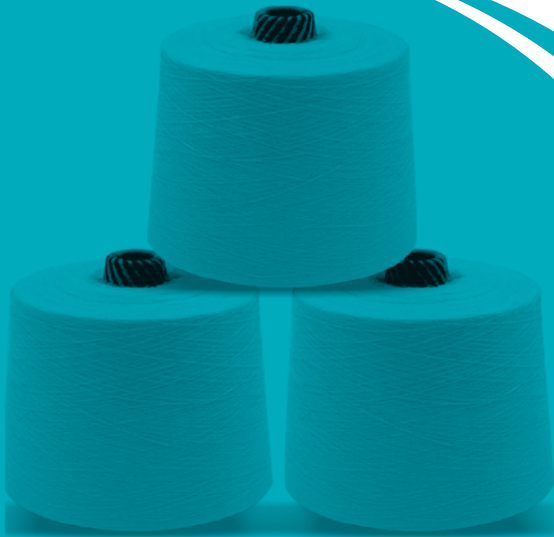




Toyo

ANNUAL REPORT 2020-2021



Toyo

টয়ো স্পিনিং মিলস্ লিমিটেড
Toyo Spinning Mills Limited

Toyo Spinning Mills Limited

REPORT AND ACCOUNTS

For the year ended 30th June, 2021



REGISTERED OFFICE : DOULATDIAR, CHUADANGA
CORPORATE OFFICE : SOUTH AVENUE TOWER (6TH FLOOR, HOUSE# 50, ROAD # 3
& 7, GULSHAN AVENUE, DHAKA-1212.
SHARE DEPARTMENT TEL : 02-222260264, 02-222260458, 02-222262803

Corporate Profile and Directory

Registered Office

Doulatdiar, Uzirpur, Chuadanga

Corporate Office

South Avenue Tower (6th Floor), House # 50, Road # 3, 7, Gulshan Avenue, Dhaka-1212, Bangladesh
Tel : 02-222260264, 02-222260458, 02-222262803

Location of Factory

Uzirpur, Chuadanga and Koltapara Bazar. Gouripur, Mymensingh

Year of Incorporation

1985

Year of Business Commencement

1985

Commercial Production

Unit-1 :July, 1989,Unit-11 :July, 1998

Project Land

Chuadanga Site : 9.04 Acres, Mymensingh Site : 8.93 Acres

Productoin Activity

Manufacturer of Combed and Carded Cotton Yarn, Spun & O.E.

Product Mix

10s/1, 16s /1, 20s/1, 24s/1, 26s/1, 30s/1, 32s/1, 40s/1, 54s/1, 60s/1, 62s/1, 80s/1

Brand

Tallu

Capacity

Existing : 61608 Spindles & 896 Rotors (O.E.)

Authorised Capital

Tk. 2,000,000,000

Paid up Capital

Tk. 893,353,750

Legal Form of the Company

Public Limited Company

Listing Status

Listed with Dhaka Stock Exchange Ltd. in Feb, 1990
Listed with Chittagong Stock Exchange Ltd. in June,2001

No of Shareholders

9275 (As on June 30, 2019)

Distribution channel

Through Direct Marketing for Local & Export.

Corporate Profile And Directory

No. of Employment

Total Number of Employee-731

Market

Local & Export.

Origin of Machinery

Japan, U.K, Switzerland, USA, Germany, China, Czeck Republic, India.

No. of Auto-Coners

Existing 14 Units in Operation

Raw Materials

Raw Cotton From U.S.A, Australia, Sudan, W. Africa, C.I.S, **India etc.**

BOARD OF DIRECTORS

Mr. Md. Rafiqul Haque	Chairman
Mr. Md. Atiqul Haque	Managing Director
Mrs. Rabeya Khatun	Director
Mr. Md. Mahbub-Ul Haque	Director
Mr. Md. Shofiqul Islam	Director (BDBL Nominated)
Mr. Md. Abu Saleh	Independent Director

AUDIT COMMITTEE

Mr. Md. Abu Saleh	Independent Director- Chairman
Mr. Md. Atiqul Haque	Managing Director - Member
Mr. Md. Mahbub-Ul Haque	Director - Member

Nomination And Remuneration Committee

Mr. Md. Abdul Allam	Independent Director- Chairman
Mr. Md. Atiqul Haque	Managing Director - Member
Mr. Md. Mahbub-Ul Haque	Director - Member

Auditors

M/s. Ashraf Uddin & Co.

Chartered Accountants

Rahman Chamber, 12-13, Motijheel

C/A, Dhaka-1000

Bankers

Bangladesh Development Bank Ltd.,Head Office,8 Rajuk Avenue, Dhaka

Export Import Bank of Bangladesh Ltd.

Motijheel Branch, Sharif Mansion, 56-57, Motijheel C/A, Dhaka

Bank of Small Industries & Commerce Bangladesh Ltd.

Shantinagar Branch,169/1, Shantinagar, Dhaka.

Board of Directors



Md. Rafiqul Haque
Chairman

Educational Qualification
M.S.S from University of Dhaka

Professional Experience
39 Years experience in Manufacturing
and Trading business



Md. Atiqul Haque
Managing Director

Educational Qualification
M. Com, Finance & Banking, University of Dhaka

Professional Experience
33 Years experience in Manufacturing
and Trading business

Board of Directors



Rabeya Khatun
Director

Educational Qualification
Bachelor of Arts

Professional Experience
36 Years experience in Manufacturing
and Trading business



Md. Mahbub-UI Hague
Director

Educational Qualification
M. Corn, Finance & Banking, University of Dhaka
M.B.A from United Kingdom
Ph.d from Washington International University, USA

Professional Experience
34 Years experience in Manufacturing
and Trading business

Board of Directors



Mr. Md. Shafiqul Islam
Director (Nominated by BDBL)

Educational Qualification
M.Com (Accounting)
University of Dhaka

Professional Experience
31 Years experience as Banker



Mr. Md. Abu Saleh
Independent Director

Educational Qualification
M. Com (Finance) University of Dhaka
Diplomat Associate of Institute of Banker Bangladesh
Institute of Banker Bangladesh
Cost and Management Accounts (Intermediate)
The Institute of Cost and Management Accountants of Bangladesh

Professional Experience
31 Years experience as Banker and Top Management
Position in Different Companies including Listed Companya

TRANSMITTAL LETTER

The Shareholders

Bangladesh Securities & Exchange Commission

Dhaka Stock Exchange Ltd.

Chittagong Stock Exchange Ltd.

Registrar of Joint Stock Companies and Firms

Subject: Annual Report for the year ended 30th June, 2021.

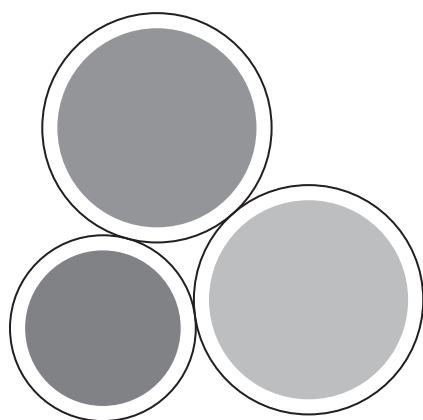
Dear Sir(s) ,

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Statement of Financial Position as at 30th June, 2021, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flow Statements for the year ended on 30th June, 2021 along with notes thereon and all related Financial Statements for your record/necessary measures.

Yours faithfully,



Mohammad Zaman, ACS, LL.M
Company Secretary

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Toyo Spinning Mills Ltd. is committed to manufacturing, delivering & servicing of high quality cotton yarns to its customers. The objective of Toyo Spinning Mills Ltd. is to continuously improve its products and services to better satisfy the needs of its customers.

All employees of Toyo Spinning Mills Ltd. are expected to conform to this Corporate Quality Policy and to understand the Quality needs of the customers. The management is committed to supply all resources and logistic to attain the Corporate Quality Policy.

Quality Policy

মান নীতি

টয়ো স্পিনিং
মিলস্ লিঃ তার ক্রেতা
সমূহের চাহিদা মোতাবেক উন্নত মানের
সূতা তৈরী ও সরবরাহে সংকল্পবদ্ধ। টয়ো
সিম্পিং মিলস্ লিঃ এর লক্ষ্য হলো তাদের তৈরী
সকল সূতা সমূহের গুণগত মানের ক্রমান্বয়ে উন্নতি সাধন
এবং ক্রেতা সমূহের অধিকতর তৃপ্তি ও আস্থা অর্জন।

টয়ো স্পিনিং মিলস্ লিঃ এর সকল কর্মকর্তা ও কর্মচারীবৃন্দকে
বিশেষভাবে এই লক্ষ্য অর্জনে সচেষ্ট হতে নির্দেশ দেওয়া হচ্ছে
এবং সার্বিক মান নীতির প্রতি লক্ষ্য রেখে ক্রেতা সমূহের
চাহিদা মোতাবেক উন্নত মানের সূতা তৈরী ও সরবরাহের
ব্যাপারে যত্নবান হতে উপদেশ দেওয়া হচ্ছে।
কর্তৃপক্ষ এই সার্বিক মান নীতি বাস্তবায়নে
সর্বাত্মক সাহায্য ও সহযোগিতা ও রসদ
সরবরাহে প্রতিজ্ঞাবদ্ধ।

Our Philosophy

Business is and always has been a dynamic and diversification process. We strive to be at the fore front of change in fashion and terend setting while in continuous pursuit of quality and commitments through total customer focus in all operational areas.

Products to be of best available quality. products for premium market segments integrated diversification/product range expansion.

Care for value of money.

Faith in individual potential and respect for human values.

Encouraging innovation for constant improvements to achieve excellence in all functional areas.

Striving for technological development and research for quality product and better packaging.

Accepting changes as a way of life

Strict adherence to financial and administrative principles.

That is why we have based our production & marketing philosophy on three basic principles- Stability, Quality and Efficiency.

Toyo Spinning Mills Limited

**Corporate Office: South Avenue Tower (6th Floor), House # 50, Road # 03, 07
Gulshan Avenue, Dhaka – 1212.**

NOTICE OF THE 32nd ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that we received an order (Company Matter No. 200 of 2021) from the honorable High Court division of Supreme Court of Bangladesh to call, conduct and hold the Annual General Meetings of the Company for the calendar year 2019 and subsequent AGM's and accordingly the 32nd Annual General Meeting of the Shareholders of Toyo Spinning Mills Limited will be held on virtual media (Link to be notify electronically) on Monday, February 28, 2022 at 1.00 p.m. to transact the following business:

AGENDA :

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st June, 2021 together with the reports of Auditors and the Directors.
2. To declare Dividend for the year ended June 30, 2021 as recommended in the Board Meeting held on January 19, 2022.
3. To elect/reelect Directors.
4. To appoint/re-appoint/Resignation of Director.
6. To appoint External/Statutory Auditor for the year 2021-22 and fix their remuneration.
7. To appoint Corporate Governance Auditor for the year 2021-22 and fix their remuneration.
8. To transact any other business with the permission of the Chair.

By Order of the Board



Mohammad Zaman, ACS, LL.M
Company Secretary

Dated: Dhaka
February 06, 2022

Notes :

1. The record date for this AGM will be February 13, 2022. The shareholders whose names will appear in the Depository/Share Register on the record date will be entitled/participate and vote in the Annual General Meeting through Digital Platform.
2. The Board of Directors recommended No Dividend subject to the approval of the shareholders.
3. A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend on his/her behalf.
4. Form of Proxy, duly completed and stamped, must be deposited at company's Share Department at least 48 hours before the time appointed for the meeting and in default it will not be treated as valid.
5. Members are requested to notify change of address, if any, to the company.
6. 32ndAGM of the Company shall be conducted through virtual media.
7. The Company will send the link of the online live portal to attend the AGM to the shareholders in due course.
8. Soft copy of the Annual Reports of the Company will be sent to the shareholders respective e-mail addresses.
9. Annual Reports will be available on the Company website : <http://www.tsml.com.bd>

বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা বিজ্ঞপ্তি দেওয়া হল যে আমরা বাংলাদেশ সুপ্রিম কোর্টের মাননীয় হাইকোর্ট বিভাগ থেকে ২০১৯ সালের ক্যালেন্ডার বছরের জন্য কোম্পানির বার্ষিক সাধারণ সভা এবং পরবর্তী বার্ষিক সাধারণ সভা আহ্বান করার জন্য একটি আদেশ (২০২১ সালের কোম্পানির বিষয় নং ২০০) পেয়েছি। এবং সেই অনুযায়ী টয়ো স্পিনিং মিলস লিমিটেডের শেয়ারহোল্ডারদের ৩২তম বার্ষিক সাধারণ সভা নিম্নলিখিত ব্যবসায় লেনদেনের জন্য সোমবার, ২৮ ফেব্রুয়ারী, ২০২২ সকাল ১.০০ টায় ভার্সুয়াল মিডিয়াতে (Link সময় মত জানানো হবে) অনুষ্ঠিত হবে:

বিষয়সমূহ :

১. নিরীক্ষক এবং পরিচালকমন্ডলীর প্রতিবেদনসহ ৩০শে জুন, ২০২১ সমাপ্ত বছরের জন্য নিরীক্ষিত আর্থিক বিবরণী গ্রহণ ও অনুমোদন।
২. ১৯ জানুয়ারী, ২০২২-এ অনুষ্ঠিত বোর্ড সভায় সুপারিশকৃত ৩০ জুন, ২০২১ সমাপ্ত বছরের জন্য লভ্যাংশ ঘোষণা।
৩. পরিচালকদের নির্বাচন/পুনঃনির্বাচন।
৪. পরিচালকের নিয়োগ/পুনঃ নিয়োগ/পদত্যাগ।
৫. ২০২১-২২ বছরের জন্য সংবিধিবদ্ধ অডিটর নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।
৬. ২০২১-২২ সালের জন্য কর্পোরেট গভর্ন্যান্স অডিটর নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ করা।
৭. সভাপতির অনুমোদনক্রমে অন্য কোন বিষয় নেয়ে আলোচনা।

বোর্ডের আদেশক্রমে

০৬ ফেব্রুয়ারী -২০২২
ঢাকা

মোহাম্মদ জামান, এসিএস, এলএল.এম
কোম্পানী সচিব

দ্রষ্টব্যঃ

১. ফেব্রুয়ারী ১৩, ২০২২ রেকর্ড তারিখ হিসাবে গন্য হবে। ঐ দিন কোম্পানির ডিপোজিটরী/শেয়ার রেজিস্টারে যাদের নাম লিপিবদ্ধ থাকবে তারাই কোম্পানির বার্ষিক সাধারণ সভা যোগদানের যোগ্যতা রাখবেন।
২. শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে পরিচালনা পর্ষদ কোনো লভ্যাংশ না দেওয়ার সুপারিশ করেছে।
৩. বার্ষিক সাধারণ সভায় যোগদানের জন্য যোগ্য একজন সদস্য তাহার/তার পক্ষ থেকে উপস্থিত থাকার জন্য একটি প্রক্সি নিয়োগ করার অধিকারী।
৪. প্রক্সি ফর্মসহ উপযুক্ত স্ট্যাম্প সম্বলিত প্রতিনিধিপত্র কোম্পানীর শেয়ার বিভাগে সভার নির্ধারিত সময়ের কমপক্ষে ৪৮ ঘণ্টা আগে কোম্পানির শেয়ার বিভাগে জমা দিতে হবে এবং অন্যথায় এটি বৈধ বলে গণ্য হবে না।
৫. সদস্যদের ঠিকানা পরিবর্তন, যদি থাকে, কোম্পানিকে জানানোর জন্য অনুরোধ করা হচ্ছে।
৬. কোম্পানির ৩২তম এজিএম ভার্সুয়াল মিডিয়ায় মাধ্যমে পরিচালিত হবে।
৭. কোম্পানি যথাসময়ে শেয়ারহোল্ডারদের এজিএম-এ যোগ দেওয়ার জন্য অনলাইন লাইভ পোর্টালের লিঙ্ক পাঠাবে।
৮. কোম্পানির বার্ষিক প্রতিবেদনের সফট কপি শেয়ারহোল্ডারদের নিজ নিজ ই-মেইল এ পাঠানো হবে।
৯. বার্ষিক প্রতিবেদন কোম্পানির ওয়েবসাইটে <http://www.tsml.com.bd> পাওয়া যাবে।

Chairman's Statement

Dear Shareholders,

As-salamo Alaikum.

On behalf of myself and the Board of Directors, I express my hearty thanks and cordial welcome to you all for your presence to grace the occasion. I am glad to have the opportunity to appear before you and to place the Annual Report and the Accounts for the year ended 30th June, 2021.

At the very outset, we would like to remember with honour our company's Founder Chairman and Managing Director Haji Md. Mozammel Haque who passed away on September 04, 2017 and our sponsoring director and past Chairman Late Ms. Rabeya Knatun who left us August 19, 2021. May Almighty Allah rest them in peace and placed them in Jannat.

I am pleased to present our annual report for the year 2020-2021.

We are operating our company on a time when every business entity in Bangladesh is suffering from uneven environment, uncertainty in future business and increased prices of raw materials and utilities. The spinning industry is fully dependent on import of raw cotton, the main raw material. Occasional ups & downs in the price of raw cotton in the international market puts this industry in trundle.

We tried our best to continue the factory operation running during the period within government guidelines. During pandemic the cost of Yarn price & market finished goods was hard to minimize and being in operation without worker redundancy was a challenge. Management had taken appropriate measures to mitigate the effects.

However, the future prospect of the spinning industry in our country no doubt is bright. There is still a gap between the demand and supply of yarn. Readymade garments & knitting factories are labour-intensive and the cost of labour is slightly low in Bangladesh than other major readymade garments exporting countries. To take advantage of this lower wages leading to lower cost of production, new readymade garments and knitting factories are being set up in Bangladesh both by local and foreign investors. Increase in the volume of exports of readymade garments & knit products will lead to the increased demand for local fabrics.

Moreover, with the increase in the population and per capita income, the domestic demand for cloths will continue to increase. So, the demand for the yarn will rise with the increase in the demand for cloths / fabrics for export and domestic market. If the capacity for production of yarn is not enhanced, the shortfall will have to be met by import involving huge amount of foreign exchange.

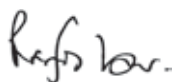
It is indeed my privilege and pleasure in announcing the successful completion of another financial year ended on June 30, 2021.

The economy is expected to gain speed in FY 2022 on recovering foreign demand. However, the lockdown has weighed on momentum early in the period. The potential for further stop-start Covid-19 restrictions, the country's vulnerability to extreme weather events and the high rate of nonperforming loans in the banking sector cloud the outlook.

Risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

During the reporting period was a difficult year for your company as smooth business operation was hampered badly due to lower production achievement alongwith decrease of demand and sales price of the yarn. Like previous years, due to indiscriminate import of foreign yarn at a dumping price and price in the local market throughout the year, destroyed healthy competition. Under this adverse scenario, we could not maintain our targeted production as a result profitability and turnover of our company were badly affected during the year under review.

Before concluding, I seek continuous co-operation and constructive advice from the shareholders to make the Thirty Second Annual General Meeting a success.



Md. Rafiqul Haque
Chairman
01 February 2022

সম্প্রদায়িক প্রতিবেদন

চেয়ারম্যানের বক্তব্য

প্রিয় শেয়ারহোল্ডারগণ,

আসসালামু আলাইকুম

আমার এবং পরিচালনা পর্ষদের পক্ষ থেকে, এই অনুষ্ঠানে উপস্থিত থাকার জন্য আপনাদের সকলকে আন্তরিক ধন্যবাদ ও স্বাগত জানাই। আমি আপনাদের সামনে উপস্থিত হয়ে ৩০শে জুন, ২০১৯ তারিখে সমাপ্ত বছরের জন্য বার্ষিক প্রতিবেদন এবং হিসাব পেশ করার সুযোগ পেয়ে খুবই আনন্দিত।

শুরুতেই, আমরা আমাদের কোম্পানির প্রতিষ্ঠাতা চেয়ারম্যান ও ব্যবস্থাপনা পরিচালক হাজী মোঃ মোজাম্মেল হককে শ্রদ্ধার সাথে স্মরণ করি যিনি ০৪ সেপ্টেম্বর, ২০১৭ তারিখে ইন্তেকাল করেছেন এবং আমাদের পৃষ্ঠপোষক পরিচালক এবং সাবেক চেয়ারম্যান মরহুম মিসেস রাবেয়া নাতুন যিনি ১৯ আগস্ট, ২০২১ আমাদের ছেড়ে চলে গেছেন, আমরা তাদের বিদেহী আত্মার মাগফেরাতের জন্য সর্বশক্তিমান আল্লাহ নিকট দোয়া করি।

আমি ২০২০-২০২১ সালের জন্য আমাদের বার্ষিক প্রতিবেদন উপস্থাপন করতে পেরে আনন্দিত।

আমরা এমন একটি সময়ে আমাদের কোম্পানি পরিচালনা করছি যখন বাংলাদেশের প্রতিটি ব্যবসা প্রতিষ্ঠানের পরিবেশ, ভবিষ্যতের ব্যবসা অনিশ্চয়তা মধ্য দিয়ে যাচ্ছে এবং কাঁচামাল ও ইউটিলিটির দামও অনেক বেশী। স্পিনিং শিল্প সম্পূর্ণরূপে প্রধান কাঁচামাল কাঁচা তুলা আমদানির উপর নির্ভরশীল। আন্তর্জাতিক বাজারে কাঁচা তুলার দামের মাঝে মাঝে উত্থান-পতন এই শিল্পকে ধবংস করে দিচ্ছে।

আমরা সরকারী নির্দেশনা মেনে কারখানার কার্যক্রম চালু রাখার জন্য যথাসাধ্য চেষ্টা করেছি। মহামারী চলাকালীন ইয়ার্ন প্রাইস এবং বাজারের সমাপ্ত পণ্যের দাম কমানো কঠিন ছিল এবং কর্মীদের দিয়ে এটি পরিচালনা করা অত্যন্ত চ্যালেঞ্জের বিষয় ছিল। ব্যবস্থাপনার প্রভাব প্রশমিত করার জন্য যথাযথ ব্যবস্থা গ্রহণ করেছে।

তবে আমাদের দেশে স্পিনিং শিল্পের ভবিষ্যৎ সম্ভাবনা উজ্জ্বল এতে সন্দেহ নেই। চাহিদা ও যোগানের মধ্যে এখনো ব্যবধান রয়েছে। তৈরি পোশাক এবং বুনন কারখানাগুলিতে শ্রম এবং অন্যান্য তৈরি পোশাক রপ্তানিকারক দেশগুলির তুলনায় বাংলাদেশে শ্রমের মূল্য কিছুটা কম। এই কম মজুরির সুবিধা নেওয়ার ফলে উৎপাদন খরচ কম হয়, দেশি-বিদেশি বিনিয়োগকারীরা বাংলাদেশে নতুন পোশাক তৈরি ও বুনন কারখানা স্থাপন করতেছে। তৈরি পোশাক ও নিট পণ্যের রপ্তানির পরিমাণ বৃদ্ধির ফলে স্থানীয় কাপড়ের চাহিদা বাড়বে। তাছাড়া জনসংখ্যা ও মাথাপিছু আয় বৃদ্ধির সাথে সাথে কাপড়ের অভ্যন্তরীণ চাহিদাও বাড়তে থাকবে। সুতরাং, রপ্তানি ও অভ্যন্তরীণ বাজারে কাপড়/কাপড়ের চাহিদা বৃদ্ধির সাথে সাথে স্পিনিং এর চাহিদা বাড়বে। সুতা উৎপাদনের সক্ষমতা না বাড়ালে বিপুল পরিমাণ বৈদেশিক মুদ্রা আমদানি করে ঘাটতি পূরণ করতে হবে।

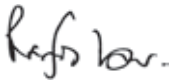
৩০ জুন, ২০২১-এ শেষ করে আরেকটি আর্থিক বছরের সফল সমাপ্তির ঘোষণা করতে পারাটা সত্যিই আমার জন্য আনন্দের বিষয়।

বিদেশী চাহিদা পুনরুদ্ধারে অর্থনীতি ২০২২ অর্থবছরে গতি পাবে বলে আশা করা হচ্ছে। যাইহোক, সময়ের শুরুতে লকডাউন গতি স্থিতিশীল। কোভিড-১৯ বিধিনিষেধ আরো কমানোর সম্ভাবনা আছে এবং আবহাওয়ার চরম পরিস্থিতি এবং ব্যাংকিং খাতে অকার্যকর ঋণের উচ্চ হার কমবে বলে আশা করছি।

গ্লোবাল বেসলাইনের ঝুঁকি এখন নেতিবাচক। প্রত্যাশিত ভ্যাকসিন রোলআউট ধীরে ধীরে ভাইরাসটিকে আরও দুর্বল করবে বলে আশা করি। আর্থিক অবস্থা দ্রুত বাড়তে পারে, উদাহরণস্বরূপ উন্নত অর্থনীতিতে মুদ্রানীতির দৃষ্টিভঙ্গির পুনর্মূল্যায়ন থেকে যদি মুদ্রাস্ফীতি প্রত্যাশা প্রত্যাশিতভাবে আরও দ্রুত কমানো যায় এবং ক্রমবর্ধমান মহামারী পরিস্থিতি কমে এবং আর্থিক অবস্থার অবনতি থেকে উদীয়মান বাজার এবং উন্নয়নশীল অর্থনীতিকে পুনরুদ্ধার করতে পারলে, বিশ্বব্যাপী বৃদ্ধিকে ধরে রাখা যাবে।

প্রতিবেদনের সময়কাল কোম্পানির জন্য একটি কঠিন বছর ছিল কারণ সুতার চাহিদা এবং বিক্রয় মূল্য হ্রাসের সাথে কম উৎপাদন অর্জনের কারণে ব্যবসা পরিচালনা ব্যপকভাবে ব্যাহত হয়েছিল। বিগত বছরের মতো এবারও সারা বছর স্থানীয় বাজারে ডাম্পিং মূল্যে বিদেশি সুতা আমদানির কারণে সুস্থ প্রতিযোগিতা নষ্ট হয়েছে। এই প্রতিকূল পরিস্থিতিতে, আমরা আমাদের লক্ষ্যমাত্রায় উৎপাদন বজায় রাখতে পারিনি; ফলে পর্যালোচনাধীন বছরে আমাদের কোম্পানির মুনাফা এবং টার্নওভার খারাপভাবে প্রভাবিত হয়েছে।

শেষ করার আগে, আমি ত্রিশ দ্বিতীয় বার্ষিক সাধারণ সভাকে সফল করতে শেয়ারহোল্ডারদের কাছে সহযোগিতা এবং গঠনমূলক পরামর্শ কামনা করছি।



মোঃ রফিকুল হক

চেয়ারম্যান

০১ ফেব্রুয়ারি ২০২২

Directors' Report to the Shareholders

For the year ended 30th June 2021

Dear Shareholders,

As-salamo Alaikum.

On behalf of the Board of Directors, I convey hearty compliments, cordial and warm wishes to all of you for your auspicious presence and kind participation in the twenty ninth Annual General Meeting of Toyo Spinning Mills Limited. I feel proud to have the opportunity to present before you the Audited Financial Statements ended on 30th June 2021 of the company together with the reports of the Chairman, Directors and the Auditors for your consideration and approval.

Business Environment

Compared to the current pandemic situation and the downward trend of many of the worlds' leading businesses, textile is still on the down trend. As the war between the United State of America and China trade is influencing WTO, the current trade environment of Bangladesh is also affected. Although Bangladesh textile industries are going to encounter a lot of challenges, there are also so many hopes to overcome all those difficulties and maintain the previous growth. The development and growth of the industry have been hindered by two consecutive disruptions. COVID-19, immediately after the peak of Trade War among International Trade of WTO members, caused a continuation of slow development and growth in the industry. The low cost of production has always been a competitive advantage for Bangladesh. It is expected that Bangladesh will consolidate its position as COVID-19 razed apparel sector by the policy support through stimulus packages for export oriented industries by Government and also by the swift, strategic approach by the authorities.

Continuous changes in the global market always invite the increase of fabric demand. Outbreak of COVID-19 and a long period of lockdown added extra pace to that change. The contagious nature of this breathing disease has added a few long-term multidimensional disruptions to the Industry, including Health and Safety concerns at the workplace. Maintaining a social distance at the workplace, could slow down the regular trend of the industry and the nature of the industry as well, Speed order & Super speed order are increased due to shift to online order rather than regular order. The changing demand health-conscious market will require new fabric development. That has to contain environment friendly manufacturing infrastructure and use of more expensive chemicals in response to go green call and environment and compliance requirements, health safety assurance, especially in post COVID-19 pandemic milieu.

After a long period of lockdown and pandemic disaster, the financial condition is unstable in every aspect of the economy in Bangladesh. Although the government is taking initiative to prevent economic downturn in major export sectors, textile is facing plenty of adversities. Low pricing tendency from buyer, price hike in the raw material and timely stocking of the same are a major challenge in the current marketing. The manufacturer needs to keep good relation with both buyer and raw material suppliers to balance from both to bring profit with hardship. The choices of buyers are diversified to be able to do better bargain and put pressure on buyer for

better profit to manufacturer. In order to raise added value, there is constant efforts to add high end products in the basket.

The particular industrial sector of Bangladesh we are now reviewing has gone through lot of obstacles in the last few years. This has affected the growth of the sector, by rising energy and raw material costs and ever growing labor unrest. The ongoing global economic crisis is having an impact on all export dependent economies. Even high performing countries like China and India have recorded slowdowns. Other high performing economies like those of Malaysia, Thailand, Philippines and Indonesia are also suffering badly because of the ongoing crisis.

As you are aware of, the global economy is recovering invincibly from the COVID-19 outbreak, but the recovery process is very different and uneven among countries. In the World Bank published report, the economic growth was projected at 5.6 percent in 2021 which had contracted to 3.5 percent in 2020. Substantial fiscal support for the economy, policy support and vaccine access are the major determinants of this unstable growth. Bangladesh government has institutionally provided policy support to accelerate economic growth in order to reach the expected goal. Bangladesh economy has been consistently performing well with above 6 percent of GDP growth since FY 2010-2011 to until COVID-19 outbreak in 2020. Despite to the negative impact of COVID-19 pandemic, the Company progressively made a sustainable growth in turnover, gross profit, operating profit, net profit, operating assets and shareholders' equity.

During the period under review the overall marketing performance was very much vulnerable like previous year. Drastic fall of yarn price due to tremendous decrease of demand of finished fabrics from both local market & RMG sector that ultimately played a negative role in our targeted sales achievement. Like previous year, severe entrance of foreign yarn at a dumping price in the local market throughout the year, abrupt hiking of natural gas for captive power plants forcing the price downward and the competition to, intensify. But despite of having all those unpredictable & uncontrollable market factors, our marketing team had always concentration on keeping the market share intact.

Operations Review Your company as usual, was prompt to take necessary steps to counter possible threats and difficulties although there was intense tooth and nail competition from different privileged countries having competitive advantages. With consistently rigorous cost management, we were able to keep the expenses within frame.

At the end of the financial year 2020-21 the total turnover of the company was registered at Tk.309.12 million as against turnover of Tk.237.28 million in 2019-20. The resultant of all factors has led the company to achieve a negative income of Tk.286.79 million in the reporting year.

Financial Report

The operating financial results of the company for the year under review in comparison to the previous year are given hereunder:

Particulars	2020-2021 Taka	2019-2020 Taka
Sales Revenue	309120318	237276000
Cost of Goods Sold	304412124	232896915
Gross Profit	4708194	4379085
Admin/Selling/Written off Expenses	112215284	136969998
Financial Expenses	152462702	166990427
Operating Profit/(Loss)	(107507090)	(132590913)
Non-operating Income	-	-
Allocation to WPPF	-	-
Net Profit/(Loss) Before Tax	(259969792)	(299581339)
Ratios (%)	%	%
Gross Profit to Sales	1.52	1.85
Admin/Selling/Written off Expenses to Sales	36.30	57.73
Financial Expenses to sales	49.32	70.38

Board Audit Committee

The company has an audit committee, which met four times during the year 2020-2021, to consider first quarter, half yearly, third quarter and annual accounts ended 30th June, 2021 alongwith auditors report on the annual accounts.

Appropriation and Dividend

The Directors propose to appropriate as follows:

Particulars	2020-2021 Taka	2019-2020 Taka
Accumulated Surplus/Deficit-Opening Balance	(718792087)	(417934695)
Add : Net Profit/(Loss) for the year	(286787694)	(300857391)
Accumulated (Deficit) / Surplus	(963355431)	(718792087)

On the basis of the proposed appropriation the Board of Directors has not recommend any dividend for the year under report.

Directors and Election

The following persons were the members of the Board of Directors of the company in the reporting year. The number and amount of shares held by each Director at the beginning and end of the reporting financial year are also furnished in the following statement as per Stock Exchange Listing Regulations.

Name	Designation	Shares held 01.07.2020	Amount Taka	Share held 30.06.2021	Amount Taka
Mr.Md. Rafiqul Haque	Chairman	6164343	61,643,430	6164343	61,643,430
Mr.Md. Atiqul Haque	Managing Director	6164345	61,643,450	6164345	61,643,450
Mrs. Rabeya Khatun	Director	2168423	17,887,720	1788772	17,887,720
Mr.Md.Mahbub-UI Haque	Director	6164345	61,643,450	6164345	61,643,450
Mr. Md. Shafiqul Islam [Note-1]	BDBL Director	Nil	Nil	Nil	Nil
Mr. Md. Abu Saleh	Independent Director	Nil	Nil	Nil	Nil

Note-1: Mr. Md. Shafiqul Islam appointed as Nominated Director from BDBL w.e.f May 20, 2020;

In accordance with Article 120 of the Articles of Association of the company Mr. Md. Rafiqul Haque, Chairman of the Company retire from the Board, and being eligible they have offered themselves for re-election as per Article 121 of the Articles of Association of the company.

Environmental Role

The Company is committed to maintain high standard of pollution free environment at mill area. Accordingly tree plantation activities is implementing every year at mill premises.

Annual General Meetings (AGM):

We received an order (Company Matter No. 200 of 2021) from the honorable High Court division of Supreme Court of Bangladesh to call, conduct and hold the Annual General Meetings

of the Company for the calendar year 2019 and subsequent AGM's. The matter was filed to the honorable High Court division of Supreme Court under section 81(2) read with 85(3) and 396 of the Companies Act 1994 for an order directing Toyo Spinning Mills Ltd. changes the name from Tallu Spinning Mills Ltd. to call, conduct and hold the pending AGM's.

Appointment of Statutory Auditors:

Company's Present auditor M/s. Ashraf Uddin & Co., Chartered Accountants, Rahman Chamber, 12-13, Motijheel C/A, Dhaka-1000, was appointed Auditors of the Company in the 31st AGM to conduct the audit for the financial year 2020-2021. M/s. Ashraf Uddin & Co., Chartered Accountants, is a panel auditors of BSEC. In recommendation of the Audit Committee, the Board recommended M/s. Ashraf Uddin & Co., Chartered Accountants, Rahman Chamber, 12-13, Motijheel C/A, Dhaka-1000 for appointment as statutory auditors of the Company for the year 2021-2022 with fixation of their remuneration of Taka 80,000/-(Taka Eighty Thousand) only. In compliance to the aforesaid notification, the shareholders have to re-appoint the existing auditors at the 32nd Annual General Meeting for the financial year 2021-2022.

Corporate Governance Auditor

Corporate Governance is the practice of good corporate citizenship, through which the company is governed by the board, keeping in view its accountability to the shareholders, stakeholders and to the society. The status report required to be presented by the company in pursuance to notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by the Bangladesh Securities and Exchange Commission is furnished in the Annexure-I.

It is required to appoint a practicing Professional Accountant/Secretary for conducting compliance audit for the year 2019-20 on corporate governance code by Bangladesh Securities and Exchange Commission (BSEC) in compliance with the provision of 9(2) of BSEC Notification dated 3 June 2018 Ref. No. BSEC/CMRRCD/2006-158/207/Admin/80 in order to obtain a certificate on compliance of conditions of the said Corporate Governance Code of the Commission.

M/s. Haruner Rashid & Associates, Chartered Secretary, Address- Chand Mansion (6th Floor) 66, Dilkusha C/A, Dhaka-1000 compliance auditors of the company being eligible offered themselves for re-appointment as corporate governance compliance auditors of the company for the year 2021-2022. In recommendation of the Audit Committee, the Board recommended M/s. Haruner Rashid & Associates, Chartered Secretary, Address- Chand Mansion (6th Floor) 66, Dilkusha C/A, Dhaka-1000 for appointment as corporate governance compliance auditors of the Company for the year 2021-2022 with fixation of their remuneration.

Corporate Governance

The company complied with all the applicable rules and regulations of Corporate Governance Guidelines as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018

issued by Bangladesh Securities and Exchange Commission to ensure good governance. (Annexure-I)

The Board of the company consist of 5 (five) members including 2 (two) Independent Director, is the supreme authority for the management of the Company and the board also form 2 (two) committees as a Audit Committee and another is Nomination & Remuneration Committee to ensure good governance in the company. Two individuals have filled up the positions of the Chairman and the Managing Director. The company has appointed Chief Financial Officer, Company Secretary and Head of Internal Audit and Compliance. The roles, responsibilities and duties of all the personnel have been clearly defined.

Nomination and Remuneration Committee (NRC):

According to condition 6 of the Corporate Governance Code, the board of directors need to form a Nomination and Remuneration Committee (NRC). There should have at least 03 (three) members including at least one Independent Director and non-executive directors where the independent director would be the chairman. The board shall determine and recommend the Terms of Reference (ToR). The board of directors of Bangas Limited states that the conditions as stated in condition 6 of the Corporate Governance Code shall be complied with.

As per Corporate Governance Code, the company has constituted a 3-members Nomination and Remuneration Committee (NRC) as a sub-committee of the Board to assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executive as well as a policy for formal process of considering remuneration of Directors and top level executives.

The Board of Directors of Toyo Spinning Mills Limited has established the Nomination and Remuneration Committee comprises of three members on 26th December, 2019, headed by the Independent Director, Mr. Md. Abu Saleh. The other members of the committee are, Mr. Md. Atiqul Haque and Mr. Md. Mahbub-Ul-Haque Directors of the company.

Conclusion

Esteemed shareholders, we are confident that your company would continue to receive your unstinted support and valued patronization during the days ahead. There is no room for doubt that the achievement so far made by the company is the outcome of concerted efforts by the employees of the company, guidance of the Board of Directors, patronization of our financial patrons and all-out co-operation of our esteemed shareholders. We offer our heartiest congratulations and convey sincere thanks to all of them on this auspicious day for the company.

We have futher the liberty and privilege to offer sincere thanks and gratitude to Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges, National Board of Revenue for their suport and co-operation throughout the year.

On behalf of the Board



Md. Atiqul Haque
Managing Director
01 February 2022

পরিচালকদের প্রতিবেদন

৩০শে জুন ২০২০ সমাপ্ত বছরের জন্য

প্রিয় শেয়ারহোল্ডারগণ,

আসসালামু আলাইকুম্,

টয়ো স্পিনিং মিলস লিমিটেড এর ৩২তম বার্ষিক সাধারণ সভায় আপনাদের শুভাগমন ও অংশগ্রহণের জন্য পরিচালক পরিষদের পক্ষ থেকে জানাচ্ছি আন্তরিক প্রীতি ও উষ্ণ শুভেচ্ছা। সেই সংক্ষে ২০২১ সালের ৩০শে জুন ২০২১ সমাপ্ত বছরের নিরীক্ষিত হিসাব এবং সভাপতি, পরিচালকমণ্ডলী ও নিরীক্ষকদের প্রতিবেদন আপনাদেরও বিচক্ষণ বিবেচনা ও সহৃদয় অনুমোদনের জন্য উপস্থাপন করার সুযোগ পেয়ে আমি আনন্দিত।

ব্যবসায়িক পরিবেশ

বর্তমান মহামারী পরিস্থিতি এবং বিশ্বের অনেক নেতৃস্থানীয় ব্যবসার নিম্নগামী প্রবণতার তুলনায়, টেক্সটাইল এখনও বেড়ে উঠছে। যুক্তরাষ্ট্র ও চীনের মধ্যকার যুদ্ধ যেমন WTO-কে প্রভাবিত করেছে, তেমনি বাংলাদেশের বর্তমান বাণিজ্য পরিবেশও ক্ষতিগস্ত হচ্ছে। যদিও বাংলাদেশের টেক্সটাইল শিল্প অনেক চ্যালেঞ্জের সম্মুখীন হতে চলেছে, তবুও সেই সমস্যা অসুবিধা কাটিয়ে উঠতে এবং আগের প্রবৃদ্ধি বজায় রাখার অনেক আশা রয়েছে। পরপর দুই বাধার কারণে শিল্পের বিকাশ ও প্রবৃদ্ধি বাধাগ্রস্ত হয়েছে। কোভিড-১৯, ডবি-উটিও সদস্যদের আশুর্জাতিক বাণিজ্যের মধ্যে বাণিজ্য যুদ্ধের শিখরের পরপরই, শিল্পে ধীরগতির বিকাশ এবং বৃদ্ধির ধারাবাহিকতা ঘটায়। কম উৎপাদন খরচ সবসময়ই বাংলাদেশের জন্য একটি প্রতিযোগিতামূলক সুবিধা। এটা প্রত্যাশিত যে বাংলাদেশ সরকার কর্তৃক রপ্তানিমুখী শিল্পের জন্য উদ্দীপনা প্যাকেজের মাধ্যমে এবং কর্তৃপক্ষেও দ্রুত, কৌশলগত পদ্ধতির মাধ্যমে নীতি সহায়তার মাধ্যমে কোভিড-১৯ স্পিনিং সেক্টরকে পুনরুজ্জীবিত করা সম্ভব হবে।

বৈশ্বিক বাজারে ক্রমাগত পরিবর্তন সবসময় কাপড়ের চাহিদা বৃদ্ধির আমন্ত্রণ জানায়। COVID-১৯ এর প্রাদুর্ভাব এবং দীর্ঘ সময়ের লকডাউন সেই পরিবর্তনে অতিরিক্ত গতি যোগ করেছে। এই শ্বাস-প্রশ্বাসের রোগের সংক্রামক প্রকৃতি শিল্পে কয়েকটি দীর্ঘমেয়াদী বহুমাত্রিক বাধা যুক্ত করেছে, যার মধ্যে কর্মক্ষেত্রে স্বাস্থ্য ও নিরাপত্তার রয়েছে। কর্মক্ষেত্রে একটি সামাজিক দূরত্ব বজায় রাখা, শিল্পের নিয়মিত প্রবণতা এবং শিল্পের প্রকৃতিকেও ধীর করে দিতে পারে, স্পিড অর্ডার এবং সুপার স্পিড অর্ডার নিয়মিত অর্ডারের পরিবর্তে অনলাইন অর্ডারে স্থানান্তরের কারণে বৃদ্ধি পেয়েছে। পরিবর্তিত চাহিদা স্বাস্থ্য-সচেতন বাজারের জন্য নতুন ফ্যাব্রিক বিকাশের প্রয়োজন হবে। এতে পরিবেশ বান্ধব উত্পাদন পরিকাঠামো থাকতে হবে এবং গ্রিন কল এবং পরিবেশ এবং সম্মতির প্রয়োজনীয়তা, স্বাস্থ্য সুরক্ষা নিশ্চিতকরণের প্রতিক্রিয়া হিসাবে আরও ব্যয়বহুল রাসায়নিকের ব্যবহার থাকতে হবে, বিশেষ করে COVID-১৯ মহামারী পরবর্তী পরিস্থিতিতে।

দীর্ঘ লকডাউন ও মহামারী বিপর্যয়ের পর বাংলাদেশের অর্থনীতির প্রতিটি ক্ষেত্রেই আর্থিক অবস্থা অস্থিতিশীল। বড় রপ্তানি খাতে অর্থনৈতিক মন্দা রোধে সরকার উদ্যোগ নিলেও টেক্সটাইল প্রচুর প্রতিকূলতার সম্মুখীন হচ্ছে। ক্রেতার কাছ থেকে কম দামের প্রবণতা, কাঁচামালের দাম বৃদ্ধি এবং সময় মতো মজুদ করা বর্তমান বিপণনের একটি বড় চ্যালেঞ্জ। কষ্টের সাথে মুনাফা আনতে উভয়ের থেকে ভারসাম্য বজায় রাখার জন্য ক্রেতা এবং কাঁচামাল সরবরাহকারী উভয়ের সাথেই ভাল সম্পর্ক রাখতে হবে।

বাংলাদেশের যে বিশেষ শিল্প খাতটি আমরা এখন পর্যালোচনা করছি, তা গত কয়েক বছরে অনেক বাধা অতিক্রম করেছে। এটি ক্রমবর্ধমান জ্বালানি ও কাঁচামালের ব্যয় এবং ক্রমবর্ধমান শ্রমিক অসন্তোষের কারণে এ সেক্টর বাধাগ্রস্ত হয়েছে। চলমান বৈশ্বিক অর্থনৈতিক সঙ্কট সব রপ্তানি নির্ভর অর্থনীতির ওপর প্রভাব ফেলেছে। এমনকি চীন এবং ভারতের মতো উচ্চ পারফরম্যান্সকারী দেশগুলিও মন্দা রেকর্ড করেছে। মালয়েশিয়া, থাইল্যান্ড, ফিলিপাইন এবং ইন্দোনেশিয়ার মতো অন্যান্য উচ্চ কর্মক্ষমতাসম্পন্ন অর্থনীতিও চলমান সংকটের কারণে খারাপভাবে ক্ষতিগ্রস্ত হচ্ছে।

আপনি যেমন অবগত আছেন, বিশ্ব অর্থনীতি কোভিড-১৯ প্রাদুর্ভাব থেকে অদম্যভাবে পুনরুদ্ধার করেছে, তবে পুনরুদ্ধারের প্রক্রিয়াটি দেশগুলির মধ্যে খুব আলাদা এবং অসম। বিশ্বব্যাপক প্রকাশিত প্রতিবেদনে, ২০২১ সালে অর্থনৈতিক প্রবৃদ্ধি ৫.৬ শতাংশে অনুমান করা হয়েছিল যা ২০২০ সালে ৩.৫ শতাংশে সংকুচিত হয়েছিল। অর্থনীতির জন্য যথেষ্ট আর্থিক সহায়তা, নীতি সহায়তা এবং ভ্যাকসিন অ্যাক্সেস এই অস্থিতিশীলতাকে রুখে দিয়েছে। বাংলাদেশ সরকার প্রত্যাশিত লক্ষ্যে পৌঁছানোর জন্য অর্থনৈতিক প্রবৃদ্ধি ত্বরান্বিত করতে প্রাতিষ্ঠানিকভাবে নীতি সহায়তা প্রদান করেছে। ২০১০-২০১১ অর্থবছর থেকে ২০২০ সালে কোভিড-১৯ প্রাদুর্ভাবের আগ পর্যন্ত বাংলাদেশের অর্থনীতি ধারাবাহিকভাবে জিডিপি প্রবৃদ্ধির ৬ শতাংশের উপরে ভালো পারফর্ম করেছে। কোভিড-১৯ মহামারীর নেতিবাচক প্রভাব সত্ত্বেও, কোম্পানিটি ক্রমাগত টার্নওভারে টেকসই প্রবৃদ্ধি করেছে, মোট মুনাফা, পরিচালন মুনাফা, নিট লাভ, অপারেটিং সম্পদ এবং শেয়ারহোল্ডারদের ইকুইটি।

পর্যালোচনাধীন সময়ের মধ্যে সামগ্রিক বিপণন কর্মক্ষমতা আগের বছরের মত অনেক দুর্বল ছিল। স্থানীয় বাজার এবং আরএমজি উভয় ক্ষেত্রেই ফিনিশড কাপড়ের চাহিদা ব্যাপক হ্রাসের কারণে সুতার দামের তীব্র পতন যা শেষ পর্যন্ত আমাদের লক্ষ্যযুক্ত বিক্রয় অর্জনে নেতিবাচক ভূমিকা পালন করেছে। বিগত বছরের মতো, সারা বছর ধরে স্থানীয় বাজারে ডাম্পিং মূল্যে বিদেশী সুতার তীব্র প্রবেশ, ক্যাপটিভ পাওয়ার জন্য প্রাকৃতিক গ্যাসের ক্রমবর্ধমান মূল্য হ্রাস এবং প্রতিযোগিতাকে তীব্রতর করার জন্য বাধ্য করে। কিন্তু এই সমস্ত অপ্রত্যাশিত এবং অনিয়ন্ত্রিত বাজারের কারণ থাকা সত্ত্বেও, আমাদের বিপণন দল সর্বদা বাজারের অংশীদারিত্ব অক্ষুণ্ণ রাখার প্রতি মনোযোগী ছিল।

অপারেশন পর্যালোচনা

আপনার কোম্পানি যথারীতি, সম্ভাব্য হুমকি এবং অসুবিধা মোকাবেলায় প্রয়োজনীয় পদক্ষেপ গ্রহণের জন্য তাৎক্ষণিক ছিল যদিও বিভিন্ন বিশেষ সুবিধাপ্রাপ্ত দেশগুলির প্রতিযোগিতামূলক সুবিধার সাথে তীব্র আর্থিক প্রতিযোগিতা ছিল। ধারাবাহিকভাবে কঠোর খরচ ব্যবস্থাপনার সাথে, আমরা ব্যয়গুলিকে ফ্রেমের মধ্যে রাখতে সক্ষম হয়েছি।

২০২০-২১ অর্থবছরের শেষে কোম্পানির মোট টার্নওভার ২০১৯-২০ সালে ২৩৭.২৮ মিলিয়ন টাকার বিপরীতে ৩০৯.১২ মিলিয়ন টাকা নিবন্ধিত হয়েছে। সমস্ত কারণের ফলস্বরূপ কোম্পানিটি রিপোর্টিং বছরে ২৮৬.৭৯ মিলিয়ন টাকা নেতিবাচক আয় অর্জন করেছে।

আর্থিক প্রতিবেদন

পূর্ববর্তী বছরের তুলনায় পর্যালোচনাধীন বছরের জন্য কোম্পানির অপারেটিং আর্থিক ফলাফল এখানে দেওয়া হল:

Particulars	2020-2021 Taka	2019-2020 Taka
Sales Revenue	309120318	237276000
Cost of Goods Sold	304412124	232896915
Gross Profit	4708194	4379085
Admin/Selling/Written off Expenses	112215284	136969998
Financial Expenses	152462702	166990427
Operating Profit/(Loss)	(107507090)	(132590913)
Non-operating Income	-	-
Allocation to WPPF	-	-

Net Profit/(Loss) Before Tax	(259969792)	(299581339)
Ratios (%)	%	%
Gross Profit to Sales	1.52	1.85
Admin/Selling/Written off Expenses to Sales	36.30	57.73
Financial Expenses to sales	49.32	70.38

বোর্ড অডিট কমিটি

কোম্পানীর একটি অডিট কমিটি রয়েছে, যা ২০২০-২০২১ বছরে চারবার মিলিত হয়েছিল, বার্ষিক হিসাবের উপর নিরীক্ষকদের রিপোর্ট সহ প্রথম ত্রৈমাসিক, অর্ধবার্ষিক, তৃতীয় ত্রৈমাসিক এবং ৩০ জুন, ২০২১ তারিখে শেষ হওয়া বার্ষিক হিসাবগুলি বিবেচনা করার জন্য উপস্থাপন করা হলো।

এপ্রোপ্রিয়েশন এবং লভ্যাংশ

পরিচালকরা নিম্নলিখিত হিসাবে উপযুক্ত করার প্রস্তাব করেন:

Particulars	2020-2021 Taka	2019-2020 Taka
Accumulated Surplus/Deficit-Opening Balance	(718792087)	(417934695)
Add : Net Profit/(Loss) for the year	(286787694)	(300857391)
Accumulated (Deficit) / Surplus	(963355431)	(718792087)

প্রস্তাবিত বরাদ্দের ভিত্তিতে পরিচালনা পর্ষদ প্রতিবেদনের অধীনে বছরের জন্য কোনো লভ্যাংশ সুপারিশ করেনি।

পরিচালনা পর্ষদ ও নির্বাচন

নিম্নলিখিত ব্যক্তিরা রিপোর্টিং বছরে কোম্পানির পরিচালনা পর্ষদের সদস্য ছিলেন। রিপোর্টিং আর্থিক বছরের শুরুতে এবং শেষে প্রতিটি পরিচালকের কাছে থাকা শেয়ারের সংখ্যা এবং পরিমাণও নিম্নলিখিত বিবৃতিতে স্টক এক্সচেঞ্জ লিস্টিং রেগুলেশন অনুযায়ী দেওয়া হয়েছে।

Name	Designation	Shares held 01.07.2020	Amount Taka	Share held 30.06.2021	Amount Taka
Mr.Md. Rafiqul Haque	Chairman	6164343	61,643,430	6164343	61,643,430
Mr.Md. Atiqul Haque	Managing Director	6164345	61,643,450	6164345	61,643,450

Mrs. Rabeya Khatun	Director	2168423	17,887,720	1788772	17,887,720
Mr.Md.Mahbub-UI Haque	Director	6164345	61,643,450	6164345	61,643,450
Mr. Md. Shafiqul Islam [Note-1]	BDBL Director	Nil	Nil	Nil	Nil
Mr. Md. Abu Saleh	Independent Director	Nil	Nil	Nil	Nil

নোট-১: জনাব মোঃ শফিকুল ইসলাম ২০ মে, ২০২০ থেকে BDBL থেকে মনোনীত পরিচালক হিসেবে নিযুক্ত হয়েছেন;

কোম্পানির আর্টিকেলস অফ অ্যাসোসিয়েশনের ১২০ ধারা অনুসারে কোম্পানির চেয়ারম্যান জনাব মোঃ রফিকুল হক বোর্ড থেকে অবসর নিয়েছেন এবং যোগ্য হওয়ায় তারা কোম্পানির আর্টিকেল অফ অ্যাসোসিয়েশনের ১২১ অনুচ্ছেদ অনুযায়ী পুনরায় নির্বাচনের জন্য নিজেদেরকে প্রস্তাব দিয়েছেন।

পরিবেশগত ভূমিকা

কোম্পানি মিল এলাকায় দূষণমুক্ত পরিবেশের উচ্চ মান বজায় রাখতে প্রতিশ্রুতিবদ্ধ। সে অনুযায়ী প্রতি বছর মিল চত্বরে বৃক্ষরোপণ কার্যক্রম বাস্তবায়ন করা হচ্ছে।

বার্ষিক সাধারণ সভা (এজিএম):

আমরা ২০১৯ সালের ক্যালেন্ডার বছরের জন্য কোম্পানির বার্ষিক সাধারণ সভা এবং পরবর্তী এজিএম আহ্বান, পরিচালনা এবং অনুষ্ঠিত করার জন্য বাংলাদেশের সুপ্রিম কোর্টের মাননীয় হাইকোর্ট বিভাগ থেকে একটি আদেশ (২০২১ সালের কোম্পানি বিষয় নং ২০০) পেয়েছি। টয়ো স্পিনিং মিলস লিমিটেডকে এজিএম পরিচালনার জন্য কোম্পানি আইন ১৯৯৪-এর ৮৫(৩) এবং ৩৯৬ ধারা ৮১(২) এর অধীনে বিষয়টি দায়ের করা হয়েছিল এজিএম সৃষ্টিভাবে সম্পাদন করার জন্য।

সংবিধিবদ্ধ অডিটর নিয়োগ:

কোম্পানির বর্তমান অডিটর মেসার্স. আশরাফ উদ্দিন অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, রহমান চেম্বার, ১২-১৩, মতিঝিল সি/এ, ঢাকা-১০০০, ২০১৯-২০২০ আর্থিক বছরের নিরীক্ষা কার্য পরিচালনার জন্য ৩২তম এজিএমে কোম্পানির নিরীক্ষক নিযুক্ত হন। মাইক্রোসফট. আশরাফ উদ্দিন অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, বিএসইসির একটি প্যানেল অডিটর। অডিট কমিটির সুপারিশে, বোর্ড মেসার্স. আশরাফ উদ্দিন অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, রহমান চেম্বার, ১২-১৩, মতিঝিল সি/এ, ঢাকা-১০০০ ২০২০-২০২১ সালের জন্য কোম্পানির সংবিধিবদ্ধ অডিটর হিসেবে নিয়োগের জন্য তাদের পারিশ্রমিক ৮০,০০০/- (টাকা) আশি হাজার) মাত্র। পূর্বোক্ত বিজ্ঞপ্তি মেনে, শেয়ারহোল্ডারদের ২০২০-২০২১ আর্থিক বছরের জন্য ৩১তম বার্ষিক সাধারণ সভায় বিদ্যমান নিরীক্ষকদের পুনরায় নিয়োগ করতে হবে।

কর্পোরেট গভর্নেন্স অডিটর

কর্পোরেট গভর্ন্যান্স হল ভাল কর্পোরেট নাগরিকত্বের অনুশীলন, যার মাধ্যমে কোম্পানি শেয়ারহোল্ডার, স্টেকহোল্ডার এবং সমাজের প্রতি তার দায়বদ্ধতার কথা মাথায় রেখে বোর্ড দ্বারা পরিচালিত হয়। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্তৃক জারি করা ৩ জুন ২০১৮ তারিখের বিজ্ঞপ্তি নং. No.BSEC/CMRRCD/2006-158/207/Admin/80 অনুসারে কোম্পানির যে স্ট্যাটাস রিপোর্ট পেশ করতে হবে তা Annexure-I তে দেওয়া হয়েছে।

৩ জুন তারিখের BSEC বিজ্ঞপ্তির ৯(২) বিধান মেনে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (BSEC) কর্তৃক কর্পোরেট গভর্ন্যান্স কোডে ২০১৯-২০ সালের জন্য কমপ্লায়েন্স অডিট পরিচালনার জন্য একজন অনুশীলনকারী পেশাদার হিসাবরক্ষক/সচিব নিয়োগ করতে হবে। ২০১৮ রেফা. নং BSEC/CMRRCD/2006-158/207/Admin/80 কমিশনের উল্লিখিত কর্পোরেট গভর্নেন্স কোডের শর্তাবলী মেনে চলার জন্য একটি সম্মতিপত্র গ্রহণ করা হয়।

সেসার্স হারুনুর রশিদ অ্যান্ড অ্যাসোসিয়েটস্, চার্টার্ড সেক্রেটারি, ঠিকানা- চাঁদ ম্যানশন (৬ষ্ঠ তলা) ৬৬, দিলকুশা সি/এ, ঢাকা-১০০০ কোম্পানির কমপ্লায়েন্স অডিটররা যোগ্য হিসেবে নিজেদেরকে কোম্পানির কর্পোরেট গভর্নেন্স কমপ্লায়েন্স অডিটর হিসেবে পুনরায় নিয়োগের প্রস্তাব দিয়েছেন ২০২১-২০২২। অডিট কমিটির সুপারিশে, বোর্ড সেসার্স হারুনুর রশিদ অ্যান্ড অ্যাসোসিয়েটস্, চার্টার্ড সেক্রেটারি, ঠিকানা- চাঁদ ম্যানশন (৬ষ্ঠ তলা) ৬৬, দিলকুশা সি/এ, ঢাকা-১০০০ তাদের পারিশ্রমিক নির্ধারণ সহ ২০২১-২০২২ সালের জন্য কোম্পানির কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স অডিটর হিসেবে নিয়োগের জন্য।

কর্পোরেট গভর্নেন্স

কোম্পানি সুশাসন নিশ্চিত করতে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্তৃক ৩ জুন ২০১৮ তারিখে জারি করা বিজ্ঞপ্তি নং BSEC/CMRRCD/2006-158/207/Admin/80 অনুযায়ী কর্পোরেট গভর্নেন্স নির্দেশিকাগুলির সমস্ত প্রযোজ্য নিয়ম ও প্রবিধান মেনে চলে। (পরিশিষ্ট-১)

কোম্পানির বোর্ড ১ (এক) স্বাধীন পরিচালক সহ ৫ (পাঁচ) সদস্য নিয়োগ গঠিত, কোম্পানির পরিচালনার জন্য সর্বোচ্চ কর্তৃপক্ষ এবং বোর্ড একটি অডিট কমিটি হিসাবে ২ (দুই) কমিটি গঠন করে এবং অন্যটি হল মনোনয়ন এবং পারিশ্রমিক। কোম্পানিতে সুশাসন নিশ্চিত করতে কমিটি। চেয়ারম্যান ও ম্যানেজিং ডিরেক্টর পদে দুজন ব্যক্তি পূরণ করেছেন। কোম্পানিটি চিফ ফাইন্যান্সিয়াল অফিসার, কোম্পানি সেক্রেটারি এবং হেড অফ ইন্টারনাল অডিট এবং কমপ্লায়েন্স অডিটর নিয়োগ প্রদান করা হয়েছে। সমস্ত কর্মীদের ভূমিকা, দায়িত্ব এবং কর্তব্যগুলি স্পষ্টভাবে সংজ্ঞায়িত করা হয়েছে।

মনোনয়ন এবং পারিশ্রমিক কমিটি (NRC):

কর্পোরেট গভর্নেন্স কোডের শর্ত ৬ অনুসারে, পরিচালনা পর্ষদকে একটি মনোনয়ন এবং পারিশ্রমিক কমিটি (NRC) গঠন করতে হবে। কমপক্ষে একজন স্বতন্ত্র পরিচালক এবং অ-নির্বাহী পরিচালক সহ কমপক্ষে ০৩ (তিন) সদস্য থাকতে হবে যেখানে স্বাধীন পরিচালক চেয়ারম্যান হবেন। বোর্ড রেফারেন্সের শর্তাবলী (TOR) নির্ধারণ এবং সুপারিশ করবে। বঙ্গস লিমিটেডের পরিচালনা পর্ষদ বলেছে যে কর্পোরেট গভর্নেন্স কোডের শর্ত ৬ এ বর্ণিত শর্তগুলি মেনে চলতে হবে।

কর্পোরেট গভর্ন্যান্স কোড অনুসারে, যোগ্যতা, ইতিবাচক গুণাবলী, অভিজ্ঞতা এবং নির্ধারণের জন্য মনোনয়নের মানদণ্ড বা নীতি প্রণয়নে বোর্ডকে সহায়তা করার জন্য বোর্ডের একটি সাব-কমিটি হিসাবে কোম্পানিটি একটি ৩-সদস্যের মনোনয়ন ও পারিশ্রমিক কমিটি (এনআরসি) গঠন করেছে। পরিচালক এবং শীর্ষ স্তরের নির্বাহীদের স্বাধীনতার পাশাপাশি পরিচালক এবং শীর্ষ স্তরের নির্বাহীদের পারিশ্রমিক বিবেচনার আনুষ্ঠানিক প্রক্রিয়ার জন্য একটি নীতি।

টয়ো স্পিনিং মিলস লিমিটেডের পরিচালনা পর্ষদ ২০শে মে, ২০২১ তারিখে স্বতন্ত্র পরিচালক জনাব মোঃ আবু সালেহ-এর নেতৃত্বে তিন সদস্য বিশিষ্ট মনোনয়ন ও পারিশ্রমিক কমিটি প্রতিষ্ঠা করেছে। কমিটির অন্য সদস্যরা হলেন, কোম্পানির পরিচালক জনাব মোঃ আতিকুল হক ও জনাব মোঃ মাহবুব-উল-হক।

উপসংহার

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমরা নিশ্চিত যে, আগামী দিনগুলিতেও আপনাদের সমর্থন ও সহযোগিতা অব্যাহত থাকবে। আমাদেরও সম্মানিত গ্রাহক, পৃষ্ঠপোষক, শেয়ারহোল্ডারবৃন্দ, কোম্পানীতে কর্মরত শ্রমিক কর্মচারীদের এবং শুভাকাংখীদের আন্তরিক ধন্যবাদ

জ্ঞাপন করছি যাদের অক্লান্ত পরিশ্রমে ও আর্থিক সহায়তায় কোম্পানীর অগ্রযাত্রা সম্ভব হয়েছে। এখানে উপস্থিত হয়ে সভাকে সার্থক করার জন্য কোম্পানীর তরফ থেকে সবাইকে জানাই আন্তরিক অভিনন্দন এবং অশেষ ধন্যবাদ।

আরও ধন্যবাদ জানাই সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, ঢাকা এবং চট্টগ্রাম স্টক এক্সচেঞ্জ, জাতীয় রাজস্ব বোর্ডকে তাদের ক্রমবর্ধমান অব্যাহত সমর্থন দানের জন্য।

পরিচালক পর্ষদের পক্ষে



মোঃ আতিকুল হক
ব্যবস্থাপনা পরিচালক
০১ ফেব্রুয়ারী ২০২২

AUDIT COMMITTEE REPORT

For the Year ended 30th June 2021

Toyo Spinning Mills Limited having an Audit Committee as a sub committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

The Audit Committee consists of the following persons:

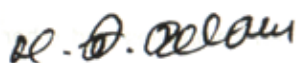
Mr. Md.Abu Saleh, Independent Director	- Chairman
Mr. Md. Mr. Md. Atiqul Haque, Managing Director	- Member
Mr. Md. Mahbub-UI Haque, Director	- Member

The Scope of Audit Committee was defined as under:

- (a) Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- (b) Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors are in the line with the requirement of the company;
- (c) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- (d) Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Activities carried out during the year

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.



Md.Abu Saleh,
Chairman

Audit Committee

Date: 19 January, 2022

ANNEXURE 1

The Directors also report that:

- The financial statements of the Company present true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial Statements and Accounting estimates were reasonable and prudent.
- The financial statements was prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- The number of board meetings and the attendance of directors during the year 2020-2021 were as follows:

Name of Directors	Meeting Held	Attended
Mrs. Rabeya Khatun	8	6
Mr. Md. Atiqul Haque	8	8
Mr. Md. Rafiqul Haque	8	8
Mr. Md. Mahbub-UI Haque	8	8
Mr. Md. Shafiqul Islam (Nominated by BDBL)	8	5
Md. Abu Saleh (Independent Director)	8	7

- The pattern of shareholding (alongw th name wise detail) of parenVsubsidiary/associated companies and other related parties, directors, chief executives officer, company secretary, chief financial officer, head of internal audit and their spouse and minor children, executives, shareholders holding 10% or more voting interest in the company as at 30th June, 2018 were as stated in ANNEXURE-II.
- Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE-III.
- Key operating and financial data of last eleven years have been presented in summarized form in ANNEXURE-IV.

ANNEXURE-II

Pattern of Shareholding as on June 30, 2021

Particulars	Shares Held	Percentage	Remark
Parent Company			N/A
Associated Companies:			N/A
Directors:			
Mr. Md. Rafiqul Haque	6,164,343	6.90%	
Mr. Md. Mahbub-UI Haque	6,164,345	6.90%	
Mr. Md. Atiqul Haque	6,164,345	6.90%	
Mrs. Rabeya Khatun	1,788,772	2.00%	
Chief Executive Officer(CEO) and his spouse and minor children:	6,164,345	6.90%	
Chief Financial Officer(CFO) and his spouse and minor children:			
Company Secretary(CS) and his spouse and minor children:			
Head of Internal Audit(HIA) and his spouse and minor children:			
Executives(Top five salaried person other than CEO,CFO,CS,HIA):			
1. Mr. Md. Ekramul Haque, GM, Procurement			
2. Mr. Md. Akram Uddin, AGM, Share			
3. Mr. Md. Jonab Ali, Manager (Sales & Marketing)			
4. Mr. Md. Shohel Rana, Asst. Manager (Commercial)			
Shareholders Holding 10% or more voting right			

ANNEXURE-III

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	BOARD OF DIRECTORS:			
1.1	Board size : Board members should not be less than 5(five) and more than 20(twenty)	✓		
1.2	Independent Directors			
1.2 (i)	Independent Director : at least 1/5th	✓		
1.2 (ii) a)	Holding / Holding less than 1% share	✓		
1.2 (ii) b)	Connection with the Company's Management	✓		
1.2 (ii) c)	Relationship	✓		
1.2 (ii) d)	Not a member / Director of stock exchanges	✓		
1.2 (H) e)	Not a Shareholder/Director/officer of any member of stock exchanges	✓		
1.2 (H) f)	Not a partner /executive / was not a partner of company's audit firm	✓		
1.2 (H) g)	Who shall not be a Independent Director more than 3 companies	✓		
1.2 (H) h)	Not defaulter by a court	✓		
1.2 (H) i)	Not convicted for a criminal offence	✓		
1.2 (Hi)	Shall be appointed by the Board of Directors and approved by the shareholders the AGM	✓		
1.2 (iv)	The post can not vacant more than 90 days	✓		
1.2 (v)	The Board lay down a code of conduct of all Board of members and annual compliance of the to be recorded	✓		
1.2 (vi)	Tenure of Independent Director shall be 3 years which may be extended for 1 year	✓		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Financial Knowledge	✓		
1.3 (ii)	Professional experience	✓		
1.3 (iii)	Relaxed of qualification			
1.4	Chairman of the Board and Chief Executive Officer	✓		
1.5	The Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra -Ordinary gain or loss	✓		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issue, rights issue and /or through any others instruments	✓		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, Repeat IPO, Rights Offer, Direct Listing etc.	✓		
1.5 (ix)	If significant Variance occurs between Quarterly Financial performance and Annual financial Statements the management shall explain about the variance on their Annual Report.	✓		

No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (x)	Remuneration to Directors Including Independent Directors			N/A
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of accounts of the issuer company has been maintained	✓		
1.5 (xiii)	Appropriate accounting policies has been consistently applied in preparation of the financial statement and that the accounting estimated are based on reasonable and prudent judgment.	✓		
1.5 (xiv)	International Accounting standard (IAS) /Bangladesh Accounting standard (BAS) / International Financial Reporting Standard / Bangladesh Financial Reporting Standard, as applicable in Bangladesh, have been followed in preparation of the financial statements and departure there-from has adequately disclosed	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reason thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reason thereof should be explained.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		
1.5 (xx)	The number of Board meeting held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose to aggregate number of share (along with name wise details where stated below) held by :-	✓		
1.5 (xxi) a)	Parent/Subsidiary/Associated companies and other related parties (name wise details) :	✓		
1.5 (xxi) b)	Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name wise details) :	✓		
1.5 (xxi) c)	Executives;	✓		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details) :	✓		
1.5 (xxii) a)	A brief resume of the Director	✓		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	Name of companies in which the person also holds the directorship and the membership of committees of the board.			N/A

No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2.	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)			
2.1	Appointment The Company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance), a Company Secretary and Responsibilities.			
2.2	Requirement to attend the Board Meetings	✓		
3	Audit Committee	✓		
3 (i)	Audit Committee as a sub-committee of the Board of Directors	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors.	✓		
3.1	Constitution of Audit Committee	✓		
31	The Audit Committee shall be composed of at least 3 (three) members	✓		
31 (i)	The Board of Directors shall members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director	✓		
31 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	✓		
31 (iv)	Duration and Re-appointment	✓		
3.1 (v)	The Secretary shall act as the secretary of Committee	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		
3.2	Chairman of the Audit Committee	✓		
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	✓		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the AGM			
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principals	✓		
3.3 (iii)	Monitor Internal Control Risk Management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the Board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly & half yearly financial statements before submission to the Board for approval.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3 (vii)	Review the accuracy of internal audit function			
3.3 (viii)	Review the statement of significant related transaction submitted by the management.	✓		
3.3 (ix)	Review management letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through initial IPO/RPO/Right Issue the company shall disclose to the Audit Committee	✓		
3.4	Reporting of the Audit Committee	✓		
3.4.1	Reporting to the Board of Director	✓		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	✓		
3.4.1 (i) a)	Report on conflicts of interests	✓		
3.4.1 (i) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	✓		
3.4.1 (i) c)	Suspected infringement of laws, including securities related laws, rules and regulations	✓		
3.4.1 (i) d)	Any other matter which shall be disclosed to the Board of Directors	✓		
3.4.2	Reporting to the Authorizes			N/A
3.5	Reporting to the Shareholders	✓		
4	EXTERNAL /STATUTORY AUDITORS:			
4 (i)	Appraisal or valuation services or fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Any other service that the Audit Committee determines	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company			
4 (ix)	Audit/Certification services on Compliance of Corporate Governance as required under Clause (i) of Condition no:7	✓		
5	SUBSIDIARY COMPANY:			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company			N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company			N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed that affairs of the subsidiary company also.			N/A
5 (v)	The Audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			N/A

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO), The CEO and CFO shall certify to the Board that:-			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	✓		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the directors report whether the company has complied with these conditions	✓		

ANNEXURE-IV

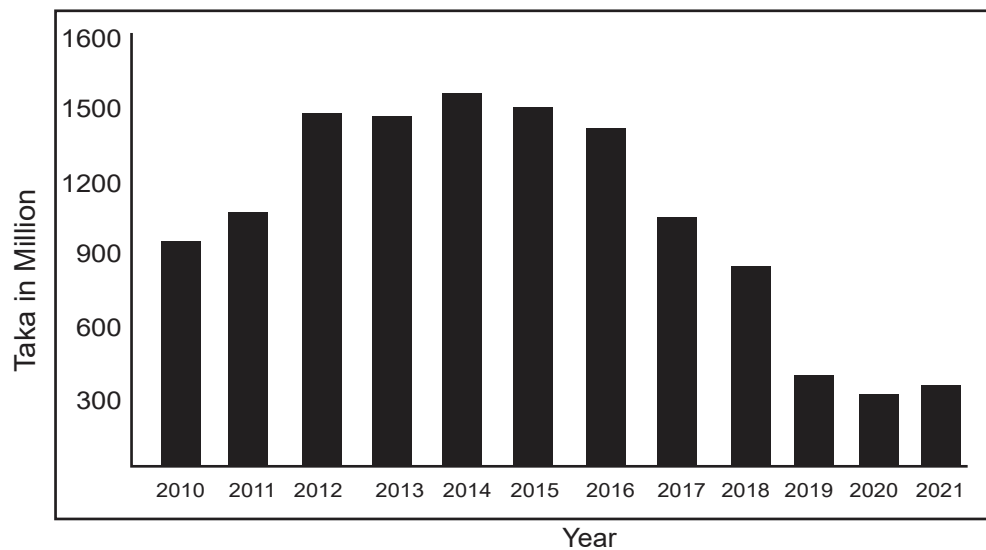
Key operating and financial data have been presented below in summarized form;

Assets, Liabilities And Equity					(Taka in Million)
Year	Fixed Assets	Current Assets	Total Equity	Total Debt	Current Liabilities
2008	463.67	631.11	217.97	421.84	454.97
2009	579.79	674.05	199.55	532.17	522.12
2010	676.55	743.23	205.48	805.13	409.16
2011	850.90	713.74	223.59	895.15	445.90
2012	843.93	889.64	283.91	882.68	566.98
2013	1229.42	1078.67	1191.83	714.09	402.16
2014	1357.45	1239.86	1314.80	805.72	477.79
2015	1392.61	1287.84	1325.14	820.55	535.77
2016	1327.50	1400.79	1270.40	912.38	546.51
2017	1288.92	1411.11	1170.03	994.25	536.74
2018	1246.43	1468.20	1069.40	1089.29	556.94
2019	1215.92	1320.68	826.34	1204.93	505.33
2020	1158.66	1200.50	525.48	1198.16	635.51
2021	3053.12	1069.04	2211.36	1223.12	687.75

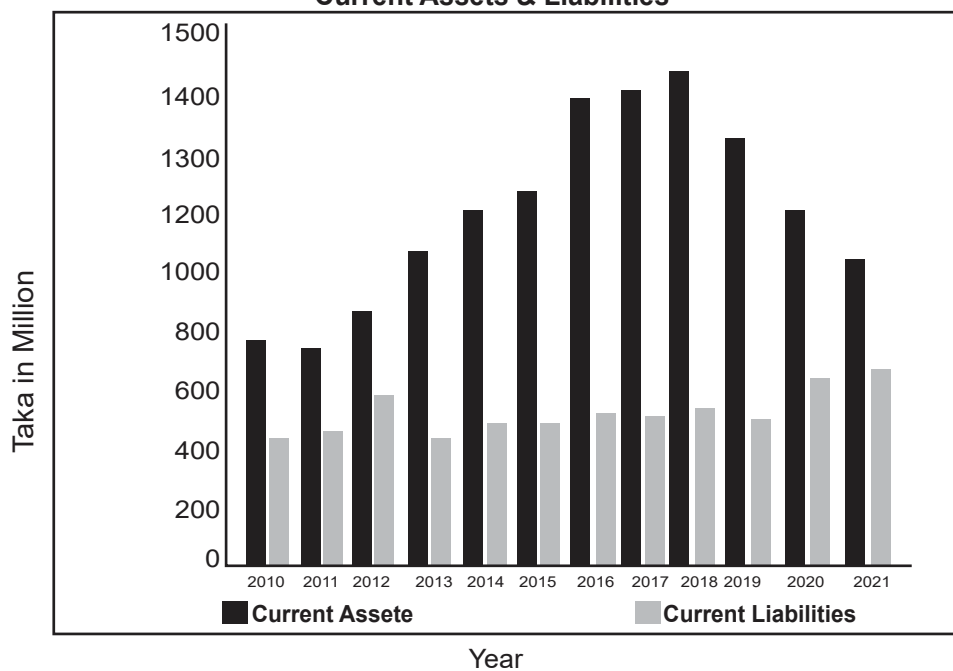
Sales, Net Profit, Rate of Dividend

Year	Sales (Turnover)	Cost of Goods Sold	Net Profit Before Tax	Rate of Dividend	Reserve & Surplus
2008	1004.84	891.42	(16.10)	-	19.01
2009	816.91	698.53	(18.42)	-	00.58
2010	888.16	755.18	7.53	10:00%	25.33
2011	974.98	801.02	18.10	15.00%	37.50
2012	1495.34	1228.97	73.82	10.00%	69.91
2013	1485.14	1150.18	155.38	15.00%	134.70
2014	1551.38	1222.11	146.54		151.74
2015	1344.30	1140.58	19.03	10:00%	162.07
2016	1302.40	1148.35	(47.55)		26.12
2017	947.99	852.66	(95.27)	-	(74.25)
2018	867.66	770.18	(96.79)	-	(174.87)
2019	307.75	295.45	(240.29)	-	(417.93)
2020	237.27	232.89	(299.58)	-	(718.79)
2021	309.12	304.41	(259.96)	-	(963.35))

Graphical Highlights Turnover

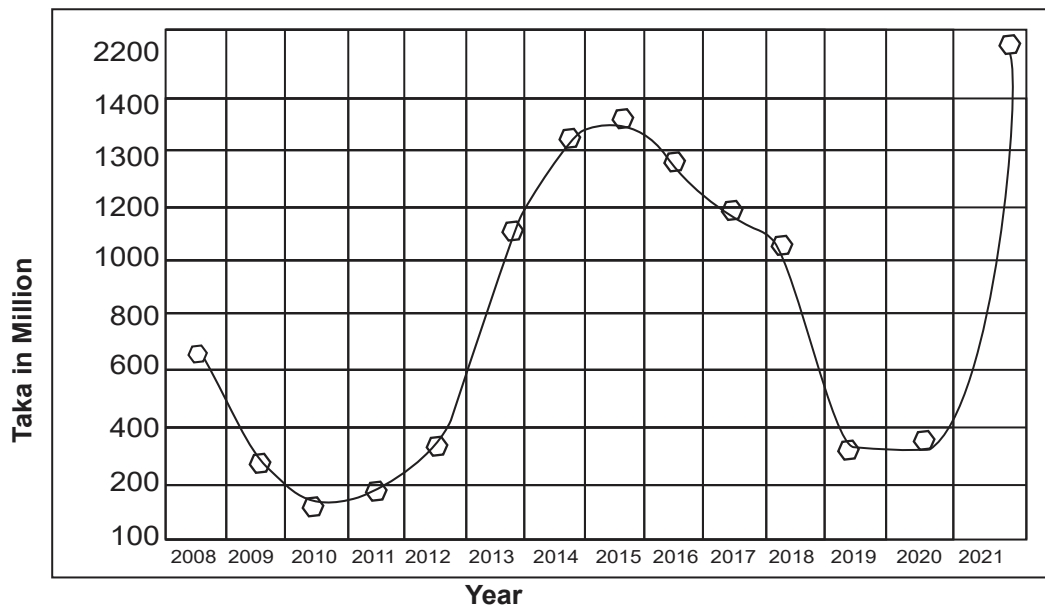


Current Assets & Liabilities

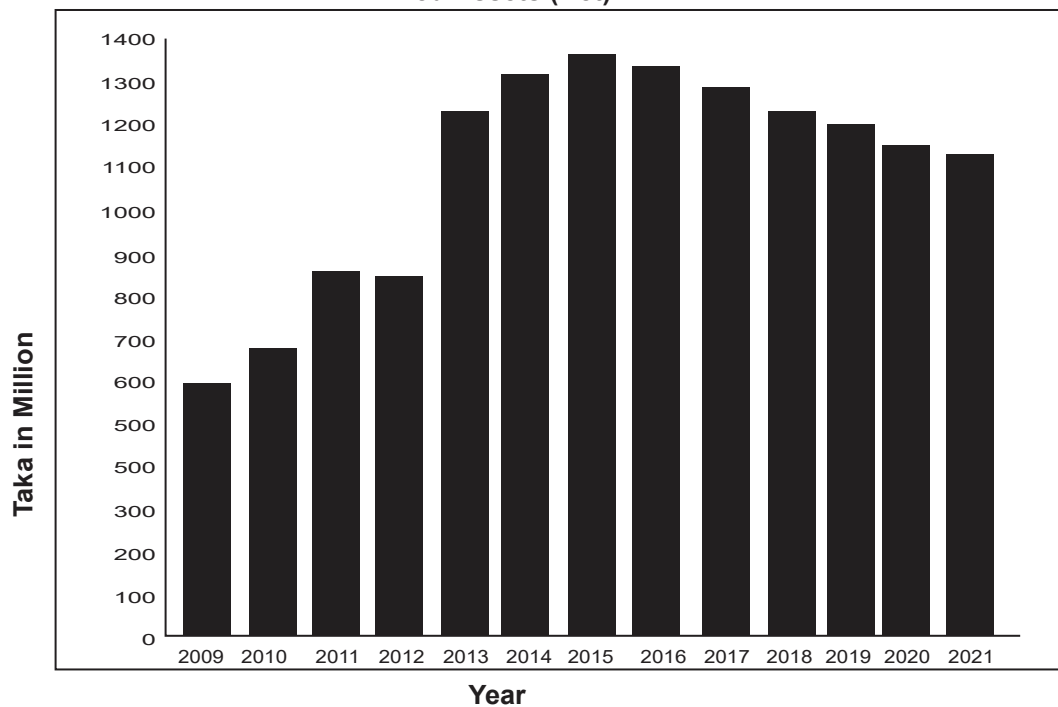


GRAPHICAL HIGHLIGHTS

Total Equity



Fixed Assets (Net)



CEO & CFO'S Declaration To the Board of Directors of Toyo Spinning Mills Limited**The Board of Directors****Toyo Spinning Mills Limited**

South Avenue Tower, 6th Floor

House # 50, Road # 03

Gulshan Avenue, Gulshan-1

Dhaka-1212.

Subject: Declaration on Financial Statements for the year ended on June 30, 2021

Dear Sir(s),

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80: Dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Toyo Spinning Mills Limited for the year ended on June 30, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Thanking you,

Sincerely,



Md. Atiqul Haque

Managing Director



Md. Rumon Mia

Chief Financial Officer (CFO)



Haruner Rashid & Associates

Chartered Secretaries & Management Consultants

**Report to the Shareholders of
Bangas Limited
on
Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Toyo Spinning Mills Limited for the year ended on June 30, 2020. This Code relates to the Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Place: Dhaka

Dated: February 24, 2022

A.K.M. Haruner Rashid LL.B, FCS
CEO & Consultant
Haruner Rashid & Associates
Chartered Secretaries

Annexure – “IV ”
[Ref: CG 1(5) (xxv)]

Management's Discussion and Analysis

The Management Of Toyo Spinning Mills Limited, Continue the effort to run the business with high level of integrity, accountability & honesty. Quality of work, skilled human recourses is the main assets of the company. We have maintained the friendly work environment, good governance and comply all rules and regulations.

The management also comply the all applicable rules and regulations for its financial information also preparing the financial statements. In additions to that the management states that-

- a) Appropriate accounting policies and estimation made for preparation of financial statements.
- b) There is no significant change in Accounting Policies and estimations that may impact on financial position and financial performance.

c) Comparative analysis

The comparative analysis of key components of Financial Statements given below.

Taka in Million

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Turnover (Gross)	309.12	237.27	307.75	867.66	947.99
Net Profit before tax	(259.96)	(299.58)	(240.29)	(96.79)	(95.27)
Earnings Per Share	(3.21)	(3.37)	(2.72)	(1.13)	(1.12)

d) Comparison of financial performance, financial position.

Bangas Limited is the manufacturing company in Bangladesh to produce different types of own branded biscuits and breads. Management analyze the financial performance and growth of the company with other related manufacturing company also analyze the domestic and international market scenario.

- e) Financial and Economic scenario briefly explained in Director's report.
- f) Risks and concerns issues given in the note of Financial Statements.



Md. Atiqul Haque
Managing Director

Annexure – “ V ”
[Ref: CG 1(5) (xxiv) (c)]

**Companies other than Toyo Spinning Mills Limited in which TSML Directors hold
Directorship and committee Membership**

Sl. No.	Name of Directors	Directorship	Member of the Board Committee
01	Mr. Md. Rafiqul Haque	(1) Toyo Knitex (CEPZ) Limited (2) Bangas Limited	Board of Directors and Member, Audit Committee & NRC
02	Mr. Md. Atiqul Haque	(1) Toyo Knitex (CEPZ) Limited (2) Bangas Limited	Board of Directors and Member, Audit Committee & NRC
03	Mrs. Rabeya Khatun	(1) Toyo Knitex (CEPZ) Limited (2) Bangas Limited	Board of Directors and Member, Audit Committee
04	Mr. Md. Mahbub-Ul Haque	(1) Toyo Knitex (CEPZ) Limited (2) Bangas Limited	Board of Directors and Member, Audit Committee & NRC
05	Mr. Md. Shofiqul Islam	Nil	Nil
06	Mr. Md. Abu Saleh	Nil	Nil

Annexure – “VI”

[Ref: CG 6(5) (c)]

Policy, evaluation criteria and activities of NRC (At a glance)

- identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;
- formulating the criteria for evaluation of performance of independent directors and the Board;
- identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- developing, recommending and reviewing annually the company's human resources and training policies;

Annexure – “VII”

CODE OF CONDUCT OF NRC

In compliance with the conditions of BSEC Corporate Governance Code, the Board of Bangas Ltd. has formulated a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) for the Chairperson of the Board and other Board members of the Company, and annual compliance of the code is recorded accordingly.

Independent Auditor's Report **To the Shareholders 'Toyo Spinning Mills Limited'**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of '**Toyo Spinning Mills Limited**' ('the company') which comprise the Statement of Financial Position on 30th June, 2021 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statement.

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of '**Toyo Spinning Mills Limited**' as of 30th June, 2021 and results of its financial performance and its cash flows for the year then ended & comply with the Companies Act 1994, & other applicable laws & regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern:

We draw attention to note no:12 in the financial statements which indicates that the company has incurred net loss for three consecutive years. Reported net loss of the company for the year 2019 , 2020 & 2021 are almost Tk. 243.05 mn , Tk.300.85 mn and Tk. 286.78 mn respectively. This financial performance may result in inability of the company to pay its debt when they fall due .

We also draw attention to note no: 34 financial expenses Tk.152.46 mn in conjunction with operating loss of Tk.(107.50) mn reported in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021, which shows that the interest cover ratio of the company is negative. The company is not able to pay the finance cost which may cause end of the loan facility from the lenders. If bank and financial institution refuse to reschedule loan, the company will suffer from unavailability of working capital and shortage fund to facilitate capital expenditure.

These events or conditions indicate that, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter:

We draw attention to note no: 2.8 regarding the difficulties arising from legal proceedings by Bank and Non Bank Financial Institution (NBFI) against the company. We emphasize on the issue because it describes events that is not in total control of the company. In each individual case, the actual outcome may differ with the expectation of the company. This is not a modification of our opinion either.

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.Revenue Recognition

Ref: Note 29.00

Key audit matters	How our audit address the matter
<p>The company recognized revenue of Tk.309,120,318/- for the year.</p> <p>Revenue recognition has significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing.</p> <p>As per IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p>	<p>-We clearly encoded the total procedure sales starting from receipt of customer order to realization of revenue.</p> <p>-We inspect the local sales invoice processing and relevant control imposed by management.</p> <p>-We tested the key controls over approval of sales order, signing of documents by appropriate personnel and input sales data into system in a complete & accurate manner.</p> <p>-We tested the correctness of journal entries and recalculate the amount shown in sales ledger and make sure that the carry forward figure is accurate.</p> <p>-We carefully checked that, no unusual journal entries were made at the period end and also check the transactions/entries just before and after the balance sheet date to confirm cut off.</p> <p>-We also considered the principles of IFRS 15 in recognizing revenue for the reporting period.</p> <p>-We checked the adequacy of disclosure in the financial statements in line with relevant financial reporting standards.</p>

2.Deferred Tax Liability

Ref: Note 21.00

Key audit matters	How our audit address the matter
<p>As per IAS 12 Income Taxes, the two components of the company's estimated tax is Current Tax & Deferred Tax. There is a deferred tax liability of 82,963,452/- which is equivalent to 2.01% compared to total assets of the company.</p>	<p>Our approach includes but not limited to following:</p> <p>-We verified that right opening balances are carried forward in deferred tax account.</p> <p>-We made sure that ,the tax base is according to 3rd schedule of ITO 1984 and the accountant of the company have clear understanding of posting the</p>

<p>The temporary difference of deferred tax consists critical calculation and forecast. The uncertainty in forecasting or lack of expertise may results in material misstatements which may have an impact on corporate tax.</p>	<p>associated journal entries.</p> <ul style="list-style-type: none"> -We verify the relevant SRO to confirm the tax rate used. -We consider the impact of revalued amount of fixed asset in the calculation of deferred tax. - We recalculated the figures presented in the financial statements and made sure they are in agreement with general ledger. -We evaluated the adequacy of financial statement disclosures including key assumptions, judgments and sensitivities.
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03. Revaluation
Ref: 51.00 & OCI

Key audit matters	How our audit address the matter
<p>The entity reported fixed assets revaluation surplus in current year amounting Tk1,929,285,128/- as Other Comprehensive Income.</p> <p>There are chances of misstatement in amounts due to incompetent valuation methods. There is also possibility of non-compliance in relation to local regulatory guideline regarding assets valuation.</p>	<p>Our approach includes but not limited to following:</p> <ul style="list-style-type: none"> -We checked management's assumption regarding the necessity of PPE revaluation. -We checked the Board meeting minute to confirm the validity of the revaluation decision. -We reviewed the process of appointment of independent valuer. -We made necessary query to ensure the skill and competency of independent valuer to conduct such valuation. -We review the assumption made during valuation, the base value used and the mythology used. -We checked the compliance of the company regarding asset valuation guideline by local regulator. -We assessed the requirements and adequacy of disclosures regarding revaluation. -The valuation report has been prepared and treated in accordance with IAS and IFRS and other applicable law and regulation and the company gave proper accounting treatments, including provision, tax and other liabilities in the financial statements to consider the valuation of PPE.

Other Information

The company's filed a petition in Honorable High Court SL-2173 dated: 29.11.2021 under section 21(2) in conjunction with section 85(3) of Companies Act-1994 for conducting pending Annual General Meeting (AGM) for 2019, 2020.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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



Md. Mohiuddin Ahmed FCA, CFC

Enrollment no: 1046

Partner

Ashraf Uddin & Co.

Chartered Accountants

DVC: 2201181046AS345819

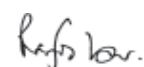
Place: Dhaka

Date: 26/12/2021

Toyo Spinning Mills Limited
Statement of Financial Position
As at 30th June, 2021

PARTICULARS	Notes	30 June, 2021 Taka	30 June, 2020 Taka
NON CURRENT ASSETS:			
Property, Plant and Equipments	8	3,052,199,800	1,157,665,757
Investment in Central Depository Bangladesh Limited	24	1,000,000	1,000,000
Total Non-Current Assets		3,053,199,800	1,158,665,757
CURRENT ASSETS :			
Inventories	23	501,085,459	582,418,912
Accounts Receivables	25	446,982,558	499,204,558
Advances, deposits and prepayments	26	104,647,956	102,561,697
Tax Deducted at Source	27	16,052,051	16,052,051
Cash and cash equivalents	28	278,456	264,031
Total Current Assets		1,069,046,480	1,200,501,249
Total Assets		4,122,246,280	2,359,167,005
SHAREHOLDER'S EQUITY AND LIABILITIES			
Share Capital	9	893,353,750	893,353,750
Retained Earnings	12	(963,355,431)	(718,792,087)
Revaluation Surplus	13	2,281,365,711	350,925,529
		2,211,364,030	525,487,192
NON- CURRENT LIABILITIES :			
Term Loan (Secured)	14	822,193,451	822,193,451
Deferred Tax Liability	21(A)	82,963,452	58,000,272
Other Non-Current Liabilities	16	317,972,351	317,972,351
Total Non Current Liabilities		1,223,129,254	1,198,166,074
Current Liabilities:			
Short Term Loan (Secured)	15	356,975,548	419,331,660
Creditors for Goods & Expenses (Unsecured)	17	6,936,836	8,997,351
Creditors for Other Finance	18	252,430,487	137,629,325
Income Tax Payable	19	71,410,125	69,555,403
Total Current Liabilities		687,752,996	635,513,739
Total Shareholder's Equity and Liabilities		4,122,246,280	2,359,167,005
Net Asset Value Per Share		24.75	5.88

The annexed notes form (1-53) an integral part of these accounts.



Md. Rafiqul Haque
Chairman



Md. Atiqul Haque
Managing Director



Mohammad Zaman
Company Secretary



Md. Rumon Mia
Chief Financial Officer

This is the statement of Financial Position referred to in our report of even date.



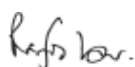
Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2201181046AS345819

Dhaka
Dated: 19 December, 2021

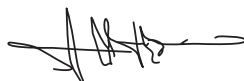
Toyo Spinning Mills Limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

PARTICULARS	NOTES	TOTAL TAKA JUNE 30, 2021	TOTAL TAKA JUNE 30, 2020
Turnover	29	309,120,318	237,276,000
Less: Cost of Goods sold	30	304,412,124	232,896,915
GROSS PROFIT		4,708,194	4,379,085
Less:			
Administrative expenses	32	12,794,877	12,251,962
Impairment Losses	25	95,165,277	120,543,706
Selling and Distribution Expenses	33	4,255,130	4,174,330
Total Cost and Expense		112,215,284	136,969,998
OPERATING PROFIT/(LOSS)		(107,507,090)	(132,590,913)
Financial Expenses	34	152,462,702	166,990,427
Add: Non-Operating Income	35	-	-
Less: Non-Operating Loss	-	-	-
NET PROFIT/(LOSS) BEFORE WPPF		(259,969,792)	(299,581,339)
Less: Allocation for WPPF		-	-
NET PROFIT/(LOSS) BEFORE TAX		(259,969,792)	(299,581,339)
Less: Tax Expenses			
Current Tax		1,854,722	1,423,656
Deferred Tax Expenses/(Income)	21(B)	24,963,180	(147,604)
Total Tax Expenses		26,817,902	1,276,052
NET PROFIT/(LOSS) AFTER TAX		(286,787,694)	(300,857,391)
Earnings per Share	37	(3.21)	(3.37)

The annexed notes are integral part of these accounts.



Md. Rafiqul Haque
Chairman



Md. Atiqul Haque
Managing Director



Mohammad Zaman
Company Secretary



Md. Rumon Mia
Chief Financial Officer

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



Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2201181046AS345819

Dhaka
Dated: 19 December, 2021

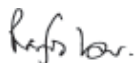
Toyo Spinning Mills Limited
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

PARTICULARS	SHARE CAPITAL	ASSETS REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
	TAKA	TAKA	TAKA	TAKA
Balance as on June 30, 2020	893,353,750	350,925,529	(718,792,087)	525,487,192
Net Profit/(Loss) for the year After Tax	-	-	(286,787,694)	(286,787,694)
Revaluation Surplus/Deficit during the year	-	1,972,664,531	-	1,972,664,531
Depreciation Charge on Revaluation Surplus	-	(42,224,349)	42,224,349	-
Issue of Bonus Share	-	-	-	-
Balance as on June 30, 2021	893,353,750	2,281,365,711	(963,355,431)	2,211,364,030

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

PARTICULARS	SHARE CAPITAL	ASSETS REVALUATION RESERVE	RETAINED EARNING	TOTAL
	TAKA	TAKA	TAKA	TAKA
Balance as on June 30, 2019	893,353,750	350,925,529	(417,934,695)	826,344,584
Net Profit/(Loss) for the year After Tax	-	-	(300,857,391)	(300,857,391)
Issue of Bonus Share	-	-	-	-
Balance on June 30, 2020	893,353,750	350,925,529	(718,792,087)	525,487,192

The annexed notes form (1-53) an integral part of these accounts.



Md. Rafiqul Haque
Chairman



Md. Atiqul Haque
Managing Director



Mohammad Zaman
Company Secretary



Md. Rumon Mia
Chief Financial Officer

This is the Statement of Changes in Shareholders' Equity referred to in our report of even date.

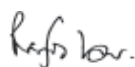
Dhaka

Dated: 19 December, 2021

Toyo Spinning Mills Limited
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2021

Description	Note	2020-2021	2019-2020
		Taka	Taka
<u>Cash Flow From Operating Activities</u>			
Collection from Turnover and other Income	52A	266,177,041	213,548,400
Payments for Cost and Expenses	52B	(51,343,802)	(37,944,483)
Payments for Financial Expenses	34	(152,462,702)	(166,990,427)
Tax Paid and / or Deducted (Note-19)		-	-
Total Cash Flow from Operating Activities		62,370,537	8,613,490
<u>Cash Flow From Investing Activities</u>			
Revaluation Surplus		1,972,664,531	-
Purchases of Fixed Assets (Sch A,B,C & D)		(1,972,664,531)	-
Total Cash Flow from Investing Activities		-	-
<u>Cash Flow From Financing Activities</u>			
Long Term Obligation Increased/ (Decreased), (Note-14 & 16)		-	(6,615,000)
Short Term Obligation Increased/ (Decreased), (Note-15)		(62,356,112)	(2,078,690)
Total Cash Flow Financing Activities		(62,356,112)	(8,693,690)
Net Cash inflow/(outflow) for the period		14,425	(80,200)
Opening cash & Cash Equivalents		264,031	344,231
Closing cash & Cash Equivalents		278,456	264,031
Net Operating Cash Flow Per Share		0.70	0.10

The annexed notes form (1-53) an integral part of these accounts.



Md. Rafiqul Haque
Chairman



Md. Atiqul Haque
Managing Director



Mohammad Zaman
Company Secretary



Md. Rumon Mia
Chief Financial Officer

This is the Cash Flow statement referred to in our report of even date.

Dhaka

Dated: 19 December, 2021

TOYO SPINNING MILLS LIMITED
Notes to the Financial Statements
For the Year Ended 30th June, 2021

1. INCORPORATION AND BUSINESS ACTIVITIES

1.1. Reporting Entity:

Toyo Spinning Mills Limited was incorporated in Bangladesh under the Companies Act 1994 vide Registration No-3-14500/2018. The company is formerly known as Tallu Spinig Mills Ltd. incorporated as a public limited company in 20 July, 1985. The first commercial production commenced in 1989. The change of name was approved by the Registrar of Joint Stock Companies (RJSC) and Bangladesh Investment Development Authority (BIDA) in 2018. The company is listed in both Dhaka and Chittagong Stock Exchange. Current category of the company as per capital market listing is “Z”.

The registered office of the company is located at South Avenue Tower (6th floor), House:50, Road:03, Gulshan Avenue, Gulshan-1, Dhaka-1212 Bangladesh. Production unit situated at Kaltapara, Gouripur, Mymensing, Bangladesh. The company has another production unit at Daulatdiar, Chuadanga, Bangladesh but that facility is no more in use for production. Except land & building all other machineries transferred to Mymensing.

1.2 Nature of business

Toyo Spinning Mills Limited is a cotton yarn manufacturing company. They import raw cotton and produce yarn. The company sells its product basically in local market.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1. Statement of Compliance:

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws as applicable and in accordance with International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs), Securities and Exchange Rules 1987 adopted by Bangladesh Financial Reporting Council (FRC) based on International Accounting Standards (IASs) and International Financial Reporting standards (IFRSs).

2.2. Measurements of the elements of financial statements:

These financial statements have been prepared based on going concern, consistency and accrual concepts and such other convention as required by IAS-1 for fair presentation of financial statements.

2.3. Components of Financial Statements:

The financial Statements of the company consist of the following components:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash flows and;
- e) Accounting Policies & Explanatory Notes to the Financial Statements.

2.4. Functional and presentation currency:

The financial statements are presented in Bangladesh Taka (BDT/Tk.) except where indicated otherwise, which is both functional currency and presentation currency of the company. The figures of financial statements have been rounded off to the nearest BDT/Tk. Figures in brackets indicate deductions.

2.5. Use of estimates and judgments:

The preparation of the financial statements in conformity with International Financial Reporting Standards requires measurements to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and disclosure requirements of contingent assets and liabilities during and at the date of financial statements.

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

In Particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect of the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and tax provision.

2.6. Reporting period:

These financial statements of the company cover a period of one year from 1st July 2020 to 30th June, 2021.

2.7. Comparative information and rearrangements thereof:

In accordance with the provisions of I AS-34: Interim Financial Reporting, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

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

2.8. Going Concern:

The company has adequate resources to continue in operation for the foreseeable future. For this reason the Directors continue to adopt Going Concern Basis in preparing the accounts. Although, the company is suffering from consecutive net loss, the management has taken adequate plans to overcome the situation. These plans include ensuring the maximum use of production capacity which has increased in this reporting period and increase sale through finding new customers. Although still negative, EPS has been improved compared to last year. Increasing sales volume is helping the company to manage to pay financial expenses with available operating profit. Net Operating Cash Flow Per Share stood at Tk. 0.70 in 2021 which was Tk. 0.10 in 2020. However the

liquidity ratios (Current ratio 1.55: 1 , Acid test ratio 0.83 : 1) are not considered good to settle the current liability of the business when they fall due under normal course of business.

Currently the company is doing business with 05 (five) customer in but to avoid the risk factor the company planning to sign new agreements with new customers in forthcoming year. The company is facing some difficulties with short and long term bank loan which is disclosed below .The management has taken necessary steps to reschedule the loans to ensure working capital availability of the company.

Detail of legal proceedings along with updated status:

SL No	Case No.	SC Case No.	Name of Petitioner	Name of Accused	Next Date	Legal Stage	Court Name
1	CR 1172/16	SC-25270/19	BDBL	Tallu Spinning Mills Ltd.	2/9/2021	For Charge & Fresh bill	1st Additional Metropolitan Session Court
2	CR 1173/16	SC-25271/19	BDBL	Tallu Spinning Mills Ltd.	6/6/2021	For Charge & Fresh bill	3rd Additional Metropolitan Session Court
3	CR 2308/16		BDBL	Tallu Spinning Mills Ltd.	10/7/2020	RFT (on Bill)	Metropolitan Magistrate Court 19
4	CR 2900/16	SC-10563/20	BDBL	Tallu Spinning Mills Ltd.	2/7/2021	For Charge & Fresh bill	8th Additional Metropolitan Session Court
5	CR 943/16		International Leasing	Tallu Spinning Mills Ltd.	1/10/2021	WP&A(on Bill)	Metropolitan Magistrate Court 19
6	CR 402/20		International Leasing	Tallu Spinning Mills Ltd.	1/4/2021	W/ A	Metropolitan Magistrate Court 32

7	CR 208/20(Khilgaon)		International Leasing	Tallu Spinning Mills Ltd.	12/30/2020	S/R	Metropolitan Magistrate Court 7
8	CR 1172/16		BDBL	Tallu Spinning Mills Ltd.	4/18/2019	W/A	MM-19
9	CR 1173/16		BDBL	Tallu Spinning Mills Ltd.	4/18/2019	W/A	MM-19
10	CR 2308/16		BDBL	Tallu Spinning Mills Ltd.	12/26/2018	WP&A	MM-12
11	CR 2900/16		BDBL	Tallu Spinning Mills Ltd.	12/31/2018	W/A	MM-12
12	CR 943/16		International Leasing	Tallu Spinning Mills Ltd.	4/16/2019	S/R	MM-12
13	CR 877/16		International Leasing	Tallu Spinning Mills Ltd.	1/9/2019	W/A	MM-12

2.9. Accrual Basis of Accounting:

An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the framework.

2.10. Offsetting:

An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by a IFRS.

2.11. Events after reporting Period:

According to IAS- 10: “Events after Reporting Period”, events after the reporting period are those events, favorable or unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events: Those that provide evidence of conditions that existed at the end of the reporting period;

Non-adjusting Events: Those are indicative of conditions that arose after the reporting period.

There was no events after reporting period of such importance for which accounting or disclosure is required to be adjusted.

From the assessment of the legal advisor regarding the legal proceedings against the company described in note no:2.8 no additional obligation is likely. It is not probable that, economic benefits will flow out of the company in the form of penalty other than the scheduled repayment along with the due interest payment.

The company applied to Bangladesh Development Bank Ltd.(BDBL) and International Leasing for rescheduling the loan with some immediate payment and submit prayer to withdraw the legal proceeding against the company.

2.12.Date of Authorization for Issue of The Financial Statements:

On 19-01-2022 Board of Directors reviewed the financial statements and authorized them for issue.

Changes in Accounting Policy, Estimates and Judgment

In accordance with IAS-8 Accounting policies, Changes in Accounting Estimates and Errors, the company can apply any new accounting policy or bring changes to accounting estimates or correction of prior period error which is required by new IFRS or results in more relevant and reliable information about the effects of transactions on the entity's financial position, financial performance or cash flows.

Application of new accounting policy shall have a retrospective effect [IAS-8 para 19(b)] as if the that policy had always been applied..The effect of changes in accounting estimate shall be recognize prospectively [IAS-8 para 36].If the error is material and affect one or more prior period then the correction shall have retrospective effect [IAS-8 para 42].

2.13.Revenue Recognition

An entity shall recognize revenue to depict the transfer of promise goods or service to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods and services. As per IFRS-15 Revenue from Contracts with Customers ,an entity shall account a contract with a customer under the scope of this standard subject to the following criteria has been meet:

- a) the parties to the contract have approve the contract and committed to perform their respective obligation;
- b) the entity can identify each party's rights regarding the goods or services to be transferred;
- c) identification of payment terms for goods and services;
- d) existence of commercial substance;
- e) probability of collection of the consideration to which the entity is entitled with(for the exchange of goods or services).

2.14. IFRS 9 Financial Instruments

At initial recognition as per IFRS-9 Financial Instrument, an entity shall measure a financial asset or financial liability as its fair value plus or minus (in the case of a financial asset or a financial liability

not at fair value through profit or loss) the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition (subsequent measurement) an entity shall measure a financial asset or financial liability in either of the following subject to specific circumstance specified in the standard (sec 4.1.1- 4.1.5)& (4.2.1-4.2.2):

- i. amortized cost;
- ii. fair value through other comprehensive income;
- iii. fair value through profit or loss.

The entity shall recognize loss allowance or Expected Credit Loss (impairment requirement). At each reporting date the entity account for the impairment of financial assets or financial liability in the following manner:

- I. an amount equal to the lifetime expected credit loss (if the credit risk of the instrument has increased significantly since initial recognition)
- II. an amount equal to the 12 (twelve) month expected credit loss (if the credit risk of the instrument has not increased significantly since initial recognition)

The company [3.26 (i)] carry out an impairment review because in it assumes no impairment has occurred in this reporting period.

2.15. IFRS 16 Lease

An entity shall assess a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In line with IFRS-16 Leases, an entity shall determine the lease term as the non-cancellable period of a lease together with both:

- I. Period covered by the option to extend the lease and;
- II. Period covered by the option to terminate the lease.

Initial measurement of right of use asset shall be measured at cost and subsequently either by fair value or follow revaluation model.

The company does not hold any such right of use of asset for non-cancellable period of time in exchange for any consideration.

2.16. Operating Segment

All entities shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environment in which it operates. As per IFRS-8 Operating Segments, an operating segments is a component of an entity;

- i. that engaged in business, earns revenue & incur expenses;
- ii. economic results and performance evaluated by chief operating decision maker on regular basis and;
- iii. for which discrete financial information is available.

In line with clause 3 (three) of IFRS-8 Operating Segment, the company is not required to apply this IFRS as it has no such segmented operation that comply with the requirements of IFRS 8.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in preparation of financial statements for the year ended 30th June, 2021 are consistent with the policies and methods adopted in preparing the financial statements for the year ended 30th June, 2020.

3.1. PROPERTY, PLANT & EQUIPMENT:

Recognition and measurement

Property, plant and equipment are recognized at cost amount less accumulated depreciation in compliance with Bangladesh Accounting Standard (IAS)-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price including import duties and non-refundable taxes and any direct attributable cost of bringing the assets to its working condition for its intended use.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial year in which they incurred.

Addition during the year

Name of Property, plant and equipment	(Amount in Tk.) 2021	(Amount in Tk.) 2020
Plant and Machinery	-	
Factory Sheds Civil construction	-	
Electric Installation	-	
Building(stuff & officer accommodation)	-	
Building(Security officer accommodation & Dining)	-	
Under Ground Tank for water	-	
Air Compressor	-	
Total	-	

There is no intangible asset during the period and the fixed assets do not include any assets held under lease. On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and net sales proceeds. However there is no disposal or retirement of fixed asset during the current period.

Depreciation:

The Property, Plant & Equipment acquired during the year from different head of assets were available for use and were capable of operating in a manner intended by the management and generating revenue.

Depreciation has been charged on a Reducing Balance method starting from the dates when the asset were available for use and capable of generating revenue as intended by the management. However, no asset has been classified or was intended to classify as 'Held for sale' under IFRS 5 during the year.

3.2. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience. An impairment loss is recognized whenever the carrying amount of the asset exceeds recoverable amount. Impairment losses, if any, are recognized in the statements of profit and loss and other comprehensive income. It was confirmed that no such fixed asset has been impaired during the period and therefore no provision has been made for that for the asset.

3.3. Advances, deposits and prepayments:

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Profit of Loss and Other Comprehensive Incomes.

3.4. Cash & Cash Equivalents:

Cash and cash equivalents comprise cash in hand and cash at bank which are held and available for use by the company without any restriction. Cash at bank again comprises of –
On current/ Short notice Deposit Accounts with the following banks:-

1. United Commercial Bank Ltd.
2. Exim Bank Ltd.
4. Bangladesh Development Bank Ltd.
5. Modhumoti Bank Ltd.
6. Basic Bank Ltd.

3.5. Receivables:

Accounts receivables are recognized and stated at original invoiced amounts and carried at anticipated realizable values in which goods are exported. Bad debts are written off when it is established that they are irrecoverable in line with IFRS-9.

3.6. Accrued Expense and Other Payables:

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

3.7. Borrowing Costs:

Interest bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. Borrowing costs directly attributable to the acquisition and construction of plant and equipment are capitalized as part of the cost of those assets, until such time as the assets are ready for their intended use. All other borrowing costs incurred during the period were recognized as revenue expenses in accordance with IAS-23: Borrowing Costs.

3.8. Responsibility for preparation and presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per the provision of the Framework for the Preparation and Presentation of Financial Statements issued by the International Accounting Standards Board (IASB). Accordingly the management has fulfilled the above provision.

3.9. Provisions and Accruals:**Provisions**

Provisions are recognized when Generation Next Fashions Limited has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If a transfer of economic benefit is no longer probable the provision should be reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure required to settle the obligation.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control.

3.10. Foreign Currency:

Foreign currencies are translated into BDT at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities are reported using the exchange rate at the date of respective transactions. Differences arising on conversion are charged to statement of profit and loss and other comprehensive income. The company does not calculate for foreign exchange gain/ loss because all sales and purchase are local. The import LC values are paid as per the equivalent BDT amount mentioned in the bill of entry.

3.11. Taxation:

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit and loss except to the extent that it relates to a business combination or items recognized directly in equity.

Current tax

3.17 Compliance with Financial Standards as applicable in Bangladesh:

The following IAS & IFRS is applicable to the financial statements for the period under review:

IASs		Compliance
IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventories	Complied
IAS 7	Statement of Cash Flows	Complied
IAS 8	Accounting Policies, Changes in Accounting Estimates & Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant & Equipment	Complied
IAS 19	Employee Benefits	Complied
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Not Applicable
IAS 24	Related Party Disclosures	Complied
IAS 28	Investment in Associates and Joint Ventures	Not Applicable
IAS 33	Earnings Per Share	Complied
IAS 36	Impairment of Assets	Complied
IAS 37	Provision, Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Not Applicable
IAS 40	Investment Property	Not Applicable
IAS 41	Agriculture	Not Applicable
IFRSs		
IFRS 1	First Time Adoption of Financial Reporting Standards	Complied
IFRS 2	Share Based Payment	Not Applicable
IFRS 3	Business Combinations	Not Applicable
IFRS 7	Financial Instruments: Disclosures	Complied
IFRS 8	Operating Segments	Not Applicable
IFRS 9	Financial Instruments	Complied
IFRS 10	Consolidated Financial Statements	Not Applicable
IFRS 11	Joint Agreements	Not Applicable
IFRS 13	Fair Value Measurement	Complied
IFRS 15	Revenue from Contracts with Customers	Complied
IFRS 16	Leases	Not Applicable
IFRS 17	Insurance Contracts	Complied

Current tax is, as per IAS- 12: Income Taxes, the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of the previous year. Provision for current income tax has been made on 12% on business income as per Finance Act 2018 and SRO for Garments industries and also made 25% on other income for public limited company as prescribed on the Income Tax Ordinance 1984. The calculation has been shown in the note 25.

Deferred Tax:

Deferred tax arises due to temporary difference deductible or taxable for the events or transactions which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount / reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future periods recognized in the current year as per IAS 12: Income Tax.

3.12. Finance expense:

Finance expense comprises interest expenses on term loan, overdraft, and bank charges. All finance expenses are recognized in the statement of profit or loss and other comprehensive income except those are capitalized in accordance with IAS-23: Borrowing Costs.

3.13. Earnings per share:

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

Basic Earnings:

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after Tax for the period has been considered as fully attributable to the ordinary shareholders.

3.14. Weighted Average Number of Shares:

The basis of computation of number of shares is in line with the provisions of IAS-33: Earnings Per Share. Therefore the total number of shares outstanding at the end of the period multiplied by a time weighting factor which is the number of days the specific shares were outstanding as proportion of total number of days in the period.

3.15. Diluted Earnings per Shares

There is neither any share option available for relevant parties nor there is any potential transaction that may took effect to increase the total number of outstanding shares. No calculation as per IAS- 33 Earnings Per Share is required.

3.16. Employee Benefits

The company maintains defined 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 off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

Short Term Employee Benefits

These includes better working conditions in line with overseas customer's requirement, Day care center, Health care facility, Transportation for admin and management employee, Advance against salary, Festival bonus etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Contribution to Worker's Profit Participation Fund

The company is required to comply with sec-234 of Bangladesh Labour Act-2006 & Sec-65 of Revised Act-2013 regarding 5% of annual profit distribution among employees. Due to reporting net loss the company did not provide for WPPF in 2020. Since there is no profit available in this reporting period, no provision were made.

3.18 Related party Disclosure:

For the financial year ended 30th June, 2021 the company did not enter into any financial transactions that require separate disclosure except the remuneration paid to directors.

3.19 Long Term loan:

Long term loan consists of loans and financial obligations lasting over one year. The long term loan outstanding of Tallu Spinning Mills Limited, as on 30th June, 2021 are fully secured by first charge on the fixed assets of the company.

3.20 Short Term Loan:

Short term loan refers to a loan scheduled to be repaid in less than a year. The company obtains short term loan from various sources to finance the temporary working capital needs.

These are secured; falling due within one year. The security and other term are specified as follows:

Time Loans are fully secured by first charge on the fixed assets of the company.

Packing Credit, Bill Purchase and other Loans are against Lien on Master/Export L/Cs.

3.21 Capital Expenditure Availed:

There was no Capital expenditure contracted but not incurred or provided for as on 30.06.2021.

There was no material capital expenditure authorized by the Board but not contracted for as on 30.06.2021.

3.22 Contingent Liabilities And Contingent Assets:**Contingent liabilities**

A contingent liability arises where a past event may lead to an entity having a liability in the future but the financial impact of the event will only be confirmed by the outcome of some future event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability should be disclosed in the financial statements unless the possible outflow of resources is thought to be remote.

Contingent Asset

A contingent asset is a potential asset that arise from past events but whose existence can only be confirmed by the outcome of future events not wholly within an entity's control. A contingent asset should be disclosed in the financial statements only when the expected inflow of economic benefits is probable.

The company does not have any contingent liability or contingent assets as on 30.06.2021.

3.23 Claims not Acknowledged:

The nature and description of the claims as on 30.06.2021 is stated in note no:3.22.

3.24 Credit Facilities Available:

Credit facilities availed from Bangladesh Development Bank Limited and International Leasing as on 30.06.2021 and Trade credit available in the ordinary course of business. No other credit facilities were available to the company as on 30.06.2021.

3.25 Commission, Brokerage or Discount Against Sales:

No other commission, brokerage or discount was incurred or paid by the company against sales during the year ended June 30, 2021.

4.00 Risk Factors and Management's Perceptions about the Risks

The Company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on its business, result of its operations and financial condition, as follows:

(a) Interest rate risks:

Interest rate is concerned with borrowed funds of short term & long-term maturity. Interest rate risk is the risk that the company faces due to unfavorable movements in the interest rates. Volatility in money market & increased demand for loans/ investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rises in interest rates however mostly affect companies having floating rate loans.

Management perception:

The Company maintains a reasonable debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation will not adversely affect the Company's performance as the Company emphasizes on equity base financing to reduce the dependency on borrowing. Therefore, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the Company.

(b) Exchange rate risks:

If exchange rate increases against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand, if exchange rate goes down, margin is squeezed in local currency.

Management perception:

The products of the company are sold in foreign currency and payment for raw materials are made mostly in foreign currency. Therefore, volatility of exchange rate will have little impact on profitability of the Company.

(c) Industry risks:

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

Management perception:

The Company has established its brand name in the market with its quality products, range of

products and customer services. Therefore, industry risks will be limited.

(d) Market and technology-related risks:

i) Market risks:

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

Management perception:

Market for the Company's products is growing at an exponential rate with growth of urbanization and incremental income level of consumers along with their preference to convenience. Therefore, market risks will be minimal.

ii) Technology-related Risks:

Technology always plays a vital role for the existence of any industrial concern, ensuring better service to the customers and minimizing the cost in various aspects. Any invention of new and more cost involving technology may cause technological obsolescence and negative operational efficiency. Any serious defects in the plant and machinery may affect production and profitability calling for additional investment for replacement.

Management perception:

The Company utilizes its Market Research Team that is continuously working for in-depth understanding of the customer needs and preferences and accordingly, arranging its technology

(e) Potential or existing government regulations risks:

The Company operates under Companies Act, 1994, Income Tax Rules, 1984; VAT and Supplementary Duties Act, 2012 and VAT and Supplementary Duties Rules, 2016. Any abrupt changes of the policies made by the regulatory authorities may affect its activities.

Management perception:

Unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected significantly. It is highly unlikely that the Government will initiate any fiscal measure that may have adverse effect on the growth of the industry.

(f) Potential changes in global or national policies:

The performance of the Company may be affected by the political and economical instability, both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management perception:

The Company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. The Company is always aware of all types of turmoils and if the smooth supply of material is hampered or faces any kind of disruptions, it will supply it in future and try to keep its operation smooth.

(g) Operational Risks:

Operational risks refer to the possibility of plant shut down due to disruption in supply of gas, technological failure, natural calamities, human errors and other unforeseen events. Such incidences may lead to non operation, large overhauling costs and financial losses.

Management perception:

Bangladesh Government is meeting this challenge by opening the energy generation to private sector; and also making massive investment, which is expected to ensure availability of energy for

uninterrupted operation. The Company perceives that allocation of its resources properly with contingency approaches can reduce this risk factor to great extent.

(h) Input Cost Risks:

Input cost risk is the risk of a business when procuring materials or commodities in high global demand. Increasing demand and supply shortages create volatility in these commodity values; and therefore, the timing, quantity and price of purchase must be closely planned.

Management perception:

Management of the Company would hedge their exposure to input price volatility by adjusting its selling price.

(i) Credit Risks:

Impairment of Financial Asset- Accounts Receivables

The company applies the IFRS 9 simplified approach to measuring expected credit loss allowance for all trade receivables. To measure the expected credit loss, accounts receivables are grouped based on shared risk characteristics and the time elapsed (month passed). The company has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of loss rates.

The expected credit loss rates are based on the payment profiles of sales over a period of 36 month before 30th June, 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The company has also considered the current downturn in GDP and overall unemployment due to covid-19 pandemic situation in which it sells its goods to be the most relevant factors and accordingly adjust the historical loss rates based on expected changes in these factors.

30 June, 2021	Current	> 06 month Past due	> 12 month Past due	>24 month Past due	>36 month Past due	Total (Tk)
<i>Expected loss rate</i>	0.00%	2%	10%	25%	51%	
Gross carrying amount	149,405,710	49637776	95,198396	160,689,826	87,216,129	542,147,836
Loss Allowance	0	992,756	9519840	40,172,456	44,480,226	95,165,277

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries (if any) of amounts previously written off are credited against the same line item.

5.00 Insurance Contracts:

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 established the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The company has not yet assessed in potential impact of IFRS 17 on its financial statements.

6.00 Implications of COVID-19 on our business:

Although COVID-19 pandemic has impact in 2021, it was mainly a carry forward effect of the previous year. The company managed to continue its operation better than last year.

7.00 General

1. The figure has been rounded off to the nearest taka.
2. The financial Statements have been prepared covering one year from July 01, 2020 to June 30, 2021.

8.00 Property, Plant and Equipments

Cost (A)

Opening Cost as on 01-07-2020
Add: Addition during the year (Revaluation Portion)
Less: Disposal during the year
Closing Cost as on 30-06-2021

June 30, 2021	Taka	June 30, 2020	Taka
2,322,876,364		2,322,876,364	
1,972,664,531		-	
-		-	
4,295,540,895		2,322,876,364	

Accumulated Depreciation (B)

Opening Accumulated Depreciation as on 01-07-2020
Add: Charged during this year
Less: Disposal during the year
Closing accumulated depreciaton as on 30-06-2021
Written Down Value (A-B)

1,165,210,607		1,107,955,153	
78,130,488		57,255,454	
-		-	
1,243,341,095		1,165,210,607	
3,052,199,800		1,157,665,757	

(Details are shown in Schedule A & B)

09.00 SHARE CAPITAL:

Authorised Capital:

200,000,000 Ordinary Shares of TK. 10 each

Issue, Subscribed and Paid-Up Capital:

89,335,375 Ordinary Shares of Tk. 10 each fully paid up

June 30, 2021	Taka	June 30, 2020	Taka
	2,000,000,000		2,000,000,000
	893,353,750		893,353,750
	893,353,750		893,353,750

10.00 COMPOSITION OF SHAREHOLDINGS :

Description	No. of Investor	No. of Shares	% of Share Holding June 30, 2021	% of Share Holding June 30, 2020
Sponsors	11	25,943,119	29.04	29.04
ICB & Body Corporate	248	15,195,947	17.01	17.01
General Public	10,276	48,196,309	53.95	53.95
Total	10,535	89,335,375	100.00	100.00

11.00 SHAREHOLDINGS STRUCTURE :

A distribution schedule of equity security and the number of holders and percentage in the following categories as on 30-06-2021 is shown below :

Class Interval	No. of Holders	Total Holding	June 30, 2021 Share Holding	% of Share Holding	June 30, 2020 Share Holding	% of Share Holding
Less than 500	4,082	956,349		1.07		1.07
501 to 5000	4,389	9,693,195		10.85		10.85
5001 to 10000	1,207	6,421,958		7.19		7.19
10001 to 20000	923	7,407,262		8.29		8.29
20001 to 30000	151	3,881,913		4.35		4.35
30001 to 40000	99	2,913,704		3.26		3.26
40001 to 50000	58	2,160,452		2.42		2.42
50001 to 100000	85	5,871,106		6.57		6.57
100001 to 1000000	58	12,343,989		13.82		13.82
1000000 Over Shares	10	37,685,447		42.18		42.18
	11,062	89,335,375		100.00		100.00

12.00 Accumulated Deficit: Tk. (1,005,579,780)

Opening Balance

Add: Net profit/(Loss)

Issue of Bonus Share

Closing Balance

June 30, 2021 Taka	June 30, 2020 Taka
(718,792,086)	(417,934,695)
(286,787,694)	(300,857,391)
-	-
(1,005,579,780)	(718,792,086)

13.00 Revaluation Surplus : Tk. 2,281,365,711

Description	June 30,2021 Taka	June 30,2020 Taka
Revaluation Surplus	2,281,365,711	350,925,529
Total	2,281,365,711	350,925,529

13.0A The transfer of revaluation was made in accordance with paragraph 39 of IAS 16 as the said amount of revaluation surplus has been accumulated in equity under the heading of Revaluation Surplus.

14.00 Term Loan Secured : Tk. 822,193,451

Description	June 30, 2021 Taka	June 30, 2020 Taka
BDBL	822,193,451	822,193,451
Total	822,193,451	822,193,451

14.0A BDBL Long Term Loan

Nature of Security:

- I. First pari-passu Equitable Mortgage on immovable property of present and future.
- II. First pari-passu charge by way of hypothecation on all other assets of the company both present and future

Rate of Interest :

13% per annum.

Terms of Re-payment and Validity :

In half yearly installments to be ended on December 2022.

15.00 Short Term Loan Secured : Tk.356,975,548

Particulars	June 30, 2021 Taka	June 30, 2020 Taka
EXIM Bank CC A/C	352,437,448	414,793,560
EXIM Bank Import Liability & Bank Guarantee	4,538,100	4,538,100
Total	356,975,548	419,331,660

Cash credit is secured against hypothecation of entire stocks and book debts to the bank comprising of raw materials, work-in-process, finished goods, goods in transit, collaterised by second charge on the company's fixed assets, Present Interest rates on the above funded facilities are 09.00% p.a. chargeable on quarterly basis.

16.00 Other Non-Current Liabilities : Tk. 317,972,351

The above non-current amount has been created as a result of re-structuring the LTR outstanding with BASIC Bank Limited with a term of 5 (five) years excluding 18 months grace period during re-location to be re-payable in 60 (sixty) equal monthly installments at 9.00% interest rate per annum .

17.00 Creditors for Goods and Expenses Unsecured : Tk.8,997,351

Particulars	June 30, 2021 Taka	June 30, 2020 Taka
Salary payable	1,654,215	3,480,976
Wages & Overtime payable	1,844,136	1,756,438
Electricity Bills payable	16,389	72,844
Gas Bill	2,881,549	2,842,636
M. Kamal	-	55,000
J. B. Trading	-	57,910
Chittagong Stock Exchange	385,000	385,000
Audit Fees Payable	80,000	80,000
Islami Commercial Insurance	-	86,000
Zahin Enterprise	-	25,000
M/s. Istiaque Enterprise	-	50,000
S.S. Trade Link	20,000	25,000
Jasim Engineering	-	25,000
Popular Trading	55,547	55,547
Total	6,936,836	8,997,351

The above liabilities, which are unsecured, are expected to be settled in the normal course of the company's operating cycle on a regular basis.

18.00 Creditors for other Finance (Unsecured) : Tk. 252,430,487

Description	June 30, 2021 Taka	June 30, 2020 Taka
Workers' Profit Participation Fund	5,444,424	5,444,424
Less : Disbursed during the year	-	-
Security Deposit	82,000	82,000
Interest on BDBL Term Loan	187,493,720	103,885,646
Interest on EXIM Bank CC Loan	-	-
Interest on BASIC Bank Non-Current Loan	59,410,343	28,217,255
Total	252,430,487	137,629,325

19.00 Income Tax & Excise Payable : Tk. 71,410,125

	June 30, 2021 Taka	June 30, 2020 Taka
Opening Balance	69,555,403	68,131,747
Add: Provision during the year	1,854,722	1,423,656
Add: Excise Duty 2020-2021	-	-
Less : Tax paid during the year	-	-
(Tax rate 15% on Textile sector as per SRO-207 dated 30 June, 2008)	71,410,125	69,555,403

20.00 Proposed Dividend : Tk. Nil

Dividend is subject to the approval of the shareholders in the 29th Annual General Meeting and it is not treated as a liability at the

Balance Sheet date. The Board of Directors has not recommended any dividend for the financial year 2020-2021.

21.00 Deferred Tax Liability : Tk.82,963,452

(A) Deferred tax Liabilities are arrived at as follows:

	June 30, 2021 Taka	June 30, 2020 Taka
Book Value of Depreciable Fixed Assets	2,601,698,436	707,164,393
Less-Tax base	2,048,608,758	320,495,914
Taxable temporary Difference	553,089,678	386,668,478
Effective Tax Rate	15%	15%
Deferred Tax Liability	82,963,452	

(B) Deferred tax expenses/(income) is arrived at as follows :

Closing Deferred Tax Liabilities	82,963,452	58,000,272
Opening Deferred Tax Liabilities	58,000,272	58,147,876
	24,963,180	(147,604)

22.00 Tax Expenses : Tk. 1,276,052

	June 30 2021 Taka	June 30 2020 Taka
Current Tax	1,854,722	1,423,656
Short Provision to earlier years	-	-
Deferred Tax Expenses (Income)	24,963,180	(147,604)
	26,817,902	1,276,052

Minimum Tax @ 0.6% on Turnover has been provided during the year

23.00 Inventories : Tk. 501,085,459

Description	June 30 2021 Taka	June 30 2020 Taka
Raw Materials	130,976,109	153,088,650
Waste Cotton	46,828,711	43,828,711
Spares & Stores	105,625,321	121,779,536
Packing Materials	4,810,349	5,531,890
Fuel & Lubricants	212,540	120,670
Stock of Materials	288,453,030	324,349,457
Finished Goods	167,275,070	212,490,554
Work-in-Process	45,357,359	45,578,901
Total	501,085,459	582,418,912

24.00 Investment (At Cost) : Tk. 1,000,000

This consists of investment in ordinary shares of Tk. 1,000,000/- each in Central Depository of Bangladesh Limited

25.00 Accounts Receivables : Tk. 446,982,558

The above is the amount of receivable against local bills as on June 30, 2021. Break up of the above is as follows :

	June 30, 2021 Taka	June 30, 2020 Taka
Accounts Receivables	542,147,835.10	619,748,264
Less: Expected Credit Loss	(95,165,277)	(120,543,706)
	446,982,558	499,204,558

Accounts Receivable have been stated at their nominal value. These are accrued in the ordinary course of business and carried at invoice amount. All receivable have been considered as good and realizable. Therefore, no amount was written off as bad debt and no debt was considered as doubtful to provide for.

25.01 Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994 as on June 30, 2021

Particulars	Amount in Taka	
	30-06-2021	30-06-2020
Debts exceeding 6 months	342,520,126	394,742,126
Debts less than 6 months	104,462,432	104,462,432
Total	446,982,558	499,204,558

SI No.	Particulars	Amount in Taka	
		30-06-2021	30-06-2020
I	Receivables considered good in respect of which of which the company is fully secured	104,462,432	104,462,432
II	Receivables considered good in respect of which the company hold no security other than debtor personal security	102,756,038	118,422,638
III	Receivables considered doubtful or bad	239,764,088	276,319,488
IV	Receivable due by common management	-	-
V	The maximum amount of receivable due by any director or other officer of the company	-	-
	Total	446,982,558	499,204,558

26.00 Advances, Deposits & Pre-Payments : Tk. 104,647,956

Description	June 30, 2021 Taka	June 30, 2020 Taka
Security Deposit with PDB	2,412,150	2,412,150
Lease Deposit	1,358,116	1,358,116
Bank Guarantee Margin	883,221	883,221
Advance Against Salary	120,000	80,500
Advance Against Purchase	145,000	155,600
Deposit with Titas Gas	2,269,050	2,269,050
Popular Trading Agency	3,156,900	3,156,900
Shimul Traders	100,254	100,684
M. Kamal Enterprise	2,821,854	2,813,354
Business Communication	3,054,875	3,017,000
Md. Abul Kashem	8,465,000	8,458,500
Medona Enterprise	6,925,412	6,847,000
Istiaque Enterprise	1,842,000	1,867,000
Ashirbad Syndicate	60,000	48,759
Jasim Enterprise	160,000	160,000
Joty Polithin	664,645	658,645
Star Engineering	984,000	955,000
Soncos Engineering	2,754,155	2,680,000
Mohammodi Packaging	1,005,000	950,000
Md. Fazlur Rahman	2,150,000	2,030,009
Bangla Trac Ltd	9,250,000	9,250,000
Energy Pac Engineering	3,254,500	3,254,500
Zihan Enterprise	620,000	505,000
Stridden Engineering	1,815,000	1,815,000
Md. Tohidul Islam (IT)	1,264,000	1,170,000
Md. Nizam	-	25,000
Babul Hardware	80,000	98,000
Engr. Md. Mominul	-	33,000
Welcome Travel Agents Ltd.	2,600,000	2,400,000
New Port Express	3,330,579	2,947,421
Md. Ismail	1,521,542	1,593,656
S.S. Trade Link	1,300,000	300,000
Associate Technology	-	100,000
Tima Enterprise	190,000	175,000
Dulal Enterprise	110,000	110,000
H.S. Corporation	198,000	198,000
Mohammodi Paper Cone	2,654,215	2,592,236
Mohabub Rahman	50,000	108,211
Mahdin Enterprise	310,000	275,000
Nippon Frade System	24,000	24,000

Uttaran Paper Products	60,000	10,000
Friends International	542,000	555,000
Md. Zahurul Islam	220,000	200,000
Md. Alamgir Hossain	30,000	8,697
Md. Pulok	-	20,000
Milton Trading International	33,892,488	33,892,488
Total	104,647,956	102,561,697

- 26.0A** The above Advances, Deposit and Pre-payments consisting of Deposits & Advance made to suppliers, statutory authorities, banks and other institutions are considered good and are unsecured as required by the Schedule XI of the companies Act. 1994.

No amount was due by the Directors (Including Managing Director). Managing Agents and Managers of the company and any of them severally or jointly with other person as on 30th June, 2021

No amount was due by related parties as on 30th June, 2021.

27.00 Tax Deducted at Source : Tk. 16,052,051

Particulars	June 30, 2021 Taka	June 30, 2020 Taka
Balance brought forward	16,052,051	16,052,051
AIT at source during the Year	-	-
Balance carried forward	16,052,051	16,052,051

The above amount represents tax deducted at source by the customs on import of CDBL Dividend & Spares.

28.00 Cash and Cash Equivalents : Tk.278,456

Particulars	June 30, 2021 Taka	June 30, 2020 Taka
Cash in Hand	171,666	157,237
Cash at Bank	106,790	106,794
Total	278,456	264,031

Cash at Bank

Name of the Bank	June 30, 2021 Taka	June 30, 2020 Taka
EXIM BANK, SNDA-49375	73,282	27
BASIC BANK, 00391	11,444	80,693
BASIC BANK, 01262	5,939	5,939
UCBL-10242	832	7,610
BDBL, 0372	7,537	7,537
Modhumoti	7,757	4,988
Total	106,790	106,794

29.00 Turnover : Tk. 309,120,318

Description	Total 2020-2021 Taka	Total 2019-2020 Taka
Sales of Yarn	309,120,318	237,276,000
Total	309,120,318	237,276,000

30.00 Cost of Goods Sold : Tk. 304,412,124

Description	2020-2021 Taka	2019-2020 Taka
Raw Materials Consumed (Note 39.A)	53,138,005	34,626,268
Packing Materials Consumed (Note 39.B)	4,611,681	2,225,241
Fuel & Lubricants Consumed (Note 39.D)	3,520,675	2,403,401
Spares and Stores Consumed (Note 39.C)	22,279,699	17,040,439
	83,550,060	56,295,349
Add: Opening Work-in Process	45,578,901	49,953,433
	129,128,961	106,248,783
Less : Closing Work-in Process	45,357,359	45,578,901
Total Consumption	83,771,602	60,669,882
Add: Factory Overhead (Note-31)	178,425,038	154,629,530
Cost of Production	262,196,640	215,299,411
Add: Opening Stock of Finished Goods	212,490,554	234,088,057
	474,687,194	449,387,468
Less: Closing Stock of Finished Goods	167,275,070	212,490,554
	307,412,124	236,896,914
Add: Opening Stock of waste cotton	43,828,711	39,828,711
	351,240,835	276,725,626
Less: Closing Stock of Waste Cotton	46,828,711	43,828,711
Cost of Goods Sold	304,412,124	232,896,915

31.00 Factory Overhead : Tk. 178,425,038

Description	2020-2021 Taka	2019-2020 Taka
Salary & Wages	49,125,415	42,314,680
Overtime	382,391	312,870
Festival Bonus	2,527,386	2,067,890
Carriage Inward	128,451	117,800
Factory Gas and Electricity Expenses	38,058,095	42,204,103
Labour Welfare	341,487	328,095
Medical Expenses	329,021	333,775
Telephone & Telex	49,353	40,380
VAT Payment	2,642,054	1,568,000
Marine Insurance Premium	-	-
Fire Insurance Premium	145,700	145,700
Rent, Rate & taxes	7,760	7,580
Lease Installment (Loan)	6,335,680	7,735,680
Misc. Expenses	15,245	14,180
Donation & Subscription	55,000	35,700
Conveyance Expenses	70,860	65,300
Travelling Expenses	15,400	12,600
Fuel & Lubricant for Vehicles	380,540	367,505
Entertainment	372,540	160,580
Printing & Stationery	25,418	23,608
Postage & telegram	6,960	7,820
Factory Maintenance Cost	130,440	106,725
Depreciation	77,279,842	56,658,959
Total	178,425,038	154,629,530

31.01 The number of employees received Salaries & Wages during the period under review are as follows:

Particulars	No. of Employees	2020-2021 Taka	2019-2020 Taka
Up to Tk. 4,000 per month	724	31,805,261	30,288,949
Above Tk. 4,000 per month	32	17,320,154	12,025,731
Total	756	49,125,415	42,314,680

32.00 Administrative Expenses : Tk. 12,794,877

Description	2020-2021 Taka	2019-2020 Taka
Salary & Allowances	8,554,285	8,052,846
Festival Bonus	382,540	306,255
Conveyance Expenses	612,546	589,644
Travelling Expenses	20,120	17,500
Entertainment	185,425	174,900
Electricity Expenses	38,745	372,863
Printing & Stationery	90,245	95,305
Postage & telegram	7,548	6,570
Fuel & Lubricant for Vehicles	543,254	546,700
Utility & Others	86,548	86,200
Office Maintenance Cost	84,521	75,900
Misc. Expenses	110,215	108,535
Paper & Periodicals	5,870	5,300
Donation & Subscription	512,458	498,630
Legal Expenses	152,000	145,300
Registration, Renewal and Documentation	284,654	299,870
Board Meeting Attendance fees	5,000	5,000
Telephone & Telex	90,245	88,369
Uniforms	98,012	99,780
Audit Fees	80,000	80,000
Depreciation	850,646	596,495
Total	12,794,877	12,251,962

32.01 The number of employees received Salaries & Wages during the period under review are as follows:

Particulars	No. of Employees	2020-2021 Taka	2019-2020 Taka
Up to Tk. 5,000 per month	20	1,021,450	756,548
Above Tk. 5,000 per month	35	7,532,835	7,296,298
Total	55	8,554,285	8,052,846

32.02 No item of the miscellaneous expenses exceeds 1% of the total revenue expenses.

33.00 Selling and Distribution Expenses : Tk. 4,255,130

Description	2020-2021 Taka	2019-2020 Taka
Carriage Outward	954,000	898,600
Sales Man Salary & Expenses	3,301,130	3,275,730
Advertisement & Publicity	-	-
Bad debt expenses	-	-
Total	4,255,130	4,174,330

34.00 Financial Expenses : Tk. 152,462,702

Description	2020-2021 Taka	2019-2020 Taka
Bank Charges & Commission	330,120	327,080
Interest on BDBL Term Loan	83,608,074	103,885,646
Interest on Exim Bank CC Loan	37,331,420	34,560,446
Interest on BASIC Bank Non-Current Loan	31,193,088	28,217,255
Total	152,462,702	166,990,427

35.00 Non-Operating Income : Tk. Nil

Description	2020-2021 Taka	2019-2020 Taka
Sale of Scraps / Waste Materials	-	-
Total	-	-

36.00 Provision for Income Tax: Tk. Nil

This above represents tax for the period which shall be provided on the accounting profit for the year at the presently enacted reduced tax rate of 15% for the textile industries.

37.00 Earnings Per Share-Disclosure Under The IAS-33

The computation of EPS is given below:

- a) Surplus for the year attributable to Shareholders Net Profit/(Loss) Tk.
- b) Weighted average number of Shares outstanding during the year
- c) Earnings per Share Tk.

2020-2021	2019-2020
(286,787,694)	(300,857,391)
89,335,375	89,335,375
(3.21)	(3.37)

37.01 Net Assets Value- Per Share (NAVPS)

The computation of NAVPS is given below:

- a) Total Shareholder Equity
- b) Weighted average number of Shares outstanding during the year
- c) Net Assets Value per Share Tk.

2020-2021	2019-2020
2,211,364,030	525,487,192
89,335,375	89,335,375
24.75	5.88

37.02 Net Operating Cash Flows- Per Share (NOCFPS)

The computation of NOCFPS is given below:

- a) Total Cash Flow from Operating Activities
- b) Weighted average number of Shares outstanding during the year
- c) Net Operating Cash Flow Per Share

2020-2021	2019-2020
62,370,537	8,613,490
89,335,375	89,335,375
0.70	0.10

38.00 APPROPRIATION DURING THE YEAR

In accordance with BAS-1, "Presentation of Financial Statements", the appropriations for the year have been reflected in the "Statement of Changes in Equity".

39.00 Materials Consumed for Production Tk. 83,550,060

According to the part II of schedule XI of the Companies Act 1994, the quantities of raw materials, purchase and stock are given below:

Description	2020-2021 Taka	2019-2020 Taka
A. Raw Cotton Consumed:		
Opening Stock	153,088,650	158,087,028
Add : Purchase	31,025,464	29,627,890
Less : Closing Stock	(130,976,109)	(153,088,650)
Sub-Total	53,138,005	34,626,268
B. Packing Materials Consumed:		
Opening Stock	5,531,890	6,190,331
Add : Purchase	3,890,140	1,566,800
Less : Closing Stock	(4,810,349)	(5,531,890)
Sub-Total	4,611,681	2,225,241
C. Spares & Stores Consumed:		
Opening Stock	121,779,536	133,764,575
Add : Purchase	6,125,484	5,055,400
Less : Unusable Spares & Stores Sale		
Less : Closing Stock	(105,625,321)	(121,779,536)
Sub-Total	22,279,699	17,040,439
D. Fuel and Lubricants Consumed:		
Opening Stock	120,670	153,171
Add : Purchase	3,612,545	2,370,900
Less : Closing Stock	(212,540)	(120,670)
Sub-Total	3,520,675	2,403,401
Grand Total (A+B+C+D)	83,550,060	56,295,349

40.00 Percentage of Materials Consumed to Total Consumption.

Materials Consumed	Amount (Tk.)	% of Total
Raw Cotton (Import)	-	0.00%
Raw Cotton (Local)	53,138,005	63.60%
Packing Materials (Local)	4,611,681	5.52%
Spares and Stores (Import)	-	0.00%
Spares and Stores (Local)	22,279,699	26.67%
Fuel and Lubricants	3,520,675	4.21%
Total	83,550,059.73	100.00%

41.00 Production of Finished Goods and Reconciliation with Stocks.

Yarn Count Card and Combed	Opening Stock (Kg.) 01-07-2020	Production During the Year (Kg.)	Total Yarn (Kg.)	Sales (Kg.)
Above 30s/1	1,149,061	458,086	1,607,147	880,685
Between 20s/1 - 30s/1	-	-	-	-
Below 20s/1	-	-	-	-
Total	1,149,061	458,086	1,607,147	880,685

42.00 Production Capacity and Utilization

As per the nature of industry, production quantity of spinning mills varies with the counts of yarn produce on the basis of production design as per market demand. Any re-distribution or designing in the product mix changes the overall capacity of the production of the mill since ounce production per spindle per shift (OPS) varies with counts of yarn produce. Therefore, installed capacity in terms of multiple and frequently changeable product mix is not a constant factor. During the year under review, actual production, the installed capacity in terms of the counts produce and the utilization rate is appended below:

Description	Installed Capacity (Kg.)	Actual Production (Kg.)	Capacity Utilization (%)
	1,206,750	458,086	37.96

44.00 Statement of Changes in Shareholders' Equity

The above statement showing changes in equity has been prepared and presents in accordance with the requirements of the IAS-I (Revised 1997) adopted by ICAB as IAS-I as in integral part of the financial statements for the period from 1st July, 2020 to 30th June, 2021.

45.00 Payments of Remuneration/Perquisites to Directors and Officers.

During the year under review:

- No remuneration was paid to the Managing Director of the company.
- An amount Tk. 5,000.00 was paid to the Directors of the company as Board Meeting attendance fee.
- No amount of money was expended by the company for compensating any member of the Board for special service rendered.
- No amount was paid to the Directors during the year for service rendered by them.
- No amount other than salaries, allowances and festival bonus was paid to the officers of the company.

46.00 Capital Expenditure Commitment

There was no material capital expenditure authorized by the Board but not contracted for at 30th June, 2021.

47.00 Credit facilities not Availed

There was no credit facilities available to the company under any contract but not available as on 30th June, 2021 other than bank credit facility and trade credit available in the ordinary course of business.

48.00 Foreign Currency Expenses and Remittances

- There was no expenses incurred in foreign exchange on account of royalty, technical expert and professional advisory fee, interest, dividend or other income etc, during the year.
- There was no non-resident shareholders of the company and as such no remittance of dividend in foreign exchange has been made.

49.00 Value of Import at C & F Basis

There was some value of imports in respect of raw cotton, spare & stores and machinery of the company.

50.00 Commission, Brokerage or Discount Against Sales

- There was no brokerage or discount against sales during the 2020-2021.
- No commission was paid to sales agents during the 2020-2021.

51.00 Revaluation Surplus

A revaluation work of the land and land development of Tallu Spinning Mills Limited was done by Huda Hossain & Co., Chartered Accountants with the expert assistance of Mridha & Associates dated December 31, 2020 for land, machineries and office equipment at Tk. 2,495,043437/- where the corresponding book value was Tk. 522,378,906/-. Considering the value of revaluation of the land, machinery and office equipment a revaluation surplus of Tk. 1,972,664,531/- was created to incorporate those in the Financial Statements for the year ended 30 June, 2021.

52.00 Notes to the Cash Flows:

A. Collection from Turnover & Other income:

Opening Accounts Receivable

Add: Turnover during the Year

Less: Closing Accounts Receivables

Less: Expected Credit Loss

B. Payment for Cost & Expense:

Purchase

Add: Administrative Expenses

Selling and Distribution Expenses

Factory overhead

Payment to supplier

Prepayment and Advances

Less: Depreciation

Administrative Expenses

Factory Overhead

Less: Creditor for other Finance Fluctuation

June 30, 2021
Taka
499,204,558
309,120,318
808,324,876
(446,982,558)
361,342,318
(95,165,277)
266,177,041
44,653,633
12,794,877
4,255,130
178,425,038
2,060,515
2,086,259
244,275,451
(850,646)
(77,279,842)
166,144,963
(114,801,162)
51,343,802

53.00 Reconciliation of Operating Cash Flows(Indirect Method):

Net profit after Tax	(286,787,694)
Depreciation	78,130,488
Operating Profit Before Working Capital Changes	(208,657,206)
(Increase)/Decrease in Closing Stock	81,333,453
(Increase)/Decrease in Accounts Receivables	52,222,000
(Increase)/Decrease in Advances, Deposits & Pre-payments	(2,086,259)
(Increase)/Decrease Tax Deducted at Source	-
Increase/(Decrease) Creditors for Goods & Expenses (Unsecured)	(2,060,515)
Increase/(Decrease) Creditors for Other Finance (Unsecured)	114,801,162
Increase/(Decrease) Income Tax Payable	1,854,722
Increase/(Decrease) Deferred Tax Liability	24,963,180
Net Cash Generated From Operating Activities	62,370,536

Toyo Spinning Mills Ltd. Schedule of Fixed Assets as on 30.06.21 Chuadanga

Schedule-A

Sl. No.	Description	Cost & Revaluation		Rate	Depreciation			Written Down Value As On 30.06.21
		Opening As On 01.07.20	Addition/ Revaluation This Year		Opening As on 30.06.20	During The Year	Total As on 30.06.21	
1	Land & Development	149,160,000		0%	-	-	-	149,160,000
2	Factory Building & Godown (Building-01)	32,701,971		5%	30,363,299	116,933.60	30,480,233	2,221,738
3	Boundary Wall	1,477,323		10%	1,405,700	7,162.28	1,412,862	64,461
4	Semi Pacca Shed	363,000		10%	355,577	742.34	356,319	6,681
5	Water Supply	674,442		10%	637,719	3,672.34	641,391	33,051
6	Under Ground Tank for Water	195,000		10%	173,078	2,192.18	175,270	19,730
7	Security Guard Room	115,000		10%	109,428	557.25	109,985	5,015
8	Time Office	98,000		10%	93,251	474.87	93,726	4,274
9	Waste Cotton Godown	125,000		10%	118,943	605.73	119,548	5,452
10	Electric Installation	22,947,612		10%	19,465,325	348,228.72	19,813,554	3,134,058
11	Bi-Cycle Stand (Pacca) (A)	110,000		10%	104,670	533.04	105,203	4,797
12	Admin Building (A)	5,085,094		10%	3,908,121	117,697.34	4,025,818	1,059,276
13	Sundry Assets (A)	240,617		10%	201,134	3,948.26	205,083	35,534
14	Civil Work (Factory) (Building-02)	105,615,498	-	5%	75,152,798	1,523,134.99	76,675,933	28,939,565
	Total	318,908,557	-		132,089,042	2,125,883	134,214,925	184,693,632

Administrative Expenses (A):

121,646

2,004,237

2,125,883

2,125,883

Factory Expenses:

Toyo Spinning Mills Ltd.
Schedule of Fixed Assets as on 30.06.21 Mymensingh

Sl. No.	Description	Cost & Revaluation		Rate	Depreciation			Worn Down Value As On 30.06.21
		Opening As On 01.07.20	Addition/ Revaluation This Year		Opening As on 30.06.20	During The Year	Total As on 30.06.21	
1	Land & Development	300,702,400		0%	-	-	-	300,702,400
2	Plant & Machinery	1,044,740,462		4%	763,577,937	11,246,500.98	774,824,438	269,916,024
3	Boundary Wall	6,912,908		10%	3,330,950	358,195.75	3,689,146	3,223,762
4	Factory Shed & Civil Construc.	327,263,010		5%	89,277,807	11,899,260.14	101,177,067	226,085,943
5	Pre-fabricated Structure-1	29,699,535		10%	10,311,941	1,938,759.45	12,250,700	17,448,835
5	Pre-fabricated Structure-2	15,998,315		10%	11,707,341	429,097.36	12,136,439	3,861,876
6	Raw Cotton Godown-1	2,899,000		10%	1,396,869	150,213.07	1,547,082	1,351,918
6	Raw Cotton Godown-2	2,979,221		10%	1,427,424	155,179.68	1,582,604	1,396,617
7	Rotor Shed	8,699,000		10%	4,191,570	450,742.96	4,642,313	4,056,687
8	250KVA Transformer and other electrical a	800,500		10%	385,717	41,478.28	427,196	373,304
7	TGTGL Installation Works	11,182,667		10%	5,375,828	580,683.90	5,956,512	5,226,155
8	Electric Installation & Substation	27,005,754		10%	21,097,835	590,791.88	21,688,627	5,317,127
9	PDB Installation	124,103		10%	59,799	6,430.44	66,229	57,874
10	Machinery Dismalting, Erecting & Trail Ru	69,118,267		5%	33,304,293	1,790,698.69	35,094,992	34,023,275
11	Gas Generator	100,762,187		5%	48,551,759	2,610,521.41	51,162,280	49,599,907
13	Deep Tube Well	1,000,000		10%	481,845	51,815.50	533,661	466,339
12	Furniture & Fixture (A)	7,084,696		10%	6,192,189	89,250.74	6,281,439	803,257
13	Office Equipment (A)	6,269,269		10%	5,442,307	82,696.16	5,525,004	744,265
14	Motor Car(A)	13,322,413		10%	12,786,689	53,572.43	12,840,261	482,152
15	Air Condition Plant	14,674,100		10%	12,441,728	223,237.22	12,664,965	2,009,135
16	Building (Staff & officer Accommodation)	5,500,000		10%	1,045,000	445,500.00	1,490,500	4,009,500
17	Building (Security officer Accommodation cur	3,500,000		10%	665,000	283,500.00	948,500	2,551,500
18	Under Ground Tank for Water	2,200,000		10%	418,000	178,200.00	596,200	1,603,800
19	Air compressure	1,530,000		10%	290,700	123,930.00	414,630	1,115,370
	Total	2,003,967,807	-		1,033,760,529	33,780,256	1,067,540,785	936,427,021

Depreciation Charged to:
Administrative Expenses (A):
Factory Expenses:

729,000
33,051,256
33,780,256

**The Director
Toyo Spinning Mills Limited
Chuadanga**

PROXY FORM

I/We of
..... being a member of **Toyo Spinning Mills Limited**,
do hereby appoint Mr./Ms.
..... of
or failing him/her./Mr./Ms.
of as my proxy to attend and vote for
me and on my behalf at the 32nd Annual General Meeting of the company to be held on the 28th February,
2022 and at any adjournment thereof. As witness my hand this
..... day of 2022
Signed by the said Mr./Mrs.

Revenue
Stamp

Signature of the proxy

Signature of Witness

Signature of the Member

Folio/BO No (if any).....

Folio/BO No

Note : i) A member entitled to vote at the above meeting may appoint a proxy.
ii) The instrument of appointing a proxy shall be deposited at the Registered office of the company
not less than 48 (Forty Eight) hours before the time of holding the meeting.

Toyo Spinning Mills Limited
Chuadanga

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance or the Hall.

I hereby record my attendance at the 32nd Annual Meeting being held on the 28th February 2022 at
Chuadanga.

Name of the member/proxy

Registered Folio/BO No

Signature

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