

Sonargaon Textiles Limited.

Dhaka, Bangladesh

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Financial Statements & Auditor's Report

For the year ended June 30, 2023



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, 2023, and the statement of profit or loss and other comprehensive income, 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, 2023, 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 509,541,767. As the notification date of the appointment was after the year-end, we were unable to verify the inventories physically and unable to conduct alternative procedures to verify the inventories physically after the year-end. As a result, we were unable to verify the amount disclosed in the financial statements, so the financial statements may be misstated by this amount.
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 lying unpaid during the year, also we have observed that the 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 the note # 9.03 of the financial statements regarding "Workers Profit Participation and Welfare Fund" worth of BDT 2,116,519. In the course of the audit of the financial statements, we have observed that the company has not disbursed and utilized the Workers' Profit Participation and Welfare Fund as per the Bangladesh Labour Act, 2006. So it is a non-compliance of the Bangladesh Labour Act, 2006.

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

Emphasis of Matter

1. We would like to draw your attention to note # 8.01 which describes the Company's on-going legal proceedings with two of its financial institutions viz Rupali Bank Limited and Bangladesh Development Bank Limited. A money suit was installed with the Artho Rin Adalat by BDBL and Rupali Bank Limited has declared the loan as classified. Both the banks are not charging interest on loans. Moreover, the company has

Ref: GK/C/23-24/A/155

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on the process of negotiation for interest remission and the matter is under process. So the company reformed interest against loans.

2. The Company has received interest remission from Mutual Trust Bank. For these reasons, the Company does not keep any provision for the bank loan interest because will get the interest remission for the rest of the amount. Our audit opinion is not qualified in respect to this matter emphasized.
3. We also draw attention to note # 8.03 of the financial statements in respect of Director's and Other Loans and Advances, the company adjusted all the amount during this period. Our opinion is not modified on this regard.

Material Uncertainty Related to Going Concern

We draw attention to the Statement of Profit and Loss and Other Comprehensive Income in the financial statements, which indicates that the Company incurred an Operating loss of BDT 4,651,769 during the year ended June 30, 2023 and, as of that date, the has negative retained earnings of BDT 160,963,242. Apparently, it appears that the status of the going concern is under in big challenge. 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 28.4 Crore (BDT 45.49 Crore for the year ended June 30, 2022) 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. Details of the Revenue Section are summarized in Note 10 to the Financial Statements	Our audit procedures included: Understanding the process of estimating, recording, and reassessing going concern. ► Obtain an understanding of the Company's internal controls specifically geared toward the adoption of the new accounting standard. ► 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, Shipping Documents, 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	

Adoption and Implementation of IFRS 16 Leases	
IFRS 16 Leases becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing International Accounting Standard 17 Leases. Sonargaon Textiles Limited has implemented the modified retrospective approach for the transition accounting. The application of the new lease standard resulted in the recognition, for the 01 July 2019 opening balance sheet, of the right of use of assets and lease liability. The Company had a closing balance of BDT 1,012,518 of Right-of-Use Asset and Lease Liability of BDT 1,055,467 as at June 30, 2023. The impact of the adaptation of the new standard is disclosed in of the notes to the financial statements.	We obtained an understanding of the management's process for implementing IFRS 16 Leases, including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including: ▶ Obtained and read the accounting policy for compliance with IFRS 16 Leases; ▶ Obtained listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS 16 Leases. In respect of the contracts selected for testing; ▶ Obtained and assess the borrowing rates; ▶ Tested the assumptions used in the calculation model for the sample contracts selected for testing; ▶ Performed test of details on a sample basis on different categories of lease for valuation of the right of use of asset and lease liability; Assessed the disclosures within the financial statements.
Details of IFRS 16 Leases have been included in Note 5.00 to the Financial Statements	

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

Management is responsible for the 2023 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report, and Management Discussion and Analysis.

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 identified above when it becomes available 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, 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 NOV 2023
Dhaka, Bangladesh
DVC: 2311060392AS641399


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



SONARGAON TEXTILES LIMITED
Statement of Financial Position
As at June 30, 2023

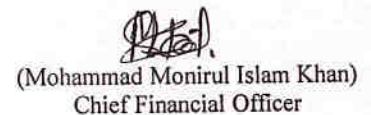
Particulars	Notes	Amount in BDT	
		June 30, 2023	June 30, 2022
Property and Assets			
Non-Current Assets:			
Property, Plant and Equipment	5.01	757,966,751	798,833,354
Right of Use Asset	5.02	1,012,518	-
	5.00	758,979,269	798,833,354
Current Assets:			
Inventories	6.01	509,541,767	518,313,471
Advances, Deposits and Prepayments	6.02	7,311,609	5,181,420
Trade & Other Receivables	6.03	-	67,099,973
Investment in Shares	6.04	1,569,450	1,569,450
Cash and Cash Equivalent	6.05	977,980	762,019
	6.00	519,400,805	592,926,332
		1,278,380,075	1,391,759,686
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	340,349,944	351,844,432
Retained Earnings	7.05	(160,963,242)	(374,479,403)
	7.00	503,990,832	301,969,159
Non-Current Liabilities:			
Long Term Loan (Non -Current Maturity)	8.01	672,404,220	963,281,225
Lease Obligation Liability	8.02	1,055,467	-
Director's and Other Loans and Advances	8.03	-	27,720,197
Deferred Tax Liability	8.04	72,612,584	74,307,404
	8.00	746,072,271	1,065,308,826
Current Liabilities & Provisions:			
Unclaimed/Unpaid Dividend from 2019 & 2022	9.01	1,460,470	1,523,156
Trade & Other Payables	9.02	24,739,981	20,842,026
Workers Profit Participation and Welfare Fund	9.03	2,116,519	2,116,519
Provision for Income Tax	9.04	-	-
	9.00	28,316,970	24,481,701
		1,278,380,074	1,391,759,686
Total Shareholders' Equity & Liabilities			
Net Assets Value Per Share (NAVPS)	16.00	19.04	11.41

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


(Abu Zakir Ahmed, ACS)
Company Secretary


(Mohammad Monirul Islam Khan)
Chief Financial Officer

Dated: 25 OCT 2023
Place: Dhaka, Bangladesh
DVC: 2311060392AS641399


(Rosy Rahman)
Director


(Bozlor Rahman)
Managing Director


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

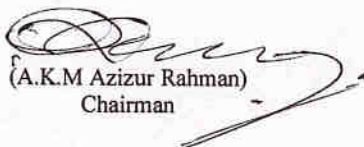


SONARGAON TEXTILES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30th June, 2023

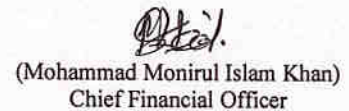
Particulars	Notes	Amount in BDT				
		Unit - 1	Unit - 2	Unit - 3	Total	
					June 30, 2023	June 30, 2022
Sales (Revenue)	10.00	39,783,645	102,300,801	142,084,446	284,168,891	454,935,378
Less: Cost of Goods sold	11.00	(37,334,425)	(96,002,806)	(133,337,231)	(266,674,461)	(384,647,861)
Gross Profit /(Loss)		2,449,220	6,297,995	8,747,215	17,494,430	70,287,517
Less: Operating Expenses :						
Administrative Expenses	12.00	(3,077,816)	(7,914,383)	(10,992,199)	(21,984,398)	(21,884,311)
Selling & Distribution Expenses	13.00	(22,652)	(58,248)	(80,900)	(161,800)	(580,662)
Total Operating Expenses		(3,100,468)	(7,972,631)	(11,073,099)	(22,146,198)	(22,464,973)
Operating Profit/(Loss)		(651,248)	(1,674,637)	(2,325,884)	(4,651,769)	47,822,544
Add: Non-Operating Income						
Other Income	14.00	200,735	516,176	716,911	1,433,821	1,433,126
Total Non-Operating Income		200,735	516,176	716,911	1,433,821	1,433,126
Less: Non-Operating Expenses						
Financial Expenses	15.00	(389,268)	(1,000,974)	(1,390,242)	(2,780,484)	(38,005,888)
Total Non-Operating Expenses		(389,268)	(1,000,974)	(1,390,242)	(2,780,484)	(38,005,888)
Net Profit/(Loss) before WPPF		(839,780)	(2,159,436)	(2,999,216)	(5,998,432)	11,249,782
Less: Provision for WPPF	9.03	-	-	-	-	(535,704)
Less: Provision for WWF	9.03	-	-	(200,000)	(200,000)	(200,000)
		-	-	(200,000)	(200,000)	(735,704)
Net Profit/(Loss) before tax (G-H)		(839,780)	(2,159,436)	(3,199,216)	(6,198,432)	10,514,078
Less: Provision for Income Tax						
Current Tax	9.04	(238,702)	(613,805)	(852,507)	(1,705,013)	(2,729,612)
Deferred Tax	8.04	146,714	377,264	523,978	1,694,820	1,047,956
Total Income Tax Expenses		(91,988)	(236,541)	(328,529)	(10,193)	(1,681,656)
Net Profit/(Loss) after Tax		(931,768)	(2,395,976)	(3,527,745)	(6,208,625)	8,832,422
Other comprehensive income		-	-	-	-	-
Total comprehensive income		(931,768)	(2,395,976)	(3,527,745)	(6,208,625)	8,832,422
Earning Per Share (EPS)	17.00				(0.23)	0.33

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


(Abu Zakir Ahmed, ACS)
Company Secretary


(Mohammad Monirul Islam Khan)
Chief Financial Officer

Dated: 25 OCT 2023
Place: Dhaka, Bangladesh
DVC: 2311060392AS641399


(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, 2023

Amount in BDT

Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total
As at 1 July, 2022	264,670,560	54,560,000	5,373,570	351,844,432	(374,479,403)	301,969,159
Share Capital Increase (Bonus)	-	-	-	-	-	-
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	(160,963,242)	503,990,832

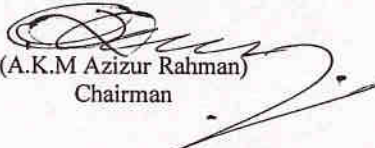
Statement of Changes In Equity
For the year ended 30th June, 2022

Amount in BDT

Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total
As at 1 July, 2021	264,670,560	54,560,000	5,373,570	364,148,104	(395,615,497)	293,136,737
Share Capital Increase (Bonus)	-	-	-	-	-	-
Adjustment in Revaluation Reserve	-	-	-	(12,303,672)	12,303,672	-
Net profit/(Loss)- 2022	-	-	-	-	8,832,422	8,832,422
Dividend 2021	-	-	-	-	-	-
As at 30th June, 2022	264,670,560	54,560,000	5,373,570	351,844,432	(374,479,403)	301,969,159

The annexed notes from I to 41 and Annexure-A form an integral part of these

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


(A.K.M Azizur Rahman)
Chairman


(Abu Zakir Ahmed, ACS)
Company Secretary


(Mohammad Monirul Islam Khan)
Chief Financial Officer


(Roqayyeh Rahman)
Director


(Bazlur Rahman)
Managing Director

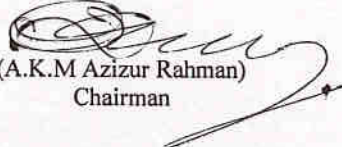


SONARGAON TEXTILES LIMITED
Statement of Cash Flows for the year ended 30th June, 2023
For the year ended 30th June, 2023

Particulars	Note	Amount in BDT	
		June 30, 2023	June 30, 2022
A. Cash Flows from Operating Activities :			
Collection from Turnover & Others		352,702,685	442,702,201
Payment to Suppliers and Employees		(270,143,171)	(441,402,157)
Cash Generated from Operation		82,559,514	1,300,044
Collection from Non-operation Income		1,433,821	1,433,126
Interest Paid		-	-
Income Tax paid		(3,777,374)	(2,660,354)
Net Cash Flows from Operating Activities		80,215,961	72,816
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)		215,961	72,816
Cash and Cash Equivalent at Opening		762,019	689,203
Unrealized gain or (loss) on foreign exchange fluctuation		-	(68,051)
Cash and Cash Equivalent at Closing		977,980	762,019
Net Operating Cash Flow Per Share (NOCFPS)	18.00	3.03	0.003

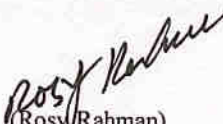
The annexed notes from 1 to 41 and Annexure-A form an integral part of these Financial Statements.

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


(A.K.M Azizur Rahman)
Chairman


(Abu Zakir Ahmed, ACS)
Company Secretary


(Mohammad 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, 2023
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-1, 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 Number of Employees:

The number of employees was 1225 as on 30.06.2023.

1.08 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.

1.09 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, 2023;
- ✓ Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2023;
- ✓ Statement of Changes in Equity for the year ended 30th June, 2023;
- ✓ Statement of Cash Flows for the year ended 30th June, 2023;
- ✓ 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



16	28	Investment in Associated and Joint Venture	N/A
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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 2020-2021 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, 2022 to 30th of June, 2023.

2.15 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 25th day of October, 2023.

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, 2022, 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.



5.00 Non-Current Assets

This is made up as follows:

- 5.01 Property, Plant & Equipment
5.02 Right of Use Asset

Amount in BDT	
June 30, 2023	June 30, 2022

757,966,751	798,833,354
1,012,518	-
<u>758,979,269</u>	<u>798,833,354</u>

5.01 Property, Plant and Equipment

This is made up as follows :

At Cost:

Balance as 01.07.2022

Add: Addition during the year

1,475,544,498	1,475,544,498
-	-
1,475,544,498	1,475,544,498
-	-
<u>1,475,544,498</u>	<u>1,475,544,498</u>

Less: Disposal during the year

Less: Accumulated Depreciation :

Balance as on 01.07 .2022

Add: Charged during the year

676,711,145	632,802,185
40,866,602	43,908,959
717,577,747	676,711,144
-	-
<u>717,577,747</u>	<u>676,711,144</u>

Less: Disposal during the year

Written Down Value as on 30.06.2023

<u>757,966,751</u>	<u>798,833,354</u>
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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 01.07.2022

Add: Addition during the year

-	506,259
1,518,777	-
1,518,777	506,259
-	506,259
<u>1,518,777</u>	<u>-</u>

Less: Disposal during the year

Less: Accumulated Depreciation :

Balance as on 01.07.2022

Add: Charged during the year

-	506,259
506,259	-
506,259	506,259
-	506,259
<u>506,259</u>	<u>-</u>
<u>1,012,518</u>	<u>-</u>

Less: Disposal during the year

Written Down Value as on 30.06.2023**6.00 Current Assets**

This is made up as follows:

- 6.01 Inventories
6.02 Advances, Deposits & Prepayments
6.03 Trade & Other Receivables
6.04 Investment in Shares
6.05 Cash and Cash Equivalents

509,541,767	518,313,471
7,311,609	5,181,420
-	67,099,973
1,569,450	1,569,450
977,980	762,019
<u>519,400,805</u>	<u>592,926,332</u>



Amount in BDT	
June 30, 2023	June 30, 2022

6.01 Inventories

This is made up as follows :

Raw Cotton (Note No.11.01)	
Finished Goods (Note No.11)	
Work in Process (Note No. 11)	
Waste Cotton (Note No.11)	
Spare Parts	
Packing Materials	

170,633,716	156,963,814
330,834,473	321,554,047
2,963,590	6,585,755
4,305,530	9,567,845
350,883	19,587,635
453,575	4,054,375
509,541,767	518,313,471

- (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, 2023;
- (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
Security Deposit	Note 6.2.2
Advance against Salary	
VAT/Excise duty paid in advance	

3,342,384	1,270,023
3,853,540	3,853,540
115,685	57,857
-	-
7,311,609	5,181,420

6.2.1 Advance Income Tax

This is made up as follows:

Opening Balance	
Less : Previous year provision for Taxation	

1,270,023	1,339,281
-	-
1,270,023	1,339,281

Add: Current year Tax deducted at sources :

Income Tax paid as advance	
On Export proceeds	
On Bank Interest	
On Dividend	
Less : Write off Advance Income Tax	
Less : Last year provision for Taxation	
Less : During the year provision for Taxation	

3,490,464	2,374,168
1,319	595
285,591	285,591
5,047,397	3,999,635
-	-
-	-
1,705,013	2,729,612
3,342,384	1,270,023

6.2.2 Security Deposit

This is made up as follows:

Security Deposit to Bangladesh Oxygen Ltd.	
Security Deposit to PDB (U-1)	
Security Deposit to PDB (U-2)	
Security Deposit to PDB (U-3)	
Security Deposit to Telephone (BTB)	
BTME (Special Fund)	

4,000	4,000
1,061,393	1,061,393
621,607	621,607
1,942,000	1,942,000
125,500	125,500
99,040	99,040
3,853,540	3,853,540

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

Amount in BDT	
June 30, 2023	June 30, 2022

6.03 Trade & Other Receivables

This is made up as follows :

Name	Address	Amount in BDT	
Knit concern Ltd.	Tanbazar, Narayangonj.	-	49,596,840
Tasrian weaving Mills Ltd.	Madhobdi bazar, Narsindhi.	-	12,822,008
Radowan Knite Composite	Tanbazar, Narayangonj.	-	4,681,125
		-	67,099,973

Ageing Schedule of Trade & Other Receivable:

Duration:

1-30 Days
31-60 Days
61-90 Days
91-180 Days
181-365 Days
Over 365 Days

-	17,503,133
-	8,426,880
-	-
-	41,169,960
-	-
-	-
-	67,099,973

- (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, 2022 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, 2023.

6.05 Cash and Cash Equivalent

This is made up as follows :

Cash in hand
Cash at Bank (Note-6.05.1)

316,055	48,632
661,924	713,387
977,980	762,019

6.05.1 Cash at Bank

This is made up as follows :

Name of the Bank	Branch	A/C No.	Amount in BDT	
Dutch Bangla Bank Ltd.	Kawran Bazar	107-120-2912	187,850	187,236
National Bank Ltd.	Tanbazar	0010-33009916	3,224	3,224
Social Islami Bank Ltd.	Narayangonj	0661330007288	48,144	96,780
Social Islami Bank Ltd.	Karwan Bazar	0871360000232	56,219	46,344
Social Islami Bank Ltd.	Karwan Bazar	0871330004209	1,580	11,140
Social Islami Bank Ltd.	Barisal	0731330006555	4,358	8,623
Trust Bank Ltd.	SKB Br., Motijheel	3300-3143	-	-
Basic Bank Ltd.	Main Branch	216010000398	9,782	10,637
Rupali Bank Ltd.	Local Office	18024000171	28,857	28,857
Dutch Bangla Bank Ltd.	Motijheel Foreign Exc.	1051201231	113,292	114,266
Rupali Bank Ltd.	Barisal	20005021	-	-
Pubali Bank Ltd.	Barishal	0374901060680	2,340	-
Dutch Bangla Bank Ltd.	Barisal	127110855	206,280	206,280
			661,924	713,387

Amount in BDT	
June 30, 2023	June 30, 2022

7.01 Share Capital :

Authorized Share Capital:

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

500,000,000	500,000,000
<u>500,000,000</u>	<u>500,000,000</u>

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	117,644,970
General Public Shares 138,52,093 of Tk. 10/- each	138,520,930
Financial Institutions Shares 771,342 of Tk. 10/- each	7,713,420
Non Residence Shares 79,124 of Tk. 10/- each	791,240
ICB Securities Trading Co. 24,917 Tk. 10/- each	-
ICB & Other Shares 81,127 of Tk. 10/- each	-
	249,170
	811,270
<u>264,670,560</u>	<u>264,670,560</u>

The position of Ordinary Shareholders as on 30th June, 2023 was as follows:

Particulars	No. of Share Holders	Amount in BDT	
a) 11,790,404 ordinary shares of Tk.10/- each paid by sponsors	7	117,644,970	117,904,040
Sub Total	7	117,644,970	117,904,040
b) Group Summary of Other Shareholders Description of the Group :			-
i) Financial Institutions (ICB & others)	52	7,713,420	30,174,490
ii) General Public	4,206	138,520,930	115,531,590
iii) Non residence NRB	21	791,240	-
iv) ICB Securities Trading Co.	-	-	249,170
v) ICB Capital Management Ltd	-	-	811,270
Sub Total	4,279	147,025,590	146,766,520
Grand Total	4,286	264,670,560	264,670,560

7.02 Capital Reserve

This is as per last account.

<u>5,373,570</u>	<u>5,373,570</u>
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7.03 Share Premium

This is as per last account.

<u>54,560,000</u>	<u>54,560,000</u>
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7.04 Revaluation Reserve

This is made up as follows :

Balance as on 01.07.2022

Prior Year Error Correction

Adjusted Opening Balance

Less: Adjustment for depreciation for this year

351,844,432	364,148,104
-	-
351,844,432	364,148,104
(11,494,488)	(12,303,672)
<u>340,349,944</u>	<u>351,844,432</u>

This amount represents as per last years accounts

7.05 Retained Earnings

This is made up as follows :

Balance as on 01.07.2022

Add: Revaluation Reserve

Add: Profit/(Loss) after Tax

Less : Adjustment during the year

Less : Dividend 2022

(374,479,403)	(395,615,498)
11,494,488	12,303,672
(6,208,625)	8,832,422
(369,193,540)	(374,479,403)
210,877,005	-
(2,646,706)	-
<u>(160,963,242)</u>	<u>(374,479,403)</u>

Amount in BDT	
June 30, 2023	June 30, 2022

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 Director's and Other Loans and Advances	
8.04 Deferred Tax Liability	

672,404,220	963,281,225
1,055,467	-
-	27,720,197
72,612,584	74,307,404
746,072,271	1,065,308,826

8.01 Long Term Loan (Non-Current Maturity)

This is made up as follows :

BDBL Term Loan # 00027	
MTBL-Term loan-1	
MTBL-Term loan-2	
MTBL-Term loan-3	
Rupali Bank Loan account (Principal)	
Grand Total (Unit 1+2+3)	

303,425,627	303,425,627
-	80,853,222
-	55,403,054
1,203,225	155,823,954
367,775,368	367,775,368
672,404,220	963,281,225

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 exit.

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.22 Crore irrespective of whatever outstanding exits .

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 .

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

-	1,150,459
1,518,777	-
1,518,777	1,150,459
136,690	94,992
600,000	1,245,451
1,055,467	-
-	-
1,055,467	-

8.03 Director's and Other Loans and Advances

This is made up as follows:

Opening balance
Add: Received during the year

Less: Paid during the year

-	27,720,197
-	-
-	27,720,197
-	-
-	27,720,197

These represent loan from directors which do not carry any interest.

Amount in BDT	
June 30, 2023	June 30, 2022

8.04 Deferred Tax Liabilities

This is made up as follows:

Balance as on 01.07.2022

Add: Addition during the year

Less: Adjustment during the year

74,307,404	75,355,360
(1,694,820)	(1,047,956)
72,612,584	74,307,404
-	-
<u>72,612,584</u>	<u>74,307,404</u>

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	1,523,156
24,739,981	20,842,026
2,116,519	2,116,519
-	-
<u>28,316,970</u>	<u>24,481,701</u>

9.01 Unclaimed /Unpaid Dividend from 2019 & 2022

This is made up as follows :

Balance as on 01.07.2022

Add: Addition during the year

Less: Adjustment during the year

Ageing:

For 2019

For 2022

1,523,156	1,523,156
2,646,706	-
4,169,862	1,523,156
2,709,392	-
<u>1,460,470</u>	<u>1,523,156</u>
1,372,768	1,523,156
87,702	-
<u>1,460,470</u>	<u>1,523,156</u>

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

13,430,289	12,675,698
402,500	402,500
10,907,192	7,763,828
<u>24,739,981</u>	<u>20,842,026</u>

9.02.1 Accrued Expenses Payable

This is made up as follows :

Electricity Bill (Factory) for June, 2023

Salary & Wages (Factory) for June, 2023

Salary & Allowance Employees

Subscription for DSE,CSE& Others

Office Rent - VAT for June, 2023

Audit fees- 2023

Barisal City Corporation Tax

5,363,285	8,241,844
6,609,352	4,007,879
485,357	425,975
535,295	-
57,500	-
379,500	-
-	-
<u>13,430,289</u>	<u>12,675,698</u>

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	5,808,445	1,109,412
Ratan Enterprise (Raw cotton)	103 S.M Maleh Road, Tanbazar, N.gonj	555,479	555,479
Master Yarn Trading (Raw cotton)	BB Road,Ukil Para, N.gonj	169,160	169,160
Salma Traders (Raw Cotton)	Kalibari Road, Narayanganj.	6,245	6,245

		Amount in BDT	
		June 30, 2023	June 30, 2022
Hoq Yarn Ltd. (Raw Cotton)	Kalibari Road, Narayangonj.	108,701	178,701
Tex trade (Raw cotton)	Banasree, Rampura, Dhaka	156,414	156,414
3star tecnology	Banasree, Rampura, Dhaka	46,750	46,750
Adib Enterprise (Spare parts)	Plot # 16,Block# D,Mill Gate,Tongi, Dhaka	72,575	72,575
AD Media Printers	Panir tank Goli, Fakirapur, Arambagh.	133,539	133,539
Airtech Compressor	Dhamrai, Manikgonj.	25,000	25,000
A.I.S Enterprise	Shop # 35,125, Iqble Road,M.pur, Dhaka	35,795	35,795
AR Tech Solution BD	Sector-3, Uttara, Dhaka	28,500	28,500
Axis Textiles engineering	H # 2, L # 13,B # A,Sec-10,Mirpur, Dhaka.	27,700	27,700
Azad Store	69, B.B. Road, Ukil para, Dhaka	84,983	84,983
Bijoytex Engineering	Purana Paltan, Dhaka	34,750	34,750
Bengal Roots	New Airport Road,Farmgate,Tejgaon, Dhaka.	600	600
Cargo Control (BD) Pet Ltd	69 Dilkusha C/A , Dhaka.	143,084	143,084
C.H Graphics & Printers	75,Arambagh, Motijheel, Dhaka-1208	142,642	142,642
Chittagong Fibre Board	125,Andor Killa,Chittagong	196,740	196,740
City Lube Oil Industries Ltd	Dilkusha, Motijheel, Dhaka	30,600	30,600
Dawood Sultan & Co.	Begun bari ,Tejgaon, Dhaka.	160,000	160,000
Energy Control And Eng.Ltd	Eskaton, Dhaka	15,403	15,403
Euro Trade	Road#7Block#plot#52,Eastern Banasree, Dhaka	55,857	55,857
Forman Enterprise	Bangshal ,Dhaka.	81,000	81,000
Friends Electric House	Noor Electric Market,Nawabpur, Dhaka.	8,498	8,498
Fusia Electronics	Mirpur DOSH.	33,600	33,600
Gazi Tank	Sonir akhra,Jatrabari, Dhaka.	8,200	8,200
IC System & Service	Muscot Plaza,Azampur,Dhaka	23,000	23,000
IHS Inspection Serices(BD) Ltd.	66, Dilkusha C/A Dhaka	6,562	6,562
Jusna Enterprise	Narayangonj.	105,000	105,000
Lipika (Spare Importer)	Krishi market,Mohamadpur,Dhaka.	259,017	259,017
Mass Electors 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	187,103	187,103
Mask Engineering	Chasara,Narayangonj.	30,500	30,500
Musum Enterprise	Shop # 6,107, Nawabpur Road, Dhaka	25,745	25,745
Minha Tex International	Basansree, Rampura, Dhaka	73,400	73,400
M/S M Hossain Engineering Wo	Zatrabari, Dhaka.	72,300	72,300
New Bangla Technical Support C	Madhapdi. Naranshindi.	157,000	157,000
New Diamond Plastic Traders	Shop # 9,218, Nawabpur Road, Dhaka	21,885	21,885
Nuhan Engineering Workshop	128,Bonogram Road, Dhaka	2,400	2,400
Pacific Trading	128 Nawabpur. Dhaka.	150,337	150,337
PN International	Chasara,Narayangonj.	110,000	110,000
Popular Trades(Narayangong)	46/1 Old Jimkhana, Narayangonj	206,341	206,341
Prime Power Solution	Darrushsalam. Dhaka.	9,400	9,400
Quality Traders	Nawabpur, Dhaka.	234,020	234,020
Ringtex Engineering	Kaligong. Dhaka.	22,800	22,800
Riyad Light House	128 Nawabpur. Dhaka.	91,440	91,440
Rumman Spring & Eng. Works	128,Bonogram, Nawabpur Road, Dhaka	43,129	1,528,798
Sail International	Gulshan-I	20,800	20,800
Satata Enterprise	Kakrail, Dhaka.	30,245	30,245
SD Tax Promoters Ltd.	Kakrail, Dhaka.	28,210	28,210
Sinobangla Industries Ltd.	C.R Datta Road,Panthapath ,Dhaka.	39,071	39,071
S M Paper Cone	Tongi, Gazipur	88,000	88,000
S M Textech	Azampur, Uttara, Dhaka.	31,780	31,780
Solution Technology	Mirpur-I, Dhaka.	123,500	123,500

Amount in BDT	
June 30, 2023	June 30, 2022

Name	Address	Amount in BDT	
Simul Traders	63/A, Railway Commercial Plot, Shajahanpur, Dhaka	99,821	99,821
Southern multi Pack	BASIC, Barisal.	15,800	15,800
Square Informatix Ltd.		5,000	5,000
Standard Sprung Industries	78, Nawabpur Road, Dhaka	24,350	24,350
Suman Joint Store	Nawabpur, Dhaka.	50,500	50,500
Sutex International	Mowchak, Dhaka.	12,200	12,200
Texcoms Services	Azampur, Uttara, Dhaka.	37,500	37,500
Texmate Engineering	Jatrabari, Dhaka	26,495	26,495
Triad International	Bijoy Nagar, Dhaka	6,400	6,400
United Trade Centre	Jashimuddin, Uttara.	95,650	95,650
Yusuf Trader		3,290	3,290
ZSZ Engineering	Hat khula Road, Motijheel, Dhaka.	15,890	15,890
		10,907,192	7,763,828

9.03 Workers Profit Participation and Welfare Fund

This is made up as follows:

Balance as on 01.07.2022

Add: Addition during the year

Less: Adjustment during the year

2,116,519	2,180,815
200,000	735,704
2,316,519	2,916,519
200,000	800,000
2,116,519	2,116,519

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

9.04 Provision for Income Tax

This is made up as follows:

Balance as on 01.07.2022

Add: during the year

Balance after addition

Less : Adjustment Previous year Advance Tax

Less : Adjustment During the year Advance Tax

-	-
1,705,013	2,729,612
1,705,013	2,729,612
-	-
(1,705,013)	(2,729,612)
-	-

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:

Net Income:

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

Tax: Deducted at Source [C]

Tax Provision

(6,208,625)	10,514,078
1,705,013	2,729,612
3,490,464	2,660,354
1,705,013	2,729,612



10.00 Sales (Revenue)

This is made up as follows :

Particulars	30.06.2023		30.06.2022	
	Qty. Lbs	Taka	Qty. Lbs	Taka
Export of Yarn/Local Sales of Yarn/Waste cotton/Stock Lot Sale	1,505,742	284,198,026	1,322,149	454,999,115
Less: VAT on Sales of Waste Cotton	-	29,135	-	63,737
Total Turnover (Net)	1,505,742	284,168,891	1,322,149	454,935,378

11.00 Cost of Goods Sold

This is made up as follows :

Particulars	Quantity Lbs	Amount in BDT				
		Unit-1	Unit - 2	Unit - 3	30.06.2023	30.06.2022
WIP as on 01.07.2022	57,385	922,006	2,370,872	3,292,878	6,585,755	6,218,005
Add: Raw Cotton Input (Note-11.01)	2,334,194	12,039,224	30,958,005	42,997,229	85,994,457	391,284,048
	2,391,579	12,961,230	33,328,876	46,290,106	92,580,212	397,502,053
Less :WIP as on 30.06.2023	23,823	414,903	1,066,892	1,481,795	2,963,590	6,585,755
Wastage recovery	74,689	602,774	1,549,991	2,152,765	4,305,530	9,567,845
	98,512	1,017,677	2,616,883	3,634,560	7,269,120	16,153,600
Raw Material Consumed	2,293,067	11,943,553	30,711,993	42,655,546	85,311,092	381,348,453
Add: Factory Overhead (Note-11.02)		26,690,131	68,631,766	95,321,897	190,643,794	185,168,131
Cost of Production	2,293,067	38,633,685	99,343,759	137,977,443	275,954,887	566,516,586
Add: Stock of Yarn as on 01.07.2022	2,316,672	45,017,567	115,759,457	160,777,024	321,554,047	139,685,322
	4,609,739	83,651,252	215,103,216	298,754,467	597,508,934	706,201,908
Less: Stock of Yarn as on 30.06.2023 (Note-11.3)	3,103,997	46,316,826	119,100,410	165,417,237	330,834,473	321,554,047
Cost of Goods Sold	1,505,742	37,334,425	96,002,806	133,337,230	266,674,461	384,647,861

11.01 Raw Cotton Input

This amount comprises as follows :

Particulars	30.06.2023		30.06.2022	
	Quantity (lbs)	Value	Quantity (lbs)	Value
Stock of Raw cotton as on 01.07.2022	2,173,213	153,963,814	2,182,516	261,477,603
Add : Raw cotton purchased during the year	1,142,005	102,664,359	2,544,194	286,770,259
	3,315,218	256,628,173	4,726,710	548,247,862
Less : Stock of raw cotton	981,024	170,633,716	2,173,213	156,963,814
Stock of slow moving raw materials written off	-	-	-	-
Stock of raw materials sales waste	-	-	-	-
Stock of raw cotton as on 30.06.2023	981,024	170,633,716	2,173,213	156,963,814
Input of Raw cotton during the year	2,334,194	85,994,457	2,553,497	391,284,048

11.02 Factory Overhead

This amount comprises as follows :

Particulars	Amount in BDT				
	Unit-1	Unit - 2	Unit - 3	30.06.2023	30.06.2022
Salary & allowance and wages (Note: 11.02.1)	6,632,731	17,055,594	23,688,326	47,376,651	45,570,078
Bonus	133,483	343,241	476,724	953,447	340,994
Carriage Inward	4,008	10,305	14,313	28,625	63,611
Electricity	13,650,940	35,102,417	48,753,357	97,506,713	91,449,257
Stores & Spares	328,373	844,388	1,172,761	2,345,521	2,835,985
Packing Materials	512,672	1,318,298	1,830,970	3,661,940	3,275,645

Insurance (Fire policy of Machinery, Building, Raw cotton Godown)	14,396	37,018	51,414	102,828	-
Oil & lubricant	54,515	140,183	194,698	389,396	865,325
Overtime expenses	68,326	175,694	244,020	488,040	195,642
Repair & Maintenance	11,047	28,407	39,454	78,908	175,352
Leave benefits & gratuity	16,023	41,202	57,226	114,451	-
Depreciation (Schedule-4/A)	5,263,618	13,535,018	18,798,637	37,597,274	40,396,242
Total	26,690,131	68,631,766	95,321,897	190,643,794	185,168,131

11.02.1 Salary, Allowances and Wages

This amount comprises as follows :

Particulars	30.06.2023		30.06.2022	
	Employees	Taka	Employees	Taka
a) Up to Tk. 3,000 Per Month	177	1,895,066	172	3,985,755
b) Above Tk. 3,000 Per Month	950	45,481,585	1,001	41,584,323
	1,127	47,376,651	1,173	45,570,078

11.03 Stock of Yarn

This is made up as follows :

Particulars	30.06.2023		30.06.2022	
	Quantity in Lbs	Quantity in Lbs	Quantity in Lbs	Quantity in Lbs
Opening balance	-	2,316,672	-	1,015,095
Add: Production during the year		2,293,067	-	2,384,207
		4,609,739	-	3,399,302
Less: Sales during the year :				
	-	-	-	-
Export of Yarn/Local Sales of Yarn/Waste cotton/ Stock lot Sale	-	1,505,742	-	1,082,630
		3,103,997		2,316,672

12.00 Administrative Expenses

This is made up as follows:

Particulars	Amount in BDT				
	Unit-1	Unit - 2	Unit - 3	30.06.2023	30.06.2022
Salary & Allowances (Note-12.01)	1,456,071	3,744,183	5,200,255	10,400,509	10,991,108
Overtime	281	724	1,005	2,010	2,160
Bonus (Note - 12.01)	645,842	1,660,737	2,306,580	4,613,159	1,165,872
Board Meeting fee	20,300	52,200	72,500	145,000	145,000
Traveling & conveyance	23,753	61,079	84,832	169,664	377,032
Printing & Stationery	8,566	22,028	30,595	61,189	135,976
Vehicle Maintenance	2,196	5,648	7,844	15,688	34,863
Cleaning expenses	1,869	4,805	6,674	13,347	29,660
Subscription (BTMA)	14,036	36,092	50,128	100,256	195,712
Subscription (BCI & BAPLC)	7,000	18,000	25,000	50,000	50,000
Newspaper & Periodicals	35	90	125	250	330
Uniform	5,428	13,956	19,384	38,768	86,152
Postage	9,222	23,713	32,935	65,870	146,377
Entertainment	15,327	39,412	54,739	109,479	243,286
Electricity	34,818	89,533	124,352	248,703	357,060
Employees Lunch	326	838	1,164	2,329	5,176
Fees & Renewal	23,528	60,500	84,028	168,056	373,459
Gardening	11	28	38	77	170
After bill	11,883	30,556	42,438	84,877	188,615
Telephone & Mobile Bill	4,649	11,954	16,602	33,204	73,788
License & renewals	1,164	2,992	4,155	8,311	18,468
Advertisement	9,187	23,623	32,810	65,621	145,824
WASA Bill/Water Bill	2,322	5,972	8,294	16,588	36,862

Internet connection (Wi-Fi)	3,465	8,910	12,375	24,750	55,000
Caring & Handling	5,304	13,638	18,942	37,884	84,187
Miscellaneous Expenses	22,667	58,288	80,955	161,910	359,801
Office Rent - IFRS 16 - ROU Asset Amortization	70,876	182,253	253,129	506,259	506,259
Office Rent - VAT	12,600	32,400	45,000	90,000	90,000
Office expenses	552	1,419	1,970	3,941	8,757
Donation & others	9,135	23,490	32,625	65,250	145,000
Group Insurance	3,534	9,088	12,623	25,245	25,245
Repairs & maintenance (Building)	4,776	12,281	17,057	34,114	75,809
Repairs & maintenance (Others)	2,302	5,919	8,221	16,442	36,539
AGM Expenses	34,650	89,100	123,750	247,500	550,000
Audit fees	53,130	136,620	189,750	379,500	402,500
Leave benefits	44,447	114,293	158,741	317,481	705,514
Boiler Certificate	403	1,035	1,438	2,876	2,876
Subscription for DSE,CSE& Others	37,888	97,425	135,313	270,625	258,185
Medical expenses	3,832	9,853	13,684	27,369	60,819
Training expenses	198	510	709	1,418	3,150
Welfare	847	2,178	3,025	6,050	13,445
Depreciation (Schedule-4/A)	457,706	1,176,958	1,634,664	3,269,328	3,512,717
Website Maintenance	4,568	11,745	16,313	32,625	72,500
Data Connectivity Solution(Telnet)	2,016	5,184	7,200	14,400	32,000
Yarn Test	63	162	225	450	1,000
Sundry expenses	5,044	12,970	18,014	36,028	80,062
Total	3,077,816	7,914,383	10,992,199	21,984,398	21,884,311

12.01 Salaries, Allowances & Bonus

This amount comprises as follows :

Particulars	30.06.2023		30.06.2022	
	Employees	Taka	Employees	Taka
a) Up to Tk. 3,000 Per Month	18.00	1,501,367	19	1,585,725
b) Above Tk. 3,000 Per Month	80.00	13,512,301	89	10,571,254
	98	15,013,668	108	12,156,979

13.00 Selling & Distribution Expenses

Particulars	Amount in BDT				
	Unit-1	Unit - 2	Unit - 3	30.06.2023	30.06.2022
Carriage outward & Discount	22,652	58,248	80,900	161,800	580,662
Total	22,652	58,248	80,900	161,800	580,662

14.00 Non-Operating Income

This amount comprises as follows :

Dividend Received from CDBL

Interest Income

1,427,955	1,427,955
5,866	5,171
1,433,821	1,433,126

15.00 Financial Expenses

This amount comprises as follows :

Particulars	Amount in BDT				
	Unit-1	Unit-2	Unit - 3	30.06.2023	30.06.2022
Interest on BDBL Term Loan	-	-	-	-	13,638,278
Interest on MTBL Term Loan	-	-	-	-	-
Interest on RBL Term Loan	-	-	-	-	23,676,418
Interest on CC Loan	-	-	-	-	-
Financial Expense - IFRS 16 Lease Obligation	19,137	49,208	68,345	136,690	94,992

Realized (gain) or Loss in foreign exchange	358,816	922,670	1,281,486	2,562,971	366,146
Un realized (gain) or Loss in foreign exchange	-	-	-	-	68,051
Bank charges & commission	11,315	29,096	40,412	80,823	162,003
Total	389,268	1,000,974	1,390,242	2,780,484	38,005,888

16.00 Net Assets Value Per Share (NAVPS)

Net Assets	503,990,832	301,969,159
Number of Ordinary Shares	26,467,056	26,467,056
Net Assets Value Per Share (NAVPS)	19.04	11.41

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	(6,208,625)	8,832,422
Number of Ordinary Shares	26,467,056	26,467,056
Earning Per Share (EPS)	(0.23)	0.33

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

18.00 Net Operating Cash Flow Per Share (NOCFPS)

Net Cash Generated /(Used) by operating Activities	80,215,961	72,816
Number of Ordinary Shares	26,467,056	26,467,056
Net Operating Cash Flow Per Share (NOCFPS)	3.03	0.003

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	(6,208,625)	8,832,422
Non-Cash Adjustments		
Add: Depreciation	40,866,602	43,908,959
Less: Cash Rent Paid	-	-
Add: ROU Asset Depreciation	506,259	506,259
Add: ROU Liability Interest	(136,690)	(1,150,459)
Add: Damage of Stock	-	-
Add: Increase in Interest Payable	-	37,419,971
Income Tax Paid	(3,777,374)	(2,660,354)
Income Tax Provision	1,705,013	2,729,612
Add: Loss on Sale of Waste Stock	-	-
Less: Def Tax Gain	(1,694,820)	(1,047,956)
	31,260,365	88,538,454
Working Capital Adjustments		
Change in Inventory (excluding Inv. Write off)	-	(79,179,505)
Change in Trade AR	46,269,836	(13,666,303)
Interest expenses	-	-
Change in Advance (Excluding AIT)	(1,212,195)	(87,266)
Change in Trade Payable	3,897,955	4,531,732
Change in WPPF	-	-

Less: Unrealized gain on exchange rate fluctuation
Net Cash Flow from Operating Activities

80,215,961	137,112
-	(64,296)
80,215,961	72,816

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	
	30.06.2023	30.06.2022
Salary and Allowances	57,777,160	56,561,186
Bonus	5,566,606	1,506,866
Overtime	490,050	197,802
Board Meeting Attendance Fee	145,000	145,000
Leave Pay & Gratuity	114,451	705,514
Total	64,093,267	59,116,367

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 30.06.2023	Balance as on 30.06.2022
A. Average & Short Term Loan Paid			
Mr.A.K.Azizur Rahman	-	-	21,700,000
Mrs. Rosy Rahman	-	-	4,775,000
Mr.Bazlur Rahman	-	-	1,245,197
Total for Advance & Short Term Loan Paid	-	-	27,720,197
B. Supplier/Creditors (Payable)			
P.N Enterprise (Raw cotton)	-	4,760,489	1,107,412
Ratan Enterprise (Raw cotton)	-	555,479	555,479
Master Yarn Trading (Raw cotton)	-	169,160	169,160
Salma Traders (Raw Cotton)	-	6,245	6,245
Hoq Yarn Ltd. (Raw Cotton)	-	108,701	178,701
Tex trade (Raw cotton)	-	156,414	156,414
3star tecnology	-	46,750	46,750
Adib Enterprise (Spare parts)	-	72,575	72,575
AD Media Printers	-	133,539	133,539
Airtech Compressor	-	25,000	25,000
A.I.S Enterprise	-	35,795	35,795
AR Tech Solution BD	-	28,500	28,500
Axis Textiles engineering	-	27,700	27,700
Azad Store	-	84,983	84,983
Bijoytex Engineering	-	34,750	34,750
Bengal Roots	-	600	600
Cargo Control (BD) Pet Ltd	-	143,084	143,084
C.H Graphics & Printers	-	142,642	142,642
Chittagong Fibre Board	-	196,740	196,740
City Lube Oil Industries Ltd	-	30,600	30,600
Dawood Sultan & Co.	-	160,000	160,000
Energy Control And Eng.Ltd	-	15,403	15,403
Euro Trade	-	55,857	55,857
Forman Enterprise	-	81,000	81,000
Friends Electric House	-	8,498	8,498
Fusia Electronics	-	33,600	33,600
Gazi Tank	-	8,200	8,200
IC System & Service	-	23,000	23,000
IHS Inspection Serices(BD) ltd.	-	6,562	6,562
Jusna Enterprise	-	105,000	105,000
Lipika (Spare Importer)	-	259,017	259,017
Mass Electors Ltd.	-	114,600	114,600
Madona Enterprise	-	36,450	36,450
Mahin Enterprise	-	187,103	187,103
Mask Engineering	-	30,500	30,500
Musum Enterprise	-	25,745	25,745
Minha Tex International	-	73,400	73,400
M/S M Hossain Engineering Workshop	-	72,300	72,300
New Bangla Technical Support Centre	-	157,000	157,000
New Diamond Plastic Traders	-	21,885	21,885
Nuhan Engineering Workshop	-	2,400	2,400
Pacific Trading	-	150,337	150,337
PN International	-	110,000	110,000
Popular Trades(Narayangong)	-	206,341	206,341



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	-	43,129	1,528,798
Sail International	-	20,800	20,800
Satata Enterprise	-	30,245	30,245

Name	Total Transaction for the year	Balance as on 30.06.2023	Balance as on 30.06.2022
SD Tax Promoters Ltd.	-	28,210	28,210
Sinobangla Industries Ltd.	-	39,071	39,072
S M Paper Cone	-	88,000	88,000
S M Textech	-	31,780	31,780
Solution Technology	-	123,500	123,500
Simul Traders	-	99,821	99,821
Southern multi Pack	-	15,800	15,800
Square Informatix Ltd.	-	5,000	5,000
Standard Sprung Industries	-	24,350	24,350
Suman Joint Store	-	50,500	50,500
Sutex International	-	12,200	12,200
Texcoms Services	-	37,500	37,500
Texmate Engineering	-	26,495	26,495
Triad International	-	6,400	6,400
United Trade Centre	-	95,650	95,650
Yusuf Trader	-	3,290	3,290
ZSZ Engineering	-	15,890	15,890
Total for Supplier / Creditors	-	9,859,235	7,761,828
C. Sundry Debtors (Product Sales) (Receivable)			
Knit concern Ltd.	-	-	49,596,840.00
Tasrian weaving Mills Ltd.	-	-	12,822,008.00
Radowan Knite Composite	-	-	4,681,125.00
Tras Impex Co	-	-	-
Sajib & Brothers	-	-	-
Mujib Enterprise	-	-	-
Dolon Yarn Trading	-	-	-
RB Trade	-	-	-
Arian Spinning Co.	-	-	-
Regent Textile Limited	-	-	-
Total for Sundry Debtors (Products Sales)		-	67,099,973
Grand Total	-	9,859,235	102,581,998

21.00 Capital Expenditure Commitment

There was no capital expenditure commitment as on 30.06.2023

22.00 Payment in Foreign Currency

	-	-
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During the year ended at 30th June, 2023 the Company has not made payment in foreign currency in respect of the following:

Import of Raw Materials & Finished Goods

Import of Machinery, Spare Parts & Other Assets

	-	-
	-	-
	-	-

23.00 Foreign Exchange Earned

The Company has earned foreign currency during the year: US\$ 3,489,593.

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 30.06.2023 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 01.07.2022 to 30.06.2023 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	
		2023	2022	2023	2022
Mr. A.K.M Azizur Rahman	Chairman	4	5	4	5
Mr. Bazlur Rahman	Managing Director	4	5	4	5
Mrs. Rosy Rahman	Director	4	5	4	5
Brig Gen Mohammed Abdul Halim	Independent Director	4	5	4	3
Mr. M. Shafiqul Islam	Director (Nominated by BDBL)	4	5	3	2
Patit Chandra Barik	Director (Nominated by BDBL)	4	5	-	2
Mr. Iqbal Hossain Kha	Director (Nominated by RBL)	4	5	1	4

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, 2023

Salary Range (Monthly)	Office & Staff		Worker	Total Employee
	Head Office	Factory		
Below Tk. 3000	18	177	-	195
Above Tk. 3000	80	-	950	1,030
Total	98	177	950	1,225

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, 2023 is disclosed below:

Name of Directors	Designation	Remuneration	Festival	AIT	Net Amount
Mr. A.K.M Azizur Rahman	Chairman	-	-	-	-

Mr. Bazlur Rahman	Managing Director	-	-	-	-
Mrs. Rosy Rahman	Director	-	-	-	-
Brig Gen Mohammed Abdul Halim	Independent Director	-	-	-	-
Mrs. Nusrat Hafiz	Retired Independent Director	-	-	-	-
Patit Chandra Barik	Director (Nominated by RBL)	-	-	-	-
Mr. Iqbal Hossain Kha	Director (Nominated by RBL)	-	-	-	-
Total		-	-	-	-

Period of payment to Directors is from 1st July, 2022 to 30th June, 2023

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	284,168,891
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 possible	85,994,457
3(i)(d)(ii) The opening and closing stocks of goods produced	321,554,047 and 330,834,473

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 heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	2,963,590
3(i)(i) Provision for depreciation, renewals or diminution in value of fixed assets	40,866,602
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	1,705,013
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, contingencies of commitments.	Not Applicable
3(i)(o)(i) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	Complied
(i) Consumption of stores and spare parts	2,345,521
(ii) Power and Fuel	389,396
(iii) Rent	506,258
(iv) Repairs of Buildings	Not Applicable
(v) Repairs of Machinery	78,908
(vi) Other include:	
(1) Salaries, wages and bonus	63,343,766
(2) Contribution to provident and other funds	Not Applicable
(3) Workmen and staff welfare expenses to the extent not adjusted 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	
		30.06.2023	30.06.2022
1	Within 3 Months	-	25,930,013
2	Within 6 Months	-	41,169,960
3	Within 12 Months	-	-
4	More than 12 Months	-	67,099,973

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 (BDT)
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, 2022 to 30th June, 2023	Capacity Utilization from 1 st July, 2022 to 30 th June, 2023
Annual Production Capacity of Yarn in Lbs	Not mentioned in the License	5953.00	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	-	102,664,359	102,664,359	102,664,359	100
Spare Parts	-	4,305,144	4,305,144	4,305,144	100
Packing Materials	-	61,140	61,140	61,140	100
Total		107,030,643	107,030,643	107,030,643	300

Value of Export

Particulars	In Foreign Currency (US \$)	In BDT
Export	2,704,798	284,003,790

- ii. The Company has not incurred any expenditure in foreign currency for the period from 1st July, 2022 to 30th June, 2023 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, 2022 to 30th June, 2023 is tax Tk. 284,003,790.

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	30.06.2023	30.06.2022
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)	115,685	57,857
Advance, Deposits and prepayments due from Companies under same management	-	-
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 Currency	Amount in BDT.
Import of Raw Material (Hino Bus Chassis CKD)		-
Import of Raw Material (Mahindra Motor Cycle SKD)	-	-
Total		-

35.02 Financial Risk Management Framework

International Financial Reporting Standards (IFRS) 9-Financial instruments: Disclosure - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information-the Company's policies for controlling risks and exposures.

The Company's management has overall responsibility for the establishment and oversight of the company's risk management framework. The Company's Risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company has exposure to the following risks from its use of financial instruments:

33.02.1 Credit Risk; 35.02.2 Liquidity Risk; 35.02.3 Market Risk

35.02.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The debtors management review committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount of credit sale without requiring approval from the committee; these limits are reviewed as per guideline of Sonargaon Textiles Limited in each quarter. Customers that fail to meet the company's benchmark creditworthiness may transact with the company only on a cash / deposit scheme basis.

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2022, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting data was:

	Amount in BDT	
	June 30, 2023	June 30, 2022
Non-Derivative Financial Assets:		
Advances, Deposits and Prepayments	7,311,609	5,181,420
Trade & Other Receivables	-	67,099,973
Advance against Employees	115,685	57,857
Investment in Shares	1,569,450	1,569,450
Cash at bank	316,055	713,387
Cash in Hand	661,924	48,632
	<u>9,974,724</u>	<u>74,670,719</u>

At 30th June, 2023 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

Domestic	-	-
Foreign Receivable	-	67,099,973
	-	<u>67,099,973</u>



The ageing of Trade Receivable at the reporting date is as follows:

0 to 1 Month	-	#####
More than 1 Month to 3 Months	-	8,426,880
More than 3 Months to 6 Months	-	#####
More than 6 Months to 9 Months	-	-
More than 9 Months to 12 Months	-	-
Above 12 Months	-	3,830,796
	-	67,099,973

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, 2023.

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 of 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, 2023. The dividend proposal is subject to shareholders' approval in the forthcoming 37th Annual General Meeting to be held on 27.12.2023.

41.00 General Comments and Observations

- 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.
- A.
- B. Presentation currency: The annexed financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka.
- C. All shares have been fully called and paid up.
- D. Auditors are paid only statutory audit fees.
- E. No foreign exchange remitted to the relevant shareholders during the period under audit.
- F. No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- G. There was no bank guarantee issued by the company on behalf of Directors.



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	
30.06.2023								
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
Director's & Other Loans and Advances	8.03	-	-	-	-	-	-	-
Deferred Tax Liability	8.04	-	-	-	-	-	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



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, 2023

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

30th June, 2022

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	963,281,225	963,281,225	-	37,314,696	274,533,926	651,432,603
Lease Obligation Liability	8.02	-	-	-	-	-	-
Director's and Other Loans and Advances	8.03	27,720,197	27,720,197	-	-	27,720,197	-
Deferred Tax Liability	8.04	74,307,404	74,307,404	-	1,047,956	-	73,259,448
Unclaimed/Unpaid Dividend from 2019	9.01	1,523,156	1,523,156	128,000	1,395,156	-	-
Trade and Other Payables	9.02	20,842,026	20,842,026	1,000,000	2,000,000	3,000,000	14,842,026
Workers Profit Participation and Welfare Fund	9.03	2,116,519	2,116,519	-	535,704	1,580,815	-
		1,089,790,527	1,089,790,527	1,128,000	42,293,512	306,834,938	739,534,077
Derivative Financial Liabilities				-	-	-	-
		1,089,790,527	1,089,790,527	1,128,000	42,293,512	306,834,938	739,534,077



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 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%	28,828,803	1,782,496	-	30,611,299	33,867,415	35,649,911
Plant & Machinery	240,978,096	-	-	240,978,096	7%	147,196,741	6,564,695	-	153,761,436	87,216,660	93,781,355
Furniture & Fixture	1,152,613	-	-	1,152,613	15%	1,132,959	2,948	-	1,135,907	16,706	19,654
Motor Vehicles	5,019,620	-	-	5,019,620	20%	4,574,667	88,991	-	4,663,658	355,962	444,953
Sundry Assets	6,218,436	-	-	6,218,436	20%	6,135,074	16,672	-	6,151,746	66,690	83,362
	421,651,442	-	-	421,651,442		187,868,244	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 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%	19,829,824	1,207,115	-	21,036,939	22,935,185	24,142,300
Plant & Machinery	215,104,404	-	-	215,104,404	7%	134,189,175	5,664,066	-	139,853,241	75,251,163	80,915,229
Furniture & Fixture	5,377,188	-	-	5,377,188	15%	5,221,545	23,346	-	5,244,892	132,296	155,643
Motor Vehicles	12,813,366	-	-	12,813,366	20%	11,442,260	274,221	-	11,716,482	1,096,884	1,371,106
Sundry Assets	7,063,764	-	-	7,063,764	20%	6,955,325	21,688	-	6,977,013	86,751	108,439
	314,137,620	-	-	314,137,620		177,638,130	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

Particulars	COST			Rate of Dep.	DEPRECIATION					Amount in BDT	
	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	Written Down Value		
									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	43,367,941		
Plant & Machinery	597,634,016	-	597,634,016	7%	269,216,548	22,989,223	-	292,205,771	328,417,468		
Furniture & Fixture	817,966	-	817,966	15%	758,871	8,864	-	767,735	59,095		
Sundry Assets	7,149,229	-	7,149,229	20%	6,879,831	53,880	-	6,933,710	269,398		
Total	739,755,436	-	739,755,436		311,204,771	25,220,364	-	336,425,135	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 30.06.2023	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	233,783,198
Unit 2 (Sch-2)	314,137,620		314,137,620	177,638,130	7,190,436	-	184,828,566	129,309,054	136,499,490
Unit 3 (Sch-3)	739,755,436		739,755,436	311,204,771	25,220,364	-	336,425,135	403,330,301	428,550,665
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 Amount (Tk.)
	Factory	Head Office	Total	
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 30.06.2023		Balance as on 01.07.2022	During the year	Adjustment/Tr ansfer		
Land & Land Development	178,869,655	-	178,869,655	-	-	-	-	178,869,655	178,869,655
Building & Construction	100,525,034	-	100,525,034	5%	42,326,625	2,909,920	-	55,288,488	58,198,409
Plant & Machinery	328,425,585	-	328,425,585	7%	176,811,212	10,613,006	-	141,001,367	151,614,373
Total	607,820,274	-	607,820,274		219,137,836	13,522,927	-	375,159,511	388,682,437

