

**Independent Auditor's Report
To the Shareholders of
YEAKIN POLYMER LIMITED
Report on the Audit of the Financial Statements**

Opinion

We have audited the Financial Statements of **Yeakin Polymer Limited** which comprise the Statement of Financial Position as at June 30, 2022 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements give a true and fair view, in all material respects, of the Financial Position of the company as at June 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Emphasis of Matter

We refer to note number 13 of the Financial Statements. There is impairment loss/write off of current assets. As per management judgement Tk. 301,142,622 is not collectible/adjustable. This amount is accounted for through the statement of changes in Equity.

We like to note that there is sufficient doubt about collectability/Adjustability of remaining current assets of Tk. 309,702,830. This paragraph is for better understanding of the Financial Statements by the users.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon and we do not provide separate opinion on these matters.



Risk

Our response to the risk

Revenue Recognition

At year end the reported total Turnover of Tk. 144,520,594

The company generates revenue from the sale of goods to local customers and Sales Revenue.

There is also a risk that revenue may be overstated / understated due to the timing differences.

We identified revenue recognition as key audit matter as it is one of the key performance Indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting standards.
- Segregation of duties in invoice creation and modification and timing of revenue recognition.
- Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards, obtained supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period.
- Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.
- Critically assessing manual journals posted to revenue to identify unusual or irregular items and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Please see to the Statement of profit or loss & other Comprehensive Income

Valuation of Inventory

As at June 30, 2022, the reported amount of inventory is Tk. 151,309,733

On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company apply judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.

Considering the risk for not attending physical verification of Inventory management process, Inventory management is a key audit matter to the Financial Statements.

We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standards (IASs) by:

- Evaluating the design and implementation of key inventory controls operating across the factory warehouse.
- Inventory counts and reconciling the results have been done by the management of the company.
- We have collected inventory count data sheet and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances.
- Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.
- Obtained a detailed review with the subsequent sales to compare with the net realizable value.

Please see note no. 07 to the Financial Statements

Valuation of Property, Plant and Equipment (PPE)

The carrying value of the PPE is Tk. 513,858,977 as at June 30, 2022. The valuation of Freehold PPE was identified as a key audit matter due to the significance of this balance to the Financial Statements.

The expenditures are classified as an asset, if it is 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.

The useful lives of Freehold PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets

Our audit included the following procedures:

- We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.
- We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year.
- We verified the invoices and L/C documentation sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified.
- We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses.
- 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.

Please see note no. 05 to the Financial Statements

Long Term Loan & Short Term Loan

As at June 30, 2022, the reported amount of total Long-Term Loan is Tk. 11,147,504/- and Short-Term Loan is Tk. 229,133,109 respectively. The company borrowed fund from various Bank for the purpose of acquisition of non-current assets and working capital as well.

The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term cash flow crisis.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan
- We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately.
- We checked the financial expenses and classification of loan and repayment schedule on a test basis as well.
- We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.

Please see note no. 15 & 16 to the Financial Statements

Recoverability Assessment of Debtors

The total amount of debtors is Tk. 112,246,652 at June 30, 2022. There are significant large numbers of individual small customers. Customers in different business segments and jurisdictions are subject to their independent business risk.

The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased and the risks of default on receivables from the customers. In particular, in the event of insolvency of

Our audit procedures to assess the recoverability of trade receivables including the following:

- Tested the accuracy of aging of debtors at year end on a sample basis;
- Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;
- Assessing the classification of trade receivables in the debtors ageing report by comparison with

of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.

- documentation on a taste basis,
- Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and
 - Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at June 30, 2022.

Please see note no. 08 to the Financial Statements

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

IFRS 16 is not relevant for the Company as the company has been using their own factory premises and one rented premises has been used but not required to pay rent according to the rental deed.

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, The Securities and Exchange Rules 1987 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. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis 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 event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

We communicated 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 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 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;



- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Date: December 07, 2022
Place: Dhaka


Md. Selim Reza, FCA FCS
Enroll: 0939

ARTISAN
Chartered Accountants

DVC # ~~2212070939AS771168~~



YEAKIN POLYMER LIMITED
Statement of Financial Position

As at 30 June 2022

Particulars	Notes	Amount in Taka	
		30-06-2022	30-06-2021
Assets			
Non-current Assets		564,115,857	630,041,091
Property, Plant & Equipment	5.00	513,858,977	561,298,564
Capital Work in Progress	6.00	50,256,880	68,742,527
Current Assets		310,753,364	569,328,986
Inventories	7.00	151,309,733	269,787,199
Trade Receivable	8.00	112,246,652	235,623,619
Advances, Deposits & Prepayments	9.00	46,146,445	62,395,785
Cash & Cash Equivalent	10.00	1,050,534	1,522,383
Total Assets		874,869,221	1,199,370,077
Shareholders' Equity & Liabilities			
Shareholders' Equity		453,895,937	819,835,691
Share Capital	11.00	736,988,170	736,988,170
Reserve & Surplus (Retained Earnings)	12.00	18,050,389	82,847,521
Impairment Loss	13.00	(301,142,622)	-
Non-Current Liabilities		59,803,624	60,386,997
Deferred Tax Liabilities	14.00	59,803,624	60,386,997
Long Term Bank Loan	-	-	-
Current Liabilities		361,169,661	319,147,391
Current Portion of Long Term Loan	15.00	11,147,504	11,147,504
Short Term Bank Loan	16.00	229,133,109	229,133,109
Trade Creditors	17.00	562,542	748,907
Liabilities for Expenses	18.00	120,326,506	78,117,871
Total shareholders Equity & Liabilities		874,869,221	1,199,370,077
Net Asset Value (NAV) Per Share	29.00	6.16	11.12
Number of Shares used to compute (NAV)		73,698,817	73,698,817

The annexed notes and Annexure-A are form an integral part of these financial statements.


Chairman


Managing Director


Director

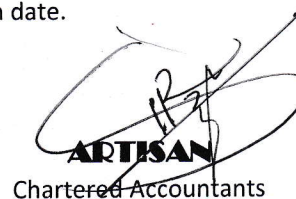

Chief Financial Officer


Company Secretary

Signed in terms of our annexed report of even date.

Place: Dhaka

Dated: 07 December, 2022


ARTISAN
Chartered Accountants



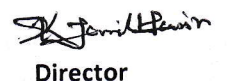
YEAKIN POLYMER LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
Sales Revenue	19.00	144,520,594	133,474,382
Less: Cost of Goods Sold	20.00	155,125,469	132,510,092
Gross Profit/ (Loss)		(10,604,875)	964,290
Operating Expenses		8,588,534	11,209,890
Administrative Expenses	21.00	8,060,813	10,206,857
Selling & Distribution Expenses	22.00	527,721	1,003,033
Profit from Operations		(19,193,409)	(10,245,600)
Non-Operating Expenses/Income		(33,144,876)	(34,028,461)
Financial Expenses	23.00	(33,144,876)	(34,028,461)
Profit before Contribution to WPPF & Income Tax		(52,338,285)	(44,274,061)
Less: Contribution to WPPF	24.00	-	-
Net Profit/ (Loss) after Contribution to WPPF before Income Tax		(52,338,285)	(44,274,061)
Less: Income Tax Expenses :		283,751	3,943,109
Current Tax	25.00	867,124	(800,846)
Deferred Tax (Income)/Expenses	26.00	(583,373)	4,743,955
Net Profit/ (Loss) after Provision for Income Tax transferred to Retained Earnings		(52,622,036)	(40,330,952)
Earnings Per Share (EPS)	27.00	(0.71)	(0.55)
Number of Shares used to compute (EPS)		73,698,817	73,698,817

The annexed notes and Annexure-A are form an integral part of these financial statements.


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

Signed in terms of our annexed report of even date.

Place: Dhaka

Dated: 07 December, 2022


ARTISAN
Chartered Accountants



YEAKIN POLYMER LIMITED

Statement of Changes in Equity

For the year ended 30 June 2022

Particulars	Amount in Taka						Total Shareholders Equity
	Share Capital	General Reserve	Tax Holiday Reserve	Retained Earnings	Impairment loss		
Balance as at 1 July 2021	736,988,170	8,357,000	24,159,453	50,331,068			819,835,691
Impairment loss (Note #12.02)	-	-	-	-	(301,142,622)		(301,142,622)
Provisional income tax adjusted	-	-	-	37,982,628	-		37,982,628
Net Profit/ (Loss) after tax for the year 2021-2022				(52,622,036)	-		(52,622,036)
Adjustment previous year bank interest				(50,157,723)	-		(50,157,723)
Balance as at 30 June 2022	736,988,170	8,357,000	24,159,453	(14,466,063)	(301,142,622)		453,895,938

YEAKIN POLYMER LIMITED

Statement of Changes in Equity

For the year ended 30 June 2021

Particulars	Amount in Taka						Total Shareholders Equity
	Share Capital	General Reserve	Tax Holiday Reserve	Retained Earnings	Impairment loss		
Balance as at 1 July 2020	736,988,170	8,357,000	24,159,453	95,782,528			865,287,151
1% cash Dividend Paid	-	-	-	(5,120,508)			(5,120,508)
Net Profit/ (Loss) after tax for the year 2020-2021				(40,330,952)			(40,330,952)
Balance as at 30 June 2021	736,988,170	8,357,000	24,159,453	50,331,068			819,835,691


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

Signed in terms of our annexed report of even date.



Place: Dhaka

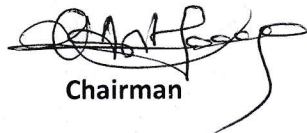
Dated: 07 December, 2022

ARTISAN

Chartered Accountants

YEAKIN POLYMER LIMITED
Statement of Cash Flows
For the year ended 30 June 2022

Particulars	Amount in Taka	
	From July 2021 to June 2022	From July 2020 to June 2021
A. Cash flow from operating activities:		
Cash received during the year	117,974,959	130,134,575
Cash received from customers & other	117,974,959	130,134,575
Cash payment during the year	118,446,809	70,958,178
Cash payment to suppliers, employee and other	118,446,809	69,954,776
Cash payment for income tax	-	1,003,402
Net cash provided/ (used) by operating activities	(471,850)	59,176,397
B. Cash flow from investing activities:		
Paid for acquisition of fixed assets	-	-
Capital Work in Progress	-	-
Net cash provided/ (used) by investing activities	-	-
C. Cash flow from financing activities:		
Dividend payment	-	(4,979,079)
Cash payment for financial expenses	-	(34,028,461)
Short term bank loan receipt/(paid)	-	(20,000,000)
Long term bank loan receipt/(Paid)	-	-
Net cash provided/ (used) by financing activities	-	(59,007,540)
D. Net Increase/(Decrease) in cash (A+B+C)	(471,850)	168,857
E. Opening cash & cash equivalents	1,522,384	1,353,527
Closing cash & cash equivalents (D+E)	1,050,534	1,522,384
Net Operating Cash flow (NOCF) Per share (Notes-29)	(0.01)	0.80
Number of Shares used to compute (NOCF)	73,698,817	73,698,817


Chairman


Managing Director



Director


Chief Financial Officer


Company Secretary

Signed in terms of our annexed report of even date.

Place: Dhaka
Dated: 07 December, 2022


ARTISAN
Chartered Accountants



YEAKIN POLYMER LIMITED

Notes, comprising a summary of significant accounting policies

For the year from 1 July 2021 to 30 June 2022

01. Reporting Entity:

01.1 Background of the Entity:

Yeakin Polymer Limited (former Yeakin Business Limited) was incorporated in Bangladesh on 8th February, 2001 as a Public Limited Company and The registered office of the company is located at Labsha, Satkhira, Bangladesh. The company was converted into a Private Limited Company on 10th November, 2003, and again it was re-converted into a Public Limited Company on 15th may, 2012. The name of the Company was changed on 15th December, 2010 from Yeakin Business Limited to Yeakin Polymer Limited. The Company got consent for raising of capital through Initial Public Offering (IPO) from Bangladesh Securities and Exchange Commission on June 09, 2016 latter no. BSEC/CI/180-222/2013/319. The Company Listed in Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd. as on September 01, 2016 vide latter No. DSE/Listing/ULC/2016/6101 dated September 01, 2016 & CSE/Listing/YPL/-2016 dated September 01, 2016 Respectively.

01.2 Nature of Business:

The principal activities of the company are to carry on the business of manufacturing and marketing (local & export) of PP woven regular bags [laminated & un-laminated], BOPP film attach bag, Square bag, Leno Mesh bag Jumbo / FIBC bag and HDPE / LDPE liner in different size, color, denier, mash, Tarpaulin sheet, Garments Accessories & House hold Products.

02. Basis of Preparation and presentation of Financial Statements:

2.01 Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws as applicable.

2.02 Components of the Financial Statements

According to IAS-1 "Presentation of Financial Statements", the complete set of financial statements includes the following components-

- i. Statement of Financial Position as at 30 June 2022.
- ii. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022.
- iii. Statement of Changes in Equity for the year ended 30 June 2022;
- iv. Statement of Cash Flows for the year ended 30 June 2022; and
- v. Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended 30 June 2022.

2.03 Basis of Measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes.



2.04 Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Taka/Tk./BDT, which is the company's functional currency. The Company earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT. Further, the entire funds from financing activities are generated in BDT.

2.05 Comparative Information

Comparative information has been disclosed in respect of the year 2021-2022 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

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

2.06 Reporting Period

The Financial period of the company covers one year from 1 July 2021 to 30 June 2022.

2.07 Use of Estimates and Judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

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

2.08 Materiality, Aggregation and Off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of any asset or liability as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

2.09 Going Concern Review

As per IAS-1, a company is required to make assessment at the end of each year to make assessment of its capability to continue as going concern. Management of the company makes such assessment each year. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.10 Date of Authorization

The financial statements were authorized for issue by the Board of Directors in its meeting held on 07 December, 2022 for publication.



3.00 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in this financial statement.

- 3.01** Revenue
- 3.02** Property, Plant and Equipment
- 3.03** Borrowing Costs
- 3.04** Inventories
- 3.05** Cash and Cash Equivalents
- 3.06** Earnings Per Share (EPS)
- 3.07** Foreign Currency Transactions
- 3.08** Employee Benefits Provision
- 3.09** Provision, Accrued Expenses and Other Payables
- 3.10** Financial Instruments
- 3.11** Operating Segments
- 3.12** Statement of Cash Flows
- 3.13** Related Party Disclosures
- 3.14** Income Tax
- 3.15** Contingent Assets and Liabilities
- 3.16** Events After the Reporting Period

3.01 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements have pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in other income in the Statement of Profit or Loss and Other Comprehensive Income.

Dividends

Revenue is recognized when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

Other Income recognized on accrual basis as per International Accounting Standards (IASs).



3.02 Property, Plant and Equipment

Initial Recognition and Measurement

Property, Plant and Equipment are capitalized at cost of acquisition and subsequently stated at cost or revaluation less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

Subsequent costs

The cost of replacing part of an item of property, plant and equipments is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as "Repair & Maintenance" when it is incurred.

Depreciation

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property Plant and Equipment. Depreciation of an asset begins when it is available for use. Depreciation is charged on all fixed assets except land and land developments on straight-line method at the following rates:

Sl. No.	Item of property, plant and equipment	30/06/2022
01.	Land and Land Development	-
02.	Factory Building	5%
03.	Plant & Machinery	6.5%
04.	Office Equipment	20%
05.	Furniture & Fixture	10%
06.	Vehicles	10%

The gain or losses on disposal or retirement of assets are included in profit or loss when the item is disposed off/derecognized. The fair value of the property, plant and equipment on 30 June 2022 was not materially differed than that of the carrying amount of these assets.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each Statement of Financial Position to determine whether there is any indication of impairment loss as per IAS 36: Impairment of Assets. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

Disposal of Property, Plant and Equipment

An item of property, plant and equipment is removed from the statement of financial position when it is disposed of or when no future economic benefit is expected from its use or disposal. The gain or loss on the disposal of an item of property, plant and equipment is included in the Statement of Profit or Loss and Other Comprehensive Income of the year in which de-recognition occurs.



Property, plant and equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.03 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.04 Inventories

Inventories are stated at the lower of cost or net realizable value in compliance with the requirements of Para 21 & 25 of IAS-2. The cost is calculated on weighted average method in a consistent manner. Costs comprise of expenditure incurred in the normal course of business in bringing out such inventories to its location and conditions. Where necessary, provision is made for obsolete, slow moving and defective inventories (if any) identified at the time of physical verification of inventories. Cost of work in progress is determined at the basis of cost of materials only.

Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale effective.

3.05 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand and with banks on current, deposit accounts, short term investments and with brokerage house which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.06 Earnings Per Share (EPS)

The company calculates Earning Per Share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in Note - 27 of the financial statements.

Basic Earnings per Share

Earnings per share (EPS) are calculated in accordance with International Accounting Standard IAS-33: "Earnings per Share" by dividing the profit or loss attributable to ordinary equity holders of the entity by the number of ordinary shares outstanding during the year.

Diluted Earnings per Share

For the purpose of calculating diluted earnings per shares, an entity adjust profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. As the company has no dilutive potential ordinary shares, so diluted earnings per shares was not calculated.



3.07 Foreign Currency Transactions

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

At the end of each reporting period in compliance with the provision of (IAS- 21): The Effects of Changes in Foreign Exchange Rates.

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise. There was no gain/(loss) due to changes in foreign currency rates during the year.

3.08 Employee Benefits Provision

The company provides 5% of its profit before tax after charging contribution to WPPF in accordance with the Bangladesh Labor Act 2006 as amended in 2013.

3.09 Provisions, Accrued Expenses and Other Payables

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Other Payables are not interest bearing and are stated at their nominal value.

3.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets include available for sale assets, held to maturity assets, assets held for trading, loans and receivable and cash and cash equivalent.

Financial liabilities include borrowings, others financing and bank loan and accounts payables.



Recognition

An entity recognizes financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument.

Subsequent Measurement

Asset Category	Description	Measurement after Initial Recognition
<u>Available for sale</u> <u>Fixed Assets:</u> * Investment in marketable securities.	Financial assets that are either effectively designated into the category or do not fall into any other category.	Fair Value Gain or loss / Dividend Income to Statement of Profit or Loss and Other Comprehensive income
<u>Held to maturity of</u> <u>FDR</u>	Financial assets with fixed maturities are classified as held to maturity.	Cost Interest Income to Statement of Profit or Loss and Other Comprehensive Income.
<u>Loans and</u> <u>receivables:</u> 1. Trade 2. Other	Unquoted financial assets with fixed or determinable payments.	Cost Realized gain-loss from foreign currency shown in Statement of Profit or Loss and Other Comprehensive Income.
<u>Financial liabilities</u> <u>at cost/amortized</u> 1. Short term loan. 2. Trade Creditors 3. Others payables	All financial liabilities other than those at fair value through profit and loss.	Cost Interest Interest expense recognized at Statement of Profit or Loss and Other Comprehensive Income.

Risks Associated with Financial Instruments

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing. Again it is in the position to negotiate with banks for facilities such as-Cash Credit Hypo, Loan against Trust Receipt, Bank Overdraft etc. Already the company has been availing some of the facilities mentioned above.



Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables.

The company has basic ways to lower the risk of not getting money-

1. Thoroughly check a new customer's credit record
2. Establish credit limits
3. Develop a standard process for handling and monitoring overdue accounts on an ongoing basis.

The company has strong credit recovery team. They constantly monitor the credit and the recovery rate is almost hundred percent with few exceptions.

As at 30 June 2019 all of the trade receivables are due for less than 180 days and subject to insignificant credit risk. Risk exposures from other financial assets i.e. cash at bank and other external receivables are nominal.

Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. The company is exposed to these as it has no hedging facility against these sorts of risks.

(a) Currency risk

The company is exposed to currency risk on certain purchases since the company imports materials and machineries from abroad, unfavorable volatility of currency fluctuation may affect the profitability of the company.

(b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings.

3.11 Operating Segments

3.12 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS-7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS-7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.13 Related Party Disclosures

As per International Accounting Standards IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note-33 in financial statements.

3.14 Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.



3.14.1 Current Tax

Current tax expense has been recognized on the basis of the Finance Act 2018 and Income Tax Ordinance 1984.

3.14.2 Deferred Tax

Deferred tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the comprehensive income statement. A temporary difference is the difference between the tax bases of an asset or liability and its carrying amount/reported amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future periods recognized in the current period. The deferred tax asset/income or liability/expense does not create a legal recoverability/liability to and from the income tax authority. Deferred tax also arises due to revaluation of property, plant and equipment. The resulting impact of deferred tax assets/liabilities on revaluation surplus is included in the Statement of Profit or Loss and Other Comprehensive Income.

3.15 Contingent Assets and Liabilities

3.15.1 Contingent Assets

A contingent asset is disclosed when it is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.15.2 Contingent Liabilities

A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The company has no contingent assets or liabilities which require disclosures under IAS-37. Contingent assets and contingent liabilities are not recognized in the financial statements.

A contingent asset is disclosed as per IAS-37, where an inflow of or economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

3.16 Events After the Reporting Period

As per IAS-10: 'Events after the Reporting Period', events after the reporting period that provide additional information about the company's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the Reporting Period have been given in note-39 in the financial statements.

4.00 Risk Exposure

Interest Rate Risk

Interest rate risk is the risk that company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.



4.01 Management Perception

The company maintains low debt/equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

4.02 Exchange Rate Risk

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

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate has negligible impact on profitability of the company.

4.03 Industry Risks

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

Management Perception

Management is optimistic about growth opportunity in infusion sector in Bangladesh. Furthermore there is untapped international market.

4.04 Market Risks

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

Management Perception

Management is fully aware of the market risk and act accordingly. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

4.05 Operational Risks

Non-availabilities of materials/equipments'/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

4.06 Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle its obligations on time or at a reasonable price.



05.00 Property, Plant & Equipment: Tk.513,858,977 /-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Opening balance	889,546,667	889,546,667
Less: Accumulated Depreciation	375,687,690	328,248,103
Balance:	513,858,977	561,298,564

6.00 Capital Work in Progress: Tk.50,256,880 /-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Plant & Machinery	68,742,527	68,742,527
Less: Impairment loss	(18,485,647)	-
Balance:	50,256,880	68,742,527

Note on impairment adjustment:

During IPO activity in initial stage some IPO cost booked under this head, now management analysis the total capital working progress and find the above cost consider under as impairment adjustment. It is noted that existing management transfer the sponsors shares to new shareholders under consent from BSEC vide approval letter ref: BSEC/SRMIC/111-2018/part-11/192 dated May 12, 2022 and further letter dated 07 June 2022, 08 August 2022 & 29 October 2022 to the ongoing execution of the transfer of shares 22,193,745 from sponsor share to Kapita Packaging Solutions Limited under the agreement made on 10 March 2022. The new management also agreed to rearrange the accounts of all unadjusted / non-recoverable / value-less - assets.

Details of balance capital work in progress:

1	Factory Building	16,190,000	
	Construction cost of new office building has not been transferred to "Building & Other construction" due to under construction of the said building as well as some other construction (Chilling plant civil work, Baht room, garbage shade, etc.) cost laying under this account (75% work completed), which occurred due to shortage of fund & consequence of COVID 19.		
2	Plant & Machinery	34,066,880	
	The above includes import cost, installation cost with local equipment, electrical cables, loading expenses, delivery expenses, movement cost, etc. Due to COVID 19 & fund shortage installation of FIBC & Tarpaulin lamination machine, cutting machine, cleaning machine, machine, (UV test/elongation test/strength test/lope test), UPS, winder sets, etc. were not completed.		
	Total	50,256,880	

7.00 Inventories: Tk. 151,309,733/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Raw Materials	168,685,386	169,785,368
Work-In-Progress	28,999,986	24,517,692
Finished Goods	52,401,374	49,563,016
Stores & Spares	26,266,361	25,921,123
	276,353,106	269,787,199



7.01	Less: Impairment Loss equql to net value	Total amount	Imairment loss	Balance Amount
	Raw Materials	168,685,386	84,342,693	84,342,693
	Work-In-Progress	28,999,986	14,499,993	14,499,993
	Finished Goods	52,401,374	26,200,687	26,200,687
	Stores & Spares	26,266,361		26,266,361
	Net balance after Impairment adjustment	276,353,106	125,043,373	151,309,733

Note on impairment Loss on Inventories:

Due to effect of COVID 19 major portion of finished & semi-finished goods couldn't be export to the buyers, on the other, some local buyer also canceled the orders, during important the jute bag use mandatory act under SRO. Some loacal usertake on the dely & of printed bag resulted quality damaged and deteriorated. For much reason management decided to adjust the materials which lost quality under impairment adjustment (which including printing ink, thinner, additive, color master batch, portion of filler/gain moister, lamination material & others).

8.00 Trade Receivable: Tk.112,246,652 /-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Trade Receivable Note- (8.1)	262,169,254	235,623,619
Impairment adjustment	(149,922,602)	-
Balance:	112,246,652	235,623,619

Note on Impairment Loss:

Note - 01

In the year 2016 government issued lot of S. R.O to enhance the Jute bags marketing which brought a huge impact on PP woven bags in local market. As a result, the value of the goods sold not collected timely, affected pandemic it went more slowly down, resulting a huge amount of cash blocked by the parties. Since then company suffered from the shortage of working capital and couldn't continue regular supply of bag as per requirement of buyer, which enhanced the recovery constant shortfall.

Note - 02

Again all are aware that the year 2014 were under political unrest all over in Bangladesh. Particularly Satkhira area affected seriously, more than 12 months production & supply line interrupted hugly. At that time some bag users stoped to place orders without payment of long outstanding. To continue the business and recovery receivable management again established business transaction with the same parties but add receivable not yet reduced. More over affect of COVID 19 nakiness parties closed thier the business as well as the company also failed to trace thewhare abouts of these parties.Hence TK: 149,922,602/=have beenadjusted as impairment loss.

8.01 Include information as per Schedule XI of the Companies Act 1994 regarding trade Receivables

Auditor Disclosures:

S/L	Particular	Amount in Taka	
		30-06-2022	30-06-2021
1	Receivable Considered good in respect of which the Company is fully secured.	112,246,652	235,623,619
2	Receivables considered good in respect of which the Company holds no security other than the debtor personal security.	-	-



3	Receivable considered doubtful or bad.	149,922,602	-
4	Receivable due by directors or other officers of the company or any of them either severally or jointly with any person or debts due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated	-	-
5	Receivables due by common management.	-	-
6	The maximum amount of receivable due by any director or other officer of the company	-	-

9.00 Advances, Deposits & Prepayments: Tk. 46,146,445/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Loans & Advances:	43,382,267	51,600,607
Advance VAT (Current Account)	7,752,238	7,752,238
Advance against land purchase	1,605,000	1,605,000
Advance against C & F Agent and Purchases	32,185,342	39,538,572
Advance Income Tax (A I T)	238,213	138,213
Advance to Employees	1,601,474	2,566,584
Security Deposits:	10,455,178	10,455,178
Bangladesh Power Development Board (BPDB)	194,700	194,700
Do (For Substation & HT line)	2,017,578	2,017,578
Corporate Office of the Company	7,016,000	7,016,000
Khulna Office of the Company	675,000	675,000
Central Depository Bangladesh Ltd.(CDBL)	500,000	500,000
Bangladesh Telecommunication Company Ltd. (BTCL)	51,900	51,900
Prepayments:	-	340,000
Fire Insurance	-	340,000
Total	53,837,445	62,395,785
Less: Impairment loss		
Security Deposits Corporate office	(7,691,000)	-
Balance	46,146,445	62,395,785

Note on impairment loss:

The amount of TK.7,016,000 /= paid as advance to the floor owner with the condition to allot the floorspace but subsequently the floor could not be registered to said land and building was mortgage with Janata Bank Ltd. on the other the approval of the design was taken from RAJUK residential building not as commercial one. The after the company used the floor without paying any monthly rent since 2016 and the said advance continued as it is. also paid as advance tk 6,75,000/= for maintained branch office at khulna, due to effect of COVID 19 the said office has closed and above advance amount continue as it is.



10.00 Cash & Cash Equivalent: Tk. 10,50,534/-

Break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Cash in hand:	155,575	847,127
Head Office, Dhaka	41,088	401,215
Khulna, Office	25,000	25,000
Factory Office, Satkhira	89,487	420,912
Cash at Bank:	894,959	675,256
IBBL, Mouchak Branch Dhaka (A/C # 260914)	23,104	24,557
IBBL, Satkhira Branch (A/C # 94816)	22,508	2,976
IBBL, Satkhira Branch (SND A/C # 02813)	-	426
IBBL, Noapara Branch (A/C # 58514)	1,694	1,694
IBBL, Khulna Branch (A/C # 311101)	9,132	9,477
Al Arafa IBL Satkhira Branch (A/C # 12280)	381,787	26,543
IBBL, Dhaka (SND A/C # 7214)	24,819	25,926
Pubali Bank Ltd. Malibag Branch (A/C # 36433)	14,427	15,944
Uttara Bank Ltd. Shantinagar Branch (A/C # 4907)	4,933	5,968
Janata Bank Ltd. Dhaka (A/C # 9744)	4,707	4,707
Bank Asia Ltd. Shantinagar Branch (A/C # 194)	2,486	3,176
Bank Asia Ltd. Shyamoli Branch (A/C # 912)	5,634	24,409
Mutual Trust Bank Ltd. (SND -A/C-02722)	163,582	166,109
IBBL Shyamoli Branch Dhaka (A/C # 350814)	236,146	363,344
Balance:	Taka 1,050,534	1,522,383

11.00 Share Capital:**11.01 Authorised Share Capital: Tk. 1,000,000,000.00**

(100,000,000 Ordinary Shares @ Tk. 10/- each)

1,000,000,000 **1,000,000,000****11.02 Issued, Subscribed & Fully Paid-up Capital: Tk. 736,988,170.00**

a	39,000,000 Ordinary Shares @ Tk. 10/-each	390,000,000	390,000,000
b	20,000,000 Ordinary Share issued @Tk.10/-each during the year through	200,000,000	200,000,000
c	5,900,000 Bonus Share issued @ Tk. 10/= each (FY-2015-2016)	59,000,000	59,000,000
d	3,245,000 Bonus Share issued @ Tk. 10/= each (FY-2016-2017)	32,450,000	32,450,000
e	2,044,350 Bonus Share issued @ Tk. 10/= each (FY-2017-2018)	20,443,500	20,443,500
f	3,509,467 Bonus Share issued @ Tk. 10/= each (FY-2018-2019)	35,094,670	35,094,670

Balance: **736,988,170** **736,988,170****12.00 Reserve & Surplus (Retained Earnings): Tk.18,050,389 /-**

The break-up of the above is as under:

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
General Reserve	8,357,000	8,357,000
Tax Holiday Reserve	24,159,453	24,159,453
Retained Earnings	(14,466,064)	50,331,068
Balance:	18,050,389	82,847,521



12.01 Retained Earnings: Tk. 14,466,064/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
Opening balance	50,331,068	95,782,528
Add: Current Period Net Profit/(Loss)	(52,622,036)	(40,330,952)
Add: additional provisional for income tax transfer under note -18.01	37,982,628	-
Previous year adjustment	(50,157,723)	-
Less: Dividend Paid	-	(5,120,508)
Balance:	(14,466,064)	50,331,068

13.00 Impairment/Overstated adjustment as loss: Tk (301,142,622) /-

Impairment adjustment of capital working progress Note # 6.00	(18,485,647)
Impairment adjustment of Inventories Note #7.00	(125,043,373)
Impairment adjustment of Receivable Note # 8.00	(149,922,602)
Impairment adjustment of advance & deposits Note # 9.00	(7,691,000)
	(301,142,622)

14.00 Deferred Tax Liabilities/ (Assets): Tk. 59,803,624/-

The break-up of the above is as under:

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes.

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
Written down value of Non- Current Assets as per account base	513,858,977	561,298,564
Written down value of Non- Current Assets as per tax base	248,065,093	292,911,911
Taxable temporary difference	265,793,884	268,386,652
Effective Tax Rate	22.50%	22.50%
Current year Deferred Tax Liabilities	59,803,624	60,386,997

15.00 Current Portion lon term loan : Tk.11,147,504 /-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
HPSM long term loan		
HPSM long term loan	11,147,504	11,147,504
Balance:	-	-

a) Purpose of Investment: For the project implementation.

b) Period of Investment: 5 (Five) years

c) Rate of Return: 13.70% per annum or the rate to be determined by the bank time to time.



16.00 Short Term Loan: Tk. 229,133,109 /-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
Bai Murabaha Commercial Short term loan	1,590,970	1,590,970
Murabaha Post Import Short term loan	25,237,558	25,237,558
Murabaha Trust Receipt Short term loan	172,304,581	172,304,581
Industrial and Infrastructure Development Finance Company Ltd. (IIDFC)	30,000,000	30,000,000
Balance:	229,133,109	229,133,109

- a) Purpose of Investment: To purchase/ Import of raw materials for the project.
b) Period of Investment - 01 (One) year on renewal basis.
c) Rate of Return: 13.70% per annum or the rate to be determined by the bank time to time.

17.00 Trade Creditors : Tk. 562,542/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
Trade Creditors	562,542	748,907
Balance:	562,542	748,907

18.00 Liabilities for Expenses and Other Finance: Tk. 120,326,506 /-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
The above consists of the following:		
Salaries & Wages	1,519,355	1,535,546
Electricity charges	622,337	152,569
Audit fees	275,000	235,000
Bank Interest	111,685,790	33,953,556
Telephone/Mobile bill	1,016	9,922
DSE,CSE,CDBL Annual Fee	892,988	-
Dividend Outstanding	141,355	141,429
Advertisement	114,320	-
AGM Digital Platform	100,000	-
Provision for Income Tax 18.01	4,974,345	42,089,849
Balance:	120,326,506	78,117,871

18.01 Provision for Income Tax & VAT: Tk. 4,974,345/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
Opening Balance	42,089,849	42,154,192
Less: Transferred to retained earning (excess provision)	(37,982,628)	(865,189)
Add: Provision during the year	867,124	800,846
Balance: Taka	4,974,345	42,089,849

Assessment upto 2021-2022 has been completed the excess provision transferred to retained earnings.



19.00 Sales: Tk. 144,520,594/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Sales Revenue	144,520,594	133,474,382
Total	144,520,594	133,474,382

Details of Sales

S/L	Sector Wise Products	Tons	Quantity (Pcs)	Sales Value
1	PP Woven Feed Bag (50Kg)	162	1,156,998	31,238,942
2	PP Woven Feed Bag (25-30Kg)	82	960,202	15,363,236
3	PP Woven Textile Jumbo Bag export	23	155,616	5,757,800
4	PP Woven Fertilizer Bag (50kg)	198	1,653,094	35,541,521
5	PP Woven Fertilizer Bag (20-30,kg)	61	757,683	12,880,617
6	PP Woven Food Grain Bag (BOPP Pasted)	14	150,041	3,450,932
7	PP Woven Food Grain Bag (Laminated)	27	332,071	5,313,143
8	PP Woven Food Grain Bag (Un-Laminated)	20	310,198	3,722,378
9	PP Woven Square & Other bag for export	18	146,743	3,228,347
10	PP Woven Bag & Sheet for other sector user	123	1,234,956	18,524,335
11	HDPE Linner Liner Bag (Kg) deemed export & local	50	1,652,060	9,499,343
Total		777	8,509,662	144,520,594

Details of Turnover/Sales mentioning item wise quantity and value as required under Schedule XI, part-II, Para 3(a) of the Companies Act, 1994

20.00 Cost of Goods Sold: Tk. 155,125,469/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Opening Stock of Work-In-Process (WIP)	24,517,692	22,423,089
Add: Materials Consumed 20.01	89,903,681	54,128,327
Add: Stores & Spares Consumed 20.02	10,779,973	4,426,476
Add: Manufacturing Overhead 20.03	61,762,466	73,469,705
Less: Closing Work-In-Process (WIP) 7.00	(28,999,986)	(24,517,692)
Cost of Goods Manufactured	157,963,826	129,929,905
Add: Opening Stock of Finished Goods	49,563,016	52,143,203
Cost of Goods available for Sales	207,526,842	182,073,108
Less: Closing Stock of Finished Goods 7.00	(52,401,374)	(49,563,016)
Cost of Goods Sold Taka	155,125,469	132,510,092

20.01 Raw Materials Consumed: Tk. 89,903,681/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
This is made up as follows:		
Opening Stock of Raw Materials	169,785,368	164,878,736
Add: Purchase of the year	88,803,698	59,034,959
Less: Closing Stock of Raw Materials 7.00	(168,685,386)	(169,785,368)
Raw Materials Consumed during the year	89,903,681	54,128,327



20.02 Stores & Spares Consumed: Tk. 10,779,973/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Opening balance	25,921,123	25,369,150
Add: Purchased during the year	11,125,211	4,978,449
Less: Closing balance	7.00 (26,266,361)	(25,921,123)
Consumed during the Period	10,779,973	4,426,476

20.03 Manufacturing Overhead: Tk. 61,762,466/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
The above consists of the following:		
Wages, Salary & Allowances	10,411,218	15,490,792
Carriage inward	147,780	27,885
Daily Labor wages	8,230	23,896
Workers uniform/apron(Fac	700	1,050
Oil & Diesel expenses	128,794	1,460,950
Entertainment	20,223	59,929
Electricity charges	5,234,641	10,454,084
Medical expenses	4,556	21,156
Fire insurance expenses	340,000	20,111
Repairs & Maintenance	141,532	-
Maintenance Materials	111,325	-
Consumable Materials	145,860	187,335
Depreciation	45,067,607	45,722,517
Total	61,762,466	73,469,705

21.00 Administrative Expenses: Tk. 8,060,813/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
The above consists of the following:		
Directors Remuneration	21.01 90,000	480,000
Salaries & Allowances	1,968,445	2,478,392
Board meeting fees	21.01 3,000	51,500
Subscription & Donation	75,560	61,490
Legal & Professional charges	185,200	99,445
Fees, Forms & Renewals and Listing Fees	1,133,468	2,016,508
Telephone, Fax, Mobile & Others Charges	139,200	93,403
Postages, Stamp & Courier charges	12,720	21,309
Electricity charges	110,056	134,408
Entertainment	175,944	125,039
Printing, Photocopies & Stationery	119,396	334,201
Traveling & Conveyance	171,469	112,324
Audit fees	275,000	235,000
Vehicle Maintenance	45,785	110,563
Guest House Maintenance	5,800	1,819
Paper & Periodicals	5,800	1,903
Cleaning & Washing charges	7,000	12,450
Medical expenses	4,024	3,830



AGM expenses		246,100	32,320
Service charges (Head Office)		119,214	235,757
Softwer, Web Page Hosting & Renewals Expenses		23,500	19,000
Computer Consumable Materials		18,020	5,180
Miscellaneous expenses		754,133	1,134,568
Depreciation	Annexure-A	2,371,979	2,406,448
Total		8,060,813	10,206,857

21.01 Payment/ Perquisites to Directors: Tk. 93,000/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Directors Remuneration	90,000	480,000
Board meeting expenses	3,000	51,500
Total	93,000	531,500

i) The Board of Directors have drawn Tk. 1,500/= per board meeting as attendance fees

ii) 04 Nos. of meetings of the Board of Directors were held during the year.

22.00 Selling & Distribution Expenses: Tk. 527,721/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
The above consists of the following:		
Advertisement expenses	211,136	135,078
Selling & Distribution Commission & Others Exp.	98,350	697,725
Carriage outwards	218,235	170,230
Total	527,721	1,003,033

23.00 Financial Expenses: Tk.33,144,876 /-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
The above consists of the following:		
Bank charges	6,975	44,905
Interest/Profit on Loan, (Short Term Loan) Current period provision	1,631,391	27,673,056
Interest/Profit on Loan, (Long Term Loan) Current period provision	28,371,036	2,595,080
Interest against IIDFC Loan	3,113,974	3,685,420
Excise Duty	21,500	30,000
Total	33,144,876	34,028,461

24.00 Workers' Profit Participation Fund: Tk. /-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Contribution to WPPF	-	-
Total	-	-



This represents 5% of net profit before tax contribution as per the requirement of the companies profit (worker's participation) (amendment) Ordinance 1985 & Labour Act 2006 (As amended in 2013) Bangladesh Labor Laws, 2006.

25.00 Current Tax : Tk. 867,124/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Profit before tax	(52,622,036)	(93,837,077)
Add: Accounting Depreciation	47,439,587	48,128,965
	(5,182,450)	(45,708,112)
Less: Taxable Depreciation	44,846,819	55,991,810
	(50,029,268)	(101,699,922)
Tax Rate	22.5%	22.5%
Total Current Tax Expenses	(11,256,585)	800,846
Advance Income Tax (AIT)/Suorce Tax	238,213	-
Tax Expenses 0.6% of Turnover (Minimum Tax u/s 16CCC /82C)	867,124	800,846
Whichever is higher	867,124	800,846

26.00 Deferred tax expenses/ (Income) Tk. -583,373/-

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Closing deferred tax	59,803,624	60,386,997
Opening deferred tax liabilities	60,386,997	65,130,952
Deferred tax expenses/ (Income)	(583,373)	(4,743,955)

27.00 Earnings Per Share (Basic):

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
a) Net Profit/(Loss) After Tax	(52,622,036)	(40,330,952)
b) Weighted Average Number of Shares	73,698,817	73,698,817
Earnings Per Share (Basic) (a÷b)	(0.71)	(0.55)
Earnings Per Share (Basic)		(0.55)

28.00 Net Operating Cash Flow Per Share (NOCFPS)

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
a) Net cash provided/ (used) by operating activities	(471,850)	59,176,397
b) Number of Ordinary Shares	73,698,817	73,698,817
Net Operating Cash flow (NOCF) Per share (a÷b)	(0.01)	0.80
Net Operating Cash flow (NOCF) (Basic)		0.80



29.00 Net Asset Value Per Share (NAV):

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
a) Share holder's Equity at the end of the year	453,895,937	819,835,691
b) Number of Ordinary Shares	73,698,817	73,698,817
Net Assets Value Per Share (NAV)	6.16	11.12
Net Assets Value Per Share (NAV)		11.12

Net Asset Value Per Share (NAV) has been disclosed as per the Securities and Exchange Commission's Notification No.SEC/CMRRCD/2009-193/Admin/03-31, dated June 01, 2009.

30.00 Reconciliation of net operating cash flows

The break-up of the above is as under:

Particulars	Amount in Taka	
	30-06-2022	30-06-2021
Profit After Tax	(52,622,036)	(40,330,952)
Adjustment for		
Depreciation	47,439,587	48,128,965
Payment interest & charge	-	34,028,461
Tax Expenses	-	3,943,109
	(5,182,450)	45,769,583
Changes in:	4,710,600	13,406,814
(Increase)/ Decrease in accounts receivable	119,019,529	(3,339,807)
(Increase)/ Decrease inventory	123,489,925	(4,973,021)
(Increase)/Decrease in Advance Deposits & prepaid expenses	21,321,498	7,045,247
Increase/ (Decrease) in accounts payable	(186,365)	(1,207,046)
Increase/(Decrease) in Provision and accruals	42,208,635	15,881,441
Increase/(Decrease) in Impairment Loss	(301,142,622)	-
Net Cash From Operating Activities	(471,850)	59,176,397



31.00 Number of Total Employees:

Part/Full Time	Number of Employees		
	Head Office	Factory	Total
Number of Total Employees:	9	135	144
Grand Total	9	135	144

Workers (Full time employee) are paid minimum wages Tk. 8,000.00 per month

32.00 Production Capacity and Current Utilization (Per Annum).

S/L	Products:	Yearly Capacity (at 100%)	Current Utilization	Remarks:
		(M.T)	(M.T)	
1. Export Market				
	FIBC/PP Woven Bag & Sheet	6,440	70	New production line mainly FIBC , Tarpaulin sheet, Garments accessories & House hold Products is Ready for Production as inform due to shortage of working capital the above production line are Ideal.
	Poly/Garbage Bag/Sheet	636	27	
	Sub Total	7,076	97	
2. Local Market				
	PP woven bag & Tarpaulin Sheet	4,081	625	
	PE Inner Liner / Poly Bag / Sheet.	374	20	
	Sub Total	4,455	645	
	Total yearly capacity	11,531	742	

33.00 Related Parties Transaction:**A. Remuneration & Board Meeting fees**

S/L	Name Of Directors	Position	Remuneration	Board Meeting Fees	Total
1	Quazi Anwarul Haque	Chairman	-	-	-
2	S M Akter Kabir	Managing Director	90,000	-	90,000
3	Quazi Nazibul Haque	Director	-	-	-
4	Sk. Jamil Hossain	Director	-	1,500	1,500
5	Mr. Badul Kumar Nath	Independent Director	-	1,500	1,500
Total		Taka	90,000	3,000	93,000

B. Other Transaction

There was no other Related Party transaction.

34.00 Claims not acknowledged:

There was no claim against the company not acknowledged as debt as on 30 June 2022.



35.00 Contingent liability:

There was no amount of contingent liability as on 30 June 2022.

36.00 Capital Expenditure Commitment:

There was no capital expenditure contracted but not incurred or provided as on 30 June 2022.

There is no material capital expenditure authorized by the board but not contracted for as on 30 June 2022.

37.00 Credit facility not availed

There was no other credit facilities available to the company under any contract, other than trade creditors available in the ordinary course of business during the year.

38.00 The Effects of Changes in Foreign Exchange Rates

There were no significant effects of changes in foreign Exchange Rates during the year.

39.00 Events after reporting period:

There is no significant event that occurred after reporting period except recommendation of 0% dividend by the board of directors for the shareholders which is subject to the approval by the shareholders at the forthcoming Annual General Meeting.

40.00 Board Meeting

The Board of Directors Meeting held on, 2022 had recommended dividend..... % for the year ended 30 June 2022 for placement before the shareholder for approval at 22nd AGM of the company.

41.00 Tax Assessment

Tax assessment of the company from Income Tax Authority for the Income Year 2021-2022 Assessment Complete .



Property, Plant & Equipment: Tk.513,858,977 /-

Annexure-A

Particulars	Cost		Rate of Dep. %	Depreciation		Written Down Value as at 30-06-2022	Written Down Value as at 30-06-2021
	Balance as at 01-07-2021	Addition during the Period		Balance as at 30-06-2022	Charged during the Period		
Land & Land Development	66,276,153	-		-	-	66,276,153	66,276,153
Factory Building	338,139,002	-	5%	16,906,950	120,417,269	217,721,733	234,628,683
Plant & Machinery	469,044,060	-	6.5%	30,487,864	239,182,969	229,861,091	260,348,955
Office Equipment	8,129,349	-	20%	0	8,129,349	-	0.2
Furniture & Fixture	7,341,503	-	10%	44,772	7,341,503	-	44,772
Vehicles	616,600	-	10%	-	616,600	-	-
Total	889,546,667	-		47,439,587	375,687,690	513,858,977	561,298,564

Notes:

- (a) Depreciation on addition to fixed assets charged when the Assets get installed.
(b) Depreciation have been charged as follows:

Allocation of Depreciation:	Amount in Taka from, 01-07-2021 to 30-06-2022
Manufacturing Overhead (95%)	45,067,607
Administrative Expenses (5%)	2,371,979
Total	47,439,587

