

**Auditor's Report & Financial Statements  
of**

**VFS THREAD DYEING LIMITED.**  
House 257, Road# 03, Baridhara DOHS  
Dhaka-1206

**For the Year Ended 30 June, 2023.**

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**Independent Auditor's Report**  
**To**  
**The Shareholders of VFS THREAD DYEING LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying Financial Statements of **VFS THREAD DYEING LIMITED**, which comprise the Statement of Financial Position as at June 30, 2023, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, June 30, 2023 and a summary of significant accounting policies and other explanatory information. In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the company as at June 30, 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

**Basis for Opinion**

We conduct 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 Financial Statements section of our report. We are independent of 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 and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

**Emphasis of Matter**

As disclosed in note no. 8.00 the volume of inventories is high in comparison to purchase, production capacity, cost of goods sold and turnover as a whole. However, technical status report as on 30 June, 2023 on the quantity, quality and value of inventories has been provided to us done by the management. The company provided us a written explanation regarding the increase in volume of inventories and slow movement of stock. There is some slow-moving inventory.

As disclosed in note no. 10.00 of the financial statements related to trade receivable, the balance of the trade receivables has been increasing years to years significantly. Revenue decreased by amount of Tk. 405,298,615 around 42.5% but Trade receivable increased by Tk.15, 705,025. The ageing period is unlikely in comparison to other companies of the same industry. Hence, recovery of trade receivable and also existence of the balances as on date is doubtful and there is expected credit loss as per IFRS 7, but no provision for bad debts has been accounted for. Confirmations/certificate of lying balances as on 30 June, 2023 with the concerned parties were requested but not received.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

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**Branch Office :**

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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.

Risk	Our response to the risk
<b>Revenue Recognition</b>	
<p>During the year ended 30 June 2023, total reported revenue is of Tk. 550,935,960. The company generates revenue from the sale of goods as a deemed exporter. Its product primarily comprises sale of sewing thread. The timing of the revenue recognized and realized increases the risk of exposure of revenue.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the company.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"><li>➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period.</li><li>➤ Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition.</li><li>➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards.</li><li>➤ Verifying the monthly VAT return form 9.1 to confirm reporting about sales to NBR.</li><li>➤ Obtaining supporting documents for sale transaction along with checking the recording period of revenue recognition.</li><li>➤ Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.</li><li>➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li></ul>
<b>Please see note no. 24 to the statement of profit or loss &amp; other comprehensive income.</b>	
<b>Valuation of Property, Plant and Equipment</b>	
<p>The carrying value of the PPE is Tk. 869,979,118 as at 30 June, 2023. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"><li>➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.</li><li>➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year.</li><li>➤ We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified.</li></ul>

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Risk	Our response to the risk
<p>measured reliably.</p> <p>The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of useful life of the assets are a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<ul style="list-style-type: none"><li>➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, physical condition of the assets and its uses.</li><li>➤ We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.</li></ul>
<b>Please see note no. 3 to the financial statements</b>	
<b>Long Term Borrowings &amp; Short-Term Borrowings</b>	
<p>As at 30 June 2023, the reported amount of total long-term borrowings, short term borrowings and Current portion of Long term borrowing is Tk. 67,551,519, Tk. 181,133,142 and Tk.35,081,248 Respectively. The company borrowed fund from various Bank &amp; Non-banking financial institutions for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse variance between import &amp; export that may result in short-term cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"><li>➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that the proper use of loan.</li><li>➤ We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately. We also submit the balance confirmation to the respective banks and financial institutions</li><li>➤ We also checked the financial expenses and classification of loan and repayment schedule as well.</li><li>➤ We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.</li></ul>
<b>Please see note no. 15, 19 &amp; 20 to the financial statements</b>	

### 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, 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.

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In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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 judgments 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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

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KAZI ZAHIR KHAN & Co.  
Chartered Accountants  
In Practice Since 1980

Associated Firm of  
**EHK Consulting**  
Always adding value


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 and relevant notifications issues by, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of 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;
- c) The Financial Statements of the company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.
- d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka  
Dated: 2310290240AS345035  
DVC: 26<sup>th</sup> October 2023.

  
Md. Nurul Hossain Khan FCA  
Enrolment No. 0240  
Managing Partner  
Kazi Zahir Khan & Co.  
Chartered Accountants

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
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VFS THREAD DYEING LIMITED  
Statement of Financial Position  
As at 30 June 2023


Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>879,503,966</b>	<b>944,300,605</b>
Property, Plant & Equipment	3.00	869,979,118	933,753,501
Intangible Assets	4.00	45,833	155,833
Right of use Assets	5.00	1,292,365	2,204,622
Capital Work in Progress	6.00	-	-
Security Deposit	7.00	8,186,649	8,186,649
<b>Current Assets</b>		<b>1,723,233,032</b>	<b>1,693,579,263</b>
Inventories	8.00	534,156,170	464,273,459
Material In Transit	9.00	23,546,780	135,216,650
Trade Receivables	10.00	862,873,862	847,168,837
Advance, Deposits and Prepayments	11.00	225,715,089	182,641,421
Cash and Cash Equivalents	12.00	76,941,131	64,278,896
<b>Total Assets</b>		<b>2,602,736,998</b>	<b>2,637,879,869</b>
<b>Shareholders Equity and Liabilities</b>			
<b>Shareholders Equity</b>		<b>2,118,334,570</b>	<b>2,044,388,707</b>
Share Capital	13.00	1,055,800,552	1,055,800,552
Retained Earnings	14.00	1,062,534,018	988,588,155
<b>Non-Current Liabilities</b>		<b>126,230,914</b>	<b>146,973,220</b>
Long Term Borrowings net of Current Portion	15.00	67,551,519	88,464,138
Liability for Lease net of Current Portion	16.00	436,809	1,400,602
Deferred Tax Liabilities	17.00	58,242,585	57,108,480
<b>Current Liabilities</b>		<b>358,171,515</b>	<b>446,517,941</b>
Trade Payables	18.00	1,406,098	1,237,878
Current Portion of Long Term Borrowings	19.00	35,081,248	18,880,859
Current Portion of Lease Liability	16.00	963,794	855,318
Unclaimed IPO Fund		105,445	105,570
Short Term Borrowings	20.00	181,133,142	251,365,539
Provision & Accruals	21.00	54,002,450	82,528,853
Unclaimed Dividend Account	22.00	8,611,402	9,007,107
Provision for Income Tax	23.00	76,867,935	82,536,817
<b>Total Shareholders Equity and Liabilities</b>		<b>2,602,736,998</b>	<b>2,637,879,869</b>
<b>Net Asset Value (NAV) per Share</b>	31.00	<b>20.06</b>	<b>19.36</b>

The annexed notes form an integral part of these financial statements.

  
Chief Financial Officer


  
Company Secretary

  
Managing Director

  
SARWAT KHALED  
Chairman

Signed as per our annexed report on even date.

Date: October 26, 2023  
Place: Dhaka  
DVC: 2310290240AS345035

  
Md. Nurul Hossain Khan FCA  
Enrollment No. 0240  
Managing Partner  
Kazi Zahir Khan & Co.  
Chartered Accountants






**VFS THREAD DYEING LIMITED**  
**Statement of Profit or Loss and other Comprehensive Income**  
**For the year ended 30 June 2023**

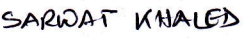
Particulars	Notes	Amount in Taka	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
Sales Revenue	24.00	550,935,960	956,234,575
Less: Cost of Goods Sold	25.00	443,292,940	741,162,112
<b>Gross Profit</b>		<b>107,643,020</b>	<b>215,072,463</b>
Less: Operating Expenses	26.00	17,831,892	25,214,999
<b>Operating Income</b>		<b>89,811,128</b>	<b>189,857,463</b>
Less: Financial Expenses	27.00	17,368,169	16,737,173
<b>Net Operating Income</b>		<b>72,442,959</b>	<b>173,120,290</b>
Add: Other Non-Operating Income	28.00	438,681	345,612
<b>Profit before Tax &amp; WPPF</b>		<b>72,881,640</b>	<b>173,465,902</b>
Less: Workers profit Participation Fund Expenses		3,470,554	8,260,281
<b>Profit before Tax</b>		<b>69,411,086</b>	<b>165,205,621</b>
<b>Less: Income Tax Expenses</b>	29.00	<b>(4,534,777)</b>	<b>14,891,774</b>
Current Tax	29.01	(5,668,882)	12,287,686
Deferred Tax	29.02	1,134,105	2,604,089
<b>Net Profit after Tax</b>		<b>73,945,863</b>	<b>150,313,847</b>
<b>Earnings per Share</b>	30.00	<b>0.70</b>	<b>1.42</b>

The annexed notes form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Financial Officer


  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
SARWAT KHALED  
Chairman

Signed as per our annexed report on even date.

Date: October 26, 2023  
Place: Dhaka  
DVC: 2310290240AS345035

  
Md. Faruk Hossain Khan FCA  
Enrolment No: 0240  
Managing Partner  
Kazi Zahir Khan & Co.  
Chartered Accountants

**VFS THREAD DYEING LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2023**

(Amount in Taka)

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2022	1,055,800,552	988,588,155	2,044,388,707
Net Profit during the year	-	73,945,863	73,945,863
<b>Balance as on 30 June 2023</b>	<b>1,055,800,552</b>	<b>1,062,534,018</b>	<b>2,118,334,570</b>

**VFS THREAD DYEING LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2022**

(Amount in Taka)

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2021	1,055,800,552	918,681,135	1,974,481,687
Net Profit during the year	-	150,313,847	150,313,847
Cash Dividend Paid (11%)	-	(80,406,827)	(80,406,827)
<b>Balance as on 30 June 2022</b>	<b>1,055,800,552</b>	<b>988,588,155</b>	<b>2,044,388,707</b>

The annexed notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Managing Director




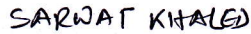
  
Chairman

Signed as per our annexed report on even date.

VFS THREAD DYEING LIMITED  
Statement of Cash Flows  
For the year ended 30 June 2023

Particulars	Notes	01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
<b>A. Cash Flows from Operating Activities:</b>			
Receipts from customers & others	34.10	535,669,616	846,417,298
Payment to suppliers, employee & others	34.20	(392,591,349)	(746,063,306)
Payment for interest on short term loan		(8,241,253)	(5,545,308)
Payment for income tax		(5,464,735)	(33,511,595)
<b>Net Cash Flows from Operating Activities</b>		<b>129,372,278</b>	<b>61,297,089</b>
<b>B. Cash Flows from Investing Activities:</b>			
Payments for acquisition of fixed assets		-	(4,202,100)
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>(4,202,100)</b>
<b>C. Cash Flows from Financing Activities:</b>			
Receipts/Payment from short term loan		(70,232,396)	36,107,867
Receipts/Payment from long term loan		(4,712,229)	(8,322,695)
Payment for interest on long term loan of bank		(8,902,234)	(11,191,865)
Share Money (Refundable)		(125)	(148)
Payment of Dividend		(31,783,059)	(68,858,198)
Payment of Lease Interest		(224,682)	-
Payment of Lease Liabilities		(855,318)	(1,225,000)
<b>Net Cash Flows from Financing Activities</b>		<b>(116,710,043)</b>	<b>(53,490,038)</b>
<b>D. Increase/(Decrease) of Cash and Cash Equivalents (A+B+C)</b>		<b>12,662,236</b>	<b>3,604,950</b>
E. Opening Cash and Cash Equivalents		64,278,896	60,673,945
<b>F. Closing Cash and Cash Equivalents (D+E)</b>		<b>76,941,131</b>	<b>64,278,896</b>
<b>Net Operating Cash Flows per Share (NOCFPS)</b>	32.00	<b>1.23</b>	<b>0.58</b>

The annexed notes form an integral part of these financial statements.

 _____ Chief Financial Officer	 _____ Company Secretary	 _____ Managing Director	 _____ Chairman
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Signed as per our annexed report on even date.

**VFS THREAD DYEING LIMITED**

Notes, comprising significant accounting policies and other explanatory information  
For the year ended 30 June 2023

**1.00 The Company and its operations**

**1.01 Legal form of the Company**

The Company was incorporated on April 20, 2010 as a 'Private' company limited by shares, registered under the Companies Act, 1994 vide Certificate of Incorporation No.C-84051/10. Later on the company converted into Public Limited Company on the date of January 10, 2013. The company was listed with Dhaka Stock Exchange (DSE) dated August 08, 2018 and Chittagong Stock Exchange Limited (CSE) dated August 05, 2018.

**1.02 Address of the Registered Office**

The registered office of the company is located at House No # 257 (3<sup>rd</sup> Floor), Road No # 03, Baridhara DOHS, Dhaka -1206.

**1.03 Nature of Business activities**

VFS Thread Dyeing Limited is a leading manufacturer and supplier of high-quality Sewing Thread products to apparel industries in Bangladesh. The principal activities of the company include dyeing and coning of different types of sewing thread yarn. The company has established itself as an innovative leader of 100% export oriented sewing thread yarn of Spun Polyester, Core Spun and Synthetic Filament of all grades.

Among all different products of the company, the Spun Polyester Yarn and Textured Polyester (Synthetic Filament Yarn) are predominantly used in readymade garments products while the Core Spun mostly used in fashion apparels (Lingerie & Swimsuits). These sewing threads are available in various counts. The Spun Polyester is available in 60/2, 60/3, 50/2, 40/2, 20/2, 20/3, 20/4, 20/6 & 20/9 etc. while the Synthetic Filament available in 150D Raw White (()-TPM, 80-TPM, 180-TPM & 200TPM) and 150D Optical White (80TPM & 200TPM).

Other counts of threads are also available as per client's requirements and these are dyed according to shade book of the company or as per client's instructions.

**1.04 Production Unit**

Production unit of the company is situated at RS-36, Village # Gazipur, PS # Gazipur Sador, District # Gazipur. Production facility of the company comprises of two units namely 'Dyeing' and 'Finishing' unit.

**1.05 Capital Structure of the Company**

Particulars	Taka
<b>Authorized Capital</b> 200,000,000 ordinary shares of Taka 10/= each.	2,000,000,000
<b>Issued, subscribed, called-up and paid-up capital</b> 105,580,055 Ordinary Shares of Taka 10/= each fully paid-up	1,055,800,552

**2.00 Summary of significant accounting as per rules**

**2.01 Basis of preparation and presentation of the financial statements**

The financial statements have been prepared and disclosures of information are made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 (as applicable) and IAS's as well as IFRSs (as applicable) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).



The Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income have been prepared according to IAS 1 Presentation of Financial Statements based on accrual basis of accounting following going concern assumption under Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh.

## 2.02 Statements of Compliances

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

### i. Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The following IAS and IFRS are applicable and adopted by management for preparation of financial statements for the year ended 30 June, 2023.

Sl. No.	IASs or IFRSs No.	Name of IASs or IFRSs
1	IAS-1	Presentation of Financial Statements
2	IAS-2	Inventories
3	IAS-7	Statement of Cash Flows
4	IAS-8	Accounting policies, Changes in Accounting Estimates and Errors
5	IAS-10	Events after the Reporting Period
6	IAS-12	Income Taxes
7	IAS-16	Property, Plant and Equipment
8	IAS-19	Employee Benefits
9	IAS-21	The Effects of Changes in Foreign Exchange Rates
10	IAS-23	Borrowing Costs
11	IAS-24	Related Party Disclosures
12	IAS-32	Financial Instruments: Presentation
13	IAS-33	Earnings Per Share (EPS)
14	IAS-36	Impairment of Assets
15	IAS-37	Provisions, Contingent liabilities and Contingent Assets
16	IAS-38	Intangibles Assets
17	IAS-39	Financial Instruments: Recognition and Measurement
18	IFRS-7	Financial Instruments: Disclosures
19	IFRS-8	Operating Segments
20	IFRS-9	Financial Instruments
21	IFRS-12	Disclosures of Interests in Other Entities
22	IFRS-13	Fair Value Measurements
23	IFRS-15	Revenue from Contracts with Customers
24	IFRS-16	Leases

### ii. Compliance of other local Laws and Regulation

**The Company also complies with amongst others, the following laws and regulation**

The Income Tax Ordinance 1984;  
 The Income Tax Rules 1984;  
 The Value Added Tax Act 1991;  
 Value Added Tax and Supplementary Duty Act 2012  
 The Value Added Tax Rules 1991;  
 Bangladesh Labor Law, 2006 (Amended 2013);



Labor Rules, 2015;  
 Securities and Exchange Ordinance, 1969;  
 Bangladesh Securities and Exchange (Public Issue) Rules, 2015;  
 Bangladesh Securities and Exchange Commission Act, 1993.

**2.03 Basis for Measurement**

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes and, therefore, do not take into consideration the effect of inflation.

**2.04 Principal accounting policies**

The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect within the framework for the preparation and presentation of financial Statements.

Financial Statements have been prepared and presented in compliance with applicable IASs. Previous year's figures were re-arranged where felt necessary.

There were no significant changes in the accounting policies and valuation policies affecting the financial position and performance of the Company. However, changes made to the presentation are explained in the note for each respective item.

Accounting and valuation methods are disclosed for reasons of clarity. The company classified the expenses using the function of expenses method as per IAS 1.

**2.05 Use of Estimates and Judgments**

The preparation of financial statements inconformity with IFRSs 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that year or in the period of revision and future periods if the revision affects both current and future periods.

Information about judgments made in applying accounting policies, assumptions, estimation and uncertainties that have the most significant effects on the amounts recognized in the financial statements are included in the following notes:

<b>Particulars</b>	<b>Policy Note No.</b>	<b>Note No.</b>
Property, Plant and Equipment-Depreciation	2.09 (d)	Note-3.00
Property, Plant and Equipment-Impairment	2.09 (f)	Note-3.00
Intangible assets Amortization	2.11 (c)	Note-4.00
Inventories (Work in Progress/ semi-finished goods and Finished goods)	2.13 (b)	Note-8.00
Trade and Other Receivable (Provision for bad debts)	2.27	Note-10.00
Income Tax Expense and deferred tax assets and liabilities	2.18	Note-29.00
Provisions and Accruals	2.17	Note-21.00
Contingent Liabilities and Contingent Assets	2.17	-



## **2.06 Components of the Financial Statements**

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as IAS -1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i. Statement of Financial Position;
- ii. Statement of Profit or Loss and other Comprehensive Income;
- iii. Statement of Changes in Equity;
- iv. Statement of Cash Flows;
- v. Notes, comprising summary of significant accounting policies and other explanatory information and
- vi. Comparative information in respect of the preceding period.

## **2.07 Books of Accounts**

The Company maintains its books of accounts in electronic form through accounting Tally Software and use the financial modules including inter alia General Ledger, Accounts Payables, Accounts Receivables, Fixed Assets, Cash Management, Inventory, Order Management. Also use Thread software in Production process.

## **2.08 Comparative Information and its Rearrangement**

Comparative information for the financial position have been disclosed in respect of the year ended 30 June 2023 and for the Statement of profit or loss and other comprehensive income for the year ended 30 June 2023 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements in accordance with IAS-1: Presentation of Financial Statements.

## **2.09 Property, Plant and Equipment**

### **a) Recognition, Measurement and Disclosure**

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flows to the company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the statements of profit or loss and other comprehensive income as an expense as incurred. In accordance with the allowed alternative treatment of IAS 23 "Borrowing Cost "finance costs have been capitalized for qualifying assets.

### **b) Cost model**

The company applies cost model to property, plant & equipment and shall be carried at its cost less accumulated depreciation and any accumulated impairment losses except for freehold land and buildings.

### **c) Subsequent Costs and maintenance of activities**

The cost of replacing or up-gradation of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss and other comprehensive income as incurred.

**d) Depreciation of fixed assets**

Depreciation on Property, Plant and Equipment other than land and land development has been computed during the year using the reducing balance method. Depreciation has been charged on addition when the related property, plant and equipment are available for use as per management intention. Depreciation has charged as following rate:

Particulars	Rate	Method
Land and Land Development	Nil	N/A
Factory Building & Other Construction	2.5%	Reducing Balance
Plant & Machinery	10%	Reducing Balance
Electrical Installation	10%	Reducing Balance
Power Generator set	10%	Reducing Balance
Boiler	10%	Reducing Balance
Compressor	10%	Reducing Balance
Fork lift	10%	Reducing Balance
Air Condition Installation	10%	Reducing Balance
ETP Plant	10%	Reducing Balance
Telephone Installation	20%	Reducing Balance
Office Equipment	10%	Reducing Balance
Vehicles	20%	Reducing Balance
Furniture & Fixture	20%	Reducing Balance

**e) De-recognition**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income as applicable. When revalued assets are disposed of, the amounts included in the revaluation surplus are transferred to retained earnings.

**f) Impairment**

The carrying value of the Company's assets is reviewed to determine whether there is any indication of impairment at the reporting date. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income in the year concerned.

**2.10 Capital Work in Process**

Capital Work in Process represents the cost incurred for acquisition and/or construction of building and property plant and equipment that were not ready for use at end of the year and these are stated at cost.

**2.11 Intangible Assets**

**a) Recognition and Measurement**

Intangible assets that are acquired by the company and have finite useful lives are initially measured at their cost of acquisition and subsequently stated at their cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38: Intangible Assets are met. The cost of an intangible asset comprises purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.



**b) Subsequent Costs**

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the specific asset to which it relates. All other expenditures are recognized in the statement of profit or loss and other comprehensive income as incurred.

**c) Amortization**

Amortization of the asset begins when development is complete and the asset is placed in service. It is amortized over the period of expected future economic benefits. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and amortization expenditure is recognized in profit or loss and other comprehensive income over the estimated useful lives of intangible assets from the date they are available for use.

**The estimated rates and methods of amortization are as follows:**

Category of Assets	Rate	Method
Software	20%	Straight Line

**d) De-recognition**

The carrying amount of an item of intangible assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of intangible asset is included as other income in the statement of profit or loss and other comprehensive income when the item is derecognized. When the revalued assets are disposed off, the respective revaluation surplus is transferred to retained earnings.

**2.12 Leases:**

The entity has adopted IFRS 16 from 01 July, 2019 and have been reviewed office rent agreement in light of the new rules in IFRS 16. On adoption of IFRS 16 the entity recognizes a right-of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at date of 01 July, 2022 discounted using the incremental borrowing rate. Subsequently, right-of-use asset is adjusted for depreciation and lease liability is adjusted for interest and lease payments. The lease payment is split into a principal and interest portion which are both presented in the statement of cash flows.

**2.13 Valuation of Current Assets**

**a) Trade Receivable**

Trade Receivable is carried at invoice amount without making any provision for doubtful debts, since sales/exports are based on 100% confirmed letter of credit with fixed maturity dates.

**b) Inventories**

Inventories are stated at the lower of cost or net realizable value in compliance with the requirements of Para 21 and 25 of IAS 2.

Category of stocks		Basis of valuation
Raw & packing materials including work-in-process	:	Moving average (Weighted) Cost
Finished Goods at Factory	:	At lower of cost or net estimated realizable value
At warehouses	:	At cost
Stores Items	:	At cost

Cost comprises of the value of materials and all other distributable direct labor & production overheads including depreciation.

**c) Material in Transit**

Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received but the related risk has been transferred till the date of reporting.

**d) Cash and cash equivalents**

Cash and cash equivalents include cash in hand and cash at bank, which are available for use by the company without any restrictions. There is an insignificant risk of change in value of the same.

**e) Advances, Deposits and Prepayments**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or transfer to other accounts head such as PPE or inventory etc.

**2.14 Foreign currency transaction**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Taka at the exchange rate using the closing rate. Foreign currency exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period using closing rate are recognized in the statement of profit or loss and other comprehensive income as per IAS-21: "The Effects of Changes in Foreign Exchange Rates".

**2.15 Functional and Presentational Currency**

Realization and payments in foreign currency are converted into the local currency at the rate of exchange prevailing on the date of receives and payments respectively, as such any gain or loss arisen out of transactions in foreign currency is charged to the related items as per IAS-21. The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency. The figure has been rounded off to the nearest taka.

**2.16 Trade payables**

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

**2.17 Provisions, Contingent Liabilities and Contingent Assets**

The preparation of financial statements in conformity with Bangladesh accounting standards IAS - 37 (Provisions, Contingent Liabilities and Contingent Assets) requires management to make estimates and assumption that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with the guidelines as prescribed by IAS 37 provisions were recognized in the following situations:

- When the Company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

We have shown the provisions in the balance sheet at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the balance sheet date.

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events, which are not within the control of the company. In accordance with IAS-37, Provisions, Contingent Liabilities and Contingent Assets are disclosed in the notes to the financial statements.

## **2.18 Income Tax Expenses and deferred Tax Assets and Liabilities**

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income.

### **i. Current Tax Expenses**

Provision for current income tax has been made at the rate of 15% as prescribed in the finance act (এস, আর, ও নং ২১৮.আইন-আয়কর/২০১৯ তারিখ, ২৩.০৬.২০১৯ এবং এস, আর, ও নং ১৫৯.আইন-আয়কর/২০২২ তারিখ, ০১.০৬.২০২২) on the accounting profit made by the company making some adjustment with the profit as per ITO 1984 in compliance with IAS-12 "Income Taxes".

### **ii. Deferred Tax Expenses**

Deferred tax has been recognized in accordance with IAS: 12. It is provided using the liability method for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used for taxation purpose. Deferred tax is determined at the effective income tax rate prevailing at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities for the year ended June 30, 2023 has been recognized in the statement of comprehensive income as per IAS 12 "Income Taxes".

### **iii. Deferred Tax Assets**

Deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. It is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized and such reductions are reversed when the probability of future taxable profits improve.

### **iv. Deferred Tax Liabilities**

Deferred tax liabilities are the amount of income tax payable in the future periods in respect of taxable temporary differences. Provision for deferred tax liabilities is made at the rate applied on the amount of temporary difference between accounting base and tax base of assets and liabilities.

## **2.19 Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

## **2.20 Materiality and aggregation**

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

**2.21 Responsibility for preparation and presentation of financial statements**

The management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994; and as per provision of "International Financial Reporting Standards (IFRS) for presentation of Financial Statements" issued by the International Accounting Standard Board (IASB)

**2.22 VAT**

According to Value Added Tax (VAT) Act 1991 The Company's traded income is 100% export oriented so its income is not subject to VAT.

**2.23 Revenue recognition**

The Company has applied IFRS-15 "Revenue from Contracts with Customers" for annual reporting periods beginning on or after 01 July 2019. IFRS-15 provides a single, principles-based approach to their cognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations are satisfied

The new standard is based on the principle that revenue is recognized when control of goods or services transfers to a customer, so the concept of control replaces the existing concept of risks and rewards. This standard combines, enhances and replaces specific guidance on recognizing revenue with a single standard. A new five-step process must be applied before revenue from contract with customer can be recognized:

- i) Identify the contact with customer,
- ii) Identify the performance obligations in the contact,
- iii) Determine the transaction price,
- iv) Allocate the transaction price to the performance obligations in the contact,
- v) Recognize revenue when (or as) a performance obligation is satisfied.

Revenue represents amount received and receivable from third parties for goods supplied to the customers. It comprises sales/export (deemed export) of sewing thread to the customers. Revenue is recognized when control of the goods has transferred to the customer; this is usually evidenced by a transfer of the significant risks and rewards of ownership upon delivery to the customer which in terms of timing is not materially different to the date of delivery.

**2.24 Borrowing cost**

In compliance with the requirements of IAS 23 (Borrowing Cost), borrowing cost of operational period on long term loan, short term loan and overdraft facilities from Sonali Bank Limited, Bangladesh Development Bank Limited (BDBL), Islami Bank Bangladesh Limited and IPDC Finance was charged off as revenue expenditure as they incurred.

**2.25 Related Party Disclosure**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24: Related Party Disclosures has been disclosed in a separate to the accounts.

**2.26 Event after Statement of Financial Position Date**

In compliance with the requirements of IAS 10: Events after the Reporting Period, amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period.

**i. Material Event to the Date of Issue**

The board of directors in their meeting held on October 26, 2023 recommended 2% Cash dividend (Excluding Directors) to the existing share held at record date for the year ended 30 June 2023. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting (AGM).

**ii. Date of Authorization**

The Board of Directors of VFS Thread Dyeing Limited approved this financial statement for the period from 01 July 2022 to 30 June 2023 on 26<sup>th</sup> October, 2023.

**2.27 Bad and doubtful debts**

No provision has been made for bad and doubtful debts since sales / export are based on 100% confirmed letter of credit with fixed maturity date.

**2.28 Employee Benefit**

The company maintains employee benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19 Employee Benefits.

The cost of employee benefit is charged of as revenue expenditure in the period to which the contributions relate.

**The company's employee benefits include the following**

**a) Short Term Employee Benefits**

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

**b) Contribution to Workers' Profit Participation and Welfare Funds**

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour Act, 2006 (amendment-2013) and is payable to workers as defined in the said law.

**2.29 Advertising and promotional expenses**

All costs associated with advertising and promotional activities are charged in the year they were incurred.

**2.30 Statement of cash flows**

Statement of Cash Flows is prepared in accordance with IAS 7 Statement of Cash Flows and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS 7 and "Preparation of cash flows under direct method is a requirement of Securities and Exchange Rules, 1987" which provides that entities are encouraged to report cash flows from operating activities using the direct method.

**2.31 Earnings per Shares (EPS)**

The Company calculates Earnings per Share (EPS) in accordance with IAS-33, "Earnings per share", which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and details are shown in Note # 30.

**a) Basic earnings**

This represents earnings for the period attributable to ordinary shareholders. 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, adjusted for the effect of change in the number of shares for bonus issue.

**b) Weighted average number of ordinary shares outstanding during the year**

This represents the number of ordinary shares outstanding at the beginning of the period plus the number of shares issued during the period multiplied by a time weighted factor is the number of months the specific shares is outstanding as a proportion of the total number of months in the period.

**c) Diluted Earnings per Share:**

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. This is in compliance with the requirement of IAS-33.

**2.32 Financial Instruments**

The Company has applied IFRS-9 'Financial instruments' with effect from 01 January 2018. IFRS-9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairments for financial assets and general hedge accounting. IFRS-9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS-39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

**Classification and measurement of financial assets and financial liabilities:**

IFRS-9 largely retains the existing requirements of IAS-39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS-39 categories for financial assets of held to Maturity, Loans and Receivables and Available for Sale. The adoption of IFRS-9 has not had a significant effect on the Company's accounting policies related to financial liabilities. The impact of IFRS-9 on the classification and measurement of financial assets is set out below.

Under IFRS-9, on the initial recognition, a financial asset is classified as measured: At Amortized cost; Fair Value through Other Comprehensive Income (FVOCI) or fair value through profit or loss on the basis of both -debt investment; Fair Value through Other Comprehensive Income (FVOCI) equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS-9 is generally based on the business model in which a financial is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

All financial assets not classified as measured at amortized at or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

**The following accounting policies apply to the subsequent measurement of financial assets.**

**Financial assets at FVTPL:**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**Financial assets at amortized cost:**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition in profit or loss. Trade receivables are classified as financial assets measured at amortized cost.

**Impairment of financial assets**

IFRS-9 replaces the "incurred loss" model in IAS-39 with an "expected credit loss "(ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity investments. The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The Company measures loss allowances at an amount equal to ECL from trade receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both qualitative and quantitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information. The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by company to actions such as realizing security (if any is held).

**2.33 Reporting year**

The financial statements cover twelve (12) months from July 01, 2022 to June 30, 2023.

**2.34 Going Concern**

The financial statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

**2.35 Impairment of Assets**

In accordance with the provision of IAS 36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the year.

**2.36 Segment Reporting**

Operating segment of an entity engages in business activities from which it may earn revenue and incur expenses and whose operating results are regularly reviewed by the entity's chief operating decisions maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. During the period under review, segment reporting is not applicable as the Company does not meet the criteria of threshold limit required for segment reporting specified in IFRS 8: Operating Segment. Because a segment is a distinguishable component of the entity and must meet the requirement of threshold limit and also engaged in providing products within a particular economic environment which is subject to risks and rewards that are different from those of other segments.

**2.37 Significant Deviation:**

Due to war between Russia & Ukraine and worldwide recession our export/sales have been decrease during the year compare to previous year. Hence, net profit after tax has been decreased and Earnings per share has been decreased compare to previous year.

**2.38 General**

Comparative figures have been re-arranged or re-stated or re-classified were considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.



Notes	Particulars	30 June 2023	30 June 2022
		Taka	Taka
<b>3.00</b>	<b>Property, Plant and Equipment</b>		
	Balance as on July 01, 2022	1,511,715,287	1,449,651,512
	Add: Addition during the year	-	62,063,775
		<u>1,511,715,287</u>	<u>1,511,715,287</u>
	Less: Accumulated Depreciation	641,736,169	577,961,786
	<b>Written down value as on 30 June 2023</b>	<u><b>869,979,118</b></u>	<u><b>933,753,501</b></u>
	<i>The details of the above is given in Annexure-A</i>		
<b>4.00</b>	<b>Intangible Assets</b>		
	<b>A. At Cost</b>		
	Opening Balance	550,000	550,000
	Add: Addition during the year	-	-
	<b>Total Cost</b>	<u><b>550,000</b></u>	<u><b>550,000</b></u>
	<b>B. Accumulated Amortization</b>		
	Opening Balance	394,167	284,167
	Add: Amortization charged during the year	110,000	110,000
	<b>Total Charge</b>	<u><b>504,167</b></u>	<u><b>394,167</b></u>
	<b>Written down value (A-B) as on 30 June 2023</b>	<u><b>45,833</b></u>	<u><b>155,833</b></u>
	<i>The details of the above is given in Annexure-B</i>		
<b>5.00</b>	<b>Right of Use Assets</b>		
	Beginning Balance	2,204,622	355,436
	Addition during the year	-	2,736,772
	Less: Depreciation Expenses	(912,257)	(887,586)
	<b>Closing Balance</b>	<u><b>1,292,365</b></u>	<u><b>2,204,622</b></u>
<b>6.00</b>	<b>Capital work in Progress</b>		
	Plant & Machinery	-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
<b>6.01</b>	<b>Plant &amp; Machinery</b>		
	Opening Balance	-	57,861,675
	Addition During the Year	-	1,543,250
	Less: Capitalized during the year	-	(59,404,925)
	<b>Closing Balance</b>	<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
<b>7.00</b>	<b>Security Deposit</b>		
	Bangladesh Telecommunication Company Ltd. (BTCL)	6,500	6,500
	Titas Gas Transmission & Distribution Co. Ltd. (Demand Note)	2,685,450	2,685,450
	Rural Electrification Board (REB)	1,165,000	1,165,000
	BG (Customes Bond)	4,329,699	4,329,699
		<u><b>8,186,649</b></u>	<u><b>8,186,649</b></u>



Notes	Particulars	30 June 2023	30 June 2022
		Taka	Taka
<b>8.00 Inventories</b>			
	Raw Materials-Yarn	Note: 25.10 380,356,915	319,246,512
	Raw Materials-Chemicals	Note: 25.20 23,639,786	38,612,456
	Work in Process	Note: 25.00 9,896,315	9,246,315
	Packing Materials	Note: 25.30 499,719	1,876,945
	Finished Goods	Note: 25.00 118,396,815	92,875,612
	Store Items	Note: 25.40.A 1,366,620	2,415,619
		<b>534,156,170</b>	<b>464,273,459</b>

**Raw materials:** It consist of import value and local expenses incurred upto warehouse. Inventory system is maintained on FIFO basis.

**Work in process:** It consist of cost of raw materials, chemicals and packing materials only.

**Finished Goods:** It includes the cost incurred upto cost of goods available for sale.

**Store Items:** It consist of the total cost of spare parts, loose tools and consumable items.

Physical verification of inventories: The management has physically verified the inventories as of the Statement of Financial Position date.

**9.00 Material In Transit**

During The year	<b>23,546,780</b>	<b>135,216,650</b>
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**10.00 Trade Receivables**

The amount of Trade receivable against export bills as on 30 June 2023. This is considered as good & realizable and is secured by export letter of credit duly accepted by L/C opening bank.

<b>Bill Receivables</b>	862,873,862	931,862,552
<b>Less: Adjustment of Inland Bill Purchase</b>	Note: 10.01 -	84,693,715
	<b>862,873,862</b>	<b>847,168,837</b>

This is considered as fully secured and guaranteed payment by export letter of credit opening bank against export order and is considered good & realizable within one year as per the terms of export letter of credit. The classification of receivables as required by the Schedule XI, Part I, Para 6 of the Companies Act, 1994 are given below:

Particulars	Taka	
	i. Receivables considered good in respect of which the company is fully secured;	862,873,862
ii. Receivables considered good in respect of which the company holds no security other than the debtor personal security;	-	-
iii. Receivables considered doubtful or bad	-	-
iv. Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or receivable due by firms or private companies respectively in which any director is a partner or a director or a member;	-	-
v. Receivables due from companies under same management; and	-	-

Notes	Particulars	30 June 2023	30 June 2022
		Taka	Taka
	vi. The maximum amount of receivable due by any director or other officer of the company at any time during the year.	-	-
	<b>Total</b>	<b>862,873,862</b>	<b>847,168,837</b>

**Aging of Bill Receivable:**

Less than 6 Month	192,554,027	600,413,105
More than 6 Month	670,319,835	246,755,732
	<u>862,873,862</u>	<u>847,168,837</u>

**10.01 Adjustment of Inland Bill Purchase (Net off Assets & Liabilities)**

Islami Bank Bangladesh Limited	-	84,693,715
	<u>-</u>	<u>84,693,715</u>

**11.00 Advance, Deposits & Prepayments**

Advance Salary		3,483,418	4,290,063
Advance Income Tax	Note: 11.01	29,535,917	24,071,182
LC Margin & Charges		5,543,619	52,543,619
Advance against Purchase		102,565,790	49,640,405
Advance against Group Insurance		11,667	21,474
Advance against Office Rent		193,000	193,000
Advance against Expenses		84,381,678	51,881,678
		<u>225,715,089</u>	<u>182,641,421</u>

**11.01 Advance Income Tax**

Opening Balance		24,071,182	39,371,958
Addition during the year		5,464,735	33,511,595
Less: Adjustment during the year for Assessment year 2015-2016		-	(13,337,966)
Less: Adjustment during the year for Assessment year 2016-2017		-	(12,257,830)
Less: Adjustment during the year for Assessment year 2016-2017		-	(7,493,371)
Less: Adjustment during the year for Assessment year 2017-2018		-	(14,905,219)
Less: Adjustment during the year for Assessment Year 2018-2019		-	(817,985)
Closing balance		<u>29,535,917</u>	<u>24,071,182</u>

Disclosure as per Schedule XI, Part I, Para 6 of the Companies Act, 1994 are given below:

Particulars	30-Jun-23	30-Jun-22
i. Advance, deposit & prepayment considered good in respect of which the company is fully secured;	222,231,671	178,351,358
ii. Advance, deposit & prepayment considered good in respect of which the company holds no security;	-	-
iii. Advance, deposit & prepayment considered doubtful or bad	-	-
iv. Advance, deposit & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposit & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member;	-	-

Notes	Particulars	30 June 2023	30 June 2022
		Taka	Taka
	v. Advance, deposit & prepayment due from companies under same management; and	-	-
	vi. The maximum amount due by any director or other officer of the company at any time during the year.	3,483,418	4,290,063
	<b>Total</b>	<b>225,715,089</b>	<b>182,641,421</b>

**12.00 Cash and Bank Balance**

Cash in hand	4,307,304	5,255,253
Cash at Bank	72,633,828	59,023,644
	<u>76,941,131</u>	<u>64,278,896</u>

Bank Name	Account Number		
Sonali Bank Limited	0002633133402 (CA)	196,077	206,405
BRAC Bank Limited	1501203089179001 (CORP-BDT)	1,289	1,976
BRAC Bank Limited	1501203089179002 (Current-FC)	105,445	105,570
Bangladesh Dev. Bank Ltd.	0670200000169 (CD)	1	241
Mercantile Bank Ltd.	114711102834977 (CD)	231,136	71,592
Islami Bank Bangladesh Ltd.	20501910500811416 (MTDRA)	55,688,957	55,351,489
Islami Bank Bangladesh Ltd.	20501912600001612 (MDA Special)	406	3,023,719
Islami Bank Bangladesh Ltd.	20501910100293214 (CA)	966,278	4,356
Islami Bank Bangladesh Ltd.	20501912500007112 (MDA Normal)	123,461	47,226
Islami Bank Bangladesh Ltd.	20501912100000202 (FCAD)	996,400	-
Islami Bank Bangladesh Ltd.	20501912300000911 (FC Held BB L)	13,738,634	-
Dutch Bangla Bank Ltd.	2291100008189 (CA)	445,057	17,951
Southeast Bank Ltd.	002411100007785 (CA)	27,874	27,406
NCC Bank Limited	0002-210032390 (CD)	58,282	58,759
United Commercial Bank Ltd.	0951101000011123 (CA)	50,465	102,322
Jamuna Bank Limited	0024-0210023206 (CD)	1	340
Union Bank Ltd.	012101005303 (Current Account)	925	-
United Commercial Bank Ltd.	1072101000007580 (CA)	3,142	4,292
		<u>72,633,828</u>	<u>59,023,644</u>

The bank balance are in agreement with respective bank statement.

**13.00 Share Capital**

**13.10 Authorized Share Capital**

200,000,000 ordinary shares of Taka 10/= each.	<u>2,000,000,000</u>	<u>2,000,000,000</u>
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**13.20 Issued, subscribed and paid-up share capital**

105,580,055 ordinary shares of Tk 10/= each fully paid-up	<u>1,055,800,552</u>	<u>1,055,800,552</u>
	<u>1,055,800,552</u>	<u>1,055,800,552</u>

The Distribution Schedule showing the number of Shareholders and corresponding Shareholdings Percentage under DSE & CSE Listing Regulation 37 on June 30 2022.



Notes	Particulars		30 June 2023	30 June 2022
			Taka	Taka
	Range of Shareholding	No. of Share Holders	No. of Shares	Percentage of Shareholdings (%)
	Less than 500 Shares	1,684	332,600	0.3150
	500-5,000 Shares	4,541	8,743,697	8.2816
	5,001-10,000 Shares	814	6,356,222	6.0203
	10,001-20,000 Shares	488	7,380,324	6.9903
	20,001-30,000 Shares	208	5,183,429	4.9095
	30,001-40,000 Shares	107	3,857,960	3.6541
	40,001-50,000 Shares	90	4,142,986	3.9240
	50,001-1,00,000 Shares	127	9,384,484	8.8885
	100,001-10,00,000 Shares	109	23,494,035	22.2523
	10,00,000 and Above	7	36,704,318	34.7644
	<b>Total</b>	<b>8,175</b>	<b>105,580,055</b>	<b>100</b>

**Detailed Break-up or Composition of Shareholders' equity**

Particulars	Issue Date	Face Value	No. of Share	Paid up Capital
At the time of Incorporation	20-Apr-10	100	30,000	3,000,000
1st Allotment	25-Sep-11	100	265,400	26,540,000
2nd Allotment	26-Dec-11	100	700,000	70,000,000
3rd Allotment	28-Nov-12	100	5,276,080	527,608,000
Issuance of Share (IPO)	19-Jul-18	10	22,000,000	220,000,000
Issuance of Stock Dividend	6-Dec-18	10	8,471,480	84,714,800
Issuance of Stock Dividend	19-Dec-19	10	9,318,628	93,186,280
Issuance of Stock Dividend	20-Dec-20	10	3,075,147	30,751,472
<b>Total</b>				<b>1,055,800,552</b>

**14.00 Retained Earnings**

Opening Balance	988,588,155	918,681,135
Add: Profit during the year	73,945,863	150,313,847
Less: Cash Dividend Issued (11%)	-	(80,406,827)
	<b>1,062,534,018</b>	<b>988,588,155</b>

**15.00 Long Term Borrowings net of Current Portion**

This represent amount of term loan sanctioned by the Sonali Bank Limited under the following:

BMRE Loan (Sonali Bank Ltd.)	Note:15.01	-	-
Term Loan (IPDC Finance)	Note:15.02	10,594,071	31,829,947
Project loan (Sonali Bank Ltd.)	Note:15.03	55,615,588	54,931,866
IDCP (Sonali Bank Ltd.)	Note:15.04	1,341,860	1,702,325
		<b>67,551,519</b>	<b>88,464,138</b>

**15.01 BMRE Loan (Sonali Bank Ltd.)**

Opening Balance	7,392,671	9,020,639
Addition during the year	-	-
Add: Interest and Charge during the year	526,973	789,032
Less: Payment during the year	1,850,000	2,417,000
Closing Balance	<b>6,069,644</b>	<b>7,392,671</b>
Current Portion	6,069,644	7,392,671
	-	-

Notes	Particulars	30 June 2023	30 June 2022
		Taka	Taka

The company enjoys long Term Loan from Sonali Bank Limited, Local office, Dhaka for the purpose of Capital Machinery. Long term loan facilities (both the non-current and current portion) availed by the company are secured.

**15.02 Term Loan (IPDC Finance)**

Opening Balance	40,802,280	48,785,378
Addition during the year	-	-
Add: Interest and Charge during the year	4,058,848	5,212,462
Less: Payment during the year	10,996,300	13,195,560
Closing Balance	<b>33,864,827</b>	<b>40,802,280</b>
Current Portion	23,270,756	8,972,332
	<b>10,594,071</b>	<b>31,829,947</b>

The company enjoys Term Loan from IPDC Finance, Hosna Center (4th Floor) 106 Gulshan Avenue, Dhaka 1212 for the purpose of Business Expansion. Term loan facilities (both the non-current and current portion) availed by the company are secured.

**15.03 Project loan (Sonali Bank Ltd.)**

Opening Balance	57,447,721	56,059,350
Addition during the year	-	-
Add: Interest and Charge during the year	5,298,250	5,248,371
Less: Payment during the year	1,750,000	3,860,000
Closing Balance	<b>60,995,971</b>	<b>57,447,721</b>
Current Portion	5,380,383	2,515,855
	<b>55,615,588</b>	<b>54,931,866</b>

The company enjoys long Term Loan from Sonali Bank Limited, Local office, Dhaka for the purpose of Capital Machinery. Long term loan facilities (both the non-current and current portion) availed by the company are secured.

**15.04 IDCP (Sonali Bank Ltd.)**

Opening Balance	1,702,325	1,802,325.00
Addition during the year	-	-
Add: Interest Charge during the year	-	-
Less: Payment during the year	-	100,000.00
Closing Balance	<b>1,702,325</b>	<b>1,702,325</b>
Current Portion	360,465	-
	<b>1,341,860</b>	<b>1,702,325</b>

The company enjoys IDCP from Sonali Bank Limited, Local office, Dhaka for the purpose of Capital Machinery. IDCP facilities (both the non-current and current portion) availed by the company are secured.



Notes	Particulars	30 June 2023	30 June 2022
		Taka	Taka
<b>16.00</b>	<b>Liability for Leases Net of Current Portion</b>		
	Beginning Balance	2,255,920	582,542
	Addition during the year	-	2,736,772
	Add: Interest Expenses	224,682	161,606
	Less: Payment	1,080,000	1,225,000
	<b>Closing Balance</b>	<b>1,400,602</b>	<b>2,255,920</b>
	Less: Current Portion of Lease Liability	963,794	855,318
		<b>436,809</b>	<b>1,400,602</b>
<b>17.00</b>	<b>Deferred Tax Liabilities</b>		
	<b>Opening Balance</b>	57,108,480	54,504,392
	Deferred Tax (Income)/Expenses during the year      Note: 29.02	1,134,105	2,604,089
		<b>58,242,585</b>	<b>57,108,480</b>
<b>18.00</b>	<b>Trade Payables</b>		
	Payables to Suppliers      Note: 18.01	1,406,098	1,237,878
		<b>1,406,098</b>	<b>1,237,878</b>
<b>18.01</b>	<b>Trade Payables (by Name)</b>		
	Tex Line	381,519	313,369
	Retail Technology	221,595	301,295
	Artek Communication	802,984	623,214
	<b>Total</b>	<b>1,406,098</b>	<b>1,237,878</b>
	Aging of the above Trade Payable is given below:		
	<b>Particular</b>	<b>1-3 Months</b>	<b>Above - 3 Months</b>
	Trade payables	1,406,098	-
<b>19.00</b>	<b>Current portion of Long Term Borrowings</b>		
	This represent amount of term loan sanctioned by the Sonali Bank Limited which will be paid within one year under the following form:		
	Term Loan (IPDC Finance)	23,270,756	8,972,332
	BMRE Loan (Sonali Bank Ltd.)	6,069,644	7,392,671
	IDCP	360,465	-
	Project Loan (Sonali Bank Ltd.)	5,380,383	2,515,855
		<b>35,081,248</b>	<b>18,880,859</b>
<b>20.00</b>	<b>Short Term Borrowings</b>		
	C.C (Hypo)-Sonali Bank Ltd.	51,197,782	51,149,382
	LTR Liability-Sonali Bank Ltd.	30,360,490	28,506,242
	Foreign Cash LC	11,302,098	83,471,512
	QTDR- Islami Bank Bangladesh Limited	49,391,328	49,371,153
	Sonali Bank Limited-Working Capital to Industry	15,352,150	14,829,151
	C.C (Hypo)-Bangladesh Development Bank Ltd.	23,529,295	24,038,099
		<b>181,133,142</b>	<b>251,365,539</b>

Notes	Particulars	30 June 2023	30 June 2022
		Taka	Taka
	The company enjoys Short Term Loan from Sonali Bank Limited, Local office, and Bangladesh Development bank Limited, Kawranbazar Branch, LC facilities from Islami Bank Bangladesh Limited, Mohakhali branch Dhaka for the purpose of Working Capital. Short term loan facilities availed by the company are secured.		
<b>21.00</b>	<b>Provision &amp; Accruals</b>		
	Provision for Utilities	844,625	1,158,328
	Provision for Salary & Wages	1,626,500	2,875,970
	Provision for Director Remuneration and Fees	-	118,750
	Provision for Workers Profit Participation Fund	50,209,005	46,738,451
	Provision for Annual Listing fees	1,022,320	-
	Provision for Audit Fees	300,000	250,000
	Provision for Dividend Tax	-	31,387,354
		<b>54,002,450</b>	<b>82,528,853</b>
<b>22.00</b>	<b>Unclaimed Dividend Account</b>		
	Opening Balance	9,007,107	11,814,339
	Add: Addition During the Year	-	66,050,966
	Less: Payment During the Year	(395,705)	(68,858,198)
	Net Unclaimed Dividend Account	<b>8,611,402</b>	<b>9,007,107</b>
		Note: 22.01	
<b>22.01</b>	<b>Net Unclaimed Dividend Account</b>		
		<b>Year</b>	<b>Amount</b>
	Unclaimed Dividend Annexure-C	2019	2,250,965
	Unclaimed Dividend Annexure-D	2020	4,901,226
	Unclaimed Dividend Annexure-E	2021	1,459,211
			<b>8,611,402</b>
<b>23.00</b>	<b>Provision for Income Tax</b>		
	Opening Balance	82,536,817	119,061,502
	Add: Income Tax Charged on current year	(5,668,882)	12,287,686
	Less: Adjustment during the year for the Assessment year 2015-2016	-	(13,337,966)
	Less: Adjustment during the year for the Assessment year 2016-2017	-	(12,257,830)
	Less: Adjustment during the year for the Assessment year 2016-2017	-	(7,493,371)
	Less: Adjustment during the year for the Assessment year 2017-2018	-	(14,905,219)
	Less: Adjustment during the year for the Assessment Year 2018-2019	-	(817,985)
		<b>76,867,935</b>	<b>82,536,817</b>

Notes	Particulars	Amount in Taka	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
<b>24.00</b>	<b>Sales Revenue</b>		
	Sales of Finished Goods	550,935,960	956,234,575
		<u>550,935,960</u>	<u>956,234,575</u>
<b>24.10</b>	<b>Sales Quantity</b>		
	Sales of Finished Goods (Lbs)	1,823,084	3,164,244
<b>25.00</b>	<b>Cost of Goods Sold</b>		
	Raw materials consumed-Yarn	323,413,731	538,633,815
	Raw materials consumed-Chemicals	40,762,500	72,619,459
	Packing materials consumed	5,193,359	9,274,814
	<b>Total raw materials consumed</b>	<u>369,369,590</u>	<u>620,528,088</u>
	Add: Manufacturing Overhead	100,415,021	135,849,528
	<b>Prime Cost</b>	<u>469,784,611</u>	<u>756,377,616</u>
	Add: Work in Process- Opening	9,246,315	9,145,718
		<u>479,030,926</u>	<u>765,523,334</u>
	Less: Work in Process- Closing	9,896,315	9,246,315
	<b>Cost of goods manufactured</b>	<u>469,134,611</u>	<u>756,277,019</u>
	Add: Finished goods - Opening	92,875,612	78,217,890
	<b>Goods available for sale</b>	<u>562,010,223</u>	<u>834,494,909</u>
	Less: Finished goods - Closing	118,396,815	92,875,612
	Less: Sample Expenses	320,468	457,185
	<b>Cost of goods sold during the year</b>	<u>443,292,940</u>	<u>741,162,112</u>
<b>25.01</b>	<b>Raw materials consumed-Yarn</b>		
	Opening Stock Raw materials	319,246,512	309,455,746
	Add: Purchase during the year	384,524,134	548,424,581
	<b>Yarn available for production</b>	<u>703,770,646</u>	<u>857,880,327</u>
	Less: Closing Stock of Raw materials	380,356,915	319,246,512
		<u>323,413,731</u>	<u>538,633,815</u>
<b>25.02</b>	<b>Raw materials consumed-Chemicals</b>		
	Opening Stock of Chemicals	38,612,456	39,710,380
	Add: Purchase during the year	25,789,830	71,521,535
	<b>Chemicals available for Production</b>	<u>64,402,286</u>	<u>111,231,915</u>
	Less: Closing Stock of Chemicals	23,639,786	38,612,456
		<u>40,762,500</u>	<u>72,619,459</u>
<b>25.03</b>	<b>Packing materials consumed</b>		
	Opening Stock of Packing materials	1,876,945	1,789,520
	Add: Purchase during the year	3,816,133	9,362,239
	<b>Materials available for packing</b>	<u>5,693,078</u>	<u>11,151,759</u>
	Less: Closing Stock of Packing materials	499,719	1,876,945
		<u>5,193,359</u>	<u>9,274,814</u>



Notes	Particulars	Amount in Taka	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
<b>25.04</b>	<b>Manufacturing Overhead</b>		
	Salary, Wages and allowances	14,726,395	25,634,243
	Utilities	17,352,778	32,138,194
	Printing & Stationary	350,301	537,116
	Conveyance & Courier	380,365	514,233
	Food & Allowance	709,572	967,030
	Entertainment	220,296	170,694
	Labour Charge	618,859	1,215,929
	Medical Expenses	88,784	280,014
	Phone, Fax & Internet	480,000	480,000
	Store & Spares	Note:25.04.A 2,237,428	3,924,383
	Repairs & Maintenance	Note:25.04.B 132,473	439,359
	Amortization Expenses	(Annexure-B) 108,680	108,680
	Depreciation	(Annexure-A) 63,009,090	69,439,654
		<b>100,415,021</b>	<b>135,849,528</b>
<b>25.04.A</b>	<b>Store &amp; Spares</b>		
	Opening Balance	2,415,619	2,315,896
	Add: Purchase during the year	1,188,429	4,024,106
		<b>3,604,048</b>	<b>6,340,002</b>
	Less: Closing Stock of Store Items	1,366,620	2,415,619
		<b>2,237,428</b>	<b>3,924,383</b>
<b>25.04.B</b>	<b>Repairs &amp; Maintenance</b>		
	Plant and Machinery	19,220	124,678
	Buildings	113,253	314,681
		<b>132,473</b>	<b>439,359</b>
<b>26.00</b>	<b>Operating Expenses</b>		
	Warehouse, Distribution & Selling Exp.	Note:26.01 7,279,926	11,937,376
	Administrative Expenses	Note:26.02 10,551,966	13,277,623
		<b>17,831,892</b>	<b>25,214,999</b>
<b>26.01</b>	<b>Warehouse, Distribution &amp; Selling Expenses</b>		
	Salary & Welfare	4,143,230	7,547,325
	Advertising	149,450	193,170
	Transportation and Handling	739,843	1,559,089
	Repair and Maintenance	232,725	276,237
	Sales promotion	52,439	33,885
	Traveling & Conveyance	630,513	870,357
	Entertainment	482,630	617,145
	Miscellaneous	231,530	13,362
	Sample, Test & Analysis	67,114	116,206
	Sample Expenses	320,468	457,185
	Amortization Expenses	(Annexure-B) 396	396
	Depreciation	(Annexure-A) 229,588	253,019
		<b>7,279,926</b>	<b>11,937,376</b>



Notes	Particulars	Amount in Taka	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
<b>26.02</b>	<b>Administrative Expenses</b>		
	Salary & Welfare	5,271,221	7,136,509
	Director Remuneration	56,250	225,000
	Postage & Courier	61,970	161,940
	Traveling & Conveyance	403,729	717,475
	Repair & Maintenance	146,032	51,452
	Utilities	496,696	372,758
	Printing and Stationery	318,490	319,609
	Entertainment	157,658	304,132
	Legal & Professional Charge	-	30,000
	AGM Expenses	310,000	472,560
	Annual Listing Fees	1,128,320	1,148,061
	Audit fees	300,000	250,000
	Group Insurance Premium	64,422	88,282
	Miscellaneous Expenses	22,740	4,125
	Bank Charges	332,639	302,098
	News paper & periodical	7,913	19,128
	Board Meeting attendance Fees	25,000	34,000
	Interest Expense on the Lease Liability	-	161,606
	Depreciation Charge for the Right-of-Use Asset	912,257	887,586
	Amortization Expenses (Annexure-B)	924	924
	Depreciation (Annexure-A)	535,705	590,378
		<b>10,551,966</b>	<b>13,277,623</b>
<b>27.00</b>	<b>Financial Expenses</b>		
	Interest on Loan	Note:27.01	
		17,368,169	16,737,173
		<b>17,368,169</b>	<b>16,737,173</b>
<b>27.01</b>	<b>Interest on Loan</b>		
	Interest on Long Term Loan	8,902,234	11,191,865
	Interest Expense on the Lease Liability	224,682	-
	Interest on Short Term Loan	8,241,253	5,545,308
		<b>17,368,169</b>	<b>16,737,173</b>
<b>28.00</b>	<b>Other Non-operating Income</b>		
	Sale of Wastage-Raw Material	7,520	8,279
	Wastage of Work in Process	3,070	6,990
	Wastage of finished goods	22,370	10,321
	Interest Income	397,893	316,940
	Foreign exchange gain/(loss)	7,828	3,082
		<b>438,681</b>	<b>345,612</b>
<b>29.00</b>	<b>Income Tax Charged during the year</b>		
	Current Tax	Note:29.01	
		(5,668,882)	12,287,686
	Deferred Tax	Note:29.02	
		1,134,105	2,604,089
		<b>(4,534,777)</b>	<b>14,891,774</b>

Notes	Particulars	Amount in Taka		
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022	
<b>29.01</b>	<b>Current Tax</b>			
	Profit before Other Income and Tax	68,972,405	164,860,009	
	Add: Depreciation as Accounting base	63,884,383	70,393,050	
		<b>132,856,788</b>	<b>235,253,060</b>	
	Less: Depreciation as per Tax base	71,445,083	87,753,641	
	<b>Net profit for current Tax</b>	<b>61,411,705</b>	<b>147,499,418</b>	
	Income Tax Rate	15%	15%	
	<b>Tax on operating income</b>	<b>9,211,756</b>	<b>22,124,913</b>	
	Tax on Non Operating Income @15%	65,802	51,841.76	
		<b>9,277,558</b>	<b>22,176,755</b>	
	Add: Under Provision for the Assessment Year 2016-2017	-	107,128	
	Less: Over Provision for the Assessment Year 2017-2018	-	(3,760,969)	
	Less: Over Provision for the Assessment Year 2018-2019	-	(6,235,228)	
	Less: Over Provision for the Assessment Year 2019-2020	(9,595,695)	-	
	Less: Over Provision for the Assessment Year 2020-2021	(6,422,998)	-	
	Less: Over Provision for the Assessment Year 2021-2022	(11,318,679)	-	
	Add: Under Provision for the Assessment Year 2022-2023	12,390,932	-	
		<b>(5,668,882)</b>	<b>12,287,686</b>	
<b>29.02</b>	<b>Deferred Tax</b>			
	Written down value as Accounting base	870,024,951	933,909,334	
	Written down value as per Tax base	481,741,050	553,186,133	
	<b>Temporary Difference</b>	<b>388,283,901</b>	<b>380,723,201</b>	
	Income Tax Rate	15%	15%	
	<b>Deferred Tax During the year</b>	<b>58,242,585</b>	<b>57,108,480</b>	
	Less: Opening Balance	57,108,480	54,504,391	
	<b>Deferred Tax (Income)/Expenses during the year</b>	<b>1,134,105</b>	<b>2,604,089</b>	
	Deferred Tax calculation made as per IAS-12: Income Tax and Third Schedule of Income Tax Ordinance 1984.			
<b>30.00</b>	<b>Earnings per Share (EPS)</b>			
	Net Profit after Tax	73,945,863	150,313,847	
	Weighted average no of Shares	Note:30.10 105,580,055	105,580,055	
	<b>Earnings per Share</b>	<b>0.70</b>	<b>1.42</b>	
<b>30.10</b>	<b>Weighted average/Total existing no. of share:</b>			
	Opening no. of share outstanding	105,580,055	105,580,055	
		<b>105,580,055</b>	<b>105,580,055</b>	
	<b>Weighted average number of shares outstanding</b>			
	<b>Particulars</b>	<b>No. of Share</b>	<b>July-2022 to June-2023</b>	<b>July-2021 to June-2022</b>
	Opening No. of shares		105,580,055	105,580,055
	<b>Issued new shares:</b>			
	<b>Total Weighted average no. of shares</b>		<b>105,580,055</b>	<b>105,580,055</b>

Notes	Particulars	Amount in Taka	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
<b>31.00</b>	<b>Net Asset Value (NAV) per Share</b>		
	Total Assets	2,602,736,998	2,637,879,869
	Less: Total Liabilities	484,402,428	593,491,162
	<b>A. Net Asset Value (NAV)</b>	<b>2,118,334,570</b>	<b>2,044,388,707</b>
	B. Total Number of Share outstanding	105,580,055	105,580,055
	<b>Net Asset Value (NAV) Per Share (A/B)</b>	<b>20.06</b>	<b>19.36</b>
<b>32.00</b>	<b>Net Operating Cash Flows per Share (NOCFPS)</b>		
	Net Operating Cash Flows	129,372,278	61,297,089
	Number of Ordinary Shares	105,580,055	105,580,055
	<b>Net Operating Cash Flow per Share (NOCFPS)</b>	<b>1.23</b>	<b>0.58</b>
<b>33.00</b>	<b>Cash Flows from Operating Activities</b>		
	A reconciliation of net income or net profit with cashflow from operating activities:		
	Net Profit before Income tax	69,411,086	165,205,621
	<b>Adjustment for:</b>		
	Depreciation on Fixed Assets	63,774,383	70,283,050
	Amortization on Intangible Assets	110,000	110,000
	Interest Expense on the Lease Liability	224,682	161,606
	Depreciation Charge for the Right-of-Use Asset	912,257	887,586
	Interest on Long Term Loan	8,902,234	11,191,865
		<b>143,334,641</b>	<b>247,839,728</b>
	<b>Increase/Decrease in Current Assets:</b>		
	Inventory (Increase)	(69,882,711)	(23,638,309)
	Material In Transit (Decrease)	111,669,870	(7,056,652)
	Accounts Receivable (Increase)	(15,705,025)	(110,162,889)
	Advance Deposit & Prepayment (Increase)	(37,608,933)	(17,903,369)
	<b>Increase/Decrease in current Liabilities:</b>		
	Trade Payable (Increase)	168,220	(22,742)
	Provision & Accruals (Decrease)	2,860,951	5,752,916
		134,837,014	94,808,684
	Income Tax Paid	(5,464,736)	(33,511,595)
	<b>Cash flow from operating activities</b>	<b>129,372,278</b>	<b>61,297,089</b>

**34.00 Statements of Cash Flows**

The statement of cash flows are showing the change of company's cash and cash equivalents during the year from 01 July 2022 to 30 June 2023 through its inflows and outflows. The statement of cash flows have been prepared as per IAS 7 using the Direct Method.

- i. Net cash inflows from operating activities arrived after adjusting operating expenses, interest and taxes paid during the year.
- ii. Net cash used in investing activities includes cash outflow for purchase of property, plant and equipment.
- iii. Net cash flows from financing activities mainly resulted from repayment of long term loan, short term loan, dividend and lease liability as well as received from short term loan and long term loan.

Notes	Particulars	Amount in Taka	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022

**34.10 Receipts from customers & others**

Turnover	550,935,960	956,234,575
Cash received from Other income	438,681	345,612
Add: Opening balance of Accounts Receivable	847,168,837	737,005,948
Less: Closing balance of Accounts Receivable	862,873,862	847,168,837
	<b>535,669,616</b>	<b>846,417,298</b>

**34.20 Payment to Suppliers, Employees & Others**

Cost of Goods Sold	443,292,940	741,162,112
Add: Administrative and Selling Expenses	16,919,635	24,165,807
	<b>460,212,575</b>	<b>765,327,920</b>

**Add: Opening balance of Current Liabilities**

Accounts Payable	1,237,878	1,260,620
Provision & Accruals	4,403,048	6,910,413
	<b>5,640,926</b>	<b>8,171,033</b>

**Add: Closing balance of Current Assets**

Advance, Deposit & Prepayments	196,179,172	158,570,239
Material in transit	23,546,780	135,216,650
Inventory	534,156,170	464,273,459
	<b>753,882,122</b>	<b>758,060,349</b>
	<b>1,219,735,623</b>	<b>1,531,559,301</b>

**Less: Closing balance of Current Liabilities**

Accounts Payable	1,406,098	1,237,878
Provision & Accruals	3,793,445	4,403,048
	<b>5,199,543</b>	<b>5,640,926</b>

**Less: Opening balance of Current Assets**

Advance, Deposit & Prepayments	158,570,239	140,666,871
Material in transit	135,216,650	128,159,998
Inventory	464,273,459	440,635,150
	<b>758,060,349</b>	<b>709,462,019</b>

**Less: Others/Non Cash Items**

Depreciation Expense	63,774,383	70,283,050
Amortization Expenses	110,000	110,000
	<b>63,884,383</b>	<b>70,393,050</b>
	<b>392,591,349</b>	<b>746,063,306</b>



35.00 Disclosure as per requirement of Schedule XI, part II, note 5 of para 3 of company Act 1994.

a) Turnover:

Particulars	Amount in Taka
	30.06.2023
Turnover in BDT.	550,935,960
Turnover in Quantity (Lbs)	1,823,084

b) No Commission Paid to selling agents.

c) No brokerage and discount paid on sales.

d) (i) Raw Materials Yarn Consumed:

Particulars	Amount in Taka
	30.06.2023
Raw Materials (Value in BDT.)	323,413,731
Raw Materials Quantites (Kg)	1,105,121

(ii) Raw Materials Dyes Chemical Consumed:

Particulars	Amount in Taka
	30.06.2023
Raw Materials (Value in BDT.)	40,762,500
Raw Materials Quantites (Kg)	943,576

(ii) Finished Goods:

Particulars	Cone
	30.06.2023
Opening Quantity (Cone)	2,140,065
Production Quantity during the year (Cone)	10,784,704
Closing Quantity (Cone)	2,721,766

Disclosure as per requirement of Schedule XI, part II, note 5 of para 3 of Company Act 1994.  
Employee Position (year ended 30 June 2023)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below Taka 3,000	Nil	Nil	Nil	Nil
Above Taka 3,000	15	29	124	168
<b>Total</b>	<b>15</b>	<b>29</b>	<b>124</b>	<b>168</b>

36.00 Related Party Disclosure

36.01 As per Paragraph 17 of IAS- 24 Related Party Disclosures are as follows.

(a) Short-term employees benefits

(i) Remuneration



Name	Designation	Nature of Transaction	30 June 2023 Taka
Mrs. Sarwat Khaled	Chairman	Remuneration	18,750
Mr. M. Azhar Rahman	Managing Director	Salary	300,000
Mr. Tariqul Islam	Director	Remuneration	18,750
Mrs. Rumana Hashem	Director	Remuneration	18,750
<b>Total</b>			<b>356,250</b>

**(ii) Board Meeting attendance Fees**

Name of the Board of Directors	Designation	No. of meeting held	No. of meeting attending	Amount in Taka
Mrs. Sarwat Khaled	Chairman	5	5	5,000
Mr. M. Azhar Rahman	Managing Director	5	5	5,000
Mrs. Rumana Hashem	Director	5	5	5,000
Mr. Tariqul Islam	Director	5	5	5,000
Mr. Tanveer Hossain	Independent Director	5	5	5,000
<b>Total Taka</b>				<b>25,000</b>

(b) Post-employee benefits	Nil
(c) Other long term benefits	Nil
(d) termination benefits and	Nil
(e) share- based payment	Nil

**36.02 As per paragraph 18 of IAS 24 Related Party Disclosures are as follows.**

(a) The amount of transaction for remuneration and board meeting fee paid during the period from 1st July 2022 to 30 June 2023 are as follows:

Name of the Board of Directors	Designation	Remuneration & Salary	Board meeting fee
Mrs. Sarwat Khaled	Chairman	18,750	5,000
M Azhar Rahman	Managing Director	300,000	5,000
Mr. Tariqul Islam	Director	18,750	5,000
Mrs. Rumana Hashem	Director	18,750	5,000
Mr. Tanveer Hossain	Independent Director	-	5,000
<b>Total Taka</b>		<b>356,250</b>	<b>25,000</b>

**(b)The amount of outstanding balances: Nil**

i) **Their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement;** There is no terms and condition as payments made for the remuneration and board meeting fee.

ii) **Details of any guarantees given or received;** There is no guarantee given or received as payments made for the remuneration and board meeting fee.



(c) Provisions for doubtful debts related to the amount of outstanding balances; there is no provision for doubtful debts related to the amount of outstanding balances as payments made for the remuneration and board meeting fee.

(d) The expense recognized during the period in respect of bad or doubtful debts due from related parties: No expenses recognized during the period in respect of bad or doubtful debts due from related parties as payments made for the remuneration and board meeting fee.

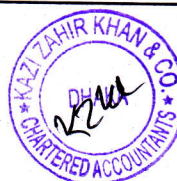
**37.00 Disclosure as per requirement of Schedule XI, part II, para 4 of companies act 1994**

SL No.	Particulars	30.06.2023
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing director, a managing agent or manager.	356,250
(b)	Expenses reimbursed to the managing agent;	Nil
(c)	Commission or other remuneration payable separately to a managing agent or his associate;	Nil
(d)	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 by such concerns with the company.;	Nil
(e)	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 period.	Nil
(f)	Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable;	Nil
(g)	Other allowances and commission including guarantee commission.	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and	Nil
	(iv) Compensation for loss of office	Nil
	(v) Consideration in connection with retirement from office.	Nil

**38.00 Disclosure as per requirements of Schedule XI, Part II, Para 8 of the Companies Act, 1994**

(a) Value of imports calculated on C.I.F basis by the company during the period in respect of raw materials, components and spare parts and capital goods.

SL No.	Particulars	Import
		Amounts in BDT
(i)	Raw Materials-Yarn	384,524,134
(ii)	Dyes & Chemicals	25,789,830
(iii)	Packing Materials	-
(iv)	Components of Spare parts	-
(v)	Capital Goods	-





(b) The Company did not have any expenditure in foreign currency during the period on account of royalty, know-how, professional consultation fees, interest and other matters

(c) Value of all imported raw materials, spare parts and components consumed during the period and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption:

Particulars	Total Consumption	Imported Taka	(%)	Local Taka	(%)
Raw Materials (Yarn)	323,413,731	323,413,731	100%	-	0%
Dyes & Chemicals	40,762,500	40,762,500	100%	-	0%
Packing Materials	5,193,359	-	0%	5,193,359	100%
Spare parts	2,237,428	-	0%	2,237,428	100%
<b>Total</b>	<b>371,607,018</b>	<b>364,176,231</b>		<b>7,430,787</b>	

(d) No amount has been remitted during the period in foreign currencies on account of dividends for non-residents shareholders,

(e) Earnings in foreign exchange classified under the following heads, namely:

(i) No export made during the period

(ii) No royalty, know-how, professional and consultation fees were received

(iii) No interest and Dividend received

(iv) No other income received

### 39.00 General

#### a) Capital Expenditure Contract

There is no capital expenditure contract has been made during the year.



VFS THREAD DYEING LIMITED  
Schedule of Property, Plant & Equipments  
As at 30 June 2023

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as at 30.06.2023
	Balance as on 01 July 2022	Addition during the Year	Balance as on 30 June 2023		Balance as on 01 July 2022	Charge during the Year	Balance as on 30 June 2023	
Land & Land Development	140,063,044	-	140,063,044	-	-	-	140,063,044	
Factory Building & other Construction	261,144,927	-	261,144,927	2.5%	39,937,539	5,530,185	215,677,204	
Plant & Machinery	972,304,843	-	972,304,843	10%	455,370,898	51,693,395	465,240,551	
Electrical Installation	16,436,488	-	16,436,488	10%	8,816,818	761,967	6,857,703	
Power Generator Set	19,346,332	-	19,346,332	10%	12,411,376	693,496	6,241,460	
Boiler	27,689,016	-	27,689,016	10%	17,632,401	1,005,661	9,050,953	
Compressor	14,990,734	-	14,990,734	10%	9,327,173	566,356	5,097,205	
Fork lift	688,027	-	688,027	10%	419,905	26,812	241,310	
Air Condition Installation	4,098,551	-	4,098,551	10%	1,967,044	213,151	1,918,356	
ETP Plant	19,642,313	-	19,642,313	10%	11,223,863	841,845	7,576,605	
Telephone Installation	23,587	-	23,587	20%	20,880	541	2,165	
Office Equipment	7,353,838	-	7,353,838	10%	2,856,508	449,733	4,047,597	
Vehicles	19,299,418	-	19,299,418	20%	11,523,597	1,555,164	6,220,657	
Furniture & Fixture	8,634,169	-	8,634,169	20%	6,453,784	436,077	1,744,308	
<b>Balance as on 30 June 2023</b>	<b>1,511,715,287</b>	<b>-</b>	<b>1,511,715,287</b>		<b>577,961,786</b>	<b>63,774,383</b>	<b>869,979,118</b>	
<b>Balance as on 30 June 2022</b>	<b>1,449,651,512</b>	<b>62,063,775</b>	<b>1,511,715,287</b>		<b>507,678,736</b>	<b>70,283,050</b>	<b>933,753,501</b>	

Allocation of depreciation	Rate (%)	Amount Taka
Manufacturing Overhead	98.80%	63,009,090
Administrative Expenses	0.84%	535,705
Selling & Distribution Expenses	0.36%	229,588
<b>Total</b>	<b>100%</b>	<b>63,774,383</b>



**VFS THREAD DYEING LIMITED**  
**Amortization Schedule of Intangible Assets**  
**As at 30 June 2023**

Annexure-B

(Amount in Taka)

Particulars	Cost		Rate	Amortization		Written Down Value as at 30 June 2023
	Balance as on 1st July 2022	Addition during the year		Balance as on 1st July 2022	Charge during the year	
Software	550,000	-	20%	394,167	110,000	45,833
<b>Balance at 30.06.2023</b>	<b>550,000</b>	<b>-</b>		<b>394,167</b>	<b>110,000</b>	<b>45,833</b>
<b>Balance at 30.06.2022</b>	<b>550,000</b>	<b>-</b>		<b>284,167</b>	<b>110,000</b>	<b>155,833</b>

**Allocation of amortization**

Manufacturing Expenses	98.80%	108,680
Administrative Expenses	0.84%	924
Selling & Distribution Expense	0.36%	396
	<b>100%</b>	<b>110,000</b>

