



Toyo

ANNUAL REPORT 2022-2023



Toyo

টয়ো স্পিনিং মিলস্ লিমিটেড
Toyo Spinning Mills Limited

Toyo Spinning Mills Limited

REPORT AND ACCOUNTS

For the year ended 30th June, 2021



Toyo

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

Auditors

Khan Wahab Shafique Rahman & Co.
Rupali Bima Bhaban, 7, Rajuk Avenue(5th & 6th Floor),
Motijheel, 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
41 Years experience in Manufacturing
and Trading business



Md. Atiqul Haque
Managing Director

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

Professional Experience
35 Years experience in Manufacturing
and Trading business

Board of Directors

Md. Mahbub-UI Hague
Director

Educational Qualification

M. Com, Finance & Banking, University of Dhaka

M.B.A from United Kingdom

Ph.d from Washington International University, USA

Professional Experience

36 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 Company

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, 2023.

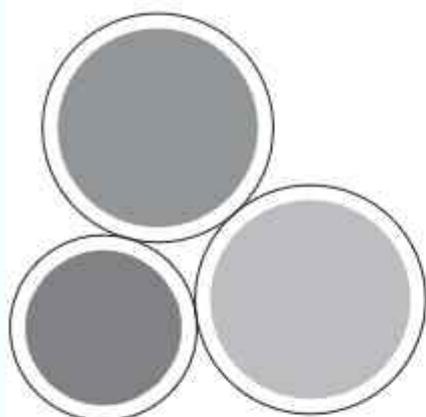
Dear Sir(s) ,

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, 2023, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flow Statements for the year ended on 30th June, 2023 along with notes thereon and all related Financial Statements for your record/necessary measures.

Yours faithfully,



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

টয়ো স্পিনিং মিলস্ লিমিটেড 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 trend 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.

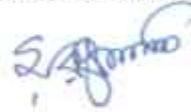
NOTICE OF THE 34th ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 34th Annual General Meeting of the Shareholders of Toyo Spinning Mills Limited will be held on virtual media (Link <https://agmbd.live/toyospin2023>) on Saturday, December 30, 2023 at 11.00 a.m. to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements for the year ended 30th June, 2023 together with the reports of Auditors and the Directors thereon;
2. To elect/reelect Directors;
3. To appoint External/Statutory Auditor for the year 2023-24 and fix their remuneration;
4. To appoint Corporate Governance Auditor for the year 2023-24 and fix their remuneration;
5. To transact any other business with the permission of the Chair's.

By Order of the Board



Md. Mominur Rahman
Company Secretary

Dated: Dhaka
December 07, 2023

Notes :

1. The record date for this AGM will be November 20, 2023. The shareholders whose names will appear in the Depository/Share Register on the record date will be entitled to the dividend.
2. A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend on his/her behalf. 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.
3. Members are requested to update BOID information with CDBL.
4. 34th AGM of the Company shall be conducted through virtual media. Link <https://agmbd.live/toyospin2023> of the online live portal to attend the AGM to the shareholders in due course also available in the website.
5. Soft copy of the Annual Reports of the Company will be sent to the shareholders respective e-mail addresses also available in the website.
6. Annual Reports will be available on the Company website: <http://www.tsml.com.bd/>

বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই মর্মে শেয়ারহোল্ডারদের জানানো যাচ্ছেবে, টয়ো স্পিনিং মিলস্ লিমিটেড এর ৩৪তম বার্ষিক সাধারণ সভা আগামী ৩০শে ডিসেম্বর ২০২৩, শনিবার সকাল, ১১:০০ টায় জার্ন্যাল মাধ্যমে (Link সময়মত জানানো হবে) নিম্নেবর্ণিত বিষয়াদি সম্পাদন কল্পে অনুষ্ঠিত হবে :

বিষয় সমূহ :

১. নিরীক্ষক এবং পরিচালক মন্ডলীর প্রতিবেদনসহ ৩০শে জুন, ২০২৩ সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী গ্রহণ ও অনুমোদন।
২. পরিচালকমন্ডলীর নির্বাচন/পুনঃনির্বাচন।
৩. ২০২৩-২০২৪ সালের জন্য নিরীক্ষক নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।
৪. ২০২৩-২০২৪ সালের জন্য কর্পোরেট গভর্নেন্স অডিটর নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।
৫. সভাপতির অনুমোদনক্রমে অন্য কোন বিষয় নিয়ে আলোচনা।

০৭ ডিসেম্বর, ২০২৩

ঢাকা

বোর্ডের আদেশক্রমে



মোঃ মেমিনুর রহমান
কোম্পানি সচিব

দ্রষ্টব্যঃ

- ২০ নভেম্বর, ২০২৩ রেকর্ড তারিখ হিসাবে গণ্য হবে। ঐ দিন কোম্পানির ডিপোজিটরী/শেয়ার রেজিস্টারে বাদের নাম লিপিবদ্ধ থাকবে তাহাই ডিজিটাল প্রাটফর্মে কোম্পানির সভায় অংশ গ্রহন সহ ভোট প্রদান করার যোগ্যপ্যতা রাখবেন।
- শুধুমাত্র শেয়ারহোল্ডারগণ অথবা তাঁদের নিয়োগকৃত প্রতিনিধিরাই বার্ষিক সাধারণ সভায় যুক্ত হতে পারবেন।
- কোন শেয়ারহোল্ডার প্রতিনিধিনিয়োগ করতে চাইলে উপযুক্ত স্ট্যাম্পসম্বলিত প্রতিনিধি পত্র কোম্পানির শেয়ার বিভাগে নির্ধারিত সময়ের কমপক্ষে ৪৮ ঘণ্টা পূর্বে অফিস চলাকালীন সময়ে অবশ্যই জমাদিতে হবে।
- সম্মানিত সদস্যদের ঠিকানা পরিবর্তন হলে তা শেয়ার বিভাগকে জানাতে অনুরোধ করা হচ্ছে।
- কোম্পানির ৩৪তম এজিএম জার্ন্যাল মাধ্যমে অনুষ্ঠিত হবে।
- কোম্পানির ৩৪তম এজিএম এ যোগ দেওয়ার online live portal link সময়মত জানানো হবে।
- বার্ষিক প্রতিবেদন শেয়ারহোল্ডারদের ই-মেইলে পাঠানো হবে।
- 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, 2023.

At the very outset, we would like to remember with honour our company's Founder Chairman and Managing Director Haji Md. Mozammil Haque who passed away on September 04, 2017 and our sponsoring director and past Chairman Late Mrs. Rabeya Khatun 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 2022-2023.

We are operating our company on a time when every business entity in Bangladesh is suffering from upheavals in the form of a post pandemic and resultant disruptions, geopolitical tensions due to Russia-Ukraine war, supply chain disruptions, 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 these geopolitical tensions due to Russia-Ukraine war, supply chain disruptions and inflation of input prices. During the global supply chain disruptions 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 global shock.

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, 2023.

The economy is expected to gain speed in FY 2024 on recovering foreign demand aftermath of geopolitical tensions due to Russia-Ukraine war, supply chain disruptions and inflation of input prices. The potential for further supply chain disruptions, the country's vulnerability to extreme weather events and 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 geopolitical tensions due to Russia-Ukraine war, supply chain disruptions and inflation of input prices 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 along with 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 ask continuous co-operation and constructive advice from the shareholders to make the Thirty Four Annual General Meeting a success.



Md. Rafiqul Haque
Chairman
25 November, 2023

সভাপতির বিবৃতি

প্রিয় শেয়ারহোল্ডারগণ,

আসসালামু আলাইকুম,

আমার এবং পরিচালনা পর্ষদের পক্ষ থেকে, আমি এই অনুষ্ঠানে উপস্থিত থাকার জন্য আপনাদের সকলকে আন্তরিক ধন্যবাদ ও আন্তরিক স্বাগত জানাই। আমি আপনাদের সামনে উপস্থিত হওয়ায় এবং ৩০শে জুন, ২০২৩ তারিখে সমাপ্ত বছরের জন্য ৩৪তম বার্ষিক সাধারণ সভার আর্থিক প্রতিবেদন অনুমোদনের জন্য উপস্থাপনের সুযোগ পেয়ে আনন্দিত।

গুরুত্বের সাথেই, আমরা আমাদের কোম্পানির প্রতিষ্ঠাতা চেয়ারম্যান ও ব্যবস্থাপনা পরিচালক হাজী মোঃ মোজাম্মেল হককে সম্মানের সাথে অরুণ করতে চাই, যিনি ০৪ সেপ্টেম্বর, ২০১৭ তারিখে মারা গেছেন এবং আমাদের স্পিনার পরিচালক এবং সাবেক চেয়ারম্যান মরহুম মিসেস রাবেয়া খাতুন যিনি ১৯শে আগস্ট ২০২১ তারিখে আমাদের ছেড়ে চলে গেছেন। প্রার্থনা করছি যেন সর্বশক্তিমান আল্লাহ তাদের বিদেহী আত্মার প্রতি শান্তি বর্ষন করেন এবং তাদেরকে জান্নাতবাসী করেন।

আমি ২০২২-২০২৩ বছরের জন্য আমাদের বার্ষিক প্রতিবেদন উপস্থাপন করতে পেরে আনন্দিত।

আমরা এমন এক সময়ে আমাদের কোম্পানি পরিচালনা করছি যখন বাংলাদেশের প্রতিটি ব্যবসায়িক প্রতিষ্ঠান একটি মহামারী-পরবর্তী বিপর্যয়, রাশিয়া-ইউক্রেন যুদ্ধের কারণে ভূ-রাজনৈতিক উত্তেজনা, সরবরাহ শৃঙ্খলায় বিঘ্ন, অসম পরিবেশ, ভবিষ্যতের ব্যবসায় অনিশ্চয়তা এবং এর ফলে বিপর্যয়ের মধ্যে ভুগছে। কাঁচামাল এবং ইউটিলিটির দাম বেড়েছে। স্পিনিং শিল্প সম্পূর্ণরূপে প্রধান কাঁচামাল কাঁচাতুলা আমদানির উপর নির্ভরশীল। আন্তর্জাতিক বাজারে কাঁচাতুলার দামের মাঝেমাঝে উত্থান-পতন এই শিল্পকে ধসিয়ে দেয়।

রাশিয়া-ইউক্রেন যুদ্ধ, সাপ্লাইচেইন ব্যাহত এবং কাঁচামালের মূল্যস্ফীতির কারণে এই ভূ-রাজনৈতিক উত্তেজনা চলাকালীন কারখানার কার্যক্রম চালিয়ে যাওয়ার জন্য আমরা আমাদের যথাসাধ্য চেষ্টা করেছি। বিশ্বব্যাপী সরবরাহ শৃঙ্খলা বিঘ্নিত হওয়ার সময় ইয়ানের মূল্য এবং বাজারের তৈরী পণ্যগুলি হ্রাস করা কঠিন ছিল এবং অপ্রয়োজনীয় কর্মীদের ধরে রাখা একটি চ্যালেঞ্জ ছিল। বিশ্বব্যাপী প্রভাব প্রশমিত করার জন্য যথাযথ ব্যবস্থা গ্রহণ করেছে।

তবে আমাদের দেশে স্পিনিং শিল্পের ভবিষ্যৎ সম্ভাবনা উজ্জ্বল সন্দেহ নেই। সুতার চাহিদা ও সরবরাহের মধ্যে এখনো ব্যবধান রয়েছে। তৈরি পোশাক এবং বুনন কারখানাগুলি শ্রমঘন এবং অন্যান্য প্রধান তৈরি পোশাক রপ্তানিকারক দেশগুলির তুলনায় বাংলাদেশে শ্রমের মূল্য কিছুটা কম। এই কম মজুরির সুবিধা নিতে যার ফলে উৎপাদন খরচ কম হয়, দেশি-বিদেশি বিনিয়োগকারীরা বাংলাদেশে নতুন তৈরি পোশাক ও বুনন কারখানা স্থাপন করছে। তৈরি পোশাক এবং নিট পণ্যেও রপ্তানির পরিমাণ বৃদ্ধির ফলে স্থানীয় কাপড়ের চাহিদা বাড়বে।

তাছাড়া জনসংখ্যা ও মাথাপিছু আয় বৃদ্ধির সাথে সাথে কাপড়ের অভ্যন্তরীণ চাহিদা বাড়তে থাকবে। তাই রপ্তানি ও অভ্যন্তরীণ বাজারে কাপড়ের চাহিদা বাড়ার সঙ্গে সঙ্গে সুতার চাহিদাও বাড়বে। সুতা উৎপাদনের সক্ষমতা না বাড়ালে বিপুল পরিমাণ বৈদেশিক মুদ্রা আমদানি করে ঘাটতি পূরণ করতে হবে।

৩০ জুন, ২০২৩-এ শেষ হওয়া আরেকটি আর্থিক বছরের সফল সমাপ্তির ঘোষণা করা সত্যিই আমার জন্য আনন্দের বিষয়।

রাশিয়া-ইউক্রেন যুদ্ধ, সরবরাহ শৃঙ্খলায় বাধা এবং কাঁচামালের মূল্যস্ফীতির কারণে ভূ-রাজনৈতিক উত্তেজনার পর বৈদেশিক চাহিদা পুনরুদ্ধার করার জন্য অর্থনীতি ২০২৩ অর্থবছরে গতি লাভ করবে বলে আশা করা হচ্ছে। আবারও সরবরাহ শৃঙ্খলায় বিঘ্ন ঘটান সম্ভাবনা, চরম আবহাওয়ার ঘটনাগুলির জন্য দেশের দুর্বলতা এবং ব্যাংকিং খাতে অকার্যকর ঋণের উচ্চহার দৃষ্টিভঙ্গিকে খারাপ করে।

বৈশ্বিক অর্থনীতির খারাপ অবস্থা, আর্থিক অবস্থা দ্রুত আঁটসাঁট হতে পারে, উদাহরণ স্বরূপ উন্নত অর্থনীতিতে মুদ্রানীতির দৃষ্টিভঙ্গির পুনর্মূল্যায়ন থেকে যদি মুদ্রাস্ফীতি প্রত্যাশা প্রত্যাশিত অবস্থান থেকে আরও দ্রুত বৃদ্ধি পায়। রাশিয়া-ইউক্রেন যুদ্ধের কারণে ভূ-রাজনৈতিক উত্তেজনা থেকে উদ্ভীর্ণমান বাজার এবং উন্নয়নশীল অর্থনীতির উপর দ্বৈত আঘাত, সরবরাহ শৃঙ্খলায় বাধা এবং কাঁচামালের মূল্যস্ফীতি এবং কঠোর বাহ্যিক আর্থিক অবস্থা তাদের পুনরুদ্ধারকে মারাত্মক ভাবে পিছিয়ে দেবে এবং এই দৃষ্টিভঙ্গির ভিত্তিরেখার নীচে বিশ্বব্যাপী বৃদ্ধিকে ব্যাহত করবে।

প্রতিবেদনের সময়কালটি আপনার কোম্পানির জন্য একটি কঠিন বছর ছিল কারণ সুতার চাহিদা এবং বিক্রয় মূল্য হ্রাসের সাথে কম উৎপাদন অর্জনের কারণে মসৃণ ব্যবসা পরিচালনা খারাপ ভাবে 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 টার্গেটেড উৎপাদন বজায় রাখতে পারিনি যার ফলে পর্যালোচনাধীন বছরে আমাদের কোম্পানির মুনাফা এবং টার্নওভার খারাপ ভাবে প্রভাবিত হয়েছিল।

শেষ করার আগে, আমি চৌত্রিশ তম বার্ষিক সাধারণ সভাকে সফল করতে শেয়ারহোল্ডারদের কাছ থেকে ক্রমাগত সহযোগিতা এবং গঠনমূলক পরামর্শ কামনা করছি।



মোঃ রফিকুল হক

চেয়ারম্যান

২৫ নভেম্বর, ২০২৩

Directors' Report to the Shareholders

For the year ended 30th June 2023

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 thirty four 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 2023 of the company together with the reports of the Chairman, Directors and the Auditors for your consideration and approval.

Business Environment

Geopolitical tensions due to Russia-Ukraine war, supply chain disruptions 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 consecutive disruptions of Russia-Ukraine war, supply chain disruptions and inflation of input prices, 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 Russian Ukraine war will be normalized and 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. Geopolitical tensions due to Russia-Ukraine war, supply chain disruptions and inflation of input price, 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.

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 eve growing labor unrest. The ongoing global economic crisis due to Russia-Ukraine war, supply chain disruptions and inflation of input price 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, when the global economy is recovering invincibly from the COVID-19 outbreak, but the recovery process is very different and uneven among countries due to Russia-Ukraine war, supply chain

disruptions and inflation of input price. 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 Russia-Ukraine war, supply chain disruptions and inflation of input price, 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 2022-23 the total turnover of the company was registered at Tk.310.59 million as against turnover of Tk.311.76 million in 2021-22.

Risks & Concerns

Meanwhile, Russia and Ukraine war has stopped the growing world market from middle of this year. Exports from Bangladesh fell in the first quarter of the current fiscal year due to weak demand in the EU and the US markets, which have been gripped by the fears of a coming recession amid the ongoing Russia-Ukraine war. In order to control all matters involving risks uncertainties, the Company has a strong management process.

Internal Control System

The Board has already been established and practicing effective internal control system which is sound in terms of design and has been effectively implemented and monitored. The following steps have been taken for implementation of an effective internal control procedure of the company:

- a. Regular review of internal audit reports with a view to implement the suggestion of internal auditors in respect of internal control technique;
- b. To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at head office.

Going Concern

The financial statements of the Company have been prepared on a going concern basis, which encompasses the realization of assets and satisfaction of liabilities in the normal course of business. The Board of Directors of Toyo Spinning Mills Limited has made an annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern and confirms the entity as a going concern. The auditor of the Toyo Spinning Mills Ltd. has given the "Material Uncertainty Related to Going Concern" & "Emphasis of Matter" paragraphs in the Auditor's Report for the year ended 30 June, 2023.

PSI Dissemination to BSEC:

The auditor of the Toyo Spinning Mills Ltd. has given the "Material Uncertainty Related to Going Concern" & "Emphasis of Matter" paragraphs in the Auditor's Report for the year ended 30 June, 2023.

Industry Outlook

The Covid-19 pandemic since early 2020 caused a considerable drop in exports, but the situation started to revert in the middle of the last year. There is a significant effect of globalization on international textile and apparel trade. Today, the developed countries are hugely dependent on the developing nations for textile and garment manufacturing. At present, Bangladesh ranks second in the world as the largest apparel producers with a \$20 billion business in which 80% is earned by exporting goods. The main reason for the development of the textile industry in Bangladesh is the hardworking labor force. They put in more working hours to complete the target. Therefore, in recent times the per capita income of the country and the standards of living of the people have improved. Secondly, the country acquired an advantageous opportunity to trade with America and the European countries in readymade garments segment.

Cost of Goods Sold

This year's cost of goods sold was Tk. 31.04 crore as compared to last year's cost of goods sold of Tk. 31.15 crore. The Cost of Goods Sold for the current year decreased by 0.35% from the previous year. The major reason behind this increase is the war between Russia and Ukraine. Sales have Decreased 0.37% from last year but net profit is negative. The cost of goods sold have increased compared to last year's.

Variance between Quarterly Financial Performance and Annual Financial Statements

No such variance happened during the year.

Statement of Cash Flows

Statement of Cash Flows has been prepared in accordance with International Accounting Standards IAS-7 Statement of Cash Flows; Cash flow from operating activities has been presented under direct method.

Statement of Changes Equity

Statement of changes equity has been prepared in accordance with International Accounting Standards IAS-1 Presentation of Financial Statements.

Directors' Board Meeting Attendance

In accordance with relevant rules and procedures and Bangladesh Secretarial Standards (BSS) the Members of the board of this company has conducted its meetings and contained in its governing documents

Directors' Remuneration

During the period under review, the member of Board of Directors of the company including the Independent Directors did not receive any remuneration from the company likewise previously.

Corporate and Financial Reporting Framework

The members of the Board, in accordance with the Bangladesh Securities and Exchange Commission's Notification No: BSEC/CMRRCD/ 2006-158/207/ Admin/80 dated June 03, 2018, confirm compliance with the financial reporting framework for the following:

- a. **Fairness of Financial Statements** The Financial Statements prepared by the management of TSML present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b. **Books of Accounts** Proper books of accounts of the issuer Company have been maintained;
- c. **Accounting Policies** Appropriate Accounting policies have been consistently applied in preparation of the Financial Statements and that the Accounting estimates are based on reasonable and prudent judgment;
- d. **Application of IAS/IFRS & other applicable Laws & Regulations** The Board of Directors of the Company is entrusted to ensure the disclosure of the actual financial position and preparation and maintenance of all types of Statutory Statements as per the BSEC and Companies ACT-1994. The Board of Directors ensured that International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there from has been adequately disclosed;
- e. **Financial Report & Accountability** The Board of Directors discharged their due responsibilities through timely preparation and publication of 1st quarter, half yearly, 3rd quarter and Annual Financial Report at the end of each financial period and affairs of the Company performed in the year under review. Audit Committee, sub-committee of Board examined the fairness, exactness and transparency and completeness of these reports before placement of the same to the Board for their approval. The Company published the report (un-audited accounts) of 1st Quarter, half-yearly and 3rd quarter accounts as per notification of BSEC and the Listing Rules 2015 of DSE through Company's Website, Newspapers and submitted timely to BSEC, DSE and other regulatory authorities.

Extra-ordinary Gain or Loss and their implication

During the year there was no realized/unrealized extra-ordinary gain or loss made by the Company as there was no investment elsewhere that could generate gain or loss.

Protect the Minority Shareholders' Interest

The Board of Directors has dedicated all its efforts to ensure fair and equal treatment to every shareholder including the minority shareholders. In order to protect the interest of minority shareholders, the company undertook various measures to establish accountability and transparency and also established a practice to serve small investors and minority shareholders promptly. The company communicated all its strategic information as required in its operation under the regulatory directives without any delay and tried to serve the minority shareholders better, the Company disseminates all strategic decision through most popular and well-accessed channels/options to make them aware of the developments as well as activities of this Company.

Accounting policies and estimation for preparation of financial statements:

These Financial Statements have been prepared under the Historical Cost Convention, accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) in Bangladesh and the following IASs and IFRSs are applicable for the financial statements for the year under review:

IAS-1 Presentation of financial statements

IAS-2 Inventories

IAS-7 Statement of Cash Flows

IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors

IAS-10 Events after the Reporting Period

IAS-12 Income Taxes

IAS-16 Property, Plant and Equipment

IAS-21 The Effects of Changes in Foreign Exchange Rates

IAS-23 Borrowing Costs

IAS-24 Related Party Disclosures

IAS-33 Earnings Per Share

IAS-36 Impairment of Assets

IAS-37 Provisions, Contingent Liabilities and Contingent Assets

IFRS-7 Financial Instruments: Disclosures

IFRS-9 Financial Instruments

IFRS-15 Revenue from contracts with customers

IFRS-16 Leases

Financial Report

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

Particulars	2022-2023 Taka	2021-2022 Taka
Sales Revenue	310597185	311,765,049
Cost of Goods Sold	310478566	311,570,969
Gross Profit	118619	194,080
Admin/Selling/Written off Expenses	86260998	80,240,720
Financial Expenses	144504990	158,149,848
Operating Profit/(Loss)	(86142379)	(80,046,641)
Non-operating Income		
Allocation to WPPF		
Net Profit/(Loss) Before Tax	(230647368)	(238,196,489)
Ratios (%)	%	%
Gross Profit to Sales	0.04	0.06
Admin/Selling/Written off Expenses to Sales	27.77	25.74
Financial Expenses to sales	46.52	50.73

Board Audit Committee

The company has an audit committee, which met four times during the year 2023-2024, to consider first quarter, half yearly, third quarter and annual accounts ended 30th June, 2023 along with auditor's report on the annual accounts.

Appropriation and Dividend

The Directors propose to appropriate as follows:

Particulars	2022-2023 Taka	2021-2022 Taka
Accumulated Surplus/Deficit-Opening Balance	(115,228,855)	(963,355,431)
Add : Net Profit/(Loss) for the year	(259,452,251)	(269,661,871)
Accumulated (Deficit) / Surplus	(1,334,391,865)	(1,152,228,855)

On the basis of the proposed appropriation the Board of Directors has not recommend any dividend for the year under report. Because the company didn't earn any profit during this period.

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 01.07.2022	Amount Taka	Share held 30.06.2023	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
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, Director 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.

Appointment of Statutory Auditors:

Khan Wahab Shafique Rahman & Co. Chartered Accounts, is a panel auditors of BSEC. In recommendation of the Audit Committee, the Board recommended Khan Wahab Shafique Rahman & Co. Chartered Accounts, Rupali Bima Bhaban, 7, Rajuk Avenue (5th & 6th Floor), Motijheel, Dhaka-1000 appointment as statutory auditors of the Company of the year 2023-2024 with fixation of their remuneration of Taka 80,000/- (Taka Eighty Thousand) only. In compliance to the aforesaid notification, the shareholders have to appoint new auditors at the 34th Annual General Meeting for the financial year 2022-2023.

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.

Haruner Rashid & Associates, Chartered Secretaries, was appointed by the board of directors to conduct the compliance audit for the financial year 2022-2023. Haruner Rashid & Associates, Chartered Secretaries, has expressed their intention to conduct the compliance audit for the financial year 2023-2024 at a fee of taka 25,000/-.

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 Toyo Spinning Mills 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, 2023, headed by the Independent Director, Mr. Md. Abu Saleh. The other members of the committee are, Mr. Md. Shafiqul Islam 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 further 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 support and co-operation throughout the year.

On behalf of the Board



Md. Rafiqul Haque
Chairman
25 November, 2023

পরিচালকদের প্রতিবেদন ৩০শে জুন ২০২৩ সমাপ্ত বছরের জন্য

প্রিয় শেয়ারহোল্ডারগণ,

আসসালামু আলাইকুম্,

টয়ো স্পিনিং মিলস লিমিটেড এর ৩৪তম বার্ষিক সাধারণ সভায় আপনাদেরও শুভাগমন ও অংশগ্রহণের জন্য পরিচালক পরিষদের পক্ষ থেকে জানাচ্ছি আন্তরিক প্রীতি ও উষ্ণ শুভেচ্ছা। সেই সংক্ষে ২০২৩ সালের ৩০শে জুন ২০২৩ সমাপ্ত বছরের নিরীক্ষিত হিসাব এবং সভাপতি পরিচালক মন্ডলী ও নিরীক্ষকদের প্রতিবেদন, আপনাদের বিচক্ষণ বিবেচনা ও সহৃদয় অনুমোদনের জন্য উপস্থাপন করার সুযোগ পেয়ে আমি আনন্দিত।

ব্যবসায়িক পরিবেশ

রাশিয়া-ইউক্রেন যুদ্ধের কারণে ভূ-রাজনৈতিক উত্তেজনা, সাপ্রাই চেইনে ব্যাঘাত এবং বিশ্বের অনেক নেতৃস্থানীয় ব্যবসার নিম্নমুখী প্রবণতা, টেক্সটাইল এখনও নিম্ন প্রবণতায় রয়েছে। রাশিয়া-ইউক্রেন মধ্যকার যুদ্ধ যেমন WTO-কে প্রভাবিত করেছে, তেমনি বাংলাদেশের বর্তমান বাণিজ্য পরিবেশও ক্ষতিগ্রস্ত হচ্ছে। যদিও বাংলাদেশের টেক্সটাইল শিল্প অনেক চ্যালেঞ্জের সম্মুখীন হতে চলেছে, তবুও সেই সমস্ত অসুবিধা কাটিয়ে ও আগের প্রবৃদ্ধি বজায় রাখার অনেক আশা রয়েছে। রাশিয়া-ইউক্রেন যুদ্ধের ক্রমাগত বাধা, সরবরাহ শৃঙ্খলায় বিঘ্ন এবং কাঁচামালের মূল্যস্ফীতি, ডলিউটিও সদস্যদের আন্তর্জাতিক বাণিজ্যের মধ্যে বাণিজ্য যুদ্ধের শীর্ষে যাওয়ার পরপরই শিল্পের বিকাশ ও বৃদ্ধি বাধাগ্রস্ত হয়েছে, যার ফলে দীর্ঘ বিকাশ এবং প্রবৃদ্ধি অব্যাহত রয়েছে। ইতিমধ্যে তুলনামূলক কম উৎপাদন খরচ সব সময়ই বাংলাদেশের জন্য একটি প্রতিযোগিতামূলক সুবিধা। এটি আশা করা হচ্ছে যে রাশিয়ান ইউক্রেন যুদ্ধকে স্বাভাবিক হবে এবং সরকার কর্তৃক রপ্তানিমুখী শিল্পের জন্য উদ্দীপনা প্যাকেজ এবং কর্তৃপক্ষের দ্রুত, কৌশলগত পদ্ধতির মাধ্যমে বাংলাদেশ তার অবস্থানকে সুসংহত করবে।

বৈশ্বিক বাজারে ক্রমাগত পরিবর্তন সব সময় কাপড়ের চাহিদা বৃদ্ধির আমন্ত্রণ জানায়। কিন্তু রাশিয়া-ইউক্রেন যুদ্ধের কারণে ভূ-রাজনৈতিক উত্তেজনা, সরবরাহ শৃঙ্খলায় বাধা এবং কাঁচামালের মূল্যস্ফীতি, বাজারে প্রভাব ফেলেছে। এখন উন্নত ফেব্রিকের জন্য প্রয়োজন পরিবেশ বান্ধব উৎপাদন পরিকাঠামো, গ্রিন কারখানা, সুন্দর পরিবেশ এবং স্বাস্থ্য সুরক্ষা নিশ্চয়তার প্রতিক্রিয়া হিসাবে আরও বায়বহুল রাসায়নিকের ব্যবহার থাকতে হবে।

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 মত মজুদ করা বর্তমান বিপণনের একটি বড় চ্যালেঞ্জ। কষ্টের সাথে মুনাস্ফা আনতে উভয়ের থেকে ভারসাম্য বজায় রাখার জন্য ক্রেতা এবং কাঁচামাল সরবরাহকারী উভয়ের সাথেই ভাল সম্পর্ক রাখতে হবে।

বাংলাদেশের যে বিশেষ শিল্পখাতটি আমরা এখন পর্যালোচনা করছি তা গত কয়েক বছরে অনেক বাধা অতিক্রম করেছে। এটি ক্রমবর্ধমান জ্বালানি ও কাঁচামালের ব্যয় এবং ক্রমবর্ধমান শ্রমিক অসন্তোষের দ্বারা এই সেক্টরের বৃদ্ধিকে প্রভাবিত করেছে। রাশিয়া-ইউক্রেন যুদ্ধের কারণে চলমান বৈশ্বিক অর্থনৈতিক সংকট, সরবরাহ শৃঙ্খলায় বাধা এবং কাঁচামালের মূল্যস্ফীতি সব রপ্তানি নির্ভর অর্থনীতির উপর প্রভাব ফেলে। এমনকি চীন এবং ভারতের মতো উচ্চ পারফরম্যান্স কারী দেশ গুলিও মন্দা রেকর্ড করেছে। মালয়েশিয়া, থাইল্যান্ড, ফিলিপাইন এবং ইন্দোনেশিয়ার মতো অন্যান্য উচ্চকর্মক্ষমতা সম্পন্ন অর্থনীতিও চলমান সংকটের কারণে খারাপ ভাবে ক্ষতিগ্রস্ত হচ্ছে।

আপনি জানেন যে, বিশ্ব অর্থনীতি যখন COVID-19 প্রাদুর্ভাব থেকে অদম্য ভাবে পুনরুদ্ধার করেছে, তখন রাশিয়া-ইউক্রেন যুদ্ধ, সরবরাহ শৃঙ্খলায় বিঘ্ন এবং কাঁচা মালের মূল্যস্ফীতির কারণে দেশগুলির মধ্যে পুনরুদ্ধারের প্রক্রিয়াটি খুব আবারও বাধা গ্রহণ। বিশ্ব ব্যাংক প্রকাশিত প্রতিবেদনে, 2021 সালে অর্থনৈতিক প্রবৃদ্ধি 5.6 শতাংশে অনুমান করা হয়েছিল যা 2020 সালে 3.5 শতাংশে সংকুচিত হয়েছিল। অর্থনীতির জন্য যথেষ্ট আর্থিক সহায়তা, নীতিসহায়তা এবং ভ্যাকসিন অ্যাক্সেস এই অস্থিতিশীল প্রবৃদ্ধির প্রধান নির্ধারক। বাংলাদেশ সরকার প্রত্যাশিত লক্ষ্য পৌঁছানোর জন্য অর্থনৈতিক প্রবৃদ্ধি ত্বরান্বিত করতে প্রাতিষ্ঠানিক ভাবে নীতি সহায়তা প্রদান করেছে। ২০১০-২০১১ অর্থ বছর

থেকে ২০২০ সালের কোভিড-১৯ প্রাদুর্ভাবের আগপর্যন্ত বাংলাদেশের অর্থনীতি ধারাবাহিক ভাবে জিডিপি প্রবৃদ্ধির ৬ শতাংশের ওপরে ভালো পারফর্ম করেছে। রাশিয়া-ইউক্রেন যুদ্ধ, সরবরাহ শৃঙ্খলায় বিঘ্ন এবং কাঁচামালের মূল্যফীতি সত্ত্বেও কোম্পানিটি ক্রমান্বয়ে টেকসই প্রবৃদ্ধি করেছে। টার্নওভারে, গ্রস প্রফিট, অপারেটিং প্রফিট, নেট প্রফিট, অপারেটিং অ্যাসেট 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 লক্ষ্য মুক্ত 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 ঝুঁকি এবং অসুবিধা মোকাবেলায় প্রয়োজনীয় পদক্ষেপ গ্রহণের জন্য তৎপর ছিল যদিও বিভিন্ন বিশেষ সুবিধা প্রাপ্ত দেশগুলির প্রতিযোগিতা মূলক সুবিধার সাথে তীব্র আর্থিক প্রতিযোগিতা ছিল। ধারাবাহিক ভাবে বর্ধিত খরচের সাথে, আমরা ব্যয়গুলিকে আয়ন্তের মধ্যে রাখতে সক্ষম হয়েছি।

২০২১-২২ সালের টার্নওভার ৩১১.৭৬ মিলিয়ন টাকার বিপরীতে ২০২২-২৩ অর্থ বছরের শেষে কোম্পানির মোট টার্নওভার ৩১০.৫৯ মিলিয়ন হয়েছে।

ঝুঁকি এবং উদ্বেগ

এদিকে রাশিয়া ও ইউক্রেনের যুদ্ধ এ বছরের মাঝামাঝি থেকে ক্রমবর্ধমান বিশ্ব বাজার বন্ধ করে দিয়েছে। চলমান রাশিয়া-ইউক্রেন যুদ্ধের মধ্যে আসন্ন মন্দার আশঙ্কায় ইইউ এবং মার্কিন বাজারে দুর্বল চাহিদার কারণে চলতি অর্থ বছরের প্রথমদিকে বাংলাদেশ থেকে রপ্তানি কমেছে। ঝুঁকির অনিশ্চয়তার সাথে জড়িত সমস্ত বিষয়নিয়ন্ত্রণকরার জন্য, কোম্পানির একটি শক্তিশালী ব্যবস্থাপনা প্রক্রিয়া রয়েছে।

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা

বোর্ড ইতিমধ্যেই প্রতিষ্ঠিত হয়েছে এবং কার্যকরী অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা চালু আছে যা পরিকল্পনার দিক থেকে ভালো এবং কার্যকর ভাবে প্রয়োগ ও পর্যবেক্ষণ করা হয়েছে। কোম্পানির একটি কার্যকর অভ্যন্তরীণ নিয়ন্ত্রণপদ্ধতি বাস্তবায়নের জন্য নিম্ন লিখিত পদক্ষেপ গুলি নেওয়া হয়েছে :

ক. অভ্যন্তরীণ নিয়ন্ত্রণ কৌশলের ক্ষেত্রে অভ্যন্তরীণ নিরীক্ষকদের পরামর্শ বাস্তবায়নের লক্ষ্যে অভ্যন্তরীণ নিরীক্ষা প্রতিবেদনের নিয়মিত পর্যালোচনা,

খ. কারখানার পাশাপাশি প্রধান কার্যালয়ে পরিকল্পনা, সংগঠিত এবং তদ্বাবধানের সংস্কৃতি অন্তর্ভুক্তির একটি কার্যকর ব্যবস্থা প্রতিষ্ঠা করেছে।

গোয়িং কনসার্ন

কোম্পানির আর্থিক বিবৃতি একটি চলমান উদ্বেগের মধ্য দিয়ে প্রস্তুত করা হয়েছে, যা ব্যবসার স্বাভাবিক গতি পথে সম্পদের দেনা পাওনা অন্তর্ভুক্ত করে। টয়ো স্পিনিং মিলস লিমিটেডের পরিচালনা পর্ষদ একটি বার্ষিক মূল্যায়ন করেছে যে কোনও বস্তগত অনিশ্চয়তা আছে কিনা যা কোম্পানির একটি চলমান উদ্বেগ হিসাবে চালিয়ে যাওয়ার ক্ষমতার উপর উল্লেখ যোগ্য সন্দেহ সৃষ্টি করতে পারে এবং সপ্তাহটিকে একটি চলমান উদ্বেগ হিসাবে নিশ্চিত করে। টয়ো স্পিনিং মিলস লিমিটেডের নিরীক্ষক ৩ জুন, ২০২৩ তারিখে সমাপ্ত বছরের অডিটর রিপোর্টে "বস্তগত অনিশ্চয়তা সম্পর্কিত উদ্বেগ" এবং "বস্তগত জোর" অনুচ্ছেদ দিয়েছেন।

বিএসইসির কাছে পিএসআই প্রচার

টয়ো স্পিনিং মিলস লিমিটেডের নিরীক্ষক ৩০ জুন, ২০২৩ তারিখে সমাপ্ত বছরের অডিটর রিপোর্টে "মার্টেলিসন মালসেসিটি সম্পর্কিত উদ্বেগ" এবং "বস্তগত জোর" অনুচ্ছেদ দিয়েছেন।

ইভাঐঐ আউট লুক

2020 সালের শুরুদিকে কোভিড-19 মহামারীর ঞ্ঠানিতে যথেষ্ট হ্রাস ঘটায়, তবে গত বছরের মানামাঝি থেকে পরিস্থিতি আবার ফিরে আসতে শুরু করে। আন্তর্জাতিক টেক্সটাইল এবং পোশাক বাণিজ্যে বিশ্বায়নের একটি উল্লেখ যোগ্য প্রভাব রয়েছে। বর্তমানে উন্নত দেশ গুলো বহু পোশাক উৎপাদনের জন্য উন্নয়নশীল দেশগুলোর ওপর ব্যাপক ভাবে নির্ভর শীল। বর্তমানে বিশ্বের বৃহত্তম পোশাক উৎপাদনকারী দেশ হিসাবে বাংলাদেশ দ্বিতীয় স্থানে রয়েছে, যেখানে \$20 বিলিয়ন ডলারের ব্যবসার সাথে ৮০% পণ্য রপ্তানি করে আয়করা হয়। বাংলাদেশের বহু শিল্পের বিকাশের প্রধান কারণ হল পরিশ্রমী শ্রমশক্তি। ট্যাগেট পূরণ করতে তারা বাড়তি সময় দিয়েছিল। তাই সাম্প্রতিক সময়ে দেশের মাথা পিছু আয়ওমানুষের জীবন যাত্রার মান উন্নত হয়েছে। দ্বিতীয়ত, দেশটি তৈরি পোশাকখাতে আমেরিকা এবং ইউরোপীয় দেশগুলির সাথে বাণিজ্য করার একটি সুবিধা জনক সুযোগ অর্জন করেছে।

কাঁচা মালের খরচ

এবছর পন্যের কাঁচামালের জন্য খরচ হয়েছিল ৩১.০৪ কোটি টাকা, যা গত বছরে ছিল ৩১.১৫ কোটি। চলতি বছরের জন্য কাঁচা মালের খরচ আগের বছরের থেকে ০.৩৫% কমেছে। এই বৃদ্ধির পেছনে বড় কারণ রাশিয়া ও ইউক্রেনের যুদ্ধ। গত বছরের তুলনায় বিক্রয় বেড়েছে ০.৩৭% কিন্তু নিট মুনাফা নেতি বাচক। গত বছরের তুলনায় পণ্য বিক্রির দাম বেড়েছে।

ত্রৈমাসিক আর্থিক কর্মক্ষমতা এবং বার্ষিক আর্থিক কবিত্বের মধ্যে পার্থক্য

এ বছরে এমন কোনো পরিবর্তন ঘটেনি।

নগদ প্রবাহ বিবৃতি

নগদ প্রবাহের বিবৃতি আন্তর্জাতিক অ্যাকাউন্টিং স্ট্যান্ডার্ড | AS-7 অনুযায়ী নগদ প্রবাহের বিবৃতি তৈরি করা হয়েছে, অপারেটিং কার্যক্রম থেকে নগদ প্রবাহ সরাসরি পদ্ধতির অধীনে উপস্থাপন করা হয়েছে।

ইকুইটি পরিবর্তনের বিবৃতি

ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ড | AS-1 প্রেক্ষেটেশন অফ ফাইন্যান্সিয়াল স্টেটমেন্ট অনুযায়ী ইকুইটি পরিবর্তনের বিবৃতি প্রস্তুত করা হয়েছে।

পরিচালক সমিতির সভায় উপস্থিতি

প্রাসঙ্গিক নিয়ম ও পদ্ধতি এবং বাংলাদেশ সেক্রেটারিয়াল স্ট্যান্ডার্ডস (বিএসএস) অনুসারে এই কোম্পানির বোর্ডের সদস্যরা এর সভায় পরিচালনা করেছে এবং এর পরিচালনা নথিতে রয়েছে।

পরিচালকের পারিশ্রমিক

পর্যালোচনা ধীন সময় কালে, কোম্পানির পরিচালনা পর্ষদের সদস্য স্বাধীন পরিচালক সহ কোম্পানির কাছ থেকে কোনো পারিশ্রমিক পাননি।

কর্পোরেট এবং ফিন্যান্সিয়াল রিপোর্টিং ফ্রেমওয়ার্ক

বোর্ডের সদস্যরা, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের বিজ্ঞপ্তি নং: BSEC/CMR/CD/ 2006-158/207/ Admi n/80 তারিখের 03 জুন, 2018 অনুসারে, নিম্নলিখিত গুলির জন্য আর্থিক প্রতিবেদনের কাঠামোর সাথে সম্মতি নিশ্চিত করেছেন:

- আর্থিক বিবৃতি গুলির ন্যায্যতাঃ টয়ো স্পিনিং লিমিটেড এর ব্যবস্থাপনা কমিটি দ্বারা প্রস্তুত কৃত আর্থিক বিবৃতি গুলি মোটামুটি ভাবে প্রতিষ্ঠানের অবস্থা, এর কার্যক্রমের ফলাফল, নগদ প্রবাহ এবং ইকুইটিতে পরিবর্তন গুলি উপস্থাপন করে।
- হিসাবের ইইস্যু কারীঃ কোম্পানির হিসাবের সঠিক বই রক্ষণাবেক্ষণ করা হয়েছে।
- অ্যাকাউন্টিং নীতিগুলি যথাযথ অ্যাকাউন্টিং নীতিগুলি আর্থিক বিবৃতি তৈরিতে ধারাবাহিকভাবে প্রয়োগ করা হয়েছে এবং অ্যাকাউন্টিং অনুমান গুলি যুক্তি সঙ্গত এবং বিচক্ষণ রায়ের উপরে করা হয়েছে।

d. IAS/IFRS এবং অন্যান্য প্রযোজ্য আইন ও বিধানঃ কোম্পানির বোর্ড অফ ডিরেক্টরসকে প্রকৃত আর্থিক অবস্থান প্রকাশ, BSEC এবং কোম্পানি ACT- 1994 অনুযায়ী সমস্ত ধরণের সংবিধি বদ্ধ বিবৃতি প্রস্তুত ও রক্ষণা বেক্ষণ নিশ্চিত করার দায়িত্ব দেওয়া হয়েছে। পরিচালনা পর্ষদ নিশ্চিত করেছে যে আন্তর্জাতিক অ্যাকাউন্টিং স্ট্যান্ডার্ডস (IAS), ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (IFRS) যেমন বাংলাদেশে প্রযোজ্য, আর্থিক বিবৃতি তৈরিতে অনুসরণ করা হয়েছে এবং সেখান থেকে যে কোনো প্রস্থান পর্যাপ্ত ভাবে প্রকাশ করা হয়েছে।

e. আর্থিক প্রতিবেদন এবং জবাবদিহিতাঃ বোর্ড অফ ডিরেক্টরস প্রতিটি আর্থিক বছর শেষে ১ম ত্রৈমাসিক, অর্ধ-বার্ষিক, ৩য় ত্রৈমাসিক এবং বার্ষিক আর্থিক প্রতিবেদন এবং পর্যালোচনাধীন বছরে সম্পাদিত কোম্পানির বিষয়গুলির সময়মত প্রস্তুত এবং প্রকাশনার মাধ্যমে তাদের যথাযথ দায়িত্ব পালন করেছে। অডিট কমিটি, বোর্ডের সাব-কমিটি তাদের অনুমোদনের জন্য বোর্ডের কাছে স্থাপন করার আগে এই রিপোর্টগুলির ন্যায্যতা, নির্ভুলতা এবং স্বচ্ছতা এবং সম্পূর্ণতা পরীক্ষা করে। কোম্পানি ১ম ত্রৈমাসিক, অর্ধ-বার্ষিক এবং ৩য় ত্রৈমাসিক অ্যাকাউন্টের প্রতিবেদন (অ-অডিট করা অ্যাকাউন্ট) কোম্পানির ওয়েব সাইট, সংবাদ পত্রের মাধ্যমে BSEC এবং DSE-এরতা লিকা বিধিমালা 2015 অনুযায়ী প্রকাশ করেছে এবং BSEC, DSE এবং অন্যান্য নিয়ন্ত্রক কর্তৃপক্ষের কাছে সময়মত জমা দিয়েছে।

অতিরিক্ত সাধারণ লাভ বা ক্ষতি এবং তাদের অন্তর্নিহিততা

এবছরে কোম্পানির দ্বারা কোন উপলব্ধি/অবান্তর অসাধারণ লাভ বা ক্ষতি হয়নি কারণ অন্য কোথাও এমন কোন বিনিয়োগ ছিলনা যা লাভ বা ক্ষতি করতে পারে।

সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থরক্ষা

পরিচালনা পর্ষদ সংখ্যালঘু শেয়ারহোল্ডার সহ প্রতিটি শেয়ার হোল্ডারদের সাথে ন্যায্য এবং সমান আচরণ নিশ্চিত করার জন্য তার সমস্ত প্রচেষ্টা নিবেদিত করেছে। সংখ্যালঘুশেয়ার হোল্ডারদের স্বার্থ রক্ষার জন্য, কোম্পানি জবাবদিহিতা এবং স্বচ্ছতা প্রতিষ্ঠার জন্য বিভিন্ন ব্যবস্থা গ্রহণ করেছে এবং ক্ষুদ্র বিনিয়োগকারী এবং সংখ্যালঘু শেয়ারহোল্ডারদের দ্রুত সেবা দেওয়ার জন্য একটি অনুশীলন ও প্রতিষ্ঠা করেছে। কোম্পানী নিয়ন্ত্রক নির্দেশনাবলীর অধীনেতার অপারেশনে প্রয়োজনীয় সমতাকৌশলগত তথ্য বিনা বিলম্বে সরবরাহ করেছে এবং সংখ্যালঘু শেয়ারহোল্ডারদের আরও ভালভাবে সেবা দেওয়ার চেষ্টা করেছে, কোম্পানি তাদের সচেতন করার জন্য সর্বাধিক জনপ্রিয় চ্যানেল/বিকল্পগুলির মাধ্যমে সমস্ত কৌশলগত সিদ্ধান্ত প্রচার করে।

আর্থিক বিবৃতি তৈরির জন্য অ্যাকাউন্টিং নীতি এবং অনুমান

এই আর্থিক বিবৃতিগুলি বাংলাদেশে প্রযোজ্য আন্তর্জাতিক অ্যাকাউন্টিং স্ট্যান্ডার্ড (IASs) এবং আন্তর্জাতিক আর্থিক প্রতিবেদন মান (IFRSs) অনুসারে ঐতিহাসিক খরচ কনভেনশনের অধীনে প্রস্তুত করা হয়েছে, এবং নিম্নলিখিত IASs এবং IFRS গুলি আর্থিক বিবৃতিগুলির জন্য প্রযোজ্য পর্যালোচনাধীন বছর:

- IAS-1 Presentation of financial statements
- IAS-2 Inventories
- IAS-7 Statement of Cash Flows
- IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS-10 Events after the Reporting Period
- IAS-12 Income Taxes
- IAS-16 Property, Plant and Equipment
- IAS-21 The Effects of Changes in Foreign Exchange Rates
- IAS-23 Borrowing Costs
- IAS-24 Related Party Disclosures
- IAS-33 Earnings Per Share
- IAS-36 Impairment of Assets
- IAS-37 Provisions, Contingent Liabilities and Contingent Assets
- IFRS-7 Financial Instruments; Disclosures
- IFRS-9 Financial Instruments
- IFRS-15 Revenue from contracts with customers
- IFRS-16 Leases

আর্থিক প্রতিবেদন

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

Particulars	2022-2023 Taka	2021-2022 Taka
Sales Revenue	310,597,185	311,765,049
Cost of Goods Sold	310,478,566	311,570,969
Gross Profit	118,619	194,080
Admin/Selling/Written off Expenses	86,260,998	80,240,720
Financial Expenses	144,504,990	158,149,848
Operating Profit/(Loss)	(86,142,379)	(80,046,641)
Non-operating Income		
Allocation to WPPF		
Net Profit/(Loss) Before Tax	(230,647,368)	(238,196,489)
Ratios (%)	%	%
Gross Profit to Sales	0.04	0.06
Admin/Selling/Written off Expenses to Sales	27.77	25.74
Financial Expenses to sales	46.52	50.73

বোর্ড অডিট কমিটি

কোম্পানীর একটি অডিট কমিটি রয়েছে, যা ২০২২-২০২৩ বছরে চারবার মিলিত হয়েছিল, বার্ষিক হিসাবের উপর নিরীক্ষকদের রিপোর্ট সহ প্রথম ত্রৈমাসিক, অর্ধবার্ষিক, তৃতীয় ত্রৈমাসিক এবং ৩০ জুন, ২০২৩ তারিখে শেষ হওয়া বার্ষিক হিসাবগুলি বিবেচনা করার জন্য উপস্থাপন করা হলো।

এপ্রোপ্রিয়েশন এবং লভ্যাংশ

পরিচালকরা নিম্নলিখিত হিসাব উপস্থাপন করার প্রস্তাব করেন:

Particulars	2022-2023 Taka	2021-2022 Taka
Accumulated Surplus/Deficit-Opening Balance	(115,228,855)	(963,355,431)
Add : Net Profit/(Loss) for the year	(259,452,251)	(269,661,871)
Accumulated (Deficit) / Surplus	(1,334,391,865)	(1,152,228,855)

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

পরিচালনা পর্ষদ ও নির্বাচন

নিম্নলিখিত ব্যক্তির 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 01.07.2022	Amount Taka	Share held 30.06.2023	Amount Taka
Mr. Md. Rafiqul Haque	Chairman	6,164,343	61,643,430	6,164,343	61,643,430
Mr. Md. Atiqul Haque	Managing Director	6,164,345	61,643,450	6,164,345	61,643,450
Mr. Md. Mahbub-UI Haque	Director	6,164,345	61,643,450	6,164,345	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 কারখানা এলাকায় দূষণমুক্ত পরিবেশের উচ্চ মান বজায় রাখতে প্রতিশ্রুতিবদ্ধ। সে অনুযায়ী প্রতি বছর কারখানাল চত্বরে বৃক্ষরোপণ কার্যক্রম বাস্তবায়ন করা হচ্ছে।

সংবিধিবদ্ধ অডিটর নিয়োগ:

কোম্পানির বর্তমান নিরীক্ষক খান ওয়াহাব শফিক রহমান এন্ড কোঃ, চার্টার্ড অ্যাকাউন্ট্যান্টস, বিএসইসির একটি প্যানেল অডিটর। অডিট কমিটির সুপারিশে, বোর্ড খান ওয়াহাব শফিক রহমান এন্ড কোঃ, চার্টার্ড অ্যাকাউন্ট্যান্টস, রূপালি বীমা ভবন, ৭, রাজউক এভিনিউ (৫ম এবং ৬ষ্ঠ তলা) মতিঝিল সি/এ, ঢাকা-১০০০-কে কোম্পানির সংবিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগ করেছে 2022-2023 আর্থিক বছরের জন্য। 2023-2024 বছরের জন্য তারা আগ্রহ প্রকাশ করেছে পারিশ্রমিক ৮০,০০০/- টাকা নির্ধারণের সাথে (টাকা আশি হাজার) মাত্র।

কর্পোরেট গভর্নেন্স অডিটর

কর্পোরেট গভর্ন্যান্স হল ডাল 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 ২০২২-২৩ 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।

হারুনের রশিদ অ্যান্ড অ্যাসোসিয়েটস, চার্টার্ড সেক্রেটারি, 2022-2023 আর্থিক বছরের জন্য কমপ্রায়েস অডিট পরিচালনার জন্য পরিচালনা পর্ষদ দ্বারা নিযুক্ত করা হয়েছিল। হারুনের রশিদ অ্যান্ড অ্যাসোসিয়েটস। চার্টার্ড সেক্রেটারি, 25,000/- টাকা ফিতে 2023-2024 আর্থিক বছরের জন্য কমপ্রায়েস অডিট পরিচালনা করার ইচ্ছা প্রকাশ করেছে।

কর্পোরেট গভর্নেন্স

কোম্পানি সূশাসন 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 প্রযোজ্য নিয়ম ও বিধান মেনে চলে। (পরিশিষ্ট-১)

কোম্পানির বোর্ড ১ (এক) স্বাধীন পরিচালক সহ ৫ (পাঁচ) সদস্য নিয়ে গঠিত, কোম্পানির পরিচালনার জন্য সর্বোচ্চ কর্তৃপক্ষ এবং বোর্ড ২ (দুই) টি কমিটি গঠন করে একটি অডিট কমিটি এবং অন্যটি হল মনোনয়ন এবং পারিশ্রমিক। কোম্পানিতে সূশাসন নিশ্চিত করতে কমিটিতে চেয়ারম্যান ও ম্যানেজিং ডিরেক্টর পদে দুজন ব্যক্তি পূরণ করেছেন। কোম্পানিতে চিফ ফাইন্যান্সিয়াল অফিসার, কোম্পানি সেক্রেটারি এবং হেড অফ ইন্টারনাল অডিট এবং কমপ্রায়েস 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। টয়ো স্পিনিং মিলস লিমিটেডের পরিচালনা পর্ষদ বলেছে যে কর্পোরেট গভর্নেন্স কোডের শর্ত ৬ এ বর্ণিত শর্তগুলি মেনে চলতে হবে।

কর্পোরেট গভর্নেন্স 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 জন্য একটি নীতি আছে।

টয়ো স্পিনিং মিলস লিমিটেডের পরিচালনা পর্ষদ ২৬ ডিসেম্বর, ২০২৩ 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। আমাদের সম্মানিত গ্রাহক, পৃষ্ঠপোষক, শেয়ারহোল্ডারবৃন্দ, কোম্পানিতে কর্মরত শ্রমিক কর্মচারীদের এবং শুভাকাঙ্খীদের আন্তরিক ধন্যবাদ জ্ঞাপন করছি যাদের অগ্রসর পরিশ্রমে ও আর্থিক সহায়তায় কোম্পানীর অগ্রযাত্রা সম্ভব হয়েছে। এখানে উপস্থিত হয়ে সভাকে সার্থক করার জন্য কোম্পানীর তরফ থেকে সবাইকে জানাই আন্তরিক অভিনন্দন এবং আশেষ ধন্যবাদ।

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

পরিচালক পর্ষদের পক্ষে

মোঃ রফিকুল হক

ব্যবস্থাপনা পরিচালক

২৫ ডিসেম্বর, ২০২৩

Annexure –VIII: Nomination and Remuneration Committee (NRC) Report

The Nomination & Remuneration Committee of Toyo Spinning Mills Limited has re-constituted by the Board of Directors, as required by the Corporate Governance Code-2018 of Bangladesh Securities and Exchange Commission (BSEC) notification.

The NRC Committee reconstituted as on 25th April 2023 by the Board who formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board. The Board of NRC committee is comprised of three members of the Board including one independent director and two non-executive directors.

The NRC Committee consists of the following persons:

Sl. No.	Name of the Members of the NRC	Position in the Company	Position in the Committee
1.	Md. Abu Saleh	Independent Director	Chairman
2.	Md. Atiqul Haque	Managing Director	Member
3.	Md. Mahbub-Ul Haque	Director	Member

Md. Mominur Rahman, Company secretary join the meeting as a secretary. Managing Director and Human Resource & Administration Head of the Company attend the meeting as invitation.

The Role of NRC

- This committee is accountable to the Board and to the shareholders.
- This committee assists the Board for formulating and determining the qualification of Directors and senior level executives as well as fix up their remuneration.
- Developing the succession planning of future Board members.
- Assist the Board as required to identify individuals who are qualified to become Directors and who may be appointed in top level executive position in accordance with the nomination criteria laid down, and recommend their appointment/re-appointment and removal to the Board.
- Review and recommend to the Board the policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Review the Code of Conduct of Board on a periodic basis, and recommend any amendments for Board consideration.
- Developing, recommending and reviewing annually the company's human resources and training policies.
- Review and recommend to the Board the meeting attendance fees for the Non-Executive Directors of the Board.
- Formulate the transparent and standard process for selection of the Board members.

This Committee has already conducted a 01 meeting as per fulfilling the requirement of corporate governance code-2018 and taken some initiative as per following manner-

- To recommend for the appointment of Director.
- To recommend for the appointment of an independent Director
- Review the Code of Conduct of NRC.

Meeting Attendance

During the reporting period under review, the Committee held total two (02) meetings. The attendance of the members at these meeting is as under:

Name	Designation	Total Meetings Held	No. of Meetings Attended
Md. Abu Saleh	Independent Director	02	02
Md. Atiqul Haque	Managing Director	02	02
Md. Mahbub-Ul Haque	Director	02	02

Implementation

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate. Nomination and Remuneration Committee (NRC) expressed their sincere thanks to the members of the Board of Directors, management of the Company for their outstanding support and Co-operation.

On behalf of the Nomination & Remuneration Committee.

Md. Abu Saleh, Independent Director
Chairperson of Nomination and Remuneration Committee
21 November, 2023
Dhaka

Annexure-IX

Dividend Policy

TSML has emphasized maintaining all the provisions, guidelines and standard practices in the industry to declare its divided. The company always considers the interests of its shareholders before all other issues and it has continued to share its profits and gains among the real owners of the company. The Record Date of TSML for 34th AGM has been fixed on 30th December 2023.

AUDIT COMMITTEE REPORT
For the Year ended 30th June 2023

Toyo Spinning Mills Limited having an Audit Committee as a subcommittee 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. Atiqul Haque, Managing Director	- Member
Mr. Md. Mahbub-Ul 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 statements 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: 25 December, 2023

ANNEXURE-I**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 were 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 2022-2023 were as follows:

Name of Directors	Meeting Held	Attended
Mr. Md. Atiqul Haque	4	4
Mr. Md. Rafiqul Haque	4	4
Mr. Md. Mahbub-Ul Haque	4	4
Mr. Md. Shafiqul Islam (Nominated by BDBL)	4	4
Md. Abu Saleh (Independent Director)	4	4

- The pattern of shareholding (along with name wise detail) of parent/subsidiary/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, 2023 is stated in ANNEXURE-II
- Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE-III.
- Key operating and financial data of last eight years have been presented in summarized form as Past Financial Statistics in ANNEXURE-IV.

ANNEXURE-II

Pattern of shareholding as on June 30, 2023

Particulars	Shares Held	Percentage	Remark
Parent Company			N/A
Associated Companies:			N/A
Directors & Sponsors:			
Mr. Md. Rafiqul Haque	6,164,343	6.90%	
Mr. Md. Mahbub-Ul Haque	6,164,345	6.90%	
Mr. Md. Atiqul Haque	6,164,345	6.90%	
Chief Executive Officer(CEO) and his spouse and minor children:			
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 Corporate Governance Code (CGC), 2018**[TOYO KNITEX (CEPZ) LIMITED]**

Status of compliance for the period ended 30 June 2023 of TOYO KNITEX (CEPZ) LIMITED with the Conditions imposed by BSEC's Notification on Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under Section 20C of the Securities and Exchange Ordinance, 1969 is presented below:

(Report Under condition No. 9)

Condition No.	Title	Compliance Status (✓/ has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors (BoD)			
1(1)	Size of the Board of Directors (number of Board members minimum 5 and maximum 20).	✓		There are 5 Directors
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors.	Not Complied		One Independent Directors in the Board
1(2)(b)	Independent Director means a Director			
1(2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the company.	✓		As declared by the Independent Directors
1(2)(b)(ii)	Not a sponsor of the company or not connected with the company's any sponsor/director/nominated director/shareholder/associates/sister concerns/subsidiaries and parents or holding entities who holds 1% or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family member also shall not hold said mentioned shares in the company.	✓		Do
1(2)(b)(iii)	Not been an executive of the company in immediately preceding 2 (two) financial years.	✓		Do
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company/subsidiary/associated companies.	✓		Do
1(2)(b)(v)	Not a member or TREC holder, director or officer of any stock exchange.	✓		Do
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		Do
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or conducting special audit or professional certifying compliance of the Code.	✓		Do
1(2)(b)(viii)	Not be an independent director in more than 5 (five) listed companies.	✓		Do

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or NBFIs.	√		Do
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude.	√		Do
1(2)(c)	Appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		Appointed at AGM
1(2)(d)	Not remain vacant for more than 90 (ninety) days.	---	---	No such event in the year
1(2)(e)	The office tenure of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	Qualification of Independent Director			
1(3)(a)	Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to the business.	√		The qualification and background of Independent Directors justify their abilities as such
1(3)(b)(i)	Business Leader: Promoter or director of an unlisted company having minimum paid-up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association.	√		
1(3)(b)(ii)	Corporate Leader: Top level executive not lower than Chief Executive Officer /Managing Director/Deputy Managing Director/Chief Financial Officer/Head of Finance or Accounts/Company Secretary/Head of Internal Audit and Compliance/Head of Legal Service or a person with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100 million or of a listed company.	—	—	Not applicable
1(3)(b)(iii)	Former Govt. Official: Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale having educational background of bachelor degree in economics or commerce or business or law.	—	—	Do
1(3)(b)(iv)	University Teacher: Having educational background in economics or commerce or business studies or law.	—	—	Do
1(3)(b)(v)	Professional: An advocate practicing in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	√		
1(3)(c)	Shall have at least 10 (ten) years of experiences as mentioned in clause 1(3)(b)(i) to (v).	√		

Condition No.	Title	Compliance Status ("√ has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)(d)	In special cases, the above qualifications may be relaxed subject to prior approval of the Commission.	–	–	None
1(4)	Duality of Chairperson of the Board of Directors and Managing Director			
1(4)(a)	Chairperson of the Board and the Managing Director of the company shall be filled by different individuals.	√		They are different individuals
1(4)(b)	The Managing Director (MD) of a listed company shall not hold the same position in another listed company.	√		The MD does not hold the same position in any other listed company
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	√		The Chairperson is elected from amongst the non-executive directors
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director.	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	.....	.....	No such event in the year
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry.	√		Included in the Director's Report
1(5)(ii)	The segment-wise or product-wise performance.	√		Do
1(5)(iii)	Risks and concerns.	√		Do
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		Do
1(5)(v)	Discussion on continuity of an extraordinary activities and their implications (gain or loss).	√		Do
1(5)(vi)	Disclosure for related party transactions.	√		Do
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or any other instruments.	√		Do
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Share Offer, Direct Listing, etc.	.....	.....	No such case
1(5)(ix)	Explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.	√		Included in the Director's Report
1(5)(x)	Disclosure for remuneration paid to the directors including independent directors.	√		Do

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xi)	Fairness of financial statements.	√		Do
1(5)(xii)	Maintenance of proper books of accounts.	√		Do
1(5)(xiii)	Adoption of appropriate accounting policies and estimates.	√		Do
1(5)(xiv)	Followed IAS or IFRS as applicable in preparation of the financial statement and departure there from has been adequately disclosed.	√		Do
1(5)(xv)	Internal control system is sound in design and has been effectively implemented and monitored.	√		Do
1(5)(xvi)	The interest of the minority shareholders have been duly protected.	√		Do
1(5)(xvii)	Going concern (ability to continue as a going concern).	√		Do
1(5)(xviii)	Highlighted and explain significant deviations from the last year's operating results.	√		Do
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Do
1(5)(xx)	Reasons for non-declaration of dividend.	----	----	Not applicable
1(5)(xxi)	No bonus share or stock dividend has been declared as interim dividend during the year.	√		As confirmed in the Director's Report
1(5)(xxii)	Total number of Board meetings held during the year and attendance by each director.	√		Disclosed in the Director's Report
1(5)(xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares)			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties.	√		Included in the Director's Report
1(5)(xxiii)(b)	Directors, MD, CS, CFO, HIAC and their spouses and minor children.	√		Do
1(5)(xxiii)(c)	Executives (top five (5) other than mentioned 1(5)(xxiii)(b).	√		Do
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest.	√		Do
1(5)(xxiv)	In case of the appointment/reappointment of a director, disclose			
1(5)(xxiv)(a)	A brief resume of the director.	√		Do
1(5)(xxiv)(b)	Expertise in specific functional areas.	√		Do
1(5)(xxiv)(c)	Holding the directorship and the membership of committees of the Board other than AFL.	√		Do
1(5)(xxv)	Management's Discussion and Analysis			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		Do
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, disclose the effects on financial results and position as well cash flows.	----	----	Not applicable

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxv)(c)	Comparative analysis of financial results and positions as well as cash flows for current year with immediate preceding five years.	√		
1(5)(xxv)(d)	Compare financial results and positions as well as cashflows with the peer industry.	√		
1(5)(xxv)(e)	Discussion on financial and economic scenario of the country and the global.	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position.	√		
1(5)(xxvi)	Declaration on Financial Statements for the year ended on 30 June 2023 by the MD and the CFO to the Board.	√		
1(5)(xxvii)	The report and the certificate regarding compliance of conditions of Corporate Governance Code.	√		
1(6)	Meetings of the Board of Directors			
	Meeting of the Board of Directors and record the minutes as well as keep required statutory books and records in line with the relevant provisions of Bangladesh Secretarial Standards (BSS) duly adopted by Institute of Chartered Secretaries of Bangladesh (ICSB).	√		
1(7)	Code of Conduct (CoC) for Board of Directors			
1(7)(a)	The Board shall lay down a code of conduct, for the Chairperson of the Board, other board members and Managing Director.	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	The composition of the Board of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	–	–	Not applicable, since there is no subsidiary of the company.
2(b)	At least 1 (one) Independent Director on the Board of the holding company shall be a Director on the Board of the subsidiary company.	–	–	Not Applicable
2(c)	Submission of Minutes to the holding company.	–	–	Not Applicable
2(d)	Review of Minutes by the holding company.	–	–	Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	–	–	Not Applicable

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3	Managing Director (MD), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC).	Not Complied		
3(1)(b)	The positions of the MD, CS, CFO, HIAC shall be filled by different individuals.	√		They are different individuals
3(1)(c)	The MD, CS, CFO and HIAC of a listed company shall not hold any executive position in other company.	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of CFO, HIAC and CS.	√		
3(1)(e)	With Board's approval the MD, CS, CFO and HIAC are removed from their position and immediate dissemination to the commission and stock exchanges.	√		No such case in the reporting year
3(2)	The MD, CS, CFO and HIAC of the company shall attend the meetings of the Board except such part of the meeting which involves an agenda relating to their personal matters.	√		
3(3)(a)	The MD and CFO shall certify to the board that they have reviewed financial statements for the year 2022-2023 and to the best of their knowledge and belief			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		The MD & CFO duly certified the Board as given in the Annual Report
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		Do
3(3)(b)	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 code conduct for Board of Directors.	√		Do
3(3)(c)	The certification of the MD and CFO shall be disclosed in the Annual Report.	√		Do
4	Board of Directors' Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee (NRC)	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board.	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(1)(b)	Assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	Shall be composed of at least 3 (three) members.	√		There are 3 members
5(2)(b)	The Board shall appoint members of the Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	√		
5(2)(d)	Casual vacancy shall be filled by the Board not later than 1 (one) month from the date of vacancy.	---	---	No such event in the year
5(2)(e)	The company secretary shall act as the secretary of the Committee.	√		
5(2)(f)	The quorum of the Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Committee, who shall be an independent director.	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	---	---	No such event in the year
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		4 meeting held
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	√		
5(5)(b)	Monitor choice of accounting policies and principles.	√		

Condition No.	Title	Compliance Status ("√ has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.	√		
5(5)(d)	Oversee hiring and performance of external auditors.	√		
5(5)(e)	Hold meeting with the statutory auditors for review of the annual financial statements before submission to the Board for approval.	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval.	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	√		
5(5)(h)	Review the adequacy of internal audit function.	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	√		
5(5)(j)	Review all related party transactions.	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	-	-	No such case in the year
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.	√		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.	-	-	Not applicable
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests.	-	-	Not applicable
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements.	-	-	Not applicable
5(6)(a)(ii)(c)	Report on suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations.	-	-	Not applicable
5(6)(a)(ii)(d)	Report on any other matter deems necessary shall be disclosed to the Board immediately.	-	-	Not applicable
5(6)(b)	Reporting to BSEC (if any material impact on the financial condition and results of operation, unreasonably ignored by the Board and management).	-	-	Not applicable
5(7)	Reporting to the shareholders of Audit Committee activities, which shall be signed by the Chairperson of the committee and disclosed in the Annual Report.	√		Audit Committee report duly given in the Annual Report

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.	✓		
6(1)(b)	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, top level executive.	✓		The NRC duly discharged its responsibilities
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing.	✓		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director.	✓		
6(2)(b)	All members of the Committee shall be non-executive directors.	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee.	✓		
6(2)(e)	Casual vacancy shall be filled by the Board within 180 days of occurring such vacancy.	.....	.....	No such event in the year
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.	.....	.....	No such event in the year
6(2)(g)	The company secretary shall act as the secretary of the Committee.	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	.....	.....	No such event in the year

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		Two meeting held
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	-	-	No such case in the year
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must.	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	Disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Not Complied		
7	External or Statutory Auditors			
7(1)(i)	Non- engagement in appraisal or valuation services or fairness opinions.	√		As declared by the Auditor

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System.	√		Do
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements.	√		Do
7(1)(iv)	Non-engagement in Broker-Dealer services.	√		Do
7(1)(v)	Non-engagement in Actuarial services.	√		Do
7(1)(vi)	Non-engagement in Internal Audit or special audit services.	√		Do
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines.	√		Do
7(1)(viii)	Non-engagement in audit or certification services on compliance of Corporate Governance as required under condition no. 9(1).	√		Do
7(1)(ix)	Non-engagement of any other service that creates conflict of interest.	√		Do
7(2)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment; his or her family members also shall not hold any shares in the said company.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	Not Complied		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditor or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		The certification is given in the Annual Report
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		Appointed at AGM
9(3)	The directors of the company shall attach the compliance status in the directors' report whether the company has complied with these conditions or not.	√		Given in the Annual Report

ANNEXURE-IV

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

Assets, Liabilities, And Equity

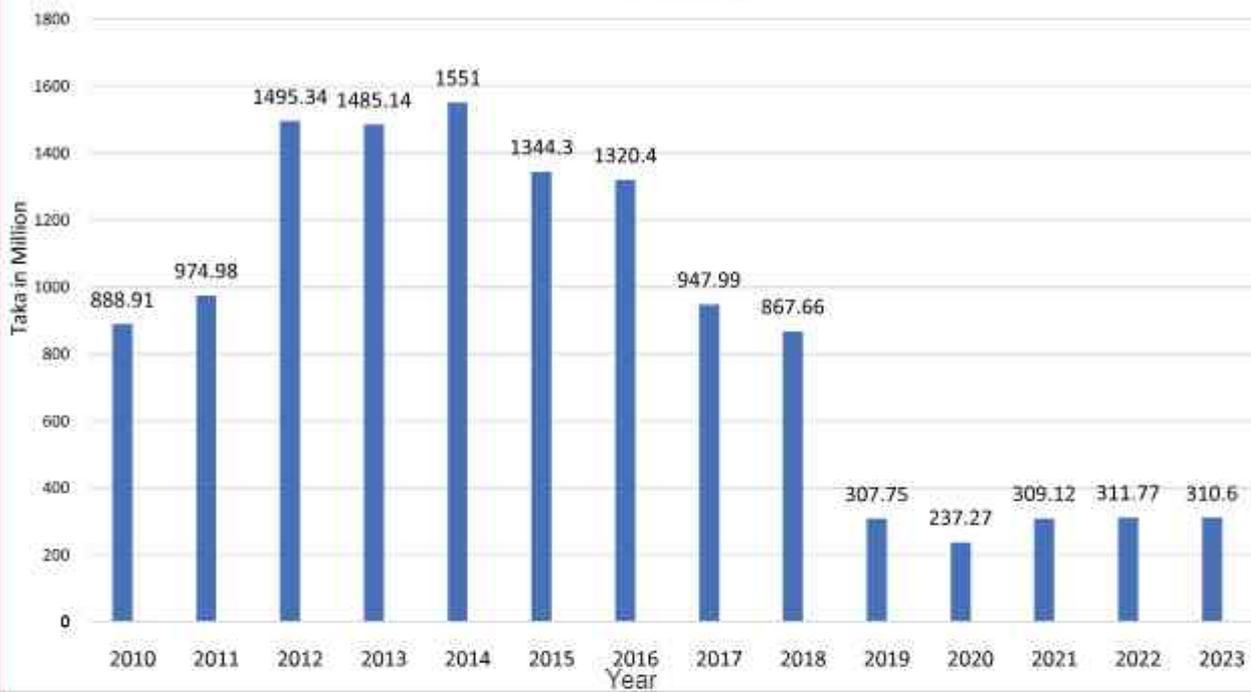
(Taka in Million)

Year	Fixed Assets	Current Assets	Total Equity	Non Current Liabilities	Current Liabilities
2009	579.79	674.05	199.55	532.17	522.12
2010	676.55	743.23	205.48	805.13	409.16
2011	850.9	713.74	223.59	895.15	445.9
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	1314.8	805.72	477.79
2015	1392.61	1287.84	1325.14	820.55	535.77
2016	1327.5	1400.79	1270.4	912.38	546.51
2017	1288.92	1411.11	1170.03	994.25	536.74
2018	1246.43	1468.2	1069.4	1089.29	556.94
2019	1215.92	1320.68	826.34	1204.93	505.33
2020	1158.66	1200.5	525.48	1198.16	635.51
2021	3053.12	1069.04	2211.36	1223.12	687.75
2022	2938.52	1024.30	1941.70	1355.13	665.99
2023	2829.24	1044.81	1682.25	1683.49	508.31

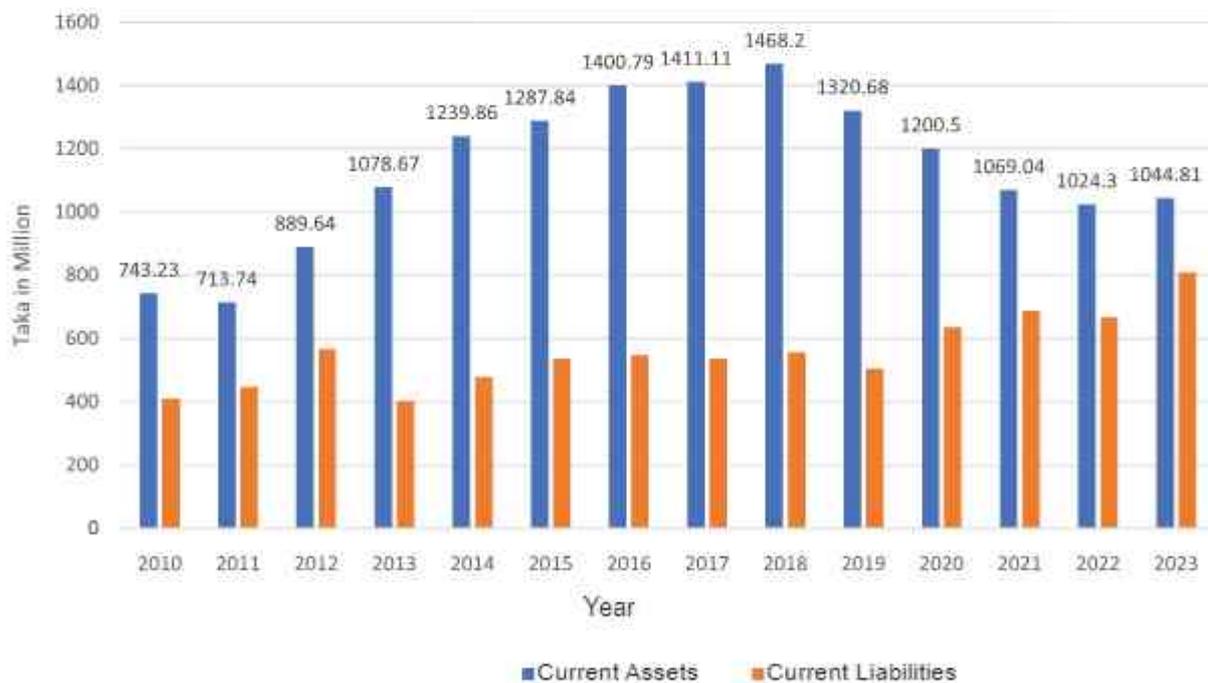
Sales, Net Profit, Rate of Dividend

Year	Sales (Turnover)	Costs Of Goods Sold	Net Profit Before Tax	Rate of Dividend	Reserve & Surplus
2009	816.91	698.53	(18.42)		00.58
2010	888.91	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)
2022	311.77	311.57	(238.20)		(1152.23)
2023	310.60	310.47	(230.65)		(1334.39)

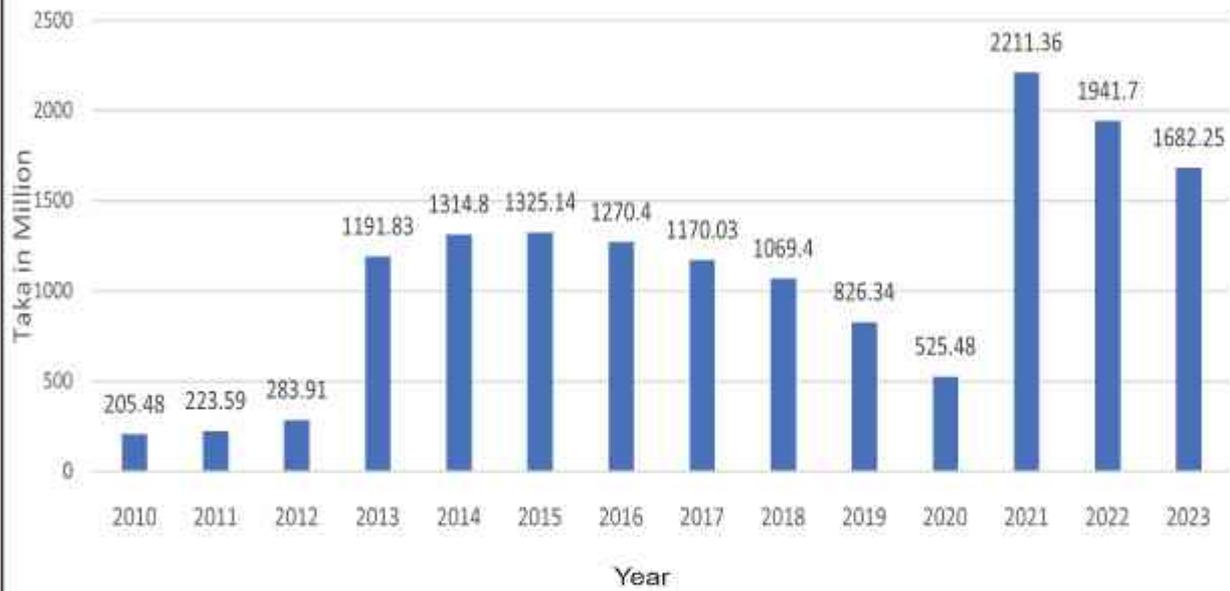
Turnover



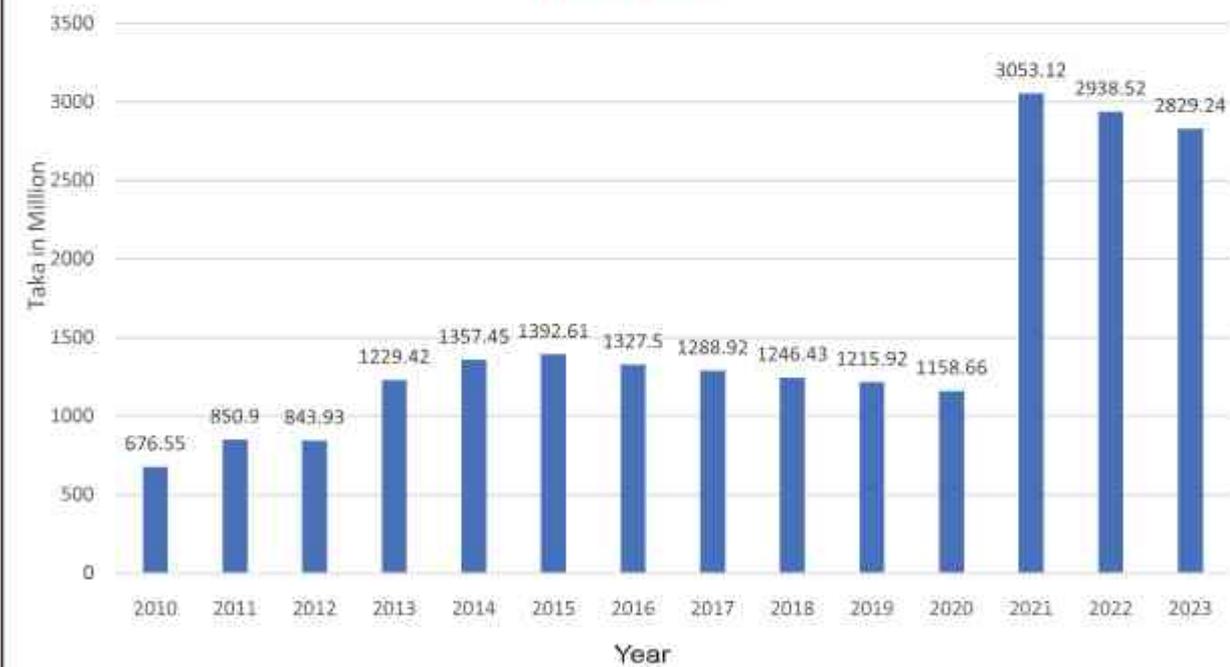
Current Asset & Liability



Total Equity



Fixed Asset



**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, 2023

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, 2023 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, 2023 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. Ruman Mia
Chief Financial Officer (CFO)

**Report to the Shareholders of
Toyo Spinning Mills 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 30th June, 2023. 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 except 1(5)(ix),1(5)(xx),1(5)(xxiv)(c),1(7)(b).

Haruner Rashid & Associates
Chartered Secretaries



A.K.M. Haruner Rashid, LL.B, FCS
CEO & Lead Consultant

Place: Dhaka

Dated: December 5, 2023

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	2022-2023	2021-2022	2020-21	2019-20	2018-19
Turnover (Gross)	310.59	311.77	309.12	237.27	307.75
Net Profit before tax	(230.64)	(238.20)	(259.96)	(299.58)	(240.29)
Earnings Per Share	(2.90)	(3.02)	(3.21)	(3.37)	(2.72)

d) Comparison of financial performance, financial position.

Toyo Spinning Mills Limited is the manufacturing company in Bangladesh to produce different types of own branded biscuits and breads. Management analyzes the financial performance and growth of the company with other related manufacturing company also analyzes 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 (TSML) in which TSML Directors hold Directorship and Committee Membership

Sl. No.	Name of Directors	Directorship	Member of the Board Committee
1.	Mr. Md. Rafiqul Haque	1) Toyo Knitex (CEPZ) Ltd. 2) Bangas Ltd.	Board of Directors and Member, Audit Committee & NRC
2.	Mr. Md. Atiqul Haque	1) Toyo Knitex (CEPZ) Ltd. 2) Bangas Ltd.	Board of Directors and Member, Audit Committee & NRC
3.	Mr. Md. Mahbub-UI Haque	1) Toyo Knitex (CEPZ) Ltd. 2) Bangas Ltd.	Board of Directors and Member, Audit Committee & NRC
4.	Mr. Md. Shofiqul Islam	Nil	Nil
5.	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 Toyo Spinning Mills Limited. 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 of
TOYO SPINNING MILLS LTD
Report on the Audit of the Financial Statements**

Qualified 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, 2023 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, 2023 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 Qualified Opinion

1. We refer to note no. 3.2 regarding impairment. The management has stated that assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. No such fixed Assets has been impaired during the year.

In our judgement Property, Plant and Equipment of the company have impaired substantially, if impairment impact was given, net loss would have been increased to that extent.

2. We also note that there is huge overstatement in valuation of Raw Materials, it would have been required to write the inventories down to their net realizable value or cost whichever is lower. If the impact of write down value was given, the net loss would have been increased to that extent.

3. We refer to note number 25 Accounts Receivable. In our judgement, maximum amount of the Accounts Receivable is uncollectable, because account receivable were not collected for a long time.

We have sent letters to customers for confirmation of the balance outstanding with them as of 30th June, 2023. But no reply was received up to date of signing of the report.

4. Advance & prepayments that are presented under note number 26. The management have not provided us any documents about deposit, in our judgement maximum amount is not adjustable / collectable.

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 the year. Reported net loss of the company for the year 2020, 2021, 2022& 2023 are almost Tk.300.85 mn, 286.78 mn,269.66 mn& 259.45 mnrespectively. 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.144.50mn in conjunction with operating loss ofTk.(86.14) mnreported in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2023, 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:

1. 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.

2. The revaluation surplus arising from the revaluation of an asset has not been separately considered in the calculation of deferred tax liability. Instead, the revaluation surplus has been treated as part of the asset's cost, potentially resulting in an understatement of the deferred tax liability.

These are 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. Consecutive loss, legal proceedings, and Going Concern assumption

Ref: Note 2.8

Key audit matters	How our audit address the matter
The company has reported consistently declining net losses for the past four years, totaling nearly Tk. 1.117 billion over that period. Additionally, the current year's statement of profit or loss shows a negative interest cover ratio, with financing expenses of Tk. 144.50 million exceeding the operating loss of Tk. 86.14 million. This raises concerns about the company's ability to meet its ongoing financial obligations, including loan repayments. Failure to secure refinancing or loan rescheduling could lead to a lack of working capital and hinder essential capital expenditure, potentially jeopardizing the company's ability to continue	We performed additional procedures to assess the going concern assumption, including: <ul style="list-style-type: none"> Evaluating management's plans to address the identified risks, such as cost-cutting measures, revenue growth strategies, or potential capital injections. Obtaining confirmation from lenders regarding their future lending intentions. Reviewing the company's cash flow projections and assessing its ability to meet its upcoming debt obligations. We assessed the potential impact of the litigation on the company's financial statements, including evaluating the claims

operating as a going concern.

Moreover, the company is currently facing ongoing litigation, filed by Bangladesh Development Bank Limited and International Leasing. The outcome of these legal proceedings remains uncertain and could have a significant impact on the company's financial position and future operations.

The going concern assumption underpins the entire financial reporting process. If there is significant doubt about the company's ability to continue as a going concern, the financial statements may not accurately reflect its financial position and performance. This can have serious implications for stakeholders, including lenders, investors, and management.

made by the plaintiffs and considering management's legal counsel's opinion on the case's likelihood of success.

- We performed additional procedures to obtain sufficient audit evidence regarding the company's ability to meet its existing and potential future financial obligations arising from the litigation.
- We considered the potential impact of the litigation on the company's ability to continue as a going concern.

2.Revenue Recognition

Ref: Note 29.00

Key audit matters	How our audit address the matter
<p>The company recognized revenue of Tk. 310,597,185/- during 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>

3. Regulatory Environment

Ref: Note: 2.1

Key audit matters	How our audit address the matter
<p>The company is a listed entity and is exposing to many regulatory requirements of local authorities. Besides Companies Act-1994, Bangladesh Securities and Exchange Rules-2020, Income Tax Act 2023 & Value Added Tax Act-2012 and other directives of Bangladesh Securities and Exchange Commission. The company shall also comply with DSE & CSE Listing Regulations.</p>	<p>We clearly encoded the reporting requirements and regulatory environment of the company.</p> <ul style="list-style-type: none"> -We checked the compliance of the financial statements for disclosure made by the company regarding regulatory environment. -We reviewed the compliance status of the company with the applicable laws and regulations. We reviewed management's intentions to comply with the regulatory environment. - we assessed the ability / availability of management personnel to comply with regulations.

4. 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 139,499,543/- which is equivalent to 3.60% compared to total assets of the company.</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>Our approach includes but not limited to following:</p> <ul style="list-style-type: none"> -We verified that right opening balances are carried forward in deferred tax account. -We made sure that ,the tax base is according to Income Tax Act and the accountant of the company have clear understanding of posting the associated journal entries. -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.

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 and payments made were for the purposes of the Company's business.

Place: Dhaka
Date: 28-12-2023

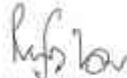


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md Tanjilur Rahman FCA
Partner
Enrolment No.: 1885
Firm's Registration No.: 11970 E. P.
DVC: 2312281885AS708154

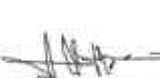
Toyo Spinning Mills Limited
Statement of Financial Position
As at 30th June, 2023

PARTICULARS	Notes	30 June, 2023 Taka	30 June, 2022 Taka
NON CURRENT ASSETS:			
Property, Plant and Equipments	8	2,828,236,186	2,937,524,010
Investment in Central Depository Bangladesh Limited	9	1,000,000	1,000,000
Total Non-Current Assets		2,829,236,186	2,938,524,010
CURRENT ASSETS :			
Inventories	10	487,340,985	487,399,301
Accounts Receivables	11	399,547,697	409,181,138
Advances, deposits and prepayments	12	139,334,710	108,235,880
Tax Deducted at Source	13	16,052,051	16,052,051
Cash and cash equivalents	14	2,542,788	3,429,724
Total Current Assets		1,044,818,232	1,024,298,094
Total Assets		3,874,054,417	3,962,822,104
SHAREHOLDER'S EQUITY AND LIABILITIES			
Share Capital	15	893,353,750	893,353,750
Retained Earnings	16	(1,334,391,865)	(1,152,228,855)
Revaluation Surplus	17	2,123,288,022	2,200,577,264
		1,682,249,908	1,941,702,159
NON- CURRENT LIABILITIES :			
Term Loan (Secured)	18	1,543,993,576	1,242,573,977
Deferred Tax Liability	19	139,499,543	112,558,243
Total Non Current Liabilities		1,683,493,119	1,355,132,221
Current Liabilities:			
Short Term Loan (Secured)	20	-	300,501,900
Creditors for Goods & Expenses (Unsecured)	21	11,315,972	8,313,119
Creditors for Other Finance	22	421,851,120	283,891,989
Income Tax Payable	23	75,144,298	73,280,715
Total Current Liabilities		508,311,391	665,987,724
Total Shareholder's Equity and Liabilities		3,874,054,417	3,962,822,104
Net Asset Value Per Share		18.83	21.73

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



Md. Rafiqul Haque
Chairman



Md. Atiqul Haque
Managing Director



Md. Mominur Rahman
Company Secretary



Md. Rumon Mia
Chief Financial Officer

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

Dated: Dhaka
28 December, 2023

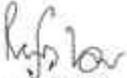


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Tanjilur Rahman FCA
Partner
Enrolment No.: 1885
Firm's Registration No.: 11970 E, P.
DVC: 2312281885AS708154

Toyo Spinning Mills Limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 AS AT 30 JUNE, 2023

PARTICULARS	NOTES	TOTAL TAKA JUNE 30, 2023	TOTAL TAKA JUNE 30, 2022
Turnover	26	310,597,185	311,765,049
Less: Cost of Goods sold	27	310,478,566	311,570,969
GROSS PROFIT		118,619	194,080
Less:			
Administrative expenses	29	12,879,067	12,948,830
Impairment Losses	11	66,564,761	62,620,745
Selling and Distribution Expenses	30	6,817,170	4,671,145
Total Cost and Expense		86,260,998	80,240,721
OPERATING PROFIT/(LOSS)		(86,142,379)	(80,046,641)
Financial Expenses	31	144,504,990	158,149,848
Add: Non-Operating Income	32	-	-
Less: Non-Operating Loss	-	-	-
NET PROFIT/(LOSS) BEFORE WPPF		(230,647,368)	(238,196,489)
Less: Allocation for WPPF		-	-
NET PROFIT/(LOSS) BEFORE TAX		(230,647,368)	(238,196,489)
Less: Tax Expenses			
Current Tax		1,863,583	1,870,590
Deferred Tax Expenses/(Income)	25	26,941,300	29,594,791
Total Tax Expenses		28,804,883	31,465,382
NET PROFIT/(LOSS) AFTER TAX		(259,452,251)	(269,661,871)
Earnings per Share	34	(2.90)	(3.02)

The annexed notes are integral part of these accounts.


Md. Rafiqul Haque
 Chairman


Md. Atiqul Haque
 Managing Director


Md. Mominur Rahman
 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.

Dated: Dhaka
 28 December, 2023

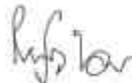

Khan Wahab Shafique Rahman & Co.
 Chartered Accountants
 Signed by: **Md. Tanjilur Rahman FCA**
 Partner
 Enrolment No.: 1885
 Firm's Registration No.: 11970 E. P.
 DVC: 2312281885AS708154

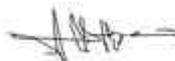
Toyo Spinning Mills Limited
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

PARTICULARS	SHARE CAPITAL TAKA	ASSETS REVALUATION RESERVE TAKA	RETAINED EARNINGS TAKA	TOTAL TAKA
Balance as on June 30, 2022	893,353,750	2,200,577,264	(1,152,228,855)	1,941,702,159
Net Profit/(Loss) for the year After Tax			(259,452,251)	(259,452,251)
Revaluation Surplus/Deficit during the year				-
Depreciation Charge on Revaluation Surplus		(77,289,241)	77,289,241	-
Issue of Bonus Share	-	-	-	-
Balance as on June 30, 2023	893,353,750	2,123,288,022	(1,334,391,865)	1,682,249,908

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

PARTICULARS	SHARE CAPITAL TAKA	ASSETS REVALUATION TAKA	RETAINED EARNING TAKA	TOTAL TAKA
Balance as on June 30, 2021	893,353,750	2,281,365,711	(963,355,431)	2,211,364,030
Net Profit/(Loss) for the year After Tax			(269,661,871)	(269,661,871)
Revaluation Surplus/Deficit during the year				-
Depreciation Charge on Revaluation Surplus		(80,788,447)	80,788,447	-
Issue of Bonus Share	-	-	-	-
Balance as on June 30, 2022	893,353,750	2,200,577,264	(1,152,228,855)	1,941,702,159


Md. Rafiqul Haque
 Chairman


Md. Atiqul Haque
 Managing Director


Md. Mominur Rahman
 Company Secretary


Md. Rumon Mia
 Chief Financial Officer

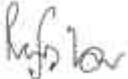
This is the Statement of Changes in Shareholders' Equity referred to in our report of even date.

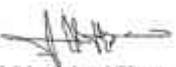
Dated: Dhaka
 28 December, 2023


Khan Wahab Shafique Rahman & Co.
 Chartered Accountants
 Signed by: **Md. Tanjilur Rahman FCA**
 Partner
 Enrolment No.: 1885
 Firm's Registration No.: 11970 E. P.
 DVC: 2312281885AS708154

Toyo Spinning Mills Limited
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

Description	Note	2022-2023	2021-2022
		Taka	Taka
Cash Flow From Operating Activities			
Collection from Turnover and other Income	48A	253,665,865	286,945,724
Payments for Cost and Expenses	48B	(110,965,509)	(171,579,136)
Payments for Financial Expenses	31	(144,504,990)	(158,149,848)
Tax Paid and / or Deducted (Note-19)			-
Total Cash Flow from Operating Activities		(1,804,633)	(42,783,261)
Cash Flow From Investing Activities			
Revaluation Surplus		-	-
Purchases of Fixed Assets (Sch A,B,C & D)		-	-
Total Cash Flow from Investing Activities		-	-
Cash Flow From Financing Activities			
Long Term Obligation Increased/ (Decreased), (Note-14 & 16)		301,419,598	102,408,175
Short Term Obligation Increased/ (Decreased), (Note-15)		(300,501,900)	(56,473,648)
Total Cash Flow Financing Activities		917,698	45,934,527
Net Cash inflow/(outflow) for the period		(886,935)	3,151,267
Opening cash & Cash Equivalents		3,429,724	278,456
Closing cash & Cash Equivalents		2,542,788	3,429,724
Net Operating Cash Flow Per Share		(0.02)	(0.48)


Md. Rafiqul Haque
 Chairman


Md. Atiqul Haque
 Managing Director


Md. Mominur Rahman
 Company Secretary


Md. Rumon Mia
 Chief Financial Officer

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

Dated: Dhaka
 28 December, 2023


Khan Wahab Shafique Rahman & Co.
 Chartered Accountants
 Signed by: **Md. Tanjilur Rahman FCA**
 Partner
 Enrolment No.: 1885
 Firm's Registration No.: 11970 E, P.
 DVC: 2312281885AS708154

TOYO SPINNING MILLS LIMITED
Notes to the Financial Statements
For the Year Ended 30th June, 2023

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 2022 to 30th June, 2023.

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:

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. -0.48 in 2022 which was Tk. -0.02 in 2023. However, the liquidity ratios (Current ratio 2.06: 1, Acid test ratio 1.1: 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 is in the process of entering into new agreements with new customers after the reporting period 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

As such, the company is able to arrange additional resources to run and expand its operations if needed. Hence the directors have chosen to adopt going-concern basis in preparing financial statements.

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 25 October, 2023 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, 2023 are consistent with the policies and methods adopted in preparing the financial statements for the year ended 30th June, 2023.

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.) 2022	(Amount in Tk.) 2023
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 was 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**

Provision 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

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 in no profit available in this reporting period, no provision were made.

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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

3.18 Related party Disclosure:

For the financial year ended 30th June, 2023 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, 2023 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 30.06.2023.

There was no material capital expenditure authorized by the Board but not contracted for as on 30.06.2023.

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 30.06.2023.

3.23 Claims not Acknowledged:

The nature and description of the claims as on 30.06.2023 is stated in note no:3.22.

3.24 Credit Facilities Availed:

Credit facilities availed from Bangladesh Development Bank Limited and International Leasing as on 30.06.2023 and Trade credit available in the ordinary course of business. No other credit facilities were available to the company as on 30.06.2023.

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, 2023.

3.26 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. One 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.

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.

4.00 Significant Deviation in EPS

The Earning Per Share of the company falls significantly for the year ended 30th June, 2023 and come to Tk.(2.9) which were Tk.(3.02) for the year ended 30th June, 2022.

Due to pandemic COVID-19 situation the company lost a number of sales order and revenue decreased. On the other hand, same situation worsen the credit rating of our customers which in turn impose great impact on recoverability of those debt. Charging the loss allowance (Expected Credit Loss) in current year profit and loss account further worsen the reported EPS.

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, 2022 to June 30, 2023.

08.00 Property, Plant and Equipments

	June 30, 2023 Taka	June 30, 2022 Taka
Cost (A)		
Opening Cost as on 01-07-2022	4,295,540,895	4,295,540,895
Add: Addition during the year (Revalued Portion)	-	-
Less: Disposal during the year	-	-
Closing Cost as on 30-06-2023	4,295,540,895	4,295,540,895
Accumulated Depreciation (B)		
Opening Accumulated Depreciation as on 01-07-2022	1,358,016,885	1,243,341,095
Add: Charged during this year	109,287,824	114,675,790
Less: Disposal during the year	-	-
Closing accumulated depreciation as on 30-06-2023	1,467,304,709	1,358,016,885
Written Down Value (A-B)	2,828,236,186	2,937,524,010

(Details are shown in Schedule A & B)

09.00 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

10.00 Inventories :

Description	June 30 2023 Taka	June 30 2022 Taka
Raw Materials	131,295,194	129,666,348
Waste Cotton	47,769,968	47,296,998
Spares & Stores	103,523,376	104,569,067
Packing Materials	4,071,479	4,425,521
Fuel & Lubricants	199,979	206,164
Stock of Materials	286,859,996	286,164,098
Finished Goods	157,804,251	157,238,565
Work-in-Process	42,676,738	43,996,638
Total	487,340,985	487,399,301

11.00 Accounts Receivables :

The above is the amount of receivable against local bills as on June, 2023. Break up of the above is as follows :

Description	June 30, 2023 Taka	June 30, 2022 Taka
Accounts Receivables	466,112,458	471,801,883
Less: Expected Credit Loss	(66,564,761)	(62,620,745)
Total	399,547,697	409,181,138

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.

11.01 Disclosure as per Schedule-XI, Part-1, of The Companies Act, 1994 as on June 30, 2023

Particulars	Amount in Taka	
	31-06-2023	30-06-2022
Debts exceeding 6 months		
Debts less than 6 months		
Total	-	-

Sl No.	Particulars	Amount in Taka	
		31-06-2023	30-06-2022
I	Receivables considered good in respect of which of which the company is fully secured		
II	Receivables considered good in respect of which the company hold no security other than debtor personal security		-
III	Receivables considered doubtful or bad		-
IV	Receivable due by common management		-
V	The maximum amount of receivable due by any director or other officer of the company		-
	Total	-	-

12.00 Advances, Deposits & Pre-Payments :

Deposit	6,922,537	6,922,537
Advances	132,412,173	101,313,343
	139,334,710	108,235,880

12.01 Deposit

	6,922,537	6,922,537
Security Deposit with PDB	2,412,150	2,412,150
Lease Deposit	1,358,116	1,358,116
Deposit with Titas Gas	2,269,050	2,269,050
Bank Guarantee Margin	883,221	883,221

12.02 Advances

	132,412,173	101,313,343
Advance Against Salary	220,000	190,000
Advance Against Purchase	430,500	193,000
Popular Trading Agency	6,534,800	3,156,900
Shimul Traders	253,500	95,000
M. Kamal Enterprise	3,151,350	2,813,354
Business Communication	8,974,530	3,013,645
Md. Abul Kashem	8,531,745	8,358,500
Medona Enterprise	6,714,900	6,117,000
Istiaque Enterprise	6,282,450	1,896,000
Ashirbad Syndicate	5,548,759	48,759
Jasim Enterprise	230,000	260,000
Joty Polithin	1,606,389	658,645
Star Engineering	1,135,480	855,000
Soncos Engineering	2,736,840	2,480,000
Mohammodi Packaging	1,674,850	1,150,000
Md. Fazlur Rahman	3,394,460	2,160,009
Bangla Trac Ltd	8,746,800	9,110,000
Energy Pac Engineering	3,174,860	3,354,500

Zihan Enterprise	6,946,750	508,000
Stridden Engineering	2,574,150	2,395,000
Md. Tohidul Islam (IT)	1,274,000	1,170,000
Md. Nizam	15,000	25,000
Babul Hardware	134,950	98,000
Engr. Md. Mominul	21,000	33,000
Welcome Travel Agents Ltd.	3,574,960	2,350,000
New Port Express	3,185,450	3,377,421
Md. Ismail	1,744,900	1,521,656
S.S. Trade Link	766,830	900,000
Associate Technology	85,000	100,000
Tima Enterprise	183,000	175,000
Dulal Enterprise	88,500	110,000
H.S. Corporation	125,600	198,000
Mohammodi Paper Cone	1,955,460	2,192,231
Mohabub Rahman	75,000	108,211
Mahdin Enterprise	450,700	357,308
Nippon Frade System	-	24,000
Uttaran Paper Products	2,974,600	3,055,000
Friends International	2,277,460	2,654,761
Md. Zahurul Islam	1,158,700	900,000
Md. Alamgir Hossain	-	8,697
Md. Pulok	-	20,000
Milton Trading International	33,457,950	33,121,747
Total	132,412,173	101,313,343

12.0A 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, 2023

No amount was due by related parties as on 30th June, 2023.

13.00 Tax Deducted at Source :

Particulars	June 30 2023	June 30 2022
	Taka	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.

14.00 Cash and Cash Equivalents :

Particulars	June 30 2023	June 30 2022
	Taka	Taka
Cash in Hand	2,515,600	65,500
Cash at Bank	27,188	3,364,224
Total	2,542,788	3,429,724

Cash at Bank

Name of the Bank	June 30, 2023 Taka	June 30, 2022 Taka
EXIM BANK, SNDA-49375	5,682.20	2,542,983
BASIC BANK, 00391	3,954.12	5,029
DBBL	31.28	802,136
UCBL-10242	26.51	27
BDBL, 0372	5,467.17	6,157
Modhumoti	12,027.00	7,892
Total	27,188	3,364,224

15.00 SHARE CAPITAL:

Authorized Capital:

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

June 30, 2023 Taka	June 30, 2022 Taka
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2,000,000,000	2,000,000,000
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Issue, Subscribed and Paid-Up Capital:

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

893,353,750	893,353,750
893,353,750	893,353,750

15.1 COMPOSITION OF SHAREHOLDINGS :

Description	No. of Investor	No. of Shares	% of Share Holding June 30, 2023	% of Share Holding June 30, 2022
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

15.2 SHAREHOLDINGS STRUCTURE :

A distribution schedule of equity security and the number of holders and percentage in the following categories as on 30-06-2023 is shown below :

Class Interval	No. of Holders	Total Holding	June 30, 2023 % of Share	June 30, 2022 % of Share
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

16.00 Retained Earnings:

	30-Jun-23	30-Jun-22
	Taka	Taka
Opening Balance	(1,152,228,855)	(963,355,431)
Add: Net profit/(Loss)	(259,452,251)	(269,661,871)
Depreciation Charge on Revaluation Surplus	77,289,241	80,788,447
Closing Balance	(1,334,391,865)	(1,152,228,855)

17.00 Revaluation Surplus :

Description	June 30, 2023	June 30, 2022
	Taka	Taka
Revaluation Surplus	2,123,288,022	2,200,577,264
Total	2,123,288,022	2,200,577,264

17.0A 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.

18.00 Term Loan Secured :

Description	June 30, 2023	June 30, 2022
	Taka	Taka
BASIC Bank	421,298,224	420,380,526
BDBL Bank	822,193,451	822,193,451
EXIM Bank	300,501,900	-
Total	1,543,993,576	1,242,573,977

18.1 BDBL Long Term Loan

73,997,410.63

Nature of Security:

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

Rate of Interest :

13% per annum.

Terms of Re-payment and Validity :

In half yearly installments to be ended on July 2024.

18.2 Other Non-Current Liabilities

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 .

19.00 Deferred Tax Liability :**(A) Deferred tax Liabilities are arrived at as follows:**

	June 30, 2023	June 30, 2022
	Taka	Taka
Book Value of Depreciable Fixed Assets	2,335,510,473	2,444,798,297
Less-Tax base	1,405,513,519	1,694,410,009
Taxable temporary Difference	929,996,954	750,388,288
Effective Tax Rate	15%	15%
Deferred Tax Liability	139,499,543	112,558,243

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

Closing Deferred Tax Liabilities	139,499,543	112,558,243
Opening Deferred Tax Liabilities	112,558,243	82,963,452
	26,941,300	29,594,791

20.00 Short Term Loan Secured :

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
EXIM Bank CC A/C	-	300,501,900
EXIM Bank Import Liability & Bank Guarantee	-	-
Total	-	300,501,900

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, colleterised 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.

21.00 Creditors for Goods and Expenses Unsecured :

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
Salary payable	1,506,955	1,537,731
Wages & Overtime payable	2,411,359	2,444,780
Electricity Bills payable	26,886	30,830
Gas Bill	6,905,772	3,834,778
M. Kamal Enterprise	-	-
J. B. Trading	-	-
Chittagong Stock Exchange	385,000	385,000
Audit Fees Payable	80,000	80,000
Islami Commercial Insurance	-	-
Zahin Enterprise	-	-
M/s. Istiaque Enterprise	-	-
S.S. Trade Link	-	-
Jasim Engineering	-	-
Popular Trading	-	-
Total	11,315,972	8,313,119

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.

22.00 Creditors for other Finance (Unsecured) :

Description	June 30, 2023 Taka	June 30, 2022 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	352,362,976	278,365,565
Interest on EXIM Bank CC Loan	27,045,171	-
Interest on BASIC Bank Non-Current Loan	36,916,550	-
Total	421,851,120	283,891,989

23.00 Income Tax & Excise Payable :

	June 30, 2023 Taka	June 30, 2022 Taka
Opening Balance	73,280,715	71,410,125
Add: Provision during the year	1,863,583	1,870,590
Add: Excise Duty 2022-2023		
Less : Tax paid during the year		
(Tax rate 15% on Textile sector as per SRO-207 dated 30 June, 2008)	75,144,298	73,280,715

24.00 Proposed Dividend :

Dividend is subject to the approval of the shareholders in the 30th 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 2022-2023.

25.00 Tax Expenses :

	June 30 2023 Taka	June 30 2022 Taka
Current Tax	1,863,583	1,870,590
Short Provision to earlier years	-	-
	1,863,583	1,870,590
Deferred Tax Expenses (Income)	26,941,300	29,594,791
	28,804,883	31,465,382

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

26.00 Turnover :

Description	Total June 30 2023	Total June 30 2022
Sales of Yarn	310,597,185	311,765,049
Total	310,597,185	311,765,049

We note that sales are made to P.N. Composite Ltd. mostly during the year 2022-2023.

27.00 Cost of Goods Sold :

Description	June 30 2023	June 30 2022
	Taka	Taka
Raw Materials Consumed (Note 36.A)	52,277,583	46,733,118
Packing Materials Consumed (Note 36.B)	8,633,998	8,436,324
Fuel & Lubricants Consumed (Note 36.D)	9,344,039	9,852,595
Spares and Stores Consumed (Note 36.C)	22,645,548	20,999,871
	92,901,168	86,021,908
Add: Opening Work-in Process	43,996,638	45,357,359
	136,897,806	131,379,267
Less : Closing Work-in Process	42,676,738	43,996,638
Total Consumption	94,221,068	87,382,629
Add: Factory Overhead (Note-28)	217,296,154	214,620,123
Cost of Production	311,517,222	302,002,751
Add: Opening Stock of Finished Goods	157,238,565	167,275,070
	468,755,787	469,277,821
Less: Closing Stock of Finished Goods	157,804,251	157,238,565
	310,951,536	312,039,256
Add: Opening Stock of waste cotton	47,296,998	46,828,711
	358,248,534	358,867,967
Less: Closing Stock of Waste Cotton	47,769,968	47,296,998
Cost of Goods Sold	310,478,566	311,570,969

28.00 Factory Overhead :

Description	June 30 2023	June 30 2022
	Taka	Taka
Salary & Wages	41,816,391	49,592,104
Overtime	815,995	346,815
Festival Bonus	2,538,844	2,456,628
Carriage Inward	131,440	129,937
Factory Gas and Electricity Expenses	53,417,338	36,078,112
Labour Welfare	347,411	343,438
Medical Expenses	336,677	332,827
Telephone & Telex	49,489	48,923
VAT Payment	2,835,899	2,764,314
Fire Insurance Premium	1,059,672	1,047,415
Rent, Rate & taxes	7,940	7,850
Lease Installment (Loan)	4,200,000	6,408,983
Misc. Expenses	16,854	15,421
Donation & Subscription	122,500	125,675
Conveyance Expenses	63,458	71,679
Travelling Expenses	8,450	13,300
Fuel & Lubricant for Vehicles	379,851	384,942
Entertainment	381,210	376,850
Printing & Stationery	26,009	25,712
Postage & telegram	8,450	7,040
Factory Maintenance Cost	133,475	131,949
Depreciation	108,598,801	113,910,209
Total	217,296,154	214,620,123

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

<u>Particulars</u>	<u>No. of Employees</u>	<u>June 30 2023</u>	<u>June 30 2022</u>
		<u>Taka</u>	<u>Taka</u>
Up to Tk. 4,000 per month	762		-
Above Tk. 4,000 per month	35		-
Total	797	-	-

29.00 Administrative Expenses :

<u>Description</u>	<u>June 30 2023</u>	<u>June 30 2022</u>
	<u>Taka</u>	<u>Taka</u>
Salary & Allowances	8,736,316	8,630,913
Festival Bonus	411,680	391,034
Conveyance Expenses	505,383	550,349
Travelling Expenses	17,590	15,340
Entertainment	165,100	177,364
Electricity Expenses	271,993	339,275
Printing & Stationery	88,147	80,134
Postage & telegram	6,458	5,124
Fuel & Lubricant for Vehicles	525,926	569,024
Others Office Expenses	98,054	89,140
Office Maintenance Cost	89,511	90,465
Misc. Expenses	96,753	115,230
Paper & Periodicals	4,682	6,015
Donation & Subscription	466,800	515,300
Legal Expenses	177,000	170,000
Registration, Renewal and Documentation	319,385	290,350
Board Meeting Attendance fees	48,000	5,000
Telephone & Telex	32,706	30,012
Uniforms	48,560	33,180
Audit Fees	80,000	80,000
Depreciation	689,023	765,581
Total	12,879,067	12,948,830

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

<u>Particulars</u>	<u>No. of Employees</u>	<u>June 30 2023</u>	<u>June 30 2022</u>
		<u>Taka</u>	<u>Taka</u>
Up to Tk. 5,000 per month	20		-
Above Tk. 5,000 per month	35		-
Total	55	-	-

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

30.00 Selling and Distribution Expenses :

<u>Description</u>	<u>June 30 2023</u>	<u>June 30 2022</u>
	<u>Taka</u>	<u>Taka</u>
Carriage Outward	1,025,400	983,000
Sales Man Salary & Expenses	5,596,320	3,501,647
Advertisement & Publicity	195,450	186,498
Bad debt expenses		-
Total	6,817,170	4,671,145

31.00 Financial Expenses :

Description	June 30 2023 Taka	June 30 2022 Taka
Bank Charges & Commission	60,849	84,208
Interest on BDBL Term Loan	79,564,721.93	90,871,845
Interest on Exim Bank CC Loan	27,045,171	39,363,695
Interest on BASIC Bank Non-Current Loan	37,834,247	27,830,100
Total	144,504,990	158,149,848

32.00 Non-Operating Income :

Description	June 30 2023 Taka	June 30 2022 Taka
Sale of Scraps / Waste Materials	-	-
Total	-	-

33.00 Provision for Income Tax:

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.

34.00 Earnings Per Share-Disclosure Under The IAS-33

The computation of EPS is given below:

	June 30 2023	June 30 2022
a) Surplus for the year attributable to Shareholders Net Profit/(Loss)	(259,452,251)	(269,661,871)
b) Weighted average number of Shares outstanding during the year	89,335,375	89,335,375
c) Earnings per Share	(2.90)	(3.02)

34.01 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

	June 30 2023	June 30 2022
a) Total Shareholder Equity	1,682,249,908	1,941,702,159
b) Weighted average number of Shares outstanding during the year	89,335,375	89,335,375
c) Net Assets Value per Share	18.83	21.73

34.02 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

	June 30 2023	June 30 2022
a) Total Cash Flow from Operating Activities	(1,804,633)	(42,783,261)
b) Weighted average number of Shares outstanding during the year	89,335,375	89,335,375
c) Net Operating Cash Flow Per Share	(0.02)	(0.48)

35.00 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".

36.00 Materials Consumed for Production

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	June 30 2023 Taka	June 30 2022 Taka
A. Raw Cotton Consumed:		
Opening Stock	129,666,348	130,976,109
Add : Purchase	53,906,429	45,423,357
Less : Closing Stock	(131,295,194)	(129,666,348)
Sub-Total	52,277,583	46,733,118
B. Packing Materials Consumed:		
Opening Stock	4,425,521	4,810,349
Add : Purchase	8,279,956	8,051,496
Less : Closing Stock	(4,071,479)	(4,425,521)
Sub-Total	8,633,998	8,436,324
C. Spares & Stores Consumed:		
Opening Stock	104,569,067	105,625,321
Add : Purchase	21,599,857	19,943,617
Less : Unusable Spares & Stores Sale		
Less : Closing Stock	(103,523,376)	(104,569,067)
Sub-Total	22,645,548	20,999,871
D. Fuel and Lubricants Consumed:		
Opening Stock	206,164	212,540
Add : Purchase	9,337,854	9,846,219
Less : Closing Stock	(199,979)	(206,164)
Sub-Total	9,344,039	9,852,595
Grand Total (A+B+C+D)	92,901,168	86,021,908

37.00 Percentage of Materials Consumed to Total Consumption.

Materials Consumed	Amount (Tk.)	% of Total
Raw Cotton (Import)	-	0
Raw Cotton (Local)	52,277,583	56.27%
Packing Materials (Local)	8,633,998	9.29%
Spares and Stores (Import)	-	0.00%
Spares and Stores (Local)	22,645,548	24.38%
Fuel and Lubricants	9,344,039	10.06%
Total	92,901,168.00	100.00%

38.00 Production of Finished Goods and Reconciliation with Stocks.

Yarn Count Card and Combed	Opening Stock (Kg.) 01-07-2023	Production Dur the Year (Kg.)	Total Yarn (Kg.)	Sales (Kg.)
Above 30s/1	308,914	612,540	921,454	891,899
Between 20s/1 - 30s/1	-	-	-	-
Below 20s/1	-	-	-	-
Total	308,914	612,540	921,454	891,899

39.00 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	Actual	Capacity
	Capacity (Kg.)	Production (Kg.)	Utilization (%)
	1,206,750	612,540	50.76

40.00 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-1 as in integral part of the financial statements for the period from 1st July, 2022 to 30th June, 2023.

41.00 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 expensed 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.

42.00 Capital Expenditure Commitment

There was no material capital expenditure authorized by the Board but not contracted for at 30th June, 2023.

43.00 Credit facilities not Availed

There was no credit facilities available to the company under any contract but not available as on 30th June, 2023. other than bank credit facility and trade credit available in the ordinary course of business.

44.00 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.

45.00 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.

46.00 Commission, Brokerage or Discount Against Sales

- a) There was no brokerage or discount against sales during the 2022-2023.
 b) No commission was paid to sales agents during the 2022-2023.

47.00 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. 2,495,043,437/- 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, 2023.

48.00 Notes to the Cash Flows:
A. Collection from Turnover & Other income:

	June 30 2023
	Taka
Opening Accounts Receivable	409,181,138
Add: Turnover during the Year	310,597,185
	<u>719,778,323</u>
Less: Closing Accounts Receivables	(399,547,697)
	<u>320,230,626</u>
Less: Expected Credit Loss	(66,564,761)
	<u>253,665,865</u>

B. Payment for Cost & Expense:

Purchase	93,124,096
Add: Administrative Expenses	12,879,067
Selling and Distribution Expenses	6,817,170
Factory overhead	217,296,154
Payment to supplier	(3,002,853)
Prepayment and Advances	31,098,830
	<u>358,212,464</u>

Less: Depreciation

Administrative Expenses	(689,023)
Factory Overhead	(108,598,801)
	<u>248,924,640</u>

Less: Creditor for other Finance Fluctuation

(137,959,131)

110,965,509

49.00 Reconciliation of Operating Cash Flows(Indirect Method):

Net profit after Tax	(259,452,251)
Depreciation	109,287,824
Operating Profit Before Working Capital Changes	(150,164,427)
(Increase)/Decrease in Closing Stock	58,316
(Increase)/Decrease in Accounts Receivables	9,633,441
(Increase)/Decrease in Advances, Deposits & Pre-payments	(31,098,830)
(Increase)/Decrease Tax Deducted at Source	-
Increase/(Decrease) Creditors for Goods & Expenses (Unsecured)	3,002,853
Increase/(Decrease) Creditors for Other Finance (Unsecured)	137,959,131
Increase/(Decrease) Income Tax Payable	1,863,583
Increase/(Decrease) Deferred Tax Liability	26,941,300
Net Cash Generated From Operating Activities	<u>(1,804,634)</u>

Toyo Spinning Mills Ltd.
Schedule of Fixed Assets as on 30.06.23, Chudanga

Sl. No.	Description	Cost & Revaluation		Rate	Depreciation		Written Down Value As On 31.06.23
		Opening As On 01.07.22	Addition/ Revaluation This Year		Total As On 31.06.23	Opening As on 30.06.22		During The Year	Total As on 31.06.23
1	Land & Development	149,160,000	-	0%	-	-	149,160,000
2	Factory Building & Godown (Building-01)	32,701,971	-	5%	1,05,532.58	30,696,852	2,005,119
3	Boundary Wall	1,477,323	-	10%	5,801.45	1,425,110	52,213
4	Semi Pacca Shed	363,000	-	10%	601.30	357,588	5,412
5	Water Supply	674,442	-	10%	2,974.59	647,671	26,771
6	Under Ground Tank for Water	195,000	-	10%	1,775.66	179,019	15,981
7	Security Guard Room	115,000	-	10%	451.37	110,938	4,062
8	Time Office	98,000	-	10%	384.65	94,538	3,462
9	Waste Cotton Godown	125,000	-	10%	490.64	120,584	4,416
10	Electric Installation	22,947,612	-	10%	282,065.26	20,409,025	2,538,587
11	Bi-Cycle Stand (Pacca) (A)	110,000	-	10%	431.77	106,114	3,886
12	Admin Building (A)	5,085,094	-	10%	95,334.85	4,227,080	858,014
13	Sundry Assets (A)	240,617	-	10%	3,198.09	211,834	28,783
14	Civil Work (Factory) (Building-02)	105,615,498	-	5%	1,374,629.33	79,497,541	26,117,957
Total		318,908,557	-		1,873,672	138,083,894	180,824,663

Administrative Expenses (A): 98,533

Factory Expenses: 1,775,139

1,873,672

Toyo Spinning Mills Ltd.
Schedule of Fixed Assets as on 30.06.23. Mymensingh

Sl No.	Description	Cost & Revaluation		Rate	Depreciation		Total As on 31.06.23	Written Down Value As On 31.06.23
		Opening As On 01.07.22	Addition/ Revaluation This Year		Opening As on 30.06.22	During The Year		
1	Land & Development	300,702,400	-	0%	-	-	300,702,400	300,702,400
2	Plant & Machinery	1,044,740,462	-	4%	783,621,079	10,364,775.30	795,985,854	248,754,607
3	Boundary Wall	6,912,908	-	10%	4,011,522	290,138.56	4,301,661	2,611,247
4	Factory Shed & Civil Construc.	327,263,010	-	5%	112,481,364	10,739,082.28	123,220,447	204,042,563
5	Pre-fabricated Structure-1	29,699,535	-	10%	13,995,583	1,570,395.15	15,565,979	14,133,556
5	Pre-fabricated Structure-2	15,998,315	-	10%	12,522,626	347,568.86	12,870,195	3,128,120
6	Raw Cotton Godown-1	2,899,000	-	10%	1,682,274	121,672.59	1,803,947	1,095,053
6	Raw Cotton Godown-2	2,979,221	-	10%	1,722,266	125,695.54	1,847,961	1,131,260
7	Rotor Shed	8,699,000	-	10%	5,047,982	365,101.80	5,413,084	3,285,916
8	250KVA Transformer and other electrical accessories	800,500	-	10%	464,526	33,597.40	498,123	302,377
7	TGTGL Installation Works	11,182,667	-	10%	6,479,127	470,353.96	6,949,481	4,233,186
8	Electric Installation & Substation	27,005,754	-	10%	22,220,340	478,541.42	22,698,881	4,306,873
9	PDB Installation	124,103	-	10%	72,016	5,208.65	77,225	46,878
10	Machinery Dismantling, Erecting & Trail Run	69,118,267	-	5%	36,796,156	1,616,105.57	38,412,261	30,706,006
11	Gas Generator	100,762,187	-	5%	53,642,276	2,355,995.57	55,998,271	44,763,916
13	Deep Tube Well	1,000,000	-	10%	580,294	41,970.55	622,265	377,735
12	Furniture & Fixture (A)	7,084,696	-	10%	6,361,765	72,293.10	6,434,058	650,638
13	Office Equipment (A)	6,269,269	-	10%	5,590,430	66,983.89	5,666,414	662,855
14	Motor Car(A)	13,322,413	-	10%	12,888,476	43,393.67	12,931,870	390,543
15	Air Condition Plant	14,674,100	-	10%	12,865,878	180,822.15	13,046,701	1,627,399
16	Building (Staff & officer Accommodation)	5,500,000	-	10%	1,891,450	360,855.00	2,252,305	3,247,695
17	Building (Security officer Accommodation cum Dining)	3,500,000	-	10%	1,203,650	229,635.00	1,433,285	2,066,715
18	Under Ground Tank for Water	2,200,000	-	10%	756,580	144,342.00	900,922	1,299,078
19	Air compressor	1,530,000	-	10%	526,167	100,383.30	626,550	903,450
Total		2,003,967,807	-		1,099,432,830	30,124,911	1,129,557,741	874,410,066

Depreciation Charged to:
Administrative Expenses (A): 590,490
Factory Expenses: 29,534,421

30,124,911