

Independent Auditors' Report
To the Shareholders SK Trims & Industries Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SK Trims & Industries Limited** ('the company) which comprise the Statement of Financial Position as on 30th June, 2019 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statement.

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of **SK Trims & Industries Limited** as of 30th June, 2019 and results of its financial performance and its cash flows for the year then ended & comply with the Companies Act 1994, & other applicable laws & regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.Revenue Recognition Ref: Note 18.00	
Key audit matters	How our audit address the matter
<p>The company recognized export revenue Tk. 1,146,706,965/- for the year.</p> <p>Revenue recognition have significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicator in almost all sector, there always exist risk of revenue smoothing or window dressing.</p> <p>As per IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service</p>	<p>-We clearly encoded the total procedure of deemed export process starting from receipt of customer order to realization of export revenue.</p> <p>-We tested the key controls over approval of export order, signing off documents by appropriate personnel and input sales data into system in a complete & accurate manner.</p> <p>-We tested the correctness of journal entries and recalculate the amount shown in sales ledger and make sure that the carry forward figure is accurate.</p> <p>-We carefully checked that, no unusual journal entries were made at the period end and also check the transactions/entries just before and after the balance sheet date to confirm cut off.</p> <p>-We also considered the bank confirmation letter stating the actual sales revenue collected by the bank on behalf of the company.</p>

2.Investment Ref: Note 8.00	
Key audit matters	How our audit address the matter
<p>The company has invested a sum of Tk. 123,566,626/- in 07(seven) different companies considering as material effort.</p> <p>The directional risk for investments is that they are overstated and there is possibility of covering theft by overstatement. There could be other risk like- stolen, errors in reconciliation, improper cut off / disclosure.</p>	<p>-We have checked all paper documents of the investments along with corresponding ledger balances after reimbursement of fund.</p> <p>- We confirmed investment balances agreeing them to the general ledger, inspect period-end activity for proper cutoff, checked investment disclosures.</p> <p>-We obtained a clear understanding of the company's investment policy and its compliance with local regulatory body.</p> <p>- We also reviewed the Board minutes to verify the decision is approved in a proper way with the proposal of CFO.</p> <p>-We observed that if any one person buys and sells investments, records those transactions, and reconciles the investment activity and does not possess sufficient knowledge or skill to properly perform the duty.</p>
3.Deferred Tax Liability Ref: Note 12.00	
Key audit matters	How our audit address the matter
<p>As per IAS 12 Income Taxes, the two components of the company's estimated tax is Current Tax & Deferred Tax. There is a deferred tax liability of 14,730,939/- which is more than 1% of the total asset value.</p> <p>The temporary difference of deferred tax consists critical calculation and forecast. The uncertainty in forecasting results or lack of expertise may results in material misstatements which may have an impact on corporate tax.</p>	<p>-We verified that right opening balances are carried forward in deferred tax account.</p> <p>-We made sure that ,the tax base is according to 3rd schedule of ITO 1984 and the accountant of the company have clear understanding of posting the associated journal entries.</p> <p>-We evaluated the adequacy of financial statement disclosures including key assumptions, judgments and sensitivities.</p>
4. Capital work in progress Ref: Note 4.00	
Key audit matters	How our audit address the matter
<p>In the year ended 30th June, 2019 the company started Capital project of Tk.106,207,340/- among which Tk.72,542,586/- has been capitalized.</p> <p>The amount represents almost 2.6% of total assets and there is chances of over statement.</p>	<p>-We inspected the documents in support of the total amount of investment in capital project and make sure none of them is irrelevant with current year (cut off).</p> <p>-We inspected the physical existence of the assets capitalized in current year along with the verification of company's legal rights on those assets.</p> <p>-We evaluate the appropriateness of disclosures in financial statements.</p>

Other Information

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

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

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Place : Dhaka
Date : October 27, 2019

Ashraf Uddin & Co.
Chartered Accountants

SK TRIMS & INDUSTRIES LTD.
Statement of Financial Position
As at June 30, 2019

Particulars	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Assets			
Non-Current Assets		562,020,045	409,467,603
Property, Plant and Equipment	3.00	528,355,291	409,467,603
Capital Work in Progress	4.00	33,664,754	-
Current Assets		765,745,833	972,316,183
Inventories	5.00	157,779,559	108,192,766
Trade and other Receivables	6.00	233,475,804	159,619,836
Advance, Deposits and Prepayment	7.00	31,419,405	45,199,211
Investment	8.00	123,566,626	-
Cash and Cash Equivalents	9.00	219,504,439	659,304,370
Total Assets		1,327,765,878	1,381,783,786
Shareholder's Equity and Liabilities			
Shareholder's Equity		1,068,409,573	897,330,113
Share Capital	10.00	770,000,000	700,000,000
Retained Earnings	11.00	298,409,573	197,330,113
Non-Current Liabilities		14,730,939	14,450,177
Deferred Tax Liability	12.00	14,730,939	14,450,177
Current Liabilities		244,625,366	470,003,496
Short Term Borrowings	13.00	199,957,626	117,265,446
Liabilities for Expenses	14.00	16,517,640	20,905,417
IPO Refund Liability	15.00	1,197,521	317,813,938
Liabilities for WPPF	16.00	10,175,517	5,119,215
Trade and other Payables	17.00	16,777,062	8,899,480
Total Shareholders Equity and Liabilities		1,327,765,878	1,381,783,786
Net Asset Value (NAV) per share	25.00	13.88	12.82

The accompanying notes form an integral part of these financial statements.

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Chairman

Signed as per our report on even date.

Date : 27/10/2019
Place: Dhaka

Ashraf Uddin & Co.
Chartered Accountants

SK TRIMS & INDUSTRIES LTD.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Revenue	18.00	1,146,706,965	691,391,358
Cost of goods sold	19.00	(895,574,196)	(541,422,277)
Gross Profit		251,132,769	149,969,081
Operating expenses	20.00	(35,903,815)	(31,346,879)
Profit from Operation		215,228,954	118,622,202
Other Income	21.00	13,521,855	2,134,940
Finance Cost	22.00	(15,064,953)	(13,253,635)
Profit before Contribution to WPPF		213,685,855	107,503,507
Contribution to WPPF (Expenses)	23.00	(10,175,517)	(5,119,215)
Profit before Income Tax		203,510,338	102,384,292
Income Tax Expenses		(9,017,146)	(9,151,970)
Current Tax	14.01	(8,736,384)	(5,115,369)
Deferred Tax	12.00	(280,762)	(4,036,601)
Net Profit After Tax		194,493,192	93,232,322
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Income for the year		194,493,192	93,232,322
Earnings per Share (EPS)	24.00	2.53	1.92

The accompanying notes form an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

Signed as per our report on even date.

Date : 27/10/2019
Place: Dhaka

Ashraf Uddin & Co.
Chartered Accountants

SK TRIMS & INDUSTRIES LTD.
Statement of Changes in Equity
For the year ended June 30, 2019

(Amount in Taka)

Particulars	Ordinary Share Capital	Retained Earnings	Other Comprehensive Income/(Loss)	Total Equity
Balance as on July 01, 2018		700,000,000	197,330,113	897,330,113
IPO Expenses		-	(13,654,332)	(13,654,332)
Bonus Share for the year 2017-2018		70,000,000	(70,000,000)	-
Cash Dividend for the year 2017-2018		-	(9,759,400)	(9,759,400)
Net profit for the year		-	194,493,192	194,493,192
Balance as at June 30, 2019		770,000,000	298,409,573	1,068,409,573

SK TRIMS & INDUSTRIES LTD.
Statement of Changes in Equity
For the year ended June 30, 2018

Restated
(Amount in Taka)

Particulars	Ordinary Share Capital	Retained Earnings	Other Comprehensive Income/(Loss)	Total Equity
Balance as on July 01, 2017	400,000,000	111,314,124	171,582	511,485,705
IPO Expenses		(7,216,333)		(7,216,333)
Issue of Share Capital from IPO	300,000,000	-	-	300,000,000
Net profit for the year	-	93,232,322	-	93,232,322
Less: Previous year Unrealized Gain on Trade Receivable Marked to Market	-	-	(171,582)	(171,582)
Balance as at June 30, 2018	700,000,000	197,330,113	-	897,330,113

SK TRIMS & INDUSTRIES LTD.
Statement of Cash Flows
For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
			Restated
A. Cash Flows from Operating Activities			
Cash received from Customers		1,074,595,082	624,019,982
Cash paid to Suppliers		(913,960,850)	(550,161,619)
Cash paid to Employees		(42,830,738)	(37,268,908)
Cash Paid to Others		(19,964,444)	(15,682,538)
Cash Generated from Operation		97,839,050	20,906,917
Cash received from Other Income		11,777,769	1,708,966
Income Tax paid		(7,207,691)	(12,376,331)
Net Cash Generated from Operating Activities		102,409,128	10,239,552
B. Cash Flows from Investing Activities			
Investment in Share		(123,566,626)	-
Capita Work in Progress		(32,314,481)	-
Acquisition of Property, Plant and Equipment		(140,007,068)	(34,730,110)
Advance against Land Purchases		26,600,000	(26,600,000)
Net Cash Used in Investing Activities		(269,288,175)	(61,330,110)
C. Cash Flows from Financing Activities			
Net Payment for Financial Expenses		(15,684,527)	(10,777,569)
IPO Expenses		(13,868,140)	(7,002,525)
Dividend paid		(9,443,979)	-
Received for Share Issue		-	300,000,000
Net Received/(Payment) in Short term loan		82,692,180	85,553,896
Net Received/(Payment) for IPO Refund Payable		(316,616,417)	317,813,938
Net Cash Provided from Financing Activities		(272,920,883)	685,587,740
D. Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)		(439,799,931)	634,497,182
E. Opening Cash and Cash Equivalents		659,304,370	24,807,188
F. Closing Cash and Cash Equivalents (D+E)		219,504,439	659,304,370
Net Operating Cash Flows Per Share (NOCFPS) (Note # 26.00)		1.33	0.21

The accompanying notes form an integral part of these financial statements.

SK TRIMS & INDUSTRIES LTD.
Notes, summary of significant accounting policies and other explanatory information
For the year ended June 30, 2019

1.00 REPORTING ENTITY:

1.01 Background of the Company:

The company namely "SK Thread & Industries Ltd." was incorporated on 01 June, 2014 vide registration no.C-116347/14 as a private limited company in Bangladesh under the Companies Act, 1994. Subsequently the company converted into Public limited company dated on 13 August 2017.

The company changed its name through special resolution and with due approval of the Registrar of Joint Stock Companies & Firms from "SK Thread & Industries Ltd." to "SK Trims & Industries Ltd." on 25th April, 2016.

1.02 Registered Office of the Company:

The registered office & factory of the Company are located at 45, madrasha road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712. Dhaka, Bangladesh.

1.03 Nature of the business:

The principal activities of the company are to carry on the business of manufacturing of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry.

2.00 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

2.01 Statements of Compliance:

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws & regulation in Bangladesh.

2.02 Going Concern:

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.03 Accrual Basis:

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

2.04 Components of the Financial Statements:

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

- a) Statement of Financial Position as at June 30, 2019;
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2019;
- c) Statement of Changes in Equity for the year ended June 30, 2019;
- d) Statement of Cash Flows for the year ended June 30, 2019; and
- e) Notes, summary of significant accounting policies and other explanatory information

2.05 Accounting Policies & Estimates:

The preparation of these financial statements is in conformity with IASs/IFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

2.06 Responsibility for Preparation and Presentation of Financial Statements:

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per the provision of "the Framework for the preparation and Presentation of Financial Statements" issued by the International Accounting Standards (IASs).

2.07 Statement of Cash flows:

Statement of Cash flows have been prepared in accordance with IAS 7 Statement of Cash Flows and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS 7 which provides that "Entities are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method".

2.08 Applicable accounting standards:

The following IASs and IFRSs are applicable for the financial statements for the year under review:

IASs:

IAS 1	Presentation of Financial Statements;
IAS 2	Inventories;
IAS 7	Statements of Cash flows;
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors;
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement

IFRSs:

IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers

2.09 Property, Plant and Equipment:

2.09.1 Recognition and Measurement

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS 16 Property, Plant and Equipment. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and other Comprehensive Income as incurred.

2.09.2 Depreciation:

Depreciation on Property, Plant and Equipment other than Land and Land development has been computed during the year using the reducing balance method. Depreciation has been charged on addition of assets when the related Property, Plant and Equipment are available for use as per management intention. Depreciation has charged as following rate:

Name of Assets	Rate	Rate
	2019	2018
Land	0%	0%
Building and Civil Construction	2.50%	2.50%
Plant & Machinery	10%	10%
Furniture & Fixture	10%	10%
Electrical Installation & Equipment	10%	10%
Office Equipment	10%	10%
Fire Equipment	10%	10%
Vehicle	20%	20%

2.09.3 Retirement and Disposals:

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

2.09.4 Impairment:

In accordance with the provision of IAS 36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the year.

2.10 Borrowing Cost:

Interest and other cost incurred in the company in connection with the borrowing of fund are recognized as expenses in the year in which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to capitalized as per IAS 23 Borrowing Costs.

2.11 Revenue Recognition:

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

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

2.12 Valuation of Current Assets:

Trade and Other Receivable:

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount has been provided for as bad debt in the current period's account.

Inventories:

In compliance with the requirements of IAS 2 Inventories, the Inventories have been valued at Cost or Net Realizable value whichever is lower, which is consistent with the previous period's practice. Net realizable value is based on estimated selling price in the ordinary course of business less any further cost expected to be incurred to make the sale.

2.13 Provisions:

A provision is recognized on the balance sheet date if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.14 Employees' Benefit

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19 Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

a) Short Term Employee Benefits

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

b) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit before tax, contributed by the company as per provisions of the Bangladesh Labour Act, 2006 (amendment-2013). The Company recognizes contribution to Workers Profit Participation and Welfare Fund in the accounts from the year 2017. The fund transfer is under process and will be paid after completion of necessary legal process.

2.15 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

2.16 Functional and Presentational Currency:

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

2.17 Income Tax:

Current Tax:

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate in compliance with Finance Act, 2019.

Deferred Tax:

The company recognized deferred tax as per IAS 12 Income Taxes. Deferred tax is recognized for all temporary timing difference arising between the carrying value of assets and liabilities and its tax base values. The rate prevailing at the Financial Position date is used for determine the deferred tax.

2.19 Earnings per share:

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

Basic Earnings

This represents profit or loss at the end of the period attributable to ordinary share holders of the entity

Basic Earnings per Share

This has been calculated by dividing profit or loss attributable to ordinary share holders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, no dilution of EPS is applicable for these financial statements as there were no potential ordinary shares during the relevant period.

2.20 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IAS 39 Financial Instruments Recognition and Measurement.

Financial Assets:

Financial assets of the company include cash and cash equivalents, equity instrument to another entity, Trade receivables and other receivables. The company initially recognizes a financial asset in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognize a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

Financial Liabilities:

The company initially recognizes a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognizes a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

2.21 Cash and Cash Equivalents:

According to IAS 7 Statement of Cash Flows, cash comprises cash in hand, short term deposit and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

2.22 Events after the Reporting Period:

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events - those that provide evidence of conditions that existed at the end of the reporting period.

Non adjusting Events- those that are indicative of conditions that arose after the reporting period.

Management of the company has taken close look whether any events after the reporting period exist that need to take into account during the preparation of Financial Reports. No event after the reporting period exists and management of the company has prepared the financial reports in accordance.

2.23 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on October 27, 2019.

2.24 Comparative Information

Comparative information has been disclosed in the respect of previous year for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statement.

2.25 Segmental Reporting:

As required by IFRS 8 Operating Segments, if an entity operates business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker and for which discrete financial information is available

The company considers the operation on aggregate basis and manages the operations as a single operating segment. Hence it is felt that such segment reporting is not required to be disclosed.

2.26 Related Party Disclosure

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24 Related Party Disclosures has been disclosed in a separate note (note no: 27.08) to the accounts.

2.27 Re-Statement

In financial year 2017-2018, the company recognized IPO expenses of Tk. 7,216,333 as revenue expenses in the statement of profit or loss and other comprehensive income under the head administrative expenses. During the year IPO expenses have been deducted from retain earnings shown in statement of changes in equity for the year ended June 30, 2018. As a result, administrative expenses for the year ended June 30, 2018 have decreased by Taka 7,216,333. Due to IPO expenses restated, profit before contribution to WPPF Tk. 100,287,174 restated to Tk. 107,503,507; contribution to WPPF (Expenses) Tk. 4,775,580 restated to Tk. 5,119,215; profit before income tax Tk. 95,511,594 restated to Tk. 102,384,292; deferred tax Tk. 4,096,737 restated to Tk. 4,036,601; net profit after tax Tk. 86,299,488 restated to Tk. 93,232,322 and retained earnings Tk. 197,613,612 restated to Tk. 197,330,113. Accordingly Earning per Share (EPS) Tk. 1.78 restated to Tk. 1.92 and Net Operating Cash Flows per Share (NOCFPS) Tk. 0.07 restated to Tk. 0.21.

2.28 General:

- i) The figure has been rounded off to the nearest taka.
- ii) The financial Statements have been prepared covering one year from July 01, 2018 to June 30, 2019.

		Amount in Taka	
		June 30, 2019	June 30, 2018
3.00	Property, Plant and Equipment: Tk. 528,355,291		
	A. Cost:		
	Opening Balance	460,380,151	425,650,041
	Add: Addition during the year	140,007,068	34,730,110
	Total Assets Value at cost	600,387,219	460,380,151
	B. Accumulated Depreciation:		
	Opening Balance	50,912,548	32,120,279
	Add: Depreciation Charged for the year	21,119,380	18,792,269
	Total Charge	72,031,928	50,912,548
	Written Down Value (A-B) as at 30 June 2019	528,355,291	409,467,603
	The details of above have been shown in Annexure- 'A'		
4.00	Capital Work in Progress: Tk. 33,664,754		
	Opening Balance	-	-
	Addition during the year	106,207,340	-
		106,207,340	-
	Capitalized during the year	(72,542,586)	-
	Closing Balance	33,664,754	-
5.00	Inventories: Tk. 157,779,559		
	Raw Materials (Note # 19.01)	141,817,697	94,852,521
	Work in Process (Note # 19.00)	8,863,548	7,532,540
	Finished Goods (Note # 19.00)	5,545,856	4,585,245
	Store Items (Note # 19.02)	1,552,458	1,222,460
		157,779,559	108,192,766
6.00	Trade and Other Receivables: Tk. 233,475,804		
	Trade Receivables (Note # 6.01)	231,362,241	159,264,450
	Interest Receivable (Note # 6.03)	2,113,563	355,386
		233,475,804	159,619,836
6.01	Trade Receivables: Tk. 231,362,241		
	The above is the amount of receivable is against export bills as on June 30, 2019. This is considered as good & realizable and is secured by letter of credit duly accepted by L/C opening bank.		
	Opening Balance	159,168,218	91,796,842
	Export during the year	1,146,706,965	691,391,358
		1,305,875,183	783,188,200
	Collection/Realization during the year	(1,074,595,082)	(624,019,982)
	Closing Balance	231,280,101	159,168,218
	Marked to Market Gain/(Loss) (Note # 6.02)	82,140	96,232
		231,362,241	159,264,450
	Ageing of Trade Receivables		
	More than six months	-	-
	Less than six months	231,362,241	159,264,450
		231,362,241	159,264,450

Amount in Taka	
June 30, 2019	June 30, 2018

The details of Trade Receivables have been shown in Annexure- 'F'

The classification of receivables as required by the Schedule XI Part I, Para 4 of the Companies Act, 1994 are given below:

i) Receivables considered good in respect of which the company is fully secured.	231,362,241	159,264,450
ii) Receivables considered good in respect of which the company holds no security other than the debtor personal security.	-	-
iii) Receivables considered doubtful or bad.	-	-
iv) Accounts Receivable due by any director or other officers of the company or any of them either severally or jointly with any other person or receivables due firms or private companies respectively in which any director is a partner or a director or a member.	-	-
v) Receivables due by companies under the same management.	-	-
vi) The maximum amount of receivables due by any directors or other officers of the company at any time during the year.	-	-
Total	231,362,241	159,264,450

6.02 Marked to Market Gain/(Loss) : Tk. 82,140

Particulars	Receivable in USD	USD Rate	Receivable in BDT	Receivable in BDT
Trade Receivables at Current Market price	\$2,738,015	84.50	231,362,241	159,264,450
Trade Receivables at Average selling price	\$2,738,015	84.47	231,280,101	159,168,218
Marked to Market Gain/(Loss)			82,140	96,232

6.03 Interest Receivable : Tk. 2,113,563

FDR Interest	2,113,563	355,386
	2,113,563	355,386

7.00 Advances, Deposits & Prepayments : Tk. 31,419,405

Advance to Employees	615,250	585,320
Advance Income Tax (Note # 7.01)	5,869,001	11,665,582
Security Deposit (Note # 7.02)	533,400	533,400
Advance Insurance Premium (Note # 7.03)	-	38,811
Advance against Land Purchases	-	26,600,000
L/C Margin for Raw Material	24,401,754	5,776,098
	31,419,405	45,199,211

7.01 Advance Income Tax : Tk. 5,869,001

Opening Balance	11,665,582	5,548,008
Tax deduction at source during the year	4,579,923	4,368,140
Tax deduction at source on FDR	1,289,078	229,720
Tax paid for the income year: 2014-2015	122,413	741,844
Tax paid for the income year: 2015-2016	698,768	3,884,108
Tax paid for the income year: 2016-2017	-	3,152,520
Tax paid for the income year: 2017-2018	517,509	-
	18,873,274	17,924,339

		Amount in Taka	
		June 30, 2019	June 30, 2018
	Adjustment for the income year 2016-2017	-	(6,258,757)
	Adjustment for the income year 2014-2015	(1,487,634)	-
	Adjustment for the income year 2015-2016	(6,401,270)	-
	Adjustment for the income year 2017-2018	(5,115,369)	-
		5,869,001	11,665,582
7.02	Security Deposit : Tk. 533,400		
	Polly Bidyut Samity (PBS)- Electricity	25,000	25,000
	T & T	8,400	8,400
	Central Depository Bangladesh Limited (CDBL)500,000	500,000	
		533,400	533,400
7.03	Advance Insurance Premium: Tk. 0		
	Advance Insurance Premium-Opening	1,194,311	
	Addition during the year	-	66,533
		38,811	1,260,844
	Adjustment during the year	(38,811)	(1,222,033)
		-	38,811

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

i) Advance, deposits & prepayment considered good and in respect of which the company is fully secured.	30,804,155	44,613,891
ii) Advance, deposits & prepayment considered good for which the company holds no security.		
iii) Advance, deposits & prepayment considered doubtful or bad.		
iv) Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.		
v) Advance, deposits & prepayment due by companies under the same management.		
vi) The maximum amount due by directors or other officers of the company at any time during the year.	615,250	585,320
Total	31,419,405	45,199,211

8.00 Investment: Tk. 123,566,626

Investment in Anik Trims Ltd.	45,000,000	-
Investment in Shahjalal Asset Management Ltd.	15,000,000	-
Investment in Shahjalal Multi Agro Food & Industries Ltd.	646,626	-
Investment in Dominage Steel Building Systems Ltd.	10,000,000	-
Investment in Mamun Agro Product Ltd.	17,920,000	-
Investment in W&W Company Ltd.	25,000,000	-
Investment in BEKA Garments & Textiles Limited	10,000,000	-
	123,566,626	-

		Amount in Taka	
		June 30, 2019	June 30, 2018
9.00	Cash and Cash Equivalents : Tk. 219,504,439		
	Cash in Hand		
	Cash at Bank		
	First Security Islami Bank Ltd., A/C No. # 12100	1,009,040	2,086,348
	First Security Islami Bank Ltd., A/C No. # 00548	37,155	7,697
	Mercantile Bank Ltd., A/C No. # 54417	4,492	1,285
	Social Islami Bank Ltd., A/C No. # 00896	316,742	4,799
	One Bank Ltd. A/C No.# 4939	863	9,031
	FDR	2,203	-
		211,331,562	39,386,272
		212,702,056	41,495,432
	IPO Account		
	Social Islami Bank Ltd., A/C No. # 00045	5,604,862	119,405,675
	Social Islami Bank Ltd., A/C No. # 00017	957,810	345,796,683
	Social Islami Bank Ltd., A/C No. # 00018	9,391	1,760,033
	Social Islami Bank Ltd., A/C No. # 00019	230,320	846,547
	Dhaka Stock Exchange Ltd.	-	150,000,000
		6,802,383	617,808,938
		219,504,439	659,304,370

The Bank balance is agreed with respective bank statement balances.

10.00 Share Capital : Tk. 770,000,000

10.01 Authorized Capital: Tk. 1,000,000,000

10,00,00,000 Ordinary Shares of Tk. 10/- each	1,000,000,000	1,000,000,000
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10.02 Issued, Subscribed & Paid-up Capital: Tk. 770,000,000

77,000,000 Ordinary Shares of Tk. 10/- each	770,000,000	700,000,000
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10.03 Composition of Shareholding of Ordinary Shares:

Category of Shareholders	No. of Shares	% of Holdings	No. of Shares	% of Holdings
Sponsors & Directors	23,261,700	30.21%	21,150,300	30.21%
Financial and Other Institutions	20,589,800	26.74%	15,000,000	21.43%
General Public	33,148,500	43.05%	33,849,700	48.36%
Total	77,000,000	100.00%	70,000,000	100.00%

The distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below

Range of Holdings	No of Holders	No of Shares	Percentage
Upto 500 Shares	934	130,211	0.17%
501 to 5,000 Shares	1,241	1,851,253	2.40%
5,001 to 10,000 Shares	197	1,561,999	2.03%
10,001 to 20,000 Shares	120	1,732,264	2.25%
20,001 to 30,000 Shares	69	1,666,305	2.16%
30,001 to 40,000 Shares	39	1,383,813	1.80%
40,001 to 50,000 Shares	24	1,106,163	1.44%
50,0001 to 100,000 Shares	68	5,061,162	6.57%
100,0001 to 1,000,000 Shares	57	18,125,628	23.54%
Over 1,000,000 Shares	14	44,381,202	57.64%
Total	2,763	77,000,000	100.00%

		Amount in Taka	
		June 30, 2019	June 30, 2018
			Restated
11.00	Retained Earnings : Tk. 298,409,573		
	Opening Balance	197,330,113	111,314,124
	IPO Expenses	(13,654,332)	(7,216,333)
	Bonus Share for the year 2017-2018	(70,000,000)	-
	Cash Dividend for the year 2017-2018	(9,759,400)	-
	Net profit for the year	194,493,192	93,232,322
		298,409,573	197,330,113
12.00	Deferred Tax Liability : Tk. 14,730,939		
	Opening Balance	14,450,177	10,413,576
	"Add: Expenses/ (Income) of Deferred Tax during the year (Annexure-B)"	280,762	4,036,601
	Deferred Tax Liability /(Assets) as on 30 June 2019	14,730,939	14,450,177
	Details Shown in Annexure-B		
13.00	Short Term Borrowings : Tk. 199,957,626		
	TR	67,374,432	70,048,562
	HYP0	5,000,000	4,444,625
	IDBP	116,315,036	28,873,259
	Quard Against MTRD	11,268,158	13,899,000
		199,957,626	117,265,446
14.00	Liabilities for Expenses : Tk. 16,517,640		
	Electricity bill payable	711,803	485,324
	Telephone bill payable	221,636	195,254
	Water bill payable	14,530	14,256
	Salary & Wages	3,317,003	2,432,540
	Director Remuneration	20,000	20,000
	Income Tax Payable (Note # 14.01)	7,960,387	12,228,276
	Interest Payable	3,856,861	5,215,960
	IPO Expenses Payable	-	213,808
	Audit Fee Payable	100,000	100,000
	Dividend Payable	315,421	-
		16,517,640	20,905,417
14.01	Income Tax Payable: Tk. 7,960,387		
	Opening Balance	12,228,276	13,371,664
	Charge for the current year	7,960,387	5,115,369
	Short provision for the assessment year 2015-16	115,990	-
	Short provision for the assessment year 2016-17	660,007	-
		20,964,660	18,487,033
	Adjustment during the year	(13,004,273)	(6,258,757)
	Closing Balance	7,960,387	12,228,276
15.00	IPO Refund Liability: Tk. 1,197,521		
	IPO Refund Liability during the year	1,197,521	317,813,938
		1,197,521	317,813,938
16.00	Liabilities for WPPF : Tk. 10,175,517		
	Opening Balance	5,119,215	3,221,307
	Addition during the year (Note # 23.00)	10,175,517	5,119,215
		15,294,732	8,340,521
	Transfer to WPPF Bank Accounts	(5,119,215)	(3,221,307)
	Closing Balance	10,175,517	5,119,215

		Amount in Taka	
		June 30, 2019	June 30, 2018
17.00	Trade and Other Payables : Tk. 16,777,062		
	Umama Enterprise	4,383,310	-
	United Graphics	58,432	-
	Akota Dyeing	283,187	-
	Alim Bovin	1,676,000	-
	Aziz Transport	644,000	-
	C & F Firoz	712,300	-
	Hamza Chemical	724,520	-
	RT Dyeing	1,180,000	-
	Uk Chemical	213,156	-
	M/s. Chattagram Mahadia Traders & Saw Mill Enterprise	1,763,540	2,998,560
	M/s. Satota Engineering Workshop	1,836,542	1,454,980
	M/s. Majanoni Engineering Workshop	1,125,446	1,195,620
	M/s Johadia Paribahan Songsta	826,356	3,250,320
	M/s. Arnab Trading	364,478	-
	Synergy Trading Ltd.	48,596	-
	Abul Khair Steel Melting Limited	770,000	-
	Shah Cement Industries Limited	167,200	-
		16,777,062	8,899,480
18.00	Revenue : Tk. 1,146,706,965		
	Export during the year	1,146,706,965	691,391,358
		1,146,706,965	691,391,358
19.00	Cost of Goods Sold: Tk. 895,574,196		
	Raw Materials Consumed (Note # 19.01)	833,599,902	492,393,847
	Manufacturing Overhead (Note # 19.03)	66,324,459	54,961,188
	Cost of Manufacture	899,924,361	547,355,035
	Work in Process-Opening	7,532,540	5,103,100
	Work in Process-Closing	(8,863,548)	(7,532,540)
	Cost of production	898,593,353	544,925,595
	Sample Expenses	(2,058,546)	(1,725,470)
	Finished Goods-Opening	4,585,245	2,807,397
	Finished Goods-Closing	(5,545,856)	(4,585,245)
		895,574,196	541,422,277
19.01	Raw Materials Consumed: Tk. 833,599,902		
	Opening Stock of Raw Materials	94,852,521	62,687,940
	Purchase during the year	880,565,078	524,558,428
	Raw materials available for Production	975,417,599	587,246,368
	Closing Stock of Raw Materials	(141,817,697)	(94,852,521)
	Raw Materials Consumed	833,599,902	492,393,847
19.02	Store Items : Tk. 3,795,847		
	Opening Balance	1,222,460	1,020,530
	Purchase during the year	4,125,845	2,234,524
		5,348,305	3,255,054
	Closing Balance	(1,552,458)	(1,222,460)
	Consumption during the year	3,795,847	2,032,594

		Amount in Taka	
		June 30, 2019	June 30, 2018
19.03	Manufacturing overhead : Tk. 66,324,459		
	Wages, Salaries and Allowances	19,671,310	17,110,750
	Festival Bonus	1,482,000	1,316,540
	Carrying Charge	4,025,482	2,343,278
	Electricity Bill	7,815,254	5,445,234
	Fuel Expenses	855,125	-
	Freight & Forwarding Charge	1,514,520	1,353,288
	Medical Expenses	885,325	804,514
	Food & Tiffin Expenses	985,246	954,310
	Labor Charge	2,215,258	1,846,088
	Production Incentives	932,542	892,391
	Telephone and Mobile Bill	544,285	518,220
	Printing & Stationery Expenses	506,607	414,224
	Store Items (Note # 19.02)	3,795,847	2,032,594
	Conveyance	172,480	103,057
	Postage & Stamp	95,258	60,021
	Insurance Expenses	38,811	1,222,033
	Miscellaneous Expenses	370,254	422,150
	Repairs & Maintenance	144,250	81,918
	Depreciation (Annexure- A)	20,274,605	18,040,578
		66,324,459	54,961,188
			Restated
20.00	Operating Expenses : Tk. 35,903,815		
	Selling Expenses (Note # 20.01)	25,446,273	21,372,614
	Administrative Expenses (Note # 20.02)	10,457,542	9,974,265
		35,903,815	31,346,879
20.01	Selling Expenses : Tk. 25,446,273		
	Salaries and Allowances	13,709,000	11,225,300
	Festival Bonus	871,650	825,420
	Advertisement	80,250	19,550
	Electricity Bill	192,585	185,327
	Phone, Fax and Mobile Bill	1,419,360	1,340,124
	Entertainment Expenses	512,598	435,345
	Repair & Maintenance	858,465	767,562
	Paper and Periodicals	436,613	380,324
	Traveling Expenses	1,825,450	1,680,250
	Printing & Stationery	735,226	580,248
	Postage & Courier	562,155	485,620
	Sample Expenses	2,058,546	1,725,470
	Transportation & Handling Expenses	1,090,653	895,325
	Miscellaneous Expenses	882,528	638,826
	Depreciation (Annexure- A)	211,194	187,923
		25,446,273	21,372,614
20.02	Administrative Expenses : Tk. 10,457,542		
	Salaries and allowances	5,225,620	4,950,940
	Festival Bonus	529,120	410,320
	Tours and Travelling Expenses	1,125,324	1,213,254
	Phone, Fax and Mobile Bill	392,540	428,542
	Postage & Stamps	210,125	195,454
	Printing & Stationery	340,542	302,458

		Amount in Taka		
		June 30, 2019	June 30, 2018	
Registration, Renewal & Legal Expenses		290,250	275,245	
Entertainment		579,254	575,274	
Electricity Bill		238,351	228,256	
Water Bill		174,315	156,230	
Audit fees (Including VAT)		100,000	100,000	
Director Remuneration		240,000	240,000	
Board Meeting Fee		86,000	56,000	
Miscellaneous Expenses		292,520	278,524	
Depreciation (Annexure- A)		633,581	563,768	
		10,457,542	9,974,265	
21.00 Other Income : Tk. 13,521,855				
Interest Income		13,185,427	1,709,586	
Foreign Currency Fluctuation Gain/(Loss) (Realized)		254,288	329,122	
Foreign Currency Fluctuation Gain/(Loss) (Un-realized)		82,140	96,232	
		13,521,855	2,134,940	
22.00 Financial Expense : Tk. 15,064,953				
Bank Charges & Commission		739,525	463,591	
Interest on Loan	(Note # 22.01)	14,325,428	12,790,045	
		15,064,953	13,253,635	
22.01 Interest on Loan : Tk. 14,325,428				
Interest on Short Term Loan		14,325,428	12,790,045	
		14,325,428	12,790,045	
			Restated	
23.00 Contribution to WPPF: Tk. 10,175,517				
Profit before Contribution to WPPF		213,685,855	107,503,507	
Contribution to WPPF		10,175,517	5,119,215	
As per Bangladesh Labor Act, 2006 (Amendment-2013), the amount is computed @ 5% net profit before Income Tax.				
			Restated	
24.00 Earnings per Share: Tk. 2.53				
a) Net Profit After Tax		194,493,192	93,232,322	
b) Weighted average number of ordinary shares	(Note # 24.01)	77,000,000	48,561,644	
Earnings per Share (EPS) (a/b)		2.53	1.92	
24.01 Calculation of Weighted Average Number of Shares				
Particulars	Number of Ordinary Share	Weight	Weighted average no. of Shares 30 June 2019	Weighted average no. of Shares 30 June 2018
Opening No. of Shares	70,000,000	365/365	70,000,000	40,000,000
Issuance of Bonus Share	7,000,000	365/365	7,000,000	7,000,000
Issuance of New Share (IPO)	30,000,000	19/365	-	1,561,644
Total	77,000,000		77,000,000	48,561,644
25.00 Net Asset Value per Share (NAV) : Tk. 13.88				
Total Assets			1,327,765,878	1,381,783,786
Less: Non-Current Liabilities			14,730,939	14,450,177
Less: Current Liabilities			244,625,366	470,003,496
a) Net Asset Value			1,068,409,573	897,330,113
b) No. of ordinary shares outstanding			77,000,000	70,000,000
Net Asset Value per Share (NAV) (a/b)			13.88	12.82

	Amount in Taka	
	June 30, 2019	June 30, 2018
	Restated	
26.00 Net Operating Cash Flows per share (NOCFPS) : Tk. 1.33		
a) Net Operating Cash Flows	102,409,128	10,239,552
b) Weighted average number of ordinary shares outstanding (Note # 24.01)	77,000,000	48,561,644
Net Operating Cash Flows per Share (NOCFPS) (a/b)	1.33	0.21

27.00 Disclosures of the Companies Act, 1994

27.01 Schedule XI, Part II, Note 5 of Para 3- Employees :

Total number of employees are as follows:

Particulars	30 June 2019
Salary below Tk. 8,000 per month	-
Salary Tk. 8,000 or above per month	245
Total	245

27.02 The requirement of schedule XI part-II, Para 3 (a) : Turnover

Particulars	30 June 2019
Turnover in BDT.	1,146,706,965
Turnover in Quantity (M.Ton)	7,302

27.03 The requirement of schedule XI part-II, Para 3 (d) (i) : Raw Materials Consumed

Particulars	30 June 2019
Raw Material (Value in BDT.)	833,599,902
Raw Material Quantities (kg)	6,908,477

27.04 The requirement of schedule XI part-II, Para 3 (d) (ii) : Finished goods

Particulars	30 June 2019
Opening Quantity (M.Ton)	36.28
Production Quantity (M.Ton)	7,310.59
Closing Quantity (M.Ton)	44.87

27.05 The requirement of schedule XI part-II, Para 4

Payments to Managing Director and Director by the company during the year

a. Managerial remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager.	240,000
b. Expenses reimbursed to managing agent	Nil
c. Commission or other remuneration payable separately to a managing agent or his associate.	Nil
d. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	Nil
e. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
f. Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
g. Other allowances and commission including guarantee commission	Nil

Amount in Taka	
June 30, 2019	June 30, 2018

h. Pensions etc.	
(i) Pensions	Nil
(ii) Gratuities	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(iv) Compensation for loss of office	Nil
(v) Consideration in connection with retirement from office.	Nil

27.06 The requirement of schedule XI part-II, Para 7 : Capacity Utilization

The production capacity and utilization of its are as follows:

Particulars	30 June 2019
	Qty in M. Ton
Installed Capacity	7,980
Actual Production	7,311
Capacity Utilization (%)	91.61%

27.07 The requirement of schedule XI part-II, Para 8 (C) :

(a) Value of imports calculated on C.I.F basis by the company during the financial year ended 30 June, 2019 in respect of raw materials, components of spare parts and capital goods were as follows:

S.L	Particulars	Import
		Amount in BDT
i	Raw Materials	880,565,078
ii	Packing Materials	-
iii	Components of Spare parts	-
iv	Capital Goods	2,530,254

(b) The Company did not have any expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultation fees, interest and other matters.

(c) Value of all imported raw materials, spare parts and components consumed during the financial year and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption:

Particulars	Total Consumption	Imported Taka	%	Local Taka	%
Raw Materials	833,599,902	833,599,902	100%	-	0%
Packing Materials	-	-	0%	-	0%
Store Items	3,795,847	-	0%	3,795,847	100%
Total	837,395,749	833,599,902		3,795,847	

(d) No amount has been remitted during the year in foreign currencies on account of dividends for non-residents shareholders,

(e) Earnings in foreign exchange classified under the following heads, namely:

- (i) export of goods calculated on F.O.B. basis Tk. 1,146,706,965
- (ii) No royalty , know -how, professional and consultation fees were received;
- (iii) No interest and dividend received;
- (iv) No other income received.

27.08 Disclosure as per paragraph 17 of IAS 24 : Key Management Personnel of the entity:

(a) Short-term employee benefits

Name	Designation	Particulars	Transaction during the year	Outstanding as on 30.06.2019
Md. Tafazzal Hossain Forhad	Chairman	Remuneration	-	-
		Board Meeting fee	20,000	-
M.A. Kayum Howlader"	Managing Director	Remuneration	240,000	20,000
		Board Meeting fee	20,000	-
Abdur Razzak	Sponsor Director	Remuneration	-	-
		Board Meeting fee	16,000	-
Md. Atiqur Rahman	Director	Remuneration	-	-
	Director	Board Meeting fee	14,000	-
Sheikh Nasir Uddin	Independent Director	Remuneration	-	-
		Board Meeting fee	16,000	-
Total			326,000	20,000

(b) Post-employee benefits Nil

(c) Other long term benefits Nil

(d) termination benefits and Nil

(e) share-based payment Nil

27.09 During the period from 01-07-2018 to 30-06-2019, there were 10 (Ten) Board Meetings held. The attendance status of all the meetings is as follows:

Name of Directors	Designation	No. of Meetings Attended
Md. Tafazzal Hossain Forhad	Chairman	10
M.A. Kayum Howlader	Director & Managing Director	10
Abdur Razzak	Director	8
Md. Atiqur Rahman	Director	7
Sheikh Nasir Uddin	Independent Director	8

28.00 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method) the requirement of Bangladesh Securities and Exchange Commission notification no. BSEC/CMRRCD/2006-158/308/Admin/81 Dated 20 June 2018.

Particulars	Amount in (Tk.)	
	30 June 2019	30 June 2018
Net Profit before Tax	203,510,338	102,384,292
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation on Fixed Assets	21,119,380	18,792,269
Finance Cost	14,325,428	12,790,045
	238,955,146	133,966,606
Increase in Inventories	(49,586,793)	(36,573,799)
Increase in Trade and other Receivables	(73,855,968)	(67,797,350)
Increase in Advance, Deposits and Prepayments	(18,616,775)	(3,121,945)
Increase in Liabilities for Expenses	1,137,598	913,901
Increase in Liabilities for WPPF	5,056,302	1,897,908
Increase in Trade and other Payables	6,527,309	(6,669,438)
Cash Generated from Operating Operation	109,616,819	22,615,883
Advance Income Tax Paid	(7,207,691)	(12,376,331)
Net Cash Generated from Operating Activities	102,409,128	10,239,552

29.00 Significant Deviation

The Earning per share (EPS) as on June 30, 2019 stood at Tk. 2.53 against Tk. 1.92 compared to June 30, 2018. The EPS has increased due to increase of production capacity as well as increase of Sales and Net Profit after Tax compared to the previous year of June 30, 2018.

The Net Operating Cash Flow per share (NOCFPS) in current year is Tk. 1.33 as against Tk. 0.21 compared to the previous year of June 30, 2018 due to increase in collection from turnover & FDR interest income realization and comparatively lower payment made for suppliers and others.

30.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

31.00 Capital Commitment

The company have no Capital Commitment at the reporting date.

SK TRIMS & INDUSTRIES LTD.
Schedule of Property, Plant & Equipment
As at June 30, 2019

Annexure-A

Particulars	Cost		Rate of Depreciation/ Amortization (%)	Depreciation		Written Down Value as at 30.06.2019
	Balance as on 01 July 2018	Addition during the year		Balance as on 01 July 2018	Charge during the Year	
Land	144,517,845	5,525,426	0%	-	-	150,043,271
Buildings and Civil Construction	120,649,020	72,542,586	2.50%	3,163,796	9,351,403	183,840,203
Plant & Machinery	166,190,773	39,533,949	10%	14,041,021	53,997,236	151,727,486
Furniture and Fixture	2,763,941	2,325,152	10%	322,163	1,089,893	3,999,200
Electrical Equipment and Installation	13,251,490	2,183,195	10%	1,246,791	3,188,013	12,246,672
Office Equipment	1,624,998	1,632,236	10%	204,299	577,086	2,680,148
Fire Equipment	1,077,849	996,454	10%	130,010	296,926	1,777,377
Vehicle	10,304,235	15,268,070	20%	2,011,301	3,531,372	22,040,933
30 June 2019	460,380,151	140,007,068		21,119,380	72,031,929	528,355,290
30 June 2018	425,650,041	34,730,110		18,792,269	50,912,548	409,467,603

Allocation of depreciation

Particulars	Percentage %	Taka
Manufacturing Expenses	96%	20,274,605
Administrative Expenses	3%	633,581
Selling & Distribution Expenses	1%	211,194
Total	100%	21,119,380

SK TRIMS & INDUSTRIES LTD.
3rd Schedule of Property, Plant and Equipment (Tax base)
as at 30 June, 2019

Annexure-A

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at 30.06.2019
	Balance as on 01 July 2018	Addition during the year	Balance as on 30 June 2019		Balance as on 01 July 2018	Charge during the Year	Balance as on 30 June 2019	
Land	144,517,845	5,525,426	150,043,271	-	-	-	150,043,271	
Buildings and Civil Construction	120,649,020	72,542,586	193,191,606	20%	28,500,249	79,190,609	114,000,997	
Plant & Machinery	166,190,773	39,533,949	205,724,722	20%	25,201,400	104,919,122	100,805,600	
Furniture and Fixture	2,763,941	2,325,152	5,089,093	10%	428,928	1,228,745	3,860,348	
Electrical Equipment and Installation	13,251,490	2,183,195	15,434,685	20%	2,149,637	6,836,136	8,598,549	
Office Equipment	1,624,998	1,632,236	3,257,234	10%	283,154	708,851	2,548,383	
Fire Equipment	1,077,849	996,454	2,074,303	10%	185,104	408,367	1,665,936	
Vehicle	10,304,235	15,268,070	25,572,305	20%	4,702,292	6,763,139	18,809,166	
Total	460,380,151	140,007,068	600,387,219		61,450,763	200,054,969	400,332,250	

SK TRIMS & INDUSTRIES LTD.
Deferred Tax Calculation
as at 30 June 2019

	Annexure-B (Amount in Taka)	
	30 June 2019	30 June 2018
	Amount in BDT	
Opening Balance	14,450,177	10,413,576
Deferred Tax Liability /(Assets) as on 30 June 2019	14,730,940	14,450,177
Increase/(Decrease) of Deferred Tax Liability	280,762	4,036,601

Deferred tax (assets)/liability recognized in accordance with the provision of IAS-12, is arrived as follows:

Particulars	Carrying Amount on Balance Sheet date (Taka)	Tax Base (Taka)	Temporary Differences (Taka)
At 30 June 2019			
Property, Plant & Equipment , Annexure-A	528,355,290	400,332,250	128,023,040
Addition during the period	-	-	-
Temporary difference for lease Assets	-	-	-
Liability to Employees	(10,175,517)	-	(10,175,517)
Net temporary difference	518,179,773	400,332,250	117,847,523
Applicable Tax rate			12.50%
Deferred Tax Liability/(Asset)			14,730,940
At 30 June 2018			Restated
Property, Plant & Equipment, Annexure-A	409,467,603	321,775,946	87,691,657
Temporary difference for lease Assets	-	-	-
Liability to Employees	(5,119,215)	-	(5,119,215)
Net temporary difference	404,348,388	321,775,946	82,572,442
Applicable Tax Rate			17.50%
Deferred Tax Liability/(Asset)			14,450,177

SK TRIMS & INDUSTRIES LTD.
Details of Raw Material Inventory
For the year ended June 30, 2019

Sl. No.	Items Name	Opening Balance as on 01.07.2018		Purchased		Consumed/Used		Closing Balance as on 30.06.2019	
		Quantity (Kg, Bar,Pcs, gm, Feet, Box, etc)	Amount	Quantity (Kg, Bar,Pcs, gm, Feet, Box, etc)	Amount	Quantity (Kg, Bar,Pcs, gm, Feet, Box, etc)	Amount	Quantity (Kg, Bar,Pcs, gm, Feet, Box, etc)	Amount
		1	Sewing Thread	79,860	17,987,990	896,025	199,744,043	856,692	191,161,243
2	Silicon Oil	3,977	1,350,207	22,125	7,563,869	20,117	6,867,986	5,985	2,046,091
3	LLD/LDPE/LLDPE	57,159	6,011,322	641,854	62,465,616	612,418	60,049,451	86,595	8,427,487
4	Polypropylene	50,886	5,562,330	428,355	43,469,294	401,930	41,186,076	77,312	7,845,548
5	HDPE Film Gread HD 5301 AA	53,443	5,620,497	450,210	45,687,131	423,558	43,179,619	80,095	8,128,009
6	BOPP	67,660	7,900,077	380,062	43,942,844	346,786	40,172,681	100,936	11,670,241
7	Adhesive Tape	2,537	495,888	14,114	2,676,726	12,696	2,422,547	3,955	750,067
8	Thiner	1,127	301,379	7,545	2,039,678	6,805	1,836,341	1,867	504,715
9	Ink	3,947	2,088,631	22,142	11,805,756	20,148	10,726,742	5,941	3,167,645
10	Polyester Textured Yarn	21,223	3,884,097	357,114	65,944,528	345,927	63,843,807	32,410	5,984,818
11	Spendax Rubber	9,249	2,688,256	51,809	14,910,749	46,270	13,342,977	14,788	4,256,028
12	Rubber Thread	27,437	7,270,692	154,112	41,277,296	140,842	37,645,041	40,707	10,902,947
13	Opp Gum Tape	5,597	931,546	69,454	12,132,086	66,769	11,616,949	8,282	1,446,683
14	Duplex Board	55,853	4,810,229	626,204	56,254,661	599,174	53,619,145	82,883	7,445,745
15	Art card	23,217	1,903,370	563,412	44,521,380	552,268	43,709,502	34,361	2,715,247
16	Corrugating Medium Paper	75,661	5,764,248	637,053	47,691,062	600,769	45,074,884	111,945	8,380,427
17	Corrugating Liner Paper	76,594	6,406,143	644,541	57,901,954	607,824	54,128,870	113,311	10,179,227
18	Virgen Liner Paper	69,234	6,134,632	583,043	53,347,268	549,817	50,107,015	102,460	9,374,885
19	Virgen Paper /Medium Paper	85,961	7,332,000	723,158	64,964,465	681,904	60,868,182	127,215	11,428,283
20	Tissue Paper	3,106	408,987	17,255	2,224,670	15,763	2,040,841	4,598	592,816
	Total Taka	773,729	94,852,520	7,289,587	880,565,078	6,908,477	833,599,902	1,154,839	141,817,697

SK TRIMS & INDUSTRIES LTD.
Details of Work in process
For the year ended June 30, 2019

Annexure-D

Sl. No.	Items Name	Opening Balance as on 01.07.2018		Closing Balance as on 30.06.2019	
		Quantity (Kg, Bar,Pcs, gm, Feet, Box, etc)	Amount	Quantity (Kg, Bar,Pcs, gm, Feet, Box, etc)	Amount
1	Sewing Thread	5,261	1,185,024	5,816	1,296,428
2	Silicon Oil	1,106	375,483	1,330	454,657
3	LLD/LDPE/LLDPE	3,594	378,002	4,318	420,186
4	Polypropylene	4,403	481,282	5,278	535,590
5	HDPE Film Gread HD 5301 AA	2,157	226,801	2,585	262,301
6	BOPP	1,947	227,376	2,334	269,845
7	Adhesive Tape	276	54,033	332	62,921
8	Thiner	354	94,658	425	114,804
9	Ink	276	146,301	332	176,898
10	Polyester Textured Yarn	2,938	537,610	3,525	650,937
11	Spendax Rubber	432	125,566	540	155,414
12	Rubber Thread	1,728	457,906	2,039	546,136
13	Opp Gum Tape	472	78,521	604	105,476
14	Duplex Board	4,313	371,453	5,176	464,956
15	Art card	8,626	707,190	10,175	804,005
16	Corrugating Medium Paper	3,013	229,555	3,380	253,020
17	Corrugating Liner Paper	3,625	303,185	4,393	394,683
18	Virgen Liner Paper	6,589	583,869	7,248	663,213
19	Virgen Paper /Medium Paper	10,783	919,705	13,047	1,172,078
20	Tissue Paper	372	49,020	465	60,000
	Total Taka	62,266	7,532,540	73,340	8,863,548

SK TRIMS & INDUSTRIES LTD.
Details of Finished Goods
For the year ended June 30, 2019

Annexure-E

Sl. No.	Name of Products	Opening Balance as on 01.07.2018		Closing Balance as on 30.06.2019	
		Qty.	Amount	Qty.	Amount
1	Carton	8,323.32	736,540	10,245	905,245
2	Elastic	2,555	595,482	3,163	735,412
3	Poly	5,317	836,546	6,297	996,528
4	Swing Thread	1,988	716,254	2,120	765,254
5	Photo Card	3,428	324,587	4,287	405,263
6	Back Board	7,111	485,624	8,212	563,524
7	Size/Price/Bar Code Tag	5,715	425,786	8,559	632,156
8	Tissu Paper	332	215,346	451	285,294
9	Gum Paper	1,509	249,080	1,534	257,180
	Total	36,278	4,585,245	44,868	5,545,856

SK TRIMS & INDUSTRIES LTD.
Details of Trade Receivables
For the year ended June 30, 2019

Annexure-F

Sl. No.	Name	30 June 2019	30 June 2018
1	Afiya Knitwear	-	5,621,348
2	A.G Dresses Ltd.	2,620,183	4,852,600
3	Adila app..	1,691,149	-
4	Advanced Composite	3,793,928	-
5	Astex Garments	165,494	-
6	Azmat Fashions	5,360,018	-
7	Bela Fashion	437,911	-
8	Bhuyan Warmtex	2,280,680	-
9	COSMIC SWEATERS	1,689,464	-
10	Dewan Fashion Ltd.	9,778,750	8,785,120
11	Dress up ltd	1,404,847	-
12	Dyeing	20,930,047	-
13	Emon Fashion	171,981	-
14	Flaxen Dress Maker	422,350	-
15	FYNE SWEATERS	1,696,579	-
16	Genetic Fashion Ltd.	4,226,428	9,356,123
17	Goodrich Sweater	1,985,083	3,365,210
18	Grameen Knitwear	-	4,921,301
19	Gramtech Knit	5,753,787	13,570,543
20	Green Sweater Ltd	279,685	-
21	Hamds clothing	581,244	-
22	Ibrahim Knit	3,810,519	-
23	Integra Appa. Ltd.	-	7,850,124
24	Jagira Fabrice	2,248,509	-
25	Kac Fashion	552,941	-
26	Leew Fashion	2,965,911	-
27	Magpie Composite	15,085,012	-
28	Mallick Fabrics Ltd.	-	15,694,480
29	Mascot Knitwear	-	2,558,410
30	M.S Dyeing	35,182,323	-
31	Mozart Knitwear Ltd.	-	8,452,004
32	M.S Enayed Garment	4,815,660	-
33	M.T Sweaters Ltd	4,177,158	-
34	M/S Mahid app..	1,203,687	-
35	Moonlux Knit	3,807,067	-
36	Next export	7,863,667	-
37	Orion Knit	18,895,557	35,353,112
38	Oshin Fashion	844,713	-
39	P.A Knit Com...	5,665,049	-
40	Poly Maryer Knit	-	6,548,320
41	Padma Wer's Ltd	21,188,846	-
42	Panache	1,690,298	-
43	Parents Sweaters	1,410,332	-
44	Piangka Fashion	586,213	-
45	Pole Star Fashion	3,227,941	-

Sl. No.	Name	30 June 2019	30 June 2018
46	Pretty Sweaters	4,055,094	-
47	Ragadi Textile Ltd	2,442,248	-
48	Reedisha Textstripe	4,895,356	-
49	Ripon Knitwear	3,436,099	-
50	Rose Intimates	787,294	-
51	Self Innovative	509,776	-
52	Saad Fashion	-	4,800,041
53	Scandex Knitwear	-	7,458,900
54	Shabab Fabrics Ltd.	-	4,895,264
55	Spicy Fashion Ltd.	-	9,485,120
56	Taratex Ltd.	-	2,598,740
57	Tex Way Appa. Ltd.	-	3,001,458
58	T.J sweaters	3,390,681	-
59	Tex Town Ltd	1,207,414	-
60	Trust Knitwear	5,914,627	-
61	Veronica	253,431	-
62	West App.	2,536,363	-
63	Z-3 Composite	1,360,710	-
Total		231,280,101	159,168,218

