

ANNUAL REPORT 2020



Crafting Colours of Culture

কাজ করি
দেশ গড়ি



৩৪,০০০
কর্মদক্ষ হাতের পক্ষ হতে
শুভেচ্ছা



Scan for Corporate Video



AMAN
ECONOMIC ZONE



AMAN
PACKAGING
LIMITED

AMAN
SHIPYARD
LIMITED



am
FOODS & BEVERAGE LTD.



COLD STORAGE

AMAN COLD STORAGE LIMITED
MILAN COLD STORAGE LIMITED
A. M. COLD STORAGE LIMITED
AMAN SEEDS STORAGE LIMITED
AMAN AGRO INDUSTRIES LIMITED
AMAN ECONOMIC ZONE LIMITED

TRADING

JUVENILE TRADE INTERNATIONAL LTD.
JUVENILE CONSTRUCTION LIMITED
AMAN TRADING CORPORATION
AMAN ASSOCIATES LIMITED
ISLAM BROTHERS & CO.
R S & T INTERNATIONAL

TEXTILE

AMANTEX LIMITED
AMAN COTTON FIBROUS LIMITED
ANWARA MANNAN TEXTILE MILLS LTD.
AMAN PACKAGING & ACCESSORIES LTD.

CONSTRUCTION MATERIAL

AMAN CEMENT MILLS LTD.
AMAN CEMENT MILLS UNIT-2 LTD.
AMAN PACKAGING LIMITED
AMAN SHIPYARD LIMITED
AKIN CARRIER LIMITED

AGRO INDUSTRIES

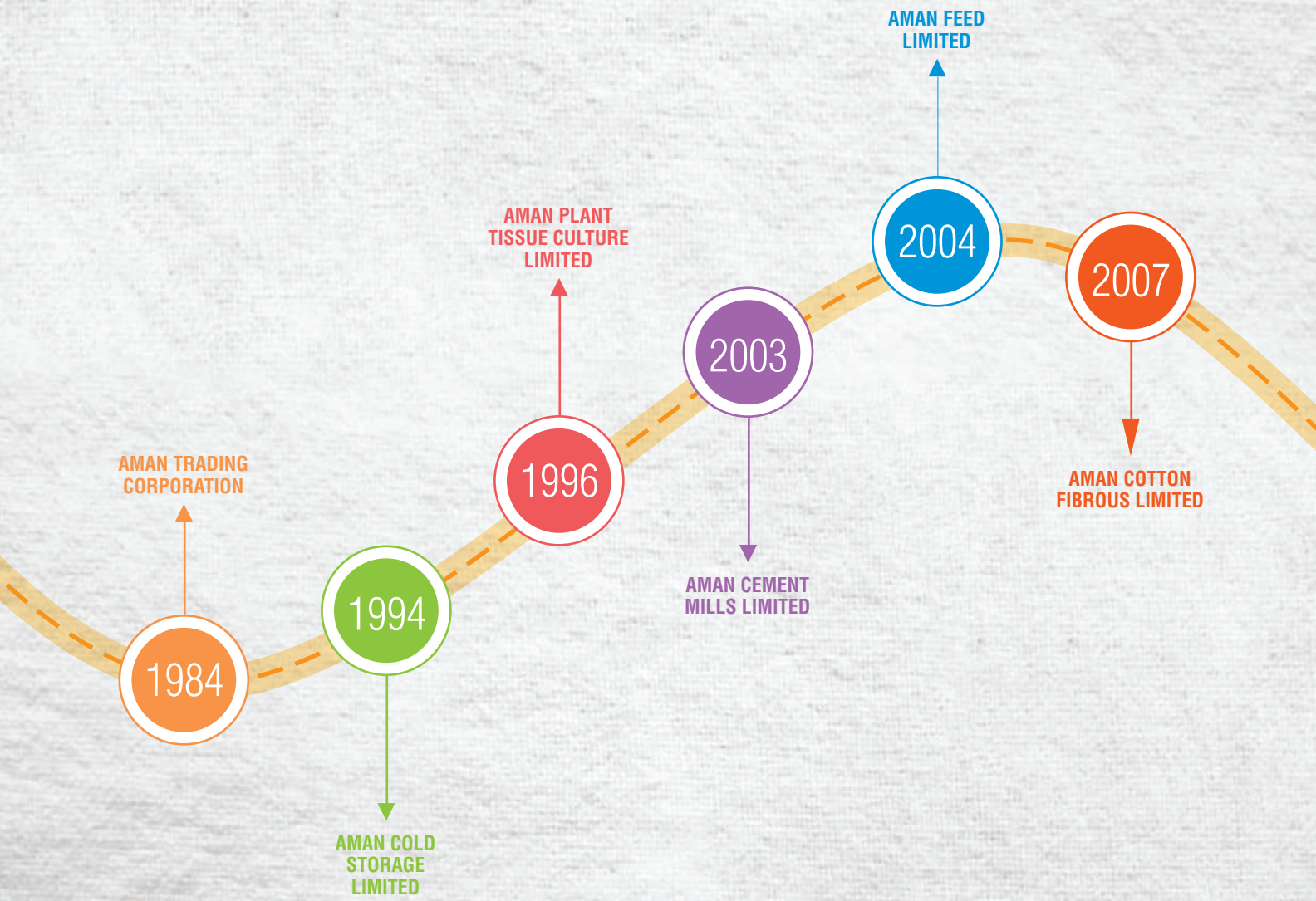
AMAN FEED LIMITED
AMAN CHICKS LIMITED
AMAN BREEDERS LIMITED
AMAN POULTRY & HATCHERY LIMITED
AMAN PLANT TISSUE CULTURE LIMITED
AMAN JUTE FIBROUS LIMITED



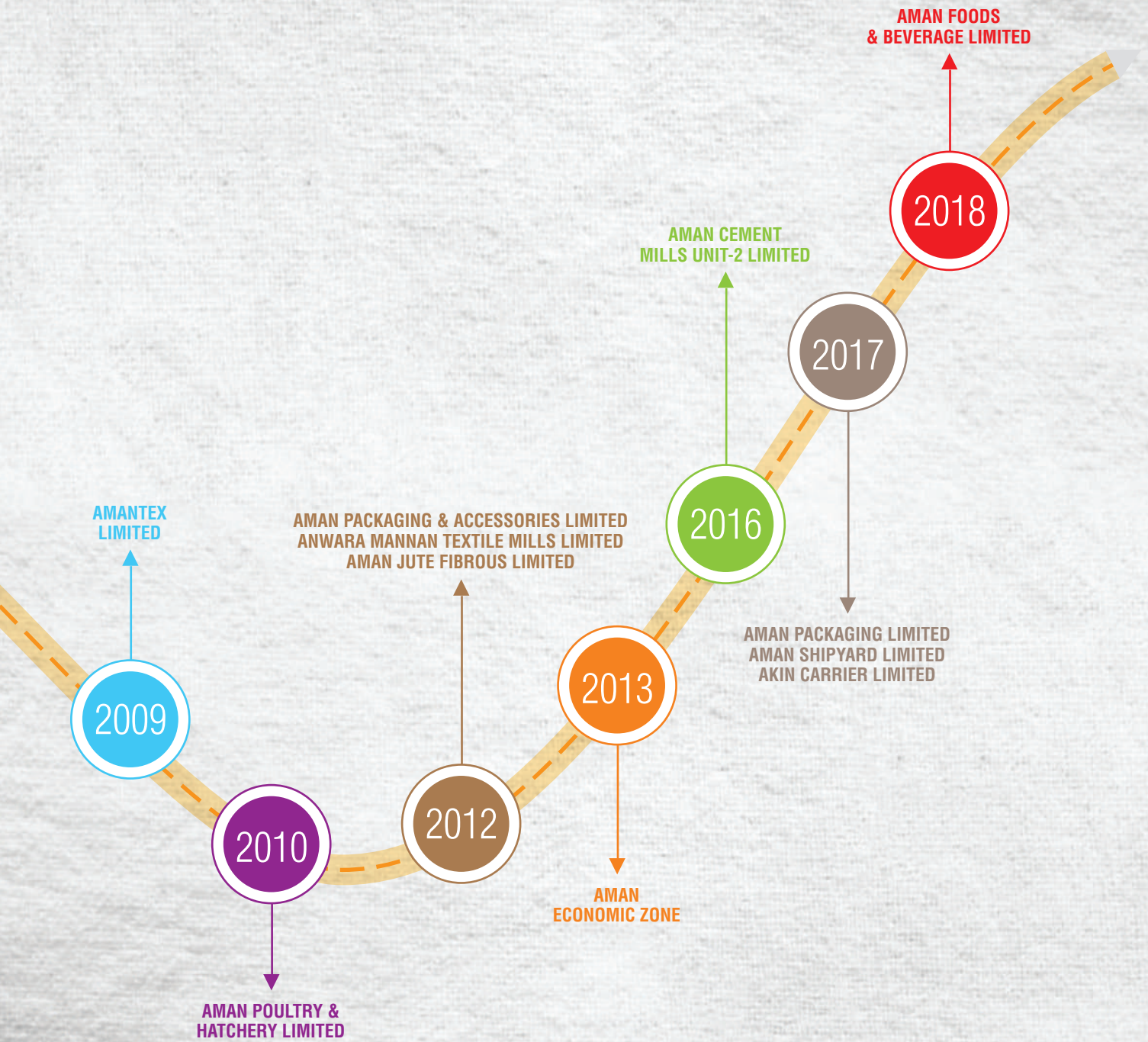
anwara
FEED LIMITED



কাজ করি
দেশ গড়ি



AMAN GROUP TIMELINE



AMAN GROUP CORPORATE INFORMATION



TEXTILE

AMANTEX LIMITED

Address	:	Boiragirchala, Sreepur, Gazipur
Product	:	Basic T-Shirt, Polo Shirt, Tank Top Hoody Jackets Bodies for New Born & Infants Leggings, Trouser Top Bottom Set etc.
Year of Establishment	:	2008
Year of Commercial Production	:	July, 2009
Total Area	:	24,000 Sqr. Mtr.
Total Covered Area	:	51,375 Sqr. Mtr.
Total Manpower	:	4,900 nos.
Production Capacity	:	Garments: 8,333 doz/day, Dyeing: 25 M. Ton/day Kitting: 20 M. Ton/day Other facilities: Sueding, Brushing, Printing, Embrodering.

AMANTEX UNIT-2 LIMITED

Address	:	Boiragirchala, Sreepur, Gazipur
Product	:	Basic T-Shirt, Polo Shirt, Tank Top Hoody Jackets Bodies for New Born & Infants Leggings, Trouser Top Bottom Set etc.
Year of Establishment	:	2013
Year of Commercial Production	:	2014
Total Area	:	14,000 Sqr. Mtr.
Total Covered Area	:	41,750 Sqr. Mtr.
Total Manpower	:	4,700 nos.
Production Capacity	:	Garments: 6,666 doz/day

AMAN COTTON FIBROUS LIMITED

Address	:	Boiragirchala, Sreepur, Gazipur
Product	:	Carded Cotton Yarn, Combed Cotton Yarn
Year of Establishment	:	2006
Year of Commercial Production	:	2007
Total Area	:	30,000 Sqr. Mtr.
Total Covered Area	:	18,000 Sqr. Mtr.
Total Manpower	:	890 nos.
Production Capacity	:	6,195 M. Ton/year

AMAN COTTON FIBROUS UNIT-2 LIMITED

Address	:	Boiragirchala, Sreepur, Gazipur
Product	:	100% Cotton: Ne 20s/1 to 40/1. Synthetic: Poly Cotton Blend, Viscose, Melange
Year of Establishment	:	On Going
Year of Commercial Production	:	On Going
Total Area	:	30,000 Sqr. Mtr.
Total Covered Area	:	18,000 Sqr. Mtr.
Total Manpower	:	890 nos.
Production Capacity	:	6,195 M. Ton/year

ANWARA MANNAN TEXTILES MILLS LIMITED

Address	:	Boiragirchala, Sreepur, Gazipur
Product	:	Ne 20s/1 to 40s/1, Combed Cotton Yarn Ne 20s/1 to 40s/1, Semi Combed Cotton Yarn Ne 20s/1 to 40s/1
Year of Establishment	:	2010
Year of Commercial Production	:	2012
Total Area	:	50,400 Sqr. Mtr.
Total Covered Area	:	30,000 Sqr. Mtr.
Total Manpower	:	1,530 nos.
Production Capacity	:	15,000 M. Ton/Year

AMAN PACKAGING & ACCESSORIES LIMITED

Address	:	Boiragirchala, Sreepur, Gazipur
Product	:	All Kinds of Poly, Twill Tape, Normal Elasti, Gum Tape, Paper Cone
Year of Establishment	:	2014
Year of Commercial Production	:	2015
Total Area	:	5,760 Sqr. Mtr.
Total Covered Area	:	5,600 Sqr. Mtr.
Total Manpower	:	120 nos.
Production Capacity	:	1. Poly: 8 M. Ton/day 2. Twill Tape: 41,600 yds/day 3. Gum Tape: 1.75 M. Ton/day 4. Paper Cone: 60,000 pcs/day 5. Cartoon: 2,00,000 pcs/day



CONSTRUCTION MATERIALS

AMAN CEMENT MILLS LIMITED

Address	:	Ullapara R/S, Ullapara, Sirajgonj
Product	:	Portland Cement
Year of Establishment	:	2001
Year of Commercial Production	:	2003
Total Area	:	21,000 Sqr. Mtr.
Total Covered Area	:	13,346 Sqr. Mtr.
Total Manpower	:	300 nos.
Production Capacity	:	750 M. Ton/day

AMAN CEMENT MILLS UNIT-2 LIMITED

Address	:	Haria, Baiddyer Bazar, Sonargaon, Narayangonj
Product	:	Portland & Composite Cement
Year of Commercial Production	:	2017
Total Area	:	1,08,000 m ²
Total Covered Area	:	70,000 m ²
Total Manpower	:	350 nos.
Production Capacity	:	10,000 TPD



**AMAN
PACKAGING
LIMITED**

AMAN PACKAGING LIMITED

Address	:	Boidder Bazar, Sonargaon, Narayangonj
Year of Registration	:	2007
Year of Commercial Production	:	2017
Total Manpower	:	203 nos.
Product & Capacity	:	Cement Bag: 120,000 Pcs. Per day Feed Bag: 50,000, Pcs. Per day Spinning Bag/Other Bag: 30,000 Pcs Per day



**AMAN
SHIPYARD
LIMITED**

AMAN SHIPYARD LIMITED

Factory Address	:	Boidder Bazar, Sonargaon, Narayangonj
Date of Company Registration	:	2007
Date of Commercial Operation	:	
DWT 3560	:	October 2018
DWT 375	:	November 2018
Product & Capacity	:	
DWT 3560	:	4 Nos., DWT 375: 12 Nos
DWT 375	:	4 Nos.
Manpower	:	390 nos.



COLD STORAGE

With a view to preserve and storage of table Potato's and Seed Potato these companies were formed and established 5 (Five) Cold Storage and Seed Storage with a total capacity 72,850 MT Potato.

AMAN COLD STORAGE LIMITED

Address	:	Modonhati, Nowahata Pouroshova, Rajshahi
Product	:	Table Potato
Year of Establishment	:	1995
Year of Commercial Production	:	1996
Total Area	:	18,400 Sqr. Mtr.
Total Covered Area	:	20,00 Sqr. Mtr.
Total Manpower	:	80 nos.
Production Capacity	:	14,500 M.Ton

AMAN AGRO INDUSTRIES LIMITED

Address	:	Mohonpur, Upazilla Rajshahi
Product	:	Table Potato
Year of Establishment	:	2002
Year of Commercial Production	:	2003
Total Area	:	24,600 Sqr. Mtr.
Total Covered Area	:	30,00 Sqr. Mtr.
Total Manpower	:	100 nos.
Production Capacity	:	16,500 M.Ton

MILAN COLD STORAGE LIMITED

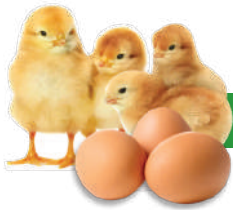
Address	:	BSCIC, Soupura, Rajshahi
Product	:	Table Potato & Seed Potato
Year of Establishment	:	2000
Year of Commercial Production	:	2000
Total Area	:	10,800 Sqr. Mtr.
Total Covered Area	:	20,00 Sqr. Mtr.
Total Manpower	:	80 nos.
Production Capacity	:	14,350 M.Ton

A M COLD STORAGE LIMITED

Address	:	Kashimbazar, Tanore, Rajshahi
Product	:	Table Potato
Year of Establishment	:	2011
Year of Commercial Production	:	2012
Total Area	:	21,600 Sqr. Mtr.
Total Covered Area	:	30,000 Sqr. Mtr.
Total Manpower	:	100 nos.
Production Capacity	:	16,500 M.Ton

AMAN SEEDS STORAGE LIMITED

Address	:	Madanhati, Paba Rajshahi
Product	:	Seed Potato
Year of Establishment	:	2011
Year of Commercial Production	:	2012
Total Area	:	8,100 Sqr. Mtr.
Total Covered Area	:	11,620 Sqr. Mtr.
Total Manpower	:	60 nos.
Production Capacity	:	11,000 M.Ton



AGRO BASED INDUSTRIES

AMAN POULTRY & HACHERY LIMITED

Address	:	Fadilpur, Kakonhat, Godagari, Rajshahi.
Product	:	Day Old Chicks (DOC)
Year of Establishment	:	2010
Year of Commercial Production	:	2012
Total Area	:	18,400 Sqr. Mtr.
Total Covered Area	:	12,995 Sqr. Mtr.
Total Manpower	:	500 nos.
Production Capacity	:	500,000/Week, 84,00,000 Chicks.

AMAN BREEDERS LIMITED

Address	:	Badhir, Prokash Nagar, Tanore, Rajshahi.
Product	:	Day Old Chicks (DOC)
Year of Establishment	:	2012
Year of Commercial Production	:	2013
Total Area	:	32,374 Sqr. Mtr.
Total Covered Area	:	10,515 Sqr. Mtr.
Total Manpower	:	580 nos.
Production Capacity	:	13,478,400/Year & 102,000 Chicks.

AMAN JUTE FIBROUS LIMITED

Address	:	Singhagati, Ullapara, Sirajgonj
Product	:	Sack, Hessian & Jute Twine
Year of Establishment	:	2013
Year of Commercial Production	:	2015
Total Area	:	50,400 Sqr. Mtr.
Total Covered Area	:	27882 Sqr. Mtr.
Total Manpower	:	3,000 nos.
Production Capacity	:	60 MT/day, 15000 MT/year

AMAN PLANT TISSUE CULTURE LIMITED

Address	:	Narikelbaria, Paba, Rajshahi
Product	:	HYV Potato Seeds
Year of Establishment	:	2004
Year of Commercial Production	:	2008
Total Area	:	92,000 Sqr. Mtr.
Total Covered Area	:	500 Sqr. Mtr.
Total Manpower	:	250 nos.
Production Capacity	:	5,400 M.Ton



TRADING CONCERNS

The Group inherited trading business and constructural business of supplies and construction throughout Bangladesh. The ansector of the group used to enjoy every high reputation in the locality.

The present members of the Board of Directors are the successors of the founder of AMAN TRADING CORPORATION. All the firms are now engaged in importing and marketing of various consumer items keeping in pace with the demand of the time. The Group is now having huge track of import business. These concerns are engaged in import and marketing of different type of commodities.

AMAN TRADING CORPORATION
JUVENILE TRADE INTERNATIONAL LIMITED
AMAN ASSOCIATES LIMITED
JUVENILE CONSTRUCTION
ISLAM BROTHERS & CO.
R S & T INTERNATIONAL

Head Office	:	2, Ishakha Avenue, Sector-6, Uttara, Dhaka
Registred Office	:	Ali Bhaban (5th floor), 9 Rajuk Avenue, Motijheel C/A, Dhaka-1000
Rajshahi Office	:	115, 116, Rani Bazar, Rajshahi
Chittagong Office	:	South Land Centre, 501, 5 Agrabad C/A, Chittagong
Jessore Office	:	Nur Ali Bhaban (Gr. floor), Avoy Nagar, Noapara, Jessore
Pabna Office	:	Nagarbari Ghat, Pabna
Chapai Nawabgonj Office	:	Sonamosjid Poat, Sonamosjid, Chapai Nawabgonj
Product	:	Food Grain, Cereals, Fertilizers, Raw Cotton, Wheat, Maize, Rice, Sugar, Soya Meal, Yellow Peas etc. from different parts of globe
Year of Establishment	:	1984-2003
Total Manpower	:	400 nos.

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VISION

To be recognized by the customers as the market leader for hi-tech product innovation, quality product supplier and superior service provider to the customers.

MISSION

To deliver promised quality and endeavor towards better research, innovation and development. To be a trusted brand for the customers, suppliers and employees.

CORE VALUE

To be honest and committed in fair dealings with all stakeholders of the Company.

OUR GOAL

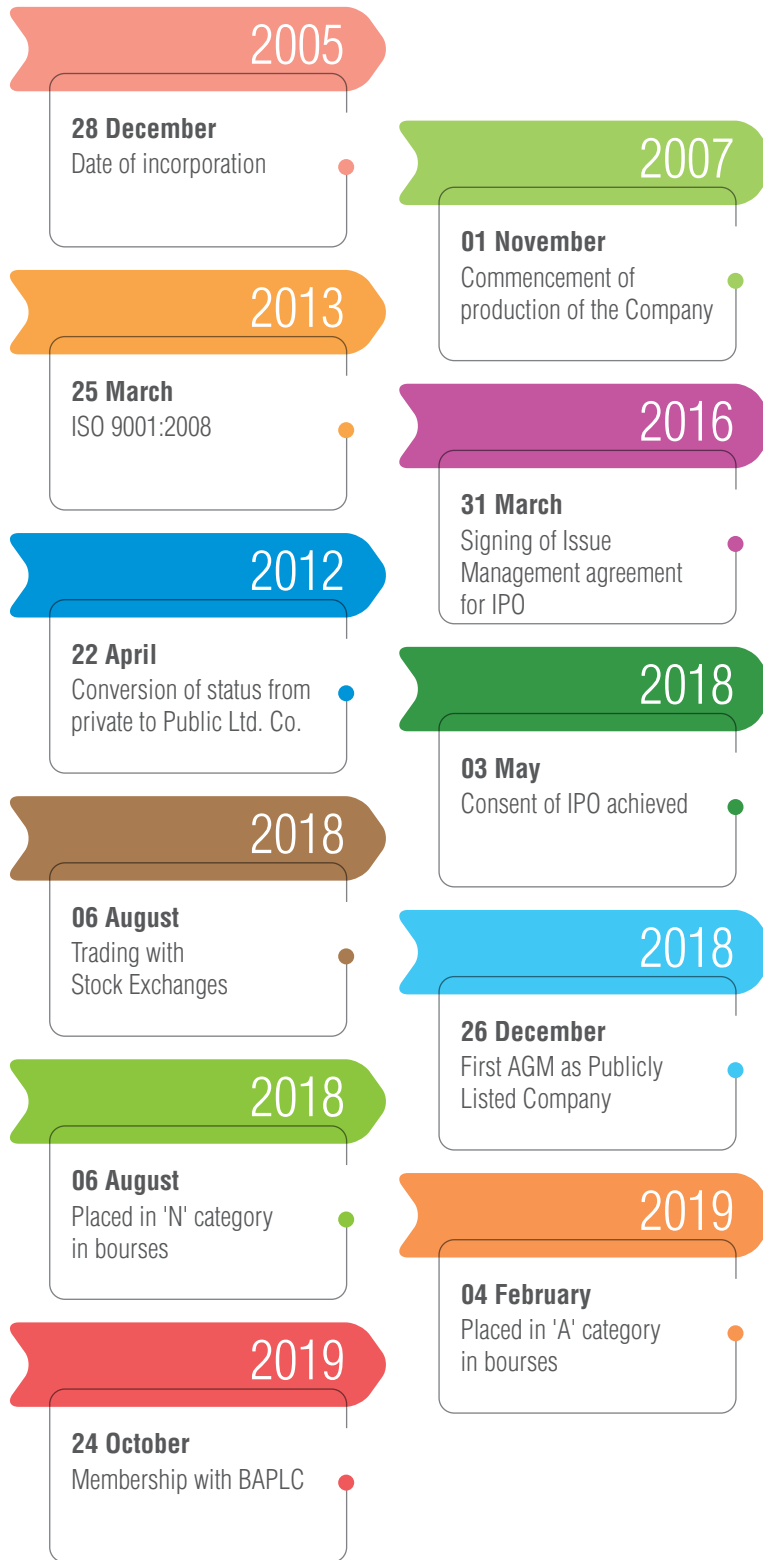
Aman Cotton Fibrous Limited (ACFL) is primarily engaged in manufacturing of high quality cotton yarn in Bangladesh and marketing and selling of product in the domestic market as deemed export. The installation of a high capacity air conditioning and filtration plant has enabled the mill to meet the international standards. The Company manufactures 100% cotton Carded, Combed & Semi-combed ring spun grey yarn for knitting as well as weaving. From the beginning of operation of ACFL, it has managed to comply with the international standards of management, which was reflected to attain of ISO 9001:2008 Certificate.



STRATEGY

- Ensure sustainable growth and modernization of existing facilities with potential for success through increasing capacity and manufacturing efficiency;
- Achieve global competitiveness and to derive the full benefit of our demographic and wages advantage;
- Achieve technological superiority;
- Strengthening financial resources;
- Maintain state-of-the-art manufacturing facilities for ensuring best quality products to the customers;
- Obtain world class accreditation by proper execution of ISO 9001:2008 standard and best practices that are proven effective

History & Milestones



Products & Services

The principal product of the Company is combed & carded cotton yarn of different counts. The products are supplied to local textile industries, which are exported mostly to Europe and USA.

Product Name	Sales During the Year 2019-20 (MT)	Percentage (%)
Yarn-Carded	2,608	72.71%
Yarn-Combed	979	27.29%
Total	3,587	100.00



CORPORATE INFORMATION

INCORPORATION AS PRIVATE LIMITED COMPANY

28 December 2005

COMMERCIAL OPERATION STARTED

01 November 2007

CONVERTED INTO PUBLIC LIMITED COMPANY

22 April 2012

LOCATION OF FACTORY

Boiragirchala, Sreepur, Gazipur

BANKERS OF THE COMPANY

Islami Bank Bangladesh Ltd.
Megna Bank Limited
Standard Bank Limited

AUDITORS

ISLAM QUAZI SHAFIQUE & CO.
Chartered Accountants
Al-haj Shamsuddin Mansion (4TH Floor)
17New Eskaton Road, Moghbazar, Dhaka-1230

LEGAL ADVISERS

Dr. Kamal Hossain & Associates
Metropolitan Chamber Building (2nd floor)
122-24 Motijheel C/A, Dhaka-1000

REGISTERED OFFICE

Boiragirchala, Sreepur, Gazipur

CORPORATE OFFICE

2, Ishakha Avenue, Sector- 6, Uttara, Dhaka-1230

PHONE

+880-2-48961691-3, 09612613000

FAX

880-2- 58950510

EMAIL

s.islam@amangroupbd.com

WEBSITE

www.amancotton.com



Aman
Cotton
Fibrous Ltd.

CORPORATE MANAGEMENT



CORPORATE MANAGEMENT

BOARD OF DIRECTORS

Md. Rafiqul Islam
Managing Director

Md. Shofiqul Islam
Chairman

Md. Toufiqul Islam
Director

Md. Toriqul Islam
Director

Md. Rabiul Haque
Nominated Director

Mr. Md. Iftikhar-Uz-Zaman
Independent Director

Md. Mizanur Rahman
Independent Director

MANAGEMENT COMMITTEE

Md. Rafiqul Islam
Managing Director

Md. Toufiqul Islam
Director

Md. Toriqul Islam
Director

Md. Manun-Ur-Rashid Chowdhury,FCMA
Chief Financial Officer

Muhammad Saiful Islam
Head of Internal Audit

Mr. Shariful Islam,CMA(Inter)
Company Secretary

AUDIT COMMITTEE

Md. Mizanur Rahman
Chairman

Md. Toriqul Islam,
Member

Md. Rabiul Haque
Member

Mr. Shariful Islam,CMA(Inter)
Member Secretary

NOMINATION & REMUNERATION COMMITTEE

Md. Mizanur Rahman
Chairman
Independent Director

Md. Rafiqul Islam
Member

Md. Rabiul Haque
Member

Mr. Shariful Islam,CMA(Inter)
Member Secretary

BOARD OF DIRECTORS



Md. Shofiqul Islam
Chairman



Md. Rafiqul Islam
Managing Director



Md. Toufiqul Islam
Director



Md. Toriqul Islam
Director



Md. Iftikhar-Uz-Zaman
Independent Director



Md. Rabiul Haque
Nominated Director



Md. Mizanur Rahman
Independent Director



Message from
Chairman's Desk

**Dear Valued Shareholders,
Assalamu-Alaikum**

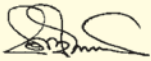
I have the pleasure to welcome you all at the 15th Annual General Meeting of your company for the year ended 30 June 2020 as per provision of the prevailing laws and regulations of the country and also thank you for taking the trouble of attending the meeting despite various difficulties being faced. As Chairman of the Board, I feel immensely honored and privileged in taking this opportunity to formally report to our valued shareholders for the 3rd time.

The success of any organization requires than just a sound business strategy. I am personally committed to ensuring that ethical leadership continues to be embedded in our culture across our Group. ACFL's culture is a key component to our success. It has roots in the fundamental values we have held since our founding things like putting customers first and always acting with respect and integrity.

The Board of Directors of ACFL has always remained focused on maximizing shareholder's value through formulation of policies and guidelines to ensure sustainable profitability, prudent risk management and good governance. As the Chairman of your company, my objective is to make sure that the Board of Directors actively continues to play their due part in the coming year. I eagerly look forward to receiving your thoughtful inputs.

Now, on behalf of the Board I would take this opportunity to thank our Regulators, Bangladesh Securities and Exchange Commission and Stock Exchange, NBR and other Regulatory Authorities of the Government of the People's Republic of Bangladesh for their continued guidance and support. I would also wish to thank our team and all employees of the company for their tremendous passion, resilience and hard work in delivering value for our shareholders and all other stakeholders. I remain personally grateful to the honorable members of the Board for having vested their confidence in my leadership and also for their immense support and guidance.

Let's celebrate and enjoy this auspicious day and would expect your generous effective suggestion with recommendation which will lead our beloved company to attain the pick of success.



Md. Shofiqul Islam
Chairman



Message from
Managing Director's Desk

**Dear valued Stakeholders,
Assalamu-Alaikum.**

I welcome you to the 15th Annual General Meeting of your company and continue to take pride in your association with us. As a Managing Director of the company I convey my heartfelt gratitude to all our respected shareholders for their continued support to the company.

Overview:

We have passed another difficult year for your company as smooth business operation was hampered due to COVID-19 Pandemic and demand of yarn fall drastically in the local and international market. Our total effort to overcome and expect to improve the current situation but the scenario was not changed and we could not maintain our targeted production and profitability during the year. However the Board of Directors of the company is now analyzing the current situation of the company seriously to take proper decision for better results in near future.

Marketing:

Market situation remain same like previous year due to continuous fall of yarn price as well as decrease of demand of finished fabrics in the local market that ultimately played a negative role in our targeted sales achievement. But despite of having all those unpredictable and uncontrollable market factors, our marketing team is always concentrating on keeping the market share intact.

Technology:

The company is endeavoring and adopts new technology in production, quality control, distribution and administration of its products to customers.

Approach to Governance:

The practice of good governance has been embedded into our company's culture since inception. We pride ourselves in being one of the most law abiding companies in the country operating within the various frameworks and we are bound by and delivering results with integrity. We believe in transparency for abiding by all laws and regulations of the country and support sensible and enforceable regulations.

Approach to Sustainability

Considering the local yarn market and competition which was fierce in 2019-2020 and we were happy to compete fairly, but we hope to see further increase in industry compliance as international companies enter Bangladesh. In 2020, our primary four focus areas of growth, productivity, winning organization and sustainability remain constant. ACFL believes in the strategy of delivering business growth with integrity to invest for a sustainable future. With the right strategy, production capability, portfolio and most importantly people, I am confident that we will be able to continue delivering sustainable value for our shareholders.

Great Team:

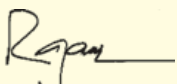
I feel good about what we have accomplished and how we are positioned. There are many reasons why our team has worked hard to meet our customers' needs and serve our stakeholders well. We always value the power of talented people, trained by inspired leadership, all driving hard towards achieving our goals.

We have a great team who has been involved in the cutting edge of delivering superior services. Our challenge now is to inspire our people with a vision that we can really become truly a leading feed manufacturing company, the very best to cater the needs of our market. This will help us build a company with sustained growth and gradually make ACFL a lure for the most talented people around.

Closing Remarks:

I express my sincere thanks to all the shareholders of the company for upholding their confidence in us and our employees for providing their valuable contribution to ACFL throughout 2020. The guidance from our Board of Directors has always been instrumental in shaping the success of the company. We are also grateful to the millions of our shareholders who have been with us and appreciated our activities throughout the year 2019-2020. We aim to passionately continue building value for our customers and shareholders in the future.

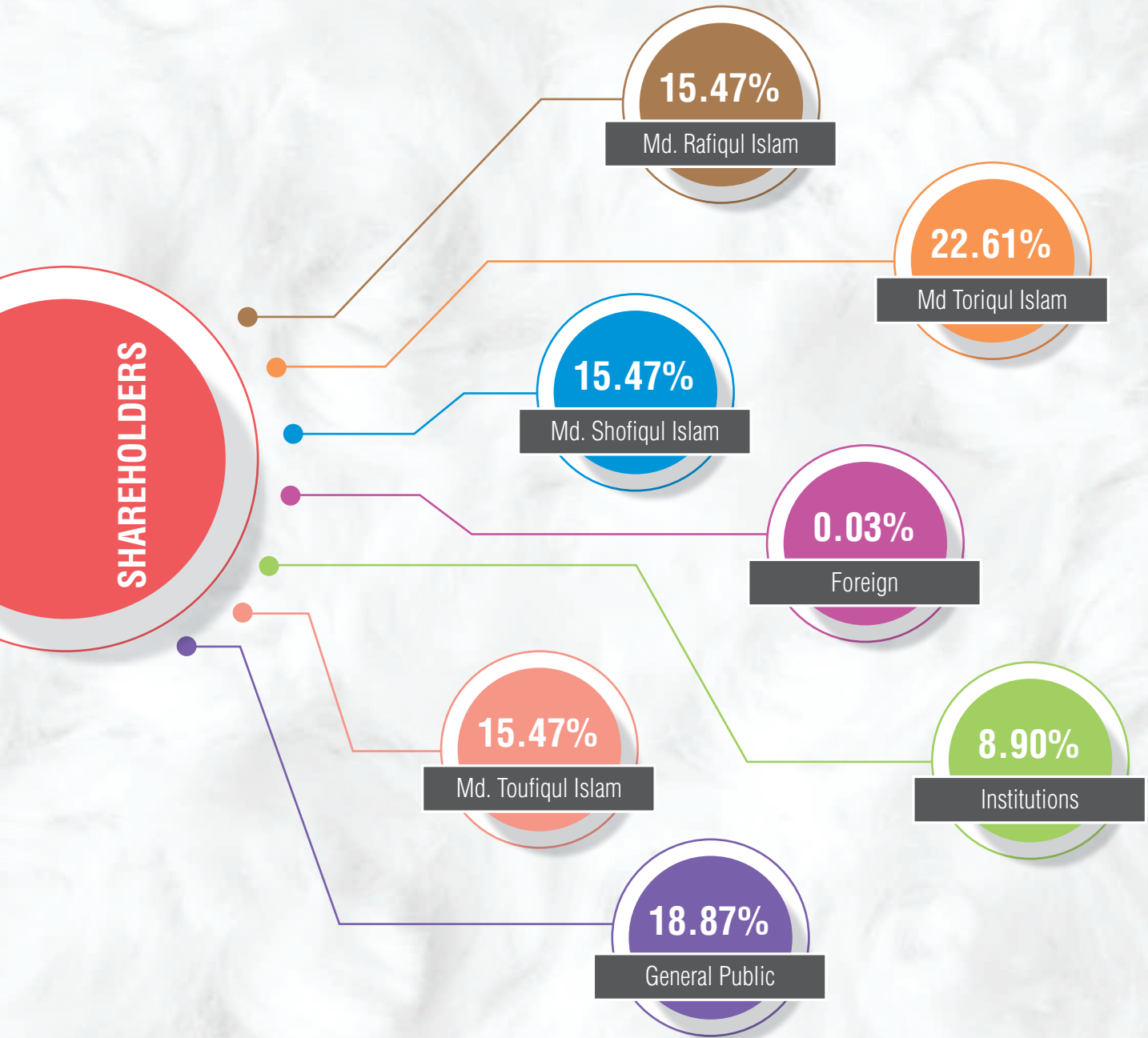
Allah Hafez.



Md. Rafiqul Islam
Managing Director

SHAREHOLDING STRUCTURE

Almost half of shareholding structure comprises of three sponsor's directors namely Md. Rafiqul Islam (15.47%), Md. Shofiqul Islam (15.47%) and Md. Toufiqul Islam (15.47%). The rest 53.59 % shareholding includes Md Toriqul Islam (22.61%), General Public (18.87 %), Foreign (0.03%) and other Institutions (8.90 %)



CORPORATE GOVERNANCE STATEMENT-2020

Corporate Governance is the system by which companies are directed and controlled by the management in the best interest of all the stakeholders, thereby ensuring greater transparency and better and timely financial reporting.

The Board of Directors of Aman Cotton Fibrous Limited. is aware that enriched corporate governance ultimately helps win stakeholders confidence. With that maxim, it also acknowledges that responsibility, compliance, transparency and finally accountability are the essence of good corporate governance and which are to be established by means of an effective corporate governance regime. And with that aim the Board ensures the integrity and commitment of its employees, supported by a comprehensive framework of policies, guidelines and internal controls. In this statement of Corporate Governance, we therefore wish to provide insights to the shareholders, investors and other stakeholders on the corporate governance initiatives in the company.

Aman Cotton Fibrous Limited considers that its corporate governance practices comply with all the aspects of the BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. In addition to establish high standard of corporate governance, the Company also considers best governance practices in activities.

Date of this Corporate Governance Statement

This Corporate Governance Statement reflects the corporate governance and other related policies and practices in place for the Aman Cotton Fibrous Limited as on 30 June 2020.

Corporate Governance Framework:

Aman Cotton Fibrous Limited Corporate Governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance,
- The Companies Act 1994 and other applicable regulations of Bangladesh, Dhaka and Chittagong Stock Exchange listing regulations
- Laws of the land,
- Standards of Business conduct, policies and Guidelines of the company
- Statement of Risk Management internal control of the company
- Statement of Delegated Authorities of the company
- Local best practices

The Board also continuously reviews its corporate governance frameworks to ensure its relevance, effectiveness and sustainability in addressing future business challenges.

The conducts of all employees of the company, including the Board of Directors are governed by the company's policies, guidelines and standards of Business conduct. Each and every employee, including Director, is expected to live up to the standards of Business conduct and required to confirm their commitment and compliance by executing a declaration of compliance annually.

The company had always been fully adherent with the above mentioned corporate governance principles and best practices. This statement on Corporate Governance, together with the statement on risk management and internal control, sets out the manner by which the company has applied the governance principles and best practices.

The corporate governance framework of Aman Cotton Fibrous Limited is directed towards achieving the company's business objectives in a responsible manner. Therefore, in order to comply with the laws, rules, regulations, corporate governance codes, articles of association, policies and procedures, the Company constantly exercises good Board practices, effective control processes, transparent disclosures, well-defined shareholders' right and Board commitments. The manners of adherence to these principles and practices are outlined as follows:

Corporate Compliance:

One of the fundamentals of good governance is corporate compliance to the various laws, rules, and regulations. Compliance helps build trust among the Board Members, Shareholders, customers and other stakeholders including the regulators. As leaders of a compliant company, the Management Team of Aman Cotton Fibrous Limited adopted strategies that assure compliance with all relevant legal and regulatory requirements. This ensures that good governance cascades right throughout the company. Aman Cotton Fibrous Limited is subject to close monitoring process of regulatory bodies that focus on transparency and require that Aman Cotton Fibrous Limited provides accurate and periodic reporting of issues/events and certification where necessary. In this context, the company regularly provides a complete set of financial statements and relevant documents to the Bangladesh Securities and Exchange Commission (BSEC), Stock Exchange, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC) and all other relevant bodies and authorities. The Company also takes various initiatives to conduct awareness sessions on existing and proposed laws to ensure compliance throughout the company. Overall Aman Cotton Fibrous Limited has always strived to remain a fully compliant company accommodating every possible way and strategy to ensure the same.

Board Practices

The Board is responsible to the shareholders for overall success of the Company for its strategic directions, its values and its governance. It provides the leadership necessary for the company to meet its business objectives within the framework of its internal controls, while also discharging the company's obligations to its shareholders. The composition of the Board complies with the requirements outlined in the BSEC Guideline on Corporate Governance, the Listing Regulations and those of the generally applied codes of best practices. The Board comprises an admixture of Executive and Non-Executive Directors from diverse professional backgrounds with wealth of experience, skills and expertise.

Policy on Appointment of Directors:

Aman Cotton Fibrous Limited does not have its own and separate policy on appointment of Directors, except for the very first Board. The Company always complies with the regulations of the regulatory authorities regarding appointment of Directors. BSEC notifications and Companies Act are strictly followed in this regard. As per the companies Act, 1994, Directors are subject to retirement. At least one-third of the Directors shall retire by rotation in every AGM. As per the Companies Act 1994, a Director may be appointment for a period of three years and the term may be prolonged for another three years. The term of an independent Director is three years and may be lengthened by another three years. With regards to nomination, removal and casual vacancy of the directors, the Company follows all relevant rules and regulations of the respective regulatory bodies.

Chairman of the Board:

The Chairman of the Company is elected by the Board of Directors and the Board considers the Chairman being independent.

Roles of the Chairman:

The Chairman runs the Board. The Chairman serves as the primary link between the Board and management and works with the Managing Director and Company Secretary to set the agenda for Board Meeting. It is the Chairman's responsibilities to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities as directors of the Company.

Roles of the Managing Director:

- The Managing Director is responsible for driving business operations, leading the development and execution of the company's long term strategies with a view to creating shareholder value.
- The MD's leadership role also entails being ultimately responsible for all day to day management decisions and for implementing the company's long and short term plans.
- The Managing Director acts as a direct liaison between the Board and Management of the Company and communicates to the Board on behalf of the Management.
- The MD also communicates on behalf of the company to the shareholders, employees, Government authorities, other stakeholders and the public.

Board Composition:

The Board of Aman Cotton Fibrous Limited considers that its membership should comprise of directors with an appropriate composition of skills, experience and personal attributes that allow the directors, individually and the Board, collectively, to discharge their responsibilities and duties, under the law, efficiently and effectively, understand the business of the Company and assess the performance of the management.

The composition of the Board embraces diversity. The Directors have a range of local and international experience and expertise and specialized skills to assist with decision making and leading the company for the benefit of shareholders.

The Board of Aman Cotton Fibrous Limited, comprise of 7 (Seven) Directors, including two independent Directors who possess a wide range of skills and experience over a range of professions and businesses. Each of directors brings in independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensures that the activities of the Company are always conducted with adherence to strict and highest possible ethical standards and in the best interests of the stakeholders.

Role and Responsibilities of the Board:

The Board is committed to the Company seeking to achieve superior financial performance and long term prosperity, while meeting stakeholder's expectations of sound corporate governance practices. The Board of Directors is in full control of the company's affairs and is also fully accountable to the shareholders.

They firmly believe that the success of the Company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of the company set out its strategic focus and look over the business and related affairs of the Company. The Board formulates the strategic objectives and policy framework for the company.

Chairman of the Board & Managing Director of the Company is different person:

The Chairman of the Board is not the Chief Executive of the Company. The role of Chairman and the Managing Director are independent and separate.

Conduct for the Board Members:

The Board of Directors of Aman Cotton Fibrous Limited is committed to the highest standards of conduct in their relationship with its employees, buyers, members, shareholders, regulators and the public.

Holding of the Board Meeting:

The Meeting of the Board of Directors of the Company is normally held at the Registered/Corporate office of the Company. The Meeting is held frequently, at least once in a quarter, to discharge its responsibilities and functions as mentioned above. The Meeting is scheduled well in advance and the notice of each Board Meeting is given, in writing, to each director by the Company Secretary.

Number of Board meeting held in 2019-2020 (1st July 2019 to 30th June 2020)

The number of meeting of the Board held during the accounting year, and the attendance of Directors at those meeting is disclosed in the as follows:

Name of the Directors	Attendance	Remarks
Md. Rafiqul Islam	10	
Md.Shofiqul Islam	10	
Md.Toufiqul Islam	10	
Md. Toriqul Islam	10	
Md. Mizanur Rahman	10	
Md. Rabiul Haque	10	

Role of the Chief Financial Officer:

The CFO is responsible for establishing and executing the Company's financial operation plan that is necessary to achieve the Company's objective. The CFO works with executives to help them become greater contributors by helping them improve their efficiency and effectiveness.

Role of the Company Secretary:

Appointed by the board, the Company Secretary works with the Chairman of the Board to monitor and enhance corporate governance processes and to ensure that Board policies and procedures are tracked.

Appraisal of the Board's Performance

Since all members of the Board are very experienced, but the company abides by the codes of conduct formulated by the Board and as required by the regulators. The Board members have always taken decisions that have benefitted the Company as a whole and they have always performed their duties accordingly.

Senior Executive:

Structure:

The company's management structure comprises by the Managing Director and Head of the divisions. The Management Team (MT) is responsible for developing organizational and business strategy and sponsoring innovation and development of best practices across the company. The MT is also responsible for organizational effectiveness and the development of Aman Cotton Fibrous Limited values and culture. The MT is responsible for managing performance and key business issues in line with the company's long term strategy and for talent and performance management. The MT is chaired by the Managing Director and the team meets face to face on a regular basis.

Performance Review:

The Managing Director is responsible for setting financial targets as well as operational and management goals for the members of the MT. Both short term and long term goals form part of the performance management of all senior executives. Long term goals are directly linked to the vision of the company. Short term goals are generally directly linked to objectives of the company.

The Chairman and Managing Director conduct a detailed review of the performance of senior executives against these goals on quarterly basis.

REMUNERATION OF THE SENIOR EXECUTIVES:

Remuneration of all senior executives is based on performance review appraisal measuring through quarterly and annual KPI (Key Performance indicator) appraisal system.

BOARD COMMITTEE

The Board has established a permanent Board committee to assist advice and make recommendations to the Board on matters falling within their respective responsibilities.

AUDIT COMMITTEE

The company's Audit Committee is a sub –committee of the Board of Directors of Aman Cotton Fibrous Limited formed in compliance with BSEC Corporate Governance notification No.SEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission and international best practices on Corporate Governance.

OBJECTIVES OF THE AUDIT COMMITTEE

The principal function of the Audit committee is to exercise and have an oversight over the Company's risk management, financial reporting and regulatory compliance functions.

COMPOSITION OF AUDIT COMMITTEE INCLUDING INDEPENDENT DIRECTOR

An audit committee consisting of the Independent Director as Chairman and two other Directors as member has been constituted in terms of the BSEC guidelines for ensuring good governance practices. The audit committee of the Board had held 4(Four) Meeting during the reporting period for 12 months and examined the coverage of internal and external audit. The Company Secretary act as the secretary of the Audit Committee. The composition of the Audit Committee is as follows:

- Mr. Md. Mizanur Rahman Chairman
- Mr. Md. Toriqlul Islam Member
- Mr. Md. Rabiul Haque Member
- Mr. Shariful Islam, CMA (Inter) Member Secretary

Chairman of the Audit Committee and his qualifications:

The Committee is headed by Mr. Md. Mizanur Rahman, Independent Director. He is wide experienced personnel particularly in engineering sector. He undertook different training & workshops including 'Participatory Management of Low-Cost Water Supply Sanitation' organized by ITN Bangladesh. He has diversified work experience in various organization including Abdul Monem Ltd., Rajshahi University and Mati-O-Kathamo.

The Audit Committee and Internal Audit:

Internal Audit is the division within Aman Cotton Fibrous Limited that is responsible for reviewing the Company's system of internal controls, including the conduct of regular audits of all operational units. Internal Audit is operationally independent and its members are not involved in the company's operational activities and in that the Head of Internal Audit, in addition to his direct reporting line to the Chairman & Managing Director also has access to the Audit Committee.

The Audit Committee is responsible for approving the annual audit plan of internal Audit Division and reviewing the plan's subsequent implementation. Internal audit reports or summaries thereof prepared by internal Audit Division are reviewed on a regular basis by the committee. The Internal Audit team consists of the following persons:

Reporting of Audit Committee:

The Audit Committee reports directly to the Board of Directors and under certain circumstances can also reports to the Chairman.

Internal Control:

Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives relating to effectiveness and efficiency of operations, reliability of both external and internal financial and non-financial reporting and compliance with applicable laws and regulations in Aman Cotton Fibrous Limited. The control system applies to all divisions and departments of the Company's operations.

Communications and Relationship with Shareholders:

Aman Cotton Fibrous Limited strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives. The Company's web site www.amancotton.com displays, inter alia, the annual report, half yearly report, quarterly report, product offerings, recent announcements and event updates.

The Company reports to the shareholders, four times a year, through quarterly, half yearly report and detailed annual report. Every shareholder has the right to attend the annual general meeting, where they can meet and communicate with the directors and express their views regarding the Company's business, its future prospects and other matters of interest. The shareholders are always encouraged to attend the meeting or if unable to attend, may appoint proxies.

All disclosures required by the Company Act, 1994, Bangladesh Securities and Exchange Commission, Listing Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited are made adequately and promptly.

Ensuring Participation of Shareholders in AGM

Aman Cotton Fibrous Limited tries its utmost to ensure that all shareholders can participate in the AGM. Annual Reports are sent at least 2 weeks before the AGM to ensure all shareholders are notified about the event date, place and time. Also, Aman Cotton Fibrous Limited always ensures that AGM is held at a suitable time and place where all shareholders may attend. Notices to shareholders are made by publication in the daily newspapers and through the digital media as well. To ensure compliance with regulatory bodies, Aman Cotton Fibrous Limited ensures that it publishes AGM Notice in two widely circulated newspapers, and copies sent to the stock exchanges and BSEC.

The Company continues to have regular communication with the shareholders through the Annual General Meeting, Annual Report, Quarterly updates on financial performance and at any other time in the best interest of the shareholders. Also the Company's website is there to further cater to the information needs of all. In this respect, all the best practices are followed by the Company which helps investors to keep their trust and confidence in the Company. All of the Company's publications to the market may be retrieved through the Company's website.

Shareholders are offered the chance to interrogate the Board regarding the operation of the Company. They are also presented the ability to query the Company's auditors concerning topics linked to the audit of the Company's financial statements at the AGM.

Well-defined Shareholders Right:

Aman Cotton Fibrous Limited believes that the management of a successful and productive relationship with its shareholders must be underpinned by the importance of maintaining transparency and accountability to its shareholders. The Board ensures through the Company Secretary that all the Shareholders of the company are treated equitably and ensures that the rights of all shareholders are equally protected.

In order to achieve good governance, the Company Secretary acts as a bridge between the shareholders and the Board of Directors of the company who delivers the standard services to its valued shareholders ensuring the well-defined shareholders rights in accordance with applicable laws and the Articles of Association of the Company. Catering to the continuous disclosure requirements, the shareholders are communicated in a routine manner of all major developments that involve the business of the Company, so that they are able to make informed decisions.

Preparation and Presentation of Financial Statements and Directors Responsibility:

The Companies Act 1994 requires the directors to prepare financial statements for each accounting year. The Board of Directors accept the responsibility of preparing the financial statements, maintaining adequate records for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities, selecting suitable accounting policies and apply those policies consistently and making reasonable and prudent judgments and estimates where necessary.

REPORT TO THE SHAREHOLDERS OF **AMAN COTTON FIBROUS LIMITED** ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by **Aman Cotton Fibrous Limited** for the year ended on 30 June 2020. This Code relates to the Notification No.SEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Place: Dhaka

Dated: 01 April, 2021

A.H. Mostafa Kamal FCA
Managing Partner
Mostafa Kamal & Co.
Chartered Accountants

AMAN COTTON FIBROUS LIMITED

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
1.	Board of Directors:-			
1 (1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		The Aman Cotton Fibrous Limited Board is comprised of 07 (Seven) Directors.
1 (2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		The number of independent director of the company is 02 (Two)
1 (2) (b)	For the purpose of this clause "independent director" means a director-			
1 (2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		The Independent Directors declare their compliances
1 (2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√		-do-
1 (2) (b) (iii)	who has not been an executive of the company in immediately preceding 2(two) financial years;	√		-do-
1 (2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		-do-
1 (2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		-do-

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
1 (2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		-do-
1 (2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		-do-
1 (2) (b) (viii)	who is not independent director in more than 5 (five) listed companies;	√		-do-
1 (2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		-do-
1 (2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	√		-do-
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		-do-
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety)days; and	√		-do-
1 (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the , 1994 (1994) Companies Act, 1994).	√		-do-
1 (3)	Qualification of Independent Director.-			
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1 (3) (b)	Independent director shall have following qualifications:			
1 (3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1 (3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			N/A

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
1 (3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	√		
1 (3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1 (3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		The Independent Directors have more than 12 years experience on engineering profession.
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	No such special case occurred.
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		Necessary permission taken from Ministry of Commerce, Govt. of Peoples Republic of Bangladesh
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1 (5)	The Directors' Report to Shareholders The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
1 (5) (i)	An industry outlook and possible future developments in the industry;	√		
1 (5) (ii)	The segment-wise or product-wise performance;	√		
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1 (5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	-	-	N/A
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√	-	Discussed in the Directors Report
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	-	-	N/A
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	-	-	N/A
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	-	-	N/A
1 (5) (x)	A statement of remuneration paid to the directors including independent directors;	-	-	N/A
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained	√		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1 (5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	√		
1 (5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	-	-	N/A
1 (5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1 (5) (xxiii) (c)	Executives; and	-	-	N/A
1 (5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1 (5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1 (5) (xxiv) (a)	a brief resume of the director	√		
1 (5) (xxiv) (b)	nature of his or her expertise in specific functional areas; and	√		
1 (5) (xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1 (5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1 (5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	√		
1(5)(xxvii)	(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	√		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	Governance of Board of Directors of Subsidiary Company.-			

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	-	-	N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3 (1)	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		Necessary permission taken from Ministry of Commerce, Govt. of Peoples Republic of Bangladesh
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3 (2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3 (3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3 (3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee.- For ensuring good governance in the company, the Board shall have at least following subcommittees:	√		
4 (i)	(i) Audit Committee; and	√		
4 (ii)	(ii) Nomination and Remuneration Committee.	√		
5	Audit Committee. -			
5(1)	Responsibility to the Board of Directors.	√		
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5 (2)	Constitution of the Audit Committee	√		
5 (2) (a)	The Audit Committee shall be composed of at least 3(three) members;	√		
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
5 (2) (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	√		
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5 (3)	Chairperson of the Audit Committee	√		
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5 (4)	Meeting of the Audit Committee			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		The audit committee has conducted four meetings during the year.
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5 (5)	Role of Audit Committee The Audit Committee shall:-			

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
5 (5) (a)	Oversee the financial reporting process;	√		
5 (5) (b)	monitor choice of accounting policies and principles;	√		
5 (5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5 (5) (d)	oversee hiring and performance of external auditors;	√		
5 (5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5 (5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5 (5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5 (5) (h)	review the adequacy of internal audit function;	√		
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5 (5) (j)	review statement of all related party transactions submitted by the management;	√		
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5 (5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5 (5) (m)	<p>oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:</p> <p>Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:</p> <p>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.</p>	-	-	N/A
5 (6)	Reporting of the Audit Committee			

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
5 (6) (a)	Reporting to the Board of Directors			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	√		
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-	√		
5 (6) (a) (ii) (a)	report on conflicts of interests;	-	-	N/A
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	N/A
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	N/A
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	N/A
5 (6) (b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	N/A
5 (7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC).-			
6 (1)	Responsibility to the Board of Directors			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6 (2)	Constitution of the NRC:			

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;	√		
6 (2) (b)	All members of the Committee shall be non-executive directors;	√		
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6 (2) (g)	The company secretary shall act as the secretary of the Committee;	√		
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6 (3)	Chairperson of the NRC			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
6 (4)	Meeting of the NRC			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6 (2) (h);	√		
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6 (5)	Role of the NRC			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6 (5) (b) (i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to 13 the remuneration of the directors, top level executive, considering the following:	√		
6 (5) (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6 (5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6 (5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6 (5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External or Statutory Auditors.-			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	√		
7 (1) (i)	appraisal or valuation services or fairness opinions;	√		
7 (1) (ii)	financial information systems design and implementation;	√		
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7 (1) (iv)	broker-dealer services;	√		
7 (1) (v)	actuarial services;	√		
7 (1) (vi)	internal audit services or special audit services;	√		
7 (1) (vii)	any service that the Audit Committee determines;	√		
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7 (1) (ix)	Any other service that creates conflict of interest.v	√		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company.-			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	√		
8 (2)	The company shall keep the website functional from the date of listing.	√		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance.-			

CONDITION NO.	TITLE	COMPLIANCE STATUS		Remarks (if any)
		COMPLIED	NOT COMPLIED	
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Aman Cotton Fibrous Limited
Certificate on Compliance of Corporate Governance
As per condition no. 6 of Corporate Governance Guidelines

We do hereby certify to the Board that:-

1. We have reviewed the Financial Statements of the Company for the year ended 30th June 2020 and that to the best of our Knowledge and belief :
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
2. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

SD/-

(Md. Rafiqul Islam)

Managing Director

SD/-

(Md. Mamun-Ur-Rashid Chowdhury, FCMA)

Chief Financial Officer



AUDIT COMMITTEE REPORT

For the Year ending June 30, 2020

The Audit Committee consists of the following persons:

Mr. Md. Mizanur Rahman	Chairman
Mr. Md. Toriqul Islam	Member
Mr. Md. Rabiul Haque	Member
Mr. Shariful Islam, CMA(Inter)	Member Secretary

The Independent Director, Mr. Md. Mizanur Rahman acts as the Chairman of the Committee. As per regulatory guidelines, the Company Secretary, Mr. Shariful Islam, CMA (Inter) acts as secretary to the Committee. The Audit Committee, accordingly, performs in absolute coherence and ensures compliance with the Corporate Governance Guidelines promulgated by the Bangladesh Securities and Exchange Commission (BSEC)

Major Responsibilities of the Audit Committee:

- Review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board for approval;
- Review the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the company's processes for monitoring compliance with Laws and regulations and Code of Conduct;
- Recommended appointment, termination and determination of audit fees for statutory auditors. Considering the scope of work, and oversee and evaluate the works performed by statutory auditors.

Activities carried out during the year:

- Reviewed and recommended the quarterly and annual Financial Statements for the year ended 30th June 2020.
- Approved the Internal Audit Plan, monitored the progress and effected revisions when necessary.
- Discussed Internal Audit reports and findings and guided completion of annual audit plan.
- Monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans.
- Reviewed and recommended related party transaction.
- Reviewed compliance of Code of Conduct of the Company.
- Reviewed Management Letter issued by the External Auditors in their presence.
- Considered and made recommendation to the Board of Directors on the re-appointment and fees of the statutory auditors Ahmed Zaker & Co., Chartered Accountants.
- Reviewed other matters and incidents of significance as per Audit Committee Charter.

For and on behalf of the Board Audit Committee of Aman Cotton Fibrous Limited.

Sd/-

Mr. Md. Mizanur Rahman

Chairman

Audit Committee

Date: 21 March, 2021

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE -2020 AMAN COTTON FIBROUS LIMITED

The Board of director of **Aman Cotton Fibrous Ltd.** has duly constituted a Nomination and Remuneration committee (NRC), as per the requirements of the BSEC code of Corporate Governance. The NRC assist the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for formal and continued process of considering remuneration/honorarium of Directors and top-level executives. The NRC has a guiding role to the management to identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

The report of Nomination and Remuneration Committee is prepared according to the requirement of Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). This report covers nomination and remuneration policies, evaluation criteria and activities of NRC.

1. Overview of the Nomination and Remuneration Policy:

The company follows nomination and remuneration policies, the benchmark of which relies on standard and recognizable in the market context and sufficient to meet the current and future needs of the company. The Board criteria in that respect for Directors and top-level executives and all other employees of the company as follows:

a. Nomination Criteria

- i. Following the Company policies as well as guidelines and applicable country regulations,
- ii. Following a selection process that is transparent in all respects,
- iii. Following a process which is compatible to International Standards and local best practices,
- iv. Recognize core competencies of the respective personnel for the different level of management and employees of the company,
- v. Follow diversity in age, maturity, qualification, expertise and gender discipline,

b. Recruitment and Selection Guidelines

The NRC draws a broad outline of the Companies needs for employees at different levels, as ascertained by the management. The recruitment and selection of the directors, top-level executives and other employees of the Company are made according to the following guidelines:

- **Executive director:** The NRC recommends the candidate(s) for executive director(s), based on nomination by the maturity share shareholders. The Board of Directors appoints the Executive Director/s upon nomination and recommendation of the NRC.
- **Non-executive Director:** The NRC recommends candidate(s) for Non-executive Director(s), based on nomination by the majority shareholders, the Government shareholders and other general shareholders. The Board of Directors appoints the Non-executive Director(s) upon nomination and Recommendation of NRC.

- **Independent Director:** the Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirement and corporate laws that can make meaningful contribution to the business. The independent director should have competence relevant to the sector in which the Company operates, and necessarily should have the qualifications as required by the regulations of BSEC. The Board of Directors appoints Independent Director upon nomination and recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company.
- **Top level Executive:** The NRC identifies the and recommends candidate(s) for top-level executives upon through scrutiny by the Managing Director, Executive Committee and Human Resource Department (HRD) considering relevant qualifications, experience, skills and leadership, as required for the respective position based on the company's internal selection process.

Other Employees:

The NRC sets a guideline to identify the company's needs for employees at different level, and empowers the relevant management of the Company's HRD for selection, transfer, replacement, and promotion of the respective employees based on the Company's internal processes.

c. Remuneration Criteria:

- i. The structure, scale and composition of remuneration/honorarium is reasonable and sufficient to attract, retain and motivate suitable directors, top-level executives and other employees to run the Company efficiently and successfully;

The context of packages, including remuneration/ benefits monthly, yearly and in the long run for all the employees are categorically laid down and meets the appropriate performance benchmark;
- ii. There is a clear balance in benefits between fixed and incentives pay of Executive directors and senior management, reflecting short and long-term performance goal and objectives of the company;
- iii. The remuneration includes bonus, compensation, benefits (or in whatever form) payable to the executive directors, top-level executive and other employees are determined by the NRC based on respective Company policies and guideline, which shall be ratified by the Board as well as when required;
- iv. The remuneration to be paid to the executive directors in accordance with the company's policies and guidelines;
 - a. Increments (if any) to the existing structure of the remuneration are determined by the NRC based on Company's policies and guidelines, which are ratified by the Board as and when required;
- v. The NRC will be commented the Board meeting attendance fees, honorarium, including incidental expenses, if any; and
- vi. No member of the NRC receives, either directly or indirectly, any remuneration for the advisory or consultancy role or otherwise, other than the Director's fees or honorarium from the Company;

2. Evaluation criteria:

a. Executive Directors

The respective line authority of the executive director(s) sets the performance measurement criteria based on the respective role profile and responsibilities through a Company appraisal process at the beginning of the each calendar year. The Executive Director(s) prepare the performance document (half-year and year end) the respective line authority then evaluates the performance of the Executive Director(s) according to the measurement criteria.

b. Independent Director and Non-executive Director

The evolution of performance of the Independent Directors (IDs) and Non-executive Director are carried out at least once a year by the Board of directors, according to the following criteria:

- i. Attendance at the Board meeting and committee meetings,
- ii. Participation in the Board meetings and committee meetings,
- iii. Contribution to improving the corporate governance practices of the company,

c. Top-level Executive and other employees

The respective line operative of top-level Executives and other employees set the performance measurement criteria based on the respective roles and responsibilities to achieve people and business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document (half-year and year end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

3. Activity summary of Nomination and Remuneration Committee during the year

a. Formation of NRC committee and its meetings

The board formed the Nomination and Remuneration Committee (NRC) on 15th January 2019 as per the requirement of BSEC Corporate Governance Code with the following composition:

- | | | |
|----|-------------------------------|-----------------|
| 1. | Mr. Md. Mizanur Rahman | Chairman |
| | Independent Director | |
| 2. | Md. Rafiqul Islam | Member |
| 3. | Md. Rabiul Haque | Member |

In 2020, the committee met once. The Managing Director, Director-Finance and Head of HR attended the meeting by invitation of the committee. Mr. Md. Mizanur Rahman guided the newly formed committee in its nomination and remuneration incentives, ensuring standard and compliance.

The activities of the inertia during the year were as follows:

- i. Considered the terms of reference of NRC, as approved by the Board,
- ii. Formulated a policy relating to the remuneration of directors, top-level Executive and all employees of the company,
- iii. Formulated the criteria for determining qualification, positive attributes and independence of the Directors,
- iv. Formulated the criteria of evolution of performance of Independent Directors (IDs) and the Board Members,
- v. Identified criteria for selection, transfer replacement and promotion at different levels of the company,
- vi. Adopted a code of conduct for the Chairman, Director and top-level Executive of the Company.

DIRECTOR'S IDENTITY





MD. SHOFIQL ISLAM
Chairman

MD. SHOFIQL ISLAM, aged 55 years, is the Chairman of the Company. He is a graduate of Arts. He started his business career in the year 1991 by joining in the family business with a vision to contribute in the generation of employments for the rural mass of the country through establishment of potential industrial units in different disciplines. He is the Chairman of Akin Feed Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., also the Managing Director of Aman Feed Ltd., Anwara Poultry & Hatchery Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited, Director of Aman Foods & Beverage Ltd., Aman Foods Ltd., Aman Tex Ltd., Aman Cement Mills Ltd., Aman Seeds Storage Ltd., Aman Poultry & Hatchery Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., A. M. Cold Storage Ltd., Aman Plant Tissue Culture Ltd., Aman Associates Ltd., Anwara Mannan Textile Mills Ltd., Aman Breeders Ltd., Aman Jute Fibrous Ltd., Aman Packaging & Accessories Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Juvenile Trade International Ltd., Aman Packaging Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Aman Economic Zone Ltd., and Proprietor of M/s Juvenile Construction.

He is a Member of Rajshahi Chamber of Commerce & Industries and Uttara Club, Dhaka. He is also associated with many religious, social and cultural activities.



MD. RAFIQU L ISLAM
Managing Director

MD. RAFIQU L ISLAM, aged 57 years, an Entrepreneur and businessman of distinction is the Managing Director of the Company. He is a Master's of Science with honors from the University of Rajshahi. He has more than 36 years of business experience in diversified business areas. He started his business career in the year 1984 engaging him in a family business named Aman Trading Corporation. He became a successful businessman within a short span of time by dint of his sincerity, honesty and hard working. He has established a good number of companies operating in the field of agriculture, research, cement, garments, textile, dyeing, feed mills, poultry & hatchery project etc. Under his dynamic leadership, Aman Group could establish its position in the corporate arena with a short span of time. He has gradually built a good number of successful business houses now a big conglomerate under the banner of Aman Group which consists of more than 25 companies. Currently, he is the Chairman of Aman Economic Zone Ltd. and Anwara Poultry & Hatchery Ltd. He is also the Managing Director of dozens of companies including Aman Tex Ltd., Aman Cement Mills Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., Aman Plant Tissue Culture Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Akin Feed Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., Aman Foods Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Anwara Mannan Textile Mills Ltd., Aman Foods & Beverage Ltd, Amam Packaging Ltd, Aman Seeds Storage Ltd., Aman Jute Fibrous Ltd., A.M. Cold Storage Ltd., Aman Packaging and Accessories Ltd., Aman Associates Ltd. Mr. Islam is the Director of Aman Poultry & Hatchery Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited and Aman Breeders Ltd. He is also the Proprietor of Islam Brothers & Co. and Aman Trading Corporation.

He visited many countries on personal and business perspective. He is well renowned for his philanthropic work in the locality. He is a Member of the Bangladesh Cement Manufacturers Association, Bangladesh Fertilizer Association, Bangladesh Cold Storage Association, Rajshahi Chamber of Commerce & Industries and a corporate member of Uttara Club, Dhaka. He is also associated with many religious, social and cultural activities.



MD. TOUFIQUL ISLAM
Director

MD. TOUFIQUL ISLAM, aged 46 years, is the Sponsor Director of the Company. He is a post graduate of Business Administration. He started his business career in the year 1996 by joining in the family business with a vision to contribute in the generation of employments for the mass people of the rural areas of the country through establishment of potential industrial units in different disciplines. He is the Managing Director of Aman Breeders Ltd., Juvenile Trade International Ltd., Aman Economic Zone Ltd., Director of Aman Feed Ltd., Aman Tex Ltd., Aman Cement Mills Ltd., Aman Seeds Storage Ltd., Aman Cold Storage Ltd., Milan Cold Storage Ltd., Aman Agro Industries Ltd., A. M. Cold Storage Ltd., Aman Plant Tissue Culture Ltd., Aman Associates Ltd., Anwara Mannan Textile Mills Ltd., Aman Jute Fibrous Ltd., Aman Packaging & Accessories Ltd., Aman Cotton Fibrous Unit-2 Ltd., Aman Tex Unit-2 Ltd., Aman Foods & Beverage Ltd., Aman Packaging Ltd., Aman Shipyard Ltd., Aman Green Energy Ltd., Akin Feed Ltd., Anwara Poultry & Hatchery Ltd., Anwara Cold Storage Ltd., Aman Steel Mills Ltd., Aman Foods Ltd., Aman Heights Limited, Aman Hybrid Seeds Limited and Proprietor of M/s R S & T International.



MD. TORIQUL ISLAM
Director

MD. TORIQUL ISLAM, aged 29 years, is the Director of the Company. He is a graduate of Science major in Manufacturing Engineering. He has completed his graduation from a renowned University of Malaysia. He started his business career seven years back. He is the Directors of Aman Cotton Fibrous Ltd., Anwara Mannan Textile Mills Ltd., Juvenile Trade international Ltd., A. M. Cold Storage Ltd., Aman Foods & Beverage Ltd., Akin Feed Ltd., Aman Economic Zone Ltd. And Aman Foods Ltd., Aman Green Engery Ltd. and he also Managing Director of Aman Cement Mills Unit-2 Ltd and Aman Poultry & Hatchery Ltd.



MD. RABIUL HAQUE

Director, Representing Aman Seeds Storage Ltd.

Mr. Md. Rabiul Haque, a member of Audit Committee is a Masters in Accounting and has completed Chartered Accountancy Course. He also completed Masters in LLM of law. He has more than 30 years working experience in accounting, finance and corporate affairs matters. He is also a member of Dhaka Bar Association.



MD. IFTIKHAR-UZ-ZAMAN

Independent Director

Mr. Md. Iftikhar-Uz-Zaman has joined in the Board of director of Aman Cotton Fibrous Limited as Independent director. Mr. Md. Iftikhar-Uz-Zaman, Ex-Managing Director of Investment Corporation of Bangladesh (ICB), was born and brought up in Rajshahi. He joined with ICB in October 1983 and during his 31 years career with ICB he was assigned in different important departments and served in different senior management position. Mr. Md. Iftikhar-Uz-Zaman was also the Deputy Managing Director of Janata Bank Limited. He has expertise in investment banking as well as in the capital market development. Mr. Md. Iftikhar-Uz-Zaman completed his B.A. (Hon's) and M.A. (Masters) in Statistics from Rajshahi University. He was also the chairman of Wata Chemicals Limited.



MD. MIZANUR RAHMAN

Independent Director

Mr. Md. Mizanur Rahman, son of Md. Zillur Rahman, Seroil Motpukur More, Boalia, Ghoramara, Rajshahi, was born in 1978 and passed B. Sc in Civil Engineering from Bangladesh Institute of Technology (BIT), Rajshahi in 2003. He undertook different training & workshops including 'Participatory Management of Low-Cost Water Supply Sanitation' organized by ITN Bangladesh. He has diversified work experience in various organization including Abdul Monem Ltd., Rajshahi University and Mati-O-Kathamo.



DIRECTOR'S REPORT TO THE SHAREHOLDERS

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Valued Shareholders,

Assalamu-alikum,

The Directors have pleasure in submitting Directors' Report together with the Auditors Report and Audited Financial Statements of the your Company for the year ended 30 June 2020. They also placed before you the overall business scenario for the year 2020.

The Directors' Report is prepared as per companies act 1994 u/s 184 and in compliance with the Corporate Governance of the Bangladesh Securities and Exchange Commission's notification no SEC/CMRRCD/2006-158/207/Admin/80: dated 03 June 2018, the Directors' report that:

Business Operations

The company has aim to maintain uninterrupted production in the factory. As a result, during the year it has produced total 3,513 MT Yarn of which Carded Yarn 2,598 MT, Combed Yarn 915 MT and aggregate earning revenue of Tk. 981,683,483. The production capacity utilized in 2019-20 remained almost stable which is approximately 51.81% of its install capacity.

Financial Results

During the year the company achieves gross profit of TK. 160,785,249 and net profit during the year at Tk. 48,739,647. The earnings per share (EPS) and net asset value per share (NAV) is Tk. 0.48 and Tk. 39.68 respectively.

Dividend

The Board of Directors of your company is pleased to recommend 10% Cash Dividend to the general shareholders other than Sponsors and Directors Shareholders of the company for the year ended 30th June 2020, subject to the approval of the shareholders in the 15th Annual General Meeting. The dividend will be paid to the shareholders whose names appear in the share registers of the Company or in the depository as on 18th April,2021 at the close of the office.

Directors' Appointment & Re-appointment

The name of the present Directors are mentioned in this report. As per section 91(2) and regulation 79 of first schedule of the Companies Act 1994 and Articles 130 of Articles Association of the company, Mr. Md. Rafiqul Islam and Mr. Md. Shofiquil Islam, Director of the company shall retire in the 15th Annual General Meeting by rotation and being eligible, offer himself for re-appointment as per Articles 132 of the Articles of Association of the company. A brief resume, nature of expertise, the name of company in which Mr. Md. Rafiqul Islam and Mr. Md. Shofiquil Islam hold directorship is also presented on this report. We also inform you that Mr. Md. Iftikhar-Uz-Zaman appointed as independent director of the company.

Directors' remuneration and related party transactions

The Company carried out a number of transactions with related parties in the normal course of business as detailed below:

Name of the Party	Relationship with the Company	Nature of transaction	June 30, 2020 Transacted amount in BDT	June 30, 2019 Transacted amount in BDT
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fee	57,500	57,500
		Remuneration	4,800,000	4,800,000
Md. Shofiqul Islam	Director & Shareholder	Board Meeting Fee	57,500	57,500
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fee	57,500	57,500
Md. Toriqul Islam	Director & Shareholder	Board Meeting Fee	57,500	57,500
Md. Rabiul Haque	Nominated Director	Board Meeting Fee	57,500	57,500
A.K.M Aktharuzzaman	Independent Director	Board Meeting Fee	-	57,500
Md. Mizanur Rahman	Independent Director	Board Meeting Fee	57,500	57,500
Aman Group	Common Director	Office Rent	981,000	981,000
Aman Tex Ltd.	Common Director	Sales	481,519,455	483,350,262
		Receivables	210,825,423	241,675,131
Aman Packaging & Accessories Ltd	Common Director	Purchase	507,478	1,047,655
		Payable	5,073,145	4,565,666
Aman Packaging Ltd	Common Director	Purchase	1,657,760	1,997,925
		Payable	1,036,158	421,602
Anwara Mannan Textile Mills Ltd	Common Director	Loan	401,582,483	556,467,466
		Interest Receivable	62,291,261	30,881,894
Aman Cement Mills unit-2 Ltd	Common Director	Loan	99,896,832	120,818,581
		Interest Receivable	22,141,886	13,290,044
Aman Jute Fibrous Ltd	Common Director	Loan	48,615,000	43,515,000
		Interest Receivable	8,902,090	4,786,650
Aman Feed Ltd.	Common Director	Loan from	1,500,000	-
		Interest Payable	260,750	-
Aman Cold Storage Ltd	Common Director	Loan	37,045,000	-
		Interest Receivable	398,765	-
Akin Carrier Ltd	Common Director	Loan from	150,713,304	-
		Interest Payable	8,538,463	-
Aman Food Limited.	Common Director	Loan	11,907,661	-
		Interest Receivable	376,575	-
Aman Tex Ltd.	Common Director	Loan	88,134,654	-
		Interest Receivable	4,126,231	-

KEY OPERATING AND FINANCIAL DATA OF AT LEAST PRECEDING 5 (FIVE) YEARS:

	2020	2019	2018	2017	2016
ASSETS EMPLOYED					
Total Assets	5,794,134,769	5,306,963,812	4,328,630,924	4,337,893,105	4,085,266,348
Total Current Assets	3,857,556,077	3,312,496,556	2,554,230,632	2,543,511,142	2,390,719,882
Property Plant & Equipment	1,652,058,614	1,709,947,178	1,384,228,123	1,384,228,123	1,384,228,123
Inventories	1,257,866,635	1,003,422,886	683,590,051	981,166,296	958,845,202
Accounts Receivable	559,578,193	574,722,918	839,831,316	843,778,786	775,314,538
FINANCED BY					
Share Capital	1,008,333,330	1,008,333,330	800,000,000	800,000,000	800,000,000
Revaluation Reserve	265,382,238	265,382,238	265,382,238	265,382,238	265,382,238
Retained Earnings	2,152,503,101	2,131,796,787	1,991,513,282	2,063,982,851	1,786,949,775
REVENUE AND PROFIT					
Revenue Earned	981,683,483	1,278,886,621	1,609,935,925	1,734,266,045	1,694,452,484
Gross Profit	160,785,249	326,180,044	399,138,665	433,253,940	433,547,662
Net Profit Before Tax	62,268,750	254,742,757	302,960,766	327,788,920	319,448,826
Net Profit After Tax	48,739,647	204,829,872	257,491,995	277,033,076	270,759,277

Board of Directors Meeting

During the year ended 30 June 2020 Ten board meetings were held. The attendance of the Board of Directors' Meeting by each director is shown as follows:

Name of Director	Attendance	Remarks
Md. Rafiqul Islam	10	
Md. Shofiqul Islam	10	
Md. Toufiqul Islam	10	
Md. Toriqul Islam	10	
Md. Rabiul Haque	10	
Mr. Md. Mizanur Rahman	10	

Auditors

ARTISAN, Chartered Accountants resign from the position of external auditor of the Company due to COVID-19 Pandemic. The Board of Directors accepts his resignation and ISLAM QUAZI SHAFIQUE & CO., Chartered Accountants expresses their willingness as external auditor of the company for the financial year 2019-2020. The Board of Director appointment ISLAM QUAZI SHAFIQUE & CO., Chartered Accountants as the external auditor of the company for the year ended 30th June 2020, subject to the approval of the shareholders in the next Annual General Meeting. The present auditor of the company, Islam Quazi Shofique & Co., Chartered Accountants, has completed audit for the year 2019-2020 and they will retire in the 15th Annual General Meeting. The present auditors are interested to perform audit for the year 2020-2021 and the audit committee has proposed the name of Islam Quazi Shofique & Co., Chartered Accountants to recommend for appointment as statutory auditor of the company with remuneration to be fixed by the shareholder in the Annual General Meeting.

The Pattern of Shareholding:

Name wise details	No. of Shares
(a) Parent/subsidiary/Associated Companies and other related parties :	
Aman Seeds Storage Limited	32,00,000
(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit:	
Md. Rafiqul Islam, Director	15,600,000
Md. Shofiqul Islam, Director	15,600,000
Md. Toufiqul Islam, Director	15,600,000
Md. Toriqul Islam, Director	22,800,000
Md. Rabiul Haque, Nominated Director	Nil
Mr. Md. Iftikhar-Uz-Zaman, Independent Director	Nil
Md. Mizanur Rahman, Independent Director	Nil
Mr. Md. Mamun-Ur-Rashid Chowdhury,FCMA, CFO	Nil
Mr. Shariful Islam, CMA (Inter), Company Secretary	Nil
Senior Corporate Executives	Nil

C) Shareholders holding ten percent (10%) or more voting interest in the company:

Md. Rafiqul Islam	15,600,000
Md. Shofiqul Islam	15,600,000
Md. Toufiqul Islam	15,600,000
Md. Toriqul Islam	22,800,000

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

Aman Cotton Fibrous Limited (ACFL) is primarily engaged in manufacturing of high quality cotton yarn in Bangladesh and marketing and selling of product in the domestic market as deemed export. The installation of a high capacity air conditioning and filtration plant has enabled the mill to meet the international standards. The Company manufactures 100% cotton Carded, Combed & Semi-combed ring spun grey yarn for knitting as well as weaving. From the beginning of operation of ACFL, it has managed to comply with the international standards of management, which was reflected to attain of ISO 9001:2008 Certificate. Aman Cotton Fibrous Limited possesses an installed capacity of producing 6,780 MT of cotton yarn per year. All the machinery imported from Germany, Switzerland, Italy, Japan & China are contemporary, high-tech and hi-speed most modern machines to spin the finest quality cotton yarn conforming to global standards. The management has a plan to expansion its existing project by acquisition & installation of brand new European machineries and increasing its existing production capacity.

Product-wise Performance

The Company mainly produces 2 (Two) categories of yarn such as Carded Yarn and Combed Yarn. The mentioned categorized yarn productions are varied on the market demand and it is determined by the management of the company. Among the total sales, the following yarn products contribute largely:

Product Name	Sales During the Year 2019-20 (MT)	Percentage (%)
Yarn-Carded	2,608	72.71%
Yarn-Combed	979	27.29%
Total	3,587	100.00

Risk and Concern

Aman Cotton Fibrous Limited (ACFL) is operating in a locally competitive industry involving both external and internal factors having direct as well as indirect effects on the investments. The management of Aman Cotton Fibrous Limited carefully considers all risk factors such as interest rate risks, exchange rate risks, industry and market risks and operation risks etc. To consider these risks the management has taken some initiatives to erase risks. The company is emphasis to minimize the dependence on bank borrowing. Since ACFL borrows for long term from Banks with interest rate and has a strong equity base, the management perceives that fluctuation of interest rate on borrowing would have little impact upon the performance of the company.

Aman Cotton Fibrous Limited has to import some of its raw materials from foreign market, but those raw materials are also available in local market. Depending on the price of raw materials in foreign and local market, foreign currency rate, lead time, foreign currency rate movement etc we make our decision for procurement of raw materials. However, as a highly profitable company the foreign exchange fluctuation risk is not vital in case of LC retirement.

Operational risk arises from improper execution of company's business. This risk can also be summarized as human risk, which occurs due to human error.

The Company manages this risk through a control based environment. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the Company stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the textile industry.

Analysis of Cost of Goods sold, Gross Profit Margin and Profit Margin:

(a) Cost of Goods Sold :

Current period's cost of goods sold was Tk. 820,898,234 as compared to last year cost of goods sold of Tk. 952,706,577. This is due to the fact that there has been a decrease in the gross turnover during the reporting period. During the reporting period total 3,513 MT yarn produced out of which 2,598 MT Carded Yarn and 915 MT Combed Yarn. Production capacity was utilized during the reporting period 51.81 %.

(b) Gross Profit :

The company has achieved a turnover Tk. 981,683,483 during the year ended 30th June 2020 and gross profit earned Tk. 160,785,249.

(c) Net Profit :

Net profit (after tax) earned during the period was Tk. 48,739,647.

STATEMENTS OF UTILIZATION OF PROCEED RAISED THROUGH PUBLIC ISSUES:

The company has already been utilized IPO proceeds fund for meet up of IPO expenses, partial loan repayment and acquisition & installation of machinery is under process of purchasing up to 31st August 2019. The Board of Directors in its meeting was held on 05th August 2019 and had taken the decision that IPO fund used for Loan Repayment purpose and Acquisition & Installation of machineries time were rescheduled by the Board of Directors up to 31st August which was approved by the shareholders in its 14th Annual General Meeting (AGM).

Going Concern:

The Directors are of the opinion that the company is a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

The system of Internal Control:

As there is always degree of uncertainty ahead of our operation, the Board of Directors assures its shareholders that the company has a competent risk management process to ensure that the system of internal control is sound in design and has effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the company takes reasonable steps to identify material risks that may hamper business results. The company then systematically reviews these risks in light of the changing internal and external environmental in order to assess that control that are in place are adequate to address those risks. This report further encloses a detailed discussion on the internal control framework under the statement of Internal Control.

Human Resource

Development of human resource continues to be a fundamental part of our policy and strength. We arrange periodic training sessions both in house and outdoor for upgrading the skills of our personnel. The company committed to the staff to create a harmonious, comfortable and good work environment and the company also believes that a skills and committed work force can surely improve the company's profitability.

Environmental policies and practices

Aman Cotton Fibrous Limited has formulated its environmental and occupational health and safety policies to ensure sustainable and environmentally responsible utilization of resources. The management of ACFL has been giving the top priority to effective use of raw materials and reducing air and water pollution. The company continues to stay committed to 'Fresh Air' by taking water treatment plan, cleaning and safety measures, planting trees and giving in house training sessions to our employees on environmental awareness and conservation.

Directors Declaration as to Financial Statements:

The Directors are responsible for the governance of the company an as part of preparation and presentation of the financial statements, the Directors confirm, to the best of their knowledge that:

- the financial statements, prepared by the Management of the company which was scrutinized by the external auditors, present fairly its state of affairs, the result of its operation, cash flows and changes in equity:
- Proper books of account of the company have been maintained
- appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- the International Accounting Standards, as applicable in Bangladesh have been followed in preparation of the financial statements and any departure from there has been adequately disclosed
- the system of internal control is sound in design and has been effectively implemented and monitored
- there is no doubt whatsoever upon the company's ability to continue as a going concern
- As required under the BSEC directives the Directors further confirm that:
- The MD and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading .
- The MD and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- The MD and CFO have further certified to the Board that there are, to the best of their knowledge and belief no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's codes of conduct.

Acknowledgement

The Board would like to thank all stakeholders, including investors, suppliers, banks, insurance companies, Registrar of Joint Stock Companies & Firms, Bangladesh Securities and Exchange Commission and various government authorities for their continued support to Aman Cotton Fibrous Limited.

Md. Rafiqul Islam

Managing Director

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2020/211

Date of issue : September 21, 2020

BAPLC

Renewed Certificate

This is to certify that

AMAN COTTON FIBROUS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2020.




Secretary-General

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS





ISLAM QUAZI SHAFIQUE & CO.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AMAN COTTON FIBROUS LTD.

Report on the Audit of the Financial Statements:

Qualified Opinion

We have audited the financial statements of **Aman Cotton Fibrous Ltd.** which comprise the statement of financial position as at 30 June 2020 the statement of profit or loss and 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified opinion section of our Report, the accompanying financial statements present fairly, in all material respects, of the financial position of the **Aman Cotton Fibrous Ltd.** as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Basis for Qualified Opinion

1. As disclosed in Note # 9 to the financial statements, Loan to sister concern shown balance of Tk. 534,968,326 and sales Tk. 481,519,455 to Aman Tex Limited. The Company carried out transactions with related parties without obtaining necessary Consent from the Bangladesh Securities and Exchange Commission (BSEC) according to BSEC notification no- BSEC/CMRRCD/2009-132/2/Admin/103 Dated 5 February, 2020.
2. As referred to Note # 8.0 in the financial statements, the Company recorded advances, deposits and prepayments of Tk. 719,642,371 which includes advance against purchases of Tk. 485,478,006 carry forwarded from last year. During the audit, no movement has occurred against the said balances.
3. The Bangladesh Labor (amended) act 2013 requires the company to contribute 5% of its net profit to WPPF. The management has ascertained the amount and made necessary provision without any payment.

We conducted our audit in accordance with International Standards on Auditing (IASs). 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 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.



Emphasis of Matters

We draw attention on the following matters in respect of which our opinion is not qualified:

1. According to IPO Utilization Audit Reports as of February 28,2021. The company has un-utilized IPO proceeds is Tk. 717,498,337 and the Shareholders of Aman Cotton Fibrous limited was approved the revised time line for fund utilization of IPO proceed up to 5th August 2021.
2. We draw attention to note no- 2.22 of the financial statements, which describe the effects of prior year adjustment of Inventory & WPPF in accordance with Para 40 A of IAS-1 "presentation of Financial Statements " and 22,42 & 49 of IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".
3. We draw attention to note – 34 to the financial statements where management explain the circumstances of various contingencies and additional claims of explains additional Income Tax Demand from Income Tax Authority, the uncertainties of getting judgment in favor of the company and managements position on the same.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2020. These matters were addressed in the context of the 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. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Key Audit Matter	How our audit addressed the key audit matters
<p>Revenue</p> <p>Refer to note 26 to the financial statements. As described in accounting policy note 2.08 to the financial statements, the Company recognizes revenue upon transfer of control as per IFRS 15: Revenue from Contracts with Customers. The Company has reported total revenue of BDT 981,683,483.</p>	<ul style="list-style-type: none">■ Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy disclosed in notes to the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards■ Vouch entries in sales journal and subsidiary ledger to support documentation of sale (i.e. invoice and delivery note)■ Control tests for relevant controls■ Subsequent receipts review■ Confirmation of specific transactions with customers

Key Audit Matter	How our audit addressed the key audit matters
<p>The Company manufacture of high-quality yarn in Bangladesh and marketing and selling of product in the global and domestic Market</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> ■ Furthermore, we tested the sales transaction recognized shortly before and after the statement of financial position date, including the sales return recorded after that date, to test whether sales transaction was recorded in the correct reporting periods ■ Cut-off test (tests of sales transactions, sales returns and other sales adjustments at or near year-end) ■ Verify prices, quantity and computation on sales invoices, prices verified to master price list, quantity verified to shipping documentation ■ Ensure related party sales are adequately disclosed. ■ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>Inventories</p> <p>As of the reporting date the company reports Stock and Stores amounting to Taka 1,257,866,635. Refer to note no. 6.00 to the Financial Statements</p> <p>Inventories represent BDT 1,257,866,635 which is about 21.70% of the total assets of the Company; inventories are thus a material item to the Financial statements.</p> <p>As described in the accounting policy note 2.09 to the financial statements, inventors are valued at the lower of cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued. Volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> ■ Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse; ■ Evaluating internal controls to monitor or keep track of inventory movement; ■ Enquire whether any of the stock is held on behalf of third parties. ■ Consider whether any consignment stock has been accounted for. ■ Complete the stock take attendance program Trace all items selected at the stock take to the final stock sheets, internal stock records. ■ Select a sample of items from the final stock sheets and trace to the copies of the rough stock sheets taken during the stock take. ■ Review the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. ■ Test the additions and extensions of the final stock sheet. ■ Ascertain the method used for valuing stock and consider whether: <ul style="list-style-type: none"> (a) it has been correctly applied; (b) it is an acceptable basis of valuation under applicable accounting standards; (c) it is consistent with previous year's and with the company's accounting policy. ■ Review all items of stock and work in progress and consider whether any further provision is necessary.

Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other Information

Management is responsible for 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 those others information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover these others 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 those others information and, in doing so, consider whether those others 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 communicate the matter to those charged with governance.

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 International Financial Reporting Standards and other applicable rules and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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.
- Obtained 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 remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements:

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- (c) the company's financial statements dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of company's business for the year.

Dated: Dhaka
March 24, 2021
DVC: 2103310165AS710885

Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants



FINANCIAL STATEMENT

AMAN COTTON FIBROUS LTD.

Statement of Financial Position

As at 30 June 2020

Amount in Taka

Assets	Notes	June 30, 2020	June 30, 2019
Non Current Assets :		1,936,578,692	1,994,467,256
Property, plant and equipment	3.00	1,652,058,614	1,709,947,178
Capital work in progress	4.00	284,520,078	284,520,078
Current Assets :		3,857,556,077	3,312,496,556
Investment in listed securities	5.00	64,779	93,035
Inventories	6.00	1,257,866,635	1,003,422,886
Accounts and other receivables	7.00	559,578,193	574,722,918
Advances, deposits & pre-payments	8.00	719,642,371	676,463,841
Loan to sister concern	9.00	534,968,326	254,867,909
Cash & cash equivalents	10.00	785,435,773	802,925,966
Total Assets		5,794,134,769	5,306,963,812
SHAREHOLDERS' EQUITY & LIABILITY			
Shareholders' Equity :		4,001,521,165	3,981,705,322
Share capital	11.00	1,008,333,330	1,008,333,330
Share premium	12.00	575,347,984	576,213,025
Retained earnings	13.00	2,152,503,101	2,131,796,787
Available for sale reserve	14.00	(45,488)	(20,058)
Revaluation surplus	15.00	265,382,238	265,382,238
Non Current Liabilities :		180,450,377	153,419,222
Long term borrowings- net of current maturity	16.00	69,034,575	46,635,363
Deferred tax liability	17.00	111,415,802	106,783,859
Current Liabilities :		1,612,163,227	1,171,839,268
Short term borrowings	18.00	1,379,927,790	943,482,883
Long term borrowings-current maturity	19.00	2,800,000	29,659,260
Accounts payable	20.00	11,689,713	18,013,834
Liabilities for expenses & others	21.00	132,977,737	104,809,637
Provision for tax	22.00	84,767,988	75,873,654
Total Liabilities & Shareholders' Equity		5,794,134,769	5,306,963,812
NAV per share with revaluation	23.00	39.68	39.49
NAV per share without revaluation	23.00	37.05	36.86

The accompanying notes 1 to 32 form an integral part of those financial statements.

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Date: March 24, 2021
DVC:

Sd/-
Quazi Shafiqul Islam, FCA
Enrolement no. 0165
Islam Quazi Shafique & Co.
Chartered Accountants



AMAN COTTON FIBROUS LTD.

Statement of Financial Position

As at 30 June 2020

Amount in Taka

Particulars	Notes	June 30, 2020	June 30, 2019
Sales	26.00	981,683,483	1,278,886,621
Less: Cost of Sales	27.00	(820,898,234)	(952,706,577)
Gross Profit		160,785,249	326,180,044
Less: Operating Expenses:		(49,253,797)	(45,630,815)
Administrative Expenses	28.00	(36,449,765)	(41,193,796)
Selling and Distribution Expenses	29.00	(12,804,032)	(4,437,019)
Operating Profit		111,531,453	280,549,229
Less: Financial Expenses	30.00	(126,133,277)	(68,494,245)
Profit before Other Income		(14,601,825)	212,054,984
Add: Non Operating Income	31.00	79,984,012	55,424,911
Profit before Contribution to WPPF		65,382,188	267,479,895
Contribution to WPPF		(3,113,438)	(12,737,138)
Profit before Tax		62,268,750	254,742,757
Provision for Tax:		(13,529,103)	(49,912,885)
Current Tax	32.00	(8,894,334)	(27,771,098)
Deferred Tax	17.00	(4,634,769)	(22,141,787)
Net Profit after Tax		48,739,647	204,829,872
Other Comprehensive Income :		(25,430)	8,792
Unrealized gain/(loss) on securities available for sale	5.01	(28,256)	9,769
Related tax	17.00	2,826	(977)
Total Comprehensive Income		48,714,217	204,838,664
Basic Earnings Per Share	33.01	0.48	2.03

The accompanying notes 1 to 32 form an integral part of those financial statements.

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Date: March 24, 2021
DVC:

Sd/-
Quazi Shafiqul Islam, FCA
Enrolement no. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

AMAN COTTON FIBROUS LTD.

Statement of Changes in Equity

For the Year ended June 30, 2020

Amount in Taka

Particulars	Share Capital	Share Premium	Retained Earnings	Available For Sale Reserve	Revaluation Surplus	Total
Balance as on July 01, 2019	1,008,333,330	576,213,025	2,131,796,787	(20,058)	265,382,238	3,981,705,322
Profit for the year	-		48,739,647	-	-	48,739,647
Dividend Payable			(28,033,333)			(28,033,333)
IPO Expenses		(865,041)				(865,041)
Unrealised gain/(loss)	-		-	(25,430)	-	(25,430)
Balance as on June 30, 2020	1,008,333,330	575,347,984	2,152,503,101	(45,488)	265,382,238	4,001,521,165

Statement of Changes in Equity

For the Year ended June 30, 2019

Amount in Taka

Particulars	Share Capital	Share Premium	Retained Earnings	Available For Sale Reserve	Revaluation Surplus	Total
Balance as on July 01, 2018	800,000,000	-	1,991,513,282	(28,850)	265,382,238	3,056,866,670
Issued share capital	208,333,330	-				208,333,330
Share Premium		591,666,658				591,666,658
IPO Expenses		(15,453,633)	15,453,633			-
Profit for the year	-	-	204,829,872	-	-	204,829,872
Dividend Payable			(80,000,000)			(80,000,000)
Unrealised gain/(loss)	-		-	8,792	-	8,792
Balance as on June 30, 2019	1,008,333,330	576,213,025	2,131,796,787	(20,058)	265,382,238	3,981,705,322

Sd/-

Company Secretary

Sd/-

Chief Financial Officer

Sd/-

Director

Sd/-

Managing Director

Sd/-

Chairman

Place: Dhaka

Date: March 24, 2021

DVC:

Signed in terms of our separate report of even date annexed.

Sd/-

Quazi Shafiqul Islam, FCA
Enrolment no. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

AMAN COTTON FIBROUS LTD.

Statement of Cash Flows

For the Year ended June 30, 2020

Amount in Taka

Particulars	Notes	June 30, 2020	June 30, 2019
Cash Flows from Operating Activities :			
Cash Received from Customer & Others		1,100,370,996	1,629,822,995
Cash Paid to Suppliers, Employees & Others		(1,063,035,179)	(1,179,495,502)
Cash Generated from Operations		37,335,817	450,327,493
Tax paid		(16,070,583)	(7,632,186)
Net Cash Generated from Operating Activities		21,265,234	442,695,307
Cash Flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(191,190)	-
Capital Work In Progress		-	(284,520,078)
Loan to Sister Concern		(280,100,417)	(155,586,437)
Dividend Income		3,006	3,006
FDR (Increased)/ Decreased		4,393,942	-
Net Investment in shares		-	-
Net Cash Used in Investing Activities		(275,894,659)	(440,103,509)
Cash Flows from Financing Activities:			
Increase/(Decrease) in Long Term Borrowing		(4,460,048)	(5,822,283)
Increase/(Decrease) in Short Term Borrowing		436,444,907	39,661,493
Issue of share capital		-	208,333,330
IPO Expenses		(865,041)	-
Received share premium		-	591,666,658
Dividend Paid		(27,389,628)	(55,133,470)
Interest Paid		(166,612,284)	(96,529,715)
Net Cash flow From/(Used) in Financing Activities		237,117,905	682,176,013
Net Increase/(Decrease) in cash and cash equivalents		(17,511,520)	684,767,810
Cash & Cash Equivalents at the beginning including For. Ex. gain/(loss)		802,925,966	118,158,157
Cash & Cash Equivalents at the ending of the year		785,414,446	802,925,967
Add, Unrealized foreign exchange gain/(loss) in cash & cash equivalents		21,327	-
Cash and Cash Equivalents at Closing including including For. Ex. gain/(loss)		785,435,773	802,925,966
Net operating cash flow per share (NOCFPS)	24.00	0.21	4.39

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Date: March 24, 2021
DVC:

Sd/-
Quazi Shafiqul Islam, FCA
Enrolement no. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

AMAN COTTON FIBROUS LTD.

Notes to the Financial Statements

For the Year ended 30 June 2020

1.00 Significant information of the enterprise:

1.01 Legal form of the Enterprise:

Aman Cotton Fibrous Ltd. was incorporated as a private Limited Company with the issuance of certificate of incorporation bearing No-C-403 dated December 28, 2005 by the Registrar of Joint Stock Companies & Firms and the Company commenced its commercial production on November 01, 2007. Subsequently the shareholders in their Extra-ordinary General Meeting held on 22 April, 2012 approved conversion of status of the company from private limited to public limited company.

1.02 Registered and Corporate Office of the Company:

Registered office of the company is situated at Boiragirchala, Shreepur, Gazipur.

Corporate office of the company is situated at 2, Ishakha Avenue, Sector # 6, Uttara, Dhaka-1230.

1.03 Address of the Factory:

The factory of the Company was established at Boiragirchala, Shreepur, Gazipur.

1.04 Principal Activities and nature of the business

The Principal activities and nature of the business of the company is to manufacture of high quality yarn in Bangladesh and marketing and selling of product in the global and domestic Market.

2.00 Significant Accounting Policies:

2.01 Basis of preparation of Financial Statements:

The Financial Statement of the Company are prepared on a going concern assumption and in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Companies Act 1994, The Securities and Exchange rules 1987 and other laws and rules applicable in Bangladesh.

2.02 Accounting Convention

The Financial Statements have been prepared on the Basis of historical cost Basis except land & land development (which have been stated at current cost), monetary assets at realisable value and Investment in listed Securities are carried at fair value Based on the year ended quoted price.

2.03 Date of authorisation:

The Board of Directors of Aman Cotton Fibrous Ltd. approved this financial Statements on March 24, 2021.

2.04 Reporting Period:

The Financial Statements of the Company cover one Financial year from 01 July, 2019 to 30 June, 2020.

2.05 Statement of Cash Flows:

Statement of Cash Flows have been prepared in accordance with IAS 7 " Statement of Cash Flows " and the cash flow from the operating activities are shown under direct method as prescribed.

2.06 Recognition of Property, Plant & Equipment and Depreciation:

In accordance with the International Accounting Standard adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as IAS 16 "Property, Plant and Equipment" have been accounted for at cost less accumulated depreciation except land and land development. Cost includes expenditure that is directly attributed to the acquisition of the items. Depreciation is charged in addition to fixed assets when it is available for use. Depreciation on all Property, Plant & Equipment have been applied on Reducing Balance method as per decision of the Board at the following rate:

Land & Land Development	-
Building & Civil Construction	2.5%
Plant & Machinery	15%
Electrical Installation	10%
Electrical Equipment	10%
Gas Line Installation	10%
Fire Equipment	15%
Vehicle	20%
Office Equipment	10%
Computer & IT Equipment	20%
Furniture & Fixture	10%

Depreciation has been allocated @ 95% for manufacturing and 5% for non manufacturing expenditure.

Revaluation of assets: The company has revalued its Land on 15 may, 2013 and incorporated the revaluation surplus in the Financial Statement accordingly and shown in note # 15.00

2.07 Impairment:

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the period no impaired loss occurred and not recognized in the Financial Statements.

2.08 Revenue Recognition:

"Revenue from the sales is measured at the fair value of the consideration received or receivable. The company recognizes revenue when risks and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in IFRS-15 'Revenue from contract with Customers'.

Sales revenue is recognized when transactions related to sales are completed and the sales invoices are issued in favor of the buyers and performance obligations are satisfied."

2.09 Valuation of Current Assets:

Accounts Receivable:

These are stated at their original invoice less provision/ write off. Management considered the entire receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's financial statement.

Inventories:

In compliance with the requirements of IAS 2 "Inventories", the Inventories have been valued at the lower of cost and net realizable value after making due allowance for any obsolete or slow moving items.

2.10 Financial Instruments:

Derivative:

According to IFRS 7: " Financial Instruments: Disclosures", the Company was not a Party to any derivative contract (financial instruments) at the financial statement date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per IAS 39 "Financial Instruments: Recognition and Measurement".

2.11 Currency of Reporting and Foreign currency transactions:**Currency of Reporting**

The financial statement of the Company has been prepared in the Bangladesh Taka (BDT).

Foreign Currency Transactions

Transactions in foreign currencies are converted into equivalent Taka applying the rate ruling at the date of such transactions as per IAS-21 " The Effect of Changes in Foreign Exchange Rates".

2.12 Long Term Borrowings:

Long term liabilities comprises the amount borrowed from the bank and other Financial Institutions for the long period of time and shown in the accounts at transaction cost as per IAS 39 "Financial Instruments: Recognition and Measurement".

2.13 Contingent Liabilities:

Contingent Liabilities are those which arise due to the past event which shall be settled in the future on the occurrence or non occurrence of some uncertain event, cost of which can be measured reliably as per IAS-37 " Provision, Contingent Liabilities and Contingent Assets". In the year under review there is no such contingent liabilities as well as no commitment is made , to be settled in the future.

2.14 Taxation:**Current Tax**

Current tax has been made at the rate of 15% as prescribed in the Finance Act, 2020 on the accounting profit made by the Company making some adjustment with the profit as per ITO 1984 in compliance with IAS-12 "Income Taxes".

Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax Bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities for the year ended June 30, 2020 has been recognized in the statement of comprehensive income as per IAS-12 "Income Taxes".

2.15 Employee Benefits:

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

2.16 Borrowing Cost:

The borrowing cost is capitalized unless active developments of related assets are interrupted or cease when the borrowing cost directly transferred to the profit and loss account as per IAS-23 " Borrowing Cost".

2.17 Earning Per Share:

The Company calculates Earning Per Share (EPS) in accordance with IAS-33 " Earning Per Share" which has been shown on the face of the Statement of Profit or Loss and other Comprehensive Income and details are shown in Note-33.01

Basic Earnings Per Share

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

Sl. No.	Particulars
(a)	Earnings attributable to the ordinary shareholders
(b)	Weighted Average Number of Shares
(c)	Earning Per Share

Weighted average number of ordinary shares outstanding during the year:

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time weighted factor is the number of months the specific shares is outstanding as a proportion of the total number of months in the year.

Diluted earnings per share:

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the year.

2.18 Information about business segments:

As per IFRS 8 "Operating Segment", this is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related product or service and that is subject to risk and return that are different from those of other business segment. During the year under review the company had no operational segment either business or geographical segments.

2.19 Application of International Accounting Standards (IASs) and International Financial Reporting Standards(IFRS):

The Financial Statements have been prepared in compliance with requirement of IAS and BFRS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following IASs and IFRS are applicable for the financial statements for the period under review:

- IAS- 1 Presentation of Financial Statements
- IAS- 2 Inventories
- IAS- 7 Statement of Cash Flows
- IAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS- 10 Events after the Reporting Period
- IAS- 12 Income Taxes
- IAS- 16 Property, Plant and Equipment
- IAS- 21 The effects of changes in Foreign Exchange Rate
- IAS- 23 Borrowing Cost
- IAS- 24 Related Party Disclosure
- IAS- 32 Financial Instruments Presentation
- IAS- 33 Earning Per Share (EPS)
- IAS- 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS- 39 Financial Instruments : Recognition and Measurement
- IFRS- 7 Financial Instruments : Disclosures
- IFRS- 13 Fair Value Measurement
- IFRS- 15 Revenue from Contract with Customers

2.20 Responsibility for preparation and presentation of financial statements:

The Company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

2.21 Components of the Financial Statements:

Following are the components of the financial statements

- a) Statement of Financial Position as at June 30, 2020
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2020
- c) Statement of Changes in Equity for the year ended June 30, 2020
- d) Statement of Cash Flows for the year ended June 30, 2020
- e) Explanatory notes to the financial statements.

2.22 Comparative:

"Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

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

Prior year adjustment

While finalizing the financial statements for the year ended June 30, 2020. We have restated the preceding year's financial statements for fair presentation to comply with the Para 40 A of IAS-1 " presentation of Financial Statements " and 22,42 & 49 of IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors". During the year following accounting policies and errors have been restated in compliance with IAS-8 & IAS-1.

1. According to approval of Board of Directors Prior year error has been adjusted to reduce the inventory amount with retained earnings by Tk. 299,986,523 which was erroneously overstated previous years and also adjusted the WPPF amount Tk. 29,975,039 in accordance with Para 42 & 49 of IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
3.00 Property, Plant and Equipment:		
Land & Land Development	478,046,073	478,046,073
Building & Civil Construction	986,085,158	1,011,369,393
Plant & Machinery	176,946,538	208,172,398
Electrical Installation	5,044,680	5,605,200
Electrical Equipment	1,512,299	1,670,572
Gas Line Installation	638,815	709,794
Fire Equipment	156,904	184,593
Vehicle	2,174,874	2,718,593
Office Equipment	237,002	263,336
Computer & IT Equipment	268,156	153,765
Furniture & Fixture	948,115	1,053,461
	1,652,058,614	1,709,947,178

3.01 Movement of Fixed Assets

Fixed Assets at cost :

Opening Balance	3,016,726,868	2,626,554,699
Add: Addition during the year (transferred from CWIP)	191,190	390,172,169
Closing Balance	3,016,918,058	3,016,726,868
Less: Accumulated Deprecation	(1,364,859,444)	(1,306,779,690)
Written Down Value (WDV)	1,652,058,614	1,709,947,178

Details please see Annexure-'A'

4.00 Movement in Capital Work in Progress

New Factory Building is being constructed on 316.25 DCM Land at Sreepur, Dist-Gazipur, to produce specialized yarn to fulfill the market demand. This is made up as under :

Opening balance	284,520,078	-
Factory Building	-	410,028,050
Worker's Dormitories	-	80,774,970
Ducting	-	72,260,585
Road & Boundary Wall	-	49,754,580
Staff Quarter	-	61,874,062
Total	-	674,692,247
Transferred to fixed assets	-	390,172,169
Closing balance	284,520,078	284,520,078

5.00 Investment in Listed Securities:

This represents investment in listed shares

Market Value of Securities	64,779	93,035
	64,779	93,035

Detail descriptions of the securities are as under.

Name of the Securities	Quantity	Cost Value (Tk)	Market Value (Tk)	Unrealised Gain/(Loss)
Meghna Life	1,503	115,322	64,779	(22,287)
	1,503	115,322	64,779	(22,287)

*Details of Margin loan against purchase of listed companies share have been shown in note no - 14.

		Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
5.01 Unrealized Gain / (Loss) during the year:			
	Unrealized Gain / (Loss) as per Current Year Portfolio Statement	(50,543)	(22,287)
	Unrealized Gain / (Loss) as per Last Year Portfolio Statement	(22,287)	(32,056)
	Unrealized Gain / (Loss) during the year	(28,256)	9,769
6.00 Inventories :			
	Finished Goods	103,275,835	115,211,489
	Working-in-process	31,678,922	25,684,202
	Raw Materials	1,104,934,876	824,598,892
	Packing Materials	4,531,931	3,914,835
	Other Materials	13,445,071	34,013,468
		1,257,866,635	1,003,422,886
6.01 Finished Goods :			
	Value in Taka-		
	Carded	49,179,953	51,031,585
	Combed	54,095,882	64,179,904
		103,275,835	115,211,489
	Quantity in MT-		
	Carded	241	251
	Combed	251	315
		492	566
6.02 Working-in-process			
	Value in Taka-		
	Carded	7,146,765	5,683,562
	Combed	24,532,157	20,000,640
		31,678,922	25,684,202
	Quantity in MT-		
	Carded	38	30
	Combed	125	106
		163	136
6.03 Raw Materials :			
	Value in Taka-		
	Raw Cotton	1,104,934,876	824,598,892
		1,104,934,876	824,598,892
	Quantity in MT-		
	Raw Cotton	6,929	6,218
		6,929	6,218
6.04 Packing Materials :			
	Value in Taka-		
	CONE	273,210	59,223
	Poly Bag	1,852,624	1,755,402
	WPP Bag	1,982,550	1,660,514
	Sticker	423,547	439,696
		4,531,931	3,914,835

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
Quantity in Pcs & Kgs-		
CONE (pcs.)	101,189	21,934
Poly Bag(kg.)	10,408	9,862
WPP Bag (Kg.)	79,302	66,421
Sticker (pcs.)	4,235,468	4,396,956
6.05 Other Materials		
Value in Taka-		
Spare Parts	13,445,071	34,013,468
	13,445,071	34,013,468
7.00 Accounts and Other Receivables:		
Accounts Receivables (Notes-7.01)	470,140,598	525,764,330
Other Receivables (Notes-7.02)	89,437,595	48,958,588
	559,578,193	574,722,918
7.01 Accounts Receivable :		
Opening Balance	525,764,330	818,908,198
Add: Sales during the year	981,683,483	1,278,886,621
Available for collection	1,507,447,812	2,097,794,819
Less: Realized during the year	(1,042,167,210)	(1,593,807,710)
	465,280,602	503,987,109
Add: Translated Foreign Exchange Gain/(Loss) (Note-31.01)	4,859,996	21,777,221
	470,140,598	525,764,330
There is no related party transaction except transaction with Aman Tex Ltd. Details of Related party transactions have been shown in note - 35.	210,825,423	241,675,131
7.02 Other Receivables :		
Opening Balance	48,958,588	20,923,118
Add: During the year	40,479,007	28,035,470
Interest Receivable from Sister Concern	89,437,595	48,958,588
7.03 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994		
Maturity less than 6 months	470,140,598	525,764,330
Maturity more than 6 months	89,437,595	48,958,588
	559,578,193	574,722,918
Debts considered Good & Secured	259,315,175	284,089,198
Debts considered Good without security	-	-
Debts considered doubtful & bad	-	-
Debts due by directors or other officers & staffs	89,437,595	48,958,588
Debts due from companies under same management	210,825,423	241,675,131
Maximum debt due by directors or officers & staffs at any time	-	-

All the debts are considered good as it has been made through letter of credit.

		Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
8.00 Advances, Deposits & Pre-Payments :			
This is made-up as follows:			
a) Advance-			
Advance against Income tax	8.01	23,702,769	7,632,186
Advance against Purchases		485,478,006	485,478,006
Advance against Land Purchase		123,337,500	123,337,500
Advance against Land Development		9,227,119	9,227,119
Advance against L/C Margin		56,771,481	29,207,656
Advance to Employee		225,953	-
Advance against Loan Installment		2,288,130	2,288,130
Advance against C&F agency & Others		331,333	1,013,164
		701,362,291	658,183,761
b) Security Deposits-			
Mymensingh PBS-2 for Electricity Connection		746,250	746,250
BTCL for T & T Line Connection		18,000	18,000
Titas Gas T & D Co.Ltd. for Gas Connection		6,320,415	6,320,415
Bank Guarantee for Titas Gas Connection		11,195,415	11,195,415
		18,280,080	18,280,080
		719,642,371	676,463,841
8.01 Advance income tax:			
Opening balance		7,632,186	-
TDS on export proceeds realisation & interest		9,630,566	4,365,318
TDS on FDR Interest Income		6,440,017	3,266,868
Adjustment during the year		-	-
Closing balance		23,702,769	7,632,186
8.01.A Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994			
Maturity less than 6 months		701,362,291	658,183,761
Maturity more than 6 months		18,280,080	18,280,080
		719,642,371	676,463,841
Advance, deposits & prepayments considered good & secured		719,642,371	676,463,841
Advance, deposit & prepayments considered Good without security			
Advance, deposit & prepayments considered doubtful & bad			
Advance, deposit & prepayments due by directors or other officers & staffs			
Advance, deposit & prepayments due from companies under same management			
Maximum advance due by directors or officers & staffs at any time			
		719,642,371	676,463,841
9.00 Loan to Sister Concern			
Temporary loan has been provided to the following concern of Aman Group at interest of 9% for their Operational purpose. This amount will be adjusted within the shortest time.			
Aman Cement Mills Unit 2 Ltd		99,896,832	90,818,581
Aman Jute Fibrous Ltd		48,615,000	43,515,000
Anwara Mannan Textile Mills Ltd		401,582,483	120,534,328
Aman Feed Ltd.		(1,500,000)	-
Aman Cold Storage Ltd		37,045,000	-
Akin Carrier Ltd		(150,713,304)	-
Aman Food Limited.		11,907,661	-
Aman Tex Ltd.		88,134,654	-
		534,968,326	254,867,909

10.00 Cash and Cash Equivalents :

This is made-up as follows:

		Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
Cash in hand		593,062	2,090,178
Cash at Banks	10.01	29,959,837	41,558,973
FDR	10.02	754,882,874	759,276,816
		785,435,773	802,925,966

10.01 Details Break-up of cash at Bank is as follows :

IBBL, Ramna Branch- MDA	2050157250001000	76,718	29,715
IBBL, Palton Br.	20502060100143300	4,211	4,901
EXIM Bank Ltd. Mawna Br.	11100005232/0948	5,169	6,089
EXIM Bank Ltd. Rajuk Br.	1311100014172	10,414	11,334
IBBL, Uttara Br.	20502070100324400	32,838	64,718
IBBL, Mawna Br.	20502960100017000	170,841	322,759
IBBL, Ramna Br,	20501570100217900	43,218	391,132
Prime Bank Ltd, Motijheel Br	10811010022675	-	2,226
Prime Bank Ltd, Uttara Br.	12511060018178	954,545	242,821
IBBL, Ramna Branch - MSND	20501570900005100	399,655	796,029
ONE Bank Ltd., Motijheel Branch,	200200180003	60,793	581,657
Shahjalal Islami Bank Ltd, Dhaka Main Br.,	400111100015366	47,239	47,929
Bank Asia , Uttara Br. Islamic wing	50101000167	5,880	6,800
Bank Al- Falah Ltd, Dhaka	12040623	31,324	32,819
IBBL , Ramna, Dhaka FCAD ORQ	20501572800000200	9,981	286,202
IBBL , Ramna, Dhaka FCAD EORQ	20501572100010003	137,792	622,484
Pubali Bank, Principal Br,	355590143153	62,255	63,405
South Bangla Agriculture & Commerce Bank Ltd,	1111000048992	-	285
Woori Bank, Uttara Branch	964001252	(1,401,255)	3,705,170
Woori Bank, Uttara Branch-FC		-	5,662
Woori Bank, Uttara Branch		-	-
Meghna Bank Ltd, Uttara Branch	111211100000001	16,958,422	22,814,043
Meghna Bank Ltd, Uttara Branch	110176000000007	8,851,089	9,057,383
Commercial Bank of Ceylon, Uttara Br	1806011188	1,032,451	-
Al arafah Islami Bank Ltd , Uttara Br	171020069525	633	-
City Bank Ltd, Principal Branch		2,460,162	2,463,352
City Bank Ltd, Principal Branch (USD)	5121399871001	132	2
City Bank Ltd, Principal Branch (EURO)	5121399871002	5,328	55
City Bank Ltd, Principal Branch		-	-
		29,959,837	41,558,973

10.02 Fixed Deposit:

Meghna Bank FDR A/C: 111225300000392

FDR		115,278,514	110,000,000
Add: Interest received		9,660,755	5,865,016
Available for collection		124,939,269	115,865,016
Less: TDS		(966,076)	(586,502)
Less: Excise duty		(50,000)	(25,000)
Less:		(7,198,418)	-
Closing Balance		116,724,776	115,278,514

Meghna Bank FDR A/C:111225300000385

Opening Balance
 Add:
 Add: Interest received
 Available for collection
 Less: TDS
 Less: Excise duty
 Less:
 Closing Balance

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
Opening Balance	209,572,996	-
Add:	-	200,000,000
Add: Interest received	17,717,432	10,664,440
Available for collection	227,290,428	210,664,440
Less: TDS	(1,771,743)	(1,066,444)
Less: Excise duty	(25,000)	(25,000)
Less:	(18,144,253)	
Closing Balance	207,349,431	209,572,996

Meghna Bank FDR A/C: 111225300000395

Opening Balance
 Add:
 Add: Interest received
 Available for collection
 Less: TDS
 Less: Excise duty
 Less:
 Closing Balance

Opening Balance	73,171,573	-
Add:	-	70,000,000
Add: Interest received	6,007,336	3,551,747
Available for collection	79,178,909	73,551,747
Less: TDS	(600,734)	(355,175)
Less: Excise duty	(25,000)	(25,000)
Less:	(4,324,025)	
Closing Balance	74,229,150	73,171,573

AI Arafah MTDR A/C: 0171310102322

Opening Balance
 Add:
 Add: Interest received
 Available for collection
 Less: TDS
 Less: Excise duty
 Less: Interest Transferred to CD A/C
 Closing Balance

Opening Balance	157,116,233	-
Add:	-	150,000,000
Add: Interest received	12,188,623	7,962,480
Available for collection	169,304,856	157,962,480
Less: TDS	(1,038,114)	(796,247)
Less: Excise duty	(25,000)	(50,000)
Less: Interest Transferred to CD A/C	(11,662,226)	
Closing Balance	156,579,516	157,116,233

Commercial bank of Cylon FDR A/C: 380600010330

Opening Balance
 Add:
 Add: Interest received
 Available for collection
 Less: TDS
 Less: Excise duty
 Less: Transferred to CD A/C
 Closing Balance

Opening Balance	204,137,500	-
Add:	-	200,000,000
Add: Interest received	20,633,512	4,625,000
Available for collection	224,771,012	204,625,000
Less: TDS	(2,063,351)	(462,500)
Less: Excise duty	(25,000)	(25,000)
Less: Transferred to CD A/C	(22,682,661)	
Closing Balance	200,000,000	204,137,500

11.00 Share Capital - Paid up :

Share Capital represents the followings:

Authorized:

200,000,000 Ordinary Shares of Taka 10 each.

Issued subscribed and fully paid up capital:

80,000,000 Ordinary shares of Taka 10 each.

2,08,33,333 Ordinary Shares of Taka 10 each through Initial Public Offering

200,000,000	2,000,000,000	2,000,000,000
80,000,000	800,000,000	800,000,000
2,08,33,333	208,333,330	208,333,330
1,008,333,330	1,008,333,330	1,008,333,330

11.01 Share Holding Position :

Particulars of share holders and their share holding position is as under:

Name of the Shareholders	Number of Shares		%	Amount in Taka	
	30 June, 2020	30 June, 2019		June 30, 2020	June 30, 2019
Md. Rafiqul Islam	15,600,000	15,600,000	15.47%	156,000,000	156,000,000
Md. Shofiqul Islam	15,600,000	15,600,000	15.47%	156,000,000	156,000,000
Md. Toufiqul Islam	15,600,000	15,600,000	15.47%	156,000,000	156,000,000
Md. Toriqul Islam	22,800,000	22,800,000	22.61%	228,000,000	228,000,000
Ms. Mukta Islam	3,600,000	3,600,000	3.57%	36,000,000	36,000,000
Ms. Sajeda Islam	3,600,000	3,600,000	3.57%	36,000,000	36,000,000
Aman Seed Storage Ltd.	3,200,000	3,200,000	3.17%	32,000,000	32,000,000
Eligible investor	12,500,000	12,500,000	12.40%	125,000,000	125,000,000
General Public	8,333,333	8,333,333	8.26%	83,333,330	83,333,330
	100,833,333	100,833,333	100%	1,008,333,330	1,008,333,330

11.02 Classification of shares by holdinging :

Slabs by Number of Shares	Number of Shareholders	No. of Shares	
	30 June, 2020	30 June, 2020	Holding %
Less than 500	3262	707,654	0.70%
From 501 to 5,000	2521	1,535,903	1.52%
From 5,001 to 10,000	297	1,772,917	1.76%
From 10,001 to 20,000	178	2,250,401	2.23%
From 20,001 to 30,000	197	4,533,907	4.50%
From 30,001 to 40,000	53	1,750,505	1.74%
From 40,001 to 50,000	65	3,040,302	3.02%
From 50,001 to 1,00,000	25	1,720,899	1.71%
From 1,00,001 to 1,000,000	25	3,520,845	3.49%
Above 1,000,000	7	80,000,000	79.34%
	6630	100,833,333	100%

12.00 Share premium :

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
Eligible investors	375,000,000	375,000,000
General Public	216,666,658	216,666,658
IPO Expenses	(16,318,674)	(15,453,633)
	575,347,984	576,213,025

13.00 Retained Earnings :

Opening Balance	2,131,796,787	1,991,513,282
Add: Net profit after Tax during the year	48,739,647	204,829,872
Less: Dividend Payable	(28,033,333)	(80,000,000)
Ipo Expenses	-	15,453,633
	2,152,503,101	2,131,796,787

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
14.00 Available for sale reserve :		
Opening balance	(22,287)	(32,056)
Add. Addition during the year	(28,256)	9,769
	(50,543)	(22,287)
Adjustment for deferred tax on fair value of share	5,055	2,229
	(45,488)	(20,058)

15.00 Revaluation surplus :

Revaluation surplus made on Land and Land Development in the year 2013 by the approved enlisted valuer S.H.Khan & Co.

Chartered Accountants. Details are shown as follows :

Fair Value/Market Value	464,338,000	464,338,000
Book Value	185,025,622	185,025,622
Revaluation surplus	279,312,378	279,312,378
Adjustment for deferred tax on revalued assets	(13,930,140)	(13,930,140)
	265,382,238	265,382,238

Adjustment for deferred tax on revaluation surplus of land has been calculated @ 3% on fair value or market value as per section 53H of the Income Tax Ordinance 1984.

Name of the Valuer : S.H. KHAN & CO. Chartered Accountants. Address: Raz Bhaban (1st floor), 29 Dilkusha C/A, Dhaka-1000.

Date of Revaluation: 15 May, 2013

16.00 Long Term Borrowings - Net of Current Maturity :

This represents amount payable to Islami Bank Bangladesh Limited, Ramna Branch, Dhaka for implementation of project.

16.01 Islami Bank Bangladesh Ltd.

Opening Balance at 1st July	2,614,899	6,702,243
Add, Addition made during the year	-	-
Add: Profit & Rent Charged which are paid/ Payable for the year	-	2,965,064
	2,614,899	9,667,307
Less: Payment made during the year -		
Principal	(2,614,899)	(6,702,243)
Profit & Rent	-	(350,165)
Closing Balance at 30 June	-	2,614,899
Less: Current maturity transferred to current Liability	-	-
Balance after current maturity	-	2,614,899

16.02 Union Capital Limited

This is made up as follows:

Opening Balance	76,294,623	75,414,663
Add, Addition made during the year		
Add, Interest Charged during the year	5,426,372	10,336,304
	81,720,995	85,750,967
Less, Payment made during the year	(9,886,420)	(9,456,344)
Closing Balance at 30 June	71,834,575	76,294,623
Less: Current maturity transferred to current Liability	(2,800,000)	(29,659,260)
Balance after current maturity	69,034,575	46,635,363
Total Balance after Current Maturity at June 30	69,034,575	46,635,363

16.03	Name of Bank	Nature	Limit	Tenure	Interest rate (%)	Security
	Union Capital Ltd, 73 Sonargaon Road, Dhaka	Term Finance	100,000,000	60 Months	17%	175 Decimal Land

17.00 Deferred Tax :

As at 30 June 2019	Carrying amount	Tax base	Taxable/deductible temporary difference	
			June 30, 2020	June 30, 2019
Property, plant & equipments except land at cost	1,174,012,541	532,209,967	641,802,574	568,226,137
Accounts receivables	315,152,018	310,292,022	4,859,996	21,777,221
Cash & cash Equivalents	9,004,459	8,983,131	21,327	-
Investment in listed securities	64,770	115,322	(50,552)	(22,287)
Revaluation surplus-PPE-land	464,338,000	185,025,622	279,312,378	279,312,378
Total taxable temporary difference	1,962,571,787	1,036,626,064	925,945,723	869,293,449
Tax on business income			15%	15%
Regular tax			25%	35%
Tax on capital gain of share			10%	10%
Tax on capital gain on land			3%	3%
Closing deferred tax liabilities/(assets)-at cost			97,490,717	92,855,948
Closing deferred tax liabilities/(assets)-at fair value of securities			(5,055)	(2,229)
Closing deferred tax liabilities/(assets)-at revaluation			13,930,140	13,930,140
Total closing deferred tax liabilities/(assets)			111,415,802	106,783,859
Opening deferred tax liabilities/(assets)-at cost			92,855,948	70,714,161
Opening deferred tax liabilities/(assets)-at fair value of securities			(2,229)	(3,206)
Opening deferred tax liabilities/(assets)-at revaluation			13,930,140	13,930,140
Total opening deferred tax liabilities/(assets)			106,783,859	84,641,095
Deferred tax expense/(income)-at cost			4,634,769	22,141,787
Deferred tax expense/(income)-at fair value			(2,826)	977
Deferred tax expense/(income)-at revaluation			-	-
Total deferred tax expense/(income)			4,631,943	22,142,764

Amount in Taka
30 June 2020

Amount in Taka
30 June 2019

18.00 Short Term Borrowings :

The following represents loan sanctioned by the Islami Bank Bangladesh Ltd, Ramna Branch, Dhaka, Meghna Bank Ltd, Uttara Branch, Dhaka and Standard Bank Ltd, Principal Branch, Dhaka to provide working capital of the company which is fully secured by hypothecation of inventory.

Short Term Loan from Various banks represents LTR, EDF , Mudaraba, CC etc		
Islami Bank Ltd	849,266,011	943,533,408
Meghna Bank Ltd	509,549,865	-
Standard Bank Ltd	21,162,439	-
Margin loan for purchase of listed share from Shahjalal Islami Bank Securities, Dilkusha Branch, Code no - 03850	(50,525)	(50,525)
Total Balance	1,379,927,790	943,482,883

18.01 Details of the sanction are as under

Name of Bank	Nature	Sanction Limit	Tenure	Interest rate	Security
Islami Bank Bangladesh Ltd., Ramna Br, Dhaka	BAI MURABAHA/TR/MPI/MDB/MFCI	700,000,000	Below one year	9% & 14%	Inventory Hypothecation
Standard Bank Ltd, Principal Branch, Motijheel	CC-Hypo	20,000,000	Below one year	9%	
Meghna Bank Ltd, Uttara Branch	LTR EDF/UPAS	500,000,000	Below one year	9%	

19.00 Long Term Borrowings - Current Maturity (Note-16.02)

Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
2,800,000	29,659,260

20.00 Accounts Payable :

Opening Balance	18,013,834	9,286,365
Add: Purchased during the year	900,454,312	1,112,762,509
Available for payment	918,468,146	1,122,048,874
Less: Payment made during the year	(906,778,433)	(1,104,035,040)
Balance as on June 30	11,689,713	18,013,834

There is no related party transaction except Aman Packaging Ltd and Aman Packaging & Accessories Ltd. for Packing Material Purchase. Detail have been shown in note no - 35.

21.00 Liabilities for Expenses & Others :

Gas Bill	21,091,881	5,162,607
Salary & wages	7,022,146	5,128,714
Remuneration Payable	800,000	400,000
WPPF Payable	69,254,281	66,141,416
TDS & VAT Payable	5,011,403	312,265
Audit & Professional fees Payable	990,000	330,000
Electricity	7,978	4,696
Office Rent	825,689	-
IPO Fund (Refundable)	2,463,409	2,463,409
Dividend Payable (Notes-21.01)	25,510,235	24,866,530
Excess Mobile Bill	715	-
	132,977,737	104,809,637

21.01 Dividend Payable

	Director	Public	Total		
For the year 2018	24,866,530	-	24,866,530	24,866,530	24,866,530
For the year 2019	-	643,705	643,705	643,705	-
				25,510,235	24,866,530

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
22.00 Provision for tax :		
Opening Balance	75,873,654	48,102,556
Add -Provision for the year	8,894,334	27,771,098
Total Liability	84,767,988	75,873,654
Less: Adjustment during the year	-	-
Total Tax Liability	84,767,988	75,873,654
23.00 Net Asset Value (NAV) :		
NAV per share with revaluation :		
Shareholders' Equity including revaluation surplus	4,001,521,165	3,981,705,322
Number of ordinary shares outstanding	100,833,333	100,833,333
Net Asset Value (NAV) per Share	39.68	39.49
NAV per share without revaluation :		
Shareholders' Equity excluding revaluation surplus	3,736,138,927	3,716,323,084
Number of ordinary shares outstanding	100,833,333	100,833,333
Net Asset Value (NAV) per Share	37.05	36.86
Per Value of Share	10.00	10.00
24.00 Net Operating Cash Flow Per Share (NOCFPS):		
Net Cash Generated from Operating Activities	21,265,234	442,695,307
Number of ordinary shares outstanding	100,833,333	100,833,333
Net Operating Cash Flow Per Share (NOCFPS)	0.21	4.39

The operating Cash flows has decreased due to excessive payments to supplier & others and decreased the receivable collection compare to previous year due to effect of COVID-19 .

25.00 Statement of Cash Flows :

Statement of Cash Flows have been prepared in accordance with IAS 7 " Statement of Cash Flows " and the cash flow from the operating activities are shown under direct method as prescribed. Reconciliation of net profit with cash flows from operating activities :

Net profit after Tax	48,739,647	204,829,872
Depreciation	58,079,754	64,453,114
Inventories	(254,443,749)	(319,832,835)
Accounts & other receivable	38,706,506	265,108,398
Advance deposit prepayments	(27,107,947)	136,822,529
Accounts payable	6,324,121	8,727,469
Liabilities for exp and others	24,264,671	(38,986,305)
Deferred tax	4,634,769	22,141,787
Provision for Tax	8,894,334	27,771,098
Finance cost	126,133,277	96,529,715
Loan to Sister concern	-	(24,866,529)
Dividend income	(3,006)	(3,006)
Income Tax Paid	(16,070,583)	-
WPPF	3,113,438	-
	21,265,234	442,695,307

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
26.00 Sales :		
Carded-Yarn	701,018,894	611,868,586
Combed -Yarn	280,664,589	667,018,035
	981,683,483	1,278,886,621
Quanty in MT-		
Carded-Yarn	2,608	2,345
Combed -Yarn	979	2,334
	3,587	4,679
27.00 Cost of Sales :		
Raw materials consumption [Note-27.01]	560,370,337	742,239,027
Packing materials consumption [Note- 27.03]	6,587,946	10,161,586
Factory Overhead [Note-27.05]	247,999,017	248,957,529
Prime Cost	814,957,300	1,001,358,142
Opening WIP [Note-6.02]	25,684,202	13,005,000
Closing WIP [Note-6.02]	(31,678,922)	(25,684,202)
Cost of proudction	808,962,580	988,678,940
Opening finished goods [Note-6.01]	115,211,489	79,239,126
Closing Finished goods [Note 6.01]	(103,275,835)	(115,211,489)
	820,898,234	952,706,577
27.01 Raw Materials Consumption :		
Opening Balance [Note-6.03]	824,598,892	510,542,840
Purchase during the year [Note-27.02]	840,706,321	1,056,295,079
Available for use	1,665,305,213	1,566,837,919
Closing Balance [Note-6.03]	(1,104,934,876)	(824,598,892)
	560,370,337	742,239,027
27.02 Raw Materials Purchase :		
Value in [Taka]		
Raw Cotton	840,706,321	1,056,295,079
	840,706,321	1,056,295,079
Quantity in [MT]		
Raw Cotton	5,239	7,965
	5,239	7,965
27.03 Packing Materials Consumption :		
Opening Balance [Note-6.04]	3,914,835	4,381,257
Purchase during the year [27.04]	7,205,042	9,695,164
Available for use	11,119,877	14,076,421
Closing Balance [Note-6.04]	(4,531,931)	(3,914,835)
	6,587,946	10,161,586
27.04 Packing Materials Purchase :		
Value in Taka-		
CONE	4,539,321	6,291,400
Poly Bag	805,094	980,735
WPP Bag	1,695,925	1,997,925
Sticker	164,702	425,104
	7,205,042	9,695,164

Quantity in Pcs & Kgs-

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
CONE (pcs.)	1,681,230	2,330,148
Poly Bag(kg.)	4,523	5,510
WPP Bag (Kg.)	67,837	79,917
Sticker (pcs.)	1,647,016	4,251,040

27.05 Factory Overhead :

Wages & allowances	53,098,265	49,731,761
Salary and allowances	8,250,000	8,250,000
Spare Parts	31,974,552	42,408,359
Fuel & Lubricants	7,092,209	7,981,992
Chemical used	1,682,436	1,694,386
Diesel for Generator	-	916,094
Indirect materials	37,076	390,825
Electricity	69,708	70,698
Gas Bill	85,016,040	75,463,935
Insurance & Others	1,138,305	819,021
Cleaning & Sanitation	57,000	-
Conveyance Bill - Factory	16,974	-
Electrical Maintenance- Accessories	679,258	-
Entertainment- Factory	199,810	-
Fire & Sefty- Accessories & Expenses	54,520	-
Food allowance- Factory	1,195,944	-
Miscellaneous Expenses	7,000	-
Repair Maintenance- Factory	1,945,315	-
Carriage Inwards	231,616	-
C& F Charges	77,223	-
Depreciation	55,175,766	61,230,458
	247,999,017	248,957,529

28.00 Administrative Expenses :

Salary and Allowances	20,156,121	9,994,211
Directors Remuneration	4,800,000	4,800,000
Board meeting fee	345,000	402,500
Office Rent	981,000	981,000
Certificate Expenses	732,351	-
Credit Report Collection Charges	38,920	-
Festival Bonus - HO	880,375	-
Internet Bill	24,000	-
Delivery Expenses	17,350	135,749
Electricity	142,750	57,364
Fax and Mobile Exp	191,208	182,647
Postage and Courier	9,800	9,654
Entertainment & Ifter Bill	118,886	607,780
Local Conveyance	167,789	188,642
Stationery	286,927	241,543
Office Supplies	-	53,437

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
Gardening	810	3,432
Fuel, Oil and Lubricants	161,334	810,658
Fees, Forms, and Renewals	1,395,458	495,853
Misc. Expenses	247,426	488,427
Repair & Maintenance (Civil)	-	201,738
Repair & Maintenance (Machine)	-	600,559
Medical Expenses	7,191	13,191
Audit Fees	172,500	115,000
Professional fees	1,013,200	215,000
Bank Charges	-	1,446,879
Excise duty	379,150	150,000
Uniform & Liveries	-	12,678
IPO Expenses	-	15,453,633
Testing Expenses	-	38,231
Repair & Maintenance (Electric)	57,500	206,153
Commercial expenses	-	62,171
Paper & Periodicals	-	3,010
Depreciation	2,903,988	3,222,656
Advertise & Publicity Expenses	353,690	-
AGM Expenses	865,041	-
	36,449,765	41,193,796

29.00 Selling and Distribution Expenses :

Carriage Outward	63,750	477,546
Advertisement	580	27,764
Sample Expenses	1,377,251	1,570,454
LC Opening Charge	48,000	-
Delivery Expenses	114,230	-
L/C Addising Charges	173,225	-
Tours & Travels	3,323,444	138,405
BTMEA	210,960	323,960
Other Expenses	94,950	184,763
L/C Realisation Charges	7,397,642	1,714,127
	12,804,032	4,437,019

30.00 Financial Expenses :

Interest on Term Loan	1,031,244	10,686,469
Interest on Short Term Loan	119,041,174	85,843,246
Interest charged on Loan to sister concern	(40,479,007)	(28,035,470)
Bank Charges	3,760,313	-
FC Fluctuation Charges	1,085,321	-
Financial Charges	20,898,429	-
Interest on Bill Purchase	13,256,267	-
Interest on EDE Loan - Meghna Bank	7,539,537	-
	126,133,277	68,494,245

	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
31.00 Non Operating Income :		
This is arrived at as follows:		
Interest on FDR	66,207,658	32,668,683
Translation Gain/ (Loss) on Cash & Cash Equivalents (notes-31.02)	21,327	-
Misc. Income	1,604,498	976,001
Dividend Income	3,006	3,006
Transaction Gain/ (Loss) (notes-31.01)	7,287,528	21,777,221
Translation Gain/ (Loss) on Accounts Receivable (notes-31.02)	4,859,996	-
	79,984,012	55,424,911

31.01 Transaction Foreign Exchange Gain/(Loss) upon realization :

Particulars	Actual realized/	Realized/setteled setteled Amount	Total (2019-2020) as per Book	Total (2018-2019)
Accounts Receivables	1,049,454,738	1,042,167,210	7,287,528	21,777,221
			7,287,528	21,777,221

31.02 Translation Foreign Exchange Gain/ (Loss)

Particulars	Monetary Assets in USD as per Bank Statement	BDT as on June 30, 2020 @ 84.5	BDT as per Books of Accounts	Gain/(Loss) in Taka (2019-2020)	Gain/(Loss) in Taka (2018-2019)
Accounts Receivables	3,738,458	315,152,018	310,292,022	4,859,996	-
Cash & Cash Equivalents	\$106,496.98	8,998,995	8,977,695	21,299	-
Cash & Cash Equivalents	€ 55.47	5,464	5,436	28	-
				4,881,295	-

32.00 Current Tax :

Net Profit Before Tax	62,268,750	254,742,757
Accounting Depreciation	58,079,754	64,453,114
Unrealized Foreign Exchange Gain/(Loss)	(4,881,295)	(21,777,221)
Other Income	(8,895,032)	(979,007)
Tax Depreciation	(131,656,191)	(164,393,851)
Taxable Business Income	(25,084,014)	132,045,792

A) Regular Tax :

Tax on taxable business income	(3,762,602)	19,806,869
Tax on other income	4,476,338	7,963,628
Tax on dividend income	601	601
	714,337	27,771,098

B) Minimum Tax :

(i) the minimum tax under sub-section (2); or	5,890,101	7,673,320
(ii) the minimum tax under sub-section (4).	3,004,233	3,621,115
Minimum tax	8,894,334	11,294,435

Tax liabilities (Higher of A & B)

	8,894,334	27,771,098
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	Amount in Taka 30 June 2020	Amount in Taka 30 June 2019
33.00 Earnings Per Share :	0.48	2.03
33.01 Basic Earnings per share :		
Net Profit after tax on core Business	48,739,647	204,829,872
Weighted Average No. of Shares	100,833,333	100,833,333
Basic Earnings Per Share	0.48	2.03

Earnings per shares decreased as compared same to the previous Financial year due to decreased of export for pandemic COVID-19 effect and Increase of Financial expenses. The turnover has been declined significantly due to effect of COVID-19 and accordingly Net Profit decreased.

33.02 Diluted Earnings per share :

Profit after tax	48,739,647	204,829,872
Total existing number of shares	100,833,333	100,833,333
Diluted Earnings per share	0.48	2.03

34.00 Contingent liabilities & Capital Commitments :

a) There is no claim against the company not acknowledged as debt.

b) There is no un-availed credit facilities, other than those in the normal course of business, available to the company as on 30 June, 2020

c) The Income Tax related to the Assessment year 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019 & 2019-2020 against the DCT Assesment order is under Appeal with the Tax Authority. As such no additional Tax provision in respect of above year has been made in this year.

Assessment Year	Amount
2012-2013	2,081,524
2013-2014	33,807,652
2014-2015	(1,121,748)
2015-2016	2,200,282
2016-2017	(2,203,090)
2017-2018	24,053,290
2018-2019	41,278,237
2019-2020	12,359,433

d) Capital Commitments under the head advance against land purchase at Sreepur, Gazipur for Tk 12,33,37,500.00 represents the following:

Name of Party	Date of Registered Baina	Deed no.	DCM	Total Advance as on June 30, 2020	Total Advance as on June 30, 2019
Islam Brothers	29.06.2016	8750	277.5	108,275,000	108,275,000
Anwara Mannan Textile Mills Ltd	29.06.2016	8751	38.75	15,062,500	15,062,500
Total			316.25	123,337,500	123,337,500

35.00 Related Party Disclosure :

The party is related to the company if the party cast significant influence over the subject matters and also holding the controlling power of the management affairs of the company and any transaction made during the year with the party related therewith is termed as related party transaction as per IAS-24 "Related Party Disclosure". During the year under audit related party transactions were made that which has influenced the company's business. The details of related party transactions during the year along with the relationship is illustrated below in accordance of IAS 24 :

Name of the Party	Relationship with the Company	Nature of transaction	June 30, 2020 Transacted amount in BDT	June 30, 2019 Transacted amount in BDT
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fee	57,500	57,500
		Remuneration	4,800,000	4,800,000
Md. Shofiqul Islam	Director & Shareholder	Board Meeting Fee	57,500	57,500
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fee	57,500	57,500
Md.Toriqul Islam	Director & Shareholder	Board Meeting Fee	57,500	57,500
Md. Rabiul Haque	Nominated Director	Board Meeting Fee	57,500	57,500
A.K.M Aktharuzzaman	Independent Director	Board Meeting Fee	-	57,500
Md. Mizanur Rahman	Independent Director	Board Meeting Fee	57,500	57,500
Aman Group	Common Director	Office Rent	981,000	981,000
Aman Tex Ltd.	Common Director	Sales	481,519,455	483,350,262
		Receivables	210,825,423	241,675,131
Aman Packaging & Accessories Ltd	Common Director	Purchase	507,478	1,047,655
		Payable	5,073,145	4,565,666
Aman Packaging Ltd	Common Director	Purchase	1,657,760	1,997,925
		Payable	1,036,158	421,602
Anwara Mannan Textile Mills Ltd	Common Director	Loan	401,582,483	556,467,466
		Interest Receivable	62,291,261	30,881,894
Aman Cement Mills unit-2 Ltd	Common Director	Loan	99,896,832	120,818,581
		Interest Receivable	22,141,886	13,290,044
Aman Jute Fibrous Ltd	Common Director	Loan	48,615,000	43,515,000
		Interest Receivable	8,902,090	4,786,650
Aman Feed Ltd.	Common Director	Loan from	1,500,000	-
		Interest Payable	260,750	-
Aman Cold Storage Ltd	Common Director	Loan	37,045,000	-
		Interest Receivable	398,765	-
Akin Carrier Ltd	Common Director	Loan from	150,713,304	-
		Interest Payable	8,538,463	-
Aman Food Limited.	Common Director	Loan	11,907,661	-
		Interest Receivable	376,575	-
Aman Tex Ltd.	Common Director	Loan	88,134,654	-
		Interest Receivable	4,126,231	-

36.00 Disclosure of Managerial Remuneration :

36.01 Total amount of remuneration paid to directors during the year is as follows:

Particulars		Nature of transaction	June 30, 2020 Transacted amount in BDT	June 30, 2019 Transacted amount in BDT
Name	Designation			
Md. Rafiqul Islam	MD & Shareholder	Board Meeting Fees	57,500	57,500
Md. Shofiqul Islam	Director & Shareholder	Board Meeting Fees	57,500	57,500
Md. Toufiqul Islam	Director & Shareholder	Board Meeting Fees	57,500	57,500
Md. Toriqul Islam	Director & Shareholder	Board Meeting Fees	57,500	57,500
Md. Rabiul Haque	Nominated Director	Board Meeting Fees	57,500	57,500
A.K.M Akhtaruzzaman	Independent Director	Board Meeting Fees	-	57,500
Md. Mizanur Rahman	Independent Director	Board Meeting Fees	57,500	57,500
Total			345,000	402,500

36.02 The total amount of remuneration paid to the top five salaried officers of the company in the accounting year is as follows :

Name	Designation	June 30, 2020	June 30, 2019
Md. Rafiqul Islam	Managing Director	4,800,000	4,800,000
A.H.M Ariful Islam FCA	CFO	2,873,842	-
Md. Shafiullah	Executive Director - Factory	3,216,000	3,216,000
Md. Nazrul Ahsan	DGM - Maintenance & Utility	1,500,000	1,500,000
Md. Fakhru Alam Salim	Deputy Manager- Commercial	576,000	576,000
Total		12,965,842	10,092,000

36.03 Aggregate amount of remuneration paid to all directors and Officers during the Financial year is as follows :

Particulars	Nature of Payment	June 30, 2020	June 30, 2019
Directors	Board meeting Fee	345,000	402,500
Directors	Remuneration	4,800,000	4,800,000
Officers & Executives	Salary, Bonus & Other allowaces	20,156,121	9,994,211
Total		25,301,121	15,196,711

37.00 General :

37.01 Audit Fee :

Audit fee of Tk. 172,500 only represents the audit fee inclusive of VAT.

37.02 Employee long term benefit :

The Company has no Gratuity Fund & PF scheme as yet as such no provision has been made in the financial statement.

37.03 Capacity of Production :

Particulars	June 30, 2020	June 30, 2019
Licensed Capacity in Metric Ton	6,780	6,780
Installed Capacity in Metric Ton	6,780	6,780
Utilized Capacity in Metric Ton	3,513	4,832
Percentage of Capacity Utilized	51.81%	71.27%

37.04 Number of Employees :

Salary Range (Monthly)	Officers & Staffs		Worker (Permanent)	Total
	Head Office	Factory		
Not less than Taka 5,300/-	16	68	330	414
Less than Taka 5,300/-	-	-	24	24
Total	16	68	354	438

37.05 Events after the Reporting Period:

As per IAS -10 " Event after the Reporting Period" are those events favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statement are authorized for issue. Two types of event can be identified:

Those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after reporting date); and

Those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

Subsequent to the Statement of Financial Position date, the Board of Directors in their meeting held on March 24, 2021 recommended 10% cash dividend for general Shareholders (Excluding Sponsors & Directors) for the year ended June 30, 2020. The dividend will be paid subject to the shareholders approval at the forthcoming Annual General Meeting.

37.06 As refer to note no 9.00 in the financial statement subsequently, the company has adjusted against loan to sister concern amount Tk. 285,104,300 from 1st July 2020 to 20 March 2021 on which Tk. 60,004,885 for Aman Cement Mills Unit-2 Ltd. and Tk. 225,099,415 for Anwara Mannan Textiles Mills Ltd accordingly.

38.00 WPPF :

As per Bangladesh Labor Law 2006 and Bangladesh labor (Amendment) Act 2013,WPPF has been calculated @ 5% of net profit after charge the WPPF before Income Tax.

39.00 Disclosure as per requirement of schedule XI, part II, para 8 of Company Act 1994

Disclosure requirement of schedule XI, part II, para 8 (b & d) of Company Act 1994 CIF Value of Raw Cotton, Spare Parts, Packing Materials and Capital Machinery (BDT) and Consumption.

Particulars	Local Purchase	Import	Total	Consumed	% of Consumption
Raw Cotton	-	840,706,321	840,706,321	560,370,337	98.37
Store and Accessories	762,247	10,638,865	11,401,112	2,702,376	0.47
Packing Materials	7,205,042	-	7,205,042	6,587,946	1.16
Capital Machinery	-	-	-	-	-
Total	7,967,289	851,345,186	859,312,475	569,660,659	100.00

In the period under review the company did not remit any amount as dividend, technical know how, royalty, professional consultation fees, interest and other matters either its shareholders or others.

FOB Value of Export:

The FOB value of export for the year ended June 30, 2020 is as follows:

Particulars	In Foreign Currency \$	In BDT
Export	\$11,734,585.50	981,683,483

AMAN COTTON FIBROUS LIMITED

Annexure of Property, Plant & Equipment

As at June 30, 2020

Annexure -A

(a) COST :

ASSET ITEMS	COST			Rate of Depreciation	DEPRECIATION			Written down value as at 30.06.2020	Written down value as at 30.06.2019
	Opening Balance as at 01.07.2019	Addition During the year	Total as at 30.06.2020		Opening Balance as at 01.07.2019	Addition During the year	Total as at 30.06.2020		
Land & Land Development	198,733,695	-	198,733,695	-	-	-	-	198,733,695	198,733,695
Building & Civil Construction	1,135,235,068	-	1,135,235,068	2.5%	123,865,675	25,284,235	149,149,910	986,085,158	1,011,369,393
Plant & Machinery	1,353,036,524		1,353,036,524	15%	1,144,864,126	31,225,860	1,176,089,986	176,946,538	208,172,398
Electrical Installation	13,388,299		13,388,299	10%	7,783,099	560,520	8,343,619	5,044,680	5,605,200
Electrical Equipment	5,138,566	9,760	5,148,326	10%	3,467,994	168,033	3,636,027	1,512,299	1,670,572
Gas Line Installation	2,805,322		2,805,322	10%	2,095,528	70,979	2,166,507	638,815	709,794
Fire Equipment	2,286,100		2,286,100	15%	2,101,507	27,689	2,129,196	156,904	184,593
Vehicle	19,794,494		19,794,494	20%	17,075,901	543,719	17,619,620	2,174,874	2,718,593
Office Equipment	1,088,717		1,088,717	10%	825,381	26,334	851,715	237,002	263,336
Computer & IT Equipment	1,657,230	181,430	1,838,660	20%	1,503,465	67,039	1,570,504	268,156	153,765
Furniture & Fixture	4,250,475		4,250,475	10%	3,197,014	105,346	3,302,360	948,115	1,053,461
Balance as on 30.06.2020 (a)	2,737,414,490	191,190	2,737,605,680		1,306,779,690	58,079,754	1,364,859,444	1,372,746,236	1,430,634,800
Balance as on 30.06.2019(a)	2,347,242,321	390,172,169	2,737,414,490		1,242,326,576	64,453,114	1,306,779,690		

(b) REVALUATION :

ASSET ITEMS	COST			Rate of Depreciation	DEPRECIATION			Written down value as at 30.06.2020	Written down value as at 30.06.2019
	Opening Balance as at 01.07.2019	Addition During the year	Total as at 30.06.2020		Opening Balance as at 01.07.2019	Addition During the year	Total as at 30.06.2020		
Land & Land Development	279,312,378	-	279,312,378	-	-	-	279,312,378	279,312,378	
Balance as on 30.06.2020 (b)	279,312,378	-	279,312,378				279,312,378		
Balance as on 30.06.2019 (b)	279,312,378	-	279,312,378				279,312,378		

(C) Total (a+b)

Balance as on 30.06.2020 (a+b)	3,016,726,868	191,190	3,016,918,058			1,306,779,690	58,079,754	1,364,859,444	1,652,058,614
Balance as on 30.06.2019 (a+b)	2,626,554,699	390,172,169	3,016,726,868			1,242,326,576	64,453,114	1,306,779,690	1,709,947,178

Allocation of Depreciation	Ratio	June 30, 2020	June 30, 2019
Manufacturing	95%	55,175,766	61,230,458
Non Manufacturing	5%	2,903,988	3,222,656
		58,079,754	64,453,114

AMAN COTTON FIBROUS LIMITED

Statement of Inventory Movement
For the Year ended June 30, 2020

FINISHED GOODS :

Annexure -B

Items	Opening Balance as at 01.07.2019	Production during the year	Sales duringClosing the year	Balance as at 30.06.2020
Yarn-Carded	251	2,598	2,608	241
Yarn-Combed	315	915	979	251
Total	566	3,513	3,587	492

WORK-IN-PROCESS :

Items	Opening Balance as at 01.07.2019	Production during the year	Sales duringClosing the year	Balance as at 30.06.2020
Yarn-Carded	30	2,606	2,598	38
Yarn-Combed	106	934	915	125
Total	136	3,540	3,513	163

RAW MATERIALS :

Quantity in MT

Items	Opening Balance as at 01.07.2019	Production during the year	Sales duringClosing the year	Balance as at 30.06.2020
Raw Cotton	6,218	5,239	4,528	6,929
Total	6,218	5,239	4,528	6,929

PACKING MATERIALS :

Quantity in Pcs.

Items	Opening Balance as at 01.07.2019	Production during the year	Sales duringClosing the year	Balance as at 30.06.2020
CONE	21,934	1,681,230	1,601,975	101,189
Poly Bag (kg)	9,862	4,523	3,977	10,408
WPP Bag	66,421	67,837	54,956	79,302
Sticker	4,396,956	1,647,016	1,808,504	4,235,468
Total	4,495,173	3,400,606	3,469,412	4,426,367





Aman
Cotton
Fibrous Ltd.



AMAN COTTON FIBROUS LIMITED

Registered Office: Bairagichala, Sreepur, Gazipur, Bangladesh
Corporate Office: 2 Ishakha Avenue, Sector-6, Uttara, Dhaka-1230

Notice of the 15th Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of Aman Cotton Fibrous Ltd. will be held on Sunday, 2nd May, 2021 at 11.00 am at Digital Platform to transact the following businesses:

AGENDA

1. Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended 30th June 2020 together with the Auditors' Report thereon.
2. Declaration of Dividend for the year ended 30th June 2020 as recommended by the Board of Directors.
3. Retire/Re-election of Directors.
4. Appointment of Auditors and fixation of their remuneration.
5. To transact any other business with the permission of chair.

Date: Dhaka,
April 20, 2021

By order of the Board of Directors
Sd/-
Shariful Islam, CMA (Inter)
Company Secretary

Notes:

1. Members whose names appeared on the Members/Depository Register as on 'Record Date' i.e. Sunday, April 18, 2021 are eligible to attend the 15th Annual General Meeting (AGM) and entitled to receive the dividend,
2. Pursuant to the Bangladesh Securities and Exchange Commission's Order No.SEC/SRMIC/94-231/25 dated 08 July 2020, the AGM will be conducted via live webcast by using digital platform.
3. The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link <https://amancotton.bdvirtualagm.com>
4. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2019-2020 is being sent to the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Members are requested to update their email addresses through their respective Depository Participant (DP). The soft copy of the Annual Report 2019-2020 will also be available on the Company's website at: www.amancotton.com
5. Aman Cotton Fibrous Limited is concerned about the environment and utilizes natural resources in a sustainable way. We request the members to update their respective BO Account with 12 Digit e-TIN, Bank Account, Mailing Address and Contact Number through their respective Depository Participant (DP) for quicker and easier communication. Such cooperation will help conserve paper and minimize the impact on the environment.
6. The 'Proxy Form', duly filled and stamped at Tk. 20 must be deposited at the Company's Share Office located at 2 Ishakha Avenue, Sector – 6, Uttara, Dhaka-1230 not later than 72 hours before commencement of the AGM.
7. The concerned Brokerage Houses/DPs are requested to provide us the statement (both of hard copy & soft copy) with details of their margin loan holders entitled to Dividend for the year ended on 30 June 2020. The statement should include Shareholders Name, BOID Number, Client-wise shareholding position, contact person etc.

AMAN COTTON FIBROUS LIMITED

Registered Office: Bairagichala, Sreepur, Gazipur, Bangladesh
Corporate Office: 2 Ishakha Avenue, Sector-6, Uttara, Dhaka-1230

PROXY FORM

Shareholders BO A/C No.	No. of Shares held

I/We _____ of (Address) _____
_____ being shareholder(s) of Aman Cotton Fibrous Limited
hereby appoint of _____ as my/ our proxy to attend and vote for me/us
and on my/our behalf at the 15th Annual General Meeting to be held on Thursday the 02nd May 2021 at 11.00 a.m. at the digital Platform and
any adjournment thereof and the poll may be taken in consequence thereof.

As witness my/our hand this _____ day of _____ 2021.

(Signature of the Proxy)

REVENUE
STAMP

(Signature of the Shareholder)
BO Account No

Note: The proxy form duly completed must be deposited at the Company's Corporate Office not later than 48 hours before the time fixed for the meeting, otherwise the proxy form will not be accepted.

Authorized Signature
Aman Cotton Fibrous Limited

Signature Verified

AMAN COTTON FIBROUS LIMITED

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my/our presence at the 15th Annual General Meeting of the Company on 02nd May 2021 at digital platform.

Name of Shareholder/Proxy _____

BO Account No _____ holding of _____

Ordinary shares of Aman Feed Limited.

Signature of Shareholder(s)

N.B.

1. Please note that AGM can only be attended by the honorable shareholder or properly constituted proxy.
2. Please present this slip at the Reception Desk.

CORPORATE SOCIAL RESPONSIBILITIES

Enhancing the business in aiming harmony between social obligations and building the nation, Aman group since its Inception has been engaged itself in executing altruistic and philanthropic activities as a part of its social commitment to the society. Endowment to honorable Prime Minister's education assistance Trust fund is one of the recognition of Aman group's CSR engagement to the state-run level.

CSR management at Aman Group is being implemented presently based on the sector's outline below in brief:

RESIDENTIAL ACCOMMODATION AND FOOD SUBSIDIES

The Group has dormitories in many of its establishments. The prominent are in the RMG, Cement, Feed and Poultry & Hatchery Industry. In all the dormitories are foods provided at subsidized price with free accommodation.

HUMAN RESOURCE DEVELOPMENT AND EMPLOYEE WELFARE

The Group has established some Training Centre in different unit and recruitments of trainees are made directly. After successful training they placed in various sections of different unit. The company undertakes various motivational activities to improve human values, mutual understanding, interpersonal relationship and loyalty among the officers and employees. Besides of that the company arranges multiple social, cultural, religious and entertainment programs.

DONATION FOR MEDICAL TREATMENT AND REHABILITATION OF VICTIMS OF ACCIDENT/DEATH

In case of accidents either inside or outside the mill-factories the group extends medical assistance. In case of accidental or sudden death group assist the family of the deceased with preference of employment for suitable family member.

DONATION FOR ADMISSION IN HIGHER EDUCATIONAL INSTITUTION

Group provides donation for the meritorious students of the worker-staff families for admission in higher classes.

CONSERVATION OF NATURE

Considering conservation of nature in the RMG unit of group has been equipped with a biological Effluent Treatment plant. That has ensured discharge of chemical free liquid wastes.

DISASTER RELIEF

Aman group always enthusiastically reluctant to be engaged with diversified support program to the victims of cold wave, flood or natural disaster, the group distributes one clothes to the destitute every winter season.

EDUCATIONAL INFRASTRUCTURAL DEVELOPMENT

The group donates for repair & Constructions of educational institutions belonging to general education & religious education after assessing the need.

GAMES AND SPORTS

The group has been funding a cricket club in the name of one of its concern. Group also participated in funding first ever arranged Banggabandhu and Bangamata gold cup football tournament in the country.

NATIONAL DAYS CELEBRATION

Group actively contribute and participates in observing the national days like Independence Day, Day May, Victory Day with the District and Upazilla Administration and concerned agencies of the government wherever possible.

Last but not the least the Group has formed and register with the relevant agency of the government one non-profit Organisation in the name and style:

AMAN FOUNDATION

In order to implement programs related to social causes with more dedication, the Group has established Aman Foundation. The aims of the foundation shall be to establish a residential University for the pupils from poor families with financial assistance for making them self sufficient through economic activities with health care facilities at nominal cost.



Aman
Cotton
Fibrous Ltd.

www.amancotton.com

কাজ করি
দেশ গড়ি



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