

ANNUAL REPORT

2023-24



**SAFKO SPINNING
MILLS LTD**



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Company Profile

Name of Company : **Safko Spinning Mills Ltd.**

Legal form : Public Limited Co.

Company Registration No. : C-26103(1937)/ 94

Date : 20th June, 1994

Authorized Capital : Tk 1000.00 million

Paid up Capital : Tk 299.81 million

Listing Status

Stock Exchange Symbol : SAFKOSPINN

DSE Listing Date : 22nd January 2000

CSE Listing Date : 19th December 1999

Market Category : 'Z' Category

VAT Registration No. : 22121006450

Tax Payer Identification No(TIN) : 5857235667095

Board of Directors

Janab S.A.K.M. Salim - Chairman

Janab S.A.B..M. Humayun - Managing Director

Janab Syed Saqeb Ahmed - Director

Janab S. M. Munir - Independent Director

Janab Md. Wali Ullah - Independent Director

Professor Dr. Sumon Das - Independent Director

Company Secretary : Iftekhar Ahmed

Chief Financial Officer : Masudur Rahman Khan

Auditors : M.Z. Islam & Co

: Eastern View (10th Floor), 50, D.I.T
Extension Road, Noya Paltan, Dhaka.

Corporate Office :

House # 10, Road # 01, Block # B,
Niketon, Gulshan, Dhaka-1212.

Phone: 02-222280092

Fax : 02-222261017

E-mail: sako.saiham@gmail.com

Website: www.saiham-safko.com

Bankers :

Bank Asia Ltd.

Corporate Branch

73/1/F, Free School Street, Banglamotor,
Sonargaon Road, Noor Tower(1st Floor),
Dhaka.

PREMIER Bank Ltd.

Gulshan Glass House ,
Gulshan-1, Dhaka..

Janata Bank Ltd.

Motijheel Corporate Branch, 48, Motijheel
C/A, Dhaka-1000

Dhaka Bank Ltd.

115-120, Motijheel C/A, Dhaka-1000

Pubali Bank Ltd.

Gulshan Model Town Branch
Gulshan-2, Dhaka-1212
Insurance Company

Reliance Insurance Co. Ltd.

Shanta Western Tower (Level 5) ,
Dhaka-1212
186, Tejgaon Industrial Area, Dhaka-1208.

Registered Office & Factory :

Noyapara, P.O. Saiham Nagar
U.Z. Madhabpur, Dist. Habiganj
Post Code : 3333



S.A.K.M. Salim
Chairman



S.A.B.M. Humayun
Managing Director



SYED SAQEB AHMED
Director



S.M.Munir
Independent Director

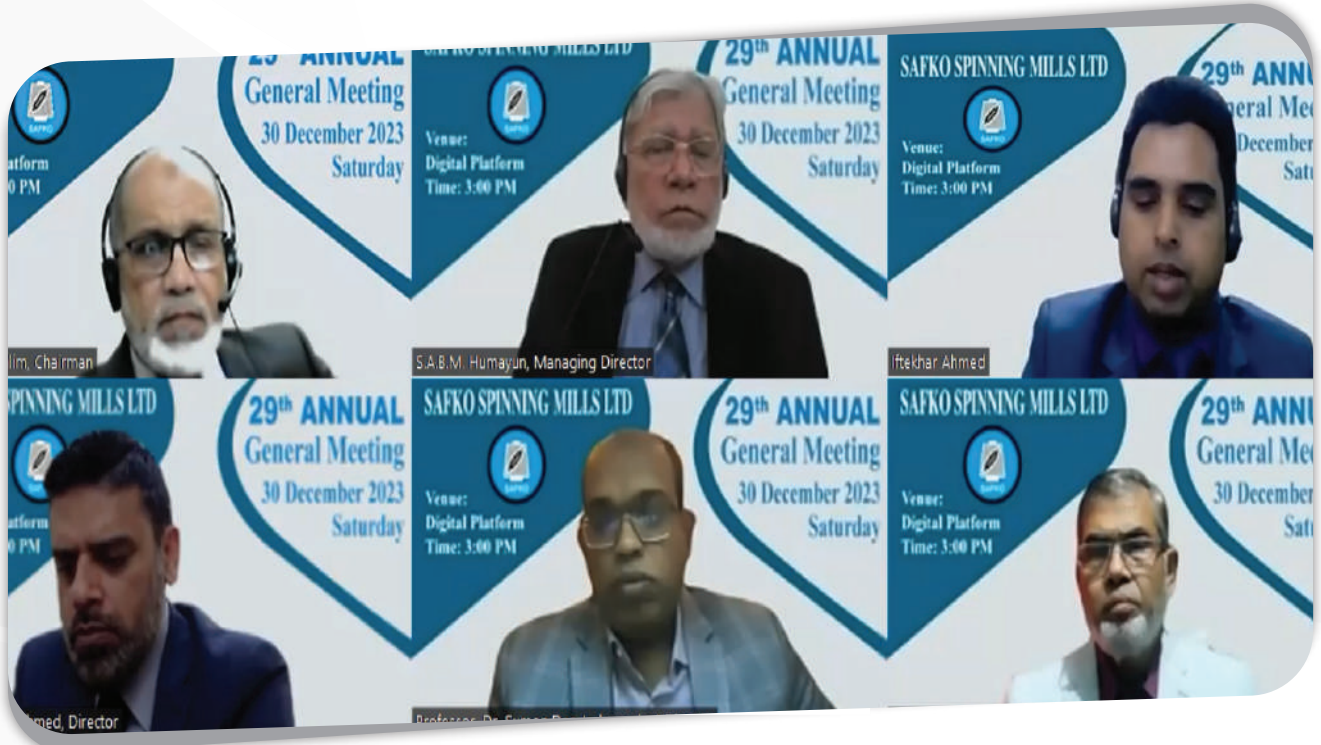


Md.Wali Ullah
Independent Director



Prof. Dr. Sumon Das
Independent Director

২৯তম বার্ষিক সাধারণ সভা



কোম্পানীর ২৯তম বার্ষিক অনলাইন সাধারণ সভায় পরিচালকমণ্ডলী

SAFKO SPINNING MILLS LTD.

House # 10, Road # 01, Block # B, Niketon, Gulshan, Dhaka-1212.

Regd. Office: Noyapara, P.O. Saiham Nagar, P.S. Madhabpur, Dist. Habiganj-3333

Notice of 30th Annual General Meeting

Notice is hereby given that the 30th Annual General Meeting of Safko Spinning Mills Ltd. will be held on December 18, 2024 Wednesday at 11:30 A.M. by using Hybrid System through the link <https://safko.bdvirtualagm.com> and physical presence at Conference Hall of Safko Spinning Mills Ltd. Noyapara, P.O. Saiham Nagar, P.S. Madhabpur, Dist. Habiganj to transact the following business.

AGENDA :

1. To receive, consider and adopt the Audited Statements of the Company for the year ended June 30, 2024 together with the Reports of the Directors' thereon.
2. To elect/re-elect Directors.
3. To appoint Statutory Auditors and to fix their remuneration for financial year 2024-2025.
4. To appoint Corporate Governance Compliance Auditors and fix their remuneration for financial year 2024-2025.
5. To transact any other business with the permission of the Chairman.

Date: October 28, 2024.

By order of the Board
Iftekhar Ahmed
Company Secretary

Notes:-

1. The shareholder's whose name will appear in the Depository Register of CDBL as on Record Date November 19, 2024 will be entitled to attend and vote at the AGM.
2. A member entitled to attend /participate and vote in the Annual General Meeting, may appoint a proxy in his stead. of the proxy form, duly stamped must be submitted to the Company's Corporate office at least 48 hours before the meeting.
3. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of Annual Report (2023-2024) will be sent to the Member's respective email addresses which is available with us. The Annual Report (2023-2024) will be available in the Company's website www.saiham-safko.com
4. AGM Notice, link for joining in the Digital Platform (audio-visual meeting) and detail login process will be mailed to the respective Member's email address available with us.
5. Member's whose email address updated/changed subsequently, are requested to email us at safko.saiham@gmail.com referring their full name, BO ID and email address to get the digital platform meeting invitation.
6. The AGM will be conducted through a Hybrid System. The shareholders who will join the Virtual AGM to SSML through the link <https://safko.bdvirtualagm.com> prior of 24 hours of the meeting. The shareholders will be able to complete registration, comment and vote before commencement of the AGM and during the AGM.
7. Full login/participation process to the digital platform meeting will also be available in the Company's website www.saiham-safko.com.



সফকো স্পিনিং মিলস্ লিমিটেড

হাউজ # ১০, রোড # ০১, ব্লক # বি, নিকেতন, গুলশান, ঢাকা-১২১২
রেজিস্টার্ড অফিস: নয়াপাড়া, পো: সাইহাম নগর, উপজেলাঃ- মাধবপুর, জেলাঃ- হবিগঞ্জ- ৩৩৩৩

৩০তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

সম্মানিত শেয়ারহোল্ডারবৃন্দের অবগতির জন্য জানানো যাচ্ছে যে, সফকো স্পিনিং মিলস্ লিঃ এর ৩০তম বার্ষিক সাধারণ সভা আগামী ১৮শে ডিসেম্বর, ২০২৪ইং বুধবার সকাল ১১-৩০ ঘটিকায় হাইব্রিড সিস্টেম এর মাধ্যমে ডিজিটাল প্ল্যাটফর্ম এর লিংক <https://safko.bdvirtualagm.com> এবং স্বশরীরে উপস্থিতির জন্য সফকো স্পিনিং মিলস্ এর কনফারেন্স হল, নয়াপাড়া, পোষ্ট : সাইহাম নগর, থানা : মাধবপুর, জেলা : হবিগঞ্জ। নিম্নলিখিত বিষয়াদি সম্পাদনের জন্য অনুষ্ঠিত হবে।

আলোচ্য সূচী :

- ১। ৩০ জুন, ২০২৪ইং তারিখে সমাপ্ত ১২ মাসের কোম্পানীর হিসাব, পরিচালকমন্ডলী ও নিরীক্ষকের প্রতিবেদন গ্রহণ ও অনুমোদন।
- ২। পরিচালক নির্বাচন/পুনঃনির্বাচন।
- ৩। ২০২৪-২০২৫ অর্থবছরের নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
- ৪। ২০২৪-২০২৫ অর্থবছরের কর্পোরেট গভার্নেন্স কোড কমপ্লায়েন্স নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
- ৫। সভাপতির অনুমোদন ক্রমে অন্য যে কোন বিষয়ে আলোচনা।

তারিখ : ২৮শে অক্টোবর, ২০২৪ইং

পরিচালকমন্ডলীর নির্দেশক্রমে
ইফতেখার আহমেদ
কোম্পানী সচিব

লক্ষ্যণীয় :-

- ১। কোম্পানীর ৩০তম বার্ষিক সাধারণ সভার রেকর্ড তারিখ ১৯শে নভেম্বর, ২০২৪ইং। রেকর্ড তারিখে যে সকল শেয়ারহোল্ডারের নাম শেয়ারহোল্ডার রেজিস্টারে এবং ডিপোজিটরী রেজিস্টারে লিপিবদ্ধ থাকবে কেবলমাত্র সে সকল শেয়ারহোল্ডারবৃন্দ সাধারণ সভায় (এজিএম) উপস্থিত থাকার ও ভোট প্রদানের যোগ্য হবেন এবং ডিভিডেন্ট পাওয়ার অধিকারী হবেন।
- ২। যথাযথ স্ট্যাম্প সম্বলিত প্রক্সিপত্র সভার ন্যূনতম ৪৮ (আটচল্লিশ) ঘন্টা পূর্বে কোম্পানীর কর্পোরেট অফিস হাউজ # ১০, রোড # ০১, ব্লক # বি, নিকেতন, গুলশান, ঢাকা-১২১২ তে অবশ্যই জমা দিতে হবে। অন্যথায় প্রক্সি বৈধ বলে গন্য হবে না।
- ৩। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) এর ২০ শে জুন, ২০১৮ তারিখের বিএসইসি /সিএমআরআরসি-ড/২০০৬-১৫৮/২০৮/এডমিন/৮১ নং নোটিফিকেশন অনুসারে ২০২৩-২০২৪ হিসাব বর্ষের বার্ষিক প্রতিবেদনের সফট কপি সম্মানিত শেয়ারহোল্ডারগণকে তাঁদের সিডিবিএল-এ রক্ষিত বিও (বেনিফিশিয়ারী ওনার) এ্যাকাউন্টের সাথে সংশ্লিষ্ট ই-মেইল এড্রেসে প্রেরণ করা হবে। উক্ত বার্ষিক প্রতিবেদনের সফট কপি কোম্পানীর ওয়েব সাইট (www.saiham-safko.com) এ পাওয়া যাবে।
- ৪। বার্ষিক সাধারণ সভার নোটিশ, ডিজিটাল প্ল্যাটফর্ম মিটিং এ যুক্ত হওয়ার লিংক এবং লগিং প্রসেস সিডিবিএল-এ রক্ষিত বিও (বেনি-ফিশিয়ারী ওনার) এ্যাকাউন্টের সাথে সংশ্লিষ্ট ই-মেইল এড্রেসে প্রেরণ করা হবে।
- ৫। শেয়ারহোল্ডারবৃন্দের মধ্যে যাদের ই-মেইল পরিবর্তিত হয়েছে তাদেরকে তাদের পুরা নাম, বিও আইডি এবং ই-মেইল এই সকল তথ্য সমূহ আমাদের ই-মেইল safko.saiham@gmail.com পাঠানোর জন্য অনুরোধ করা হচ্ছে যাতে করে আমরা ডিজিটাল প্ল্যাটফর্ম মিটিংয়ের আমন্ত্রণ পাঠাতে পারি।
- ৬। হাইব্রিড সিস্টেমে বার্ষিক সাধারণ সভা অনুষ্ঠিত হবার ২৪ ঘন্টা পূর্ব হতে চলাকালীন সময়ে শেয়ারহোল্ডারগণ প্রয়োজনীয় তথ্যাদি পূরন সাপেক্ষে লিংকের মাধ্যমে তাদের নিজস্ব প্রশ্ন/মতামত দাখিল করতে পারবেন এবং ভোটাধিকার প্রয়োগ করবেন।
- ৭। ডিজিটাল প্ল্যাটফর্ম মিটিং এ যুক্ত হওয়ার লিংক এবং লগিং প্রসেস কোম্পানীর ওয়েব সাইট (www.saiham-safko.com) এ পাওয়া যাবে।

পরিচালনা পর্ষদের প্রতিবেদন Report of the Board of Directors

বিস্মিল্লাহির রাহমানির রাহিম
সম্মানিত শেয়ারহোল্ডারবৃন্দ
আসসালামু আলাইকুম,

সফকো স্পিনিং মিলস্ লিঃ এর ৩০তম বার্ষিক সাধারণ সভায় অংশ গ্রহনকারী সকল শেয়ারহোল্ডারবৃন্দকে পরিচালনা পর্ষদের পক্ষ থেকে অভিনন্দন ও স্বাগতম জানাচ্ছি। এই বার্ষিক সাধারণ সভায় অনেকে সরাসরি ব্যক্তিগত ভাবে এবং অনেকেই ডিজিটাল প্ল্যাটফর্ম এর মাধ্যমে আপনাদের সদয় উপস্থিতি এই সভাকে পূর্ণতা দান করেছে এবং সৌন্দর্য্য মন্ডিত করেছে। এজন্য আমি আপনাদের সকলকে আন্তরিক অভিনন্দন জানাচ্ছি। এখন আমি ৩০ জুন ২০২৪ইং সমাপ্ত ১২ মাসের নিরীক্ষকের প্রতিবেদন সহ নিরীক্ষিত হিসাব ও কোম্পানীর বাৎসরিক কার্যক্রমের উপর পরিচালনা পর্ষদের প্রতিবেদন উপস্থাপন করছি।

শিল্প সম্পর্কিত অবহিতি:

বাংলাদেশ পৃথিবীর বিভিন্ন দেশে উল্লেখযোগ্য পরিমাণে উন্নত মানের বস্ত্র সামগ্রী রপ্তানী করছে। এ ছাড়াও দেশের কাপড়ের আভ্যন্তরীণ চাহিদাও যথেষ্ট পরিমাণে আছে। অন্যান্য অনেক মিলের মতো সফকো স্পিনিং মিলের উৎপাদিত সুতা দেশের স্থানীয় বুনন ও পোষাক শিল্পের প্রয়োজনীয় চাহিদা পূরণ করে থাকে।

কোভিড-১৯ পরবর্তীকালের রাশিয়া ইউক্রেন যুদ্ধের ফলে বিশ্বে উদ্ভূত জ্বালানী সমস্যা এবং কাঁচামালের মূল্য বৃদ্ধি, পরিবহন ব্যয় এর অস্বাভাবিক বৃদ্ধি ও ডলার সংকটের কারণে দেশে মিল সুষ্ঠু ভাবে চালানো সম্ভব হয়ে উঠে নাই এর মাঝে দেশে গ্যাস ও বিদ্যুৎ সংকট ইত্যাদি কারণে উৎপাদন ব্যাহত হয়। ফলে কোম্পানী গত অর্থ বছরেও প্রচুর আর্থিক ক্ষতির স্বীকার হয়েছে। এদিকে সূতার বাজারে মন্দা বিরাজ করতে আর্থিক ক্ষতি কমানোর জন্য কর্তৃপক্ষ কিছুকাল মিলের উৎপাদন বন্ধ রাখতে বাধ্য হয়।

বিগত বৎসর গুলোতে স্থানীয় বাজারে সূতার দাম ক্রমাগত হ্রাস পাওয়ায় আমরা সূতার প্রত্যাশিত মূল্য হতে অনেক কম মূল্য পেয়েছি। উৎপাদন অপেক্ষা কম মূল্যে সুতা বিক্রয়ের কারণে মিলটি আর্থিক লোকসান দিয়ে পরিচালিত হচ্ছিল, এই ফলশ্রুতিতে মিলের পক্ষে ব্যাংক সহ সকল আর্থিক প্রতিষ্ঠানের দায়দেনা পরিশোধে অপারগতা সৃষ্টি হয়েছে। কোম্পানীর বিক্রয়লব্ধ আর্থিক আমদানী ব্যাহত হওয়ায় বিভিন্ন ব্যাংকের কিস্তির অর্থ অপরিশোধিত থেকে গেছে। যার ফলশ্রুতিতে কোম্পানীর পক্ষে ২০২৩-২৪ অর্থ বৎসর সম্মানিত শেয়ারহোল্ডারবৃন্দকে কোন ডিভিডেন্ড দেওয়া সম্ভব হয় নাই।

শিল্পের ভবিষ্যৎ পরিকল্পনা

বর্তমানে বিভিন্ন পন্থায় উৎপাদন ব্যয় কমিয়ে, জ্বালানীর সাশ্রয় করে মিল এর উৎপাদন অব্যাহত রাখার প্রচেষ্টা চলছে। একই সাথে মিলকে লাভজনক ভাবে পরিচালনা করার জন্য উৎপাদিত সুতার সুষ্ঠু বাজারজাত করার দিকেও আমাদের প্রচেষ্টা অব্যাহত আছে।

এই মন্দা অবস্থা ও সংকট এর অবসান ঘটলে এবং বর্তমান অবস্থা স্বাভাবিক হলে মিলের উৎপাদন ক্ষমতাকে পরিপূর্ণ কাজে লাগিয়ে লাভজনক করা প্রচেষ্টা নেয়া হবে। মিলের বর্তমান কটন সুতার উৎপাদনের পাশাপাশি একই সাথে ভিসকস, সিনথেটিক, এবং মিশ্রিত পিসি সুতা উৎপাদন করে স্থানীয় বাজারে অবস্থান আরো দৃঢ় করার প্রচেষ্টা করা হবে। ইনশাল্লাহ্

খাতওয়ারী অথবা পণ্যভিত্তিক ফলাফল:

সফকো স্পিনিং মিলস লিঃ এর ব্যবসা কার্যক্রম পণ্য এবং সেবা বা অবস্থানের বৈচিত্রের মধ্যে কোন পার্থক্য হয় নাই। এ কারণে খাতওয়ারী অথবা পণ্যভিত্তিক ফলাফল বর্ণনা করা হয় নাই।

ঝুঁকি ও উদ্বিগ্নতাসমূহ:

১। মহামারী, পেনডেমিক যুদ্ধ বিগ্রহের কারণে মন্দার ঝুঁকি বিদ্যমান।

২। মিলের উৎপাদন সরাসরি আমদানীকৃত কাঁচামাল তুলা ও পলিয়েস্টার ফাইবার এর উপর নির্ভরশীল। তুলা ও পলিয়েস্টার ফাইবার উভয় এর মূল্য আন্তর্জাতিক বাজারে যে কোন সময় পরিবর্তনশীল, সেহেতু মিলের উৎপাদন ও লাভ লোকসান আমদানীকৃত কাঁচামালের মূল্য তারতম্যের কারণে সর্বদা কিছুটা ঝুঁকি ও অনিশ্চয়তার মধ্যে থাকে।

৩। দেশে প্রাকৃতিক দুর্যোগ, রাজনৈতিক অস্থিতিশীলতা, সামাজিক নিরাপত্তার অনিশ্চয়তা ইত্যাদি পরিস্থিতির কারণে দেশের সকল শিল্পকে ঝুঁকি ও উদ্বিগ্নতার মধ্য দিয়ে কর্মকান্ড পরিচালনা করতে হয়।

৪। এ ছাড়া বিদ্যুৎ ও গ্যাস ঘাটতি, দক্ষ শ্রমিকের ঘাটতি এবং ফসল তোলার সময়ে শ্রমিকের অনুপস্থিতির ফলশ্রুতিতে মিলের উৎপাদন বিঘ্নিত হতে পারে এবং তহবিল ব্যয় বেড়ে যেতে পারে।

৫। শিল্প খাতে বিদ্যুৎ ও গ্যাসের মূল্য ক্রমাগত বাড়ছে। এ ছাড়া শ্রমিক কর্মচারীদের বেতন ভাতা বছরে বছরে বাড়ছে। এতেও তহবিল ব্যয় বাড়ছে। এ ব্যয় ভার আরো বৃদ্ধির সম্ভাবনা বিদ্যমান।

৬। শিল্পের ঝুঁকি ও উদ্বিগ্নতাসমূহ সরকারের গৃহিতব্য নীতি নির্ধারণের উপরও যথেষ্ট মাত্রায় নির্ভরশীল।

এমতাবস্থায় দেশের অন্যান্য মিলের মত সফকো স্পিনিং মিলকেও এ সকল ঝুঁকি ও অনিশ্চয়তাকে মোকাবেলা করে এবং মেনে নিয়েই এগিয়ে যেতে হচ্ছে এবং ভবিষ্যতেও এগিষ্ট যেতে হবে ইনশাল্লাহ।

বিক্রিত পণ্যের ব্যয় বিশ্লেষণ, মোট প্রান্তিক মুনাফা এবং নীট প্রান্তিক মুনাফা:

বিবরণ	৩০ জুন, ২০২৪	৩০ জুন, ২০২৩
বিক্রিত পণ্যের ব্যয়	৩১৬,৮২৬,২১০	৩৯৬,৯৪২,৫৯৯
মোট মুনাফা	(২৭৭,৫৬২,০৮৭)	১৪,৬৮৬,৯৬৫
নীট মুনাফা	(৩৮৮,৮৯৭,৭৮৩)	(১৬৫,৩৭০,৭৬০)

অস্বাভাবিক লাভ বা ক্ষতি :

রাশিয়া ইউক্রেন যুদ্ধের ফলে বিশ্বে উদ্ভূত জ্বালানী সমস্যা এবং কাঁচামালের মূল্য বৃদ্ধি, পরিবহন ব্যয় এর অস্বাভাবিক বৃদ্ধি ও ডলার সংকটের কারণে দেশে মিল সৃষ্ট ভাবে চালানো সম্ভব হয়ে উঠে নাই এর মাঝে দেশে গ্যাস ও বিদ্যুৎ সংকট ইত্যাদি কারণে উৎপাদন ব্যাহত হয়। ফলে কোম্পানী গত অর্থ বছরেও প্রচুর আর্থিক ক্ষতির স্বীকার হয়েছে। এদিকে সূতার বাজারে মন্দা বিরাজ করতে আর্থিক ক্ষতি কমানোর জন্য কর্তৃপক্ষ কিছুকাল মিলের উৎপাদন বন্ধ রাখতে বাধ্য হয়।

আন্তঃসম্পর্কিত কোম্পানীর লেনদেন সমূহ :

বার্ষিক প্রতিবেদনের হিসাবের নোট নং ৩০ এ আন্তঃসম্পর্কিত কোম্পানীর লেনদেন সমূহ বর্ণনা করা হয়েছে।

পাবলিক ইস্যু অথবা রাইট ইস্যু হতে প্রাপ্ত তহবিলের ব্যবহার:

এ বছর কোন পাবলিক ইস্যু অথবা রাইট ইস্যু হয় নাই।

ইনিশিয়াল পাবলিক অফারিং (আইপিও), রিপিট পাবলিক অফারিং (আরপিও), রাইট অফার, ডাইরেক্ট লিষ্টিং ইত্যাদি অর্থ বা তহবিল প্রাপ্তির পর কোম্পানীর আর্থিক অবস্থা:

ইনিশিয়াল পাবলিক অফারিং (আইপিও) সম্পন্ন হয়েছে ১৯৯৮ সালে। পরবর্তীতে কোন রিপিট পাবলিক অফারিং (আরপিও), রাইট অফার, ডাইরেক্ট লিষ্টিং ইত্যাদি করা হয় নাই।

বার্ষিক আর্থিক বিবরণী এবং ত্রৈমাসিক আর্থিক অবস্থার বিবরণীর মধ্যে পার্থক্য:

বার্ষিক আর্থিক বিবরণী এবং ত্রৈমাসিক আর্থিক অবস্থার বিবরণীর মধ্যে পার্থক্য পরিলক্ষিত হয়-

☒ চতুর্থ ত্রৈমাসিক প্রতিবেদনে বিক্রয় হিসাবে প্রদর্শিত হয় ৯৮,৪৩১,০৮২ কোটি টাকা, যেখানে শেয়ার প্রতি অর্জন দাড়ায় (২.৯৭) টাকা। কিন্তু প্রথম ত্রৈমাসিক প্রতিবেদনে বিক্রয় হিসাবে প্রদর্শিত হয়েছিল ১৩৪,৩৫৮,৮২২ কোটি টাকা। যেখানে শেয়ার প্রতি অর্জন ছিল (০.১৬) টাকা।

☒ চতুর্থ ত্রৈমাসিক প্রতিবেদনে বিক্রয় ৩৫,৯২৭,৭৪০ হ্রাস পায় ও শেয়ার প্রতি অর্জন (২.৯৭) টাকা হ্রাসের কারণ হচ্ছে-

☒ বিক্রিত পণ্যেও ব্যয় বৃদ্ধি পাওয়া

☒ প্রশাসনিক ও অর্থনৈতিক ব্যয় বৃদ্ধি ইত্যাদি।

স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক:

বার্ষিক প্রতিবেদনের হিসাবের নোট নং ৩২ এ স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক বর্ণনা করা হয়েছে।

আর্থিক প্রতিবেদনের উপর পরিচালকগণের বিবৃতি:

ক) সফকো স্পিনিং মিলস লিঃ এর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর আর্থিক অবস্থা, কার্যক্রমের ফলাফল, নগদ প্রবাহ এবং মূলধনের পরিবর্তন সঠিকভাবে উপস্থাপন করা হয়েছে।

খ) কোম্পানীর হিসাব বহি সমূহ যথাযথ ভাবে সংরক্ষণ করা হয়েছে।

গ) আর্থিক বিবরণী প্রস্তুতিতে যথোপযুক্ত হিসাবনীতি সমূহ ধারাবাহিক ভাবে প্রয়োগ করা হয়েছে এবং হিসাব গত পরিমাপক সমূহ যুক্তিযুক্ত ও বিচক্ষণ সিদ্ধান্তের উপর প্রতিষ্ঠিত।

ঘ) ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ড (আইএএস) যা বাংলাদেশে প্রযোজ্য তা অনুসরণ করে আর্থিক বিবরণী প্রস্তুত করা হয়েছে এবং কোথাও কোন ব্যত্যয় থাকলে তা যথাযথ ভাবে প্রকাশ করা হয়েছে।

ঙ) অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুসংহত কার্যকর ভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।

চ) কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।

গত বৎসরের পরিচালনগত ফলাফলের সাথে চলতি বৎসরের ব্যবধান:

গত বৎসরের পরিচালনগত ফলাফলের সাথে চলতি বৎসরের নিম্নোক্ত ব্যবধান পরিলক্ষিত হয়-

☒ বিক্রয় আয় গত বছরের তুলনায় হ্রাস পেয়েছে যার কারণ হচ্ছে-

☒ বিক্রয় হ্রাস

☒ চাহিদা হ্রাস

☒ মোট মুনাফা অনুপাত গত বছরের তুলনায় হ্রাস পেয়েছে

☒ বিক্রয় হ্রাস

☒ পরিচালনা ও বিজ্ঞাপন ব্যয় বৃদ্ধি।

চলমান প্রতিষ্ঠান ধারণা:

কোম্পানীর পরিচালকবৃন্দ মতামত পোষণ করেন যে, অত্র প্রতিষ্ঠানের অদূর ভবিষ্যতে ব্যবসা পরিচালনা করার মত পর্যাপ্ত সক্ষমতা রয়েছে। বর্তমানের আর্থিক মন্দা ও পেনডেমিক কোভিড-১৯ এবং ইউক্রেন যুদ্ধ বিদ্যুৎ ও গ্যাসের স্বল্পতা, ডলারের উর্দ্ধ গতি যাহা একটি বিচ্ছিন্ন অবস্থা, যাহা সাময়িক ব্যাপার এবং সময়ের সাথে এর উত্তরন ঘটবে। এছাড়া এমন কোন কারণ পরিলক্ষিত হয়নি যার কারণে অদূর ভবিষ্যতে ব্যবসা বন্ধ হয়ে যেতে পারে।

পূর্ববর্তী পাঁচ বৎসরের মূখ্য পরিচালন এবং অর্থনৈতিক উপাত্তের তুলনামূলক চিত্র তুলে ধরা হল:

বিবরণ	২০২৩-২০২৪	২০২২-২০২৩	২০২১-২০২২	২০২০-২০২১	২০১৯-২০২০
টার্গ ওভার	৩৯,২৬৪,১২৩	৪১১,৬২৯,৫৬৪	৬৭৯,৮৫৯,৯০৭	৫৩৯,৯৩৯,০৫৬	৩৩১,৭৭১,৫৪৩
মোট মুনাফা/(ক্ষতি)	(২৭৭,৫৬২,০৮৭)	১৪,৬৮৬,৯৬৫	১২৬,১৭৮,৩৬৭	১১১,১৭৬,৩৮৪	(১৩,৮১২,০৪০)
কর পূর্ববর্তী নীট মুনাফা/(ক্ষতি)	(৩৯৩,৩৫৪,৩১৪)	(১৬৭,৮৬৩,০০৮)	৭,৪০৯,৯২৫	১৬,২৯০,০৪২	(১৫০,০৪৩,৩০১)
কর পরবর্তী নীট মুনাফা/(ক্ষতি)	(৩৮৮,৮৯৭,৭৮৩)	(১৬৫,৩৭০,৭৫৯)	৯,৮১৩,০৯৬	৬,৭৮৪,৫৯৪	(১৭০,৫১২,০৪৬)
মোট মুনাফা অনুপাত	-৭০৬.৯১	৩.৫৭%	১৮.৫৬%	২০.৬%	-৪.১৬%
নীট মুনাফা অনুপাত	-৯৯০.৪৭	-৪০.০০%	১.৪৪%	১.২৬%	-৫১.৩৯%
বিক্রিত পণ্যের ব্যয় অনুপাত	-৮০৭.৯১	৯৬.০০%	৮১.৪৪%	৭৯.৪১%	-১০৪.১৬%
শেয়ার প্রতি অর্জন	(১২.৯৭)	(৫.৫২)	০.৩৩	০.২৩	(৫.৬৯)

বোর্ড সভা:

২০২৩-২০২৪ইং সনে ৫ (পাঁচ) টি বোর্ড সভা অনুষ্ঠিত হয়।

২০২৩-২০২৪ইং সনে অনুষ্ঠিত বোর্ড সভা এবং পরিচালকবৃন্দের উপস্থিতির তালিকা নিম্নরূপ :

ক্রমিক নং	পরিচালকের নাম	পদবী	অনুষ্ঠিত বোর্ড সভা	উপস্থিতি
০১	জনাব এস,এ,কে,এম, সেলিম	চেয়ারম্যান	৫	৫
০২	জনাব এস,এ,বি,এম, হুমায়ুন	ব্যবস্থাপনা পরিচালক	৫	৪
০৩	জনাব সৈয়দ সাকেব আহমেদ	পরিচালক	৫	৫
০৪	জনাব মোঃ ওয়ালী উল্লাহ	স্বতন্ত্র পরিচালক	৫	৫
০৫	প্রফেসর ডঃ সুমন দাস	স্বতন্ত্র পরিচালক	৫	৫
০৬	জনাব এস, এম, মুনির	স্বতন্ত্র পরিচালক	৫	০

শেয়ারহোল্ডিং সংক্রান্ত বিবরণ:

নাম অনুসারে বিবরণ	শেয়ার সংখ্যা
ক) প্যারেন্ট/ সাবসিডিয়ারী/এসোসিয়েটেড কোম্পানী এবং অন্যান্য সম্পর্কিত পার্টি সমূহ:	
খ) পরিচালকবৃন্দ:	
জনাব এস, এ, বি, এম, হুমায়ুন - ব্যবস্থাপনা পরিচালক	২৪,২৬,৬৪৩
জনাব এস, এ, কে, এম, সেলিম - পরিচালক	২৮,৫৩,২৬৮
জনাব সৈয়দ সাকেব আহমেদ - পরিচালক	৮,৭৯,৮৩৮
গ) জনাব এস, এফ, এ, এম, শাহজাহান - উদ্যোক্তা	২১,৮৪,৩১৫
জনাবা সৈয়দা মোমেনা বেগম - উদ্যোক্তা	৬,৫০,৮৩৯
গ) প্রধান অর্থ কর্মকর্তা, কোম্পানী সচিব ও অভ্যন্তরীণ নিরীক্ষা প্রধান এবং তাদের স্ত্রী ও সন্তান:	-
ঘ) নির্বাহীবৃন্দ:	-
ঙ) কোম্পানীতে ১০(দশ) শতাংশ অথবা তার চেয়ে বেশী ভোটের অধিকারী শেয়ারহোল্ডারবৃন্দ:	-

পরিচালক নির্বাচন:

কোম্পানীর পরিচালক জনাব এস,এ,বি,এম, হুমায়ুন এবং এস, এ, কে, এম, সেলিম সংঘবিধির ১১০ ধারা অনুযায়ী অবসর গ্রহন করেছেন। পরিচালক জনাব এস,এ,বি,এম, হুমায়ুন এবং এস, এ, কে, এম, সেলিম স্বপদে পুনঃনির্বাচিত হওয়ার যোগ্য বিধায় পুনরায় নিয়োগ লাভের ইচ্ছা পোষণ করেছেন। উপরে বর্ণিত পরিচালকের এবং অন্যান্য পরিচালকবৃন্দের সংক্ষিপ্ত জীবনবৃত্তান্ত ও তথ্যাদি বিএসইসির নোটিফিকেশন অনুযায়ী নিম্নে বিবৃত হল:

জনাব এস, এ, বি, এম, হুমায়ুন:

জনাব এস,এ,বি,এম, হুমায়ুন বি,এসসি, ইঞ্জিনিয়ারিং (মেকানিক্যাল) ডিগ্রী প্রাপ্ত এবং বিশেষ বিশেষ ক্ষেত্রে প্রশিক্ষণ প্রাপ্ত একজন দক্ষ প্রকৌশলী হিসেবে সুপরিচিত। তিনি ইনস্টিটিউট অব ইঞ্জিনিয়ার্স বাংলাদেশ এর আজীবন ফেলো। তিনি সফকো স্পিনিং মিলস লিঃ এবং সায়হাম জুট মিলস লিঃ এর ব্যবস্থাপনা পরিচালক পদে অধিষ্ঠিত আছেন। তিনি শিল্প পরিকল্পনা, স্থাপনা ও পরিচালনা এবং ব্যবসা ও মার্কেটিং ক্ষেত্রে ব্যাপক জ্ঞানের অধিকারী। তিনি শিল্প খাতে বিভিন্ন পরিকল্পনা, বাস্তবায়ন ও কার্যক্রমে ৪০ বছরের অভিজ্ঞতায় নিজেকে সমৃদ্ধ করেছেন। তিনি ১৯৮২ সাল থেকে সায়হাম গ্রুপের বিভিন্ন শিল্প কারখানার স্থাপনার সাথে জড়িত এবং ঐ গ্রুপের বিভিন্ন প্রজেক্ট বাস্তবায়নের গ্রন্থপূর্ণ দায়িত্বসমূহ পালন করে আসছেন। তিনি এলাকার বিভিন্ন স্কুল, কলেজ প্রতিষ্ঠা ও পরিচালনা এবং বিভিন্ন জনকল্যানমূলক কাজের সাথে সম্পৃক্ত আছেন। কার্যউপলক্ষে তিনি এশিয়া, আফ্রিকা ও আমেরিকা মহাদেশের বহুদেশ ভ্রমণ করেছেন।

জনাব এস, এ, কে, এম, সেলিম:

জনাব এস, এ, কে, এম, সেলিম ইউ, কে, থেকে কষ্ট একাউন্টিং ডিগ্রী অর্জন করেন। তিনি সফকো স্পিনিং মিলস লিঃ এর চেয়ারম্যান পদে অধিষ্ঠিত আছেন। তিনি শিল্প ও ব্যবসা খাত সম্পর্কে ব্যাপক জ্ঞানের অধিকারী। তিনি ইউ, কে, এবং ইউ, এস, এ, উভয় দেশ থেকে ব্যাপক ব্যবসায়িক জ্ঞান অর্জন করেছেন। তিনি বিভিন্ন সমাজকল্যানমূলক প্রতিষ্ঠান ও জনকল্যান কাজে জড়িত আছেন।

জনাব সৈয়দ সাকেব আহমেদ:

জনাব সৈয়দ সাকেব আহমেদ মার্কিন যুক্তরাষ্ট্র থেকে ইন্ডাস্ট্রিয়াল এন্ড ম্যানুফেকচারিং ইঞ্জিনিয়ারিং বিষয়ে বি,এসসি ইঞ্জিনিয়ারিং এবং অপারেশনস্ ম্যানেজমেন্ট বিষয়ে এম,এসসি ডিগ্রী অর্জন করেন। তিনি সফকো স্পিনিং মিলস লিঃ এর পরিচালক এবং সায়হাম জুট মিলস লিঃ এর পরিচালক পদে অধিষ্ঠিত আছেন। বর্তমানে তিনি সফকো স্পিনিং মিলস লিঃ এর অডিট কমিটির একজন সদস্য। তিনি সফকো স্পিনিং মিলে যোগদান করার পূর্বে যুক্তরাষ্ট্রে ম্যাটেগ ও এমানা এপ্লাইয়েন্সেস এর মতো প্রখ্যাত ইউএস প্রতিষ্ঠান সমূহে দীর্ঘ ০৫ বছর যাবৎ ইন্ডাস্ট্রিয়াল ইঞ্জিনিয়ারিং ম্যানেজার হিসেবে কর্মরত ছিলেন।

তিনি দীর্ঘ ১২ বছর যাবৎ সফকো স্পিনিং মিল সহ বিভিন্ন ব্যবসার অপারেশন ব্যবস্থানায় সংশ্লিষ্ট আছেন। তিনি ইইএসএ, কানাডা, দক্ষিণ আমেরিকা, ইউকে, ফান্স, জার্মানী, সুইজারল্যান্ড, হল্যান্ড, মিশর, সৌদিআরব, ইউএই, ইন্ডিয়া, শ্রীলঙ্কা, থাইল্যান্ড, সিঙ্গাপুর, মালয়েশিয়া, অস্ট্রেলিয়া, চায়না, হংকং সহ বিশ্বেও বিভিন্ন দেশে ব্যবসায়িক কাজে ভ্রমণ করেছেন।

A Management's Discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:

	June 30, 2024	June 30, 2023
Gross Profit Margin	-706.91%	3.57%
Operating Profit Margin	-758.18%	0.56%
Net Profit Margin	-990.47%	-40.00%
Return on asset	23.53%	-8.00%
Return on Equity	-433.22%	-35.00%
Earning per Share	-12.97%	5.52

Particulars	June 30, 2024 (12 Months)	June 30, 2023 (12 Months)
Revenues	39,264,123	411,629,564
Changes in Percentage		
Cost of Goods Sold	316,826,210	396,942,599
Changes in Percentage		
Operating Expenses	20,954,837	12,913,757
Changes in Percentage		
Net Profit after Tax	(388,897,783)	(165,370,760)
Changes in Percentage		

(ক) আর্থিক বিবৃতি প্রস্তুত করার জন্য একাউন্টিং নীতি এবং মূল্যায়ন।

একাউন্টিং নীতি এবং আর্থিক প্রতিবেদন প্রস্তুতিতে পূর্ববর্তী বৎসরের সাথে কোন পরিবর্তন নাই।

(খ) একাউন্টিং নীতি এবং প্রাক্কলন পরিবর্তন, যদি থাকে তবে, আর্থিক কর্মক্ষমতা বা ফলাফল এবং আর্থিক অবস্থানের প্রভাব এবং সেই পরিবর্তনের জন্য সম্পূর্ণ চিত্রের মধ্যে নগদ প্রবাহ সম্পর্কে স্পষ্টভাবে বর্ণনা করা;

নীতি এবং প্রাক্কলন সম্পর্কিত কোনও পরিবর্তন নেই, যার ফলে কর্মক্ষমতা এবং নগদ প্রবাহের উপর কোন প্রভাব নেই।

(গ) আর্থিক কর্মক্ষমতা বা ফলাফল এবং আর্থিক অবস্থানের সাথে তুলনামূলক বিশ্লেষণ (মুদ্রাস্ফীতির প্রভাব সহ) এবং বর্তমান আর্থিক বছরের জন্য নগদ প্রবাহ তাৎক্ষণিক পূর্ববর্তী পাঁচ বছরের সাথে তার কারণ ব্যাখ্যা করা।

Revenue and Result from Operation:

Particulars	2023-2024 (12 Months)	2022-2023 (12 Months)	2021-2022 (12 Months)	2020-2021 (12 Months)	2019-2020 (12 Months)
Sales Revenue	39,264,123	411,629,564	679,859,907	539,934,056	331,771,543
Gross Profit	(277,562,087)	14,686,965	126,178,367	111,176,384	(13,812,040)
Operating Profit	(297,693,815)	2,313,817	109,726,648	124,914,973	(35,757,502)
Net Profit Before Tax	(388,897,783)	(167,863,008)	(7,409,925)	17,104,544	(150,043,301)
Net Profit after Tax	(388,897,783)	(165,370,759)	9,813,096	6,784,594	(170,512,046)

Statement of Financial Position:

Particulars	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Non-Current Asset	1,425,859,639	1,461,429,204	1,499,430,384	1,431,921,480	1,406,516,545
Total Current Asset	226,443,839	525,945,334	548,639,515	592,383,962	565,352,360
Total Asset	1,652,303,479	1,987,374,538	2,048,069,900	2,024,305,442	1,971,868,905
Shareholders' Equity	89,769,524	478,030,474	642,744,745	642,748,183	635,265,823
Non-current Liability	1,215,437,711	1,188,980,954	1,112,780,332	1,086,045,065	1,054,434,952
Current Liability	347,096,243	320,363,109	292,544,864	295,512,194	282,168,130
Total Liability	1,652,303,479	1,987,374,538	1,405,325,196	1,381,557,254	1,971,868,905

Changes in Cash Flows:

Particulars	2023-2024 (12 Months)	2022-2023 (12 Months)	2021-2022 (12 Months)	2020-2021 (12 Months)	2019-2020 (12 Months)
Net Cash Flows from Operating Activities	(26,954,889)	17,163,224	69,752,807	64,289,987	(44,039,715)
Net Cash Flows or used in Investing Activities	(592,122)	(424,935)	(445,126)	(13,663,326)	(9,844,379)
Net Cash Flows or used in Financing Activities	26,600,114	(18,742,477)	72,747,495	(44,393,321)	46,952,265

বিক্রয় রাজস্ব পরিবর্তনের কারণ:

২০২৩-২০২৪ অর্থ বছরে বিক্রয় রাজস্ব আয় হ্রাস পেয়েছে। বৈশ্বিক যুদ্ধ কালীন অবস্থা ও টেক্সটাইল সেক্টরের নাজুক পরিস্থিতির কারণে উৎপাদিত পণ্যের চাহিদা হ্রাস পাওয়ায় কোম্পানীর পণ্যের বিক্রয় ধারাবাহিক ভাবে হ্রাস পেয়েছে।

রাজস্ব খরচ পরিবর্তনের কারণ:

২০২৩-২০২৪ অর্থ বছরে রাজস্ব খরচ বৃদ্ধি পেয়েছে। ২০২৩-২০২৪ অর্থ বছরে রাজস্ব আয় হ্রাস পেয়েছে। পক্ষান্তরে রাজস্ব খরচ তুলনামূলক বেড়েছে।

নীট মুনাফা পরিবর্তনের কারণ:

গত অর্থ বছরের তুলনায় এ অর্থ বছরে নীট মুনাফা হ্রাস পেয়েছে। গত বছরের তুলনায় এ বছর বিক্রয় হ্রাস এবং অন্যান্য আয় হ্রাস পাওয়ায় নীট মুনাফার হার ও হ্রাস পেয়েছে।

(ঘ) আর্থিক কর্মক্ষমতা বা ফলাফল এবং আর্থিক অবস্থান এবং সহকর্মী শিল্পের সঙ্গে নগদ প্রবাহ তুলনা:

কোনও শিল্প তথ্য পাওয়া যায় না যার সঙ্গে আমরা তুলনা করতে পারি।

(ঙ) দেশ এবং পৃথিবীর অর্থনৈতিক অবস্থা সম্পর্কে সংক্ষিপ্তভাবে ব্যাখ্যা করুন:

বাংলাদেশের জিডিপি বৃদ্ধির হার গত ০৫ বছরে ৬% ছাড়িয়ে গেছে। বাংলাদেশ বর্তমানে উন্নয়নশীল দেশে পরিণত হয়েছে এবং ২০২৬ সাল নাগাদ বাংলাদেশ মধ্যম আয়ের দেশে পরিণত হওয়ার পথে চলেছে। এই ধরনের অর্থনৈতিক সমৃদ্ধির সাথে সাথে দেশে এবং বিদেশে আমাদের বস্ত্র খাতের চাহিদাও বৃদ্ধি পাবে।

(চ) আর্থিক বিবৃতি সম্পর্কিত ঝুঁকি ও উদ্বেগ, ঝুঁকি ও উদ্বেগ হ্রাসের কোম্পানীর পরিকল্পনা ব্যাখ্যা করা:

কাঁচামাল ঝুঁকি ও ব্যবস্থাপনার উপলব্ধি:

সফকো স্পিনিং মিলের উৎপাদন সরাসরি আমদানীকৃত কাঁচামাল তুলা ও পলিয়েস্টার ফাইবার এর উপর নির্ভরশীল। তুলা ও পলিয়েস্টার ফাইবার উভয়ই আমদানীতব্য কাঁচামাল বিধায় বর্তমান ইউক্রেন রাশিয়া যুদ্ধের উদ্ভূত পরিস্থিতির কারণে এর মূল্য আন্তর্জাতিক বাজারে সর্বদা পরিবর্তনশীল। সেহেতু মিলের লাভ-লোকসান আমদানীকৃত কাঁচামালের মূল্য তারতম্যের কারণে সর্বদা কিছুটা ঝুঁকি ও অনিশ্চয়তার মধ্যে আছে।

সফকো স্পিনিং মিল ব্যবস্থাপনা কর্তৃপক্ষ বিশ্বাস করে যে কাঁচামালের জন্য আন্তর্জাতিক বাজারে অনুসন্ধান করা সহ বিভিন্ন সরবরাহকারীদের সাথে সু-সম্পর্ক বজায় রাখলে এবং যথা সময়ে কাঁচামাল ক্রয় করলে কাঁচামালের খরচ বাড়ানোর ঝুঁকি কিছুটা হলেও কমেতে পারে।

শ্রম অস্থিরতা ও ব্যবস্থাপনার উপলব্ধি:

সফকো স্পিনিং কর্তৃপক্ষ সর্বদা কোম্পানীর শ্রমিক ও কর্মচারীদেও কল্যাণের দিকে লক্ষ্য রেখে আসছে। মিলে শ্রমিক মালিক সু সম্পর্ক ও সুন্দর পরিবেশ বজায় আছে। কর্মচারী প্রশিক্ষণের মাধ্যমে উন্নত ও দক্ষ শ্রমিক গড়ে তোলার দিকে কর্তৃপক্ষ সর্বদা গুরুত্ব দিয়ে আসছে। মিলের বর্তমানে ব্যবস্থাপনা কর্তৃপক্ষ ও শ্রমিকদেও সাথে সু-সম্পর্ক বিরাজমান।

সুদের হার ঝুঁকি ও ব্যবস্থাপনা উপলব্ধি:

কোম্পানী বিভিন্ন ব্যাংকগুলো থেকে দীর্ঘ এবং স্বল্প মেয়াদী ঋণ রয়েছে। বিভিন্ন সময়ে স্বল্প মেয়াদী ব্যাংক ঋণের সুদের হার বর্ধিত হতে পারে। যদি বিদ্যমান ব্যাংক ঋণের সুদের হার বর্তমান স্তর থেকে বৃদ্ধি পায় তবে নগদ প্রবাহ এবং লাভজনকতা বাধাগ্রস্ত হবে।

কোম্পানীর ব্যবস্থাপনা পর্ষদ সর্বদা কোম্পানীর সর্বোত্তম মূলধন কাঠামো বজায় রাখার জন্য তার অর্থ পরিচালনার উপর জোর দিয়ে থাকে যাতে মূলধনের খরচ সর্ব নিম্ন থাকে।

ছ) কোম্পানীর অপারেশন কর্মক্ষমতা এবং আর্থিক অবস্থানের জন্য ভবিষ্যত পরিকল্পনা বা অভিক্ষেপ বা পূর্বাভাস, যা যথাযথভাবে এজিএম এ শেয়ারহোল্ডারদের প্রকৃত অবস্থা ব্যাখ্যা করা হবে:

ভবিষ্যৎ পরিকল্পনা:

বিএমআরই এর মাধ্যমে সফকো স্পিনিং মিলের দীর্ঘ দিনের পুরানো মেশিনগুলোর পরিবর্তন করে অনেক নতুন মেশিন প্রতিস্থাপন করা হয়েছে। মেশিনের তথা মিলের উৎপাদনশীলতা বেড়েছে, পণ্যের গুণগতমান ও উন্নত হয়েছে তবে স্থানীয় বাজারে সূতার দামে মন্দা বিরাজ করায় সুফল পাওয়া যাচ্ছে না। উৎপাদন কাংখিত লক্ষ্যে পৌঁছার জন্য বাজারজাত করণে আমাদেরও প্রচেষ্টা বাড়ানো হবে এবং বিদ্যুৎ সরবরাহ ব্যবস্থা সু-সংহত করা হবে। নতুন মেশিনের সংযোজন হওয়ার ফলে মিলের উল্লেখযোগ্য উন্নতি ও উৎপাদন ক্ষমতা বেড়েছে বলে বিশ্বাস করি এবং বিশ্ব জুরে অর্থনৈতিক মন্দার এবং অস্থিরতার অবসান ঘটলে ভবিষ্যতে মিল ভাল মুনাফা অর্জন করতে সক্ষম হবে বলে আশা করা যায়।

অডিট কমিটি:

কোম্পানীর পরিচালনা পর্ষদের একটি উপ কমিটি হিসাবে অডিট কমিটির বিবরণ নিম্নরূপ :

জনাব মোঃ ওয়ালি উল্লাহ	-	স্বতন্ত্র পরিচালক	:	চেয়ারম্যান
জনাব সৈয়দ সাকেব আহমেদ	-	পরিচালক	:	সদস্য
প্রফেসর ডঃ সুমন দাস	-	স্বতন্ত্র পরিচালক	:	সদস্য

অডিট কমিটির প্রতিবেদন:

অডিট কমিটি ২০২৩-২০২৪ অর্থ বছরে ৪টি সভা সম্পন্ন হয়েছে এবং বছরব্যাপী স্বীয় অডিট কার্যক্রমে কোন অনিয়মের সন্ধান পান নাই মর্মে পরিচালনা পর্ষদের নিকট প্রতিবেদন পেশ করেছেন। অডিট কমিটির রিপোর্ট অত্র প্রতিবেদন এ সংযুক্ত করা হয়েছে।

নমিনেশন এবং রিমুন্যারেশন কমিটি (ঘজঙ্গ) :

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ জুন ০৩, ২০১৮ অনুযায়ী কোম্পানীর পরিচালনা পর্ষদের একটি উপ কমিটি হিসেবে নমিনেশন এবং রিমুন্যারেশন কমিটির বিবরণ নিম্নরূপ:

প্রফেসর ডঃ সুমন দাস	-	স্বতন্ত্র পরিচালক	:	চেয়ারম্যান
জনাব সৈয়দ সাকেব আহমেদ	-	পরিচালক	:	সদস্য
জনাব মোঃ ওয়ালি উল্লাহ	-	স্বতন্ত্র পরিচালক	:	সদস্য

নমিনেশন এবং রিমুন্যারেশন কমিটি (ঘজঙ্গ) প্রতিবেদন:

নমিনেশন এবং রিমুন্যারেশন কমিটি ২০২৩-২০২৪ অর্থ বছরে ১টি সভা সম্পন্ন হয়েছে। এন আর সি এর কার্যক্রমের একটি প্রতিবেদন সংযুক্ত করা হয়েছে।

নিরীক্ষক নিয়োগ:

কোম্পানীর বর্তমান নিরীক্ষক হিসেবে মেসার্স এম, জেড ইসলাম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস অত্র সভায় নির্দিষ্ট মেয়াদ উত্তীর্ণ করেছেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধান এবং ঢাকা ষ্টক এক্সচেঞ্জ (লিপিং) রেগুলেশন, ২০১৫ইং অনুযায়ী মেসার্স এম, জেড ইসলাম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস কোম্পানীর নিরীক্ষক হিসাবে ২০২৪-২০২৫ অর্থ বছরের জন্য পুনঃ নিয়োগ লাভের ইচ্ছা প্রকাশ করেছেন। পরিচালনা পর্ষদ মেসার্স এম, জেড ইসলাম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস ফার্মকে ৪,০০,০০০/- টাকা পারিশ্রমিকে নিয়োগ প্রদান করা হয়। অত্র বার্ষিক সভায় শেয়ারহোল্ডার কর্তৃক অনুমোদনের জন্য সুপারিশ করা হয়।

কর্পোরেট গভার্নেন্স কোড কমপ্লায়েন্স সার্টিফিকেটের প্রফেশনাল একাউন্ট্যান্ট নিয়োগ:

মেসার্স রহমান মোস্তফা আলম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস অত্র সভায় নির্দিষ্ট মেয়াদ উত্তীর্ণ করেছেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন অনুযায়ী ৯ নং ধারা অনুসারে প্রফেশনাল একাউন্ট্যান্ট কর্তৃক প্রত্যয়ন পত্রের ২০২৪-২০২৫ অর্থ বছরের জন্য মেসার্স জেসমিন এন্ড এ্যাসোসিয়েটস, চার্টার্ড সেকরেটারিজ নিয়োগ লাভের ইচ্ছা প্রকাশ করেছেন। অত্র বার্ষিক সভায় শেয়ারহোল্ডার কর্তৃক অনুমোদনের জন্য সুপারিশ করা হয়।

কর্পোরেট গভার্নেন্স কমপ্লায়েন্স প্রতিবেদন:

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন অনুযায়ী ৬ নং ধারা অনুসারে সিইও এবং সিএফও কর্তৃক প্রত্যয়ন পত্র, ৭(১) ধারা অনুসারে প্রফেশনাল একাউন্ট্যান্ট কর্তৃক প্রত্যয়ন পত্র এবং ৭(২) ধারা অনুসারে কর্পোরেট গভার্নেন্স প্রতিপালন প্রতিবেদন যথাক্রমে সংযুক্তি অ,ই এবং ঙ এর মধ্যে বর্ণনা/প্রকাশ করা হলো।

ব্যবস্থাপনা শ্রমিক সম্পর্ক:

সফকো স্পিনিং মিলস্ লিঃ কর্তৃপক্ষ সর্বদা কোম্পানীর শ্রমিক ও কর্মচারীদের কল্যানের দিকে লক্ষ্য রেখে আসছে। শ্রমিক ও কর্মচারীদের সুস্বাস্থ্যের প্রতি ও কল্যানমূলক কাজে কোম্পানী সবসময়ই প্রাধান্য দিয়ে আসছেন। কর্মকর্তা, কর্মচারী এবং শ্রমিকগণ যাতে সুষ্ঠুভাবে জীবিকা নির্বাহ করতে পারে, সুচিকিৎসার সুযোগ পায় সেদিকে কর্তৃপক্ষ সম্পূর্ণ দৃষ্টি রেখে আসছে। কোম্পানীর শ্রমিক কর্মচারীদের চিকিৎসা ও সামাজিক কারণ ও সন্তানদের লেখাপড়ার ব্যাপারে ক্ষেত্র বিশেষে কোম্পানী আর্থিক সহায়তা দান অব্যাহত রেখেছে। শ্রমিক, কর্মচারীদের বিনোদনের জন্য কর্তৃপক্ষ বিভিন্ন বিনোদনমূলক অনুষ্ঠানের ব্যবস্থা করে আসছে। মিলে বর্তমানে ব্যবস্থাপনা ও শ্রমিকদের মাঝে সুসম্পর্ক বিরাজমান আছে।

সামাজিক দায়বদ্ধতা ও কার্যক্রম:

সফকো স্পিনিং মিলস্ লিঃ কর্তৃপক্ষ সামাজিক দায়িত্ব হিসাবে এই এলাকার স্থানীয় আর্থ সামাজিক উন্নয়নের দিকে সর্বদা নজর রেখে আসছে। এলাকার জনগণের বিভিন্ন অসুবিধায় কিংবা দুর্যোগে সহযোগিতা ছাড়াও এলাকার বিভিন্ন কল্যাণমূলক কাজে মিল কর্তৃপক্ষ প্রয়োজন মত আর্থিক সহযোগিতা দান করে থাকেন। এলাকার বিভিন্ন শিক্ষা প্রতিষ্ঠানে আর্থিক অনুদান এবং ছাত্র বৃত্তি সহ বিভিন্ন সমাজকল্যাণমূলক কাজে কোম্পানী সহযোগিতা করে আসছে।

উপসংহার:

সফকো স্পিনিং মিলস্ লিঃ এর পরিচালনা ও বিভিন্ন কর্মকাণ্ডে বিভিন্ন সময়ে নানাভাবে সাহায্য ও সহযোগিতা করার জন্য সংশ্লিষ্ট প্রতিষ্ঠানসমূহ যেমন- ব্যাংক এশিয়া লিঃ, প্রিমিয়ার ব্যাংক লিঃ, ডাচ বাংলা ব্যাংক লিঃ, পূবালী ব্যাংক লিঃ, জনতা ব্যাংক লিঃ সহ বিভিন্ন ব্যাংক সমূহ সরকারী ও বেসরকারী দপ্তর সমূহ বিশেষ করে জাতীয় রাজস্ব বোর্ড, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ ও চট্টগ্রাম স্টক এক্সচেঞ্জ, বিনিয়োগ বোর্ড, কাষ্টমস ও ভ্যাট কর্তৃপক্ষ, হবিগঞ্জ পল্লী বিদ্যুৎ সমিতি, জালালাবাদ গ্যাস ট্রান্সমিশন এন্ড ডিস্ট্রিবিউশন সিস্টেমস লিঃ, পরিবেশ অধিদপ্তর, শ্রম দপ্তর, ফায়ার ব্রিগেড, রিলায়েন্স ইন্স্যুরেন্স কোম্পানী লিঃ, স্থানীয় ইউনিয়ন পরিষদ, উপজেলা পরিষদ ও স্থানীয় সিভিল ও পুলিশ প্রশাসন ও স্থানীয় জনগণ সহ সংশ্লিষ্ট সকলকে কোম্পানীর পরিচালনা পর্ষদ আন্তরিক ধন্যবাদ জ্ঞাপন করেছেন। পর্ষদ বিশেষ ধন্যবাদ জানাচ্ছেন কোম্পানীর সর্বস্তরের কর্মকর্তা, কর্মচারী ও শ্রমিকবৃন্দকে যাদের অক্লান্ত পরিশ্রম ও নিষ্ঠার জন্য বিভিন্ন প্রতিকূল পরিস্থিতি মোকাবেলা করেও কোম্পানী তার কার্যক্রম সন্তোষজনকভাবে চালিয়ে যাচ্ছে।

সম্মানিত শেয়ারহোল্ডারবৃন্দের আন্তরিক সহযোগিতা, সমর্থন, মূল্যবান পরামর্শ প্রদান এর জন্য পরিচালনা পর্ষদ তাদেরকে আন্তরিক শুভেচ্ছা ও কৃতজ্ঞতা জ্ঞাপন করছেন। সর্বশক্তিমান আল্লাহ্‌তায়ালার কাছে আগামী বছরগুলোতে কোম্পানীর উত্তরোত্তর উন্নতি ও সমৃদ্ধি কামনা করে এবং আপনাদের সু-স্বাস্থ্য ও কল্যাণ কামনা করে উপস্থাপিত প্রতিবেদন সমাপ্ত করছি। আল্লাহ্‌ আমাদের মঙ্গল করুন।

তারিখ:

ঢাকা ২৮ অক্টোবর, ২০২৪ইং

পরিচালকমন্ডলীর পক্ষে



এস, এ, কে, এম, সেলিম
চেয়ারম্যান



SAFKO SPINNING MILLS LTD.

সফকো স্পিনিং মিল্‌স লিঃ

House # 10, Road # 01, Block # B, Niketon, Gulshan, Dhaka-1212.
Phone: 880-2-9841092, Fax: 880-2-9841017, E-mail: sarko@saihamgroup.com

AUDIT COMMITTEE REPORT For the year 2023-2024

The audit committee of SAFKO SPINNING MILLS LTD. was formed as per the terms of reference approved by the Board in accordance with the notification of Bangladesh Securities and Exchange Commission no. SEC/CMRRCD/2006-158/134/Admin/44, dated 7th August, 2012.

The Audit Committee of Safko Spinning Mills Ltd. comprises of 3 Directors nominated by the Board of Directors of the company, headed by the Independent Director as follows:

Mr. Md. Wali Ullah	Independent Director	: Chairman
Mr. Syed Saqeb Ahmed	Director	: Member
Prof. Dr. Sumon Das	Independent Director	: Member

The scope of Audit Committee was defined as under:

- Review and recommend to the Board to approve the quarterly, half yearly and annual financial statements prepared for statutory purpose;
- Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- Review statement of significant related party transactions submitted by the management;
- Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and
- Review and consider the report of internal auditors and statutory auditors' observation on internal control.

Activities carried out during the year:

During the year 2023-2024 four Audit Committee meeting were held to carryout the above activities. The committee reviewed the quarterly, half yearly and annual financial statements of the company 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 in compliance with the accounting standards and other legal requirements before recommending it to the Board for approval. The committee found adequate arrangements to present a true and fair view of the activities and the financial status of the company and did not find any material deviation, discrepancy or any adverse finding/observation in the areas of reporting.

Chairman
Audit Committee
Date: 28th October, 2024





SAFKO SPINNING MILLS LTD.

সফকো স্পিনিং মিল্‌স লিঃ

House # 10, Road # 01, Block # B, Niketon, Gulshan, Dhaka-1212.
Phone: 880-2-9841092, Fax: 880-2-9841017, E-mail: sarko@saihamgroup.com

NOMINATION AND REMUNERATION COMMITTEE REPORT For the year 2023-2024

The Nomination and Remuneration Committee of Safko Spinning Mills Ltd. is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to assist the Board in formulation of the nomination criteria or policy for determining qualification, positive attributes, experiences and independence of directors and top level executives.

The Board of Directors of Safko Spinning Mills Ltd. has reconstituted the Nomination and Remuneration Committee comprises of three members headed by Professor Dr. Sumon Das, Independent Director. The other members of the committee are Mr. Md. Wali Ullah, and Mr. Syed Saqeb Ahmed of the company.

Name of the Member	Position	Number of Meeting held	Attended
Prof. Dr. Sumon Das	Chairman	1	1
Mr. Syed Saqeb Ahmed	Member	1	1
Mr. Md. Wali Ullah	Member	1	1

During the year the Nomination and Remuneration Committee oversee the following matters:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.
- The relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- Remuneration to director's, 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.
- Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Identifying person 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.

Appointment Criteria and qualifications:

The committee shall identify and ascertain the identify, qualification, expertise and experience of the person for appointment as Director, senior management level and recommend to the board for appointment.

The NRC is responsible to ensure that the procedures for appointing new Directors are transparent. A combination of age, gender, experience, ethnicity, educational background, nationality and other relevant person attributes in the board is important in providing a range of perspectives, insights and challenges needed to support to right decision making. Recruitment and selection processes for board members identify candidates with the most suitable skills, knowledge, experiences and personal values.

Evaluation:

The committee shall carry out evaluation of performance of independent Directors and the board. The NRC is responsible for ensuring the effectiveness of the board. The evaluation includes a review of the administration of the board and its committees covering their operations, agenda, reports and information produced for consideration and relationship with Management.

Top level Executive Selection and Remuneration Policy:

The performance of the Company depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The recruitment process for Top Level Executives:

The objective of remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver suitable value for shareholders.

Acknowledgement:

The Nomination and Remuneration Committee expressed or sincere thanks to the Chairman and Members of the Board and Management for their support in carrying out its duties and responsibilities.

On behalf of the Nomination and Remuneration Committee

Place: Dhaka
Date: 28th October, 2024

Prof. Dr. Sumon Das
Chairman of NRC

Annexure-A



SAFKO SPINNING MILLS LTD.

সফকো স্পিনিং মিল্স লিঃ

House # 10, Road # 01, Block # B, Niketon, Gulshan, Dhaka-1212.
Phone: 880-2-9841092, Fax: 880-2-9841017, E-mail: sarko@saihamgroup.com

Declaration By CEO and CFO

Date: 28.10.2024

The Board of Directors
Safko Spinning Mills Ltd.
House # 10, Road # 01, Block-B,
Niketon-Gulshan, Dhaka-1212.

Sub:- Declaration on Financial Statements for the year ended on 30th June, 2024.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification no. BSEC/CMR-RCD/2006-158/207/Admin/80, dated 30, June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Safko Spinning Mills Ltd. for the year ended on 30th June, 2024 have been prepared in compliance with International Accounting Standards (AS) or International Financial Reporting Standards (IFRS), as application in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgements 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) The 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 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 30th June, 2024 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 of the company's Board of Directors or its members.

Sincerely yours,

Managing Director

Dated: Dhaka

28th October, 2024

Chief Financial Officer





ANNEXURE-B
[Certificate as per Condition No. 1(5)(xxvii)]

**Report to the Shareholders of
Safko Spinning Mills Limited
On
Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Safko Spinning Mills Limited** for the year ended as on **June 30, 2024**. This Code relates to Notification No. BSEC/CMRCD/2006-158/2017/Admin/80 dated June-3, 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 the 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 except the condition No 1(1), 1(2), 1(3), 1(5)(xi).
- (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 not satisfactory.

Dated: Dhaka
December 04, 2024


Fatama khatun ACA, Enroll No.:2131
Partner
Rahman Mostafa Alam & Co.
Chartered Accountants

Annexure –C
[(As per condition No. 1(5) (xxvii)]

Compliance Status of BSEC Guidelines for Corporate Governance

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission (BSEC) per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3-June-2018 (Issued under Section 2CC of the Securities and Exchange Ordinance, 1969)

Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the board of directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).		✓	According to the submission From- XII, (dated: November 28,2024), there are 3 directors only.
1(2)	Independent Directors			
	All companies shall have effective representation of Independent directors on their Board, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following;			
1(2)(a)	(a) At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);		✓	According to the submission From- XII, (dated: November 28,2024), there are 3 directors only.
1(2)(b)	For the pupose of this clause "Independent Director" means a director-			
1(2)(b)(i)	Independent director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;		✓	According to the submission From- XII, (dated: November 28,2024), there are 3 directors only.
1(2)(b)(ii)	The independent director is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;		✓	
1(2)(b)(iii)	The independent director has not been an executive of the company in immediately preceding 2 (two) financial years;		✓	
1(2)(b)(iv)	The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;		✓	
1(2)(b)(v)	Independent Director is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;		✓	
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;		✓	
1(2)(b)(vii)	Independent Director is 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 audit firm conducting special audit or professional certifying compliance of this Code;		✓	
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;		✓	
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and		✓	
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;		✓	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);		✓	

Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;		✓	According to the submission From- XII, (dated: November 28,2024), there are 3 directors only.
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., Three years from his or her completion of consecutive two tenurs [i.e. six years];		✓	
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.		✓	According to the submission From- XII, (dated: November 28,2024), there are 3 directors only.
1(3)(b)	Independent director shall have following qualification:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;		✓	According to the submission From- XII, (dated: November 28,2024), there are 3 directors only.
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;		✓	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law;		✓	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;		✓	
1(3)(b)(v)	Professional who is or was an advocate practicing at least 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)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);		✓	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;		✓	
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer;			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
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 incident

Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;		✓	The explanation of qualified opinion and emphasis of matters of the auditor's report that have not been disclosed in the directors report.
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;			Not Applicable
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		



Condition No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			Not Applicable
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	The report on the pattern of shareholding disclosing the aggregate number of share (along the name- wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			No such incident
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives top 5 (five) Salaried employees of the company , other than Directors , Chief Executive Officer , Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);			No such incident
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	a brief resume of the director;	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A .	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	√		





Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code;	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules 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)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.			Not Applicable
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)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company;			Not Applicable
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;			No such incident
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			No such incident



Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge 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;	✓		
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;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report;	✓		
4	Board of Directors' Committee			
	For ensuring good governance in the company, the Board shall have at least following sub-committees			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee;	✓		
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;	✓		
5(1)(b)	The Audit Committee shall 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)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing;	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		Complied by independent Directors appointed by BSEC Ref: SEC/SRMIC/141/223 Dated: September 12, 2021
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such incident

Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director;	✓		Complied by independent Directors appointed by BSEC Ref: SEC/SRMIC/141/223 Dated: September 12, 2021
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 Audit Committee, who shall be an independent director;	✓		Complied by independent Directors appointed by BSEC Ref: SEC/SRMIC/141/223 Dated: September 12, 2021
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incident
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the 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: Provide that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the committee;	✓		
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			
	The Audit Committee shall:			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditor;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		

Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	✓		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings :if any			
5(6)(a)(ii)(a)	report on conflicts of interests;			No such incident
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;			No such incident
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such incident
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			No such incident
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such incident
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
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)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	Constitution of NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		Complied by independent Directors appointed by BSEC Ref: SEC/SRMIC/141/223 Dated: September 12, 2021
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;	✓		

Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such incident
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 incident
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;	✓		Complied by independent Directors appointed by BSEC Ref: SEC/SRMIC/141/223 Dated: September 12, 2021
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;	✓		Complied by independent Directors appointed by BSEC Ref: SEC/SRMIC/141/223 Dated: September 12, 2021
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 incident
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such incident
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			No such incident
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)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	✓		



Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;	✓		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		
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)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	any other service that creates conflict of interest;	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	✓		
8	Maintainning 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).	✓		



Condition No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	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 auditors 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;	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting;	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		



**Independent Auditor's Report
To
The Shareholders of
SAFKO SPINNING MILLS LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of **SAFKO SPINNING MILLS LIMITED** which comprise the Statement of Financial Position as at June 30, 2024 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Shareholder's Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for **Qualified Opinion** section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

- As stated in Note No.5 **Investment in Property Tk. 107,910,000**, The company has given advance of Tk. 9.9 crore to purchase 250 decimal Land. The seller is a sponsor of the company named, Mr. S, F, A M Shahajan, Father's name: Late Sayed Shahid Uddin Ahmed, has given the possession of the said land and agreed to register the land after receiving full payment vide unregistered Bayna agreement dated. 3rd December, 2019. The payment was made in cash and hence we couldn't verify the transactions.
- In note No 6.00 **Inventories** The company reported **Tk. 158,446,358**. No physical count of inventories has been done on the balance sheet date. Due to lack of adequate documentations, we couldn't perform adequate alternate procedures to confirm quantities and value of inventories as on 30th June 2024
- In note No 7.00 **Accounts Receivable** there is long pending receivables which are carried forward since long and there is expected credit loss as per IFRS 7, though company make provision without any basis amount of **Tk. 10,000,000**; Company didn't share any details about those amounts.
- As stated in Note No 15 The company adjusted unabsorbed depreciation cumulatively as stated in Note No. 2.22 as a **deferred tax** asset and they are intending it to adjust in the future when the company would generate profit but it's is not certain at present. Also, **SAFKO SPINNING MILLS LIMITED's** business is not progressive, as they incurred loss in the current year;
- As stated in Note 18. **Unclaimed Dividend** As per BSEC notification no. BSEC/CMRRCD/2021-391/20/Admin/121, Dated: 01June 2021, any cash or stock dividend or right share are laying unclaimed or undistributed or un-allotted for a period of 3 (three) years or more, shall be transferred to the Capital market Stabilization Fund (CMSF). But the entity didn't transfer unclaimed Dividend amounting **Tk. 611,585** to Capital Market Stabilization Fund (CMSF) which is carry forwarded more

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than 3 years. In addition to that company did not maintain any separate Bank account as per BSEC guidance;

- f) In Note No 20.00-The company recognized **Sales Revenue Tk. 39,264,123** but the company didn't produce any documentations showing the details about sales. No VAT returns has been produces to us to verify the Sales amount reported.
- g) As stated in Note No 21. **Cost of Goods Sold**. The Entity has reported Cost of Goods Sold (COGS) **Tk. 316,826,210**. The company utilized last year's inventory (Approximately 67%) which appears inconsistent with the Entity's operational and functional reality. Furthermore, management claims that finished goods were sold as scrap, but we were unable to obtain sufficient appropriate audit evidence to substantiate this claim.

Due to the lack of sales and the Entity's near cessation of operations, we were unable to confirm that the reported COGS aligns with economic activity or accurately reflects the cost of inventory sold or scrapped during the year. Consequently, we are unable to determine whether any adjustments might be necessary in relation to COGS, inventory valuation, and overall financial performance. In addition to concerns about inventory usage, we note that the entity has recognized significant direct labor and overhead costs in relation to COGS;

Given the lack of sales, near-cessation of operations, and financial distress, we were unable to obtain sufficient audit evidence to verify that these expenses were directly attributable to productive activities during the period. Accordingly, there is uncertainty regarding the accuracy and completeness of expenses included in COGS, which could materially impact the entity's reported financial performance;

- h) In the Statement of Profit or Loss and Other Comprehensive Income, the company charged Tk. (64,532,424) as Expected Credit Loss. Which consists of Tk. 50,308,117 uncollectable Accounts receivables (See Note No: 7) and Tk. 14,224,307 Advance not recoverable (See Note No: 8);

Company didn't share any details about the uncollectable Accounts receivables and Advances not recoverable booked under Expected Credit Loss charged in the P&L. No Board approval or supporting documentations provided which proves that company has made adequate initiatives to collect those amounts.

We conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters:

We draw attention to the following matters though our report is not qualified in those regards. As disclosed in note-17, the company has shown an amount of **Tk. 9,997,259** as liabilities for **WPPF** that has not been paid by the company to the fund. As per section 234 (b) of labor Act 2006 the company should pay the amount to the WPPF within nine months for the end of the respective year

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include 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. 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 conclude that other information related to the items described in the Basis for Opinion section above are similarly affected for the same reason with respect to the amounts in the other information by their lapses to state Trade Receivables, Trade Payables Inventory and Fixed Assets in their applicable amounts.

Key Audit Matters

Key audit matters are those matters at in our professional judgment, were of most significance 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 informing our opinion theory and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue recognition	
<p>During the year ended 30 June 2024, total reported revenue is of Tk. 39,264,123.</p> <p>Sales made during the year are material and consider to be complex judgmental. There is a risk of revenue being misstated as a result of creation and modification, and timing faulty estimation.</p> <p>There is a risk that revenue may be overstated due to fraud through manipulation to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Segregation of Duties in invoice creation and modification; and timing of revenue recognition.</p> <p>Obtaining supporting documentation for sales transactions recorded either side on year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period.</p> <p>Collecting all VAT return to assess & calculation total local sales.</p> <p>Finally see the appropriateness a presentation of disclosure against relevant accounting standards.</p>
See Note No. 21.00 to the Financial Statements.	
Valuation of Property, Plant and Equipment	
<p>The carrying value of the PPE is Taka 1,317,908,351 as at 30 June, 2024. The value of PPE was identified as a key audit matter due to the significance of this balance to the financial statements</p>	<p>Our Audit included the following procedures:</p> <p>We assessed whether the accounting policies in relation to the capitalization of expenditures are compliance with IFRS and found them to be consistent</p>

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<p>The expenditures are classified as an Asset, if it probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful of PPE items are based on management's estimates regarding the period over which is expected to be available for use. The estimates of Useful life of the assets are a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>We obtained a listing of capital expenditure incurred during the year and on a sample, basis checked whether the items were procured during the year.</p> <p>We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, physical condition of the assets and its uses.</p> <p>We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.</p>
<p>See notes no 3 to the financial statements</p>	

Material Uncertainty Related to Going Concern

We draw attention to Retained Earnings in the financial statements, which indicate that the company incurred an accumulated net loss of **Tk. (388,897,783)** retain loss **Tk. (756,807,412)**, unpaid Bank loans **Tk. 1,392,638,108** and **Tk. 12,505,000** of Loan from Directors as at 30 June 2024, this events or conditions, indicate that a material indication exists that may cast doubt on the company's ability to continue as going concern.

Other Matter

- In our audit period we observed that the company did not deposit the TDS and VDS at many applicable sectors which is non-compliance of Income Tax Ordinance 1984 and Value Added Tax and Supplementary Duty Act-2012 and Value Added Tax and Supplementary Duty Rules-2016;
- As per Section-30(m), Income Tax Ordinance 1984 any payment by a person exceeding taka fifty thousand or more, otherwise than by bank transfer excluding-
 - salary or remuneration made to any employee, without prejudice to an obligation referred to in clause;
 - any payment for government obligation;
 - any payment on account of purchase of raw materials;

The company is not doing the same as described in said compliance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 judgments and maintain professional Skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other





matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

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

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

Place: Dhaka

Dated: 28 October 2024



Md. Matiur Rahman

Md. Matiur Rahman FCA, FCMA
ICAB Enrollment No. 0765
Partner
M. Z. Islam & Co.
Chartered Accountants
DVC: 2410300765AS176403

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Safko Spinning Mills Limited
Statement of Financial Position
As at June 30, 2024

Particulars	Notes	Amount in Taka	
		June 30, 2024	June 30, 2023
ASSETS			
Non-current Assets		1,425,859,639	1,461,429,204
Property, Plant and Equipment	3.00	1,317,908,351	1,353,467,594
Intangible Assets	4.00	41,288	51,610
Investment in Property	5.00	107,910,000	107,910,000
Current Assets		226,443,839	525,945,334
Inventories	6.00	158,446,358	366,863,132
Accounts Receivable	7.00	5,634,560	57,485,954
Advances, Deposits and Prepayments	8.00	46,975,178	85,853,731
Investment in FDR	9.00	13,396,858	12,804,736
Cash and Cash Equivalents	10.00	1,990,885	2,937,781
Total Assets		1,652,303,479	1,987,374,538
EQUITY AND LIABILITIES			
Shareholders' Equity		89,769,524	478,030,475
Share Capital	11.00	299,817,160	299,817,160
Revaluation Reserve	12.00	546,759,776	550,368,490
Retained Earnings/(Deficit)	13.00	(756,807,412)	(372,155,175)
Non-current Liabilities		1,215,437,711	1,188,980,954
Non Current Portion of Term-loan	14.03	1,112,635,833	1,080,845,190
Deferred Tax Liabilities	15.00	102,801,878	108,135,765
Current Liabilities		347,096,243	320,363,109
Current Portion of Term-loan	14.03	280,002,274	254,064,729
Loan from Directors	16.00	12,505,000	12,505,000
Liabilities for Expenses and Others	17.00	21,042,837	20,487,772
Unclaimed Dividend Account	18.00	611,585	611,585
Provision for Tax	19.00	32,934,547	32,694,024
Total Equity and Liabilities		1,652,303,479	1,987,374,538
Net Assets Value per Share (NAV)	26.00	2.99	15.94

The annexed notes 1 to 39 and Annexure-A & B form an integral part of these financial statements.


Chairman


Director



Managing Director


Chief Financial Officer


Company Secretary

Signed in terms of our separate report of even date.


Place: Dhaka
Dated: October 28, 2024


Md. Matiur Rahman FCA, FCMA
ICAB Enrollment No. 0765
Partner
M. Z. Islam & Co.
Chartered Accountants
DVC: 2410300765AS176403

Safko Spinning Mills Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
Sales Revenue	20.00	39,264,123	411,629,564
Less: Cost of Goods Sold	21.00	(316,826,210)	(396,942,599)
Gross Profit		(277,562,087)	14,686,965
Others Operating Income			
Add: Others Income	22.00	823,109	540,609
Less: Administrative and Marketing Expenses	23.00	(20,954,837)	(12,913,757)
Operating Profit		(297,693,815)	2,313,817
Less: Financial Expenses	24.00	(31,128,074)	(120,176,826)
Less: Expected Credit Loss		(64,532,424)	(10,000,000)
Less: Damaged Inventory		-	(40,000,000)
Profit before Tax and Cotribution to WPPF		(393,354,314)	(167,863,009)
Contribution to WPPF		-	-
Profit before Tax		(393,354,314)	(167,863,008)
Income Tax Current period	25.00	4,456,531	2,492,249
Deferred Tax		-	-
Net Profit after Tax		(388,897,783)	(165,370,759)
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Income for the Year		(388,897,783)	(165,370,759)
Earnings per Share (EPS)	27.00	(12.97)	(5.52)

The annexed notes 1 to 39 and Annexure-A & B form an integral part of these financial statements.


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Signed in terms of our separate report of even date.



Md. Matiur Rahman FCA, FCMA
ICAB Enrollment No. 0765
Patner
M. Z. Islam & Co.
Chartered Accountants
DVC: 2410300765AS176403

Place: Dhaka
Dated: October 28, 2024

Safko Spinning Mills Limited
Statement of Changes in Equity
For the year ended June 30, 2024

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2023	299,817,160	550,368,490	(372,155,175)	478,030,475
Profit for the year	-	-	(388,897,783)	(388,897,783)
Adjustment for Realized Depreciation of Revalued Assets	-	(4,245,546)	-	(4,245,546)
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	4,245,546	4,245,546
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	636,832	-	636,832
Balance as on June 30, 2024	299,817,160	546,759,776	(756,807,412)	89,769,524

For the year ended June 30, 2023

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2022	299,817,160	554,088,814	(211,161,268)	642,744,706
Profit for the year	-	-	(165,370,759)	(165,370,759)
Adjustment for Realized Depreciation of Revalued Assets	-	(4,376,852)	-	(4,376,852)
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	4,376,852	4,376,852
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	656,528	-	656,528
Balance as on June 30, 2023	299,817,160	550,368,490	(372,155,175)	478,030,475

The annexed notes 1 to 39 and Annexure-A & B form an integral part of these financial statements.



Chairman



Director



Managing Director



Chief Financial Officer


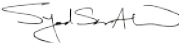
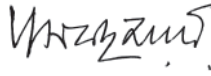




Company Secretary

Safko Spinning Mills Limited
Statement of Cash Flows
For the year ended June 30, 2024

Particulars	Amount in Taka	
	July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
A. Cash Flows from Operating Activities		
Collection from Customers and Other Income	27,406,202	416,354,622
Payment to Suppliers, Employees and Other Expenses	(54,361,091)	(399,191,399)
Income tax Paid	-	-
Net Cash Used by Operating Activities	(26,954,889)	17,163,224
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment		-
Investment in FDR	(592,122)	(424,935)
Capital Work-in-progress	-	-
Net Cash Used in Investing Activities	(592,122)	(424,935)
C. Cash Flows from Financing Activities		
Financial Expenses	(31,128,074)	(120,176,826)
Term Loan Receipt/Paid (Net)	57,728,189	101,434,349
Short-term Bank Loan Received/Paid (Net)	-	-
Dividend	-	-
Loan From Directors	-	-
Net Cash Flows from Financing Activities	26,600,114	(18,742,477)
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(946,897)	(2,004,188)
E. Cash and Cash Equivalents at the Beginning of the Year	2,937,780	4,941,968
F. Cash and Cash Equivalents at the end of the year (D+E)	1,990,884	2,937,780
Net Operating Cash Flows per Share	28.00	(0.90)

The annexed notes 1 to 39 and Annexure-A & B form an integral part of these financial statements.

				
Chairman	Director	Managing Director	Chief Financial Officer	Company Secretary

Safko Spinning Mills Limited

Notes to the Financial Statements

For the year ended June 30, 2024

1.00 Specific Accounting Policies Selected And Other Material Information

Legal form of the Enterprise

Safko Spinning Mills Limited was incorporated vide registration no C-26103(1937)/94 in Bangladesh on June 20, 1994 as Public Limited Company under the Companies Act 1913 (subsequently repealed by the Companies Act, 1994). The Company issued public portion of shares and was listed with Dhaka Stock Exchange from April 12, 1999.

Address of Registered Office and Principal Place of Business

The registered office of the Company and the factory is located at Noyapara, Saiham Nagar of Habigonj District.

Principles Activities and Nature of Operations

The Company manufactures Cotton Yarn, Polyester, Cotton Blended Yarn, Synthetic Yarn or other yarn for sale and export purpose. The production of the mill was stopped from January 2009 due to abnormal losses sustained by the company for the last two consecutive years. However, the production of the mill has been started from May 25, 2010 which was informed to SEC & DSE. The company produced 38.93 lac lbs as against installed capacity of 93.15 lac lbs per year.

2.00 Significant Accounting Policies And Relevant Information

2.01 Basis of Preparation and Presentation of the Financial Statements

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Security Exchange Rules 1987 and IFRSs and IASs adopted by the Financial Reporting Council (FRC). The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income have been prepared according to IAS 1 (Presentation of Financial Statements) based on accrual basis following going concern assumption under generally accepted accounting principles and practices in Bangladesh and Statement of Cash Flows according to IAS 7 (Statement of Cash Flows).

2.02 Recognition of Property, Plant and Equipment and Depreciation

Property, Plant and Equipment except land and land development are stated at cost less accumulated depreciation in accordance with IAS 16 "Property, Plant and Equipment". Cost represent cost of acquisition of construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use, but do not include any capitalized borrowing cost. No depreciation is charged on land and land development. Depreciation has been charged on addition of assets on monthly basis. Depreciation on all other fixed assets are computed using the reducing balance method in amount sufficient to write off depreciable assets over their estimated useful life. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the year.

The annual depreciation rates applicable to the principal categories are:

Particulars	Rate of Dep.
Land and Land Development	0%
Factory Building & other Construction	3%
Plant and Machinery	5%
Generator	15%
Gas line Installation	15%
Furniture and Fixture	10%
Transport Vehicles	20%
Office Equipment	15%
Sundry Assets	10%

The management has evaluated the useful life of Factory Building & Other Construction and Plant & Machinery after fully capitalization. According to engineers certificate the management has decided to revise the remaining useful life of these assets and accordingly depreciation has been charged to cost of goods sold and administrative expenses consistently.

2.03 Leases:

Right-of-use assets (ROU)

The company recognizes the right-of-use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term. The company assessed all lease contracts live in 2019 and recognized as RoU of assets of all leases as per IFRS 16.

Lease Liability

At the commencement of the lease, the company recognizes lease liabilities measured at the present value of lease payments (initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments include fixed lease payment.

2.04 Measurement Bases Used in Preparing the Financial Statements

All the elements of financial statements have been measured in "Historical Cost" basis which is one of the most commonly adopted bases as provided in "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards (IAS).

2.05 Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumptions that effects the reported amounts of the assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the year reported. Actual results could differ from those estimates. Estimates are used in accounting for certain items such as depreciation; liability for outstanding claims whether due or intimated, taxes etc.

2.06 Revaluation of property, plant and equipment

Basis of valuation:

Land and land development: At the time of revaluation of land and land development it is observed by the valuer that there is no uniformity in price of land in the plot lying side by side and having equal facilities may fetch different price without any apparent and convincing reasons. Land and land development have been revalued based on plot being purchased and sold in the locality during the last few months. The valuer also discussed with the local people and inhabitants of that locality at random basis to arrive at an average consensus value as to the present price of the land in the locality. According to present market condition, value of the land is a relevant term as the seller and buyer looks at it from different point. Moreover, it differs from a willing seller and an unwilling seller and similarly a willing buyer will have a different value than that of an unwilling buyer. Land is revalued by Shafiq Basak & Co. Chartered Accountants as on September 30, 2019.

Factory Building and Others Construction: The construction of civil works was evaluated by Depreciation Replacement Cost (DRC) approach i.e. by estimating the cost of new construction of the subject structures (with same size, shape, height, visual appearance and internal design) and then adjusting the amount to reflect the depreciation already taken on the existing facility/structure, the wear and tear the existing structure has sustained, and the amount and type of maintenance the facility has received. We have also taken into the enhancement of the material cost and the phenomenal increase of construction material and labor cost over the years and the costing of PWD (Public Works Department) schedule of rates, which is considered to be more authentic. Factory building and others construction is also revalued by Shafiq Basak & Co. Chartered Accountants as on September 30, 2019.

2.07 Going concern

The company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides enough fund to meet the present requirements of existing business.

2.08 Basis of Preparation

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

2.09 Inventories

Inventories on hand are valued at lower of average cost and net realizable value in accordance with para 21 and 25 of IAS-2. Item-wise valuation are as follows :

Item	Method of Valuation
Raw Cotton	At average cost price
Polyester Staple Fibre	At average cost price
Spare Parts	At cost price
Packing Materials	At cost price
Work-in-process	100% Materials plus portion of labour charges, gas charges & Electric charges
Finished goods (Yarn)	Cost and Market price whichever is lower

2.10 Cash and Cash Equivalents

According to IAS 7 “Statement of Cash Flows” cash comprises of cash in hand and bank deposits and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 “Presentation of Financial Statements” provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS 7 and IAS 1, Cash in hand and bank balances have been considered as cash and cash equivalents.

2.11 Creditors and Accruals

Liabilities are recorded at the amount to be paid in the future for settlement in respect of goods and services received by the Company.

2.12 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 “Statement of Cash Flows” and the cash flows from the operating activities have been presented direct method as prescribed by the Securities & Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS 7 which provides that “Enterprises are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method.”

2.13 Revenue Recognition

The company recognizes revenue when control and ownership has been transferred to the buyer, which satisfied all the condition for the revenue recognition as provided in IFRS 15 “Revenue from Contracts with Customers.”

2.14 Trade Debtors

These are carried at original invoice amount. This is considered good and collectable .

2.15 Workers Profit Participation Fund

Workers profit participation fund has been created at the rate of 5% after charging WPPF on net profit during the year under audit .

2.16 Earnings per Share (EPS)

The company calculates Earnings per share (EPS) in accordance with IAS 33 “Earnings per Share” which has been shown on the Statement of Profit or Loss and Other Comprehensive Income .

2.17 Basic Earnings

This presents earnings for the year attributable to ordinary shareholders. As there was no preference dividend minority interest or extra ordinary terms, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

2.18 Basic Earnings per Share

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the period.

2.19 Taxation

The provision for income tax has been made @ 15% on net profit during the period.

2.20 Additional Information on Financial Statements

Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act 1994 and as per the provision of “The Framework For The Preparation And Presentation of Financial Statements” issued by the International Accounting Standard (IAS).

Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 “Presentation of Financial Statements” the Complete set of Financial Statements includes the following components:

- i. Statement of Financial Position as at June 30, 2024
- ii. Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) for the year ended on June 30, 2024
- iii. Statement of Changes in Equity for the Quarter ended on June 30, 2024
- iv. Statement of Cash Flows for the Quarter ended on June 30, 2024
- v. Accounting Policies and Explanatory notes.

2.21 Revaluation Reserve

When an assets carrying amount is increased as a result of revaluation, the increase amount should be credited directly to equity under the heading of Revaluation surplus /reserve as per IAS - 16: Property Plant and Equipment. The company revalued the assets of Land and Factory Buildings and other construction which has absolutely owned by the company and The increased amount transferred to Revaluation Reserve. The revaluation was made on 30th September 2012 which was conducted by a professional independent valuer Axis resources ltd. In order to reflect the fair picture of the company as the present condition on the basis of current market price for land and replace cost for Building.

2.22 Deferred Tax

Deferred Tax is recognised on difference between the carrying amount of assets and a liability in the Financial Statements and the corresponding tax based used in the computation of taxable profit and is accounted for using balance sheet liability method . Deferred tax liabilities are generally recognised for all taxable temporary difference and deferred tax assets are recognised to the extent that is probable that the profit will be available against which deductible temporary difference, unused tax losses or unused tax credits can be utilised . Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition(other than in a Business combination) of other assets and liabilities in a transaction that affect neither the taxable profit nor accounting profit . Considering the practices generally followed in Bangladesh the company have been reserved Deferred Tax Assets or Deferred Tax Liabilities in accordance with IAS-12 "Income Taxes".

As per IAS 12 para 34, deferred tax assets shall be recognized for carry forward of unused tax losses and unused tax credits to the extent that is possible that future taxable profit will be available against which the unused tax losses and unused tax credit can be utilized. unabsorbed depreciation is adjustable with taxable profit and there is no time limit for adjustment. Hence, this tax credit has been considered as deferred tax assets.

2.23 Risk and uncertainties for use of estimates in preparation of Financial Statements

The preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the affect financial statements and revenues and expenses during the period reported. Estimates are used for accounting of certain items such as long term contracts, depreciation and employees benefit plants, Taxes, reserves and contingencies.

2.24 Compliance with Local Laws

The financial statements have been prepared in compliance with requirements of the Companies Act 1994., the Securities and Exchange Rules 1987 and other relevant rules.and regulations.

2.25 Compliance with International Accounting Standards (IASs)

The financial statement have been prepared in compliance with requirements of IASs adopted by the Financial Reporting Council (FRC) and applicable in Bangladesh.

2.26 Reclassification/Re-arrangement/Restatement

To facilitate comparison certain relevant balances pertaining to the last year have been reclassified/re-arranged/restated whenever considered necessary to conform to current year's presentation.

2.27 Reporting currency and level of precision

The figures in the financial statements represent Bangladesh Taka currency, and rounded off to the nearest Taka except where indicates otherwise.

2.28 Related parties disclosures

As per IAS -24 parties are considered to be related if one party has the ability to control the others party exercise significant influence over the other party in making financial and and operating decisions. There is no such transaction in the year.

2.29 Number of Employees

The number of employees at year end were 449 persons.

2.30 Functional and presentational (reporting) currencyFunctional and presentational (reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.

2.31 Reporting Period

Financial Statement of the company covers from July 01, 2023 to June 30, 2024.

2.32 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 28th october 2024.

2.33 Comparative Information

Comparative Information have been disclosed in respect of the year 2020 for all numerical information in the financial statement and also the narrative and descriptive information when it is relevant for understanding of the current periods of financial statements.

In compliance with the requirements of "IAS-10" Events after the reporting period, post Statement of Financial Position events that provide additional information about the company's position at the Statement of Financial Position date are reflected in the Financial statements and events after the Statement of Financial Position date that are not adjusting event are disclosed in the notes when material.

The comparative financial statements for the financial year 2020 has been produced from the 12 months financial statements (last audited financial statements).

2.34 Extra ordinary Item

A Committee was formed vide office order Date:04.12.2016 to ensure the genuineness of sale and ascertain the quantity of salable real waste in different forms like cotton waste, Damaged Scraps (Old M/c Parts) Bale Waste (wire, nails, polythene), damaged and waste Paper cone, Polythene bag etc. Packing wood, Trees & plants etc and will evaluate their probable sale price. An amount of Tk.37,900,000 wastage sales made during the year under the supervision of this committee. Cash basis of accounting has been followed for this wastage sales after deducting all the necessary expensed made in this regard. Impact of this extra ordinary item in EPS is Tk.1.26

2.35 General

- i) Figures appearing in these Financial Statements have been rounded off to the nearest Bangladeshi taka;
- ii) These notes form an integral part of the annexed Financial Statements and accordingly are to be read in conjunction therewith;
- iii) The company has not incurred any expenditure in foreign currency against royalties and technical fees.

Notes	Particulars	Amount in Taka	
		June 30, 2024	June 30, 2023
3.00	Property, Plant and Equipment		
	A. Cost		
	Opening Balance	2,070,372,448	2,070,372,448
	Add: Addition during the year	-	-
	Less: Disposal	-	-
	Closing Balance	2,070,372,448	2,070,372,448
	B. Accumulated depreciation:		
	Opening Balance	716,904,854	679,490,716
	Add: Addition during the year	35,559,243	37,414,138
	Less: Adjustment During the year	-	-
	Closing Balance	752,464,097	716,904,854
	Written Down Value (A-B)	1,317,908,351	1,353,467,594
	The details PPE has been shown in Annexure - A.		
	The land, building and plant & machinery at carrying of Tk. 665,020,965 has been placed as security for company's loan.		
4.00	Intangible Assets		
	A. Cost		
	Opening Balance	140,000	140,000
	Add: Addition during the year	-	-
	Less: Disposal	-	-
	Closing Balance	140,000	140,000
	B. Accumulated depreciation:		
	Opening Balance	88,390	75,488
	Add: Addition during the year	10,322	12,902
	Less: Adjustment During the year	-	-
	Closing Balance	98,712	88,390
	Written Down Value (A-B)	41,288	51,610
	The details Intangible Assets has been shown in Annexure - B.		
5.00	Investment in Property		
	Opening Balance	107,910,000	-
	Add: Addition during the year	-	107,910,000
	Closing Balance	107,910,000	107,910,000

The company has given advance of Tk. 9.9 crore to purchase 250 decimal Land . The seller is a sponsor of the company named, Mr. S, F, A M Shahajan, Father's name: Late Sayed Shahid Uddin Ahmed, has given the possession of the said land and agreed to register the land after receiving full payment vide agreement dated. 3rd December, 2019. As the company has paid the major purchase consideration and desires for development for future gain, the said advance transferred to investment in property as per IAS 40- Investment Property. Here the payment method was in cash channel.

Notes	Particulars	Amount in Taka	
		June 30, 2024	June 30, 2023
6.00	Inventories		
	Raw Cotton	116,593,819	335,887,232
	Polyester Staple Fiber	19,059,628	19,059,628
	Stores and Spares	6,526,982	6,526,982
	Packing Materials	5,632,143	5,632,143
	Work in Process	5,567,895	23,911,880
	Finished goods	5,065,891	15,845,267
		158,446,358	406,863,132
	Less: Damaged Inventory	-	(40,000,000)
	Total	158,446,358	366,863,132

No physical count of inventories has been done on the balance sheet date. Due to lack of adequate documentations we couldn't perform adequate alternate procedures to confirm quantities and value of inventories as on 30th June 2024

7.00	Accounts Receivable		
	M/S. Rupashi Colour Ltd.	30,362,115	31,905,392
	Pach gaon Traders	16,369,197	16,369,197
	A.J. Traders	3,069,788	3,069,788
	Hazi Nazim uddin	4,948,302	4,948,302
	Four Star yarn Traders	7,276,255	7,276,255
	TT Textiles	3,917,020	3,917,020
		65,942,677	67,485,954
	Less: Bad debt provision	10,000,000	10,000,000
		55,942,677	57,485,954
	Less : Expected Credit Loss	50,308,117	
	Closing Balance	5,634,560	

Company didn't shared any details about the booked Expected Credit Loss charged in the Profit and Loss Account. No Board approval or supporting documentations has been provided which proves that company has made adequate initiatives to collect those receivables.

Receivables aging analysis

Within 30 days	13,488,947	13,488,947
Over 30 days but less than 60 days	15,254,698	15,254,698
Over 60 days but less than 90 days	16,204,236	16,204,236
Over 90 days	12,538,073	12,538,073
Total	57,485,954	57,485,954

8.00 Advances, Deposits and Prepayments

Habigonj Palli Bidyut Samity	1,107,700	1,107,700
Advance Income Tax	248,975	231,571
Advance to Raw Cotton suppliers	28,834,976	46,044,445
Advance against Spare Parts and Packing Materials	31,007,834	37,675,015
Advance to employees	-	795,000
	61,199,485	85,853,731
Less: Advance not recoverable	14,224,307	
Closing Balance	46,975,178	

Company didn't shared any details about the Advances not recoverable booked under Expected Credit Loss charged in the P&L. No Board approval or supporting documentations provided which proves that company has made adequate initiatives to collect those amounts.

Maturity Analysis

Adjustable/realisable more than 30 days to 90 days	28,834,976	46,044,445
Adjustable/realisable more than 90 days to 1 year	31,007,834	38,470,015
Adjustable after 12 months	1,356,675	1,339,271
Total	61,199,485	85,853,731

Notes	Particulars	Amount in Taka	
		June 30, 2024	June 30, 2023

9.00 Investment in FDR

The following FDRs are at the Bank Asia Ltd., Corporate Branch.

FDR no.	Maturity date	Interest rate	Amount	Amount
A/C#035323314976	31-Jan-23	4%	1,724,178.64	1,638,843
A/C#035305714799	03-Aug-23	5.00%	1,755,080.76	1,690,462
A/C#00255014760	22-Jun-23	5.00%	842,073.05	804,580
A/C #00255014885	14-Nov-22	3.00%	1,560,455.62	1,491,847
A/C #00255014758	22-Jun-23	5.00%	7,515,070.02	7,179,004
Total			13,396,858	12,804,736

The above mentioned amount of FDR amounting Tk.12,379,801 are liened in Bank Asia Ltd.

10.00 Cash and Cash Equivalents

Cash in Hand	10.01	1,887,524	2,835,618
Cash at Bank	10.02	103,361	102,162
Total		1,990,885	2,937,781

10.01 Cash in Hand

Head Office	567,300	1,287,256
Factory Office	1,320,224	1,548,362
Total	1,887,524	2,835,618

10.02 Cash at Bank

JBL HO- A/C. No. 0100108538184	251	251
Dhaka Bank- A/C. No. 2011000004364	-	-
JBL CD (nowapara)- A/C. No. 03400320000092	58,566	58,133
Pubali bank- A/C. No. 0565901026331	2,135	2,135
NRB CD- A/C. No. 1012010037293	1,013	1,013
Premier Bank- A/C. No. 18911100000021	112	112
Bank Asia CD- A/C. No. 00233012023	-	-
DBBL- A/C. No. 11611022287	7,030	7,030
Dividend Account, Dhaka Bank Limited (A/C-2011000006846)	-	-
First Securities Islami Bank AC No 028011100000197	1,204	439
Dormant Account (JBL STD A/C.)	33,050	33,050
Total	103,361	102,162

STD A/C with JBL has been dormant and hence the balance in these bank account is not readily useable.

11.00 Share Capital

Authorized Capital

100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
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Issued, Subscribed and Paid up Capital

29,981,716 Ordinary Shares of Tk. 10 each	299,817,160	299,817,160
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Notes	Particulars	Amount in Taka	
		June 30, 2024	June 30, 2023

Schedule of distribution of each class of equity setting out the member of holders and percentage thereon has been as follows:

Shareholding Range	For the year 2023-2024			For the year 2022-2023	
	No. of shareholders	Total share	% of holding	No. of shareholders	Total Share
≥ 5000	3977	5,061,263	16.88	4431	5,321,269
5,001 to 100,000	749	13,171,283	43.93	786	13,745,401
100,001 to 250,000	12	1,896,658	6.33	10	1,597,811
250,001 to 500,000	3	857,608	2.86	1	322,331
500,001 to 1,000,000	2	1,530,677	5.11	2	1,530,677
1,000,001 to above	3	7,464,226	24.90	3	7,464,226
Total	4,746	29,981,715	100	5,233	29,981,715

Composition of Share Holdings

Type of holders	For the year 2023-2024		For the year 2022-2023	
	No. of Shareholders	% of Holding	No. of Shareholders	% of Holding
Sponsors	5	30.00	5	30.00
Financial Institution	92	4.37	53	3.35
General Public	4,649	65.63	5,175	66.65
Total	4,746	100.00	5,233	100.00

Notes	Particulars	Amount in Taka	
		June 30, 2024	June 30, 2023

Year wise break-up of share issue

Date of Allotment	No. of share	Face Value	Amount	Basis of allotment
20th June, 1994 (during in Corporation)	1,750	100	1,75,000	Cash banking channel
1994 to 1999 (The Sponsor Director has subscribed)	798,250	100	7,99,25,000	Cash banking channel
18 April 1999 (IPO)	800,000	100	8,00,00,000	
26-May-11	256,000	100	2,56,00,000	16% Stock Dividend Approved
Sub Total	1,856,000	100	18,56,00,000	
	18,560,000	10	18,56,00,000	The share has been split into Tk 10/- each from Tk 100/- each
20-May-12	1,856,000	10	1,85,60,000	10% Stock Dividend Approved on 18 th AGM based on Financial statement 31 December 2011
22-Jun-13	2,041,600	10	2,04,16,000	10% Stock Dividend Approved on 19 th AGM based on Financial statement 31 December 2012
12-Apr-14	2,245,760	10	2,24,57,600	10% Stock Dividend Approved on 20 th AGM based on Financial statement 31 December 2013
13-Jun-15	2,470,336	10	2,47,03,360	10% Bonus share approved on 21 st AGM based on the Financial Statements 31 December, 2014.
26-Nov-16	815,210	10	81,52,100	3% Bonus share approved on 22 nd AGM based on the Financial Statements June 30, 2015-16.
02-Dec-17	1,119,556	10	1,11,95,560	4% Bonus share approved on 23 rd AGM based on the Financial Statements June 30, 2016-17.
02-Dec-18	873,254	10	8,732,540	3% Bonus share approved on 24 th AGM based on the Financial Statements 2017-2018
Total Paid-up Capital	29,981,716	10	299,817,160	

12.00 Revaluation Reserve

Opening Reserve	550,368,490	554,088,813
Adjustment for Realized Depreciation of Revalued Assets	(4,245,546)	(4,376,852)
Adjustment for Deferred Tax for Revaluation Reserve	636,832	656,528
Closing Balance	546,759,776	550,368,490

13.00 Retained Earnings/(Deficit)

Opening Balance	(372,155,175)	(211,161,268)
Add: Profit/Loss for the year	(388,897,783)	(165,370,759)
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	4,245,546	4,376,852
Closing Balance	(756,807,412)	(372,155,175)

14.00 Term Loan

Opening Balance	1,334,909,919	1,232,615,847
Add: Addition During the year	42,056,563	-
Add: Interest charged during the year	30,071,625	119,294,072
Less: Paid during the year	(14,400,000)	(17,000,000)
Closing Balance	1,392,638,108	1,334,909,919

Notes	Particulars	Amount in Taka	
		June 30, 2024	June 30, 2023
14.01	Term Loan Bank Asia		
	Opening Balance	1,167,083,863	1,078,566,521
	Add: Addition During the year	-	-
	Add: Interest charged during the year	-	101,517,342
	Less: Paid during the year	(12,400,000)	(13,000,000)
	Closing Balance	1,154,683,863	1,167,083,863
14.02	Term Loan Premier Bank		
	Opening Balance	167,826,056	154,049,326
	Add: Addition During the year-Reschedule loan converted from Interest	42,056,563	-
	Add: Interest charged during the year	30,071,625	17,776,730
	Less: Paid during the year	(2,000,000.00)	(4,000,000)
	Closing Balance	237,954,244	167,826,056
14.03	Maturity of Term-loan		
	Payment fall due within one year	280,002,274	254,064,729
	Payment fall due after one year	1,112,635,833	1,080,845,190
		1,392,638,108	1,334,909,919
15.00	Deferred Tax Liabilities		
	A. Property Plant and Equipment		
	Property, Plant and Equipment at Accounting base	674,661,556	705,975,254
	Property, Plant and Equipment at Tax base	326,973,557	383,439,528
	Temporary difference	347,688,000	322,535,726
	Tax rate	15%	15%
	Deferred Tax Liabilities	52,153,200	48,380,359
	B. Calculation of deferred tax on Unused Tax Losses		
	Unabsorbed depreciation for the year	(305,588,938)	(249,122,967)
		(305,588,938)	(249,122,967)
	Tax rate	15%	15%
	Deferred tax assets	(45,838,340.77)	(37,368,445)
	C. Calculation of deferred tax on revaluation on property plant and equipment		
	Revalued value of land	505,974,140	505,974,140
	Revalued value of other than land	137,272,654	141,518,200
	Tax rate		
	On land	15%	15%
	On other than Land	15%	15%
	Deferred tax liabilities		
	For land	75,896,121	75,896,121
	For other than Land	20,590,898	21,227,730
		96,487,019	97,123,851
	Total Deferred Tax Liabilities (A+B+C)	102,801,878	108,135,765

Notes	Particulars	Amount in Taka	
		June 30, 2024	June 30, 2023
15.01	Deferred Tax Expenses/(Income) for the year		
	Deferred tax liability other than revalued assets as at June 30, 2023 (A+B)	6,314,859	11,011,914
	Deferred tax liability other than revalued assets as at June 30, 2024 (A+B)	11,011,914	15,977,184
	Net increased in deferred tax expenses for other than revalued assets for the year	(4,697,055)	(4,965,270)
16.00	Loan from Directors		
	Opening Balance	12,505,000	12,505,000
	Add: Addition During the period	-	-
	Less: Paid during the period	-	-
	Closing Balance	12,505,000	12,505,000

Notes	Particulars	Amount in Taka	
		June 30, 2024	June 30, 2023
17.00	Liabilities for Expenses and Others		
	Electricity Charge	9,806,650	9,806,650
	Audit fees	1,035,000	517,500
	WPPF	9,997,259	9,171,798
	Workes welfare fund	25,309	57,145
	VAT Liability	132,328	125,346
	Rent Expense	13,291	12,589
	Service Charge	15,000	15,000
	Security Service	18,000	18,000
	Other liability	-	763,744
	Total	21,042,837	20,487,772
18.00	Unclaimed Dividend Account FY 2019-2020		
	Opening Balance	611,585	611,585
	Addition During the year	-	-
		611,585	611,585
	Payment during the year	-	-
	Closing Balance	611,585	611,585
19.00	Provision for Tax		
	Opening Balance	32,694,024	30,221,002
	Add: Addition during the year	240,523	2,473,021
	Less: Adjustment during the year	-	-
	Closing Balance	32,934,547	32,694,024

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
20.00	Sales Revenue		
	Sale of Finished Yarn (net of VAT)	39,264,123	411,596,514
	Total	39,264,123	411,596,514
	The company recognized Sales Revenue Tk. 39,264,123 but the company didn't produce any documentations showing the details about sales. No VAT returns has been produced to us to verify the Sales amount reported.		
21.00	Cost of Goods Sold		
	Opening Stock of Finished Goods	15,845,267	15,983,985
	Add: Cost of Production (Note: 21.01) 21.01	306,046,834	(397,081,317)
		321,892,101	(381,097,332)
	Less: Closing Stock of Finished Goods	(5,065,891)	(15,845,267)
	Cost of Goods Sold	316,826,210	(396,942,599)
21.01	Cost of Production		
	Row cotton	219,293,413	194,151,205
	Polyester Staple Fiber	-	99,167,962
	Spare Parts	-	2,392,380
	Packing Materials	-	6,706,731
	Direct Wages and Salaries	31,863,031	27,890,380
	Factory Overhead	36,546,405	63,125,984
		287,702,849	393,434,642
	Add: Opening Works-in-Process	23,911,880	27,558,555
		311,614,729	420,993,197
	Less: Closing works-in-Process	(5,567,895)	(23,911,880)
	Less: Wastage Sales	-	-
	Cost of Production	306,046,834	397,081,317
	Wastage and scrap sales has been written off against production costs.		
21.01.01	Consumption of Raw Cotton		
	Opening Stock	335,887,232	303,828,823
	Add: Purchase during the year	-	226,209,614
	Available for use	335,887,232	530,038,437
	Less: Closing Stock	(116,593,819)	(335,887,232)
	Consumption of Raw Cotton	219,293,413	194,151,205
21.01.02	Consumption of polyester Staple Fiber		
	Opening Stock	19,059,628	21,859,870
	Add: Local purchase during the year	-	96,367,720
	Available for use	19,059,628	118,227,590
	Less: Closing Stock	(19,059,628)	(19,059,628)
	Consumption of polyester Staple Fiber	-	99,167,962
21.01.03	Consumption of Spare parts		
	Opening Stock	6,526,982	7,739,093
	Add: Purchase during the year	-	1,180,269
	Available for use	6,526,982	8,919,362
	Less: Closing Stock	(6,526,982)	(6,526,982)
	Consumption of Spare parts	-	2,392,380

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
21.01.04	Consumption of Packing Materials		
	Opening Stock	5,632,143	5,823,286
	Add: Purchase during the year	-	6,515,588
	Available for use	5,632,143	12,338,874
	Less :Closing Stock	(5,632,143)	(5,632,143)
	Consumption of Packing Materials	-	6,706,731
	The company did not declare purchase of Packing Materials in Mushak 9.1 during the year which we shall declare from the upcoming period and onwards		
21.01.05	Factory Overhead		
	Carriage Inward	110,529	125,325
	Insurance Premium (Fire)	886,660	1,181,085
	Repairs and Maintenance	170,382	231,256
	Fuel & Lubricants	60,489	98,524
	Electric bill	106,705	24,470,813
	Depreciation	35,211,640	37,018,981
	Factory Overhead	36,546,405	63,125,984
22.00	Others Income		
	Interest Income	823,109	540,609
	Total	823,109	540,609
23.00	Administrative and Marketing Expenses		
	Board of Director's remuneration and Board Meeting fees	1,462,500	1,485,000
	Salary and Allowance	7,585,395	8,527,890
	AGM	105,000	107,000
	Post and Courier	50,392	70,000
	Registration and Renewal	-	45,000
	Repair and Maintenance	25,032	35,800
	Advertisement	-	18,470
	Printing and Stationary	80,000	85,000
	Audit fee	460,000	460,000
	Travelling and Conveyance	65,784	115,000
	Paper and periodicals	9,834	10,000
	Donation and subscription	-	100,000
	Electricity expenses(Res. Qtrs.)	-	1,328
	Miscellaneous expenses	45,000	60,000
	Telephone & Mobile Bill	520	37,205
	Office maintenance	25,000	50,000
	Sales promotion	250,000	300,000
	Gas Bill (Res.Qtrs)	87,456	169,661
	Service Charge	40,000	40,000
	Security Service	32,744	32,744
	Internet Bill	9,600	11,200
	Entertainment	15,000	40,000
	Bad Debt Expense	10,000,000	-
	Business Development	-	60,000
	Professional & Legal Expenses	200,000	25,000
	Head Office Electric Bill	47,656	45,260
	Depreciation of right of use asset	-	574,140
	Depreciation & amortization (Annexure-A & B)	357,924	408,059
	Total	20,954,837	12,913,757
24.00	Financial Expenses		
	Interest on term loan	27,085,262	117,145,670
	Bank Charges and Commission	3,217,350	2,160,903
	Interest on WPPF	825,462	757,304
	Interest on Lease Liability	112,764	112,950

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
	Total	31,128,074	120,176,826
25.00	Income Tax expenses		
	Current Tax provision	240,523	2,473,021
	Add: Last year's tax adjustment	-	-
	Add: Previous year's tax adjustment(Upto 2019-20)	-	-
	Deferred tax expenses/(income)	(4,697,055)	(4,965,270)
		(4,456,531)	(2,492,249)
25.01	Current Tax expenses (Higher of A, B & C)		
	A. Income Tax on Regular rate		
	Profit Before Tax	(393,354,314)	(167,863,008)
	Add: Accounting depreciation	35,559,243	37,414,138
	Less: Tax depreciation	(56,465,971)	(67,893,158)
		(414,261,043)	(198,342,029)
	Tax rate	15%	15%
	Current tax	(62,139,156)	-
	Net taxable Income		
	Tax on Business income		
	Tax on non-operative income		
	Tax on non-operative income		
	Tax on Interest Income From FDR On A/c @ 22.5%		
	Tax on Other Income @22.5%		
	B. Income Tax Paid at source	-	-
	C. Minimum Tax on Gross Receipts		
	Gross receipt on Business income	39264123	411,629,564
	Other income	823,109	540,609
		40,087,232	412,170,173
	Minimum Tax @ .60% on Institutional sales & Other	0.60%	0.60%
		240,523	2,473,021
	C. Minimum tax	240,523	2,473,021

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
26.00	Net Assets Value (NAV) per Share		
	Total Assets	1,652,303,479	1,987,374,538
	Less. Total outstanding Liabilities	1,562,533,954	1,509,344,063
	Net assets value	89,769,524	478,030,475
	Divided by number of ordinary share	29,981,716	29,981,716
	NAV	2.99	15.94
27.00	Earnings Per Share (EPS)		
	EPS	(388,897,783)	(165,370,759)
	Weight average no. of ordinary	29,981,716	29,981,716
	EPS	(12.97)	(5.52)
	Earning per share has increased significantly due to increased sales revenue, control of cost of production and other administrative expenses compared to last years corresponding period.		
28.00	Net Operating Cash Flows per Share (Restated)		
	NOCF per Share	(26,954,889)	17,163,224
	No. of share outstanding at the end	29,981,716	29,981,716
	NOCF per Share	(0.90)	0.57
	Net operating cash flow has increased due to increased sales revenue, less outflow for cost of production and administrative expenses compared to last years corresponding period.		
29.00	Reconciliation of Cash Flows from Operating Activities (Indirect Method)		
	Profit before Tax	(393,354,314)	(167,863,009)
	Depreciation	35,569,565	37,427,041
	Finnane Cost	31,128,074	120,176,826
	Less: Expected Credit Loss	-	10,000,000
	Damaged Inventory	-	40,000,000
	Interest on lease liability	-	112,824
	Depreciation of right of use asset	-	574,140
	Payment of lease liability	-	(859,722)
	Decrease/ (Increase) in inventories	208,416,774	(24,069,520)
	Decrease/ (Increase) in Trade Debtors	51,851,394	(5,815,551)
	Decrease/ (Increase) in Advances, Deposits and Prepayments	38,878,553	1,000,000
	Increase/ (Decrease) in Liabilities for expenses and others	555,065	5,620,472
	Net Cash Flows from Operating Activities	(26,954,889)	16,303,502

30.00 Related Party Disclosure

The company, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates, other than sister concern current account balance which is interest free, on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at June 30, 2024 were as follows:

Name of party	Nature of relationship	Nature of Transaction	Opening Balance	Transaction during the year		Closing Balance
				Dr.	Cr.	
S.A.B.M Humayun	MD	Loan	11,500,000	-	-	11,500,000
S.A.K.M Salim	Chairman	Loan	1,005,000	-	-	1,005,000
S.F.A.M Shajahan	Sponsor	Advance for Land	99,000,000	-	-	99,000,000
Total			111,505,000	-	-	111,505,000

31.00 Disclosure for Purchase in Foreign Currency by the Company During the Year

No foreign transactions took place during the period as a form of L/C and other

32.00 Key Management Benefits Disclosure para 4 schedule XI Part II of the companies Act 1994:

Name of the Related Party	Types of transaction	Relationship	Transaction
Mr. S.A.B.M. Humayun	Remuneration	Managing Director	1,200,000
Mr. S.A.K.M Salim	Board Meeting Fees	Director	30,000
Mr. S.A.B.M. Humayun	Board Meeting Fees	Director	30,000
Mr. Syed Saqeb Ahmed	Board Meeting Fees	Director	67,500
Professor Mr.Sumon Das	Board Meeting Fees	Independent Director	67,500
Mr.MD.Wali Ullah	Board Meeting Fees	Independent Director	67,500

Total number of board meeting held during the year was 4, and the directors have been paid the TK.7500

33.00 Contingent Liability & Contingent Asset

There are no such transaction which may create contingent liability during the period.

35.00 Disclosure of Directors Remuneration under para 4 schedule XI Part II of the companies Act 1994:

Mr. S.A.B.M Humayun is acting as managing director in the company and is taking remuneration. However, car facility was taken by him from the company for rendering his service. Details of remuneration paid to managing director during the year July 01, 2023 to June 30, 2024 is as follows:

Name	Designation	Monthly Remuneration	Bonus during the year	June 30, 2024	June 30, 2023
Mr. S.A.B.M Humayun	Managing Director	100,000		1,200,000	1,200,000

35.00 Auditors' Remuneration

Name of the Auditor	Purpose	Fee	Year
Kazi Zahir Khan & Co. Chartered Accountants	Statutory Audit	BDT 460,000	2023-2024
Rahman Mostafa Alam & Co. Chartered Accountants	Compliance Audit	BDT 57,500	2023-2024

36.00 Employees Minimum Pay Disclosure

Particulars	2024		2023	
	Head Office	Factory	Head Office	Factory
No. of Employees earn > 5,000 per month	9	465	9	440
No. of Employees earn < 5,000 per month				
	9	465	9	440

37.00 Production Capacity

Particulars	2024		2023	
	in LBS	in %	in LBS	in %
Installed capacity	9,315,000	100%	9,315,000	100%
Actual Production	4,287,800	46%	3,893,500	42%
Shortfall	5,027,200	54%	5,421,500	58%

38.00 Financial risk management
Introduction

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures. Financial risk management is carried out by accounts and finance department under policies approved by the Board of Directors. Company finance identifies, evaluates, and hedges financial risks in close cooperation with the Company's operating units. The 'Finance Policy' provides principles for specific areas, such as credit risk, interest rate risk, use of derivative financial instruments, and investment of excess liquidity. This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of June 30, 2024:

Credit risks:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Accounts Receivable is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are companied as follows (risk companies): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.

Here the payment method was in cash channel.

Market risks

Market risk is the risk that changes in market prices, such as interest rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Finance manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Finance focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Finance manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

39.00 Event after the Balance Sheet Date:

The Board of Directors in its meeting held on 0% has approved the Financial Statements for the year ended June 30, 2024 and recommended 0% cash dividend for the all shareholders excluding sponsor shareholders which is subject to approval by the shareholders at the forthcoming Annual General Meeting (AGM) and authorize the financial statements for issue.

Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statements or notes thereto.

Safko Spinning Mills Limited
Statement of Property, Plant and Equipment
As at June 30, 2024

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as at June 30, 2024
	Balance as at July 01, 2023	Addition During the year	Disposal	Balance as at June 30, 2024		Balance as at July 01, 2023	Charged During the year	Adjustment During the year	Balance as at June 30, 2024	
	Land and Land Development	4,025,860	-	-		4,025,860	-	-	-	
Factory Building and others Constructions	345,942,693	-	-	345,942,693	3%	7,689,981	-	97,299,977	248,642,716	
Plant, Machinery & Factory Equipment	881,664,355	-	-	881,664,355	5%	21,554,989	-	472,119,557	409,544,797	
Generator	93,595,775	-	-	93,595,775	15%	1,641,653	-	84,293,076	9,302,699	
Gas Line Installation	2,237,758	-	-	2,237,758	15%	79,471	-	1,787,422	450,336	
Furniture and Fixtures	5,500,327	-	-	5,500,327	10%	213,946	-	3,574,814	1,925,513	
Transport and Vehicles	2,625,307	-	-	2,625,307	20%	10,689	-	2,582,553	42,754	
Office Equipment	2,969,772	-	-	2,969,772	15%	113,949	-	2,324,059	645,713	
Sundry Assets	630,565	-	-	630,565	10%	9,019	-	549,398	81,167	
Sub-total	1,339,192,412	-	-	1,339,192,412		31,313,697	-	664,530,856	674,661,556	

Annexure - A

Revaluation of Property, Plant & Equipments

Particulars	Revaluation				Rate	Depreciation				Written Down Value as at June 30, 2024
	Balance as at July 01, 2023	Addition During the year	Disposal	Balance as at June 30, 2024		Balance as at July 01, 2023	Charged During the year	Adjustment During the year	Balance as at June 30, 2024	
	Land and Land Development	505,974,140	-	-		505,974,140	-	-	-	
Factory Building	225,205,896	-	-	225,205,896	3%	4,245,546	-	87,933,242	137,272,654	
Sub-total	731,180,036	-	-	731,180,036		4,245,546	-	87,933,242	643,246,794	
Balance as at June 30, 2024	2,070,372,448	-	-	2,070,372,448		35,559,243	-	752,464,098	1,317,908,350	
Balance as at June 30, 2023	2,070,372,448	-	-	2,070,372,448		37,414,138	-	716,904,855	1,353,467,594	

Depreciation Charged:	Amount
Cost of Production	35,211,640
Administrative	347,602
Total	35,559,243

Safko Spinning Mills Limited
Statement of Intangible Assets
 As at June 30, 2024

Particulars	Cost				Rate of Dep.	Amortization			Written Down Value as at June 30, 2024
	Balance as at July 01, 2023	Addition During the year	Disposal	Balance as at June 30, 2024		Charged During the year	Adjustment During the year	Balance as at June 30, 2024	
Software	140,000	-	-	140,000	20%	10,322	-	98,712	41,288
Balance as at June 30, 2024	140,000	-	-	140,000		10,322	-	98,712	41,288
Balance as at June 30, 2023	140,000	-	-	140,000		12,902	-	88,390	51,610

Annexure - B

Depreciation Charged:	Amount
Administrative	10,322
Total	10,322

Independent Auditor's Report

To

The Shareholders of
SAFKO SPINNING MILLS LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of **SAFKO SPINNING MILLS LIMITED** which comprise the Statement of Financial Position as at June 30, 2024 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Shareholder's Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for *Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

- a) As stated in Note No.5 *Investment in Property* **Tk. 107,910,000**, The company has given advance of Tk. 9.9 crore to purchase 250 decimal Land. The seller is a sponsor of the company named, Mr. S, F, A M Shahajan, Father's name: Late Sayed Shahid Uddin Ahmed, has given the possession of the said land and agreed to register the land after receiving full payment vide unregistered Bayna agreement dated. 3rd December, 2019. The payment was made in cash and hence we couldn't verify the transactions.
- b) In note No 6.00 *Inventories* The company reported **Tk. 158,446,358**. No physical count of inventories has been done on the balance sheet date. Due to lack of adequate documentations, we couldn't perform adequate alternate procedures to confirm quantities and value of inventories as on 30th June 2024
- c) In note No 7.00 *Accounts Receivable* there is long pending receivables which are carried forward since long and there is expected credit loss as per IFRS 7, though company make provision without any basis amount of **Tk. 10,000,000**; Company didn't share any details about those amounts.
- d) As stated in Note No 15 The company adjusted unabsorbed depreciation cumulatively as stated in Note No. 2.22 as a *deferred tax* asset and they are intending it to adjust in the future when the company would generate profit but it's is not certain at present. Also, **SAFKO SPINNING MILLS LIMITED's** business is not progressive, as they incurred loss in the current year;
- e) As stated in Note 18. *Unclaimed Dividend* As per BSEC notification no. BSEC/CMRRCD/2021-391/20/Admin/121, Dated: 01June 2021, any cash or stock dividend or right share are laying unclaimed or undistributed or un-allotted for a period of 3 (three) years or more, shall be transferred to the Capital market Stabilization Fund (CMSF). But the entity didn't transfer unclaimed Dividend amounting **Tk. 611,585** to Capital Market Stabilization Fund (CMSF) which is carry forwarded more

than 3 years. In addition to that company did not maintain any separate Bank account as per BSEC guidance;

- f) In Note No 20.00-The company recognized **Sales Revenue Tk. 39,264,123** but the company didn't produce any documentations showing the details about sales. No VAT returns has been produces to us to verify the Sales amount reported.
- g) As stated in Note No 21. **Cost of Goods Sold**. The Entity has reported Cost of Goods Sold (COGS) **Tk. 316,826,210**. The company utilized last year's inventory (Approximately 67%) which appears inconsistent with the Entity's operational and functional reality. Furthermore, management claims that finished goods were sold as scrap, but we were unable to obtain sufficient appropriate audit evidence to substantiate this claim.

Due to the lack of sales and the Entity's near cessation of operations, we were unable to confirm that the reported COGS aligns with economic activity or accurately reflects the cost of inventory sold or scrapped during the year. Consequently, we are unable to determine whether any adjustments might be necessary in relation to COGS, inventory valuation, and overall financial performance. In addition to concerns about inventory usage, we note that the entity has recognized significant direct labor and overhead costs in relation to COGS;

Given the lack of sales, near-cessation of operations, and financial distress, we were unable to obtain sufficient audit evidence to verify that these expenses were directly attributable to productive activities during the period. Accordingly, there is uncertainty regarding the accuracy and completeness of expenses included in COGS, which could materially impact the entity's reported financial performance;

- h) In the Statement of Profit or Loss and Other Comprehensive Income, the company charged Tk. (64,532,424) as Expected Credit Loss. Which consists of Tk. 50,308,117 uncollectable Accounts receivables (See Note No: 7) and Tk. 14,224,307 Advance not recoverable (See Note No: 8);

Company didn't share any details about the uncollectable Accounts receivables and Advances not recoverable booked under Expected Credit Loss charged in the P&L. No Board approval or supporting documentations provided which proves that company has made adequate initiatives to collect those amounts.

We conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters:

We draw attention to the following matters though our report is not qualified in those regards. As disclosed in note-17, the company has shown an amount of **Tk. 9,997,259** as liabilities for **WPPF** that has not been paid by the company to the fund. As per section 234 (b) of labor Act 2006 the company should pay the amount to the WPPF within nine months for the end of the respective year

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include 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. 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 conclude that other information related to the items described in the Basis for Opinion section above are similarly affected for the same reason with respect to the amounts in the other information by their lapses to state Trade Receivables, Trade Payables Inventory and Fixed Assets in their applicable amounts.

Key Audit Matters

Key audit matters are those matters at in our professional judgment, were of most significance 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 informing our opinion theory and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue recognition	
<p>During the year ended 30 June 2024, total reported revenue is of Tk. 39,264,123.</p> <p>Sales made during the year are material and consider to be complex judgmental. There is a risk of revenue being misstated as a result of creation and modification, and timing faulty estimation.</p> <p>There is a risk that revenue may be overstated due to fraud through manipulation to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Segregation of Duties in invoice creation and modification; and timing of revenue recognition.</p> <p>Obtaining supporting documentation for sales transactions recorded either side on year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period.</p> <p>Collecting all VAT return to assess & calculation total local sales.</p> <p>Finally see the appropriateness a presentation of disclosure against relevant accounting standards.</p>
See Note No. 21.00 to the Financial Statements.	
Valuation of Property, Plant and Equipment	
<p>The carrying value of the PPE is Taka 1,317,908,351 as at 30 June, 2024. The value of PPE was identified as a key audit matter due to the significance of this balance to the financial statements</p>	<p>Our Audit included the following procedures:</p> <p>We assessed whether the accounting policies in relation to the capitalization of expenditures are compliance with IFRS and found them to be consistent</p>

<p>The expenditures are classified as an Asset, if it probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful of PPE items are based on management's estimates regarding the period over which is expected to be available for use. The estimates of Useful life of the assets are a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>We obtained a listing of capital expenditure incurred during the year and on a sample, basis checked whether the items were procured during the year.</p> <p>We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, physical condition of the assets and its uses.</p> <p>We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.</p>
<p>See notes no 3 to the financial statements</p>	

Material Uncertainty Related to Going Concern

We draw attention to Retained Earnings in the financial statements, which indicate that the company incurred an accumulated net loss of **Tk. (388,897,783)** retain loss **Tk. (756,807,412)**, unpaid Bank loans **Tk. 1,392,638,108** and **Tk. 12,505,000** of Loan from Directors as at 30 June 2024, this events or conditions, indicate that a material indication exists that may cast doubt on the company's ability to continue as going concern.

Other Matter

- a) In our audit period we observed that the company did not deposit the TDS and VDS at many applicable sectors which is non-compliance of Income Tax Ordinance 1984 and Value Added Tax and Supplementary Duty Act-2012 and Value Added Tax and Supplementary Duty Rules-2016;
- b) As per Section-30(m), Income Tax Ordinance 1984 any payment by a person exceeding taka fifty thousand or more, otherwise than by bank transfer excluding-
 - (i) salary or remuneration made to any employee, without prejudice to an obligation referred to in clause;
 - (ii) any payment for government obligation;
 - (iii) any payment on account of purchase of raw materials;

The company is not doing the same as described in said compliance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 judgments and maintain professional Skepticism throughout the audit. We also:

- ☒ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☒ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ☒ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☒ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ☒ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

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

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

Place: Dhaka

Dated: 28 October 2024

Md. Matiur Rahman FCA, FCMA

ICAB Enrollment No. 0765

Partner

M. Z. Islam & Co.

Chartered Accountants

DVC: 2410300765AS176403



সফকো স্পিনিং মিলস্ লিমিটেড

হাউজ # ১০, রোড # ০১, ব্লক # বি, নিকেতন, গুলশান, ঢাকা-১২১২
রেজিষ্টার্ড অফিস: নয়াপাড়া, পোস্ট: সায়াহাম নগর, উপজেলা: মাধবপুর, জেলা: হবিগঞ্জ-৩৩৩৩

প্রস্বিপত্র

আমি/আমরা -----

ঠিকানা -----

সফকো স্পিনিং মিলস্ লিমিটেড-এর একজন শেয়ারহোল্ডার হিসেবে জনাব/বেগম -----

----- কে

আমরা/আমাদেও প্রতিনিধি হিসেবে আগামী ১৮ ডিসেম্বর, ২০২৪, বুধবার সকাল ১১:৩০ ঘটিকায় হাইব্রিট সিস্টেমের মাধ্যমে অনুষ্ঠিতব্য কোম্পানীর ৩০তম বার্ষিক সাধারণ সভায় আমরা/আমাদেও পক্ষে উপস্থিতি থাকার এবং ভোট প্রদান করার জন্য নিযুক্ত করলাম।

অদ্য ----- ২০২৪ইং তারিখ আমি/আমরা এই দলিলে স্বাক্ষর করলাম।

শেয়ারহোল্ডারের স্বাক্ষর -----

বিও একাউন্ট নং -----

ফলিও নং -----

শেয়ার সংখ্যা -----

বিশেষ দৃষ্টব্য : যথাযথ স্ট্যাম্প সম্বলিত প্রস্বিপত্র সভার নূন্যতম ৪৮ (আটচল্লিশ) ঘন্টা পূর্বে কোম্পানীর কর্পোরেট অফিস হাউজ # ১০, রোড # ০১, ব্লক # বি, নিকেতন, গুলশান, ঢাকা-১২১২ তে অবশ্যই জমা দিতে হবে অন্যথায় প্রস্বি বৈধ বলে গন্য হবে না।

রেভিনিউ
স্ট্যাম্প
টাকা ২০.০০

প্রতিনিধির স্বাক্ষর



সফকো স্পিনিং মিলস্ লিমিটেড

হাউজ # ১০, রোড # ০১, ব্লক # বি, নিকেতন, গুলশান, ঢাকা-১২১২
রেজিষ্টার্ড অফিস: নয়াপাড়া, পোস্ট: সায়াহাম নগর, উপজেলা: মাধবপুর, জেলা: হবিগঞ্জ-৩৩৩৩

উপস্থিতিপত্র

আমি এতদ্বারা ১৮ ডিসেম্বর, ২০২৪ইং, বুধবার অনুষ্ঠিতব্য সফকো স্পিনিং মিলস্ লিঃ-এর ৩০তম বার্ষিক সাধারণ সভায় আমার উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম -----

বিও একাউন্ট নং ----- ফলিও নং -----

সফকো স্পিনিং মিলস্ লিঃ এর ----- টি সাধারণ শেয়ারের অধিকার।

শেয়ারহোল্ডারের স্বাক্ষর





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