

ANNUAL REPORT

2019-2020



**TOYO
KNITEX
(CEPZ) LTD.**

(Change FROM MITHUN KINTTING & DYEING CEPZ LIMITED)

ANNUAL REPORT

2019 - 2020

REGISTERED OFFICE : DOULATDIAR, CHUADANGA, BANGLADESH
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
FACTORIES : PLOT # 43-46, SECTOR - 4 (CEPZ), CHITTAGONG &
 1 SOUTH KAMALAPUR, DHAKA

COMPANY PROFILE**REGISTERED OFFICE**

Doulatdiar, Chuadanga

CORPORATE OFFICE

South Avenue Tower (6th floor), House # 50, Road 7, Gulshan Avenue, Dhaka-1212.

TEL : 02-222260264, 02-222260458, 02-222262803

LOCATION OF FACTORIES

Plot No. 43-46, Sector-4, Chittagong Export Processing Zone, Bangladesh

& 1, South Kamalapur, Dhaka.

YEAR OF INCORPORATION

1991

YEAR OF BUSINESS COMMENCEMENT

1991

COMMERCIAL OPERATION

September. 1993

BUSINESS

Circular Knitting, Dyeing, Finishing and Knit Garments

PRODUCT RANGE

Single Jersey, Interlock, Rib, French Terry, Flat Knit, Collar & Cuff, Rib with Lycra etc. and Knit Garments of all Sorts

CAPACITY

5.7 M.T. Fabrics and 5000 Pcs. Garments per day

AUTHORISED CAPITAL

Tk. 800,000,000

PAID-UP CAPITAL

Tk. 324,911,620

LEGAL FORM OF THE COMPANY

Public Limited Company

LISTING WITH STOCK EXCHANGES

Listed with Dhaka Stock Exchange in June, 1994

Listed with Chittagong Stock Exchange in June, 2001

NO. OF SHAREHOLDERS

6840 (As on June 30, 2019)

MARKETING CHANNEL

Mostly through Local Garments Manufacturing Units against Local Back To Back L/C & Direct Overseas Export

NO. OF EMPLOYMENT

Officer and Staff-80, Floor Level Workers-684, Total = 764

ORIGIN OF MACHINERY

Italy, Sweden, Korea, China, Singapore, Hong Kong and Japan.

CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Rabeya Khatun, Chairman

Md. Rafiqul Haque, Managing Director

Md. Mahbub-UI Haque, Director

Md. Atiqul Haque, Director

Md. Abdul Allam, Independent Director

COMPANY SECRETARY

Mohammad Sohel Rana

AUDIT COMMITTEE

Md. Abdul Allam, Independent Director

Md. Mahbub-UI Haque, Director, Member

Md. Atiqul Haque, Director, Member

AUDITORS

M/s. Ashraf Uddin & Co.

Chartered Accounts

Rahman Chamber, 12-13, Motijheel

C/A, Dhaka-1000

BANKERS

BASIC Bank Ltd.

Shantinagar Branch,

169/1, Shantinagar, Dhaka

Board of Directors



Rabeya Khatun
Chairman

Educational Qualification
Bachelor of Arts

Professional Experience
36 Years experience in Manufacturing
and Trading business



Md. Rafiqul Haque
Managing Director

Educational Qualification
M.S.S from University of Dhaka

Professional Experience
37 Years experience in Manufacturing
and Trading business



Md. Mahbub-Ul Haque
Director

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

Professional Experience
32 Years experience in Manufacturing
and Trading business

Board of Directors



Md. Atiqul Hague

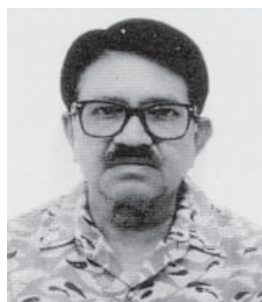
Director

Educational Qualification

M. Com , Finance & Banking, University of Dhaka

Professional Experience

31 Years experience in Manufacturing and Trading business



Md. Abdul Allam

Independent Director

Educational Qualification

M.A (Statistics), Rajshahi University

Professional Experience

33 Years experience as Banker Senior Officer to DGM in Bangladesh Development Bank Ltd.

TRANSMITTAL LETTER

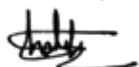
The Shareholders,
Bangladesh Securities & Exchange Commission
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.
Registrar of Joint Stock Companies and Firms

Subject : Annual Report for the year ended 30th June, 2020.

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Consolidated Statement of Financial Position as at 30th June, 2020, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Cash Flow Statement for the year ended on 30 June 2020 along with notes thereon and all related Financial Statements for your record/necessary measures.

Yours faithfully,



Mohamad Shohel Rana
Company Secretary

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Our Philosophy

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

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

Care for value of money.

Faith in individual potential and respect for human values.

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

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

Accepting changes as a way of life

Strict adherence to financial and administrative principles.

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

Toyo Knitex (CEPZ) Limited

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

NOTICE OF THE 29TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that we received an order (Company Matter No. 199 of 2021) from the honorable High Court division of Supreme Court of Bangladesh to call, conduct and hold the Annual General Meetings of the Company for the calendar year 2020 and subsequent AGM's and accordingly the 30th Annual General Meeting of the Shareholders of Toyo Knitex (CEPZ) Limited will be held on virtual media (Link to be notify electronically) on Monday, February 28, 2022 at 04.00 p.m. to transact the following business:

AGENDA :

1. To receive, consider and adopt the Audited Financial Statements for the year ended 30th June, 2020 together with the reports of Auditors and the Directors.
2. To declare Dividend for the year ended June 30, 2020 as recommended in the Board Meeting held on January 31, 2022.
3. To elect/reelect Directors.
4. To appoint/re-appoint/Resignation of Director.
5. To appoint External/Statutory Auditor for the year 2020-21 and fix their remuneration.
6. To appoint Corporate Governance Auditor for the year 2020-21 and fix their remuneration.
7. To transact any other business with the permission of the Chair.

Dated: Dhaka
February 06, 2022

By Order of the Board
Sd/-
Mohamad Shohel Rana
Company Secretary(CC)

Notes :

1. The record date for this AGM will be February 22, 2022. The shareholders whose names will appear in the Depository/Share Register on the record date will be entitled/participate and vote in the Annual General Meeting through Digital Platform.
2. The Board of Directors recommended No Dividend subject to the approval of the shareholders.
3. A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend on his/her behalf.
4. Form of Proxy, duly completed and stamped, must be deposited at company's Share Department at least 48 hours before the time appointed for the meeting and in default it will not be treated as valid.
5. Members are requested to notify change of address, if any, to the company.
6. 29th AGM of the Company shall be conducted through virtual media.
7. The Company will send the link of the online live portal to attend the AGM to the shareholders in due course.
8. Soft copy of the Annual Reports of the Company will be sent to the shareholders respective e-mail addresses.
9. Annual Reports will be available on the Company website : <http://www.mkdl-cepz.com.bd>

বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

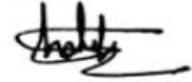
এতদ্বারা বিজ্ঞপ্তি দেওয়া হল যে আমরা বাংলাদেশ সুপ্রিম কোর্টের মাননীয় হাইকোর্ট বিভাগ থেকে ২০২০ সালের ক্যালেন্ডার বছরের জন্য কোম্পানির বার্ষিক সাধারণ সভা এবং পরবর্তী বার্ষিক সাধারণ সভা আহ্বান করার জন্য একটি আদেশ (২০২১ সালের কোম্পানির বিষয় নং ১৯৯) পেয়েছি। এবং সেই অনুযায়ী টয়ো স্পিনিং মিলস লিমিটেডের শেয়ারহোল্ডারদের ২৯তম বার্ষিক সাধারণ সভা নিম্নলিখিত ব্যবসায় লেনদেনের জন্য সোমবার, ২৮ ফেব্রুয়ারী, ২০২২ দুপুর ৪.০০ টায় ভার্চুয়াল মিডিয়াতে (Link সময় মত জানানো হবে) অনুষ্ঠিত হবে:

বিষয়সমূহ :

১. নিরীক্ষক এবং পরিচালকমণ্ডলীর প্রতিবেদনসহ ৩০শে জুন, ২০২০ সমাপ্ত বছরের জন্য নিরীক্ষিত আর্থিক বিবরণী গ্রহণ ও অনুমোদন।
২. ১৯ জানুয়ারী, ২০২২-এ অনুষ্ঠিত বোর্ড সভায় সুপারিশকৃত ৩০ জুন, ২০২০ সমাপ্ত বছরের জন্য লভ্যাংশ ঘোষণা।
৩. পরিচালকদের নির্বাচন/পুনঃনির্বাচন।
৪. পরিচালকের নিয়োগ/পুনঃ নিয়োগ/পদত্যাগ।
৫. ২০২০-২১ বছরের জন্য সংবিধিবদ্ধ অডিটর নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।
৬. ২০২০-২১ সালের জন্য কর্পোরেট গভর্ন্যান্স অডিটর নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ করা।
৭. সভাপতির অনুমোদনক্রমে অন্য কোন বিষয় নেয়ে আলোচনা।

০৬ ফেব্রুয়ারী -২০২২
ঢাকা

বোর্ডের আদেশক্রমে



মোহাম্মদ সোহেল রানা
কোম্পানী সচিব

দ্রষ্টব্যঃ

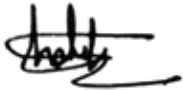
১. ফেব্রুয়ারী ২২, ২০২২ রেকর্ড তারিখ হিসাবে গণ্য হবে। এই দিন কোম্পানির ডিপোজিটরী/শেয়ার রেজিস্টারে যাদের নাম লিপিবদ্ধ থাকবে তারাই কোম্পানির বার্ষিক সাধারণ সভা যোগদানের যোগ্যতা রাখবেন।
২. শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে পরিচালনা পর্ষদ কোনো লভ্যাংশ না দেওয়ার সুপারিশ করেছে।
৩. বার্ষিক সাধারণ সভায় যোগদানের জন্য যোগ্য একজন সদস্য তাহার/তার পক্ষ থেকে উপস্থিত থাকার জন্য একটি প্রক্সি নিয়োগ করার অধিকারী।
৪. প্রক্সি ফর্মসহ উপযুক্ত স্ট্যাম্প সম্বলিত প্রতিনিধিপত্র কোম্পানীর শেয়ার বিভাগে সভার নির্ধারিত সময়ের কমপক্ষে ৪৮ ঘন্টা আগে কোম্পানির শেয়ার বিভাগে জমা দিতে হবে এবং অন্যথায় এটি বৈধ বলে গণ্য হবে না।
৫. সদস্যদের ঠিকানা পরিবর্তন, যদি থাকে, কোম্পানিকে জানানোর জন্য অনুরোধ করা হচ্ছে।
৬. কোম্পানির ২৯তম এজিএম ভার্চুয়াল মিডিয়ায় মাধ্যমে পরিচালিত হবে।
৭. কোম্পানি যথাসময়ে শেয়ারহোল্ডারদের এজিএম-এ যোগ দেওয়ার জন্য অনলাইন লাইভ পোর্টালের লিঙ্ক পাঠাবে।
৮. কোম্পানির বার্ষিক প্রতিবেদনের সফট কপি শেয়ারহোল্ডারদের নিজ নিজ ই-মেইল এ পাঠানো হবে।
৯. বার্ষিক প্রতিবেদন কোম্পানির ওয়েবসাইটে <http://www.tsml.com.bd> পাওয়া যাবে।

Chairman Message

We Mourn

At the very outset, we would like to remember with honour our company's Sponsoing Director and past Chairman, Ms. Rabeya Knatun who passed away on August 19, 2021. May Almighty Allah rest them in peace and placed them in Jannat. We pray for her departed soul.

On behalf of the Board,



Mohamad Shohel Rana
Company Secretary

**DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 30TH JUNE, 2020**

DEAR SHAREHOLDERS,

As-salamo Alaikum.

I am indeed immensely delighted to greet you on behalf of the Board of Directors of the Company to the Twenty Seventh Annual General Meeting of the esteemed shareholders and lay before you the Annual Report together with the Audited Accounts containing Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows and Statement of Changes in Equity and Notes to them as well as the Auditors Report thereon for the year ended 30th June, 2020. I hope your constructive suggestions, advice and active participation will turn this meeting a success.

ENVIRONMENT ENCIRCLING THE BUSINESS

The global pandemic and business uncertainty forced us to take some time to finalized the next step of action.

Annual General Meetings (AGM):

We received an order (Company Matter No. 199 of 2021) from the honorable High Court division of Supreme Court of Bangladesh to call, conduct and hold the Annual General Meetings of the Company for the calendar year 2019 and subsequent AGM's. The matter was filed to the honorable High Court division of Supreme Court under section 81(2) read with 85(3) and 396 of the Companies Act 1994 for an order directing Toyo Knitex (CEPZ) Ltd. changes the name from Mithun Knitting & Dyeing (CEPZ) Ltd. to call, conduct and hold the pending AGM's.

Factory Operation:

Dear Shareholder, with vide reference to our letter no. MKDL/Share/2019-2248 dated- 26th September 2019, We have already noticed to our prime regulator Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as well as to the honorable shareholders regarding suspended of factory operation.

Suspension of factory operation:

The Company through letter ref : MKDL/Share/2019-2248 dated 26 September, 2019 inform the Chairman of Bangladesh Securities and Exchange Commission (BSEC) regarding the suspension of factory operation since 20 September, 2019. The Board of Directors decided to inform all parties regarding the closure of operation in a meeting held on 26 September, 2019.

CEPZ Claim:

Chittagong Export Processing Zone (CEPZ) has informed the Company about their claim amounting USD.1,271,119.26 (approx BDT. 106,800,000/-) on account of Lease Rentals, Workers Wages & other heads of CEPZ expenses. CEPZ cancel the lease agreement and ordered to handover the physical possession of the leased asset.

OPERATIONS REVIEW AND PRESENT STATUS OF THE COMPANY

Due to this adverse outcome, The Company's revenue was null and a net loss of Tk.23.10 crore.

BOARD AUDIT COMMITTEE

N/A

FINANCIAL REPORT

The operating financial results of the company for the year ended 30 June, 2020 are given below:

Particulars	2019-2020 Taka	2018-2019 Taka
Sales	-	311723566
Gross Profit	(9985161)	(140396894)
Operating Profit/(Loss)	(230953793)	(152292082)
Net Profit/(Loss) Before Tax for the year	(230953793)	(152292082)
Earning Per Share (Tk.) (After Tax)	(7.11)	(4.73)

APPROPRIATION AND DIVIDEND

The Board of Directors has proposed for appropriation as follows:

Particulars	2019-2020 Taka	2018-2019 Taka
Accumulated Surplus/Deficit-Opening Balance	(102166460)	35574869
Deduct: Dividend Apportioned for previous year	-	-
Accumulated Surplus -Net of Previous year's Dividend	(102166460)	35574869
Less: Prior Year's Adjustments	-	15988811
Add : Net Profit/(Loss) for the year	(230953793)	(153730140)
Balance Available for Appropriation	(333120253)	(102166460)

On the basis of the proposed appropriation, the Board of Directors has not recommended any

dividend to the shareholders for the year under report.

FUTURE PLAN

Yet to decide next action plan because of global pandemic and tension between Ukraine – Russia.

INDUSTRIAL RELATIONS

N/A

THE BOARD OF DIRECTORS AND ELECTION

The following persons were the members of the Board of Directors of the company during the year under review. 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 01.07.2019	Amount Taka	Share held 30.06.2020	Amount Taka
Mrs. Rabeya Khatun	Chairman	651238	6512380	651238	6512380
Mr.Md. Rafiqul Haque	Managing Director	1039742	10397420	1039742	10397420
Mr.Md.Mahbub-UI Haque	Director	1038851	10388510	1038851	10388510
Mr.Md. Atiqul Haque	Director	1038851	10388510	1038851	10388510
Mr. Abdul Allam	Independent Director	Nil	Nil	Nil	Nil

In accordance with Article 74 of the Articles of Association Md.Mahbub-UI Haque retire from the Board and being eligible, offer themselves for re-election as per Article 75 of the Articles of Association of the Company.

ENVIRONMENTAL ROLE

N/A

Appointment of Statutory Auditors:

M/s. Ashraf Uddin & Co., Chartered Accountants, Rahman Chamber, 12-13, Motijheel C/A, Dhaka-1000, is a panel auditors of BSEC. In recommendation of the Audit Committee, the Board recommended M/s. Ashraf Uddin & Co., Chartered Accountants, Rahman Chamber, 12-13, Motijheel C/A, Dhaka-1000 for appointment as statutory auditors of the Company for the year 2020-2021 with fixation of their remuneration of Taka 80,000/-(Taka Eighty Thousand)

only. In compliance to the aforesaid notification, the shareholders have to re-appoint the existing auditors at the 30th Annual General Meeting for the financial year 2020-2021.

Compliance Auditor

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

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

M/s. T. Hussain & Co. Chartered Accountants, Address- HB Tower (1st Floor) 23/G/1, Free School Street, Panthapath, Dhaka 1205 existing compliance auditors of the company being eligible offered themselves for re-appointment as corporate governance compliance auditors of the company for the year 2020-2021. In recommendation of the Audit Committee, the Board recommended M/s. T. Hussain & Co., Chartered Accountants, Address- HB Tower (1st Floor) 23/G/1, Free School Street, Panthapath, Dhaka 1205 for re-appointment as corporate governance compliance auditors of the Company for the year 2020-2021 with fixation of their remuneration.

Corporate Governance

The company complied with all the applicable rules and regulations of Corporate Governance Guidelines as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission to ensure good governance. (Annexure-I)

The Board of the company consist of 5 (five) members including 1 (one) 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 Knitex (CEPZ) Limited states that the conditions as stated in condition 6 of the Corporate Governance Code shall be complied with.

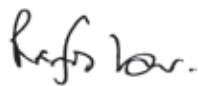
As per Corporate Governance Code, the company has constituted a 3-members Nomination and Remuneration Committee (NRC) as a sub-committee of the Board to assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence 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 Knitex (CEPZ) Limited has established the Nomination and Remuneration Committee comprises of three members on 20th May, 2020, headed by the Independent Director, Md. Abdul Allam. The other members of the committee are, Mr. Md. Atiqul Haque and Mr. Md. Mahbub-Ul-Haque Directors of the company.

DEAR SHAREHOLDERS

Before concluding, on behalf of the board, I would like to record the appreciation of the Board of Directors for the skill, dedication and commitment of all employees who have continued to render excellent service to the Company even under difficult circumstances. I would also like to express my sincere appreciation and gratitude to our dear Shareholders, Customers, Banks & Financial Patrons, Agents, Suppliers and Well-wishers for their continued confidence reposed on us and also for their untiring efforts and support to the Company.

On behalf of the Board



Md. Rafiqul Haque

Managing Director

01 February, 2022

পরিচালকদের প্রতিবেদন

৩০শে জুন ২০২০ সমাপ্ত বছরের জন্য

প্রিয় শেয়ারহোল্ডারগণ,

আসসালামু আলাইকুম।

টয়ো নিটেক্স (সিইপিজেড) লিমিটেড এর ২৯তম বার্ষিক সাধারণ সভায় আপনাদের শুভাগমন ও অংশগ্রহণের জন্য পরিচালক পরিষদের পক্ষ থেকে জানাচ্ছি আন্তরিক প্রীতি ও উষ্ণ শুভেচ্ছা। সেই সংঙ্গে ২০২০ সালের ৩০শে জুন সমাপ্ত বছরের নিরীক্ষিত হিসাব এবং সভাপতি, পরিচালকমন্ডলী ও নিরীক্ষকদের প্রতিবেদন আপনাদেও বিচক্ষণ বিবেচনা ও সহৃদয় অনুমোদনের জন্য উপস্থাপন করার সুযোগ পেয়ে আমি আনন্দিত।

ব্যবসাকে ঘিরে থাকা পরিবেশ

বিশ্বব্যাপী মহামারী এবং ব্যবসায়িক অনিশ্চয়তা পরবর্তী পদক্ষেপ চূড়ান্ত করতে আমাদের কিছু সময় নিতে বাধ্য করেছে।

বার্ষিক সাধারণ সভা (এজিএম):

আমরা ২০১৯ সালের ক্যালেন্ডার বছরের জন্য কোম্পানির বার্ষিক সাধারণ সভা এবং পরবর্তী এজিএম আহ্বান, পরিচালনা এবং অনুষ্ঠিত করার জন্য বাংলাদেশের সুপ্রিম কোর্টের মাননীয় হাইকোর্ট বিভাগ থেকে একটি আদেশ (২০২১ সালের কোম্পানির বিষয় নং ১৯৯) পেয়েছি। টয়ো নিটেক্স (সিইপিজেড) লিমিটেডকে মিঠুন নিটিং থেকে নাম পরিবর্তন করার নির্দেশ দেওয়ার জন্য কোম্পানি আইন ১৯৯৪-এর ৮৫(৩) এবং ৩৯৬ ধারা ৮১(২) এর অধীনে বিষয়টি সুপ্রিম কোর্টের মাননীয় হাইকোর্ট বিভাগে দাখল করা হয়েছিল। ডাইং (সিইপিজেড) লিমিটেড মূলতুবি থাকা এজিএম আহ্বান, পরিচালনা এবং অনুষ্ঠিত হয়।

কারখানার কার্যক্রম স্থগিত করা:

কোম্পানি চিঠির মাধ্যমে রেফারেন্স: MKDL/Share/2019-2248 dated 26 September, 2019 বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (BSEC) চেয়ারম্যানকে ২০ সেপ্টেম্বর, ২০১৯ থেকে কারখানার কার্যক্রম স্থগিত করার বিষয়ে অবহিত করে। পরিচালনা পর্ষদ সকলকে জানানোর সিদ্ধান্ত নিয়েছে। ২৬ সেপ্টেম্বর, ২০১৯ তারিখে অনুষ্ঠিত একটি বৈঠকে অপারেশন বন্ধ করার বিষয়ে জানানো হয়েছে।

CEPZ এর দাবি:

চিটাগাং এক্সপোর্ট প্রসেসিং জোন (CEPZ) কোম্পানিকে তাদের দাবির পরিমাণ US\$ ১,২৭১,১১৯.২৬ (প্রায় ১০৬,৮০০,০০০/-) লিজ ভাড়া, শ্রমিকদের মজুরি এবং CEPZ খরচের অন্যান্য হেডের জন্য চার্জ করা হয়েছে। সিইপিজেড ইজারা চুক্তি বাতিল করে এবং ইজারা দেওয়া সম্পদের প্রকৃত দখল হস্তান্তরের নির্দেশ দেয়।

কোম্পানির অপারেশন পর্যালোচনা এবং বর্তমান অবস্থা

কোম্পানীর আর্থিক ফলাফল বিবেচনা করলে দেখা যায় যে, কোম্পানির রাজস্ব শূন্য এবং ২৩.১০ কোটি টাকার নিট ক্ষতি হয়েছে।

বোর্ড অডিট কমিটি

নাই।

আর্থিক প্রতিবেদন

৩০ জুন, ২০২০ সমাপ্ত বছরের জন্য কোম্পানির অপারেটিং আর্থিক ফলাফল নীচে দেওয়া হল:

Particulars	2019-2020 Taka	2018-2019 Taka
Sales	-	311723566
Gross Profit	(9985161)	(140396894)
Operating Profit/(Loss)	(230953793)	(152292082)
Net Profit/(Loss) Before Tax for the year	(230953793)	(152292082)
Earning Per Share (Tk.) (After Tax)	(7.11)	(4.73)

এপ্রোপ্রিয়েশন এবং লভ্যাংশ

পরিচালনা পর্ষদ নিম্নরূপ বরাদ্দের জন্য প্রস্তাব করেছে:

Particulars	2019-2020 Taka	2018-2019 Taka
Accumulated Surplus/Deficit-Opening Balance	(102166460)	35574869
Deduct: Dividend Apportioned for previous year	-	-
Accumulated Surplus -Net of Previous year's Dividend	(102166460)	35574869
Less: Prior Year's Adjustments	-	15988811
Add : Net Profit/(Loss) for the year	(230953793)	(153730140)
Balance Available for Appropriation	(333120253)	(102166460)

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

ভবিষ্যৎ পরিকল্পনা

বৈশ্বিক মহামারী এবং ইউক্রেনিয়া-রাশিয়া এর মধ্যে উত্তেজনার কারণে পরবর্তী কর্মপরিকল্পনা ঠিক করতে হবে।

শিল্প সম্পর্ক

নাই।

বোর্ড অফ ডিরেক্টরস এবং ইলেকশন

নিম্নোক্ত ব্যক্তিরা পর্যালোচনাধীন বছরে কোম্পানির পরিচালনা পর্ষদের সদস্য ছিলেন। রিপোর্টিং আর্থিক বছরের শুরুতে এবং শেষে প্রতিটি পরিচালকের কাছে থাকা শেয়ারের সংখ্যা এবং পরিমাণ ও স্টক এক্সচেঞ্জ তালিকা প্রবিধান অনুযায়ী নিম্নলিখিত বিবৃতিতে দেওয়া হয়েছে:-

Name	Designation	Shares held 01.07.2019	Amount Taka	Share held 30.06.2020	Amount Taka
Mrs. Rabeya Khatun	Chairman	651238	6512380	651238	6512380
Mr.Md. Rafiqul Haque	Managing Director	1039742	10397420	1039742	10397420
Mr.Md.Mahbub-UI Haque	Director	1038851	10388510	1038851	10388510
Mr.Md. Atiqul Haque	Director	1038851	10388510	1038851	10388510
Mr. Abdul Allam	Independent Director	Nil	Nil	Nil	Nil

অ্যাসোসিয়েশনের প্রবন্ধের ৭৪ অনুচ্ছেদ অনুসারে মোঃ মাহবুব-উল হক বোর্ড থেকে অবসর গ্রহণ করেন এবং যোগ্য হওয়ার কারণে, কোম্পানির আর্টিক্যালস অফ অ্যাসোসিয়েশনের ৭৫ অনুচ্ছেদ অনুসারে নিজেদেরকে পুনরায় নির্বাচনের জন্য প্রস্তাব দেন।

পরিবেশগত ভূমিকা

নাই।

সংবিধিবদ্ধ অডিটর নিয়োগ:

কোম্পানির বর্তমান অডিটর মেসার্স. আশরাফ উদ্দিন অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, রহমান চেম্বার, ১২-১৩, মতিঝিল সি/এ, ঢাকা-১০০০, ২০১৯-২০২০ আর্থিক বছরের নিরীক্ষা পরিচালনার জন্য এজিএমে কোম্পানির নিরীক্ষক নিযুক্ত হন। মেসার্স. আশরাফ উদ্দিন অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, বিএসইসির একটি প্যানেল অডিটর। অডিট কমিটির সুপারিশে, বোর্ড মেসার্স. আশরাফ উদ্দিন অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, রহমান চেম্বার, ১২-১৩, মতিঝিল সি/এ, ঢাকা-১০০০ ২০১৯-২০২০ সালের জন্য কোম্পানির সংবিধিবদ্ধ অডিটর হিসেবে নিয়োগের জন্য তাদের পারিশ্রমিক ৮০,০০০/- (টাকা) আশি হাজার) মাত্র। পূর্বোক্ত বিজ্ঞপ্তি মেনে, শেয়ারহোল্ডারদের ২০২১-২০২২ আর্থিক বছরের জন্য ২৯তম বার্ষিক সাধারণ সভায় বিদ্যমান নিরীক্ষকদের পুনরায় নিয়োগ প্রদান করতে হবে তারা যোগ্য বিধায়।

কমপ্লায়েন্স অডিটর

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

৩রা জুন তারিখের BSEC বিজ্ঞপ্তির ৯(২) বিধান মেনে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (BSEC) কর্তৃক কর্পোরেট গভর্ন্যান্স কোডে ২০১৯-২০ সালের জন্য কমপ্লায়েন্স অডিট পরিচালনার জন্য একজন অনুশীলনকারী পেশাদার হিসাবরক্ষক/সচিব নিয়োগ করতে হবে। ২০১৮

রেফা. নং BSEC/CMRRCD/2006-158/207/Admin/80 কমিশনের উল্লিখিত কর্পোরেট গভর্নেন্স কোডের শর্তাবলী মেনে চলার জন্য একটি সম্মতিপত্র গ্রহণ করা হয়।

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

কর্পোরেট গভর্নেন্স

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

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

মনোনয়ন এবং পারিশ্রমিক কমিটি (NRC):

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


কর্পোরেট 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 আনুষ্ঠানিক প্রক্রিয়ার জন্য একটি নীতি।

টয়ো স্পিনিং মিলস লিমিটেডের পরিচালনা পর্ষদ ২০শে মে, ২০১৯ তারিখে স্বতন্ত্র পরিচালক জনাব মোঃ আব্দুল আল্লাম-এর নেতৃত্বে তিন সদস্য বিশিষ্ট মনোনয়ন ও পারিশ্রমিক কমিটি প্রতিষ্ঠা করেছে। কমিটির অন্য সদস্যরা হলেন, কোম্পানির পরিচালক জনাব মোঃ আতিকুল হক ও জনাব মোঃ মাহবুব-উল-হক।

উপসংহার

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমরা নিশ্চিত যে, আগামী দিনগুলিতেও আপনাদের সমর্থন ও সহযোগিতা অব্যাহত থাকবে। আমাদেরও সম্মানিত গ্রাহক, পৃষ্ঠপোষক, শেয়ারহোল্ডারবৃন্দ, কোম্পানীতে কর্মরত শ্রমিক কর্মচারীদের এবং শুভাকাংখীদের আন্তরিক ধন্যবাদ জ্ঞাপন করছি যাদের অক্লান্ত পরিশ্রমে ও আর্থিক সহায়তায় কোম্পানীর অগ্রযাত্রা সম্ভব হয়েছে। এখানে উপস্থিত হয়ে সভাকে সার্থক করার জন্য কোম্পানীর তরফ থেকে সবাইকে জানাই আন্তরিক অভিনন্দন এবং অশেষ ধন্যবাদ।

পরিচালক পর্ষদের পক্ষে



মোঃ রফিকুল হক

ব্যবস্থাপনা পরিচালক

০১ ফেব্রুয়ারী ২০২২

AUDIT COMMITTEE REPORT

For the Year ended 30th June 2020

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

The Audit Committee consists of the following persons:

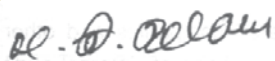
Mr. Md. Abdul Allam. Independent Director	- Chairman
Mr. Md. Atiqul Haque , Managing Director	- Member
Mr. Md. Mahbub-UI Haque, Director	- Member

The Scope of Audit Committee was defined as under:

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

Activities carried out during the year

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

**Md. Abdul Allam**

Chairman

Audit Committee

Date: 3 January , 2022

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 was prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.

Name of Directors	Meeting Held	Attended
Mrs. Rebeya Khatun	8	6
Mr. Md. Mahbub-UI Haque	8	8
Mr. Md. Mozammel Haque	8	6
Mr. Md. Rafiqul Haque	8	8
Mr. Md. Atiqul Haque	8	8
Mr. Md. Abdul Allam	8	6

- 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 2019 - 2020 were as follows:
- The pattern of shareholding (alongwith 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, 2020 is stated in ANNEXURE-II
- Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE -III.
- Key operating and financial data of last seven years have been presented as Progress at a Glance (Figures) in summarized form in ANNEXURE-IV.

ANNEXURE-II

Pattern of Shareholding as on June 30, 2020

P a r t i c u I a r s	Shares Held	Percentage	Remark
Parent Company	—	N / A	
Associated Companies:		—	N/A
Directors:			
Mrs. Rabeya Khatun	651238	2.00%	
Mr. Md. Rafiqul Haque	1039742	3.20%	
Mr. Md. Mahbub-UI Haque	1038851	3.20%	
Mr. Md. Atiqul Haque	1038851	3.20%	
Chief Executive Officer(CEO) and his spouse and minor children:	1039742	3.20%	
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):			
		—	
	—	—	

ANNEXURE-III

Status of compliance with the conditions imposed by BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2020 Issued under section 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	Board of Directors			
1.1	Board's size	✓		05 NOS
	Independent Directors			01 NOS
1(2)(a)	At least on fifth (1/5) of the total member of directors in the company's board shall be independent directors.	✓		
1(2) (b) (i)	Who either does not hold any shares in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		
1(2)(b) (ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director nominated director or shareholder of the company or any of its associates, sister concern, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also should not hold above mentioned shares in the company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter- in- law shall be considered as family members.	✓		
1(2) (b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial year	✓		
1(2) (b)(iv)	Who does not have any other relationship, whatever pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1(2) (b)(v)	who is not a member holder, or TREC (Trading Right Entitlement Certificate) director or officer of any stock exchange;	✓		
1(2) (b)(vi)	who is 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;	✓		
1(2) (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 03 (three) years of the concerned company's statutory audit firm; or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code.	✓		
1(2) (b)(viii)	Who shall not be an independent director in more than 05 (Five) listed companies;	✓		
1(2)(b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or a Non-Bank Financial Institution (NBFIL);	✓		
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2) (c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	✓		N/A
1(2) (d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days;	✓		
1(2) (e)	The tenure of office of an independent director shall be for a period of 03 (three) years, which may be extended for 01 (one) term only;	✓		
	Qualification of Independent Director			
1(3) (a)	Independent Director 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 business;	✓		
1(3) (b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Taka 100 million or any listed company or a member of any national or international chamber of commerce or business association ;or		N/A	
1(3)(b) (ii)	Corporate leader who is or was a top level executive not lower than chief executive officer or Managing Director or Deputy Managing Director or Chief Financial officer or Head of Finance or accounts or company Secretary or Head of internal audit and compliance or Head of Legal service or a candidate with equivalent position of an unlisted company having minimum paid up capital Taka 100 Million or of a listed company.	✓		
1(3)(b) (iii)	Former official of Government or Statutory or autonomous or regulatory body in the position not below 5th grade of the national pay scale, who at least educational background of Bachelor degree in economics or commerce or business or law.		N/A	
1(3)(b)(iv)	University Teacher who has educational background of Bachelor degree in Economics or Commerce or Business Studies or law.		N/A	
1(3)(b)(v)	Professional who is or was and advocate practicing at least in high court division of Bangladesh Supreme Court or a chartered Accountants or a cost management accountants or Chartered Financial Analyst or Chatered Certified Accountant or Certified Public Accountant or Chartered Management accountant or chartered Secretary or equivant qualifications ,		N/A	
1(3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in Clause(b).		N/A	
1(3) (d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;		N/A	
	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Directo (MD) and or the Chief Executive Officer (CEO) of the Companies shall be filled by different individuals.	✓		
1(4)(b)	The Managing Director(MD) and or Chief Executive Officer(CEO) of the listed company shall not hold the same position in another listed company			
1(4)(c)	The Chairperson of theBoard shall be elected from among the non executive directors of company.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and The Managing Director(MD) and or Chief Executive Officer(CEO)	✓		
1(4)(e)	In the absence of 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	✓		
	The Directors report to the Shareholder			
1(5) (i)	Industry outlook and possible future developments in the industry			
1(5) (ii)	Segment-wise or product-wise performance	✓		
1(5) (iii)	Risks and concerns including internal and external risk factors threats to sustainability and negative impact on environment ,if any	✓		
1(5) (iv)	A discussion on cost of goods sold, gross profit margin and net profit margin	✓		
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)	✓		
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transections and basis of transections of all related party transections	✓		
1(5) (vii)	A statement of Utilization of proceeds from public issues, rights issues and/or through any others instruments		N/A	
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc		N/A	
1(5) (ix)	An explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements	✓		
1(5) (x)	A statement of Remuneration paid to the directors including independent directors	✓		
1(5) (xi)	A Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1(5) (xii)	A Statement that Proper books of account of the issuer company have been maintained	✓		
1(5) (xiii)	A Statement that 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	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xiv)	A Statement that international Accounting Standards (IAS) or 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	✓		
1(5) (xv)	A Statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
1(5) (xvi)	A Statement that the minority share holders have been protected from the abusive action by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	✓		
1(5) (xvii)	A Statement that there are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✓		
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1(5)(xix)	Key operating and financial data of at least preceding 05 (five) years shall be summarized	✓		N/A
1(5) (xx)	An explanation on the reason If the issuer company has not declared dividend (cash or stock) for the year	✓		
1(5) (xxi)	The board statement to the effect that no bonus sahare or stock dividend has been or shall be declared as interim dividend		N/A	
1(5) (xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed	✓		
1(5) (xxiii) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details),		N/A	
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and compliance and their spouses and minor children (name wise details),	✓		
1(5) (xxiii) (c)	Executives,	✓		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		
1(5) (xxiv)(a)	A brief resume of the director			
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas	✓		
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1(5)(xxv) (a)	Accounting policies and estimation for preparation of financial statement.	✓		
1(5)(xxv) b)	Changes in accounting policies and estimation if any clearly described the effect on financial performance and financial position as well as cash flows in absolute figure for such change.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxv) (c)	Corporate analysis (including effect of the inflation) of financial performance and or result and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons thereof	✓		
1(5)(xxv)(d)	Compare such performance or result and financial position as well as cash flow with the peer industry scenario.	✓		
1(5)(xxv)(e)	Financial and economic scenario of the country and globe			
1(5)(xxv)(f)	Risks and concerns issues related to financial statement explaining such risks and concern mitigation plan of the company	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
	Meetings of the Board of Directors			
1(6)	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standard (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition no. 6 for the Chairperson of the Board, other board members and Chief Executive Officer of the company	✓		
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, regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		N/A	
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;		N/A	

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company .		N/A	
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also		N/A	
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.		N/A	
	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC).	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3 (1) (c)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall not hold any executive position in any other company at the same time;	✓		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;			
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3 (2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	✓		
	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3 (3) (a) (i)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3 (3) (a) (ii)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge 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;		N/A	
3 (3) (b)	The MD or CEO and CFO shall also certify that 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		N/A	

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
	Board of Directors Committee			
	For ensuring good governance in the company, the Board shall have at least following sub-committee	✓		
4 (i)	Audit Committee.	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
	Audit Committee			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board	✓		
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
5(1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	✓		
	Constitution of the Audit Committee			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be non - executive director 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)	When the term of service of any Committee members expires or there is any circumstance causing any committee member to be unable to hold before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity othe performance of work of the Audit Committee.	✓		
		✓		
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
	Chairperson of the Audit Committee			
5 (3) (a)	The board of director select 1 (one) member of the Audit Committee to be Chairperson of the Audit 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 , in that case there shall be no problem of constituting a quorum as required under condition No. 5 (4) (b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (3) (C)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		
	Meeting of the Audit Committee			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5 (4) (b)	An independent director is a must for the quorum of the meeting	✓		
	Role of Audit Committee	✓		
5 (5) (a)	Oversee the financial reporting process;	✓		
5 (5) (b)	monitor choice of accounting policies and principles;	✓		
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 external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	✓		
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 statement of all related party transactions submitted by the management;	✓		
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
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 the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		
	Reporting to the Board of Directors			
5 (6) (a)(i)	The Audit Committee shall report on its activities to the Board	✓		
5.6(a)(ii)	The Audit Committee shall immediately report to the Board of director on the following findings if any	✓		
5(6)(a)(ii)(a)	report on conflicts of interests;			Situation not arose
5(6)(a)(ii)(a)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Situation not arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Situation not arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Situation not arose
	Reporting to the Authorities			

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (6) (b)	IF the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the board and the management that any rectification has been unreasonably ignored , the Audit Committee shall report such finding to the Commission, upon reporting of such manner to the board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Situation not arose
	Reporting to the Shareholders and General Investors			
5 (7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company .			
	Nomination and Remuneration Committee (NRC)			
	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)	The NRC shall 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;	✓		
6(1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	✓		
	Constitution of the NRC			
6(2) (a)	The Committee shall comprise 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)	In case of death, resignation, disqualification, or removal of any member of the committee or any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the committee	✓		
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 member9s) of staff shall be required or valuable for the Committee .a	✓		
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 atleast 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 .	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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 minute	✓		
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the question of the shareholder	✓		
	Meeting of the NRC			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			Situation not arose
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 as required under condition No. 6(2)(h);	✓		
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	✓		
	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)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6(5) (c)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
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; and	✓		
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; and	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External Statutory Auditors			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		
7 (1)(i)	appraisal or valuation services or fairness opinions;	✓		
7 (1)(ii)	financial information systems design and implementation;	✓		
7 (1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7 (1)(iv)	broker-dealer services;	✓		
7 (1)(v)	actuarial services;	✓		
7 (1)(vi)	internal audit services or special audit services;	✓		
7 (1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7 (1)(ix)	any other service that creates conflict of interest	✓		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter in law shall be considered as family members.	✓		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the question of the shareholders.	✓		
	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).	✓		
	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 auditors or audit firm on yearly basis regarding compliance of conditions of corporarcompliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed 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	✓		
9 (3)	The directors of the company shall state , in accordance with the Annexure-C attached, in the director report whether the company has complied with these conditions or not	✓		

ANNEXURE-IV

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

Progress at a Glance (Figures)
(Taka in Thousand)

Particulars	2019-2020	2018-19	2017-18	2016-17	2015-16
Authorised Capital	800,000	800,000	800,000	800,000	800,000
Issued and Paid Up Capital	324,911	324,911	324,911	324,911	270,760
Reserve and Surplus	(221,520)	163,102	316,831	389,557	503,418
Long Term Loan	-	-	-	3,681	15,546
Fixed Assets (Net)	-	221,073	244,201	269,874	299,093
Current Assets	290,345	456,285	608,379	650,424	758,679
Current Liabilities	184,696	187,085	207,710	109,457	265,999
Dividend/Bonus		-	-	-	54,152
Sales (Export)		311,723	438,939	508,534	861,758
Gross Profit		(140,397)	(41,788)	(21,039)	145,003
Operating Profit		(152,292)	(71,365)	(58,093)	86,030
Net Profit		(153,730)	(72,724)	(59,709)	69,921
Earnings per Share (Tk.)		(4.73)	(2.24)	(1.84)	2.58
Net Worth per Share (Tk.)	3.18	15.02	19.75	22	23.83
Number of Shareholders	6910	6840	6674	7,522	4976
Number of Employment	0	760	764	776	1,506

CEO & CFO'S Declaration To the Board of Directors**The Board of Directors****Toyo Knitex (CEPZ) 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, 2020

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 the Company for the year ended on June 30, 2020 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, 2020 and that to the best of our knowledge and belief:

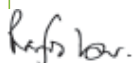
(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(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. Rafiqul Haque
Managing Director



Md. Nijamul Islam Talukder
Chief Financial Officer (CFO)



Haruner Rashid & Associates

Chartered Secretaries & Management Consultants

**Report to the Shareholders of
Toyo Knitex (CEPZ) Limited
on
Compliance on the Corporate Governance Code**

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

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

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

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

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

Place: Dhaka

Dated: February 24, 2022

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

Annexure**[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**CODE OF CONDUCT OF NRC**

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

**Independent Auditor's Report
To the Shareholders Toyo Knitex (CEPZ) Limited**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of **Toyo Knitex (CEPZ) Limited** and its subsidiaries (the 'Group') as well as the separate financial statements of **Toyo Knitex (CEPZ) Limited** (the 'Company'), which comprise the consolidated and separate statement of financial position as at 30th June, 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view except for the issue presented in 'Basis for Qualified Opinion' paragraph of the financial position of **Toyo Knitex (CEPZ) Limited** as of 30th June, 2020 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

We refer to note no: 1.4 (f) regarding the compliance with regulations and Acts. The company is a listed entity and must comply with listing regulations of both Dhaka & Chittagong stock exchange. As per DSE & CSE listing regulation, delays in holding Annual General Meeting (AGM), Dispatching Annual Audited Accounts, Half Yearly-Quarterly Accounts, Payment of Listing Fees are all subject to penalty. The company did not disclose or provide for this non compliance.

With reference to note no: 6 regarding the suspension of operation notice to Bangladesh Securities and Exchange Commission, the company did not made any public disclosure as per section 43(1) *Immediate Public Disclosure of Material Information* of chapter-XII of the Listing Regulation of CSE Limited.

We refer to note no: 4(a) of the separate financial statements of Toyo Knitex (CEPZ) Limited regarding investment in subsidiary companies. The company discloses in note no: 2.2 & 2.8 that, it values investment in Fair Value. Despite of significant deviation of both subsidiary company's financial performance & position, the parent company did not account for any impaired value of the investment.

We further refer to note no: 33 of the consolidated financial statement regarding the EPS of the company which is negative for both 2019 & 2020 Tk.(4.73) & Tk. (7.11) respectively. Consecutive operating loss of Tk. (152.29 m) in 2019 & Tk.(230.95 m) in 2020. The retained earnings of the company is also negative at an alarming rate in 2020. All these event & conditions cast significant doubt on the ability of the company to run as a going concern. Adequate disclosure is not available throughout these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we

have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note no: 7 & note no: 8 regarding the claim of Chittagong Export Processing Zone (CEPZ) and the litigation event with Customs, Excise and VAT authority Chittagong. Our opinion is not modified in respect of these matter.

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.Regulatory Environment

Ref: Note 1.4(f) & 2.1

Key audit matters	How our audit address the matter
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-1987, Income Tax Ordinance-1984 & Value Added Tax Act-2012, the company shall also comply with DSE & CSE Listing Regulations.	<p>-We clearly encoded the reporting requirements and regulatory environment of the company.</p> <p>-We checked the compliance of the financial statements for disclosure made by the company regarding regulatory environment.</p> <p>-We review the compliance status of the company with the applicable laws and regulations.</p> <p>-We review management's intentions to comply with the regulatory environment.</p> <p>- we assessed the ability / availability of management personnel's to comply with regulations.</p>

2.Newly adopted IASs & IFRSs

Ref: Note 2.7

Key audit matters	Key audit matters
The company has adopted new financial reporting standards and applied changes in its accounting policy and judgment in the preparation of financial statements for the year under audit.	- Obtained an understanding from the management regard company policy in adoption of new International Accounting & Financial Reporting Standards.
Adoption and application of new reporting standards require careful professional judgment and	-We reviewed the process followed by the management in adopting and implementing new standards of reporting.

assumption. They have widespread impact on the preparation of the financial statements. Improper application may result in significant deviation among key performance indicators of the company.

- Assesses the assumptions made while applying those standards.
- Analyze the impact on overall financial results due to adoption of new IFRS.
- Carried out recalculation where necessary.
- We checked the adequacy and appropriateness of disclosure requirements.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- ☒ Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ☒ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 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 Group and the Company so far as it appeared from our examination of these books;
- c) the consolidated and the separate statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purpose of the Group's and the Company's business.



Md. Mohiuddin Ahmed FCA, CFC

Enrollment No: 1046

Partner

Ashraf Uddin & Co.

Chartered Accountants

DVC : 2201311046AS890394

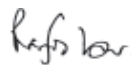
Place: Dhaka


Date: 20 January, 2022


TOYO KNITEX (CEPZ) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2020


PARTICULARS	Notes	Amount in Taka	
		30 June, 20	30-Jun-19
NON-CURRENT ASSETS		58,668,888	221,072,557
Fixed Assets (Knitting & Dyeing Division)	A	55,627,013	195,434,066
Fixed Assets (Garments Division)	B & C	3,041,875	25,638,491
CURRENT ASSETS		231,676,622	456,284,907
Inventories	20	-	21,000,318
Export Bills Receivable	21	207,446,741	317,114,489
Advances, Deposits & Prepayments	22	22,170,702	116,110,921
Cash and Cash Equivalents	23	2,059,179	2,059,179
TOTAL ASSETS		290,345,510	677,357,464
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	9	324,911,620	324,911,620
Retained Earnings	10	(333,120,253)	(102,166,460)
Capital Reserve		85,186,731	85,186,731
Tax Holiday Reserve		16,413,572	16,413,572
General Reserve & Dividend Equalization Fund		10,000,000	10,000,000
Revaluation Surplus	10A	-	153,667,931
Equity attributable to Owners of the Company		103,391,670	488,013,394
Non Controlling Interest	11	726	2,339
TOTAL EQUITY		103,392,396	488,015,733
NON-CURRENT LIABILITIES		2,256,687	2,256,687
Term Loan	12	-	-
Deferred Tax Liability	13	2,256,687	2,256,687
CURRENT LIABILITIES		184,696,426	187,085,044
Working Capital Loan (Secured)	14	44,570,288	44,570,288
Un-paid Import Bills (Secured)	15	712,000	712,000
Liabilities against Bill Purchase (Secured)	16	312,000	312,000
Liabilities for Goods and Expenses (Unsecured)	17	108,716,579	111,105,196
Income Tax Payable	18	30,385,559	30,385,559
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		290,345,510	677,357,464
Net Asset Value Per Share		3.18	15.02

The annexed Notes form (01-42) and Integra Part of this Statement.



Md. Rafiqul Haque
Managing Director


Md. Atiqul Haque
Director


Md. Nijamul Islam Talukder
Chief Financial Officer


Mohamad Shohel Rana
Company Secretary

This is the Consolidate Statement Financial Position referred to in our Report of even date.

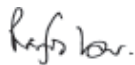

Md. Mohiuddin Ahmed FCA,CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC : 2201311046AS890394


Place: Dhaka
Date: 20 January, 2022

TOYO KNITEX (CEPZ) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2020

PARTICULARS	Notes	Amount in Taka	
		30 JUNE, 2020	30 JUNE, 2019
SALES	24	-	311,723,566
Cost of Goods Sold	25	9,985,161	452,120,460
GROSS PROFIT/ (Loss)		(9,985,161)	(140,396,894)
Administrative Expenses	27	688,128	7,154,289
Selling and Distribution Expenses	28	-	845,399
Impairment	34	216,287,043	-
Financial Expenses	29	3,993,461	3,895,500
		220,968,632	11,895,188
OPERATING PROFIT		(230,953,793)	(152,292,082)
Non Operating Income	30	-	-
Net Profit Before Tax		(230,953,793)	(152,292,082)
Tax Expenses			
Current Tax(Turnover Tax)		-	1,870,341
Deferred Tax Expenses / (Income)		-	(432,284)
Total Tax Expenses	31	-	1,438,058
Net Profit After Tax		(230,953,793)	(153,730,140)
Minority Interest in Income		-	-
Net Profit Attributable to Controlling Interest		(230,953,793)	(153,730,140)
Other Comprehensive Income (OCI)			
Impairment of Non Current Asset (Revalued Portion)		(153,667,932)	-
		(384,621,725)	(153,730,140)
Earnings Per Share	33	(7.11)	(4.73)

The annexed Notes form and Integra Part of this Statement.



Md. Rafiqul Haque
 Managing Director


Md. Atiqul Haque
 Director


Md. Nijamul Islam Talukder
 Chief Financial Officer


Mohamad Shohel Rana
 Company Secretary

This is the Consolidate Statement of Profit or Loss and other Comprehensive Income referred to in our Report of even date.


Md. Mohiuddin Ahmed FCA, CFC
 Enrollment no: 1046
 Partner
 Ashraf Uddin & Co.
 Chartered Accountants
 DVC : 2201311046AS890394

Place: Dhaka
 Date: 20 January, 2022

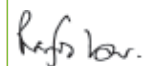
TOYO KNITEX (CEPZ) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2020

Particulars	Share Capital	Capital Reserve	Tax-Holiday Reserve	General Reserve & Dividend Equa.Fund	Revaluation Surplus	Retained Earnings	Total Controlling Interest	Minority Interest	Total
Balance as on June 30, 2019	324,911,620	85,186,731	16,413,572	10,000,000	153,667,931	(102,166,460)	488,013,394	2,339	488,015,733
Net Profit /(loss)After Tax	-	-	-	-	-	(230,953,793)	(230,953,793)	-	(230,953,793)
Non Controlling Interest	-	-	-	-	-	-	-	(1,613)	(1,613)
Revaluation Surplus	-	-	-	-	(153,667,931)	-	-	-	(153,667,931)
Balance as on June 30, 2020	324,911,620	85,186,731	16,413,572	10,000,000	-	(333,120,253)	257,059,601	726	103,392,396

TOYO KNITEX (CEPZ) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2019

Particulars	Share Capital	Capital Reserve	Tax-Holiday Reserve	General Reserve & Dividend Equa.Fund	Revaluation Surplus	Retained Earnings	Total Controlling Interest	Minority Interest	Total
Balance as on June 30, 2018	324,911,620	85,186,731	16,413,572	10,000,000	169,656,742	35,574,869	641,743,534	3,009	641,746,543
Net Profit After Tax	-	-	-	-	-	(153,730,140)	(153,730,140)	-	(153,730,140)
Non Controlling Interest	-	-	-	-	-	-	-	(670)	(670)
Revaluation Surplus	-	-	-	-	(15,988,811)	15,988,811	-	-	-
Balance as on June 30, 2019	324,911,620	85,186,731	16,413,572	10,000,000	153,667,931	(102,166,460)	488,013,394	2,339	488,015,733

The annexed Notes form and Integra Part of this Statement.



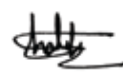
Md. Rafiqul Haque
Managing Director



Md. Mahbub-Ul Haque
Director



Md. Najmul Islam Talukder
Chief Financial Officer



Mohammad Shohel Rana
Company Secretary

This is the Statement of Changes in Equity referred to in our Report of even date.

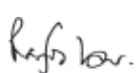
Place: Dhaka

Date: 20 January, 2022

TOYO KNITEX (CEPZ) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE,2019

PARTICULARS	Amount in Taka	
	30-Jun-20	30-Jun-19
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover and Others	6,850,658	314,676,138
Payment for Cost and Expenses	(6,850,658)	(448,614,827)
Payment for Financial Expenses		(10,236,522)
Income Tax Paid /Deducted	-	(2,515,104)
NET CASH PROVIDED BY OPERATING ACTIVITIES	-	(146,690,315)
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets (Schedule-A,B & C)	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES :		
Loan Term Loan Increase/(Decrease) (Note-12)	-	-
Short Term Loan Increase/(Decrease) (Note-14 & 16)	-	(37,901,295)
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	(37,901,295)
Increase/(Decrease) in Cash and Cash Equivalents	-	(36,177,800)
Cash and Cash Equivalents on Opening	2,059,179	38,236,979
Cash and Cash Equivalents on Closing	2,059,179	2,059,179
Net Operating Cash Flow Per Share	-	(4.51)

The annexed Notes form and Integra Part of this Statement.



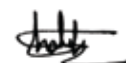
Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Md. Najmul Islam Talukder
Chief Financial Officer



Mohammad Shohel Rana
Company Secretary

This is the Consolidate Cash Flow Statement referred to in our Report of even date.

Place: Dhaka

Date: 20 January, 2022

TOYO KNITEX (CEPZ) LIMITED
Notes to the consolidated financial statements
as at and for the year ended 30 June 2020

1. Reporting entity

Toyo Knitex (CEPZ) Limited (hereinafter referred to as 'the company'), formerly known as Mithun Knitting and Dying (CEPZ) Limited was incorporated on 17 June 1991 vide reg. no C-20759(498)/91 as a public limited company under Companies Act 1994. The Company changed its name from 'Mithun Knitting and Dying (CEPZ) Limited' to 'Toyo Knitex (CEPZ) Limited' on 22 March, 2018 (RJSC issue no:52) and currently holding registration no C-3-20759. The company has began commercial operation in 1993. The company went for public issue in 1994 and is listed under Dhaka and Chittagong Stock Exchange. In 5th March 2012 the company acquired two subsidiaries namely 'Toyo Composite Knit Garments Limited' & 'Pure Cotton Knitwears Limited' through an order of Bangladesh Securities and Exchange Commission (BSEC).

The registered office of the company is situated at BASABS, Post office Para, Chuadanga Sadar. Current address of the company is H-50, R-03, South Avenue Tower, 6th Floor, Gulshan-1, Dhaka. The production unit is situated at Plot 43-46, Block-4, CEPZ, Chittagong.

1.1 Nature of business

Principal activity of the company is to carry on Knitting, Dying & knit garments manufacturing. The company is 100% export oriented garments factory.

1.2 Subsidiary Companies

Toyo Composite Knit Garments Limited is a Private Limited Company incorporated on under the Companies Act, 1994 vide reg no: C-2863(2480)/95 dated 20 June, 1995. The Registered Office of the Company is situated at Sena Kalyan Bhaban 12 th floor Motijheel C/A, Dhaka-1000. The Authorized Share capital of the Company is Tk. 10,00,00,000/- (Ten Crore) divided into 10,00,000 (Ten Lac) Ordinary Shares @ Tk. 100/-.. The present paid up capital of the Company is Tk. 7,50,00,000/- which is divided into 750,000 Ordinary share @ Tk. 100/- each.

Pure Cotton Knitwears Limited is a Private Limited Company incorporated on under the Companies Act, 1994 vide reg no: C-42362(1721)/2001 dated 01 February, 2001. The company is a subsidiary of Toyo Knitex (CEPZ) Limited. The Registered Office of the Company is situated at Sena Kalyan Bhaban (9th Floor, Suit#904) Motijheel C/A, Dhaka-1000. The Authorized Share capital of the Company is Tk. 10,00,00,000/- (Ten Crore) divided into 10,00,000 (Ten Lac) Ordinary Shares @ Tk. 100/-.. The present paid up capital of the Company is Tk. 3,50,00,000/- which is divided into 350,000 Ordinary share @ Tk. 100/- each.

Subsidiaries are entities controlled by Toyo Knitex Limited & was acquired through an order from Bangladesh Securities and exchange Commission order no: SEC/CI/CPLC-291/2011/1132 dated March, 5 2012. During that time the name of the company was Mithun Knitting and Dying (CEPZ) Ltd. A total 6,666,580 number of Ordinary Shares were issued to acquire both subsidiaries.

1.3 Basis of consolidation

The financial statements of the company and its subsidiary, as mentioned in note 1.2 have been consolidated in accordance with International Financial Reporting Standards (IFRS) 10 Consolidated Financial Statements the accounting policies of the subsidiary have been changed when necessary to align them with the policies adopted by the group. During the period statement of financial position, statement of profit or loss and other comprehensive income, and statement of cash flows has been consolidated on the basis of audited financial statements.

Transactions eliminated on consolidation

The financial statements of the subsidiaries has been consolidated in accordance with International Financial Reporting Standards (IFRS) 10 "Consolidated Financial Statements" Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions, have been eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of Saif Powertec Limited's (The Company) interest in the investee. Unrealized losses, if any, are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

Non-controlling Interest

During the year statement of financial position, statement of profit or loss and other comprehensive income, and statement of cash flows has been consolidated on the basis of audited financial statements. Total profits of the Company and its Subsidiary are shown in the Consolidated Statement of Profit or Loss & Other Comprehensive Income with the proportion of "Non-controlling interest". NCI in balance sheet valued at net asset value of the company after acquisition.

All Assets and Liabilities of the company and of its subsidiary are shown in the consolidated statement of financial position. The Interest of Non-controlling shareholders of the subsidiary is shown separately in the consolidated statement of financial position under the head "Non-controlling Interest".

1.4 Risk exposure

a. Interest rate risk

Interest rate risk is the risk that company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates.

Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception:

The company has been repaying borrowed funds on a continuous basis to reduce such interest risk.

b. Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate is increased against local currency opportunity will be created for generating more profit.

Management perception:

The Company changes the price of their services in accordance with the change in exchange rate to mitigate the affect of unfavorable volatility in exchange rate on the company's earnings.

c. Industry risks

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

Management perception:

The Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions. As a local company, a unique understanding of the requirements of its clients and customers and as such, shall continuously position itself as the first choice to its domestic market. Many foreign companies which wish to enter the Bangladesh market will seek the Company as competitor.

d. Market Risks

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

Management perception:

The needs for power, construction and infrastructure support services will continue to grow much faster in a developing country than other developed markets in the world. Strong management, timely and quality service has enabled the company to capture significant market share in the sector. And the company is continuously penetrating the market and upgrading the quality of their service to minimize the risk.

e. Technology Related Risks

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

Management perception:

The Company is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

f. Potential or Existing Government Regulations

The company operates under Companies Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax Act 1991, CSE & DSE Listing Regulation and Value Added Tax Rules 1991. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

The Annual General Meeting is pending for the year 2019 & 2020. Income Tax Return & VAT return is pending due to suspension of operation.

Management perception:

The company is planning to prepare the financial statements and comply with all pending regulatory requirements.

g. Operational risks

Non-availability of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, unforeseen events, lack of supervision and negligence, leading to severe accidental losses, etc.

Management perception:

The company's equipment is under insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of the equipment also reduce/eliminate the operational risk.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax Act 1991 and the Value Added Tax Rules 1991, Bangladesh Securities and Exchange Rules 1987 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

2.2 Basis of measurement

The financial statements have been prepared on historical cost basis except financial assets and liabilities which are stated at "fair value".

2.3 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka, which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IAS/IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.5 Reporting period

The financial reporting period of the company covers one year from 01 July 2019 to 30 June 2020.

2.6 Comparative Information and Rearrangement Thereof

In accordance with the provisions of IAS-1: Presentation of Financial Statements, 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 year's financial statements.

Previous year figure has been rearranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS -8 " Accounting Policies , Changes in Accounting Estimated and Errors"

2.7 Corporate Accounting Standards Practiced

Applicable International Accounting Standards (IASs) are as follows:

IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventories	Complied
IAS 7	Cash Flows Statement	Complied
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 17	Leases	Complied
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 27	Separate Financial Statements	Not Applicable
IAS 28	Investments in Associates and Joint Ventures	Not Applicable
IAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings Per Share	Complied
IAS 34	Interim Financial Reporting	Not Applicable
IAS 36	Impairment of Assets	Complied
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Not Applicable
IAS 39	Financial Instruments: Recognition and Measurement	Complied
IAS 40	Investment Property	Not Applicable

Applicable International Financial Reporting Standards (IFRSs) are as follows:

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards	Complied
IFRS 2	Share-based Payment	Not Applicable
IFRS 3	Business Combinations	Complied
IFRS 4	Insurance Contracts	Not Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable
IFRS 7	Financial Instruments: Disclosures	Complied
IFRS 8	Operating Segments	Complied
IFRS 9	Financial Instruments	Complied
IFRS 10	Consolidated Financial Statements	Complied
IFRS 11	Joint Arrangements	Not Applicable
IFRS 12	Disclosure of Interests in Other Entities	Not Applicable
IFRS 13	Fair Value Measurement	Not Applicable
IFRS 14	Regulatory Deferral Accounts	Not Applicable
IFRS 15	Revenue from contracts with customers	Complied
IFRS 16	Leases	Not Complied

2.8 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI)—debt investment; Fair Value through Other Comprehensive Income (FVOCI)—equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at it is held within a business model whose objective is to hold assets to collect contractual cash flows; and Its contractual A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present Financial assets at FVTPL

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

2.9 Financial assets at amortised cost

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

2.10 Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

2.11 Impairment of financial assets

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

2.12 Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash The company did not account for any loss allowance in respect of ECL and assumes all its credit as recoverable within stipulated time frame. Since almost all the service contracts of the company is mainly with the Government, the Management considered all credit status as good.

2.13 Presentation of impairment

Loss allowances (if any) for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset. Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement if any.

2.14 IFRS-16 Leases:

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.

2.15 IFRS-8 Operating Segments:

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

- 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.

The company disclosed financial information regarding subsidiaries as separate and consolidated form throughout the financial statement.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Property, plant and equipment are measured at cost and valuation (only land) less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. It is carried at the lower of its carrying amount and fair value less cost. Any write-down is shown as an impairment loss. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

3.1.3 Depreciation on property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation thereon. Depreciation is charged applying diminishing balance method on all fixed assets other than land and land development. Depreciation has been charged on addition when the related asset is available for use and no depreciation has been charged when the related assets are de-recognized/disposed off. After considering the useful life of the assets as per IAS-16: Property Plant and Equipment, the depreciation rates have been applied as under which is considered reasonable by the management:

Rates of depreciation on various classes of property, plant and equipment are as under:

<u>Category of property, plant and equipment</u>	<u>Rate (%)</u>
Factory Building	5%
Machinery and Equipment	10-15%
Furniture and Fixture	10%
Vehicles	15-20%
Office Equipment	15-20%
Generators	15%

3.1.4 Impairment of assets

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the year no impaired loss occurred to recognize in the Financial Statements.

3.2 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is valued at weighted

3.3 Provisions

A provision is recognised on the balance sheet date if, as a result of past events, the Company has a present legal or In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets,

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c. Reliable estimates can be made of the amount of the obligation.

3.4 Earnings per share (EPS)

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share. Earnings per share by dividing the net earnings after Tax by the number of ordinary shares outstanding during the period.

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

*This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

Diluted Earnings per share

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company. Hence, no Diluted EPS of the company has been calculated.

3.6 Revenue

As per IFRS-15: "Revenue from Contracts form Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing , orally or in accordance with other customary business practices) and are committed to perform their respective obligations ;
- (b) The entity can identify each party 's rights regarding the goods or services to be transferred ;
- (c) The entity can identify the payment terms for the goods or services to be transferred ;
- (d) The contract has commercial substance (i.e. the risk , timing or amount of the entity `s future cash flows is expected to change as a result of the contract); and
- (e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

3.7 Trade receivables

Trade receivables at the balance sheet date are stated at amounts which are considered realisable.

3.9 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues. Finance expenses comprise interest expense on borrowings, bank charges and guarantee costs. All borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate.

3.10 Cash and cash equivalents

It includes cash in hand and other deposits with banks which were held and available for use by the company without any restriction.

Cash flows from operating activities have been presented under direct method as per IAS-7 : Statement of Cash Flows

3.11 Taxation

The applicable reduced tax rate is 12% for export oriented RMG sector company.

The company did not file due tax returns since closure of its operation.

3.10 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

3.12 Foreign Currency Transaction

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
 - (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the
 - (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different
- As the import L/Cs were settled on spot payment basis, no exchange loss or gain occurred.

4.00 Employee Benefits:

The Company is operating Workers Profit Participation Fund (WPPF) and Welfare Fund according to Bangladesh Labour Law 2006 and Bangladesh labour (Amendments) Act 2013 are accounted for securing benefits to the employees in accordance with the provision of International Accounting Standard (IAS)-19, " Employee Benefit". The company pays two festival bonuses to all employees in every year.

Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit before tax, contributed by the company as per provisions of the Bangladesh Labour Act, 2006 (amendment-2013). The Company do recognizes contribution to Workers Profit Participation and Welfare Fund in the accounts of the year 2019-2020 due to operating loss.

The company did not made provision for WPPF in line with section 234 (a) chapter-XV (Workers 'participation in Companies Profits) of Bangladesh Labour Act-2006 and complied with section 234 (b) due to reported loss.

5.00 Related party disclosure

As per IAS 24: Related Party Disclosure, parties are considered to be related if one has the ability to control or exercise significant influence over other in making financial and operating decisions. During the year the Company made no related party transaction.

6.00 Event After Reporting date

Suspension of factory operation

The Company through letter ref : MKDL/Share/2019-2248 dated 26 September, 2019 inform the Chairman of Bangladesh Securities and Exchange Commission (BSEC) regarding the suspension of factory operation since 20 September, 2019. The Board of Directors decided to inform all parties regarding the closure of operation in a meeting held on 26 September, 2019.

7.00 CEPZ Claim

Chittagong Export Processing Zone (CEPZ) has informed the Company about their claim amounting USD.1,214,219.31 (approx BDT. 102,000,000/-) on account of Lease Rentals, Workers Wages & other heads of CEPZ expenses. The letter reference was 03.06.2616.314.33.067.91-985 dated: 09 December, 2018, signed by Md.Ahsan Kabir (General Manager, Investment Promotion, CEPZ). CEPZ authority warned the management of the company regarding the early settlement of due payment and the possibility of termination of the lease agreement in case of default.

Chittagong Export Processing Zone (CEPZ) has further informed the Company about their claim which was increased to USD.1,271,119.26 (approx BDT. 106,800,000/-) on account of Lease Rentals, Workers Wages & other heads of CEPZ expenses. The letter reference was 03.06.2616.314.33.067.91-165 dated: 26 February, 2019, signed by Md.Ahsan Kabir (General Manager, Investment Promotion, CEPZ). CEPZ cancelled the lease agreement and ordered to handover the physical possession of the leased asset.

8.00 Value Added Tax Authority Claim

Customs, Excise and VAT authority Chittagong has submitted a claim of Tk.6,103,893/- through claim no: 46/2018 dated 08 July, 2018 regarding VAT Deducted at Source on different expense heads. An appeal was made against the claim on 04 April, 2018 in Customs, Excise and VAT Appellate Tribunal, Dhaka through paying 10% of the claim amount. The tribunal had made temporary solution of the appeal & sent the matter for remand.

09 SHARE CAPITAL

Authorised Capital :

25,000,000 Ordinary Shares of Tk. 10 each

800,000,000

800,000,000

Issued, Subscribed and Paid-Up Capital :

5,000,000 Ordinary Shares of Tk. 10 each fully paid-up in cash

50,000,000

50,000,000

2,187,500 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

21,875,000

21,875,000

Issue of 6,666,580 Ordinary Shares of Tk. 10 each against Acquisition

66,665,800

66,665,800

Issue a 27,708,160 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

27,708,160

27,708,160

Issue a 26,599,830 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

26,599,830

26,599,830

Issue a 38,569,750 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

38,569,750

38,569,750

Issue a 3,934,115 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

39,341,150

39,341,150

Issue a 5,415,193 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

54,151,930

54,151,930

TK. **324,911,620** **324,911,620**

COMPOSITION OF SHAREHOLDINGS

Description	No. of Investors	No. of Shares	% of Share Holding June 30, 2020	% of Share Holding June 30, 2019
Sponsors	11	5,588,242	17	17
ICB & Body Corporates	202	3,983,416	12	12
General Public	6,461	22,919,504	71	71
Total	6,674	32,491,162	100	100

SHAREHOLDINGS STRUCTURE

A distribution schedule of equity security setting at the number of holders and percentage in the following categories as on 30-06-2019 as compared to 30-06-2018.

Class Interval	No. of Holders	No. of Shares	% of Share Holding June 30, 2020	% of Share Holding June 30, 2019
Less than 500	2,310	502,994	2	2
501 to 5000	3,409	6,241,577	19	19
5001 to 10000	501	3,624,853	11	11
10001 to 20000	265	3,821,895	12	12
20001 to 30000	72	1,802,553	6	6
30001 to 40000	31	1,046,668	3	3
40001 to 50000	27	1,208,411	4	4
50001 to 100000	35	2,376,904	7	7
100001 to 1000000	20	5,773,033	18	18
1000000 - above	4	6,092,274	19	19
Total	6,674	32,491,162	100	100

10 RETAINED EARNINGS

	30 June, 20	30-Jun-19
Opening Balance	(102,166,460)	35,574,869
Profit / Loss During the year	(230,953,793)	(153,730,140)
Prior year Adjustment	-	-
Revaluation surplus adjustment	-	15,988,811
Dividend paid	-	-
Total	TK. (333,120,253)	(102,166,460)

10A REVALUATION SURPLUS

Revaluation Surplus	-	153,667,931
Total	TK. -	153,667,931

11 NON CONTROLLING INTEREST (NCI)

6 Ordinary shares out of total 350,000 shares in Pure Cotton Knitwares Ltd.	273	1,297
6 Ordinary shares out of total 750,000 shares in Pure Cotton Knitwares Ltd.	454	1,042
[NCI calculated on net book value of the subsidiaries on reporting date]	726	2,339

12 TERM LOAN (SECURED) : Nil

Term Loan	-	-
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Purpose of Loan

To procure Knitting, dyeing, finishing, Garments machinery and laboratory equipment towards BMRE of the project.

Rate of Interest

13.00% per annum at quarterly rests, subject to change by the bank from time to time for both previous and additional loan.

Nature of Security

- Hypothecation of project's existing machinery and future additions, if any.
- Floating charges on all other assets both present and future.
- Personal guarantees of all the Directors Jointly and severally.
- Other usual charge documents/undertakings.

Amount in Taka	
30 June, 20	30-Jun-19

13 DEFERRED TAX LIABILITY

(a) Deferred Tax Liabilities are arrived at as follows :

Book Value of Depreciable Fixed Assets	-	64,813,478
Less-Tax base	-	43,986,419
Taxable Temporary Difference	-	20,827,059
Effective Tax Rate	0	12%
Deferred Tax Liability	TK. 2,256,687	2,256,687

Because the company is not in operation deferred tax provision kept remain unchanged.

14 WORKING CAPITAL LOAN (SECURED)

BASIC Bank, Shantinagar, CC A/C No. 0960-01-0000022 & Director loan	44,570,288	44,570,288
TK.	44,570,288	44,570,288

Cash credit, secured against hypothecation of stocks collateralised by company's fixed assets was sanctioned for one year and is usually renewable from year to year. The interest rate was 12.75% p.a. quarterly rests as on 30th June, 2018 which is also subject to change from time to time by the Bank. The said loan was renewed up to 31st October, 2018.

15 UN-PAID IMPORT BILLS (SECURED) : TK. 7,12,000

The above amount which is secured by Master Export L/C's was remained unpaid against back to back L/C for importation of cotton yarn, chemicals & dyes as on 30th June, 2020

16 LIABILITIES AGAINST BILL PURCHASE : TK. 3,12,000

The above amount was secured against lien of export L/C's duly accepted by L/C opening Bank. The Interest rate on the above bill purchasing finance is 13% -15% p.a. as the payments are being received in US dollars.

17 LIABILITIES FOR GOODS AND EXPENSES (UNSECURED) 108,716,579

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

Amount in Taka	
30 June, 20	30-Jun-19

18 INCOME TAX PAYABLE : TK.30,385,559

The amount represents tax for the current year which has been provided on the accounting profit for the year at the presently enacted tax rate 10% for the 100% export oriented knit and garments industries along with the short provision of tax of perior years.

19 PROPOSED DIVIDEND : TK. Nil

Dividend is subject to the approval of the shareholders in the 28th Annual General Meeting and it is not treated as liability at the Balance Sheet date. The Board of Directors has not recommended any dividend for the financial year 2017-2018.

20 INVENTORIES :

Stock of Yarn & Fabric	8,521,804	8,542,320
Stock of Dyes	897,116	897,116
Stock of Chemical	1,341,782	1,341,782
Spares, Stores & Accessories	1,962,028	1,962,028
Packing Material	-	-
Stock of Materials	TK. 12,722,730	12,743,246
Finished Goods	7,595,494	7,595,494
Fabrics		
Garments		
Work-in process	682,094	682,094
Fabrics		
Garments	TK. 21,000,318	21,020,834
Impairment	(21,000,318)	-
	-	21,000,318

21 EXPORT BILLS RECEIVABLE

Accounts Receivable	317,114,489	317,114,489
Less: Credit Loss	(109,667,748)	-
	207,446,741	317,114,489

The amount of non-proceeded export bills as on June 30, 2018 is considered good and realisable and is secured by export letter of credits.

22 ADVANCES, DEPOSITS & PRE-PAYMENTS

Advance Deposits & Prepayments

TK. 22,170,702 116,110,921

22.0A . The above advances, deposits & prepayments consisting of deposits & advances made to statutory authorities and other institution are considered bad & doubtful.d.

22.0B . No amount was due by directors (Including Managing Director), Managing Agents or other officers of the company and any of them jointly or severally with any other person as on June 30, 2020.

22.0C . No amount was due by related parties as on June 30, 2020.

Amount in Taka	
30 Juen, 20	30-Jun-19

23 CASH AND CASH EQUIVALENTS

Cash in Hand	88,405	88,405
Cash in Bank	1,970,775	1,970,774
TK.	2,059,179	2,059,179

Cash at Bank shown above includes Tk. 8,81,940.00 kept in DFC A/C at BASIC, Shantinagar Branch, 14, Kakrail, Dhaka, for making payment of import liabilities against BBLC.

24 SALES

a) Sales of Knit Fabrics :

Single Jersey & Pique	-	311,723,566
Interlock Plain & Drop Needle	-	-
Rib Plain & Lycra	-	-
TK.	-	311,723,566

b) Sales of Knit Garments :

TEE Shirts	-	-
	-	-
TK.	-	311,723,566

[Reported revenue is from 09 month operation]

25 COST OF GOODS SOLD

Yarn & Fabric Consumed (32.A)	-	308,208,679
Chemicals & Dyes Consumed (Note 32.B)	-	77,952,670
Spares, Stores & Accessories Consumed (Note 32.C)	-	65,959,111
Packing Materials Consumed (Note 32.D)	-	-
	-	452,120,460
Add : Opening Work-in Process	682,094	8,098,287
	682,094	460,218,747
Less : Closing Work-in-Process	682,094	682,094
Total Consumption	-	459,536,653
Add : Factory Overhead (Note - 26)	9,985,161	96,524,241
Cost of Production	9,985,161	556,060,894
Add : Opening Stock of Finished Goods	7,595,494	35,146,779
	17,580,655	591,207,673
Less : Closing Stock of Finished Goods	7,595,494	7,595,494
TK.	9,985,161	452,120,460

Amount in Taka	
30 June, 2020	30-Jun-19

26 FACTORY OVERHEAD

Salary & Wages	-	40,042,336
Factory Overtime	-	1,366,144
Festival Bonus	-	2,428,186
Worker Service Benefit	-	-
Traveling & Conveyance	-	219,141
Entertainment	-	806,650
Printing & Stationary	-	23,280
Postage & Telegram	-	7,532
Telephone & Telex	-	14,427
Fuel & Gas Expenses	-	480,234
Vehicle Maintenance	-	36,515
Rent , Rates & Taxes	-	1,703,297
Gas, Electricity & Water	-	17,997,149
Factory Repairs & Maintenance	-	135,712
Medical Expenses	-	341,903
Mise. Expense	-	71,080
Clearing and Port Charge	-	1,402,467
Software and Internet bill	-	132,000
Laboratory Test	-	-
Marine Insurance Premium	-	-
Fire Insurance Premium	-	110,012
Carriage Inward	-	653,750
Factory Maternity Leave Benefit	-	-
Revenue Stamp Expenses	-	-
Fabric Inspection Fees	-	-
Depreciation	6,668,553	21,627,549
Factory Labour Welfare	-	416,061
Water Purification Expense	-	660,605
Knitting & Dyeing Charge	-	4,482,901
Export & Import Automation Bills	-	44,420
Factory Local Purchase	-	-
Factory Computer Maintenance	-	15,330
Indirect Labour	-	239,725
Group Insurance	-	-
Fire Insurance Premium	-	-
Garments Printing & Embroidery	-	1,065,835
TK.	6,668,553	96,524,241

		Amount in Taka	
		30 June, 20	30-Jun-19
27 ADMINISTRATIVE EXPENSES			
Salary & Allowances	-		3,380,774
Festival Bonus	-		238,377
Travelling & Conveyance	-		478,123
Entertainment	-		21,707
Printing & Stationery	-		12,500
Postage & Telegram	-		7,315
Telephone & Telex	-		12,728
Car Repair & Maintenance	-		11,600
Power, Fuel & Water	-		-
BTMA Certificate	-		4,800.00
Office repair and maintenance	-		-
Misc. Expenses	-		45,011
Board Meeting Fee	-		16,000
Donation & Subscription	-		83,989
Medical Expenses	-		-
Audit Fees	-		80,000
Registration & Renewal Fees	-		49,202
B/E Expenses	-		10,000
AGM Expenses	-		371,800
Legal Expenses	-		63,175
Dhaka Stock Exchange Ltd.	-		50,000
VAT Expense	-		628,491
Intenet and website Charge	-		86,892
Depreciation		688,128	1,501,805
TK.		688,128	7,154,289
28 SELLING AND DISTRIBUTION EXPENSES			
Carriage Outward	-		375,670
Advertisement & Publicity	-		25,940
Sales Commission Freight & Forwarding Charges	-		443,789
TK.		-	845,399
29 FINANCIAL EXPENSES			
Interest,Bank Charges & Comission		3,993,461	3,895,500
TK.		3,993,461	3,895,500
		Amount in Taka	
		30 June, 20	30-Jun-19
30 NON OPERATING INCOME : TK. 00.00			
Sale of Waste Materials		-	-
31 TAX EXPENSES			
Current Tax	-		1,870,341
Deferred Tax Expenses/(Income)	-		(432,284)
TK.		-	1,438,057
32 MATERIALS CONSUMED FOR PRODUCTION			
A. Consumption of Yarn/Fabrics :			
Opening Stock		2,238,898	51,568,109
Add : Purchase		-	65,535,343
Less : Closing Stock		(2,238,898)	(2,238,898)
TK.		-	114,864,554

B. Consumption of Dyes & Chemicals :

Opening Stock	3,303,810	13,547,174
Add : Purchase	-	40,000,000
Less : Closing Stock	(3,303,810)	(3,303,810)
TK.	-	50,243,364

C. Consumption of Spars, Stores & Accessories :

Opening Stock	1,962,028	25,259,326
Add : Purchase	-	29,298,713
Less : Closing Stock	(1,962,028)	(1,962,028)
TK.	-	52,596,011

D. Consumption of Packing Materials :

Opening Stock	-	-
Add : Purchase	-	-
Less : Closing Stock	-	-
	-	-

TOTAL CONSUMPTION

TK.	-	217,703,929
------------	----------	--------------------

33 EARNINGS PER SHARE-

The Computation of EPS is given below :

(a) Surplus for the year attributable to shareholders (Net Profit After Tax)

(b) Weighted average number of shares outstanding during the year

© Earnings per Share

	30 June, 20	30-Jun-19
	(230,953,793)	(153,730,140)
	32,491,162	32,491,162
TK.	(7.11)	(4.73)

34 IMPAIRMENT

Impairment of Closing Stock

Impairment of Ncurrent Asset Other Than OCI

21,000,318
195,286,725
216,287,043

Inventory held at CEPZ is not possible to recover because management handover the physical posession of the factory,

**TOYO KNITEX (CEPZ) LIMITED
SCHEDULE OF FIXED ASSETS ON 30-06-2020**

SL.N o.	DESCRIPTION	COST		Revaluation Deficit 30-06-20	TOTAL AS ON 30-06-20		AS ON 07-19	01- DURING THE YEAR		DEPRECIATION		WDV 30-06-20
		OPENING 07-19	ADDITION DURING THE YEAR		06-20	Rate		06-20	07-19	06-20	30-06-20	
1	Building & Civil Works	115,859,851	-	(6,581,545)	109,278,306	5%	49,278,306	-	49,278,306	-	-	-
2	Plant & Machinery	380,157,757	-	(64,624,546)	315,533,211	10%	258,838,221	5,669,499	264,507,720	51,025,491	-	51,025,491
3	Office Equipment (A)	5,863,505	-	(1,427,014)	4,436,492	10%	4,436,491	-	4,436,491	-	-	-
4	Furniture & Fixture (A)	3,142,984	-	(354,066)	2,788,918	10%	2,788,918	-	2,788,918	-	-	-
5	Vehicles -2 Nos	11,527,160	-	-	11,527,160	20%	9,215,898	462,252	9,678,150	1,849,010	-	1,849,010
6	Motor Car Parado (A)	14,000,000	-	-	14,000,000	20%	10,559,360	688,128	11,247,488	2,752,512	-	2,752,512
	Grand Total Tk. 2019	530,551,257	-	(72,987,171)	457,564,087		335,117,193	6,819,880	341,937,072	55,627,013		55,627,013

Charged to:

Factory Expenses: 6,131,752

Admin Expenses: 688,128


6,819,880

TOYO KNITEX (CEPZ) LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

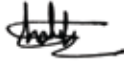
PARTICULARS	Notes	Amount in Taka	
		30-Jun-20	30-Jun-19
NON-CURRENT ASSETS		122,292,813	262,099,864
Fixed Assets (Knitting & Dyeing Division)	A	55,627,013	195,434,064
Investment in subsidiaries	4(a)	66,665,800	66,665,800
CURRENT ASSETS		221,057,546	254,247,471
Inventories	15	-	19,998,245
Export Bills Receivable	16	196,950,487	203,801,145
Advances, Deposits & Prepayments	17	22,170,702	28,511,724
Cash and Cash Equivalents	18	1,936,357	1,936,357
TOTAL ASSETS		343,350,360	516,347,335
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	4	324,911,620	324,911,620
Retained Earnings	5	(170,828,296)	(139,047,441)
Tax Holiday Reserve		16,413,572	16,413,572
General Reserve fund		5,000,000	5,000,000
Devidend Equalization Fund		5,000,000	5,000,000
Revaluation Surplus	5A	-	136,490,345
TOTAL SHAREHOLDER'S EQUITY	6	180,496,896	348,768,096
NON-CURRENT LIABILITIES		2,256,687	2,256,687
Term Loan	7	-	-
Deferred Tax Liability	8	2,256,687	2,256,687
CURRENT LIABILITIES		166,937,798	165,322,552
Working Capital Loan (Secured)	9	44,570,288	44,570,288
Un-paid Import Bills (Secured)	10	712,000	712,000
Liabilities against Bill Purchase (Secured)	11	312,000	312,000
Liabilities for Goods and Expenses (Unsecured)	12	108,716,579	107,101,333
Income Tax Payable	13	12,626,931	12,626,931
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		349,691,381	516,347,335
Net Asset Value Per Share	28	5.56	10.73

The annexed Notes form and Integral Part of this Statement.


Md. Rafiqul Haque
Managing Director


Md. Atiqul Haque
Director


Md. Nijamul Islam Talukder
Chief Financial Officer


Mohamad Shohel Rana
Company Secretary

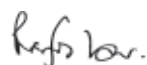
This is the Statement of Financial Position referred to in our Report of even date.

Place: Dhaka
Date: 20 January, 2022


TOYO KNITEX (CEPZ) LIMITED
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2020

PARTICULARS	Notes	Amount in Taka	
		30-Jun-20	30-Jun-19
SALES	19	-	311,723,566
Cost of Goods Sold	20	6,131,752	444,395,515
GROSS PROFIT		(6,131,752)	(132,671,949)
Administrative Expenses	22	688,128	6,591,272
Selling and Distribution Expenses	23	-	845,399
Impairment	30	20,967,514	
Financial Expenses	24	3,993,461	3,895,500
		25,649,103	11,332,171
OPERATING PROFIT/(LOSS)		(31,780,855)	(144,004,120)
Non Operating Income	25	-	-
Net Profit/(Loss) Before Tax		(31,780,855)	(144,004,120)
Tax Expenses			
Current Tax(Turnover Tax)		-	1,870,341
Deferred Tax Expenses / (Income)	26	-	(432,284)
Total Tax Expenses		-	1,438,058
Net Profit/(Loss) After Tax		(31,780,855)	(145,442,177)
Other Comprehensive Income:			
Imparment Loss on Revalued Portion of Non Current Assets		(136,490,345)	-
		(168,271,199)	(145,442,177)
Earnings per Share	28	(0.98)	(4.48)

The annexed Notes form and Integra Part of this Statement.



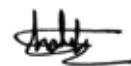
Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Md. Nijamul Islam Talukder
Chief Financial Officer



Mohamad Shohel Rana
Company Secretary

This is the Statement of Profit or Loss and other Comprehensive Income referred to in our Report of even date.

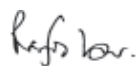
Place: Dhaka

Date: 20 January, 2022

**TOYO KNITEX (CEPZ) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2020**

PARTICULARS	Amount in Taka	
	30-Jun-20	30-Jun-19
CASH FLOW FOROM OPERATING ACTIVITIES :		
Collection from Turnover and Others	6,850,658	314,340,196
Payment for Cost and Expenses	(6,850,658)	(296,638,677)
Payment for Financial Expenses	-	(10,236,522)
Income Tax Paid / Deducted	-	(2,515,104)
NET CASH PROVIDED BY OPERAGING ACTIVITIES	-	4,949,893
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets (Schedule-A)	-	-
NET CASH USED/PROVIDED BY INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES :		
Long Term Loan Increase/(Decrease) (Note - 07)	-	-
Short Term Loan Increase/(Decrease) Note-09 & 11)	-	(37,856,245)
NET CASH USED /PROVIDED BY FINANCING ACTIVITIES	-	(37,856,245)
Increase/(Decrease) in Cash and Cash Equivalents	-	(32,906,352)
Cash and Cash Equivalents on Opening	1,936,357	34,842,709
Cash and Cash Equivalents on Closing	1,936,357	1,936,357
Net Operating Cash Flow Per Share (NOCFPS)	-	0.015

The annexed Notes form and Integra Part of this Statement.



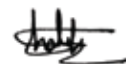
Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Md. Najmul Islam Talukder
Chief Financial Officer



Mohamad Shohel Rana
Company Secretary

This is the Cash Flow Statement referred to in our Report of even date.

Place: Dhaka

Date: 20 January, 2022

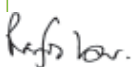
TOYO KNITEX (CEPZ) LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2020

Particulars	Share Capital	Tax-Holiday Reserve	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Retained Earnings	Total
Balance as on June 30, 2019	324,911,620	16,413,572	5,000,000	136,490,345	5,000,000	(139,047,441)	342,427,074
Net Profit/(Loss)	-	-	-	-	-	(31,780,855)	(31,780,855)
Revaluation Surplus	-	-	-	-	-	-	-
Issue of Bonus Share	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	(136,490,345)	-	-	(136,490,345)
Balance as on June 30, 2020	324,911,620	16,413,572	5,000,000	-	5,000,000	(170,828,296)	174,155,875


TOYO KNITEX (CEPZ) LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2019

Particulars	Share Capital	Tax-Holiday Reserve	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Retained Earnings	Total
Balance as on June 30, 2018	324,911,620	16,413,572	5,000,000	149,240,702	5,000,000	(6,355,621)	494,210,273
Net Profit/(Loss)	-	-	-	-	-	(145,442,178)	(151,783,199)
Revaluation Surplus	-	-	-	-	-	-	-
Issue of Bonus Share	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	(12,750,358)	-	12,750,358	-
Balance as on June 30, 2019	324,911,620	16,413,572	5,000,000	136,490,345	5,000,000	(139,047,441)	342,427,074

The annexed Notes form an Integral part this Statements.



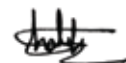
Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Md. Najmul Islam Talukder
Chief Financial Officer



Mohammad Shohel Rana
Company Secretary

This is the Statement of Changes in Equity referred to in our Report of even date.

Place: Dhaka
Date: 20 January, 2022

04 SHARE CAPITAL

Authorised Capital :

25,000,000 Ordinary Shares of Tk. 10 each

Issued, Subscribed and Paid-Up Capital :

5,000,000 Ordinary Shares of Tk. 10 each fully paid-up in cash

2,187,500 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

Issue of 6,666,580 Ordinary Shares of Tk. 10 each against Acquisition

Issue a 2,770,816 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

Issue a 2,659,983 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

Issue a 3,856,975 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

Issue a 3,934,115 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

Issue a 5,415,193 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares

Amount in Taka	
30-Jun-20	30-Jun-19
800,000,000	800,000,000
50,000,000	50,000,000
21,875,000	21,875,000
66,665,800	66,665,800
27,708,160	27,708,160
26,599,830	26,599,830
38,569,750	38,569,750
39,341,150	39,341,150
54,151,930	54,151,930
324,911,620	324,911,620

COMPOSITION OF SHAREHOLDINGS

Description	No. of Investors	No. of Shares	% of Share Holding June 30, 2020	% of Share Holding June 30, 2019
Sponsors	11	5,588,242	17.20	17.20
ICB & Body Corporates	202	3,983,416	12.26	12.26
General Public	6,461	22,919,504	70.54	70.54
Total	6,674	32,491,162	100.00	100.00

SHAREHOLDINGS STRUCTURE

A distribution schedule of equity security setting at the number of holders and percentage in the following categories as on 30-06-2018 as compared to 30-06-2017.

Class Interval	No. of Holders	No. of Shares	% of Share Holding June 30, 2020	% of Share Holding June 30, 2019
Less than 500	2,310	502,994	1.55	1.55
501 to 5000	3,409	6,241,577	19.21	19.21
5001 to 10000	501	3,624,853	11.16	11.16
10001 to 20000	265	3,821,895	11.76	11.76
20001 to 30000	72	1,802,553	5.55	5.55
30001 to 40000	31	1,046,668	3.22	3.22
40001 to 50000	27	1,208,411	3.72	3.72
50001 to 100000	35	2,376,904	7.32	7.32
100001 to 1000000	20	5,773,033	17.77	17.77
1000000 - above	4	6,092,274	18.75	18.75
Total	6,674	32,491,162	100.00	100.00

OPTION ON UNISSUED SHARES

There is no option regarding authorised capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares against cash contribution and bonus.

4(a) INVESTMENT IN SUBSIDIARIES

291,661 Ordinary Shares in MKDL in an exchange ration of 1 : 1.2 of 349,994 Shares of PCKL

374,997 Ordinary Shares in MKDL in an exchange ration of 1 : 2 of 349,994 Shares of PCKL

Amount in Taka	
30-Jun-20	30-Jun-19
29,166,100	29,166,100
37,499,700	37,499,700
66,665,800	66,665,800

05 RETAINED EARNINGS

Opening Balance as on 01-07-2019
Profit/(Loss) during the year
Dividend Paid
Revaluation Surplus

Amount in Taka	
30-Jun-20	30-Jun-19
(139,047,441)	(6,355,621)
(31,780,855)	(145,442,178)
-	-
-	12,750,358
(170,828,296)	(139,047,441)

05A REVALUATION SURPLUS

Revaluation Surplus

136,527,553	136,527,553
136,527,553	136,527,553

As the Revaluation was made on June 30, 2016.

06 SHAREHOLDERS' EQUITY

Paid up Capital
Tax Holiday Reserve
General Reserve
Dividend Equalization Fund
Revaluation Surplus
Accumulated Surplus

324,911,620	324,911,620
16,413,572	16,413,572
5,000,000	5,000,000
5,000,000	5,000,000
-	136,490,345
(170,828,296)	(145,388,463)
180,496,896	342,427,074

07 TERM LOAN (SECURED) : TK. Nil

Term Loan

-	-
-	-

Purpose of Loan

To procure Knitting, dyeing, finishing, Garments machinery and laboratory equipment towards BMRE of the project.

Rate of Interest

13.00% per annum at quarterly rests, subject to change by the Bank from time to time for both previous and additional loan.

Nature of Security :

- Hypothecation of project's existing machinery and future additions, if any.
- Floating charges on all others assets both present and future.
- Personal guarantees of all the Directors Jointly and severally.
- Other usual charge documents/undertakings.

08 DEFERRED TAX LIABILITY

(a) Deferred Tax Liabilities are arrived at as follows :

Book Value of Depreciable Fixed Assets

Less - Tax base
Taxable Temporary Difference
Effective Tax Rate
Deferred Tax Liability

-	59,031,001
-	43,986,419
-	15,044,582
12%	15%
2,256,687	2,256,687

Because the company is not in operation deferred tax provision kept remain unchanged.

(b) Deferred Tax Expenses/(Income) is arrived at as follows :

Closing Deferred Tax Liabilities
Opening Deferred Tax Liabilities

Amount in Taka	
30-Jun-20	30-Jun-19
2,256,687.00	1,805,350
(2,688,971)	(2,688,971)
(432,284)	(883,621)

09 WORKING CAPITAL LOAN (SECURED)

BASIC Bank, Shantinagar, CC A/C No. 0960-01-0000022

44,570,288	44,570,288
44,570,288	44,570,288

Cash credit, secured against hypothecation of stocks collateralised by company's fixed assets was sanctioned for one year and is usually renewable from year to year. The interest rate was 12.75% p.a. quarterly rests as on 30th June, 2017 which is also subject to change from time to time by the bank. The said loan was renewed up to 31st October, 2018.

10 UP-PAID IMPORT BILLS (SECURED)

The above amount which is secured by Master Export L/C's was remained unpaid against bank to bank L/C for importation of cotton yarn, chemicals & dyes as on 30th June, 2018.

11 LIABILITIES AGAINST BILL PURCHASE : TK. 312,000

The above amount was secured against lien of export L/C's duly accepted by L/C opening Bank. The interest rate on the above bill purchasing finance is 13%-15% p.a. as the payments are being received in US dollars.

12 LIABILITIES FOR GOODS AND EXPENSES (UNSECURED)

Salary, Wages & Overtime Payable	-	-
Al Baraka Stationery	-	13,977
Al Fazal Transport	-	81,800
BEPZA (Gas, Electricity & Water)	104,723,118	104,723,118
Kamal Enterprise (BD) Limited	-	105,370
Kaff	-	165,000
Audit Fees Payable	-	80,000
Sharif Textile	-	134,115
Ruba Traders	-	-
New Port Express Ltd.	-	63,377
Newport Trading	-	-
Shaheed chow. Enterprise	-	93,500
General Electric Work	-	147,400
J.B Trading	-	218,865
Shek Electric	-	180,925
Islamic Commercial Insurance	-	148,001
JB & Sons	-	298,496
Smart Solution	-	161,000
Shamol Trading	-	104,698
Chittagong Stock Exchange	-	30,000
Lucky Electric & Co.	-	20,850
Ramisa Fashion Ltd	-	29,141
Shohel Lime Store	-	-
MK Rubber & Engineering works	-	78,200
Noor Mohammad & Son's	-	-
Practica	-	164,400
Bhai Bhai Lime Enterprise	-	30,500
Shah Jaki Engineering Works	-	28,600
Financial Expense	3,993,461	-
TK.	108,716,579	107,101,333

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

13 INCOME TAX PAYABLE

The amount represents tax for the current year which has been provided on the accounting profit for the year at the presently enacted reduced tax rate of 12% for the textile industries alongwith the shourt provision of tax of prior years.

14 PROPOSED DIVIDEND : TK. Nil

This is subject to the approval of the shareholders in the 27th Annual General Meeting and it is not being treated as a liability at the Balance Sheet date. The Board of Directors will not recommend any dividend for the financial year 2018-2019.

15 INVENTORIES

Stock of Yarn	8,281,544	8,281,544
Stock of Dyes	897,116	897,116
Stock of Chemicals	1,341,782	1,341,782
Spares, Stores & Accessories	1,711,510	1,711,510
Packing Materials	-	-
Stock of Materials	12,231,952	12,231,952

Finished Goods	7,344,976	7,344,976
Fabrics		
Garments		
Work-in process	421,317	421,317
Fabrics		
Garments		
Impairment		
	TK. 19,998,245	19,998,245
	(19,998,245)	-
	-	19,998,245

16 BILLS RECEIVABLE

Accounts Receivable	196,950,487	203,801,145
	TK. 196,950,487	203,801,145

The amount of non-proceeded export bills as on June 30, 2020 is considered bad or doubtful .

Amount in Taka		
	30-Jun-20	30-Jun-19
17 ADVANCES, DEPOSITS & PRE-PAYMENTS :		
Deposits with PDB	378,142	378,142
Prepaid Insurance	-	-
Bakharabad Gas Systems Ltd.	1,428,248	1,428,248
Kornopuly Gas Distribution Co. Ltd.	2,794,020	2,794,020
Federal Insurance Co. Ltd.	25,000	25,000
Lease Deposit	-	-
Advances & Other Deposits	1,074,563	7,415,585
Advance Income Tax	16,470,729	16,470,729
L/c Margin deposit	-	-
	TK. 22,170,702	28,511,724

The classification of Advances, Deposits & Prepayments as required by the Schedule XI , Part 1, Para 6 of the Companies Act, 1994 are given below:

Advances, deposits & prepayments considered good and in respect of which the company is fully secured.	-	-
Advance, deposits & prepayments considered good for which the company holds no security.	-	-
Advances, deposits & prepayments considered doubtful or bad.	22,170,702	28,511,724
Advance, deposits & prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advances, deposits & prepayments due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated.	-	-
Advances, deposits & prepayments due by companies under the same management.	-	-
The maximum amount due by directors or other officers of the company.	-	-

18 CASH AND CASH EQUIVALENTS

Cash in Hand	52,760	52,760
Cash at Bank	1,883,597	1,883,597
	TK. 1,936,357	1,936,357

Cash at Bank shown above includes Tk. 28,736,131.00 kept in DFC A/C at BASIC, Shantinagar Branch, 14, Kakrail, Dhaka, for making payment of import liabilities against BBLC.

19 SALES

a) Sales of Knit Fabrics :		
Single Jersey & Pique (622,253 kg.)	-	311,723,566
Interlock Plain & Drop Needle (125,301 kg.)	-	-
Rib Plain & Lycra (80,460 kg.)	-	-
b) Sales of knit Garments :	-	311,723,566
TEE Shirts (193,085 Pcs.)	-	-
	-	-
	TK. -	311,723,566

20 COST OF GOODS SOLD : TK.

Material Consumed	-	312,047,894
	-	312,047,894
Add : Opening Work-in-Process	421,317	7,837,510
	421,317	319,885,404
Less : Closing Work-in-Process	(421,317)	421,317
Total Consumption	-	319,464,087
Add : Factory Overhead (Note - 21)	6,131,752	97,380,143
Cost of Production	6,131,752	416,844,230
Add : Opening Stock of Finished Goods	7,344,976	34,896,261
	13,476,728	451,740,491
Less : Closing Stock of Finished Goods	(7,344,976)	7,344,976
TK.	6,131,752	444,395,515

Amount in Taka

30-Jun-20	30-Jun-19
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21 FACTORY OVERHEAD : TK.

Salary & Wages	-	37,254,986
Factory Overtime	-	3,962,164
Festival Bonus	-	2,067,291
Workers Service Benefit	-	-
Travelling & Conveyance	-	365,041
Entertainment Exp. For Officer, Staff , Worker	-	1,094,950
Printing & Stationery	-	20,530
Postage & Telegram	-	7,532
Telephone & Telex	-	14,427
Fuel & Gas Expenses	-	480,234
Vehicle Maintenance	-	36,515
Factory Land Rent (BEPZA)	-	693,047
Gas, Electricity & Water (BEPZA)	-	17,954,624
Factory Repairs & Maintenance	-	135,712
Medical Expenses (BEPZA)	-	741,903
Misc. Expenses	-	38,560
Clearing and Port Charges	-	1,402,467
Software and Internet bill	-	132,000
Laboratory Test	-	-
Carriage Inward	-	647,050
Marine Insurance Premium	-	-
Fire Insurance Premium	-	110,012
Fabric Inspection Fees	-	-
Depreciation	6,131,752	17,562,056
Factory Labour Welfare (BEPZA)	-	416,061
Water Purification Expenses (BEPZA)	-	660,605
Knitting & Dyeing Charge	-	11,282,901
Export & Import Automation Bills (BEPZA)	-	44,420
Factory Local Purchase	-	-
Factory Computer Maintenance	-	15,330
Indirect Labour	-	239,725
TK.	6,131,752	97,380,143

Amount in Taka

30-Jun-20	30-Jun-19
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22 ADMINISTRATIVE EXPENSES

Salary & Allowances	-	3,174,379
Festival Bonus	-	157,927
Travelling & Conveyance	-	463,923
Entertainment Exp.	-	21,707
Printing & Stationery	-	9,500
Postage & Telegram	-	7,065
Telephone & Telex	-	12,728
Car Repair & Maintenance	-	11,600
Fuel & Gas Expenses	-	-

Misc. Expenses	-	38,011
BTMA Certificate	-	4,800
Board Meeting Fee	-	16,000
Donation & Subscription	-	380,239
Medical Expenses	-	-
Audit Fees	-	80,000
Registration & Renewal Fees	-	16,452
Uniform	-	-
AGM Expenses	-	350,000
Legal Expenses	-	25,000
Dhaka Stock Exchange Ltd.	-	50,000
VAT Paid	-	628,491
Internet and Website Charge	-	85,392
Depreciation	688,128	1,058,058
TK.	688,128	6,591,272

21.01 No others fee except shown above was paid to the auditors for rendering other services.

21.02 The number of employees received salaries & wages during the year under review are as follows :

23 SELLING AND DISTIRBUTION EXPENSES

Carriage Outward	-	349,920
Advertisement & Publicity	-	25,940
Sales Commission, Freight & Forwarding Cahrges	-	469,539
TK.	-	845,399

24 FINANCIAL EXPENSES

Bank Charges & Commission	3,993,461	3,895,500
TK.	3,993,461	3,895,500

25 NON OPERATING INCOME : TK. Nil

Sales of Waste materials	-	-
	-	-
Amount in Taka		
30-Jun-20	30-Jun-19	

26 TAX EXPENSES

Current Tax	-	1,870,341
Deferred Tax Expenses/(Income)	-	(883,621)
TK.	-	986,720

27 MATERIALS CONSUMED FOR PRODUCTION

Opening Stock	12,231,952	89,863,315
Add : Purchase	-	234,416,531
Less : Closing Stock	(12,231,952)	(12,231,952)
TK.	-	312,047,894

27 MATERIALS CONSUMED FOR PRODUCTION

A. Consumption of Yarn :

Opening Stock	8,281,544	51,307,333
Add : Purchase	-	193,344,125
Less : Closing Stock	(8,281,544)	(8,281,544)
TK.	-	236,369,914

B. Consumption of Dyes & Chemicals :

Opening Stock	2,238,898	13,547,174
Add : Purchase	-	27,709,306
Less : Closing Stock	(2,238,898)	(2,238,898)
TK.	-	39,017,582

C. Consumption of Spares, Stores & Accessories :

Opening Stock	1,711,510	25,008,808
Add : Purchase	-	13,363,100
Less : Closing Stock	(1,711,510)	(1,711,510)
TK.	-	36,660,398

D. Consumption of Packing Materials :

Opening Stock	-	-
Add : Purchase	-	-
Less : Closing Stock	-	-
TK.	-	-

TOTAL CONSUMPTION

TK.	-	312,047,894
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28 EARNINGS PER SHARE (EPS)

The Computation of EPS is given below :

(a) Surplus for the year attributable to shareholders (Net Profit After Tax)	(31,780,855)	(145,442,177)
(b) Weighted average number of shares outstanding during the year	32,491,162	32,491,162
EPS (a/b)	(0.98)	(4.48)

28(i) NET ASSET VALUE PER SHARE (NAV)

(a) Net Asset (Total Asset less all liabilities)	180,496,896	348,768,096
(b) Weighted average number of shares outstanding during the year	32,491,162	32,491,162
NAV (a/b)	5.56	10.73

28(ii) NET OPERATING CASH FLOW PER SHARE (NOCFPS)

(a) Net Operating Cash Flows	0	4,949,893
(b) Weighted average number of shares outstanding during the year	32,491,162	324,911,620
NOCFPS (a/b)	-	0.015

29 RELATED PARTY TRANSACTIONS - DISCLOSURE UNDER THE IAS - 24

The company did not carried out transactions with related parties in the normal course of business and arm's length basis.

30 IMPAIRMENT

Impairment of Closing Stock	19,998,245
Impairment of Ncurrent Asset Other Than OCI	969,269
	20,967,514

Inventory held at CEPZ is not possible to recover because management handover the physical posession of the factory, the lease agreement is terminated.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
TOYO COMPOSITE KNIT GARMENTS LIMITED**

Qualified Opinion

We have audited the accompanying financial statements of **TOYO COMPOSITE KNIT GARMENTS LIMITED** ('the company') which comprise the Statement of Financial Position as on 30th June, 2020 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 Statements.

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 'except for' the issues described in 'Basis for Qualified Opinion' of the financial position of **TOYO COMPOSITE KNIT GARMENTS LIMITED** as of 30th June, 2020 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

We refer to consecutive reported operating loss for the year 2019 & 2020 of Tk. (5.68 m) & Tk. (65.17 m) respectively. This is significant deviation in the performance of the company. The equity of the company turns negative which is Tk. (21,262,536) in 2020. There is no indication for resuming the operation of the company and management did not disclose anything in respect of going concern.

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. The management has disclosed nothing in this connection.

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

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, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.



Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2201311046AS466079

Place: Dhaka
Date: 20 January, 2022

TOYO COMPOSITE KNIT GARMENTS LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

PARTICULARS	Notes	Amount in Taka	
		30 June, 2020	30 June, 2019
NON-CURRENT ASSETS		1,536,251	13,478,997
Fixed Assets (Garments Division)	Schedule-A	1,536,251	13,478,997
CURRENT ASSETS		64,549,065	126,130,613
Inventories	03	-	1,002,073
Accounts Receivable	05	-	60,579,536
Advances, Deposits & Prepayments	04	64,449,487	64,449,487
Cash and Cash Equivalents	06	99,578	99,517
TOTAL ASSETS		66,085,316	139,609,610
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	07	75,000,000	75,000,000
Retained Earnings	08	(21,262,536)	43,915,471
Tax Holiday Reserve		2,981,261	2,981,261
Revaluation Surplus		-	8,346,288
TOTAL EQUITY		56,718,725	130,243,019
NON-CURRENT LIABILITIES		-	-
Loan Term Loan from BASIC Bank (Secured)		-	-
CURRENT LIABILITIES		9,366,591	9,366,591
Un-paid Import Bills (Secured)		-	-
Liabilities against Bill Purchase (Secured)		-	-
Liabilities for Goods and Expenses (Unsecured)	09	280,185	280,185
Income Tax Payable		9,086,406	9,086,406
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		66,085,316	139,609,610

The annexed Notes form and Integra Part of this Statement.

Md. Rafiqul Haque
Managing Director

Md. Atiqul Haque
Director

Mohammad Shohel Rana
Company Secretary

This is the Statement of financial Position referred to in our Report of even date.

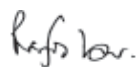
Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2201311046AS466079

Place: Dhaka
Date: 20 January, 2022

TOYO COMPOSITE KNIT GARMENTS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

PARTICULARS	NOTES	Amount in Taka	
		30-Jun-20	30-Jun-19
SALES	10	-	-
Cost of Goods Sold	11	3,587,711	5,298,342
GROSS PROFIT/ (LOSS)		(3,587,711)	(5,298,342)
Administrative Expenses	12	-	389,313
Selling and Distribution Expenses		-	-
Financial Expenses		-	-
Impairment (Inventory)	03	1,002,073	-
Impairment (Non Current Asset-other than OCI)		8,686	-
Impairment (Expected Crit Loss)	05	60,579,536	-
		61,590,295	389,313
OPERATING PROFIT/(LOSS)		(65,178,006)	(5,687,655)
Non Operating Income		-	-
Net Profit Before Tax		(65,178,006)	(5,687,655)
Tax Expenses		-	-
Net Profit/(Loss) After Tax		(65,178,006)	(5,687,655)
Other Comprehensive Income:			
Impairment on Revalued Non-Current Asset		(8,346,288)	-
Total Comprehensive Income		(73,524,294)	(5,687,655)
Earnings Per Share		(86.90)	(7.58)

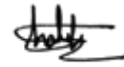
The annexed Notes form and Integra Part of this Statement.



Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Mohammad Shohel Rana
Company Secretary

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

Place: Dhaka
Date: 20 January, 2022

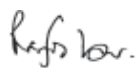
Md. Mohiuddin Ahmed FCA,CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC:

TOYO COMPOSITE KNIT GARMENTS LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH JUNE, 2020

PARTICULARS	Amount in Taka	
	30-Jun-19	30-Jun-18
CASH FLOW FROM OPERATING		
Collection form Turnover and Others	-	2,666,732
Payment for Cost and Expenses	-	(5,687,655)
Payment for Financial Expenses	-	-
Income Tax Paid /Deducted	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	-	(3,020,923)
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	-	-
NET CAHS PROVIDED BY INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES :		
Long Term Loan Increase/(Decrease)	-	-
Short Term Loan Increase/(Decrease)	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
Increase/(Decrease) in Cash and Cash Equivalents	-	(3,020,923)
Cash and Cash Equivalents on Opening	99,517	3,120,440
Cash and Cash Equivalents on Closing	99,578	99,517

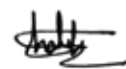
The annexed Notes form and Integra Part of this Statement.



Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Mohammad Shohel Rana
Company Secretary

This is theCash Flow Statement of referred to in our Report of even date.

Place: Dhaka

Date: 20 January, 2022

**TOYO COMPOSITE KNIT GARMENTS LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2020**

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on June 30, 19	75,000,000	2,981,261	8,346,288	43,915,471	130,243,019
Net Profit After Tax	-	-	-	(65,178,006)	(65,178,006)
Prior year Adjustment	-	-	-	-	-
Revaluation Deficit (Impairment)	-	-	(8,346,288)	-	(8,346,288)
Balance as on June 30, 20	75,000,000	2,981,261	-	(21,262,536)	56,718,725

**TOYO COMPOSITE KNIT GARMENTS LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2019**

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on June 30, 18	75,000,000	2,981,261	10,007,970	47,941,443	135,930,674
Net Profit After Tax	-	-	-	(5,687,655)	(5,687,655)
Prior year Adjustment	-	-	-	-	-
Revaluation Surplus	-	-	(1,661,682)	1,661,682	-
Balance as on June 30, 19	75,000,000	2,981,261	8,346,288	43,915,471	130,243,019

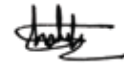
The annexed Notes form and Integra Part of this Statement.



Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Mohammad Shohel Rana
Company Secretary

This is the Statement of Changes in Equity referred to in our Report of even date.

Place: Dhaka

Date: 20 January, 2022

TOYO COMPOSITE KNIT GARMENTS LIMITED NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2020

01.(A) LEGAL FORM OF THE COMPANY:

Toyo Composite Knit Garments Limited is a Private Limited Company incorporated on under the Companies Act, 1994 vide reg no: C-2863(2480)/95 dated 20 June, 1995. The company is a subsidiary of Mithun Knitting & Dying (CEPZ) Limited.

The Registered Office of the Company is situated at Sena Kalyan Bhaban 12 th floor Motijheel C/A, Dhaka-1000.

(B). NATURE OF THE BUSINESS:

The nature of business or activities is manufacturing knit garments.

(C). SIGNIFICANT ACCOUNTING POLICIES:

(i) Basic of Accounting

The financial statements of the Company have been prepared under the historical cost convention and in accordance with applicable International Accounting Standard in Bangladesh and other Laws & rules applicable in Bangladesh.

(ii) Fixed Assets

These are stated at cost less accumulated depreciation.

(iii) Depreciation of Fixed Assets

All the fixed assets have been depreciated at a reducing balance method. Half year depreciation has been charged irrespective of the date of purchase. The annual depreciation rates applicable to different categories of fixed assets are as follows:

Plant & Machinery	15%
Office Equipment (A)	15%
Furniture & Fixture (A)	10%
Others (A)	15%

iv) Components of Financial Statements:

According to International Accounting Standard IAS-1 'Presentation of Financial Statements' the complete set of Financial Statements included the following components:

- Statement of Financial Position as at 30th June, 2019.
- Statement of Profit or Loss & Other Comprehensive Income for the year ended 30th June, 2019.
- Statement of Cash Flows for the year ended 30th June, 2019.
- Statement of Changes in Equity for the year ended 30th June, 2019.
- Accounting Policies & Explanatory Notes to The Financial Statement.

02. SHARE HOLDING:

The Authorized Share capital of the Company is Tk. 10,00,00,000/- (Ten Crore) divided into 10,00,000 (Ten Lac) Ordinary Shares @ Tk. paid up capital of the Company is Tk. 7,50,00,000/- which is divided into 750,000 Ordinary share @ Tk. 100/- each.

Key Management Position:

02.1 IMPAIRMENT OF NON CURRENT ASSETS:

The Board of Directors has decided to impair the value of non current assets of the company due to stopped factory operations for long time. A management committee has been formed to assess and recommend the amount of impairment. The committee has decided to write down the value of remaining Revaluation Surplus from the book value of non current assets. The devalued amount is accounted for part of as other comprehensive income in the statement of profit or loss and other comprehensive income.

As per committee report, in line with IAS-36 Impairment of Assets, the impaired amount is charged to OCI for revalued portion rest in profit & Loss account as impairment.

02.2 EXPECTED CREDIT LOSS:

The recivables amount were considered irrecoverable and has been charged to profit & loss account in line with IFRS-9 Financial Instruments as lifetive expected Credit Loss.

02.3 INVENTORY IMPAIRMENT:

Impairment inventory has been charged to profit and loss in line with IAS-2 Inventories, due to obsolete status of the closing stock held. There is nil recoverable amount.

		AMOUNT(BDT)	
		30 June, 2020	30 June, 2019
03	CLOSING STOCK	-	1,002,073
	Closing Stock of (Yarn)	624,243	624,243
	Closing Stock of Materials & Accessories	377,830	377,830
	Closing Stock of WIP	-	-
	Closing Stock of Finished Goods	-	-
		1,002,073	1,002,073
	Impairment (Obsolete)	(1,002,073)	-
		-	1,002,073
04	ADVANCE DEPOSIT & PRE-PAYMENT	64,449,487	64,449,487
	Opening Balance	64,449,487	62,512,805
	Addition / (Adjustment) During the Year	-	1,936,682
		64,449,487	64,449,487
The classification of Advances, Deposits & Prepayments as required by the Schedule XI , Part 1, Para 6 of the Companies Act, 1994 are given below:			
Advances, deposits & prepayments considered good and in respect of which the company is fully secured.		-	-
Advance, deposits & prepayments considered good for which the company holds no security.		-	-
Advances, deposits & prepayments considered doubtful or bad.		64,449,487	64,449,487
Advance, deposits & prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advances, deposits & prepayments due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated.		-	-
Advances, deposits & prepayments due by companies under the same management.		-	-
The maximum amount due by directors or other officers of the company.		-	-
Total		64,449,487	64,449,487
05	ACCOUNTS RECEIVABLE	-	60,579,536
	Opening Balance	60,579,536	63,246,268
	Less: Expected Credit Loss	(60,579,536)	(2,666,732)
		-	60,579,536
06	CASH & CASH EQUIVALENTS	99,578	99,518
	Cash in Hand	15,590	15,530
	Cash at Bank	83,988	83,988
		99,578	99,518

06.1	Cash at Bank	83,988	
	Basic Bank CD A/C No. 091-01-719	4,394	
	Basic Bank DFC A/C No.	-	
	Basic Bank RQ A/C No. 0911-09 000023	-	
	UCBL 000111100100722	89	
	Janata Bank Ltd. 70342	76,475	
	Brac Bank Ltd. C/D A/C No. 1513-34194001	3,030	
07	SHARE CAPITAL	75,000,000	75,000,000
	A. Authorized Capital	100,000,000	100,000,000
	1,000,000 Ordinary Shares of Tk 100/- each	100,000,000	100,000,000
	B. Issued, Subscribed & Paid Up Capital	75,000,000	75,000,000
	750,000 Ordinary Shares of Tk.100/-each fully paid up in	75,000,000	75,000,000
		75,000,000	75,000,000
08	RETAINED EARNINGS	(21,262,536)	280,185
	Opening Balance	43,915,470	47,941,443
	Add: Depreciation transfer from revaluation surplus	-	1,661,682
	Net Profit/(Loss) during the year	(65,178,006)	(5,687,655)
		(21,262,536)	43,915,470
09	LIABILITIES FOR EXPENSES	280,185	280,185
	Staff Salary	-	-
	Worker Wages	-	-
	Liabilities for Goods	22,158	22,158
	Utility	248,027	248,027
	Audit Fee	10,000	10,000
		280,185	280,185
10	SALES	-	-
	Sales	-	-
11	COST OF GOODS SOLD	271,103	4,192,919
	Opening Stock of Yarn	-	-
	Opening Stock of Store Materials & Acce.	-	-
	Add: Raw Material (Yarn)	-	-
	Add: Store Materials & Accessories	-	-
	Less: Closing Stock of Yarn	-	-
	Less: Closing Stock of Store Materials & Acce.	-	-
	Add: Factory Overhead 11.1	3,587,711	5,298,342
	Add: Opening Stock of Work-in-Process	-	-
	Less: Closing Stock of Work-in-Process	3,587,711	5,298,342

Add: Opening Stock of Finished Goods

Less: Closing Stock of Finished Goods

11.1 Factory Overhead

Worker Wages

Bonus to Workers

Factory Rent & Others

Conveyance

Electric Bill

Labor Expenses

Mobil Expenses

Stationary

Medical Expenses

Telephone & Mobile Expenses

Internet Expenses

Newspaper Expenses

Washing Expenses

Label Expenses

Tiffin Expenses

Misc. Expenses

Depreciation

271,103

4,192,919

-

-

271,103

4,192,919

-

-

271,103

4,192,919

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2,827,322

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2,542

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482,990

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2,500

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1,254

271,103

1,981,734

271,103

5,298,342

12 ADMINISTRATIVE EXPENSES

Staff Salary

Festival Bonus

License Renewal Fee

Stationery

Canteen Expenses

Internet Expenses

Utility Expenses

Mobile Expenses

Freight Expenses

Clearing & Forwarding Expenses

Photocopy Expenses

Audit Fee

Conveyance Expenses

Miscellaneous

Depreciation

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389,313

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389,313

(TOYO COMPOSITE KNIT GARMENTS LTD.)

SCHEDULE OF FIXED ASSETS ON 30-06-2020

SCHEDULE-A

COST						DEPRECIATION				
SL.No.	DESCRIPTION	OPENING 01-07-19	ADDITION DURING THE YEAR	Revaluation Deficit 30-06-20	TOTAL AS ON 30-06-20	Rate	AS ON 01-07-19	DURING THE YEAR	TOTAL AS ON 30-06-20	WDV 30-06-20
1	Plant & Machinery	36,543,091	-	(11,404,204)	25,138,887	15%	23,331,533	271,103	23,602,636	1,536,251
2	Office Equipment (A)	1,007,988	-	(276,766)	731,222	15%	731,222	-	731,222	-
3	Furniture & Fixture (A)	2,661,553	-	(129,195)	2,532,358	10%	2,532,358	-	2,532,358	-
4	Others (A)	4,767,324	-	(2,232,525)	2,534,799	15%	2,534,799	-	2,534,799	-
Grand Total Tk.		44,979,956	-	(14,042,690)	30,937,266		29,129,912	271,103	29,401,015	1,536,251

Charged to:

Factory Expenses: 271,103

Admin Expenses: -

271,103

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
PURE COTTON KNITWEARS LIMITED**

Qualified Opinion

We have audited the accompanying financial statements of **PURE COTTON KNITWEARS LIMITED** ('the company') which comprise the Statement of Financial Position as on 30th June, 2020 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 Statements.

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 'except for' the issues described in 'Basis for Qualified Opinion' of the financial position of **PURE COTTON KNITWEARS LIMITED** as of 30th June, 2020 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

We refer to consecutive reported operating loss for the year 2019 & 2020 of Tk.(2.62 m) & Tk. (59.74 m) respectively. This is significant deviation in the performance of the company. The equity of the company turns negative which is Tk.(21,906,056/-) in 2020. There is no indication for resuming the operation of the company and management did not disclose anything in respect of going concern.

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. The management has disclosed nothing in this connection.

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

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, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.



Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2201311046AS168878

Place: Dhaka
Date: 20 January, 2022