

ANNUAL REPORT

2022-2023

**TOYO
KNITEX
(CEPZ) LTD.**

CHANGES FROM MITHUN KNITTING & DYEING (CEPZ) LIMITED

ANNUAL REPORT 2022-2023

REGISTERED OFFICE : DOULATDIAR, CHUADANGA, BANGLADESH
CORPORATE OFFICE : SOUTH AVENUE TOWER (8TH 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, 2023)

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**

Md. Rafiqul Haque, Managing Director
Md. Mahbub-UI Haque, Director
Md. Atiqul Haque, Director
Mohammed Masud Karim, Independent Director

COMPANY SECRETARY

Mohamad Sohel Rana

AUDIT COMMITTEE

Mohammed Masud Karim, Independent Director
Md. Mahbub-UI Haque, Director, Member
Md. Atiqul Haque, Director, Member

AUDITORS

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Rupali Bima Bhaban, 7, Rajuk Avenue
(5th & 6th Floor), Motijheel, Dhaka-1000.

BANKERS

BASIC Bank Ltd.
Shantinagar Branch,
169/1, Shantinagar, Dhaka

Board of Directors

Md. Rafiqul Haque
Managing Director

Educational Qualification
M.S.S from University of Dhaka

Professional Experience
41 Years experience in Manufacturing
and Trading business



Md. Mahbub-UI 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
36 Years experience in Manufacturing
and Trading business

Board of Directors**Md. Atiqul Haque**

Director

Educational Qualification

M. Com , Finance & Banking, University of Dhaka

Professional Experience

35 Years experience in Manufacturing and Trading business

**Mohammed Masud Karim**

Independent Director

Educational Qualification

M.B.A , IBA, Dhaka University

Professional Experience

Adjunct Professor, East West University

TRANSMITTAL LETTER

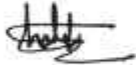
The Shareholders,
Bangladesh Securities & Exchange Commission
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.
Registrar of Joint Stock Companies and Firms

Subject : Annual Report for the year ended 30th June, 2023.

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Consolidated Statement of Financial Position as at 30th June, 2023, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Cash Flow Statement for the year ended on 30 June 2023 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 32nd ANNUAL GENERAL MEETING (AGM)

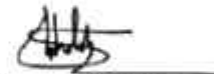
Notice is hereby given that the 32nd Annual General Meeting of the Shareholders of Toyo Knitex (CEPZ) Limited (Changes the name from Mithun Knitting & Dyeing Limited) will be held on virtual media (Link to be notify electronically) on Saturday, December 30, 2023 at 12:00 p.m. to transact the following business:

Agenda:

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

By Order of the Board

Dated: Dhaka
December 07, 2023



Mohamad Shohel Rana
Company Secretary (CS)

Notes :

1. The record date for this AGM was November 20, 2023. 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. A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend on his/her behalf.
3. 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.
4. Members are requested to notify change of address, if any, to the company.
5. 32nd AGM of the Company shall be conducted through virtual media.
6. The Company will send the link of the online live portal to attend the AGM to the shareholders in due course.
7. Soft copy of the Annual Reports of the Company will be sent to the shareholders respective e-mail addresses.
8. Annual Reports will be available on the Company website :<http://www.mkdl-cepz.com.bd>

বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই মর্মে শেয়ারহোল্ডারদের জানানো যাচ্ছে যে, টয়ো নিটেক্স (সিইপিজেড) লিমিটেড এর ৩২তম বার্ষিক সাধারণ সভা আগামী ৩০শে ডিসেম্বর ২০২৩, শনিবার বিকাল, ১২:০০ টায় ভার্চুয়াল মাধ্যমে (Link সময়মত জানানো হবে) নিম্নেবর্ণিত বিষয়াদি সম্পাদন করে অনুষ্ঠিত হবে :

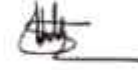
ডব্বর সমূহ :

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

০৭ ডিসেম্বর, ২০২৩

ঢাকা

বোর্ডের আদেশক্রমে



মোহাম্মদ সোহেল হানা

কোম্পানি সচিব

দ্রষ্টব্যঃ

- ২০ নভেম্বর, ২০২৩ রেকর্ড তারিখ হিসাবে গণ্য হবে। ঐ দিন কোম্পানির ডিপোজিটরী/শেয়ার রেজিস্ট্রারে যাদের নাম লিপিবদ্ধ থাকবে তারাই ডিজিটাল প্রাটিকর্মে কোম্পানির সভায় অংশ গ্রহন সহ ভোট প্রদান করার যোগ্যতা রাখবেন।
- শুধুমাত্র শেয়ারহোল্ডারগণ অথবা তাদের নিয়োগকৃত প্রতিনিধিরাই বার্ষিক সাধারণ সভায় যুক্ত হতে পারবেন।
- কোন শেয়ারহোল্ডার প্রতিনিধিনিয়োগ করতে চাইলে উপযুক্ত স্ট্যাম্পসম্বলিত প্রতিনিধি পত্র কোম্পানির শেয়ার বিভাগে নির্ধারিত সময়ের কমপক্ষে ৪৮ ঘণ্টা পূর্বে অফিস চলাকালিন সময়ে অবশ্যই জমাদিতে হবে।
- সম্মিলিত সদস্যদের ঠিকানা পরিবর্তন হলে তা শেয়ার বিভাগকে জানাতে অনুরোধ করা হচ্ছে।
- কোম্পানির ৩২তম এজিএম ভার্চুয়াল মাধ্যমে অনুষ্ঠিত হবে।
- কোম্পানির ৩২তম এজিএম এ বোপ দেওয়ার online live portal link সময়মত জানানো হবে।
- বার্ষিক প্রতিবেদন শেয়ারহোল্ডারদের ই-মেইলে পাঠানো হবে।
- বার্ষিক প্রতিবেদন কোম্পানির ওয়েবসাইটে <http://www.mkdl-cepz.com.bd> পাওয়া যাবে।

**DIRECTORS' REPORT TO THE
SHAREHOLDERS FOR THE YEAR ENDED
30th JUNE, 2023**

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 32nd 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, 2023. I hope your constructive suggestions, advice and active participation will turn this meeting success.

Environment Encircling the Business

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

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

After a long period of Russia-Ukraine war, supply chain disruptions, the financial condition is unstable in every aspect of the economy in Bangladesh. Although the government is taking initiative to prevent economic downturn in major export sectors, textile is facing plenty of adversities. Low pricing tendency from buyer,

price hike in the raw material and timely stocking of the same are a major challenge in the current marketing. The manufacturer needs to keep good relation with both buyer and raw material suppliers to balance from both to bring profit with hardship. The choices of buyers are diversified to be able to do better bargain and put pressure on buyer for better profit to manufacturer. In order to raise added value, there is constant efforts to add high end products in the basket.

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. Due to suspended of factory operation, the Earning Per Share and Net Operating Cash Flow Per share was null.

Suspension of factory operation:

The Company through letter ref: MKDL/Share/2019-2248 dated 26 September, 2019 informs 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& other heads of CEPZ expenses. CEPZ cancel the lease agreement and took over the leased asset.

PSI Dissemination To BSEC:

Bangladesh Securities and Exchange Commission (BSEC) has formed a three-member enquiry committee (Letter No./BSEC/SRMIC/94-179/401 dated 19.09.2023) and subsequently invite management of the company (ref. SEC/SRMIC/94-179/enquiry/MKDL/01 dated 03.10.2023). This is to be mentioned here that, CEPZ has terminated the lease agreement with MKDL which is in effect from 26.02.2019 (Ref.03.06.2016.314.33.067.91-165, dated 26.02.2019) and informed company management regarding the auction notice of the Non-current assets of the company through a notice dated 16.09.2021 ref. 03.09.2021 ref. 03.06.2016.314.33.067.91-1159). It is not possible to disclosure the net asset value (NAV) of the company before a final report of the enquiry committee recommended by BSEC has been submitted.

Risks & Concerns

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

Internal Control System

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

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

Going Concern

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

Industry Outlook

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

Variance between Quarterly Financial Performance and Annual Financial Statements

No such variance happened during the year.

Statement of Cash Flows

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

Statement of Changes Equity

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

Directors' Board Meeting Attendance

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

Directors' Remuneration

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

Corporate and Financial Reporting Framework

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

- a. Fairness of Financial Statements The Financial Statements prepared by the management of TSMIL present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b. Books of Accounts Proper books of accounts of the issuer Company have been maintained;
- c. Accounting Policies Appropriate Accounting policies have been consistently applied in preparation of the Financial Statements and that the Accounting estimates are based on reasonable and prudent judgment;
- d. Application of IAS/IFRS & other applicable Laws & Regulations The Board of Directors of the Company is entrusted to ensure the disclosure of the actual financial position and preparation and maintenance of all types of Statutory Statements as per the BSEC and Companies ACT-1994. The Board of Directors ensured that International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there from has been adequately disclosed;

Extra-ordinary Gain or Loss and their implication

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

Protect the Minority Shareholders' Interest

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

Accounting policies and estimation for preparation of financial statements:

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

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

Board Audit Committee

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

Financial Report

The financial results of the company for the year ended 30 June, 2023 are given below:

Particulars	2022-2023 Taka	2021-2022 Taka
Equity attributable to Owners of the Company	180,116,563	180,116,563
Share Capital (Paid-up shares)	324,911,620	324,911,620

Appropriation and Dividend

The Board of Directors has proposed for appropriation as follows:

Particulars	2022-2023 Taka	2021-2022 Taka
Accumulated Surplus/Deficit-Opening Balance	(177,169,318)	(177,169,318)
Deduct: Dividend Apportioned for previous year	-	-
Accumulated Surplus -Net of Previous year's Dividend	(177,169,318)	(177,169,318)
Less: Prior Year's Adjustments	-	-
Add : Net Profit/(Loss) for the year	-	-
Balance Available for Appropriation	(177,169,318)	(177,169,318)

On the basis of the proposed appropriation, the Board of Directors has not recommended any dividend to the shareholders for the year under report.

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 01.07.2021	Amount Taka	Share held 30.06.2023	Amount Taka
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
Mohammed Masud Karim	Independent Director	Nil	Nil	Nil	Nil

In accordance with Article 74 of the Articles of Association Md. Atiqul 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.

Appointment of Statutory Auditors:

Khan Wahab Shafique Rahman & Co. Chartered Accounts, is a panel auditors of BSEC. In recommendation of the Audit Committee, the Board recommended Khan Wahab Shafique Rahman & Co. Chartered Accounts, Rupali Bima Bhaban, 7, Rajuk Avenue (5th & 6th Floor), Motijheel, Dhaka-1000 appointment as statutory auditors of the Company of the year 2023-2024 with fixation of their remuneration of Taka 80,000/- (Taka Eighty Thousand) only. In compliance to the aforesaid notification, the shareholders have to appoint new auditors at the 33rd Annual General Meeting for the financial year 2023-2024.

Compliance Auditor

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

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

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

Corporate Governance

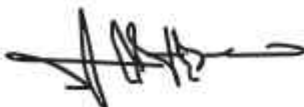
The company complied with all the applicable rules and regulations of Corporate Governance Guidelines as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission to ensure good governance. (Annexure-I)

The Board of the company consist of 5 (five) members including 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.

Conclusion

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. Atiqul Haque
Director
November 25, 2023



Md. Rafiqul Haque
Managing Director

পরিচালকদের প্রতিবেদন

৩০শে জুন, ২০২৩ সমাপ্ত বছরের জন্য

প্রিয় শেয়ারহোল্ডারগণ,

আসসালামুআলাইকুম,

টয়ো নিটেক্স (সিইপিজেড) লিমিটেড এর ৩২তম বার্ষিক সাধারণ সভায় আপনাদের শুভাগমন ও অংশগ্রহণের জন্য পরিচালক পরিষদেও পক্ষ থেকে জানাচ্ছি আন্তরিক ক্রীতি ও উষ্ণ অভ্যর্থনা। সেই সংগে ২০২৩ সালের ৩০শে জুন সমাপ্ত বছরের নিরীক্ষিত হিসাব এবং সভাপতি, পরিচালক মণ্ডলী ও নিরীক্ষকদের প্রতিবেদন আপনাদের বিচক্ষণ বিবেচনা ও সহৃদয় অনুমোদনের জন্য উপস্থাপন করার সুযোগ পেয়ে আমি আনন্দিত।

ব্যবসায়িক পরিবেশ

রাশিয়া-ইউক্রেন যুদ্ধের কারণে ভূ-রাজনৈতিক উত্তেজনা এবং বৈশ্বিক সরবরাহ শৃঙ্খলায় বিঘ্নিত পরিস্থিতি এবং বিশ্বের অনেক নেতৃস্থানীয় ব্যবসার নিম্নমুখী প্রবণতার তুলনায়, টেক্সটাইল এখনও নিম্ন প্রবণতায় রয়েছে। রাশিয়া ও ইউক্রেনের মধ্যকার যুদ্ধ যেমন WTO-কে প্রভাবিত করেছে, তেমনি বাংলাদেশের বর্তমান বাণিজ্য পরিবেশের ক্ষতিগ্রস্ত হচ্ছে। বাংলাদেশের টেক্সটাইল শিল্প অনেক চ্যালেঞ্জের সম্মুখীন হতে চলেছে, তবুও সেই সমস্ত অসুবিধা কাটিয়ে উঠতে এবং আগের প্রবৃদ্ধি বজায় রাখার অনেক আশা রয়েছে। পরপর দুই বাধার কারণে শিল্পের বিকাশ ও প্রবৃদ্ধি বাধা প্রাপ্ত হয়েছে। রাশিয়া-ইউক্রেন যুদ্ধ এবং বিশ্বব্যাপী সরবরাহ শৃঙ্খলা বিঘ্নিত হওয়ার পরপরই, WTO সদস্যদের আন্তর্জাতিক বাণিজ্যের মধ্যে বাণিজ্য যুদ্ধের শিখর, শিল্পে ধীর বিকাশ এবং বৃদ্ধির ধারাবাহিকতা সৃষ্টি করে। কম উৎপাদন খরচ সবসময়ই বাংলাদেশের জন্য একটি প্রতিযোগিতা মূলক সুবিধা। এটা প্রত্যাশিত যে, সরকার কর্তৃক রপ্তানিমুখী শিল্পের জন্য উদ্বোধন প্যাকেজের মাধ্যমে এবং কর্তৃপক্ষের দ্রুত, কৌশলগত দৃষ্টিভঙ্গির মাধ্যমে পোশাক খাত তার অবস্থানকে সুসংহত করবে।

বৈশ্বিক বাজারে ক্রমাগত পরিবর্তন সবসময় কাপড়ের চাহিদা বৃদ্ধির সম্ভাবনা দেয়। রাশিয়া-ইউক্রেন যুদ্ধ এবং বিশ্বব্যাপী সরবরাহ শৃঙ্খলায় বিঘ্ন পরিস্থিতি আরও করেছে। রাশিয়া-ইউক্রেন যুদ্ধ এবং বৈশ্বিক সরবরাহ শৃঙ্খলা বিঘ্নিত হওয়ার ফলে কর্মক্ষেত্রে স্বাস্থ্য ও নিরাপত্তার উদ্বেগ সহ শিল্পে কয়েকটি দীর্ঘ মেয়াদী বাধা যুক্ত হয়েছে। কর্মক্ষেত্রে সামাজি কদরত্ব বজায় রাখা, শিল্পের নিয়মিত প্রবণতা এবং শিল্পের প্রকৃতিকেও ধীর করে দিতে পরে। পরিবর্তিত চাহিদা স্বাস্থ্য-সচেতন বাজারের জন্য নতুন ম্যাক্রিক বিকাশের প্রয়োজন হবে, এতে পরিবেশ বান্ধব উৎপাদন পরিকাঠামো থাকতে হবে, গ্রিন কারখানা এবং স্বাস্থ্য-সুরক্ষা নিশ্চিত করণের প্রতিক্রিয়া হিসাবে আরও ব্যয়বহুল রাসায়নিকের ব্যবহার থাকতে হবে, বিশেষ করে COVID-19 মহামারী পরিস্থিতি এবং রাশিয়া-ইউক্রেন যুদ্ধের পরে।

দীর্ঘদিনের লকডাউন ও রাশিয়া-ইউক্রেন যুদ্ধ, সরবরাহে বিঘ্নের পর বাংলাদেশের অর্থনীতির প্রতিটি ক্ষেত্রেই আর্থিক অবস্থা অস্থিতিশীল। বড় রপ্তানিখাতে অর্থনৈতিক মন্দারোধে সরকার উদ্যোগ নিলেও টেক্সটাইল প্রচুর প্রতিকূলতার সম্মুখীন হচ্ছে। ক্রেতার কাছ থেকে কম দামের প্রবণতা, কাঁচামালের দাম বৃদ্ধি এবং সময় মতো মজুদ করা বর্তমান বিপণনের একটি বড় চ্যালেঞ্জ। কষ্টের সাথে মুনাফা আনতে উভয়ের থেকে ভারসাম্য বজায় রাখার জন্য প্রস্তুতকারকের ক্রেতা এবং কাঁচামাল সরবরাহকারী উভয়ের সাথে ভাল সম্পর্ক রাখতে হবে।

ফ্যাক্টরি অপারেশন:

প্রিয় শেয়ারহোল্ডার, আমাদের চিঠি নং এর রেফারেন্সসহ, MKDL/Share/2019-2248 dated- 26th September 2019, আমরা ইতিমধ্যেই আমাদের প্রধান নিয়ন্ত্রক বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (BSEC), ঢাকা স্টক এক্সচেঞ্জ লিমিটেড (DSE) এবং চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড (CSE) এর পাশাপাশি নোটিশ করেছি কারখানার কার্যক্রম স্থগিত করার বিষয়ে সম্মানিত শেয়ার হোল্ডাররা। কারখানার কার্যক্রম স্থগিত থাকার কারণে শেয়ার প্রতি আয় এবং শেয়ারপ্রতি নেট অপারেটিং ক্যাশফ্লো শূন্য ছিল।

কারখানার কার্যক্রম স্থগিত করা:

কোম্পানি চিটির 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 সবসময় 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 এবং CEPZ খরচের অন্যান্য হেতের জন্য চার্জ করা হয়েছে। সিইপিজেড ইজারা ছুটি বাতিল করে এবং ইজারা দেওয়া সম্পদের দখল নেয়।

বিএসইসির কাছে পিএসআই প্রচার:

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি) তিন সদস্যের একটি তদন্ত কমিটি গঠন করেছে (লেটারনং./BSEC/SRMIC/94-179/401 dated 19.09.2023) এবং পরবর্তীতে কোম্পানির পরিচালনা পর্ষদকে আমন্ত্রণ জানান (ref. SEC/SRMIC/94-179/enquiry/MKDL/01 dated 03.10.2023)। এখানে উল্লেখ করা যায় যে, CEPZ MKDL এর সাথে ইজারাচুক্তি বাতিল করেছে যা 26.02.2019 থেকে কার্যকর হবে (Ref.03.06.2016.314.33.067.91-165, dated 26.02.2019) এবং একটি নোটিশের মাধ্যমে কোম্পানির স্থায়ী সম্পদের নিলাম বিক্রির বিষয়ে কোম্পানি পরিচালনা পর্ষদকে অবহিত করেছে 16.09.2021 রেফারেন্স dated 03.09.2021 রেফারেন্স. 03.06.2016.314.33.067.91-1159)। বিএসইসি কর্তৃক সুপারিশকৃত তদন্ত কমিটির চূড়ান্ত প্রতিবেদন দাখিলের আগে কোম্পানির নিট সম্পদ মূল্য (এনএভি) প্রকাশ করা সম্ভব নয়।

ঝুঁকি এবং উদ্বেগ

এদিকে রাশিয়া ও ইউক্রেনের যুদ্ধ এ বছরের মাঝামাঝি থেকে জন্ম-বর্ধমান বিশ্ববাজার বন্ধ করে দিয়েছে। চলমান রাশিয়া-ইউক্রেন যুদ্ধের মধ্যে আসন্ন মন্সর আশঙ্কায় ইউইউ এবং মার্কিন বাজারে দুর্বল চাহিদার কারণে চলতি অর্থ বছরের প্রথম দিকে বাংলাদেশ থেকে রপ্তানি কমেছে। ঝুঁকির অনিশ্চয়তার সাথে জড়িত সমস্তবিষয় নিয়ন্ত্রণ করার জন্য, কোম্পানির একটীশিক্ষণালী ব্যবস্থাপনা প্রক্রিয়া রয়েছে।

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা

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

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

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

গোয়িং কনসার্ন

কোম্পানির অর্থিক বিবৃতি একটি চলমান উদ্বেগের মধ্যদিয়ে প্রস্তুত করা হয়েছে, যা ব্যবসার স্বাভাবিক গতি পথে সম্পদের দেনাপাওনা অন্তর্ভুক্ত করে। টয়ো স্পিন্ডিং মিলস লিমিটেডের পরিচালনা পর্ষদ একটি বার্ষিক মূল্যায়ন করেছে যে কোনও বজ্জাত অনিশ্চয়তা আছে কিনা যা কোম্পানির একটি চলমান উদ্বেগ হিসাবে চালিয়ে যাওয়ার ক্ষমতার উপর উল্লেখযোগ্য সন্দেহ সৃষ্টি করতে পারে এবং সত্তাটিকে একটি চলমান উদ্বেগ হিসাবে নিশ্চিত করে। টোয়ো নিটেক্স (সিইপিজেড) লিমিটেডের নিরীক্ষক ৩০ জুন, ২০২৩ তারিখে সমাপ্ত বছরের অডিট রিপোর্টে "বস্তুর অনিশ্চয়তা সম্পর্কিত উদ্বেগ" এবং "বস্তুর জোর" অনুচ্ছেদ দিয়েছেন।

ইজ-দ্বী আউটসুক

2020 সালের শুরুতে কোভিড-19 মহামারী রক্তানিতে যথেষ্ট হ্রাস ঘটায়, তবে গত বছরের মাঝামাঝি থেকে পরিস্থিতি আবার ফিরে আসতে শুরু করে। আন্তর্জাতিক টেক্সটাইল এক্সপোর্ট পোশাক বাণিজ্য বিশ্বায়নের একটি উল্লেখযোগ্য প্রভাব রয়েছে। বর্তমানে উন্নত দেশ গুলো বস্ত্র ও পোশাক উৎপাদনের জন্য উন্নয়নশীল দেশগুলোর ওপর ব্যাপক ভাবে নির্ভরশীল। বর্তমানে বিশ্বের বৃহত্তম পোশাক উৎপাদনকারী দেশ হিসাবে বাংলাদেশ দ্বিতীয় স্থানে রয়েছে, যেখানে 20 বিলিয়ন ডলারের ব্যবসার সাথে ৮০% পর্যন্ত রক্তানি করে আয় করা হয়। বাংলাদেশের বস্ত্র শিল্পের বিকাশের প্রধান কারণ হল পরিশ্রমী শ্রমশক্তি। টার্জট পূরণ করতে তারা বাড়তি সময় দিয়েছিল। তাই সাম্প্রতিক সময়ে দেশের মাথাপিছু আয়ও মানুষের জীবন যাত্রার মান উন্নত হয়েছে। দ্বিতীয়ত, দেশটি তৈরি পোশাক খাতে আমেরিকা এক্স ইউরোপীয় দেশগুলির সাথে বাণিজ্য করার একটি সুবিধা জনক সুযোগ অর্জন করেছে।

ত্রৈমাসিক আর্থিক কর্মক্ষমতা এবং বার্ষিক আর্থিক বিবৃতির মধ্যে পার্থক্য

এ বছরে এমন কোনো পরিবর্তন ঘটেনি।

নগদ প্রবাহ বিবৃতি

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

ইকুইটি পরিবর্তনের বিবৃতি

ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ড IAS-1 প্রেজেন্টেশন অফ ফাইন্যান্সিয়াল স্টেটমেন্ট অনুযায়ী ইকুইটি পরিবর্তনের বিবৃতি প্রস্তুত করা হয়েছে।

পরিচালক সমিতির সভায় উপস্থিতি

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

পরিচালকের পারিশ্রমিক

পর্যালোচনাধীন সময়ে কালে, কোম্পানির পরিচালনা পর্ষদের সদস্য স্বাধীন পরিচালকসহ কোম্পানির কাছ থেকে কোনো পারিশ্রমিক পাননি।

কর্পোরেট এবং ফিন্যান্সিয়াল রিপোর্টিং ফ্রেমওয়ার্ক

বোর্ডের সদস্যরা, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের বিজ্ঞপ্তি নং: BSEC/CMRRCD/ 2006-158/207/ Admin/80 তারিখের 03 জুন, 2018 অনুসারে, নিম্নলিখিতগুলির জন্য আর্থিক প্রতিবেদনের কাঠামোর সাথে সম্মতি নিশ্চিত করেছেন:

- আর্থিক বিবৃতিগুলির ন্যায্যতাঃ টয়ো নিটেক্স (সিইপিজেড) লিমিটেড এর ব্যবস্থাপনা কমিটি দ্বারা প্রস্তুতকৃত আর্থিক বিবৃতিগুলি মোটামুটি ভাবে প্রতিষ্ঠানের অবস্থা, এর কার্যক্রমের ফলাফল, নগদ প্রবাহ এক্স ইকুইটিতে পরিবর্তন গুলি উপস্থাপন করে।
- হিসাবের বই ইস্যুকারীঃ কোম্পানির হিসাবের সঠিক বইর ক্ষমা বেক্ষণ করা হয়েছে।
- অ্যাকাউন্টিং নীতিগুলিঃ যথাযথ অ্যাকাউন্টিং নীতিগুলি আর্থিক বিবৃতি তৈরিতে ধারাবাহিক ভাবে প্রয়োগ করা হয়েছে এক্স অ্যাকাউন্টিং অনুমানগুলি যুক্তি সঙ্গত এক্স বিচক্ষণ রাখার উপরে করা হয়েছে।
- IAS/IFRS এক্স অন্যান্য প্রযোজ্য আইনও বিধানঃ কোম্পানির বোর্ড অফ ডিরেক্টরসকে প্রকৃত আর্থিক অবস্থান প্রকাশ, BSEC এক্স কোম্পানি ACT-1994 অনুযায়ী সমস্ত ধরনের সংশোধিত বিবৃতি প্রস্তুত ও রক্ষণাবেক্ষণ নিশ্চিত করার দায়িত্ব দেওয়া হয়েছে। পরিচালনা পর্ষদ নিশ্চিত করেছে যে আন্তর্জাতিক অ্যাকাউন্টিং স্ট্যান্ডার্ডস (IAS), ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (IFRS) যেমন বাংলাদেশে প্রযোজ্য, আর্থিক বিবৃতি তৈরিতে অনুসরণ করা হয়েছে এক্স সেখান থেকে যে কোনো প্রস্থান পর্যাপ্ত ভাবে প্রকাশ করা হয়েছে।

অতিরিক্ত সাধারণ লাভ বা ক্ষতি এবং তাদের অন্তর্নিহিততা

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

সংখ্যালঘু শেয়ার হোল্ডারদের স্বার্থরক্ষা

পরিচালনা পর্ষদ সংখ্যালঘু শেয়ারহোল্ডারস হ প্রতিটি শেয়ারহোল্ডারদের সাথে ন্যায্য এবং সমান আচরণ নিশ্চিত করার জন্য তার সমস্ত প্রচেষ্টা নিবেদিত করেছে। সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থরক্ষার জন্য, কোম্পানি জবাবদিহিতা এবং স্বচ্ছতা প্রতিষ্ঠার জন্য বিভিন্ন ব্যবস্থা গ্রহণ করেছে এবং ক্ষুদ্র বিনিয়োগকারী এবং সংখ্যালঘু শেয়ারহোল্ডারদের দ্রুত সেবা দেওয়ার জন্য একটি অনুশীলনও প্রতিষ্ঠা করেছে। কোম্পানী নিয়ন্ত্রক নির্দেশনাবলীর অধীনে তার অপারেশনে প্রয়োজনীয় সমস্ত কৌশলগত তথ্য বিনাবিলম্বে সরবরাহ করেছে এবং সংখ্যালঘু শেয়ারহোল্ডারদের আরও ভালভাবে সেবা দেওয়ার চেষ্টা করেছে, কোম্পানি তাদের সচেতন করার জন্য সর্বাধিক জনপ্রিয় চ্যানেল/বিকল্পগুলির মাধ্যমে সমস্ত কৌশলগত সিদ্ধান্ত প্রচার করে।

আর্থিক বিবৃতি তৈরির জন্য অ্যাকাউন্টিং নীতি এবং অনুমান

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

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

বোর্ড অডিট কমিটি

কোম্পানির একটি অডিট কমিটি রয়েছে, যেটি ২০২২-২০২৩ বছরে চারবার বৈঠক করেছে, প্রথম ত্রৈমাসিক, অর্ধ-বার্ষিক, তৃতীয় ত্রৈমাসিক এবং ৩০ জুন, ২০২৩ - শেষে বার্ষিক আর্থিক বিবৃতিতে নিরীক্ষকদের প্রতিবেদন সহ বার্ষিক হিসাব বিবেচনা করার জন্য।

আর্থিক প্রতিবেদন

৩০ জুন, ২০২৩ সমাপ্ত বছরের জন্য কোম্পানির অপারেটিং আর্থিক ফলাফল নীচে দেওয়া হল:

Particulars	2022-2023 Taka	2021-2022 Taka
Equity attributable to Owners of the Company	180,116,563	180,116,563
Share Capital (Paid-up shares)	324,911,620	324,911,620

এপ্রোপ্রিয়েশন এবং লভ্যাংশ

পরিচালনা পর্ষদ নিম্নরূপ বরাদ্দের জন্য প্রস্তাব করেছে:

Particulars	2022-2023 Taka	2021-2023 Taka
Accumulated Surplus/Deficit-Opening Balance	(177,169,318)	(177,169,318)
Deduct: Dividend Apportioned for previous year	-	-
Accumulated Surplus -Net of Previous year's Dividend	(177,169,318)	(177,169,318)
Less: Prior Year's Adjustments	-	-
Add : Net Profit/(Loss) for the year	-	-
Balance Available for Appropriation	(177,169,318)	(333,120,253)

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

বোর্ড অফ ডিরেক্টরস এবং ইলেকশন

নিম্নকৃত ব্যক্তির পর্যালোচনাধীন বছরে কোম্পানির পরিচালনা পর্ষদেও সদস্য ছিলেন। রিপোর্টিং আর্থিক বছরের শুরুতে এবং শেষে প্রতিটি পরিচালকের কাছে থাকা শেয়ারের সংখ্যা এবং পরিমাণ ও স্টক এক্সচেঞ্জ তালিকা বিধান অনুযায়ী নিম্নলিখিত বিবৃতিতে দেওয়া হয়েছে:-

Name	Designation	Shares held 01.07.2023	Amount Taka	Share held 30.06.2022	Amount Taka
Mr. Md. Rafiqul Haque	Managing Director	1039742	10397420	1039742	10397420
Mrs. Rabeya Khatun	Sponsor	651238	6512380	651238	6512380
Mr. Md. Mahbub-UI Haque	Director	1038851	10388510	1038851	10388510
Mr. Md. Atiqul Haque	Director	1038851	10388510	1038851	10388510
Mohammed Masud Karim	Independent Director	Nil	Nil	Nil	Nil

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

অডিটর নিয়োগ:

কোম্পানির বর্তমান নিরীক্ষক খান ওয়াহাব শফিক রহমান এন্ড কোঃ, চার্টার্ড অ্যাকাউন্ট্যান্টস, বিএসইসির একটি প্যানেল অডিটর। অডিট কমিটির সুপারিশে, বোর্ড খান ওয়াহাব শফিক রহমান এন্ড কোঃ, চার্টার্ড অ্যাকাউন্ট্যান্টস, রূপালি বীমা ভবন, ৭, রাজউক এভিনিউ (৫ম এবং ৬ষ্ঠ তলা)

মতিঝিল সি/এ, ঢাকা-১০০০-কে কোম্পানির সংবিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগ করেছে 2022-2023 আর্থিক বছরের জন্য। 2023-2024 বছরের জন্য তারা আগ্রহ প্রকাশ করেছে পারিশ্রমিক ৮০,০০০/- টাকা নির্ধারণের সাথে (টাকা আশি হাজার) মাত্র।

কমপ্রায়েস অডিট

কর্পোরেট গভর্ন্যান্স হল ভাল কর্পোরেট নাগরিকত্বেও 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 স্ট্যাটা সরিপোর্ট পেশ করতে হবে তা Annexure-I তে দেওয়া হয়েছে।

৩০ জুন তারিখের BSEC বিজ্ঞপ্তির ৯(২) বিধান মেনে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (BSEC) কর্তৃক কর্পোরেট গভর্ন্যান্স কোডে ২০২২-২৩ সালের জন্য কমপ্রায়েস অডিট পরিচালনার জন্য একজন অনুশীলনকারী পেশাদার হিসাবরক্ষক/সিটিবনিয়োগ করতে হবে। ২০১৮ রেফা. নং BSEC/CMRRCD/2006-158/207/Admin/80 কমিশনের উল্লিখিত কর্পোরেট গভর্নেন্স কোডের শর্তাবলী মেনে চলার জন্য একটিসম্মতিপত্র গ্রহণ করা হয়।

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

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 প্রযোজ্য নিয়ম ও বিধান মেনেচলে। (পরিশিষ্ট-১)

কোম্পানির বোর্ড ১ (এক) স্বাধীন পরিচালকসহ ৫ (পাঁচ) সদস্য নিয়ে গঠিত, কোম্পানির পরিচালনার জন্য সর্বোচ্চ কর্তৃপক্ষ এবং বোর্ড ২ (দুই) টি কমিটিগঠন করে একটি অডিট কমিটি এবং অন্যটি হল মনোনয়ন এবং পারিশ্রমিক। কোম্পানিতে সুশাসন নিশ্চিত করতে কমিটিতে চেয়ারম্যান ও ম্যানেজিংডিরেক্টর পদে দুজন ব্যক্তি পূরণ করেছেন। কোম্পানিটিতে চিফফাইন্যান্সিয়াল অফিসার, কোম্পানি সেক্রেটারি এবং হেড অফ ইন্টারনাল অডিট এবং কমপ্রায়েস অডিটর নিয়োগ প্রদান করা হয়েছে। সমস্ত কর্মীদেও ভূমিকা, দায়িত্ব এবং কর্তব্যগুলি স্পষ্ট ভাবে সংজ্ঞায়িত করা হয়েছে।

উপসংহার

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

পরিচালক পর্ষদের পক্ষে,



মোঃ আতিকুল হক

পরিচালক

নভেম্বর ২৫, ২০২৩



মোঃ রফিকুল হক

ব্যবস্থাপনা পরিচালক

নভেম্বর ২৫, ২০২৩

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

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

The NRC Committee reconstituted as on 09th September, 2021 by the Board who formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board. The Board of NRC committee is comprised of three members of the Board including one independent director and two non-executive directors.

The NRC Committee consists of the following persons:

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

Mohamad Shohel Rana, Company secretary join the meeting as a secretary. Managing Director and Human Resource & Administration Head of the Company attend the meeting as invitation.

The Role of NRC

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

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

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

Meeting Attendance

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

Name	Designation	Total Meetings Held	No. of Meetings Attended
Mohammad Masud Karim	Independent Director	01	01
Md. Atiqul Haque	Director	01	01
Md. Mahbub-Ul Haque	Director	01	01

Implementation

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

On behalf of the Nomination & Remuneration Committee.

Mohammad Masud Karim, Independent Director
 Chairperson of Nomination and Remuneration Committee
 21 November, 2023
 Dhaka

Annexure-IX

Dividend Policy

Toyo Knitex (CEPZ) Limited has emphasized maintaining all the provisions, guidelines and standard practices in the industry to declare its dividend. The company always considers the interests of its shareholders before all other issues and it has continued to share its profits and gains among the real owners of the company. The Record Date of Toyo Knitex (CEPZ) Limited for 32nd AGM has been fixed on 20 November 2023.

AUDIT COMMITTEE REPORT

For the Year ended 30th June 2023

Toyo Knitex (CEPZ) 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. Mohammad Masud Karim Independent Director	- Chairman
Mr. Md. Atiqul Haque, Director	- Member
Mr. Md. Mahbub-Ul Haque, Director	- Member

The Scope of Audit Committee was defined as under:

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

Activities carried out during the year

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



Mohammad Masud Karim
Chairman
Audit Committee
Date: 02 December, 2023

ANNEXURE-I

The Directors also report that:

- ☒ The financial statements of the Company present true and fair view of Company's state of affairs result of its operations, cash flows and changes in equity.
- ☒ Proper books of accounts as required by law have been maintained.
- ☒ Appropriate accounting policies have been followed in formulating the financial Statements and Accounting estimates were reasonable and prudent.
- ☒ The financial statements were prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- ☒ The internal control system is sound in design and effectively implemented and monitored.
- ☒ There are no significant doubts upon the company's ability to continue as a going concern.
- ☒ There is no significant deviation from the operating result of the last year.
- ☒ The number of board meetings and the attendance of directors during the year 2022-2023 were as follows:

Name of Directors	Meeting Held	Attended
Mr. Md. Mahbub-Ul Haque	4	4
Mr. Md. Mozammel Haque	4	4
Mr. Md. Rafiqul Haque	4	4
Mr. Md. Atiqul Haque	4	4
Mr. Mohammad Masud Karim	4	4

- ☒ The pattern of shareholding (along with name wise detail) of parent/subsidiary/associated companies and other related parties, directors, chief executives officer, company secretary, chief financial officer, head of internal audit and their spouse and minor children, executives, shareholders holding 10% or more voting interest in the company as at 30th June, 2023 is stated in ANNEXURE-II
- ☒ Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE-III.
- ☒ Key operating and financial data of last eight years have been presented in summarized form as Past Financial Statistics in ANNEXURE-IV.

ANNEXURE-II

Pattern of shareholding as on June 30, 2023

Particulars	Shares Held	Percentage	Remark
Parent Company			N/A
Associated Companies:			N/A
Directors & Sponsors:			
Mrs. Rabeya Khatun	651238	2.00%	
Mr. Md. Rafiqul Haque	1039742	3.20%	
Mr. Md. Mahbub-Ul 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):			

Status of compliance with the Corporate Governance Code (CGC), 2018**[TOYO KNITEX (CEPZ) LIMITED]**

Status of compliance for the period ended 30 June 2023 of TOYO KNITEX (CEPZ) LIMITED with the Conditions imposed by BSEC's Notification on Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report Under condition No. 9)

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

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

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

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

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

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

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

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

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

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

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

ANNEXURE-IV

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

Progress at a Glance

(Taka in Thousands)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Authorized Capital	800,000	800,000	800,000	800,000	800,000
Issued and Paid-up Capital	324,911	324,911	324,911	324,911	324,911
Reserve and Surplus	(144,795)	(144,795)	(221,520)	(221,520)	163,102
Long Term Loan	Nil	Nil	Nil	Nil	Nil
Fixed Assets (Net)					221,073
Current Assets	367,448,514	367,448,514	290,345	290,345	456,285
Current Liabilities	185,074,538	185,074,538	184,696	184,696	187,085
Dividend					
Sales (Export)					311,723
Gross Profit					(140,397)
Operating Profit					(152,292)
Net Profit/Loss before Tax					(153,730)
EPS before Tax (Tk.)					(4.73)
Net Worth per share (Tk.)	Note:23	Note:23	3.18	3.18	15.02
Number of Shareholders	6901	6901	6901	6901	6840
Number of Employment	0	0	0	0	760

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

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, 2023

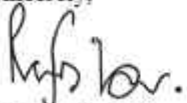
Dear Sir(s),

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

- (1) The Financial Statements of Toyo Knitex (CEPZ) Limited for the year ended on June 30, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. In this regard, we also certify that:
 - (i) We have reviewed the financial statements for the year ended on June 30, 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
 - (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Thanking you,

Sincerely,



Md. Rafiqul Haque
Managing Director



Md. Nijamul Islam Talukder
Chief Financial Officer (CFO)

**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 30th June, 2023. This Code relates to the Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory except 1(2)(a), 1(5)(ix), 1(5)(xx), 1(5)(xxiv)(c), 1(7)(b), 6(5)(c), 8(3) -

Haruner Rashid & Associates
Chartered Secretaries



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

Place: Dhaka

Dated: December 5, 2023

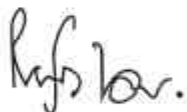
Annexure – “IV”
[Ref: CG 1(5) (xxv)]

Management's Discussion and Analysis

The management of Toyo Knitex (CEPZ) Limited, continue the effort to run the business with high level of integrity, accountability & honesty. Quality of work, skilled human recourses is the main assets of the company. We have maintained the friendly work environment, good governance and comply all rules and regulations.

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

- a) Appropriate accounting policies and estimation made for preparation of financial statements.
- b) There is no significant change in Accounting Policies and estimations that may impact on financial position and financial performance.
- c) The comparative analysis of key components of Financial Statements given below.
- d) Comparison of financial performance, financial position. Toyo Knitex (CEPZ) Limited is the manufacturing company in Bangladesh to produce different types of own branded biscuits and breads. Management analyze the financial performance and growth of the company with other related manufacturing company also analyze the domestic and international market scenario.
- e) Financial and Economic scenario briefly explained in Director's report.
- f) Risks and concerns issues given in the note of Financial Statements.



Md. Rafiqul Haque
Managing Director

Annexure – "VI"

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

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

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

Annexure - "VII"**CODE OF CONDUCT OF NRC**

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

Independent Auditor's Report
To the shareholders
Of
Toyo 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, 2023, and the consolidated and separate, consolidated and separate statement of changes in equity and consolidated and separate 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, 2023 and results of its financial performance and its cash flows for the year then ended & comply with the Companies Act 1994, & other applicable laws & regulations.

Basis for Qualified Opinion

We refer to the separate audit reports of two subsidiaries **Pure Cotton Knitwears Limited & Toyo Composite Knit Garments Limited** for the year ended 30 June, 2023 where material misstatements regarding advance, deposits and prepayments have been reported. This event has material impact on the consolidated financial statements of **Toyo Knitex (CEPZ) Limited** but impact is not given in Financial Statements.

1. 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.

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

3. 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.

4. We refer to the note no: 19 of the Financial Statements. We note that the Company is not in operations. The amount of Tk. 196,950,487 that is 63.78% of total current assets which is carried forwarded from last year. It indicates there is sufficient doubt about the collectivity of the amount.

5. Cash & Cash Equivalent are presented under note no. 22 of the Financial Statements. We could not confirm the amount as the company is not in operations. There is significant doubt about the existence of the amount of TK. 2,059,240 that is carried forwarded from last year.

6. We refer to the schedule A that exhibit the detail of Fixed Assets of the parent. The amount (TK 55,627,013) is presented in the Financial Statements is not agreed with schedule as amount is presented at net realizable value. We could not confirm the physical existence of Fixed Assets.

7. Note no: 15 of parent company states that TK 196,950,487 is receivable from export bill. In our opinion, it is not collectable.

8. We also refer to note no: 11 of the consolidated Financial Statements of Toyo Knitting (CEPZ) Limited regarding the composition of Non- Controlling Interest (NCI) Shares in subsidiaries. As per note 11, NCI holds only 06 Shares in each of the two subsidiaries. But, as per separate Financial Statements of the subsidiaries, parent company holds almost 50% of (TCKGL) and 84% of (PCKL). This represents significant anomalies in the Financial Statement.

9. We farther refer to, note no: 4(a) of the separate financial statements of Toyo Knitex (CEPZ) limited, regarding investment in subsidiaries. As per note 4(a), the holding company owns 29,166,100 shares in Pure Cotton Knitwears Limited with is an almost 50% of the total shares of the subsidiary. In case of Toyo Composite Knitex Garments Limited, the holding company owns 37,499,700 shares which is almost 84% of the total number of shares of the subsidiary. Both this investment is not in agreement with BSEC consent letter ref; SEC/C1/CPLC/-29/2011/1152 dated: - 05, March, 2012.

10. The company provide evidence which are not considered sufficient and appropriate in connection with investment in subsidiaries and shareholding position of parent and Non-Controlling Interest (NCI). Material misstatement is evident in the presentation of consolidated financial statement.

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 qualified opinion.

Other Matter

The financial statements of **Toyo Knitex (CEPZ) Limited** were audited by Artisan & Co. Chartered Accountants for the year ended 30.06.2022 and they have expressed a modified opinion on these financial statements on 07 November, 2022.

Going Concern:

We refer to the note no. 10 of the Financial Statements. We note that Company's accumulated retained earnings is Tk. (177,169,318) and current liabilities of the company is TK.187,331,225. The company is not capable to pay the current liabilities as its current assets are not collectible/adjustable.

The above situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to maintain as a going concern. The Financial Statements do not adequately disclose this matter.

Emphasis of Matter

We draw attention to the fact that the company has no commercial activities, resulting in no reportable transactions for its statement of profit or loss and other comprehensive income. Consequently, the revenue was reported as nil in the Document Verification System (DVS). And also 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. We also refer to note no. 23 regarding the event after reporting period. Our opinion is not modified in respect of the 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. Departure from Going Concern Basis

Ref: Note 2.16

Key audit matters	How our audit addresses the matter
<p>The Company has incurred consecutive losses for the past years and has been unable to secure additional funding to continue operations. As a result, the lease agreement with the CEPZ authority was terminated, and physical possession of assets was surrendered for potential debt settlement. Due to these significant uncertainties regarding the Company's ability to continue as a going concern, the Board of Directors has elected to prepare the financial statements on a break-up basis rather than going concern basis.</p> <p>Departing from the going concern basis has a significant impact on the valuation of the Company's assets and liabilities. Break-up values generally differ from going concern values, potentially resulting in material adjustments to the financial statements, which has already been done in the previous year's financial statements and carried forwarded this year with no change. This introduces significant uncertainty surrounding the accuracy of the reported financial position and results.</p>	<ul style="list-style-type: none"> • We performed additional procedures to assess the recoverability of the Company's assets, considering the break-up scenario. • We evaluated the completeness and accuracy of the disclosed liabilities, particularly focusing on potential claims from creditors and the CEPZ authority. • We assessed the adequacy of the accounting policies used for break-up valuation and ensured consistency with applicable accounting standards. <p>We closely reviewed the disclosures related to the departure from going concern and break-up valuation, ensuring they are clear, complete, and understandable to users of the financial statements.</p>

2. Regulatory Environment Ref: Note 1.4(f) & 2.1	
Key audit matters	Key audit matters
<p>The company is a listed entity and is exposing to many regulatory requirements of local authorities. Besides Companies Act-1994, Bangladesh Securities and Exchange Rules-2020, Income Tax Act 2023& Value Added Tax Act-2012 and other directives of Bangladesh Securities and Exchange Commission.The company shall also comply with DSE & CSE Listing Regulations</p>	<p>We clearly encoded the reporting requirements and regulatory environment of the company.</p> <p>-We checked the compliance of the financial statements for disclosure made by the company regarding regulatory environment.</p> <p>-We reviewed the compliance status of the company with the applicable laws and regulations. We reviewed management's intentions to comply with the regulatory environment.</p> <p>- we assessed the ability / availability of management personnel to comply with regulations.</p>

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 except as discussed in our basis for qualified opinion para 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 company except as discussed in our basis for qualified opinion para so far as it appeared from our examination of these books;
- c) The statements of consolidated financial position dealt with by the report are in agreement with the books of accounts and returns.
- d) No expenditure was incurred and no payments were made during the year as the company has discontinued its operation and prepared the financial statements on break-up basis.

Dated, Dhaka 27/12/2023



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed By: Tanjilur Rahman FCA

Partner

Enrolment No: 1885

Firm Registration: 11970 E.P.

DVC: 2312271885AS709958

TOYO KNITEX (CEPZ) LIMITED
Consolidated Statement of Financial Position (Break Up Basis)
As at 30th June, 2023


PARTICULARS	Notes	Amount in Taka	
		30 June, 23	30-Jun-22
CURRENT ASSETS (Recoverable Amount)		58,668,888	58,668,888
Fixed Assets (Knitting & Dyeing Division)	A	55,627,013	55,627,013
Fixed Assets (Garments Division)	B & C	3,041,875	3,041,875
CURRENT ASSETS (Recoverable Amount)		308,779,626	308,779,626
Inventories	18	-	-
Export Bills Receivable	19	196,950,487	196,950,487
Advances, Deposits & Prepayments	20	109,769,899	109,769,899
Cash and Cash Equivalents	22	2,059,240	2,059,240
TOTAL ASSETS		367,448,514	367,448,514
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	9	324,911,620	324,911,620
Retained Earnings	10	(177,169,318)	(177,169,318)
Capital Reserve		5,960,689	5,960,689
Tax Holiday Reserve		16,413,572	16,413,572
General Reserve & Dividend Equalization Fund		10,000,000	10,000,000
Revaluation Surplus		-	-
Equity attributable to Owners of the Company		180,116,563	180,116,563
Non Controlling Interest	11	726	726
TOTAL EQUITY		180,117,289	180,117,289
CURRENT LIABILITIES		187,331,225	187,331,225
Deferred Tax Liability	12	2,256,687	2,256,687
Working Capital Loan (Secured)	13	44,570,288	44,570,288
Un-paid Import Bills (Secured)	14	712,000	712,000
Liabilities against Bill Purchase (Secured)	15	312,000	312,000
Liabilities for Goods and Expenses (Unsecured)	16	109,094,691	109,094,691
Income Tax Payable	17	30,385,559	30,385,559
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		367,448,514	367,448,514
Net Asset Value Per Share		Note: 23	Note: 23

The annexed notes are an integral part of these Financial Statement.


Md. Rafiqul Haque
 Managing Director


Md. Atiqul Haque
 Director


Md. Nijamul Islam Talukder
 Chief Financial Officer


Mohamad Shohel Rana
 Company Secretary

Signed in terms of our separate report even date annexed

Dated, Dhaka
 27/12/2023


Khan Wahab Shafique Rahman & Co.
 Chartered Accountants
 Signed By: **Md. Tanjilur Rahman FCA**
 Partner
 Enrolment No: 1885
 Firm's Registration No.: 11970 E.P.
 DVC :2312271885AS709958

TOYO KNITEX (CEPZ) LIMITED
Consolidated Statement of Changes in Shareholder's Equity
For the year ended 30th June, 2023

Particulars	Share Capital	Capital Reserve	Tax-Holiday Reserve	General Reserve & Dividend Equal Fund	Revaluation Surplus	Retained Earnings	Total Controlling Interest	Minority Interest	Total
Balance as on June 30, 2022	324,911,620	5,960,689	16,413,572	10,000,000	-	(177,169,318)	180,116,563	726	180,117,289
Net Profit/(loss) After Tax	-	-	-	-	-	-	-	-	-
Non Controlling Interest	-	-	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-	-
Balance as on June 30, 2023	324,911,620	5,960,689	16,413,572	10,000,000	-	(177,169,318)	180,116,563	726	180,117,289

TOYO KNITEX (CEPZ) LIMITED
Consolidated Statement of Changes in Shareholder's Equity
For the year ended 30th June, 2022

Particulars	Share Capital	Capital Reserve	Tax-Holiday Reserve	General Reserve & Dividend Equal Fund	Revaluation Surplus	Retained Earnings	Total Controlling Interest	Minority Interest	Total
Balance as on June 30, 2021	324,911,620	5,960,689	16,413,572	10,000,000	-	(177,169,318)	180,116,563	726	180,117,289
Net Profit After Tax	-	-	-	-	-	-	-	-	-
Non Controlling Interest	-	-	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-	-
Balance as on June 30, 2022	324,911,620	5,960,689	16,413,572	10,000,000	-	(177,169,318)	180,116,563	726	180,117,289

The annexed notes are an integral part of these Financial Statement



Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Md. Nijamul Islam Tabbler
Chief Financial Officer



Mohamad Shohel Rana
Company Secretary

TOYO KNITEX (CEPZ) LIMITED
Notes to the consolidated financial statements
as at and for the year ended 30 June 2023

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 Mithun Knitting & Dying (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 aquired 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 aquire 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 adopt 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 aquisition.

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 2022 to 30 June 2023.

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 amortized 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 Operating

- 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.

2.16 Going

The company had made consecutive loss during last consecutive years. The lease agreement of the company with CEPZ in terminated and all physical possession went to CEPZ authority for the purpose of due payment settlement. The board of directors tried hard for finding ways to arrange fund to resume operation but failed and decided not to prepare financial statements on going concern basis.

The management of the company did not managed to resume operatins and continuing business activities. The Board Of Directors decided not to appy Going Concern Basis for preperation of financial srtaments.All non current assets has been shown as current at their recoverable amount and stopped charging depreciation on fixed assets.The financial statements are prepared on break up basis.

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 an 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 average

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; and
- 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 exchange rate at the date of the transaction.
 - (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date of the transaction.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from the closing rate are recognized in profit or loss.
- As the import L/Cs were settled on spot payment basis, no exchange loss or gain occurred.

3.13 Accounting Policies, Changes in Accounting Estimates and Error.

Prospective Changes has been made in note no: 19 Export bill receivable and note no: 10 Retained Earnings to being correction in calculation error. This is not any changes due to business activities.

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 cancell 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.

Notes	Particulars	Amount in Taka	
		30 June, 2023	30 June, 2022
9.00 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, 2023	% of Share Holding June 30, 2022
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 30-06-2022 as compared to 30-06-2023:

Class Interval	No. of Holders	No. of Shares	% of Share Holding June 30, 2023	% of Share Holding June 30, 2022
Less than 500	2,310	502,894	2	2
501 to 5000	3,409	6,241,577	19	19
5001 to 10000	501	3,624,833	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

10.00 RETAINED EARNINGS

	Amount in Taka	
	30 June, 2023	30 June, 2022
Opening Balance	(177,169,318)	(177,169,318)
Profit / Loss During the year	-	-
Prior year Adjustment	-	-
Revaluation surplus adjustment	-	-
Dividend paid	-	-
Total	TK. (177,169,318)	(177,169,318)

11.00 NON CONTROLLING INTEREST (NCI)

6 Ordinary shares out of total 350,000 shares in Pure Cotton Knitwares Ltd.	273	273
6 Ordinary shares out of total 750,000 shares in Pure Cotton Knitwares Ltd.	454	454
[NCI calculated on net book value of the subsidiaries on reporting date]	<u>726</u>	<u>726</u>

12.00 DEFERRED TAX LIABILITY

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

Balance Carried forward (Suspended operation & Depreciation)	2,256,687	2,256,687
Deferred Tax Liability	TK. 2,256,687	2,256,687

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

13.00 WORKING CAPITAL LOAN (SECURED)

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

14.00 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, 2023

15.00 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.

16.00 LIABILITIES FOR GOODS AND EXPENSES (UNSECURED) TK. 109,094,691

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

17.00 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.

Amount in Taka	
30 June, 2023	30 June, 2022

18.00 INVENTORIES :

Stock of Yarn & Fabric	-	-
Stock of Dyes	-	-
Stock of Chemical	-	-
Spares, Stores & Accessories	-	-
Packing Material	-	-
Stock of Materials	TK. -	-
Finished Goods	-	-
Fabrics	-	-
Garments	-	-
Work-in process	-	-
Fabrics	-	-
Garments	TK. -	-
Impairment	-	-
	<u>-</u>	<u>-</u>

19.00 EXPORT BILLS RECEIVABLE

Accounts Receivable	196,950,487	196,950,487
Less: Credit Loss (Subsidiaries)	-	-
	<u>196,950,487</u>	<u>196,950,487</u>

The amount of non-proceeded export bills as on June 30, 2022 is considered bad &

doubtful.

20.00 ADVANCES, DEPOSITS & PRE-PAYMENTS

Deposits with PDB	378,142	378,142
Deposits with other institutions	-	-
Bakharabad Gas Systems Ltd.	1,428,248	1,428,248
Federal Insurance Co. Ltd.	25,000	25,000
Kornopoly Gas Distribution Co. Ltd.	2,794,020	2,794,020
Advances & Other Deposits	37,234,023	37,234,023
Advance Income Tax	19,618,862	19,618,862
Advance against Factory Rent	44,490,764	44,490,764
TK.	105,969,059	105,969,059

The above advances, deposits & prepayments consisting of deposits & advances made to statutory authorities and other institution are considered bad & doubtful. Break- up of only Tk. 105,969,059 is provided by the management.

22.00 CASH AND CASH EQUIVALENTS

Cash in Hand	88,466	88,466
Cash in Bank	1,970,775	1,970,775
TK.	2,059,240	2,059,240

23.00 Event After Reporting Period:

Bangladesh Securities and Exchange Commission (BSEC) has formed a three member committee (Letter No. SEC/SKMIC/94-179/401 dated: 19.09.2022) and Subsequently invite management of the company (ref. SEC/SRMIC/94-179/Enquiry/MKDL/01 dated: 03.10.2022)

This is to be mention here that, CEPZ has terminated the lease agreement with MKDL which is in effect from 26.02.2019 (ref. 03.06.2616.314.33.067.91-165, dated- 26.02.2019) and informed company management regarding the Auction Notice of the Non- Current assets of the company through a notice dated: 16.09.2021 ref: 03.06.2616.314.33.067.91-1159.

It is not possible to disclose the Net Asset value (NAV) of the Company before a final report of the enquiry committee recommended by BSEC has been submitted.

TOYO KNITEX (CEPZ) LIMITED
SCHEDULE OF FIXED ASSET : ON 30-06-2023

SCHEDULE-A

Sl. No.	DESCRIPTION	COST			DEPRECIATION					WDV 30-06-23	
		OPENING 01-07-22	ADDITION DURING THE YEAR	TOTAL AS ON 30-06-23	Rate	AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	Historical Value 30-06-23		Revaluation Surplus 30-06-23
1	Building & Civil Works	115,859,851	-	115,859,851	5%	49,278,306	-	49,278,306	19,305,754	46,875,791	66,581,545
2	Plant & Machinery	380,157,757	-	380,157,757	10%	258,838,221	-	258,838,221	33,726,712	87,592,825	121,319,537
3	Office Equipment (A)	5,863,205	-	5,863,205	10%	4,436,491	-	4,436,491	1,082,999	344,015	1,427,014
4	Furniture & Fixture (A)	3,142,984	-	3,142,984	10%	2,788,918	-	2,788,918	813,436	(459,370)	354,066
5	Vehicle s-2 Nos	11,527,160	-	11,527,160	20%	9,215,898	-	9,215,898	261,460	2,049,802	2,311,262
6	Motor Car Parade (A)	14,000,000	-	14,000,000	20%	10,559,360	-	10,559,360	3,440,640	-	3,440,640
	Grand Total Bk. 2019	530,551,257	-	530,551,257		335,117,193	-	335,117,193	59,031,001	136,403,064	195,434,064

Charged to:

Factory Expenses: 17,562,056

Admin Expenses: 1,058,058

18,620,114

TOYO KNITEX (CEPZ) LTD.
SCHEDULE OF FIXED ASSET : ON 30-06-23

Revalued Asset Schedule

Sl. No.	DESCRIPTION	COST			DEPRECIATION					WDV 30-06-23
		OPENING 01-07-22	ADDITION DURING THE YEAR	TOTAL AS ON 30-06-23	Rate	AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	Historical Value 30-06-23	
1	Building & Civil Works	54,673,616	-	54,673,616	5%	7,997,825	-	7,997,825	46,875,791	46,875,791
2	Plant & Machinery	120,154,767	-	120,154,767	10%	32,561,942	-	32,561,942	87,592,825	87,592,825
3	Office Equipment (A)	471,900	-	471,900	10%	127,885	-	127,885	344,015	344,015
4	Furniture & Fixture (A)	-	-	-	10%	(372,090)	-	(372,090)	(459,370)	(459,370)
5	Vehicle s-2 Nos	4,003,520	-	4,003,520	20%	1,953,718	-	1,953,718	2,049,802	2,049,802
	Grand Total Bk. 2016	179,303,803	-	179,303,803		42,009,280	-	42,009,280	136,403,064	136,403,064

SCHEDULE OF FIXED ASSETS ON 30-06-2023
(MKD, KNOTTING & DYEING)

Sl.No.	DESCRIPTION	COST			DEPRECIATION					WDV 30-06-23
		OPENING 01-07-22	ADDITION DURING THE YEAR	TOTAL AS ON 30-06-23	Rate	AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	Historical Value 30-06-23		Revaluation Surplus 30-06-23
1	Building & Civil Works	115,859,851	-	115,859,851	5%	49,278,306	49,278,306	17,238,607	49,342,938	66,581,545
2	Plant & Machinery	380,157,757	-	380,157,757	10%	2,58,838,221	2,58,838,221	23,994,176	97,325,361	121,319,537
3	Office Equipment (A)	6,177,995	-	6,177,995	10%	4,467,940	4,467,940	1,327,816	382,239	1,710,055
4	Furniture & Fixture (A)	3,142,984	-	3,142,984	10%	2,788,919	2,788,919	726,155	(372,090)	354,065
5	Vehicles -2 Nos	11,527,160	-	11,527,160	20%	9,215,898	9,215,898	(2,50,991)	2,562,253	2,311,262
6	Motor Car Panels (A)	14,000,000	-	14,000,000	20%	10,559,360	10,559,360	3,440,640	-	3,440,640
	Grand Total B. 2016	530,865,747	-	530,865,747		335,148,643	335,148,643	46,476,403	149,240,701	195,717,104

Charged to:

Factory Expenses: 17,562,056

Admin Expenses: 1,089,507

18,651,563

MITHUN KNITTING & DYEING (CEPZ) LTD.
SCHEDULE OF FIXED ASSETS ON 30-06-23

Revalued Asset Schedule

Sl.No.	DESCRIPTION	COST			DEPRECIATION					WDV 06-23
		OPENING 01-07-22	ADDITION DURING THE YEAR	TOTAL AS ON 30-06-23	Rate	AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	Historical Value 30-06-23		Revaluation Surplus 30-06-23
1	Building & Civil Works	54,673,616	-	54,673,616	5%	7,797,825	7,797,825	-	-	46,875,791
2	Plant & Machinery	120,154,767	-	120,154,767	10%	32,361,942	32,361,942	-	-	87,792,825
3	Office Equipment (A)	471,900	-	471,900	10%	127,885	127,885	-	-	344,015
4	Furniture & Fixture (A)	(459,370)	-	(459,370)	10%	(124,489)	(124,489)	-	-	(334,881)
5	Vehicles -2 Nos	4,003,520	-	4,003,520	20%	1,953,718	1,953,718	-	-	2,049,802
	Grand Total B. 2016	178,644,433	-	178,644,433		42,316,881	42,316,881	-	-	136,327,553

(TOYO COMPOSITE KNIT GARMENTS L.T.D.)
SCHEDULE OF FIXED ASSETS ON 30-06-2023

SCHEDULE-B

SL.No.	DESCRIPTION	COST			DEPRECIATION				
		OPENING 01-07-22	ADDITION DURING THE YEAR	TOTAL AS ON 30-06-23	Rate	AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	WDV 30-06-23
1	Plant & Machinery	36,543,091	-	36,543,091	15%	25,313,267		25,313,267	11,229,824
2	Office Equipment (A)	1,007,988	-	1,007,988	15%	772,737		772,737	235,251
3	Furniture & Fixture (A)	2,661,553	-	2,661,553	10%	2,545,278		2,545,278	116,276
4	Others (A)	4,767,324	-	4,767,324	15%	2,869,678		2,869,678	1,897,646
	Grand Total Tk. 2016	44,979,956	-	44,979,956		31,500,959	-	31,500,959	13,478,997

Charged to:

Factory Expenses: 1,981,734

Admin Expenses: 389,313

2,371,047(TOYO COMPOSITE KNIT GARMENTS L.T.D.)
SCHEDULE OF FIXED ASSETS ON 30-06-23

Revalued Asset Schedule

SL.No.	DESCRIPTION	COST			DEPRECIATION				
		OPENING 01-07-22	ADDITION DURING THE YEAR	TOTAL AS ON 30-06-23	Rate	AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	WDV 30-06-23
1	Plant & Machinery	12,483,572	-	12,483,572	15%	481,7098.15		4,817,098	7,666,474
2	Office Equipment (A)	114,115	-	114,115	15%	44032.2		44,032	70,083
3	Furniture & Fixture (A)	(1,320,882)	-	(1,320,882)	10%	(357,959)		(357,959)	(962,924)
4	Others (A)	2,735,024	-	2,735,024	15%	1055378.1		1,055,378	1,679,646
	Grand Total Tk. 2016	14,011,829	-	14,011,829		5558550	-	5558550	8453279

(PURE COTTON KNITWEARSLTD.)
SCHEDULE OF FIXED ASSETS ON 30-06-2023

SCHEDULE-C

Sl. No.	DESCRIPTION	COST			RATE	DEPRECIATION			WDV 30-06-23
		OPENING 01-07-22	ADDITION DURING THE YEAR	Total As on 30-06-23		AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	
1	PLANT & MACHINERY	43,856,728	-	43,856,728	15%	32,048,761	32,048,761	11,807,967	
2	OFFICE EQUIPMENTS (A)	759,720	-	759,720	15%	524,469	524,469	235,251	
3	FURNITURE & FIXTURES (A)	655,758	-	655,758	10%	539,483	539,483	116,276	
	Total	45,272,206	-	45,272,206	0	33,112,712	33,112,712	12,159,494	

Charged To:

Factory Expenses
Admin Expenses

2,183,759

54,434

2,138,93

(PURE COTTON KNITWEARSLTD.)
SCHEDULE OF FIXED ASSETS ON 30-06-2023

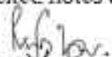
Revalued Asset Schedule

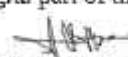
Sl. No.	DESCRIPTION	COST			RATE	DEPRECIATION			WDV 30-06-23
		OPENING 01-07-22	ADDITION DURING THE YEAR	Total As on 30-06-23		AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	
1	PLANT & MACHINERY	14,297,127	-	14,297,127	15%	3,967,453	1,549,451	5,516,904	8,780,223
2	OFFICE EQUIPMENTS (A)	252,092	-	252,092	15%	69,956	27,320	97,276	154,816
3	FURNITURE & FIXTURES (A)	(128,074)	-	(128,074)	10%	(34,334)	(10,374)	(34,708)	(93,366)
	Total	14,421,145	-	14,421,145		4,013,075	1,566,398	5,579,473	8,341,673

TOYO KNITEX (CEPZ) LIMITED
Statement of Financial Position (Break Up Basis)
As at 30th June, 2023

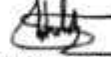
PARTICULARS	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
CURRENT ASSETS (Recoverable Amount)		122,292,813	122,292,813
Fixed Assets (Knitting & Dyeing Division)	A	55,627,013	55,627,013
Investment in subsidiaries	4(a)	66,665,800	66,665,800
CURRENT ASSETS (Recoverable Amount)		221,057,547	221,057,547
Export Bills Receivable	15	196,950,487	196,950,487
Advances, Deposits & Prepayments	16	22,170,702	22,170,702
Cash and Cash Equivalents	17	1,936,357	1,936,357
TOTAL ASSETS		343,350,360	343,350,360
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	4	324,911,620	324,911,620
Retained Earnings	5	(177,169,318)	(177,169,318)
Tax Holiday Reserve		16,413,572	16,413,572
General Reserve fund		5,000,000	5,000,000
Dividend Equalization Fund		5,000,000	5,000,000
Revaluation Surplus		-	-
TOTAL SHAREHOLDER'S EQUITY	6	174,155,874	174,155,874
CURRENT LIABILITIES			
Deferred Tax Liability	7	2,256,687	2,256,687
Working Capital Loan (Secured)	8	44,570,288	44,570,288
Un-paid Import Bills (Secured)	9	712,000	712,000
Liabilities against Bill Purchase (Secured)	10	312,000	312,000
Liabilities for Goods and Expenses (Unsecured)	11	108,716,579	108,716,579
Income Tax Payable	12	12,626,931	12,626,931
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		343,350,360	343,350,360
Net Asset Value Per Share	22	5.36	5.36

The annexed notes are an integral part of these Financial Statement


Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director


Md. Nijamul Islam Talukder
Chief Financial Officer


Mohamad Shohel Kana
Company Secretary

Signed in terms of our separate report even date annexed.

Dated, Dhaka


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

TOYO KNITEX (CEPZ) LIMITED
Statement of Changes in Shareholder's Equity
For the year ended 30th June, 2023

Particulars	Share Capital	Tax-Holiday Reserve	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Retained Earnings	Total
Balance as on June 30, 2022	324,911,620	46,413,572	5,000,000	-	5,000,000	(177,169,318)	174,155,873
Net Profit/(Loss)	-	-	-	-	-	-	-
Issue of Bonus Share	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-
Balance as on June 30, 2023	324,911,620	46,413,572	5,000,000	-	5,000,000	(177,169,318)	174,155,873

TOYO KNITEX (CEPZ) LIMITED
Statement of Changes in Shareholder's Equity
For the year ended 30th June, 2022

Particulars	Share Capital	Tax-Holiday Reserve	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Retained Earnings	Total
Balance as on June 30, 2021	324,911,620	46,413,572	5,000,000	-	5,000,000	(177,169,318)	174,155,873
Net Profit/(Loss)	-	-	-	-	-	-	-
Issue of Bonus Share	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-
Balance as on June 30, 2022	324,911,620	46,413,572	5,000,000	-	5,000,000	(177,169,318)	174,155,873

The annexed notes are an integral part of these Financial Statement



Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Md. Nijamul Islam Taha
Chief Financial Officer



Mohamud Sakeel Rana
Company Secretary

Notes	Particulars	Amount in Taka	
		30-Jun-23	30-Jun-22
4.00	SHARE CAPITAL		
	Authorised Capital :		
	25,000,000 Ordinary Shares of Tk. 10 each	<u>800,000,000</u>	<u>800,000,000</u>
	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 2,770,816 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	27,708,160	27,708,160
	Issue a 2,659,983 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	26,599,830	26,599,830
	Issue a 3,856,975 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
		<u>324,911,620</u>	<u>324,911,620</u>

COMPOSITION OF SHAREHOLDINGS

Description	No. of Investors	No. of Shares	% of Share Holding June 30, 2023	% of Share Holding June 30, 2022
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 30-06-2023 as compared to 30-06-2022.

Class Interval	No. of Holders	No. of Shares	% of Share Holding June 30, 2023	% of Share Holding June 30, 2022
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	Amount in Taka	
	30-Jun-23	30-Jun-22
291,661 Ordinary Shares in MKDL in an exchange ratio of 1 : 1.2 of 349,994 Shares of PCKL	29,166,100	29,166,100
374,997 Ordinary Shares in MKDL in an exchange ratio of 1 : 2 of 349,994 Shares of PCKL	37,499,700	37,499,700
	<u>66,665,800</u>	<u>66,665,800</u>

	Amount in Taka	
	30-Jun-23	30-Jun-22
5.00 RETAINED EARNINGS		
Opening Balance as on 01-07-2022	(177,169,318)	(177,169,318)
Profit/(Loss) during the year	-	-
Dividend Paid	-	-
Revaluation Surplus	-	-
	<u>(177,169,318)</u>	<u>(177,169,318)</u>
6.00 SHAREHOLDERS' EQUITY		
Paid up Capital	324,911,620	324,911,620
Tax Holiday Reserve	16,413,572	16,413,572
General Reserve	5,000,000	5,000,000
Dividend Equalization Fund	5,000,000	5,000,000
Revaluation Surplus	-	-
Accumulated Surplus	(177,169,318)	(177,169,318)
	<u>174,155,874</u>	<u>174,155,874</u>
7.00 DEFERRED TAX LIABILITY		
(a) Deferred Tax Liabilities are arrived at as follows :		
Book Value of Depreciable Fixed Assets	-	-
Deferred Tax Liability (balance carried forward, no current year estimation)	<u>2,256,687</u>	<u>2,256,687</u>
Since the company is not in operation, deferred tax provision kept remain unchanged.		
8.00 WORKING CAPITAL LOAN		
BASIC Bank, Shantinagar, CC A/C No. 0960-01-0000022	40,476,288	40,476,288
Directors Loan (Md.Rafiqul Haque)	4,094,000	4,094,000
	<u>40,476,288</u>	<u>40,476,288</u>
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.		
9.00 UP-PAID IMPORT BILLS (SECURED) Tk. 712,000		
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, 2023.		
10.00 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.		
11.00 LIABILITIES FOR GOODS AND EXPENSES (UNSECURED)		
Liability to BEPZA	104,723,118	104,723,118
Additional interest	3,993,461	3,993,461
	<u>TK. 108,716,579</u>	<u>108,716,579</u>
The above liabilities, which are unsecured, are expected to be settled in the normal course of the company's operating cycle on regular basis.		
12.00 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 shout provision of tax of prior years.		
13.00 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 2022-2023.		

14.00 INVENTORIES

Stock of Yarn	-	-
Stock of Dyes	-	-
Stock of Chemicals	-	-
Spares, Stores & Accessories	-	-
Packing Materials	-	-
Stock of Materials	<u>-</u>	<u>-</u>
Finished Goods	<u>-</u>	<u>-</u>
Fabrics	-	-
Garments	-	-
Work-in process	<u>-</u>	<u>-</u>
Fabrics	-	-
Garments	-	-
Impairment	-	-
TK.	<u>-</u>	<u>-</u>

15.00 BILLS RECEIVABLE

Accounts Receivable	196,950,487	196,950,487
TK.	<u>196,950,487</u>	<u>196,950,487</u>

The amount of non-processed export bills as on June 30, 2023 is considered bad or doubtful.

16.00 ADVANCES, DEPOSITS & PRE-PAYMENTS :

	Amount in Taka	
	30-Jun-23	30-Jun-22
Deposits with PDB	378,142	378,142
Prepaid Insurance	-	-
Bakharabad Gas Systems Ltd.	1,428,248	1,428,248
Komopoly 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	1,074,563
Advance Income Tax	16,470,729	16,470,729
Lic Margin deposit	-	-
TK.	<u>22,170,702</u>	<u>22,170,702</u>

The classification of Advances, Deposits & Prepayments as required by the Schedule XI, Part I, 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	22,170,702
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.	-	-

17.00 CASH AND CASH EQUIVALENTS

Cash in Hand	52,760	52,760
Cash at Bank	1,883,597	1,883,597
TK.	<u>1,936,357</u>	<u>1,936,357</u>

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

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

(a) Net Asset (Total Asset less all liabilities)	174,155,874	174,155,874
(b) Weighted average number of shares outstanding during the year	32,491,162	32,491,162
NAV (a/b)	<u>5.36</u>	<u>5.36</u>

TOYO KNITEX (CEPZ) LIMITED
SCHEDULE OF FIXED ASSETS ON 30-06-2023

Sl. No.	DESCRIPTION	COST				DEPRECIATION				WDV 30-06-23
		OPENING 01-07-22	ADDITION DURING THE YEAR	Revaluation Deficit 30-06-20	TOTAL AS ON 30-06-23	Rate	AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	
1	Building & Civil Works	115,859,851	-	(6,581,545)	109,278,306	0%	49,278,306	-	49,278,306	-
2	Plant & Machinery	380,157,757	-	(69,096,989)	311,060,768	0%	264,060,475	-	264,060,475	47,000,293
3	Office Equipment (A)	5,863,505	-	(1,427,014)	4,436,491	0%	4,436,491	-	4,436,491	-
4	Furniture & Fixture (A)	3,142,984	-	(354,066)	2,788,918	0%	2,788,918	-	2,788,918	-
5	Vehicles-2 Nos	11,527,160	-	-	11,527,160	0%	9,678,150	-	9,678,150	1,849,010
6	Motor Car Prado (A)	14,000,000	-	-	14,000,000	0%	11,247,488	-	11,247,488	2,752,512
Grand Total Tk. 2021		530,551,257	-	(77,459,614)	453,091,644		341,489,828	-	341,489,828	51,601,815

Charged to:

Factory Expenses

Admin Expenses

Independent Auditor's Report
To the shareholders
Of
Toyo Composite Knit Garments Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Toyo Composite Knit Garments Limited**. (the company), which comprise the statement of financial position as at 30 June, 2023 and, statement of changes in equity and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects of the of financial position of **Toyo Composite Knit Garments Limited**.as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

1. We refer to note no: 04 of the Statement of Financial Position regarding the amount of Tk. 64,449,487/- as Advance, Deposits and Prepayments which are materially misstated and no amount is recoverable. The equity of the company turns negative which is Tk. (21,262,536/-) in 2023. There is no indication for resuming the operation of the company and management did not disclose sufficient information 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.
2. We also refer to note no: - 07 regarding the composition of Shareholding of the company. As per note no, 07, the holding company owns 3,749,970 no of shares which represents almost 50% of the total number of shares of the TCKGL. This presentation is not in accordance with the consent letter conferred by Bangladesh Securities and Exchange Commission (BSEC) ref: SEC/C1/CPLC-291/2011/1132 dated: March 5, 2012. In the referred BSEC letter, regarding increase of paid-up capital, consent was given to acquire 100% share of TCKGL. The consolidation was not done in line with BSEC guideline.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical

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

Other Matter

The financial statements of **Toyo Composite Knit Garments Limited** were audited by Artisan & Co. Chartered Accountants for the year ended 30.06.2022 and they have expressed an modified opinion on these financial statements on 07 November, 2022.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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 company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, we also report the following:

- a) We have obtained all the information and explanations except as discussed in our basis for qualified opinion para 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 company except as discussed in our basis for qualified opinion para so far as it appeared from our examination of these books;
- c) The statements of financial position dealt with by the report are in agreement with the books of accounts and returns.
- d) No expenditure was incurred and no payments were made during the year as the company has discontinued its operation and prepared the financial statements on break-up basis.

Dated, Dhaka. 27-12-2023



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed By: Md. Tanjilur Rahman FCA
Partner
Enrolment No: 1885
Firm's Registration No.: 11970 E.P.
DVC : 2312271885AS563693

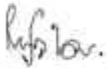
TOYO COMPOSITE KNIT GARMENTS LIMITED

Statement of Financial Position (Break Up Basis)

As at 30th June, 2023

PARTICULARS	Notes	Amount in Taka	
		30 June, 2023	30 June, 2022
CURRENT ASSETS (Recoverable Amount)		1,536,251	1,536,251
Fixed Assets (Garments Division)	Schedule-A	1,536,251	1,536,251
CURRENT ASSETS (Recoverable Amount)		64,549,065	64,549,065
Inventories	03	-	-
Accounts Receivable	05	-	-
Advances, Deposits & Prepayments	04	64,449,487	64,449,487
Cash and Cash Equivalents	06	99,578	99,578
TOTAL ASSETS		66,085,316	66,085,316
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	07	75,000,000	75,000,000
Retained Earnings	08	(21,262,536)	(21,262,536)
Tax Holiday Reserve		2,981,261	2,981,261
Revaluation Surplus		-	-
TOTAL EQUITY		56,718,725	56,718,725
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	66,085,316

The annexed notes are an integral part of these Financial Statement



Md. Rafiqul Haque
Managing Director


Md. Atiqul Haque
Director


Mohamad Shohel Rana
Company Secretary

Signed in terms of our separate report even date annexed.

Dated, Dhaka. 27-12-2023


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed By: Md. Tanjilur Rahman FCA
Partner
Enrolment No: 1885
Firm's Registration No.: 11970 E.P.
DVC : 2312271885AS563693

TOYO COMPOSITE KNIT GARMENTS LIMITED

Statement of Changes in Shareholder's Equity
For the year ended 30th June, 2023

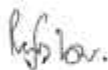
Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on June 30, 22	75,000,000	2,981,261	-	(21,262,535)	56,718,725
Net Profit After Tax	-	-	-	-	-
Prior year Adjustment	-	-	-	-	-
Revaluation Deficit (Impairment)	-	-	-	-	-
Balance as on June 30, 23	75,000,000	2,981,261	-	(21,262,535)	56,718,725

TOYO COMPOSITE KNIT GARMENTS LIMITED

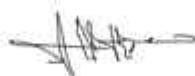
Statement of Changes in Shareholder's Equity
For the year ended 30th June, 2022

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on June 30, 21	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, 22	75,000,000	2,981,261	-	(21,262,535)	56,718,725

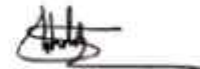
The annexed notes are an integral part of these Financial Statement



Md. Rafiqul Haque
Managing Director



Md. Atiqul Haque
Director



Mohamad Shohel Rana
Company Secretary

TOYO COMPOSITE KNIT GARMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2023

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	0%
Office Equipment (A)	0%
Furniture & Fixture (A)	0%
Others (A)	0%

iv) Components of Financial Statements:

Financial Statements were prepared on break up basis due to application of non going concern basis.

- a) Statement of Financial Position as at 30th June, 2023.
- d) Statement of Changes in Equity for the year ended 30th June, 2023.
- e) 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. 100/- . The present paid up capital 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 recivales 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.

02.4 GOING CONCERN:

The management of the company did not managed to resume operatins and continuing business activities. The Board Of Directors decided not to apply Going Concern Basis for preperation of financial srtatements. All non current assets has been shown as current at their recoverable amount and stopped charging depreciation on fixed assets.

The financial statements is prepared in a break up basis.

		AMOUNT(BDT)	
		30 June, 2023	30 June, 2022
03	CLOSING STOCK	-	-
	Closing Stock of (Yarn)	-	-
	Closing Stock of Materials & Accessories	-	-
	Closing Stock of WIP	-	-
	Closing Stock of Finished Goods	-	-
	Impairment (Obsolete)	-	-
		-	-
04	ADVANCE DEPOSIT & PRE-PAYMENT	64,449,487	64,449,487
	Opening Balance	64,449,487	64,449,487
	Addition / (Adjustment) During the Year	-	-
		64,449,487	64,449,487
<p>The classification of Advances, Deposits & Prepayments as required by the Schedule XI, Part 1, Para 6 of the Companies Act, 1994 are given below:</p>			
	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	-	-
	Opening Balance	-	-
	Less: Expected Credit Loss	-	-
		-	-
06	CASH & CASH EQUIVALENTS	99,578	99,518
	Cash in Hand	15,590	15,590
	Cash at Bank 06.1	83,988	83,988
		99,578	99,578

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	
Break- up of Shareholding is furnished below:					
	Md. Mozammel Haque	72,501	72,501	725,010	725,010
	Md. Rabiul Haque	62,501	62,501	625,010	625,010
	Md. Rafiqul Haque	62,501	62,501	625,010	625,010
	Md. Mahbulul Haque	55,000	55,000	550,000	550,000
	Md. Atiqul Haque	62,501	62,501	625,010	625,010
	Md. Rabeya Khatun	59,999	59,999	599,990	599,990
	Holding (Toyo Knitex (CEPZ) Limited)	374,997	374,997	3,749,970	3,749,970
	Total	750,000	750,000	7,500,000	7,500,000
08	RETAINED EARNINGS		(21,262,536)	(21,262,536)	
	Opening Balance		43,915,470	43,915,470	
	Add: Depreciation transfer from revaluation surplus		-	-	
	Net Profit/(Loss) during the year		(65,178,006)	(65,178,006)	
			(21,262,536)	(21,262,536)	
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	-	-
	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	-	-
Add:	Opening Stock of Work-in-Process	-	-
Less:	Closing Stock of Work-in-Process	-	-
Add:	Opening Stock of Finished Goods	-	-
Less:	Closing Stock of Finished Goods	-	-
11.1	<u>Factory Overhead</u>		
	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	-	-
		-	-

(TOYO COMPOSITE KNIT GARMENTS LTD.)
SCHEDULE OF FIXED ASSETS ON 30-06-2023

Sl. No.	DESCRIPTION	COST				DEPRECIATION				WDV 30-06-23
		OPENING 01-07-22	ADDITION DURING THE YEAR	Revaluation Deficit 30- 06-22	TOTAL AS ON 30-06-23	Rate	AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23	
1	Plant & Machinery	36,543,091	-	(11,404,204)	25,138,887	0%	23,602,636	-	23,602,636	1,536,251
2	Office Equipment (A)	1,007,568	-	(276,766)	731,222	0%	731,222	-	731,222	-
3	Furniture & Fixture (A)	2,661,553	-	(129,195)	2,532,358	0%	2,532,358	-	2,532,358	-
4	Others (A)	4,767,324	-	(2,232,525)	2,534,799	0%	2,534,799	-	2,534,799	-
Grand Total till 2023		44,979,956	-	(14,042,690)	30,937,266		29,401,015	-	29,401,015	1,536,251

Charged to:
Factory Expenses;
Admin Expenses;

**Independent Auditor's Report
To the shareholders
Of
Pure Cotton Knitwears Limited**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of **Pure Cotton Knitwears Limited**. (the company), which comprise the statement of financial position as at 30 June, 2023 and, statement of changes in equity and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for *Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects of the of financial position of **Pure Cotton Knitwears Limited**. as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

- a) We refer to note no: 04 of the Statement of Financial Position regarding the amount of Tk. 23,149,710/- as Advance, Deposits and Prepayments which are materially misstated and no amount is recoverable. This is significant deviation in the performance of the company. The equity of the company turns negative which is Tk. (21,906,055/-) in 2023. There is no indication for resuming the operation of the company and management did not disclose sufficient information in respect of going concern. These events or condition ns indicate that, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.
- b) We also refer to note no:- 07 regarding the composition of Shareholding of the company. As per note no, 07, the holding company owns 2,916,610 no of shares which represents almost 84% of the total number of shares of the PCKL. This presentation is not in accordance with the consent letter conferred by Bangladesh Securities and Exchange Commission (BSEC) ref: SEC/C1/CPLC-291/2011/1132 dated: March 5, 2012. In the referred BSEC letter, regarding increase of paid-up capital, consent was given to acquire 100% share of PCKL. The consolidation was not done in line with BSEC guideline

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the

audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements of **Pure Cotton Knitwears Limited** were audited by Artisan & Co. Chartered Accountants for the year ended 30.06.2022 and they have expressed an modified opinion on these financial statements on 07 November, 2022.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- 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 company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, we also report the following:

- a) We have obtained all the information and explanations except as discussed in our basis for qualified opinion para 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 company except as discussed in our basis for qualified opinion para so far as it appeared from our examination of these books;

- c) The statements of financial position dealt with by the report are in agreement with the books of accounts and returns.
- d) No expenditure was incurred and no payments were made during the year as the company has discontinued its operation and prepared the financial statements on break-up basis.



Dated, Dhaka. 27/12/2023

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed By: Tanjilur Rahman FCA
Partner
Enrolment No: 1885
Firm Registration: 11970 E.P.
DVC: 2312271885AS583921

PURE COTTON KNITWEARS LIMITED
Statement of Financial Position (Break Up Basis)
As at 30th June, 2023

Particulars	Notes	Amount in Taka	
		30 June, 2023	30 June, 2022
CURRENT ASSETS (Recoverable Amount)		1,505,624	1,505,624
Fixed Assets (Garments Division)	SCHEDULE-A	1,505,624	1,505,624
CURRENT ASSETS (Recoverable Amount)		23,173,015	23,173,015
Inventories	03	-	-
Receivables	05	-	-
Advances, Deposits & Prepayments	04	23,149,710	23,149,710
Cash and Cash Equivalents	06	23,305	23,305
TOTAL ASSETS		24,678,639	24,678,639
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	07	35,000,000	35,000,000
Retained Earnings	08	(21,906,055)	(21,906,055)
Tax Holiday Reserve		2,814,545	2,814,545
Revaluation Surplus		-	-
TOTAL EQUITY		15,908,490	15,908,490
CURRENT LIABILITIES			
Un-paid Import Bills (Secured)		8,770,149	8,770,149
Liabilities against Bill Purchase (Secured)		-	-
Liabilities for Goods and Expenses (Unsecured)	09	97,927	97,927
Income Tax Payable		8,672,222	8,672,222
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		24,678,639	24,678,639

The annexed notes are an integral part of these Financial Statement

Md. Rafiqul Haque
Chairman

Md. Atiqul Haque
Managing Director

Mohamad Shohel Rana
Company Secretary

Signed in terms of our separate report even date annexed.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed By: **Md. Tanjilur Rahman FCA**
Partner
Enrolment No: 1885
Firm's Registration No.: 11970 E.P.
DVC : 2312271885AS583921

Dated, Dhaka. 27/12/2023

PURE COTTON KNITWEARS LIMITED

Statement of Changes in Shareholder's Equity

For the year ended 30th June, 2023

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on June 30, 2022	35,000,000	2,814,545	-	(21,906,055)	15,908,490
Net Profit / (Loss) After Tax	-	-	-	-	-
Revaluation Surplus/(Deficit)	-	-	-	-	-
Balance as on June 30, 2023	35,000,000	2,814,545	-	(21,906,055)	15,908,490

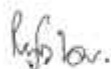
PURE COTTON KNITWEARS LIMITED

Statement of Changes in Shareholder's Equity

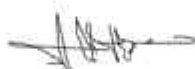
For the year ended 30th June, 2022

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on June 30, 2021	35,000,000	2,814,545	-	(21,906,055)	15,908,490
Net Profit After Tax	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-
Balance as on June 30, 2022	35,000,000	2,814,545	-	(21,906,055)	15,908,490

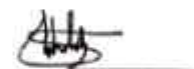
The annexed Notes form and Integra Part of this Statement.



Md. Rafiqul Haque
Chairman



Md. Atiqul Haque
Managing Director



Mohamad Shohel Rana
Company Secretary

PURE COTTON KNITWEARS LIMITED
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2023

01.(A) LEGAL FORM OF THE COMPANY:

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 Mithun Knitting & Dying (CEPZ) Limited.

The Registered Office of the Company is situated at Sena Kalyan Bhaban (9th Floor, Suit#904) Motijheel C/A, Dhaka-1000.

(B). NATURE OF THE BUSINESS:

The nature of business or activities is manufacturing knit fabric & Knitwear.

(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	0%
OFFICE EQUIPMENTS (A)	0%
FURNITURE & FIXURES (A)	0%

iv) Components of Financial Statements:

Financial Statements has been prepared on break up basis:

- a) Statement of Financial Position as at 30th June, 2023.
- d) Statement of Changes in Equity for the year ended 30th June, 2023.
- e) 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. 100/-. The present paid up capital capital of the Company is Tk. 3,50,00,000/- which is divided into 350,000 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.

02.2 EXPECTED CREDIT LOSS:

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

02.3 GOING CONCERN:

The management of the company did not managed to resume operations and continuing business activities. The Board Of Directors decided not to apply Going Concern Basis for preparation of financial statements. All non current assets has been shown as current at their recoverable amount and stopped charging depreciation on fixed assets.

The financial statements is prepared in a break up basis.

		AMOUNT(BDT)	
		30 June, 2023	30 June, 2022
03	CLOSING STOCK	-	-
	Closing Stock of (Yarn)	-	-
	Closing Stock of Materials & Accessories	-	-
	Closing Stock of WIP	-	-
	Closing Stock of Finished Goods	-	-
	Impairment (Obsolete)	-	-
		-	-
04	ADVANCE DEPOSIT & PRE-PAYMENT	23,149,710	23,149,710
	Opening Balance	23,149,710	23,149,710
	Addition During the Year	-	-
		23,149,710	23,149,710
<p>The classification of Advances, Deposits & Prepayments as required by the Schedule XI , Part 1, Para 6 of the Companies Act, 1994 are given below:</p>			
	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.	23,149,710	23,149,710
	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	23,149,710	23,149,710
05	ACCOUNTS RECEIVABLE	-	-
	Opening Balance	-	-
	Less:Expected Credit Loss	-	-
		-	-
06	CASH & CASH EQUIVALENTS	23,305	23,305
	Cash in Hand	20,115	20,115
	Cash at Bank 06.1	3,190	3,190
		23,305	23,305

06.1	Cash at Bank		3,190		
	UCBL CD A/C No. 1100099181		243.00		
	UCBL Margin A/C No. 1184000000423		-		
	Prime Bank Ltd. (RQ) 70002002		-		
	Prime Bank Ltd. (CD) 90000688		2,946.39		
	Basic Bank Ltd. 0910-01-0002008		0.45		
07	SHARE CAPITAL		35,000,000	35,000,000	
	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		35,000,000	35,000,000	
	350,000 Ordinary Shares of Tk.100/-each fully paid up in		35,000,000	35,000,000	
			35,000,000	35,000,000	
	Break- up of Shareholding is furnished below:				
	Md. Rafiqul Haque	19,517	19,517	195,170	195,170
	Md. Mahbubul Haque	22,063	22,063	220,630	220,630
	Md. Atiqul Haque	16,759	16,759	167,590	167,590
	Holding {Toyo Knitex (CEPZ) Limited}	291,661	291,661	2,916,610	2,916,610
	Total	350,000	350,000	3,500,000	3,500,000
08	RETAINED EARNINGS		(21,906,055)	30,068,678	
	Opening Balance		(21,906,055)	(21,906,055)	
	Net Profit/(Loss) during the year		-	-	
			(21,906,055)	(21,906,055)	
09	LIABILITIES FOR EXPENSES		97,927	97,927	
	Staff Salary		-	-	
	Worker Wages		20,000	20,000	
	Liabilities for Goods		33,158	33,158	
	Utility		34,769	34,769	
	Audit Fee		10,000	10,000	
			97,927	97,927	
10	COST OF GOODS SOLD		-	-	
	Factory Overhead		-	-	

PURE COTTON KNITWEARS LTD.
SCHEDULE OF FIXED ASSETS ON 30-06-2023

SCHEDULE-A

Sl. No.	DESCRIPTION	COST			ADDITION DURING THE YEAR	Revaluation Deficit 30-06-20	Total As on 30-06-23	RATE	DEPRECIATION		
		OPENING 01-07-22							AS ON 01-07-22	DURING THE YEAR	TOTAL AS ON 30-06-23
1	PLANT & MACHINERY	43,856,728	-	-	(10,036,645)	33,820,083	15%	32,048,761	-	32,314,459	1,505,624
2	OFFICE EQUIPMENTS (A)	759,720	-	-	(759,720)	-	15%	524,469	-	524,469	-
3	FURNITURE & FIXURES (A)	655,758	-	-	(655,758)	-	10%	530,483	-	530,483	-
	Total	45,272,206	-	-	(11,452,123)	33,820,083		33,112,712	-	33,378,411	1,505,624

Charged To:

Factory Expenses
Admin Expenses

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-
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