the issuers own assessment;

Business Strategies

Business strategies of NDSL are as follows:

1. Maintain the buyers demand, choice, and expectation to grab the overseas market.
2. Catch up the latest fashion prevailing around the world.
3. Ensure better quality of products in competitive price.

Future plans

In persuasion of aforesaid Strategies NDSL and its experienced team have been working insistently keeping in consideration future as well. NDSL has a planned for acquisition of Machinery & Equipment, Construction and other civil works, for paying off loan by using IPO proceeds.

Projected Financial Information (PFI) for next three years;

The assumptions for these projections are as follows:

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

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	Assumption's Basis	Assumptions Years		
		30-June-17	30-June-18	30-June-19
Capacity Increase	Capacity will be increased as new machineries will be introduced.	10%	19%	0%
Capacity Utilization	Capacity utilization will be almost same.	70%	70-80%	70-80%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	18% against previous 12 months and (6.40%) against previous 15 months	13%	4%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2017. Expenses will be reduced in the year 2018 because of no IPO Expense in the year.	66% against previous 12 months and 31.53% against previous 15 months	(23%)	4%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	159,738,216	127,350,000	56,632,000
Paid up Capital Increase	Paid up Capital will be increased by Tk. 430,000,000 through IPO in FY 2016-2017.	430,000,000	0	0
Long term Loan Repayment	Tk. 118,000,000 and current portion of 2016 will be paid in 2017 and the current portion will be paid in other years.	367,512,377	55,093,251	40,055,950
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Statement of Financial Position (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	30.06.2016	30.06.2017	30.06.2018	30.06.2019
<u>Assets</u>				
Non-Current Assets	672,179,679	757,620,533	835,212,979	763,283,181
Property, Plant & Equipment	642,041,463	737,575,533	785,167,979	763,283,181
Capital Work in Progress	30,138,216	20,045,000	50,045,000	-
Current Assets	1,049,577,695	1,278,640,684	1,347,428,639	1,453,990,351
Inventory	448,952,933	464,302,860	568,164,320	591,947,819
Accounts Receivable	391,968,937	425,840,705	513,195,130	562,066,698
Advance, Deposit & Prepayments	206,021,664	213,953,135	242,141,495	276,041,304
Investments	1,871,349	7,768,154	8,544,969	10,253,963
Cash & Cash Equivalent	762,812	166,775,830	15,382,725	13,680,567
<u>Total Assets:</u>	1,721,757,374	2,036,261,217	2,182,641,618	2,217,273,532
<u>Shareholders Equity & Liabilities:</u>				
Equity and Reserve	574,885,457	1,100,459,725	1,240,188,307	1,394,598,553
Share Capital	400,000,000	830,000,000	830,000,000	830,000,000
Retained Earnings	174,885,457	270,459,725	410,188,307	564,598,553
Non-Current Liabilities	419,752,924	149,450,110	109,394,160	81,917,360
Term Loan	419,752,924	149,450,110	109,394,160	81,917,360
Current Liabilities	727,118,993	786,351,382	833,059,151	740,757,619
Current Portion of Term Loan	152,302,814	55,093,251	40,055,950	27,476,800
Accounts Payable	176,303,493	216,724,237	248,598,029	211,028,062
Short Term Loan	378,518,331	483,464,241	500,738,208	454,074,430
Liabilities For Expenses	8,955,582	10,746,699	13,970,709	15,367,779
Provision For Income Tax	11,038,773	20,322,954	29,696,255	32,810,548
<u>Total Equity & Liabilities:</u>	1,721,757,374	2,036,261,217	2,182,641,618	2,217,273,532

Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	30.06.2016 (15 months)	30.06.2017	30.06.2018	30.06.2019
Revenue	1,305,518,289	1,221,926,172	1,380,776,574	1,436,007,637
Less: Cost of Goods Sold	1,046,548,266	975,876,874	1,102,740,868	1,146,850,502
Gross Profit:	258,970,023	246,049,298	278,035,707	289,157,135
Administrative Expenses	37,427,297	52,505,583	37,574,147	39,077,113
Selling & Distribution Expenses	8,708,109	8,176,943	9,076,407	9,439,463
Profit from Operation:	212,834,617	185,366,772	231,385,153	240,640,559
Add: Other Income	233,572	545,875	625,450	625,450
Less: Financial Expenses	126,459,719	70,015,425	62,585,765	54,045,215
Net Profit Before Tax:	86,608,470	115,897,222	169,424,838	187,220,794
Less: Income Tax Expenses	15,197,357	20,322,954	29,696,255	32,810,548
Current Tax	15,197,357	20,322,954	29,696,255	32,810,548
Net Profit After Tax:	71,411,112	95,574,268	139,728,583	154,410,246
Earnings Per Share (EPS)	1.86	1.88	1.68	1.86

- Dividend is not considered.

Sd/-
Sk. Nurul Alam
 Managing Director

Sd/-
Md. Amir Hossain
 Chief Financial Officer

Sd/-
Md. Mahbub Alam Dipu
 Company Secretary

(q) 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;

Particular	Period ended	Year ended			
	30.06.2016 (15 Months)	31.03.2015 (Re-stated)	31.03.2014	31.03.2013	31.03.2012
Non-Current Assets	672,179,679	521,835,322	438,113,395	242,715,084	214,888,324
Current Asset	1,049,577,695	976,169,336	1,013,515,496	1,083,567,399	749,751,008
Shareholders' Equity	574,885,457	203,474,345	146,551,834	95,300,444	77,898,566
Long Term Bank Loans	419,752,924	393,466,256	564,491,000	87,768,565	95,900,981
Current Liabilities	727,118,993	798,064,057	625,586,056	1,028,213,474	790,839,785
Revenue	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468
Gross Profit	257,984,648	193,239,272	183,740,011	89,390,833	61,188,094
Net profit before tax	86,608,470	54,487,885	56,999,325	19,335,420	(5,828,810)
Net Profit after tax	71,411,112	44,922,511	51,251,390	17,401,878	(5,828,810)

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

Major items of income:

Particulars	Period ended	Year ended			
	30.06.2016 (15 Months)	31.03.2015 (Re-stated)	31.03.2014	31.03.2013	31.03.2012
Revenue	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468
Other Income	233,572	171,394	192,010	178,346	181,054

Major items of Expenditure:

Particulars	Period ended	Year ended			
	30.06.2016 (15 Months)	31.03.2015 (Re-stated)	31.03.2014	31.03.2013	31.03.2012
Cost of Goods Sold	1,047,533,641	788,302,863	760,465,471	533,869,177	618,026,374
Operating Expenses	45,150,031	33,308,207	28,447,947	42,934,477	21,360,719
Financial Expenses	126,459,719	105,614,574	98,484,749	27,299,282	45,837,239

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

The income and sales on account of major products or services are as follows:

Products	30.06.2016	
	Amount in Tk.	%
Yarn Dyeing	925,975,598	70.93%
Knitting	379,542,691	29.07%

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;**

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, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**

Nurani Dyeing & Sweater Limited (NDSL) sells its finished products to foreign buyers (Directly and indirectly). Following are the major customers of the Company:

Sl.	Name & Address	Telephone, Web Address, E-mail & Fax Number	Total sales amount	% of total sales
1	Nexus Sweater Ind. (Pvt.) Ltd. <i>Chowdhury Bari Road, Vogra, Nexus Tower, Joydebpur, Gazipur-1700.</i>	Tel: +88-02-9294374, +88-02-9294357 Web: www.nexuswearer.com E-mail: info@nexuswearer.com Fax: +88-02-9257590	199,559,791	15.29%
2	Asif Apparels Ltd. <i>House No. # 32, Road No. # 11, Sector # 4, Uttara, Dhaka-1230.</i>	Tel: +88-02-8922216 E-mail: asif@bdmail.net Fax: +88-02-8921194	163,887,732	15.83%

- 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.

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

Particular	Amount In Taka				
	30.06.2016 (15 Months)	31.03.2015 (Re-stated)	31.03.2014	31.03.2013	31.03.2012
Revenue	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468
Less: Cost of Goods Sold	1,047,533,641	788,302,863	760,465,471	533,869,177	618,026,374
Gross Profit	257,984,648	193,239,272	183,740,011	89,390,833	61,188,094
Less: Operating Expenses	45,150,031	33,308,207	28,447,947	42,934,477	21,360,719
Profit from Operation	212,834,617	159,931,064	155,292,064	46,456,356	39,827,375
Less: Financial Expenses	126,459,719	105,614,574	98,484,749	27,299,282	45,837,239
Add: Other Income	233,572	171,394	192,010	178,346	181,054
Net Profit before Tax	86,608,470	54,487,885	56,999,325	19,335,420	(5,828,810)
Less: Current Tax	15,197,357	9,565,374	5,747,935	1,933,542	-
Net Profit after Tax	71,411,112	44,922,511	51,251,390	17,401,878	(5,828,810)

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

In the last few years, production capacity has been increased by installation of new machinery. As a result significant revenue has been increased in the year 2016.

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

The is no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

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

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

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

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

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

- i. Political unrest
- ii. Natural disaster

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

We are aware of the fact that future is always uncertain that affect business and plan as well. So in 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.

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

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 around 12 percent on an average for the next 3 years.

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

The RMG business in Bangladesh started in the late 70s with merely a casual effort. The first consignment of knitwear export was made in 1973 while the first shipment of woven was made in 1977. In 1981-82 the contribution of woven garments to total exports was about 1.10% whereas the agro-based the then economy received much of her foreign earnings from Jute & Jute products famously known as the Golden Fiber. But with the passage of time from agrarian to manufacturing transformation Bangladesh developed significantly in areas of poverty alleviation, employment, women empowerment, industrial growth and economic diversification - thanks solely to labor intensive RMG sector. In fact, from fiscal year 2007-08 Bangladesh knitwear continues to capture lion's share in national exports (39.93% in FY 2013-14) what was slightly 7.64% in the two decades back, thereby slanting the economy towards knit garments.

[Source: BKMEA website]

- 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.**

NDSL supplies its products to its regular buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of NDSL.

- (s) **Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc.**

The Company did not reschedule of its borrowing with financial institutions/banks.

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

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

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

There was no injunction or restraining order.

- (v) **Technology, market, managerial competence and capacity built-up;**

Nurani Dyeing & Sweater Limited has been using modern machineries and technologies (Cabinet and Spray Hang Yarn Dyeing Machine for dyeing and Computerized Juckred Knitting Machine for Knitting) in order to produce high quality of dyed yarn, knitted various types of sweater. It helps the Company to be competitive over the competitors in the market because of latest machineries and technologies.

- (w) **Changes in accounting policies in the last three years;**

The management of the Company has not change any accounting policies in the last three years.

- (x) **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;**

A statement by the directors:

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

Sd/-
Mrs. Rehana Alam
Chairman & Director

Sd/-
Sk. Nurul Alam
Managing Director & Director

Sd/-
Sk. Nur Mohammed Azger
Director

Sd/-
Bibi Hajera
Director
(Nominee of Daudpur Rice Mills (Pvt) Ltd.)

Sd/-
Md. Anwarul Hoque
Independent Director

- (y) **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;**

Unaudited half year ended financial statement as on July 1, 2016 to December 31, 2016 have been incorporated in the prospectus (Page no. 220-241).

- (z) **Factors that may affect the results of operations.**

There are no such factors that may affect the results of operations.

CHAPTER (VII): MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

(a) Overview of business and strategies:

Overview of business:

Nurani Dyeing & Sweater Limited (NDSL) is a Dyeing and Sweater manufacturers in Bangladesh. NDSL is a 100% export oriented Sweater industry as well as deemed exporter and Dyeing Yarn for use in the export of sweater industries. NDSL has earned a reputation as a successful Dyeing and Sweater manufacturer over the last few years by manufacturing quality products and achieving satisfactory revenue especially from export.

NDSL was incorporated as a Private Limited company on 14th December, 2005 and subsequently converted into a public limited company on 7th December, 2014 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Chittagong, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is CH- 5656 of 2005. The Company started its commercial operation on February 05, 2009. The Company runs the business of 100% export oriented Sweater industries to carry out business of dyeing of yarn, knitting of various types of sweater.

Strategies:

Business strategies of NDSL are as follows:

1. Maintain the buyers demand, choice, and expectation to grab the overseas market.
2. Catch up the latest fashion prevailing around the world.
3. Ensure better quality of products in competitive price.

(b) SWOT ANALYSIS:

Strengths:

1. **Strong Management:** The company has good management to run the company efficiently.
2. **Product line variety:** The Company's product line has variety. The company exports Yarn and Sweater as well. So there is product variety.
3. **Modern Machineries:** We have been using modern machineries that increase our productivity.
4. **Strong distribution channels:** We have very strong distribution channels through which we can smoothly supply our products.

Weaknesses:

1. **Lack of skilled workers:** We have plenty of manpower in the industry. It is good for our business. However, they are mostly unskilled comparing to other competitive countries.

Opportunity:

1. **Government policy favoring the industry:** Since Textile is the leading sector of export earning wing, Government is fully devoted to extend its cooperation so that garments industry can flourish over the years. It is now expected to earn 50 billion US dollar by 2021.
2. **Easy Bank Loan:** Banks are helpful in providing short term finance so that companies can meet up their working capital.
3. **Cheap Labor:** Our industry is labor-intensive and cheap labor has huge advantage for cost minimizing that helps us competitive edge over our competitor.
4. **Tax incentives:** Government is very helpful by providing tax benefit.

Threat:

1. **Intense Competition:** There is rivalry among the competitors to get the market share as maximum as possible.
2. **International Market Demand:** We are 100% exporter and we could be affected by the international market demand
3. **Political Unrest:** In our country we have to experience with political unrest.
4. **Lack of Power Supply:** We have power supply shortage in our country. For business expansion we need continuous power supply such as gas and electricity to run our operation smoothly.
5. **Exchange Rate Fluctuation:** Now taka is stronger against dollar and it is stable for past few years because of good initiatives by the central Bank.

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

Particular	30.06.2016 (15 Months)	31.03.2015 (Re-stated)	31.03.2014	31.03.2013	31.03.2012
Revenue	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468
Others Income	233,572	171,394	192,010	178,346	181,054
Total Income	1,305,751,861	981,713,529	944,397,492	623,438,356	679,395,522
Cost of Materials	883,263,420	652,427,395	630,261,473	528,481,293	523,923,416
Finance Cost	126,459,719	105,614,574	98,484,749	27,299,282	45,837,239
Depreciation Expense	52,762,857	40,184,826	21,167,530	27,449,324	27,413,718
Amortization Expense	-	-	-	-	-
Others Expense	-	-	-	-	-
Changes of Inventories	11,996,197	545,237	(176,466,706)	255,328,950	137,558,936
Net Profit Before Tax	86,608,470	54,487,885	56,999,325	19,335,420	(5,828,810)
Net Profit After Tax	71,411,112	44,922,511	51,251,390	17,401,878	(5,828,810)
EPS	1.86	4.63	5.82	1.98	(0.66)

Reason of Fluctuation:**Revenue:**

The company installed modern machineries in last four years in order to increase production capacity. As a result, production increased as well as turnover increased except for the year 2013 due to political unrest and rescission in world economy. Through installation of new different types of modern machineries, the company has been able to produce different design of products as well as to create the market of new products. So increase of turnover of the company is relevant.

Other Income:

Other income has been generated from interest of FDR.

Total Income:

Since Revenue is increased, so naturally total income has increased except for the year 2013 due to political unrest and rescission in world economy.

Cost of Materials:

We think the costs of materials to revenue are consistent over the years.

Finance Cost and Bank Charge:

We have taken long term loan from bank in last five years for importing new machineries and construction of building. We also availed various short term loan facilities from bank. So the finance cost and bank charge increased and the trend is relevant to the production and also consistent with the revenue.

Depreciation and Amortization:

We have increased our capacity installing new machineries, build up factory building and other assets. So depreciation has been charged / increased accordingly.

The company did not amortize any of its capital expenditure during the last five years.

Other Expenses:

The company did not incur any other expenses other than regular expenses during the last five years

Changes of inventory:

There has been increasing of installed capacity and sales volume over the year. The demand for our products is also increasing. So, we have to maintain sufficient amount of inventory in order to meet the sales order. Thus inventory is increasing year to year.

Net profit before and after Tax and Earnings per Share

We think that the growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last five years on the above matters.

Earnings per Share are properly calculated through using 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:

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

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

- i. Political unrest
- ii. Natural disaster

(e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

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

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

CHAPTER (VIII): DIRECTORS AND OFFICERS

- (a) Name, Father's Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:

Sl.	Name, Father's Name, Age, Experience, Position & Nomination Period		Residential Address	Educational Qualification
1	Name & Position:	Sk. Nurul Alam, Managing Director	50/B Shanta Garden, Flat: 8AB, New Eskaton Road, Bangla Motor, Dhaka.	B. Sc.
	Father's Name	Late Al-Haj Shamsuddin		
	Age:	63 Yrs.		
	Experience:	43 Yrs.		
	Nomination Period:	N/A		
2	Name & Position:	Mrs. Rehana Alam, Chairman	50/B Shanta Garden, Flat: 8AB, New Eskaton Road, Bangla Motor, Dhaka.	HSC
	Father's Name	Late Al-Haj Nadu Miah		
	Age:	59 Yrs.		
	Experience:	25 Yrs.		
	Nomination Period:	N/A		
3	Name & Position:	Sk. Nur Mohammed Azger, Director	50/B Shanta Garden, Flat: 8AB, New Eskaton Road, Bangla Motor, Dhaka.	BBA
	Father's Name	Sk. Nurul Alam		
	Age:	29 Yrs.		
	Experience:	10 Yrs.		
	Nomination Period:	N/A		
4	Name & Position:	Bibi Hajera (Representative of Daudpur Rice Mills (Pvt) Ltd.), Director	House: 144, Shantinagar, Dhaka.	BBA
	Father's Name	Sk. Nurul Alam		
	Age:	33 Yrs.		
	Experience:	2 Yrs.		
	Nomination Period:	3 Yrs.		
5	Name & Position:	Md. Anwarul Hoque, Independent Director	House: 122, Malibagh, Dhaka	DiplomaTextile Engineering
	Father's Name	Late Dr. Abdul Hoque		
	Age:	72 Yrs.		
	Experience:	42 Yrs.		
	Nomination Period:	3 Years		

(b) **Date of first Directorship and Expiry of Current Tenure of the directors:**

Name of the Director	Position	Date of First Directorship	Date of Expiration of Current Term
Sk. Nurul Alam	MD & Director	13-Dec-2005	11 th AGM in 2016
Mrs. Rehana Alam	Chairman	13-Dec-2005	11 th AGM in 2016
Sk. Nur Mohammed Azger	Director & Chief Operating Officer	13-Dec-2005	12 th AGM in 2017
Bibi Hajera (Representative of Daudpur Rice Mills (Pvt) Ltd.)	Director	7-May-2015	13 th AGM in 2018
Md. Anwarul Hoque	Independent Director	17-May-2016	14 th AGM in 2019

(c) **Name of Interest and Involvement in other business/organization of directors:**

Name & Designation in NDSL	Directorship/Ownership with other companies	Position
Sk. Nurul Alam Managing Director & Director	Nurani Knit Composite Ltd.	MD
	Daudpur Soya Processing Ind. Ltd.	Chairman & MD
	Daudpur Rice Mills (Pvt) Ltd.	Chairman & MD
	Modern Cold Storage Ltd.	Chairman & MD
Mrs. Rehana Alam Chairman	Nurani Knit Composite Ltd.	Chairman
	Modern Cold Storage Ltd.	Director
	Daudpur Soya Processing Ind. Ltd.	Director
	Daudpur Rice Mills (Pvt) Ltd.	Director
Sk. Nur Mohammed Azger Director	Nurani Knit Composite Ltd.	Director
Bibi Hajera (Representative of Daudpur Rice Mills (Pvt) Ltd.) Director	-	-
Md. Anwarul Hoque Independent Director	-	-

* NB: Managing Director is also Managing Director of 4 (Four) other Companies, which all are Private Limited Company.

(d) **Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance:**

None of the Directors are involved in securities market and not involved with other listed securities during last three years.

- (c) **Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:**

i. Family relationship among directors

SL	Name	Designation	Relationships
1	Sk. Nurul Alam	Director & MD	Husband of Mrs. Rehana Alam (Chairman)
2	Mrs. Rehana Alam	Director & Chairman	Wife of Sk. Nurul Alam (Managing Director)
3	Sk. Nur Mohammed Azger	Director & Chief Operating Officer	Son of Sk. Nurul Alam (Managing Director) and Mrs. Rehana Alam (Chairman)
4	Bibi Hajera	Director (Nominee of Daudpur Rice Mills Pvt. Ltd.)	Daughter of Sk. Nurul Alam (Managing Director) and Mrs. Rehana Alam (Chairman)

ii. Family relationship among directors and top five officers of the company:

There is no family relationship exist between directors and top five management officers.

- (f) **Brief description of other businesses of the directors:**

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity Capital
1	Daudpur Rice Mills (Pvt) Ltd.	29-Aug-1979	Processing all kinds of rice	Private Limited Company	1,800,000
2	Daudpur Soya Processing Ind. Ltd.	28-Jan-2004	Soya processing for poltry feed		15,000,000
3	Nurani Knit Composit Ltd.	25-Jan-2006	Manufacturers, merchandiser and exporter of knitted garments.		500,000
4	Modern Cold Storage Ltd.	28-Oct-1980	Mainly used for storage of fresh fruits and vegetables		11,575,000

- (g) **Short bio-data of each director:**

Rehana Alam, *Chairman*

Mrs. Rehana Alam is the Chairman of the Company and the wife of Mr. Sk. Nurul Alam, Managing Director of the Company. Mrs Alam has been associated herself with the business world for the last few years and taken interest in the business. She is also the Chairman of Nurani Knit Composite Limited. She is the director of M/S Modern Cold Storage Limited. She has travelled USA, UK, Singapore, Bangkok, Srilanka, Malaysia, India, China and many other counties for business purposes.

Sk. Nurul Alam, *Managing Director*

Mr. Sk. Nurul Alam is the sponsor and Managing Director of the Company. He is also the Managing Director of Nurani Knit Composite Limited and Chairman & Managing Director of Daudpur Rice Mills (Pvt.) Limited, Daudpur Soya Processing Ind. Limited and M/S Modern Cold Storage Limited. He is graduated from Science and widely traveled, dynamic business person and man of means who has wide experience in trade and industry.

Mr. Alam is a matured entrepreneur and business man entered into the real man of business horizon after graduation and continues his uninterrupted success in setting up and managing the agro-based industry and other business. He has travelled many countries to develop the business.

Sk. Nur Mohammed Azger, *Director*

Sk. Nur Mohammed Azger is a Director of Nurani Dyeing & Sweater Limited born in 1986; He is the son of Sk. Nurul Alam, Managing Director and Rehana Alam, Chairman of Nurani Dyeing and Sweater Limited. He has completed his BBA degree from North South University, Dhaka. He is also a Director of Nurani Knit Composite Limited. He is a member of BGMEA, BKMEA, FCCI (Feni Chamber of Commerce and Industry) and Chittagong Boat Club.

Bibi Hajera, *Nominee Director*

Bibi Hajera, Nominee of Daudpur Rice Mills (Pvt.) Limited was born in 1982. She is the 1st daughter of Sk. Nurul Alam, Managing Director and Rehana Alam, Chairman of Nurani Dyeing and Sweater Limited. She has completed her BBA from North South University at 2006.

Md. Anwarul Hoque, *Independent Director*

Mr. Md. Anwarul Haque has been appointed as Independent Director of Nurani Dyeing & Sweater Ltd. He has huge experience in the field of Textile. Mr. Md. Anwarul Haque completed Textile Engineering in 1966 from East Pakistan Textile Institute. He served as the Manager (Textile) in the then East Pakistan Small Industries Corporation for around eight years. He had received many training at home and abroad. He had served in different top position in different companies in his service life. Now he is still in the service to Textile Industry.

(h) Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Information received from schedule Bank and Financial Institution has been updated up to November 2016. As per updated CIB database, there is “Stay Order” by the honorable High Court on the credit information of Nurani Dyeing & Sweater Limited and its four Directors out of five Directors. Remaining Director’s name was not found in the CIB database as Director of Nurani Dyeing & Sweater Limited. However, he is not loan defaulter.

- (i) Name, 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:

Sl.	Name	Position	Educational Qualification	Age	Date of Joining	Overall experience	Previous Employment	Salary Paid for the Financial Year
1.	Sk. Nurul Alam	Managing Director	B.Sc.	63	13-Dec-05	43	-	-
2.	Sk. Nur Mohammed Azger	Chief Operating Officer	BBA	29	13-Dec-05	10	-	890,000
3.	Md. Amir Hossain	Chief Financial Officer	M.Com. (Finance)	66	20-Dec-05	30	Bangladesh Development Bank Limited	600,000
4	Md. Mahbub Alam Dipu	Company Secretary	M.Com, MBA, CA	41	1-Dec-13	17	GM Group, Noyakhali Science and Technology University, Raj Kamal Corp.	780,000
6	Abdul Awal	Director-Factory	M.A	58	1-Nov-15	25	Sunman Group, Premier Sweater	750,000
7	Saiful Islam	General Manager-Marketing	M.S.C	52	1-Nov-15	22	K. Ali Dyeing & Finishing Ind. Ltd, ML Dyeing Ltd. Dong Bang Textiles Ltd.	650,000
8	Barrister Arafat Rahman	Legal Adviser	Bar at Law	45	1-Jan-2013	15	-	480,000

The Company has no permanent consultant.

- (j) **Changes in the key management persons during the last three years:**

No other changes in the key management persons during the last three years except Bibi Hajera (Representative of Daudpur Rice Mills (Pvt) Ltd.), Md. Anwarul Hoque (Independent Director), Abdul Awal (Director-Factory) and Saiful Islam (General Manager- Marketing) are include in key management.

- (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:

Sl.	Name, Father's Name, Age, Experience		Personal Address	Educational Qualification	Position/Post		Holding in other Venture
					Past	Present	
1	Name:	Sk. Nurul Alam, <i>Managing Director</i>	50/B Shanta Garden, Flat: 8AB, New Eskaton Road, Bangla Motor, Dhaka.	B. Sc.	Managing Director & Director	Managing Director & Director	Nurani Knit Composite Ltd.
	Father's Name:	Late Al-Haj Shamsuddin					Daudpur Soya Processing Ind. Ltd.
	Age:	63 Yrs.					Daudpur Rice Mills (Pvt) Ltd.
	Experience:	43 Yrs.					Modern Cold Storage Ltd.
2	Name:	Mrs. Rehana Alam, <i>Chairman</i>	50/B Shanta Garden, Flat: 8AB, New Eskaton Road, Bangla Motor, Dhaka.	HSC	Chairman	Chairman	Nurani Knit Composite Ltd.
	Father's Name:	Late Al-Haj Nadu Miah					Modern Cold Storage Ltd.
	Age:	59 Yrs.					Daudpur Soya Processing Ind. Ltd.
	Experience:	25 Yrs.					Daudpur Rice Mills (Pvt) Ltd.
3	Name:	Sk. Nur Mohammed Azger, <i>Director</i>	50/B Shanta Garden, Flat: 8AB, New Eskaton Road, Bangla Motor, Dhaka.	BBA	Director	Director	Nurani Knit Composite Ltd.
	Father's Name:	Sk. Nurul Alam					
	Age:	29 Yrs.					
	Experience:	10 Yrs.					

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

No other Director except Bibi Hajera and Md. Anwarul Hoque:

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Bibi Hajera Nominee of Daudpur Rice Mills Pvt. Limited	7-May-2015	14-Dec-2008	N/A	Cash
Md. Anwarul Hoque (Independent Director)	17-May-2016	-	-	-

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

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 with the key management persons except remuneration received by Sk. Nur Mohammed Azger, 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 is already disclosed in above point of the Prospectus.

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

Sl.	Name of Directors	Position	No of Shares Held	% of Holdings
1	Sk. Nurul Alam	Managing Director	8,540,000	21.35%
2	Mrs. Rehana Alam	Chairman	7,500,000	18.75%
3	Sk. Nur Mohammed Azger	Director	2,310,000	5.78%
4	Bibi Hajera Nominee of Daudpur Rice Mills (Pvt) Ltd.	Director	13,000,000	32.50%
5	Md. Anwarul Hoque	Independent Director	-	-
Total			31,350,000	78.38%

- (q) **Change in board of directors during last three years:**

Sl.	Name of the Directors	Date of Joining	Date of retirement	Present Status as on 31.05.2016
1	Daudpur Rice Mills Pvt. Limited (Represented by Bibi Hajera)	May 07, 2015	Continuing	Director
2	Md. Anwarul Hoque	May 17, 2016	Continuing	Independent Director

- (r) **Director's engagement with similar business:**

None of the Directors are involve with similar business.

CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) TO WHOM IT MAY CONCERN

This is to certify that the Financial Statements of Nurani Dyeing & Sweater 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 the transactions described in the following table:

A: Director Remuneration

Name	Amount in (BDT)					
	Position	Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Nur Mohammad Azger	Director	1,112,500	890,000	890,000	840,000	389,600

B: Board Meeting Fee

Name	Amount in (BDT)					
	Position	Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Nur Mohammad Azger	Director	-	-	-	-	36,000

C: Other Transactions

Name	Amount in (BDT)					
	Nature of Transaction	Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Nur Mohammad Azger (Director)	Loan paid / (refund)	-	(5,500,000)	5,500,000	-	-

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

- (b) There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a).
- (c) No such loan was taken or given from or to Directors or any person connected with the Directors of Nurani Dyeing & Sweater Limited, Except Nur Mohammad Azger (Director).

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:

SL	Name	Designation	Remuneration/salaries (Tk.)	
			For the period ended 30.06.2016 (3 Months)	For the year ended 31.03.2016
1	Sk. Nur Mohammed Azger	Chief Operating Officer	222,500	890,000
2	Abdul Awal	Director-Factory	187,500	750,000
3	Md. Amir Hossain	Chief Financial Officer	150,000	600,000
4	Md. Mahbub Alam Dipu	Company Secretary	195,000	780,000
5	Saiful Islam	General Manager-Marketing	240,000	960,000

* Abdul Awal has joined in NDSL on November 01, 2015.

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

SL.	Name	Amount (in Taka)	
		For the period ended 30.06.2016 (3 Months)	For the year ended 31.03.2016
1	Remuneration of Directors	222,500	890,000
2	Salary and Allowances	15,947,289	63,912,715

- (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:

Mr. Sk. Nur Mohammed Azger, Director (COO) is receiving Tk. 890,000.00 per year for his services rendered to the Company. The above said remuneration was approved in the EGM dated March 07, 2013.

- (d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM:

The board meeting attendance fees did not receive by the director including the managing director which was approved in the EGM dated March 07, 2013.

- (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 annual increment to their salaries.

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

No other benefit/facility provided to the above persons during the last accounting year.

CHAPTER (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

Nurani Dyeing & Sweater Limited did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

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;**

Benefits from the Company during last five years:

The Directors and subscribers to the memorandum of association have not received any benefits except remuneration and board meeting fees received by Sk. Nur Mohammed Azger directly or indirectly and share money deposited during the last five years. Mentionable here that, Sk. Nur Mohammed Azger take a loan from the company in 2014 and subsequently refund to the company in 2015.

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

Directors and Subscribers' Assets to the Company:

Directors and subscribers to the memorandum have not transferred any asset to the Company. Besides, the issuer Company has not received any assets or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

CHAPTER (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES

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

Sl.	Name of Shareholder	Address	BO IDs	No. of Shares held	Percentage (%)
					Pre-IPO
1	Sk. Nurul Alam	Ukilpara, Feni, Bangladesh	1203120061055149	8,540,000	21.35%
2	Mrs. Rehana Alam	Ukilpara, Feni, Bangladesh	1203120061051413	7,500,000	18.75%
3	Sk. Nur Mohammed Azger	Ukilpara, Feni, Bangladesh	1203120061057014	2,310,000	5.78%
4	Daudpur Rice Mills (Pvt) Ltd.	51, Trunk Road, Feni bangladesh	1203120061073583	13,000,000	32.50%
5	Daudpur Soya Processing Ind. Ltd.	51, Trunk Road, Feni bangladesh	1203120061073714	1,040,000	2.60%
6	Fatema Hyder	Ukilpara, Feni, Bangladesh	1203120061074339	95,000	0.24%
7	Bibi Khodeza	Ukilpara, Feni, Bangladesh	1203120061052931	95,000	0.24%
8	Bibi Sabura Masud	Ukilpara, Feni, Bangladesh	1203120061074213	95,000	0.24%
9	Bibi Hajera	Ukilpara, Feni, Bangladesh	1203120061054575	95,000	0.24%
10	Bibi Ayesha	Ukilpara, Feni, Bangladesh	1203120061055462	95,000	0.24%
11	Anika Jahan Chowdhury	Ukilpara, Feni, Bangladesh	1203120061053653	95,000	0.24%
12	Modern Cold Storage Ltd.	304, Sk, Mojib Road, Agrabad, Chittagong, Bangladesh	1203120061073773	1,930,000	4.83%
13	Nurani Knit Composit Ltd.	304, Sk, Mojib Road, Agrabad, Chittagong, Bangladesh	1203120061073730	1,360,000	3.40%
14	Md. Kabiruddin Ahmed	H # Sikder Bari, Vill# Horipur, PO # Majigacha, Kochuya, Chandpur.	1203040061488925	1,000,000	2.50%
15	Md. Zahir Ahmed	26, Flat # B-1, (1 st floor), New easkaton, Dhaka.	1205060048563494	100,000	0.25%
16	SM Al Jubayer Ahmed	22, Doktor Gole, Malibagh, Dhaka-1361	1203040062626201	100,000	0.25%
17	Sabrina Shabnam Rabbi	Apt# A/1, H# 52, R#14, Niketon, Dhaka.	1203040061467689	100,000	0.25%
18	Mohammad Sharear Farid	H # B-6/F-4, Darus Salam Road, Mirpur, Dhaka.	1201960062451642	100,000	0.25%
19	Gopal Chandra Saha	122 Malibag, Dhaka.	1605550060748687	100,000	0.25%
20	Asif Iqbal Chowdhury	H3B-58/F-5, AGB Colony, Motijheel, Dhaka.	1605550059758671	750,000	1.88%
21	Md. Siddiquir Rahman	House: 05, Road :04, Flat: C2, Sector-6, Uttara, Dhaka.	1604630050304882	500,000	1.25%
22	Runa kashem	House: 38, Road:02, Suganda R/A, Pachlish, Ctg.	1204750014332193	250,000	0.63%
23	Afsaruzzaman	House: 38, Road:02, Suganda R/A, Pachlish, Ctg.	1204750000116935	250,000	0.63%
24	Ferdous Sanjida	House:03, Block-A, Road: 06, Sec=11, Mirpur Dhaka	1205590052950331	500,000	1.25%
Total				40,000,000	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.	Name of Director, Address, Age, Experience, BO ID & TIN No.		No. of Shares	% Pre-IPO	Position held in other Companies	
					Other Companies	Position
1	Name:	Sk. Nurul Alam, Managing Director	8,540,000	21.35%		
	Address:	Ukilpara, Feni, Bangladesh			Nurani Knit Composite Ltd.	MD
	Age:	67 Yrs.			Daudpur Soya Processing Ind. Ltd.	Chairman & MD
	Experience:	43 Yrs.			Daudpur Rice Mills (Pvt) Ltd.	Chairman & MD
	BO ID:	1203120061055149			Modern cold Storage Ltd.	Chairman & MD
	TIN No.:	180191425232				
2	Name:	Mrs. Rehana Alam, Chairman	7,500,000	18.75%		
	Address:	Ukilpara, Feni, Bangladesh			Nurani Knit Composite Ltd.	Chairman
	Age:	59 Yrs.			Modern cold Storage Ltd.	Director
	Experience:	25 Yrs.			Daudpur Soya Processing Ind. Ltd.	Director
	BO ID:	1203120061051410			Daudpur Rice Mills (Pvt) Ltd.	Director
	TIN No.:	145941548695				
3	Name:	Sk. Nur Mohammed Azger, Director	2,310,000	5.78%		
	Address:	Ukilpara, Feni, Bangladesh				
	Age:	29 Yrs.			Nurani Knit Composite Ltd.	Director
	Experience:	10 Yrs.				
	BO ID:	1203120061057014				
	TIN No.:	154871231696				
4	Name:	Bibi Hajera (Representative of Daudpur Rice Mills (Pvt) Ltd.), Director	13,000,000	32.50%	-	-
	Address:	51, Trunk Road, Feni, Bangladesh				
	Age:	33 Yrs.				
	Experience:	2 Yrs.				
	BO ID:	1203120061073583				
	TIN No.:	270299906149				
5	Name:	Md. Anwarul Hoque, Independent Director	-	0.00%		
	Address:					
	Age:	72 Yrs.				
	Experience:	42 Yrs.				
	BO ID:	-				
	TIN No.:	651354161349				

c) The average cost of acquisition of equity shares by the directors certified by the auditors:

To Whom It May Concern

Nurani Dyeing & Sweater Limited has been allotted in face value & in cash 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/Transfer	Sk. Nurul Alam	Mrs. Rehana Alam	Sk. Nur Mohammed Azger	Bibi Hajera (Representative of Daudpur Rice Mills (Pvt) Ltd.)	Md. Anwarul Hoque	Consideration	Face value of Share (Tk.)
14-Dec-05	20,000	20,000	10,000	-	-	Cash	10.00
31-Mar-08	500,000	700,000	200,000	2,000,000	-		
14-Dec-08	750,000	600,000	-	550,000	-		
2-Aug-09	-	630,000	-	-	-		
26-Jun-10	670,000	200,000	1,000,000	-	-		
28-Jun-14	600,000	450,000	150,000	-	-		
25-Sep-14 (Transfer)	-	-	-	(50,000)	-		
7-May-15	6,000,000	4,900,000	950,000	12,750,000	-		
12-Jul-15 (Transfer)	-	-	-	(2,250,000)	-		
Total	8,540,000	7,500,000	2,310,000	13,000,000	-		

The Company split its share from Tk. 100.00 to Tk. 10.00 on October 18, 2014.

Place: Dhaka
Dated: July 16, 2016

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

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

Sk. Nurul Alam, 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
14-Dec-05	Cash	Ordinary Share	20,000	10.00	10.00	20,000	21.35%	10.29%	Own Source
31-Mar-08			500,000			520,000			
14-Dec-08			750,000			1,270,000			
26-Jun-10			670,000			1,940,000			
28-Jun-14			600,000			2,540,000			
7-May-15			6,000,000			8,540,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on October 18, 2014.

Mrs. Rehana Alam, 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
14-Dec-05	Cash	Ordinary Share	20,000	10.00	10.00	20,000	18.75%	9.04%	Own Source
31-Mar-08			700,000			720,000			
14-Dec-08			600,000			1,320,000			
2-Aug-09			630,000			1,950,000			
26-Jun-10			200,000			2,150,000			
28-Jun-14			450,000			2,600,000			
7-May-15			4,900,000			7,500,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on October 18, 2014.

Sk. Nur Mohammed Azger, 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
14-Dec-05	Cash	Ordinary Share	10,000	10.00	10.00	10,000	5.78%	2.78%	Own Source
31-Mar-08			200,000			210,000			
26-Jun-10			1,000,000			1,210,000			
28-Jun-14			150,000			1,360,000			
7-May-15			950,000			2,310,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on October 18, 2014.

Bibi Hajera (Representative of Daudpur Rice Mills (Pvt) 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
31-Mar-08	Cash	Ordinary Share	2,000,000	10.00	10.00	2,000,000	32.50%	15.66%	Own Source
14-Dec-08			550,000			2,550,000			
25-Sep-14 (Transfer)			(50,000)			2,500,000			
7-May-15			12,750,000			15,250,000			
12-Jul-15 (Transfer)			(2,250,000)			13,000,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on October 18, 2014.

Md. Anwarul Hoque, Independent 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
-	-	-	-	-	-	-	-	-	-

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

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

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

Date of Allotment/Transfer	Sk. Nurul Alam	Mrs. Rehana Alam	Sk. Nur Mohammed Azger	Bibi Hajera (Representative of Daudpur Rice Mills (Pvt) Ltd.)
14-Dec-05	20,000	20,000	10,000	-
31-Mar-08	500,000	700,000	200,000	2,000,000
14-Dec-08	750,000	600,000	-	550,000
2-Aug-09	-	630,000	-	-
26-Jun-10	670,000	200,000	1,000,000	-
28-Jun-14	600,000	450,000	150,000	-
25-Sep-14 (Transfer)	-	-	-	(50,000)
7-May-15	6,000,000	4,900,000	950,000	12,750,000
12-Jul-15 (Transfer)	-	-	-	(2,250,000)
Total	8,540,000	7,500,000	2,310,000	13,000,000

CHAPTER (XIV): CORPORATE GOVERNANCE

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

The Company declares that it has been 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/-

Sk. Nurul Alam

Managing Director

b) **A compliance report of Corporate Governance requirements certified by competent authority;**

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE

OF

NURANI DYEING & SWEATER LIMITED

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Nurani Dyeing & Sweater Limited** for the year ended 31 March 2016. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

Place: Dhaka.

Date: July 16, 2016

Sd/-

Mazumdar Sikder and Associates

Cost & Management Accountants

Compliance Report on BSEC's Notification

Nurani Dyeing & Sweater Limited

Status of Compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report Under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put $\checkmark$ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.0	Board of Directors			
1.1	Board's Size			
	The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty)	$\checkmark$		
1.2	Independent Directors			
1.2(i)	At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.	$\checkmark$		Appointment date of Independent Director 17.05.2016
1.2 (ii) a)	Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	$\checkmark$		
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	$\checkmark$		
1.2 (ii) c)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	$\checkmark$		
1.2 (ii) d)	Independent Director who is not a member, director or officer of any stock exchange;	$\checkmark$		
1.2 (ii) e)	Independent Director who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	$\checkmark$		
1.2 (ii) f)	Independent Director who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	$\checkmark$		
1.2 (ii) g)	Independent Director shall not be an independent director in more than 3 (three) listed companies;	$\checkmark$		
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a	$\checkmark$		

	Non-Bank Financial Institution (NBFI);			
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (iii)	Independent director shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	√		An Independent Director has been appointed by board of Director on 17.05.2016 and will be placed for approval by shareholders in the next AGM
1.2 (iv)	The post of independent director 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 director shall be for a period of 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 meaningful contribution to business;	√		
1.3 (ii)	The independent director should be a Business Leader/Corporate Leader /Bureaucrat /University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporate engagement/professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;	-	-	N/A
1.4	Chairman of the Board and Chief Executive Officer			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	The Directors' Report to Shareholders			
	The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 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)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	-	-	N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	-	-	N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	-	-	N/A
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	-	-	N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		Due to business expansion dividend has not declared

1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares held by:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1.5 (xxii) a)	A brief resume of the director	√		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	√		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	Appointment			
	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO , the Head of internal Audit and the CS.	√		
2.2	Requirement to attend the Board Meetings			
	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 of their personal matters.	√		
3.0	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 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 Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3.1 (ii)	The Board of Directors shall appoint members	√		

	of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.			
3.1 (iii)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	-	-	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)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee shall include the following:			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing	-	-	N/A

	expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			
3.4	Reporting to the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1(ii)	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;	-	-	There was no such issue
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	-	-	There was no such issue
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations; and	-	-	There was no such issue
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	-	-	There was no such issue
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.	-	-	There was no such issue
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
4.0	External/Statutory Auditors.			
4 (i)	Non-engagement in Appraisal or valuation services or fairness opinions	√		
4 (ii)	Non-engagement in designing and implementation of Financial Information System	√		
4 (iii)	Non-engagement Book-keeping or accounting	√		
4 (iv)	Non-engagement Broker-dealer services	√		
4 (v)	Non-engagement in Actuarial services	√		
4 (vi)	Non-engagement in Internal audit services	√		
4 (vii)	Non-engagement in any other service determined by the Audit Committee	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company	√		

	they audit at least during the tenure of their audit assignment of that company.			
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	√		
5.0	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 on the Board of Directors of the subsidiary company.	-	-	N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	-	-	N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	-	-	N/A
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
6.0	Duties of Chief Executive Officer (CEO)& Chief Financial Officer (CFO)			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	√		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7.0	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	√		

- 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
• Md. Anwarul Hoque (Independent Director) Chairman of the Committee • Sk. Nurul Alam • Sk. Nur Mohammed Azger • Md. Mahbub Alam Dipu	• Mrs. Rehana Alam-Chairman of the Committee • Sk. Nurul Alam • Sk. Nur Mohammed Azger • Md. Anwarul Hoque (Independent Director) • Md. Amir Hossain, Chief Financial Officer • Md. Mahbub Alam Dipu, Company Secretary

The terms of reference of the audit committee has 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 Plant” 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, focusing particularly on.
- 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 has 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 MANAGERS

The valuation report of securities offered is prepared and justified by the issue managers (Imperial Capital Limited, EBL Investments Limited and CAMP Advisory Limited) on the basis of the financial and all other information pertinent to the Issue.

Qualitative and Quantitative factors for Valuation:

Qualitative Justification:

1. The Company has good management to run the company efficiently.
2. The Company's product line has variety. The company exports Yarn and Sweater as well. So there is product variety.
3. The company have been using modern machineries that increase our productivity.
4. The company have very strong distribution channels through which we can smoothly supply our products.

Quantitative Justification:

The issue price at Tk. 10.00 each is justified as details below:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based value per share	
Price based on Net Asset Value per share (without revaluation reserve)	14.37
Method 2: Historical Earnings based value per share	
Earnings based Value per share based on Overall Market P/E	13.21
Method 3: Average market price per share of similar stocks:	31.36

Calculation of Methodologies

Method 1: Share price on Net Asset Value (NAV)/Equity based value per share

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	400,000,000
b)	Retained Earnings	174,885,457
Total Shareholders' Equity (without revaluation reserve)		574,885,457
Number of Shares		40,000,000
Net Asset Value per share (without revaluation reserve) as per Audited Report as on 30 June, 2016		14.37

Method 2: Historical Earnings based value per share

Average Price Earnings of Market & Sectoral		
Month	Sectoral	Market
Oct-16	9.30	14.60
Nov-16	9.37	14.52
Dec-16	12.72	14.29
Average	10.46	14.47
Considering Lesser P/E of 10.46 & 14.47 is 10.46		

Source: DSE Monthly Review.

Period	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
31-Mar-12	8,800,000	(5,828,810)	0.12	(671,381)
31-Mar-13	8,800,000	17,401,878	0.12	2,004,405
31-Mar-14	8,800,000	51,251,390	0.12	5,903,302
31-Mar-15	10,000,000	44,922,511	0.13	5,879,910
30-Jun-16	40,000,000	71,411,112	0.52	37,388,017
Total	76,400,000	179,158,082	1.00	50,504,252
No. of shares outstanding before IPO				40,000,000
Diluted EPS based on weighted Average of Net Profit after Tax				1.26
Present Sectoral PE (Considering Lesser P/E of 10.46 & 14.47 is 10.46)				10.46
Earnings based Value per share based on overall Market P/E				13.21

Method 3: Average market price per share of similar stocks:

Last One Year (Month ended) Closing Share Price of Similar Stock				
Sl. No.	Date	Tung Hai Knitting and Dyeing Limited	Zahintex Industries Limited	Mithun Knitting and Dyeing Limited
1	31-Jan-16	11.40	22.60	65.10
2	29-Feb-16	11.70	21.90	60.20
3	31-Mar-16	11.40	21.30	60.70
4	28-Apr-16	9.60	15.70	55.70
5	31-May-16	10.30	22.50	58.90
6	30-Jun-16	10.30	20.00	57.10
7	31-Jul-16	9.60	21.20	60.00
8	31-Aug-16	10.60	19.40	72.30
9	29-Sep-16	12.10	19.50	74.30
10	31-Oct-16	11.60	17.10	73.80
11	30-Nov-16	10.90	16.50	66.10
12	29-Dec-16	12.90	18.60	56.10
Average Price		11.03	19.69	63.36
Average Price of these 03 (Three) Stocks				31.36
<i>Source: DSE Monthly Review.</i>				

The management of the Company in consultation with the Issue Manager has set the issue price at Tk. 10.00 each at par value.

CHAPTER (XVI): DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Parties involve with NDSL		Responsibilities
(a) Issue Managers	(1) Imperial Capital Limited; (2) EBL Investments Limited. (3) CAPM Advisory Limited.	The Issue Managers will act as the managers to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b) Underwriters	(1) AFC Capital Limited; (2) EBL Investments 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.
(c) Auditor	Ahmed Zaker & Co. Chartered Accountants	To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA).
(d) Cost and Management Accountants	No	-
(e) Valuer	No	N/A
(f) Credit Rating Agency	No	N/A

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 Managers	Issue Management Agreement between the Company, Nurani Dyeing & Sweater Limited and the Managers to the issue, Imperial Capital Limited, EBL Investments Limited & CAPM Advisory Limited.	To do the entire task as mentioned in the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015.	To ICL-Tk. 17.00 Lac, EBLIL-Tk. 8.00 Lac & CAPMAL-Tk.5 Lac.
Underwriters	Underwriting Agreement between the Company and the following underwriters: (1) AFC Capital Limited; (2) EBL Investments Limited. Total Underwritten amount Tk. 150,500,000	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 in to securities subscription account within the said period. The issuer shall within 7 days of the expiry of the period mentioned 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. 752,500.00)

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): OUTSTANDING LITIGATIONS, FINE OR PENALTY

- (a) **The following outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

The issuer or any of its directors was not involved in any of the following type of legal proceedings mentioned below;

- (i) Litigation involving Civil Laws
- (ii) Litigation involving Criminal Laws
- (iii) Litigation involving Securities, Finance and Economic Laws
- (iv) Litigation involving Labor Laws
- (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)
- (vi) Litigation involving any other Laws

- (b) **Outstanding cases filed by the Company or any of its directors:**

- (i) **Litigation involving Civil Laws:** Information received from schedule Bank and Financial Institution has been updated up to November 2016. As per updated CIB database, there is “Stay Order” by the honorable High Court on the credit information of Nurani Dyeing & Sweater Limited and its four Directors out of five Directors. Remaining Director’s name was not found in the CIB database as Director of Nurani Dyeing & Sweater Limited. However, he is not loan defaulter.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):** No cases filed by the company or any of its directors.
- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

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

(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 credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

Management Perception:

Credit Risk mainly lies with Financial Institutions. Since Nurani Dyeing & Sweater Ltd. is involved in weaving 100% Export-oriented Sweater and Dyeing of Yarn, there is no such credit risk.

b) Liquidity Risk:

The risk that 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:

Finance is an arts and science of managing fund so that it can manage working capital in efficient way. Nurani Dyeing & Sweater Ltd. is also doing its level best to manage working capital management in efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

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

If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

Management Perception:

Nurani Dyeing & Sweater Ltd. has no subsidiary and associate.

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

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

Management Perception:

The Management is always keen to find out new buyers which boost up the sales. The company generates revenues from 100% export-oriented Sweater to different countries along with selling dyeing yarn against back to back LC as well. Hence, the company is not dependent on any particular or limited number of customers to operate our business.

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

There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management Perception:

In business, having many suppliers of raw materials helps to get competitive advantage of cheaper price of raw materials. Because, it helps to bargain over price with suppliers. In addition, having many supplier helps to maintain doing business efficiently. As we hold the views, we are not dependent on a single or few suppliers. We have many suppliers from different countries that we also mentioned in the prospectus.

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

Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management Perception:

We do not have any sister concerns and associate.

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

Negative earning and negative operating cash flow is risk the going concern risk for the entity.

Management Perception:

We have been operating our business efficiently. However, there was negative operating cash flow from 2012 to 2014 and there was loss incurred in 2012. Operating cash flow was negative due to growth. Our accounts receivable and inventory had been increased over the years that affected our operating cash flow. But it is not threat for going concern.

- h) **Loss making associate/subsidiary/group companies of the issuer:**

When associate/ subsidiary/group companies of the issuer are loss making, it affect the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management Perception:

We do not have any associate.

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

Financial weakness and poor performance of the issuer have negative impact on the company. As a result it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

Management Perception:

Sales is one of the key indicators of success of a business if there is good margin of profit. Nurani Dyeing & Sweater Ltd. has been generating increasing sales growth which is boosting up the profitability from 2013.

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

If investment value decline, it will reduce the profit and assets as well.

Management Perception:

We do not have any investment.

k) **Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:**

There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

Management Perception:

We have been using new branded machineries.

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

It is loan given and taken from related party and directors as well. If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan are taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

Management Perception:

Now there is no as such loan given to related party or loan 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:**

In these cases there is high chance of compromise among the related companies because of conflict of Interest.

Management Perception:

There is no potential conflict of Interest as we do not have any venture which is in the same line of activity.

n) **Related party transactions entered into by the company those may adversely affect competitive edge:**

Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

Management Perception:

There is no as 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/ credit limit and other banking facilities:**

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

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:**

In such case, company's business operation will be hampered.

Management Perception:

We are used to with the political unrest for long time and our business industries are used to dealing with this phenomenon. We provide competitive wages among the competitors of us. In addition, there is government regulation of paying minimum wage. We comply with the rules.

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

It is the risk involving that company is not doing business round the year.

Management Perception:

Though the main product is seasonal, i.e. Sweater. However, as we are 100% export oriented company to different countries; we export our product round the year. In addition, we earn revenue from dyeing yarn against back to back LC. We also export light Jersey to different countries in times of spring to foreign countries.

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

This is the risk of losing customers affecting future sales.

Management Perception:

We do not have any revenue generating contract that may adversely affect the business.

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

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management Perception:

For last five years we have been reducing our dependence on debt financing. We believe in future we will be able to reduce the dependence.

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

Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel is of bad intention, excessive dependence will also affect the business.

Management Perception:

Corporate Governance is well practiced in our company. We have also well placed organogram in our company. Hence, any change in the key management can be replaced with other persons.

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:**

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception:

We do not have any contingent liabilities which may adversely affect financial condition.

- v) **Insurance coverage not adequately protect against certain risks of damages:**

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception:

Fire insurance is in place for safety. In addition, we have group insurance for our employees.

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:**

Directors run the company with the accumulated finance from public and other financing source. If directors discontinue to run the business, there will be negative impact on business and share price as well.

Management Perception:

Our directors are involved in the business for long time and they will continue the business after expiry of lock in period.

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:**

Dividend payment is highly dependent on company's ability to generate profit. If company can not earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception:

We have been earning profit and a profitable entity. We are in belief that we will be able to pay dividend from our earning 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:**

If there is any non operation of the company, it create negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

Management Perception:

Such case did not happen in the history of our company.

- z) **Risks related to engagement in new type of business, if any:**

If it is new business, there is risk of viability of the new business.

Management Perception: *There is no as such risk as we are not engaged in any new type of business.*

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

If the issue price goes down after floating, there is investment risk for the potential investors.

Management Perception:

We are profitable entity and our business growth will continue in longer period. It is not risky in investing securities in comparison with other available investment option.

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

It creates an negative impression on the issuer.

Management Perception:

There are no as such issues arisen in the history of our company.

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

It creates an negative impression on the issuer.

Management Perception:

No, we did not have any litigation relating to Tax, VAT or other government claims against of our company.

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

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception:

NDSL's registered office is situated at 304 Sk. Mujib Road, Agrabad C/A, Chittagong, corporate office is situated at Sonartori Tower (6th Floor), 12 Baponon C/A, Banglamotor, Dhaka and Factory is located at Fatepur, Feni, Bangladesh. Factory is owned by the company. Registered office and corporate office are rented.

ee) **Lack of renewal of existing regulatory permissions/ licenses:**

In this case company is not following the law to renew its all licenses.

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:**

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception:

There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.

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

The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management Perception:

Nurami Dyeing & Sweater Ltd. has been profitable entity. It has potentiality to grow in future. We believe that our IPO offer price will not be lower 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:**

If any refusal happened in the above cases, it will create negative impression to the issuer.

Management Perception:

Such cases did not happen for our company and associates.

(ii) External risk factors may include among others:

a) Interest Rate Risks;

NDSL is exposed to the volatility of interest rate as it has Long Term Bank Loan. Any higher trend in interest rate in the future will definitely aggravate the adversity.

Management Perception:

The management of NDSL has decided to liquidate the outstanding Bank Loan with the IPO proceeds to make the Gearing Ratio at a satisfactory level which will significantly reduce the financial leverage and interest burden.

b) Exchange Rate Risks;

NDSL 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:

NDSL settles its foreign transaction through US Dollars in case of both export and import. While the value of functional currency fluctuates, the loss or gain on currency fluctuation for export automatically sets off against the loss or gain on currency fluctuation for import. As the value of export is always greater than the value of import, some balance is created in the foreign currency transaction. Furthermore, the Company is contemplating about setting a system of hedging on foreign currency transactions in the future.

c) Industry Risks;

Rising of Raw Materials costs: the cost of yarn and other chemicals are rising drastically round the year. It may hamper the profitability of the company significantly.

Labor Unrest: At present, textile and garments sector of Bangladesh is heavily affected by labor unrest. Any incident of labor unrest would adversely affect the operation of the company. More importantly, the company's reputation in the industry and among its buyers will be affected. This may affect its financial performance in the long run as well.

Management Perception:

NDSL is aware of the continuing market situation of its raw materials. The management of NDSL believes that long term planning for raw material management, exploring number of global markets, job wise costing for its finished products and trustworthy relations with the suppliers and mitigate the risk of rising of materials cost.

Due to current labour crisis there may be a possibility of temporary shutdown of operation which can affect the shareholder's interest. However, Nurani Dyeing & Sweater Limited's Compliance & Employee Relation Department is very much conscious, communicative and capable enough to handle every situation related to regulatory compliance.

d) Economic and Political risks;

Economic risks;

The products of NDSL are sold in international markets. Any economic recession, changes in tastes and fashions of the consumers, national income and other related factors may cause to decline the market demand of the company products. Recent crises in few east European countries may decline the market demand of the company's products.

Management Perception:

NDSL always gives values to its customers' satisfaction and changes in tastes and fashion. Therefore, its expert team promptly dedicates their creativity and research work to respond any changes in customers' demand and product diversifications. Moreover, NDSL produces and supplies essential goods which are exported mainly to the west European countries. Over the last decade, demands for garments from Bangladesh have increased at a constant rate. However, our management always explores better opportunities in the market to sustain the growth and profitability of the company.

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-two years of post-independence period, Bangladesh has gone through a variety of political situations. But presently, a more or less sound and industry friendly political atmosphere is prevailing in the country's industry

sector. 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 peaceful political situation in Bangladesh.

e) **Market and Technology-related Risks;**

Market risks;

NDSL is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

Management perception:

Bangladesh is the prime source of cheapest garments in the world, earning comparative advantages for its industries over their global competitors. In addition, the management of NDSL employs their efficiencies; expertise and discretions in minimize the cost of its products.

Technology-related risks;

Technology always plays a vital role for each and every type of business. Innovation of new and cost effective technology can increase productivity and reduce costs of production. On the other hand, obsolete technology may have a negative impact on the business.

Management perception:

NDSL applies the latest technology in the dyeing process in the production. The machineries and equipment of the company are also the latest invention in the sector which is imported from renowned manufacturers in the world.

f) **Potential or existing government regulations;**

Potential or existing Govt. regulations may hamper the smooth operation of the business.

Management perception:

The industries in Bangladesh are enjoying friendliest and pro-industry Govt. regulations ever.

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

The Company is dependent on imported raw materials. Any scarcity due to changes in policy in the international market might dent the production level and profitability. The performance of the Company may be affected due to unavoidable circumstances both in Bangladesh and worldwide, as such political turmoil and disturbance in the country may adversely affect the economy in general.

Management perception:

Now a day, global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably we can improvise with new policies without hampering our smooth operation.

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

Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need by the regulatory authority in order to be monitored, controlled and guided.

Management Perception:

We have been in the business over 7 years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risk for our Company.

i) **Competitive condition of the business;**

NDSL is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

Management Perception:

Bangladesh is the prime source of cheapest labor in the world, earning comparative advantages for its industries over their local and global competitors. In addition, the management of NDSL employs their efficiencies; expertise and discretions to minimize the cost of its products.

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

Complementary goods are paired goods. Two goods (A and B) are complementary when using more of goods A requires the use of more of goods B. For example, the demand for one goods (printers) generates demand for the other (ink cartridges). Supplementary goods are two goods that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary goods have a negative cross elasticity of demand. For instance, when price of petrol goes up, demand for petrol and cars goes down.

Management Perception:

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

(iii)Others Risk:

a) **Risk relating to ACCORD compliance.**

The Accord on Fire and Building Safety in Bangladesh was signed on May 15th 2013. It is a five year independent, legally binding agreement among apparel brands and retailers and trade unions that is designed to build a safe and healthy Bangladeshi Readymade Garment Industry.

Management Perception:

Nurani Dyeing & Sweater Ltd. is under ACCORD compliance. ACCCOR focuses on three compliances mainly: Fire, Structural and Electrical. Nurani Dyeing & Sweater Ltd. is under process to comply with these compliances. We hope that we will comply with these compliances very soon. We also would like to inform you that we export to 85 customers of whom only 5 customers who require ACCORD compliance. Hence, it will not make any material impact on our export.

CHAPTER (XXI): DESCRIPTION OF THE ISSUE

(a) Issue Size:

(i) Number of securities to be issued;

The Company will offer 43,000,000 Ordinary Shares, of this 43,000,000 ordinary shares 10% (i.e. 4,300,000 Ordinary Shares) are reserved for Mutual Fund and 40% (i.e. 17,200,000 Ordinary Shares) are reserved for Other Eligible Investors (EIs) and 10% (i.e. 4,300,000 Ordinary Shares) are reserved for NRB and remaining 40% (i.e. 17,200,000 Ordinary Shares) to Other General Public and ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী।

(ii) Authorized capital and paid-up capital;

Particular	Amount in Tk.
Authorized Capital 100,000,000 Ordinary Share of Tk.10.00 each	1,000,000,000.00
Issued, Subscribed and Paid up Capital Before IPO 40,000,000 Ordinary Shares of Taka 10.00 each	400,000,000.00
Initial Public Offering through Fixed Price Method 43,000,000 Ordinary Shares of Taka 10.00 each	430,000,000
Post IPO Paid up Capital	830,000,000

(iii) Face value, premium and offer price per unit of securities;

Face value per Share	Tk. 10.00 each
Premium	-
Offer Price per Share	Tk. 10.00 each

(iv) Number of securities to be entitled for each category of applicants;

Category	Particular	Number of Shares	Issue Price per Share	Amount in Tk.
Eligible Investors (EIs)	10% of IPO i.e. 4,300,000 Ordinary Shares shall be reserved for Mutual Funds	4,300,000	10.00	43,000,000
	40% of IPO i.e. 17,200,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	17,200,000		172,000,000
General Public	10% of IPO i.e. 4,300,000 Ordinary Shares shall be reserved for Non-Resident Bangladeshis (NRBs)	4,300,000		43,000,000
	40% of IPO i.e. 17,200,000 Ordinary Shares shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী and General Public	17,200,000		172,000,000
Total		43,000,000		430,000,000

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

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Director & Sponsor	31,450,000	31,450,000	78.63%	37.89%
2	Institutional	-	17,200,000	0.00%	20.72%
3	Mutual fund	-	4,300,000	0.00%	5.18%
4	Individual	8,550,000	25,750,000	21.38%	31.02%
5	Non-Resident Bangladeshis (NRBs)	-	4,300,000	0.00%	5.18%
Total		40,000,000	83,000,000	100.00%	100.00%

(vi) 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 acquisition of Machinery & Equipment, Construction and other civil works, for paying off loan.

Sl.	Particulars	Amount in Tk.
01	Machineries and Equipments	243,300,000
02	Steel Structure and Civil Construction	50,045,000
03	Partial Loan pay off [AB Bank Limited, Gulshan Branch]	118,000,000
	Total	411,345,000
	IPO Expenses	18,655,000
	Grand Total	430,000,000.00

Apart from above Tk. 18,655,000 will be used for IPO expenses out of total IPO proceeds. The feasibility report in respect enhances paid up capital as prepared Mr. Mahbub H. Mazumdar FCMA, Mazumdar Sikder and Associates, Cost & Management Accountants is enclosed below:

Feasibility in respect of enhanced paid-up capital:

Statement of Financial Position (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	30.06.2016	30.06.2017	30.06.2018	30.06.2019
<u>Assets</u>				
Non-Current Assets	672,179,679	757,620,533	835,212,979	763,283,181
Property, Plant & Equipment	642,041,463	737,575,533	785,167,979	763,283,181
Capital Work in Progress	30,138,216	20,045,000	50,045,000	-
Current Assets	1,049,577,695	1,278,640,684	1,347,428,639	1,453,990,351
Inventory	448,952,933	464,302,860	568,164,320	591,947,819
Accounts Receivable	391,968,937	425,840,705	513,195,130	562,066,698
Advance, Deposit & Prepayments	206,021,664	213,953,135	242,141,495	276,041,304
Investments	1,871,349	7,768,154	8,544,969	10,253,963
Cash & Cash Equivalent	762,812	166,775,830	15,382,725	13,680,567
<u>Total Assets:</u>	1,721,757,374	2,036,261,217	2,182,641,618	2,217,273,532
<u>Shareholders Equity & Liabilities:</u>				
Equity and Reserve	574,885,457	1,100,459,725	1,240,188,307	1,394,598,553
Share Capital	400,000,000	830,000,000	830,000,000	830,000,000
Retained Earnings	174,885,457	270,459,725	410,188,307	564,598,553
Non-Current Liabilities	419,752,924	149,450,110	109,394,160	81,917,360
Term Loan	419,752,924	149,450,110	109,394,160	81,917,360
Current Liabilities	727,118,993	786,351,382	833,059,151	740,757,619
Current Portion of Term Loan	152,302,814	55,093,251	40,055,950	27,476,800
Accounts Payable	176,303,493	216,724,237	248,598,029	211,028,062
Short Term Loan	378,518,331	483,464,241	500,738,208	454,074,430
Liabilities For Expenses	8,955,582	10,746,699	13,970,709	15,367,779
Provision For Income Tax	11,038,773	20,322,954	29,696,255	32,810,548
<u>Total Equity & Liabilities:</u>	1,721,757,374	2,036,261,217	2,182,641,618	2,217,273,532

Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	30.06.2016 (15 months)	30.06.2017	30.06.2018	30.06.2019
Revenue	1,305,518,289	1,221,926,172	1,380,776,574	1,436,007,637
Less: Cost of Goods Sold	1,046,548,266	975,876,874	1,102,740,868	1,146,850,502
Gross Profit:	258,970,023	246,049,298	278,035,707	289,157,135
Administrative Expenses	37,427,297	52,505,583	37,574,147	39,077,113
Selling & Distribution Expenses	8,708,109	8,176,943	9,076,407	9,439,463
Profit from Operation:	212,834,617	185,366,772	231,385,153	240,640,559
Add: Other Income	233,572	545,875	625,450	625,450
Less: Financial Expenses	126,459,719	70,015,425	62,585,765	54,045,215
Net Profit Before Tax:	86,608,470	115,897,222	169,424,838	187,220,794
Less: Income Tax Expenses	15,197,357	20,322,954	29,696,255	32,810,548
Current Tax	15,197,357	20,322,954	29,696,255	32,810,548
Net Profit After Tax:	71,411,112	95,574,268	139,728,583	154,410,246

- Dividend is not considered

The assumptions for these projections are as follows:

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

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	Assumption's Basis	Assumptions Years		
		30-June-17	30-June-18	30-June-19
Capacity Increase	Capacity will be increased as new machineries will be introduced.	10%	19%	0%
Capacity Utilization	Capacity utilization will be almost same.	70%	70-80%	70-80%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	18% against previous 12 months and (6.40%) against previous 15 months	13%	4%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2017. Expenses will be reduced in the year 2018 because of no IPO Expense in the year.	66% against previous 12 months and 31.53% against previous 15 months	(23%)	4%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	159,738,216	127,350,000	56,632,000
Paid up Capital Increase	Paid up Capital will be increased by Tk. 430,000,000 through IPO in FY 2016-2017.	430,000,000	0	0

Long term Loan Repayment	Tk. 118,000,000 and current portion of 2016 will be paid in 2017 and the current portion will be paid in other years.	367,512,377	55,093,251	40,055,950
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Sd/-
Mahbub H. Mazumdar FCMA
Mazumdar Sikder and Associates
Cost & Management Accountants

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;

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment, Construction and other civil works, for paying off loan and for IPO Expenses.

Use of Proceeds under:

Sl.	Particulars	Amount in Tk.
01	Acquisition of Brand New Machinery and Equipments	243,300,000
02	Steel Structure and Civil Construction	50,045,000
03	Partial Repayment of Term Loan [AB Bank Limited, Gulshan Branch-Tk. 98,000,000 & Agrani Bank Limited, Amin Court Branch-Tk. 20,000,000.00]	118,000,000
04	IPO Expenses (Detailed Breakdown of IPO Expenses in page number 65-66)	18,655,000
	Total	430,000,000.00

Details of Machineries and Equipments:

Sl.	DESCRIPTION	BRAND	QTY	Unit PRICE (US\$)	Total Price (US\$)
1	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 2000 Lbs, Materials: SUS 304 L Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve, Main Electronic parts Dyestuff Additional tank Included, Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C, Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging , Liquid Ratio: 1:7-8 , Origin : China	PDM.D.H.EURO TECH	1 Set	\$165,000.00	\$165,000.00
2	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 1000 Lbs, Materials: SUS 304 L Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve, Main Electronic parts. Dyestuff Additional tank Included. Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical	PDM.D.H.EURO TECH	2 Set	\$103,000.00	\$206,000.00

	device. The highest work temperature: 140° C. Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging. Liquid Ratio: 1:7-8 , Origin : China				
3	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 500 Lbs, Materials: SUS 304 L Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve. Main Electronic parts. Dyestuff Additional tank Included. Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C. Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging .Liquid Ratio: 1:7-8 , Origin : China	PDM.D.H.EURO TECH	2 Set	\$65,000.00	\$130,000.00
4	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 250 Lbs, Materials: SUS 304 L, Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve. Main Electronic parts. Dyestuff Additional tank Included. Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C. Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging. Liquid Ratio: 1:7-8 , Origin: China	PDM.D.H.EURO TECH	3 Set	\$33,500.00	\$100,500.00
5	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 50 Lbs, Materials: SUS 304 L, Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Air valve. Main Electronic parts. Dyestuff Additional tank Included. Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed mechanical device. The highest work temperature: 140° C. Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging ,Liquid Ratio: 1:7-8 , Origin: China	PDM.D.H.EURO TECH	2 Set	\$20,500.00	\$41,000.00
6	HIGH TEMPERATURE CONE DYEING MACHINE Capacity: 1-10 Lbs, Materials: SUS 304 L, Stainless Steel. Automatic Computer control system and Manual control system. Materials thickness: 2.5 & 3.5 mm. Automatic computer controlled by PLC 3000 system. Gas, water, air valve. Main Electronic parts. Dyestuff Additional tank Included .Sample draw system included. High-efficiency axial-flow pump made of stainless steel is equipped with sealed	PDM.D.H.EURO TECH	6 Set	\$17,350.00	\$104,100.00

	mechanical device. The highest work temperature: 140° C .Rising rate of temperature: About 30 minutes ranging from 98° C-140° C. Falling rate of temperature: About 15 minutes ranging . Liquid Ratio: 1:7-8 , Origin : China				
7	HIGH SPEED SOFT CONE WINDING MACHINE Individual AC motor control each Head, Nep Join, Thin & Thik control, The winding pressure can be controlled by balance with optical sensor. SPINDELS: 48 Spindles, Metal winding drum. H.S Code: 8445.40.00, LxWxH=11250x5600x7000 mm, weight: 2200 KG Power: 440V/50Hz, 3 phase, 6.48 kw. ORIGIN: CHINA	DHEURO-TECH	4 Set	\$132,000.00	\$528,000.00
8	HIGH SPEED HARD CONE WINDING MACHINE Individual AC motor control each Head, The winding pressure can be controlled by balance with optical sensor. SPINDELS: 48 Spindles, Metal winding drum. H.S Code: 8445.40.00, LxWxH=11250x5600x7000 mm, weight: 2200 KG Power: 440V/50Hz, 3 phase, 6.48 kw. ORIGIN : CHINA	DHEURO-TECH	4 Set	\$135,000.00	\$540,000.00
9	HIGH FREQUENCY CONE DRYER This Machine Adopts the Advanced system Dyeing Process. The Main Motor is controlled by the frequency converter CAPACITY: 500 Cones, ORIGIN : CHINA	DHEURO-TECH	2 Set	\$165,000.00	\$330,000.00
10	HYDRO EXTRACTOR This is Automatic Inverter Control centrifugal Hydro-Extractor. CAPACITY: 72 CONES, ORIGIN: CHINA	DHEURO-TECH	6 Set	\$22,500.00	\$135,000.00
11	FORK LIFT CAPACITY: 5 TONS, ORIGIN: CHINA	DHEURO-TECH	4 Set	\$30,000.00	\$120,000.00
12	LABRETRY EQUIPMENT Electronic balance. Capacity: 200g, Redit: 0.001gm, Pan Size: 125 mm. & Capacity: 2000 g. Redit: .01 gm. Electro thermal Blast Dteing Chamber-1 Set Light Box- 1 Set ORIGIN : CHINA	DHEURO-TECH	1 Set	\$148,000.00	\$148,000.00
13	AIR CHILLER VORTEX WIND COOLING CHILLER , FAN COIL UNIT CAPACITY : 60 TONS. ORIGIN : CHINA	DHEURO-TECH	1 Set	\$153,946.00	\$153,946.00
14	BOILER Automatic controlling system that all functions are achieved perfectly by single touch. High safty by the double and triple safty control system. Simple structure for cleaning and routing check through the front and near fan box. CAPACITY: 6 TONS, ORIGIN: KOREA	SAMHO	1 Set	\$95,000.00	\$95,000.00

15	DIESEL GENERATER. ENGINE: Brand new original DOOSAN water-cooled diesel engine P126TI, Alternator: DASSEN Synchronous Brushless AC alternator, DC300S, Ratings: 380V/240V, 3 phases 4 wires, 50Hz, 1500Rpm, 0.8PF, IP23, H insulation class , 50C Radiator with engine driven fan mounted on skid. Set mounted intelligent GCP-10 control panel with Automatic Starting , Hyundai MCCB breaker mounted , Anti- vibration mountings , 24V DC Electric start system with lead-acid type starting batteries Standard tools kit, CAPACITY: 250 KVA, ORIGIN : KOREA,	DASSEN	2 Set	\$69,500.00	\$139,000.00
16	AUTO CONE PACKING MACHINE CAPACITY: 12 Cone/ Each Packing, ORIGIN: CHINA	DHEURO-TECH	2 Set	\$20,000.00	\$40,000.00
Total Price C & F Chittagong by SEA					\$2,975,546.00
Total Import Value (in Taka)					234,843,680.00
Other Charges (in Taka)					8,456,320.00
Total (in Taka)					243,300,000.00

Details of Steel Structure and Civil Construction:

A) Details of Steel Structure:

Sl. No.	Description of items	Quantity	Unit	Rate (Tk.)	Amount
1	Column, rafter, beam & connections	96,260	Kg.	112	10,781,120.00
2	Cable Bracing for roof and wall 16 mm dia	1,270	Rft	90	114,300.00
3	M.S. Purlin for roof and wall	22,000	kg.	108	2,376,000.00
4	Nut bold & washer for purlin & girt cleat	1,490	Kg.	200	298,000.00
5	Anchor bolt (Dia: 24 mm)	1,100	Kg.	100	110,000.00
6	Painting Charge	120,690	Kg.	8	965,520.00
7	Roof & wall sheet	85,200	Sft	65	5,538,000.00
8	Decking panel	12,000	Sft.	118	1,416,000.00
9	Transparent sheet	4,420	Sft	135	596,700.00
10	Ridge Capping	1,920	Sft	65	124,800.00
11	Gable Trim	1,810	Rft	130	235,300.00
12	Bottom Flashing	920	Rft	70	64,400.00
13	Eave gutter	920	Rft	130	119,600.00
14	Downpipe	1,740	Rft	130	226,200.00
15	Corner cap	1,840	Rft	150	276,000.00
16	Silicon Sealant	1,230	Tube	185	227,550.00

17	Gable Angle	3,280	Kg.	80	262,400.00
18	Double Bubble insulation	51,000	Sft	22	1,122,000.00
19	Putting	2,325	Nos.	190	441,750.00
20	Screw	46,030	Nos.	3	138,090.00
21	Gate with canopy	2	Nos.	120,000.00	240,000.00
22	Erection for Fitting & Fixing	40,000	Sft	20	800,000.00
23	Transport	1	LS	120,000.00	120,000.00
Total Amount (BTT) for Steel works (A)					26,593,730.00
Total Area					40,000 (sft)

B) Details of Civil Construction:

Sl. No.	Description of items	Quantity	Unit	Rate (Tk.)	Amount
1	Mobilization works including making labor shed (Site cleaning is the part of the client)	1	Job	100000.00	100,000.00
2	Layout and marking for earthwork in excavation in foundation accepted by the Engineer. (Plinth area of the structure shall be considered for measurement)	1	Job	45000.00	45,000.00
3	Earthwork in excavation in foundation trenches up to 1.5m depth and maximum 20 m lead: in medium stiff clayey soil	29,137	cft	8.00	233,096.00
4	One layer of brick flat soling in foundation or in Gf with first class or picked jhama bricks including preparation of bed and filling the interstices with local sand, leveling etc. complete and accepted by the Engineer	28,250	sft	60.00	1,695,000.00
5	Earth filling in foundation trenches and plinth in 150 mm layer with earth available within 90 m of the building site to achieve minimum dry density of 90% with optimum moisture content (Modified proctor test) including carrying water, leveling, dressing and compacting to a specified percentage each layer up to finished level etc. all complete and accepted by the Engineer.	9,103	cft	4.00	36,412.00
6	Sand filling in Plinth (Average depth 3'-6") with sand	42,420	cft	60.00	2,545,200.00
7	3" C.C. below foundation	4,207	cft	210.00	883,470.00
8	Supplying and laying of single layer polythene sheet weighing one kilogram per 6.5 square meter in floor or anywhere below cement concrete complete in all respect and accepted by the Engineer. Below GB and GF	8,828	sft	4.00	35,312.00
9	Reinforced cement concrete works				
9.1	Footing (1:1.5:3) Brick chips	8,467	cft	260.00	2,201,420.00
9.2	Column (1:1,1:3) Brick chips (Pedestal)	8,387	cft	260.00	2,180,620.00
9.3	Grade beam (1:1,1:3) Brick chips	7,630	cft	260.00	1,983,800.00
10	150 mm thick R.C.C. slab on Ground casting (1:1, 5:3) brick chips	3,500	cft	260.00	910,000.00

11	Supplying, fabrication and fixing to details as per design deformed bar reinforcement in concrete in accordance with BDS 1313:1991 standard including straightening and cleaning rest, if any, bending and binding in position including supply of G.I. wires etc. complete in all respects and accepted by the Engineer. fy= 60,000 psi	12,782	kg	70.00	894,740.00
12	Leveling, dressing and compacting for GF	9,000	sft	4.00	36,000.00
13	Wooden shuttering works for all R.C.C. works	-	-	-	-
13.1	Wooden shuttering for Footing	3,402	sft	50.00	170,100.00
13.2	Wooden shuttering for column	9,100	sft	50.00	455,000.00
13.3	Wooden shuttering for GB	8,680	sft	50.00	434,000.00
13.4	Wooden shuttering for Floor slab	7,210	sft	50.00	360,500.00
14	250 mm thick Brick works with first class bricks in cement sand (F.M. of sand 1:2) mortar (1:6) in foundation and plinth, filling the joints/inersticks fully with mortar, racking out the joints, cleaning and soaking the bricks at least for 24 hurs before use and curing at least for 7 days etc. all complete	21,875	cft	120.00	2,625,000.00
15	Minimum 12 mm thicks cementg sand (F.M. 1-2) plastger (1:4) with fresh cement to wall both inner and outer surface, finishing the corner and edges inclding washing of sand cleaning the surface, scaffolding and curring at least for 7 days, etc. all complete in all respect as per drawing and accepted by the Enginer	11,050	sft	24.00	265,200.00
16	Plastic emulsion paint of approved best quality and colour delivered from authorized local agent of the manufacturer in a sealed container, appling to wall and ceiling in wo coasts over time putty of specified brand applied on primer orsealer elapsing specified time for dring/recoating including cleaning dring, making free from dirt, grease, waz, removing all chalked and sealed materials, fungus, mending goos the surface defectsl, and papering the surface and necessaryscaffolding, spreading by brusch/roller/spray etc.all complete in all floors accepted b the Enginner.	11,050	sft	18.00	198,900.00
17	N. C. F	19,000	sft	12.00	228,000.00
18	125 mm thick brick works withfirst class bricks in cement sand (F.M of sand 1:2) mortar (1:6) in foundation and plinth, filling the joints/interstices fully with mortar, racking out the joints, cleaning and soaking the bricks at least fof 24 hours before use and curing at least for 7 ays etc. all complete	3,500	sft	95.00	332,500.00
19	Supplying, fitting and fixing of Aluminium sliding window as per the U.S. Architectural Aluminium Manufacturer's Association (AAMA) standard specification with clear glass	2,700	sft	300.00	810,000.00
20	Supplying, fitting anf dixing window grill made of 12 mm x 12 mm M.S. solid bar 5.5" c/c with outer frame of 1.5" x 1/4" F/L/ bar as per design approved and accepted by the Engineer	8,700	sft	160.00	1,392,000.00
21	Shutter Door	1,200	sft	2,000.00	2,400,000.00
Total Amount of Civil works for ware hourse (BDT) (B)					23,451,270.00
Total Area					40,000 (sft)
Total Amount of Steel Structure and Civil Construction (BDT) (A+B)					50,045,000.00

- (b) **Where the sponsors' contribution or privately placed fund has been brought prior to the public issue and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;**

Tk. 12,000,000.00 (One Crore Twenty Lac) and Tk. 300,000,000.00 (Thirty Crore) has been raised through private placement prior to the public issue on dated 28.06.2014 and 07.05.2015 respectively. This fund has already deployed by the issuer in the following manner:

Accounting Year	Items	Amount in BDT	Reflected in Cash Flows
31-Mar-2013	Acquisition of Property, Plant & Equipment	55,276,084	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
	Working capital	59,723,916	In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
31-Mar-2016	Acquisition of Property, Plant & Equipment	136,598,312	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
	Capital Work in Progress	43,415,229	In the statement of Cash Flows, the figure is included in total amount of Capital Work in Progress under the head of Investing Activities.
	Working capital	16,986,459	In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
Total		312,000,000	

Mentionable here that, we received share money deposit in the year 2013 and 2016 before obtaining consent from Bangladesh Securities and Exchange Commission on 07.05.2015. As such we used this fund earlier from consent date.

- (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 to investment in such type of ventures by using Use of IPO proceeds.

- (d) **If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;**

IPO proceeds are sufficient to complete the project.

- (e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Sl. No.	Projects	Progress made so Far	Approximate date of Completion of the projects	Projected date of full commercial operation
1	Land Acquisition	No land is required to be acquired	-	-
2	Acquisition and Installation of Machineries and Equipments	Acquisition and Installation of Machineries and Equipments will be started after receiving of IPO fund	Within 18 months after receiving IPO fund	Within 3 month of the completion of the project
3	Steel Structure and Civil Construction	Construction & other civil works will be started after receiving of IPO fund	Within 15 months of receiving IPO fund	
4	Loan pay off [AB Bank Limited, Gulshan Branch]	After receiving of IPO fund	Within 1 month after receiving IPO fund	-

Sd/-
Sk. Nurul Alam
Managing Director

Sd/-
Md. Amir Hossain
Chief Financial Officer

Sd/-
Mrs. Rehana Alam
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;

There is no such contract yet to be engaged by the Company.

- (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;

No objects of the issue are utilization of the issue proceeds for working capital.

- (h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;

The Company has planned to expand its existing projects by Acquisition of Machineries and Equipments, Steel Structure and Civil Construction, which have been mentioned in 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 to the existing projects by using IPO proceeds after receiving the funds, which have been mentioned in 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 professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report.**

Feasibility Report of Nurani Dyeing & Sweater Limited

Executive Summary

NDSL is export oriented Sweater industry as well as deemed exporter of Dyed Yarn. NDSL was incorporated as a Private Limited company on 14th December, 2005 and subsequently converted into a public limited company on 7th December, 2014. The Company started its commercial operation on February, 2009. NDSL's registered office is situated at 304 Sk. Mujib Road, Agrabad C/A, Chittagong, corporate office is situated at Sonartori Tower (6th Floor), 12 Bapon C/A, Banglamotor, Dhaka and Factory is located at Fatepur, Feni, Bangladesh.

Introduction

Nurani Dyeing & Sweater Limited (NDSL) is a Dyed Yarn and readymade Sweater manufacturer in Bangladesh. NDSL is export oriented Sweater industry as well as deemed exporter of Dyed Yarn. NDSL has earned a reputation as a successful Dyed Yarn and readymade Sweater manufacturer over the last few years by manufacturing quality products and achieving satisfactory revenue specially from export.

Vision

To seek to attain a position of leadership for manufacturing Dyeing and Sweater in Bangladesh.

Mission

Committed to manufacture world-class products of Dyeing and Sweater, innovative processes and empower employees to provide the highest level of satisfaction.

Nature of Business

The Company imports yarn from China, Indonesia, India. Then it produces Sweater after dyeing the imported yarn. In addition, the company also sales imported yarn after dying to the export oriented bonded factory.

Principal products of the Company

The Company has two major products:
1. Sweaters knitted from knitting section
2. Dyed Yarn from dyeing section

Technology Considerations

Power:

For electricity consumption NDSL depends on REB line. To ensure un-interrupted producing activities NDSL procured and implemented 01 (One) unit Gas Generator having capacity of 520 KW and 01 (One) Diesel generator having capacity of 336 KW.

Gas:

The fuel of electricity producing generators is natural gas. NDSL has the connection of Bakrabad Gas Company Limited.

Water:

At different stages throughout the production process in NDSL there requires water which is supplied by the company's own deep tube-well accompanied with a water reserve tank of the capacity of 46,000 ltr.

Product Marketplace

NDSL directly sells its finished products (Sweaters) to overseas markets and as a deemed exporter sells to the export oriented sweater industry.

Distribution of Products

On receiving the orders from its customers, NDSL manufactures the products and supply them to the customers' destination as per their requirements. The Company imports yarn and chemical from foreign market and applies dyeing processes on the yarn to meet the specific demand of its customers. From dyeing section some products are delivered to the Export oriented Sweater Industry (Deemed exporter) and some products are transferred to the knitting section of NDSL. After making readymade sweaters, NDSL directly exports those sweaters to the overseas market.

Methodology

We have considered our historical data of our last couple of year's revenue and expenses. We have also talked with our staffs. The interviews provided us with the relevant information concerning all aspects 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.

Financial Projections

The financial projections for Nurani Dyeing & Sweater Limited (NDSL) 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 assumptions for these projections are as follows:

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

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	Assumption's Basis	Assumptions Years		
		30-June-17	30-June-18	30-June-19
Capacity Increase	Capacity will be increased as new machineries will be introduced.	10%	19%	0%
Capacity Utilization	Capacity utilization will be almost same.	70%	70-80%	70-80%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	18% against previous 12 months and (6.40%) against previous 15 months	13%	4%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2017. Expenses will be reduced in the year 2018 because of no IPO Expense in the year.	66% against previous 12 months and 31.53% against previous 15 months	(23%)	4%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	159,738,216	127,350,000	56,632,000
Paid up Capital Increase	Paid up Capital will be increased by Tk. 430,000,000 through IPO in FY 2016-2017.	430,000,000	0	0
Long term Loan Repayment	Tk. 118,000,000 and current portion of 2016 will be paid in 2017 and the current portion will be paid in other years.	367,512,377	55,093,251	40,055,950
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Statement of Financial Position (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	30.06.2016	30.06.2017	30.06.2018	30.06.2019
Assets				
Non-Current Assets	672,179,679	757,620,533	835,212,979	763,283,181
Property, Plant & Equipment	642,041,463	737,575,533	785,167,979	763,283,181
Capital Work in Progress	30,138,216	20,045,000	50,045,000	-
Current Assets	1,049,577,695	1,278,640,684	1,347,428,639	1,453,990,351
Inventory	448,952,933	464,302,860	568,164,320	591,947,819
Accounts Receivable	391,968,937	425,840,705	513,195,130	562,066,698
Advance, Deposit & Prepayments	206,021,664	213,953,135	242,141,495	276,041,304
Investments	1,871,349	7,768,154	8,544,969	10,253,963
Cash & Cash Equivalent	762,812	166,775,830	15,382,725	13,680,567
Total Assets:	1,721,757,374	2,036,261,217	2,182,641,618	2,217,273,532
Shareholders Equity & Liabilities:				
Equity and Reserve	574,885,457	1,100,459,725	1,240,188,307	1,394,598,553
Share Capital	400,000,000	830,000,000	830,000,000	830,000,000
Retained Earnings	174,885,457	270,459,725	410,188,307	564,598,553
Non-Current Liabilities	419,752,924	149,450,110	109,394,160	81,917,360
Term Loan	419,752,924	149,450,110	109,394,160	81,917,360
Current Liabilities	727,118,993	786,351,382	833,059,151	740,757,619
Current Portion of Term Loan	152,302,814	55,093,251	40,055,950	27,476,800
Accounts Payable	176,303,493	216,724,237	248,598,029	211,028,062
Short Term Loan	378,518,331	483,464,241	500,738,208	454,074,430
Liabilities For Expenses	8,955,582	10,746,699	13,970,709	15,367,779
Provision For Income Tax	11,038,773	20,322,954	29,696,255	32,810,548
Total Equity & Liabilities:	1,721,757,374	2,036,261,217	2,182,641,618	2,217,273,532

Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	30.06.2016 (15 months)	30.06.2017	30.06.2018	30.06.2019
Revenue	1,305,518,289	1,221,926,172	1,380,776,574	1,436,007,637
Less: Cost of Goods Sold	1,046,548,266	975,876,874	1,102,740,868	1,146,850,502
Gross Profit:	258,970,023	246,049,298	278,035,707	289,157,135
Administrative Expenses	37,427,297	52,505,583	37,574,147	39,077,113
Selling & Distribution Expenses	8,708,109	8,176,943	9,076,407	9,439,463
Profit from Operation:	212,834,617	185,366,772	231,385,153	240,640,559
Add: Other Income	233,572	545,875	625,450	625,450
Less: Financial Expenses	126,459,719	70,015,425	62,585,765	54,045,215
Net Profit Before Tax:	86,608,470	115,897,222	169,424,838	187,220,794
Less: Income Tax Expenses	15,197,357	20,322,954	29,696,255	32,810,548
Current Tax	15,197,357	20,322,954	29,696,255	32,810,548
Net Profit After Tax:	71,411,112	95,574,268	139,728,583	154,410,246

- Dividend is not considered

Statement of Cash Flows (Projected)

Particulars	Projected		
	30.06.2017	30.06.2018	30.06.2019
Cash Flows from Operating Activities:			
Cash Collection from Turnover & Others	1,188,600,279	1,294,047,600	1,387,761,520
Cash Paid to Suppliers, Employee & Others	(953,424,791)	(1,166,585,886)	(1,210,706,485)
Cash generated from operation	235,175,487	127,461,713	177,055,035
Interest Paid	(70,015,425)	(62,585,765)	(54,045,215)
Income Tax Paid	(11,038,773)	(20,322,954)	(29,696,255)
Net Cash provided from Operating Activities:(A)	154,121,289	44,552,994	93,313,564
Cash Flows from Investing Activities:			
Acquisition of Property, Plant & Equipment	(129,600,000)	(127,350,000)	(6,587,000)
Payment for Capital Work in Progress	(20,045,000)	(30,000,000)	-
Investment in FDR	(5,896,805)	(776,815)	(1,708,994)
Net Cash used in Investing Activities:(B)	(155,541,805)	(158,126,815)	(8,295,994)
Cash flows from Financing Activities			
Proceeds from Issuance of Share Capital	430,000,000	-	-
Received/(Payment) of Short Term Loan	104,945,910	17,273,967	(46,663,778)
Received/(Payment) of Long Term Loan	(367,512,377)	(55,093,251)	(40,055,950)
Net Cash provided by/(used) in Financing Activities:(C)	167,433,533	(37,819,284)	(86,719,728)
Net increase/(decrease) in cash & Cash equivalents: (A+B+C)	166,013,018	(151,393,105)	(1,702,158)
Cash & Cash equivalents at the beginning of the year	762,812	166,775,830	15,382,725
Closing Cash & Cash equivalents at the end of the year	166,775,830	15,382,725	13,680,567

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 shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the Nurani Dyeing & Sweater Limited (NDSL).

Sd/-
Mahbub H. Mazumdar FCMA
Mazumdar Sikder and Associates
Cost & Management Accountants

Date: January 04, 2017

CHAPTER (XXIII): LOCK-IN

- (a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:
- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding 5% or more shares, other than alternative investment funds, for 03 (Three) years;
 - (2) All shares allotted, before 02 (Two) years of according consent to the public offer, to any person, other than alternative investment funds, for 03 (Three) years;
 - (3) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, within preceding 12 (twelve) months of submitting an application for raising of capital or initial public offer (IPO), all shares held by those transferee shareholders, for 03 (Three) years;
 - (4) 25% of the shares allotted to eligible investors, for 03 (Three) months and other 25% of the shares allotted to them, for 06 (Six) months;
 - (5) All shares held by alternative investment funds, for 01 (One) year; and
 - (6) Shares allotted, within two years of according consent to the public offer, to any person other than the shares mentioned in sub-rules (1), (2), (3), (4), and (5) above, for 01 (One) year.
- (b) The following table indicates the Lock-In status of the shareholders of Nurani Dyeing & Sweater Limited:

Sl.	Name of Shareholder	Position	No. of Share	(%)	BO ID	Date of 1 st acquisition	Lock-in period*
1	Sk. Nurul Alam	MD & Director	8,540,000	21.35%	1203120061055149	13-Dec-05	3 Yrs.
2	Mrs. Rehana Alam	Chairman	7,500,000	18.75%	1203120061051413	13-Dec-05	3 Yrs.
3	Sk. Nur Mohammed Azger	Director	2,310,000	5.78%	1203120061057014	13-Dec-05	3 Yrs.
4	Daudpur Rice Mills (Pvt) Ltd	Director	13,000,000	32.50%	1203120061073583	31-Mar-08	3 Yrs.
5	Daudpur Soya Processing Ind. Ltd.	Shareholder	950,000	2.6%	1203120061073714	14-Dec-08	3 Yrs.
			90,000			7-May-15	1 Yr.
6	Fatema Hyder	Shareholder	5,000	0.24%	1203120061074339	14-Dec-08	3 Yrs.
			90,000			7-May-15	1 Yr.
7	Bibi Khodeza	Shareholder	5,000	0.24%	1203120061052931	14-Dec-08	3 Yrs.
			90,000			7-May-15	1 Yr.

8	Bibi Sabura Masud	Shareholder	5,000	0.24%	1203120061074213	14-Dec-08	3 Yrs.
			90,000			7-May-15	1 Yr.
9	Bibi Hajera	Shareholder	5,000	0.24%	1203120061054575	14-Dec-08	3 Yrs.
			90,000			7-May-15	1 Yr.
10	Bibi Ayesha	Shareholder	5,000	0.24%	1203120061055462	14-Dec-08	3 Yrs.
			90,000			7-May-15	1 Yr.
11	Anika Jahan Chowdhury	Shareholder	5,000	0.24%	1203120061053653	14-Dec-08	3 Yrs.
			90,000			7-May-15	1 Yr.
12	Modern Cold Storage Ltd.	Shareholder	10,000	4.83%	1203120061073773	14-Dec-08	3 Yrs.
			1,920,000			7-May-15	1 Yr.
13	Nurani Knit Composit Ltd.	Shareholder	10,000	3.4%	1203120061073730	14-Dec-08	3 Yrs.
			1,350,000			7-May-15	1 Yr.
14	Md. Kabiruddin Ahmed	Shareholder	1,000,000	2.50%	1203040061488925	31-Mar-08	3 Yrs.
15	Md. Zahir Ahmed	Shareholder	100,000	0.25%	1205060048563494	31-Mar-08	3 Yrs.
16	SM Al Jubayer Ahmed	Shareholder	100,000	0.25%	1203040062626201	31-Mar-08	3 Yrs.
17	Sabrina Shabnam Rabbi	Shareholder	100,000	0.25%	1203040061467689	31-Mar-08	3 Yrs.
18	Mohammad Sharear Farid	Shareholder	100,000	0.25%	1201960062451642	31-Mar-08	3 Yrs.
19	Gopal Chandra Saha	Shareholder	100,000	0.25%	1605550060748687	31-Mar-08	3 Yrs.
20	Asif Iqbal Chowdhury	Shareholder	750,000	1.88%	1605550059758671	31-Mar-08	3 Yrs.
21	Md. Siddiqur Rahman	Shareholder	500,000	0.25%	1604630050304882	7-May-15	1 Yr.
22	Runa kashem	Shareholder	250,000	0.25%	1204750014332193	7-May-15	1 Yr.
23	Afsaruzzaman	Shareholder	250,000	0.25%	1204750000116935	7-May-15	1 Yr.
24	Ferdous Sanjida	Shareholder	500,000	1.88%	1205590052950331	7-May-15	1 Yr.
Total			40,000,000	100.00%			

[From the issue date of Prospectus]

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 Stock Exchanges:

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 compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will 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

(a) Dividend, voting and preemption rights;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the

objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the 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 adopted in Bangladesh from time to time and Financial Reporting Act;**

Auditors' Report To the Shareholder of Nurani Dyeing & Sweater Limited

We have audited the accompanying financial statements of Nurani Dyeing & Sweater Limited, which comprise the Statement of Financial Position as at June 30, 2016 along with Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows For the three months period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable Rules & Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Nurani Dyeing & Sweater Limited** as at June 30, 2016 and of its financial performance for the period then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Other Matter:

The Company has presented comparative figures of previous period of the Financial Statements for the three months period ended June 30, 2015 which is Unaudited.

Report on Other Legal and Regulatory Requirements

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of Financial position, Statement of Profit or Loss and other Comprehensive Income and Statement of Cash flows dealt with by the report are in agreement with the books of accounts;
- d) the expenditures incurred were for the purpose of the Company's business.

Place: Dhaka;

Dated: August 30, 2016

Sd/-

Ahmed Zaker & Co.
Chartered Accountants

Nurani Dyeing & Sweater Ltd.
Statement of Financial Position
As at 30 June, 2016

Particulars	Notes	Amount in Taka	
		June 30, 2016	March 31, 2016
<u>Assets:</u>			
Non-Current Assets		672,179,679	662,639,023
Property, Plant & Equipment	4.00	642,041,463	633,253,410
Capital Work in Progress	5.00	30,138,216	29,385,613
Current Assets		1,049,577,695	1,053,646,678
Inventories	6.00	448,952,933	447,089,401
Accounts Receivable	7.00	391,968,937	385,826,365
Advances, Deposits & Prepayments	8.00	206,021,664	217,200,173
Investments	9.00	1,871,349	1,847,472
Cash & Cash Equivalents	10.00	762,812	1,683,267
<u>Total Assets:</u>		<u>1,721,757,374</u>	<u>1,716,285,701</u>
<u>Shareholders Equity & Liabilities:</u>			
Equity and Reserve		574,885,457	559,927,130
Share Capital	11.00	400,000,000	400,000,000
Retained Earnings	12.00	174,885,457	159,927,130
Non-Current Liabilities		419,752,924	418,832,739
Term Loan	13.00	419,752,924	418,832,739
Current Liabilities		727,118,993	737,525,832
Current Portion of Term Loan	14.00	152,302,814	152,302,814
Accounts Payable	15.00	180,377,230	187,050,777
Short Term Loan	16.00	378,518,331	379,599,789
Liabilities for Expenses	17.00	8,955,582	9,126,562
Provision for Income Tax	18.00	6,965,036	9,445,890
<u>Total Equity & Liabilities:</u>		<u>1,721,757,374</u>	<u>1,716,285,701</u>

The annexed notes (1-35) are integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: August 30, 2016

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Nurani Dyeing & Sweater Ltd.
Statement of Profit or Loss and other Comprehensive Income
For the three months period ended June 30, 2016

Particulars	Notes	Amount in Taka	
		April-June 2016	April-June 2015
			Unaudited
Revenue	19.00	269,987,635	260,953,725
Less: Cost of Goods Sold	20.00	220,519,341	211,219,221
Gross Profit:		49,468,294	49,734,504
Less: Administrative Expenses	21.00	7,006,632	6,796,195
Less: Selling & Distribution Expenses	22.00	1,597,724	1,728,420
Profit from Operation:		40,863,938	41,209,888
Add: Other Income	23.00	26,530	64,758
Less: Financial Expenses	24.00	22,753,535	24,035,193
Net Profit Before Tax:		18,136,933	17,239,453
Less: Income Tax Expenses			
Current Tax	25.00	3,178,606	3,028,237
Net Profit After Tax:		14,958,327	14,211,216
Earnings Per Share (Basic)	26.00	0.37	0.36

The annexed notes (1-35) are integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: August 30, 2016

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Nurani Dyeing & Sweater Ltd.
Statement of Profit or Loss and other Comprehensive Income
For the fifteen months period ended June 30, 2016

Particulars	Amount in Taka	
	April 2015-June 2016	April 2014-June 2015
		Unaudited
Revenue	1,305,518,289	1,242,495,860
Less: Cost of Goods Sold	1,047,533,641	999,522,084
Gross Profit:	257,984,648	242,973,776
Less: Administrative Expenses	36,441,922	32,070,240
Less: Selling & Distribution Expenses	8,708,109	9,762,583
Profit from Operation:	212,834,617	201,140,953
Add: Other Income	233,572	236,152
Less: Financial Expenses	126,459,719	129,649,767
Net Profit Before Tax:	86,608,470	71,727,338
Less: Income Tax Expenses		
Current Tax	15,197,357	12,593,611
Net Profit After Tax:	71,411,112	59,133,727

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Sd/-
CFO

Signed as per our separate report on same date.

Place: Dhaka;
Dated: August 30, 2016

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Nurani Dyeing & Sweater Ltd.
Statement of Changes in Equity
For the three months period ended June 30, 2016

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 01.04.2016	400,000,000	159,927,130	559,927,130
Net profit during the period	-	14,958,327	14,958,327
Closing Balance as on 30.06.16	400,000,000	174,885,457	574,885,457

Nurani Dyeing & Sweater Ltd.
Statement of Changes in Equity (Unaudited)
For the three months period ended June 30, 2015

Particulars	Amount in Taka			
	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on 01.04.2015	100,000,000	103,000,000	103,474,345	306,474,345
Issuance of Share Capital	300,000,000	(103,000,000)	-	197,000,000
Net profit during the period	-	-	14,211,216	14,211,216
Closing Balance as on 30.06.15	400,000,000	-	117,685,561	517,685,561

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Sd/-
CFO

Signed as per our separate report on same date.

Place: Dhaka;
Dated: August 30, 2016

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Nurani Dyeing & Sweater Ltd.
Statement of Cash Flows
For the three months period ended June 30, 2016

Particulars	Amount in Taka	
	April-June 2016	April-June 2015
		Unaudited
Cash Flows from Operating Activities:		
Cash Collection from Turnover	263,845,063	279,129,502
Cash Paid to Suppliers	(207,739,235)	(219,197,432)
Cash Paid to Employees	(17,557,473)	(18,862,978)
Cash Paid to Others	(4,757,972)	(6,331,597)
Cash generated from operation	33,790,383	34,737,496
Interest Paid	(22,753,535)	(24,035,193)
Income Tax Paid	(5,659,460)	(1,545,231)
Net Cash provided from Operating Activities:(A)	5,377,388	9,157,071
Cash Flows from Investing Activities:		
Acquisition of Property, Plant & Equipment	(2,285,720)	(2,958,960)
Advance for Vehicle	(3,100,900)	-
Payment for Capital Work in Progress	(752,603)	(32,471,743)
Encashment of FDR	2,653	6,476
Net Cash used in Investing Activities:(B)	(6,136,570)	(35,424,228)
Cash flows from Financing Activities		
Proceeds from issuance of Share Capital	-	197,000,000
Received/(Payment) of Short Term Loan	(1,081,458)	(175,668,068)
Received/(Payment) of Long Term Loan	920,185	(2,325,087)
Net Cash provided by/(used) in Financing Activities:(C)	(161,273)	19,006,845
Net increase/(decrease) in Cash & Cash Equivalents: (A+B+C)	(920,455)	(7,260,311)
Cash & Cash Equivalents at the beginning of the period	1,683,267	8,638,858
Closing Cash & Cash Equivalents at the end of the period	762,812	1,378,547

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Sd/-
CFO

Signed as per our separate report on same date.

Place: Dhaka;
Dated: August 30, 2016

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Nurani Dyeing & Sweater Limited
Notes to the Financial Statements
As at or for the three months period ended June 30, 2016

1. Significant Accounting Policies and Other Material Information:

1.01 Legal form of the Enterprise:

Nurani Dyeing & Sweater Limited was incorporated on December 14, 2005 under the companies act 1994 vide registration no. - CH-5656 as a private limited company. Subsequently the company has been converted into Public Limited Company on December 07, 2014.

Registered office of the company

The registered office and principal place of business of the company is situated at 304, Sk. Mujib Road, Agrabad C/A, Chittagong and the manufacturing establishment is located at Fatepur, Feni.

1.02 Principal activities and nature of the business:

Nurani Dyeing & Sweater Limited runs the business of 100% export oriented Sweater industries to carry out business of dyeing of yarn, knitting of various types of sweater.

2. Significant Accounting Policies:

Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws & regulation in Bangladesh.

The following BAS is applicable to the financial statements for the period under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statements of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenue
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Discloser
BAS 33	Earnings per Share
BAS 34	Interim Financial Reporting
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 39	Financial Instruments: Recognition and Measurement

2.01 Going Concern:

This financial statement has 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 directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.02 Changes in Accounting Policies & Estimates:

The preparation of these financial statements is in conformity with BASs/BFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation. The Company has changed its accounting policies previously as per BAS -8.

2.03 Statement of Cash Flows:

Statement of Cash flows is prepared in accordance with **BAS-7: "Statements of Cash Flows"** and the cash flow from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method.

2.04 Property, Plant & Equipment and Depreciation:

All fixed assets are stated at cost less accumulated depreciation as per **BAS-16: "Property, Plant and Equipment"**. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied with the item will flow to and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation on all fixed assets has been applied the reducing balance method and depreciation has charged on addition of fixed assets when it is available for use during the period.

The annual rates of depreciation applicable to the principal categories of fixed assets are:

Kind of assets	Rate of Depreciation	
	June 30, 2016	June 30, 2015
Land & Land Developments	0%	0%
Factory Building	05%	05%
Machinery	10%	10%
Electric Equipment & Installation	10%	10%
Laboratory Equipments	10%	10%
Generator	15%	15%
Gas line Installation	08%	08%
Tube Well	10%	10%
ETP	10%	10%
Vehicle	20%	20%
Furniture & Fixture	10%	10%
Office Equipment	10%	10%

2.05 Revenue Recognition:

In compliance with the requirements of **BAS - 18: "Revenue"**, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

2.06 Financial Instruments:

Derivative

According to **BFRS-7, "Financial Instruments Disclosures"** the company was not a party to any derivative contract (financial instruments) at the Balance Sheet Date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per **BAS-39: "Financial Instruments: Recognition and Measurement"**.

2.07 Valuation of Current Assets:

Accounts Receivable:

These are carried at their original invoiced amount and represents net realizable value. Management considered the entire bills receivable are good and is collectable and therefore, no amount was provided for as bad debt in the current period account.

Inventories:

Valuation of inventories has made on cost or market value whichever is less as per BAS-2. Inventories comprises of raw materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been valued at average cost. Work-in-Process has been valued at prime cost basis as required by BAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at cost of material and other production overhead attributable to bringing the goods to the state of sale under the convention of BAS-2.

2.08 Creditors and Accrued Expenses:

Liabilities are recognized for amounts to be paid in the future for goods and services received whether or not billed by the supplier.

2.09 Functional and Presentational Currency:

The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency.

2.10 Taxation:

Provision for Taxation:

Provision for current income tax has been made at the rate of 35% after considering 50% rebate on export referred as per Paragraph 28 of **6th schedule part "A"** of ITO 1984, "An amount equal to fifty percent of the income of an assessee, other than a company not registered in Bangladesh, derived from the business of export."

Deferred Tax is not applicable as per **BAS- 12**. No deferred tax was accounted for in this financial statement as on temporary difference arises due to the fact that tax deducted on income from export is considered to be the final discharged of tax liability as per prevailing tax law.

2.11 Borrowing Cost:

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using effective interest method. Borrowing cost incurred against loan for expansion of project has been capitalized under effective interest rate method as per **BAS-23: “Borrowing Cost”**.

2.12 Earnings per share:

The company calculates Earnings per Share (EPS) in accordance with **BAS-33: “Earnings per Share”** which has been shown on the face of the Statement of Profit or Loss and other Comprehensive Income. The Earnings per share has been calculated, earning for the period dividing by weighted average number of shares outstanding during the period.

2.13 Number of Employees

During the year under review, the company’s number of employees stands at 60 at Corporate Office and 475 at Factory total 535. Workers are paid minimum wages Tk. 8,250 per month.

2.14 Production Capacity and its Current Utilization:

As at June 30,
2016

Capacity Utilization June 30, 2016.

Name of Product	Production Capacity (Yearly)	Production Capacity (3 months)	Actual Production (3 months)	Utilization (%) (%)
Dyeing (LBS)	6,206,667	1,551,667	1,127,568	72.67%
Sweater (PCS)	2,111,038	527,760	341,568	64.72%

Capacity Utilization 30 June, 2015.

Name of Product	Production Capacity (Yearly)	Production Capacity (3 months)	Actual Production (3 months)	Utilization (%)
Dyeing (LBS)	6,206,667	1,551,667	1,077,004	69.41%
Sweater (PCS)	1,643,038	410,760	279,727	68.10%

2.15 Related party disclosure:

Related party is considered if the party is related to the company and exerts significant influence over day to day transactions of the subject gain as per BAS-24. The following related party transactions have been appeared during the period.

Name	Type of Transaction	Amount in Taka
Mr. Sk. Nur Mohammed Azger	Director Remuneration	222,500
Sk. Nurul Alam	Issuance of 85,40,000 ordinary shares	85,400,000
Mrs. Rehana Alam	Issuance of 7,500,000 ordinary shares	75,000,000
Sk. Nur Mohammed Azger	Issuance of 2,310,000 ordinary shares	23,100,000

Daudpur Rice Mills (Pvt.) Ltd.	Issuance of 13,000,000 ordinary shares	130,000,000
Daudpur Soya Processing Ind. Ltd.	Issuance of 1,940,000 ordinary shares	19,400,000
Modern Cold Storage Ltd.	Issuance of 1,930,000 ordinary shares	19,300,000
Nurani Knit Composite Ltd.	Issuance of 19,60,000 ordinary shares	19,600,000

2.16 Events after the Reporting Period

As per **BAS-10: “Events after the Reporting Period”** is those events favorable and unfavorable that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

There is no events after reporting period as at June 30, 2016 as referred in BAS 10.

2.17 Foreign Currency Transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of **BAS 21: “The Effects of Changes in Foreign Exchange Rates”** are determined as under:

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the period, as such any gain or loss arisen out of transactions Foreign Currency was charged under head of selling expenses.

2.18 Contingent Assets and Liabilities

A contingent assets is disclosed when it is a possible that asset arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liabilities is disclosed when it is a possible obligation that arises from the past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The company has no contingent assets or liabilities which require disclosure under **BAS-37: “Contingent assets and contingent liabilities”** are not recognized in the financial statements.

2.19 Impairment of Assets

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the period and for this reason no provision has been made for Impairment of assets as per BAS-36 impairment of assets.

2.20 Accrual Basis

The financial Statements have been prepared except cash flow information, using the accrual basis of accounting.

3. Additional Information on Financial Statements:

3.01 Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

3.02 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on August 30, 2016.

3.03 Components of the Financial Statements:

According to BAS-1 "**Presentation of the Financial Statements**" the complete set of financial statement includes the following components

- a) Statement of Financial Position as at June 30, 2016.
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2016.
- c) Statement of Changes in Equity for the period ended June 30, 2016.
- d) Statement of Cash Flows for the period ended June 30, 2016.
- e) Explanatory notes to the financial statements.

3.04 Reporting Period:

The financial period of the company covers three months from April 01, 2016 to June 30, 2016. The company will follow its reporting period from 01 July to 30 June in order to comply with the provision of section 9 of the Finance Act, 2015 and interpretations and implementation of Bangladesh Securities and Exchange Commission Directive No. SEC/SRMIC/2011/1240/445 dated April 27, 2016 concerning uniform income year. However, the company was followed its reporting period from 01 April to 31 March in prior years.

3.05 Comparative Information:

Comparative information have been disclosed in respect of the previous period for all numerical information in the financial statements except for Statement of Cash Flows and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

Re-arrangement

Previous period's figure has been re-arranged whenever considered necessary to ensure comparability with the current period presentation as per **BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors"**.

3.06 General:

- i) The figure has been rounded off to the nearest taka.
- ii) The financial Statements have been prepared covering three months period from April 01, to June 30, 2016.

		Amount in Taka	
		June 30, 2016	March 31, 2016
4.00	Property, Plant and Equipment: Tk. 642,041,463		
	This is made up as follows:		
	<u>Particulars</u>		
	Opening Balance (at cost)	828,829,900	563,292,495
	Add: Addition made during the period	22,341,070	265,537,405
	Closing Balance	851,170,970	828,829,900
	Less: Accumulated Depreciation	209,129,507	195,576,490
	Written Down Value:	642,041,463	633,253,410

Details of Property, Plant & Equipment and Depreciation are shown in the annexed (**Annexure-A**).

5.00	Capital Work in Progress: Tk. 30,138,216		
	This is made up as follows:		
	<u>Particulars</u>		
	Opening Balance	29,385,613	114,909,477
	Add: Addition during the period	-	-
	Still Structure	-	18,288,211
	Civil Construction	-	7,061,095
	ETP	752,603	18,065,923
		30,138,216	158,324,706
	Less: Capitalized	-	128,939,093
	Still Structure	-	69,077,998
	Civil Construction	-	59,861,095
	Closing Balance	30,138,216	29,385,613

The capital work in progress is running for ETP Extension.

6.00	Inventories: Tk. 448,952,933		
	This is made up as follows:		
	<u>Particulars</u>		
	Yarn	280,030,570	287,572,528
	Dyes & Chemicals	99,853,690	89,524,362
	Spares Parts and Accessories	12,005,690	14,986,475
	Work in process	8,699,855	20,943,187
	Finished Goods	48,363,128	34,062,849
	Total:	448,952,933	447,089,401

7.00	Accounts Receivable: Tk. 391,968,937		
	This is made up as follows:		
	<u>Particulars</u>		
	Accounts Receivable	391,968,937	385,826,365
	Total:	391,968,937	385,826,365
	Aging of Accounts Receivable:		

Less than Six months	391,968,937	385,826,365
More than six months	-	-
Total:	391,968,937	385,826,365

The amount of receivable considered fully secured and guaranteed by export letter of credit opening bank against export order and is considered good & realizable as per the terms of export letter of credit. The classification of receivables as required by the Schedule XI of the companies Act, 1994 are given below:

SI.	Particulars	Amount in Taka	
I	Receivables considered good in respect of which the company is fully secured.	391,968,937	385,826,365
II	Receivables considered good in respect of which the company holds no security other than the debtor personal security.	-	-
III	Receivable considered doubtful or bad. Accounts Receivable due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due firm or private companies respectively in which any director is a partner or a director or a member to be separately stated.	-	-
IV	Receivables due by companies under the same management to be disclosed with the names of the companies;	-	-
V	The maximum amount of receivable due by any director or other officer of the company at any time during the year to be shown by way of a note.	-	-
Total:		391,968,937	385,826,365

8.00 Advances, Deposits & Prepayments: Tk. 206,021,664

This is made up as follows:

Particulars

Tax Deductions at Source	Notes: 8.01	658,193	658,193
L/C Margin		98,953,691	94,713,843
FBPAR		98,679,356	96,151,388
Prepaid Insurance		511,935	1,503,810
Advances for Vehicle		6,011,380	22,965,830
Security Deposit	Notes: 8.02	1,207,109	1,207,109
Total:		206,021,664	217,200,173

8.01 Tax Deductions at Source: Tk. 658,193

This is made up as follows:

Particulars

Opening Balance	658,193	658,193
Add: Paid during the period	-	-
TDS on Export	1,583,070	6,547,895
AIT for Renewal of Vehicles	-	78,000
S. T. on FDR Interest	2,653	20,703
	2,243,916	7,304,791
Less: Adjust with Current Period Income Tax Provision	(1,585,723)	(6,646,598)
Total:	658,193	658,193

8.02 Security Deposit: Tk. 1,207,109

This is made up as follows:

Particulars

Bakhrabad Gas System LTD (As per last A/C)

Power Development Board (As per last A/C)

Total:

665,759	665,759
541,350	541,350
1,207,109	1,207,109

9.00 Investments: Tk. 1,871,349

This is made up as follows:

Particulars

FDR (As per last A/C)

Add: Addition during the period**Add:** Interest Received**Less:** Encashment**Less:** Source Tax**Total:**

1,847,472	3,315,539
-	1,384,000
26,530	207,042
1,874,002	4,906,581
-	3,038,406
2,653	20,703
1,871,349	1,847,472

10.00 Cash & Cash Equivalents: Tk. 762,812

This is made up as follows:

Particulars

Cash in Hand

Cash at Bank

Total:

Notes: 10.01

Notes: 10.02

488,530	453,050
274,282	1,230,217
762,812	1,683,267

10.01 Cash in Hand: Tk. 488,530

This balance represents as per cash in hand as at 30.06.2016.

10.02 Cash at Bank: Tk. 274,282

This is made up as follows:

Particulars**Name of Bank** **Name of Branch & A/C No.**Agrani Bank Ltd. A/C No-16231 (New No-62733)
Amin Court, Motijheel Br. DhakaAgrani Bank Ltd. A/C No-18364 (New No-68971)
Amin Court, Motijheel Br. DhakaAgrani Bank Ltd. A/C No-98340 (New No-104404)
Romna Cor. Branch. DhakaAgrani Bank Ltd. FCY A/C No-031
Amin Court, Motijheel Br. DhakaExim Bank Ltd. A/C No-01411100071248
New Eskaton Br. DhakaJanata Bank Ltd. A/C No-042333036159
Purana Palton Br.AB Bank Ltd. CD AC-4019785539-001
Gulshan Br.Islami Bank Bangladesh Ltd. CD AC-899913
Foreign Ex. Br. DhakaBDBL A/C No-18176
Motijheel Principal Br.Agrani Bank Ltd. A/C No-CD 0200004213555
Amin Court, Motijheel Br. DhakaEstern Bank Ltd A/C No-CD 1051060188019
Sonargaon Road Br. Dhaka**Total:**

18,998	24,345
128,220	128,795
2,425	3,000
44,009	43,533
1,571	2,376
1,639	2,214
28,418	953,248
30,361	52,586
5,489	5,934
9,155	9,557
3,997	4,629
274,282	1,230,217

11.00 Share Capital: Tk. 400,000,000**Authorized Capital**

100,000,000 ordinary Shares of Tk. 10 each

1,000,000,000

1,000,000,000

Issued, Subscribed & Paid up Capital

40,000,000 Ordinary Shares of Tk. 10 each

400,000,000

400,000,000

400,000,000**400,000,000**

Name of Shareholders	% of Share Holdings	No. of Shares	Amount in Taka	
Sk. Nurul Alam	21.35%	8,540,000	85,400,000	85,400,000
Mrs. Rehana Alam	18.75%	7,500,000	75,000,000	75,000,000
Sk. Nur Mohammed Azger	5.78%	2,310,000	23,100,000	23,100,000
Daudpur Rice Mills (Pvt) Ltd.	32.50%	13,000,000	130,000,000	130,000,000
Daudpur Soya Processing Ind. Ltd.	4.85%	1,940,000	19,400,000	19,400,000
Fatema Hyder	0.24%	95,000	950,000	950,000
Bibi Khodeza	0.24%	95,000	950,000	950,000
Bibi Sabura Masud	0.24%	95,000	950,000	950,000
Bibi Hajera	0.24%	95,000	950,000	950,000
Bebe Ayesha	0.24%	95,000	950,000	950,000
Anika Jahan Chowdhury	0.24%	95,000	950,000	950,000
Modern Cold Storage Ltd.	4.83%	1,930,000	19,300,000	19,300,000
Nurani Knit Composite Ltd.	4.90%	1,960,000	19,600,000	19,600,000
Md. Kabiruddin Ahmed	2.50%	1,000,000	10,000,000	10,000,000
Md. Zahir Ahmed	0.25%	100,000	1,000,000	1,000,000
SM Al Jubayer Ahmed	0.25%	100,000	1,000,000	1,000,000
Sabrina Ahabnam Rabbi	0.25%	100,000	1,000,000	1,000,000
Mohammad Sharear Farid	0.25%	100,000	1,000,000	1,000,000
Gopal Chandra Saha	0.25%	100,000	1,000,000	1,000,000
Asif Iqbal Chowdhury	1.88%	750,000	7,500,000	7,500,000
Total:		40,000,000	400,000,000	400,000,000

12.00 Retained Earnings: Tk. 174,885,457

This is made up as follows:

Particulars

Opening Balance

159,927,130

103,474,345

Net profit/(Loss) during the period

14,958,327

56,452,785

Total:**174,885,457****159,927,130****13.00 Term Loan: Tk. 419,752,924**

This is made up as follows:

Particulars

Term loan

Notes: 13.01

572,055,738

571,135,553

572,055,738**571,135,553****Less: Current Portion of Long Term Loan**

152,302,814

152,302,814

Closing Balance:**419,752,924****418,832,739**

13.01 Term Loan: Tk. 572,055,738

This is made up as follows:

Particulars

AB Bank Limited, A/C No. 4019-785539-465	184,228,566	185,724,325
AB Bank Limited, A/C No. 4019-785539-466	233,199,232	229,627,064
AB Bank Limited, A/C No. 4019-785539-467	154,627,940	155,784,163
	572,055,738	571,135,553

This loan sanction against takeover of various Investment facilities. This loan is secured by registered mortgage of 90.00 Decimals of Land of NDSL located at Fatepur, Feni alongwith 372.00 Decimals of Land, 8 storied Foundation, 5 Storied Building (11,000 Sft*5= 55,000 Sft), L/C Documents, all Fixed and Floating Assets of the company and Directors personal guarantee. This Loan is repayable in 20 equal quarterly installments as per sanction letter. The Loan bears 15.50% interest which is subject to change time to time.

14.00 Current Portion of Term Loan: Tk. 152,302,814

This is made up as follows:

Particulars

Current Portion of Long Term Loan	152,302,814	152,302,814
Total:	152,302,814	152,302,814

15.00 Accounts Payable: Tk. 180,377,230

This is made up as follows:

Particulars

Trade Creditors	180,377,230	187,050,777
Total:	180,377,230	187,050,777

Aging of Accounts Payable:

Less than six months	180,377,230	187,050,777
More than six months	-	-
Total:	180,377,230	187,050,777

16.00 Short Term Loan: Tk. 378,518,331

This is made up as follows:

Particulars

Janata Bank Ltd. (Secured)	Notes: 16.01	46,681,810	48,680,310
Agrani Bank Ltd. (Secured)	Notes: 16.02	72,964,146	99,502,915
AB bank (Secured)	Notes: 16.03	153,772,374	152,816,563
FBP		105,100,000	78,600,000
Total:		378,518,331	379,599,789

16.01 Short Term Loan from Janata Bank (Secured): Tk. 46,681,810

This is made up as follows:

Particulars

Janata Bank Ltd., Foreign Ex. Branch, CC A/C No. 03238	46,681,810	48,680,310
	46,681,810	48,680,310

This loan is secured by LC documents, Import documents, Machineries of the company and Directors personal guarantee.

16.02 Short Term Loan from Agrani Bank (Secured): Tk. 72,964,146

This is made up as follows:

Particulars

Agrani Bank Limited, Amin Court Corp. Branch, A/C No. 1054592	72,964,146	99,502,915
	72,964,146	99,502,915

This loan is secured by 288.76 decimals of land located at Feni, LC documents, Material Stock and Director's personal guarantee.

16.03 Short Term Loan from AB Bank (Secured): Tk. 153,772,374

This is made up as follows:

Particulars

AB Bank Limited, Gulshan Branch, (Revolving Time Loan)	51,155,769	50,706,010
AB Bank Limited, Gulshan Branch, CC Loan	102,616,605	102,110,553
	153,772,374	152,816,563

Above loan is secured by registered mortgage of 90.00 Decimals of Land of NDSL located at Fatepur, Feni alongwith 372.00 Decimals of Land, 8 storied Foundation, 5 Storied Building (11,000 Sft*5= 55,000 Sft), L/C Documents, all Fixed and Floating Assets of the company and Directors personal guarantee. This Loan is repayable in 20 equal quarterly installments as per sanction letter. The Loan bears 15.50% interest which is subject to change time to time.

17.00 Liability for Expenses: Tk. 8,955,582

This is made up as follows:

Particulars

Salary & Wages	5,010,350	5,007,010
Directors' Remuneration	74,167	74,167
Audit Fees	345,000	345,000
Office Rent	26,000	26,000
Payable for TDS and Others	122,205	54,653
Gas Bill	2,690,660	2,320,304
Securities Salary	51,542	51,542
Electricity Bill	629,910	1,245,715
Telephone Bill	5,748	2,171
Total:	8,955,582	9,126,562

18.00 Provision for Income Tax: Tk. 6,965,036

This is made up as follows:

Particulars

Opening Balance	9,445,890	4,073,737
Add: Current Period Provision	3,178,606	12,018,751
	12,624,496	16,092,488
Less: Adjustment with Advance Income tax	1,585,723	6,646,598
Less: Tax paid against assessment year 2015-2016	4,073,737	-
Closing Balance:	6,965,036	9,445,890

		Amount in Taka	
		April-June 2016	April-June 2015
19.00	Revenue: Tk. 269,987,635		
	This is made up as follows:		
	<u>Particulars</u>		
	Export Sales	269,987,635	260,953,725
	Total:	269,987,635	260,953,725
20.00	Cost of Goods Sold: Tk. 220,519,341		
	This is made up as follows:		
	<u>Particulars</u>		
	Yarn Consumption	Notes: 20.01 163,227,647	168,770,002
	Dyes & Chemical Consumption	Notes: 20.02 14,132,890	15,418,054
	Spare Parts and Accessories Consumption	Notes: 20.03 7,028,035	917,026
	Manufacturing Overhead	Notes: 20.04 38,187,716	32,515,093
	Opening Work in Process (WIP)	20,943,187	6,253,505
	Closing Work in Process (WIP)	(8,699,855)	(1,363,587)
	Cost of Production	234,819,620	222,510,092
		(14,300,279)	(11,290,871)
	Opening Finished Goods	34,062,849	22,771,978
	Less: Closing Finished Goods	48,363,128	34,062,849
	Total Cost of Goods Sold	220,519,341	211,219,221
20.01	Yarn Consumption: Tk. 163,227,647		
	This is made up as follows:		
	<u>Particulars</u>		
	Opening Inventory	287,572,528	332,572,528
	Add: Purchased during the period	155,685,689	154,770,002
		443,258,217	487,342,530
	Less: Closing Inventory	280,030,570	318,572,528
	Total:	163,227,647	168,770,002
20.02	Dyes & Chemical Consumption: Tk. 14,132,890		
	This is made up as follows:		
	<u>Particulars</u>		
	Opening Inventory	89,524,362	69,925,309
	Add: Purchased during the period	24,462,218	26,480,707
		113,986,580	96,406,016
	Less: Closing Inventory	99,853,690	80,987,962
	Total:	14,132,890	15,418,054
20.03	Spare Parts and Accessories Consumption: Tk. 7,028,035		
	This is made up as follows:		
	<u>Particulars</u>		
	Opening Inventory	14,986,475	5,433,416
	Add: Purchased during the period	4,047,250	7,470,085
		19,033,725	12,903,501
	Less: Closing Inventory	12,005,690	11,986,475
	Total:	7,028,035	917,026

20.04 Manufacturing Overhead: Tk. 38,187,716

This is made up as follows:

Particulars

Salary & Wages	12,440,983	12,936,407
Tiffin Expenses	223,193	318,614
Casual Labor	1,387,684	2,220,014
Packing Materials	1,733,750	1,782,872
Telephone Mobile & Internet	9,395	8,799
Conveyance	89,482	61,666
Fuel, Gas & Lubricants	437,218	429,271
Electricity Bill and Gas Bill	5,381,152	2,708,701
Stationary, Printing & Postage	69,850	61,480
Electrical Goods	183,981	179,189
Insurance Premium	718,764	722,662
Fire Insurance Premium	991,875	615,923
Loading, Unloading & Carrying	999,434	1,050,283
Repair & Maintenance	245,888	252,489
Medical Expenses	10,608	7,962
Depreciation	13,264,459	9,010,062
Embroidery Charge	-	148,699
Total:	38,187,716	32,515,093

21.00 Administrative Expenses: Tk. 7,006,632

This is made up as follows:

Particulars

Salary & Allowance	3,506,306	3,468,539
Director's Remuneration	222,500	222,500
Telephone, Mobile & Internet	169,905	188,410
Travelling & Conveyance	205,448	142,565
Office Rent	78,000	78,000
Printing & Stationery	284,268	276,720
Entertainment	212,107	175,545
Staff Fooding	24,360	25,579
Medical Expenses	58,021	60,526
Vehicle Fuel & Maintenance	473,455	493,892
Group Insurance Premium	6,500	6,500
Audit Fees	200,000	86,250
Legal Fee	66,740	81,556
Air Freight & Clearing Charges	960,240	981,630
Renewal & Registration	41,360	45,076
Office Maintenance	192,345	205,546
Bank Charges	16,519	66,003
Depreciation	288,558	191,358
Total:	7,006,632	6,796,195

Payments/Perquisites to Directors & Officers:

The aggregate amount paid/provided during the period in respect of Directors and Officers of the Company.

Particulars

Director's Remuneration	222,500	222,500
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i) No money was given to any directors as Board Meeting Fee.

22.00 Selling & Distribution Expenses: Tk. 1,597,724

This is made up as follows:

Particulars

Travelling & Conveyance	308,895	453,215
C & F Charges	509,554	495,026
Export Expenses (BGMEA, BTMEA, EPB, Sample test)	409,844	409,276
Foreign Exchange gain or loss	160,536	173,560
Market Development	208,895	197,343
Total:	1,597,724	1,728,420

23.00 Other Income: Tk. 26,530

This is made up as follows:

Particulars

Bank Interest	26,530	64,758
Total:	26,530	64,758

24.00 Financial Expenses: Tk. 22,753,535

This is made up as follows:

Particulars

Cash Credit (CC) Interest	6,376,255	6,664,032
Over Draft (OD) Interest	3,344,998	3,816,479
Interest on Term loan AB Bank	10,341,722	10,858,630
Interest on Time Loan AB Bank	2,690,560	2,696,052
Total:	22,753,535	24,035,193

25.00 Income Tax Expenses: Tk. 3,178,606

This is made up as follows:

Particulars

Net income from Export Business	18,110,403	17,174,695
Non operating income	26,530	64,758
	18,136,933	17,239,453
Less: Export Rebate @ 50% (As per Paragraph 28 of 6th schedule part "A" of ITO 1984)	9,055,202	8,587,348
Net Taxable Income	9,081,732	8,652,106
Applicable Tax Rate	35%	35%
Income Tax Expenses	3,178,606	3,028,237

26.00 Basic Earnings per Share:

This is made up as follows:

Particulars

Net Profit after Taxes	14,958,327	14,211,216
Weighted Average No. of Ordinary Share	40,000,000	40,000,000
Basic Earnings per share:	0.37	0.36

26.01 Weighted Average Number of Ordinary Shares outstanding considering Deposit date of Share Money Deposits.

No. of Shares	Factor	Days	Factor	Weighted average No. of Shares
40,000,000	1	91	1.000	40,000,000
Total: 40,000,000				40,000,000

Adjusted Earnings Per Share:**Particulars**

Net Profit after Taxes	14,958,327	14,211,216
Weighted Average No. of Ordinary Share	40,000,000	40,000,000
Adjusted Earnings Per Share:	0.37	0.36

27.00 Net Asset Value (NAVPS) per Share:

The Computation of NAVPS is given below:

Net assets	574,885,457	559,927,130
Number of Shares during the year	40,000,000	40,000,000
Net Asset Value (NAVPS) per Share (Per value Tk. 10)	14.37	14.00

28.00 Other Commitments, Contingencies and relevant information

There is no Other Commitments, Contingencies and relevant information.

29.00 The requirements of Schedule XI, Part II, Para 3, 4, 7 & 8 of the Companies Act. 1994**The requirement of schedule XI part-II, Para 3 :****Employees**

	2016	2015
Number of employees	535	418
	535	418

The requirement of schedule XI part-II, Para 3 (a): Turnover

Turnover (Dyeing) in BDT.	190,132,137	185,277,145
Turnover in Quantity (LBS)	1,105,419	1,108,424
Turnover (Sweater) in BDT.	79,855,498	75,676,580
Turnover in Quantity (PCS)	294,670	286,575

The requirement of schedule XI part-II, Para 3 (d) (i): Raw Materials Consumed

Raw Material (Yarn) (LBS)	1,200,203	1,240,956
Raw Material (Yarn) (Value in BDT.)	163,227,647	168,770,002
Dyes & Chemical (Kgs)	57,685	62,931
Dyes & Chemical (Value in BDT.)	14,132,890	15,418,053

The requirement of schedule XI part-II, Para 3 (d) (ii): Goods Produced**Finished Goods****Dyeing (LBS)**

Opening (Dyeing)	146,891	118,502
Production	1,127,568	1,077,004
Closing	169,040	139,182

Sweater (PCS)

Opening	68,225	31,501
Production	341,568	279,727
Closing	115,123	59,852

Work in Process (WIP)**Dyeing (LBS)**

Opening (Dyeing)	106,160	17,288
Closing	36,616	20,832

Sweater (PCS)

Opening	34,591	21,000
Closing	11,815	6,788

The requirement of schedule XI part-II, Para 4:

Sl. No	Name	Designation	Nature of Transaction	
			Remuneration	Board Meeting Fees
1	Sk. Nur Mohammed Azgar	Director	222,500	-

No money was given to any directors as Board Meeting Fee.

The requirement of schedule XI part-II, Para 4 (f):

No other perquisites or benefits in cash or in kind stating approximate money value where practicable.

The requirement of schedule XI part-II, Para 4 (g):

No other allowances and commission including guarantee commission.

The requirement of schedule XI part-II, Para 7: Capacity Utilization

Capacity Utilization June 30, 2016.

Sl. No	Name of Product	Production Capacity (Yearly)	Production Capacity (3 months)	Actual Production (3 months)	Unitization (%)
1	Dyeing (lbs)	6,206,667	1,551,667	1,127,568	72.67%
2	Sweater (Pcs)	2,111,038	527,760	341,568	64.72%

Capacity Utilization June 30, 2015.

Sl. No	Name of Product	Production Capacity (Yearly)	Production Capacity (3 months)	Actual Production (3 months)	Unitization (%)
1	Dyeing (lbs)	6,206,667	1,551,667	1,077,004	69.41%
2	Sweater (Pcs)	1,643,038	410,760	279,727	68.10%

The requirement of schedule XI part-II, Para 8 (a) : June 2016

Particulars	Opening Balance	Total Purchase during the period	Material Available	Consumption	% of Consumption
Yarn (LBS)	2,114,504	1,144,748	3,259,252	1,200,203	36.82%
Dyes & Chemical (KG)	365,406	99,845.79	465,251	57,685	12.40%

The requirement of schedule XI part-II, Para 8 (a): June 2015.

Particulars	Opening Balance	Total Purchase during the period	Material Available	Consumption	% of Consumption
Yarn (LBS)	2,445,386	1,138,015	3,583,401	1,240,956	34.63%
Dyes & Chemical (KG)	285,409	108,084.52	393,494	62,931	15.99%

The requirement of schedule XI part-II, Para 8 (C): 2016

Particulars	Opening Balance	Total Purchase during Period	Material Available (Taka)	Consumption	% Consumption
Raw Material (Yarn)	287,572,528	155,685,689	443,258,217	163,227,647	36.82%
Dyes & Chemical	89,524,362	24,462,218	113,986,580	14,132,890	12.40%
Spare Parts and Accessories	14,986,475	4,047,250	19,033,725	7,028,035	36.92%

The requirement of schedule XI part-II, Para 8 (C) : 2015

Particulars	Opening Balance	Total Purchase during Period	Material Available (Taka)	Consumption	% Consumption
Raw Material (Yarn)	332,572,528	154,770,002	487,342,530	168,770,001	34.63%
Dyes & Chemical	69,925,309	26,480,707	96,406,016	15,418,053	15.99%
Spare Parts and Accessories	5,433,416	7,470,085	12,903,501	917,026	7.11%

Value of Export:

Particulars	June 30, 2016	June 30, 2015
Export of Yarn (US Dollar)	\$ 2,437,592	\$ 2,375,348
Export of Yarn (BDT)	190,132,137	185,277,145
Export of Sweater (US Dollar)	\$ 1,023,788	\$ 970,213
Export of Sweater (BDT)	79,855,498	75,676,580

30.00 Capital Expenditure Commitment

There was no Material Capital expenditure authorized by the Board but not contracted for as on 30.06.2016

31.00 Contingent Liabilities

There was no sum for which the company is contingently liable as on 30.06.2016

32.00 Claims Not Acknowledged

There was no claims against the company not acknowledged as debt as on 30.06.2016

33.00 Credit Facilities Not Availed

There was no credit facilities available to the company but not availed of as on 30.06.2016 under any contract other than Trade Credit available in the ordinary course of business.

34.00 Commission Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the period.

35.00 Post Balance Sheet Events

There were no adjusting or non-adjusting events after the reporting period.

Nurani Dyeing & Sweater Ltd.
Schedule of Property, Plant & Equipment
For the three months period ended June 30, 2016

								Annexure- A
								(Figures all in Taka)
Particulars	Cost Value			Rate	Depreciation			Written down value as on 30.06.16
	Balance As on 01.04.16	Addition during the period	Balance As on 30.06.16		Balance As on 01.04.16	Charged during the period	Balance As on 30.06.16	
Land and Land Development	10,036,960	1,056,980	11,093,940	-	-	-	-	11,093,940
Factory Building	241,007,907	-	241,007,907	5%	41,901,343	2,488,832	44,390,175	196,617,732
Machinery	513,089,722	-	513,089,722	10%	121,921,088	9,779,216	131,700,304	381,389,418
Electric Equipment & Installation	11,173,072	-	11,173,072	10%	4,753,901	160,479	4,914,380	6,258,692
Laboratory Equipments	2,653,608	-	2,653,608	10%	901,854	43,794	945,648	1,707,960
Generator	12,953,467	-	12,953,467	15%	7,647,988	198,955	7,846,943	5,106,523
Gas Line Installation	3,536,000	-	3,536,000	8%	1,920,260	32,315	1,952,575	1,583,425
Tube Well	2,954,500	-	2,954,500	10%	2,009,548	23,624	2,033,172	921,328
ETP	7,546,460	-	7,546,460	10%	4,123,168	85,582	4,208,750	3,337,710
Vehicle	8,442,546	20,055,350	28,497,896	20%	6,094,438	451,661	6,546,099	21,951,797
Furniture & Fixture	4,588,648	507,890	5,096,538	10%	1,438,804	82,979	1,521,783	3,574,755
Office Equipment	10,847,011	720,850	11,567,861	10%	2,864,098	205,580	3,069,678	8,498,183
Total as on June 30, 2016	828,829,900	22,341,070	851,170,970		195,576,490	13,553,017	209,129,507	642,041,463
Total as on June 30, 2015	563,292,495	265,537,405	828,829,900		156,366,650	39,209,840	195,576,490	633,253,410

Allocation of Depreciation:

Particulars	June 30, 2016	March 31, 2016
Manufacturing	13,264,459	38,372,476
Administrative	288,558	837,364
Total:	13,553,017	39,209,840

- (b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;

This information is not applicable for NDSL.

- (c) Selected ratios as specified in Annexure-D;

Auditor's certificate regarding calculation of EPS and Ratios

We have examined the following earnings per share (EPS) and other ratios of **Nurani Dyeing & Sweater Limited** for the period ended June 30, 2016 and for the year ended March 31, 2015, 2014, 2013 and 2012 which have been produced by the management of the Company and provided 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 stated principle on the basis of audited financial statements for the period ended June 30, 2016 and for the year ended March 31, 2015, 2014, 2013 and 2012. Based on the review, we certify that the Company has properly prepared the following EPS and other ratios using stated principles on the basis of audited financial statements. Ratios pertinent to the prospectus are as specified in rule 4 (1) (d)/Annexure D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

Particulars	Ratio				
	30.06.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
I. Liquidity Ratios:					
(i) Current Ratio	1.44	1.22	1.43	1.05	0.95
(ii) Quick Ratio	0.83	0.68	0.82	0.46	0.50
(iii) Interest Coverage Ratio	1.68	1.51	1.58	1.70	0.87
(iv) Debt to Equity Ratio	1.99	6.36	8.91	12.92	11.38
II. Operating Ratios:					
(i) Accounts Receivable Turnover Ratio	3.44	2.57	2.38	1.66	1.78
(ii) Inventory Turnover Ratio	2.36	1.81	1.45	1.10	2.14
(iii) Asset Turnover Ratio	0.81	0.67	0.68	0.54	0.73
III. Profitability Ratios:					
(i) Gross Margin Ratio	19.76%	19.69%	19.46%	14.34%	9.01%
(ii) Operating Income Ratio	16.30%	16.29%	16.45%	7.45%	5.86%
(iii) Net Income Ratio	5.47%	4.58%	5.43%	2.79%	-0.86%
(iv) Return on Assets Ratio	4.44%	3.05%	3.69%	1.52%	-0.62%
(v) Return on Equity Ratio	12.42%	22.08%	34.97%	18.26%	-7.48%
(vi) Earnings Per Share (EPS)	1.86	4.63	5.82	1.98	(0.66)
(vii) EBITDA Margin	20.34%	20.39%	18.69%	11.86%	9.90%
IV. Coverage Ratios:					
(i) Debt to Total Assets Ratio	0.67	0.86	0.90	0.93	0.92
(ii) Debt Service Coverage Ratio	1.72	2.35	1.74	3.15	3.75
V. Cash Flow:					
(i) Net Operating Cash Flow per Share	0.97	19.98	(11.39)	(21.06)	(3.77)
(ii) Net Operating Cash Flow per Share/EPS	0.52	4.32	(1.96)	(10.65)	5.69

Place: Dhaka;
Dated: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Ratio Calculation											
Particulars	Formula	30.06.2016		31.03.2015		31.03.2014		31.03.2013		31.03.2012	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
I. Liquidity Ratios:											
(i) Current Ratio	Current Assets	1,049,577,695	1.44	976,169,336	1.22	1,013,515,496	1.43	1,083,567,399	1.05	749,751,008	0.95
	Current Liabilities	727,118,993		798,064,057		707,465,497		1,028,213,474		790,839,785	
(ii) Quick Ratio	Current Assets-Inventories	600,624,762	0.83	539,212,600	0.68	577,103,997	0.82	470,689,194	0.46	392,201,752	0.50
	Current Liabilities	727,118,993		798,064,057		707,465,497		1,028,213,474		790,839,785	
(iii) Interest Coverage Ratio	EBIT	212,834,617	1.68	159,931,064	1.51	155,292,064	1.58	46,456,356	1.70	39,827,375	0.87
	Interest Expenses	126,459,719		105,614,574		98,115,932		27,264,752		45,764,413	
(iv) Debt to Equity Ratio	Total Debt (Total Liabilities)	1,146,871,917	1.99	1,294,530,313	6.36	1,305,077,056	8.91	1,230,982,039	12.92	886,740,766	11.38
	Total Shareholders Equity	574,885,457		203,474,345		146,551,834		95,300,444		77,898,566	
II. Operating Ratios:											
(i) Accounts Receivable Turnover Ratio	Net Sales	1,305,518,289	3.44	981,542,135	2.57	944,205,482	2.38	623,260,010	1.66	679,214,468	1.78
	Average Accounts Receivables	379,636,129		381,677,873		396,387,233		375,032,069		381,870,480	
(ii) Inventory Turnover Ratio	Cost of Goods Sold	1,047,533,641	2.36	788,302,863	1.81	760,465,471	1.45	533,869,177	1.10	618,026,374	2.14
	Average Inventory	442,954,835		436,684,118		524,644,852		485,213,730		288,769,787	
(iii) Asset Turnover Ratio	Net Sales	1,305,518,289	0.81	981,542,135	0.67	944,205,482	0.68	623,260,010	0.54	679,214,468	0.73
	Average Total Assets	1,609,881,016		1,474,816,775		1,388,955,687		1,145,460,907		933,973,510	
III. Profitability Ratios:											
(i) Gross Margin Ratio	Gross Profit	257,984,648	19.76%	193,239,272	19.69%	183,740,011	19.46%	89,390,833	14.34%	61,188,094	9.01%
	Net Sales	1,305,518,289		981,542,135		944,205,482		623,260,010		679,214,468	
(ii) Operating Income Ratio	Operating Profit	212,834,617	16.30%	159,931,064	16.29%	155,292,064	16.45%	46,456,356	7.45%	39,827,375	5.86%
	Net Sales	1,305,518,289		981,542,135		944,205,482		623,260,010		679,214,468	
(iii) Net Income Ratio	Net Profit after Tax	71,411,112	5.47%	44,922,511	4.58%	51,251,390	5.43%	17,401,878	2.79%	(5,828,810)	-0.86%
	Net Sales	1,305,518,289		981,542,135		944,205,482		623,260,010		679,214,468	
(iv) Return on Assets Ratio	Net Profit after Tax	71,411,112	4.44%	44,922,511	3.05%	51,251,390	3.69%	17,401,878	1.52%	(5,828,810)	-0.62%
	Average Total Assets	1,609,881,016		1,474,816,775		1,388,955,687		1,145,460,907		933,973,510	
(v) Return on Equity Ratio	Net Profit after Tax	71,411,112	12.42%	44,922,511	22.08%	51,251,390	34.97%	17,401,878	18.26%	(5,828,810)	-7.48%
	Shareholders' Equity	574,885,457		203,474,345		146,551,834		95,300,444		77,898,566	
(vi) Earnings Per Share (EPS)	Net Profit after Tax	71,411,112	1.86	44,922,511	4.63	51,251,390	5.82	17,401,878	1.98	(5,828,810)	(0.66)
	Weighted Average Number of Ordinary Shares Outstanding	38,448,140		9,710,685		8,800,000		8,800,000		8,800,000	
(vii) EBITDA Margin	EBITDA	265,597,474	20.34%	200,115,890	20.39%	176,459,594	18.69%	73,905,680	11.86%	67,241,093	9.90%
	Net Sales	1,305,518,289		981,542,135		944,205,482		623,260,010		679,214,468	
IV. Coverage Ratios:											
(i) Debt to Total Assets Ratio	Total Debt	1,146,871,917	0.67	1,294,530,313	0.86	1,305,077,056	0.90	1,230,982,039	0.93	886,740,766	0.92
	Total Assets	1,721,757,374		1,498,004,658		1,451,628,891		1,326,282,483		964,639,332	
(ii) Debt Service Coverage Ratio	Operating Profit +Depreciation	265,597,474	1.72	200,115,890	2.35	176,459,594	1.74	73,905,680	3.15	67,241,093	3.75
	Total Debt Service cost	154,075,467		85,050,299		101,325,376		23,476,573		17,909,005	
V. Cash Flow:											
(i) Net Operating Cash Flow per Share	Net Operating Cash Flow	38,950,933	0.97	199,796,756	19.98	(100,201,682)	(11.39)	(185,284,492)	(21.06)	(33,138,288)	(3.77)
	Number of Ordinary Shares	40,000,000		10,000,000		8,800,000		8,800,000		8,800,000	
(ii) Net Operating Cash Flow per Share/EPS	Net Operating Cash Flow per Share	0.97	0.52	19.98	4.32	(11.39)	(1.96)	(21.06)	(10.65)	(3.77)	5.69
	EPS	1.86		4.63		5.82		1.98		(0.66)	

Comparison ratios with the industry average ratios of the same periods:

Nurani Dyeing & Sweater Limited			Industry Average ***	
Particulars	30.06.2016		2015	Remark/ Explanation
	Ratio		Ratio	
I. Liquidity Ratios:				
(i) Current Ratio	1.44		2.51	NDSL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	0.83		1.20	NDSL's Ratio is satisfactory with the industry average ratio.
(iii) Times Interest Earned Ratio	1.68		2.62	NDSL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	1.99		0.38	NDSL's Ratio is higher as debt burden is higher than equity.
II. Operating Ratios:				
(i) Accounts Receivable Turnover Ratio	3.44		2.79	NDSL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	2.36		2.26	NDSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.81		0.76	NDSL's Ratio is satisfactory with the average industry ratio.
III. Profitability Ratios:				
(i) Gross Margin Ratio	19.76%		17.36%	NDSL's Ratio is better than the industry average ratio as lower Manufacturing Overhead cost.
(ii) Operating Income Ratio	16.30%		14.12%	NDSL's Ratio is better than the industry average ratio as higher operating profit.
(iii) Net Income Ratio	5.47%		6.63%	NDSL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	4.44%		4.84%	NDSL's Ratio is satisfactory with the industry average ratio.

(v) Return on Equity Ratio	12.42%	7.49%	NDSL's Ratio is better than the industry average ratio as higher net profit against equity.
(vi) Earnings Per Share (EPS)	1.86	1.41	NDSL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	20.34%	16.70%	NDSL's Ratio is better than the industry average ratio as higher net operating profit.

IV. Coverage Ratios:

(i) Debt to total Assets Ratio	0.67	0.24	NDSL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	1.72	Not Available	NDSL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.

V. Cash Flow:

(i) Net Operating Cash Flow per Share	0.97	0.07	NDSL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) Net Operating Cash Flow per Share/EPS	0.52	0.08	NDSL's Ratio is satisfactory as Net Operating Cash Flow is positive.

*** The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Mithun Knitting and Dyeing Ltd., Zahintex Industries Ltd. for the year ended June 30, 2015 And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2015.

Nurani Dyeing & Sweater Limited	Industry Average ***
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Particulars	31.03.2015		2014	Remark/ Explanation
	Ratio		Ratio	

I. Liquidity Ratios:

(i) Current Ratio	1.22		2.21	NDSL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	0.68		0.67	NDSL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	1.51		2.50	NDSL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	6.36		0.38	NDSL's Ratio is higher as debt burden is higher than equity.

II. Operating Ratios:

(i) Accounts Receivable Turnover Ratio	2.57		3.39	NDSL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	1.81		2.80	NDSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.67		0.89	NDSL's Ratio is satisfactory with the average industry ratio.

III. Profitability Ratios:

(i) Gross Margin Ratio	19.69%		15.80%	NDSL's Ratio is better than the industry average ratio as lower Manufacturing Overhead cost.
(ii) Operating Income Ratio	16.29%		12.63%	NDSL's Ratio is better than the industry average ratio as higher operating profit.
(iii) Net Income Ratio	4.58%		5.48%	NDSL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	3.05%		4.96%	NDSL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	22.08%		8.67%	NDSL's Ratio is better than the industry average ratio as higher net profit against equity.

(vi) Earnings Per Share (EPS)	4.63	1.61	NDSL's Ratio is better than the industry average ratio as higher net profit.
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(vii) EBITDA Margin	20.39%	15.18%	NDSL's Ratio is better than the industry average ratio as higher net operating profit.
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IV. Coverage Ratios:

(i) Debt to total Assets Ratio	0.86	0.24	NDSL's Ratio is satisfactory as debt burden is lower than assets.
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(ii) Debt Service Coverage Ratio	2.35	Not Available	NDSL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
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V. Cash Flow:

(i) Net Operating Cash Flow per Share	19.98	(0.41)	NDSL's Ratio is satisfactory as Net Operating Cash Flow is positive.
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(ii) Net Operating Cash Flow per Share/EPS	4.32	0.07	NDSL's Ratio is satisfactory as Net Operating Cash Flow is positive.
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*** The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Mithun Knitting and Dyeing Ltd., Zahintex Industries Ltd. for the year ended June 30, 2014 And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2014.

Nurani Dyeing & Sweater Limited	Industry Average ***
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Particulars	31.03.2014		2013	Remark/Explanation
	Ratio		Ratio	

I. Liquidity Ratios:

(i) Current Ratio	1.43		1.63	NDSL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	0.82		0.80	NDSL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	1.58		2.39	NDSL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	8.91		0.57	NDSL's Ratio is higher as debt burden is higher than equity.

II. Operating Ratios:

(i) Accounts Receivable Turnover Ratio	2.38		3.89	NDSL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	1.45		3.28	NDSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.68		1.02	NDSL's Ratio is satisfactory with the average industry ratio.

III. Profitability Ratios:

(i) Gross Margin Ratio	19.46%		15.31%	NDSL's Ratio is better than the industry average ratio as lower Manufacturing Overhead cost.
(ii) Operating Income Ratio	16.45%		12.30%	NDSL's Ratio is better than the industry average ratio as higher operating profit.
(iii) Net Income Ratio	5.43%		4.89%	NDSL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	3.69%		4.99%	NDSL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	34.97%		9.66%	NDSL's Ratio is better than the industry average ratio as higher net profit against equity.

(vi) Earnings Per Share (EPS)	5.82	2.06	NDSL's Ratio is better than the industry average ratio as higher net profit.
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(vii) EBITDA Margin	18.69%	14.76%	NDSL's Ratio is better than the industry average ratio as higher net operating profit.
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IV. Coverage Ratios:

(i) Debt to total Assets Ratio	0.90	0.29	NDSL's Ratio is satisfactory as debt burden is lower than assets.
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(ii) Debt Service Coverage Ratio	1.74	Not Available	NDSL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
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V. Cash Flow:

(i) Net Operating Cash Flow per Share	(11.39)	2.65	NDSL's Ratio is negative as Net Operating Cash Flow is negative.
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(ii) Net Operating Cash Flow per Share/EPS	(1.96)	1.42	NDSL's Ratio is negative as Net Operating Cash Flow is negative.
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*** The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Mithun Knitting and Dyeing Ltd., Zahintex Industries Ltd. for the year ended June 30, 2013 And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2013.

Nurani Dyeing & Sweater Limited	Industry Average ***
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Particulars	31.03.2013		2012	Remark/ Explanation
	Ratio		Ratio	

I. Liquidity Ratios:

(i) Current Ratio	1.05		1.60	NDSL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	0.46		0.75	NDSL's Current Ratio is satisfactory with the industry average current ratio.
(iii) Times Interest Earned Ratio	1.70		2.63	NDSL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	12.92		0.61	NDSL's Ratio is higher as debt burden is higher than equity.

II. Operating Ratios:

(i) Accounts Receivable Turnover Ratio	1.66		4.94	NDSL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	1.10		3.55	NDSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.54		1.15	NDSL's Ratio is satisfactory with the average industry ratio.

III. Profitability Ratios:

(i) Gross Margin Ratio	14.34%		16.05%	NDSL's Ratio is satisfactory with the average industry ratio.
(ii) Operating Income Ratio	7.45%		12.90%	NDSL's Ratio is satisfactory with the average industry ratio.
(iii) Net Income Ratio	2.79%		4.76%	NDSL's Ratio is satisfactory with the average industry ratio.
(iv) Return on Assets Ratio	1.52%		5.42%	NDSL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	18.26%		12.18%	NDSL's Ratio is satisfactory with the industry average ratio.
(vi) Earnings Per Share (EPS)	1.98		2.31	NDSL's Ratio is satisfactory with the industry average ratio.

(vii) EBITDA Margin	11.86%	15.45%	NDSL's Ratio is satisfactory with the industry average ratio.
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IV. Coverage Ratios:

(i) Debt to total Assets Ratio	0.93	0.31	NDSL's Ratio is satisfactory as debt burden is lower than assets.
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(ii) Debt Service Coverage Ratio	3.15	Not Available	NDSL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
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V. Cash Flow:

(i) Net Operating Cash Flow per Share	(21.06)	(2.08)	NDSL's Ratio is negative as Net Operating Cash Flow is negative.
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(ii) Net Operating Cash Flow per Share/EPS	(10.65)	(1.20)	NDSL's Ratio is negative as Net Operating Cash Flow is negative.
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*** The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Mithun Knitting and Dyeing Ltd., Zahintex Industries Ltd. for the year ended June 30, 2012 And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2012.

Nurani Dyeing & Sweater Limited	Industry Average ***
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Particulars	31.03.2012	2011	Remark/ Explanation
	Ratio	Ratio	

I. Liquidity Ratios:

(i) Current Ratio	0.95	1.19	NDSL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	0.50	0.51	NDSL's Current Ratio is satisfactory with the industry average current ratio.
(iii) Times Interest Earned Ratio	0.87	1.93	NDSL's Current Ratio is satisfactory with the industry average current ratio.
(iv) Debt to Equity Ratio	11.38	0.84	NDSL's Ratio is higher as debt burden is higher than equity.

II. Operating Ratios:

(i) Accounts Receivable Turnover Ratio	1.78	7.07	NDSL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	2.14	3.28	NDSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.73	1.10	NDSL's Ratio is satisfactory with the average industry ratio.

III. Profitability Ratios:

(i) Gross Margin Ratio	9.01%	14.48%	NDSL's Ratio is satisfactory with the average industry ratio.
(ii) Operating Income Ratio	5.86%	11.78%	NDSL's Ratio is satisfactory with the average industry ratio.
(iii) Net Income Ratio	-0.86%	4.23%	NDSL's Ratio is negative as net profit is negative.
(iv) Return on Assets Ratio	-0.62%	4.51%	NDSL's Ratio is negative as net profit is negative.
(v) Return on Equity Ratio	-7.48%	13.10%	NDSL's Ratio is negative as net profit is negative.
(vi) Earnings Per Share (EPS)	(0.66)	3.05	NDSL's Ratio is negative as net profit is negative.

(vii) EBITDA Margin	9.90%	14.49%	NDSL's Ratio is negative as net profit is negative.
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IV. Coverage Ratios:

(i) Debt to total Assets Ratio	0.92	0.35	NDSL's Ratio is satisfactory as debt burden is lower than assets.
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(ii) Debt Service Coverage Ratio	3.75	Not Available	NDSL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
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V. Cash Flow:

(i) Net Operating Cash Flow per Share	(3.77)	(4.50)	NDSL's Ratio is negative as Net Operating Cash Flow is negative.
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(ii) Net Operating Cash Flow per Share/EPS	5.69	(2.46)	NDSL's Ratio is satisfactory as Net Operating Cash Flow is positive.
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*** The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Mithun Knitting and Dyeing Ltd., Zahintex Industries Ltd. for the year ended June 30, 2011 And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2011.

- (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 balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

As required under Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994, management of **NURANI DYEING & SWEATER LIMITED** has prepared the following statements of its assets and liabilities and profit and loss accounts for the period ended June 30, 2016 and for the year ended March 31, 2012, 2013, 2014 & 2015 and submitted those to us for working and issuance of our confirmation thereon.

We, as the auditors of the Company, having examined the financial statements of the Company for the period ended June 30, 2016 and for the year ended March 31, 2012, 2013, 2014 & 2015, hereby confirm that the following information has been correctly extracted from those audited financial statements. In pursuance of section 135(1) under paragraph 24(1) of part II of the Third schedule of the Companies Act 1994 our report is as under:

1) Statements of Assets and Liabilities of the company is as under:

Particulars	Amount In Taka				
	30.06.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
ASSETS					
NON-CURRENT ASSETS	672,179,679	521,835,322	438,113,395	242,715,084	214,888,324
Property, Plant & Equipment	642,041,463	406,925,845	438,113,395	242,655,084	214,828,324
Capital Work in Progress	30,138,216	114,909,477	-	-	-
Preliminary Expenses	-	-	-	60,000	60,000
CURRENT ASSETS	1,049,577,695	976,169,336	1,013,515,496	1,083,567,399	749,751,008
Inventories	448,952,933	436,956,736	436,411,499	612,878,205	357,549,255
Accounts Receivable	391,968,937	367,303,321	396,052,425	396,722,040	353,342,097
Advances, Deposits & Pre-Payments	206,021,664	159,954,882	178,577,310	71,665,137	27,977,343
Investments	1,871,349	3,315,539	1,701,284	1,528,475	1,367,964
Cash & Cash Equivalents	762,812	8,638,858	772,978	773,542	9,514,348
TOTAL ASSETS	1,721,757,374	1,498,004,658	1,451,628,891	1,326,282,483	964,639,332

SOURCES OF FUND**SHAREHOLDERS' EQUITY & LIABILITIES****SHAREHOLDERS' EQUITY****Equity and Reserve**

Share Capital	400,000,000	100,000,000	88,000,000	88,000,000	88,000,000
Retained Earnings	174,885,457	103,474,345	58,551,834	7,300,444	(10,101,434)

NON-CURRENT LIABILITIES

Share Money Deposit	-	103,000,000	115,000,000	115,000,000	-
Term Loan	419,752,924	393,466,256	482,611,559	87,768,565	95,900,981

CURRENT LIABILITIES

Current Portion of Term Loan	152,302,814	89,145,304	81,879,441	-	-
Accounts Payable	180,377,230	192,555,292	131,049,938	377,467,048	265,124,204
Short Term Loan	378,518,331	504,348,655	489,050,476	595,829,154	504,293,964
Liabilities for Expenses	8,955,582	7,941,069	5,485,642	1,781,272	1,684,777
Provision for Tax	6,965,036	4,073,737	-	-	-
Liability for Imported Machine	-	-	-	53,136,000	19,736,840

TOTAL EQUITY AND LIABILITIES

	1,721,757,374	1,498,004,658	1,451,628,891	1,326,282,483	964,639,332
Net Assets Value (NAV) Per Share-reported	14.37	20.35	16.65	10.83	8.85
Net Assets Value (NAV) Per Share-restated	14.37	5.09	3.66	2.38	1.95

2) The statements of operating results of the company is as follow:

Particulars	Amount In Taka				
	30.06.2016 (15 months)	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Turnover	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468
Less: Cost of Goods Sold	1,047,533,641	788,302,863	760,465,471	533,869,177	618,026,374
Gross Profit	257,984,648	193,239,272	183,740,011	89,390,833	61,188,094
Operating Expenses	45,150,031	33,308,207	28,447,947	42,934,477	21,360,719
Less: Administrative Expenses	36,441,922	25,274,044	20,542,479	40,653,021	18,342,968
Less: Selling & Distribution Expenses	8,708,109	8,034,163	7,905,468	2,281,456	3,017,751
Profit from Operation	212,834,617	159,931,064	155,292,064	46,456,356	39,827,375
Add: Other Income	233,572	171,394	192,010	178,346	181,054
Less: Financial Expenses	126,459,719	105,614,574	98,484,749	27,299,282	45,837,239
Net profit before tax	86,608,470	54,487,885	56,999,325	19,335,420	(5,828,810)
Less: Income Tax Expense	15,197,357	9,565,374	5,747,935	1,933,542	-
Current Tax	15,197,357	9,565,374	5,747,935	1,933,542	-
Net Profit after tax	71,411,112	44,922,511	51,251,390	17,401,878	(5,828,810)
Earnings per Share (EPS) Basic-reported	1.86	4.63	5.82	1.98	(0.66)
Earnings per Share (EPS) Basic-restated	1.79	1.12	1.28	0.44	(0.15)

Point to be noted:

- 3) No Dividend was declared by the company;
- 4) The Company was incorporated on December 14, 2005;
- 5) The Company has no subsidiaries;
- 6) No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the Company in the purchase of any other business;
- 7) The Company did not prepare any financial statements for any period subsequent to March 31, 2016 except period from 01 April 2016 to 30 June 2016;
- 8) Net Asset Value Per Share and Earning per Share (EPS) Basic and have been re-stated on the basis of current no of share as on June 30, 2016.
- 9) Figures related to previous years have been rearranged whenever considered necessary;

Place: Dhaka;
Dated: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

(c) Financial spread sheet analysis for the latest audited financial statements;

NURANI DYEING & SWEATER LIMITED

Statement of Financial Position

As at June 30, 2016

Particulars	Amount	Percentage on Total Asset	Grand Total
PROPERTY & ASSETS			
NON-CURRENT ASSETS	672,179,679		39.04%
Property, Plant and Equipment	642,041,463	37.29%	
Land and Land Development	11,093,940	0.64%	
Factory Building	196,617,732	11.42%	
Machinery	381,389,418	22.15%	
Electric Equipment & Installation	6,258,692	0.36%	
Laboratory Equipments	1,707,960	0.10%	
Generator	5,106,523	0.30%	
Gas Line Installation	1,583,425	0.09%	
Tube Well	921,328	0.05%	
ETP	3,337,710	0.19%	
Vehicle	21,951,797	1.27%	
Furniture & Fixture	3,574,755	0.21%	
Office Equipment	8,498,183	0.49%	
Capital Work in Progress	30,138,216		1.75%
CURRENT ASSETS	1,049,577,695		60.96%
Inventories	448,952,933	26.08%	
Yarn	280,030,570	16.26%	
Dyes & Chemicals	99,853,690	5.80%	
Spares Parts and Accessories	12,005,690	0.70%	
Finished Goods & WIP	57,062,983	3.31%	
Accounts Receivables	391,968,937	22.77%	
Accounts Receivables	391,968,937	22.77%	
Advances, Deposits and Pre-payments	206,021,664	11.97%	
Tax Deductions at Source	658,193	0.04%	
L/C margin	98,953,691	5.75%	
FBPAR	98,679,356	5.73%	
Prepaid Insurance	511,935	0.03%	
Advances for Vehicle	6,011,380	0.35%	
Security Deposit	1,207,109	0.07%	
Investments	1,871,349	0.11%	
Cash and Cash Equivalents	762,812	0.04%	
Total Assets	1,721,757,374		100.00%
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS EQUITY	574,885,457		33.39%
Share Capital	400,000,000	23.23%	
Retained Earnings	174,885,457	10.16%	
NON-CURRENT LIABILITY	419,752,924		24.38%
Long Lerm Borrowings	419,752,924	24.38%	
CURRENT LIABILITY	727,118,993		42.23%
Long Term Loan-Current Portion	152,302,814	8.85%	
Accounts Payable	180,377,230	10.48%	
Short Term Loan from Bank	378,518,331	21.98%	
Liabilities for Expenses	8,955,582	0.52%	
Salary & Wages	5,010,350	0.29%	

Directors' Remuneration	74,167	0.004%	
Audit Fees	345,000	0.02%	
Office Rent	26,000	0.002%	
Payable for TDS and others	122,205	0.007%	
Gas Bill	2,690,660	0.16%	
Securities Salary	51,542	0.003%	
Electricity Bill	629,910	0.04%	
Telephone Bill	5,748	0.00033%	
Provision for Income Tax	6,965,036	0.40%	
Total Liabilities & Shareholders' Equity	1,721,757,374		100%

NURANI DYEING & SWEATER LIMITED
Statement of Profit and Loss and other Comprehensive Income
For the year ended June 30, 2016 (15 months)

Particulars	Year ended June 30, 2016	Percentage on Total Turnover	Grand Percentage
Turnover	1,305,518,289		100%
Sales Revenue	1,305,518,289		
Less: Cost of sales	1,047,533,641		80.24%
Yarn Consumed	786,880,713	60.27%	
Dyes & Chemical Consumed	96,382,707	7.38%	
Spare Parts and Accessories Consumed	25,663,977	1.97%	
Manufacturing Overhead	166,643,744	12.76%	
	1,075,571,141		
Add: Opening Finished Goods & Work-in Process	29,025,483		
Less: Closing Finished Goods & Work-in Process	57,062,983		
Gross Profit	257,984,648		19.76%
Less: Operating Expenses	45,150,031		3.46%
Administrative Expenses	36,441,922	2.79%	
Selling & Distribution Expenses	8,708,109	0.67%	
Operating Profit	212,834,617		16.30%
Less: Financial Expenses	126,459,719		9.69%
Financial Expenses	126,459,719	9.69%	
Add: Interest Income	233,572		0.02%
NET PROFIT BEFORE TAX	86,608,471		6.63%
Less: Provision for Tax	15,197,357		1.16%
Current Tax	15,197,357	1.16%	
Net Profit after Tax	71,411,112		5.47%

NURANI DYEING & SWEATER LIMITED

Financial Worksheet Analysis

For the year ended June 30, 2016 (15 Months)

Particulars	Trial Balance		Adjustment		Adjusted Trial balance		Statement of Profit or Loss and Other Comprehensive Income		Statement of Changes in Equity (Retained Earnings)		Statement of Financial Position	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
Property, Plant & Equipment	851,170,970				851,170,970						851,170,970	
Accumulated Depreciation		156,366,650		52,762,857		209,129,507						209,129,507
Capital Work in Progress	30,138,216				30,138,216						30,138,216	
Inventories	448,952,933				448,952,933						448,952,933	
Accounts Receivable	391,968,937				391,968,937						391,968,937	
Advances, Deposits & Prepayments	198,741,913		7,279,751		206,021,664						206,021,664	
Investments	1,871,349				1,871,349						1,871,349	
Cash & Cash Equivalent	762,812				762,812						762,812	
Share Capital		400,000,000				400,000,000						400,000,000
Opening Retained Earnings		103,474,345				103,474,345			103,474,345			
Long Term Loan		419,752,924				419,752,924						419,752,924
Accounts Payable		180,377,230				180,377,230						180,377,230
Short Term Loan		378,518,331				378,518,331						378,518,331
Liabilities for Expenses		-		8,955,582		8,955,582						8,955,582
Provision for Income Tax		6,965,036				6,965,036						6,965,036
Long Term Loan-Current Portion		152,302,814				152,302,814						152,302,814
Sales Revenue		1,305,518,289				1,305,518,289		1,305,518,289				
Cost of Goods Sold (Excluding Depreciation)	995,672,121		7,268,846	7,044,261	995,896,706		995,896,706					
Administrative Expenses (Excluding Depreciation)	33,864,753		1,686,737	235,490	35,316,000		35,316,000					
Selling & Distribution Expenses	8,708,109				8,708,109		8,708,109					
Depreciation Expense	-		52,762,857		52,762,857		52,762,857					
Financial Expenses	126,459,719				126,459,719		126,459,719					
Other Income		233,572				233,572		233,572				
Current Tax	15,197,357				15,197,357		15,197,357					
	3,103,509,190	3,103,509,190	68,998,190	68,998,190	3,165,227,629	3,165,227,630	1,234,340,748	1,305,751,861				
Net Profit							71,411,112			71,411,112		
							1,305,751,860	1,305,751,860	-	174,885,458		
Closing Retained Earnings									174,885,458			174,885,458
									174,885,458	174,885,458		
											1,930,886,881	1,930,886,881

- (f) **Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;**

As per audited financial statement as at 30 June, 2016

Particulars	Amount in Taka
Net profit after Tax	71,411,112
Total existing number of Share	40,000,000
Weighted average number of Share	38,448,140
Earnings per Share (EPS) - Fully Diluted Basis	1.79
Earnings per Share (EPS) - Weighted average number of Share Basis	1.86

- (g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

As per audited financial statement as at 30 June, 2016

Particulars	Amount in Taka
Net profit before Tax	86,608,470
Less: Interest Income	233,572
Net profit before tax except interest income	86,374,898
Less: Provision for Taxation	15,197,357
Net profit after tax except interest income	71,177,541
No. of shares before IPO	40,000,000
Earnings per Share (EPS)	1.78

- (h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**

This information is not applicable for NDSL.

- (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.**

The Company has not revalued any of its assets.

As per audited financial statement as at 30 June, 2016

Particulars	Amount in Taka
Share Capital	400,000,000
Retained Earnings	174,885,457
Total Shareholders' Equity (without Revaluation Reserve)	574,885,457
Total Number of Ordinary Share	40,000,000
Net Assets Value (NAV) at BDT 10.00 per share (without Revaluation Reserve)	14.37

- (j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.**

This information is not applicable for NDSL.

(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 rate of interest and interest paid/accrued;

Auditors certificate regarding Long Term and Short Term Borrowings Including Borrowing from Related Party or Connected Persons with rate of interest and interest paid/accrued

Based on our scrutiny of the relevant financial statement of **Nurani Dyeing & Sweater Ltd.** which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statements, the Company has taken the following long term and short term borrowings including borrowing from related party or connected persons during the last five years:

Period Ended 30 June, 2016 (15 Months)

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 30 June, 2016	Interest Rate	Interest Paid, (BDT) (15 Months)	Interest Accrued, (BDT)
AB Bank	Lender	Long Term	572,055,738	14.00%	57,553,155	-
Sub: Total			572,055,738		57,553,155	-
AB Bank	Lender	Short Term	153,772,374	11.50% - 12.00%	68,906,564	-
Agrani Bank	Lender	Short Term	72,964,146	14.00%		-
Janata Bank	Lender	Short Term	46,681,810	15.00%		-
Islami Bank	Lender	Short Term	105,100,000	13% to 14%		-
Sub: Total			378,518,331		68,906,564	-
Grand Total			950,574,069		126,459,719	-

For the Year ended 31 March, 2015

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 March, 2015	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
AB Bank	Lender	Long Term	482,611,559	15.50%	39,360,007	-
Sub: Total			482,611,559		39,360,007	-
AB Bank	Lender	Short Term	362,831,448	15.50%	66,254,567	-
Agrani Bank	Lender	Short Term	92,844,397	16.00%		-
Janata Bank	Lender	Short Term	48,672,810	15.00%		-
Sub: Total			504,348,655		66,254,567	-
Grand Total			986,960,214		105,614,574	-

For the Year ended 31 March, 2014

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 March, 2014	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
AB Bank	Lender	Long Term	564,491,000	15.50%	13,556,811	-
Sub: Total			564,491,000		13,556,811	-
AB Bank	Lender	Short Term	264,889,579	15.50%	84,559,121	-
Agrani Bank	Lender	Short Term	158,233,204	16.00%		-
Janata Bank	Lender	Short Term	65,927,694	15.00%		-
Sub: Total			489,050,477		84,559,121	-
Grand Total			1,053,541,477		98,115,932	-

For the Year ended 31 March, 2013

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 March, 2013	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
BDBL	Lender	Long Term	87,768,565	10% to 13%		-
Sub: Total			87,768,565		-	-
Agrani Bank	Lender	Short Term	392,187,777	16.00%	27,264,752	-
Janata Bank	Lender	Short Term	70,043,830	15.00%		-
BDBL	Lender	Short Term	133,597,547	16.00%		-
Sub: Total			595,829,154		27,264,752	-
Grand Total			683,597,719		27,264,752	-

For the Year ended 31 March, 2012

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 March, 2012	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
BDBL	Lender	Long Term	95,900,981	10% to 13%	10,924,944	-
Sub: Total			95,900,981		10,924,944	-
Agrani Bank	Lender	Short Term	462,731,772	13.00%	29,199,699	-
Janata Bank	Lender	Short Term	41,562,191	13.00%	5,639,770	-
Sub: Total			504,293,963		34,839,469	-
Grand Total			600,194,944		45,764,413	-

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

- (ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;

Auditors certificate regarding principal terms of secured loans and assets on which charge have been created against those loans

Based on our verification of the related offer letter/sanction advice from concerned lenders and other related documents on test basis as produced to us by the management of **Nurani Dyeing & Sweater Ltd.**, we certify that the following statement of secured loans and related principal terms including assets on which charges have been created against those loans are consistent with the copies of related offer letter/sanction advice as produced to us for scrutiny:

Particulars	30 June, 2016	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Names of lenders	AB Bank	AB Bank	AB Bank	AB Bank	AB Bank
Purpose	Procurement of Machineries and construction of factory building.				
Primary Security / Collateral Asset / Other Security	90.00 Decimals of Land of NDSL along with 372.00 Decimals of Land from third party, 8 storied Foundation, 5 Storied Building , L/C Documents, all Fixed and Floating Assets of the company. 2. 372.00 Decimals from third party.				
Sanctioned Amount (TK)	5,043.31 Lac	5,332.5 lac	5,332.5 lac	No Loan was taken	No Loan was taken
Rate of Interest	14.00%	15.50%	15.50%		
Re-payment schedule	48 Monthly installments 14% interest which is subject to change time to time.	20 equal quarterly installments 15.50% interest which is subject to change time to time.	20 equal quarterly installments 15.50% interest which is subject to change time to time.		
Status (Outstanding balance Tk.)	572,055,738	482,611,559	564,491,000		

Particulars	30 June, 2016	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Names of lenders	AB Bank	AB Bank	AB Bank	AB Bank	AB Bank
Purpose	Working Capital				
Primary Security / Collateral Asset / Other Security	90.00 Decimals of Land of NDSL along with 372.00 Decimals of Land from third party, 8 storied Foundation, 5 Storied Building , L/C Documents, all Fixed and Floating Assets of the company. 2. 372.00 Decimals from third party.				
Sanctioned Amount (TK)	7,900 lac	11,150 lac	10,018 lac	No Loan was taken	No Loan was taken
Rate of Interest	14.00%	15.50%	15.50%		
Re-payment schedule	Within one year				
Status (Outstanding balance Tk.)	153,772,374	362,831,448	264,889,579		

Particulars	30 June, 2016	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Names of lenders	Agrani Bank	Agrani Bank	Agrani Bank	Agrani Bank	Agrani Bank
Purpose	Working Capital & import raw materials				
Primary Security / Collateral Asset / Other Security	This loan is secured by 288.76 decimals of land located at Feni, LC documents, Material Stock and Director's personal guarantee.				
Sanctioned Amount (TK)	2,700 lac	2,700 lac	2,400 lac	2,400 lac	2,900 lac
Rate of Interest	15.00%	16.00%	16.00%	16.00%	13.00%
Re-payment schedule	Within one year				
Status (Outstanding balance Tk.)	72,964,146	92,844,397	158,233,204	392,187,777	462,731,772

Particulars	30 June, 2016	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Names of lenders	BDBL	BDBL	BDBL	BDBL	BDBL
Purpose	Procurement of Machineries and construction of factory building				
Primary Security / Collateral Asset / Other Security	Present and future all tangible fixed assets and 98.50 decimal land, building, machinery and others and Director's personal guarantee.				
Sanctioned Amount (TK)	No Loan was taken	No Loan was taken	No Loan was taken	2423.90 Lac	2423.90 Lac
Rate of Interest				10% to 13%	10% to 13%
Re-payment schedule				24 equal quarterly installments.	24 equal quarterly installments.
Status (Outstanding balance Tk.)		-	-	87,768,565	95,900,981

Particulars	30 June, 2016	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Names of lenders	BDBL	BDBL	BDBL	BDBL	BDBL
Purpose	Working Capital & import raw materials				
Primary Security / Collateral Asset / Other Security	This loan is secured by 172 decimals land of Samsuddin Cotton Mills located at Feni, LC documents, Material Stock and Director's personal guarantee.				
Sanctioned Amount (TK)	No Loan was taken	No Loan was taken	No Loan was taken	3,000 lac	No Loan was taken
Rate of Interest				16.00%	
Re-payment schedule				Within one year	
Status (Outstanding balance Tk.)	-	-	-	133,597,547	-

Particulars	30-Jun-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Names of lenders	Janata Bank	Janata Bank	Janata Bank	Janata Bank	Janata Bank
Purpose	Working Capital & import raw materials				
Primary Security / Collateral Asset / Other Security	This loan is secured by Securities, LC documents, Import documents, Machineries of the company and Directors personal guarantee.				
Sanctioned Amount (TK)	1,900 lac	1,900 lac	1,900 lac	1,900 lac	1,900 lac
Rate of Interest	15.00%	15.00%	15.00%	15.00%	13.00%
Re-payment schedule	Within one year				
Status (Outstanding balance Tk.)	46,681,810	48,672,810	65,927,694	70,043,830	41,562,191

Particulars	30-Jun-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Names of lenders	Islami Bank Ltd.	Islami Bank Ltd.	Islami Bank Ltd.	Islami Bank Ltd.	Islami Bank Ltd.
Purpose	Working Capital				
Collateral Asset	N/A	N/A	No Loan was taken	No Loan was taken	No Loan was taken
Sanctioned Amount (TK)	N/A *	N/A *			
Rate of Interest	Floating rate	Floating rate			
Re-payment schedule	N/A	N/A			
Status (Outstanding balance Tk.) FBP (Foreign Bill Purchase)	105,100,000	78,600,000			

*Approx. 80% to 90% Amount received against Foreign Bill purchase.

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

(iii) Statement of unsecured loans with terms & conditions;

Certification on unsecured loan with terms and conditions of Nurani Dyeing & Sweater Ltd.

Based on our scrutiny of the relevant financial statements as prepared by management of **Nurani Dyeing & Sweater Ltd.** and produced to us for verification, we understand the Company has not taken any unsecured loan from any person/ body except related party transaction from 01 April 2012 to 30 June, 2016.

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

Auditors certificate regarding inventories of Nurani Dyeing & Sweater Ltd.

Based on our scrutiny of the relevant financial statements of **Nurani Dyeing & Sweater Ltd.** which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statements, the Company had following amount of inventories as at the reporting date during the last five years:

Items	Amount in (BDT)				
	Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Raw Materials (yarn, Dyes & Chemicals)	379,884,260	402,497,837	409,710,824	565,086,157	340,853,640
Packing Materials	-	-	-	-	-
WIP & Finished Goods	57,062,983	29,025,483	20,197,653	22,735,925	1,577,000
Consumable Items	-	-	-	-	-
Store & Spare parts	12,005,690	5,433,416	6,503,022		-
Accessories	-	-	-	25,056,123	15,118,615
Trading Goods	-	-	-	-	-
Total	448,952,933	436,956,736	436,411,499	612,878,205	357,549,255

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

(v) Statement of trade receivables showing receivable from related party and connected persons;

Auditors certificate regarding trade receivable of Nurani Dyeing & Sweater Ltd.

Based on our scrutiny of the relevant financial statements of **Nurani Dyeing & Sweater Ltd.** which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statements, the Company had following amount of trade receivables including receivables from related party or connected persons during the last five years:

Sl. No.	Name of Party	Amount in TK.				
		Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
General Party:						
1	Break-up of the above is as under:					
2	Landmark Yarn Dyeing Ltd.		-	-	-	942,400
3	A & A Fashion Sweater.		-	4,573,680	3,489,292	-
4	A B G SWEATERS LTD.		-	-	1,640,750	-
5	A new Apparel Ltd.		-	-	-	6,192,156
6	A.N sweater Ltd		616,641	-	-	-
7	Amir Sweater & Appareals Ltd					761,176
8	AMS International (Sweaters) Ltd.		17,266,421	-	1,846,588	3,871,697
9	Angel Sweater (BD) Ltd.	1,116,092	`	-	6,078,482	2,610,053
10	Annesha Style Limited.	9,302,436	-	-	-	-
11	April Fashion Ltd.		1,136,928	-	-	-
12	ARC Sweaters Ltd.		-	19,906,547	-	-
13	Arna Tex Limited	1,327,200				
14	Arnob Sweater Ltd.		-	-	-	540,263
15	Around Star Sweaters Ltd.		6,185,923	-	-	-
16	Asif Apparels Ltd.	91,261,837	28,080,265	-	7,951,852	6,321,446
17	ASR Sweater Limited	30,020,002				
18	Aziz Garments Ltd		1,707,945	-	991,222	-
19	B L P Warmfashion Ltd	1,316,922	-	-	-	-
20	Bandar Knitting (Pvt.) Ltd.		-	-	17,710,602	40,745,411
21	Barat Sweater Ltd.		-	-	-	771,786
22	BEQ Sweater Ltd		-	-	642,798	

23	BKC Sweater Ltd		-	4,479,440	4,597,320	-
24	Bruzer Sportsger	5,872,639				
25	Calico Sweaters Ltd.		-	-	4,303,592	-
26	Camio USA Kintwear Ltd.		-	-	19,491,131	-
27	CAPRI S.R.L	30,699,842				
28	Citex Sweater Ltd.		-	-	-	4,723,758
29	Cold Asia Sweater Ltd.		-	-	-	5,359,200
30	Commitment Knitwear Ltd.		-	-	5,120,165	2,911,832
31	Corny Tex Sweater Ltd.		-	-	318,240	-
32	Creslan Knitwear Ltd.		-	8,613,220	7,341,495	4,312,576
33	Crown Fashion & Sweater Ind. Ltd		6,552,000	-	6,552,000	-
34	DATA FASHION LTD		-	-	-	2,742,009
35	Desh Sweater Limited		-	-	-	-
36	Diamond Sweater Ind.Ltd.		-	-	3,958,110	-
37	DIGITAL SWEATER & COMPOSITE LTD.	869,980				
38	DK Sweater Ind.		3,143,010	4,619,076	-	7,379,295
39	DNS Sweater Ltd.		-	15,215,316	-	-
40	EARL FASHION LTD.		-	-	-	-
41	Ekram Sweaters Ltd		-	-	4,889,430	-
42	Eva Sweaters Ltd.		-	-	986,700	-
43	EVEREST SWEATERS LTD.		19,361,268	4,206,610	14,517,564	-
44	Evergreen Sweaters Ltd.		-	-	-	320,317
45	Fabulous Fashions Ltd.		-	-	-	-
46	FAIR YARN PROCESSING LTD		-	-	-	15,466,000
47	Feroz Knitting		-	3,780,392	1,939,938	-
48	Funny Sweater Ltd	1,693,270				
49	Geivic SL Spain		-	-	14,369,468	-
50	Gold Star Design Ltd.	1,185,190				
51	Golden Rain Attires Ltd.		-	-	-	-
52	Golden times Sweater		-	2,552,095	-	-
53	Good Rich Sweater ltd.		-	-	-	484,880
54	GRUPPO IMPORTATORI TESSILI SPA.		1,954,649	-	-	-
55	Hamid Sweater Ltd.	6,731,037	-	-	369,708	-

56	Hotapara Garments Ltd.	23,899,080				
57	Hudson Sweater Industries Limited		-	-	582,075	-
58	Hypoid Grils Fshion		-	-	1,476,724	-
59	Ingenious Knitting Wear (Pvt) Ltd.		566,857	-	-	4,329,556
60	International Clothiers Inc		-	4,107,950	28,690,244	-
61	Intimate Textiles Ltd.		-	-	2,838,545	-
62	Intramax sweater Limited		249,600	-	-	-
63	Ishaquepur Sweater Industry Ltd.		-	-	-	916,826
64	J L Sweater Ltd		-	-	2,017,006	-
65	J.F.K FASHION LTD.	1,908,257				
66	J.P Sweaters Limited.	5,273,250	28,288,400	12,968,640	28,513,456	32,207,010
67	Jams Knitwear (pvt) ltd.	6,249,888	-	-	-	2,992,990
68	JEANS FRITZ.		8,761,240	-	-	-
69	Kaptex Sweater Ltd.		-	-	-	-
70	Knit Fashion PVT Ltd.	1,604,095	-	-	15,892,999	-
71	Knit Valley Ltd.		1,202,448	-	610,038	-
72	Kores (Bangladesh) Ltd.		-	4,997,300	3,422,017	-
73	Krishan Knitting Ltd.		-	-	-	5,605,827
74	Kron Sweater Ltd.		-	-	-	6,848,170
75	Lakshma Sweater Ltd	1,562,956	-	-	-	-
76	Libas Knitwear Ltd		-	1,960,827	-	-
77	Lumbini Ltd	528,115				
78	M & S SWEATER LTD.		-	-	-	-
79	M.I Knitwear Limited		-	-	1,472,250	1,666,224
80	M.J Sweater Ltd.		-	5,873,401	-	923,249
81	M.T Sweaters Limited		6,678,175	-	1,068,990	-
82	M/S WOOLEN AND WOOL LIMITED		-	-	-	-
83	Mantra INC-USA(MOKA)		-	-	5,463,744	-
84	Mantrust Sweater Ltd		9,026,394	12,484,672	6,406,608	2,000,320
85	Marlin Knit wear ltd		-	4,437,660	-	-
86	Marvelous Sweater Ltd.		-	-	-	-
87	MB Sweater ltd		-	1,671,992	-	-
88	Mccoy Sweater Ltd	1,748,764				
89	Merlin Knitwear Limited	21,024,191	3,510,000	19,445,914	-	-

90	Millennium Spinning and Knitting Factory Ltd.		10,646,123	3,839,400	2,290,876	-
91	Miras Fashion Ltd.		-	-	-	2,633,400
92	MJ Sweater Ltd		-	11,105,496	-	-
93	MN Sweaters ltd		-	-	752,798	-
94	N.Q. COLLECTION LTD.		-	-	1,946,880	2,464,000
95	N.R.C Knit Fashions Ltd.		6,681,152	-	-	3,124,436
96	Naliza Sweaters Ltd		-	-	2,525,843	-
97	Naziat Sweaters Ltd.	20,584,171	-	-	-	-
98	Nexus Sweater Ind. (Pvt.) Ltd.	47,281,500	104,368,412	165,478,037	43,974,842	84,821,301
99	Nibir Sweater Ltd.	579,485				
100	Nippon Sweaters Ltd.		-	-	1,348,474	-
101	Nisa Apparels Ltd.		-	-	-	665,280
102	NRC Knit Fashion Limited		-	-	1,240,239	-
103	Ocean Sweater Ind. (Pvt) Ltd.		-	3,800,095	-	-
104	Oishi Fashion (Pvt) Ltd.		9,380,233	9,388,225	3,475,579	5,897,653
105	One Up Sweaters Ltd.		-	1,892,352	-	-
106	Orient Allure Knitwear Ltd.	600,653				
107	ORPAT SWEATERS LTD		-	-	-	-
108	Pacific A-1 Sweater Ltd.	7,979,032				
109	Pacific Sweaters Ltd.		5,665,842	-	7,430,085	733,872
110	Padma Sweater Ltd		-	499,187	6,495,399	-
111	Panache Knitted Creations Ltd.	2,844,000	-	-	-	-
112	Paramount Knitting Ltd.	3,318,016				
113	PENNY DESIGN KNITWARE	718,900				
114	Poof Apparel Cor. USA		-	-	3,066,650	-
115	Premier Style Ltd.		-	-	6,388,364	7,928,477
116	Promod Knitwear Ltd		-	1,216,600	-	-
117	R R FASHIONS LTD		-	4,740,395	2,585,700	-
118	R&J Sweater Ltd.		-	-	974,006	-
119	R.N. Sweaters Limited.		-	-	7,835,281	40,138,955
120	R.S SWEARTERS (PVT) LTD.		660,403	-	1,363,339	2,525,600
121	Radiant Sweater Ind. Ltd.	2,270,440				
122	Rain Knit Wears Ltd.		-	-	-	1,972,201
123	Rnsco Sweaters Ltd.		-	-	10,711,834	-

124	Rose Sweater Ltd		-	-	305,230	-
125	Rupshi Sweaters Ltd.		-	-	-	554,400
126	Ryan knit Ltd.		1,174,586	-	1,861,704	7,976,571
127	S AND P CASUALS LTD.		4,276,565	-	-	-
128	S K J KNITWEAR LTD		-	-	-	-
129	SAHABA YARN LTD	1,194,480				
130	Sam ree dyeing BD ltd		6,644,040	-	2,714,400	-
131	Sam Sweaters Ltd.		-	-	-	-
132	Samad Sweater Ltd		-	-	1,430,508	-
133	Samdib Sweaters Ltd.		-	-	-	1,032,339
134	Samsons Sweaters Ltd.		6,323,187	-	-	-
135	Samsons Winter wear Inds . Ltd		1,501,500	4,719,103	1,097,823	-
136	SAP Fashion Ltd		1,531,530	-	-	-
137	Sayem Fashion Ltd		-	-	-	1,906,982
138	Scandex (BD) Ltd		-	15,800,395	6,674,848	-
139	SCANDEX KNITWEAR LTD UNIT-2 (SWEATER)		-	-	-	-
140	SEVEN STAR SWEATER (PVT) LTD		-	-	-	-
141	Shams Knitting & Sweater Industries Ltd.		-	-	-	1,396,887
142	Share Knitwear Ltd.		-	-	3,877,203	-
143	Sinha Knit Industries Ltd.	5,420,842				
144	Smug Sweater Ltd	1,066,500	-	-	21,348,600	-
145	Southeast Sweaters Ltd		-	-	-	2,042,926
146	Spring Trade Ltd.	1,470,980	14,909,700	-	-	-
147	STRETCH-O-RAMA INC.	8,878,304				
148	Suhcheon Company (BD) Ltd.	3,324,257	-	-	-	-
149	Sweatertech Ltd.		5,126,469	-	5,568,116	-
150	Sydney Sweaters Ltd.		-	-	-	3,738,539
151	Tandem Sweaters Ltd.		-	-	4,283,916	-
152	Taufiq Sweater Ltd.		11,013,210	610,706	1,257,360	-
153	Texstar Design	123,438	-	-	-	-
154	The Delta Composite Knitting Industries Ltd.		-	-	-	-
155	The Sweater (Factory) Co. Ltd.		-	1,987,482	-	280,203

156	Three star sweater ltd		-	-	1,212,112	-
157	Toptex Sweaters Ltd.	4,262,011	-	-	-	-
158	Trade Sweater Factory Ltd.	1,997,017	1,950,039	-	-	-
159	Tricotex (PVT.) Ltd.	7,562,228	-	-	-	-
160	Tung Hai Sweaters Ltd.		-	-	-	-
161	Tweed Sweaters Ltd.		1,583,400	-	-	-
162	Unity Industrial (BD) Ltd.		-	-	4,920,341	3,311,616
163	Valentine Sweaters Ltd.		-	1,652,035	-	-
164	V-Sign Sweaters Ltd.		2,368,080	-	-	-
165	Warm Fashion Ltd.		-	-	1,125,852	3,807,425
166	Whispering Smith LTD.	830,448				
167	WILLIAM MCCARTHY-IRELAND		-	-	4,400,456	-
168	Wisteria Textiles Ltd.		10,187,580	31,094,605	-	-
169	Woolen and Wool Limited	1,607,295				
170	Woolsey Knit wear Limited	1,328,452	-	-	-	-
171	Z.M Apparels Ltd.		-	-	-	10,442,608
172	Zahintex Industries Ltd	21,531,449	6,224,423	-	2,448,225	-
173	Zamila Sweater Ltd.		-	-	228,018	-
174	Zeal Textile Limited		4,804,800	2,333,580	-	-
Sub Total		391,968,937	361,309,438	396,052,425	396,722,040	353,342,097
<u>With Related Party</u>		-	-	-	-	-
Sub Total			-	-	-	-
From Connected Person			-	-	-	-
Sub Total			-	-	-	-
Grand Total		391,968,937	361,309,438	396,052,425	396,722,040	353,342,097

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

- (vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;

Auditors certificate regarding loan given by the issuer including Loans to Related Party or Connected Persons

Based on our scrutiny of the relevant financial statements of **Nurani Dyeing & Sweater Ltd.** which have been prepared by management and produced to us for review, we certify that **Nurani Dyeing & Sweater Ltd.** Did not give any loan to any related party or connected persons from April 1, 2012 to March 31, 2016, Except loan given to Director in the year 2014.

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

- (vii) Statement of other income showing interest income, dividend income, discount received, other non operating income;

Auditors certificate regarding other income of Nurani Dyeing & Sweater Ltd.

Based on our scrutiny of the relevant financial statements of **Nurani Dyeing & Sweater Ltd.** which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statements, the Company had the following other income during the last five years:

Particular	Amount in TK.				
	Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Interest Income	233,572	171,394	192,010	178,346	181,054
Dividend Income	-	-	-	-	-
Discount Received	-	-	-	-	-
Other Non-Operating Income	-	-	-	-	-
Total	233,572	171,394	192,010	178,346	181,054

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

Auditors certificate regarding turnover of Nurani Dyeing & Sweater Ltd.

Based on our scrutiny of the turnover statement prepared by management of **Nurani Dyeing & Sweater Ltd.** and verification of samples from those statements on test basis, we certify that in those statements the Company has disclosed the following amount of turnover through banking channel during the last five years:

Particular	Amount in (BDT)				
	Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
In Cash	-	-	-	-	-
Credit Sale	391,968,937	367,303,321	396,052,425	396,722,040	353,342,097
Through Banking Channel	913,549,352	614,238,814	548,153,057	226,537,970	325,872,371
Total	1,305,518,289	981,542,135	944,205,482	623,260,010	679,214,468

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

(ix) Statement of related party transaction;

Auditors Certificate Regarding Related Party Transaction of Nurani Dyeing & Sweater Ltd.

Based on our scrutiny of the financial statements and other relevant records of **Nurani Dyeing & Sweater Ltd.** which have been prepared by Management of the Company and produced to us for our review, and on the basis of representation from management, we certify that as per the disclosure provided in those documents the Company has enter into the following transactions during the last five years were as follows:

A: Director Remuneration

Name	Position	Amount in (BDT)				
		Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Nur Mohammad Azger	Director	1,112,500	890,000	890,000	840,000	389,600

B: Board Meeting Fee

Name	Position	Amount in (BDT)				
		Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Nur Mohammad Azger	Director	-	-	-	-	36,000

C: Other Transactions

Name	Amount in (BDT)					
	Nature of Transaction	Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Nur Mohammad Azger (Director)	Loan paid / (refund)	-	(5,500,000)	5,500,000	-	-

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

- (x) **Reconciliation of business income shown in tax return with net income shown in audited financial statements;**

Auditors certificate regarding reconciliation of business income of Nurani Dyeing & Sweater Ltd.

Based on our review of the audited financial statements and related income tax return of **Nurani Dyeing & Sweater Ltd.** which have been prepared by management of the Company and produced to us for our checking, we certify that the following reconciliation of business income as shown in income tax return to net income (profit) as shown in audited financial statements of the Company during the last five years have been extracted from those documents:

Particulars	Amount in BDT				
	Period Ended 30 June, 2016 (15 Months)	31 March, 2015	31 March, 2014	31 March, 2013	31 March, 2012
Net income before tax as per Audited Financial Statements	86,608,470	54,487,885	56,999,325	19,335,420	(5,828,809)
Add: Accounting Depreciation	52,762,857	40,184,826	21,167,530	27,449,324	27,413,718
Add: Inadmissible expenses		-	-	-	-
	139,371,327	94,672,711	78,166,855	46,784,744	21,584,909
Less: Depreciation	52,762,857	40,184,826	21,167,530	27,449,324	27,413,718
Less: Admissible expenses		-	-	-	-
Income shown in Tax Return	86,608,470	54,487,885	56,999,325	19,335,420	(5,828,809)

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & 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 Nurani Dyeing & Sweater Ltd.

Based on our scrutiny of the financial statements and other relevant records of **Nurani Dyeing & Sweater Ltd.** which have been prepared by Management of the Company and produced to us for our review, and on the basis of representation from management, we certify that all transactions whether receipts and payments excepting adjustment entries of **Nurani Dyeing & Sweater Ltd.** above Tk. 5,00,000/- (Five lac) were not made through banking channel in all respect from April 1, 2012 to June 30, 2016.

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

- (xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Auditors certificate regarding conformity of bank statements with books of accounts of Nurani Dyeing & Sweater Ltd.

Based on our examination of bank statements and related books of accounts (including financial statements, bank reconciliation) of **Nurani Dyeing & Sweater Ltd.** on test basis, we certify that bank statements of the Company as disclosed in books of accounts (financial statements) from April 01, 2012 to June 30, 2016 are in conformity with the samples of related bank statements as produced to us by management.

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and other taxes/duties; and

Certification on Status of Payment of Tax, VAT and Others Taxes/ Duties of Nurani Dyeing & Sweater Ltd.

Based on our scrutiny of related income tax returns, value added tax returns and statement of import of **Nurani Dyeing & Sweater Ltd.** as prepared by and presented to us by the Company's management, we certify that the Company has disclosed followed amount of income tax, value added tax and other taxes/duties payment in those returns/statements for the last years:

Particular	Amount in BDT				
	Period Ended 30 June, 2016 (15 Months)	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013	Year Ended 31 March, 2012
Tax	12,306,058	5,491,637	5,747,935	1,977,377	707,423
VAT	Exempted	Exempted	Exempted	Exempted	Exempted
Others Taxes/Duties	N/A*	N/A*	N/A*	N/A*	N/A*
Total	12,306,058	5,491,637	5,747,935	1,977,377	707,423

* Import under Bond Facilities.

Place: Dhaka;
Date: January 16, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

**Auditors' additional disclosure relating to the financial statements
of
Nurani Dyeing & Sweater Limited**

- 76:** Explanation regarding the query on an amount of TK. 10,56,14,574 is shown as Financial Expenses in the Audited Financial Statements 2015 where as it was TK. 2,72,99,282 in the year 2013 is not satisfactory.

Response to the above: As per explanations and information provided by the management of Nurani Dyeing Sweater limited both long and short term loan of the company were increased with great extent to meet up the expansion cost and to meet huge increased export, raw materials expense was increased. Since the long term and short term loans were increased for the above mentioned purpose, the financial expansion was increased.

- 77:** Explanation regarding abnormal increase in inventory in 2013 than that of the year 2012 is not satisfactory.

Response to the above: As per paper and documents of the company it appears that considering huge demand of the product the company chalked out the plan to increase required production by installing new machineries and utilizing maximum capacity. with the increase of production the inventories were also increased. So, more inventories were procured in 2013 in order to increase production and sales. Sales was reported to have been increased by 51% in 2014 and upward trend in sales was observed in subsequent year.

- 78:** It has been observed that the difference of Property, Plant & Equipment between 2015 to 2016 is TK. 22,63,27,575 but in the cash flow statement it is found that Property, Plant & Equipment are purchased in cash for TK. 13,65,98,312. Explain the reasons thereof along with detailed item wise break-up and subsequent payment status against outstanding amount.

Response to the above: It appears from the books of accounts of the company that the difference of Property, Plant & Equipment has been increased and the cash paid for the Property, Plant & Equipment is TK. 89,729,263. This difference has been created for the amount of Tk.128,939,093 which is transferred from Capital Work in progress in the year 2016 and for depreciation charged Tk. 39,209,840 for the year ended 31 March, 2016. The details of the workings are given below for kind perusal:

Particulars	Amount in Tk.
Addition During the year	265,537,405
Transferred from Capital Work in process	128,939,093
Cash paid for addition	136,598,312

Particulars	Amount in Tk.
Addition During the year	265,537,405
Depreciation charged during the year	39,209,840
Net asset increase in 31st March 2016	226,327,565

- 79:** As per note 4 Accumulated Depreciation has been increased from TK. 15,63,66,650 to TK. 19,55,76,490. Provide detailed break-up regarding the same.

Response to the above: Accumulated depreciation is the charge of depreciation charged in each year and added to last year's total depreciation. During the year ended on 31st March, 2016 an amount of

taka 39,209,840 has been charged as depreciation. So, if we analyze the accounts the accumulated depreciation will be as under:

Accumulated Depreciation up to March 31, 2015	156,366,650
Depreciation charged during the year ended March 31, 2016	39,209,840
Accumulated Depreciation up to March 31, 2016	195,576,490
	=====

80: You did not calculate EPS in line with Paragraph 64 of BAS 33.

Response to the above: As per calculation of the company in accordance with paragraph 64 of BAS 33 'Earnings per Shares' Earning per Shares (EPS) have been disclosed in the respective note of respective Financial Statements.

81: You have restated comparative financial statement for the year ended on 31 March 2015. You are required your explanation regarding the same.

Response to the above: Provision for Income tax and Income tax expenses has been restated in the year 2015 due to the error of previous year. Amount of Current Tax expenses have been adjusted with Applicable income tax rate of the company which is 35.00% after considering Rebate on Export @ 50% (As per Paragraph 28 of 6th schedule part "A" of ITO 1984) and provision for taka 4,073,737 is also considered for excess income tax as per final income tax return.

82: As per the note no. 2.10 the tax rate of the company is 15%. But as per the note no.26 the issuer has calculate current tax based on tax rate 35%. The company has stated different tax rate in different page which is confusing. You are requested to clarify your position regarding the same.

Response to the above: The Company furnished the following explanation it was an unintentional mistake and we have already incorporated necessary correction in our revised draft prospectus. Our current tax rate is 35% on 50% of profit as per paragraph 28 OF 6TH schedule part "A" of ITO 1984. Though the rate was written in note no. 2.10 as @15%, our tax calculation was @ 35%. The note no. 2.10 of the Financial Statement of June 2016 regarding the tax rate has been corrected.

83: Break-up of turnover & others, cash paid to suppliers, employees & others in the cash flow statement.

Response to the above:

Particulars	Amount in Taka	
	31.03.2016	31.03.2015
Cash Collection From Turnover & Others	1,017,007,610	1,010,308,378
Cash Paid to Suppliers	(778,760,724.29)	(618,944,029.66)
Cash Paid to Employee	(72,751,154.00)	(65,959,265.00)
Cash Paid to Others	(21,569,404.66)	(14,484,978.63)

84: Break-up of insurance premium.

Response to the above: Break-up of insurance premium expenses for the year ended 31st March 2016 is given below as per record of the company:

Particular	31 st March 2016 (Amount in Taka)
LC Insurance Premium	2,778,469
Fire Insurance Premium	2,463,690
Group Insurance	26,000

85: The Company has not made any provision against “Workers Profit Participation Fund” as per requirement of Law. Comment on it.

Response to the above:

NDSL is a 100% export oriented industry and member of Bangladesh Garments Manufacturer and Exporter Association (BGMEA). As per Subsection 3 of Section 232 of Bangladesh Labor Act 2006 replaced by the Act No. 30, Para 63 of the year 2013 as follows:

“in case of a 100% export oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector based central fund comprising of buyers and owners, from a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector.”

We didn’t start making provision for WPPF because government has not yet formed the Board. The board shall formulate the rules, determination the rate and amount of contribution, procedure of collection and utilization of fund. We are a 100% export oriented company and also the member of BGMEA, that’s why the company can’t start a recognized WPPF before forming the Board by the Authority.

86: Updated status of capital Work-In-Progress.

Response to the above: As on 31st March 2016 only ETP work was ongoing. Below the updated status of capital Work-In-Progress as per audited report as on 30th June 2016:

Particulars	30.06.2016	31.03.2016
	Amount in Tk.	Amount in Tk.
Opening Balance	29,385,613	114,909,477
Add: Addition during the Period	752,603	43,415,229
Sub total	30,138,216	158,324,706
Less: Transfer to Fixed assets Schedule	-	128,939,093
Closing Balance	30,138,216	29,385,613

87: Separate disclosures of land and land development expenses.

Response to the above: Separate disclosure of land and land development expenses as on 30th June 2016 is as follows:

Sl. No.	Particular	30 th June 2016
A	Land cost	2,727,000
B	Land development cost	8,366,940
Total		11,093,940

88: Detailed of land development expenses.

Response to the above: Detailed of land development expenses as on 31st March 2016 as per Books of accounts is as follows as per books of accounts:

Sl. No.	Particular	Amount in Tk.
	Land development cost	
1	Earth Filling:	
	Earth Filling and entire factory premises area development cost up to 30.06.2016 by local sand, soil, with labor & carrying, including ditch area filling. 318,133cft @ Tk. 21.00 per cft	6,680,800
2	Internal Road:	
	Development and construction by Soil, Sand, Brick, stone Labor, Carrying cost of internal connectivity road area of factory premises. Road area 139.20mtr @ Tk. 12,113.07 per mtr	1,686,140
Total		8,366,940

89: Separate disclosures of finished goods & work-in-progress as shown in note 6 & 21 with quantity wise information.

Response to the above: Separate disclosures of finished goods & Work-in-progress as shown in note 6 & 21 with quantity-wise information as on 31st March 2016 is as follows:

Particulars	31 st March 2016 (Qty)	31 st March 2016 (Taka)	31 st March 2015 (Qty)	31 st March 2015 (Taka)
Work in process Dyeing (LBS)	1,06,160	13,770,339	17,288	22,30,152
Work in process Sweater (PCS)	34,591	6,058,949	21,000	36,75,000
Finished Goods Dyeing (LBS)	1,46,891	20,406,035	1,18,502	16,462,243
Finished Goods Sweater (PCS)	68,225	14,770,713	31,501	6,658,088

90: Quantity wise information of inventory.

Response to the above: As per signed report of the company the quantity-wise information of inventory as on 31st March 2016 is as follows:

Particulars	31 st March 2016	31 st March 2015
Yarn (LBS)	21,14,504	24,45,386
Dyes & Chemicals (KG)	3,65,406	2,85,409
Work in process Dyeing (LBS)	1,06,160	17,288
Work in process Sweater (PCS)	34,591	21,000
Finished Goods Dyeing (LBS)	1,46,891	1,18,502
Finished Goods Sweater (PCS)	68,225	31,501

- 91: Name-wise detailed schedule of accounts receivables as shown in note 7 along with information regarding whether you have obtained balance confirmation certificates.

Response to the above: As per books of accounts of the company name-wise details schedule of accounts receivable as on 31st March, 2016 are as follows:

Buyer Name	Address	Balance in BDT
Angel Sweater (BD) Ltd.	34, Choydana, Gazipur-1700	9,544,823
Annesha Style Limited.	92/2, Senpara, Parbata, Mirpur, Dhaka-1216	6,335,780
Asif Apparels Ltd.	Plot-1381, Kashimpur Road, Konabari, Gazipur, Bangladesh	109,312,863
B L P Warm Fashion Ltd.	RAHAMAN TOWER, NO. 1 RAIL GATE, SHOLASHAHAR, MURADPUR, Chittagong - 4000,	1,316,922
Desh Sweater Limited	Sharifpur, Sonda, National University, GazipurSadar, Gazipur, Bangladesh.	939,113
Dk. Sweater Ltd.	Plot-13, Road-07, Shaympur I/A, Dhaka, Bangladesh.	7,460,760
EARL FASHION LTD.	Ojhar Para (Harican)National Uniersity, Gazipur-1704, Bangladesh.	413,960
Evergreen Sweaters Ltd.	Choydana, Joydebpur,Gazipur,Dhaka.	2,075,526
Fabulous Fashions Ltd.	Plot-15-16, Road-04, Section-07, Mirpur I/A, Dhaka-1216	473,664
Golden Rain Attires Ltd.	Plot-1, Lane-9, Road-12, Block-B, Section-11, Mirpur, Dhaka-1216, Bangladesh.	4,676,800
Hamid Sweater Ltd.	PriyoPrangon Tower, Plot 19, Road 17, Banani, Dhaka 1213,	6,731,037
Hotapara Garments Ltd.	house #6, road #13, sector #3, utara, 1231, Dhaka	4,123,800
J.P Sweaters Limited.	H.M. Rahaman Plaza (3rd Floor),1154, DT Road, west Dhanialapara, Chittagong	11,773,963
Kaptex Sweater Ltd.	Holding-1215, North Khalikur, Bottola Road, Board Bazar, National University, Gazipur.	469,793
Knit Fashion PVT Ltd.	House No-686, Road No-20, CDA, R/A, Agrabad, Chittagong.	6,427,183
Krishan Knitting Ltd.	Steel House, 360 Strand Road, Chittagong, Bangladesh.	538,780
Lakshma Sweater Ltd	Joy Bangla Sarak, Khaikoir, KB Bazar, Gazipur.	4,426,884
M & S SWEATER LTD.	68x2, Fouzderhat Heavy Industrial Area, Alanker More Pahartali, Chittagong	4,234,037
M/S WOOLEN AND WOOL LIMITED	khailkur,bat tala road 1704 Gazipur board bazar,gazipur,	2,714,677
Marvelous Sweater Ltd.	688, Hossain Market, tongi, Gazipur	798,038
Naziat Sweaters Ltd.	GazirChatt, Bypile, Shavar, Dhaka, Bangladesh.	14,332,866
Nexus Sweater Ind. (Pvt.) Ltd.	Vogra, Joydebpur, Gazipur, Bangladesh	100,252,841
Oishi Fashion (Pvt) Ltd.	Shaheen Complex, 23 Shatish Road, Gazipur	1,012,631
ORPAT SWEATERS LTD	1 No. MohimGanguli Road, Al-JoynalAlonkerPlaza,Tanbazar, Narayanganj, Bngladesh.	661,562
Panache Knitted Creations Ltd.	1 No. MohimGanguli Road, Al-JoynalAlonkerPlaza,Tanbazar, Narayanganj, Bngladesh.	10,665,000
S K J KNITWEAR LTD	Hasan Market, kashimpurRoad,Konabari, Gazipur.	4,373,440
Sam Sweaters Ltd.	1/11,Khortoil, Sataish Road, Tongi, Gazipur, Bangladesh.	2,136,674
SCANDEX KNITWEAR LTD UNIT-2 (SWEATER)	Plot-42-51,AEPZ,Adamjee Nagar, SidhirgonjNarayanganj.	6,383,121
SEVEN STAR SWEATER (PVT) LTD	Plot-42-51,AEPZ,Adamjee Nagar, SidhirgonjNarayanganj.	254,209

Spring Trade Ltd.	42, Konapara, Tenguri, ZiraniBazar,Savar, Dhaka-1350	1,470,980
Suhcheon Company (BD) Ltd.	South Panishail, Joydevpur, Gazipur, Bangladesh	3,324,257
Texstar Design	768 Shewrapara,RokeyaSharani, Mirpur-10, Dhaka-1216	5,331,908
The Delta Composite Knitting Industries Ltd.	Zarun (South), Kashimpur, Gazipur,Bangladesh	29,805,054
Top Tex	Dhonaid, Norshinpur, Ashulia, Shavar, Dhaka.	835,425
Tricotex (PVT.) Ltd.	92/1 SEN PARA PARBATA, MIRPUR, DHAK, DHAKA 1216	1,381,315
Tung Hai Knitting And Dyeing Ltd.	Shibrampur, Post-Zirapani, PS- Gazipur, Sadar, Dist-Gazipur	4,676,800
Warm Fashion Limited.	1670/2091, West Sholoshahar, AturerDipu, Chittagong, Bangladesh.	724,430
Woolsey Knit wear Limited	Zadur Char, Madrasha Road – HemayetpurSavar, Dhaka	1,328,452
Zahintex Industries Ltd	Bokran, Monipur,Gazipur	12,087,000
Total		385,826,365

The above balance is confirmed from concerned Bank from where LC is opened as at Balance Sheet date.

- 92:** Full information as per requirement of the schedule XI of the Companies Act, 1994 regarding accounts receivables.

Response to the above: Full information as per requirement of the schedule XI of the Companies Act, 1994 regarding accounts receivables as on 31st March 2016 is as follows:

Particulars:	31st March 2016	31st March 2015
Aging Schedule of Accounts Receivable:	Amount in Tk.	Amount in Tk.
Less than 6 months	385,826,365	367,303,321
More than 6 months	-	-
Total	385,826,365	367,303,321

SI.	Particulars	31st March 2016	31st March 2015
I	Receivables considered good in respect of which the company is fully secured.	385,826,365	367,303,321
II	Receivables considered good in respect of which the company holds no security other than the debtor personal security.	-	-
III	Receivable considered doubtful or bad.	-	-
IV	Accounts Receivable due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due firm or private companies respectively in which any director is a partner or a director or a member to be separately stated.		
V	Receivables due by companies under the same management to be disclosed with the names of the companies;	-	-
VI	The maximum amount of receivable due by any director or other officer of the company at any time during the year to be shown by way of a note.	-	-
Total:		385,826,365	367,303,321

93: Explain the item FBPAP as shown in note 8.00

Response to the above: FBPAP stands for Foreign Bills Proceeds Awaiting Remittance (FBPAP). FBPAP amount deposit from sweater export bill. Which deposit for short term loan and back to back payment.

94: Details of advances for vehicles as shown in note 8.00.

Response to the above: Details of advances for vehicles as shown in note 8.00 is as follows:

Advances for Vehicle		
S.N	Particulars	31st March 2016 Amount in Taka
1	Toyota Car Premio	2,524,000
2	Toyota Car Premio	2,524,000
3	Toyota Micro bus	3,550,000
4	Toyota Microbus	3,550,000
5	Big Cover Van	5,408,915
6	Big Cover Van	5,408,915
	Total	22,965,830

95: In note 14.01 you have stated that loans secured by 5 storied building of company. But company has stated that it has 6 storied building.

Response to the above: In note no.14.01 we have stated that loan is secured with 5 storied building as per bank's loan sanction letter. When the company prepared the prospectus 5th floor has been completed and the company has stated that the building was completed up to 5th floor i.e. 6 storied building.

96: List of persons against whose share money was deposited as on 31-03-2015 and the number and amount of shares subsequently allotted to them.

Response to the above: List of person whose share money was deposited as on 31-03-2015 is below:

Particulars	31st March 2015
Al-Haj Sk. Nurul Alam	54,000,000
Mrs. Rehana Alam	44,500,000
Sk. Nur Mohammed Azgar	4,500,000
Total:	103,000,000

The company has received share money from the above-mentioned persons and allotted the shares. List of number and amount of shares subsequently allotted to them is as follows:

Particulars	Number of Shares allotted	Amount of Tk.
Al-Haj Sk. Nurul Alam	6,000,000	60,000,000
Mrs. Rehana Alam	4,900,000	49,000,000
Sk. Nur Mohammed Azgar	950,000	9,500,000
Total:	11,850,000	118,500,000

97: Subsequent status of electricity bill payable as on 31-03-2015.

Response to the above: Electricity bill payable as on 31-03-2015 has been paid Tk. 568,109/- on 31 May 2015 through Jamuna Bank, Feni Branch.

98: Break-up of payable for TDS and others as shown in note 18.00.

Response to the above: Break-up of payable for TDS and others as shown in note 18.00 is as follows:

<u>Particulars</u>	31st March 2016	31st March 2015
Salary & Wages	19,711.00	10,658.00
Directors' Remuneration	3,642.00	3,642.00
Audit Fees	30,000.00	-
Office Rent	1,300.00	1,300.00
Total	54,653.00	15,600.00

99: Separate break-up of electric & gas bill under note 21.04 of the audited accounts of 31-03-2016.

Response to the above: Separate Break-up of electric & gas bill under note 21.04 of the audited accounts of 31-03-2016 are as follows:

Particulars	31st March 2016	31st March 2015
Electricity Bill	5,962,397.00	5,896,277.00
Gas Bill	6,479,203.00	4,904,087.00
Total	12,441,600 .00	10,800,364 .00

100: In the note 22.00 you have stated that Managing Directors remuneration is TK.890,000 which contradicts with the certificates signed by you on 16-07-2016.

Response to the above: Sk. Nur Mohammed Azger is a shareholder Director of Nurani Dyeing & Sweater Limited. Mr. Azger also holds the office of the Chief Operating Officers and gets remuneration of Tk. 890,000.00 per annum. Unintentionally in note no. 22, Managing Director's remuneration was written instead of Chief Operating Officers remuneration. Mr. Azger as a Director and Chief Operating Officers, the remuneration paid to him, create a misconception to the accounts head and make this typo. A sub note under note no. 22 of Financial Statements as at 31 March, 2016 has mentioned Directors Remuneration is Tk. 890,000.00.

101: Detailed break-up of export expenses as shown in note 23.00.

Response to the above: Detailed break-up of export expenses as shown in note 23.00 is as follows:

Particulars	31 March 2016	31 March 2015
Export Expenses (BGMEA, BTMEA, EPB, Sample test)	1,416,173	2,447,228
Foreign Exchange loss	1,012,310	1,226,850
Total	2,428,483	3,674,078

102: Reasons for including fluctuation gain or loss under the head export expenses.

Response to the above: It is observed that **loss is occurred in** foreign currency translation and this is why the management charged under the head of export expenses.

103: Information disclosed in note 30 regarding number of employees is not in line with the provision of the Companies Act, 1994.

Response to the above: Information regarding number of employees as per provision of companies Act, 1994 are incorporated in the Financial Statements for the period ended June 30, 2016.

104: Information is not properly disclosed as per requirement of schedule XI part 8 of the Companies Act, 1994.

Response to the above: Information as per requirement of schedule XI part 8 of the Companies Act, 1994 is follows:

The requirement of schedule XI part-II, Para 8 (a) : March 2016					
Particulars	Opening Balance	Purchase during the Year	Material Available	Consumption	% of Consumption
Yarn (LBS)	2,445,386	4,254,802	6,700,188	4,585,684	68.44%
Dyes & Chemical (KG)	285,409	415,709.67	701,119	335,714	47.88%

105: Details of generator, tube well, ETP as shown in the schedule of Property, Plant & Equipment.

Response to the above: Details of generator, tube well, ETP as shown in the schedule of Property, Plant & Equipment is follows:

Name with Specification	Country of Origin	Amount in TK. as at 31 March 2016
(A) Gas Generator Brand: Jisan Capacity: 500kw	China	1,29,53,467
(B) Diesel Generator. Brand: Parking. Capacity: 336 KW	England	
Deep tube well 6/14" Deep tube well with pump and Motor 30kW 40HT, Brand: Sigma	India	2,954,500
ETP BIOLOGICAL ETP. Capacity: 50m/hr,	Italy, Korea. Taiwan, China, India, Bangladesh.	7,545,460

106: Mention whether Managing Director received any salary or managerial remuneration, Director (Mr. Sk. Nur Mohammed Azger), Managing Director or any other director received any other perquisites or benefits in cash or in kind or other allowances as per requirement of schedule XI, part II, para 4.

Response to the above: Sk. Nur Mohammed Azger is a shareholder Director of Nurani Dyeing & Sweater Limited. Mr. Azger also holds the office of the Chief Operating Officers and gets remuneration of Tk. 890,000.00 per annum. Except remuneration, Managing Director and Directors do not receive any benefits, allowances or perquisite.

107: Compliance of section 103 of the Companies Act, 1994 regarding loan given to director (Mr. Sk. Nur Mohammed Azger) in 2014.

Response to the above: The Company has complied section 103 of the companies Act, 1994 regarding loan given to director (Mr. Sk. Nur Mohammed Azger) in 2014. Necessary disclosures and presentation in the financial statements concerning loan given to director has been made properly. The loan was given to director on 18.12.2013 and realized on 03.09.2014.

108: Explain the item “Current Portion of Term Loan” (Note 15.00)

Response to the above: Current portion of Term Loan is a part of Total term loan outstanding at the reporting date which falls in the category of current liability and payable within 12 months after the reporting period. As per paragraph 69 of BAS 1 Presentation of Financial Statements, “Current Portion of Term Loan” has been presented in Note 15.00.

109: Compliance of BAS-21

Response to the above: It is observed that **loss is occurred in** foreign currency translation and this is why the management charged under the head of export expenses. However in compliance with BAS-21 fluctuation gain or loss is considered separately in the Financial Statements for the period ended June 30, 2016.

Sd/-

Ahmed Zaker & Co.

Chartered Accountants

January 16, 2017

Financial Statements (Unaudited)

Nurani Dyeing & Sweater Ltd.

Statement of Financial Position

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		31-Dec-2016	30-Jun-2016
<u>Assets</u>			
Non-Current Assets		654,498,248	672,179,679
Property, Plant & Equipment	4.00	620,799,532	642,041,463
Capital Work in Progress	5.00	33,698,716	30,138,216
Current Assets		1,052,933,893	1,049,577,695
Inventories	6.00	443,689,874	448,952,933
Accounts Receivable	7.00	397,983,147	391,968,937
Advances, Deposits & Prepayments	8.00	208,719,849	206,021,664
Investments	9.00	1,923,940	1,871,349
Cash & Cash Equivalents	10.00	617,083	762,812
<u>Total Assets:</u>		<u>1,707,432,142</u>	<u>1,721,757,374</u>
<u>Shareholders Equity & Liabilities:</u>			
Equity and Reserve		606,386,384	574,885,457
Share Capital	11.00	400,000,000	400,000,000
Retained Earnings	12.00	206,386,384	174,885,457
Non-Current Liabilities		406,172,237	419,752,924
Term Loan	13.00	406,172,237	419,752,924
Current Liabilities		694,873,521	727,118,993
Current Portion of Term Loan	14.00	152,302,814	152,302,814
Accounts Payable	15.00	167,665,201	180,377,230
Short Term Loan	16.00	357,932,163	378,518,331
Liabilities For Expenses	17.00	6,585,497	8,955,582
Provision for Tax	18.00	10,387,846	6,965,036
<u>Total Equity & Liabilities:</u>		<u>1,707,432,142</u>	<u>1,721,757,374</u>

The annexed notes (1-26) are integral part of these financial statements.

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Nurani Dyeing & Sweater Ltd.
Statement of Profit or Loss and other Comprehensive Income
For the period ended December 31, 2016 (2nd Quarter)

Particulars	Notes	Amount in Taka		Amount in Taka	
		July - December 2016	July - December 2015	October - December 2016	October - December 2015
Revenue	19.00	551,280,969	511,069,247	277,910,652	257,186,583
Less: Cost of Goods Sold	20.00	451,006,114	411,542,147	228,913,982	208,805,475
Gross Profit:		100,274,855	99,527,100	48,996,670	48,381,108
Less: Administrative Expenses	21.00	13,463,793	13,334,574	6,737,658	6,660,694
Less: Selling & Distribution Expenses	22.00	2,881,766	3,279,323	1,319,260	1,661,375
Profit from Operation:		83,929,296	82,913,203	40,939,751	40,059,039
Add: Other Income	23.00	58,434	77,340	27,276	26,530
Less: Financial Expenses	24.00	45,792,394	46,210,681	22,045,488	22,384,135
Net Profit Before Tax:		38,195,336	36,779,862	18,921,538	17,701,435
Less: Income Tax Expenses					
Current Tax	25.00	6,694,410	6,450,010	3,316,042	3,102,394
Net Profit After Tax:		31,500,927	30,329,852	15,605,496	14,599,041
Earnings Per Share	26.00	0.79	0.76	0.39	0.36

The annexed notes (1-26) are integral part of these financial statements.

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Nurani Dyeing & Sweater Ltd.
Statement of Changes in Equity
For the period ended December 31, 2016 (2nd Quarter)

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 01.07.2016	400,000,000	174,885,457	574,885,457
Net profit during the period	-	31,500,927	31,500,927
Closing Balance as on 31.12.2016	400,000,000	206,386,384	606,386,384

Statement of Changes in Equity
Statement of Changes in Equity
For the period ended December 31, 2015 (2nd Quarter)

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 01.07.2015	400,000,000	117,685,561	517,685,561
Net profit during the period	-	30,329,852	30,329,852
Closing Balance as on 31.12.2015	400,000,000	148,015,413	548,015,413

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Nurani Dyeing & Sweater Ltd.
Statement of Cash Flows
For the period ended December 31, 2016 (2nd Quarter)

Particulars	Amount in Taka	
	July- December 2016	July- December 2015
Cash Flows from Operating Activities:		
Cash Collection from Turnover & Others	545,266,759	484,821,638
Cash Paid to Suppliers, Employees and Others	(457,383,581)	(406,906,678)
Cash generated from operation	87,883,178	77,914,960
Interest Paid	(45,792,394)	(46,210,681)
Income Tax Paid	(3,265,757)	(1,651,973)
Net Cash provided from Operating Activities:(A)	38,825,027	30,052,306
Cash Flows from Investing Activities:		
Acquisition of Property, Plant & Equipment	(1,243,401)	-
Payment for Capital Work in Progress	(3,560,500)	(10,853,807)
Net Cash used in Investing Activities:(B)	(4,803,901)	(10,853,807)
Cash flows from Financing Activities		
Received/(Payment) of Short Term Loan	(20,586,168)	(48,454,316)
Received/(Payment) of Long Term Loan	(13,580,687)	28,742,046
Net Cash provided by/(used) in Financing Activities:(C)	(34,166,855)	(19,712,271)
Net increase/(decrease) in cash & Cash equivalents: (A+B+C)	(145,729)	(513,772)
Cash & Cash equivalents at the beginning of the year	762,812	1,378,547
Closing Cash & Cash equivalents at the end of the year	617,083	864,775

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Nurani Dyeing & Sweater Limited
Notes to the Financial Statements
As at or for the six months' period ended December 31, 2016

1. Significant Accounting Policies and Other Material Information:

1.01 Legal form of the Enterprise:

Nurani Dyeing & Sweater Limited was incorporated on December 14, 2005 under the companies act 1994 vide registration no. - CH-5656 as a private limited company. Subsequently the company has been converted into Public Limited Company on December 07, 2014.

Registered office of the company

The registered office and principal place of business of the company is situated at 304, SK. Mujib Road, Agrabad C/A, Chittagong and the manufacturing establishment is located at Fatepur, Feni.

1.02 Principal activities and nature of the business:

Nurani Dyeing & Sweater Limited runs the business of 100% export oriented Sweater industries to carry out business of dyeing of yarn, knitting of various types of sweater.

2. Significant Accounting Policies:

Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws & regulation in Bangladesh.

The following BAS is applicable to the financial statements for the period under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statements of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenue
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Discloser
BAS 33	Earnings per Share
BAS 34	Interim Financial Reporting
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 39	Financial Instruments: Recognition and Measurement

2.01 Going Concern:

This financial statement has 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 directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.02 Changes in Accounting Policies & Estimates:

The preparation of these financial statements is in conformity with BASs/BFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation. The Company has changed its accounting policies previously as per BAS - 8.

2.03 Statement of Cash Flows:

Statement of Cash flows is prepared in accordance with **BAS-7: "Statements of Cash Flows"** and the cash flow from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method.

2.04 Property, Plant & Equipment and Depreciation:

All fixed assets are stated at cost less accumulated depreciation as per **BAS-16: "Property, Plant and Equipment"**. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied with the item will flow to and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation on all fixed assets has been applied the reducing balance method and depreciation has charged on addition of fixed assets when it is available for use during the period.

The annual rates of depreciation applicable to the principal categories of fixed assets are:

Kind of assets	Rate of Depreciation	
	December 31, 2016	June 30, 2016
Land & Land Developments	0%	0%
Factory Building	05%	05%
Machinery	10%	10%
Electric Equipment & Installation	10%	10%
Laboratory Equipments	10%	10%
Generator	15%	15%
Gas line Installation	08%	08%
Tube Well	10%	10%
ETP	10%	10%
Vehicle	20%	20%
Furniture & Fixture	10%	10%
Office Equipment	10%	10%

2.05 Revenue Recognition:

In compliance with the requirements of **BAS - 18: “Revenue”**, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

2.06 Financial Instruments:

Derivative

According to **BFRS-7, “Financial Instruments Disclosures”** the company was not a party to any derivative contract (financial instruments) at the Balance Sheet Date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per **BAS-39: “Financial Instruments: Recognition and Measurement”**.

2.07 Valuation of Current Assets:

Accounts Receivable:

These are carried at their original invoiced amount and represents net realizable value. Management considered the entire bills receivable are good and is collectable and therefore, no amount was provided for as bad debt in the current period account.

Inventories:

Valuation of inventories has made on cost or market value whichever is less as per BAS-2. Inventories comprises of raw materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been valued at average cost. Work-in-Process has been valued at prime cost basis as required by BAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at cost of material and other production overhead attributable to bringing the goods to the state of sale under the convention of BAS-2.

2.08 Creditors and Accrued Expenses:

Liabilities are recognized for amounts to be paid in the future for goods and services received whether or not billed by the supplier.

2.09 Functional and Presentational Currency:

The financial statements are prepared in Bangladeshi Taka which is the Company’s functional currency.

2.10 Taxation:

Provision for Taxation:

Provision for current income tax has been made at the rate of 35% after considering 50% rebate on export referred as per Paragraph 28 of **6th schedule part "A"** of ITO 1984, “An amount equal to fifty percent of the income of an assessed, other than a company not registered in Bangladesh, derived from the business of export.”

Deferred Tax is not applicable as per **BAS- 12**. No deferred tax was accounted for in this financial statement as on temporary difference arises due to the fact that tax deducted on income from export is considered to be the final discharged of tax liability as per prevailing tax law.

2.11 Borrowing Cost:

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using effective interest method. Borrowing cost incurred against loan for expansion of project has been capitalized under effective interest rate method as per **BAS-23: “Borrowing Cost”**.

2.12 Earnings per share:

The company calculates Earnings per Share (EPS) in accordance with **BAS-33: “Earnings per Share”** which has been shown on the face of the Statement of Profit or Loss and other Comprehensive Income. The Earnings per share has been calculated, earning for the period dividing by weighted average number of shares outstanding during the period.

2.13 Number of Employees

During the period under review, the company’s number of employees stands at 60 at Corporate Office and 475 at Factory total 535. Workers are paid minimum wages Tk. 8,250 per month.

2.14 Production Capacity and its Current Utilization:

Capacity Utilization December 31, 2016.

Name of Product	Production Capacity	Production Capacity (6 months)	Actual Production (6 months)	Utilization (%)
Dyeing (LBS)	6,206,667	3,103,334	2,200,574	70.91%
Sweater (PCS)	2,111,038	1,055,519	715,220	67.76%

Capacity Utilization December 31, 2015.

Name of Product	Production Capacity	Production Capacity (6 months)	Actual Production (6 months)	Utilization (%)
Dyeing (LBS)	6,206,667	3,103,334	1,994,823	64.28%
Sweater (PCS)	1,643,038	821,519	536,616	65.32%

2.15 Related party disclosure:

Related party is considered if the party is related to the company and exerts significant influence over day to day transactions of the subject gain as per BAS-24. The following related party transactions have been appeared during the period.

Name	Type of Transaction	Amount in Taka
Mr. SK. Nur Mohammed Azger	Director Remuneration	445,000

2.16 Events after the Reporting Period

As per **BAS-10: “Events after the Reporting Period”** is those events favorable and unfavorable that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

There are no events after reporting period as at December 31, 2016 as referred in BAS 10.

2.17 Foreign Currency Transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of **BAS 21: “The Effects of Changes in Foreign Exchange Rates”** are determined as under:

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the period, as such any gain or loss arisen out of transactions Foreign Currency was charged under head of selling expenses.

2.18 Contingent Assets and Liabilities

A contingent asset is disclosed when it is a possible that asset arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is disclosed when it is a possible obligation that arises from the past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The company has no contingent assets or liabilities which require disclosure under **BAS-37: “Contingent assets and contingent liabilities”** are not recognized in the financial statements.

2.19 Impairment of Assets

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the period and for this reason no provision has been made for Impairment of assets as per BAS-36 impairment of assets.

2.20 Accrual Basis

The financial Statements have been prepared except cash flow information, using the accrual basis of accounting.

3. Additional Information on Financial Statements:

3.01 Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

3.02 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on January 30, 2017.

3.03 Components of the Financial Statements:

According to BAS-1 "**Presentation of the Financial Statements**" the complete set of financial statement includes the following components

- a) Statement of Financial Position as at December 31, 2016.
- b) Statement of Profit or Loss and other Comprehensive Income for the period ended December 31, 2016.
- c) Statement of Changes in Equity for the period ended December 31, 2016.
- d) Statement of Cash Flows for the period ended December 31, 2016.
- e) Explanatory notes to the financial statements.

3.04 Reporting Period:

The reporting period of the company covers from July 01, 2016 to December 31, 2016.

3.05 Comparative Information:

Comparative information have been disclosed in respect of the previous period for all numerical information in the financial statements except for Statement of Cash Flows and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

Re-arrangement

Previous period's figure has been re-arranged whenever considered necessary to ensure comparability with the current period presentation as per **BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors"**.

3.06 General:

- i) The figure has been rounded off to the nearest taka.
- ii) The financial Statements have been prepared covering six months' period from July 01, to December 31, 2016.

4.00 Property, Plant and Equipment: Tk. 620,799,532

This is made up as follows:

Particulars

Opening Balance (at cost)

Add: Addition made during the period

Closing Balance

Less: Accumulated Depreciation

Written Down Value:

Amount in Taka	
31-Dec-2016	30-Jun-2016

851,170,970	828,829,900
7,254,781	22,341,070
858,425,751	851,170,970
237,626,219	209,129,507
620,799,532	642,041,463

Details of Property, Plant & Equipment and Depreciation are shown in the annexed (**Annexure-A**).

5.00 Capital Work in Progress: Tk. 33,698,716

This is made up as follows:

Particulars**ETP**

Opening Balance

Add: Addition during the Period

Sub total

Less: Transfer to Fixed assets Sch

Closing Balance

30,138,216	29,385,613
3,560,500	752,603
33,698,716	30,138,216
-	-
33,698,716	30,138,216

The capital work in progress is running for ETP Extension.

6.00 Inventories: Tk. 443,689,874

This is made up as follows:

Particulars

Yarn

Dyes & Chemicals

Spares Parts and
Accessories

Work in process

Finished Goods

Total:

268,556,835	280,030,570
99,564,852	99,853,690
18,523,642	12,005,690
9,125,625	8,699,855
47,918,920	48,363,128
443,689,874	448,952,933

7.00 Accounts Receivable: Tk. 397,983,147

This is made up as follows:

Particulars

Accounts Receivable

Total:

397,983,147	391,968,937
397,983,147	391,968,937

Aging of Accounts Receivable:

Less than Six months	397,983,147	391,968,937
More than six months		
Total:	397,983,147	391,968,937

The amount of receivable considered fully secured and guaranteed by export letter of credit opening bank against export order and is considered good & realizable as per the terms of export letter of credit. The classification of receivables as required by the Schedule XI of the companies Act, 1994 are given below:

SI.	Particulars	Amount in Taka	
I	Receivables considered good in respect of which the company is fully secured.	397,983,147	391,968,937
II	Receivables considered good in respect of which the company holds no security other than the debtor personal security.	-	-
III	Receivable considered doubtful or bad.	-	-
IV	Accounts Receivable due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due firm or private companies respectively in which any director is a partner or a director or a member to be separately stated.	-	-
V	Receivables due by companies under the same management to be disclosed with the names of the companies;	-	-
VI	The maximum amount of receivable due by any director or other officer of the company at any time during the year to be shown by way of a note.	-	-
Total:		397,983,147	391,968,937

8.00 Advances, Deposits & Prepayments: Tk. 208,719,849

This is made up as follows:

Particulars

Tax Deductions at Source

Notes:
8.01

L/C margin

FBPAR

Prepaid Insurance

Advances for Vehicle

Security Deposit

Notes:
8.02

Total:

658,193	658,193
108,056,047	98,953,691
98,798,500	98,679,356
-	511,935
-	6,011,380
1,207,109	1,207,109
208,719,849	206,021,664

8.01 Tax Deductions at Source: Tk. 658,193

This is made up as follows:

Particulars

Opening Balance

Add: Paid during the period

TDS on Export

AIT for renewal of Vehicles

Source Tax on FDR Interest

Less: Adjust with Current year Income Tax Provision

Total:

658,193	658,193
3,271,601	1,583,070
-	-
-	2,653
3,929,794	2,243,916
3,271,601	1,585,723
658,193	658,193

8.02 Security Deposit: Tk. 1,207,109

This is made up as follows:

Particulars

Bakrabad Gas System LTD (As per last A/C)

Power Development Board (As per last A/C)

Total:

665,759	665,759
541,350	541,350
1,207,109	1,207,109

9.00 Investments: Tk. 1,923,940

This is made up as follows:

Particulars

FDR (As per last A/C)

Add: Addition during the year

Add: Interest Received

Less: Encashment

Less: Source Tax

Total:

1,871,349	1,847,472
58,434	26,530
1,929,783	1,874,002
	-
5,843	2,653
1,923,940	1,871,349

10.00 Cash & Cash Equivalents: Tk. 617,083

This is made up as follows:

Particulars

Cash in Hand

Cash at Bank

Total:

Notes: 10.01	401,251	488,530
Notes: 10.02	215,832	274,282
	617,083	762,812

10.01 Cash in Hand: Tk. 401,251

This balance represents as per cash in hand as at 31.12.2016.

10.02 Cash at Bank: Tk. 215,832

This is made up as follows:

Particulars

Name of Bank	Name of Branch & A/C No.		
Agrani Bank Ltd.	A/C No-16231 (New No-62733) Amin Court, Motijheel Br. Dhaka	7,023	18,998
Agrani Bank Ltd.	A/C No-18364 (New No-68971) Amin Court, Motijheel Br. Dhaka	126,145	128,220
Agrani Bank Ltd.	A/C No-98340 (New No-104404) Romna Cor. Branch. Dhaka	1,850	2,425
Agrani Bank Ltd.	FCY A/C No-031 Amin Court, Motijheel Br. Dhaka	44,009	44,009
Exim Bank Ltd.	A/C No-01411100071248 New Eskaton Br. Dhaka	1,150	1,571
Janata Bank Ltd.	A/C No-042333036159 Purana Palton Br.	1,759	1,639
AB Bank Ltd.	CD Ac-4019785539-001 Gulshan Br.	8,821	28,418
Islami Bank Bangladesh Ltd.	CD Ac-899913 Foreign Ex. Br. Dhaka	11,306	30,361
BDBL	A/C No-18176 Motijheel Principal Br.	5,044	5,489
Agrani Bank Ltd.	A/C No-CD 0200004213555 Amin Court, Motijheel Br. Dhaka	7,666	9,155
Estern Bank Ltd	A/C No-CD 1051060188019 Sonargaon Road Br. Dhaka	1,058	3,997
Total:		215,832	274,282

11.00 Share Capital: Tk. 400,000,000**Authorized Capital**

100,000,000 ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
--	---------------	---------------

Issued, Subscribed & Paid up Capital

40,000,000 Ordinary Shares of Tk. 10 each	400,000,000	400,000,000
	400,000,000	400,000,000

Name of Shareholders	% of Share Holdings	No. of Shares 31.12.2016	Value 31.12.2016	No. of Shares 30.6.2016	Value 30.6.2016
Sk. Nurul Alam	21.35%	8,540,000	85,400,000	8,540,000	85,400,000
Mrs. Rehana Alam	18.75%	7,500,000	75,000,000	7,500,000	75,000,000
Sk. Nur Mohammed Azger	5.78%	2,310,000	23,100,000	2,310,000	23,100,000
Daudpur Rice Mills (Pvt) Ltd.	32.50%	13,000,000	130,000,000	13,000,000	130,000,000
Daudpur Soya Processing Ind. Ltd.	2.60%	1,040,000	10,400,000	1,940,000	19,400,000
Fatema Hyder	0.24%	95,000	950,000	95,000	950,000
Bibi Khodeza	0.24%	95,000	950,000	95,000	950,000

Bibi Sabura Masud	0.24%	95,000	950,000	95,000	950,000
Bibi Hajera	0.24%	95,000	950,000	95,000	950,000
Bebe Ayesha	0.24%	95,000	950,000	95,000	950,000
Anika Jahan Chowdhury	0.24%	95,000	950,000	95,000	950,000
Modern Cold Storage Ltd.	4.83%	1,930,000	19,300,000	1,930,000	19,300,000
Nurani Knit Composite Ltd.	3.40%	1,360,000	13,600,000	1,960,000	19,600,000
Md. Kabiruddin Ahmed	2.50%	1,000,000	10,000,000	1,000,000	10,000,000
Md. Zahir Ahmed	0.25%	100,000	1,000,000	100,000	1,000,000
SM Al Jubayer Ahmed	0.25%	100,000	1,000,000	100,000	1,000,000
Sabrina Ahabnam Rabbi	0.25%	100,000	1,000,000	100,000	1,000,000
Mohammad Sharear Farid	0.25%	100,000	1,000,000	100,000	1,000,000
Gopal Chandra Saha	0.25%	100,000	1,000,000	100,000	1,000,000
Asif Iqbal Chowdhury	1.88%	750,000	7,500,000	750,000	7,500,000
Siddiqur Rahman	1.25%	500,000	5,000,000	-	-
Afsaruzzaman	0.63%	250,000	2,500,000	-	-
Runa Kshem	0.63%	250,000	2,500,000	-	-
Ferdous Sanjida	1.25%	500,000	5,000,000	-	-
Total:	100.00%	40,000,000	400,000,000	40,000,000	400,000,000

12.00 Retained Earnings: Tk. 206,386,384

This is made up as follows:

Particulars

Opening Balance

174,885,457

159,927,130

Net profit/(Loss) during the year

31,500,927

14,958,327

Total:

206,386,384

174,885,457

13.00 Term Loan: Tk. 406,172,237

This is made up as follows:

Particulars

Term loan

Notes: 13.01

558,475,051

572,055,738

558,475,051

572,055,738

Less: Current Portion of Long Term Loan

152,302,814

152,302,814

Closing Balance:

406,172,237

419,752,924

13.01 Term Loan: Tk. 558,475,051

This is made up as follows:

Particulars

AB Bank Limited, A/C No. 4019-785539-465

184,697,198

184,228,566

AB Bank Limited, A/C No. 4019-785539-466

225,799,367

233,199,232

AB Bank Limited, A/C No. 4019-785539-467

147,978,486

154,627,940

558,475,051

572,055,738

Above loan is secured by registered mortgage of 90.00 Decimals of Land of NDSL located at Fatepur, Feni alongwith 557.58 Decimals of Land, 8 storied Foundation, 5 Storied

Building (11,000 Sft*5= 55,000 Sft), L/C Documents, all Fixed and Floating Assets of the company and Directors personal guarantee. This Loan is repayable in 20 equal quarterly installments as per sanction letter. The Loan bears 11.50% to 12% interest which is subject to change time to time.

14.00 Current Portion of Term Loan: Tk. 152,302,814

This is made up as follows:

Particulars

Current Portion of Long Term Loan

Total:

152,302,814

152,302,814

152,302,814

152,302,814

15.00 Accounts Payable: Tk. 167,665,201

This is made up as follows:

Particulars

Trade Creditors

Total:

167,665,201

167,665,201

180,377,230

180,377,230

Aging of Accounts Payable:

Less than Six months	167,665,201	180,377,230
More than six months	-	-
Total:	167,665,201	180,377,230

16.00 Short Term Loan: Tk. 357,932,163

This is made up as follows:

Particulars

Janata Bank Ltd. (Secured)

Agrani Bank Ltd. (Secured)

AB bank (Secured)

FBP

Total:

Notes: 16.01

Notes: 16.02

Notes: 16.03

46,689,310

82,552,962

142,792,243

85,897,648

357,932,163

46,681,810

72,964,146

153,772,374

105,100,000

378,518,331

16.01 Short Term Loan from Janata Bank (Secured): Tk. 46,689,310

This is made up as follows:

Particulars

Janata Bank Ltd., Foreign Ex. Branch, CC A/C No. 03238

46,689,310

46,689,310

46,681,810

46,681,810

This loan is secured by LC documents, Import documents, Machineries of the company and Directors personal guarantee.

16.02 Short Term Loan from Agrani Bank (Secured): Tk. 82,552,962

This is made up as follows:

Particulars

Agrani Bank Limited, Amin Court Corp. Branch, A/C No.
1054592

82,552,962	72,964,146
82,552,962	72,964,146

This loan is secured by 288.76 decimals of land located at Feni, LC documents, Material Stock and Director's personal guarantee.

16.03 Short Term Loan from AB Bank (Secured): Tk. 142,792,243

This is made up as follows:

Particulars

AB Bank Limited, Gulshan Branch, (Revolving Time Loan)
AB Bank Limited, Gulshan Branch, CC Loan

42,118,252	51,155,769
100,673,991	102,616,605
142,792,243	153,772,374

17.00 Liability for Expenses: Tk.6,585,497

This is made up as follows:

Particulars

Salary & Wages
Directors' Remuneration
Audit Fees
Office Rent
Payable for TDS and others
Gas Bill
Electricity Bill
Telephone Bill
Total:

5,010,350	5,061,892
74,167	74,167
86,250	345,000
26,000	26,000
9,925	122,205
898,196	2,690,660
473,241	629,910
7,368	5,748
6,585,497	8,955,582

18.00 Provision for Income Tax: Tk.10,387,846

This is made up as follows:

Particulars

Opening Balance

Add: Current Period provision

Less: Adjustment with Advance Income tax

Less: Tax paid against assessment year 2015-2016

Closing Balance:

6,965,036	9,445,890
6,694,410	3,178,606
13,659,446	12,624,496
3,271,600	1,585,723
	4,073,737
10,387,846	6,965,036

		Amount in Taka	
		July - December 2016	July - December 2015
19.00	Revenue: Tk. 551,280,969		
	This is made up as follows:		
	<u>Particulars</u>		
	Export Sales	551,280,969	511,069,247
	Total:	551,280,969	511,069,247
20.00	Cost of Goods Sold: Tk. 451,006,114		
	This is made up as follows:		
	<u>Particulars</u>		
	Yarn Consumption	Notes: 20.01 324,881,715	306,748,245
	Dyes & Chemical Consumption	Notes: 20.02 42,838,241	40,041,351
	Spare Parts and Accessories Consumption	Notes: 20.03 11,228,087	15,221,946
	Manufacturing Overhead	Notes: 20.04 72,039,633	62,319,010
	Opening Work in Process (WIP)	8,699,855	1,363,587
	Closing Work in Process (WIP)	(9,125,625)	(8,564,986)
	Cost of Production	450,561,906	417,129,153
	Opening Finished Goods	48,363,128	34,062,849
	Closing Finished Goods	(47,918,920)	(39,649,855)
	Total Cost of Goods Sold	451,006,114	411,542,147
20.01	Yarn Consumption: Tk. 324,881,715		
	This is made up as follows:		
	<u>Particulars</u>		
	Opening Inventory	280,030,570	318,572,528
	Add: Purchased during the period	313,407,980	256,314,159
		593,438,550	574,886,687
	Less: Closing Inventory	268,556,835	268,138,442
	Total:	324,881,715	306,748,245
20.02	Dyes & Chemical Consumption: Tk. 42,838,241		
	This is made up as follows:		
	<u>Particulars</u>		
	Opening Inventory	99,853,690	80,987,962
	Add: Purchased during the period	42,549,403	57,118,341
		142,403,093	138,106,303
	Less: Closing Inventory	99,564,852	98,064,952
	Total:	42,838,241	40,041,351

20.03 Spare Parts and Accessories Consumption: Tk. 11,228,087

This is made up as follows:

Particulars

Opening Inventory	12,005,690	11,986,475
Add: Purchased during the period	17,746,039	12,387,885
	29,751,729	24,374,360
Less: Closing Inventory	18,523,642	9,152,414
Total:	11,228,087	15,221,946

20.04 Manufacturing Overhead: Tk. 72,039,633

This is made up as follows:

Particulars

Salary & Wages	25,132,703	24,888,777
Tiffin Expenses	615,935	595,923
Casual labor	3,268,963	4,259,195
Packing Materials	3,419,239	3,408,565
Telephone mobile & Internet	17,868	17,101
Conveyance	98,840	118,841
Fuel, Gas & Lubricants	832,456	827,321
Electricity bill	2,704,842	2,836,237
Gas Bill	3,255,351	2,636,663
Stationary, printing & Postage	76,335	118,380
Electrical Goods	311,940	343,753
Insurance Premium	1,386,718	1,350,235
Fire Insurance Premium	1,127,858	1,231,845
Loading, Unloading & Carrying	1,624,229	1,600,496
Repair & Maintenance	257,071	285,683
Medical Expenses	16,220	15,216
Depreciation	27,893,065	17,580,218
Embroidery Charge	-	204,562
Total:	72,039,633	62,319,010

21.00 Administrative Expenses: Tk. 13,463,793

This is made up as follows:

Particulars

Salary & Allowance	7,118,257	7,081,801
Director's Remuneration	445,000	445,000
Telephone, Mobile & Internet	370,854	358,300
Travelling & Conveyance	240,910	254,694
Office Rent	156,000	156,000
Printing & Stationery	451,120	512,673
Entertainment	281,812	292,705
Staff fooding	-	49,212
Medical Expenses	80,628	116,448
Vehicle Fuel & Maintenance	955,106	950,215
Group Insurance	13,000	13,000
Audit fees	172,500	172,577
Legal fee	147,404	145,700
Clearing Charges	1,907,751	1,888,590
Renewal & Registration	87,603	86,724
Office Maintenance	407,351	411,275
Bank Charges	24,850	26,512
Depreciation	603,647	373,149
Total:	<u>13,463,793</u>	<u>13,334,574</u>

Payments/Perquisites to Directors & Officers:

The aggregate amount paid/provided during the year in respect of Directors and Officers of the Company.

Particulars

Director's Remuneration	445,000	445,000
-------------------------	---------	---------

i) No money was given to any directors as Board Meeting Fee.

22.00 Selling & Distribution Expenses: Tk. 2,881,766

This is made up as follows:

Particulars

Travelling & Conveyance	838,451	948,644
Air Freight & C& F Charges	707,684	751,691
Export Expenses (BGMEA, BTMEA, EPB, Sample test))	824,034	955,640
Foreign Exchanges Gain/(Loss)	188,456	258,061
Market Development	323,140	365,287
Total:	<u>2,881,766</u>	<u>3,279,323</u>

23.00 Other Income: Tk. 58,434

This is made up as follows:

Particulars

Bank Interest

Total:

58,434	77,340
58,434	77,340

24.00 Financial Expenses: Tk. 45,792,394

This is made up as follows:

Particulars

CC Interest

OD Interest

Interest on Term loan AB Bank

Interest on Time Loan AB Bank

Total:

12,381,354	12,375,023
5,785,965	6,427,054
22,782,396	22,385,776
4,842,679	5,022,828
45,792,394	46,210,681

25.00 Income Tax Expenses: Tk. 6,694,410

This is made up as follows:

Particulars

Net income from Export Business

Non operating income

Less: Export Rebate @ 50%

(As per Paragraph 28 of 6th schedule part "A" of ITO 1984)

Net Taxable Income

Applicable Tax Rate

Income Tax Expenses

38,136,902	36,702,522
58,434	77,340
38,195,336	36,779,862
19,068,451	18,351,261
19,126,885	18,428,601
35%	35%
6,694,410	6,450,010

26.00 Basic Earnings per Share:

This is made up as follows:

Particulars

Net Profit after Taxes

Weighted Average No. of Ordinary Share

Earnings per share:

31,500,927	30,329,852
40,000,000	40,000,000
0.79	0.76

Nurani Dyeing & Sweater Ltd.
Schedule of Property, Plant & Equipment
For period ended December 31, 2016.

								Annexure- A
								(Figures all in Taka)
Particulars	Cost Value			Rate	Depreciation			Written down value as on 31.12.16
	Balance As on 01.07.16	Addition during the year	Balance As on 31.12.16		Balance As on 01.07.2016	Charged during the year	Balance As on 31.12.16	
Land and Land Development	11,093,940	-	11,093,940	-	-	-	-	11,093,940
Factory Building	241,007,907	-	241,007,907	5%	44,390,175	4,915,443	49,305,618	191,702,289
Machinery	513,089,722	-	513,089,722	10%	131,700,304	19,069,471	150,769,775	362,319,947
Electric Equipment & Installation	11,173,072	-	11,173,072	10%	4,914,380	312,935	5,227,315	5,945,757
Laboratory Equipments	2,653,608	-	2,653,608	10%	945,648	85,398	1,031,046	1,622,562
Generator	12,953,467	-	12,953,467	15%	7,846,943	382,989	8,229,933	4,723,534
Gas Line Installation	3,536,000	-	3,536,000	8%	1,952,575	63,337	2,015,912	1,520,088
Tube Well	2,954,500	-	2,954,500	10%	2,033,172	46,066	2,079,238	875,262
ETP	7,546,460	-	7,546,460	10%	4,208,750	166,885	4,375,636	3,170,824
Vehicle	28,497,896	6,553,601	35,051,497	20%	6,546,099	2,850,540	9,396,639	25,654,858
Furniture & Fixture	5,096,538	235,860	5,332,398	10%	1,521,783	178,738	1,700,520	3,631,878
Office Equipment	11,567,861	465,320	12,033,181	10%	3,069,678	424,909	3,494,587	8,538,594
Total as on September 30, 2016	851,170,970	7,254,781	858,425,751		209,129,507	28,496,712	237,626,219	620,799,532

Allocation of Depreciation:

Particulars	31.12.2016
Manufacturing	27,893,065
Administrative	603,647
Total:	28,496,712

CHAPTER (XXVII): PUBLIC ISSUE APPLICATION PROCEDURE

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. 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.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the **first banking hour of next working day** of the cut-off date. In case of 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 hold the bank drafts (FDD) submitted by the applicants in their custody with 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 it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.

7. **On the next working day**, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers. Stock Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers **up to 6 months** from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges **within 10 (ten) working days** from the date of receiving information from the stock exchanges.
12. The Issuer and the issue managers shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Stock Exchanges, if do not receive any observation from the Commission or the Stock Exchanges.
13. The Issuer and issue managers shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock 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 Stock 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 respective Stock Exchange 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 Stock 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**, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

- a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers 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 (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.
 17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
 18. **Simultaneously**, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. 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. **On the same day**, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.
 20. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange.

Miscellaneous:

21. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.
22. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
23. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
24. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.
25. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
26. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.

27. 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.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the Company's **Account No. 1011360417205** with Eastern Bank Limited, Principal Branch, Dhaka, Bangladesh for this purpose.

The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

SL	Name of the A/C	Account No.	Type of A/C	Currency	Bank & Branch
1	Nurani Dyeing & Sweater Limited	1013050417190	FC A/C	USD	Eastern Bank Limited, Principal Branch, Dhaka
2		1013060417168		GBP	
3		1013070417179		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 manager.

NURANI DYEING & SWEATER 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 Tk. each														
Total amount in Tk.	:															
Amount in word	:															
Mode of payment	:															
Cheque/Draft information	:															

Signature of
Applicants

Signature of
Authorized
Officer

CHAPTER (XXVIII): OTHERS

Date: January 16, 2017

STATEMENT REGARDING COST AUDIT

This is to certify that, as per provision of the Companies Act 1994, Cost Audit by Professional Accountant is not applicable for “Nurani Dyeing & Sweater Limited”.

Sd/-
Sk. Nurul Alam
Managing Director
Nurani Dyeing & Sweater Ltd.

Sd/-
Md. Amir Hossain
Chief Financial Officer
Nurani Dyeing & Sweater Ltd.

Sd/-
Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

Sd/-
Mufakhkharul Islam
Managing Director & CEO
CAPM Advisory Limited

MANAGEMENT ADDITIONAL DISCLOSURE

1. **As per Audited Financial Statement it has been observed that Property, Plant & Equipment is shown Tk. 63,32,53,410 in the year 2016 whereas it was Tk. 40,69,25,845 in the year 2015. Explain your position regarding the same;**

Our response:

During the year 2016, Factory Building amounting tk. 128,939,093 and Machinery amounting Tk. 125,002,651 & some other properties have been added to the fixed asset schedule. This is why Property, Plant & Equipment have been increased by a large amount in 2016.

2. **Explanation regarding the query in the year 2015 an amount of Tk. 19,25,55,292 is shown as Accounts payable where as it was Tk. 13,10,49,938 in the year 2014 is not satisfactory;**

Our response:

To meet export order, we purchased Yarn by Tk. 577,206,514 in the year 2015, where it was Tk. 411,177,466 in the year 2014. Thus higher amount of yarn was purchased in 2015 and other materials purchase was also higher in 2015 than the purchase in 2014. This is why Accounts Payable was higher in 2015 than in 2014.

3. **Explanation regarding increase of Cash at bank from Tk. 5,30,678 to Tk. 80,38,195 in the year 2015;**

Our response:

We are export oriented organization. Thus when it takes the bill against export the bank balance stands higher than normal time. Bank balance shows the amount of bank account at a specific time or date. In the year ended 2015, bill receipt against export took the bank balance to a higher position.

4. **Current portion of Long Term Loan has increased to Tk. 15,23,02,814 in 2016 from Tk. 8,91,45,304 in 2015. Explain the reasons thereof;**

Our response:

In the year 2016, bank loan has been rearranged and thus the current portion of long term has been rearranged according to the latest loan sanction letter.

5. **It appears from the cash flow statements for the year ended 31st March, 2013 and 31st March, 2014 that net cash flows from operating activities are respectively Tk. (11,84,68,336.00) and (15,33,18,482.00). But net cash flows from operating activities for the year ended 31st March, 2015 and 31st March, 2016 are respectively Tk. 19,98,13,896.00 and Tk. 3,35,73,545.00. Explain about these inconsistency;**

Our response:

We are a 100% export oriented sweater knitting & dyeing industry. We export our product 90 to 120 days deferred letter of credit basis. When exports increase, Accounts Receivable also increases in same line. An amount of taka is blocked with accounts receivable, resulting cash inflow from customer gone down for shorter term period. For smooth operation and export demand, we have to maintain adequate quantity in inventory. During the year 2013 and 2014, we had to spend a higher amount of money to purchase raw material to produce the demanded products. That's why cash flow from operating Activities became negative result in the year ended 2013 and 2014. Every year higher inventory lead to the higher export in next year. Then, we came to an optimum position to productions and exports. Thus cash flows from operating activities became positive in 2015 & 2016.

6. It appears that your company has Tk. 16,83,267.00 cash in hand & cash at Bank as at 31-03-2016. However, the company has huge term loan. Explain how you will repay the outstanding loan with such small amount of cash. Include a forecasted Cash Flow Statement for the next year in the explanation.

Our response:

We are export oriented organization and loan is pay off from the export proceeds. Thus there is no scope to keep cash in hand and bank to pay bank loan and interest. Projected cash flow statement for the next year is shown here.

Particulars	Projected
	2017 Amount in Tk.
Cash Flows from Operating Activities:	
Cash Collection From Turnover & Others	1,188,600,279
Cash Paid to Suppliers, Employee & Others	(953,424,791)
Cash generated from operation	235,175,487
Interest Paid	(70,015,425)
Income Tax Paid	(11,038,773)
Net Cash provided from Operating Activities:(A)	154,121,289
Cash Flows from Investing Activities:	
Acquisition of Property, Plant & Equipment	(129,600,000)
Payment for Capital Work in Progress	(20,045,000)
Investment in FDR	(5,896,805)
Net Cash used in Investing Activities:(B)	(155,541,805)
Cash flows from Financing Activities	
Proceeds from issuance of Share Capital	430,000,000
Received/(Payment) of Short Term Loan	104,945,910
Received/(Payment) of Long Term Loan	(367,512,377)
Net Cash provided by/(used) in Financing Activities:(C)	167,433,533
Net increase/(decrease) in cash & Cash equivalents: (A+B+C)	166,013,018
Cash & Cash equivalents at the beginning of the year	762,812
Closing Cash & Cash equivalents at the end of the year	166,775,830

7. It appears that currently you have utilized 69.41% of dyeing capacity. However, you have planned to utilized TK. 29.3345 crore (68.21% of total IPO fund) for purchasing machineries and civil construction for dyeing. Explain;

Our response:

Currently our factory runs on an average 70% capacity level which is the almost optimum level for existing machineries. The new machineries are required to factory balancing, increase the capacity and increase export volume. Since operation our dyeing process is Hanger Dyeing Process. Recently a new dyeing process is developed through cone dyeing process. Our main business activities are (1) Dyeing yarn and export the yarn to the export oriented sweater industries as a deemed exporter and (2) Make sweaters and export directly in the international markets.

To think a constant business growth, our management has decided to install cone dyeing machines to utilize IPO fund in parallel to hanger dyeing machines that are capable to dye all types of yarn with

different counts. After installing the cone dyeing machines, we will be able to take all type of order from the buyers in a bundle form and that will optimizes our capacity.

Since, we produced goods as per buyers demand in that circumstances our management believe that the optimum production capacity be 75% to 80%.

8. **It appears that total debt is 55% of total assets of the company, which indicates that your company is highly leveraged. Explain;**

Our response:

Our debt burden is higher due to our expansion activities. We have to produce a large volume of products to meet the demand of the buyers. We are enjoying greater sales volume over the years and expecting to have more sales in next 2-3 years. Thus it is expected to pay the loan within next few years. Moreover, we will repay a portion of long term loan from IPO proceeds.

9. **It appears that net loss was Tk. 58,28,810 in the year 2012 and the ending inventory was increased by 71% (from Tk. 35.75 crore to Tk. 61.29 crore) in the year 2013. At the same time the turnover was decreased from Tk. 67.92 crore to Tk. 62.33 crore in the year 2013. Explain why there was huge inventory in 2013 while your sales was decreased;**

Our response:

We produce our products according to the buyer orders. The export was Tk. 623,260,010 in 2013 where it was Tk. 944,205,482 in 2014. At the last quarter of year ended 2013, we got some orders containing larger volume. That's why we had to purchase more raw materials (yarn) to produce the products. Those raw materials led to higher increase of the inventory in 2013.

10. **It appears that NPAT fir the years ended 31st March 2012 to 2016 were respectively TK. (58,28,810), TK. 1,74,01,878, TK. 5,12,51,390, TK. 4,49,22,511 and TK. 5,64,52,785. Explain the reasons for increase of profitability over the 5 years;**

Our response:

We are a growth oriented organization. Over the years our sales volume is increasing due to the increase of sales demand. At the same time the ratio of production cost and other related expenses against sales are decreasing because of economies of scale. That's why Net Profit after Tax is increasing over the years.

11. **Non-recognition of Deferred Tax Assets/Liabilities:**

Our response:

Up to accounting year 2013-2014 we have calculate tax as per Section 53BB of the Income Tax Ordinance 1984, tax has been deducted at source from export proceeds and the deducted amount is treated as the final settlement as final discharge of tax liability of the company under the provision of section 82(C) Vide: SRO No. 205-AAIN/AYKOR/2005 dated July 07.2005.

As per Subsection (6) of section 82© of Income Tax Ordinance 1984, we did not have any excess income arising from Income Tax Assessment in the previous year. Income tax return submitted under Universal Self-Assessment has been accepted by Tax authority.

As per Sub-Section (7) of section 82© of Income Tax Ordinance 1984, there was no inadmissible expenses arising in the previous assessment order up to assessment year 2014-2015.

In the accounting year 2014-2015 we have calculate tax as per Section 53BB of the Income Tax Ordinance 1984, tax has been deducted at source from export proceeds and the deducted amount is treated as the final settlement as final discharge of tax liability of the company under the provision of section 82(C) Vide: SRO No. 205-AAIN/AYKOR/2005 dated July 07.2005. But tax return

submitted on the basis of tax calculated @ 35% on 50% of profit as per paragraph 28 OF 6TH schedule part "A" of ITO 1984 and tax expenses has been re-stated accordingly.

In the accounting year 2015-2016 we have calculate tax @ 35% on 50% of profit as per paragraph 28 OF 6TH schedule part "A" of ITO 1984 .

Our management observed that up to assessment year 2014-2015 there had not arisen any temporary difference and accordingly management did not recognized deferred tax assets/liability in the accounts,

If any temporary difference arise in the future, our management will recognize deferred tax assets/liabilities in the financial statements accordingly.

Sd/-

Sk. Nurul Alam

Managing Director