

ANNUAL REPORT 2023-24



SONARGAON TEXTILES LTD.
a member of khansons group



LETTER OF **TRANSMITAL**

All Shareholders of Sonargaon Textiles Limited,
Bangladesh Securities and Exchange Commission,
Dhaka Stock Exchange PLC,
Chittagong Stock Exchange PLC,
Registrar of Joint Stock Companies & Firms,
All other Stakeholders,

Disclosures of Annual Report for the year ended June 30, 2024.

Dear Sir (s),

Enclosed please find a copy of the Annual Report together with the Audited Statement of Financial Position as at June 30, 2024. The Annual Report 2023-2024 includes statement from the Chairman of the Board of Directors, statement of Managing Director, Directors' Report, Statement of Corporate Governance and the Financial Statement with relevant notes.

I would like to convey my thanks and sincere gratitude to all concerned.

This is for your information and record please.

Yours Sincerely,

(Md. Anwar Hossain)
Executive Director
&
Company Secretary

■ N.B: The Annual report 2023-24 is also available on the Company's website at www.khansongroupbd.com

38th ANNUAL REPORT 2023-24

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O V E R **V I E W**

Board of Directors

A.K.M. Azizur Rahman

Chairman

Bazlur Rahman

Managing Director

Rosy Rahman

Director

Brig Gen Mohammed Abdul Halim (Retd.)

Independent Director

Mr. Kabir Ahmed

Nominee Director, BDB PLC

Md. Anwar HossainExecutive Director
&

Company Secretary

Key Management Team

Abrar Rahman Khan

Director, Operation

Sarita Rahman

Director, Finance

Md. Anwar Hossain

Executive Director & Company Secretary

Mohammad Monirul Islam Khan

Chief Financial Officer (CFO)

Arjun Paul

DGM, Marketing & Fund Management

Ismail Hoshen Bhuiyan, CA CC (PL)

Head of Internal Audit & Compliance (HIAC)

Syada Rahana Parvin

DGM, HRD

Md. Alamghir Kabir

DGM, Production & Factory

CORPORATE DIRECTORY

Audit Committee

Brig Gen Mohammed Abdul Halim (Retd.)
Independent Director

Rosy Rahman
Director

Mr. Kabir Ahmed
Nominee Director, BDB PLC

Md. Anwar Hossain
Executive Director & Company Secretary

Nomination & Remuneration Committee (NRC)

Brig Gen Mohammed Abdul Halim (Retd.)
Independent Director

Rosy Rahman
Director

Mr. Kabir Ahmed
Nominee Director, BDB PLC

Md. Anwar Hossain
Executive Director & Company Secretary

Executive Committee

Abrar Rahman Khan
Chairman

Md. Anwar Hossain
Executive Director & Company Secretary

M. Monirul Islam Khan
Member

Arjun Chanrda Paul
Member

Syada Rahana Parvin
Member

Statutory Auditors

G. KIBRIA & CO.
CHARTERED ACCOUNTANTS

Head Office:
Sadharan Bima Sadan (5th floor)
24-25, Dilkusha Commercial Area,
Dhaka-1000, Bangladesh
Phone : +88 02 223388071, 223355324
E-Mail : kibria03@hotmail.com
gkibria@gkibriaandco.com
Web : www.gkibriaandco.com

Compliance Auditors

SA RASHID & ASSOCATES
CHARTERED SECRETARIES

Noakhali Tower (13-D), 12th Floor
55/B, Purana Paltan, Dhaka-1000.
Mobile: 01726-533655
E-Mail: sarashidnasso@gmail.com

CORPORATE DIRECTORY

Legal Advisor	Barrister Saira Yasin Senior Associates, AAZ & Partners	Mr. Zainal Abedin Advocate, Supreme Court of Bangladesh, Dhaka
Bankers	Dutch Bangla Bank PLC National Bank PLC Social Islami Bank PLC	Trust Bank PLC Rupali Bank PLC Basic Bank PLC
Insurance	Central Insurance Co. Limited Golden Life Insurance Limited Continental Insurance Limited	
Registered Office	Rupatali, Barisal	
Corporate Head Office	Khansons Centre (8th & 9th Floor) 37, Kawran Bazar Commercial Area Dhaka-1215, Bangladesh	
Telephone (corporate office)	+88-02-55012652 (PABX) +88-02-55012656 (PABX) +88-02-55012653 (FAX)	
Website	www.khansongroupbd.com	
E-mail	info@khansongroupbd.com	
Legal Status	A Public Limited Company incorporated in Bangladesh under the Companies Act, 1913(now the Companies Act, 1994)	
Authorized Capital	Tk. 5,000,00,000.00	
Paid up Capital	Tk. 264,670,560.00	Face Value Tk. 10.00
Subsidiary Company	Not Applicable	Number of Shares 26,467,056
Listing	Dhaka Stock Exchange PLC Chittagong Stock Exchange PLC	

FACTORY INFORMATION

Factory Location	Rupatali, Barisal	
Telephone	+0431 71296 +0431 71219(Fax)	
Area of Land	10.25 Acre	
Nature of Product	100% Cotton Yarn	
Nature of Business	Manufacturers of Yarn	
Installed Machinery	Spindles Rotors	71,136 672
Running Machinery	Spindles Rotors	34,368 672
Manpower	Head office Factory	90 1,055

Executive Summary:

37 years “Fight-back” at Non Gas Industrial Zone & future after opening Padma Bridge:

‘We are hopeful on the government’s initiative after opening Padma Bridge. If the gases transmit and supply over the bridge in Barisal; total industrial scenario of Southern Bengal will be changed overnight.’

The company was incorporated on 1st Day of December of 1985 and became listed with Stock Exchanges in the year of 1995. Since then, the company has being operated with appropriate guiding principles by its Board of Directors with excellent market reputation. Looking back its 37 year’s listing journey, STL has 16 years excellent records of paying cash dividend including 4 years stock dividend. The flagship company “Sonargaon Textile” has being operated with positive brand image of the Board of Directors and the guiding ethics of the chairperson. The factory set up of Sonargaon Textiles Limited (STL) is located in Barisal (non-gas area) for the greater interest of the people of Southern Bengal. This domestic set up of the industry became the major risk for the operation and profitability in the business. The Chairperson along with other Board members and management team communicated with the different regularity authorities seeking the solution of existing power problems but unfortunately could not set up own power plant even after 37 years long journey. Still, the production depends on only in the power of electricity whereas the ‘Gas’ supply could save the production expense massively. The nature of industrial locality is major barrier for large industry in ‘Barisal’

For a long time, many bureaucratic formal communications were conducted even addressing the Prime Minister’s office highlighting the probable solutions of power sector in Barisal. Furthermore, many other official correspondences were conducted with the Chambers of Commerce, BTMA, the Ministry of Power and Energy, the Ministry of Industry, Jessore Cantonment, Power Development Board (PDB), Managing Director of WZPDCL, Energy and Regularity Commission. The Management tried to bring ‘the power problem’ in to the attention of the high official and national leaders meeting press with the national daily newspapers for almost two decades. Currently, per unit production cost by electricity is BDT 8.9 whereas it would be BDT 4.1 per unit production by Gas Generator. From the listing year, the company paid BDT 2,461,410,713 (approx) against the electricity bill which could reflect in the gross profit for 27 years. As a result, BDT 7,296,000 could be saved per month (approx). This saving could reflect the operative result with profitability.

we still believe that the Government and the local government will look into the issue for setting Gas line or setting 12-15 MW captive power plant at Bhola to save the fastest growing industrial sector in Barisal.



Khansons Group

SENA KALYAN BHABAN (19TH FLOOR)
195, MOTUJHEEL C/A, DHAKA, BANGLADESH
TEL : 9552337, 9562366, 9551100, 9569239
FAX : 880-2-9564883
E-mail : khansons@bdmail.net



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FAX : 880-2-9564883
E-mail : khansons@bdmail.net

April 02, 2012
KG/HO/237

President
Ministry of Bangladesh
& Industry (FBCCI)
Tel C/A

The Hon'ble Prime Minister
Govt. of the Peoples Republic of Bangladesh
Prime Minister's Office
Tejgaon
Dhaka, Bangladesh.

1st April 2009

ed memorandum seeking
ing our long suffer

জাতির জনগণ
ঢাকা, বুধবার, ২৫ জানুয়ারি ২০১২

Subject: Appeal for your generous look towards
including the serious impact of
financial constrain

Dear Sir,
Hon'ble State Minister
of Power & Energy
People's Republic of Bangladesh
Dhaka



Khansons Group
195, Motuheel C/A, Dhaka-1900
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12-15 MW Captive power plant at Bhola

setup 12-15 MW Captive



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কাজের প্রতিশ্রুতি : জেলায় ১০ থেকে ১২
মেগাওয়াট ক্ষমতাসম্পন্ন গ্যাসভিত্তিক বিদ্যুৎকেন্দ্র
স্থাপনের সুযোগ চেয়েছে দেশের বিখ্যাত শিল্প
প্রতিষ্ঠান খানসন গ্রুপ। দক্ষিণাঞ্চলীয় জেলা
বরিশালে তাদের গ্রুপ। শিল্প প্রতিষ্ঠানগুলো
বাঁচানো এবং বিদ্যুৎ শিল্প প্রতিষ্ঠানগুলো
কর্মসংস্থান তৈরিতে রাখতে নিজস্ব ব্যবসার জন্য
এই বিদ্যুৎকেন্দ্রটি নির্মাণ করা হবে।
তার জ্ঞান। শিল্প গ্রুপটির কর্তব্য ও জরুরি বলে
এ কে এম আজিজুর রহমান খান সাংসদ
সঙ্গে গভর্ণর মদনবার ডার মন্ত্রিসভা
এক মন্ত্রিনিয়ম অনুষ্ঠানে
বিদ্যুৎকেন্দ্রটি স্থাপনের সুযোগ
প্রদেই তারা তা নির্মাণ
করবেন। এক্ষেত্রে
প্রকল্প অনুমোদন
হলে

resources
address

availability of power in our industries
establishment of 34.5 MW power plant on rental

ability of competitive power for our Textile Ltd.
Khansons Textiles Ltd.

portunity to express our interest to setup
Bangladesh Energy Regulatory Commission
Govt. of the People's Republic of Bangladesh
TCB Building (3rd Floor)
1, Karwanbazar
Dhaka-1215.

"Prayer for issuing license for set-up of a 15 MW gas based power plant at Bhola."

ইনকিলাব
THE DAILY INQILAB
FAX : 9551100, 9569239
E-mail : khansons@khansongroup.com
web : www.khansongroup.com

ঢাকা সোমবার, ২৮ অক্টোবর ১৯৮৮, ১২ ডিসেম্বর ২০১১

বিপদে যুক্তরাষ্ট্র
বিভিন্ন বিতর্কে জাতিসংঘ
আরওগেয়ে পৌঁছেছে
ইউরোপীয় ইউনিয়ন
-আন্তর্জাতিক পৃষ্ঠা



দক্ষিণ পশ্চিমাঞ্চলে ২১টি জেলায় বন
হয়ে যাচ্ছে টাইটাইল ও স্পিনিং মিল

ownelves very briefly that
generate specially in the
total of about 72000

বেকার হাফ



SONARGAON TEXTILES LTD.

a member of khansons group

Reg. office & Factory:
Rupatali, Barisal.

Corporate office:
Khansons Center (8th & 9th floor)
37, Kawran Bazar C/A, Dhaka-1215
E-mail: sharedept@khansongroupbd.com
Website: www.khansongroupbd.com

NOTICE OF 38th ANNUAL GENERAL MEETING

Notice is hereby served upon all concerned to the effect that the 38th Annual General Meeting (AGM) of Sonargaon Textiles Ltd. will be held on Sunday, 29 December 2024 at 12:00 noon at District Shilpokala Academy office auditorium at Barishal city transact the following business:

AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on June 30, 2024 along with Auditor's report and Director's report.
02. To declare Dividend for the year ended on June 30, 2024 as already recommended 1% cash.
03. To elect/re-elect Directors.
04. To appoint Statutory Auditors for the year 2024-2025 and fix their remuneration.
05. To appoint Compliance Auditors for the year 2024-2025 and fix their remuneration.

All honorable Shareholders of the company are requested to make it convenient to join the meeting in time. This year the meeting will be held on hybrid basis combining digital also. For digital Joining the link is: <https://sonargaon38.hybridagmbd.net>

Dated: 05 December 2024
Dhaka

By order of the Board


(Md. Anwar Hossain)
Executive Director
&
Company Secretary

Notes:

- i. The 'Record Date' of the Company was on 17 November 2024 (Sunday). The shareholders whose name will appear in the Share Register of the Company as on the 'Record Date' shall be entitled to attend at the AGM.
- ii. The Board recommended 1% dividend for the year ended 30 June 2024.
- iii. The Shareholder members will be able to submit their question/comments and vote electronically to be kept open 24 hours before commencement of the AGM and during the AGM. For logging into the system, the members need to put their 16 digit Beneficial Owner(BO) ID number and other credential as proof of their identity by visiting the link given to the website of the company i.e. www.khansongroupbd.com. The link also sent/be sent to the email addresses of the respective shareholders.
- iv. The detailed procedures to participate in the meeting and Frequently Asked Questions (FAQS) have been published in the Company's website at www.khansongroupbd.com.
- v. We encourage the members to log into the system prior to the meeting start time at 12.00 p.m. Please contact +8801729718242 for any technical difficulties in accessing the hybrid system meeting.
- vi. The shareholders entitled to attend and vote at AGM may appoint proxy on his/her behalf. The proxy form duly stamped must be deposited at the Registered Office of the company before 48 (Forty eight) hours of the time fixed for the meeting.
- vii. Pursuant to the Bangladesh Securities & Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018, the soft copy of the annual Report 2023-24 is being sent to the email addresses of the members available in their Beneficiary Owner accounts maintained with Depository. The members are requested to update their respective email address, mobile number & BO IDs with 12-Digit Taxpayer's Identification Number (e-TIN) and address through their Depository Participant (DP).
- viii. The soft copy of the Annual Report 2023-24 will also be available on the Company's website at www.khansongroupbd.com

SNAPS OF 37th ANNUAL GENERAL MEETING

37th Annual General Meeting (AGM) was held on
27 December, 2023 at 11:00 A.M. Digitally



SNAPS
37th ANNUAL GENERAL MEETING

VISION



We will establish KHANSONS as trusted Brand both in national and international markets satisfying our customers' demand delivering the best export quality products and services.

ক্রেতার প্রত্যাশিত চাহিদাকে সম্ভূষ্ট করে রপ্তানি মানের গুণগত পণ্য ও সেবা প্রদানের মাধ্যমে জাতীয় ও আন্তর্জাতিক বাজারে খানসন্সকে একটি আত্মভাজন ব্র্যান্ড হিসেবে প্রতিষ্ঠিত করা।



MISSION

Khansons Group is committed to perfection in product quality ensuring Total Quality Management (TQM), highlighting our flagship technology, focusing on cost effectiveness through competent and trained workforce for achieving customer's satisfaction confirming user-friendly safety environment to conquer 'Market Leading Position with an objective of single team with single goal.

সামগ্রিক কোয়ালিটি ব্যবস্থাপনার মাধ্যমে পণ্যের গুণগত উৎকর্ষতার জন্য ক্রেতার সম্ভূষ্ট অর্জনের লক্ষ্যে ব্যবহারকারী বান্ধব ও নিরাপদ পরিবেশ নিশ্চিত করে আমাদের অগ্রবর্তী প্রযুক্তি ও খরচ কার্যকারিতাকে প্রাধান্য দিয়ে যোগ্য ও প্রশিক্ষিত কর্মীর মাধ্যমে শিল্প বাজারে 'নেতৃত্বদানকারী' অবস্থান দখলের জন্য “এক দল এক উদ্দেশ্যে” কাজ করা।

MISSION

CORE VALUES

- Establishing Brand image with Goodwill
- Integrity in business ethics
- Focusing on Customers for sustainability
- Providing equal opportunity
- Trustworthiness to all the stakeholder
- Growing with outlook as a going concern

- সুনামের সাথে 'ব্র্যান্ড ভাবমূর্তি' প্রতিষ্ঠিত করা
- ব্যবসায়িক নৈতিকতায় সাধুতা
- ক্রেতা বহুমানতায় গুরুত্ব দেয়া
- সম-সুযোগ প্রদান
- সকল স্টেক হোল্ডারদের প্রতি বিশ্বাসযোগ্যতা
- অনন্তকাল ধরে চলতে থাকার দৃষ্টি নিয়ে বেড়ে উঠা



OUR **STRATEGIC** Objectives

- We test our every single count ingredient as well as our
- finished products through our most advanced raw material from
- our Blower Machine to Auto cone Machine.
- We control our quality by plant wise individual line/production QC.
- We try to meet respective clause of all Industrial Acts of Bangladesh.
- We try to follow guidelines of world health organization (WHO).
- We are aligned and cooperative and supportive with BTMA.
- We maintain Total Quality Management System (TQM).



FINANCIAL HIGHLIGHTS

OPERATIONAL RESULTS	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Turnover	199,200,723	284,168,891	454,935,378	109,038,473	630,919,942
Gross profit	28,264,824	17,494,430	70,287,517	16,795,877	71,635,477
Net Profit before tax	6,238,809	(6,198,432)	10,514,078	(352,841,341)	(99,335,070)
Net Profit/(Loss) after Tax	7,198,516	(6,208,625)	8,832,422	(353,333,158)	(98,563,119)
Net Cash Generated from operating	749,836	80,215,961	72,816	208,088,731	(20,513,278)
FINANCIAL POSITION	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Paid up Capital	264,670,560	264,670,560	264,670,560	264,670,550	264,670,560
Shareholders' Equity	511,189,350	503,990,832	301,969,159	293,136,736	646,469,895
Total Assets	1,283,584,904	1,278,380,075	1,391,759,686	1,343,343,547	1,658,105,948
Non-Current Assets	720,425,932	758,979,269	798,833,354	843,248,573	677,877,695
Inventory	536,728,251	509,541,767	518,313,471	439,133,966	608,332,340
Current Assets	563,158,972	519,400,805	592,926,333	500,094,974	980,228,253
Non-Current Liabilities	743,412,352	746,072,271	1,065,308,826	1,030,192,545	993,034,178
Current Liabilities	28,983,202	28,316,970	24,481,701	20,014,266	18,601,875
KEY FINANCIAL RATIO	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Ordinary Shares Outstanding	26,467,056	26,467,056	26,467,056	26,467,056	26,467,056
Current Ratio	19.43	18.34	24.22	24.99	52.70
Quick Ratio	0.91	0.35	3.05	3.05	19.99
Debt to Equity Ratio	1.51	1.54		76.24	59.41
Return on Equity (In %)	1.41%	-1.23%	2.92%	-12.00%	-14.62%
Return On Assets (In %)	0.56%	-0.49%	0.65%	-24%	-6%
Gross Profit Margin (In %)	14.19%	6.16%	15.45%	15%	11.35%
Net Profit Margin (In %)	3.61	(2.18)	1.94%	-324%	-15.62%
Face Value Per Share	10	10	10	10	10
Earnings Per Share (EPS)	0.27	(0.23)	0.33	-13.35	-3.72
Net operating Cash Flow Per Share	0.03	3.03	0.003	7.86	-0.78
Net Assets Value Per Share	19.31	19.04	11.41	11.08	24.43
Number of Shares	26,467,056	26,467,056	26,467,056	26,467,056	26,467,056
Number of Employees		1,145	1,281	1,316	1,738



A.K.M. Azizur Rahman

Chairman

“We are hopeful that power crisis will be resolved very soon by different government initiatives as a result large industry will overcome EBD and get back its full volume approach. We are hopeful and respect our honorable shareholders for keeping patience with our brand name.”

Message from the Desk of CHAIRMAN

"Bismillahir Rahmanir Rahim"

In the name of ALLAH, the most Merciful, the most Beneficial

Dear Valued Shareholders,

"Assalamualaikum"

Dear fellow Shareholders

Assalamu Alaikum

I feel much delighted to cordially welcome fellow shareholders on the eve of holding the 38th Annual General Meeting of Sonargeon Textiles Ltd. and shall uphold in brief an account of annual business transactions of the company that culminated at annual closing of the accounts as on 30th June, 2024.

I further feel rejoicing that this year I shall appear before you in person for the fact that the system of conducting the AGM for long 4 years through digital platform imposed after onslaught of COVID-19 has been withdrawn from this year by the Regulators. As such, we shall go back from digital platform to physical platform for conducting the Annual General Meeting and thus I am privileged to meet you heart to heart and our relation with all shareholders would tighten further.

My fellow shareholders, you are quite aware that the company is reeling with fueling the Chimney for about last four decades with costly electricity, as a result, a major portion of production cost is spent on account of monthly electricity bill payment to PDB. It is eating into the vitals of the project's economy which gradually thrown us to the brink of negativity. The electricity tariff has been increased about 8/9 times in the past. The electricity supply is not also unencumbered. Load shedding, low voltage, high voltage, abrupt snapping of line are rampant. At this smooth production suffered and ultimate yield accounted as production loss to the company for no fault of us.

However, we are swimming in the ocean of so many hurdles for the last 38 years and still aspiring to reach at a smooth path by the grace of Almighty Allah. It is worth mentionable here that your cooperation as fellow shareholders, as being extending to us for about last four decades, is really laudable and inspired us again and again to find ways and means to augment production and modernize the company.

My dear fellow shareholders, you will be glad to know that this year i.e. the year ended as on 30th June, 2024, we have achieved a net profit, after tax, to the tune of Tk. 7198516/- as against a loss of Tk. (6208625.00) a year ago i.e. as on 30th June, 2023. This has been possible at the relentless efforts magnified by a strong and dedicated management team of the company. Since this year, the company earned a net profit although not remarkable in terms of company's volume yet we cannot devoid our valued shareholders from sharing a little bit drop of profit for this year ended as on 30th June, 2024. As a token of honouring our honourable shareholders, we have already decided to award 1% cash dividend for the period ended as on 30th June, 2024.

We hope that the company would march towards achieving prosperity in near future. I hope that since textiles sector is a priority and essential sector, it will surely go ahead to meet growing demand both at home and abroad.

Lastly, I would like to express my deep gratitude to the shareholders, regulatory authorities, being Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, RJSC & Firms, CDBL, BTMA, Trade bodies and other stakeholders for their wholehearted support and cooperation in our venture to run the company in this competitive field.

I would also extend my sincere thanks to the Board members, management team and all other Sr. Executives, staff members, technical personnel and workers of all level for their active support and cooperation from their respective arena for augmenting the company's name and fame as backward linkage industry of RMG sector of the country.

With best wishes to you all.


A.K.M. Azizur Rahman
Chairman



Bazlur Rahman

Managing Director

“We are setting some strategic plans for the growth in sales volume for the next financial year. To do that, we will strive for re-structuring our plant and machineries, reshuffling our resources addressing the probable and upcoming financial risks.”

Performance Review by our MANAGING DIRECTOR

"Bismillahir Rahmanir Rahim"

In the name of ALLAH, the most Merciful, the most Beneficial

Dear fellow Shareholders,

"Assalamualaikum"

I feel it privileged to welcome you all at the 38th Annual General Meeting of Sonargaon Textiles Ltd. As Managing Director of the company, I am delighted that this fiscal as at the close of business on 30th June, 2024, the company was able to earn a net profit after tax to the tune of Tk. 7198516/- overcoming so many hurdles that had been faced due to our location at the southern corner of the country without natural gas facility. I once again wholeheartedly welcome the management team and all other fellow official's staff members and workers for their valuable contribution that reflected a positive results for the company. Here-in below I reproduce in brief the company's performance for the period ended as on 30th June, 2024 and also uploaded alongside the performance that achieved a year ago i.e. as on 30th June, 2023 to enable you to compare the position instantly.

Particulars	Year ended as on June 30, 2024	Year ended as on June 30, 2023
Revenue	199200723	284,168,891
Net Profit after tax	7198516	(6,208,625)
Earnings per share (EPS)	0.27	(0.23)
Net Operating cash flow per share (NOCFPS)	0.03	3.03
Net asset value per share (NAV)	19.31	19.04

I believe that this year's achievement as at the close of business on 30th June, 2024 is the result of concerted efforts pounded by strong management team and all other staff members, technicians, workers alike.

I further believe that since raw cotton supply has been streamlined for the last few months' time is now ripe to make maximum capacity production for the company's growth, because in a manufacturing industry, maintenance of maximum capacity production is the core requirement to sustain the company's growth. You all know that Sonargaon Textiles Ltd. is manufacturing cotton yarn for about last four decades to cater to the need of RMG sector. The industry is reeling with fueling the chimney with costly electricity of PDB. Although it is not cost effective, but we have no alternative for our location at non-gas zone. As a result our manufacturing cost is about double the mills that run with natural gas. Our profit margin and eventual dividend declaration is largely affecting due to fueling with PDB's costly electricity.

However within limited resources we should carry on maintaining the task of manufacturing for the betterment of ourselves in future.

We hope that the company would march towards achieving prosperity in near future. I hope that since textiles sector is a priority and essential sector, we shall surely go ahead to meet growing demand both at home and abroad.

Lastly, I would like to express my deep gratitude to the shareholders, regulatory authorities, being Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, RJSC & Firms CDBL, BTMA, Trade bodies and other stakeholders for their wholehearted support and cooperation in our venture to run the company in this competitive field.

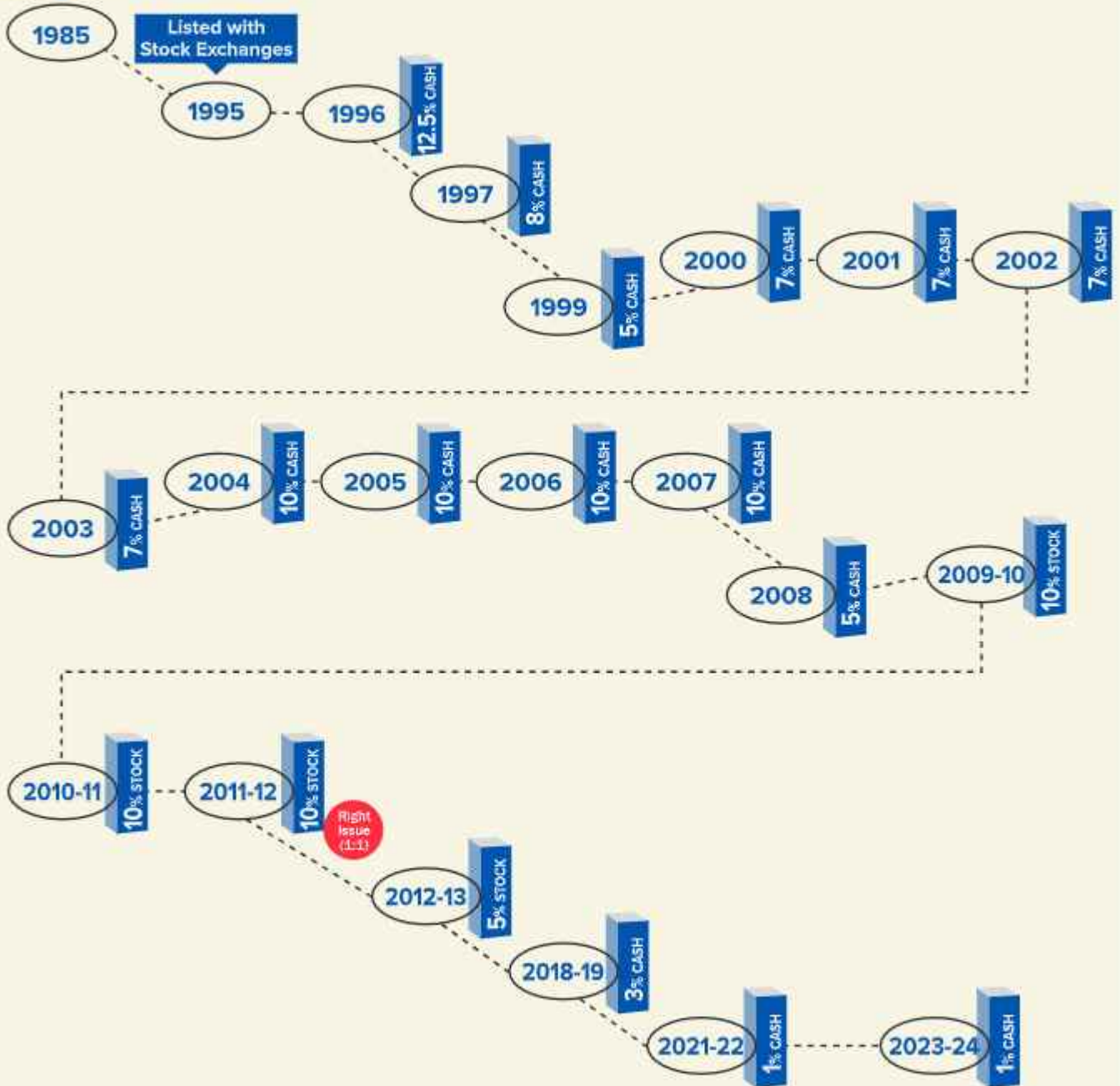
I would also extend my sincere thanks to the Board members, management team and all other Sr. Executives, staff members, technical personnel and workers of all level for their active support and cooperation from their respective arena for augmenting the company's name and fame as backward linkage industry of RMG sector of the country.

With best wishes to you all,


Bazlur Rahman
Managing Director

our journey

Incorporation



AWARD & RECOGNITION



The Chairperson A.K.M. Azizur Rahman was awarded "GOLD MEDAL" in 1993-94 for extensive Industrialization Program in South Bengal for establishment of large spinning industry like Sonargaon Textiles Limited in Barisal.



The Chairperson A.K.M. Azizur Rahman was awarded with the C.R. DAS GOLD MEDAL in 1995-96 as a distinguished Industrialist of the country for the contribution in the economic development of the nation setting a large scale employment opportunity by his excellent leadership capacity.

AWARD & RECOGNITION

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2024/285

BAPLC

Date of issue : December 3, 2024

Renewed Certificate

This is to certify that

SONARGAON TEXTILES LIMITED

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies
and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2024.




Secretary-General

TEAM LEADERSHIP



BOARD OF DIRECTORS



A.K.M. Azizur Rahman
Chairman



Bazlur Rahman
Managing Director



Rosy Rahman
Director



Brig Gen Mohammed Abdul Halim (Retd.)
Independent Director



Mr. Kabir Ahmed
Nominee Director, BDB PLC



Md. Anwar Hossain
Executive Director
&
Company Secretary

PROFILE OF DIRECTORS



A.K.M. Azizur Rahman
Chairman

A.K.M. Azizur Rahman is M.A. in Sociology from Dhaka University who started his business career in 1974. He has more than 46 years of decorated business experience, renowned as one of the pioneers of country building leaders since the liberation war in 1971. He is the epitome of the flagship brand image of "Khansons Group" a large conglomerate in Bangladesh. Mr. Rahman was awarded as one of Commercially Important Person (CIP) in 1989 and 1999 for his success stories around the country. Besides automobiles, insurance, properties, international trading and all other businesses, Mr. Rahman established Sonargaon Textiles and Khansons Textiles Limited at Barisal for the development and greater interest of Southern Bengal. As a result he was awarded "GOLD MEDAL in 1993-94 for extensive Industrialization program in South Bengal. Moreover, as a part of recognition, Mr. Rahman was awarded with the C.R. DAS GOLD MEDAL in 1995-96 as a distinguished industrialist of the Country. He contributed in the economic development of the nation setting a large scale employment opportunity by his excellent leadership capacity. Mr. Rahman was elected as the Vice President of Bangladesh Association of Publicly Listed Company for the period 2010-2011. He was Director of Bangladesh Textiles Mills Association (BTMA). He was the member of Standing Committee of Dhaka Chambers of Commerce and Industry (DCCI) until 2014. Mr Rahman also played the role of EC member of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in the year 1999. Presently he is Executive Member of Bangladesh Insurance Association (BIA). A.K.M. Azizur Rahman is involved with philanthropic and social activities who founded Al-Haj B.N. Khan Degree College and Anwara Begum Girls School both situated at Wazirpur in Barisal. He is actively associated with benevolent social works, extending regular support to poor, good students of his founded school and college as well as funding various Masjid and Orphanage.



Bazlur Rahman
Managing Director

Bazlur Rahman is M.A. in Political Science from Dhaka University. He has 41 years vast and practical experience in corporate sector especially in textiles industry in Bangladesh. He has performed as the Managing Director for setting up textile plants and machineries and controlled production unit of Sonargaon Textiles Limited. He is involved setting strategic plans and organizational objectives. Being a versatile business personality with more than 3 decades of experience, he has successfully operated the following business enterprises namely, Khansons Textiles Limited, Khansons Jutex Limited, Khansons Corporation Limited and many other industries under the flag ship of "Khansons" group umbrella concept. Mr. Rahman performed the role in directorial capacity of Bangladesh Textile Mills Association (BTMA). He was the former Director of Bangladesh Jute Manufacturing Association (BJMA) and former Director of Bangladesh Jute Spinners Association (BJSJA). He successfully played the role of Executive Member (EC) of Federation of Bangladesh Chambers of Commerce and Industries (FBCCI). Mr. Rahman was former Finance Director of Abhwani Football Club Ltd. He was also former Director of Bangladesh Jute and Textile Industry. He is the General Secretary of Barisal Divisional Somitee, Uttara Thana Branch. He has attended many international business seminars and conferences. Besides long professional and corporate journey, he is philanthropic and social worker. He is Member of Gulshan North Club, Army Golf Club, Banani Club, Barisal club and Capital Recreation Club Ltd.

PROFILE OF DIRECTORS



Rosy Rahman
Director

Rosy Rahman is a sponsor Director of the Board of Sonargaon Textiles Limited. She is a business graduate who has 31 years business experience in different industrial categories. She worked for setting different industries as the Sponsor Director naming Khansons Textiles Limited, Khansons Automobiles Limited, Khansons Corporation Limited, Central Insurance Company Limited and many other companies. She widely traveled and attended all over the world for participating business conferences and seminars. Mrs. Rosy usually oversee the investment related decision and stakeholder's interest. She is pious and a great social worker. Besides her corporate involvement, she envisioned many institutional establishments like College, School, Madrsha and so on.



Brig Gen Mohammed Abdul Halim (Retd.)
Independent Director

Brigadier General Mohammed Abdul Halim, psc, G (Retd) is a well-known retired military officer, graduated from Bangladesh Military Academy in 1981. He also graduated himself from Defence Service Command and Staff College, Dhaka and Artillery Center and School, Chittagong and achieved the symbol psc and G. Besides, he has two Master degree MDS and MSC from National University of Bangladesh and MBA from Royal Roads University, Canada. General Halim had his 35 years of cheered military service, where he had thorough experience of command, staff and instruction. He has the vast knowledge of Administration, Logistic, Budgeting, Human resource management, training and security management at different type of command. He had a detail exposé at Media handling, conducting Seminar, negotiation and Protocol management at home and abroad. After retirement from military service he had a very good exposé in civil business sector. He was Executive Director at SA Group, Chittagong, a renowned consumer good producing group, Consultant at United Nation World Food Program, CEO of Sena Paribar Kallayan Samity, Deputy Managing Director and Director of Fashion Globe Group, a RMG group, Adviser of Coders Trust Bangladesh Limited, an IT freelancing Training Institution and Independent Director at Continental Insurance Limited, Dhaka, Bangladesh. He visited number of foreign countries for international seminar, training and UN Peace keeping missions. Besides, he is an active member of Golf in Kurmitola, Dhaka Army, Chittagong and Comilla Golf Club.



Mr. Kabir Ahmed
Nominee Director, BDB PLC

Mr. Kabir Ahmed is a nominee Director from 23th April 2024 on behalf of Bangladesh Development Bank PLC. He is a General Manager IT and Risk Management and ICC Division of Bangladesh Development Bank PLC. He has long experience in Banking and Industrial Operation in BDBL. Under his capacity he contributed in Investment Decision, Operational Decision and Financing Decision in Sonargaon Textiles Limited as a Director.

KEY MANAGEMENT TEAM



Abrar Rahman Khan
Director, Operation



Sarita Rahman
Director, Finance



Md. Anwar Hossain
Executive Director & Company Secretary



M. Monirul Islam Khan
Chief Financial Officer



Arjun Paul
DGM, Marketing & Fund Management



Syada Rahana Parvin
DGM, HRD



Ismail Hoshen Bhuiyan
Head of Internal Audit & Compliance



Md. Alamghir Kabir
DGM, Production & Factory

PROFILE OF KEY MANAGEMENT TEAM



Abrar Rahman Khan
Director, Operation

Abrar Rahman Khan is an MBA in General Management with first class from Brunel University of London. He joined and served as Relationship Manager in HSBC (Hong Kong Shanghai Bank Corporation) Bank in Dhaka in 2006. Mr. Khan joined as the Director, Foreign Trade in Khansons Group in 2008 and furnished various strategies for planning and development of the textiles business. Since then, he has been directly involved in activities of governing Khansons Group specially Khansons Textiles Limited and Sonargaon Textiles Limited by providing calculations, analysis of yarn manufacturing, controlling production quality and following up with feedback to different queries from international buyers in line with their orders. Furthermore, he has been controlling the textile projects controlling supply chain demand, marketing, procurement, inventory and daily production process as the project CEO. Besides all of that multidimensional role play, Mr. Khan had experience working as Project Team Leader in Eshna Consulting Team Limited in 2009. He is working as the Public Director in Continental Insurance Limited since 2010 as the safe guard of the public interest. He is an active member of Dhaka chambers of commerce and Industry (DCCI) since 2014. He performed diversified responsibilities with leadership approach and successfully led the team of "Texbangla Textile Fair" organized by Bangladesh Textiles Mills Association (BTMA) and won an award for Khansons Textiles as the top participant. Mr. Khan is currently designated as the Director, Operation in Sonargaon Textiles Limited.



Sarita Rahman
Director, Finance

Sarita Rahman completed MBA in Finance & Accounting from Independent University of Bangladesh (IUB). She has 20 years business experience with strategic financial management. Mrs. Sarita is one of the renowned woman entrepreneurs who has expertise of managing financial risks of the industrial organization. She is a successful entrepreneur. She has been performing the role of the Director, Finance as group umbrella concept. Moreover, she is the Vice Chairman of the Executive Committee of Sonargaon Textiles Limited who is controlling the financial risks factors. She is currently supervising the corporate financial team and activities of the Chief Financial and Head of the internal Audit and Compliance. Her dynamic leadership capacity and competence enhancing the organizational growth matching with the visionary objectives, mission and vision. Besides leadership in business, she is involved with social work and socio economic activities.



Md. Anwar Hossain
Executive Director & Company Secretary

Having graduated in Economics from Dhaka University proper in 1970, served the Bangladesh Observer controlled by the then Board for the Management of Govt. owned Newspapers (BMGN), as Senior Staff Correspondent from August 10, 1972 to March 12, 1977. During 5 years journalism in English language covered many state functions and other sociopolitical functions and reported independently in journalistic language and also reported special items. Also toured extensively with Ministers, foreign delegates for covering events as Reporter. Alongside journalism, appeared in Bangladesh Superior Service exam in 1973 and selected for 5 months pre-entry field and theoretical training in 1976 at the then Bagerhat C.O. (Dev.) and SDO office. At end level of training again appeared for written and viva voce conducted by PSC and selected for Financial Service at the then nationalized commercial bank (Pubali Bank) as class 1 officer in 1977. Served Pubali Bank in various capacities including in-charge of Panpacific Sonargaon Hotel branch Chawakbazar Br. Dhaka, Khatungonj Br., Chittagong, Joint Custodian at Faridpur "A" grade branch; Branch in-charge of Madaripur Br., Regional office at Rajshahi, Mymensingh, Chittagong North with portfolio of audit and inspection and administrative until September, 1996. Serving Sonargaon Textiles Ltd. since October 16, 1996 elevating to the post of Executive Director from 2015. Several years held the portfolio as Company Secretary: GM (Finance); administration, banking; Now holding the portfolio of banking, foreign exchange, commercial, legal and overall.



Mohammad Monirul Islam Khan
Chief Financial Officer

Mr. Monirul joined Sonargaon Textiles Limited a member of Khansons Group as the Chief Financial Officer (CFO) on September 04, 2023. He is an M.Com from Dhaka College. He is also a Professional Accountant. Governance Professional with expertise of managing and guiding the Finance and Accounts, Board's philosophy & ethics through the vision of professional relationship for establishing Good Governance and brand impression. Mr. Monirul has more than 25 years of professional experience in the field of Finance and Accounts, Corporate Governance, Operations, Risk and Compliance and can lead any Institution to its top to enhance stakeholder's interest by improving business results and efficiency in an enabling environment and culture. He started his career from Sandhani Life Insurance Co. Ltd. in 2000 in Finance & Accounts department. Later, he joined at Rupali Life Insurance Co. Ltd. in 2002 as Assistant Manager (Finance & Accounts). Mr. Monirul joined Golden Life Insurance Ltd. in 2002. In capacity of Assistant Managing Director (Finance & Accounts) as well as Head of HR & Admin Mr. Monirul successfully performed his job till August 2023 in GLIL. Mr. Monirul has extensive training on Financial Key Performance Indicators Training, Income TAX Return preparation & Submission Training, AML/CFT Training for Officials Training, Effective Business Communication Training, Finance & Accounting Management Training, Effective Business Sales & Marketing Training and Compliance in Corporate Governance (CG) by Capital Market Intermediaries. Mr. Monirul has multidimensional career grounds with different roles who worked in Human Resource, Administration, Compliance, Corporate Affairs and in Risk Management as the policy maker.

PROFILE OF KEY MANAGEMENT TEAM



Arjun Paul

DGM, Marketing & Fund Management

Mr. Arjun Chandra Paul is rolling in Finance and Accounts department with dynamic personality here in this organisation since when he joined at later part of 2007. A tertiary level educated, Mr. Arjun Paul by dint of his maintaining professional sincerity elevated to the rank of Dy. General Manager with the portfolio of independently maintaining production costing of backward linkage export oriented spinning industry like Sonargaon Textiles Limited (STL). Alongwith maintaining the production accounts of this spinning industry Mr. Arjun Chandra Paul is also related with marketing of products for more than a decade and efficiently steering the wheels penetrating deep into the yarn market and developed a strong market network. His growth oriented activities have been highly acclaimed by the company management.



Ismail Hoshen Bhuiyan, CA CC (PL)

Head of Internal Audit & Compliance (HIAC)

Ismail Hoshen Bhuiyan, the Head of Internal Audit of Sonargaon Textiles Limited (a member of Khansons Group), He was born in 1998. He has served a wide range of leading companies in Bangladesh. Before joining Sonargaon Textiles Limited in 20th June 2024 he served at Mahfel Huq & Co. Chartered Accountants as Assistant Manager (Finance & Accounts and Audit).

In the year of 20th May 2023 he completed the CA Article-ship Course CA CC (Chartered Accountancy Course Completion) along with four months provision period from Renowned Chartered Accountancy Firm from Mahfel Huq & Co. Chartered Accountants (est. 1974), an independent correspondent firm to AGN International, UK under the direct supervision of Mr. Howlader Mahfel Huq, FCA, of The Institute of Chartered Accountants of Bangladesh (ICAB). Partly Passed CA Certificate Level and continuing study. He has also completed BBA from renowned university the Asian University of Bangladesh. He has 5 years of vast professional experience in the fields of Finance, Accounts, and Audit & Tax.

PROFILE OF KEY MANAGEMENT TEAM



Syada Rahana Parvin
DGM, HRD

Mrs. Syada Rahana Parvin is a Commerce Graduate as well as PGD, HRM holder working with Sonargaon Textile Limited (a member of Khansons Group) from July 2009. She started her job career from 2000 as an Accounts Officer in a construction & real estate company. She also worked with 2 multinational companies as Associate Officer as well as Officer, Administration. She joined Khansons Group as Executive Assistant of Group CMD. After her joining she has proved herself as a competent employee to perform various work related to business correspondences, Admin, HR, also managing day to day work of a Group Chairman. During last 15 years of her job tenure with STL, time to time she was promoted for her multitasking capability, responsible, sincere and honest personality as well as skills on various works.

Basis of her long work experiences as well as her duty she was performing with STL, during January 2022 management of STL has promoted her as DGM, HRD along with her other previous assignment/responsibility. She got many training certification on HR and practical work experience of Admin & HR which proved as beneficiary for STL HR Department to run last 3 years.



Md. Alamghir Kabir
DGM, Production & Factory

Mr. Md. Alamghir Kabir has been working as DGM, Production and factory of Sonargaon Textiles Limited. He has 26 years long experience in the spinning industry. He obtained a Diploma in Textile Engineering and technology with a major in yarn manufacture (Spinning). He served in the Samsuddin Spinning, Monno Fabrics, Pakija Cotton, Israaq Spinning, Eco Cotton & Jamuna Spinning Mill.

CORPORATE GOVERNANCE



DIRECTOR'S REPORT TO THE SHAREHOLDERS

Esteemed Shareholders

The Board of Directors of Sonargaon Textiles Limited is pleased to present the performance of your Company for the financial year ended 30 June 2024 (FY: 2023-24), together with the Auditor's Report, Audited Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity, for your valued consideration.

Scope of Spinning Industry in Bangladesh

Spinning mills of Bangladesh are playing a vital role in the export-oriented garments industry and the local market as well. As the raw material of these mills are directly imported, the industry needs to be much more efficient to become competitive.

Bangladesh's spinning industry, which grew alongside the export-oriented RMG sector, is facing significant profitability issues despite the growth of RMG exports. The expansion of the spinning industry was not aligned with future market trends, leading to overcapacity and financial struggles. Although demand for export-oriented clothing has recently risen slightly, buyers are not offering competitive rates, further squeezing margins. The spinning sector has been dealing with survival challenges for the past two years due to price pressures, rising raw material costs, outdated technology, and infrastructure issues.

After COVID-19 pandemic, the price of cotton went extremely high which was never seen before. The Garments manufacturer faced severe challenges to meet the price of different brands due to the high price of cotton and yarn as well. In Bangladesh, there are more than 400 spinning mills. Many of them have already invested a huge amount to expand their capacities as they have observed a growth in the export volume of the garments industry. The textile and apparel industry has seen a 35.47% growth so far in the last year in terms of volume. Though the real growth in terms of order quantity is much less. On the other hand, due to Ukraine-Russia Crisis, the future market situation is very much unpredictable. Analyzing the above points spinning mills of Bangladesh need to be much more innovative and efficient to maintain a sustainable business for themselves and the whole textiles and garments industry as well. There are some areas where spinning mills can work and take initiatives to reach a global standard to become competitive:

Opportunities of Spinning Sector in Bangladesh

Bangladesh's spinning sector witnessed a major investment step in the year 2024 as entrepreneurs set up new spinning mills to meet high demand despite uncertainty in the global apparel supply chain back to the pandemic. 80% of the yarn produced at the spinning mill is purely cotton yarn, while the remaining 20% is mixed yarn cotton and artificial fiber. The demand for man-made fiber garments item is getting popular worldwide. The demand for cotton yarn and other fabrics in the garment sector is increasing on the back of an increased volume of work orders from the international brands.

Industry Trends and the Outlook:

Industrialization is a major reason for the economic development of a country. It plays a significant role in transforming the monetary structure of developing nations. Textile industry of Bangladesh is more than 500 years old. It

is one of the oldest and most successful industries with its rich history. Moreover, in recent years there has been a substantial development in yarn and fabric production. There is a significant effect of globalization on international textile and apparel trade.

The spinning industry in Bangladesh is witnessing gigantic investment as local entrepreneurs are either developing their production capacities or setting up new units as the demand for garment raw materials is ascending. In Bangladesh, there are almost 500 spinning mills. Native spinners have a joint capacity to process nearly 13.43 million cotton bales per year. But due to some production drawbacks, sometimes they cannot work with full steam.

There are three fundamental factors which have boosted the growth of textile in Bangladesh. The country has plenty of resources, opportunities, and beneficial government policies. In Bangladesh large number of labor workers can be found. Also, natural gas and cost of energy is cheap. With huge population, labor is abundant, and Bangladesh has an advantage in producing labor intensive products.

These opportunities were supported by the government policies which sustained the growth of textile in Bangladesh. The liberal government policies promoted investments from foreign countries. The garment industry of Bangladesh is renowned and holds a major place in the world market today. The textile industry of the country has specialized textile goods, knitwear, and woven apparels. These products top in grabbing the export income for the country.

Moreover, the quota-free textile rule which has been introduced since 2005 has substantially improved the textile industry of Bangladesh. The government policies that supported textile included monetary advantages and institutional help. As mentioned earlier, labor and power are cheap and easily available here compared to India, Pakistan or China. This gives them a competitive advantage against their competitors. The new textile policies which have been introduced almost have no tariffs for the spinning sector. However, the imported yarns and materials have high tax rates so as to encourage the use of local fabrics and yarn production. All these factors worked together in favor of the textile development in Bangladesh. Nevertheless, in the past ten years the country has witnessed the growth of spinning industry.

Majority of its exports include polyester fabrics, fabrics made from man-made fibers, PV fabrics, viscose thread fabrics etc. Apparel exports mainly consist of knitted or woven shirts, tops, trousers, skirts, shorts, sweaters and sportswear garments. The handloom industry provides employment for large number of people and also produces fabrics required by the domestic market. In spite of being one of the growing and largest industries of Bangladesh, it faces some challenges.

It is a known fact the Bangladesh has a great future in textile and garment industries. In fact, a major chunk of national income is earned from the foreign currency received from textile and readymade garment exports. The textile and garment sector contributes to 81.43% of the total exports of Bangladesh. In this situation, it is easy to understand what will happen if there is any exhaustion or problem in this sector.

Availability of abundant natural gas, cheap labor and energy has been the core reason due to which the textile industry has sustained in Bangladesh over the years. However, in the recent years all the abundant resources which have been the backbone of the textile industry have turned hostile. The basic raw materials needed in the spinning sector are raw cotton and synthetic fibers. Sadly, none of these are produced in Bangladesh. The energy which was available in abundance has become insufficient. Water which was in ample quantity has become scarce as it is being used quickly and made dirty. Also, the huge population which was available for the labor-intensive industries have not been employed and looked upon properly. Hence, the core strengths of the textile industry are becoming a major setback for the industry. However, the government is looking forward to find solution to these problems.

In this situation, Bangladesh cannot afford to waste these valuable resources or it cannot compete in the international textile and garment market. The main agenda of the 2nd International conference on textile & apparel is proper and efficient use of the resources. In this conference, the actual scenario of the textile industry will be discussed. The main priority is to come up with apt solutions to tackle the sensitive issues, and implement strategies that will enhance the growth of textile industry in Bangladesh.

Recent government have improved Bangladesh's international image and business climate and standing has fostered renewed confidence in the country's governance and reduced corruption, creating a more favorable environment for business and investment. International brands and retails remain optimistic about the industry.

Segment wise performance is not applicable

Sonargaon Textiles Ltd. is operating single business and geographic segment within the Company operates as such no segment reporting is felt necessary. The Company produces a single product "Cotton Yarn" of varied count as per demand and qualities. Hence, Company's 100% revenue is generated from its only product "Cotton Yarn". As per customers' requirements; on receiving the orders, STL manufactures the products and supplies those to the respective customers' destination.

Risk Management Philosophy

Creating maximum value for the shareholders' depositors and employees in the long term are managing risk in a forward-looking manner and identifying & analyzing those risks from the beginning with help of steering risk strategies, models and parameters. Besides efficiently managing of inventories, proper sourcing & timing, economic order quantity with the most organized way reduces STL's cost of procurement. For power (electricity), STL is totally dependent on West Zone Power Distribution Company Ltd. (WZPDCL) Khulna. STL capable to meet up the current market's need by delivering the quality products to the valued clients.

Risk Management

Risk management refers to the practice of identifying potential risk in advance, analyzing those and taking precautionary steps to reduce/curb the risk. In the textiles industries, various risks encompass around it. The risk may occur adverse effect to the Company's sales and profit etc. Mostly, the risk arises from falling demand for the product, shortage of power, shortage of worker, workers unrest and Raw

material shortage along with other related risk such as Interest Rate Risk, Foreign Exchange Risk, Technology Risk, Market Risk, Political Risk and other regulatory Risk etc. The Company is aware of its risks concern and well prepared to meet those by systematic control.

Financial Risk Management

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

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 30 June, 2024 substantial part of the receivables are those from its related Company and subject to insignificant credit risk. Risk exposures from other financial assets, i.e. Cash at bank and other external 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 to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations 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 change in market prices such as foreign exchange rates and interest will affect the Company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

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. The Company has received foreign currency against export of finished goods. The effect of gain or losses regarding currency risk will be minimal of the gain or loss will be offsetting through the foreign currency receivable & payable. Moreover, Bangladesh is a country where the fluctuation of spot rate of BDT against USD is minimal also.

Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The Company's exposure to the risk of changes market interest rate relates primarily to the Company's short-term finance and term loan. The Company's policy is to keep its short-term running finance at lowest level by effectively keeping the positive bank balances.

Cost of Goods Sold and Profit Margin

The overall cost of goods sold decreased during the year, because of controlled and conservative cost relating production compared with last years. Mainly due to decreasing production cost, raw materials, lower production, transportation cost etc. Profit margin is 14.19 % during the year increased to 230.35%.

Extra-Ordinary Gain or Loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is no part of the Company's ordinary/day to day operations. There are no such a gains or losses during the year under reporting.

Related Party Transaction

Compliant steps have been taken by the Board to avoid any conflict of interests that may arise, in transacting with related parties as per the definitions of IAS & IFRS. A statement of related party transaction has been presented in Note 20.00 of the Financial Statements.

Statement on Financial Result

For the year ended 30 June 2024, total revenue of STL was Taka 199.20 million which was Taka 284.16 million last year. Total revenue has decreased (29.90%) compared to the last financial year. The gross profit has increased by 65.56% in the current year from last comparative year due to cost control. EPS has increased 215.94% in the current year from the last comparative year due to control of production cost and others cost. NAV has increased 1.43% compared to the last financial year due to net profit after Tax, increase in the Company's Retained Earnings and Assets. NOCFPS has been decreased (99.07%) compared to the last financial year due to customer and utility payment in the year under review, also as cash-flows are positive in current year.

Statement on Going Concern

As per the Paragraph 25 of IAS-1, a Company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. The Company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

Statement on Compliance

The financial statements have been prepared in accordance with the applicable provisions of International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

The Company is also required to comply with the following major laws and regulations in addition to the Companies Act 1994:

- The Securities & Exchange Rules 1987

- The Securities & Exchange Ordinance 1969
- The Listing Regulations 2015 of Dhaka Stock Exchange Limited
- The Listing Regulations 2015 of Chittagong Stock Exchange Limited
- The Income Tax Act, 2023
- The Rules and Regulation made and applicable under the Income Tax Act 2023
- The Value Added Tax and Supplementary Duty Act 2012
- The Value Added Tax Rules 1991
- The Value Added Tax and Supplementary Duty Rules 2016
- The Bangladesh Labor Act 2006
- The Bangladesh Labor Rules 2015
- The Customs Act 1996
- The Customs Act 2016
- The Rules and Regulation made and applicable under the Customs Act 2016
- The Securities Laws issued by BSEC from time to time

Internal Control System

Internal Audit Supports the Company in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes. In order to ensure organizational independence of Internal Audit, the head of Internal Audit reports functionally to Audit Committee and administratively to the Managing Director. Internal Audit team regularly monitors whether the appropriate Accounting Policies have been consistently applied in preparation of the financial statements. Bangladesh Accounting Standard and International Accounting Standards, as applicable in Bangladesh, have been followed and adequately disclosed. Internal audit is being carried out by M/s G. Kibria & Co. Chartered Accountants.

Minority Interests

Sonargaon Textiles Limited believes that good governance involves open and trust-based cooperation between all stakeholders, including the owners of the Company-shareholders.

The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of minority shareholders, while promoting integrity, transparency and accountability. The Board of Directors shall always act in a manner that is in the best interest of the Company.

Significant deviation in EPS, NAV and NOCFPS

The Company declared that EPS has increased and stood at Tk. 0.27 than previous year's Tk. (0.23). Similarly, NAV increased in items of 1.43% due to increase in equity as well as current asset, inventory and receivables. The operating Cash in Flow showed positive. NOCFPS has been reflected positively.

Key Operating Financial data

The key operating and financial information for the year 2023-24 along with the preceding five years are presented below:

Amount in BDT

Particulars	Financial Year					
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Net Turnover	199,200,723	284,168,891	454,935,378	109,038,473	630,919,942	856,130,508
Gross profit	28,264,824	17,494,430	70,287,517	16,795,877	71,635,477	154,393,931
Net Profit before tax	62,38,809	(6,198,432)	10,514,078	(352,841,341)	(99,335,070)	29,835,487
Net Profit after Tax	71,98,516	(6,208,625)	8,832,422	(353,333,158)	(98,563,119)	29,497,229
Earnings Per Share (Tk.)	0.27	(0.23)	0.33	(13.35)	(3.72)	1.11
Paid up Capital	264,670,560	264,670,560	264,670,560	264,670,560	264,670,560	264,670,560
Shareholders' Equity	511,189,350	503,990,832	301,969,159	293,136,736	646,469,895	752,973,131
Net asset value per share (Tk.)	19.31	19.04	11.41	11.08	24.43	28.45

Dividend Recommendation

The Board of Directors of the Company has recommended 1% (one percent) Cash Dividend for the year 2023-24, which we believe to be a good come back than last years. The Directors state that no bonus share or stock dividend has been declared in the year 2023-24 or shall be declared in future as interim.

EPS and NAV per Share

EPS comes Tk 0.27 per share; NAV comes 19.31 per share & NOCFPS comes 0.03 per share for the period ended on 30

June 2024 against EPS Tk. 0.23 per share; NAV Tk. 19.04 & NOCFPS 3.03 per share as on 30 June 2023.

Production and Sales during last financial year

During the reporting period, the Company produced 1,055 MTs of 100% cotton yarn. Gross turnover was Tk 199,200,723.

Performance of STL in 2023-2024

The Company's operating financial results, as compared to the previous year, are summarized hereunder:

Amount in BDT

Particulars	Financial Year	
	2023-2024	2022-2023
Turnover	199,200,723	284,168,891
Cost of Goods Sold	170,935,899	266,674,461
Gross Profit	28,264,824	17,494,430
Administration Expenses	22,024,463	21,984,398
Selling & Distribution Expenses	632,075	161,800
Operating Income	5,608,287	(4,651,769)
Finance Cost	222,176	2,780,484
Other Income	1,164,639	1,433,821
Net Income before WPPF	6,550,750	(5,998,432)
Contribution to WPPF	311,940	200,000
Net Profit (Before Tax)	6,238,809	(6,198,432)
Provision for Income Tax	1,195,205	1,705,013
Provision for Deferred Tax	2,154,911	1,694,820
Net Profit (After Tax)	7,198,516	(6,208,625)
Gross Profit Margin	14.19	6.16
Net Profit Margin (After Tax)	3.61	(2.18%)
EPS (Earning Per Share)	0.27	(0.23)

The Turnover, decreased (29.90%) Gross Profit and Net Profit (After Tax) increased by 61.56% and 215.94% respectively during the year of 2023-24 in comparison to previous year. Profit after Income Tax, other income and gains, resulting increased in Earning Per Share (EPS) Tk. 215.94%. Gross Profit increased by 61.56% and Net Profit increased by 215.94% due to control on production, operating & finance cost in the year under review. The Cost of Goods Sold has decreased during the year of reporting due to decrease in production cost as well as raw materials, fuel/power and factory Overheads which were beyond the control of the management. The Cost of Goods Sold per unit has declined

by 68.64% in the current year over previous year due to decrease of production, which decreased per unit by 38.76%. Also, changes in turnover, cost of raw materials consumed, packing cost, Power Cost and Spare Cost in the reporting Year than previous year. The Company however earned an extra tk. 1,164,639 as non-operating income (stated in Note No. 14.) of audited accounts) during the year 2023-24 against dividend received from CDBL and Interest income and others gain.

Quarterly Financial Performance

Amount in BDT

Particulars	Financial Year				
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	2023-2024
Totals Assets	1,280,490,027	1,278,529,542	1,287,871,474	1,283,584,904	1,283,584,904
Paid up Capital	264,670,560	264,670,560	264,670,560	264,670,560	264,670,560
Number of Shares	26,467,056	26,467,056	26,467,056	26,467,056	26,467,056
Shareholders' Equity	501,908,016	497,409,650	502,787,305	51,118,350	511,189,350
Long term Loan	672,404,220	672,404,220	672,404,220	672,404,220	672,404,220
Total Debts	778,582,011	781,119,892	785,084,168	772,395,554	772,395,554
Total Revenue	29,016,470	27,326,726	87,819,735	55,037,792	199,200,723
Gross Profit	3,481,976	4,301,919	12,189,123	8,291,806	28,264,824
Operating Profit	(1,752,692)	(4,739,931)	4,610,528	7,490,382	5,608,287
Profit before Tax	(2,419,472)	(4,735,754)	5,478,945	7,915,090	6,238,809
Profit after Tax	(2,082,817)	(4,498,365)	5,377,654	8,402,044	7,198,516

Explanation of Significant Variance between Quarterly Performances and Annual Financial Statements

Total revenue increased in Q3 & 4Q compared to the Q1 & Q2. Net profit also increased in last 2 quarters due to control of production cost & others expenses also market environment was favorable than Q1 & Q2.

Financial Data for Last 5 (Five) Years

Amount in BDT

Particulars	Financial Year				
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Totals Assets	1,283,584,904	1,278,380,075	1,391,759,868	1,343,343,547	1,658,105,948
Paid up Capital	264,670,560	264,670,560	264,670,560	264,670,560	264,670,560
Number of Shares	26,467,056	26,467,056	26,467,056	26,467,056	26,467,056
Shareholders' Equity	511,189,350	503,390,832	301,969,159	293,136,737	646,469,895
Long term Loan	672,404,220	672,404,220	963,381,225	925,966,529	888,740,741
Total Debts	772,395,554	774,389,241	1,089,790,527	1,050,206,811	1,011,636,053
Total Revenue	199,200,723	284,168,891	454,935,378	109,038,473	630,919,942
Gross Profit	28,264,824	17,494,430	70,287,517	16,795,877	71,635,477
Operating Profit	5,608,287	(4,651,768)	47,822,544	(55,280,215)	27,697,177
Profit before Tax	6,238,809	(6,198,432)	10,514,078	(352,841,341)	(99,335,070)
Profit after Tax	7,198,516	(6,208,625)	8,832,422	(353,333,158)	(98,563,119)

From the above, it is revealed that total assets and Shareholders' equity of the Company increased during the reporting year. Total assets of the Company recorded BDT 1,283.58 million which was increased by 0.41% compared to the last year. On the other hand, the Shareholder's Equity decreased due to current year negative retained earnings as on 30 June 2024.

Amount in BDT

Particulars	Financial Year					
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Gross Margin Ratio	14.19	6.16	0.15	0.15	0.11	18
Operating Income Ratio	2.82	(0.005)	0.01	(0.51)	0.04	3.50
Return on Assets (ROA)	0.56	(0.49)	0.03	(0.24)	(0.06)	1.40
Return on Equity (ROE)	1.41	(0.23)	0.33	(1.20)	(0.14)	3.19
Earnings per Share	0.27	19.04	11.41	(13.35)	(3.72)	0.93

Gross Margin Ratio and Operating Income Ratio increased slightly due to decrease of cost of production and operating expenses. Due to increased net income, EPS of the Company increased and NAV of the Company increased during the year.

Statement on Financial Reports

- The financial statements together with notes thereon have been drawn up in conformity with the Companies Act 1994 and applicable laws and regulations.
- These statements present fairly the Company's state of

affairs, the result of its operation, cash flows and statement of changes in shareholders' equity.

- 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.
- The IASs and IFRSs applicable in Bangladesh have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.

Qualified Report by the Statutory Auditor and Management's Response against Qualified Report

The Company's Independent Auditors, after conducting the audit work of our Company's year ended on 30 June 2024, have drawn qualified opinion on some bases which are as follows:

- As disclosed in the note # 6.01 to the financial statements regarding Inventories worth of BDT 536,728,251. At the year-end, the Company was unable to facilitate our stock-taking procedure. Consequently, we could not verify the inventory balance through physical verification or by performing alternative procedures after year-end. As a result, we were unable to independently confirm the amount of inventories stated in the financial statements. Therefore, the inventories and cost of goods sold figures reported may include some misstatement related to this balance.
- As disclosed in the note # 9.01 of the financial statements regarding "Unclaimed /Unpaid Dividend" worth of BDT 1,460,470. As per Bangladesh Securities and Exchange Commission's notification BSEC/CMRRCD/2021-391/20/ Admin/121 dated 01 June 2021 and BSEC/CMRRCD/2021-386/03 dated 14 January 2021, if any cash dividend remains unpaid or unclaimed or unsettled or undistributed for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the issuer to the bank account of the Capital Market Stabilization Fund within such time as directed by the Commission. However, we have observed that unclaimed/unpaid dividends for the year 2019 of BDT 1,372,768 lying unpaid during the year, also we have observed that the total unpaid amount of liability was not covered by the related bank balance. So it is non-compliance of the above-mentioned guidelines of the BSEC.
- As disclosed in note # 9.03 of the financial statements regarding "Workers Profit Participation and Welfare Fund" worth of BDT 2428,459. In the course of the audit of the financial statements, we have observed that the Company has not disbursed and utilized the fund as per the Bangladesh Labour Act, 2006. So it is a non-compliance of the Bangladesh Labour Act, 2006.
- The Company has reported Deferred Tax Liability of BDT 70,457,673 & Deferred Tax Income of BDT 2,154,911. However, Management was unable to provide sufficient and appropriate audit evidence & working for the Deferred Tax Liability & Deferred Tax Income during the financial year. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. The Management of the Company have keenly observed that the qualified opinions are required

to be solved as soon as possible in the interest of running the Company as complaint as far as possible so that the regulators are satisfied. The Board shall take appropriate measures in this regard.

Statement on Maintaining Statutory Registers and Proper Books & Accounts

The Company strictly maintains properly various types of statutory registers like Share Register, Share Transfer Register, and Director's Register besides all other books of accounts.

Composition of the Board

The Board of Directors consists of 5 (five) members including 1 (one) Independent Director and 1 (one) Nominee Director from and Bangladesh Development Bank PLC. The Independent Directors has diverse and professional expertise and experiences. The Directors are from varied businesses and other backgrounds and their experience enables them to execute independent judgments on the Board where their views carry substantial weight in the decision making. They contribute to the Company's strategy and policy formulation in addition to maintaining its performance as well as its executive management.

Changes in the Board

Mr. Kabir Ahmed, General Manager has been appointed Nominee Director in place Mr. Md. Shafiqul Islam as the Nominee director of Bangladesh Development Bank PLC. The decision was approved, based on the recommendation of NRC, in the 154th Board Meeting held on 28 April 2024.

Director's Retirement and Re-election

Mrs. Rosy Rahman, Director of the Company, shall retire as a part of retirement by rotation as per Articles 118 and 119 of the Articles of Association of the Company and being eligible offers herself for re-election.

Chairperson and Managing Director

The Chairperson is responsible for leadership of the Board, for ensuring its effectiveness on all aspects of its role and also for facilitating the productive contribution of all Directors. The Managing Director has overall responsibility for the performance of the Company's business. He provides leadership to the Company to ensure the successful planning and execution of the objectives and strategies. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) guidelines, the roles of Chairman and Managing Director have been clearly defined by the Board of Directors.



Board Meetings and Attendance

During the year 2023-24, total 4 (four) Board Meetings were held. The attendance of the Directors is as stated below:

Name of the Directors	Position	No. of Meetings	
		Held	Attended
A.K.M. Azizur Rahman	Chairman	4	4
Mr. Baziur Rahman	Managing Director	4	4
Mrs. Rosy Rahman	Director	4	4
Brig Gen Mohammed Abdul Halim	Independent Director	4	4
Mr. Shafiqul Islam	Director Nominated by BDB PLC (Till 23.04.2024)	3	2
Mr. Kabir Ahmed	Director Nominated by BDB PLC (Since 24.04.2024)	1	1

Remuneration to Directors

The Directors including Managing Director and Independent Director are paid only meeting attendance fee as remuneration @ Tk. 7,500/- per Board Meeting. The amount of remuneration paid to the Directors during the year 2023-24 is stated below:

Name of the Directors	Position	Amount (Tk.)
A.K.M. Azizur Rahman	Chairman	30,000
Mr. Baziur Rahman	Managing Director	30,000
Mrs. Rosy Rahman	Director	30,000
Brig Gen Mohammed Abdul Halim	Independent Director	30,000
Mr. Shafiqul Islam	Director Nominated by BDB PLC (Till 23.04.2024)	15,000
Mr. Kabir Ahmed	Director Nominated by BDB PLC (Since 24.04.2024)	7,500

Board Committees:

Audit Committee (AC)

The Audit Committee consists of 3 (three) members of the Board of Directors. The Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as the Secretary of the Committee. The Committee assists 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 congenial working method in the organization as per guidelines of the Regulators. In the financial year 2023-24, the Committee conducted 4 (four) meetings. The attendance record of the Committee meetings held during the year is shown in the Audit Committee Report 2023-24 annexed herewith.

Nomination and Remuneration Committee (NRC)

The Committee consists of 3 (three) members of the Board of Directors. The Chairperson of the Committee is an Independent Director. The Company Secretary acts as the Secretary to the Committee. The Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes etc. The Head of Human Resource is aligned directly to the Committee to proceed yearly training and evaluation. In the financial year 2023-24, the Committee conducted 1 (one) meeting. The attendance record of the Committee meetings held during the year is shown in the Audit Committee Report 2023-24 annexed herewith.

Executive Committee (EC)

The Executive Committee (EC) is entrusted with the day-to-day management of the Company. The Executive Committee is presided by the Director, Operation on the other hand and Director Finance is Vice President. The Chief Financial (CFO), the Head of HR and the Head of Accounts and Finance are the members of the Executive Committee. The Company Secretary is by default Secretary to the

Committee. Officer and comprises the Committee by the Managing Director and other key senior executives. The Executive Committee, as the Company's management body, is committed to serving the interests of the Company and achieving sustainable growth of the Company. The members of the Executive Committee are collectively accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategy. The Committee meets in every week to review the business performance of the Company and take decisions as deemed appropriate. During the financial year the Committee met three times.

Human Resource

Human resources at STL, we prioritize our human resources, aiming to provide our employees with opportunities to enable them to realize their professional aspirations through their work make social contributions and allow them to exercise their ability to think, create and take action. We are focused on enabling them to realize their self-worth and offer a career choice that is rooted in respect, collaboration and growth. To achieve this goal, a relationship of mutual trust and mutual responsibility between employees and the management is essential. In such a relationship, we place the highest priority on ensuring stable employment for all our employees, even as we proactively strive to improve working conditions by ensuring a safe and cordial workplace environment at all times. This philosophy is shared by all STL affiliates around our plant.

Sustainability and HR Practices

Sonargaon Textiles Limited always concern and believe on the sustainable development of the Company. Upon the prudent guidance of the Board of Directors, the Management of the Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions. It is emphasizing on volume-based strategy for increasing room occupancy as well as enhancing the quality

and portfolio of Textiles that will attract the customers and grab the market share at large. In addition, The Company is leading as an elevated distinct up-scale textiles in Bangladesh exporting spinning products by talent management and employee retention policy.

Communication with Shareholders & PR

The Company encourages communications with shareholders throughout the year and welcomes their participation at shareholders' meeting. The Company Secretarial Department is always standby to provide the service to the shareholders by strong publication relation team. The Company Secretary works as the head of public relation and emphasizes on one stop service to all the shareholders and stakeholders.

Company's Website & Financial Information

Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the Company considers as its principal communication with them and other stakeholders. The quarterly results of the Company are published in the newspapers as well as in the website. Yearly results are generally published in the Annual Report and the soft copy of the report is sent to the shareholders through email. Annual Reports are uploaded in the Company's Website in due time.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. It is represented by the contributions undertaken by companies to society through its business activities and its social investment. It is further defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the Company's policies and actions. CSR is about how businesses align their values and behavior with the expectation of stakeholders, not just customers, and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole. The Management of the Company is interested on charity works like establishment of institution, school, college or madrasah, distribution of warm cloths, tree plantation, etc.

Environment, Health and Safety

Sonargaon Textiles Limited is committed to ensure the sound health and safe work environment for the employee always. The Company also committed to ensure the minimization of the environmental impact. To keep the employees aware, the Company carried out various kinds of communications, workshop, training program, fire drill, and other awareness programs round the year.

Award and Achievement

Mr. A.K.M. Azizur Rahman, chairperson of Sonargaon Textiles Limited established largest industry in non-gas zone at Barisal for the development of the country especially for the greater interest of southern Bengal. As a result he was awarded "GOLD MEDAL in 1993-94 for extensive Industrialization Program in South Bengal and C.R. DAS GOLD MEDAL in 1995-96 as a distinguished industrialist of the Country which are ultimately achievements of the Sonargaon Textiles Limited.

Code of Ethics and Compliances with the Laws

STL's ethical business conduct and compliance are related

with applicable laws and regulations of Bangladesh Textile Mills Association (BTMA). To this end, the Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. The respective officials are responsible for ensuring proper compliance with applicable laws and regulations and this is being followed by the Company. In order to ensure organizational independence of Internal Audit, the head of Internal Audit reports functionally to the Audit Committee and administratively to the Director. Internal Audit team regularly monitors whether the appropriate Accounting Policies have been consistently applied in preparation of the financial statements as per Bangladesh.

Presentation of Financial Statement

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided in "IAS 1: Presentation of Financial Statements". A complete set of financial statements comprises:

- Statement of Financial Position as at 30 June 2024
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024
- Statement of Changes in Equity for the year ended 30 June 2024
- Statement of Cash Flows for the year ended 30 June 2024
- Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended 30 June 2024

Statutory Auditor

The statutory audit is governed by the provisions of the Companies Act 1994 and other applicable laws of Bangladesh, which explicitly provide guidelines for appointment or re-appointment and scope of work. M/s. G. Kibria & Co. was re-appointed by the Shareholders in the 37th AGM for the year ended on 30 June 2024 and to continue till conclusion of the 38th AGM. Being eligible for re-appointment, and as recommended by the Audit Committee, the Board recommends for re-appointment of M/s. G. Kibria & Co. in the 38th AGM for the next term.

Corporate Compliance Auditor

Pursuant to the compliance with the Corporate Governance Code issued by BSEC, the Company has to obtain a certificate from a practicing Professional Secretary or Accountant regarding compliance of conditions of Corporate Governance Code on yearly basis. In this respect, M/s SA Rashid & Associates, Chartered Secretaries, of Noakhali Tower (13-D, 12th Floor, 55/B Purana Paltan, Dhaka-1000, was appointed as Corporate Governance Auditors of the Company for the year 2023-24 and to continue till conclusion of the 38th AGM. Being eligible for re-appointment, the Board recommends for their re-appointment as Corporate Governance Auditors for the next term.

Financial Reporting and Transparency

Financial statements have been prepared in line with the IASs and IFRSs. Financial data is circulated as appropriate within and outside the organization. The timely publication of quarterly, half yearly and annual financial statements with comprehensive details beyond the statutory requirements has been a salient feature of the financial reporting system. CFO and CEO are responsible for instituting a system of

internal controls to ensure the effective implementation of all policies and decisions of the Board. The Board ensures that the CFO and the CEO maintains full and effective control of all significant strategic, financial, and organizational and compliance issues.

Declaration of the CEO and CFO on the financial statements

Declaration of the CEO and CFO on the financial statements as required under the Corporate Governance Code, was made to the Board. The CEO and the CFO jointly have certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct. The signed declaration of CEO and CFO is annexed.

Report on Pattern Shareholdings

Pattern of Shareholding as on 30 June 2024 as per Condition No. 1 (5) (xxiii) of the Corporate Governance Code is shown below:

Name of the Shareholders	Status	Shares held	Percentage
I. Parent/Subsidiary/Associated Companies and other related parties	Nil		
II. Directors			
Mr. A.K.M Azizur Rahman	Chairman	5,200,851	19.65%
Mr. Bazlur Rahman	Managing Director (CEO)	2,211,859	8.36%
Mrs. Rosy Rahman	Director	3,256,561	12.30%
Brig Gen Mohammad Abul Halim (Retd.)	Independent Director	Nil	Nil
Mr. Kabir Ahmed	Director (Nominated by BDB PLC)	Nil	Nil
III. CFO, CS and HIAC and their Spouse and Minor Children			
Mr. Mohammad Monirul Islam	Chief Financial Officer (CFO)	Nil	Nil
Mr. Anwar Hossain	Executive Director & Company Secretary	Nil	Nil
Mr. Ismail Hoshen Bhulyan	Head of Internal Audit & Compliances (HIAC)	Nil	Nil
IV. 5 (Five) Top Salaried Executives other than CEO, CFO, CS and HIAC			
Mr. Abrar Rahman Khan	Director, Operation	Nil	Nil
Mrs. Sarita Rahman	Director, Finance	620,315	2.34%
Mrs. Syeda Rahana Parvin	DGM, HRD	Nil	Nil
Mr. Arjun Paul	DGM, Marketing & Fund Management	Nil	Nil
Md. Alamgir Kabir	DGM, Production & Factory	Nil	Nil
V. Shareholders holding 10% or more voting interest in the Company			
Mr. A.K.M Azizur Rahman	Sponsor	5,200,851	19.65%
Mrs. Rosy Rahman	Director	3,256,561	12.30%

Management's Discussion and Analysis report

A statement on Management's Discussion and Analysis, signed by the MD & CEO and presenting a detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code, is annexed.

Acknowledgements

In conclusion the Board of Directors would like to thank all employees of the Company for their commitment, contribution, sincerity and hard work during the year. It has been a difficult period for the business due to the Covid-19 outbreak and the team showed tremendous resilience in managing the business during the turbulent times. The Board is confident that with the indomitable spirit of the team to trump the odds and with a deep passion for excellence, the

business will bounce-back soon. The Board also expresses their gratitude to valued shareholders and all other stakeholders of the Company for their continued support, active cooperation, assistance and valuable guidance. Your future support will be highly constructive as we focus on building long-term value for all those who are invested in us, work for us and depend upon us.

I also would like to express my gratitude to the Members of the Board for their continuous support and wisdom without which the Company would not have been in its present position. I conclude conveying sincere thanks and heartfelt felicitations to the regulatory authorities like BSEC, DSE, CSE, RJSC & Firms; CDBL; our respected Shareholders, valued customers/clients, well-wishers and external auditors for their support, assistance & patronage.


A.K.M Azizur Rahman
Chairman


Bazlur Rahman
Managing Director

Management Discussion and Analysis (MDA)

Statement on MDA and legal references

Pursuant to the condition no. 1 (5) (xxv) of the Corporate Governance Code, 2018, issued by Bangladesh Securities and Exchange Commission (BSEC), the Management's Discussion & Analysis (MDA) report for our Financial year ended 30 June 2024 has been provided herewith. Our endeavor through this report is to enable our shareholders, stakeholders and others to get an insight into our broader operating conditions and environment within which we achieved our performance for the year under review. Bangladesh's economy is integrated with the global economy and hence an overview of the same has been articulated below. The company became able to sustain the positive reflection like 3 quarters during the annual accounts.

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), Bangladesh Securities & Exchange Commissions guidelines on Financial Reporting & Disclosures, the Companies Act 1994 and other applicable laws and regulations of the Country.

Global Economic Impact on the Textile Industry

The last five years of the pandemic have affected all the Industries worldwide including the Textile Industry. With the lockdown imposed and an unprecedented migration of the workers, the industry players had to face a major challenge in uplifting their business economy and creating demands for their products. There was a huge gap in the supply chain which had adverse effects on the textile industry at the global level.

But now when the virus is slowing down due to an increase in intake of the vaccines, the industries are witnessing smooth functioning and are getting back on track gradually. With other industries contributing significantly towards the emerging economy of the country, the Indian Textile Industry is also contributing consequently to the economic growth. The pre-Covid scenario witnessed the contribution of 7.4% to the industry output, 2.3% towards GDP, 13% towards export earnings and accounted for 6.8% of the global trade in textiles and apparel.

Current Scenario of Textiles industry

Bangladesh has come a long way since its inception and so has the textile and clothing industry which is the mainstay of the country's present economic success. About 84% of the country's total export earnings comes from the textile and clothing sector where the contribution of primary textile sector (PTS) is around 86%. Primary textiles are now considered as import-substitute industry which is helping the country retain foreign currency and enriching the foreign exchange reserves. Thence, at present the primary textile sector is standing on an investment footing of USD 19.4 billion. Bangladesh Textile Mills Association (BTMA) represents the primary textile sector which has the strength of 1700 mills including 500 spinning, 900 weaving (large and small) and 300 dyeing-finishing units with an employment of around one million people. Beyond that, there are many mills which are not members of BTMA.

The Covid-19 pandemic has taken a heavy toll on the sector's progress. But the timely initiatives by the government such as stimulus packages, ensuring the utility facilities for the sector, keeping the textile and clothing factories open during the lockdown helped the textile and clothing industry to combat the challenges. The RMG industry now has a good number of export orders which are expected to increase further. BTMA member mills supply 95% of raw materials to export-oriented knitwear sector and 40% of raw materials to the woven sector. In financial year 2021-22, the country's total export earning was 38.35 billion USD of which textile and clothing export was 32.58 billion USD and PTS provided support of 21 billion USD through local input supply that means the contribution of PTS was 64%. I believe, Bangladesh's textile industry has a promising future and in the coming days will become the golden hub of RMG sourcing for the world.

Accounting policies and preparation of financial statement

The financial statements are consistently prepared in compliance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) as adopted by ICAB, the Companies Act, 1994, and other applicable laws and regulations, and as per such internal controls as the management deems necessary to enable the preparation of financial statements that are free from material misstatement. The detailed description of accounting policies and estimation used in the preparation of the financial statements of the Company are disclosed in the notes from 1 to 4 to the financial statements.

No Changes in Accounting Policies

Sonargaon Textile Limited has been following consistent policies and estimation and there is no such change in accounting policies or estimation which has material impact on financial statements.

Comparative Analysis of Financial and Operational Performance:

The Directors' Report provides the analysis of financial performance and position during the year under review and also a detail comparison of financial performance and position as well as cash flows are presented as part of the financial statements including notes. However, major areas of financial performance, financial position as well as cash flows with immediate preceding five years are here in below:



FINANCIAL HIGHLIGHTS

Amount in BDT

Particulars	Financial Year				
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Revenue	199,200,723	284,168,891	454,935,378	109,038,473	630,919,942
Gross profit	28,264,824	17,494,430	70,287,517	16,795,877	71,635,477
Net Profit before tax	6,238,809	(6,198,432)	10,514,078	(352,841,341)	(99,335,070)
Net Profit after Tax	7,198,516	(6,208,625)	8,832,422	(353,333,158)	(98,563,119)
Financial Position					
Shares Outstanding	26,467,0560	26,467,056	26,467,056	26,467,056	26,467,056
Shareholders' Equity	511,189,350	503,990,832	301,969,159	293,136,737	646,469,895
Total Assets	1,283,584,904	1,278,380,075	1,391,759,686	1,343,343,547	1,658,105,948
Total Liability	772,395,554	774,389,241	1,089,790,527	1,050,206,811	1,011,636,053
Current Assets	563,158,972	519,400,805	592,926,333	500,094,974	980,228,253
Current Liabilities	28,983,202	28,316,970	24,481,701	20,014,266	18,601,875
Cash Flow Position					
Net Cash Generated from operating Activities	749,837	80,215,961	72,816	208,088,731	(20,513,278)
Net Cash Used in Investment Activities	-	-	-	213,071,827	-
Net cash Used in Financing Activities	-	80,000,000	-	4,177,691	8,160,730
Financial Ratio:					
Current Ratio	19.43	18.34	24.22	24.99	52.7
Debt to Equity	1.54	-	76:24	76:24	59:41
Gross Profit Margin (%)	14.19%	6.16%	15.45%	15.40%	11.35%
Net Profit Margin (%)	3.61%	-218%	1.94%	-333%	-15.62%
Return on Capital Employed (%)	0.45%	-0.01%	2.92%	-121%	-15.25%
Return On Assets (%)	0.437%	-0.005%	0.63%	-26.30%	-5.94%
Assets Turnover	0.16	0.22	0.33	0.08	0.38
Net Assets Turnover	0.39	0.56	1.51	0.37	0.98
Ordinary Shares Information					
Shares Outstanding	26,467,056	26,467,056	26,467,056	26,467,056	26,467,056
Face Value Per Share	10	10	10	10	10
Net Assets Value Per Share	19.31	19.04	11.41	11.08	24.43
Net operating Cash Flow Per Share	0.03	3.03	0.003	7.86	(0.78)
Earnings Per Share	0.27	(0.23)	0.33	(13.35)	(3.72)

Comparison of Financial Performances with peer industry scenario:

A comparison of financial performances, financial position as well as cash flows of 4 (four) spinning companies which are listed in DSE & CSE as on 30 June, 2024 are presented below:

Financial Performance

Amount in BDT

Particulars	Sonargaon Tex	ASKML	Rahim Textiles	Aman Cotton
Revenue	199,200,723	5,250,324,581	1,558,531,428	1,922,869,489
Gross Profit	28,264,824	354,889,153	171,357,763	153,385,273
Net Profit Before Tax	6,238,809	102,306,181	21,271,014	70,77,447
Net Profit After Tax	7,198,516	30,621,308	9,751,848	(25,231,485)
Shares Outstanding	264,670,560	84000000	94,596,830	1,008,333,330
Shareholders' Equity	511,189,350	529,261,452	234,804,554	3,402,615,743
Total Assets	1,283,584,904	1,801,863,686	1,840,068,812	5,604,338,341
Total Liabilities	772,395,554	1,272,602,234	1,605,264,258	2,201,722,598
Current Assets	563,158,972	1,346,137,193	1,162,907,351	3,833,783,985
Net Cash Generated from operating Activities	749,837	188,347,422	(71,804,489)	160,288,622
Net Cash Used In investment Activities	-	(153,038,464)	(133,808,101)	40,292,485
Net cash Used In Financing Activities	-	(65,666,377)	88,136,444	(185,413,455)

Future Plan or Projection or Forecast

The Management of Sonargaon Tex is very sincere in adoption of necessary feasible plans and strategy in respect of sustainability in its performances & financial position and to continue the operations for foreseeable future.

Operational Risks and Control

The common risk factors are discussed in the director's report in page-32 of this report, other than these factors there are some operational risks of breaking down of machineries, electrical breakdown, labor scarcity etc. STL controls all the operational risk by strategic plan under the instruction of Director Operation.

Risk and Concerns Issues Related to the Financial Statements

The Company has a series of strategic policies, practices and controls in place in relation to the financial reporting and consolidation process which are designed to address key financial reporting risks, including risks arising from changes in the business of accounting standards. The Finance Director is required to confirm annually that all information relevant to the Company's Audit has been provided to the Board of Directors through the Audit Committee and that reasonable steps have been taken to ensure full disclosure in response to requests for information from the external auditor.

Related party transaction

The detail of the related party transactions along with the nature of the transactions is provided in note 20 (Related party disclosures) of the financial statements.

Management Perception

The Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions. It is emphasizing on volume based strategy for increasing room occupancy as well as enhancing the quality

that will attract the customers and grab the market share at large scale in international market.

Strategic Scheme

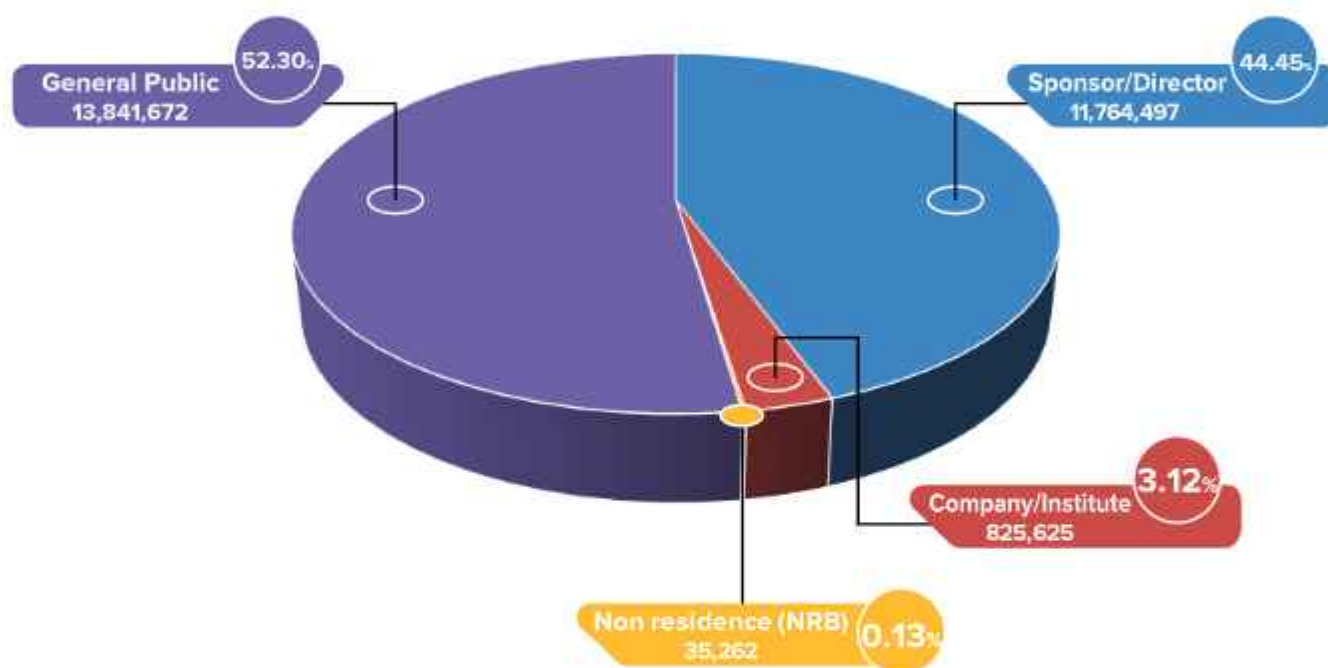
Sonargaon Textiles Limited has been providing flexibility for everyone, around the world by export quality products. This is our primary focus and all our initiatives are targeted at realizing this broad purpose. We are continuing to place emphasis on identifying evolving customer needs in the market and enabling us to fill the gaps in our product portfolio. We are working with immense motivation and innovation to lead the Company to a new spectrum that will serve as an example for not only the Bangladeshi but also the international business sector. Our distinctive strength to achieve the vision is our dedicated and competent employees, which I always appreciate. I am also thankful to the Board of Directors for their visionary role and guidance.


Bazlur Rahman
Managing Director

REPORT ON PATTERN OF SHAREHOLDINGS

PATTERN OF SHAREHOLDING AS ON 30 JUNE 2024

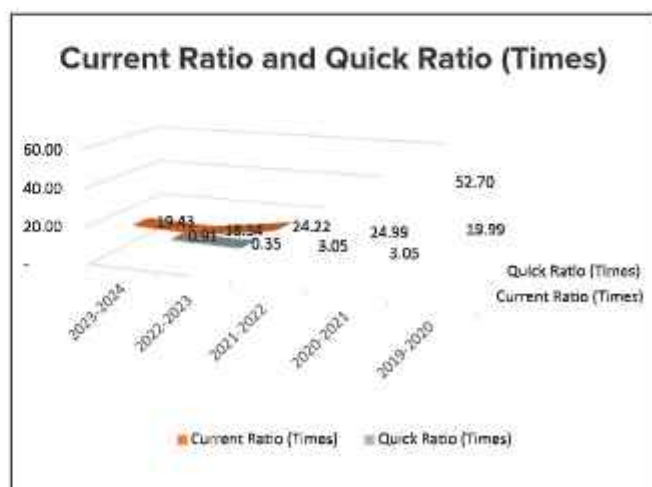
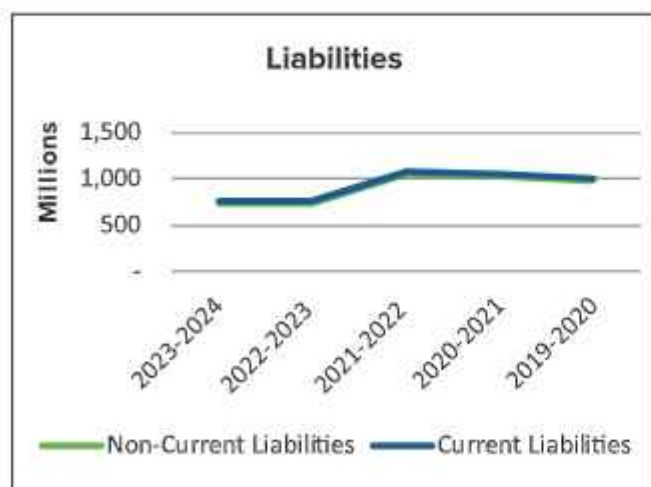
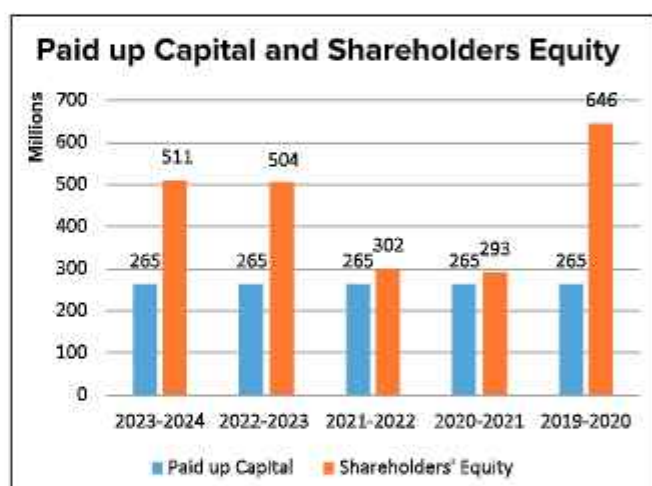
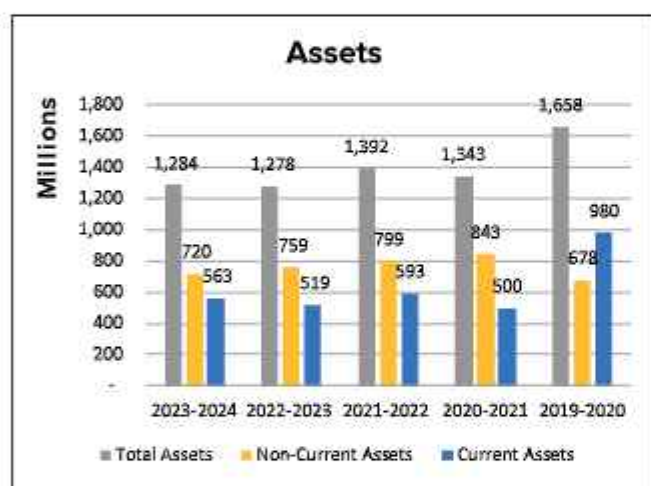
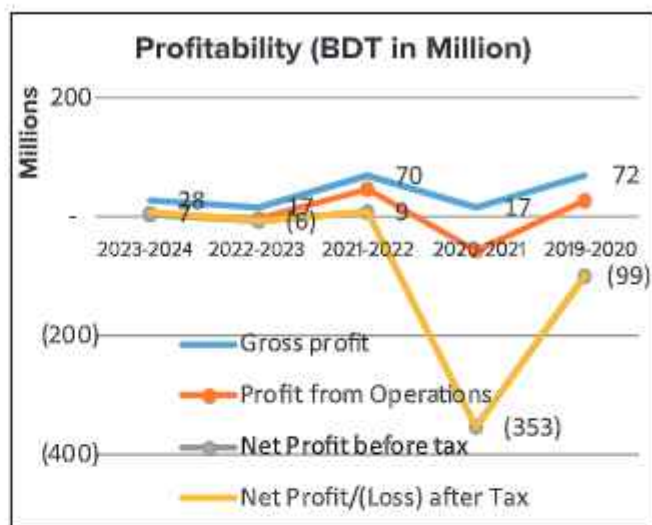
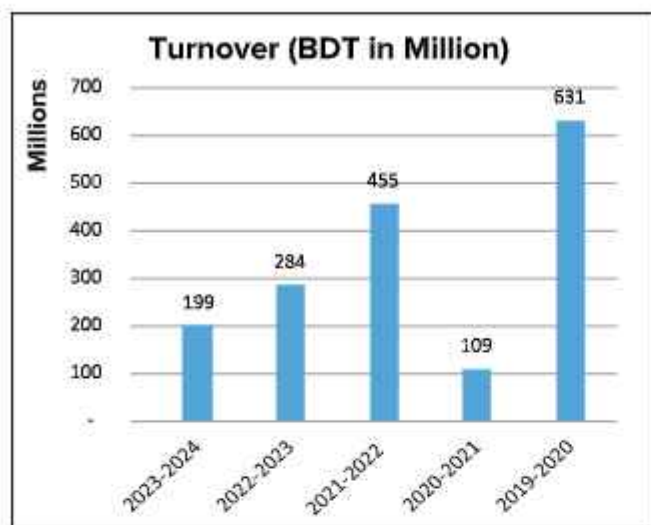
Percentage (%) of Shareholding

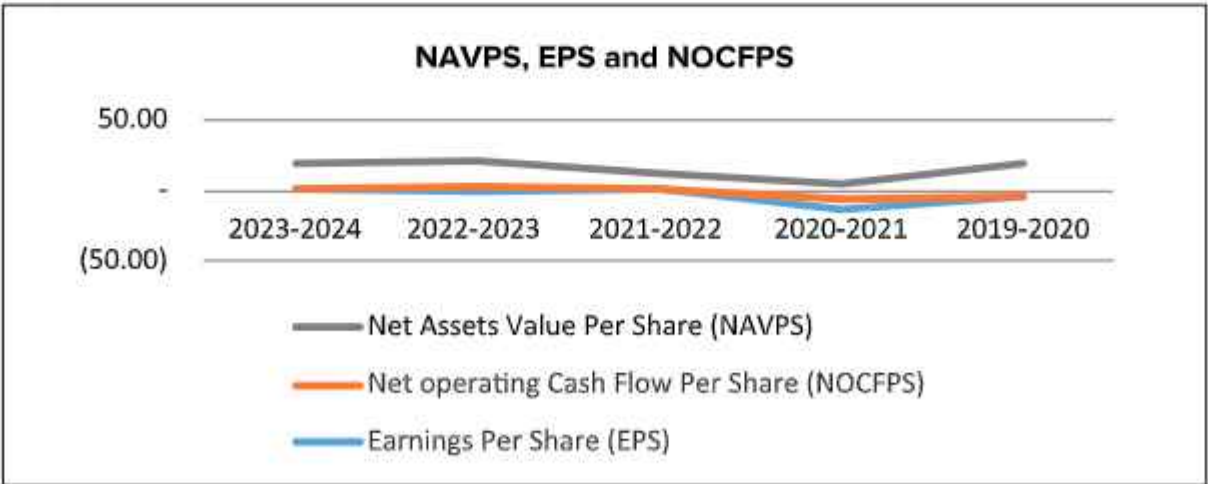
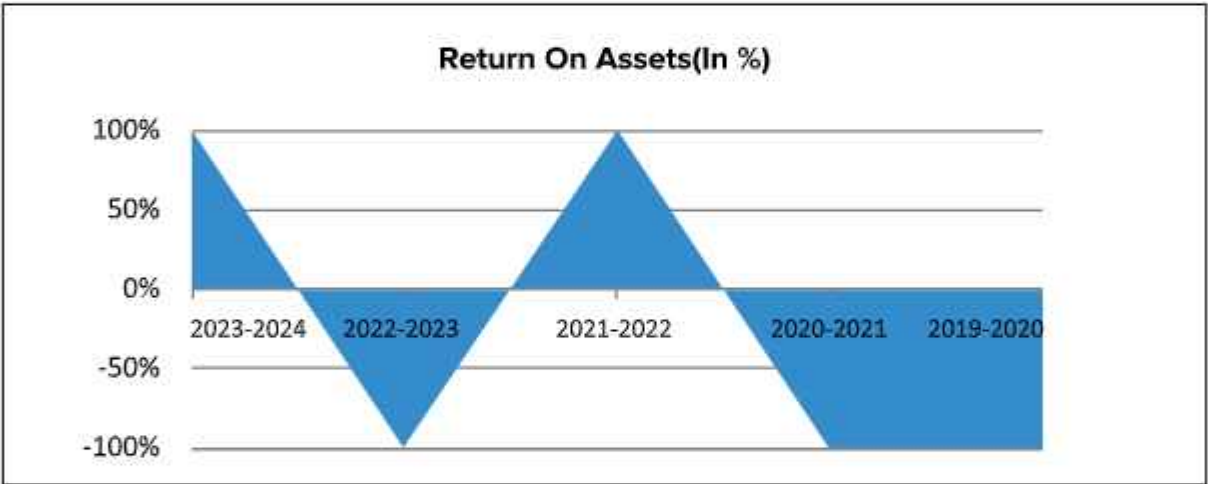


- Sponsor/Director
- Company/Institute
- Non residence (NRB)
- General Public

Type of Shareholders	No. of Shares	Percentage (%) of Shareholding
Sponsor/Director	11,764,497	44.45%
Company/Institute	825,625	3.12%
Non residence (NRB)	35,262	0.13%
General Public	13,841,672	52.30%
Total	26,467,056	100.00%

FINANCIAL RESULTS (GRAPHS)





Disclosure of Shares held by 10% or More Voting Interests in the Company

Name of the Director	Position	Shares held
Mr. A K M Azizur Rahman	Chairman	5,200,851
Mrs. Rosy Rahman	Director	3,282,468

Positive growth in net worth of the company over the last Five (5) years

Amount in Taka

Particulars	Financial Year				
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Net Turnover	199,200,723	284,168,891	454,935,378	109,038,473	630,919,942
Gross profit	28,264,824	17,494,430	70,287,517	16,795,877	71,635,477
Net Profit before tax	6,238,809	(6,198,432)	10,514,078	(352,841,341)	(99,335,070)
Net Profit after Tax	7,198,516	(6,208,625)	8,832,422	(353,333,158)	(98,563,119)
Earnings Per Share	0.27	(0.23)	0.33	(13.35)	(3.72)
Paid up Capital	264,670,560	264,670,560	264,670,560	264,670,560	264,670,560
Shareholders' Equity	511,189,350	503,990,832	301,969,159	293,136,736	646,469,895
Net asset value per share	19.31	19.04	11.41	11.08	24.43

Cash or Stock Dividends paid in previous Five (5) financial years

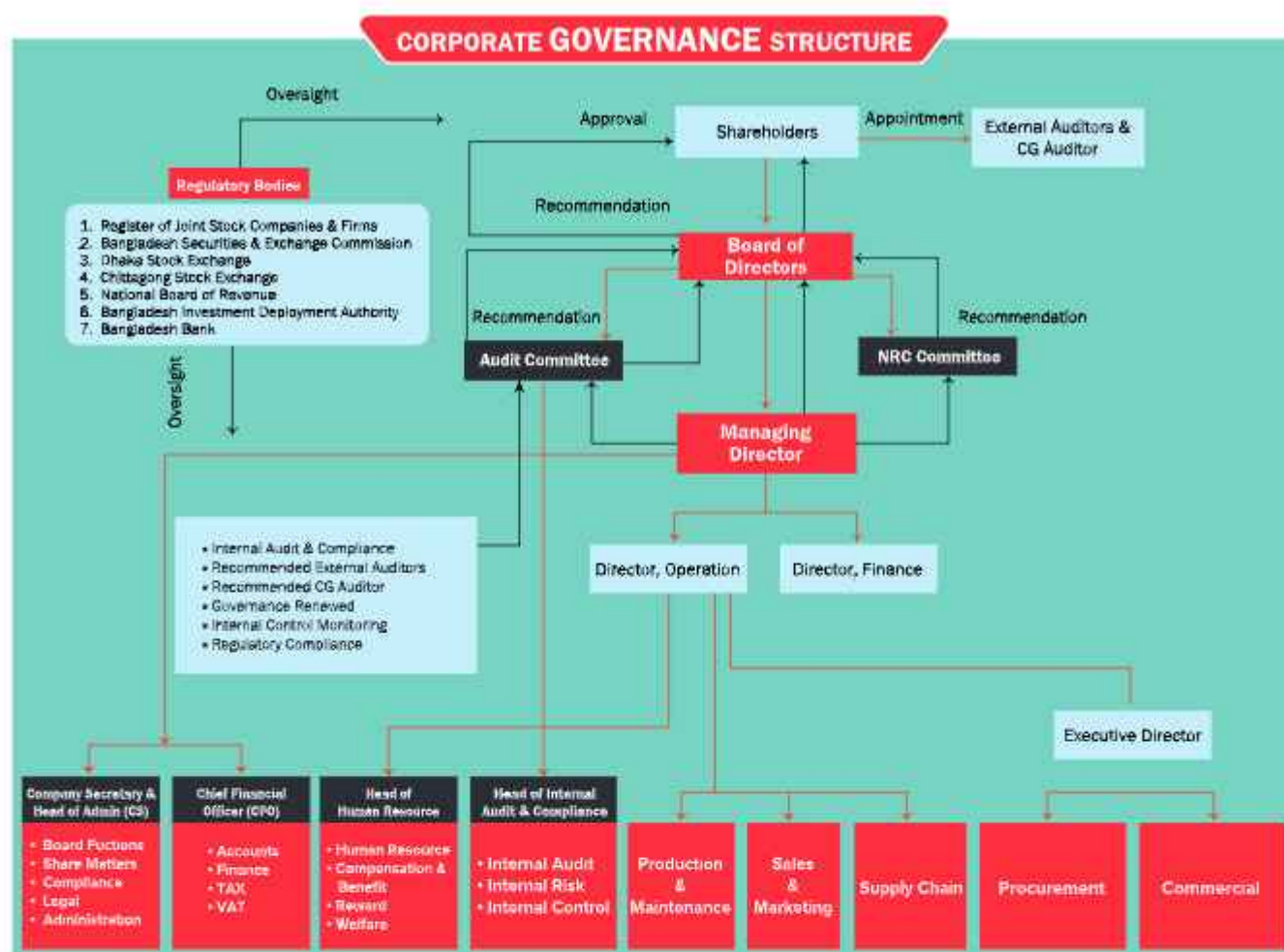
Year of Dividend	Record Date	AGM date	Nature of Dividend	Percentage of Dividend	Remarks or Status (Year wise Dividend list)
2019-20	25 Nov 2020	24 Dec 2020	No dividend		34th AGM on June Closing (COVID Pandemic reflection)
2020-21	28 Nov 2021	26 Dec 2021	No dividend		35th AGM on June Closing (COVID Pandemic reflection)
2021-22	21 Nov 2022	26 Dec 2022	Cash	1.00%	36th AGM on June Closing (Post COVID Pandemic reflection)
2022-23	27 Nov 2023	27 Dec 2023	No dividend		37th AGM on June Closing
2023-24	17 Nov 2024	29 Dec 2024	Cash	1.00%	38th AGM on June Closing

Satisfactory EPS growth of the company over the last Five (5) years

Amount in Taka

Particulars	Financial Year				
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Net Profit after Tax	7,198,516	(6,208,625)	8,832,422	(353,333,158)	(98,563,119)
Earnings Per Share	0.27	(0.23)	0.33	(13.35)	(3.72)
Total number of Share	26,467,056	26,467,056	26,467,056	26,467,056	26,467,056

STATEMENT ON CORPORATE GOVERNANCE 2023-24



The Philosophy of Corporate Governance

The corporate governance of Sonargaon Textiles Limited aims to achieve sustainable growth and establish reliance as a company that is highly evaluated by the customers, shareholders, clients and society in all aspects including products, service, technology, financial strength, quality of employees with good governance practice.

Corporate Governance Framework

The Company's Corporate Governance practice is based on the principles of full compliance with the laws of Regulatory Bodies in which we operate and on open and transparent communication with all Shareholders. CG framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Bangladesh Securities and Exchange Commission (BSEC) notifications no. BSEC/CMRRCD/2006158/207/ Admin/80 Dated 10 June 2018 on Corporate Governance known as Corporate Governance Code;
- The Companies Act 1994 and other applicable regulations of Bangladesh; Dhaka and Chittagong Stock Exchanges Listing Regulations;
- All relevant Laws of the Bangladesh Government;
- Standards of Business Conduct, Policies and Guidelines of The Company; Statement of Risk Management and Control policy of the Company;

- Bangladesh Labor law, 2006 (Amendment 2013)
- Statement of Delegated Authorities of the Company; and
- Local and global best practices.

The Board of STL continuously reviews its corporate governance frameworks to ensure its relevance, effectiveness and sustainability in addressing future business challenges.

Governing Board

The board of Directors of Sonargaon Textiles Limited believes in ensuring the optimum Standard of corporate governance (CG) as it will ensure the company's sustainability. The Board of Directors constituted by a galaxy of talents from the business field and very resourceful persons. The Board also includes independents Directors who are most enlighten in respective business filed.

Board Practices

A Board of Directors is a body of elected and/or appointed individuals who collectively oversee the activities of a company. Its activities are determined by the powers, duties and responsibilities delegated to it or conferred on it by an authority and these matters are typically detailed in the Articles of Association. The Articles commonly also specify the number of members of the Board, how they are to be appointed, how frequently they are to meet and the manner/

procedure they should follow. In addition to that the Board may lay down a code of conduct for its members. The Board of Directors Play fundamental role in upholding and nurturing the principles of good governance.

The Board is responsible to the shareholders for overall success of the company, its strategic directions, its values, and its governance.

Board Composition

The Board of Directors consists of five (5) members including one Independent Director. There are a nominee Director by the Bangladesh Development Bank limited (BDBL) as per bank nomination and acceptance of the Board.

The Directors are from varied businesses and other backgrounds and their experience enables them to execute independent judgments on the Board where their views carry substantial weight in the decision making. The Board is the highest body of the governance of the Company. A qualified person expert in legal framework is performing the role of the Company Secretary as the third eye and safeguarded of the board.

Responsibilities of the Board

- Formulating long term strategy and policy for the company.
- Reviewing entity's risk assessment and ensure existence of Appropriate system to manage the risks.
- To establish visionary road map for greater interest.
- To review and flow up the financials for the greater interest of the company.
- The Board is collectively responsible to the Company's share-holders as laid down in its Articles of Association and the Relevant laws and Regulations.
- The Company Secretary is accountable to the Board for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

Disclosure of other Directorship:

A.K.M. Azizur Rahman is Chairperson of the Board who is a sponsor Director since 1985. His detail profile has been mentioned in Director's profile of this Annual Report. He has other Directorship in other company as stated below:

Company Name	Position
Golden Life Insurance	Chairman
Continental Insurance Ltd.	Chairman
Millenium Holdings Limited	Chairman
Khansons Textiles Limited	Managing Director
Khansons Automobiles Ltd.	Managing Director
Khansons Corporation Ltd.	Managing Director
Khansons Jutex Ltd.	Managing Director
Khansons Holdings Limited	Managing Director

Md. Bazlur Rahman is the present Managing Director and sponsor since 1985. His detail profile has been mentioned in Director's profile of this Annual Report. He has other Directorship in other company as stated below:

Company Name	Position
Khansons Textiles Limited	Director
Khansons Automobiles Ltd.	Director
Khansons Corporation Ltd.	Director
Khansons Jutex Ltd.	Director
Khansons Holdings Limited	Director

Mrs. Rosy Rahman is a sponsor Director in the Board since 1985. Her detail profile has been mentioned in Director's profile of this Annual Report. She has other Directorship in other company as stated below:

Company Name	Position
Central Insurance Co. Ltd.	Director
Khansons Automobiles Ltd.	Director
Khansons Corporation Ltd.	Director
Khansons Jutex Ltd.	Director
Khansons Holdings Limited	Director

Chairman & CEO

- The position of the Chairman and the CEO are filled by different individuals, as per the guidelines of BSEC. The Chairman is non-executive Director of the Board.
- The Chairman and the CEO are elected among the Directors of the Company. The roles of the Chairman and the CEO have been laid down by the Board.
- The Chairman is responsible for leadership of the Board, for ensuring its effectiveness on all aspects of its role and also for facilitating the productive contribution of all Directors.
- The Managing Director has overall responsibility for the performance of the Company's business. He provides leadership to the Company to ensure the successful planning and execution of the objectives and strategies.
- The Chairman and CEO are not separate person with separate responsibility and do not play the dual role.

Board Committees

In order for quicker and efficient flow of information, The Board has established three Board Committees to which it has delegated some of its responsibilities. They are the Audit Committee, Remuneration Committee and Executive Committee. Each Committee has its own terms of reference under which respective authority is delegated by the Board and is kept under review and updated regularly to ensure that they remain consistent with the best practice. The Company Secretary provides each of the Committees with secretarial services.

Audit Committee

The company's control mechanism is overseen by the Board's Audit Committee which comprises four Members including two Independent Directors of the Company.

The Chairman of the Audit Committee is an Independent Director. Brig Gen Mohammed Abdul Halim (Retd.) is Independent Director and Chairman of the Audit committee. His long career with different organizations and companies

and extensive experience ensure great benefit to the Company over the year. The Company Secretary acts as the Secretary of the Committee.

As required, all members of the audit committee are "financially erudite" and are able to analyze and interpret financial statements to efficiently discharge their duties and responsibilities. A report of the audit committee is enclosed as a part of the annual report.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) discharges the responsibilities of the Board of Directors relating to compensation and nomination of the Company's executive directors and senior management. The Nomination and Remuneration Committee (NRC) consists of three members including one Independent Director.

This committee:

- Reviews the performance of the Chief Executive Officer, Executive Directors, Chief Financial Officer and Senior Management and continues to determine individual remuneration packages.
- Recommends to the Board on remuneration including salary and perquisites of the CEO, ED, CFO and Senior Management.
- To ensure CEO, ED, CFO & Senior Management remuneration is aligned with trends.

Executive Committee (EC)

In discharging the responsibilities and duties, the Board is duly assisted by the functional head of the company, namely the Executive Committee. The Director, Operation and Director Finance lead the Executive Committee which comprises of the following heads of the organizational functions:

- Company Secretary (CS)
- Chief Financial Officer (CFO)
- Head of Internal Audit and Compliance
- Head of Accounts & Finance
- Head of Supply Chain & Procurement
- Head of Human Resource
- Head of Commercial
- Head of Maintenance & Production

Company Secretary

The board has appointed a company secretary in order to maintain the necessary link and liaison with internal and external organs for legal and regulatory affairs. He is the Officer of the Board and the Chief Compliance Officer of the Company. He is a qualified fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He has vast knowledge on corporate governance and guiding principles for governing the Board with whistle blower policy.

Roles & Responsibility of Company Secretary

- Company Secretary is administratively responsible to the Managing Director and functionally to the Chairperson of the Board.
- To organize board meetings, informing board of Directors about the impending meeting, formulating the agenda of the meeting with Chairman and/or Chief Executive, compiling the minutes of the meeting and maintaining minute books.

- To ensure that Annual General Meetings (AGM) are held as per the Companies Act and the companies' Article of Association.
- To maintain relations with Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), and the respective regulatory bodies. And he/she is responsible for relaying information regarding the company to the market.
- To maintain the statutory registers regarding the members Company charges, directors and secretary, directors' interests in shares and debentures, interests in voting shares and debenture holders.
- To file annual reports, amended Memorandum and Articles of Association, return of allotments, notices of appointments, Removal and resignation of directors and the secretary, notices of removal or resignation of the auditors, change of registered office and resolutions in accordance with the Companies Act with the Registrar of Joint Stock Companies and Firms (RJSC).
- To publish of the company's annual report and accounts.
- To maintain the company's register of members, deal with questions of the shareholders and transfer of shareholding etc.

Responsibility of Chief Financial Officer, Company Secretary and Head of Internal Audit:

In line with the guideline of BSEC, the company has been appointed Chief Financial Officer, Company Secretary and Head of Internal Audit. They work as per respective roles, responsibilities and duties defined by the board. The Chief Financial Officer and the Company Secretary attend the meetings of the Directors. Review of Business and Financial Operation. The business operations of the Company are regularly supervised, reviewed and guided by the Board. The purpose of business review is to ensure follow up the result based on strategic objective and control. Financial reviews ensure the follow up of quarterly results. The purpose also is to provide an analysis of the economic and financial conditions, which will be the source of basis for external reporting and presentations.

Role and Responsibility of CFO jointly with Managing Director

The Chief Financial Officer (CFO) provides both operational and programmatic support to the organization. The CFO supervises the finance unit and is the chief financial spokesperson for the organization. The CFO reports directly to the President/Chief Executive Officer (CEO) and directly assists the Chief Operating Officer (COO) on all strategic and tactical matters as they relate to budget management, cost benefit analysis, forecasting needs and the securing of new funding. The Chief Financial Officer (CFO) along with Managing Director/CEO jointly reviews financial statement from true and fair view which is declared in page-56.

Credit Rating Report

The Credit Rating Report of the Company is available in the website.

Internal Control Process & Internal Audit Team

The Company has its own internal audit Department and Internal audit team who are accountable to the Audit Committee. The internal audit team time to time reports to the Board of the Directors as part of internal control process.

The Company's internal control system is designed at Board and Management levels to provide reasonable assurance regarding the achievement of the Company's objectives in respect of effectiveness and efficiency of operations, reliability of financial reporting and management information, compliance with applicable laws, regulations and the Company's policies.

Written Roles and Responsibility of Head of Internal Audit:

- Head of Internal Auditor maintain and develop a Strategic audit framework based on an understanding of the risks that the organization is exposed to and develop an audit plan incorporating risks identified via internal audit and risk workshops and to promote higher standards of risk management and value for money through the organization. The Internal Audit Team is governed by an internal audit charter approved by the Board in addition of ToR of the Audit Committee. The responsibility of Internal Audit team is as stated below:
- Plans and conducts operational, financial and compliance audits to evaluate the effectiveness of internal controls.
- Determine compliance with selected policies, procedures, and regulations.
- Make written recommendations to senior administrators to increase efficiency and/or effectiveness of the control systems of functions reviewed.
- Plan and conduct audits to assess controls, operational efficiencies and compliance with selected policies, procedures and regulations.
- Resolve audit problems that occur and develop modifications to coverage and schedule.
- Perform special investigations as requested by the Chairman or Managing Director.
- Consults with administrators and staff at all levels to promote good business practices.
- To take the lead in investigating reported misuse of funds.
- To promote improved standards of financial control and value-for-money.
- To enhance the quality and extent of the partner external audit and financial accompanier function.
- To co-ordinate the external audit approach of the agency, through liaison with the external auditors, to ensure the most efficient and effective use of audit resources.
- To report twice yearly on the results of the Internal Audit Department to the Finance and Audit Committee.
- Assist in developing annual audit plan and submit to Chairman, Managing Director for review and approval.

Statement of Director's Responsibility on Internal Controls

The Internal Audit team works under the instruction of the Chairperson and members of Audit Committee independently. The directors who are members of Audit Committee are responsible for controlling the risk factors discovered by the audit team by a systematic and well-disciplined audit methodology and Internal Audit Charter.

Standard for Measuring the Adequacy of Internal Control Systems:

The Audit Committee directly accountable the Board. During each quarterly meeting, the members of the Audit Committee reviews the internal audit control system considering the applicable Laws, Rules, Regulation, Guidelines. The members

of AC places and recommends to the Board for justify the adequacy of internal control process and recommend for necessary steps to be taken. The head of Internal Audit submits regular reports on identified issues which is discovered during each quarter.

Management Delegation & Strategic Business Units (SBU)

The Board of directors of STL believes on proper and exact delegation of the responsibilities for real time communication.

The Board of STL has delegated adequate operational and financial authorities to the Managing Director which empowers him to set up the organizational configuration, recruit appropriate people, empower them to manage the Strategic Business Units and functional areas and provide them guidance for achievement of the desired outcomes.

Empowerment and Supervisory Control

The Board of STL ensures that there is appropriate delegation of power of authority and clear the accountability of the management staff all the way down to the Supervisory level and that performance of the individual is judged on the basis of clearly set measurable goals and through objective assessment of their achievements.

Standard of Business Conduct and Code of Conduct (COC)

Sonargaon Textiles Limited has been maintaining a Standards of Business Conduct since its incorporation. The board of the Directors of the Company also adopted a separate complete Code of Conduct which is especially playing the role of whistleblowing concept in a greater interest. This code of conduct includes behavior declaration of conflicts of interest, bribery and corruption, respect in the workplace, human rights and our operations, entertainment and gifts, charitable contributions, accurate accounting and record keeping, protection of corporate assets, confidentiality and information security, insider dealing and market abuse, competition and anti-trust laws, money laundering and anti-terrorism, illicit trade, trade in the company's products and sanctions.

Other Internal Policies and Guidelines

The Company also has other internal policies, guidelines, procedures and codes in support of the Company's Corporate Governance Framework. The Company also adopted many other policies are as stated below:

- Human Resource Policy
- Policy on Environment, Health, Safety and Security.
- Risk Management policy (External & Internal Risks)
- Anti-Barbary Policy
- Insider Trading Policy
- Dividend policy
- Supply Chain Management policy
- Procurement Policy

Statutory Auditor

Appointment of the Statutory Auditor is regulated by the Companies Act 1994 and by Securities & Exchange Rules 1987. On the basis of suggestion of the Audit Committee, the Board recommends appointment of an auditor, which is approved by the Shareholders at the Annual General Meeting. Along with the appointment, the Shareholders also fix the remuneration of the auditors. Under the BSEC order, a Statutory Auditor can continue in office for maximum three consecutive years. From a Corporate Governance

perspective, Sonargaon Textiles Limited maintains complete and thorough independence of the Statutory Auditors. The Audit Committee meets with the statutory auditors to ensure that the auditors are acting independently and reviews the financial statements before submission to Board for approval.

Disclosure of Subsidiary Company

STL doesn't have any investment in subsidiary company.

Transparent Disclosure

Sonargaon Textiles Limited prepares financial statements with

adequate disclosures in accordance with the Bangladesh Accounting Standards (BAS), International/Bangladesh Financial Reporting Standards (I/BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. In order to prepare the financial statements, the management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying accounting policies and making accounting estimates that are reasonable in the circumstances. These financial statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. The external auditors also attend the Audit Committee meetings to review the quarterly financial statements as prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Company policies.

Bangladesh Secretarial Standard (BSS)

Sonargaon Textiles Limited strictly follows all Secretarial standards (BSS) and all its regulations set by the Institution of Chartered Secretaries of Bangladesh (ICSB). The Company Secretary & Share Department strictly maintains minutes books and statutory registers as advised by BSS.

Shareholder's Right

The Board ensures through the Company Secretary that all the Shareholders of the company are treated equitably and ensures that the rights of all Shareholders are equally protected. The Board believes that the management of a successful and productive relationship with its Shareholders must be underpinned by the importance of maintaining transparency and accountability. The Company Secretary acts as a bridge between the Shareholders and the Board of Directors of the Company who delivers the standard services to its valued Shareholders ensuring the well-defined Shareholders' rights in accordance with applicable laws the Articles of Association of the Company.

Board Commitments

Sonargaon Textiles Limited has flourished and shall continue to value its treasured relationship with the Government of Bangladesh, esteemed shareholders and other stakeholders of the Company by practicing the highest standards of corporate governance. The Company has demonstrated an unwavering dedication to the country and its people and this commitment is what sets the distinction apart from any other business entity.

Independent Director: (Appointment Process and expertise on regularity Rules and compliance)

STL emphasizes on the qualification of the Independent Director advised in Corporate Governance Guideline of 2018.

To do that NRC recommends the Board for scrutinizing the criteria of his academic qualification and business leadership capacity which passes through a systematic process until the approval of by the Shareholders in AGM. As per the condition no. 01, Sub condition no. 2(e) of Corporate Governance Code gazette on 03 June 2018 issued by BSEC, the tenure of the office on an Independent director shall be for a period 3 (three) years, which may be extended for 1 (one) tenure only. STL maintains 1/5th appropriate proportion of the Independent Director. Brig Gen Mohammed Abdul Halim has sufficient knowledge to meet all regularity compliances.

Nomination Process of the Board

The members of Nomination and Remuneration Committee (NRC) follow nomination criteria for recommending new members of the Board. They consider the diversity as per nature of the company's Business. The main factors of election process for appointing the executive and non-executive Directors are settled by Board considering the expertise knowledge and technical knowhow based on the NRC's recommendation. The Board accept any Nominee Director considering investment relation as per recommendation of NRC.

Qualification to be a Board Members

The NRC committee recommends to the Board for appointing a new Board Member considering the factors as stated below:

- Positive attributes
- Standard of Performance
- Business Age/year of Experience
- Educational background
- Nationality
- Professional Attachment
- Goodwill, Brand Value and Market Reputation
- Leadership Capacity

Induction Policy of the Board of Directors

The NRC of STL follows a policy for induction approved by the Board of Directors. After confirmation of the Board the new Director has to follow joining formalities. He/she has to introduce the Code of Conduct of the Board Members and be aware of the respective well defined roles and responsibilities. The Head of HR is aligned to the Nomination and Remuneration (NRC) for developing, editing, and formulating this induction policy.

Training and Performance Evaluation Process of the Board Members

The HR department prepares training schedule calendar for round the year and addresses the Training Needs to the Chairman, NRC. The Board usually accepts the recommendation of NRC for arranging the training for the directors of the Board Members inspecting Training Need Analysis (TNA). The Chairman NRC uses a prescribed format for evaluating the performance the Board members considering factors as stated below:

- Justifying qualitative difference before and after his contribution (common for all Directors);
- Counting values have been added by the Director/ Independent Director during last fiscal year;
- Calculating three areas of major changes during last financial year (yearly contribution);
- Calculating three areas of major changes during first tenure contribution (first 3 years means first tenure

- evaluation: only for the Independent Director;
- Calculating three areas of major changes during second tenure contribution (Consecutive 6 years means 2nd tenure Evaluation: only for the Independent Director;
- Considering three factors for recommendation by NRC appointing him/her for the first/2nd time;
- Considering the factors for recommendation by NRC appointing him/her for life time;

Public Relation (PR) and Feedback Process to the Shareholders

The Company Secretary acts as the Public Relation officer to the shareholders and all the stakeholders of the Company. The Company encourages communications with Shareholders throughout the year and welcomes their participation at shareholders' meeting. Four times each year, STL reports to its shareholders regarding its business, financial position and earnings. An Annual General Meeting normally takes place within the first six months of each fiscal year. Among other things, the Annual General Meeting decides on the appropriation of net income, election of the Board members and the appointment of the Auditors. Amendments to the Memorandum and Articles of Association and any change in the Company's paid up capital structure are approved exclusively at the Annual General Meeting and are implemented by the Board.

Disclosure of Whistle Blowing Policy

STL welcomes whistle-blower reports and encourages the staff and third parties to draw its attention to the instances of corporate wrong-doing within the company; provided that any deliberate victimization shall be strictly dealt with. It will be appropriately investigated and acted upon once such disclosures are received. STL regards the attempts to victimize or discriminate against a Whistle-blower as potentially gross misconduct.

The summary disclosure of the whistle blowing policies is stated below:

- The Board must give the choice of freedom to any level staff for alarming spontaneously;
- The Board must check the risk factors by respective department with knowledge of respective expert;
- The Board must assigned responsible person for immediate and preventive action ;
- The Board must update and review the policy time to time.

Public Disclosure of Information

All information in reports and documents that the Company files with or submits to the Securities or Exchange Commission is required to be full, fair accurate, timely, and understandable. This standard also applies to other public communication made by the company. All directors consider this requirement in carrying out his or her Board duties.

Website of the Company

The company has an official website www.khansongroupbd.com which is linked with the website of the stock exchanges. The company make available the detailed disclosures on its website immediately as required under the listing regulations of the concerned stock exchange(s).

Report on Compliance with Corporate Governance by the Board of Directors:

It is the Board's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of all Directors to adhere to the standards and restrictions imposed by those laws, rules and regulations. The Board of Directors reviews once a year and emphasizes on the Corporate Governance Code of 2018 which is attached as the checklist in page-55 of this Report.

SONARGAON TEXTILES LTD.

Declaration by Managing Director and Chief Financial Officer (MD and CFO)

26 October 2024

The Board of Directors

Sonargaon Textiles Limited

37 Kawran Bazar C/A (8th & 9th Floor)
Dhaka-1215.

Subject: Declaration on Financial Statements for the year ended on 30th June 2024.

Dear Sirs,

Pursuant to the condition No 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969 we do hereby declare that:

01. The Financial Statements of Sonargaon Textiles Limited for the year ended on 30 June 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
02. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
03. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
04. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
05. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
06. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 30th June 2024 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Md. Bazlur Rahman Khan
Managing Director



M. Monirul Islam Khan
Chief Financial Officer

CERTIFICATE OF COMPLIANCE

SARashid & Associates (Chartered Secretaries)

Noakhali Tower (12th Floor, 13-D)

55/B Purana Paltan, Dhaka-1000, Bangladesh

Phone : +88 02 22 33 83 847, +88 01 755 944 966

E-mail : sarashid12000@yahoo.com, sarashidnasso@gmail.com

S. Abdur Rashid FCS

MBS, MBA (Finance), PGDHRM, LLB, FIPM

Chartered Secretary in Practice

Private Practice Certificate No.: 003

Report to the Shareholders of Sonargaon Textiles Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Sonargaon Textiles Limited, for the year ended on 30 June 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column of the Statement on Status of Compliance of the Code prepared by the Directors of the Company;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act 1994, the securities laws and other relevant laws; and
- The Governance of the Company is satisfactory.

Place : Dhaka

Dated : 04 December 2024



For
SARashid & Associates

S. Abdur Rashid FCS

Chartered Secretary in Practice

STATUS OF CORPORATE GOVERNANCE (CHECKLIST)

Status of Compliance Report on Corporate Governance of SONARGAON TEXTILES LIMITED

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is appended below:

(Report Under Condition No: 09)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	Board of Directors:-			
1. (i)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1. (2)	Independent Directors (IDs)			
1. (2) (a)	At least 2 (two) or one-fifth (1/5) of the total number of directors in the company's Board which is higher shall be ID; At least 1 (one) ID shall be female (appointment to be made by 03 April 2025)	✓		1st Tenure of existing ID would expire on 13 Nov 2024, letter regarding consent of BSEC for his re-appointment shall be made soon; Appointment of Female ID shall be processed by 03 April 2025.
1. (2) (b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director-			
1. (2) (b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1. (2) (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who hold one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above-mentioned shares in the company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1. (2) (b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) Financial Years;	✓		
1. (2) (b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1. (2) (b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1. (2) (b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of a stock exchange or an intermediary of the capital market;	✓		
1. (2) (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1. (2) (b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1. (2) (b) (ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution;	✓		
1. (2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1. (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM); "Provided that the Board shall appoint the independent director, subject to prior consent of the commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company."	✓		1st Tenure of existing ID would expire on 13 Nov 2024, letter regarding consent of BSEC for his re-appointment shall be made soon; Appointment of Female ID shall be processed by 03 April 2025.
1. (2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days; and			
1. (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]. Provided further that the independent director shall not be subject to retirement by rotation as per the, (Companies Act, 1994).	✓		
(3)	Qualification of Independent Director:			
1. (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make a meaningful contribution to the business;			
1. (3) (b)	Independent Director shall have following qualifications:			
1. (3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company; or			N/A
1 (3) (b) (iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or Provided that in case of appointment of existing official as Independent director, it requires clearance from the organization where he or she is in service; or	✓		
1 (3) (b) (iv)	University Teacher who has an educational background in Economics or Commerce or Business Studies or Law; or			N/A
1 (3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1 (3) (c)	The Independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer;			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1 (4) (d)	The Board shall clearly define the respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of the absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
(5)	The Directors' Report to Shareholders:			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1 (5) (i)	An industry outlook and possible future developments in the industry;	✓		
1 (5) (ii)	The segment-wise or product-wise performance;	✓		
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on the environment, if any;	✓		
1 (5) (iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1 (5) (v)	A discussion on the continuity of any extraordinary activities and their implications (gain or loss);			N/A
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1 (5) (vii)	A statement of the utilization of proceeds raised through public issues, rights issues and/or any other 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 Share Offer, Direct Listing, etc.;			N/A
1 (5) (ix)	An explanation of any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1 (5) (x)	A statement of remuneration paid to the directors including Independent Director;	✓		
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1 (5) (xvii)	A statement that there is no significant doubt upon the Issuer company's ability to continue as a going concern, if the Issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the Issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1 (5) (xx)	An explanation on the reasons if the Issuer company has not declared dividend (cash or stock) for the year;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
(xxi) 1(5)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			N/A
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5) (xxiv) (a)	a brief resume of the director;	✓		
1(5) (xxiv) (b)	nature of his or her expertise in specific functional areas; and	✓		
1(5) (xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5) (xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in the absolute figure for such changes;	✓		
1(5) (xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5) (xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5) (xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and a concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for the company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(5) (xxviii)	The Director's report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.			
1(5)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officers			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with the environment, employees, customers and suppliers; and independency.	✓		
2	Governance of Board of Directors of Subsidiary Company:-			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3 (i)	Appointment			
3 (i) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (i) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3 (i) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: "Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;"	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without the approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			All changes have been approved by the Board but immediate dissemination of some of them have not been made to BSEC, DSE and CSE.
3 (2)	Requirement to attend the Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3 (3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3 (3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee. - For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee; and	✓		
4 (ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee.-			
5 (1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee."	-	-	N/A
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5 (3)	Chairperson of the Audit Committee			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting. In that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and the reason for the absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5 (4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that an emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5 (5)	Role of Audit Committee: The Audit Committee shall:-			
5(5)(a)	oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		

Condition No.	Title	Compliance Status (Put 'Y' in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	Y		
5(5) (h)	review the adequacy of internal audit function;	Y		
5(5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	Y		
5(5) (j)	review statement of all related party transactions submitted by the management;	Y		
5(5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			N/A
5(5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	Y		
5(5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	-	-	N/A
5 (6)	Reporting of the Audit Committee			
5 (6) (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	Y		
5(6)(a)(ii)	The Audit Committee shall immediately report to the board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	N/A
5(6)(a)(ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	N/A
5(6) (a)(ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	N/A
5(6)(a)(ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	N/A
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	N/A
5.7	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	Y		
6	Nomination and Remuneration Committee (NRC):-			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	Y		
6(1)(b)	The NRC shall assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Y		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at condition No. 6(5)(b).	Y		
6 (2)	Constitution of the NRC			
6(2) (a)	The Committee shall comprise of at least three members including an independent director;	Y		
6(2)(b)	At least 2 (two) members of the Committee shall be non-executive directors;	Y		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	Y		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	Y		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	N/A
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member. If the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	N/A
6(2)(g)	The company secretary shall act as the secretary of the Committee;	Y		
6(2) (h)	The quorum of the NRC meeting shall not constitute without the attendance of at least an independent director;	Y		
6(2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Y		
6 (3)	Chairperson of the NRC			
6(3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Y		
6(3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	N/A
6(3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	Y		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6 (4)	Meeting of the NRC			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4) (b)	The Chairperson of the NRC may convene an emergency meeting upon request by any member of the NRC;	-	-	N/A
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6 (5)	Role of the NRC			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors; top level executive, considering the following:			TOR of NRC includes these roles
6(5) (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5)(b)(i)(c)	remuneration to directors; top-level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b) (iii)	identifying persons who are qualified to become directors and who may be appointed in a top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6(5)(b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;			
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors:-			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(f); and	✓		
7(1) (ix)	Any other service that creates a conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company. -			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance:-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on the compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

AUDIT COMMITTEE



Brig Gen Mohammed Abdul Halim (Retd.)
Independent Director



Rosy Rahman
Director



Mr. Kabir Ahmed
Nominee Director, BDB PLC



Md. Anwar Hossain
Executive Director
&
Company Secretary

REPORT OF THE AUDIT COMMITTEE (AC)

The Honorable Board of Directors & Esteemed Shareholders

We are pleased to present before you the Report of the Audit Committee for the year ended on 30 June 2024. The Audit Committee Report has been prepared and presented under Condition No. 5(7) of the Corporate Governance Code ("the Code") issued on 2018.

Composition of the Audit Committee

Audit Committee is a sub-committee of the Board formed in terms of the Conditions of the Code comprising 3 (three) members of the Board of Directors. All the Members are Non-Executive Directors and the Chairman of the Audit Committee is an Independent Director. The audit committee of the Board of Directors consists of the following Members:

Sl.	Name of the Members	Position of in the Committee
1.	Brig Gen Mohammed Abdul Halim (Retd.)	Chairman
2.	Rosy Rahman	Member
3.	Md. Shafiqul Islam	Member till 24.04.2024
4.	Mr. Kabir Ahmed	Member since 25.04.2024

Md. Anwar Hossain, Company Secretary, act as the Secretary to the Committee.

Changes in Audit Committee

Audit Committee Member Shafiqul Islam retired on 24.04.2024 and Kabir Ahmed was appointed in his place.

Terms and Reference (TOR) of the Audit Committee

The role, duties and responsibilities of the Audit Committee are determined by the Terms of Reference (TOR) of the Audit Committee referred by Condition no. 6 of the new Corporate Governance Code issued by BSEC dated on 3rd June 2018. According to terms of reference, the role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review when appropriate, make recommendations to the main Board on business risk, internal controls and compliance. The committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control system are in place to identify and contain business risk and that the Company's business is conducted in a proper and economically sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the company and ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors of the Company.

The Role and Responsibilities of the Committee

The Role of the Audit Committee is determined by the ToR, and includes among others the following:

Financial Responsibilities

- To oversee the financial reporting process.
- To monitor choice of accounting policies and principles.
- To conduct meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adaption.
- To review along with the management, the annual financial statements before submission to the Board for approval.
- To review along with the management, the quarterly financial statements before submission to the Board for approval.
- To review the Management's Discussion and analysis before finalization of the Annual report.

Statement on Financial activities

The following activities were carried out by the Audit Committee during the financial year ended 30th June 2024.

- Reviewed the quarterly, half yearly and Interim financial result of the company.
- Reviewed the annual financial statements of the company prior to submission to the Board of Directors for approval. The review was to ensure that the financial reporting and disclosures were in compliance with provisions of Companies Act 1994, Securities Laws, applicable accounting standard/ IFRS, BFRS, any conflict of interest and other relevant and regulatory requirements.

Statement on Internal Audit activities

- Reviewed the annual audit plans including the audit methodology in accessing and rating risks of auditable areas to ensure adequate scope and comprehensive coverage on the audit activities of the company. Reviewed the effectiveness of the audit process, resource requirements for the year and the performance of the internal Audit.
- Reviewed the internal audit compliance reports which encompassed the audit issues, audit recommendations and management's response to these recommendations, improvement actions in the area of internal controls, systems and efficiency enhancements suggested by the internal auditors were discussed together with management.
- Reviewed implementation for these recommendations through follow up audit reports to ensure all key areas were addressed.
- Suggested additional improvement opportunities in the areas of internal control, system and efficiencies improvement.

Statement on External Audit activities

- Met with external auditors at the conclusion of the annual audit in the absence of management and also reviewed their findings of observation and the Management's response thereto.
- Reviewed with the external auditors about their audit scopes, audit strategies and audit place for the year and their proposed fees for the statutory audit and review of the statement of internal control.
- Reviewed the external audit reports and areas of concern highlighted in the Management letter including the Management's responses to the findings of the external auditors.
- Reviewed the performance of the external auditors and made recommendation to the board on their appointment and fees.
- Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.

REPORT OF THE AUDIT COMMITTEE (AC)

Conducted a formal evaluation of the effectiveness of the external audit process.

Related Party Transactions

The Committee is responsible to review the statements of significant related party transactions and to recommend to the Board for appropriate measures.

Internal Control System

The Committee reviews whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives issued by the regulatory authorities have been complied or not complied. The committee emphasizes on other matters as per Terms of Reference (TOR) of the Audit Committee and also as directed by the Board, from time to time. Furthermore, Committee checks and recommends the board about the steps needed to improve the system of internal control derived from the findings of the internal and external auditors, and from the consultations of the Audit Committee itself. Based on review of the effectiveness of the internal controls and the procedures established for identifying, assessing and managing risks, the committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company's is adequately managed.

Responsibility to the Board of Directors

The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. Furthermore, The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.

Reporting Responsibilities of the Committee

The Audit Committee has three-dimensional reporting responsibilities which stated below:

a. Reportable the Board

The Audit Committee reports on its activities to the Board of Directors. The Audit Committee immediately reports to the Board of Directors on the following findings:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter that it deems necessary and as may be directed by the Board.

b. Reportable to the Authorities

If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board,

whichever is earlier.

c. Reportable the General Shareholders

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) of the BSEC's Corporate Governance Code mentioned above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

Legal Authority

In terms of Corporate Governance Code, the Audit Committee is authorized by the Board to review any activity within the business as per its Terms of Reference (TOR). It is authorized to seek any information it requires from and requires the attendance at any of its meeting of any Director or Member of Management, and all employees are expected to co-operate with any request made by the Committee. The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The TOR of the Audit Committee may be amended from time to time as required for the business in line with BSEC Notifications, subject to approval by the Board of Directors of the Company. The quorum of the meeting of the Audit Committee be constituted in presence of the Independent Director quorum of the meeting was present round the meeting and all members were also present in all meeting.

Material Information from true and fair view

The Audit Committee in its aforesaid meeting also had detailed discussion with the members of the accounts and finance department on various aspects of the financial statements and accounts. The Committee also reviewed the financial reporting process, discussed the adequacy of the internal control processes in place to prevent errors and fraudulent activities and thoroughly scrutinized the related party transactions carried out during the year. The committee was fully satisfied that the related party transactions were made on an arm length basis as part of normal course of business and the transactions have been adequately disclosed in the financial statements. The Independent Auditors' report also did not contain any material audit observation that warranted the Boards' attention. The Committee being satisfied authorized for onward submission of the Audited Financial Statements to the Board for consideration.

Internal Audit Charter

In addition of Terms of Reference of the Audit Committee, Internal audit team of Sonargaon Textiles Limited practices a management approved internal audit charter. This is an independent and objective assurance and consulting activity that is designed to add value and improve the operations of Sonargaon Textiles Limited (STL). STL internal audit charter is a formal document that defines internal audit's purpose, authority, responsibility and position within the company. This Charter adds the additional values to principles of the TOR of Audit Committee. The purpose of the internal audit charter is to assist the Board on the following principles as stated below:

- Financial Reporting Process
- System of Internal Control

REPORT OF THE AUDIT COMMITTEE (AC)

- Internal Auditing Process
- Organization's Processes for Monitoring Compliance
- Special Investigations and Whistleblower Mechanism, and
- Internal Audit Reporting Responsibilities.

Meeting with attendance

Four audit Committee meetings were conducted during the financial year. The independent Director is the Chairman of the Committee who presided every meeting never remained absent. The Head of Internal Audit attends in the Board Meeting regularly. The attendance is stated below:

Sl.	Name of the Members	Position	Meeting Held	Meeting Attended
1.	Brig Gen Mohammed Abdul Halim (Retd.)	Chairman, AC Independent Director	4	4
2.	Rosy Rahman	Member	4	4
3.	Md. Shafiqul Islam	Member till 24.04.2024	4	1
4.	Mr. Kabir Ahmed	Member since 25.04.2024	0	0

Attendance of the Chairperson in AGM

The attendance of the Chairman of the Audit Committee was duly recorded in the Minutes of the 37th AGM of the Company.

Activities Carried Out by the Committee

During the year ended 30 June 2024, the Audit Committee:

- conducted 4 (four) meetings for the purpose of discharging its duties and responsibilities;
- reviewed the quarterly financial statements for the first, second and third quarters of 2023-24 and recommended the same for consideration by the Board
- reviewed the annual financial statements and recommended the same for consideration by the Board had overseen the financial reporting process and monitored choice of accounting policies and principles;
- monitored the internal audit plan and compliance process and gave directions to the Internal Auditors to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and reviewed the Internal Audit and Compliance Report;
- reviewed the adequacy of internal audit function and internal control system;
- had overseen evaluation of performance of the external auditors and made recommendation to the Board for re-appointment of external auditors, and overseen the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit;
- held meeting with the external / statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- ensured, while reviewing the financial statements, that proper compliances and disclosures required under International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh and other rules and regulations applicable for this Corporation;
- reviewed the Management's Discussion and Analysis for disclosing in the Annual Report;

- reviewed statement of all related party transactions submitted by the management;
- reviewed the integrity of the annual financial statements of the Corporation to ensure that these reflect a true and fair view of the Corporation's state of affairs; and
- Reviewed all other matters as per requirements of the Corporate Governance Code

Reporting of the Committee

- The Audit Committee is primarily responsible to report for its roles and activities to the Board.
- Based on the reviews conducted during the period as mentioned above, the Audit Committee reasonably believes and reports that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the company.
- Pursuant to Condition No. 6(a) of the Corporate Governance Code, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

Acknowledgement

The members of the Audit Committee express their gratitude and thanks to the Board of Directors for their prudent guidance and the Management for their cooperation in performing their duties & responsibilities and recommendations made during the financial year to improve the system of internal control derived from the findings of the internal and external auditors, and from the consultations of the Audit Committee itself.

Report Authorization

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 26 October 2024.

On behalf of the Audit Committee



Brig Gen Mohammed Abdul Halim

Chairman of the Audit Committee & Independent Director

Dated: October 26, 2024

NOMINATION & REMUNERATION COMMITTEE (NRC)



Brig Gen Mohammed Abdul Halim (Retd.)
Independent Director



Rosy Rahman
Director



Mr. Kabir Ahmed
Nominee Director, BDB PLC



Md. Anwar Hossain
Executive Director
&
Company Secretary

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

Composition of the Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) is a subcommittee of the Board. It consists of three Directors, one of whom is independent Director, The Managing Director and Chief Financial Officer assist the committee by providing the relevant information and analysis. The Company Secretary functions as the Secretary of the Committee.

Role of the Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee's (NRC) role is mainly determine and recommend to the Board the remuneration as well as nomination of the top Executive Directors. It also monitors the levels and structures of remuneration of senior management and seeks to ensure that the remuneration arrangements are designed to attract, retain and motivate the Executive Directors and senior Management needed to run the Company Successfully.

Summary of the activities by the Committee during the year:

- Reviewed the Terms of Reference of the Committee;
- Reviewed the existing evaluation criteria and policy of the Committee;
- Reviewed the existing benefits of the top five executives and raining policies and recommended the observation to the Board;
- Formulated the criteria for determining qualifications, positive attributes and independence of a director;
- Formulated the criteria for evaluation of performance of independent Directors and Board of the Directors
- Identified criteria for selection, transfer or placement and promotion at different levels of the company;
- Reviewed the Code of Conduct of Chairman, Board of the Directors and other top five executives of the Company.

Existing Members of the Nomination and Remuneration Committee (NRC):

Sl.	Name of the Members	Position of in the Committee
1.	Brig Gen Mohammed Abdul Halim (Retd.)	Chairman
2.	Rosy Rahman	Member
3.	Md. Shafiqul Islam till 24.04.2024	Member
4.	Mr. Kabir Ahmed since 25.05.2024	Member

Md. Anwar Hossain, Company Secretary is Secretary to the Committee.

Meetings of the Committee during the year

During the financial year 2023-24 one (1) meeting of the Nomination and Remuneration Committee (NRC) was conducted on 25 June 2024.

Attendance of the Remuneration and Nomination Committee (NRC) Meetings:

Sl.	Name of the Members	Position	Meeting Held	Meeting Attended
1.	Brig Gen Mohammed Abdul Halim (Retd.)	Chairman	1	1
2.	Rosy Rahman	Member	1	1
3.	Md. Shafiqul Islam	Member till 24.04.2024	-	-
4.	Mr. Kabir Ahmed	Member since 25.04.2024	1	-

Changes Occurred in the Committee

Brig Gen Mohammed Abdul Halim Independent Director who is current Chairman of the Audit Committee. The Audit Committee Member Shafiqul Islam has been retired dated on 24.04.2024 and Mr. Kabir Ahmed appointed based on the recommendation of the Committee and 154th board meeting dated on 28th April 2024.

Reviewed in the Evaluation Criteria and Policy

The members of the NRC Committee reviewed and recommended the qualification criteria for the selection of the Board of Directors and a Policy for the Remuneration of the Board of Directors as well top level executives of the company. The Board approved both of these criteria and policies based on the recommendation by NRC in the Board Meeting was held on 30th January 2021.

Existing Evaluation Criteria

1. Non-Executive Directors:

The evaluation of the non-executive and independent directors are carried out at least once a year by the board considering the following areas;

- The contribution for improving governance practice to the board
- No. of participation in the Board and other statutory
- Meetings and other Committee meetings in timely manner. No attendance at the Board and other Committee meetings
- Standard of performance contributing to the company
- Economically.

2. Independent Director

The NRC checks out the performance of the Independent Directors in each financial year. To evaluate the standard of performance, NRC considers three benchmarks.

- By values which have been added by the Independent Directors during his tenure?
- The areas of his contribution regarding the quantitative and qualitative difference in each year
- How the organization becomes gainer by his/her contribution combining the organizational objectives.

3. Executive Directors

The respective reporting authority of the Executives Director determine their performance considering respective jobs and roles through organizational HR appraisal process in each calendar year.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

4. Top Five Executives

Based on the respective roles of the each top five executives and other employees the performance is measured Annual Performance Indicator (API).

Scope of Works

In assistance of the top level executive or CEO, the Committee reviews and recommends on the following issues:

The re-appointment of any Non-Executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

- I. The annual re-election by shareholders of any director having given due consideration to their performance and ability to continue to be effective and contribute to the Board in the light of the knowledge, skills and experience required and specific account being taken of the need for progressive refreshing of the Board particularly where a non-executive director has served for stipulated-tenure.
- II. Any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract
- III. The appointment of any Director to an executive or other office, including the role of Senior Independent Director.
- IV. The Board's policy for the selection and appointment of senior management.
- V. The Board's policy for the selection and appointment of the Company Secretary; and the Committee will also make recommendations to the material subsidiary Boards of the Group on the membership of their Board committees, where applicable, in consultation with the Chair of the relevant committees.

Evaluation Process of the Committee

- The Committee considers and sets the criteria for the performance review of each Non-Executive Director;
- The Committee ensures that annual assessments of the performance of the Chairman, the Chief Executive Officer, and the Chief Financial Officer are undertaken;
- The Committee ensures an annual performance evaluation is undertaken of the effectiveness of the Board, each Committee of the Board and the contribution of each Director, such evaluation to be externally facilitated at least once every three years;
- The Committee reviews the results of the board evaluation processes that relate to the Board composition are undertaken;
- The Committee ensures that the conclusions and recommendations arising out of the annual board evaluation and the individual performance evaluations are reported to the Board;
- The Committee agrees an action plan addressing the results of the board evaluation and monitor performance on a regular basis against the agreed plan.

Responsible for Reporting

The committee is primarily responsible to the Board of the Directors secondly to the shareholders and general investors. The is bound to disclose nomination and the evaluation criteria and all the activities especially reviewing the human resources and training policies of the organization. The Head of HR is aligned with committee to assist on the preparation of the reporting.

Statement on last year's Review Process

The Committee conducted an annual review of its performance and ensure that it is provided with sufficient resources to undertake its duties, and that sufficient training is provided to the members on appointment and on an on-going basis and recommend the changes that it considers necessary to the Board for approval.

Major Activities of the NRC

During the year ended 30 June 2024, the NRC:

- conducted 1 (one) meeting for the purpose of discharging its duties and responsibilities;
- made recommendation for appointment of Director nominated by Bangladesh Development Bank PLC.;
- reviewed and recommended to the Board for acceptance of resignation of Company Secretary and appointment to fill the vacancy; and
- reviewed and recommended to the Board for acceptance of resignation of Head of Internal Audit & Compliance and appointment to fill the vacancy.

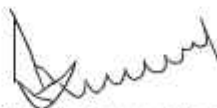
Acknowledgement

The members of the Nomination and Remuneration Committee express their gratitude and thanks to the Board of Directors for their judicious guidance and the Management for their cooperation in performing their duties and responsibilities expect to formulate the criteria and complete policies in the coming years. Last of all I wish to thank the other members of the Committee for their valuable contributions towards the functions of the Nomination and Remuneration Committee (NRC).

Report Authorization

This NRC Committee Report is made in accordance with the resolution of the Board of Directors on 26 October 2024.

On behalf of the Remuneration Committee



Brig Gen Mohammed Abdul Halim

Chairman of the Audit Committee & Independent Director

Dated: October 26, 2024

EXECUTIVE COMMITTEE (EC)



Abrar Rahman Khan
Director, Operation



M. Monirul Islam Khan
Chief Financial Officer



Md. Anwar Hossain
Executive Director &
Company Secretary



Arjun Paul
DGM, Marketingt & Fund Management



Syada Rahana Parvin
DGM, HRD

REPORT OF THE EXECUTIVE COMMITTEE (EC)

Preamble

The Executive Committee (EC) is Sub Committee of the Board for accelerating and facilitating company's few routine works such as commercial, accounts and financial, supply chain management, storage and inventory etc.

Composition of the Committee

The committee consists of four (4) members among Mr. Abrar Rahman Khan, Director (Operation) is the Chairman of the Committee. The Chief Financial Officer (CFO), DGM, Marketing and Fund Management & Head of HR are Members of the Committee as stated below:

Sl.	Name of the Members	Position of in the Committee
1.	Abrar Rahman Khan	Chairman
2.	M. Monirul Islam Khan	Member
3.	Arjun Chandra Paul	Member
4.	Syada Rahana Parvin	Member

Md. Anwar Hossain, Company Secretary is the Secretary to the Committee.

Objectives

The Executive Committee of Sonargaon Textiles Limited (STL) is entrusted with the day-to-day management of the Company. The Executive Committee, as the Company's management body, is committed to serving the interests of the Company and achieving sustainable growth in Company value. This Committee may call meeting at any time due to resolve any serious issues working as the shadow of the Board.

The executive acts as the organization's steering committee. At any given time, various organizational issues require the board's attention. The executive committee will sift through these issues and present them to the board in order of priority. They direct which cases it should handle hierarchically in the board meeting's agenda. Additionally, the executive committee is mandated to research issues such as governance, investments, industry risk, and other relevant business matters. They compile their findings and present a report to the board for further action.

The executive committee also delegates power accordingly to ensure the organization achieves its goals and successfully executes the overall strategic plan. The executive committee is smaller than a board, and members might be in the same locality. The members can meet on short notice to deal with issues requiring immediate attention.

Frequency of Meeting

The members of the Executive Committee are collectively accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategy. The Committee meets in every fortnight to review the business performance of the Company and take decisions as deemed appropriate.

Report of the EC Committee

The Executive Committee (EC) of STL submits reports to the Board while required. Furthermore, EC takes all emerging issues to the Board's account during each quarter end meeting.

Report addressing the Board during the financial areas:

a. Report submitted on Financial Issues

The EC reported the financial issues addressing the inventory and raw materials which is related with supply chain management of the production. The major observation was to control the financial risks from cost effectiveness.

b. Report submitted on Administration

The EC highlighted the administrative control round the year for avoiding unexpected absenteeism of the workers for sustaining the continuous and break less production. The industrial non gas zone of Barisal suffers from labor unrest. The nature and behavioral attitude of labors of Southern Bengal frequently turns into unrest situation in every industry category. Besides nurturing the labors, industrial counseling to be strengthen enough.

c. Report submitted on Electricity Breakdown

The Electricity Breakdown (EBD) became major issue during last quarter which reflected the production scenario. The EC requested finding out the way of managing the power risk.

On behalf of the Executive Committee


Abrar Rahman Khan
Chairman

CODE OF CONDUCT & DIFFERENT POLICIES OF STL

Preamble

STL Code of Conduct provides a broad guidance on ethical standards and business conduct. All the persons joining the Company must have to receive, read and understand the guidelines of Code of Conduct and Conflict of Interest guidelines. The Code of conduct for the Chairman, Other Board Members and MD/CEO are determined by approved Terms of Reference (ToR).

Equal Employer Opportunity

STL is an equal opportunity employer and does not unlawfully discriminate against employees or applicants for employment on the basis of an individual's race, color, religion, creed, gender, ethnicity national origin, age, disability, marital status, veteran status or any other status protected by applicable law. This policy applies to all terms, conditions and privileges of employment, including recruitment, hiring, placement, compensation, promotion, discipline & termination. Whenever possible, we make reasonable accommodations for qualified individuals with disabilities to the extent required by law.

Policy against Sexual Harassment

STL confirm that no employee will experience harassment physical or verbal or emotional or in a combination of these carried out by an individual or a group of people. Under the terms of this policy, it shall be considered as an act of gross misconduct for any employee to engage in harassment of another employee. STL confirm that all employees have the right to be treated with dignity and respect. Forms of harassment may include:

- Verbal or written harassment in the form of offensive language, slander, sectarian songs, letters, jokes etc. Unwanted physical contact, ranging from touching to serious physical assault.
- Coercion, including pressure for sexual favors, or pressure to participate in political/religious groups.
- Intrusion by pestering or stalking.
- Conduct of a racial nature or other conduct based on racial grounds affecting the dignity of men and women at work.
- Offensive or intimidating behavior (unwanted verbal, non-verbal or physical conduct) relating to a person's disability. These guidelines and code of conducts are designed to make sure that we carry out our responsibilities, ethically and honestly.

We lay great emphasis on these guidelines and believe that these are critical in ensuring a constructive and positive work environment along with portraying a good image of STL to outside world. Each recruit shall sign the standard Code of Conduct and Conflict of Interest declaration forms and Refusal to sign shall not absolve the employee of the obligations, but shall be recorded in the employee's Personnel file, as deviation.

Grievance Management Policy

STL is committed to provide the best possible working conditions for its employees and associated members. STL strives to ensure fair and honest treatment for all employees. The Head of the Divisions, Managers, Supervisors and Employees are expected to treat each other with mutual respect. Part of this commitment, STL does

encourage an open and frank atmosphere in which any grievance may be shared with management to get it resolved. STL does believe that most of the work related problems can be resolved through mutual understanding and discussion without initiating formal grievance procedure. Nonetheless, employees do get dissatisfied with various aspects of employment at workplace that may not be resolved through informal procedure. Hence, this policy is framed to ensure that employees can seek redress for any work related grievances from superior authority.

Whistle Blowing Policy

STL welcomes whistle-blower reports and encourages the staff and third parties to draw its attention to the instances of corporate wrong-doing within the STL; provided that any deliberate victimization shall be strictly dealt with. It will be appropriately investigated and acted upon once such disclosures are received. STL regards the attempts to victimize or discriminate against a Whistle-blower as potentially gross misconduct.

Health and Safety Policy

Health & Safety excellence is mandatory for long-term success. Health & Safety excellence requires the commitment and personal involvement of all levels of employees. Employees have the obligation and the ability to prevent accidents. All employees are responsible and accountable for understanding and complying with all regulations, company requirements and procedures relating to their job performance.

Open Door Policy

An open door policy means, literally, that every manager's door is open to every employee. The purpose of an open door policy is to encourage open communication, feedback, and discussion about any matter of importance to an employee. STL adopts an open door policy to develop employee trust and to make certain that important information and feedback reach managers who can utilize the information to make changes in the workplace.

Stakeholder's Engagement Policy

The goal of the stakeholder engagement plan is to provide transparent, two way communications with all the stakeholders audiences to build trust and credibility. It also serves to meet agreed-upon governance objectives that may be required by lenders, business partners or customers.

Our Key Stakeholder,

STL is always concern about needs and interests of stakeholders. Our approach to stakeholder engagement is to be perceived and experienced as a credible partner. Our stakeholders include:

- Investors
- Customers
- Creditors
- Government and Regulators
- Employees
- Suppliers & Vendors
- Media
- Society and Community

CODE OF CONDUCT & DIFFERENT POLICIES OF STL

Vendor Agreement Policy

STL evaluates and encourages different categories vendors and suppliers by its Vendor Agreement Policy. The purpose of a vendor management policy is to identify which vendors put your organization at risk and then define controls to minimize third-party and fourth-party risk. It starts with due diligence and assessing whether a third-party vendor should have access to sensitive data. The vendors are classified the parameters set in our policy.

Insider Trading Policy,

STL strictly maintains insider trading policy and prohibited any insider trading approaches by the TOP five CEO and for other common staff.

Policy on Communication with Shareholders and Other Stakeholders

The Board of Directors ensures that the company's shareholders are treated fairly and their rights are firmly protected in all circumstances through the Company Secretary. The Company Secretary is the primary link of communication between shareholders and the Board of Directors of the Company. The Shareholders of the company are informed of all material changes in business through communication as per the guidelines of BSEC, DSE, CSE and Companies Act.

Communications with Shareholders through AGM

To ensure the participation of all shareholders of the company in Annual General Meeting (AGM), the company delivers the Annual Report at least 21 days prior to the AGM date. Regarding the AGM date, time and venue, the information is communicated well in advance to shareholders. At the AGM, Board of Directors encouraged the shareholders to share their valuable opinions which is always taken into consideration for the development of the company.

Disclosure of all Material Information to Shareholders and Stakeholders

The company tries to liaison with all shareholders and ensures that all stakeholders are informed about the company's activities and achievements on an ongoing basis. The company discloses quarterly and annual financial performance, price sensitive information and other reports in due course of time for the best interests of shareholders.

Communications Through Website

The company published all relevant information as required by Regulators in its website www.khanongroupbd.com for meet up the shareholders need about the information of the company as a matter of transparency and openness in information disclosure for the benefit of all shareholders and stakeholders.

Investor complaint redress/Recompense

When investor lodges any complaint relating to their investment in the company through a formal letter or official email address or via a phone call to the share department or Company Secretary, we try to solve the issue within three working days of complaint. The share department officials review investor's complaints on a daily basis. We request the investors for updating their e-Tin number in the BO account, when cash dividend is declared. We requests for

updating the bank account details in the BO account before sending cash dividend through the BEFTN system. We try to ensure all matters related to shareholders of the company efficiently.

Life Insurance Policy

STL Provides Life Insurance facility for the Employees including Head office & Factory Staff.

Supply Chain Management Policy

The Supply Chain Management Policy means to assess the risks and opportunities associated with the contracting, procurement, and provision of supplies and services on a corporate and project level, as well as the development of sustainable commercial relations. STL supply chain is under the Director, Operation. The process starts by supplying every necessary spare parts, inventory which are required urgent and regular basis. The every divisional wing of the production of Manufactured plant stated (see in page-94) is supervised by the supply management policy

Dividend Distribution Policy

STL maintains a dividend distribution policy as regularity requirement. The dividend distribution policy is stated separately in page-85 of this report.

Risk Management Policy

The risk management policy aims to demonstrate that gain is acting appropriately to anticipate risks; to assess risks; to avoid excessive risk; to embrace necessary or desirable risks with appropriate safeguards. STL maintains Risks by management policy stated in page-84 of this report.



All 'Policies' are authenticated by Corporate Affairs Department & 'Record' preserved by HR Department.



RISK MANAGEMENT POLICY

Preamble

STL has a strong base to identify the risk of future uncertainty with the change of local and global economy. The company always identifies the key business risks and ensures the mitigation plans of those risks. The management of the company reviewed and adopted the best practices of the industry that enable the company to achieve its ultimate objectives. Risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. These threats, or risks, could stem from a wide variety of sources, including Credit Risk, Liquidity Risk, Interest Rate Risks, Exchange Rate Risks, Industry Risks, Market and Technology-related Risks, financial uncertainty, legal liabilities, accidents and natural disasters. Some of these risks and their mitigation are discussed elaborately as under:

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 are always lending and borrowing between parties in the form of money and goods.

Management Perception

Credit Risk mainly lies with Financial Institutions. Since STL is involved in spinning industry and export oriented financial risks which is related with international money economical inflation and deflation besides domestic economy.

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

STL has been dealing with its working capital in efficient way.

Market risks

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

Management perception

Market risk is dealt with efficiently by the experienced management.

Interest Rate Risks

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

Management Perception

In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier. Hence, interest rate risk is manageable.

Potential or existing changes in global or national policies

Policies from govt. have a positive or negative impact on any company along with existing changes in globally.

Management perception

Nowadays 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.

Economic risks

This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

Management Perception

Bangladesh economy is enjoying 6% plus economic growth and expected economic growth by the government is 7.5%. As a result, huge development work is underway by the govt. Hence, huge expensive infrastructure has been under construction which has been creating employment and per capita income is going up as well. As economy is expanding in Bangladesh considering spinning industry, our business viability and profitability is also growing with positive trend. In addition, we have product varieties which have huge demand because of its necessity in our daily life.

Political risks

Bangladesh experienced political unrest over the years. Political instability hampers the smooth operation of business.

Management Perception

Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activity in the country.

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

STL applies the latest technology in spinning industry and remains aware the latest technology.

Labor crisis Risk

Labor crisis is one of the major crisis of spinning industry in Barisal.

Management perception

Management of STL manages the worker crisis appointing 50% prospective learner.



DIVIDEND POLICY

1.0 Introduction

The Dividend Distribution Policy is adopted complying the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors will consider the directive while declaring/recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board, which takes into consideration all the relevant circumstances or other factors as may be decided by the Board.

2.00 Definitions

"the Act" means Companies Act 1994 "the Company" means Sonargaon Textiles Limited "AGM" means Annual General Meeting "Board" means Board of Directors of Sonargaon Textiles Limited "Shareholders" means Members whose name is registered in the Member Register of the Company. "Shares" means Ordinary Equity Shares.

3.00 Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

4.00 Types of Dividend

The Act deals with two types of dividend -Interim and Final.

Interim dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding the AGM.

5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- Profits of the Company for the year for which the dividend is to be paid after setting off earned over previous losses and depreciation not provided in the previous year(s);
- Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- Out of a & b both portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free

reserves subject to the compliance with the Act and Rules.

6.00 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

6.01 External Factors:

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

6.02 Internal Factors:

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. Before declaration of dividend, the Company may transfer stakeholder's. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also

DIVIDEND POLICY

endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares-Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders around three decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay out:

11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website: www.Khansongroupbd.com

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

12.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.





HUMAN CAPITAL

The Term "Human Capital"

Sonargoan Textiles Limited is one of the oldest and leading Textiles Industries of Bangladesh. STL is exporting its products in global market maintaining outstanding qualities of the product. We have trained and competent human resource department and Talent Management team which works the vital role to make our people as our "Human Capital". Our Human capital is an intangible asset for our organization. It can be categorized as the economic value of the staff's and the workers' experience and skills. Human capital plays the significant role because of having gradual value increasing productivity which reflects at our year-end sales volume growth. We invest at our human capital by frequent training, counseling and motivating our staffs round the year by strategic HR policies and development program.

The essence of 'Human Capital' recognizes that the capacity of all labor is not equal. But the staff and the management can improve the quality of that capital 'workforce' by investing upon its employees in the area of education, experience, abilities, growing knowledge and skills by categorizing their merits, designation and job importance. Considering the fact of capital concept, all the labors and staffs have an economic value for the business enterprise. These qualities include higher education, technical or on-the-job training, health, and values such as punctuality. It is needed for companies to achieve the goals, develop and remain innovative with new products and business environment.

Calculate of Human Capital

Our human capital is based on our investment upon our employee skills and knowledge through education, these investments in human capital can be easily calculated. Our HR managers can calculate the total profits before and after any investments are made. Any return on Investment (ROI) of human capital can be calculated by dividing the company's total profits by its overall investments in human capital. We recognize that our employees are an integral part of the Company and the most important resources of the organization. They bring values, skills, diversity and expertise to make up the market leader in the textile sector of the country. Our HR team considers the dedication, workforce though ensuring their best efforts towards the business development of the company.

Our HR team takes strategic initiatives including developing competencies, identifying and nurturing a strong pipeline of competent employees, continually engaging talent and helping employees with their career aspiration. HR remains concerned about the improvement of our existing employees as routine work and hiring the most potential employees through our strong and efficient internal talent hunting team.

Human Resource Accounting

Human Resource Accounting is the process of assigning, budgeting, and reporting the cost of human resources incurred in an organization, including wages, salaries, training and various monetary facility to employees and other expenses. This process is used for identifying and measuring data about human resource and communicating this information to the interested parties and all the stakeholders.

We usually follow recognized HR accounting techniques as stated below:

- Employee Category
- Quality of Staff and Workers
- Counting Employee Turnover;
- Employee Benefits;
- Performance Recognition;
- Counting Training Activities
- Counting Motivational Activities;
- Exit Hearing Management;
- Counseling Management;
- Counting Grievance Proceedings.

Classification of the Employees

STL has designed its employee categories based on its business volumes and best industry practices. We stated total number of employees engaged in different categories. In Head Office, all the staffs are permanent in nature. Other hand in factory, there are various type of workers like learner, Badli, permanent, contractual, casual and master rolled.

Counting the Total Employees

Sl. No	Particulars	No. of Employee
01	Head Office	90
02	STL Factory	1055

Comparative Employee turnover rate between 3 years :

Year	No. of Employee	% of Turnover
2023-24	1145	6.53
2022-23	1225	4.37
2021-22	1281	2.65

Focus on Employee Benefits

We take care of our employees ensuring all common benefits hiring best potential staff, nurturing the talents by creating a learning environment. Our corporate culture and behavior retains our employees as part long time sustainability. We provide recognized WPPF and Well Fare, life insurance scheme, transport facilities, medical benefits, maternity leave benefit, and yearly leave encashment benefits.

Performance Evaluation Process of the Directors and Top Five Executives

HR team is aligned with Nomination and Remuneration Committee (NRC). Under the direct supervision of NRC, the HR team practices management approved evaluation process and standard format for measuring the performance of the top five executives as well as the Board of STL following the 'Evaluation Criteria' and the 'Policy of the Remuneration'.

Performance Evaluation Process of the Employees (officers and staff)

HR team is evaluating employees' performance every year through a standard ACR form under supervision of all department head along with HR team basis on which yearly increment, promotion and assessment of training and development finalize.

TRAINING & DEVELOPMENT

Training and Development Activities Round the year

Sonargaon Textiles Limited believes that appropriate forms of training and education contribute to employee development by the way of upgrading job skills and potential to achieve organizational objectives. T&D moves forward keeping the mission of materializing the vision with effective and efficient human resource in front. T&D prepares yearly training schedule maintaining the standard process.



Work Life Balance

STL HR practice work life balance like reasonable office time, enjoy weekly holidays as well as government holidays. STL management values time for family and work place to be balanced so that every employees can give thier full concentration in work and maintain a peaceful relation with family.



EMPLOYEE PARTICIPATION AT CORPORATE ACTIVITIES

STL maintains a good harmony maintaining a good relationship with all employees. To do that, the Human Resource Division arranged many staff engagement events. STL emphasizes on the familial back by support to the staff who are main capital of the company. Human Resource Department always remains concerned to enhance welfare initiatives. Besides welfare initiatives the management of STL encourages cultural activities like playing, arranging official tour, musical show, raffle draw, office fare, celebrating victory day, employee fairwell, new year celebration etc. Some snapshots of employee engagement work as stated below:



Employee Recognition 2023



New Year Celebrate 2024



Employee Farewell 2023



Employee Farewell 2024

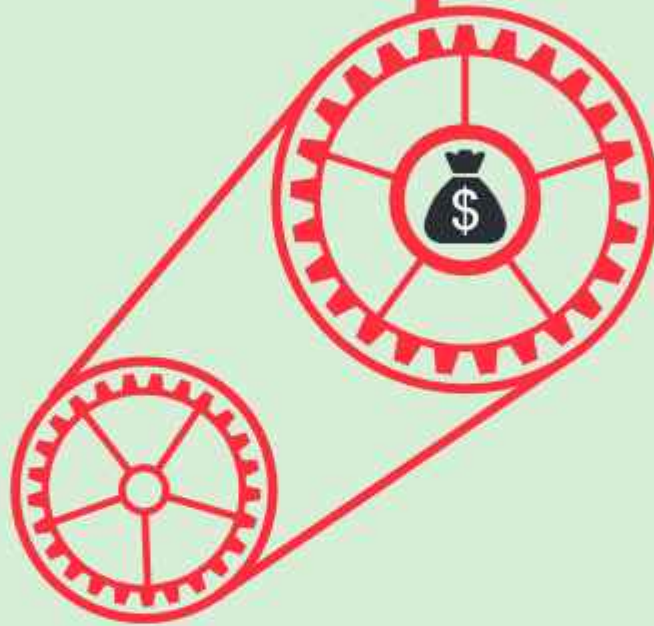


Khansons Group Cricket Tournament, December 2023



Victory Day Celebrate, 16 December 2023

Manufactured **Capital**





Abrar Rahman Khan

Director, Operation

“We emphasis on core production people who uplifted our flagship business by hard work and continuous integrity. We have already overcome from severe global pandemic situation and targeted perpetual production and growth.”

OUR MANUFACTURED CAPITAL

Statement on Manufacturing Excellence

"We have already proved manufacturing excellence in Textile Sector in Bangladesh as well as in international market. We focus on expectation and requirement from the Industry based on what we set our manufacturing objectives. Against expectation from the industry, we occupied one of the market leading positions. We believed on Management by Objectives (MBO) whereas we consider our workforce as our **"Human Capital"**. We emphasis on core production people who uplifted our flagship business by hard work and continuous integrity. We have already overcome from severe global pandemic situation and targeted perpetual production and growth"



Our workforce is our "Human capital"

MANUFACTURING FLOW



QUALITY CONTROL

Like all standard manufacturing plant, we have Quality Testing Lab for measuring the standard of our product. We have standard testing equipment and apparatus for quality control of our product which occurs at different segments in our QC lab as stated below:

- 1 **Checking Mixing Ratio of Blow Room**
- 2 **Checking Sliver Hank CV% of Carding**
- 3 **Checking Sliver Hank & CV% of Drawing**
- 4 **Checking Roving Hank & Breakage of Simplex**
- 5 **Checking Count, CSP, TPI & Breakage**
- 6 **Checking Cone WT, Sticker, Package**
- 7 **Checking Yarn Conditioning of Heat Setting**
- 8 **Checking Packing WT**
- 9 **Checking Finished Yarn Godown (Sale)**



Supply Chain management during Covid'19

We managed our manufacturing people in factory layout during covid'19 deadlock situation very efficiently. As work from home was not possible in production line, we properly managed national health and safety instruction. We distributed and confirmed sanitization including wearing masks, nominal distance, regular health checkup etc. for gearing up the factory staff.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Overview

Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. It is represented by the contributions undertaken by Companies to society through its business activities and its social investment. Sonargaon Textiles Limited shows interests in CSR activities.

Purpose

The responsible person of CSR Team is to ensure long term sustainability of the Company aspirations and management of the Company's CSR initiatives. CSR committee ensures that the businesses align its values and behavior with the expectation of stakeholders, not just customers, and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole. It is the Company's commitment to being accountable to its stakeholders for the betterment around us.

Summary of the CSR Activities

The management of Sonargaon Textiles Limited concern with various type of CSR activities like establishment of educational institution, helping the deprived people, distribution of warm cloth during winter season, tree plantation, distribution of food among the poor, etc.

- **Educational Institution (College)**

The Chairperson of Sonargaon Textiles Limited (STL) has established a degree college Uzirpur Alhaj Bonde Newaz Khan College in 1983. He has been continuously giving his best effort contributing financially which is located at Uzirpur, Barisal.

- **Educational Institution (School)**

The Chairperson of Sonargaon Textiles Limited (STL) has established also a Girls High School in 1987 named "Anwara Girls High School" situated at Barisal. He has been contributing for the educational development for that territory.

- **Tree Plantation**

STL encourages tree plantation for better and future environment. Planting a tree is a lifelong investment. How well this investment grows depends on the type of tree selected and the planting location, the care provided during planting, and the follow-up care after planting. Getting your new tree off to a healthy start will help the tree mature to its full size and ensure it will provide environmental, economic, and social benefits throughout its lifetime. Tree plantation helps in increasing the Green Cover. Trees help in holding the soil. Trees are important for the planet, and for all the life forms that inhabit it.



AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Shareholders of Sonargaon Textiles Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Sonargaon Textiles Limited ("the Company"), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1. As disclosed in the note # 6.01 to the financial statements regarding Inventories worth of BDT 536,728,251. At the year-end, the company was unable to facilitate our stock-taking procedure. Consequently, we could not verify the inventory balance through physical verification or by performing alternative procedures after year-end. As a result, we were unable to independently confirm the amount of inventories stated in the financial statements. Therefore, the inventories and cost of goods sold figures reported may include some misstatement related to this balance.
2. As disclosed in the note # 9.01 of the financial statements regarding "Unclaimed /Unpaid Dividend" worth of BDT 1,460,470. As per Bangladesh Securities and Exchange Commission's notification BSEC/CMRRCD/2021-391/20/Admin/121 dated 01 June 2021 and BSEC/CMRRCD/2021-386/03 dated 14 January 2021, if any cash dividend remains unpaid or unclaimed or unsettled or undistributed for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the issuer to the bank account of the Capital Market Stabilization Fund within such time as directed by the Commission. However, we have observed that unclaimed/unpaid dividends for the year 2019 of BDT 1,372,768 lying unpaid during the year, also we have observed that the total unpaid amount of liability was not covered by the related bank balance. So it is non-compliance of the above-mentioned guidelines of the BSEC.
3. As disclosed in note # 9.03 of the financial statements regarding "Workers Profit Participation and Welfare Fund" worth of BDT 2,428,459. In the course of the audit of the financial statements, we have observed that the company has not disbursed and utilized the fund as per the Bangladesh Labour Act, 2006. So it is a non-compliance of the Bangladesh Labour Act, 2006.
4. The company has reported Deferred Tax Liability in note # 8.03 of BDT 70,457,673. However, Management were unable to provide sufficient and appropriate audit evidence & workings for the deferred tax liability & related deferred tax income during the year. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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

Emphasis of Matter

1. We would like to draw your attention to note # 8.01 which describes the Company's on-going legal proceedings with three of its financial institutions viz Bangladesh Development Bank Limited, Rupali Bank Limited and Mutual Trust Bank Ltd. (MTBL). A money suit was installed with the Artho Rin Adalat by BDBL, MTBL and Rupali Bank Limited has declared the loan as classified. The banks are not charging interest on loans. Moreover, the company has on the process of negotiation for interest remission and the matter is under process. So the company reformed interest against loans.

2. We also draw attention to note # 8.01 of the financial statements in respect of Long Term Loan (Non-Current Maturity), where the company explains the reasons for not making any interest provisions during the year. Our opinion is not modified on this regard.

Material Uncertainty Related to Going Concern

We draw attention to the Statement of Financial Position as at June 30, 2024. The company has negative retained earnings of BDT 143,025,384, although it generated positive returns for its shareholders during the year. This situation raises concerns about the company's ability to continue as a going concern. On the particular issue, Management was in an optimistic view considering, the company will be getting the interest remission on the bank loan, and in the near future, the company's liabilities will be reduced, from these perspectives, it's able to continue as a going concern. Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition	Our audit procedures included
Revenue of BDT 19.9 Crore (BDT 28.4 Crore for the year ended June 30, 2024) is recognized in the Statement of Profit and Loss and Comprehensive Income of Sonargaon Textiles Limited. The Company's revenue recognition policies and procedures are not complex and revenue is recognized at a point in time when the control of the manufactured goods is transferred to the customer. However, Revenue is highly material to the financial statement users and is the primary driver of key investor metrics such as Earnings per Share, etc. This account is also subject to some risks due to the risks such as management override and bias.	Understanding the process of estimating, recording, and reassessing going concern. Our audit procedures included: Understanding the process of estimating, recording, and reassessing going concern. - Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfers from the Company to the Customer. - Reviewing Invoices, and other supporting documentation to ensure revenue recognition is occurring appropriately. - Examine Payment documentation to ensure the completion of the revenue cycle is documented appropriately.
Details of Revenue Recognition are included in Note 10.00 to the Financial Statements	
Property, Plant & Equipment The Company's PPE balance as of 30 June 2024 was BDT 71.99 Crore (BDT 75.79 Crore as of 30 June 2023). This represents 56% of the Total Assets of the Company (59% of the Company as of June 30, 2023). There is an estimation performed by management in regards to Asset useful life. Based on the requirement of estimates and the fact that this is a major asset category, this was determined to be a key audit matter.	Our audit procedures included: - Obtain an understanding of the Company's internal controls, systems, and processes around PPE. - We performed PPE addition procedures by obtaining supporting documentation, invoices, and payment support. - We performed the reasonability of depreciation expenses charged by management to ensure accuracy and occurrence. - Reviewed management's calculations to ensure it is free from no clerical errors.



Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for information other than financial statements and auditor's report. The other information comprises the Director's Report, Corporate Governance Compliance Report, Business Responsibility & Sustainability Report, and Management Discussion and Analysis. We expect to receive this other information after the date of our auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard."

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

IFRSs, 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 financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- 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;
- In our opinion, proper books of accounts, records, and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books, and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- 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 returns;
- The expenditures incurred were for the purpose of the Company's business.

Date: 06 November, 2024
Dhaka, Bangladesh
DVC: 2411060392AS645406

Ref: GKC/24-25/A/165




A.K. Gulam Kibria, FCA
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

SONARGAON TEXTILES LIMITED

Statement of Financial Position

As at June 30, 2024

Particulars	Notes	Amount in BDT	
		June 30, 2024	June 30, 2023
Property and Assets			
Non-Current Assets:			
Property, Plant and Equipment	5.01	719,919,673	757,966,751
Right of Use Asset	5.02	506,259	1,012,518
	5.00	720,425,932	758,979,269
Current Assets:			
Inventories	6.01	536,728,251	509,541,767
Advances, Deposits and Prepayments	6.02	7,060,009	7,311,609
Trade & Other Receivables	6.03	16,073,446	-
Investment in Shares	6.04	1,569,450	1,569,450
Cash and Cash Equivalent	6.05	1,727,816	977,980
	6.00	563,158,972	519,400,806
Total Property and Assets		1,283,584,904	1,278,380,075
Shareholders' Equity and Liabilities			
Shareholders' Equity:			
Share Capital	7.01	264,670,560	264,670,560
Capital Reserve	7.02	5,373,570	5,373,570
Share Premium	7.03	54,560,000	54,560,000
Revaluation Reserve	7.04	329,610,602	340,349,944
Retained Earnings	7.05	(143,025,384)	(160,963,242)
	7.00	511,189,350	503,990,832
Non-Current Liabilities:			
Long Term Loan (Non -Current Maturity)	8.01	672,404,220	672,404,220
Lease Obligation Liability	8.02	550,459	1,055,467
Deferred Tax Liability	8.03	70,457,673	72,612,584
	8.00	743,412,352	746,072,271
Current Liabilities & Provisions:			
Unclaimed/Unpaid Dividend	9.01	1,460,470	1,460,470
Trade & Other Payables	9.02	25,094,273	24,739,981
Workers Profit Participation and Welfare Fund	9.03	2,428,459	2,116,519
Provision for Income Tax	9.04	-	-
	9.00	28,983,202	28,316,970
Total Shareholders' Equity & Liabilities		1,283,584,904	1,278,380,075
Net Assets Value Per Share (NAVPS)	16.00	19.31	19.04

The annexed notes from 1 to 41 and Annexure-A form an integral part of these Financial Statements.

This is the Statement of Financial Position referred to in our separate report of even date annexed.


(A.K.M Azizur Rahman)
Chairman


(Rosy Rahman)
Director


(Anwar Hossain)
Company Secretary


(Bazlur Rahman)
Managing Director


Mohammad Monirul Islam Khan
Chief Financial Officer


A.K. Gulam Kibria, FCA (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

Dated: 26 October, 2024
Place : Dhaka, Bangladesh
DVC: 2411060392AS645406

Ref: GKC/24-25/A/165



SONARGAON TEXTILES LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th June, 2024

Particulars	Notes	Amount in BDT				
		Unit - 1	Unit - 2	Unit - 3	Total	
					June 30, 2024	June 30, 2023
Sales (Revenue)	10.00	27,888,101	71,712,260	99,600,362	199,200,723	284,168,891
Less: Cost of Goods sold	11.00	(23,931,026)	(61,536,924)	(85,467,949)	(170,935,899)	(266,674,461)
Gross Profit / (Loss)		3,957,075	10,175,337	14,132,412	28,264,824	17,494,430
Less: Operating Expenses :						
Administrative Expenses	12.00	(3,083,425)	(7,928,807)	(11,012,231)	(22,024,463)	(21,984,398)
Selling & Distribution Expenses	13.00	(88,491)	(227,547)	(316,038)	(632,075)	(161,800)
Total Operating Expenses		(3,171,915)	(8,156,354)	(11,328,269)	(22,656,538)	(22,146,198)
Operating Profit/(Loss)		785,160	2,018,983	2,804,143	5,608,287	(4,651,768)
Add: Non-Operating Income						
Other Income	14.00	163,049	419,270	582,320	1,164,639	1,433,821
Total Non-Operating Income		163,049	419,270	582,320	1,164,639	1,433,821
Less: Non-Operating Expenses						
Financial Expenses	15.00	(31,105)	(79,983)	(111,088)	(222,176)	(2,780,484)
Total Non-Operating Expenses		(31,105)	(79,983)	(111,088)	(222,176)	(2,780,484)
Net Profit/(Loss) before WPPF		917,105	2,358,270	3,275,375	6,550,750	(5,998,432)
Less: Provision for WPPF & WWF	9.03	(43,672)	(112,299)	(155,970)	(311,940)	(200,000)
Net Profit/(Loss) before tax (G-H)		873,433	2,245,971	3,119,405	6,238,809	(6,198,432)
Less: Provision for Income Tax						
Current Tax	9.04	(167,329)	(430,274)	(597,602)	(1,195,204)	(1,705,013)
Deferred Tax	8.03	301,688	775,768	1,077,456	2,154,911	1,694,820
Total Income Tax Expenses		134,359	345,494	479,853	959,707	(10,193)
Net Profit/(Loss) after Tax		1,007,792	2,591,466	3,599,258	7,198,516	(6,208,625)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		1,007,792	2,591,466	3,599,258	7,198,516	(6,208,625)
Earning Per Share (EPS)	17.00				0.27	(0.23)

The annexed notes from 1 to 41 and Annexure-A form an integral part of these Financial Statements.

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date annexed.


(A.K.M Azizur Rahman)
Chairman


(Anwar Hossain)
Company Secretary


Mohammad Monirul Islam Khan
Chief Financial Officer


(Rosy Rahman)
Director


(Bazlur Rahman)
Managing Director


A.K Gulam Kibria, FCA (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

Dated: 26 October, 2024
Place : Dhaka, Bangladesh
DVC: 2411060392AS645406

Ref: GKC/24-25/A/165



SONARGAON TEXTILES LIMITED

Statement of Changes In Equity

For the year ended 30th June, 2024

Amount in BDT						
Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total
As at 1 July, 2023	264,670,560	54,560,000	5,373,570	340,349,944	(160,963,241)	503,990,832
Adjustment in Revaluation Reserve	-	-	-	(10,739,342)	10,739,342	-
Net profit/(Loss)- 2024	-	-	-	-	7,198,516	7,198,516
As at 30th June, 2024	264,670,560	54,560,000	5,373,570	329,610,602	(143,025,383)	511,189,349

SONARGAON TEXTILES LIMITED

Statement of Changes In Equity

For the year ended 30th June, 2023

Amount in BDT						
Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total
As at 1 July, 2022	264,670,560	54,560,000	5,373,570	351,844,432	(374,479,403)	301,969,159
Adjustment in Bank Interest	-	-	-	-	210,877,005	210,877,005
Adjustment in Revaluation Reserve	-	-	-	(11,494,488)	11,494,488	-
Net profit/(Loss)- 2023	-	-	-	-	(6,208,625)	(6,208,625)
Dividend 2022	-	-	-	-	(2,646,706)	(2,646,706)
As at 30th June, 2023	264,670,560	54,560,000	5,373,570	340,349,944	(160,963,241)	503,990,832

The annexed notes from 1 to 41 and Annexure-A form an integral part of these Financial Statements.

This is the Statement of Changes in Equity referred to in our separate report of even date annexed.


(A.K.M Azizur Rahman)
Chairman


(Rosy Rahman)
Director


(Anwar Hossain)
Company Secretary


(Bazlur Rahman)
Managing Director


Mohammad Monirul Islam Khan
Chief Financial Officer


A.K Gulam Kibria, FCA (#392)
Engagement Partner
G. KIBRIA & CO.
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Dated: 26 October, 2024
Place : Dhaka, Bangladesh
DVC: 2411060392AS645406

Ref: GKC/24-25/A/165



SONARGAON TEXTILES LIMITED

Statement of Cash Flows

For the year ended 30th June, 2024

Particulars	Amount in BDT	
	June 30, 2024	June 30, 2023
A. Cash Flows from Operating Activities :		
Collection from Turnover & Others	183,127,277	352,702,685
Payment to Suppliers and Employees	(183,050,769)	(270,143,171)
Cash Generated from Operation	76,508	82,559,514
Collection from Non-operation Income	1,164,639	1,433,821
Interest Paid	-	-
Income Tax paid	(491,311)	(3,777,374)
Net Cash Flows from Operating Activities	749,837	80,215,961
B. Cash Flows from Investing Activities :		
Acquisition of property Plant & Equipment	-	-
Acquisition of Long Term Assets	-	-
Sale Proceeds of Long Term Assets	-	-
Net Cash Flows from Investing Activities	-	-
C. Cash Flows from Financing Activities :		
Long Term Loan received	-	(80,000,000)
Short Term Loan Paid	-	-
Other Loans and Advances Received /(Paid)	-	-
Dividend Paid	-	-
Net cash flow from Financing Activities	-	(80,000,000)
Increase/(decrease) in Cash and Cash Equivalent (A+B+C)	749,837	215,961
Cash and Cash Equivalent at Opening	977,980	762,019
Unrealized gain or (loss) on foreign exchange fluctuation	-	-
Cash and Cash Equivalent at Closing	1,727,816	977,980
Net Operating Cash Flow Per Share (NOCFPS)	18.00	0.03
		3.03

The annexed notes from 1 to 41 and Annexure A form an integral part of these Financial

This is the Statement of Cash Flows referred to in our separate report of even date annexed.


(A.K.M Azizur Rahman)
Chairman


(Anwar Hossain)
Company Secretary


Mohammad Monirul Islam Khan
Chief Financial Officer


(Rosy Rahman)
Director


(Bazlur Rahman)
Managing Director


A.K Gulam Kibria, FCA (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

Dated: 26 October, 2024
Place : Dhaka, Bangladesh
DVC: 2411060392AS645406

Ref: GKC/24-25/A/165



SONARGAON TEXTILES LIMITED

KHANSONS CENTRE, 37, KAWRAN BAZAR, DHAKA-1215, BANGLADESH.

Notes to the Financial Statements for the year ended 30th June, 2024 Forming an Integral Part of the Financial Statements

1.00 Reporting Entity

1.01 Corporate Information – Domicile, Legal Formation, and Country of Incorporation

Sonargaon Textiles Limited has been incorporated in Bangladesh as a Public Limited Company under the Companies Act 1913 currently 1994 in the year 1984. The shares of the Company are listed with the Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE).

1.02 Address of Corporate Head Office:

The Corporate Office of the Company is situated at Khansons Centre, 37, Kawran Bazar, Dhaka-1215, Bangladesh.

1.03 Address Factory Office:

The Share Office of the Company is situated at Rupatali, Barisal and the Registered Office is there.

1.04 Other Corporate Information

- (i) Trade License: TRAD/DNCC/064394/2022 date: 09/10/2023
- (ii) e-TIN No.:476264417082 date: 18/12/2013
- (iii) BIN No.: 0000871560804 date: 14/08/2019

1.05 Principal Activities and Nature of Business

The Company owns and operates a textile spinning mill comprising 3 Units, viz, Unit-I, Unit-2, and Unit-3, and its principal activities and operations are manufacturing of cotton yarn of different counts and sales thereof.

1.06 Commencement of Business

The Company commenced its commercial operation on 21.12.1985 but the operation has stopped for some technical reason for 14 months and commercial operation has restarted from 30.05.2021.

1.07 Operating Segments

No operating segment is applicable for the Company as required by IFRS 8: Operating Segments as the Company has only one operating segments and the operation of the Company is within the geographical territory in Bangladesh.

1.08 Structure, Content and Presentation of Financial Statements

According to the International Accounting Standards (IAS-1) as adopted by the Institute of Chartered Accountants of Bangladesh as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- Statement of Financial Position as at 30th June, 2024;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2024;
- Statement of Changes in Equity for the year ended 30th June, 2024;
- Statement of Cash Flows for the year ended 30th June, 2024;
- Notes comprising a summary of significant accounting policies and other explanatory information.



2.00 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities & Exchange Rules, 2020, the Listing Regulations of Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (CSE), and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Pursuant to the recent amendment to the Companies Act, 1994 incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in the case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

2.02 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act, 1994 and other applicable laws and regulations:

The Income Tax Ordinance, 1984;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 2016;
The Stamp Act, 1899;
The Customs Act, 1969;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Securities and Exchange Rules, 2020;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2018)
DSE/CSE Rules;
Listing Regulations, 2015;

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

As per para-14(2) of the Securities and Exchange Rule, 2020, the company has followed the International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	N/A
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	N/A
15	27	Separate Financial Statements	N/A
16	28	Investment in Associated and Joint Venture	N/A



Sl. No.	IAS No.	IAS Title	Compliance Status
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments : Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Complied
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Complied
25	40	Investment Property	N/A
26	41	Agriculture	N/A

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments : Disclosures	Complied
8	8	Operating Segments	N/A
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	N/A
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	N/A
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

2.04 Basis of Measurement of Elements of Financial Statements

The financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non-current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes. The accompanying policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of previous years.

2.05 Accrual basis of Accounting

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income; and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS Conceptual Framework.

2.06 Going Concern Assumption

The financial statements have been prepared on the assumption that the entity is a going concern and will continue its business in the foreseeable future. The current trend of production indicates further growth in the near future in a bid to augment its revenue and the company has resorted to some measures like support of the company's bank and shareholders and on the basis of these the management of the company is however confident the entity will continue as going concern.

2.07 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.08 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation, and other payables.

2.09 Materiality, Aggregation and Off Setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has the legal right to set off the amounts and intends to settle on a net basis.

Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exists a legal right; therefore no such incident existed during the year.

2.10 Changes in Accounting Policies

There have been no changes in accounting policies. All policies were consistent with the practices of the previous years.

2.11 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency (BDT) at exchange rates ruling at the dates of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate differences at the statement of financial position date are charged/credited to the statement of profit or loss and other comprehensive income, to the extent that this treatment does not contradict with the Schedule XI of the Companies Act, 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance the acquisition of construction of fixed assets, to be credited/charged to the cost/value of such assets.

The financial statements are presented in BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit or loss.

2.12 Comparative Information

Comparative information has been disclosed in respect of 2022-2023 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. The prior year's figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.13 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of the Companies Act, 1994.

2.14 Reporting Period

The reporting period of the Company covers one year from the 1st day of July, 2023 to 30th of June, 2024.

2.15 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October, 2024.

3.00 Significant Accounting Principles and Policies selected and applied for significant transactions and events are depicted below:

For significant transactions and events that have a material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS1: Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS1: Presentation of Financial Statements:

3.01 Assets and Basis of their Valuation Property, Plant and Equipment

3.01.1 Recognition and Measurements of Tangible Fixed Assets

These are capitalized at the cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant, and Equipment". The cost of acquisition of an asset comprises 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.

In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Expenses as capitalized included applicable "Borrowing Costs" in compliance with the provisions of Companies Act, 1994 and IAS 23: Borrowing Costs.

Cost also includes an initial estimate of the costs of dismantling, removing the item, and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities, and Contingent Assets.

On retirement or otherwise disposal of fixed assets, the cost, and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of comprehensive Income which is determined with reference to the net book value of assets and the net sales proceeds.

3.01.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably. The cost of the day-to-day servicing of property and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

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3.01.4 Depreciation on Tangible Fixed Assets

As required in Paragraph 43 of IAS-16 Property and Equipment, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment".

Depreciation on all other fixed assets except land and land development and pond excavation is computed using the diminishing balance method in an amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditures for maintenance and repairs are expenses; major replacements, renewals, and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the Statement of Profit or Loss Account for the year ended. The annual depreciation rates applicable to the principal categories are:

Category of Fixed Assets	Rate of Depreciation
Land & Land Development	—
Building & Construction	5%
Plant & Machinery	7%
Furniture & Fixture	15%
Motor Vehicles	20%
Sundry Assets	20%

The Company's policy is to transfer excess depreciation of revalued assets are transferred from revaluation surplus to retained earnings.

3.01.5 Disposal of Property, Plant and Equipment

An item of Property, Plant, and Equipment is removed from the statement of financial position when it is disposed off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant, and Equipment is included in the statement of profit or loss and other comprehensive income of the period in which the de-recognition occurs.

3.01.6 Impairment

The carrying amounts of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

An impairment loss is recognized through the statement of profit or loss and other comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is calculated as the present value of estimated future cash flows, that will be generated using that asset, discounted at an appropriate rate.

Impairment indicators comprise:

- reduced earnings compared to expected future outcome.
- material negative development trends in the sector or the economy in which the company operates;
- damage to the asset or changed use of asset;

3.03 Sundry Debtors (Including Advance, Deposits and Pre-Payments)

These are carried at original invoice amounts, which represent net realizable value.

3.04 Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

3.05 Inventories

Inventories are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Inventories consist of raw cotton, finished goods, work-in-process, spare parts, packing materials, and wastage cotton. The cost of inventories is based on the weighted average cost 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, cost includes an appropriate share of production overheads based on normal operating capacity.

3.06 Revenue Recognition

In compliance with the requirements of IFRS 15, the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration received or receivable excluding VAT, discounts, commission, rebates, and other sales taxes where applicable.

IFRS 15 requires the company to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales have been historically very low. As a result, the Company does not make a sales return allowance at the end of the year. The Company does not however monitor the activity of sales returns during the year and the behaviour of customers to determine if a sales return allowance is required. As of 30th June, 2024, no sales return allowance was deemed to be required.

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five-step model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates, and Value Added Tax (VAT).

(a) Sale of Goods

Revenue from the sale of goods is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company has generally concluded that it is the principle in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(b) Profit on Bank Deposits

Profit on bank deposits have been accounted for on an accrual basis.

(c) Other Revenues

Other revenues are recognized when services are rendered and bank interests are earned.

3.07 Financial Instruments

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

3.07.1 Financial Assets

The company initially recognizes a financial asset in its statement of financial position, when, and only when, the entity becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

An entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL) on the basis of both in pursuance of provision 4.1 classification of financial assets under IFRS 9:

- (a) the entity's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

3.07.1.1 Financial Assets measured at amortized cost

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

3.07.1.2 Financial Assets measured at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows solely payments of principal and interest on the principal amount outstanding.

3.07.1.3 Financial Assets measured at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

Financial assets include trade and other receivables, advances, deposits & prepayments, and cash & cash equivalents.

(i) Trade and Other Receivables

Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses due to non-collectability of any amount so recognized.

(ii) Advance, Deposits & Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments, or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the profit & loss account.



(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, and fixed deposits having maturity of less than three months which are available for use by the company without any restriction.

3.07.2 Financial Liabilities

A financial liability is recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The company derecognizes a financial liability when its contractual obligations are discharged or canceled or expired.

Non-derivative financial liabilities comprise interest-bearing borrowings, trade, and other payables and provisions.

(i) Interest bearing borrowings

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest, and other charges are classified as current liabilities.

(ii) Trade and Other Payables

Trade and other payables are recognized at the amount payable for settlement in respect of goods and services received by the Company.

(iii) Provisions

A provision is recognized on the statement of financial position date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.08 Equity Instruments

Ordinary shares are classified as equity. Investment costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid-up share capital represents the total amount contributed by the shareholders and bonus shares issued by the Company.

3.09 Impairment

(i) Non-derivative Financial Assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- (a) default or delinquency by a debtor;
- (b) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- (c) indications that a debtor or issuer will enter bankruptcy;
- (d) adverse changes in the payment status of borrowers or issuers;
- (e) observable data indicating that there is a measurable decrease in expected cash flows from a Company of financial assets.



(ii) Financial Assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets (other than biological assets, investment property, inventories, and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognized.

3.10 Derivatives

The company is not a party to any derivative contract at the statement of financial position date, such as a forward exchange contract, currency swap agreement, or interest rate option contract to hedge currency exposure related to the import of raw materials and others or principal and interest obligations of foreign currency loans.

3.11 Investment in Shares (IAS-39): Financial Instruments-Recognition and Measurement)

Investment in marketable ordinary shares has been shown at cost price and classified as available-for-sale financial instruments as per IAS-39. Any adjustment for diminution in the value of shares as on closing of the period on an individual investment basis is made in the financial statement which is reflected in the other comprehensive statement.

3.12 Leases

IFRS 16 provides a single lease accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset is a low value. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Company applied IFRS 16 Lease for the first time on 1st July, 2019. The nature and effect of the changes as a result of the adoption of this new accounting standard is described below.



A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the company used to charge the consideration paid in its books as revenue expenses. IFRS 16 introduced a single, on-balance-sheet accounting model for leases. As a result, the Company, as a lessee, has recognized the right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1st January, 2019 for the existing lease contracts.

The Company has only an office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight-line operating lease expenses (as per IAS-17) with an amortization charge for the right-of-use assets and interest expense on lease liabilities.

The Company applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1st January, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Subsequent Measurement:

The Lease Liability:

Upon initial recognition, the lease liability is being accounted for using amortized cost. Meaning that the initial liability is added by finance charge at the company's incremental borrowing cost less subsequent rental payment on a monthly basis.

Right of Use Assets:

The leased assets (Right to Use Asset) are depreciated over its useful life on a monthly basis using the straight-line depreciation method.

3.13 Taxation

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 15% as a reduced rate by SRO.159/AIN/Income tax/2022 Valid up to June 2025 and 30% was on non-operating income.

(b) Deferred Tax:

The company has recognized deferred tax using the balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The Company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or Deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purposes and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(c) **Value Added Tax:**

Revenues, expenses, and assets are recognized net of the amount of Value Added Tax except:

Where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivable and payables that are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, taxation authority is included as part of receivables or payables in the statement of financial position.

3.14 **Proposed Dividend**

The amount of the proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of the International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.15 **Cost of Post-Employment Benefits**

The company has not maintained a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans and therefore does not record any provisions or expenses in this regard.

3.16 **Capitalization of Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.17 **Accruals, Provisions and Contingencies**

(a) **Accruals**

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) **Provisions**

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

Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year, the company has made sufficient provisions where applicable.

(c) **Contingencies**

A contingent liability is a possible obligation that arises from 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 company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from 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 company. At the reporting date, the company does not have any contingent assets.

Contingent liabilities and assets are not recognized in the statement of financial position of the company.

3.18 **Cash and Cash Equivalents**

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represent cash and cash equivalents considering the IAS 1 "Presentation of Financial Statements" and IAS 7 "Cash Flow Statement" which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risks of changes in value and are not restricted as to use.

3.19 **Statement of Cash Flows**

Cash flow statement is prepared in accordance with IAS 7: "Cash Flow Statement", as recommended by the Securities and Exchange Rules 1987. The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balances held with the commercial banks. It is broken down into operating activities, investing activities, and financing activities. The direct method is used to show the operating activities.

According to IAS 7: "Cash Flow Statements", cash comprises cash in hand and demand deposits and cash equivalents are short-term, highly liquid investments that are readily convertible to the known amount of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS 7 and IAS 1, cash in hand, fixed deposits, and bank balances have been considered as cash and cash equivalent. In addition, management disclosed an indirect method under the IAS-7 statement of cash flows from audit activities as per circular no. Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/ 2006-158/208/ Admin/81, dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method.

3.20 **Earnings per Share (EPS)**

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic EPS

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per share, an entity adjusts the profit or loss attributable to each ordinary equity holder of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Diluted EPS is only calculated where the company has a commitment to issue ordinary shares in the future at the reporting date. No such commitment is held by the company at the reporting date.



3.21 Risk Exposure

Interest Rate Risk

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

Management Perception

The management of the company prefers procuring the long-term fund with a minimum fixed interest rate and the short-term fund with a reasonable competitive rate. The company maintains a low debt/equity ratio; and accordingly, the adverse impact of interest rate fluctuation is insignificant.

Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If the exchange rate increases against local currency, an opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in foreign currency. Therefore, the volatility of the exchange rate will have an impact on the profitability of the company.

Industry Risks

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

Management Perception

Management is optimistic about growth opportunities in the textile sector in Bangladesh.

Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase its customer base.

Management Perception

Management is fully aware of the market risk and acts accordingly. The market for the CNG sector in Bangladesh is growing at an exponential rate. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision, and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that the allocation of its resources properly can reduce this risk factor to a great extent. The company hedges such risks in costs and prices and also takes preventive measures, therefore.

Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

Management Perception

The company's approach to managing liquidity 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, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of the financial obligation through the preparation of the cash forecast, prepared based on a timeline of payment of the financial obligation and accordingly arranges for sufficient liquidity/fund to make the expected payment within due date.

Labour Unrest Risk

Smooth production is dependent on good relationships with factory workers and their ability to provide high-quality services. In the event of disagreement with workers, the company may face adverse impacts.

Management Perception

The management personnel both in the head office and production premises maintain a good atmosphere at the workplace and provide with all necessary facilities to the workers like healthy remuneration, employee leave entitlement, termination benefits, and worker's profit participation fund for its employees which reduces the risk of labour unrest.

3.22 Events after the Reporting Period

As per IAS-10 "Events after reporting Date" are those events favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statements are authorized for issue. Two types of events can be identified: those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after the balance sheet date); and those that are indicative of conditions that arose after the reporting year (Non-adjusting events after the balance sheet date).

3.23 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 20.

4.00 General

- (a) All shares have been fully called and paid up;
- (b) There is no preference shares issued by the company;
- (c) The company has not incurred any expenditure in foreign currency against royalties and technical fees;
- (d) Auditors are paid only the statutory audit fees;
- (e) No foreign currency was remitted to the shareholders during the year under audit;
- (f) No money was spent by the company for compensating any member of the board for rendering special services;
- (g) No brokerage was paid against sales during the year under audit;
- (h) No bank guarantee was issued by the company on behalf of its directors.



5.00 Non-Current Assets

This is made up as follows:

5.01 Property, Plant & Equipment

5.02 Right of Use Asset

719,919,673	757,966,751
506,259	1,012,518
720,425,932	758,979,269

5.01 Property, Plant and Equipment

This is made up as follows :

At Cost:

Balance as July 1st

Add: Addition during the year

Less: Disposal during the year

1,475,544,498	1,475,544,498
-	-
1,475,544,498	1,475,544,498
-	-
1,475,544,498	1,475,544,498

Less: Accumulated Depreciation :

Balance as on July 1st

Add: Charged during the year

Less: Disposal during the year

717,577,747	676,711,145
38,047,078	40,866,602
755,624,825	717,577,747
-	-
755,624,825	717,577,747
719,919,673	757,966,751

Written Down Value as on 30.06.2024

We have obtained the General Ledger balance of Property, Plant & Equipment and we have compared the previous year's balance with the audited financial statements of the previous year's. We have also checked the current year's balance with the balance as per nominal ledger and matched the result found during the audit with the amount shown in Financial Statements/ General Ledger and similarly matched the prior year closing balance with the current year opening balance.

The details of which have been shown in Annexure-1, 2, 3 & 4.

5.02 Right Use of Asset

This is made up as follows :

At Cost:

Balance as July 1st

Add: Addition during the year

Less: Disposal during the year

1,518,777	-
-	1,518,777
1,518,777	1,518,777
-	-
1,518,777	1,518,777

Less: Accumulated Depreciation :

Balance as on July 1st

Add: Charged during the year

Less: Disposal during the year

1,012,518	-
506,259	506,259
1,518,777	506,259
-	-
1,012,518	506,259
506,259	1,012,518

Written Down Value as on 30.06.2024

6.00 Current Assets

This is made up as follows:

6.01 Inventories

6.02 Advances, Deposits & Prepayments

6.03 Trade & Other Receivables

6.04 Investment in Shares

6.05 Cash and Cash Equivalents

536,728,251	509,541,767
7,060,009	7,311,609
16,073,446	-
1,569,450	1,569,450
1,727,816	977,980
563,158,972	519,400,805



6.01 Inventories

This is made up as follows :

Raw Cotton (Note No.11.01)	148,087,143	170,633,716
Finished Goods (Note No.11)	384,011,367	330,834,473
Work in Process (Note No. 11)	1,923,540	2,963,590
Waste Cotton (Note No.11)	2,114,340	4,305,530
Spare Parts	375,985	350,883
Packing Materials	215,876	453,575
	536,728,251	509,541,767

- (i) The valuation method has been applied consistently as supported by IAS;
- (ii) The total schedule of closing inventory for each items as at 30th June, 2024;
- (iii) The policy to keep provision for impairment of inventory has been obtained;
- (iv) There is no damage goods or slow moving item in the inventory;

6.02 Advance, Deposits & Prepayments

This is made up as follows :

Advance Income Tax Note 6.2.1	2,638,490	3,342,384
Security Deposit Note 6.2.2	3,853,540	3,853,540
Advance against Salary	567,979	115,685
	7,060,009	7,311,609

6.2.1 Advance Income Tax

This is made up as follows:

Opening Balance	3,342,384	1,270,023
Less : Previous year provision for Taxation	-	-
	3,342,384	1,270,023

Add: Current year Tax deducted at sources :

Income Tax paid as advance		
On Export proceeds	261,868	3,490,464
On Bank Interest	970	1,319
On Dividend	228,473	285,591
	3,833,694	5,047,397
Less : During the year provision for Taxation	1,195,204	1,705,013
	2,638,490	3,342,384

6.2.2 Security Deposit

This is made up as follows:

Security Deposit to Bangladesh Oxygen Ltd.	4,000	4,000
Security Deposit to PDB (U-1)	1,061,393	1,061,393
Security Deposit to PDB (U-2)	621,607	621,607
Security Deposit to PDB (U-3)	1,942,000	1,942,000
Security Deposit to Telephone (BTTB)	125,500	125,500
BTME (Special Fund)	99,040	99,040
	3,853,540	3,853,540

Advance to employees against salary which is adjustable against monthly salary is considered good.
Security deposits consist utility deposits is considered good.



6.03 Trade & Other Receivables

This is made up as follows :

Name	Amount in BDT	
Ariyan Spinning Co.	14,564,816	-
Export Unrealized	1,508,630	
	16,073,446	-

- (i) Net receivables are considered good. The company holds no security other than debtors' personal security in the form of work orders etc.
- (ii) No amount was due by the directors (including the Managing Director and Chairman), managers and other officers of the Company or any of them either severally or jointly with any other person.

6.04 Investment in Shares

The Company holds shares of Central Depository BD Ltd. (CDBL) which are measured at cost. The total value of shares as at 30th June, 2024 are the Shares of Central Depository BD Ltd. (CDBL), held at cost:

1,569,450	1,569,450
1,569,450	1,569,450

The Company holds shares of Central Depository Bangladesh Ltd. (CDBL) which are measured at cost as on 30th June, 2024.

6.05 Cash and Cash Equivalent

This is made up as follows :

Cash in hand

Cash at Bank (Note-6.05.1)

148,059	316,055
1,579,757	661,924
1,727,816	977,980

6.05.1 Cash at Bank

This is made up as follows :

Name of the Bank	Branch	A/C No.	Amount in BDT	
Dutch Bangla Bank Ltd.	Kawran Bazar	107-120-2912	190,633	187,850
National Bank Ltd.	Tanbazar	0010-33009916	1,384	3,224
Social Islami Bank Ltd.	Narayangonj	0661330007288	929,886	48,144
Social Islami Bank Ltd.	Karwan Bazar	0871360000232	52,447	56,219
Social Islami Bank Ltd.	Karwan Bazar	0871330004209	34,405	1,580
Social Islami Bank Ltd.	Barisal	0731330006555	3,093	4,358
Basic Bank Ltd.	Main Branch	216010000398	8,924	9,782
Rupali Bank Ltd.	Local Office	18024000171	27,132	28,857
Dutch Bangla Bank Ltd.	Motijheel Foreign Exc.	1051201231	113,443	113,292
Pubali Bank Ltd.	Barishal	0374901060680	10,431	2,340
Pubali Bank Ltd.	Karwan Bazar	0557901051294	1,701	-
Dutch Bangla Bank Ltd.	Barisal	127110855	206,280	206,280
			1,579,757	661,924

7.01 Share Capital :

Authorized Share Capital:

5,000,000.00 Ordinary Shares of Tk. 10/- each.

500,000,000	500,000,000
500,000,000	500,000,000

Ordinary Shares Capital:

Issued, Subscribed and Paid up 26,467,056 Ordinary Shares @ Tk. 10/- each.

264,670,560	264,670,560
-------------	-------------

Sponsors Shares 11,764,497 of Tk. 10/- each

General Public Shares 13,841,672 of Tk. 10/- each

Institutions Shares 825,625 of Tk. 10/- each

Non Residence Shares 35,262 of Tk. 10/- each

117,644,970	117,644,970
138,416,720	138,520,930
8,256,250	7,713,420
352,620	791,240
264,670,560	264,670,560



The position of Ordinary Shareholders as on 30th June, 2024 was as follows:

Particulars	No. of Share Holders	No. of Shares	Amount in BDT	
a) 11,764,497 ordinary shares of Tk.10/- paid by sponsors	7	11,764,497	117,644,970	117,644,970
Sub Total	7	11,764,497	117,644,970	117,644,970
b) Group Summary of Other Shareholders				
Description of the Group :				
i) Institutions (ICB & others)	81	825,625	8,256,250	7,713,420
ii) General Public	4,126	13,841,672	138,416,720	138,520,930
iii) Non residence NRB	10	35,262	352,620	791,240
Sub Total	4,217	14,702,559	147,025,590	147,025,590
Grand Total	4,224	26,467,056	264,670,560	264,670,560

7.02 Capital Reserve

5,373,570	5,373,570
-----------	-----------

7.03 Share Premium

This is as per last account.

54,560,000	54,560,000
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7.04 Revaluation Reserve

This is made up as follows :

Balance as on July 1st

340,349,944	351,844,432
-------------	-------------

Prior Year Error Correction

	-
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Adjusted Opening Balance

340,349,944	351,844,432
-------------	-------------

Less: Adjustment for depreciation for this year

(10,739,342)	(11,494,488)
--------------	--------------

329,610,602	340,349,944
--------------------	--------------------

This amount represents as per last years accounts

7.05 Retained Earnings

This is made up as follows :

Balance as on July 1st

(160,963,242)	(374,479,403)
---------------	---------------

Add: Revaluation Reserve

10,739,342	11,494,488
------------	------------

Add: Profit/(Loss) after Tax

7,198,516	(6,208,625)
-----------	-------------

(143,025,384)	(369,193,540)
---------------	---------------

Less : Adjustment during the year

-	210,877,005
---	-------------

Less : Dividend

-	(2,646,706)
---	-------------

(143,025,384)	(160,963,242)
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8.00 Non-Current Liabilities

This is made up as follows:

8.01 Long Term Loan (Non-Current Maturity)

672,404,220	672,404,220
-------------	-------------

8.02 Lease Obligation Liability

550,459	1,055,467
---------	-----------

8.03 Deferred Tax Liability

70,457,673	72,612,584
------------	------------

743,412,352	746,072,271
--------------------	--------------------



8.01 Long Term Loan (Non-Current Maturity)

This is made up as follows :

BDBL Term Loan # 00027

MTBL-Term loan-3

Rupali Bank Loan account (Principal)

Grand Total (Unit 1+2+3)

303,425,627	303,425,627
1,203,225	1,203,225
367,775,368	367,775,368
672,404,220	672,404,220

Note :

In respect of the loan facilities availed from Bangladesh Development Bank Ltd. (BDBL) (Former Bangladesh Shilpa Bank) for Unit No. 1,2 ,the bank rescheduled loan amount at 303,425,627/- in the year 2019 for 10 years term. Meanwhile the bank earlier filed suit in "Artha Rin Adalat" for suit value of Tk.346,291,000. The company is contesting the suit .Deposition not yet begun. The company is also continuing liasion with the bank authority for an amicable settlement within an amount of Taka 20 Crore to Taka 24 Crore irrespective of whatever suit value exists.

The Company availed loan from Rupali Bank Limited (RBL) for working capital of Unit -1,2 & Unit 3 and BMRE for its Unit -3 secured by mortgage of Plant land ,building and machinery and personal guarantee of sponsor Directors .The Bank re-scheduled its liability at taka.301,774,886/- in 2019 for 10 years .The company is however continuing liasion with the bank authority for an amicable settlement within some Tk.20 Crore irrespective of whatever outstanding exists .

The Company availed working capital / term loan from Mutual Trust Bank Ltd.(MTBL) Although bank filed suit in "Artha Rin Adalat" at suit value taka 219,501,331 yet the company negotiated with the Bank Authority and settled liabilities at Taka.8 Crore once for all and paid and settled finally .The Bank authority sympathically allowed substantial amount of remission of interest .

Due to ongoing litigation regarding the loans and the recent remission of interest by the bank, the company did not charge any interest provision during the year.

8.02 Lease Obligation Liability

At Cost:

This is made up as follows:

Opening Balance

Add: Addition during the year

Add: Finance Charge

Less: Payment during the year

Closing Balance

Less: Transferred to current maturity

1,055,467	-
-	1,518,777
1,055,467	1,518,777
94,992	136,690
600,000	600,000
550,459	1,055,467
-	-
550,459	1,055,467

8.03 Deferred Tax Liabilities

This is made up as follows:

Balance as on July 1st

Add: Addition during the year

Less: Adjustment during the year

72,612,584	74,307,404
(2,154,911)	(1,694,820)
70,457,673	72,612,584
-	-
70,457,673	72,612,584



9.00 Current Liabilities & Provisions

This is made up as follows:

9.01 Unclaimed /Unpaid Dividend from 2019 &2022
9.02 Trade & Other Payables
9.03 Workers Profit Participation and Welfare Fund
9.04 Provision for Income Tax

1,460,470	1,460,470
25,094,273	24,739,981
2,428,459	2,116,519
-	-
28,983,202	28,316,970

9.01 Unclaimed /Unpaid Dividend from 2019 & 2022

This is made up as follows :

Balance as on July 1st
Add: Addition during the year

1460470.15	1,523,156
-	2,646,706
1,460,470	4,169,862
-	2,709,392
1,460,470	1,460,470

Less: Adjustment during the year

Balance as on 30.06.2024

Ageing:

For 2019

For 2022

1372768	1,372,768
87702	87,702
1,460,470	1,460,470

9.02 Trade & Other Payables

This is made up as follows :

Accrued Expenses Payable Note 9.02.1

Outstanding Audit Fees

Trade Payables Note 9.02.2

16,411,332	13,430,289
-	402,500
8,682,941	10,907,192
25,094,273	24,739,981

9.02.1 Accrued Expenses Payable

This is made up as follows :

Electricity Bill
Salary & Wages
Salary & Allowance Employees
Subscription for DSE,CSE& Others
Office Rent - VAT
Audit fees

11,783,394	5,363,285
3,186,104	6,609,352
1,046,834	485,357
-	535,295
50,000	57,500
345,000	379,500
16,411,332	13,430,289

Ref: GKC/24-25/A/165



9.02.2 Schedule of Trade Payables

This is made up as follows :

Name	Address	Amount in BDT	
P.N Enterprise (Raw cotton)	2, S.M Maleh Road, Tanbazar, N.gonj	44,752	5,808,445
Ratan Enterprise (Raw cotton)	103 S.M Maleh Road, Tanbazar, N.gonj	464,326	555,479
Master Yarn Trading (Raw cotton)	BB Road, Ukil Para, N. Gonj	-	169,160
Salma Traders (Raw Cotton)	Kalibari Road, Narayangonj	-	6,245
Hoq Yarn Ltd. (Raw Cotton)	Kalibari Road, Narayangonj	-	108,701
Tex trade (Raw cotton)	Banasree, Rampura, Dhaka	156,414	156,414
3 Star Technology	Banasree, Rampura, Dhaka	28,750	46,750
Adib Enterprise	Plot # 16, Block # D, Mill Gate, Tongi, Dhaka	72,576	72,575
AD Media Printers	Panir Tank Goli, Fakirapul, Arambag	134,039	133,539
Airtech Compressor	Dhamrai, Manikgonj	207,000	25,000
A.I.S. Enterprise	Shop # 35,125, Iqble Road,M.pur , Dhaka	35,795	35,795
AR Tech Solution BD	Sector-3, Uttara, Dhaka	-	28,500
Axis Textile Engineering	H # 2, L # 13,B # A,Sec-10,Mirpur,Dhaka.	27,700	27,700
Azad Store	69, B.B. Road, Ukil para,Dhaka	84,983	84,983
Aziz Packaging Ltd.	Vuita, Narayangonj	270,000	-
Babul Khan Enterprise	Madhobdi, Norosindhi	55,000	-
Bengal Roots	New Airport Road, Farmgate, Tejgaon, Dhaka	5,450	600
Bijoytex Engineering	Purana Palton, Dhaka	34,750	34,750
Best Technology	Uttara, Dhaka	60,000	-
China Plastics BD. LTD.	Gulshan 2, Dhaka	200	-
Cargo Control (BD) Pet Ltd	69 Dilkusha C/A, Dhaka.	-	143,084
C.H Graphics & Printers	75,Arambagh, Motijheel,Dhaka-1208	-	142,642
Chittagong Fibre Board	125,Andor Killa,Chittagong	-	196,740
City Lube Oil Industries Ltd	Dilkusha, Matijheel, Dhaka- 1208	-	30,600
Dawood Sultan & Co	Begun Bari, Tejgaon, Dhaka	140,000	160,000
EnCon Engineering Limited	Elephant Road Dhaka	105,850	-
Energy Control & Eng. Ltd	Eskaton, Dhaka	15,403	15,403
Euro Trade	Road#7Block#plot#52,Eastern Banasree,Dhaka	568,517	55,857
Forman Enterprise	Bangshai, Dhaka	81,000	81,000
Friends Electric House	Noor Electric Market, Nawabpur, Dhaka	8,498	8,498
Fusia Electronics	Uttara, Dhaka	-	33,600
Gazi Tanks	Sonir Adhra, Jatrabari, Dhaka	8,200	8,200
H.A Enterprise	Chasara, Narayangonj	136,000	-
Humayra Paper Cone & Packing	Faisal Tower, Gulshan Avenue, Dhaka	774,764	-
IC System & Service	Muscot Plaza, Azampur, Dhaka	23,000	23,000
IHS Inspection Serices(BD) Ltd.	Dilkusha , dhaka	-	6,562
ISRA Trade & Services Bangladesh	Motijheel Dhaka	36,500	-
Jusna Enterprise	Narayangonj	80,000	105,000
Khan Enterprise	Nawabpur, Dhaka	253,250	-
Lipika	Krishni Market, Mohammadpur, Dhaka	259,017	259,017
Lubricants Asia Ltd.	Rampura, Dhaka	50,804	-
Maas Erectors Ltd	Jashmuddin, Uttara	114,600	114,600
Madona Enterprise	Elephant Road, Dhaka	36,450	36,450
Mahin Enterprise	130, B.C Road,Nawabpur Road,Dhaka	121,563	187,103
Mashud International	Shymoli, Dhaka	139,000	-
Mask Engineering	Chasara, Narayangonj	30,500	30,500
Masum Enterprise	Shop # 6,107, Nawabpur Road, Dhaka	25,745	25,745
Meem Enterprise	Madhobdi, Norosindhi	97,875	-
Minha Tex International	Basansree, Rampura, Dhaka	53,400	73,400
Motin Care Limited	Uttara, Dhaka	97,800	-
M.S Enterprise	Madhobdi, Norosindhi	147,640	-
M/S M Hossain Engineering Workshop	Zatrabari, Dhaka	42,300	72,300
M/s Sajib Enterprise	Madhobdi, Norosindhi	302,210	-
New Bangla Technical Support Center.	Madhobdi, Narshindi	157,000	157,000
New Diamond Plastic Traders	Shop # 9,218, Nawabpur Road, Dhaka	-	21,885
Nuhan Engineering Workshop	128,Bonogram Road,Dhaka	-	2,400
Oishi Enterprise	Panthopoth, Dhaka	212,600	-
Pacific Trading	128 Nawabpur, Dhaka	150,337	150,337
P.N. International	Chasara, Narayangonj	110,000	110,000
Popular Traders (N.Gonj)	46/1 Old Jimkhana, Narayangonj	206,341	206,341
Power Tech Engineering Works	Uttara, Dhaka	12,000	-
Prime Power Solution	Darrushsalam, Dhaka	9,400	9,400
Quality Traders	Nawabpur, Dhaka	234,020	234,020
Ringtex Engineering	Kaligonj, Dhaka	22,800	22,800
Riyad Light House	128 Nawabpur, Dhaka	91,440	91,440
Rumman Spring & Eng. Works	128,Bonogram, Nawabpur Road,Dhaka	90,330	43,129

Sail International Ltd	Gulshan 1, Dhaka	420,800	20,800
Sardar Corporation	Uttara, Dhaka	1,375	-
Satata Enterprise	Kakrail, Dhaka	66,245	30,245
Shabbir Automation Technologies	Hazicamp, Dhaka	66,000	-
Shaheli Mechatronics Ltd.	Uttara, Dhaka	20,295	-
SD Tax Promoters Ltd.	Kakrail, Dhaka	-	28,210
Sinobangla Industries Ltd	CR Datta Road, Panthapath, Dhaka	39,071	39,071
S M Paper Cone	Tongi, Gazipur	238,000	88,000
S M Textech	Azampur, Uttara, Dhaka	1,780	31,780
Solution Technology	Mirpur 1, Dhaka	123,500	123,500
Simul Traders	63/A, Railway Commercial Plot, Shajahanpur, Dhaka	102,806	99,821
Southern Multi Pack	BASIC, Barisal	415,800	15,800
Square Informatix Ltd.	Banglamotor, Dhaka	-	5,000
Standard Spring Industries	78, Nawabpur Road, Dhaka	24,350	24,350
Sumon Joint Store	Nawabpur, Dhaka	50,500	50,500
Sutex International	Mowchalk, Dhaka	6,600	12,200
Texcoms Services	Azampur, Uttara, Dhaka	-	37,500
Texmate Engineering	Jashimuddin, Uttara	26,495	26,495
Texlub Resource	Uttara, Dhaka	118,900	-
Trade Way International	Paltan, Dhaka	35,400	-
Triad International	Bijoynagar, Dhaka	8,000	6,400
United Trade Center	Jasimuddin, Uttara	95,650	95,650
Yousuf Traders	KB Road, Dhaka	3,290	3,290
Z3 Automation Engineering	Malibug, Dhaka	37,000	-
ZerOne BD Ltd.	Shymoli, Dhaka	37,305	-
ZSZ Engineering	Hat Khula Road, Motijheel, Dhaka	15,890	15,890
		8,682,941	10,907,192

9.03 Workers Profit Participation and Welfare Fund

This is made up as follows:

Balance as on 1st July 2023
Add: Addition during the year

Less: Adjustment during the year

2,116,519	2,116,519
311,940	200,000
2,428,459	2,316,519
-	(200,000)
2,428,459	2,116,519

As per Section 234 of the Bangladesh Labour Act, 2006, 5% of Net Profit has been provided in proportion to 80:10:10 in order to contribute to Workers Profit Participation Fund, Welfare Fund and Bangladesh Workers Welfare Fund Foundation respectively.

WPPF Calculation:

Workers Profit Participation Fund (5% on Profit before WPPF)

311,940

Allocation of WPPF

(80:10:10):

Profit Participation

Welfare Fund

Bangladesh Workers Welfare Fund Foundation

311,940

249,552

31,194

31,194

9.04 Provision for Income Tax

This is made up as follows:

Balance as on July 1st

Add: during the year

Balance after addition

Less : Adjustment Previous year Advance Tax

Less : Adjustment During the year Advance Tax

-	-
1,195,204	1,705,013
1,195,204	1,705,013
-	-
(1,195,204)	(1,705,013)
-	-

Ref: GKC/24-25/A/165



As per IAS 12, Paragraph 81, a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s) is provided below:

Current Year Tax Calculation

Tax on profit

Minimum Tax as per Section 82/C: 0.6% of Revenue [B]:

Tax: Deducted at Source [C]

Tax Provision

935,821	(929,765)
1,195,204	1,705,013
261,868	3,490,464
1,195,204	1,705,013

10.00 Sales (Revenue)

This is made up as follows :

Particulars	30.06.2024		30.06.2023	
	Qty. Lbs	Taka	Qty. Lbs	Taka
Export of Yarn/Local Sales of Yarn/Waste cotton/Stock Lot Sale	1,578,195	199,217,241	1,505,742	284,198,026
Less: VAT on Sales of Waste Cotton		(16,518)	-	(29,135)
Total Turnover (Net)	1,578,195	199,200,723	1,505,742	284,168,891

11.00 Cost of Goods Sold

This is made up as follows :

Particulars	Quantity Lbs	Amount in BDT				
		Unit-1	Unit - 2	Unit - 3	30.06.2024	30.06.2023
WIP as on July 1st	25,823	414,903	1,066,892	1,481,795	2,963,590	6,585,755
Add: Raw Cotton Input (Note-11.01)	183,725	4,726,665	12,154,283	16,880,948	33,761,896	85,994,457
	209,548	5,141,568	13,221,175	18,362,743	36,725,486	92,580,212
Less :WIP as on 30.06.2024	14,356	269,296	692,474	961,770	1,923,540	2,963,590
Wastage recovery	36,678	296,008	761,162	1,057,170	2,114,340	4,305,530
	51,034	565,303	1,453,637	2,018,940	4,037,880	7,269,120
Raw Material Consumed	158,515	4,576,265	11,767,538	16,343,803	32,687,606	85,311,092
Add: Factory Overhead (Note-11.02)		26,799,526	68,913,067	95,712,593	191,425,187	190,643,794
Cost of Production	158,515	31,375,792	80,680,605	112,056,396	224,112,793	275,954,887
Add: Stock of Yarn as on July 1st	3,103,997	46,316,826	119,100,410	165,417,237	330,834,473	321,554,047
	3,262,512	77,692,618	199,781,016	277,473,633	554,947,266	597,508,934
Less: Stock of Yarn as on 30.06.2024 (Note-11.3)	3,183,549	53,761,591	138,244,092	192,005,684	384,011,367	330,834,473
Cost of Goods Sold		23,931,027	61,536,924	85,467,949	170,935,899	266,674,461

11.01 Raw Cotton Input

This amount comprises as follows :

Particulars	30.06.2024		30.06.2023	
	Quantity (lbs)	Value	Quantity (lbs)	Value
Stock of Raw cotton as on July 1st	981,024	170,633,716	2,173,213	153,963,814
Add : Raw cotton purchased during the year	244,510	11,215,323	1,142,005	102,664,359
	1,225,534	181,849,039	3,315,218	256,628,173
Less : Stock of raw cotton	1,041,809	148,087,143	981,024	170,633,716
Stock of slow moving raw materials written off	-	-	-	-
Stock of raw materials sales waste	-	-	-	-
Stock of raw cotton as on 30.06.2024	1,041,809	148,087,143	981,024	170,633,716
Input of Raw cotton during the year	183,725	33,761,896	2,334,194	85,994,457

11.02 Factory Overhead

This amount comprises as follows :

Particulars	Amount in BDT				
	Unit-1	Unit - 2	Unit - 3	30.06.2024	30.06.2023
Salary & allowance and wages (Note: 11.02.1)	6,775,512	17,422,745	24,198,257	48,396,514	47,376,651
Bonus	484,468	1,245,775	1,730,244	3,460,487	953,447
Carriage Inward	20,664	53,136	73,801	147,601	28,625
Electricity	14,058,223	36,149,715	50,207,938	100,415,875	97,506,713
Stores & Spares	159,735	410,747	570,482	1,140,965	2,345,521
Packing Materials	130,597	335,821	466,418	932,835	3,661,940
Insurance (Fire policy of Machinery, Building, Raw cotton Godown)	-	-	-	-	102,828
Oil & lubricant	37,990	97,689	135,680	271,359	389,396
Overtime expenses	51,093	131,382	182,475	364,949	488,040
Repair & Maintenance	37,337	96,009	133,346	266,691	78,908
Leave benefits & gratuity	143,444	368,856	512,299	1,024,599	114,451
Depreciation (Schedule-4/A)	4,900,464	12,601,192	17,501,656	35,003,312	37,597,274
Total	26,799,526	68,913,067	95,712,593	191,425,187	190,643,794

11.02.1 Salary, Allowances and Wages

This amount comprises as follows :

Particulars	30.06.2024		30.06.2023	
	Employees	Taka	Employees	Taka
a) Up to Tk. 3,000 Per Month	-	-	177	1,895,066
b) Above Tk. 3,000 Per Month	1055	48,396,514	950	45,481,585
	1,055	48,396,514	1,127	47,376,651

11.03 Stock of Yarn

This is made up as follows :

Particulars	30.06.2024	30.06.2023
	Quantity in Lbs	Quantity in Lbs
Opening balance	3,103,997	2,316,672
Add: Production during the year	1,655,552	2,293,067
	4,759,549	4,609,739
Less: Sales during the year :		
Export of Yarn/Local Sales of Yarn/Waste cotton/ Stock lot Sale	1,576,000	1,505,742
	3,183,549	3,103,997

12.00 Administrative Expenses

This is made up as follows:

Particulars	Amount in BDT				
	Unit-1	Unit - 2	Unit - 3	30.06.2024	30.06.2023
Salary & Allowances (Note-12.01)	1,723,226	4,431,152	6,154,378	12,308,756	10,400,509
Overtime	1,101	2,832	3,934	7,867	2,010
Bonus (Note - 12.01)	119,510	307,310	426,820	853,640	4,613,159
Board Meeting fee	14,700	37,800	52,500	105,000	145,000
Conveyance	16,054	41,282	57,337	114,673	
Traveling & conveyance	25,492	65,551	91,043	182,086	169,664
Printing & Stationery	6,494	16,698	23,192	46,383	61,189
Vehicle Maintenance	6,112	15,718	21,830	43,660	15,688
Cleaning expenses	11,018	28,332	39,350	78,700	13,347
Subscription (BTMA)	672	1,728	2,400	4,800	100,256
Subscription (BCI & BAPLC)	-	-	-	-	50,000
Newspaper & Periodicals	70	180	250	500	250
Uniform	-	-	-	-	38,768



Postage	17,469	44,921	62,391	124,781	65,870
Entertainment	14,724	37,861	52,585	105,170	109,479
Electricity	25,322	65,115	90,437	180,874	248,703
Employees Lunch	-	-	-	-	2,329
Fees & Renewal	53,200	136,800	190,000	380,000	168,056
Gardening	580	1,490	2,070	4,140	77
Ifter bill	33,905	87,185	121,090	242,180	84,877
Telephone & Mobile Bill	7,580	19,491	27,072	54,143	33,204
License & renewals	2,697	6,934	9,631	19,262	8,311
Advertisement	10,023	25,775	35,798	71,596	65,621
WASA Bill/Water Bill	593	1,524	2,116	4,233	16,588
Internet connection (Wi-Fi)	7,350	18,900	26,250	52,500	24,750
Data Connectivity Solution (Telnet)	3,360	8,640	12,000	24,000	14,400
Caring & Handling	20,837	53,581	74,419	148,837	37,884
Miscellaneous Expenses	23,826	61,268	85,094	170,188	161,910
Office Rent - IFRS 16 - ROU Asset Amortization	70,876	182,253	253,130	506,259	506,259
Office Rent - VAT	12,600	32,400	45,000	90,000	90,000
Office expenses	3,335	8,575	11,910	23,820	3,941
Donation & others	6,160	15,840	22,000	44,000	65,250
Insurance Premium	-	-	-	-	-
Group Insurance	3,534	9,088	12,623	25,245	25,245
Repairs & maintenance (Building)	82,879	213,118	295,997	591,994	34,114
Repairs & maintenance (Others)	14,179	36,459	50,638	101,275	16,442
AGM Expenses	58,360	150,068	208,428	416,855	247,500
Audit fees	48,300	124,200	172,500	345,000	379,500
Leave benefits	138,200	355,372	493,573	987,145	317,481
Boiler Certificate	-	-	-	-	2,876
Subscription for DSE,CSE& Others	55,581	142,922	198,503	397,005	270,625
E-mail expenses/IT	-	-	-	-	-
Medical expenses	4,894	12,586	17,480	34,960	27,369
Training expenses	1,750	4,500	6,250	12,500	1,418
Yarn Test	-	-	-	-	-
Welfare	4,426	11,382	15,809	31,617	6,050
Depreciation (Schedule-4/A)	426,127	1,095,756	1,521,883	3,043,766	3,269,328
Website Maintenance	-	-	-	-	32,625
Data Connectivity Solution(Telnet)	-	-	-	-	-
Yarn Test	1,680	4,320	6,000	12,000	450
Sundry expenses	4,627	11,899	16,527	33,053	36,028
Total	3,083,425	7,928,807	11,012,231	22,024,463	21,984,398

12.01 Salaries, Allowances & Bonus

This amount comprises as follows :

Particulars	30.06.2024		30.06.2023	
	Employees	Taka	Employees	Taka
a) Up to Tk. 3,000 Per Month	-	-	18	1,501,367
b) Above Tk. 3,000 Per Month	90	13,162,396	80	13,512,301
	90	13,162,396	98	15,013,668

13.00 Selling & Distribution Expenses

Particulars	Amount in BDT				
	Unit-1	Unit - 2	Unit - 3	30.06.2024	30.06.2023
Carriage outward & Discount	88,491	227,547	316,038	632,075	161,800
Total	88,491	227,547	316,038	632,075	161,800

14.00 Non-Operating Income

This amount comprises as follows :

Dividend Received from CDBL
Unrealised Gain
Interest Income

1,142,364	1,427,955
15,981	-
6,294	5,866
1,164,639	1,433,821

15.00 Financial Expenses

This amount comprises as follows :

Particulars	Amount in BDT				
	Unit-1	Unit-2	Unit - 3	30.06.2024	30.06.2023
Financial Expense - IFRS 16 Lease	13,299	34,197	47,496	94,992	136,690
Realized (gain) or Loss in foreign	9,291	23,891	33,181	66,363	2,562,971
Bank charges, commission & others	8,515	21,896	30,411	60,821	80,823
Total	31,105	79,983	111,088	222,176	2,780,484

16.00 Net Assets Value Per Share (NAVPS)

Net Assets
Number of Ordinary Shares

511,189,350	503,990,832
26,467,056	26,467,056

Net Assets Value Per Share (NAVPS)

19.31	19.04
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Note: Net Assets Value per share (NAVPS) has been increased due to impact of increase in total assets.

17.00 Earning Per Share (EPS)

Profit Attributable to Ordinary Shareholders
Number of Ordinary Shares

Profit Attributable to Shareholders Number of Ordinary Shares	
7,198,516	(6,208,625)
26,467,056	26,467,056
0.27	(0.23)

Earning Per Share (EPS)

Note: Earning per Share (EPS) has increased compared with the previous year because of an increase in production and sales amount.

18.00 Net Operating Cash Flow Per Share (NOCFPS)

Net Cash Generated /(Used) by operating Activities
Number of Ordinary Shares

749,837	80,215,961
26,467,056	26,467,056
0.03	3.03

Net Operating Cash Flow Per Share (NOCFPS)

Note: During the year Net Operating Cash Flows per share (NOCFPS) has been decrease due to a huge amount paid in respect of Suppliers, income tax & others paid.

19.00 Reconciliation of Cash Flows from Operating Activities through Indirect Method

Reconciliation of Cash Flows from Operating Activities through indirect method (As per Clause No. 5(2)(e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June, 2018: A Reconciliation of Net Operating Cash Flows under indirect Method provided below:

Net Income after Tax

Non-Cash Adjustments

Add: Depreciation
Less: Cash Rent Paid
Add: ROU Asset Depreciation
Add: ROU Liability Interest
Add: Damage of Stock
Add: Increase in Interest Payable
Income Tax Paid
Income Tax Provision
Add: Loss on Sale of Waste Stock
Less: Def Tax Gain

7,198,516	(6,208,625)
38,047,078	40,866,602
-	-
506,259	506,259
(505,008)	(136,690)
-	-
-	-
-	(3,777,374)
-	1,705,013
-	-
(2,154,911)	(1,694,820)
43,091,934	31,260,365

Ref: GKC/24-25/A/165



Working Capital Adjustments

Change in Inventory (excluding Inv. Write off)
Change in Trade AR
Interest expenses
Change in Advance (Excluding AIT)
Change in Trade Payable
Change in W/PPF

(27,186,484)	-
(16,073,446)	46,269,836
-	-
251,600	(1,212,195)
354,292	3,897,955
311,940	-
749,836	80,215,961
-	-
749,836	80,215,961

Less: Unrealized gain on exchange rate fluctuation

Net Cash Flow from Operating Activities

-	-
749,836	80,215,961

20.00 Related Party Transaction-Disclosures under IAS 24 "Related Party Disclosure"

In accordance with paragraph 19 of IAS 24 Related Party Disclosures, the following matters has been disclosed in the following sequential order:

(i) Parent and Ultimate Controlling Party

There is no such parent company as well as ultimate holding company / controlling party of the company.

(ii) Entities with joint control of, or significant influence over

There is no joint control of, or significant influence over the company.

(iii) Subsidiaries

There are no subsidiary company of the entity (company)

(iv) Associates

There are no associate company of the entity (company)

(v) Joint Venture in which the Entity is a Joint Venture

The Company has not entered into Joint Venture Agreement in which the Company is a Joint Venture.

(vi) Transactions with Key Management Personnel and their Compensation**(a) Loans to Director**

During the year, no loan was given to the directors of Company

(b) Key Management Personnel and their Compensation

There is no compensation for Chairman, Director and Managing Director except Board Meeting fee but there are following categories of compensation in accordance with the paragraph 17 of IAS 24: Related Party Disclosures:

Particulars	Amount in BDT	
	30.06.2024	30.06.2023
Salary and Allowances	60,705,270	57,777,160
Bonus	4,314,127	5,566,606
Overtime	372,816	490,050
Board Meeting Attendance Fee	142,500	145,000
Leave Pay & Gratuity	1,024,599	114,451
Total	66,559,312	64,093,267

Company's key management personnel includes the Company's directors. Compensation includes salary and allowance leave pay gratuity bonus and overtime.

(vii) Other Related Party Transactions

The Company carried out a number of transactions with related parties/associates undertakings in the normal course of business and on arms length basis. The nature of transaction and their total value are in

Name	Total Transaction for the year	Balance as on 30.06.2024	Balance as on 30.06.2023
A. Average & Short Term Loan Paid			
Mr.A.K.Azizur Rahman	-	-	-
Mrs. Rosy Rahman	-	-	-
Mr.Bazlur Rahman	-	-	-
Total for Advance & Short Term Loan Paid	-	-	-

B. Supplier/Creditors (Payable)			
P.N Enterprise (Raw cotton)		44,752	5,808,445
Ratan Enterprise (Raw cotton)		464,326	555,479
Master Yarn Trading (Raw cotton)		-	169,160



Salma Traders (Raw Cotton)	-	6,245
Hoq Yarn Ltd. (Raw Cotton)	-	108,701
Tex trade (Raw cotton)	156,414	156,414
3 Star Technology	28,750	46,750
Adib Enterprise	72,576	72,575
AD Media Printers	134,039	133,539
Airtech Compressor	207,000	25,000
A.I.S. Enterprise	35,795	35,795
AR Tech Solution BD	-	28,500
Axis Textile Engineering	27,700	27,700
Azad Store	84,983	84,983
Aziz Packaging Ltd.	270,000	-
Babul Khan Enterprise	55,000	-
Bengal Roots	5,450	600
Bijoytex Engineering	34,750	34,750
Best Technology	60,000	-
China Plastics BD. LTD.	200	-
Cargo Control (BD) Pet Ltd	-	143,084
C.H Graphics & Printers	-	142,642
Chittagong Fibre Board	-	196,740
City Lube Oil Industries Ltd	-	30,600
Dawood Sultan & Co	140,000	160,000
EnCon Engineering Limited	105,850	-
Energy Control & Eng. Ltd	15,403	15,403
Euro Trade	568,517	55,857
Forman Enterprise	81,000	81,000
Friends Electric House	8,498	8,498
Fusia Electronics	-	33,600
Gazi Tanks	8,200	8,200
H.A Enterprise	136,000	-
Humayra Paper Cone & Packing	774,764	-
IC System & Service	23,000	23,000
IHS Inspection Serices(BD) Ltd.	-	6,562
ISRA Trade & Services Bangladesh	36,500	-
Jusna Enterprise	80,000	105,000
Khan Enterprise	253,250	-
Lipika	259,017	259,017
Lubricants Asia Ltd.	50,804	-
Maas Erectors Ltd	114,600	114,600
Madona Enterprise	36,450	36,450
Mahin Enterprise	121,563	187,103
Mashud International	139,000	-
Mask Engineering	30,500	30,500
Masum Enterprise	25,745	25,745
Meem Enterprise	97,875	-
Minha Tex International	53,400	73,400
Motin Care Limited	97,800	-
M.S Enterprise	147,640	-
M/S M Hossain Engineering Workshop	42,300	72,300
M/s Sajib Enterprise	302,210	-
New Bangla Technical Support Center.	157,000	157,000
New Diamond Plastic Traders	-	21,885
Nuhan Engineering Workshop	-	2,400
Oishi Enterprise	212,600	-
Pacific Trading	150,337	150,337
P.N. International	110,000	110,000



Popular Traders (N.Gonj)	206,341	206,341
Power Tech Engineering Works	12,000	-
Prime Power Solution	9,400	9,400
Quality Traders	234,020	234,020
Ringtex Engineering	22,800	22,800
Riyad Light House	91,440	91,440
Rumman Spring & Eng. Works	90,330	43,129
Sail International Ltd	420,800	20,800
Sardar Corporation	1,375	-
Satata Enterprise	66,245	30,245
Shabbir Automation Technologies	66,000	-
Shahell Mechatronics Ltd.	20,295	-
SD Tax Promoters Ltd.	-	28,210
Sinobangla Industries Ltd	39,071	39,071
S M Paper Cone	238,000	88,000
S M Textech	1,780	31,780
Solution Technology	123,500	123,500
Simul Traders	102,806	99,821
Southern Multi Pack	415,800	15,800
Square Informatix Ltd.	-	5,000
Standard Spring Industries	24,350	24,350
Sumon Joint Store	50,500	50,500
Sutex International	6,600	12,200
Texcoms Services	-	37,500
Texmate Engineering	26,495	26,495
Texlub Resource	118,900	-
Trade Way International	35,400	-
Triad International	8,000	6,400
United Trade Center	95,650	95,650
Yousuf Traders	3,290	3,290
Z3 Automation Engineering	37,000	-
ZerOne BD Ltd.	37,305	-
ZSZ Engineering	15,890	15,890
Total for Supplier / Creditors	8,682,941	10,907,192
C. Sundry Debtors (Product Sales) (Receivable)		
Ariyan Spinning Co.	14,564,816	-
Export Unrealized	1,508,630	-
Total for Sundry Debtors (Products Sales)	16,073,446	-
Grand Total	24,756,387	10,907,192

21.00 Capital Expenditure Commitment

There was no capital expenditure commitment as on 30.06.2024

22.00 Payment in Foreign Currency

-	-
---	---

During the year ended at 30th June, 2024 the Company has

Import of Raw Materials & Finished Goods

-	-
---	---

Import of Machinery, Spare Parts & Other Assets

-	-
---	---

23.00 Foreign Exchange Earned

The Company has earned foreign currency during the year: US\$ 252,082.



24.00 Commission, Brokerage or Discount against Sales

No commission was incurred or paid to distributors, agents nor any brokerage or discount was incurred or paid against sales.

25.00 Credit Facility Not Availed

There was no credit facility available by the company under any contract, but not availed as on 30.06.2024 other than trade credit available in the ordinary course of business.

26.00 Segment Reporting

As there is single business and geographic segment within the company operates as such no segment reporting is felt necessary.

Attendance Status of Board Meeting of Directors

During the period from 01.07.2023 to 30.06.2024 there was 4 Board Meetings and 1 AGM were held. The attendance status of all the meetings is as follows:

Name of Director	Position Held	Meeting Held		Attended	
		2024	2023	2024	2023
Mr. A.K.M Azizur Rahman	Chairman	4	4	4	4
Mr. Bazlur Rahman	Managing Director	4	4	4	4
Mrs. Rosy Rahman	Director	4	4	4	4
Brig Gen Mohammed Abdul Halim	Independent Director	4	4	4	4
Mr. M .Shafiqul Islam	Director (Nominated by BDBL)	4	4	2	3
Mr. Kabir Ahmed	Director (Nominated by BDBL)	4	0	1	0

For Board Meeting, attendance honorarium were paid to the Directors of the Company.

27.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994

A. Disclosure as per requirement of Schedule XI, Part II Note 5 of Para 3.

A(i) Employee Position as at 30th June, 2024

Salary Range (Monthly)	Office & Staff		Worker	Total Employee
	Head Office	Factory		
Below Tk. 3000	-	-	-	-
Above Tk. 3000	90	85	970	1,145
Total	90	85	970	1,145

B. Disclosure as per requirement of Schedule XI, Part II, Para 4 Payment/Perquisites to Directors

The aggregate amounts paid to / provided for the Directors of the Company for the year ended 30th June, 2024 is disclosed below:



Ref: GKC/24-25/A/165

Name of Directors	Designation	Remuneration	Festiva Bonus	AIT Deducted	Net Amount
Mr. A.K.M Azizur Rahman	Chairman				
Mr. Bazlur Rahman	Managing Director				
Mrs. Rosy Rahman	Director				
Brig Gen Mohammed Abdul	Independent Director				
Mrs. Nusrat Hafiz	Retired Independent Director				
Patit Chandra Barik	Director (Nominated by RBL)				
Mr. Iqbal Hossain Kha	Director (Nominated by RBL)				
Total					

Period of payment to Directors is from 1st July, 2023 to 30th June, 2024

The above Directors of the Company did not take any benefit from the Company other than the remuneration and festival bonus.

- ◆ Expenses reimbursed to the managing agent: Nil.
- ◆ Commission or other remuneration payable separately to a managing agent or his associate: Nil.
- ◆ Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil.
- ◆ The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial
- ◆ Any other perquisites or benefit in cash or in kind stating: Nil.
- ◆ Other allowances and commission including guarantee commission: Nil.
- ◆ **Provisions etc.:**
 - a) Pensions: Nil.
 - b) Gratuities: Nil.
 - c) Payments from Provident Fund: Nil.
 - d) Compensating for Loss of Office: Nil.
 - e) Consideration in connection with retirement from office: Nil.

28.00 Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under Condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The Turnover	199,200,723
3(i)(b) Commission Paid to Selling Agents (Incentive)	Not Applicable
3(i)(c) Brokerage and discount of Sales, Other than the usual trade	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as	33,761,896
3(i)(d)(ii) The opening and closing stocks of goods produced	330,834,473 and 384,011,367
3(i) (e) In the case of companies, the purchase made and the opening and closing stocks	Not Applicable
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity break up for the Company, which falls under one or more categories i.e. manufacturing and/or	Complied
3(i)(h) In the case of other companies, the gross income derived under	Not Applicable
3(i)(i) Work-In-progress, which have been completed at the	1,923,540
3(i)(j) Provision for depreciation, renewals or diminution in value of	38,047,078
3(i)(k) Interest on the debenture paid or payable to the Managing	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	1,195,204
3(i)(m) Reserved for repayment of share capital and repayment of	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific	Not Applicable
3(i)(o)(i) Amount withdrawn from above mentioned provisions, as no	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately	Complied
(i) Consumption of stores and spare parts	1,140,965
(ii) Power and Fuel	271,359
(iii) Rent	506,258
(iv) Repairs of Buildings	Not Applicable
(v) Repairs of Machinery	266,691
(vi) Other Include:	
(1) Salaries, wages and bonus	65,019,397
(2) Contribution to provident and other funds	Not Applicable
(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Not Applicable

29.00 Information regarding Accounts Receivables, Advance in line with Schedule XI.
i. Disclosure in line with 4(a) of Part I of Schedule XI

The details of trade receivable are given below:

Sl. No.	Particulars	Amount in BDT	
		30.06.2024	30.06.2023
1	Within 3 Months	4,082,898	-
2	Within 6 Months	4,899,478	-
3	Within 12 Months	5,716,057	-
4	More than 12 Months	1,633,159	-

Ref: GKC/24-25/A/165



ii. Disclosure in line with 4(b) of Part I of Schedule XI

There are no debts outstanding in this respect.

30.00 Disclosure in line with Instruction of Part I of Schedule XI

In regard to sundry debtors the following particulars shall be given separately:

(I) Debt considered good in respect of which the company is fully secured

Within six months trade debtors occurred in the ordinary course of business are considered goods but no security given by the debtors.

The debtors occurred in the ordinary course of business are considered goods and secured against confirmed L/C. The details of accounts receivable are given below:

Customers Name	Amount
Knit Concern Ltd	-
Tazrian Weaving Mills Ltd.	-
Radowan Knit Composite	-
	-
Total	-

(II) Debt considered good for which the company holds no security other than the debtors' personal security

Within six months trade debtors have arisen in the ordinary course of business in good faith as well as market reputation of the company for the above mentioned reasons no personal security taken

(III) Debt considered doubtful or bad

The company considered more than one year debts are doubtful and provision is created for Tk. Nil.

(IV) Debt due by directors or other officers of the

There is no debt due by directors or other officers of the company.

(V) Debt due by common management

There is no debt under common management.

(VI) The maximum amount due by directors or other officers of the Company

There is no such debt in this respect.

31.00 Disclosure as per requirement of Schedule XI, Part II, Para 7

Details of Production capacity utilization.

Particulars	License Capacity	Installed Capacity in MT (Per Year)	Actual Production in MT from 1st July, 2023 to 30th June, 2024	Capacity Utilization from 1st July, 2023 to 30th June, 2024
Annual Production Capacity of Yarn in Lbs	Not mentioned in the License	5,953.0	1,040	17.47



32.00 Disclosure as per requirement of Schedule XI, Part II, Para 8(b) during the year under

Details of Import on CIF basis

i. Raw Materials, Spare Parts, Packing Materials

Items	Purchase (BDT)		Consumption (BDT)	% of Consumption of Total Purchase
Import	Local	Total		
Raw Materials	11,215,323	11,215,323	11,215,323	100
Spare Parts	1,166,067	1,166,067	1,140,965	98
Packing Materials	695,136	695,136	932,835	100
Total	13,076,526	26,365,947	13,289,421	298

Value of Export

Particulars	In Foreign Currency (US \$)	In BDT
Export	252,082	27,745,808

- ii. The Company has not incurred any expenditure in foreign currency for the period from 1st July, 2023 to 30th June, 2024 on account of royalty, know-how, professional fee, consultancy fees and interest.
- iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees.
- iv. The value of export from the period from 1st July, 2023 to 30th June, 2024 is Tk. 27,745,808.

33.00 Disclosure of Advances, Deposit and Prepayment of Schedule XI of Companies Act, 1994

The details break up of Advances, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act, 1994 are stated below:

Particulars	30.06.2024	30.06.2023
Advance, Deposit and Prepayments exceeding 6 months		-
Advance, Deposit and Prepayments not exceeding 6 months		-
Other Advance, Deposit and Prepayments less provision		-
Advance, Deposits and Prepayments considered Good and Secured		-
Advance, Deposits and Prepayments considered Good without		-
Advance, Deposits and Prepayments considered Doubtful or Bad		-
Advance, Deposits and Prepayments due by Directors		-
Advance, Deposits and Prepayments due by Other Officers (against	567,979	115,685
Advance, Deposits and prepayments due from Companies under		-
Maximum Advance, Deposits & Prepayments due by Directors		-
Maximum Advance, Deposits & Prepayments due by Officers at any		-

Disclosure in line with 8(b) of Part II of Schedule XI

During the year under review the company did not remit any amount as dividend, technical know how, royalty, professional consultation fees, Interest and other matters either shareholders or

34.00 Disclosure for purchase in foreign currency during the year

Disclosure as per Para 8 of Schedule XI (GA) of the Companies Act, 1994 regarding purchase made in foreign currency during the year are as follows:

Type of Expenditure	Amount in	
	Amount in Foreign Currency	Amount in BDT.
Import of Raw Material (Hino		-
Import of Raw Material		-
Total		-



35.00 Financial Instrument-Fair Values and Risk Management

35.01 Accounting Classifications and Fair Values

The following table shows the carrying amounts of financial assets and financial liabilities, it does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Reconciliation of Carrying Amount	Carrying Amount in BDT '000							
	Note	Fair Value-hedging instruments	Mandatory at FVTPL-Others	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other Financial Liabilities	Total Amount
30.06.2024								
Financial Assets not measured at Fair Value								
Advance, Deposits & Prepayments	6.02	-	-	-	-	7,060	-	7,060
Trade & Receivables	6.03	-	-	-	-	16,073	-	16,073
Investment in Shares	6.04	-	-	-	-	1,569	-	1,569
Cash and Cash Equivalents	6.05	-	-	-	-	1,728	-	1,728
Total		-	-	-	-	26,430	-	26,430
Financial Liabilities not measured at fair value:								
Long Term Loan (Non-Current Maturity)	8.01	-	-	-	-	-	672,404	672,404
Lease Obligation Liability	8.02	-	-	-	-	-	550	550
Deferred Tax Liability	8.03	-	-	-	-	-	70,458	70,458
Unclaimed/Unpaid Dividend from 2019 & 2022	9.01	-	-	-	-	-	1,460	1,460
Trade & Other Payables	9.02	-	-	-	-	-	25,094	25,094
Workers Profit Participation and Welfare Fund	9.03	-	-	-	-	-	2,428	2,428
Provision for Income Tax	9.04	-	-	-	-	-	-	-
Total		-	-	-	-	-	772,396	772,396
30.06.2023								
Financial Assets not measured at Fair Value:								
Advance, Deposits & Prepayments	6.02	-	-	-	-	7,312	-	7,312
Trade & Receivables	6.03	-	-	-	-	-	-	-
Investment in Shares	6.04	-	-	-	-	1,569	-	1,569
Cash and Cash Equivalents	6.05	-	-	-	-	978	-	978
Total		-	-	-	-	9,858	-	9,858
Financial Liabilities not measured at fair value:								
Long Term Loan (Non-Current Maturity)	8.01	-	-	-	-	-	672,404	672,404
Lease Obligation Liability	8.02	-	-	-	-	-	1,055	1,055
Deferred Tax Liability	8.03	-	-	-	-	-	72,613	72,613
Unclaimed/Unpaid Dividend from 2019	9.01	-	-	-	-	-	1,460	1,460
Trade & Other Payables	9.02	-	-	-	-	-	24,740	24,740
Workers Profit Participation and Welfare Fund	9.03	-	-	-	-	-	2,117	2,117
Provision for Income Tax	9.04	-	-	-	-	-	-	-
Total		-	-	-	-	-	774,389	774,389

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, liabilities for expenses, trade and other payables, because their carrying amounts are a reasonable approximation of fair value.

Ref: GKC/24-25/A/165



35.02 Financial Risk Management Framework

International Financial Reporting Standards (IFRS) 9-Financial instruments: Disclosure - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information-the Company's policies for controlling risks and exposures.

The Company's management has overall responsibility for the establishment and oversight of the company's risk management framework. The Company's Risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company has exposure to the following risks from its use of financial instruments:

33.02.1 Credit Risk; 35.02.2 Liquidity Risk; 35.02.3 Market Risk

35.02.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The debtors management review committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount of credit sale without requiring approval from the committee; these limits are reviewed as per guideline of Sonargaon Textiles Limited in each quarter. Customers that fail to meet the company's benchmark creditworthiness may transact with the company only on a cash / deposit scheme basis.

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2022, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit

Non-Derivative Financial Assets:

Advances, Deposits and Prepayments
Trade & Other Receivables
Advance against Employees
Investment in Shares
Cash at bank
Cash in Hand

Amount in BDT	
6/30/2024	6/30/2023
7,060,009	7,311,609
16,073,446	-
567,979	115,685
1,569,450	1,569,450
1,579,757	661,924
148,059	316,055
26,998,700	9,974,723

Ref: GKC/24-25/A/165



At 30th June, 2024 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

Domestic	-	-
Foreign Receivable	-	-
	-	-

To mitigate the credit risk against accounts receivables, the company has a system of specific credit line period to the customers. This outstanding period and amount are regularly monitored. The company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

35.02.2 Liquidity Risk

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

35.02.3 Market Risk

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

(i) Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instrument subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The company is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate management for the Sonargaon Textiles Limited is to reduce financial cost and ensure predictability.

(ii) Currency Risk

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

36. Capital Management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing company's internal capital adequacy to ensure company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approval by the board. The board of directors monitors the level of dividends to ordinary shareholders.

37. Contingent Liability

There are no contingent liabilities of the Company for the year ended 30th June, 2024.



38.00 Details of Lease Agreement

There are Lease assets. Therefore , Lease agreement was required or signed by lease Law.

39.00 Internal Control

The following steps have been taken for implementation of an effective internal control procedure of the company: Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect if internal control technique to establish an effective management system that includes planning, organizing culture in the factory as well as at Head Office.

40.00 Subsequent Events-Disclosures under IAS 10 "Events after Reporting Period"

The directors recommended no dividend for the year ended 30th June, 2024. The dividend proposal is subject to shareholders' approval in the forthcoming 38th Annual General Meeting to be held on 29.12.2024.

41.00 General Comments and Observations

- A.** Comparative amount: Previous period's figure have been regrouped/reclassified wherever considered necessary to confirmed to current period's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.
- B.** Presentation currency: The annexed financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka.
- C.** All shares have been fully called and paid up.
- D.** Auditors are paid only statutory audit fees.
- E.** No foreign exchange remitted to the relevant shareholders during the period under audit.
- F.** No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- G.** There was no bank guarantee issued by the company on behalf of Directors.
- H.** There are no contingent liabilities of the company for the year ended June 30, 2024.

Ref: GKC/24-25/A/165



Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. The carrying amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 30th June, 2024

30th June, 2024

				Contractual Cash Flows			
	Note	Carrying Amount	Total	2 months or less	2-12 months	1-5 years	More than 5 years
Non-derivative Financial Liabilities:							
Long Term Loan (Non-Current Maturity)	8.01	672,404,220	672,404,220	-	26,896,169	188,273,182	457,234,870
Lease Obligation Liability	8.02	550,459	550,459	-	550,459	-	-
Deferred Tax Liability	8.03	70,457,673	70,457,673	-	2,154,911	8,619,645	59,683,117
Unclaimed/Unpaid Dividend from 2019 & 2022	9.01	1,460,470	1,460,470	116,838	1,343,632	-	-
Trade and Other Payables	9.02	25,094,273	25,094,273	1,000,000	2,000,000	3,000,000	19,094,273
Workers Profit Participation and Welfare Fund	9.03	2,428,459	2,428,459	-	535,704	1,892,755	-
		772,395,554	772,395,554	1,116,838	33,480,875	201,785,582	536,012,259
Derivative Financial Liabilities							
		772,395,554	772,395,554	1,116,838	33,480,875	201,785,582	536,012,259

30th June, 2023

				Contractual Cash Flows			
	Note	Carrying Amount	Total	2 months or less	2-12 months	1-5 years	More than 5 years
Non-derivative Financial Liabilities:							
Long Term Loan (Non-Current Maturity)	8.01	672,404,220	672,404,220	-	37,314,696	274,533,926	651,432,603
Lease Obligation Liability	8.02	1,055,467	1,055,467	284,976	770,491	-	-
Deferred Tax Liability	8.04	72,612,584	72,612,584	-	1,047,956	-	71,564,628
Unclaimed/Unpaid Dividend from 2019 & 2022	9.01	1,460,470	1,460,470	128,000	1,395,156	-	(62,686)
Trade and Other Payables	9.02	24,739,981	24,739,981	1,000,000	2,000,000	3,000,000	18,739,981
Workers Profit Participation and Welfare Fund	9.03	2,116,519	2,116,519	-	535,704	1,580,815	-
		774,389,241	774,389,241	1,412,976	43,064,003	279,114,741	741,674,526
Derivative Financial Liabilities							
			-	-	-	-	-
		774,389,241	774,389,241	1,412,976	43,064,003	279,114,741	741,674,526



Ref: GKC/24-25/A/165

SONARGAON TEXTILES LIMITED
Schedule of Property Plant and Equipment
as at 30th June, 2024

Annexure - 01

UNIT - 1

Amount in BDT

Particulars	COST			Rate of Dep.	DEPRECIATION				Written Down Value	
	As on 01.07.2023	Addition during the year	Revaluation gain	As on 30.06.2024	As on 01.07.2023	Charged During the year	Adjustment/Transferred	As on 30.06.2024	As on 30.06.2024	As on 30.06.2023
Land & Land Development	103,803,963	-	-	103,803,963	-	-	-	-	103,803,963	103,803,963
Building & Construction	64,478,714	-	-	64,478,714	5%	1,693,371	-	32,304,670	32,174,044	33,867,415
Plant & Machinery	240,978,096	-	-	240,978,096	7%	6,105,166	-	159,866,602	81,111,494	87,216,660
Furniture & Fixture	1,152,613	-	-	1,152,613	15%	2,506	-	1,138,413	14,200	16,706
Motor Vehicles	5,019,620	-	-	5,019,620	20%	71,192	-	4,734,850	284,770	355,962
Sundry Assets	6,218,436	-	-	6,218,436	20%	13,338	-	6,165,084	53,352	66,690
	421,651,442	-	-	421,651,442		7,885,573	-	204,209,619	217,441,823	225,327,396

UNIT - 2

Annexure - 02

Particulars	COST			Rate of Dep.	DEPRECIATION				Written Down Value	
	As on 01.07.2023	Addition during the year	Revaluation gain	As on 30.06.2024	As on 01.07.2023	Charged During the year	Adjustment/Transferred	As on 30.06.2024	As on 30.06.2024	As on 30.06.2023
Land & Land Development	29,806,774	-	-	29,806,774	-	-	-	-	29,806,774	29,806,774
Building & Construction	43,972,124	-	-	43,972,124	5%	1,146,759	-	22,183,698	21,788,426	22,935,185
Plant & Machinery	215,104,404	-	-	215,104,404	7%	5,267,581	-	145,120,822	69,983,582	75,251,163
Furniture & Fixture	5,377,188	-	-	5,377,188	15%	19,844	-	5,264,736	112,452	132,296
Motor Vehicles	12,813,366	-	-	12,813,366	20%	219,377	-	11,935,859	877,507	1,096,884
Sundry Assets	7,063,764	-	-	7,063,764	20%	17,350	-	6,994,363	69,401	86,751
	314,137,620	-	-	314,137,620		6,670,912	-	191,499,479	122,638,141	129,309,053

Ref: GKC/24-25/A/165



SONARGAON TEXTILES LIMITED
Schedule of Property Plant and Equipment
as at 30th June, 2024

Annexure - 03
Amount in BDT

UNIT- 3

Particulars	COST			Rate of Dep.	DEPRECIATION				Written Down Value	
	As on 01.07.2023	Additions during the year	As on 30.06.2024		As on 01.07.2023	Charged during the year	Disposal/ Adjustment during the year	As on 30.06.2024	As on 30.06.2024	As on 30.06.2023
Land & Land Development	56,436,763	-	56,436,763	-	-	-	-	-	56,436,763	56,436,763
Building & Construction	77,717,462	-	77,717,462	5%	36,517,918	2,059,977	-	38,577,895	39,139,567	41,199,544
Plant & Machinery	597,634,016	-	597,634,016	7%	292,205,771	21,379,977	-	313,585,748	284,048,268	305,428,245
Furniture & Fixture	817,966	-	817,966	15%	767,735	7,535	-	775,270	42,696	50,231
Sundry Assets	7,149,229	-	7,149,229	20%	6,933,710	43,104	-	6,976,814	172,415	215,519
Total	739,755,436	-	739,755,436		336,425,134	23,490,593	-	359,915,727	379,839,709	403,330,302

Consolidated Schedule of Property, Plant and Equipment as on 30th June, 2024

Annexure - 04

Particulars	COST			DEPRECIATION				Written Down Value	
	As on 01.07.2023	Additions during the year	As on 30.06.2024	As on 01.07.2023	Charged During the year	Disposal/ Adjustment during the year	As on 30.06.2024	As on 30.06.2024	As on 30.06.2023
Unit 1 (Sch-1)	421,651,442	-	421,651,442	196,324,046	7,885,573	-	204,209,619	217,441,823	225,327,396
Unit 2 (Sch-2)	314,137,620	-	314,137,620	184,828,567	6,670,912	-	191,499,479	122,638,141	129,309,053
Unit 3 (Sch-3)	739,755,436	-	739,755,436	336,425,134	23,490,593	-	359,915,727	379,839,709	403,330,302
Grand Total	1,475,544,498	-	1,475,544,498	717,577,747	38,047,078	-	755,624,825	719,919,673	757,966,751



Ref: GKC/24-25/A/165

SONARGAON TEXTILES LIMITED
Schedule of Property Plant and Equipment
as at 30th June, 2024

Annexure-4/A

Apportionment of Depreciation :

Unit/Division	30.06.2024		
	Factory	Head Office	Total
Unit -1	7,254,727	630,846	7,885,573
Unit -2	6,137,239	533,673	6,670,912
Unit -3	21,611,345	1,879,247	23,490,593
Total	35,003,312	3,043,766	38,047,078

Schedule of Revaluation Reserve :

Particulars	Revaluation Reserve		Rate of Dep.	Adjustment				Carring Value as on 30.06.2024	Carring Value as on 30.06.2023
	Balance as on 01.07.2023	Revaluation surplus during the year		Balance as on 01.07.2023	During the year	Adjustment/Transfer	Balance as on 30.06.2024		
Land & Land Development	178,869,655	-	-	-	-	-	-	-	178,869,655
Building & Construction	100,525,034	-	5%	45,236,546	2,764,424	-	48,000,970	52,524,064	52,524,064
Plant & Machinery	328,425,585	-	7%	187,424,218	9,870,096	-	197,294,314	131,131,271	131,131,271
Total	607,820,274	-		232,660,763	12,634,520	-	245,295,284	183,655,335	362,524,990

Ref: GKC/24-25/A/165



SONARGAON TEXTILES LTD.

Khansons Centre (8th & 9th floor), 37, Kawran Bazar, Dhaka-1215.
38th Annual General Meeting

PROXY FORM

I/We _____
of _____

being a Member of Sonargaon Textiles Limited do hereby appoint

Mr./Ms: _____
of _____

as my/our proxy, to attend and vote on me/us on my/our behalf at the 38th Annual General Meeting of the company to be held on Sunday, 29 December 2024 and at any adjournment thereof.

As witness I put my hand this _____ day of _____ 2024

(Signature of proxy)

(Signature of Shareholder)

BO ID NO.																			
Folio NO.																			

No. of shares _____

Revenue
Stamp
Tk. 100

Important:

- (1) This proxy form, duly stamped, must be deposited at the Corporate Office of the Company at least 48 (Forty Eight) hours before the time fixed for holding the meeting and in default, the instrument appointing the proxy shall not be treated as valid.
- (2) Signature of the shareholder the proxy must conform to specimen signature recorded with the company.

Signature Verified

Authorized Signature

SONARGAON TEXTILES LTD.

Khansons Centre (8th & 9th floor), 37, Kawran Bazar, Dhaka-1215.
38th Annual General Meeting

ATTENDANCE SLIP

I do hereby confirm my attendance at the 38th Annual General Meeting of the Company.

Name of the shareholder/proxy _____

BO ID NO.																			
Folio NO.																			

Date:

Signature

Note: Shareholder attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.



Corporate Office

SONARGAON TEXTILES LTD.

a member of khansons group

Khansons Centre (8th & 9th Floor), 37 Kawran bazar, Dhaka-1215

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