

Independent Auditor's Report
To the Shareholders of
Delta Spinners Limited

Report on the Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Delta Spinners Limited**, which comprises the Consolidated Statement of Financial Position as at 30 June 2017 and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Consolidated financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated financial statements give a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We further report that:

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

Dhaka
October 28, 2017

Sd/-
MAHFEL HUQ & Co.
Chartered Accountants

DELTA SPINNERS LIMITED
STATEMENT OF FINANCIAL POSITION
As at June 30, 2017

PARTICULARS	NOTES	Consolidated		The Company	
		Amount in Taka		Amount in Taka	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
ASSETS					
Non-Current Assets:		1,902,742,357	1,727,024,459	1,906,820,577	1,730,187,957
Property, Plant & Equipment	3.00	1,178,377,081	1,259,508,340	1,038,532,132	1,119,646,384
Capital Work-in Progress	4.00	724,365,276	467,516,119	724,365,276	467,516,119
Investment in Delta Ceramics Ltd.	5.00	-	-	143,923,169	143,025,454
Current Assets:		1,721,665,899	1,824,412,779	1,712,443,661	1,816,190,873
Inventories	6.00	861,825,772	840,606,490	861,825,772	840,606,490
Trade and Other Receivables	7.00	422,066,898	366,561,327	417,831,828	362,548,701
Advances, Deposits & Prepayments	8.00	412,556,893	372,495,624	409,101,065	369,505,743
Cash & Cash Equivalents	9.00	25,216,336	244,749,337	23,684,996	243,529,938
Total Assets		3,624,408,257	3,551,437,238	3,619,264,239	3,546,378,830
SHAREHOLDER'S EQUITY AND LIABILITIES					
Shareholders Equity:		2,180,752,245	2,133,067,385	2,178,902,682	2,131,230,875
Share Capital	10.00	1,513,472,400	1,375,884,000	1,513,472,400	1,375,884,000
Revaluation Reserve	11.00	364,608,634	387,115,202	364,608,634	387,115,202
Retained Earnings	12.00	302,671,210	370,068,183	300,821,648	368,231,673
Non-controlling Interest		2,462,390	2,459,127	-	-
Total Equity		2,183,214,635	2,135,526,512	2,178,902,682	2,131,230,875
Non-Current Liabilities:		495,942,577	528,341,275	495,942,577	528,341,275
Long Term Borrowings / Loan	13.00	416,311,214	445,749,887	416,311,214	445,749,887
Deferred Tax	14.00	79,631,363	82,591,388	79,631,363	82,591,388
Current Liabilities :		945,251,045	887,569,451	944,418,980	886,806,681
Short Term Borrowings	15.00	448,509,641	427,125,765	448,509,641	427,125,765
Current portion of Long Term Borrowings	16.00	246,615,378	262,641,807	246,615,378	262,641,807
Interest payable to BDBL	17.00	102,805,897	61,728,163	102,805,897	61,728,163
Trade and Other Payables	18.00	10,142,557	9,098,849	10,142,557	9,098,849
Workers Profit Participation Fund	19.00	5,674,641	2,777,150	5,674,641	2,777,150
Unclaimed Dividend	20.00	64,303,270	65,988,500	64,303,270	65,988,500
Provision for Current Tax	21.00	49,534,644	45,458,715	48,797,791	44,731,652
Liabilities for expenses	22.00	17,665,017	12,750,503	17,569,805	12,714,795
Non-Current and Current Liabilities		1,441,193,622	1,415,910,726	1,440,361,557	1,415,147,955
Total Equity & Liabilities		3,624,408,257	3,551,437,238	3,619,264,239	3,546,378,830
Net Asset Value Per Share with revaluation	29.00	14.41	15.50	14.40	15.49

The accompanying policies and explanatory notes 1-39 form an integral part of these Financial Statements.

R.A Howlader
Chairman

Mostafa Jamal Haider
Managing Director

Masudur Rahman
Executive Director &
Company Secretary

Ziaur Rahman
Chief Financial Officer

Signed in terms of our separate report of even date.

Place: Dhaka
Date: October 28, 2017

Mahfel Huq & Co.
Chartered Accountants

DELTA SPINNERS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2017

PARTICULARS	NOTES	Consolidated		The Company	
		Amount in Taka		Amount in Taka	
		2016-2017	2015-2016	2016-2017	2015-2016
Sales	23.00	1,077,547,666	1,073,216,094	1,076,790,666	1,067,099,094
Cost of Sales	24.00	(921,169,283)	(920,020,221)	(920,642,184)	(914,647,492)
Gross Profit		156,378,383	153,195,873	156,148,482	152,451,602
Administrative and selling Exp.	25.00	(29,167,244)	(32,826,376)	(28,964,240)	(32,396,432)
Profit from Operations		127,211,139	120,369,496	127,184,242	120,055,169
Financial Expenses	26.00	(82,193,116)	(100,530,336)	(82,192,325)	(100,528,597)
Non Operating Income	27.00	15,855,394	38,141,881	15,855,394	38,141,881
Profit before Contribution to WPPF		60,873,417	57,981,041	60,847,311	57,668,453
Contribution to WPPF	19.00	(2,897,491)	(2,746,117)	(2,897,491)	(2,746,117)
Net Profit Before Tax		57,975,926	55,234,924	57,949,820	54,922,336
Provision for Tax					
Current Tax	21.01	(13,247,827)	(20,656,300)	(13,238,037)	(20,539,080)
Deferred Tax	14.00	(1,011,723)	12,194,515	(1,011,723)	12,194,515
Net Profit after Tax		43,716,376	46,773,139	43,700,060	46,577,771
Non Controlling interest 20% NPAT		(3,263)	(39,073)	-	-
		43,713,113	46,734,066	43,700,060	46,577,771
Earning Per Share (EPS)	28.00	0.29	0.31	0.29	0.31

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Date: October 28, 2017

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Chartered Accountants

DELTA SPINNERS LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2017

Particulars	Amount in taka		Amount in taka	
	2016-2017	2015-2016	2016-2017	2015-2016
Cash Flow from Operating Activities				
Collection from Customers	1,022,042,095	1,197,801,328	1,021,507,539	1,192,269,583
Non Operating Income	15,855,394	34,546,763	15,855,394	34,546,763
Payment for Cost and Expenses	(928,287,329)	(856,538,682)	(927,166,999)	(848,183,282)
Income tax paid	(4,064,969)	(10,550,000)	(4,064,969)	(10,550,000)
Net Cash Flow from Operating Activities	105,545,191	365,259,409	106,130,965	368,083,065
Cash Flow from Investing Activities				
Acquisition of property, plant and equipment	(1,347,988)	(6,190,074)	(1,347,988)	(6,190,074)
Capital Work-in-Progress under property, plant and equipment	(256,849,157)	(462,816,853)	(256,849,157)	(462,816,853)
Investment in Delta Ceramics Ltd.	-	-	(897,715)	(1,457,221)
Net Cash Flow from/ (Used) Investing Activities	(258,197,145)	(469,006,927)	(259,094,860)	(470,464,148)
Cash Flow From Financing Activities				
Short Term Loan Increase/(Decrease)	21,383,876	3,754,360	21,383,876	2,104,360
Long Term loan Increase/(Decrease)	(45,465,102)	(82,796,043)	(45,465,102)	(82,796,043)
Financial Expenses Paid	(41,114,591)	(57,507,760)	(41,114,591)	(57,507,760)
Dividend Paid	(1,685,230)	(31,949,268)	(1,685,230)	(31,949,268)
Net Cash Flow from Financing Activities	(66,881,046)	(168,498,711)	(66,881,046)	(170,148,711)
Increase/(Decrease) in Cash and Cash Equivalent	(219,533,001)	(272,246,229)	(219,844,942)	(272,529,795)
Cash and Cash Equivalents at the beginning of the year	244,749,337	516,995,566	243,529,938	516,059,733
Cash and Cash Equivalents at the end of the year	25,216,336	244,749,337	23,684,996	243,529,938
Net operating cash flow per share	0.70	2.41	0.70	2.43

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Chairman

Mostafa Jamal Haider
Managing Director

Masudur Rahman
Executive Director &
Company Secretary

Ziaur Rahman
Chief Financial Officer

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

Place: Dhaka
Date: October 28, 2017

Mahfel Huq & Co.
Chartered Accountants

DELTA SPINNERS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN SHARE HOLDERS' EQUITY
For the year ended 30 June 2017

Consolidated

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Non-Controlling Interest	Total
Opening Balance as on 01-07-2016	1,375,884,000	387,115,202	370,068,183	2,459,127	2,135,526,512
Net profit after tax for the year	-	-	43,713,113	3,263	43,716,376
Transferred to Retained Earnings	-	(26,478,315)	26,478,315	-	-
Related Deferred Tax	-	3,971,746	-	-	3,971,746
Issue of Bonus Share	137,588,400	-	(137,588,400)	-	-
AS AT 30 JUNE, 2017	1,513,472,400	364,608,634	302,671,210	2,462,390	2,183,214,635

For the year ended 30 June 2016

Consolidated

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Non-Controlling Interest	Total
Opening Balance as on 01-07-2015	1,375,884,000	465,112,492	350,117,833	2,420,054	2,193,534,379
Net profit after tax for the year	-	-	46,734,066	39,073	46,773,139
Transferred to Retained Earnings	-	(29,251,899)	29,251,899	-	-
Related Deferred Tax	-	(48,745,391)	-	-	(48,745,391)
Dividend for the year 2014-2015	-	-	(56,035,615)	-	(56,035,615)
AS AT 30 JUNE, 2016	1,375,884,000	387,115,202	370,068,183	2,459,127	2,135,526,512

DELTA SPINNERS LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

The Company

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Opening Balance as on 01-07-2016	1,375,884,000	387,115,202	368,231,673	2,131,230,875
Net profit after tax for the year	-	-	43,700,060	43,700,060
Transferred to Retained Earnings	-	(26,478,315)	26,478,315	-
Related Deferred Tax	-	3,971,746	-	3,971,746
Issue of Bonus Share	137,588,400	-	(137,588,400)	-
AS AT 30 JUNE, 2017	1,513,472,400	364,608,634	300,821,648	2,178,902,682

For the year ended 30 June 2016

The Company

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Opening Balance as on 01-07-2015	1,375,884,000	465,112,492	348,437,618	2,189,434,110
Net profit after tax for the year	-	-	46,577,771	46,577,771
Transferred to Retained Earnings	-	(29,251,899)	29,251,899	-
Related Deferred Tax	-	(48,745,391)	-	(48,745,391)
Dividend for the year 2014-2015	-	-	(56,035,615)	(56,035,615)
AS AT 30 JUNE, 2016	1,375,884,000	387,115,202	368,231,673	2,131,230,875

R.A.Howlader
Chairman

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Chief Financial Officer

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

Place: Dhaka
Date: October 28, 2017

Mahfel Huq & Co.
Chartered Accountants

DELTA SPINNERS LIMITED
Notes to the Financial Statements
For the year ended 30 June, 2017

1.00 Reporting Entity and its Activities

1.01 Legal forms of the Entity

Delta Spinners Limited was incorporated as a private Limited Company under the name & style "Delta Millers Limited" on 23 July,1979. It was converted into a Public Limited Company on 14 March, 1991. The Name of the Company was changed to "Delta Spinners Limited" on 7 March, 2004. Its shares are listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

Delta Spinners holds 80% shares of subsidiary Company "Delta Ceramics Limited" (DCL) which was incorporated as a public limited company with the Registrar of Joint Stock Companies and Firms under the Companies Act 1994 with the issuance of incorporation certificate no C-91948/11 on 11 April 2011.

The registered office of the Company and its industrial unit is located at Gouripur, Kalta para, Mymensing which is 140 KM away from Dhaka "0" point. The corporate office of the company is located at 254-B Khilgoan Chowdhury Para Dhaka-1219.

1.02 Nature of Business Activities

The nature and principal business activities of the Company throughout the year were concentrated on the manufacturing of cotton yarn of different counts and marketing the same. Nature of the business activities of its subsidiary company "Delta Ceramics Limited" is to manufacture various kinds of ceramics wares. The subsidiary company did not start the commercial operation except some trading activities of sanitary wares.

2.00 Significant Accounting Policy for the presentation of the financial Statements

The specific accounting policies selected and applied by the company's management for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

2.01 Corporate Financial Statements

This comprises Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and explanatory notes covering accounting policies. This is prepared under the historical cost convention, on accrual basis and on going concern assumption in accordance with the requirements of Companies Act 1994, the Securities and Exchange Rules, 1987 and the Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) and as applicable to this Company. The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of these financial statements.

2.02 Use of Estimates and Judgments

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Due to inherent uncertainties involved in making estimates actual results may differ from those estimates and underlying assumptions are reviewed on a going concern basis.

2.03 Going Concern

The company has adequate resources to continue its operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. For this reasons the directors continue to adopt going concern basis in preparing the Financial Statements.

2.04 Foreign Currency Translation

Transactions in foreign currencies are translated to Bangladesh Taka at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities are converted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction.

2.05 Basis of Consolidation

The consolidated financial statements include the financial statements of Delta Spinners Limited and its subsidiary Delta Ceramics Limited for the year covering the period from 01-07-2016 to 30-06-2017. The consolidated financial statements are prepared to a common financial year ending 30 June, 2017.

(a) Subsidiaries

Subsidiaries are entities controlled by the parent company viz Delta Spinners Ltd. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the parent company controls another entity. Subsidiaries are fully consolidated from date on which control is transferred to the parent company. They are de-consolidated from the date on which control ceased.

Name of Subsidiary	% of controlling interest	% of non- controlling interest	Total
Delta Ceramics Limited	80%	20%	100%

The accounting policies of the subsidiary has been changed when necessary to align them with the policies adopt by the parent company. During the year statement of financial position, statement of Profit or Loss and Other comprehensive income and statement of cash flows have been consolidated on the basis of audited Financial Statements which was audited by Anisur Rahman & Co. Chartered Accountants.

(b) Transactions eliminated on consolidation

The financial statements of the subsidiaries have been consolidated with those of Delta Spinners Limited in accordance with BAS 27 " Separate Financial Statements". Intra-group balances and transactions are eliminated in preparing consolidated financial statements.

2.06 Reporting Period

The financial statements cover one financial year from 1st July to 30th June of following year consistently.

2.07 Segmental Reporting:

No segmental reporting is applicable for the company as required by BFRS 8: "Operating Segments" as the company operates in a single industry segment and within a single geographical territory.

2.08 Fundamental Accounting Concepts/ Assumption

The financial statements have been prepared under historical cost convention on accrual basis and such other convention as required by BAS-1 and BFRS for fair presentation of financial statements.

2.09 Comparative Information and Re-arrangement thereof

Comparative Information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the income and value of assets and liabilities as reported in the Financial Statements.

2.10 Events after the Reporting date

In compliance with the requirements of BAS 10: Adjusting events occurring after the reporting date are reflected in the financial statements and events after reporting date that are not adjusting events are disclosed in the notes when material.

2.11 Compliance with BAS

The following BAS have been applied in preparation of the financial statements for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 17	Leases
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 27	Separate Financial Statement
BAS 33	Earnings Per Share
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 39	Financial Instruments: Recognition and Measurement
BFRS-7	Financial Instruments: Disclosures
BFRS-8	Operating Segments
BFRS 10	Consolidated Financial Statements

The other related BFRSs are also complied for the preparation of these financial statements.

2.12 Net Income Before Tax

Net Income Before Tax for the year were not materially affected by:

- (a) Transaction of a nature not usually undertaken by the company;
- (b) Circumstances of an exceptional or non-recurring nature;
- (c) Changes of credits relating to prior years ; and
- (d) Changes in accounting policies.

2.13 Recognition and measurement of Tangible Fixed Assets

Tangible assets, Property, Plant & Equipment (PPE) have been stated at written down value of cost and revalued amount. Accumulated historical cost and depreciation have been shown in the Financial Statements. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its state of intended use. 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. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an addition to cost of the assets.

2.14 Property, Plant & Equipment (PPE)

2.14.1 Revaluation of Property, Plant & Equipment (PPE)

PPE have been stated at cost and revalued amounts in accordance with BAS : 16 Property , Plant & Equipment.

i) Effective date of revaluation to the Financial Statements 30-06-2012.

ii) PPE has been revalued by A. Matin & Co. Chartered Accountants an independent valuer.

iii) Revaluation surplus has been transferred to Revaluation Reserve and distribution of such surplus to the shareholders is restricted.

2.14.2 Depreciation of Tangible Fixed Assets

Depreciation on Property, Plant & Equipment other than Land & Land Development have been computed during the year using the reducing balance method so as to write off the assets over their expected useful life. Depreciation has been charged on addition when it is available for use. Depreciation of an assets has been ceased when it is sold or otherwise disposed off or classified as held for sale or.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Land & Land Development	Nil
Buildings	7.50%
Plant and Machinery	10%
Furniture and Fixtures	10%
Office Equipment	15%
Vehicles	20%
Electric Sub-Station and power connection	15%
Air conditioner	15%
Books and Periodicals	10%
Electrical Equipment	15%

2.14.3 Impairment of assets

All assets have been reviewed according to BAS-36 and it was confirmed that no such assets has been impaired during the year and for this reason no provision has been made for Impairment of assets.

2.15 Inventories

Inventories are measured at the lower of cost and net realizable value as prescribed by BAS-2. The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-process, cost includes an appropriate allocation of production overheads based on normal operation capacity.

Nature of Inventories	Basis of valuation
Raw Materials	Weighted Average Cost
Work-in Process	Material cost Plus Proportionate conversion cost based on percentage of completion.
Chemicals, Stores & Spares	Weighted Average Cost
Finished Goods	Valued at cost or net realizable value whichever is lower

2.16 Trade and Other Receivables

Trade debtors are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end.

2.17 Cash and Cash Equivalents

According to BAS 7 'Statement of Cash Flows ' cash comprises of cash in hand, demand deposits and cash equivalents which are short term highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value. BAS 1 "Presentation of Financial Statements" provides that Cash & Cash Equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in Hand & Bank Balances have been treated as Cash & Cash Equivalents.

2.18 Income Tax

2.18.1 Current Tax

BAS-12, "Income tax" . Provision for taxation has been made as per rates prescribed in Finance Act, 2017 and the Income Tax Ordinance,1984 on the profit made by the company.

2.18.2 Deferred Tax

The company recognized deferred tax in accordance with the Bangladesh Accounting Standard 12 (BAS). Deferred tax is provided using the liability method for temporary difference between the carrying value of fixed assets as per accounts and the corresponding income tax written down value. Deferred tax is calculated at the effective Income Tax rate.

2.19 Leases

The compliance with BAS 17, Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases and all other leases are classified as operating lease.

Upon initial recognition, the lease assets is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payment. Subsequent to initial recognition, the assets is accounted for in accordance with accounting policy applicable to the assets.

2.20 Revenue Recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates exclusive of VAT as per BAS-18. Revenue is recognized when the significant risks and reward 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 and there is no continuing management involvement with the goods sold. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents and invoices to customers.

2.21 Employee Benefit

Workers Profit Participation Fund (WPPF)

The Company made 5% contribution on net profit to the workers. During the year the company made provision for WPPF @ 5% on the profit towards engaged WPPF and made a provision @ 5% on the profit towards 'Workers Profit Participation Fund as per Section-234 of Bangladesh Labor Act, 2006 as amended in 2013. The fund is yet to be constituted.

2.22 Borrowing Cost

Finance expenses comprise interest expenses on bank loan, finance lease and other borrowings. All borrowing cost is recognized in the Statement of Profit or Loss and other Comprehensive Income based on the statement received from Financial Institutions.

2.23 Statement of Cash Flow

Statement of Cash Flows has been prepared principally in accordance with BAS-7 "Statement of Cash Flow" and the cash flows from the operating activities have been presented under direct method.

2.24 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Derivative:

According to BFRS 7: "Financial Instruments : Disclosures", the Company was not a Party to any derivative contract (financial instruments) at the financial statement date, such as forward contracts, future contracts to hedge risks arising from borrowings, future purchase, etc.

Non-Derivative:

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

2.25 Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. Reliable estimates can be made of the amount of the obligation.

2.26 Earnings Per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share has been calculated by the profit attributable to ordinary equity holders of the Company (parent entity) by the weighted average number of ordinary shares outstanding during the period and retrospective effect has also been given for calculation of previous years earnings as well to conform the current years presentation.

2.27 Related Party Disclosures

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions have been disclosed in note # 31 to these financial statements.

2.28 Components of Financial Statements

The financial statements comprise the following;

- Statement of Financial Position as on 30th June 2017,
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2017,
- Statement of Changes in Equity for the year ended 30th June 2017,
- Statement of Cash Flows for the year ended 30th June 2017,
- Accounting Policies and explanatory notes to the Financial Statements .

	Consolidated		The Company	
	Amounts in Taka		Amounts in Taka	
	2016-2017	2015-2016	2016-2017	2015-2016
3.00 Property, Plant & Equipment:				
Cost:				
Opening balance at cost	2,235,927,598	2,229,737,524	2,235,927,598	2,229,737,524
Add : Addition during the year	1,347,988	6,190,074	1,347,988	6,190,074
	2,237,275,586	2,235,927,598	2,237,275,586	2,235,927,598
Less : Disposed / Sold during the year	-	-	-	-
Total	2,237,275,586	2,235,927,598	2,237,275,586	2,235,927,598
Depreciation:				
Opening balance	1,552,141,807	1,490,725,047	1,552,141,807	1,490,725,046
Charged during the year	55,983,926	61,416,760	55,983,926	61,416,760
	1,608,125,732	1,552,141,807	1,608,125,732	1,552,141,807
Less : Adjusted during the year	-	-	-	-
	1,608,125,732	1,552,141,807	1,608,125,732	1,552,141,807
Total (a)	629,149,854	683,785,791	629,149,854	683,785,791
Revaluation:				
Opening balance	743,336,499	743,336,499	743,336,499	743,336,499
Add : Prior year adjustment	-	-	-	-
	743,336,499	743,336,499	743,336,499	743,336,499
Add : Disposed / Sold during the year	-	-	-	-
Total	743,336,499	743,336,499	743,336,499	743,336,499
Depreciation:				
Opening balance	307,475,906	278,224,008	307,475,906	278,224,008
Charged during the year	26,478,315	29,251,899	26,478,315	29,251,899
	333,954,221	307,475,906	333,954,221	307,475,906
Adjusted during the year	-	-	-	-
	333,954,221	307,475,906	333,954,221	307,475,906
Total (b)	409,382,278	435,860,593	409,382,278	435,860,593
Written Down Value (WDV) (a+b)	1,038,532,132	1,119,646,384	1,038,532,132	1,119,646,384
Delta Ceramics Limited	139,844,949	139,861,956	-	-
	1,178,377,081	1,259,508,340	1,038,532,132	1,119,646,384

Details have been shown in annexure -A

This represents the written down value of revalued assets. The above assets includes a plot of land measuring 4 kathas (6.60 decimals) and building thereon at 254/B, Khilgaon Chowdhury Para, valuing Tk. 97,90,000 has been mortgaged to Bangladesh Development Bank Limited by the Company. But the property is in the name of the some Sponsors/Directors who, vide a Notarized declaration, stated that afore mentioned Land & Building will be transferred to the Company. The value of land and buildings Taka 97,90,000 only were paid in year 2006-07 to the sponsors concerned. The Land could not be transferred to the company as clearance from BDBL could not be obtained yet.

4.00 Capital Work-in Progress:

Work-In-Progress	467,516,119	467,516,119	467,516,119	467,516,119
Addition during the year	256,849,157	-	256,849,157	-
	724,365,276	467,516,119	724,365,276	467,516,119

This represents capital machinery and building construction for expansion through product diversification which are under process. The capital machinery is under process of installation for running operation.

Details have been shown in annexure -B

5.00 Investment in Delta Ceramic Ltd.

This consists of the following;

As Paid up capital	-	-	8,000,000	8,000,000
As Share Money Deposit	-	-	135,923,169	135,025,454
	-	-	143,923,169	143,025,454

This represents investment made in Delta Ceramics Limited, a subsidiary company of Delta Spinners Limited which is registered on 11.04.2011 with RJSC under the Companies Act 1994. The company could not start commercial operation yet.

6.00 Inventories :

Raw Cotton	753,600,882	747,674,148	753,600,882	747,674,148
Finished Yarn	46,216,679	39,384,694	46,216,679	39,384,694
Work - in - Process	38,572,343	34,145,000	38,572,343	34,145,000
Waste Cotton	243,887	394,587	243,887	394,587
Spare Parts	15,702,745	15,975,603	15,702,745	15,975,603
Packing Materials	7,489,236	3,032,458	7,489,236	3,032,458
	861,825,772	840,606,490	861,825,772	840,606,490

The above inventories are as per physical counting made and valued by the inventory team consisting of management staff. Inventories in hand has been valued at lower of cost and net realizable value as per BAS-2 and have been certified by management. Major part of inventories are pledged as security against liabilities.

Details of raw cotton and finished yarn have been shown in Annexure-C.

	Consolidated		The Company	
	Amounts in Taka		Amounts in Taka	
	2016-2017	2015-2016	2016-2017	2015-2016
7.00 Trade and Other Receivables				
Trade Receivables	371,012,526	348,191,151	371,012,526	348,191,151
Trade Receivables (Export)	46,819,302	14,357,550	46,819,302	14,357,550
Delta Ceramics Limited	4,235,070	4,012,626	-	-
	422,066,898	366,561,327	417,831,828	362,548,701

Trade receivable have been stated at their nominal value. Trade receivable are accrued in the ordinary course of business. All receivable has been considered as good and realizable and less than six months old.

Details have been shown in Annexure-D.

7.01 The classification of trade and other receivables as schedule XI of the Companies Act, 1994 is given below:

Receivable considered good in respect of which the company is fully secured.

Receivable considered good in respect of which the company holds no security other than the debtor personal security.

Receivables considered doubtful bad.

Receivable to Directors.

Receivables due by common management.

The maximum amount of receivable due by any director or other officer of the company.

Total

46,819,302	14,357,550	46,819,302	14,357,550
375,247,596	352,203,777	371,012,526	348,191,151
422,066,898	366,561,327	417,831,828	362,548,701

8.00 Advance, deposits and prepayments:

This consists of the following;

Advance:

Lubricant

Spare Parts

Repair & Maintenance

Raw cotton

Padma Traders

TDS on Raw cotton Import

Advance Income Tax

VAT Current Account

VAT on Audit Fees

BMRE (Machinery)

Advance Staff

Advance Gas Bill

Deposits :

Security deposit

Power Development Board (PDB)

Inland Road Trans. Corporation

District Road Trans. Corporation

Bd. Road Trans. Corporation (BRTC)

Titas Gas & Distribution Co. Ltd.

Delta Ceramics Limited

25,636,295	25,720,295	25,636,295	25,720,295
9,282,887	3,242,650	9,282,887	3,242,650
1,562,000	1,507,441	1,562,000	1,507,441
330,690,799	292,499,025	330,690,799	292,499,025
10,400,000	9,400,000	10,400,000	9,400,000
915,944	915,944	915,944	915,944
3,569,933	8,548,469	3,569,933	8,548,469
61,928	162,758	61,928	162,758
11,400	-	11,400	-
16,186,729	16,605,511	16,186,729	16,605,511
312,000	452,000	312,000	452,000
19,500	-	19,500	-
-	-	-	-
1,052,550	1,052,550	1,052,550	1,052,550
56,000	56,000	56,000	56,000
25,000	25,000	25,000	25,000
30,000	30,000	30,000	30,000
30,000	30,000	30,000	30,000
9,258,100	9,258,100	9,258,100	9,258,100
3,455,828	2,989,881	-	-
412,556,893	372,495,624	409,101,065	369,505,743

	Consolidated		The Company	
	Amounts in Taka		Amounts in Taka	
	2016-2017	2015-2016	2016-2017	2015-2016
9.00 Cash and Cash Equivalents:				
Cash in Hand :				
Head Office	14,306,955	1,367,500	14,306,955	1,367,500
Factory	2,823,832	3,050,000	2,823,832	3,050,000
Delta Ceramics Limited	1,527,200	1,214,500		
Cash at Bank:				
Agrani Bank Ltd. CD A/C. Amincourt Br.	3,325	7,510,854	3,325	7,510,854
BDBL, CD A/C Head Office	4,481	5,171	4,481	5,171
Agrani Bank Ltd. STD A/C Amincourt Br.	12,823	199,305	12,823	199,305
Agrani Bank Ltd. Mymensingh	2,726	4,346	2,726	4,346
Exim Bank Ltd. (Motijheel Br.)	17,363	331,571	17,363	331,571
Exim Bank Ltd. (Mymensingh Br.)	24,111	-	24,111	-
Southeast Bank Ltd. (C/D A/C)	73,709	28,607	73,709	28,607
Southeast Bank Ltd. (C/D A/C-Mymensingh)	1,463	-	1,463	-
Southeast Bank Ltd. (STD A/C)	260,697	270,013	260,697	270,013
Sonali Bank Ltd. Shambhugonj Br. Mymensingh	268,570	1,291,450	268,570	1,291,450
FDR (Exim Bank Ltd.)	5,884,940	208,922,440	5,884,940	208,922,440
FDR (Agrani Bank Ltd.)	-	20,548,682	-	20,548,682
Agrani Bank Ltd. (Delta Ceramics Limited)	4,140	4,899	-	-
	25,216,336	244,749,337	23,684,996	243,529,938

10.00 Share Capital :

Authorized Capital

17,50,00,000 Ordinary Shares of Tk. 10 each

1,750,000,000	1,500,000,000	1,750,000,000	1,500,000,000
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Issued, Subs. & Paid-up Capital

15,13,47,240 Ordinary Shares of Tk.10 each fully paid up

1,513,472,400	1,375,884,000	1,513,472,400	1,375,884,000
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Details of number of shares are as follows:

Number of ordinary shares at the beginning of the year

137,588,400	137,588,400	137,588,400	137,588,400
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Add: Bonus share issued during the year

13,758,840	-	13,758,840	-
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Number of ordinary shares at the end of the year

151,347,240	137,588,400	151,347,240	137,588,400
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The Shares are listed in DSE & CSE. On 30-06-17 the market price of each share was Tk. 12.10 & Tk. 12.00 respectively in the DSE & CSE

10.01 Category wise Shareholding Position of the Company:

Category of Shareholders

Sponsors/Directors
Financial Institute, I.C.B. Other I/A
General Public

Total

	Percentage		Percentage	
	30-06-17	30-06-16	30-06-17	30-06-16
Sponsors/Directors	19	19	19	19
Financial Institute, I.C.B. Other I/A	17	15	17	15
General Public	64	66	64	66
Total	100	100	100	100

10.02 Range wise Shareholding position as on 30.06.2017:

Holding Range	30-06-17		30-06-16	
	Number of Shareholders	Number of Shares	Number of Shareholders	Number of Shares
Less than 500 Shares	3,611	885,781	11,284	16,633,718
501 to 5000 Shares	7,774	15,861,092	3,033	43,511,811
5001 to 10000 Shares	1,708	13,088,105	169	12,453,553
10001 to 20000 Shares	1,109	16,174,271	68	9,560,653
20001 to 30000 Shares	435	10,837,214	22	5,152,960
30001 to 40000 Shares	174	6,185,991	9	3,175,869
40001 to 50000 Shares	138	6,347,968	7	3,182,067
50001 to 100000 Shares	223	16,409,558	17	12,862,425
100001 to 1000000 Shares	160	40,195,816	10	31,055,344
Over 1000000 Shares	9	25,361,444	-	-
Total	15,341	151,347,240	14,619	137,588,400

	Consolidated		The Company	
	Amounts in Taka		Amounts in Taka	
	2016-2017	2015-2016	2016-2017	2015-2016
11.00 Revaluation Reserve:				
This is made up as follows:				
Opening Balance	387,115,202	465,112,492	387,115,202	465,112,492
Add: Revaluation made during the year	-	-	-	-
	387,115,202	465,112,492	387,115,202	465,112,492
Less: Deferred Tax on Revaluation	3,971,746	(48,745,391)	3,971,746	(48,745,391)
Less: Depreciation of revalued assets transferred to retained earnings	(26,478,315)	(29,251,899)	(26,478,315)	(29,251,899)
Less: Related Tax				
Closing Balance	364,608,634	387,115,202	364,608,634	387,115,202

This reserve were created in 2006-2007 by assets revaluation and then again in 2011-2012. The depreciation from 01.07.2007 to 30.06.2017 of revalued amount has been transferred to retained earnings as per Para 41 of BAS 16 "Property Plant and Equipments" and Deferred Tax on Revaluation has been charged according to BAS-12 "Income Taxes".

12.00 Retained Earnings:

This is made up as follows:

Opening Balance	368,231,673	348,437,618	368,231,673	348,437,618
Less: Dividend for the year 2014-2015	-	56,035,615	-	56,035,615
Less: Issue of bonus share	137,588,400	-	137,588,400	-
	230,643,273	292,402,003	230,643,273	292,402,003
Add: Depreciation of revalued assets transferred from Revaluation Reserve	26,478,315	29,251,899	26,478,315	29,251,899
Add: Profit for the year	43,700,060	46,577,771	43,700,060	46,577,771
	300,821,648	368,231,673	300,821,648	368,231,673
12.A Share of Delta Ceramics Ltd.				
Opening Balance	1,836,510	1,680,215		
Add: Share of Holding Profit for the year ended 30 June, 2017 80% of Tk. 16,316	13,053	156,295		
	302,671,210	370,068,183	300,821,648	368,231,673

13.00 Long Term Borrowings :

This consists of the following;

a) Bangladesh Development Bank Ltd. (Note # 13.01)	222,794,686	261,794,859	222,794,686	261,794,859
b) Premier Leasing & Finance Ltd. (Note # 13.02)	429,195,497	420,801,065	429,195,497	420,801,065
c) Southeast Bank Ltd. (Note # 13.03)	10,936,409	25,795,770	10,936,409	25,795,770
Total Term Loan	662,926,592	708,391,694	662,926,592	708,391,694
Less: Current Portion of Term Loan (Note-16)	246,615,378	262,641,807	246,615,378	262,641,807
Long Term Portion	416,311,214	445,749,887	416,311,214	445,749,887

13.01 BDBL A/C No-0115 R:

Opening Balance	261,794,859	283,294,859	261,794,859	283,294,859
Less : Paid during the year	39,000,173	21,500,000	39,000,173	21,500,000
	222,794,686	261,794,859	222,794,686	261,794,859
Less: Current Portion	125,811,794	157,005,743	125,811,794	157,005,743
	96,982,892	104,789,116	96,982,892	104,789,116

13.02 Premier Leasing & Finance Ltd:

Opening Balance	420,801,065	464,469,097	420,801,065	464,469,097
Less : Paid during the year	14,375,512	43,668,032	14,375,512	43,668,032
	406,425,553	420,801,065	406,425,553	420,801,065
Add: Interest Charge during the year	22,769,944	-	22,769,944	-
	429,195,497	420,801,065	429,195,497	420,801,065
Less: Current Portion	116,628,584	87,336,064	116,628,584	87,336,064
	312,566,913	333,465,001	312,566,913	333,465,001

13.03 Southeast Bank Ltd:

Opening Balance	25,795,770	43,423,781	25,795,770	43,423,781
Less : Paid during the year	17,425,000	24,900,000	17,425,000	24,900,000
	8,370,770	18,523,781	8,370,770	18,523,781
Add: Interest Charge during the year	2,565,639	7,271,989	2,565,639	7,271,989
	10,936,409	25,795,770	10,936,409	25,795,770
Less: Current Portion	4,175,000	18,300,000	4,175,000	18,300,000
	6,761,409	7,495,770	6,761,409	7,495,770

14.00 Deferred Tax Liabilities:

Particulars	30-06-17			30-06-16
	Carrying amount	Tax base	Taxable/ deductible temporary difference	
Property, plant & equipments except land at cost	531,926,837	299,542,045	232,384,792	225,639,975
Revaluation surplus-PPE (Land)	151,215,431	-	151,215,431	151,215,431
Revaluation surplus-PPE (Other Assets)	258,166,847	-	258,166,847	284,645,162
Total taxable temporary difference	941,309,115	299,542,045	641,767,070	661,500,568
Tax on business income			15%	15%
Tax on Revaluation reserve of land			4%	4%
Tax on capital gain other Assets			15%	15%
Closing deferred tax liabilities/(assets)-at cost			34,857,719	33,845,996
Closing deferred tax liabilities/(assets)-at revaluation			44,773,644	48,745,391
Total closing deferred tax liabilities/(assets)			79,631,363	82,591,388
Opening deferred tax liabilities/(assets)-at cost			33,845,996	46,040,511
Opening deferred tax liabilities/(assets)-at revaluation			48,745,391	-
Total opening deferred tax liabilities/(assets)			82,591,388	46,040,511
Deferred tax expense/(income)-at cost			1,011,723	(12,194,515)
Deferred tax expense/(income)-at revaluation			(3,971,746)	48,745,391
Total deferred tax expense/(income)			(2,960,024)	36,550,877

15.00 Short Term Borrowings

The break-up of the amount is given below:

Agrani Bank Ltd. (Hypo)	50,875,613	44,708,968	50,875,613	44,708,968
Agrani Bank Ltd. (C. C. P)	284,505,183	223,313,703	284,505,183	223,313,703
Southeast Bank Ltd. (LTR)	-	10,562,027	-	10,562,027
Agrani Bank Ltd. (LIM A/C)	55,259,583	35,695,185	55,259,583	35,695,185
Southeast Bank Ltd. (Time Loan)	47,881,408	57,924,572	47,881,408	57,924,572
Southeast Bank Ltd. (O.D)	9,987,854	9,921,310	9,987,854	9,921,310
EXIM Bank Ltd. (OD)	-	45,000,000	-	45,000,000
	448,509,641	427,125,765	448,509,641	427,125,765

This represents the present outstanding balances of the above loans. The above loans are secured by personal guarantee of the director of the company, corporate guarantee and the pari passu sharing agreement between banks on fixed and floating assets of the company. The interest rate of these loans is varying from 12% -14%.

16.00 Current Portion of Long Term Borrowings:

This consists of the following;

a) Bangladesh Development Bank Ltd. (Note # 13.01)	125,811,794	157,005,743	125,811,794	157,005,743
b) Premier Leasing & Finance Ltd. (Note # 13.02)	116,628,584	87,336,064	116,628,584	87,336,064
c) Southeast Bank Ltd. (Note # 13.03)	4,175,000	18,300,000	4,175,000	18,300,000
	246,615,378	262,641,807	246,615,378	262,641,807

17.00 Interest Payable to BDBL :

This has been arrived as at under;

Opening Balance	61,728,163	18,707,326	61,728,163	18,707,326
Add : During the year	41,077,734	43,020,837	41,077,734	43,020,837
	102,805,897	61,728,163	102,805,897	61,728,163
Less : Paid during the year	-	-	-	-
	102,805,897	61,728,163	102,805,897	61,728,163

	Consolidated		The Company	
	Amounts in Taka		Amounts in Taka	
	2016-2017	2015-2016	2016-2017	2015-2016
18.00 Trade and Other Payables				
Packing Materials	6,549,886	4,217,062	6,549,886	4,217,062
Inspection	-	20,471	-	20,471
Chemicals	62,500	39,000	62,500	39,000
Repair & Maintenance	-	109,250	-	109,250
Internet Service	-	13,800	-	13,800
Electric Equipment	22,824	-	22,824	-
BMRE (Building)	3,750	-	3,750	-
Expantion Through Product Diversification:				
Building	2,687,408	1,738,257	2,687,408	1,738,257
Machinery	66,189	1,021,009	66,189	1,021,009
Underground RCC Humidification Duct	750,000	1,940,000	750,000	1,940,000
	10,142,557	9,098,849	10,142,557	9,098,849

19.00 Workers Profit Participation Fund :				
Opening Balance	2,777,150	1,731,033	2,777,150	1,731,033
Add : Provision during the year	2,897,491	2,746,117	2,897,491	2,746,117
	5,674,641	4,477,150	5,674,641	4,477,150
Less : Paid during the year	-	1,700,000	-	1,700,000
	5,674,641	2,777,150	5,674,641	2,777,150

The Company made provision for Workers Profit Participation Fund (WPPF) @ 5% of the profit after charging such expense .

20.00 Unclaimed Dividend:				
Opening Balance	65,988,500	41,902,153	65,988,500	41,902,153
Add: Dividend During the year 2014-2015	-	56,035,615	-	56,035,615
	65,988,500	97,937,768	65,988,500	97,937,768
Less : Paid during the year (Previous years)	-	-	-	-
	65,988,500	97,937,768	65,988,500	97,937,768
Less : Paid during the year 2014-2015	1,685,230	31,949,268	1,685,230	31,949,268
	64,303,270	65,988,500	64,303,270	65,988,500

Year wise break-up of unclaimed dividend is as follows:

Balance up 30.06.2005	-	-	-	-
Unpaid Dividend (Directors)	11,872,517	11,872,517	11,872,517	11,872,517
2005-2006	3,058,921	3,058,921	3,058,921	3,058,921
2006-2007	3,929,652	3,929,652	3,929,652	3,929,652
2007-2008	2,922,420	2,922,420	2,922,420	2,922,420
2008-2009	1,589,311	1,589,311	1,589,311	1,589,311
2009-2010	8,060,159	8,060,159	8,060,159	8,060,159
2010-2011	5,389,923	5,389,923	5,389,923	5,389,923
2011-2012	Stock Dividend	Stock Dividend	Stock Dividend	Stock Dividend
2012-2013	3,301,374	3,301,374	3,301,374	3,301,374
2013-2014	1,777,876	1,777,876	1,777,876	1,777,876
2014-2015	22,401,117	24,086,347	22,401,117	24,086,347
2015-2016	-	Stock Dividend	-	Stock Dividend
Total	64,303,270	65,988,500	64,303,270	65,988,500

21.00 Provision for Current Tax				
This has been arrived at as under;				
Opening Balance	45,458,715	34,742,572	44,731,652	34,742,572
Add : Provision during the year (Notes: 21.01)	13,247,827	20,656,300	13,238,037	20,539,080
	58,706,542	55,398,872	57,969,689	55,281,652
Less: Paid during the year	(4,064,969)	(10,550,000)	(4,064,969)	(10,550,000)
Less: Adjustment against advance income tax (2014-2015)	(5,106,929)	-	(5,106,929)	-
Add: Delta Ceramics Limited (2014-15)	-	609,843	-	-
	49,534,644	45,458,715	48,797,791	44,731,652

Year wise break up is as follows:

Assessment Year and appeal status		Demand/Provision TK.	Paid Taka	Outstanding
2004-05	Assessment completed	3,896,717	892,000	3,004,717
2005-06	Assessment completed	1,432,328	1,100,000	332,328
2006-07	Assessment completed	7,480,419	4,900,000	2,580,419
2007-08	Assessment completed	5,048,152	5,020,000	28,152
2008-09	Pending before Hon'ble High Court	4,677,325	6,500,000	(1,822,675)
2009-10	Assessment completed	4,071,765	4,000,000	71,765
2010-11	Assessment completed	5,587,508	4,500,000	1,087,508
2011-12	Appeal Pending	8,344,856	-	8,344,856
2012-13	Appeal to be filed	11,497,104	-	11,497,104
2013-14	Appeal to be filed	10,424,641	10,150,930	273,711
TDS		-	917,428	(917,428)
2014-15		19,716,865	8,259,135	11,457,730
2015-16		11,973,805	13,169,420	(1,195,615)
2016-17		20,539,080	10,550,000	9,989,080
2017-18		13,238,037	9,171,898	4,066,139
Total		127,928,602	79,130,811	48,797,791

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
2016-2017	2015-2016	2016-2017	2015-2016

21.01 Current Tax

Profit Before Tax	57,949,820	54,922,336	57,949,820	54,922,336
Less: Other Income	(15,855,394)	(34,546,763)	(15,855,394)	(34,546,763)
Add: Accounting Depreciation	82,462,241	90,668,659	82,462,241	90,668,659
Less: Tax Depreciation	(62,728,742)	(79,060,899)	(62,728,742)	(79,060,899)
Taxable Income for the year	61,827,925	31,983,333	61,827,925	31,983,333
Rate of Tax	15%	15%	15%	15%
Tax on business	9,274,189	4,797,500	9,274,189	4,797,500
Add: 25 % Tax on other income	3,963,849	8,636,691	3,963,849	8,636,691
Additional Tax Provision (2005-2011)	-	7,104,889	-	7,104,889
Delta Ceramics Limited	9,790	117,220	-	-
Total Provision for the year	13,247,827	20,656,300	13,238,037	20,539,080

22.00 Liabilities for Expenses :

This consists of the following

Telephone Bill -(Head Office)	4,366	6,751	4,366	6,751
Telephone Bill -(Factory)	2,420	2,665	2,420	2,665
Electric Bill -(Factory)	134,823	135,000	134,823	135,000
Electric Bill -(H.O)	42,670	51,417	42,670	51,417
Wasa Bill	5,313	2,047	5,313	2,047
Titas Gas	5,161,338	3,702,379	5,161,338	3,702,379
Director Remuneration	600,000	150,000	600,000	150,000
Salary -(Head Office)	2,258,292	823,138	2,258,292	823,138
Salary and Wages -(Factory)	8,075,097	7,137,147	8,075,097	7,137,147
Overtime	504,446	379,545	504,446	379,545
Audit Fees	269,000	184,000	269,000	184,000
Refundable Share Money	2,000	2,000	2,000	2,000
Newspaper Bill- Head Office	1,350	1,500	1,350	1,500
Newspaper Bill- Factory	480	600	480	600
Credit Rating Fees	-	9,000	-	9,000
Subscription (BTMA)	-	46,180	-	46,180
Carrying, loading and unloading	206,548	81,426	206,548	81,426
Legal and Documentation	130,000	-	130,000	-
Advertisement	45,884	-	45,884	-
CDBL	125,778	-	125,778	-
Delta Ceramics Limited	95,212	35,708	-	-
Total	17,665,017	12,750,503	17,569,805	12,714,795

	Consolidated		The Company	
	Amounts in Taka		Amounts in Taka	
	2016-2017	2015-2016	2016-2017	2015-2016
23.00 Sales Revenue :				
This consists of the following				
Cotton Yarn	841,369,193	1,052,741,544	841,369,193	1,052,741,544
Export	235,421,473	14,357,550	235,421,473	14,357,550
Delta Ceramics Limited	757,000	6,117,000	-	-
	1,077,547,666	1,073,216,094	1,076,790,666	1,067,099,094
23.01 Sales represents:	Kg.	Kg.	Kg.	Kg.
Various counts of yarn	2,599,386	2,470,984	2,599,386	2,470,984
23.01 Capacity utilization	Kg.	Kg.	Kg.	Kg.
Production capacity during the year as per standard product mix (32s counts basis)	5,350,000	5,350,000	5,350,000	5,350,000
Production of Cotton Yarn various Counts (Actual mix)	2,582,657	2,498,292	2,582,657	2,498,292
Capacity utilization	81%	79%	81%	79%
24.00 Cost of Sales :				
Raw materials consumed (24.01)	619,119,255	601,715,353	618,597,255	596,471,152
Add : Direct expenses (24.02)	165,504,306	185,447,596	165,499,207	185,319,068
Add : Factory overhead (24.03)	147,654,349	135,529,932	147,654,349	135,529,932
Total cost	932,277,911	922,692,881	931,750,812	917,320,152
Add : Opening work-in-process	34,145,000	39,645,000	34,145,000	39,645,000
	966,422,911	962,337,881	965,895,812	956,965,152
Less : Closing work-in-process	38,572,343	34,145,000	38,572,343	34,145,000
	927,850,568	928,192,881	927,323,469	922,820,152
Add:Opening stock of waste cotton	394,587	102,500	394,587	102,500
	928,245,155	928,295,381	927,718,056	922,922,652
Less:Closing stock of waste cotton	243,887	394,587	243,887	394,587
Cost of production	928,001,268	927,900,794	927,474,169	922,528,065
Add:Opening stock of finished goods	39,384,694	31,504,122	39,384,694	31,504,122
	967,385,962	959,404,916	966,858,863	954,032,187
Less: Closing stock of finished goods	46,216,679	39,384,694	46,216,679	39,384,694
Cost of Sales	921,169,283	920,020,221	920,642,184	914,647,492
24.01 Raw Materials Consumed :				
Opening stock of raw materials	747,674,148	788,001,825	747,674,148	788,001,825
Add: Purchase of raw materials (24.01.01)	625,045,989	561,387,676	624,523,989	556,143,475
Goods available for consumption	1,372,720,137	1,349,389,501	1,372,198,137	1,344,145,300
Less: Closing stock of raw materials	753,600,882	747,674,148	753,600,882	747,674,148
Total	619,119,255	601,715,353	618,597,255	596,471,152
24.01.01 Raw Materials Purchase :				
Imported	7,231,652	44,268,302	7,231,652	44,268,302
Local	617,292,337	511,875,173	617,292,337	511,875,173
	624,523,989	556,143,475	624,523,989	556,143,475
Purchase of Ceramics Goods	522,000	5,244,201	-	-
Total	625,045,989	561,387,676	624,523,989	556,143,475
24.02 Direct expenses :				
Spare Parts Consumed (24.02.01)	25,920,372	25,485,626	25,920,372	25,485,626
Packing Materials (24.02.02)	10,170,241	38,577,564	10,170,241	38,577,564
Carrying, loading and unloading	1,027,148	1,162,734	1,027,148	1,162,734
Chemicals	932,571	651,985	932,571	651,985
VAT	4,000,725	3,591,101	4,000,725	3,591,101
Direct wages	70,542,481	56,540,322	70,542,481	56,540,322
Electric charges	1,640,031	1,619,431	1,640,031	1,619,431
Lubricant	8,032,283	8,146,682	8,032,283	8,146,682
Titas gas	43,233,355	49,543,623	43,233,355	49,543,623
Delta Ceramics Limited	5,099	128,528	-	-
Total	165,504,306	185,447,596	165,499,207	185,319,068

	Consolidated		The Company	
	Amounts in Taka		Amounts in Taka	
	2016-2017	2015-2016	2016-2017	2015-2016
24.02.01 Spare Parts Consumed :				
Opening stock of spare parts	15,975,603	34,497,092	15,975,603	34,497,092
Add: Purchase during the year	25,647,514	6,964,137	25,647,514	6,964,137
Goods available for consumption	41,623,117	41,461,229	41,623,117	41,461,229
Less: Closing stock of spare parts	15,702,745	15,975,603	15,702,745	15,975,603
Total	25,920,372	25,485,626	25,920,372	25,485,626

24.02.02 Packing Materials Consumed :				
Opening stock of packing materials	3,032,458	20,937,874	3,032,458	20,937,874
Add: Purchase during the year	14,627,019	20,672,148	14,627,019	20,672,148
Goods available for consumption	17,659,477	41,610,022	17,659,477	41,610,022
Less: Closing stock of packing materials	7,489,236	3,032,458	7,489,236	3,032,458
Total	10,170,241	38,577,564	10,170,241	38,577,564

24.03 Factory Overhead.

Wages and Salary	54,228,321	37,693,548	54,228,321	37,693,548
Entertainment	1,004,349	384,574	1,004,349	384,574
Telephone bill	14,849	13,150	14,849	13,150
Travelling and conveyance	67,731	63,015	67,731	63,015
Printing and Stationery	330,250	269,275	330,250	269,275
Subscription	199,900	168,300	199,900	168,300
Repairs and Maintenance	1,694,196	463,491	1,694,196	463,491
Vehicles Repairs and Maintenance	464,591	367,158	464,591	367,158
Vehicles fuel consumption	589,728	644,729	589,728	644,729
Medicine expenses	85,285	131,897	85,285	131,897
Newspaper	6,938	7,020	6,938	7,020
Misc. expenses	358,186	247,092	358,186	247,092
Overtime	3,041,694	2,866,818	3,041,694	2,866,818
Fire and Burglary insurance	4,742,166	5,644,869	4,742,166	5,644,869
Depreciation	78,339,129	86,135,226	78,339,129	86,135,226
Bridge Toll Fare	116,050	130,280	116,050	130,280
Rates and Taxes	-	44,680	-	44,680
Legal and Documentation	-	15,400	-	15,400
Office Maintenance	106,836	104,198	106,836	104,198
Environment Certificate	72,200	83,000	72,200	83,000
Inspection	-	3,500	-	3,500
Renewal fees	30,600	32,415	30,600	32,415
Postage and Stamps	17,901	13,483	17,901	13,483
Internet Service	34,282	2,814	34,282	2,814
Delivery of Yarn	1,590,648	-	1,590,648	-
Gas Bill	18,520	-	18,520	-
Business Development Cost	500,000	-	500,000	-
Total	147,654,349	135,529,932	147,654,349	135,529,932

Note: The Category wise break-up of the above Wages & Salary are as follows:-

	Number	Amount	Amount
Employees Drawings Tk.3,000/= and above	1500	74,862,481	56,540,322
Employees Drawings Less than Tk.3,000/=	200	49,908,321	37,693,548
Total	1700	124,770,802	94,233,870

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
2016-2017	2015-2016	2016-2017	2015-2016

25.00 Administrative and selling expenses:

Salary and Allowance	13,118,731	14,092,956	13,118,731	14,092,956
Directors' remuneration	1,800,000	1,800,000	1,800,000	1,800,000
Electric Bill	431,292	486,656	431,292	486,656
Wasa Bill	40,536	24,978	40,536	24,978
Gas Bill	19,500	39,000	19,500	39,000
Telephone Bill	88,319	115,766	88,319	115,766
Entertainment	477,425	397,324	477,425	397,324
Travelling and Conveyance	752,048	710,038	752,048	710,038
Printing and Stationery	380,425	339,223	380,425	339,223
Gift and Presentation	94,448	158,150	94,448	158,150
Newspaper	17,630	17,709	17,630	17,709
Repairs and Maintenance	395,903	953,865	395,903	953,865
Vehicles Repairs & Maintenance	1,051,608	1,296,427	1,051,608	1,296,427
Vehicles Fuel Consumption	404,134	322,595	404,134	322,595
Office Maintenance	248,150	298,904	248,150	298,904
Legal and Documentation	820,141	838,799	820,141	838,799
Rates and Taxes	-	14,969	-	14,969
Postage and Stamps	22,564	55,951	22,564	55,951
Renewal fees	35,000	61,845	35,000	61,845
Training expenses	14,000	-	14,000	-
Audit fees	338,000	460,000	338,000	460,000
Misc. expenses	589,380	526,143	589,380	526,143
Advertisement	736,816	1,109,519	736,816	1,109,519
Donation and Subscription	212,000	301,000	212,000	301,000
Diary and Calendar	471,615	475,585	471,615	475,585
AGM and EGM Expenses	315,148	463,277	315,148	463,277
Subscription (BTMA)	100,100	137,340	100,100	137,340
Listing Fees (DSE)	974,164	583,177	974,164	583,177
Internet Service	204,240	296,475	204,240	296,475
Depreciation	4,140,119	4,553,184	4,123,112	4,533,433
Inspection	-	92,000	-	92,000
CDBL	231,778	325,074	231,778	325,074
Credit Rating Fees	-	69,000	-	69,000
Listing Fees (BAPLC)	30,000	95,000	30,000	95,000
Carrying , loading and unloading	200,155	149,255	200,155	149,255
Professional fees	80,188	755,000	80,188	755,000
Certificate of Corporate Governance	30,000	-	30,000	-
DSE (Fine)	10,000	-	10,000	-
Business Development Cost	12,000	-	12,000	-
Board Meeting Fees	80,000	-	80,000	-
Toll Fare	5,690	-	5,690	-
UCAS	8,000	-	8,000	-
Delta Ceramics Limited	185,997	410,193	-	-
Total	29,167,244	32,826,376	28,964,240	32,396,432

Note: The Category wise break-up of the above Salary & Allowances are as follows:-

	Number	Amount	Amount
Employees Drawings Tk.3,000/= and above	95	13,118,731	14,092,956
Employees Drawings Less than Tk.3,000/=	-	-	-
Total	95	13,118,731	14,092,956

26.00 Financial expenses :

Interest on short term loan	15,494,801	49,745,554	15,494,801	49,745,554
Interest on long term loan	66,405,791	50,292,826	66,405,791	50,292,826
Bank charges	291,733	490,217	291,733	490,217
Delta Ceramics Limited	791.00	1,739	-	-
Total	82,193,116	100,530,336	82,192,325	100,528,597

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
2016-2017	2015-2016	2016-2017	2015-2016

27.00 Non Operating Income:

Interest from STD Account	9,528	17,431	9,528	17,431
Interest from FDR Account	1,273,859	34,529,332	1,273,859	34,529,332
Waste Cotton	12,968,439	2,902,078	12,968,439	2,902,078
Others	1,603,568	693,040	1,603,568	693,040
	15,855,394	38,141,881	15,855,394	38,141,881

28.00 Basic Earnings Per Share (EPS)

Net profit after tax	43,713,113	46,734,066	43,700,060	46,577,771
No. of ordinary shares outstanding	151,347,240	151,347,240	151,347,240	151,347,240
Basic Earnings Per Share	0.29	0.31	0.29	0.31

Previous year's EPS has been adjusted as per the requirement of BAS-33 "Earning per share".

29.00 Net asset value (NAV) Per Share with revaluation reserve

The composition of net assets value per share is given below:

ShareHolders Equity	2,180,752,245	2,133,067,385	2,178,902,682	2,131,230,875
Number of ordinary shares outstanding	151,347,240	137,588,400	151,347,240	137,588,400
NAV per share	14.41	15.50	14.40	15.49

30.00 Net operating cash flow per share (NOCFPS)

Net Cash Flow from Operating Activities	105,545,191	365,259,409	106,130,965	368,083,065
Number of ordinary shares outstanding	151,347,240	151,347,240	151,347,240	151,347,240
NOCFPS	0.70	2.41	0.70	2.43

31.00 Related Party Transactions-Discloser Under BAS-24

There was three related party transaction during the year and mentioned in below:

Name of party	Nature of relationship	Transaction during the year	Outstanding Balance
Delta Ceramics Ltd.	Subsidiary Company	897,715	143,923,169
Director	Remuneration	1,800,000	-
Director	Board Meeting Fee	80,000	-

** During the year 2016-2017, the company paid a compensation to its 5 (Five) key management personnel a " Short Term Employees Benefit" of Tk.28,64,700. No long term or any other benefits has been paid to these key management personnel.

32.00 Payment/Perquisites to Directors & Officers:

1. During the year no other compensation was allowed by the company to the directors of the company except directors remuneration of Taka 18,00,000 and board meeting attendance fee of Taka 80,000.
2. No amount of money was expended by the company for compensating any member of the board for special services rendered.

33.00 Contingent Assets /Liabilities :

There was no Contingent Assets & Liabilities as on 30.06.17 except income tax liability, if any.

34.00 Financial Risk Management

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

Credit Risk
Liquidity Risk
Market Risk

Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place that are controlled and monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Trade receivables are related to sale of various count of finished yarn. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Risk exposures from other financial assets. i.e. Cash at bank and other receivables are nominal.

Liquidity Risk

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

Market Risk

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

(a) Currency risk

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

(b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk . The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

35.00 Claim Against the Company not acknowledged as debt:

There was no claim against the Company not acknowledged as debt as on 30.06.17

36.00 Events after the Reporting period

Subsequent to the Statement of Financial Position date, the Board of Directors authorised for issue of this financial statements in their meeting held on 28 October, 2017 and recommended 10% Stock Dividend to all shareholders for the year ended 30th June, 2017. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

37.00 Payment Made in foreign currency :

There was no expenses incurred or paid in foreign currencies during the year other than import of raw materials and machinery.

38.00 Sales Commission:

During the year, the company did not pay any commission to any sole agent or other selling agents.

39.00 General Expenditure:

During the year the company did not incur any expenditure except above head.

DELTA SPINNERS LIMITED
Schedule of Property, Plant & Equipment
As at 30 June 2017

The Company

COST:

Annexure-A

Particulars	C O S T				Dep. Rate	D E R E C I A T I O N				W.D.V as on 30.06.17
	Balance as on 01.07.16	Addition during the year	Adjustment during the year	Balance as on 30.06.17		Balance as on 01.07.16	Addition during the year	Adjustment during the year	Balance as on 30.06.17	
Land and Land Development	97,223,017		-	97,223,017	0%	-	-	-	-	97,223,017
Buildings	383,409,534		-	383,409,534	7.5%	225,787,707	11,821,637	-	237,609,344	145,800,190
Plant and Machinery	1,638,671,838		-	1,638,671,838	10%	1,233,456,127	40,521,571	-	1,273,977,698	364,694,140
Electric Sub - station & Power Connection	52,793,471		-	52,793,471	15%	37,359,487	2,315,098	-	39,674,585	13,118,886
Office Equipment	11,539,001	1,042,895	-	12,581,896	15%	9,656,380	360,610	-	10,016,990	2,564,906
Furniture and Fixture	7,464,419	2,386	-	7,466,805	10%	5,773,020	169,259	-	5,942,279	1,524,526
Air Conditioner	1,952,976		-	1,952,976	15%	1,648,821	45,623	-	1,694,444	258,532
Vehicles	14,685,912		-	14,685,912	20%	13,353,207	266,541	-	13,619,748	1,066,164
Electric Equipment	28,158,126	295,587	-	28,453,713	15%	25,097,639	481,242	-	25,578,881	2,874,832
Books and Periodicals	29,304	7,120	-	36,424	10%	9,418	2,345	-	11,763	24,661
Sub-Total as on June 30, 2017	2,235,927,598	1,347,988	-	2,237,275,586		1,552,141,807	55,983,926	-	1,608,125,732	629,149,854
Sub-Total as on June 30, 2016	2,229,737,524	6,190,074	-	2,235,927,598		1,490,725,046	61,416,760	-	1,552,141,807	683,785,791

Revaluation:

Particulars	R E V A L U A T I O N				Rate of Dep	D e p r e c i a t i o n				W.D.V as on 30.06.17
	Balance as on 01.07.16	Addition during the year	Adjustment during the year	Balance as on 30.06.17		Balance as on 01.07.16	Addition during the year	Adjustment during the year	Balance as on 30.06.17	
Land and Land Development	151,215,431	-	-	151,215,431	0%	-	-	-	-	151,215,431
Buildings	131,118,819	-	-	131,118,819	7.50%	46,213,675	6,367,886	-	52,581,560	78,537,259
Plant and Machinery	456,266,487	-	-	456,266,487	10%	258,647,092	19,761,939	-	278,409,032	177,857,455
Electric Sub - station & Power Connection	4,840,075	-	-	4,840,075	15%	2,707,244	319,925	-	3,027,168	1,812,907
Office Equipment	(129,770)	-	-	(129,770)	15%	(94,409)	-	-	(94,409)	(35,361)
Furniture and Fixture	(127,946)	-	-	(127,946)	10%	(72,869)	-	-	(72,869)	(55,077)
Air Conditioner	417,519	-	-	417,519	15%	320,815	14,506	-	335,320	82,199
Vehicles	(668,775)	-	-	(668,775)	20%	(556,573)	-	-	(556,573)	(112,202)
Electric Equipment	404,659	-	-	404,659	15%	310,933	14,059	-	324,992	79,667
Sub-Total as on June 30, 2017	743,336,499	-	-	743,336,499		307,475,906	26,478,315	-	333,954,221	409,382,278
Sub-Total as on June 30, 2016	743,336,499	-	-	743,336,499		278,224,008	29,251,899	-	307,475,906	435,860,593

Grand-Total as on June 30, 2017	2,979,264,097	1,347,988	-	2,980,612,085		1,859,617,713	82,462,241	-	1,942,079,953	1,038,532,132
Grand-Total as on June 30, 2016	2,973,074,023	6,190,074	-	2,979,264,097		1,768,949,053	90,668,659	-	1,859,617,713	1,119,646,384

Allocation of Depreciation:

Factory Overhead	78,339,129
Administrative Expenses	4,123,112
	<u>82,462,241</u>

DELTA SPINNERS LIMITED
Schedule of Property, Plant & Equipment
As at 30 June 2017

Consolidated
COST:

Particulars	C O S T				Dep. Rate	D E R E C I A T I O N				W.D.V as on 30.06.17
	Balance as on 01.07.16	Addition during the year	Adjustment during the	Balance as on 30.06.17		Balance as on 01.07.16	Addition during the year	Adjustment during the	Balance as on 30.06.17	
Land and Land Development	236,723,469	-	-	236,723,469	0%	-	-	-	-	236,723,469
Buildings	383,644,534	-	-	383,644,534	7.5%	225,787,707	11,821,637	-	237,609,343	146,035,191
Plant and Machinery	1,638,671,838	-	-	1,638,671,838	10%	1,233,456,127	40,521,571	-	1,273,977,698	364,694,140
Electric Sub - station & Power Connection	52,793,471	-	-	52,793,471	15%	37,359,487	2,315,098	-	39,674,585	13,118,886
Office Equipment	11,609,001	1,042,895	-	12,651,896	15%	9,689,840	366,091	-	10,055,931	2,595,965
Furniture and Fixture	7,524,419	2,386	-	7,526,805	10%	5,793,654	173,196	-	5,966,850	1,559,955
Air Conditioner	1,952,976	-	-	1,952,976	15%	1,648,821	45,623	-	1,694,444	258,532
Vehicles	14,685,912	-	-	14,685,912	20%	13,353,207	266,541	-	13,619,748	1,066,164
Electric Equipment	28,255,056	295,587	-	28,550,643	15%	25,143,972	488,832	-	25,632,804	2,917,839
Books and Periodicals	29,304	7,120	-	36,424	10%	9,418	2,345	-	11,763	24,661
Sub-Total as on June 30, 2017	2,375,889,980	1,347,988	-	2,377,237,968		1,552,242,233	56,000,933	-	1,608,243,165	768,994,803
Sub-Total as on June 30, 2016	2,369,699,906	6,190,074	-	2,375,889,980		1,490,805,721	61,436,512	-	1,552,242,233	823,647,747

Annexure-A

Revaluation:

Particulars	R E V A L U A T I O N				Rate of Dep	D e p r e c i a t i o n				W.D.V as on 30.06.17
	Balance as on 01.07.16	Addition during the year	Adjustment during the	Balance as on 30.06.17		Balance as on 01.07.16	Addition during the year	Adjustment during the	Balance as on 30.06.17	
Land and Land Development	151,215,431	-	-	151,215,431	0%	-	-	-	-	151,215,431
Buildings	131,118,819	-	-	131,118,819	7.50%	46,213,675	6,367,886	-	52,581,560	78,537,259
Plant and Machinery	456,266,487	-	-	456,266,487	10%	258,647,092	19,761,939	-	278,409,032	177,857,455
Electric Sub - station & Power Connection	4,840,075	-	-	4,840,075	15%	2,707,244	319,925	-	3,027,168	1,812,907
Office Equipment	(129,770)	-	-	(129,770)	15%	(94,409)	-	-	(94,409)	(35,361)
Furniture and Fixture	(127,946)	-	-	(127,946)	10%	(72,869)	-	-	(72,869)	(55,077)
Air Conditioner	417,519	-	-	417,519	15%	320,815	14,506	-	335,320	82,199
Vehicles	(668,775)	-	-	(668,775)	20%	(556,573)	-	-	(556,573)	(112,202)
Electric Equipment	404,659	-	-	404,659	15%	310,933	14,059	-	324,992	79,667
Sub-Total as on June 30, 2017	743,336,499	-	-	743,336,499		307,475,906	26,478,315	-	333,954,221	409,382,278
Sub-Total as on June 30, 2016	743,336,499	-	-	743,336,499		278,224,008	29,251,899	-	307,475,906	435,860,593
Grand-Total as on June 30, 2017	3,119,226,479	1,347,988	-	3,120,574,467		1,859,718,139	82,479,248	-	1,942,197,386	1,178,377,081
Grand-Total as on June 30, 2016	3,113,036,405	6,190,074	-	3,119,226,479		1,769,029,728	90,688,410	-	1,859,718,139	1,259,508,340

Allocation of Depreciation:

Factory Overhead	78,339,129
Administrative Expenses	4,140,119
	<u>82,479,248</u>

DELTA SPINNERS LIMITED
Schedule of Capital Work-in-progress
As at 30 June 2017

Annexure-B

Particulars	Amounts in Taka	
	2016-2017	2015-2016
Existing Under BMRE:		
Buildings	3,578,668	1,289,705
Machinery	28,181,958	25,443,327
Sub Total	31,760,626	26,733,032
Expantion Through Product Diversification :		
Building	268,923,981	193,567,040
Machinery	321,465,670	145,001,048
Heat Protecting Factory Roof Insulation	9,562,500	9,562,500
Underground RCC Humidification Duct	55,510,000	55,510,000
Synthetic Ceiling Board	37,142,500	37,142,500
Sub Total	692,604,651	440,783,088
Grand Total :	724,365,276	467,516,119

DELTA SPINNERS LIMITED
Schedule of Inventory (Raw Cotton)
As at 30 June ,2017

Annexure-C

SL No.	Particulars	The Company	The Company
		30.06.2017	30.06.2016
		KG	KG
1	PIMA Grade	819,666	963,011
2	MCU-5 Indian Raw Cotton	1,730,430	1,682,554
3	CIS 17/16 Origin Raw Cotton	553,784	569,954
4	DCH-32 Indian Raw Cotton	625,278	625,381
5	Tencel Fiber	2,056	20,679
6	Mira Flax Fiber	1,662	2,889
7	White Viscos	292	1,369
8	Black Viscos	-	9,486
9	Comber Noil	4,522	7,302
10	Flat Strip	17,939	9,907
11	Colour Fiber Polyester	-	301
12	Polyester Indorama	4,570	16,280
13	Polyester Black	847	-
	Total	3,761,045	3,909,113

DELTA SPINNERS LIMITED
Schedule of Inventory (Finished Yarn)
As at 30 June 2017

SL No.	Particulars	The Company	The Company
		30.06.2017	30.06.2016
		KG	KG
1	80 A.C	5,171	7,620
2	80 C	7,666	7,666
3	78 C	8,714	6,713
4	76 A.C	1,996	1,996
5	76 C	544	544
6	74 H	1,542	1,179
7	76 H	2,903	2,903
8	70 C	3,493	3,493
9	62 H	1,270	1,179
10	60 A.C	5,715	13,608
11	64 A.C	1,860	1,860
12	60 C	6,214	6,214
13	58 C	3,946	2,767
14	56 A.C	4,400	4,990
15	54 H	4,627	4,627
16	52 A.C	5,035	2,586
17	53 A.C	1,270	1,270
18	50 A.C	17,146	2,948
19	50 N.C	2,812	454
20	45 C	7,711	1,179
21	40 H	1,633	1,633
22	30 R.C	9,979	8,845
23	10 C	4,899	2,495
24	54 C	3,357	3,357
25	77 A.C	1,769	363
26	57 A.C	-	1,452
27	57 C	862	1,542
28	82 A.C	1,406	318
29	54 A.C	4,491	-
30	74 A.C	6,486	2,041
31	84 C	-	590
32	56 C	-	544
	Others		37,125
	Total	128,918	98,976

DELTA SPINNERS LIMITED
Schedule of Trade & Other Receivable (Local & Export)
As at 30 June 2017

The Company		Annexure -D	
Sl. No	Name of the Party	30.06.2017	30.06.2016
		Amount in Taka	Amount in Taka
1	Rafi Yarn Trading	25,492,400	21,200,000
2	G.R. International	31,731,681	18,052,166
3	Haji Saifuddin	14,483,080	16,875,259
4	S.A. Yarn Trading	12,078,934	14,599,456
5	ARS Trade International	20,556,112	23,362,627
6	Rabeda Textiles Ltd.	15,338,056	12,949,635
7	Fazar Ali Textile	12,017,500	12,712,580
8	Khaleque Traders	10,050,000	13,415,456
9	Moslin Yarn Traders	15,071,500	8,235,039
10	Madaripur Trading	17,050,175	10,935,720
11	Hasna Textiles	19,570,000	14,250,653
12	Baywrong Ltd.	17,283,900	19,782,560
13	Young Socks Ltd.	15,686,000	16,090,062
14	Ma Enterprise	19,540,800	15,699,017
15	Bostra Bitan	21,507,540	19,280,901
16	Akota Traders	18,895,900	19,534,560
17	Biponony Bitan	20,580,000	24,901,258
18	Amin Traders	22,501,088	26,314,102
19	Suvash Sarker	20,800,000	16,267,800
20	Tareq Traders	20,777,860	23,732,300
21	Export	46,819,302	14,357,550
Total		417,831,828	362,548,701

Consolidated

The Company	417,831,828	362,548,701
Delta Ceramics Ltd.	4,235,070	4,012,626
	422,066,898	366,561,327

REPORT OF THE AUDITORS'

We have audited the accompanying Statement of Financial Position of **DELTA CERAMICS LIMITED**, Dhaka, as at 30th June, 2017 and the related Income Statement for the year ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on this financial statement based on our audit.

We conducted our audit in accordance with Bangladesh Standard of Auditing (BSA). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, the financial Position, prepared in accordance with Bangladesh Accounting Standard (BAS) give a true and fair view of the state of the company's affairs as of 30th June, 2017 and of th results of its operation for the year then ended and comply with the companies Act.1994 and other applicable laws and regulation.

We also report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief werw necessary for the purpose of our audit and made due verification thereof.
- b. In our opinion proper books of account as required by lae have been kept by the company so as it appeared from our examination of those books.
- c. The company's Financial Position and Statement of Expenses dealt with the report are in agreement with the books of account and returns.

Date: Dhaka;
October 18 , 2017.

ANISUR RAHMAN & CO.
Chartered Accountants

Delta Ceramics Limited
Statement of Financial Position
As at 30 June 2017

Particulars	Notes	30-06-2017	30-06-2016
Assets:			
Property, Plant & Equipment	3	139,844,949	139,861,956
Current Assets:			
Trade and Other Receivables	4	4,235,070	4,012,626
Advance Deposits & Prepaymetns	5	3,455,828	2,989,881
Cash and Cash Equivalent		1,531,340	1,219,399
Cash in Hand	6	1,527,200	1,214,500
Cash at Bank	7	4,140	4,899
Total Assets		149,067,187	148,083,862
Owner's Equity & Liabilities:			
Shareholders Equity:			
Share Capital	8	10,000,000	10,000,000
Retained Earnings		2,311,953	2,295,637
		12,311,953	12,295,637
non-Current Liabilities:			
Share Money Deposit	9	135,923,169	135,025,454
Less: Current Liabilities			
Other Outsanding Expenses	10	95,212	35,708
Taxation Provision	11	736,853	727,063
Total Equity & Liabilities		149,067,186	148,083,862

Annexed notes form an integral part of this Financial Statements.

Managing Director

Director

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

Place: Dhaka

Date: 18 October, 2017

**Anisur Rahman & Co.
Chartered Accountants**

Delta Ceramics Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

Particulars	Notes	30-06-2017	30-06-2016
Sales Revenue	12	757,000	6,117,000
Less: Cost of Sales	13	527,099	5,372,729
Gross Profit		229,901	744,271
Less: Administrative and Financial Expenses		203,795	431,683
Administrative Expenses:	14	203,004	429,944
Financial Expenses	15	791	1,739
Income before Tax		26,106	312,588
Provision for tax		9,790	117,220
Net Income after Tax		16,316	195,367

Annexed notes form an integral part of this Financial Statements.

Managing Director

Director

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

Place: Dhaka
Date: 18 October, 2017

Anisur Rahman & Co.
Chartered Accountants

Delta Ceramics Limited
 STATEMENT OF CHANGES IN SHARE HOLDERS' EQUITY
For the year ended 30 June 2017

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01-07-2016	10,000,000	2,295,637	12,295,637
Net profit after tax for the year	-	16,316	16,316
AS AT 30 JUNE, 2017	10,000,000	2,311,953	12,311,953

Delta Ceramics Limited
 STATEMENT OF CHANGES IN SHARE HOLDERS' EQUITY
For the year ended 30 June 2016

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01-07-2015	10,000,000	2,100,269	12,100,269
Net profit after tax for the year	-	195,367	195,367
AS AT 30 JUNE, 2016	10,000,000	2,295,637	12,295,637

Annexed notes form an integral part of this Financial Statements.

Managing Director

Director

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

Place: Dhaka
 Date: 18 October, 2017

Anisur Rahman & Co.
Chartered Accountants

Delta Ceramics Limited
254 - B Khilgaon Chowdhury Para,
Dhaka - 1219
Statement of Cash Flow
For the year ended 30 June 2017

Particulars	30-06-2017	30-06-2016
A Cash flow from Operating Activities:		
Collection from Revenue	534,556	5,531,745
Employees and others for cost and Expenses	(654,383)	(5,795,019)
Prepayments & Deposits	(465,947)	(910,381)
Tax Paid	-	-
Net cash Used in operating Activities	(585,774)	(1,173,655)
B Cash flow from investing Activities		
Property Plant & Equipment	-	-
C Cash flow from Financing Activities		
Share Money Deposit	897,715	1,457,221
Net cash Used in financing Activities	897,715	1,457,221
D Increase in Cash Equivalent(A+B+C)	311,941	283,566
E Cash & Cash Equivalent at the beginning of the year	1,219,399	935,833
F Cash and Cash Equivalent at the end of the year	1,531,340	1,219,399

Annexed notes form an integral part of these Financial Statements .

Managing Director

Director

Signed interms of our separate report of even date annexed.

Place: Dhaka
Date: 18 October, 2017

Anisur Rahman & Co.
Chartered Accountants

Delta Ceramics Limited
254 -B Khilgaon Chowdhury Para,
Dhaka -1219

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30, JUNE 2017

1.00 Reporting Entity

1.01 Legal Status

Delta Ceramics Limited was incorporated on 11 April 2011 as a public company limited by shares in accordance with the Companies Act, 1994 with the Registrar of Joint Stock Companies & Firms vide incorporation number 1991/PL/1000. The registered office of the Company is situated at 254 -B, Khilgaon Chowdhury Para, Dhaka-1219. Authorized share capital of the company is Tk. 50,00,00,000 divided into 5,00,00,000 ordinary shares of Tk. 10 each and the paid up capital is Tk. 1,00,00,000 divided into 10,00,000 ordinary shares of Tk. 10 each.

The company is a subsidiary of Delta Spinners Ltd. which holds 80% of the shares of Delta Ceramics Limited.

1.02 Nature of Business

The principal activities of the company is to carry on the business of all kinds of ceramic goods and ceramic products. The company has set up or otherwise acquire, run and set up industry for the manufacture of such goods. The company has been engaged in the operation of ceramic wares during the year.

2.00 Basis of Preparation

2.01 Statement of Compliance

The Financial statements have been prepared in accordance with the Bangladesh Accounting standard and Bangladesh Financial Reporting Standard (BFRS), Companies Act 1994, Securities and Exchange Commission Act 1993, Income Tax Ordinance 1984, VAT Act 1991.

2.02 Fundamental Accounting Assumption

Financial statements have been prepared under historical cost convention, on going concern assumption and accrual basis.

2.03 Reporting period

Financial statement of the company have been prepared for the period covering from 01 July 2016 to 30 June 2017.

2.04 Presentation of Financial Statements

The financial statement includes Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and Notes to the Financial Statement. The Financial Statement is presented in Bangladesh Currency "Taka". Previous years figure have been rearranged where ever necessary to conform the current year presentation.

2.05 Tangible Assets

These are stated at cost less depreciation. Depreciation on fixed assets have been charged in to the annual report as under:

Office Equipment	15%
Furniture and Fixture	10%
Electric Equipment	15%

3.00 Property Plant & Equipment	Tk.	139,844,949
Cost		139,962,382
Less: Accumulated Depreciation		117,433
Written Down Value		<u>139,844,949</u>

Details have been given in schedule attached per annex - A.

4.00 Trade and Other Receivables	Tk.	4,235,070
---	------------	-----------

5.00 Advance Deposits & Prepayments	Tk.	3,455,828
--	------------	-----------

Advance to suppliers	3,086,328
Advance to Staff	312,000
Advance for credit rating	57,500
	<u>3,455,828</u>

6.00 Cash in Hand	Tk.	1,527,200
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Cash balance was physically counted at period end and agreed with book balance.

7.00 Cash at Bank	Tk.	4,140
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This amount are agreed with Bank Reconciliation Statement.

8.00 Share Capital:

The company's authorised capital is Tk. 50,00,00,000 divided into 5,00,00,000 ordinary shares of Tk. 10 each. The paid up capital of the company is Tk. 1,00,00,000 divided into 10,00,000 ordinary shares of Tk. 10 each fully paid

Name of share holders	Nos. of shares
Delta Spinners Limited	800,000.00
Rustom Ali Howlader	25,000.00
Mostafa Kamal Haider	25,000.00
Mostafa Jamal Haider	25,000.00
Syed Mohammad Abdul Mannan	25,000.00
Dina Jabin	25,000.00
Mahboob Morshed	25,000.00
Mostafa Zakaria Haider	25,000.00

Syed Faarrid Hussain	25,000.00
Total	1,000,000.00

9.00 Share Money Depsoit **Tk.** **135,923,169**

This has been taken from the parent company, namely, Delta Spinners Ltd. against which shares are yet to

10.00 Liabilities for Expenses **Tk.** **95,212**

11.00 Provision for Income Tax **Tk.** **736,853**

As per last year	727,063
Add : Provision during the year	9,790
	736,853
Less: Paid during the year	-
	736,853

12.00 Salse Revenue **Tk.** **757,000**

This represents sales of ceramic goods to the retail shop through purchase from the manufacturers.

13.00 Cost of Sales **Tk.** **527,099**

Purchases of Ceramic Goods	522,000
Carrying Cost	1,296
Loading & Unloading	775
Other direct Expenses	3,028
	527,099

14.00 Administrative Expenses **Tk.** **203,004**

Salary	156,000
Travelling & Conveyance	1,599
Office Supplies	-
Audit Fee	20,000
Depreciation Expenses	17,007
Fees & Licence	-
Entertainment	882
Newspaper Bill	700
Electric Bill	1,089
Legal Expense	-
Office Maintenance	727
Professional Fee	5,000
	203,004

15.00 Financial Expense: **Tk.** **791**

This represents bank charge.

16.00 Post Balance Sheet Events

No material events had occurred after reporting date to the date of issue of these Financial statements.

Delta Ceramics Limited
Schedule of Property Plant & Equipment
As at 30 June 2017

Annex: A

PARTICULAES	BALANCE AS AT 01.07.2016	ADDITION DURING THE PERIOD	TOTAL AS AT 30.06.2017	RATE OF DEP.	DEPRECIATIO N AS AT 01.07.2016	DEPRECIATIO N DURING THE PERIOD	ACCUMULATED DEPRECIATION	W. D. VALUE AS AT 30.06.2017
Land and Land Development	139,500,452	-	139,500,452	0%	-	-	-	139,500,452
Buildings Under Construction	235,000	-	235,000	0%	-	-	-	235,000
Office Equipment	70,000	-	70,000	15%	33,460	5,481	38,941	31,059
Furniture and Fixture	60,000	-	60,000	10%	20,634	3,937	24,571	35,429
Electric Equipment	96,930	-	96,930	15%	46,333	7,590	53,922	43,008
Total :	139,962,382	-	139,962,382		100,426	17,007	117,433	139,844,949

DELTA SPINNERS LIMITED

Corporate Office : 254 B Khilgaon, Chowdhury Para, Dhaka 1219
Registered Office & Factory : Kaltapara, P.S. Gouripur, Dist. Mymensingh

PROXY FORM

I/We of
being a Shareholder of Delta Spinners Limited do hereby appoint Mr./Ms.
..... of (or failing him/her
Mr./Ms. of
..... as my/our proxy in absence to attend and vote me/us and on my/our behalf at the
37th Annual General Meeting of the Company to be held on the 30th day of December, 2017 and at any
adjournment thereof.

As witness, I put my hand this day of 2017.

(Signature of Proxy)

Revenue
Stamp

(Signature of Shareholder)

Folio/B.O. No.

Tk. 10.00

Folio/B.O. No.

No. of Shares

IMPORTANT

- 1) The proxy form, duly stamped, must be deposited at the Registered Office of the Company at least 48 (forty eight) hours before the time for holding the meeting and in default, the instrument appointing the proxy shall not be treated as valid.
- 2) Signature of the Shareholder and the proxy must conform to the Specimen Signature recorded with the Company.

Signature Verified

DELTA SPINNERS LIMITED

Corporate Office : 254 B Khilgaon, Chowdhury Para, Dhaka 1219
Registered Office & Factory : Kaltapara, P.S. Gouripur, Dist. Mymensingh

ATTENDANCE SLIP

I do hereby record my attendance at the 37th Annual General Meeting of the Company being held on the 30th day of December, 2017 at the factory premises of the Company at Kaltapara, Gouripur, Mymensingh.

Name of the Shareholder/Proxy :

Folio/B.O. No.

Signature

No. of Shares

Date

IMPORTANT

- 1) Shareholders attending the meeting in person or by Proxy are requested to complete this Attendance Slip.
- 2) Signature of Shareholder or Proxy should conform to the specimen signature recorded with the Company.
- 3) Please bring this Attendance Slip with you. **Admission in the Meeting Room will not be allowed without it.**