

Sonargaon Textiles Ltd.

Dhaka-1215, Bangladesh.

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Financial Statements & Auditor's Report For the year ended June 30, 2024



Independent Auditor's 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 un distributed 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 BDT1,372,768 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.



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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	
Revenue of BDT 19.9 Crore (BDT 28.4 Crore for the year ended June 30, 2023) 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.	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.
Details of Property, Plant & Equipment have been included in Note 5.01 to the Financial Statements	

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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


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
		1,283,584,904	1,278,380,075
Total Property and Assets			
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
		1,283,584,904	1,278,380,075
Total Shareholders' Equity & Liabilities			
Net Assets Value Per Share (NAVPS)	16.00	19.31	19.04

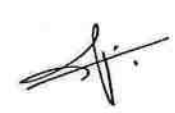
The annexed notes from 1 to 41 and Annexure-A form an integral part of these Financial Statements.

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


A.K.M. Azizur Rahman
 Chairman


Anwar Hossain
 Company Secretary


Rosy Rahman
 Director


Bazlur Rahman
 Managing Director


Md. 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**



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

Arifwar Hossain
Company Secretary

Md. Monirul Islam Khan
Chief Financial Officer

Dated: 26 October, 2024
Place: Dhaka, Bangladesh

DVC: 2411060392AS645406

Rosy Rahman
Director

Bazlur Rahman
Managing Director

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



SONARGAON TEXTILES LTD.
Statement of Changes In Equity
For the year ended 30th June, 2024

Particulars	Amount in BDT					
	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 LTD.
Statement of Changes In Equity
For the year ended 30th June, 2023

Particulars	Amount in BDT					
	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

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


A.K.M Azizur Rahman
Chairman


Anwar Hossain
Company Secretary


Md. Monirul Islam Khan
Chief Financial Officer


Rosy Rahman
Director


Bazlur Rahman
Managing Director



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	3.03

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

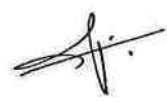
This is the Statement of Cash Flows referred to in our separate report of even date annexed.


A.K.M Azizur Rahman
Chairman


Anwar Hossain
Company Secretary


Md. Monirul Islam Khan
Chief Financial Officer


Rosy Rahman
Director


Bazlur Rahman
Managing Director



SONARGAON TEXTILES LTD.
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.	IFRS No.	IFRS 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 offset 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:

Assets and Basis of their Valuation

3.01 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.

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:

<u>Category of Fixed Assets</u>	<u>Rate of Depreciation</u>
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 outcomes.
- 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.

(iv) **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 lessee 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 as 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 to 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 reduce 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.



		Amount in BDT	
		June 30, 2024	June 30, 2023
5.00 Non-Current Assets			
This is made up as follows:			
5.01 Property, Plant & Equipment		719,919,673	757,966,751
5.02 Right of Use Asset		506,259	1,012,518
		<u>720,425,932</u>	<u>758,979,269</u>
5.01 Property, Plant and Equipment			
This is made up as follows :			
At Cost:			
Balance as July 1st		1,475,544,498	1,475,544,498
Add: Addition during the year		-	-
		1,475,544,498	1,475,544,498
Less: Disposal during the year		-	-
		1,475,544,498	1,475,544,498
Less: Accumulated Depreciation :			
Balance as on July 1st		717,577,747	676,711,145
Add: Charged during the year		38,047,078	40,866,602
		755,624,825	717,577,747
Less: Disposal during the year		-	-
		755,624,825	717,577,747
Written Down Value as on 30.06.2024		<u>719,919,673</u>	<u>757,966,751</u>
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		1,518,777	-
Add: Addition during the year		-	1,518,777
		1,518,777	1,518,777
Less: Disposal during the year		-	-
		1,518,777	1,518,777
Less: Accumulated Depreciation :			
Balance as on July 1st		1,012,518	-
Add: Charged during the year		506,259	506,259
		1,518,777	506,259
Less: Disposal during the year		-	-
		1,012,518	506,259
Written Down Value as on 30.06.2024		<u>506,259</u>	<u>1,012,518</u>
6.00 Current Assets			
This is made up as follows:			
6.01 Inventories		536,728,251	509,541,767
6.02 Advances, Deposits & Prepayments		7,060,009	7,311,609
6.03 Trade & Other Receivables		16,073,446	-
6.04 Investment in Shares		1,569,450	1,569,450
6.05 Cash and Cash Equivalents		1,727,816	977,980
		<u>563,158,972</u>	<u>519,400,805</u>



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
	<u>536,728,251</u>	<u>509,541,767</u>

- (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
		<u>7,060,009</u>	<u>7,311,609</u>

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	-	-
	<u>3,342,384</u>	<u>1,270,023</u>

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
	<u>3,833,694</u>	<u>5,047,397</u>
Less : During the year provision for Taxation	1,195,204	1,705,013
	<u>2,638,490</u>	<u>3,342,384</u>

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 (BTB)	125,500	125,500
BTME (Special Fund)	99,040	99,040
	<u>3,853,540</u>	<u>3,853,540</u>

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	
	<u>16,073,446</u>	<u>-</u>



- (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 Baza	107-120-2912	190,633	187,850
National Bank Ltd.	Tanbazar	0010-33009916	1,384	3,224
Social Islami Bank Ltd.	Narayanganj	0661330007288	929,886	48,144
Social Islami Bank Ltd.	Karwan Baza	0871360000232	52,447	56,219
Social Islami Bank Ltd.	Karwan Baza	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 For	1051201231	113,443	113,292
Pubali Bank Ltd.	Barishal	0374901060680	10,431	2,340
Pubali Bank Ltd.	Karwan Baza	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/- each 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
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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

Prior Year Error Correction

Adjusted Opening Balance

Less: Adjustment for depreciation for this year

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

Add: Revaluation Reserve

Add: Profit/(Loss) after Tax

Less : Adjustment during the year

Less : Dividend

(160,963,242)	(374,479,403)
10,739,342	11,494,488
7,198,516	(6,208,625)
(143,025,384)	(369,193,540)
-	210,877,005
-	(2,646,706)
(143,025,384)	(160,963,242)

8.00 Non-Current Liabilities

This is made up as follows:

8.01 Long Term Loan (Non-Current Maturity)

8.02 Lease Obligation Liability

8.03 Deferred Tax Liability

672,404,220	672,404,220
550,459	1,055,467
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 liaison 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 liaison 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

Less: Adjustment during the year
Balance as on 30.06.2024

Ageing:
For 2019
For 2022

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

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, Narayanganj	-	6,245
Hoq Yarn Ltd. (Raw Cotton)	Kalibari Road, Narayanganj	-	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,	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 , Dhal	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,Dha	27,700	27,700
Azad Store	69, B.B. Road, Ukil para,Dhaka	84,983	84,983
Aziz Packaging Ltd.	Vulta, Narayanganj	270,000	-
Babul Khan Enterprise	Madhobdi, Norosindhi	55,000	-
Bengal Roots	New Airport Road, Farmgate, Tejgaon, I	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	568,517	55,857
Forman Enterprise	Bangshal, 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, Narayanganj	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	Narayanganj	80,000	105,000
Khan Enterprise	Nawabpur, Dhaka	253,250	-
Lipika	Krishi Market, Mohammadpur, Dhaka	259,017	259,017
Lubricants Asia Ltd.	Rampura, Dhaka	50,804	-



Maas Erectors Ltd	Jashimuddin, 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, Narayanganj	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 Works	Zatrabari, Dhaka	42,300	72,300
M/s Sajib Enterprise	Madhobdi, Norosindhi	302,210	-
New Bangla Technical Support Cen	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, Narayanganj	110,000	110,000
Popular Traders (N.Gonj)	46/1 Old Jimkhana, Narayanganj	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	-
Shahell 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, Shajahan	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	Bijoy Nagar, 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	2,116,519	2,116,519
Add: Addition during the year	311,940	200,000
	2,428,459	2,316,519
Less: Adjustment during the year	-	(200,000)
	<u>2,428,459</u>	<u>2,116,519</u>

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	<u>311,940</u>
Welfare Fund	249,552
Bangladesh Workers Welfare Fund Foundation	31,194
	<u>31,194</u>

9.04 Provision for Income Tax

This is made up as follows:

Balance as on July 1st	-	-
Add: during the year	1,195,204	1,705,013
Balance after addition	1,195,204	1,705,013
Less : Adjustment Previous year Advance Tax	-	-
Less : Adjustment During the year Advance Tax	(1,195,204)	(1,705,013)
	<u>-</u>	<u>-</u>

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	935,821	(929,765)
Minimum Tax as per Section 82/C: 0.6% of Revenue [B]:	1,195,204	1,705,013
Tax: Deducted at Source [C]	261,868	3,490,464
Tax Provision	<u>1,195,204</u>	<u>1,705,013</u>



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	511,189,350	503,990,832
Number of Ordinary Shares	26,467,056	26,467,056
Net Assets Value Per Share (NAVPS)	19.31	19.04

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

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	749,837	80,215,961
Number of Ordinary Shares	26,467,056	26,467,056
Net Operating Cash Flow Per Share (NOCFPS)	0.03	3.03

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	7,198,516	(6,208,625)
Non-Cash Adjustments		
Add: Depreciation	38,047,078	40,866,602
Less: Cash Rent Paid	-	-
Add: ROU Asset Depreciation	506,259	506,259
Add: ROU Liability Interest	(505,008)	(136,690)
Add: Damage of Stock	-	-
Add: Increase in Interest Payable	-	-
Income Tax Paid	-	(3,777,374)
Income Tax Provision	-	1,705,013
Add: Loss on Sale of Waste Stock	-	-
Less: Def Tax Gain	(2,154,911)	(1,694,820)
	43,091,934	31,260,365
Working Capital Adjustments		
Change in Inventory (excluding Inv. Write off)	(27,186,484)	-
Change in Trade AR	(16,073,446)	46,269,836
Interest expenses	-	-
Change in Advance (Excluding AIT)	251,600	(1,212,195)
Change in Trade Payable	354,292	3,897,955
Change in WPPF	311,940	-
	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 below:

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 Commitme

There was no capital expenditure commitment as on 30.06.2024

22.00 Payment in Foreign Currency

-	-
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During the year ended at 30th June, 2024 the Company has not made

Import of Raw Materials & Finished Goods

-	-
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Import of Machinery, Spare Parts & Other Assets

-	-
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-	-
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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:



Name of Directors	Designation	Remuneration	Festival Bonus	AIT Deducted	Net Amount
Mr. A.K.M Azizur Rahman	Chairman	-	-	-	-
Mr. Bazlur Rahmar	Managing	-	-	-	-
Mrs. Rosy Rahman	Director	-	-	-	-
Brig Gen	Independent	-	-	-	-
Mrs. Nusrat Hafiz	Retired	-	-	-	-
Patit Chandra Barik	Director	-	-	-	-
Mr. Iqbal Hossain	Director	-	-	-	-
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 year: Nil.
- ◊ 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 discount	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 trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement	1,923,540
3(i)(i) Provision for depreciation, renewals or diminution in value of fixed	38,047,078
3(i)(k) Interest on the debenture paid or payable to the Managing Director,	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 loans	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 liabilities,	Not Applicable
3(i)(o)(i) Amount withdrawn from above mentioned provisions, as no longer	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each	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	-

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 from debtors.



(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 Company**

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 1 st July, 2023 to 30 th 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 audit.**

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 Security		-
Advance, Deposits and Prepayments considered Doubtful or Bad		-
Advance, Deposits and Prepayments due by Directors		-
Advance, Deposits and Prepayments due by Other Officers (against Salary)	567,979	115,685
Advance, Deposits and prepayments due from Companies under same		-
Maximum Advance, Deposits & Prepayments due by Directors		-
Maximum Advance, Deposits & Prepayments due by Officers at any time		-

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 others.

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 Foreign	
		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	Note	Carrying Amount in BDT '000						Total Amount
		Fair Value- hedging instruments	Mantarooy at FVTPL- Others	FVOCI-debt instruments	FVOCI- equity instruments	Financial assets at amortized cost	Other Financial Liabilities	
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.



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 / 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 risk at the

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	
June 30, 2024	June 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

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.

36.00 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.

37.00 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
- 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.



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

Amount in BDT	Note	Carrying Amount	Total	Contractual Cash Flows				
				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	8,619,644,94	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

Amount in BDT	Note	Carrying Amount	Total	Contractual Cash Flows				
				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	-	-	
Director's and Other Loans and Advances	8.03	-	-	-	-	-	-	
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	



SONARGAON TEXTILES LTD.
Schedule of Property Plant and Equipment
As at 30th June, 2024

UNIT - 1

Annexure - 01

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%	30,611,299	1,693,371	-	32,304,670	32,174,044	33,867,415
Plant & Machinery	240,978,096	-	-	240,978,096	7%	153,761,436	6,105,166	-	159,866,602	81,111,494	87,216,660
Furniture & Fixture	1,152,613	-	-	1,152,613	15%	1,135,907	2,506	-	1,138,413	14,200	16,706
Motor Vehicles	5,019,620	-	-	5,019,620	20%	4,663,658	71,192	-	4,734,850	284,770	355,962
Sundry Assets	6,218,436	-	-	6,218,436	20%	6,151,746	13,338	-	6,165,084	53,352	66,690
	421,651,442	-	-	421,651,442		196,324,046	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%	21,036,939	1,146,759	-	22,183,698	21,788,426	22,935,185
Plant & Machinery	215,104,404	-	-	215,104,404	7%	139,853,241	5,267,581	-	145,120,822	69,983,582	75,251,163
Furniture & Fixture	5,377,188	-	-	5,377,188	15%	5,244,892	19,844	-	5,264,736	112,452	132,296
Motor Vehicles	12,813,366	-	-	12,813,366	20%	11,716,482	219,377	-	11,935,859	877,507	1,096,884
Sundry Assets	7,063,764	-	-	7,063,764	20%	6,977,013	17,350	-	6,994,363	69,401	86,751
	314,137,620	-	-	314,137,620		184,828,567	6,670,912	-	191,499,479	122,638,141	129,309,053



SONARGAON TEXTILES LTD.
Schedule of Property Plant and Equipment
As at 30th June, 2024

UNIT- 3

Annexure - 03

Amount in BDT

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			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
Unit 1 (Sch-1)	421,651,442		421,651,442		196,324,046	7,885,573	-	204,209,619	217,441,823	225,327,596
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



SONARGAON TEXTILES LTD.
Schedule of Property Plant and Equipment as at 30th June, 2024

Apportionment of Depreciation :

Annexure-4/A

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			Carrying Value as on 30.06.2024	Carrying Value as on 30.06.2023
	Balance as on 01.07.2023	Revaluation surplus during the year	Balance as on 30.06.2024		Balance as on 01.07.2023	During the year	Adjustment/T transfer	Balance as on 30.06.2024	
Land & Land Development	178,869,655	-	178,869,655	-	-	-	-	-	178,869,655
Building & Construction	100,525,034	-	100,525,034	5%	45,236,546	2,764,424	-	48,000,970	52,524,064
Plant & Machinery	328,425,585	-	328,425,585	7%	187,424,218	9,870,096	-	197,294,314	131,131,271
Total	607,820,274	-	607,820,274		232,660,763	12,634,520	-	245,295,284	362,524,990



SONARGAON TEXTILES LTD.
Schedule of Property Plant and Equipment
As at 30th June, 2023

UNIT - 1

Annexure - 01

Amount in BDT

Particulars	COST			Rate of Dep.	DEPRECIATION				Written Down Value	
	As on 01.07.2022	Addition during the year	Revaluation in gain	As on 30.06.2023	As on 01.07.2022	Charged During the year	Adjustment/ Transferred	As on 30.06.2023	As on 30.06.2023	As on 30.06.2022
Land & Land Development	103,803,963	-	-	103,803,963	-	-		-	103,803,963	103,803,963
Building & Construction	64,478,714	-	-	64,478,714	5%	1,782,496		30,611,299	33,867,415	35,649,911
Plant & Machinery	240,978,096	-	-	240,978,096	7%	6,564,695		153,761,436	87,216,660	93,781,355
Furniture & Fixture	1,152,613	-	-	1,152,613	15%	2,948		1,135,907	16,706	19,654
Motor Vehicles	5,019,620	-	-	5,019,620	20%	88,991		4,663,658	355,962	444,953
Sundry Assets	6,218,436	-	-	6,218,436	20%	16,672		6,151,746	66,690	83,362
	421,651,442	-	-	421,651,442		8,455,802	-	196,324,045	225,327,397	233,783,198

UNIT - 2

Annexure - 02

Particulars	COST			Rate of Dep.	DEPRECIATION				Written Down Value	
	As on 01.07.2022	Addition during the year	Revaluation in gain	As on 30.06.2023	As on 01.07.2022	Charged During the year	Adjustment/ Transferred	As on 30.06.2023	As on 30.06.2023	As on 30.06.2022
Land & Land Development	29,806,774	-	-	29,806,774	-	-		-	29,806,774	29,806,774
Building & Construction	43,972,124	-	-	43,972,124	5%	1,207,115		21,036,939	22,935,185	24,142,300
Plant & Machinery	215,104,404	-	-	215,104,404	7%	5,664,066		139,853,241	75,251,163	80,915,229
Furniture & Fixture	5,377,188	-	-	5,377,188	15%	23,346		5,244,892	132,296	155,643
Motor Vehicles	12,813,366	-	-	12,813,366	20%	274,221		11,716,482	1,096,884	1,371,106
Sundry Assets	7,063,764	-	-	7,063,764	20%	21,688		6,977,013	86,751	108,439
	314,137,620	-	-	314,137,620		7,190,436	-	184,828,566	129,309,054	136,499,490



SONARGAON TEXTILES LTD.
Schedule of Property Plant and Equipment
As at 30th June, 2023

UNIT- 3

Annexure - 03

Amount in BDT

Particulars	COST			Rate of Dep.	DEPRECIATION				Written Down Value	
	As on 01.07.2022	Additions during the year	As on 30.06.2023		As on 01.07.2022	Charged during the year	Disposal/ Adjustment during the year	As on 30.06.2023	As on 30.06.2023	As on 30.06.2022
Land & Land Development	56,436,763	-	56,436,763	-	-	-	-	-	56,436,763	56,436,763
Building & Construction	77,717,462	-	77,717,462	5%	34,349,521	2,168,397	-	36,517,918	41,199,544	43,367,941
Plant & Machinery	597,634,016	-	597,634,016	7%	269,216,548	22,989,223	-	292,205,771	305,428,245	328,417,468
Furniture & Fixture	817,966	-	817,966	15%	758,871	8,864	-	767,735	50,231	59,095
Sundry Assets	7,149,229	-	7,149,229	20%	6,879,831	53,880	-	6,933,710	215,519	269,398
Total	739,755,436	-	739,755,436		311,204,771	25,220,364	-	336,425,135	403,330,301	428,550,665

Consolidated Schedule of Property, Plant and Equipment as on 30th June, 2023

Annexure -04

Particulars	COST			DEPRECIATION			Written Down Value	
	As on 01.07.2022	Additions during the year	As on 30.06.2023	As on 01.07.2022	Charged During the year	Disposal/ Adjustment during the year	As on 30.06.2023	As on 30.06.2022
Unit 1 (Sch-1)	421,651,442		421,651,442	187,868,244	8,455,802	-	196,324,046	225,327,396
Unit 2 (Sch-2)	314,137,620		314,137,620	177,638,130	7,190,436	-	184,828,566	129,309,054
Unit 3 (Sch-3)	739,755,436		739,755,436	311,204,771	25,220,364	-	336,425,135	403,330,301
Grand Total	1,475,544,498	-	1,475,544,498	676,711,145	40,866,602	-	717,577,747	757,966,751
								798,833,353



SONARGAON TEXTILES LTD.
Schedule of Property Plant and Equipment as at 30th June, 2023

Apportionment of Depreciation :

Annexure-4/A

Unit/Division	30.06.2023			30.06.2022
	Factory	Head Office	Total	Amount (Tk.)
Unit -1	7,779,337	676,464	8,455,802	9,070,670
Unit -2	6,615,201	575,235	7,190,436	7,758,394
Unit -3	23,202,735	2,017,629	25,220,364	27,079,896
Total	37,597,274	3,269,328	40,866,602	43,908,959

Schedule of Revaluation Reserve :

Particulars	Revaluation Reserve		Rate of Dep.	Adjustment			Carring Value as on 30.06.2023	Carring Value as on 30.06.2022
	Balance as on 01.07.2022	Revaluation surplus during the year		Balance as on 01.07.2022	During the year	Adjustment/T transfer		
Land & Land Development	178,869,655	-	-	-	-	-	178,869,655	178,869,655
Building & Construction	100,525,034	-	5%	42,326,625	2,909,920	-	55,288,488	58,198,409
Plant & Machinery	328,425,585	-	7%	176,811,212	10,613,006	-	141,001,367	151,614,373
Total	607,820,274	-		219,137,836	13,522,927	-	375,159,511	388,682,437

