

ANNUAL
REPORT
2023

WEAVING DREAM
FOR SPARKING
FUTURE



Aman
Cotton
Fibrous 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



কাজ করি
দেশ গড়ি



৩৪,০০০
কর্মদক্ষ হাতের পক্ষ হতে
শুভেচ্ছা



Scan for Corporate Video



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VISION

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

MISSION

“To deliver the 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; 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

- Increasing capacity and manufacturing efficiency through modernization of existing facilities and ensuring ESG throughout the organization.
- By maintaining state-of-the-art manufacturing facilities to ensure the best quality of the products for the customers.
- Achieve global competitiveness and to derive the full benefit of our demographic and wages advantage;
- By Achieve technological advancement;
- By Strengthening financial resources;
- Show casing highest efficiency through obtaining world class accreditations and standards like ISO9001:2008.





Transmittal Letter

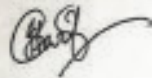
To
All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange PLC.

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

Dear Sir (s)

We are Pleased to enclose a copy of Annual Report together with the Audited Financial Statements as at 30th June, 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30th June, 2023 along with notes thereon of Aman Cotton Fibrous Limited for your information and records.

Yours sincerely



Shariful Islam, CMA (Inter)
Company Secretary



History & Milestones





Products & Services

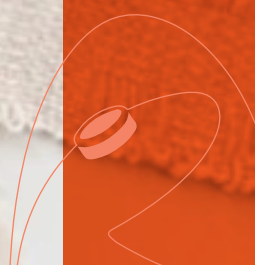
The principal product of the Company is combed & carded cotton yarn of different counts. The products are supplied to local textile industries, which are exported mostly to Europe and USA.

| Product Name | Sales During the Year 2022-2023 (MT) | Percentage (%) |
|--------------|--------------------------------------|----------------|
| Yarn-Carded | 4,833 | 81.07% |
| Yarn-Combed | 1,128 | 18.93% |
| Total | 5,961 | 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
- **Nature of Business/Product**
Yarn-Combed & Carded
- **Bankers of the company**
Islami Bank Bangladesh Ltd.
Megna Bank Limited
Standard Bank Limited
- **Auditors**
AZIZ HALIM KHAIR CHOUDHURY & CO.
Chartered Accountants
House # 25, Road # 1, Sector-09
Uttara Model Town, 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



Corporate Management

- **BOARD OF DIRECTORS**

Md. Rafiqul Islam
Managing Director

Md. Shofiqul Islam
Chairman

Md. Toufiqul Islam
Director

Md. Rabiul Haque
Nominated Director

Mr. Md. Iftikhar-Uz-Zaman
Independent Director

- **AUDIT COMMITTEE**

Md. Iftikhar-Uz-Zaman
Chairman

Md. Rafiqul Islam
Member

Md. Toufiqul Islam
Member

Md. Rabiul Haque
Member

Mr. Shariful Islam, CMA (Inter)
Member Secretary

- **MANAGEMENT COMMITTEE**

Md. Rafiqul Islam
Managing Director

Md. Toufiqul Islam
Director

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

Muhammad Saiful Islam
Head of Internal Audit

Mr. Shariful Islam, CMA (Inter)
Company Secretary

- **NOMINATION & REMUNERATION COMMITTEE**

Md. Iftikhar-Uz-Zaman
Chairman
Independent Director

Md. Rafiqul Islam
Member

Md. Toufiqul Islam
Member

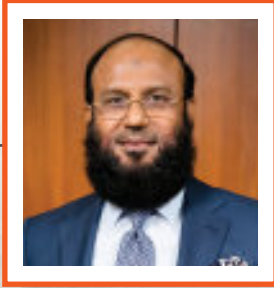
Md. Rabiul Haque
Member

Mr. Shariful Islam, CMA (Inter)
Member Secretary

Board of Directors



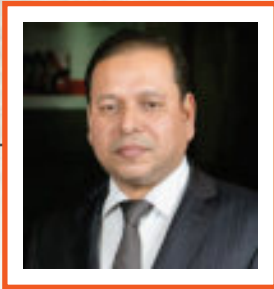
Md. Shofiqul Islam
Chairman



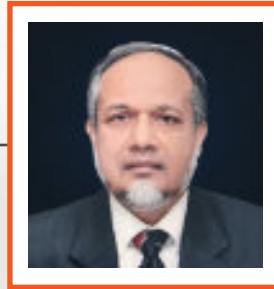
Md. Rafiqul Islam
Managing Director



Md. Toufiqul Islam
Director



Md. Rabiul Haque
Nominated Director



Mr. Md. Iftikhar-Uz-Zaman
Independent Director





Message from Chairman's Desk

I have the pleasure to welcome you all in the 18th Annual General Meeting of your company for the year ended 30 June 2023 as per provision of the prevailing laws and regulations of the country and also thank you for attending the meeting despite various difficulties being faced. Being Chairman of the Board, I feel immensely honored and privileged to take this opportunity to report formally to our valued shareholders for the year 2023.

The success of an organization requires a sound business strategy. I am personally committed to ensure that ethical leadership continues to be embedded in our corporate culture. ACFL's culture is the key component to our success. It has root in the fundamental values we had held since our foundation 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. Being the Chairman of your company, my objective is to ensure the Board of Directors actively continues to play their due parts in the upcoming years. I eagerly looking forward to receive 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 Exchanges, National Board of Revenue and other Regulatory Authorities of the Government of the People's Republic of Bangladesh for their continued guidance and support. I would also want to thank our team and all employees of the company for their tremendous passion, resilience and hard work in adding values for our shareholders and all other stakeholders. I personally remain 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 at the apex of success.



Md. Shofiqul Islam
Chairman





Message from Managing Director's Desk

Dear valued Stakeholders,

Assalamu-Alaikum.

I welcome you to the 18th Annual General Meeting of your company and continue to take the pride of your association with us. As the 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 the company, as smooth business operation was hampered due to COVID-19 Pandemic, Russia-Ukraine war and dollar price hike, as a result demand of yarn fall drastically in the local and international market. However the Board of Directors of the company is now analyzing the current situation to take proper decisions based on future scenario.

Marketing:

Market situation was not stable in previous year due to Russia-Ukraine war continued, hike of dollar price in international & domestic market and falls 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 take the pride to be one of the most compliant companies in the country operating within various frameworks and it enable us to deliver results with integrity. We believe in transparency though compliance of all laws and regulations of the country and support sensible and enforceable regulations.

Approach to Sustainability

Considering the local yarn market and fierce competition during 2022-2023; we were happy to compete substantial, but we hope to see further increase in industry compliance as international companies enter Bangladesh. In 2023, 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. We are confident that we will be able to continue delivering sustainable value for our shareholders.

Great Team:

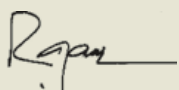
Over the years, a team has been built full of young energetic force with high motivation focus on the organizational goal. The orientation of the team triggered to meet the customers' requirements and also to serve all the stakeholders. We believe excellence is not a quality, it a matter of practice what we perform every day. We also believe that, this young energetic team will add a great value to the company if they are guided and inspired properly.

Our management are keen to build the team who can meet the cutting edge of excellence to deliver the superior services.. Continuous training & development program, proper succession planning, appropriate Human resources management policy helped us to 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 on us and our employees for providing their valuable contribution to ACFL throughout 2023. The guidance from our Board of Directors has always been instrumental in shaping the success of the company. We are also grateful to our shareholders who have been with us and appreciated our activities throughout the year 2022-2023. We passionately aimed to continue to build value for our customers and shareholders in the future.

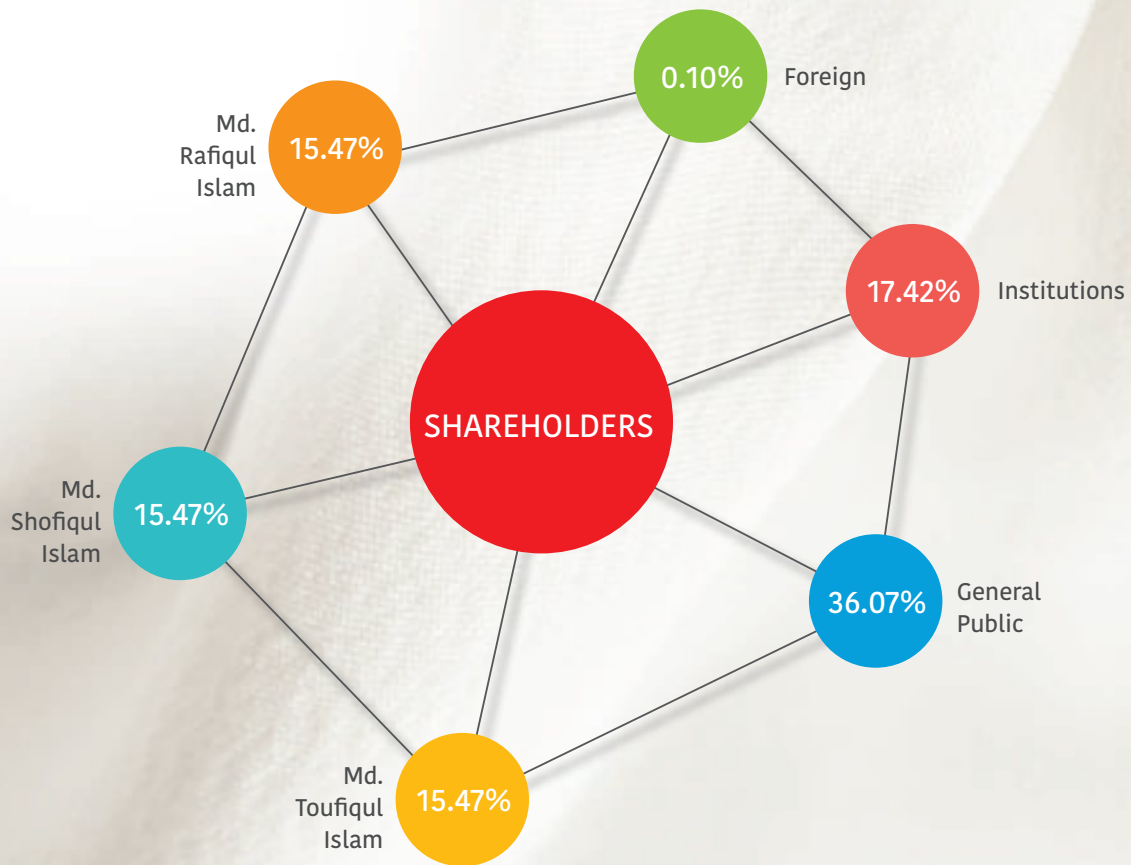
Allah Hafez



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 General Public (36.07%), Foreign (0.10%) and other Institutions (17.42%) dated 30th September 2023.



Corporate Governance Statement-2023

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, which are established by means of an effective corporate governance regime. The aim of the Board is to ensure 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 2023.

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:

- The Companies Act 1994 and other circulars of amendment of the companies act came to in effect, time to time.
- Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance,
- Listing regulation of, Dhaka and Chittagong Stock Exchange listing regulations
- Any other relevant 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
- Best industrial practices

The Board reviews its corporate governance frameworks time to time to ensure its relevance, effectiveness and sustainability in terms of addressing future business challenges and compatibility with the effective corporate governance guidelines.

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 employees, including Directors, uphold the standards of Business conduct as required to confirm their commitments by executing the declared compliance.



The company has always been fully adherent to 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, to ensure the compliance of laws, rules, regulations, corporate governance codes, articles of association, policies and procedures, the Company constantly exercises the best Board practices, effective control processes, transparency 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. 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. The composition of the Board complies with the requirements that outlined in the BSEC Guideline on Corporate Governance code 2018, the Listing Regulations and those of the generally applied codes of best practices. The Board comprises an admixture of Directors from diverse professional backgrounds with wealth of experience, skills and expertise.

Policy on Appointment of Directors

The Company is always compliant with all the rules, regulations of the concerned regulatory authorities regarding appointment and reappointment of Directors. Notifications of Bangladesh Securities and exchange Commission (BSEC), Companies Act 1994 and the Article of association of the Company are strictly followed in this regard. As per the companies Act, 1994, Directors are subject to retirement by rotation, which means, at least one-third of the Directors shall retire by rotation in every AGM on seniority basis. As per the Companies Act 1994 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 (non-executive) 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 Boards and executes the board meeting decisions.
- 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 5 (five) Directors, including one independent Directors who possess a wide range of skills and experience over a range of professions and businesses. Independent director 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 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 controller of the company's affairs and is also fully accountable to the shareholders.



The Board of Directors firmly believes 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. The code of conduct of the Board of Directors already formulated and published on the website of the company after duly approved by the Board of Directors.

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 2022-2023 (1st July 2022 to 30th June 2023)

The number of meetings 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 | 4 | |
| Md. Shofiqul Islam | 4 | |
| Md. Toufiqul Islam | 4 | |
| Md. Rabiul Haque | 4 | |
| Md. Iftikhar-Uz-Zaman | 4 | |

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. Bringing financial transparency in transactions & reporting to the shareholder particularly for the un-audited quarterly financial statement is one of the arenas where the CFO's role is optimum.

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 decision, policies and procedures are tracked and implemented. Company Secretary also work as bridge between the management with the shareholders, stakeholder and the regulatory bodies.

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 benefited 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 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. As per the Corporate Governance Code 2018, the company has formed a Nomination and remuneration Committee (NRC), this committee is headed by an Independent Director. This committee recommend and review and assist the Board of Directors to appoint Directors, selection of top executive and fixation of their remunerations.

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 Code 2018 vide 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. Iftikhar-Uz-Zaman Chairman
- Mr. Md. Rafiqul Islam Member
- Mr. Md. Toufiqul 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. Iftikhar-Uz-Zaman, Independent Director. He is wide experienced personnel particularly in Capital Market. He undertook different training & workshops including national and internationally. He has diversified work experience in various organization.

Number of Audit Committee meeting held in 2022-2023 (1st July 2022 to 30th June 2023)

The number of meetings of the audit committee held during the accounting year, and the attendance of members at those meeting is disclosed in the as follows:

| Name of the Members of the committee | Attendance | Remarks |
|--------------------------------------|------------|---------|
| Md. Rafiqul Islam | 4 | |
| Md. Toufiqul Islam | 4 | |
| Md. Rabiul Haque | 4 | |
| Md. Iftikhar-Uz-Zaman | 4 | |

The Audit Committee and Internal Audit

Internal Audit is a department of 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 the Head of Internal Audit, in addition to his direct reporting line to the Audit Committee.

The Audit Committee is responsible for approving the Annual Audit plan of internal Audit Department and reviewing the plan's subsequent implementation. Internal audit reports or summaries thereof prepared by internal Audit department are reviewed on a regular basis by the committee.

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 Companies 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 21 days 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

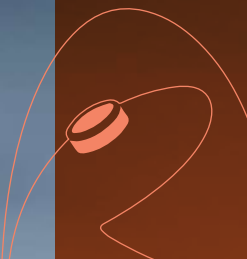
Requirements, the shareholders are communicated in a routine manner of all major developments that involve the business of the Company, so that they are able to make informed decisions.

Preparation and Presentation of Financial Statements and Directors Responsibility

The Companies Act 1994 along with the applicable securities law 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



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 2023. 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 inconsistent with any condition of this Corporate Governance Code.

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the Above mentioned Corporate Governance Code issued by the Commission except those mentioned in the Statement of Compliance Status;
- (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: 10th November, 2023

Sd/-
Mohammad Hamidur Rahman, FCA
Enrollment: 1909
Hamidur Rahman & 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 June 2018 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 05 (five) |
| 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 01 (One) |
| 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- |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|------------------|---|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 1 (2) (b) (v) | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange; | √ | | -do- |
| 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 an 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 (NBFIs); 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 | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|-----------------|--|-------------------|--------------|---|
| | | COMPLIED | NOT COMPLIED | |
| 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 |
| 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 30 years' experience on Capital Market. |
| 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; | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|---------------|--|-------------------|--------------|-----------------------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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):- | | | |
| 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 | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|------------------|---|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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; | √ | | |
| 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 | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|---------------|--|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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, | | | |
| 1(5)(xxv)(a) | accounting policies and estimation for preparation of financial statements; | √ | | |
| 1(5)(xxv)(b) | changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | - | - | 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. | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|---------------|--|-------------------|--------------|---|
| | | COMPLIED | NOT COMPLIED | |
| 1(7) | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer | | | |
| 1(7) (a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | √ | | |
| 1(7) (b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | √ | | |
| 2 | Governance of Board of Directors of Subsidiary Company.- | | | |
| 2 (a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company | - | - | 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 |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|----------------|---|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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. | √ | | |
| 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; | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|---------------|---|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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; | √ | | |
| 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) | 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 | | | |



| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|---------------|---|-------------------|--------------|--|
| | | COMPLIED | NOT COMPLIED | |
| 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:- | | | |
| 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) | versee 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) | eview 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 | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|-----------------|--|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 5 (5) (m) | oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: 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: 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. | √ | | |
| 5 (6) | Reporting of the Audit Committee | | | |
| 5 (6) (a) (i) | Reporting to the Board of Directors | √ | | |
| 5 (6) (a) | The Audit Committee shall report on its activities to the Board. | | | |
| 5(6)(a)(ii) | 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)- | | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|---------------|--|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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: | | | |
| 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; | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|-----------------|---|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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; | √ | | |
| 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; | √ | | |



| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|-----------------|--|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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; | √ | | |
| 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. | √ | | |
| 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. | √ | | |

| CONDITION NO. | TITLE | COMPLIANCE STATUS | | Remarks (if any) |
|---------------|---|-------------------|--------------|------------------|
| | | COMPLIED | NOT COMPLIED | |
| 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.- | | | |
| 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 Declaration by CEO and CFO

Date: 28th October 2023

The Board of Directors
Aman Cotton Fibrous Limited
2 Ishakha Avenue, Sector-6
Uttara, Dhaka-1230

Subject: Declaration on Financial Statements for the year ended on 30th June 2023.

Dear Sirs

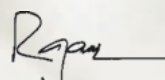
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification BSEC/CMRRCD/2003-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Aman Cotton Fibrous Limited for the year ended on 30th June 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

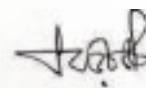
In this regard, we also certify that:-

- (i) knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Md. Rafiqul Islam)
Managing Director



(Md. Mamun-Ur-Rashid Chowdhury, FCMA)
Chief Financial Officer



AUDIT COMMITTEE REPORT

For the Year ending June 30, 2023

The Audit Committee consists of the following persons:

- | | |
|-----------------------------------|------------------|
| • Mr. Md. Iftikhar-Uz-Zaman | Chairman |
| • Mr. Md. Rafiqul Islam | Member |
| • Mr. Md. Toufiqul Islam | Member |
| • Mr. Md. Rabiul Haque | Member |
| • Mr. Shariful Islam, CMA (Inter) | Member Secretary |

The Independent Director, Mr. Md. Iftikhar-Uz-Zaman 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).

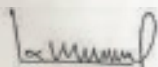
Major Responsibilities of the Audit Committee:

- 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 form 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.
- Assess understand and recommend the board for the formulation of the policy.

Activities carried out during the year:

- Reviewed and recommended the quarterly and annual Financial Statements for the year ended 30th June 2023.
- 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 and recommended PSI Policy of the company.
- 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 Aziz Halim Khair Choudhury, Chartered Accountants with a fees of Tk. 350,000(Three Lac Fifty Thousand) only as the statutory auditors and Rahman Sayd & Co., Chartered Accountants may be appointed as Corporate Governance Auditor with a fees of Tk. 90,000(Ninety Thousand) only of the company subject to the approval of the Board of Director and Shareholders in its Upcoming Annual General Meeting.
- 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.



Mr. Md. Iftikhar-Uz-Zaman
Chairman
Audit Committee
Date: 22nd October, 2023.

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE -2023 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 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) as per the requirement of BSEC Corporate Governance Code with the following composition:

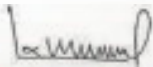
- | | | |
|----|---|----------|
| 1. | Mr. Md. Iftikhar-Uz-Zaman Independent Director | Chairman |
| 2. | Md. Rafiqul Islam | Member |
| 3. | Md. Toufiqul Islam | Member |
| 4. | Md. Rabiul Haque | Member |

In 2023, the committee met twice. The Managing Director, Director-Finance and Head of HR attended the meeting by invitation of the committee. Mr. Md. Iftikhar-Uz-Zaman 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 Independent Director and the committee review the CV of Independent Director and recommendation to the Board of Directors for appoint of Independent Director after getting approval from BSEC.
- 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.



Md. Iftikhar-uz-Zaman

Chairman

Nomination & Remuneration Committee (NRC)



DIRECTORS' PROFILE



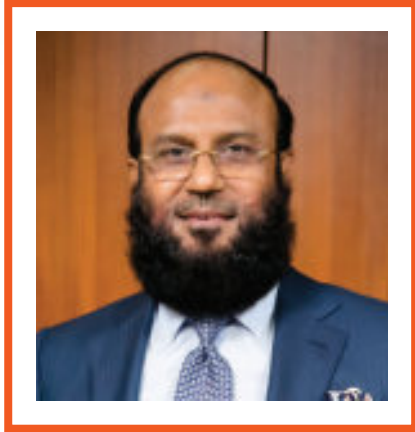
Md. Shofiqul Islam

Chairman

MD. SHOFIQL ISLAM, aged 58 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. Rafiqul Islam

Managing Director

MD. RAFIQUUL ISLAM, 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 arena. 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, dying, feed mills, poultry & hatchery, shipbuilding, cool chain etc. Under his dynamic leadership, Aman Group could establish its position in the conglomerate in a short span of time. He has gradually built a good number of successful businesses, now a big house under the banner of Aman Group which consists of more than 30 companies. Currently, he is the Chairman of Aman Economic Zone Ltd., Aman Tex Limited, Aman Foods and Beverage Limited and Anwara Poultry & Hatchery Ltd. He is also the Managing Director of dozens of companies including 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 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 49 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., Aman Tex Limited, Aman Foods and Beverage Limited, Director of Aman Feed 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 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. 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 33 years working experience in accounting, finance and corporate affairs matters. He is also a member of Dhaka Bar Association.



Mr. 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.



DIRECTORS' 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 your Company for the year ended 30 June 2023. They also placed before you the overall business scenario for the year 2022-2023.

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 5,321 MT Yarn of which Carded Yarn 3,843 MT, Combed Yarn 1,472 MT and aggregate earning revenue of Tk. 2,201,134,850. The production capacity utilized in 2022-2023 remained almost stable which is approximately 78.47% of its install capacity.

Financial Results

During the year the company achieves gross profit of TK. 175,435,843 and net profit during the year at Tk. (95,207,841). The earnings per share (EPS) and net asset value per share (NAV) is Tk. (0.94) and Tk. 34.50 respectively.

Dividend

The Board of Directors recommend 10% Cash Dividend to the general shareholders other than Sponsors and Directors Shareholders of the company for the year ended 30th June 2023, subject to the approval of the shareholders in the 18th 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 26th November, 2023 at the closure 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. Toufiqul Islam Director of the company shall retire in the 18th 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. Toufiqul Islam hold directorship is also presented on this report (Page 52).



UNCLAIMED/UNSETTLED Dividend

2017 TO 2022

The unclaimed/unsettled cash dividend for the year from 2017 to 2019 has been deposited to the Capital market Stabilization (CMS) Fund as instructed by the Bangladesh Securities and Exchange Commission.

Summary of unclaimed/unsettled cash dividend transferred to CMS Fund (year-wise):

| Deposited to CMS Fund: | Amount in Taka |
|------------------------------------|-------------------|
| 2017-2018 | 390,480.75 |
| 2018-2019 | 503,794.05 |
| Total Deposited to CMS Fund | 894,274.80 |

Unclaimed/unpaid or Undistributed Cash Dividend hold by company (year- wise) :

| SL# | Financial Year | Sponsor Directors/Directors Unclaimed/Undistributed Cash Dividend Amount (BDT.) | General Shareholders Unclaimed/Undistributed Cash Dividend Amount (BDT.) | Unclaimed/Undistributed Cash Dividend Amount (BDT.) |
|---------------------|----------------|---|--|---|
| 01 | 2018-2019 | 17,280,000.00 | | 17,280,000.00 |
| 02 | 2019-2020 | 3,240,000.00 | 540,396.70 | 3,780,396.70 |
| 03 | 2020-2021 | - | 471,691.11 | 471,691.11 |
| 04 | 2021-2022 | - | 737,928.25 | 737,928.25 |
| Grand Total: | | 20,520,000.00 | 1,750,016.06 | 22,270,016.06 |

Note: Details shown in the company website: www.amancotton.com

Qualified Opinion Clarification:

We have obtained a legal opinion from the Lawyer's and it appears that WPPF is not applicable for Aman Cotton Fibrous Limited as 100% export oriented industry as per section 232(3) of the Labor Act, 2006 and Rules 212-226 of the Labor Rules-2015 . The Company will participate in the central fund after creation by Government in compliance with above section and rules. According to the law along with lawyer's opinion, the balance of WPPF payable has been transferred to accumulated retained earnings.

Directors' remuneration and related party transactions

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:

| Particulars | | | June 30,2023 | June 30,2022 |
|----------------------------------|---------------------------------|-----------------------|--------------------------|--------------------------|
| Name of the party | Relationship with Company | Nature of transaction | Transacted amount in BDT | Transacted amount in BDT |
| Md. Rafiqul Islam | Managing Director & Shareholder | Board Meeting Fee | - | 20,000 |
| | | Remuneration | - | 2,400,000 |
| Md. Shofiqul Islam | Director & Shareholder | Board Meeting Fee | - | 20,000 |
| Md. Toufiqul Islam | Director & Shareholder | Board Meeting Fee | - | 20,000 |
| Md. Toriqul Islam | Director & Shareholder | Board Meeting Fee | - | 20,000 |
| Mr. Md. Rabiul Haque | Nominated Director | Board meeting fee | 15,000 | 20,000 |
| Mr. Md. Iftikhar-Uz-Zaman | Independent Director | Board meeting fee | 25,000 | 5,000 |
| Mr. Md. Mizanur Rahman | Independent Director | Board meeting fee | 15,000 | 20,000 |
| Aman Group | Common Director | Office Rent | 981,000 | 981,000 |
| Aman Tex Ltd. | Common Director | Sales | 1,529,481,897 | 1,272,094,858 |
| | | Receivables | 37,590,356 | (44,350,038) |
| Aman Packaging & Accessories Ltd | Common Director | Purchase | 258,100 | 1,272,700 |
| | | Payable | 3,200,245 | 2,942,145 |
| Aman Packaging Ltd | Common Director | Purchase | 1,999,133 | 1,872,000 |
| | | Payable | 4,418,369 | 2,919,236 |
| Anwara Mannan Textile Mills Ltd | Common Director | Loan | (16,511,375) | 86,762,736 |
| | | Interest Receivable | 106,339,293 | 99,279,781 |
| Aman Cement Mills unit-2 Ltd | Common Director | Loan | 37,476,176 | 123,810,985 |
| | | Interest Receivable | 42,509,575 | 37,013,589 |
| Aman Jute Fibrous Ltd | Common Director | Loan | 79,615,000 | 79,615,000 |
| | | Interest Receivable | 29,444,918 | 22,299,199 |
| Aman Feed Ltd. | Common Director | Loan from | 1,500,000 | 1,500,000 |
| | | Interest Payable | 665,750 | 530,750 |
| Aman Cold Storage Ltd | Common Director | Loan | 37,045,000 | 37,045,000 |
| | | Interest Receivable | 10,400,915 | 7,066,865 |
| Akin Carrier Ltd | Common Director | Loan from | 82,449,198 | 104,785,527 |
| | | Interest Payable | 27,839,939 | 20,386,619 |
| Aman Food Limited | Common Director | Loan | 31,198,967 | 26,578,411 |
| | | Interest Receivable | 6,659,662 | 4,005,524 |
| Aman Tex Ltd. | Common Director | Loan | 53,859,051 | 56,441,352 |
| | | Interest Receivable | 23,486,259 | 18,578,261 |
| Islam Brothers & Co. | Common Director | Loan from | 72,391,936 | 29,960,970 |
| | | Interest Payable | 7,517,604 | 3,415,792 |
| Aman Food & Beverage Ltd. | Common Director | Loan | 3,770,507 | - |
| | | Interest Receivable | 198,107 | - |

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| ASSETS EMPLOYED | | | | | |
| Total Assets | 5,377,234,732 | 5,651,568,039 | 5,862,975,551 | 5,205,956,091 | 4,718,785,132 |
| Total Current Assets | 3,585,472,694 | 3,810,096,316 | 3,966,382,479 | 3,269,377,399 | 2,724,317,876 |
| Property Plant & Equipment | 1,791,075,072 | 1,841,471,723 | 1,896,593,072 | 1,652,058,614 | 1,709,947,178 |
| Inventories | 1,556,733,285 | 1,827,697,536 | 1,379,263,067 | 960,003,645 | 705,559,896 |
| Accounts Receivable | 509,380,890 | 227,524,768 | 672,816,338 | 269,262,504 | 284,407,228 |
| FINANCED BY | | | | | |
| Share Capital | 1,008,333,330 | 1,008,333,330 | 1,008,333,330 | 1,008,333,330 | 1,008,333,330 |
| Revaluation Reserve | 265,382,238 | 265,382,238 | 265,382,238 | 265,382,238 | 265,382,238 |
| Retained Earnings | 1,629,633,659 | 1,693,726,075 | 1,651,987,377 | 1,554,102,384 | 1,543,618,107 |
| REVENUE AND PROFIT | | | | | |
| Revenue Earned | 2,201,134,850 | 1,665,266,413 | 1,624,746,802 | 981,683,483 | 981,683,483 |
| Gross Profit | 175,435,843 | 183,339,364 | 327,747,295 | 160,785,249 | 160,785,249 |
| Net Profit Before Tax | (64,881,904) | 104,370,898 | 149,525,566 | 62,268,751 | 62,268,750 |
| Net Profit After Tax | (95,207,841) | 76,411,658 | 125,918,326 | 48,739,648 | 48,739,647 |

Board of Directors Meeting

During the year ended 30 June 2023 four board meetings were held. The attendance of the Board of Directors' Meeting by each director is shown as follows:

| Name of the Directors | Attendance | Remarks |
|---------------------------|------------|---------|
| Md. Rafiqul Islam | 4 | |
| Md. Shofiqul Islam | 4 | |
| Md. Toufiqul Islam | 4 | |
| Md. Rabiul Haque | 4 | |
| Mr. Md. Iftikhar-Uz-Zaman | 4 | |

Number of Audit Committee meeting held in 2022-2023 (1st July 2022 to 30th June 2023)

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

| Name of the Members | Attendance | Remarks |
|--|------------|---------|
| Md. Iftikhar-Uz-Zaman | 4 | |
| Md. Rafiqul Islam | 4 | |
| Md. Toufiqul Islam | 4 | |
| Md. Rabiul Haque | 4 | |
| Mr. Shariful Islam Member Secretary | 4 | |

Auditors

Aziz Halim Khair Choudhury, Chartered Accountants as the external auditor of the company for the year ended 30th June 2023 which approved by the shareholders in its 17th Annual General Meeting. The present auditor of the company, Aziz Halim Khair Choudhury, Chartered Accountants, has completed audit for the year 2022-2023 and they will retire in the 18th Annual General Meeting. The present auditors expressing their interest to carry audit of the company for the financial year 2023-2024. The audit committee recommended may be re-appoint Aziz Halim Chowdhury Company, Chartered Accountants as well as board of Directors decision with a remuneration of Tk. 350,000.00 only for the year ended 30th June 2024 and Rahman Sayd & Co., Chartered Accountants recommended to appoint as Corporate Governance Auditor with a remuneration of Tk. 90,000.00 only for the year ended 30th June 2024 of the company, subject to the approval of the shareholders in its upcoming 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. 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 | 15,600,000 |

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. Man Cotton Fibrous Limited possesses an installed capacity of producing 5,321 MT of cotton yarn per year. All the machinery imported from Germany, Switzerland, Italy, Japan & China are contemporary, hi-tech and high-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 2022-2023 (MT) | Percentage (%) |
|--------------|--------------------------------------|----------------|
| Yarn-Carded | 4,833 | 81.07% |
| Yarn-Combed | 1,128 | 18.93% |
| Total | 5,961 | 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 time to time out 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 which industry best practice and takes account or 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. 2,025,699,007 as compared to last year cost of goods sold of Tk. 1,481,927,413. This is due to the fact that there has been increased in the cost of goods sold during the reporting period. During the reporting period total 5,321MT yarn produced out of which 3,843 MT Carded Yarn and 1,472 MT Combed Yarn. Production capacity was utilized during the reporting period 78.47 %.

(b) Gross Profit :

The company has achieved a turnover Tk. 2,201,134,850 during the year ended 30th June 2023 and gross profit earned Tk. 175,435,843.

(c) Net Profit :

Net profit (after tax) earned during the period was Tk. (95,218,641).

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 14th August 2023 and had taken the decision that IPO fund utilization for Acquisition & Installation of machineries time were rescheduled by the Board of Directors up to 20th August 2024 subject to the approval of the shareholders in its 18th 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.

SPECIAL RESOLUTION:

To pass a special resolution in regard to change the name of the company from “ Aman Cotton Fibrous Ltd.” to “Aman Cotton Fibrous PLC.” As per provision of the Companies Act, 1994(2ND Amendment 2020) and to amend clause-I of Memorandum of Association and Article-3(b) of the Articles of Association of the Company.

The Board of Directors in its meeting held on 28th October 2023 has adopted the following resolution in order to comply with the provision of the Companies Act,1994(2nd Amendment 2020).

To consider and if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

RESOLVED THAT pursuant to Section 11Ka(ka) of the Companies Act, 1994 (2nd Amendment of the Companies Act-1994 of 26th November 2020) and all other applicable provisions, if any, of the Companies Act, 1994, and any other applicable law of Bangladesh, the shareholders be and is hereby, accorded to change the name of the Company from “**Aman Cotton Fibrous Ltd.**” to “**Aman Cotton Fibrous PLC.**”

FURTHER RESOLVED THAT the Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause:

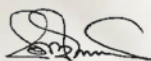
I. The name of the Company is “**Aman Cotton Fibrous PLC.**”

FURTHER RESOLVED THAT in terms of Section 20 of the Companies Act, 1994 the Articles of Association of the Company be altered by deleting the existing name of the Company “**Aman Cotton Fibrous Ltd.**”, wherever appearing, and substituting it with the new name of the Company, “**Aman Cotton Fibrous PLC.**”.

AND RESOLVED THAT the Board of Directors or any Committee thereof, be and is hereby, authorized to accept any other name approved by the relevant regulatory authorities and seek approval for the change in the name of the Company accordingly without making any further reference to the members for their approval.

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. Shofiqul Islam
Chairman

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/248

Date of issue : June 1, 2023



Renewed Certificate

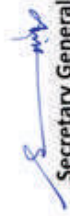
This is to certify that

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 2023.




Secretary General

Independent Auditor's
Report To the Shareholders



Independent Auditor's 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 Limited** which comprise the Statement of Financial Position as at 30 June 2023 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the matter described in the Basis of Qualified opinion section of our Report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year ended 30 June 2023 in accordance with International Financial Reporting Standards (IFRS), The Company Act 1994 and other applicable laws and regulations.

Basis for Opinion

The Company up to last year has made provisions of BDT 81,949,104 for WPPF (Worker Profit Participation Fund) as per Bangladesh Labour Act 2006 (Amended in 2013). As the company has made a loss in the current year, there is no requirement of any such provisions in this account. However, the company has also taken a decision to adjust this total brought forward amount of BDT 81,949,104 with the Retained Earnings Accounts on the ground that such payment is not required for 100% export oriented textile industry as the Government is yet to create any central fund as per Section 212(3) and 214(1) of Bangladesh Labour Rules 2015 in association with BTMA; thereby wiping out the total provision made up to last year's audited accounts the company has eliminated its contingent liabilities by BDT 81,949,104.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have collected is sufficient and appropriate to provide a basis for our qualified opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws.

Emphasis of Matters

1. According to IPO Utilization Audit Reports as of June 30 2023. 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 20 October 2024.

2. As referred to note #8.0 in the financial statements, the company recorded advances, deposits and prepayments Tk. 585,644,747 which includes advance against Land Purchases Tk. 123,337,500 and Advance against land development Tk. 9,227,119 carry forwarded from several years. During the audit, no movement has occurred against the said balance.
3. As disclosed Note #9 to the financial Statements, Inter Company Current Account shown balance Tk. 70,112,191. The company carried out transaction with related parties without obtaining necessary consent from the Bangladesh Securities and Exchange Commission (BSEC).
4. We draw attention to note -35 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 positions on the same. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on accompanying financial statements.

| Risk | Our response to the risk |
|--|--|
| Turnover | |
| <p>The Company has made sales of Tk. 2,201,134,850 during the year. In the process of recovering from epidemic, their sales have been increased about 32% compared to the last year. Recognition of the revenue has been considered complex to several types of contracts based mainly on export sales, as well as high sales volume comparing to the last few years' performance.</p> <p>This matter is considered a key matter due to the level of judgment required to determine the timing of revenue recognition and measurement.</p> | <p>Our procedure to include:</p> <ol style="list-style-type: none"> 1. Reviewing the director's assessment of selecting the major customer, ensuring the veracity of the data presented and assessing management's consideration of this process; 2. Assessing completeness and accuracy of the data used for recognition of revenue; 3. Reviewing the company's revenue recognition policies, accounting guidelines and disclosures to assess conformity with IFRS 15 "Revenue from Contracts with customers". 4. Evaluating the appropriateness of the notes related to the company's revenue. |

Refer "Sales" of the Financial Statement

| Risk | Our response to the risk |
|---|---|
| Long Term Loan | |
| Long term loans were taken from Union Capital Limited and Meghna Bank Limited | <p>Our procedure to include:</p> <ol style="list-style-type: none"> 1. Testing the effectiveness of the company's control around the recording of loan, interest, and repayments; 2. Obtaining supporting documents of loan taken, utilization of loan ,bank statements, and transaction recorded either side of the year and credit notes issued after the year-end to determine whether the amount recorded in the correct period; 3. Test interest rates application, calculation, and repayments for carrying amount and current and non-current distinguish; 4. Considering the adequacy of the company's disclosure regarding the loan; and <p>The result of our testing is satisfactory and we considered the carrying amount of the loan recognized to be acceptable and recorded correctly</p> |

Refer note no. 16 of the Financial Statement

| Inventory | |
|--|--|
| The company had inventory of Tk. 1,556,733,285 at June 30, 2023 held in the factory, go down and across multiple product lines. Inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate values for slow-moving or obsolete items. | <p>Our procedure to include:</p> <ol style="list-style-type: none"> 1. Evaluating the design and implementation of key inventory controls operating across the company, including stock in the factory and in the go-downs ; 2. Checking the management's inventory count sheet and reconciling the count result to the inventory listing to test the completeness of data; 3. Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year- end, to the cost price of a sample of inventories; |

Refer note no.6 of the Financial Statement

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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



When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements of in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 other applicable laws and regulations and the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on 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 Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, the Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by The Company so far as it appeared from our examinations of those books;
- c. The Financial Statements of the Company together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns.

Place: Dhaka

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants

Signed by:
Dr. Jamshed S A Choudhury FCA
Senior Partner & International Liaison Partner
ICAB Enrolment No. 363





AMAN COTTON FIBROUS LTD.

Statement of Financial Position

As at 30 June, 2023

Amount in Taka

| Assets | Notes | June 30,2023 | June 30,2022 |
|---|-------|----------------------|----------------------|
| ASSETS: | | | |
| Non-Current Assets : | | 1,791,762,039 | 1,841,471,723 |
| Property, plant and equipment | 3.00 | 1,791,075,072 | 1,841,471,723 |
| Capital work in progress | 4.00 | 686,966 | - |
| Current Assets : | | 3,585,472,694 | 3,810,096,316 |
| Investment in listed securities | 5.00 | 138,000 | 150,000 |
| Inventories | 6.00 | 1,556,733,285 | 1,827,697,536 |
| Accounts and other receivables | 7.00 | 509,380,890 | 227,524,768 |
| Advances, Deposits & Pre-payments | 8.00 | 585,644,746 | 720,755,971 |
| Inter Company Current Account | 9.00 | 70,112,191 | 274,006,986 |
| Cash & Cash equivalents | 10.00 | 863,463,582 | 759,961,054 |
| Total Assets | | 5,377,234,732 | 5,651,568,039 |
| SHAREHOLDERS' EQUITY & LIABILITIES: | | | |
| Shareholders' Equity : | | 3,478,708,461 | 3,542,811,677 |
| Share capital | 11.00 | 1,008,333,330 | 1,008,333,330 |
| Share premium | 12.00 | 575,347,984 | 575,347,984 |
| Retained earnings | 13.00 | 1,629,633,659 | 1,693,726,075 |
| Available for sale reserve | 14.00 | 11,250 | 22,050 |
| Revaluation surplus | 15.00 | 265,382,238 | 265,382,238 |
| Non-Current Liabilities : | | 499,267,129 | 534,354,131 |
| Long term borrowings- net of current maturity | 16.00 | 380,009,135 | 416,764,497 |
| Deferred tax liability | 17.00 | 119,257,994 | 117,589,634 |
| Current Liabilities : | | 1,399,259,142 | 1,574,402,231 |
| Short term borrowings | 18.00 | 969,692,160 | 1,233,797,907 |
| Long term borrowings-current maturity | 19.00 | 152,908,299 | 108,422,471 |
| Accounts payable | 20.00 | 145,468,109 | 12,243,874 |
| Liabilities for expenses & others | 21.00 | 45,877,128 | 35,748,430 |
| WPPF Payable | 22.00 | - | 81,949,104 |
| Unclaimed Dividend Account | 23.00 | 22,299,162 | 22,072,303 |
| Provision for income tax | 24.00 | 63,014,284 | 80,168,141 |
| Total Liabilities & Shareholders' Equity | | 5,377,234,732 | 5,651,568,039 |
| NAV per share with revaluation | 25.00 | 34.50 | 35.14 |
| NAV per share without revaluation | 25.00 | 31.87 | 32.50 |

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Company Secretary

Chief Financial Officer

Director

Managing Director

Chairman

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

Sd/-

Dr. Jamshed S A Choudhury FCA

Senior Partner

Aziz Halim Khair Choudhury

Chartered Accountants

Enrolment No. 363

Place: Dhaka

Dated:

AMAN COTTON FIBROUS LTD.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2023

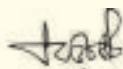
Amount in Taka

| Particulars | Notes | 2022-2023 | 2021-2022 |
|---|--------------|----------------------|---------------------|
| Sales | 28.00 | 2,201,134,850 | 1,665,266,413 |
| Less: Cost of Sales | 29.00 | (2,025,699,007) | (1,481,927,049) |
| Gross Profit | | 175,435,843 | 183,339,364 |
| Less: Operating Expenses: | | (52,138,784) | (44,550,336) |
| Administrative Expenses | 30.00 | (35,489,013) | (35,604,409) |
| Selling and Distribution Expenses | 31.00 | (16,649,771) | (8,945,927) |
| Operating Profit | | 123,297,058 | 138,789,028 |
| Less: Financial Expenses | 32.00 | (233,702,457) | (93,077,000) |
| Profit before Other Income | | (110,405,399) | 45,712,028 |
| Add: Non Operating Income | 33.00 | 45,523,495 | 63,877,415 |
| Profit before Contribution to WPPF | | (64,881,904) | 109,589,443 |
| Contribution to WPPF | | - | (5,218,545) |
| Profit before Tax | | (64,881,904) | 104,370,898 |
| Provision for Tax: | | (30,325,938) | (27,959,240) |
| Current Tax | 34.00 | (28,656,378) | (23,555,963) |
| Deferred Tax | 17.00 | (1,669,560) | (4,403,277) |
| Net Profit after Tax | | (95,207,841) | 76,411,658 |
| Other Comprehensive Income : | | (10,800) | (55,800) |
| Unrealized gain/(loss) on securities available for sale | 5.01 | (12,000) | (62,000) |
| Related tax | 17.00 | 1,200 | 6,200 |
| Total Comprehensive Income | | (95,218,641) | 76,355,858 |
| Basic Earnings Per Share | 35.01 | (0.94) | 0.76 |

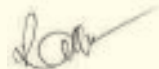
The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.




Company Secretary



Chief Financial Officer



Director



Managing Director

Chairman

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

Sd/-

Dr. Jamshed S A Choudhury FCA

Senior Partner

Aziz Halim Khair Choudhury

Chartered Accountants

Enrolment No. 363

Place: Dhaka

Dated:

AMAN COTTON FIBROUS LTD.

Statement of Changes in Equity

For the Year ended June 30, 2023

| Particulas | Share Capital | Share Premium | Retained Earnings | Available For Sale Reserve | Revaluation Surplus | Total |
|--|----------------------|--------------------|----------------------|----------------------------|---------------------|----------------------|
| Balance as on July 01, 2022 | 1,008,333,330 | 575,347,984 | 1,693,726,075 | 22,050 | 265,382,238 | 3,542,811,677 |
| Prior Year Adjustment | | | (345) | | | (345) |
| Restated balance at July 01, 2022 | 1,008,333,330 | 575,347,984 | 1,693,725,730 | 22,050 | 265,382,238 | 3,542,811,332 |
| Profit for the year | - | | (95,207,841) | - | - | (95,207,841) |
| Dividend Payable | | | (50,833,333) | - | - | (50,833,333) |
| WPPF Payable Adjustment | | | 81,949,104 | - | - | 81,949,104 |
| Unrealised gain/(loss) | - | | - | (10,800) | - | (10,800) |
| Balance as on June 30, 2023 | 1,008,333,330 | 575,347,984 | 1,629,633,659 | 11,250 | 265,382,238 | 3,478,708,461 |

AMAN COTTON FIBROUS LTD.

Statement of Changes in Equity

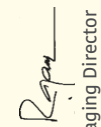
For the Year ended June 30, 2022

| Particulas | Share Capital | Share Premium | Retained Earnings | Available For Sale Reserve | Revaluation Surplus | Total |
|--|----------------------|--------------------|----------------------|----------------------------|---------------------|----------------------|
| Balance as on July 01, 2021 | 1,008,333,330 | 575,347,984 | 1,651,987,377 | 77,850 | 265,382,238 | 3,501,128,779 |
| Prior Year Adjustment | | | (3,836,293) | | | (3,836,293) |
| Restated balance at July 01, 2021 | 1,008,333,330 | 575,347,984 | 1,648,151,083 | 77,850 | 265,382,238 | 3,497,292,485 |
| Profit for the year | - | | 76,411,658 | - | - | 76,411,658 |
| Dividend Payable | | | (30,836,666) | - | - | (30,836,666) |
| IPO Expenses | | | - | - | - | - |
| Unrealised gain/(loss) | - | | - | (55,800) | - | (55,800) |
| Balance as on June 30, 2022 | 1,008,333,330 | 575,347,984 | 1,693,726,075 | 22,050 | 265,382,238 | 3,542,811,677 |


Company Secretary


Chief Financial Officer


Director


Managing Director

Chairman

AMAN COTTON FIBROUS LTD.

Statement of Cash Flows

For the Year ended June 30, 2023

Amount in Taka

| Particulars | Notes | 2022-2023 | 2021-2022 |
|--|-------|----------------------|----------------------|
| Cash Flows from Operating Activities : | | | |
| Cash Received from Customer & Others | | 1,956,601,845 | 2,169,905,801 |
| Cash Paid to Suppliers, Employees & Others | | (1,473,876,878) | (1,772,542,851) |
| Cash Generated from Operations | | 482,724,967 | 397,362,950 |
| Tax paid | | (49,337,302) | (65,116,789) |
| Net Cash Generated from Operating Activities | | 433,387,665 | 332,246,161 |
| Cash Flows from Investing Activities: | | | |
| Acquisition of Property, Plant & Equipment | | (608,786) | (105,600) |
| Capital Work In Progress | | (686,966) | - |
| Interest on FDR | | 41,540,507 | |
| Inter company Current Account | | 203,894,795 | 5,630,631 |
| Dividend Income | | 8,000 | 10,800 |
| Net Cash Used in Investing Activities | | 244,147,549 | 5,535,831 |
| Cash Flows from Financing Activities: | | | |
| Increase/(Decrease) in Long Term Borrowing | | 7,730,466 | 63,926,070 |
| Increase/(Decrease) in Short Term Borrowing | | (264,105,748) | (260,705,162) |
| Increase/(Decrease) in Dividend Payable | | (50,606,474) | (20,987,201) |
| Interest Expenses | | (265,939,303) | (121,911,144) |
| Net Cash flow From/(Used) in Financing Activities | | (572,921,059) | (339,677,437) |
| Net Increase/(Decrease) in cash and cash equivalents | | 104,614,156 | (1,895,445) |
| Cash & Cash Equivalents at the beginning including For. Ex. gain/(loss) | | 759,961,054 | 761,857,431 |
| Cash & Cash Equivalents at the ending of the year | | 864,575,210 | 759,961,986 |
| Add: Unrealized foreign exchange gain/(loss) in cash & cash equivalents | | (1,111,629) | (931) |
| Cash and Cash Equivalents at Closing including For. Ex. gain/(loss) | | 863,463,582 | 759,961,054 |
| Net operating cash flow per share (NOCFPS) | 26.00 | 4.30 | 3.30 |

Company Secretary

Chief Financial Officer

Director

Managing Director

Chairman

AMAN COTTON FIBROUS LTD.

Notes to the Financial Statements

For the Year ended June 30, 2023

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 2020 and other laws and rules applicable in Bangladesh.

2.02 Accounting Convention

2.03 Date of authorisation :

The Board of Directors of Aman Cotton Fibrous Ltd. approved this financial Statements on October 28, 2023.

2.04 Reporting Period :

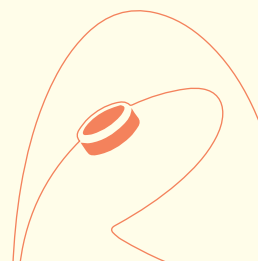
The Financial Statements of the Company cover one Financial year from 01 July, 2022 to 30 June, 2023.

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, 2023 on the accounting profit made by the Company making some adjustment with the profit as per Income Tax Act-2023 & 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, 2023 has been recognized in the statement of comprehensive income as per IAS-12 "Income Taxes".

2.15 Employee Benefits:

The Company will participate in the central fund after created by Government following section 232(3) of the Labor Act, 2006 and Rules 212-226 of the Labor Rules-2015 as the company is a 100% export oriented yarn manufacturer 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-35.01

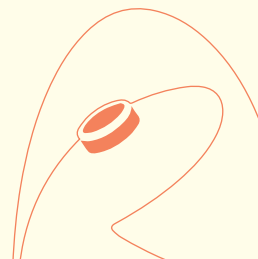
Basic Earnings Per Share

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
- IFRS- 7 Financial Instruments : Disclosures
- IFRS- 9 Financial Instruments
- 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, 2023
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2023
- c) Statement of Changes in Equity for the year ended June 30, 2023
- d) Statement of Cash Flows for the year ended June 30, 2023
- 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”.

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|---|--------------------------------|--------------------------------|
| 3.00 Property, Plant and Equipment: | | |
| Land & Land Development | 478,046,073 | 478,046,073 |
| Building & Civil Construction | 1,196,279,496 | 1,226,953,329 |
| Plant & Machinery | 108,667,292 | 127,843,873 |
| Electrical Installation | 3,677,572 | 4,086,191 |
| Electrical Equipment | 1,137,116 | 1,224,962 |
| Gas Line Installation | 465,696 | 517,440 |
| Fire Equipment | 96,359 | 113,363 |
| Vehicle | 1,113,535 | 1,391,919 |
| Office Equipment | 172,775 | 191,972 |
| Computer & IT Equipment | 691,518 | 334,628 |
| Furniture & Fixture | 727,640 | 767,973 |
| | 1,791,075,072 | 1,841,471,723 |
| 3.01 Movement of Fixed Assets | | |
| Fixed Assets at cost : | | |
| Opening Balance | 3,314,127,000 | 3,314,021,400 |
| Add: Addition during the year (transferred from CWIP) | 608,786 | 105,600 |
| Closing Balance | 3,314,735,786 | 3,314,127,000 |
| Less: Accumulated Depreciation | (1,523,660,714) | (1,472,655,277) |
| Written Down Value (WDV) | 1,791,075,072 | 1,841,471,723 |
| Details please see Annexure-'A' | | |
| 4.00 Movement in Capital Work in Progress | | |
| A new Sub-Station is being made in Factory at Sreepur, Dist-Gazipur, to increae electrical capacity. This is made up as under : | | |
| Opening balance | - | - |
| CWIP - Sub-Station | 686,966 | - |
| Total | 686,966 | - |
| Transferred to fixed assets | - | - |
| Closing balance | 686,966 | - |
| 5.00 Investment in Listed Securities : | | |
| This represents investment in listed shares | | |
| Market Value of Securities | 138,000 | 150,000 |
| | 138,000 | 150,000 |

Detail descriptions of the securities are as under.

| Name of the Securities | Quantity | Cost Value (Tk) | Market Value (Tk) | Unrealised Gain/(Loss) |
|------------------------|---------------|-----------------|-------------------|------------------------|
| CAPMIBBLMF | 10,000 | 125,500 | 138,000 | 24,500 |
| | 10,000 | 125,500 | 138,000 | 24,500 |

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

| | | |
|--|-----------------|-----------------|
| 5.01 Unrealized Gain / (Loss) during the year: | | |
| Unrealized Gain / (Loss) as per Current Year Portfolio Statement | 12,500 | 24,500 |
| Unrealized Gain / (Loss) as per Last Year Portfolio Statement | 24,500 | 86,500 |
| Unrealized Gain / (Loss) during the year | (12,000) | (62,000) |

| | | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 | |
|-------------|----------------------------|--------------------------------|--------------------------------|----------------------|
| 6.00 | Inventories : | | | |
| | Finished Goods | 6.01 | 802,683,591 | 873,430,210 |
| | Working-in-process | 6.02 | 40,204,332 | 31,106,404 |
| | Raw Materials | 6.03 | 661,077,753 | 868,581,802 |
| | Packing Materials | 6.04 | 363,836 | 1,563,367 |
| | Other Materials | 6.05 | 52,403,773 | 53,015,754 |
| | | | 1,556,733,285 | 1,827,697,536 |
| 6.01 | Finished Goods : | | | |
| | Value inTaka- | | | |
| | Carded | | 260,062,970 | 521,791,799 |
| | Combed | | 542,620,621 | 351,638,411 |
| | | | 802,683,591 | 873,430,210 |
| | Quantity in MT- | | | |
| | Carded | | 721 | 1,711 |
| | Combed | | 1,405 | 1,056 |
| | | | 2,126 | 2,767 |
| 6.02 | Working-in-process | | | |
| | Value inTaka- | | | |
| | Carded | | 15,033,503 | 25,273,473 |
| | Combed | | 25,170,829 | 5,832,931 |
| | | | 40,204,332 | 31,106,404 |
| | Quantity in MT- | | | |
| | Carded | | 42 | 83 |
| | Combed | | 65 | 18 |
| | | | 107 | 100 |
| 6.03 | Raw Materials : | | | |
| | Value inTaka- | | | |
| | Raw Cotton | | 661,077,753 | 868,581,802 |
| | | | 661,077,753 | 868,581,802 |
| | Quantity in MT- | | | |
| | Raw Cotton | | 2,836 | 4,501 |
| | | | 2,836 | 4,501 |
| 6.04 | Packing Materials : | | | |
| | Value inTaka- | | | |
| | CONE | | 53,763 | 56,571 |
| | Poly Bag | | 53,259 | 612,696 |
| | WPP Bag | | 211,739 | 389,566 |
| | Sticker | | 45,075 | 504,534 |
| | | | 363,836 | 1,563,367 |
| | Quantity in Pcs & Kgs- | | | |
| | CONE (pcs.) | | 14,950 | 18,353 |
| | Poly Bag(kg.) | | 299 | 3,442 |
| | WPP Bag (Kg.) | | 7,270 | 17,185 |
| | Sticker (pcs.) | | 250,544 | 2,804,406 |

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|---|--------------------------------|--------------------------------|
| 6.05 Other Materials | | |
| Value inTaka- | | |
| Spare Parts | 52,403,773 | 53,015,754 |
| | 52,403,773 | 53,015,754 |
| 7.00 Accounts and Other Receivables: | | |
| Accounts Receivables (Notes-7.01) | 305,460,571 | 55,840,950 |
| Other Receivables (Notes-7.02) | 203,920,319 | 171,683,818 |
| | 509,380,890 | 227,524,768 |
| 7.01 Accounts Receivable : | | |
| Opening Balance | 55,840,950 | 529,966,664 |
| Add: Sales during the year | 2,201,134,850 | 1,665,266,413 |
| Available for collection | 2,256,975,800 | 2,195,233,078 |
| Less: Realized/adjustment during the year | (1,952,676,590) | (2,143,911,857) |
| | 304,299,209 | 51,321,221 |
| Add: Translated Foreign Exchange Gain/(Loss) (Note-31.02) | 1,161,362 | 4,519,729 |
| | 305,460,571 | 55,840,950 |

There is no related party transaction except transaction with Aman Tex Ltd. Details of Related party transactions have been shown in note - 35.

| | | |
|--|--------------------|--------------------|
| 7.02 Other Receivables : | | |
| Opening Balance | 171,683,818 | 142,849,674 |
| Add: During the year | 32,236,501 | 28,834,144 |
| Interest Receivable from Sister Concern | 203,920,319 | 171,683,818 |

| | | |
|--|--------------------|--------------------|
| 7.03 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994 | | |
| Maturity less than 6 months | 305,460,571 | 55,840,950 |
| Maturity more than 6 months | 203,920,319 | 171,683,818 |
| | 509,380,890 | 227,524,768 |

| | | |
|--|-------------|-------------|
| Debts considered Good & Secured | 305,460,571 | 55,840,950 |
| Debts considered Good without security | - | - |
| Debts considered doubtful & bad | - | - |
| Debts due by directors or other officers & staffs | 203,920,319 | 171,683,818 |
| Debts due from companies under same management | - | - |
| 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.

| | | |
|---|-------------|-------------|
| 8.00 Advances, Deposits & Pre-Payments : | | |
| This is made-up as follows: | | |
| a) Advance- | | |
| Advance against Income tax (Note: 8.01) | 53,507,525 | 49,980,458 |
| Advance against work | | |
| Advance against Purchases | 253,345,253 | 312,697,696 |
| Advance against Land Purchase | 123,337,500 | 123,337,500 |
| Advance against Land Development | 9,227,119 | 9,227,119 |

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|---|--------------------------------|--------------------------------|
| Advance against L/C Margin | 120,492,182 | 203,194,707 |
| Advance to Employee | 430,458 | 840,211 |
| Advance against Loan Installment | 2,288,130 | 2,288,130 |
| Advance against C&F agency & Others | 364,991 | 910,070 |
| Advance to ICB Capital Management Ltd | | |
| Advance to Lankabangla Investment Ltd | | |
| | 562,993,160 | 702,475,891 |
| b) Security Deposits- | | |
| Mymensingh PBS-2 for Electricity Connection | 3,246,250 | 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 |
| | 20,780,080 | 18,280,080 |
| c) Pre-payments | | |
| Insurance | 1,871,506 | - |
| | 1,871,506 | - |
| | 585,644,746 | 720,755,971 |
| 8.01 Advance income tax: | | |
| Opening balance | 49,980,458 | 34,863,669 |
| TDS on export proceeds realisation & interest | 19,551,679 | 10,780,480 |
| TDS on FDR Interest Income | 8,905,423 | 3,484,401 |
| TDS on Cars | 379,500 | 401,000 |
| TDS on Import | 499,100 | 450,909 |
| TDS on Dividend Income | 1,600 | - |
| Adjustment during the year | (25,810,235) | - |
| Closing balance | 53,507,525 | 49,980,458 |
| 8.01.A Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994 | | |
| Maturity less than 6 months | 562,993,160 | 702,475,891 |
| Maturity more than 6 months | 22,651,586 | 18,280,080 |
| | 585,644,746 | 720,755,971 |
| Advance, deposits & prepayments considered good & secured | 585,644,746 | 720,755,971 |
| 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 | - | - |
| | 585,644,746 | 720,755,971 |
| 8.01.B Advance against Land Purchase: | | |
| Advance against land purchase (Land value for Tk. 67,062,500 & subsequent land development for Tk. 56,275,000) at Sreepur, Gazipur total amount of Tk 12,33,37,500 | | |

Amount in Taka
June 30,2023

Amount in Taka
June 30,2022

9.00 Inter Company Current Account

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 | 37,476,176 | 123,810,985 |
| Aman Jute Fibrous Ltd | 79,615,000 | 79,615,000 |
| Anwara Mannan Textile Mills Ltd | (16,511,375) | 86,762,736 |
| Aman Feed Ltd. | (1,500,000) | (1,500,000) |
| Aman Cold Storage Ltd | 37,045,000 | 37,045,000 |
| Akin Carrier Ltd | (82,449,198) | (104,785,527) |
| Aman Food Ltd. | 31,198,967 | 26,578,411 |
| Aman Food & Beverage Ltd | 3,770,507 | - |
| Aman Tex Ltd. | 53,859,051 | 56,441,352 |
| Islam Brothers & Co. | (72,391,936) | (29,960,970) |
| | 70,112,191 | 274,006,986 |

During the year, the Company carried out a number of transaction with related parties in the normal course of business. The names of these related parties and nature of these transaction have been set out below in accordance with the provisions of BAS 24 : Related party disclosure.

Aman Cement Mills Unit 2 Ltd

| | | |
|--------------------------------|--------------------|--------------------|
| Opening Balance | 123,810,985 | 11,464,430 |
| Add: Received during the year | - | 112,346,555 |
| | 123,810,985 | 123,810,985 |
| Less: Adjusted during the Year | 86,334,809 | - |
| | 37,476,176 | 123,810,985 |

Aman Jute Fibrous Ltd

| | | |
|--------------------------------|-------------------|-------------------|
| Opening Balance | 79,615,000 | 79,615,000 |
| Add: Received during the year | - | - |
| | 79,615,000 | 79,615,000 |
| Less: Adjusted during the Year | - | - |
| | 79,615,000 | 79,615,000 |

Anwara Mannan Textile Mills Ltd

| | | |
|--------------------------------|---------------------|-------------------|
| Opening Balance | 79,615,000 | 86,762,736 |
| Add: Received during the year | (96,126,375) | (7,147,736) |
| | (16,511,375) | 79,615,000 |
| Less: Adjusted during the Year | - | - |
| | (16,511,375) | 79,615,000 |

Aman Feed Ltd.

| | | |
|--------------------------------|--------------------|--------------------|
| Opening Balance | (1,500,000) | (1,500,000) |
| Add: Received during the year | - | - |
| | (1,500,000) | (1,500,000) |
| Less: Adjusted during the Year | - | - |
| | (1,500,000) | (1,500,000) |

| | | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|--|-------|--------------------------------|--------------------------------|
| Aman Cold Storage Ltd | | | |
| Opening Balance | | 37,045,000 | 37,045,000 |
| Add: Received during the year | | - | - |
| | | 37,045,000 | 37,045,000 |
| Less: Adjusted during the Year | | - | - |
| | | 37,045,000 | 37,045,000 |
| Akin Carrier Ltd | | | |
| Opening Balance | | (104,785,526) | 116,906,667 |
| Add: Received during the year | | - | - |
| Less: Adjusted during the Year | | 22,337,328 | 12,121,141 |
| | | (82,448,198) | (104,785,526) |
| Aman Food Ltd. | | | |
| Opening Balance | | 26,578,411 | 20,785,161 |
| Add: Received during the year | | 4,620,556 | 5,793,250 |
| | | 31,198,967 | 26,578,411 |
| Less: Adjusted during the Year | | - | - |
| | | 31,198,967 | 26,578,411 |
| Aman Food & Beverage Ltd | | | |
| Opening Balance | | | |
| Add: Received during the year | | 3,770,570 | - |
| | | - | - |
| Less: Adjusted during the Year | | 3,770,570 | - |
| | | 3,770,570 | - |
| Aman Tex Ltd. | | | |
| Opening Balance | | 56,441,352 | 88,134,654 |
| Add: Received during the year | | - | - |
| | | | |
| Less: Adjusted during the Year | | 2,582,301 | 31,693,302 |
| | | 53,859,051 | 56,441,352 |
| Islam Brothers & Co. | | | |
| Opening Balance | | 29,960,970 | - |
| Add: Received during the year | | 42,430,966 | 29,960,970 |
| | | 72,391,936 | 29,960,970 |
| Less: Adjusted during the Year | | - | - |
| | | 72,391,936 | 29,960,970 |
| 10.00 Cash and Cash Equivalents : | | | |
| This is made-up as follows: | | | |
| Cash in hand | | 1,654,413 | 1,170,580 |
| Cash at Bank | 10.01 | 111,865,069 | 24,002,474 |
| FDR | 10.02 | 749,944,099 | 734,788,000 |
| | | 863,463,582 | 759,961,054 |

| | | | | | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|---|------------|---------|-------------------|----------|--------------------------------|--------------------------------|
| 10.01 Details Break-up of cash at Bank is as follows : | | | | | | |
| Name of the Bank | Branches | AC Type | Account No | Currency | | |
| Agrani Bank limited | Amin Court | CDI | 200017011845 | BDT | 2,461,153 | 1,725,550 |
| Al Arafah Islami Bank Ltd | Uttara | AWCD | 171020069525 | BDT | 31,337 | 11,975,386 |
| Bank Al- Falah Ltd | Motijheel | CA | 57012500056625 | BDT | 28,564 | 29,254 |
| Bank Asia | Uttara | | 50101000167 | BDT | 4,155 | 4,155 |
| City Bank Ltd | Principal | HVT | 2921399871001 | BDT | 2,456,242 | 2,456,242 |
| Commercial Bank of Ceylon | Uttara | | 1806011188 | BDT | 123,984 | 3,091,516 |
| EXIM Bank Ltd. | Mawna | AWCD | 11100005232/0948 | BDT | 1,834 | 3,214 |
| EXIM Bank Ltd. | Rajuk | AWCD | 1311100014172 | BDT | 7,309 | 8,574 |
| First Security Islami Bank Ltd | Dilkusha | AWCD | 10111100029143 | BDT | 2,751 | 3,096 |
| IBBL | Ramna | AWCA | 20501570100217900 | BDT | 16,084,857 | 1,096,089 |
| IBBL | Ramna | MSND | 20501570900005114 | BDT | 529,270 | 521,052 |
| IBBL | Palton | AWCA | 20502060100143306 | BDT | 1,888 | 2,808 |
| IBBL | Uttara | AWCA | 20502070100324409 | BDT | 21,012 | 24,702 |
| IBBL | Mawna | AWCA | 20502960100017012 | BDT | 22,041 | 48,783 |
| IBBL | Ramna | MDA | 20501572600010008 | BDT | 7,054,966 | - |
| IBBL | Ramna | MDA | 20501572500010007 | BDT | 2,795,889 | 235,743 |
| Meghna Bank Ltd., | Uttara | CD | 111211100000001 | BDT | - | 193,759 |
| Meghna Bank Ltd. | Uttara | BLO | 110176000000007 | BDT | - | 79,175 |
| ONE Bank Ltd. | Motijheel | CD | 0200200180003 | BDT | 170,335 | 171,520 |
| Prime Bank Ltd., | Uttara | CA | 12511060018178 | BDT | 1,386,953 | 1,256,598 |
| Pubali Bank Ltd. | Principal | CA | 355590143153 | BDT | 58,805 | 59,955 |
| Shahjalal Islami Bank Ltd. | Dhaka Main | AWCD | 40011100015366 | BDT | 46,377 | 46,549 |
| Woori Bank | Uttara | CDA | 964001252 | BDT | 14,683 | 14,683 |
| City Bank Ltd, | Principal | FCD | 5121399871001 | USD | 262,416 | 210,551 |
| City Bank Ltd, | Principal | FCD | 5121399871002 | EURO | 5,595 | 5,595 |
| IBBL | Ramna | FCAD | 20501572800000211 | USD | 78,219,548 | 646,237 |
| IBBL | Ramna | FCAD | 20501572100010003 | USD | 73,106 | 91,688 |
| | | | | | 111,865,069 | 24,002,474 |
| | | | | | 749,944,099 | 734,788,000 |

10.02 Fixed Deposit:

Al Arafah MTDR A/C: 0171310102322

| | | |
|--------------------------------------|--------------------|--------------------|
| Opening Balance | 150,000,000 | 150,000,000 |
| Add: | | |
| Add: Interest received | 12,077,984 | 5,621,441 |
| Available for collection | 162,077,984 | 155,621,441 |
| Less: TDS | (2,008,295) | (562,144) |
| Less: Excise duty | (50,000) | (40,000) |
| Less: Interest Transferred to CD A/C | (3,822,101) | (5,019,297) |
| Closing Balance | 156,197,589 | 150,000,000 |

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|--|--------------------------------|--------------------------------|
| Commercial bank of Cylon FDR A/C: 380600010330 | | |
| Opening Balance | 200,000,000 | 200,000,000 |
| Add: | | |
| Add: Interest received | 6,590,278 | 6,436,944 |
| Available for collection | 206,590,278 | 206,436,944 |
| Less: TDS | (1,644,861) | (643,694) |
| Less: Excise duty | - | - |
| Less: Transferred to CD A/C | (3,820,556) | (5,793,250) |
| Closing Balance | 201,124,861 | 200,000,000 |
| First security Islami bank FDR A/C: 010124300113217 | | |
| Opening Balance | 202,520,000 | 203,150,000 |
| Add: Interest received | 12,038,941 | 11,992,432 |
| Available for collection | 214,558,941 | 215,142,432 |
| Less: TDS | (2,764,626) | (1,199,243) |
| Less: Excise duty | (50,000) | (40,000) |
| Less: Transferred to CD A/C | (5,071,752) | (11,383,189) |
| Closing Balance | 206,672,562 | 202,520,000 |
| First security Islami bank FDR A/C: 010124300113218 | | |
| Opening Balance | 111,386,000 | 111,732,500 |
| Add: Interest received | 6,620,705 | 6,595,838 |
| Available for collection | 118,006,705 | 118,328,338 |
| Less: TDS | (1,520,331) | (659,584) |
| Less: Excise duty | (50,000) | (40,000) |
| Less: Transferred to CD A/C | (2,789,464) | (6,242,754) |
| Closing Balance | 113,646,911 | 111,386,000 |
| First security Islami bank FDR A/C: 010124300113233 | | |
| Opening Balance | 70,882,000 | 71,102,500 |
| Add: Interest received | 4,212,600 | 4,197,351 |
| Available for collection | 75,094,600 | 75,299,851 |
| Less: TDS | (967,310) | (419,735) |
| Less: Excise duty | (50,000) | (40,000) |
| Less: Transferred to CD A/C | (1,775,113) | (3,958,116) |
| Closing Balance | 72,302,176 | 70,882,000 |
| 11.00 Share Capital - Paid up : | | |
| Share Capital represents the followings: | | |
| Authorized: | | |
| 200,000,000 Ordinary Shares of Taka 10 each. | 2,000,000,000 | 2,000,000,000 |
| Issued subscribed and fully paid up capital: | | |
| 80,000,000 Ordinary shares of Taka 10 each. | 800,000,000 | 800,000,000 |
| 2,03,33,333 Ordinary Shares of Taka 10 each through Initial Public Opening | 208,333,330 | 208,333,330 |
| | 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, 2023 | 30 June, 2022 | | June 30, 2023 | June 30, 2022 |
| Md. Rafiqul Islam | 15,600,000 | 5,600,000 | 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 | 15,600,000 | 22,800,000 | 15.47% | 156,000,000 | 228,000,000 |
| Aman Seed Storage Ltd. | 3,200,000 | 3,200,000 | 3.17% | 32,000,000 | 32,000,000 |
| General Shareholders | 35,233,333 | 28,033,333 | 34.94% | 352,333,330 | 280,333,330 |
| | 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, 2023 | 30 June, 2023 | | Holding % |
| Less than 500 | 3880 | 748,115 | | 0.74% |
| From 501 to 5,000 | 1592 | 2,230,950 | | 2.21% |
| From 5,001 to 10,000 | 450 | 4,605,773 | | 4.57% |
| From 10,001 to 20,000 | 310 | 3,385,234 | | 3.36% |
| From 20,001 to 30,000 | 25 | 1,901,136 | | 1.89% |
| From 30,001 to 40,000 | 15 | 1,341,825 | | 1.33% |
| From 40,001 to 50,000 | 11 | 506,047 | | 0.50% |
| From 50,001 to 1,00,000 | 28 | 2,043,612 | | 2.03% |
| From 1,00,001 to 1,000,000 | 16 | 4,070,641 | | 4.04% |
| Above 1,000,000 | 8 | 80,000,000 | | 79.34% |
| | 6335 | 100,833,333 | | 100% |

12.00 Share premium :

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|--------------------|--------------------------------|--------------------------------|
| Eligible investors | 375,000,000 | 375,000,000 |
| General Public | 216,666,658 | 216,666,658 |
| IPO Expenses | (16,318,674) | (16,318,674) |
| | 575,347,984 | 575,347,984 |

13.00 Retained Earnings :

| | | |
|---|----------------------|----------------------|
| Opening Balance | 1,693,726,075 | 1,651,987,377 |
| Less: Prior Year Adjustment | (345) | (3,836,293) |
| Add: Net profit after Tax during the year | (95,207,841) | 76,411,658 |
| Less: Dividend Payable | (50,833,333) | (30,836,666) |
| Add: WPPF Payable adjustment | 81,949,104 | - |
| | 1,629,633,659 | 1,693,726,075 |

We have obtained a legal opinion from the Lawyer's and it appears that WPPF is not applicable for Aman Cotton Fibrous Limited as 100% export oriented industry as per section 232(3) of the Labor Act, 2006 and Rules 212-226 of the Labor Rules-2015 . The Company will participate in the central fund after creation by Government in compliance with above sention and rules. According to the law along with lawyer's opinion, the balance of WPPF payable has been transferred to accumulated retained earnings.

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|---|--------------------------------|--------------------------------|
| 14.00 Available for sale reserve : | | |
| Opening balance | 24,500 | 86,500 |
| Add. Addition during the year | (12,000) | (62,000) |
| | 12,500 | 24,500 |
| Adjustment for deferred tax on fair value of share | (1,250) | (2,450) |
| | 11,250 | 22,050 |
| 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 Union Capital Limited and Meghna Bank Limited. | | |
| 16.01 Union Capital Limited | | |
| This is made up as follows: | | |
| Opening Balance | 69,246,042 | 71,207,506 |
| Add, Addition made during the year | | |
| Add: Interest Charged during the year | 7,319,260 | 10,638,536 |
| | 76,565,302 | 81,846,042 |
| Less: Payment made during the year | (18,648,058) | (12,600,000) |
| Closing Balance at 30 June 2023 | 57,917,244 | 69,246,042 |
| Less: Current maturity transferred to current Liability | (49,157,919) | (38,836,180) |
| Balance after current maturity | 8,759,325 | 30,409,862 |
| 16.02 Megna Bank Limited | | |
| This is made up as follows: | | |
| Opening Balance | 455,940,926 | 390,053,392 |
| Add: Addition During the Year | 56,522,798 | 108,914,215 |
| Add: Loan deal structuring Fees | - | - |
| Add: Interest Charged during the year | 27,759,389 | 42,123,319 |
| | 540,223,114 | 541,090,926 |
| Less, Payment made during the year | (65,222,924) | (85,150,000) |
| Closing Balance at 30 June2023 | 475,000,190 | 455,940,926 |
| Less: Current maturity transferred to current Liability | (103,750,380) | (69,586,291) |
| Balance after current maturity | 371,249,810 | 386,354,635 |
| Total Balance after Current Maturity at June 30 | 380,009,135 | 416,764,497 |

| 16.03 | Name of Bank | Nature | Limit | Tenure | Interest rate (%) | Security |
|-------|--|---|-------------|-----------|-------------------|------------------|
| | Union Capital Ltd, 73 Sonargaon Road, Dhaka | Term Finance | 100,000,000 | 36 Months | 12% | 175 Decimal Land |
| | Meghna Bank Ltd | Short term to Term loan through 1st time reschedulement | | 84 Months | 9% | 368 Decimal Land |

17.00 Deferred Tax :

| As at 30 June 2023 | Carrying amount | Tax base | Taxable/ deductible temporary difference | |
|---|----------------------|----------------------|--|--|
| | | | June 30,2023 | June 30,2022 |
| Property, plant & equipments except land at cost | 1,313,028,999 | 610,917,945 | 702,111,054 | 685,021,891 |
| Accounts receivables | 305,460,571 | 304,299,209 | 1,161,362 | 4,519,729 |
| Cash & cash Equivalents | 78,560,665 | 79,672,293 | (1,111,629) | (931) |
| Investment in listed securities | 138,000 | 125,500 | 12,500 | 24,500 |
| Revaluation surplus-PPE-land | 464,338,000 | 185,025,622 | 279,312,378 | 279,312,378 |
| Total taxable temporary difference | 2,161,526,235 | 1,180,040,570 | 981,485,665 | 968,877,567 |
| Tax on business income | | | 15% | 15% |
| Regular tax | | | 20% | 20% |
| Tax on capital gain of share | | | 10% | 10% |
| Tax on capital gain on land | | | 3% | 3% |
| Closing deferred tax liabilities/(assets)-at cost | | | 105,326,604 | 103,657,044 |
| Closing deferred tax liabilities/(assets)-at fair value of securities | | | 1,250 | 2,450 |
| Closing deferred tax liabilities/(assets)-at revaluation | | | 13,930,140 | 13,930,140 |
| Total closing deferred tax liabilities/(assets) | | | 119,257,994 | 117,589,634 |
| Opening deferred tax liabilities/(assets)-at cost | | | 103,657,044 | 99,253,767 |
| Opening deferred tax liabilities/(assets)-at fair value of securities | | | 2,450 | 8,650 |
| Opening deferred tax liabilities/(assets)-at revaluation | | | 13,930,140 | 13,930,140 |
| Total opening deferred tax liabilities/(assets) | | | 117,589,634 | 113,192,557 |
| Deferred tax expense/(income)-at cost | | | 1,669,560 | 4,403,277 |
| Deferred tax expense/(income)-at fair value | | | (1,200) | (6,200) |
| Deferred tax expense/(income)-at revaluation | | | - | - |
| Total deferred tax expense/(income) | | | 1,668,360 | 4,397,077 |
| | | | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |

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 | 801,764,520 | 1,031,033,613 |
| Meghna Bank Ltd | 144,172,853 | 144,145,142 |
| Standard Bank Ltd | 23,788,942 | 22,045,858 |
| Agrani Bank Ltd | - | 36,601,500 |
| Margin loan for purchase of listed | (34,156) | (28,206) |
| Total Balance | 969,692,160 | 1,233,797,907 |

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 Murabah A/TR/ MPI/MDB/MFCI | 700,000,000 | Below one year | 9% | 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% | |

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|---|--------------------------------|--------------------------------|
| 19.00 Long Term Borrowings - Current Maturity (Note-16.02) | 152,908,299 | 108,422,471 |
| 20.00 Accounts Payable : | | |
| Opening Balance | 12,243,874 | 32,936,906 |
| Add: Purchased & advanced during the year | 1,481,107,134 | 1,442,713,763 |
| Available for payment | 1,493,351,008 | 1,475,650,670 |
| Less: Payment & Adjustment made during the year | (1,347,882,899) | (1,463,406,796) |
| Balance as on June 30 | 145,468,109 | 12,243,874 |

There is no related party transaction except Aman Packaging Ltd and Aman Packaging & Accessories Ltd. for Packing Material Purchase. Details have been shown in note no - 37.

| | | |
|--|-------------------|-------------------|
| 21.00 Liabilities for Expenses & Others : | | |
| Gas Bill | 29,603,882 | 17,706,544 |
| Provision for Salary, Allowance & Festival Bonus | 11,683,590 | 14,598,054 |
| TDS & VAT Payable | 1,819,409 | 959,365 |
| Audit & Professional fees Payable | 270,250 | 207,000 |
| Electricity | 7,978 | 7,978 |
| Office Rent | 975,000 | 75,000 |
| Board Meeting Fee Payable | 302,750 | 302,750 |
| IPO Fund (Refundable) | 1,258,443 | 1,258,443 |
| Excess Mobile Bill | 2,060 | 2,427 |
| Transport expense | 3,130,010 | 3,402,476 |
| Liabilities for C & F costs | (1,724,875) | (1,939,829) |
| Media | - | 118,992 |
| Others | (3,993,410) | (3,896,655) |
| Interest expense payable (as per BRPD circular-17, dt 10.06.20) | 2,486,740 | 2,486,740 |
| Insurance & others | 55,300 | 459,144 |
| | 45,877,128 | 35,748,430 |

| | | |
|---|--------------|-------------------|
| 22.00 WPPF Payable | | |
| Opening Balance | 81,949,104 | 76,730,559 |
| Add: Addition During the year | - | 5,218,545 |
| Less: Paid During the year | - | - |
| Adjustment with Accumulated retained earnings | (81,949,104) | - |
| | - | 81,949,104 |

Amount in Taka
June 30,2023

Amount in Taka
June 30,2022

We have obtained a legal opinion from the Lawyer's and it appears that WPPF is not applicable for Aman Cotton Fibrous Limited as 100% export oriented industry as per section 232(3) of the Labor Act, 2006 and Rules 212-226 of the Labor Rules-2015 . The Company will participate in the central fund after creation by Government in compliance with above sention and rules. According to the law along with lawyer's opinion, the balance of WPPF payable has been transferred to accumulated retained earnings.

23.00 Unclaimed Dividend Account

| | | |
|---|-------------------|-------------------|
| Opening Balance | 22,072,303 | 43,059,504 |
| Add: Cash dividend declared during the period | 50,833,333 | 30,836,666 |
| Less: TDS on Dividend | (7,050,113) | (3,694,335) |
| Less: Paid during the period | (43,556,361) | (48,129,533) |
| | 22,299,162 | 22,072,303 |

24.00 Provision for tax :

| | | |
|----------------------------------|--------------------|--------------------|
| Opening Balance | 80,168,141 | 106,612,178 |
| Add -Provision for the year | 28,656,378 | 23,555,963 |
| Total Liability | 108,824,519 | 130,168,141 |
| Less: Adjustment during the year | (45,810,235) | (50,000,000) |
| Total Tax Liability | 63,014,284 | 80,168,141 |

25.00 Net Asset Value (NAV) :

| | | |
|--|---------------|---------------|
| NAV per share with revaluation : | | |
| Shareholders' Equity including revaluation surplus | 3,478,708,461 | 3,542,811,677 |
| Number of ordinary shares outstanding | 100,833,333 | 100,833,333 |
| Net Asset Value (NAV) per Share | 34.50 | 35.14 |

NAV per share without revaluation :

| | | |
|--|---------------|---------------|
| Shareholders' Equity excluding revaluation surplus | 3,213,326,223 | 3,277,429,439 |
| Number of ordinary shares outstanding | 100,833,333 | 100,833,333 |
| Net Asset Value (NAV) per Share | 31.87 | 32.50 |

Par Value of Share

| | |
|--------------|--------------|
| 10.00 | 10.00 |
|--------------|--------------|

26.00 Net Operating Cash Flow Per Share (NOCFPS):

| | | |
|---|-------------|-------------|
| Net Cash Generated from Operating Activities | 433,387,665 | 332,246,161 |
| Number of ordinary shares outstanding | 100,833,333 | 100,833,333 |
| Net Operating Cash Flow Per Share (NOCFPS) | 4.30 | 3.30 |

27.00 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 | (95,207,841) | 76,411,658 |
| Accounts & other receivable | (248,458,260) | 445,291,571 |
| Depreciation | 51,005,437 | 55,226,949 |
| Inventories | 270,964,251 | (448,434,469) |
| Advance deposit prepayments | 138,638,292 | 167,058,114 |
| Accounts payable | 133,224,235 | (20,693,033) |

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|---|--------------------------------|--------------------------------|
| Liabilities for exp and others | 10,128,698 | 78,927,889 |
| WPPF Payable | - | (76,730,560) |
| Deferred tax | 1,669,560 | 4,403,277 |
| Provision for Tax | 28,656,378 | 23,555,963 |
| Finance cost | 233,702,457 | 93,077,000 |
| Interest on FDR | (41,540,507) | |
| Translation Gain/ (Loss) on Accounts Receivable | (1,161,362) | (4,519,729) |
| Gain/(Loss) on import payment | | (1,418,493) |
| Translation gain on cash | 1,111,629 | (931) |
| Dividend income | (8,000) | (10,800) |
| Income Tax Paid | (49,337,302) | (65,116,789) |
| WPPF | - | 5,218,545 |
| | 433,387,665 | 332,246,161 |
| 28.00 Sales : | | |
| Carded-Yarn | 1,782,919,228 | 1,187,021,134 |
| Combed -Yarn | 418,215,621 | 478,245,279 |
| | 2,201,134,850 | 1,665,266,413 |
| Quanty in MT- | | |
| Carded-Yarn | 4,833 | 3,740 |
| Combed -Yarn | 1,128 | 1,330 |
| | 5,961 | 5,070 |
| 29.00 Cost of Sales : | | |
| Raw materials consumption [Note-29.01] | 1,623,436,587 | 1,691,303,789 |
| Packing materials consumption [Note- 29.03] | 14,582,333 | 15,101,350 |
| Factory Overhead [Note-29.05] | 328,507,530 | 308,122,271 |
| Prime Cost | 1,966,526,451 | 2,014,527,410 |
| Opening WIP [Note-6.02] | 31,106,404 | 46,264,051 |
| Closing WIP [Note-6.02] | (40,204,332) | (31,106,404) |
| Cost of prouduction | 1,957,428,523 | 2,029,685,056 |
| Opening finished goods [Note-6.01] | 873,430,210 | 327,612,469 |
| Closing Finished goods [Note 6.01] | (802,683,591) | (873,430,210) |
| Free Sample Distribution | (2,476,135) | (1,940,266) |
| Cost of Sales | 2,025,699,007 | 1,481,927,049 |
| 29.01 Raw Materials Consumption : | | |
| Opening Balance [Note-6.03] | 868,581,802 | 956,376,431 |
| Purchase during the year [Note-29.02] | 1,415,932,538 | 1,603,509,160 |
| Available for use | 2,284,514,340 | 2,559,885,591 |
| Closing Balance [Note-6.03] | (661,077,753) | (868,581,802) |
| | 1,623,436,587 | 1,691,303,789 |

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|--|--------------------------------|--------------------------------|
| 29.02 Raw Materials Purchase : | | |
| Value in [Taka] | | |
| Raw Cotton | 1,415,932,538 | 1,603,509,160 |
| | 1,415,932,538 | 1,603,509,160 |
| Quantity in [MT] | | |
| Raw Cotton | 5,298 | 7,186 |
| | 5,298 | 7,186 |
| 29.03 Packing Materials Consumption : | | |
| Opening Balance [Note-6.04] | 1,563,367 | 4,205,340 |
| Purchase during the year [29.04] | 13,382,802 | 12,459,377 |
| Available for use | 14,946,169 | 16,664,716 |
| Closing Balance [Note-6.04] | (363,836) | (1,563,367) |
| | 14,582,333 | 15,101,350 |
| 29.04 Packing Materials Purchase : | | |
| Value inTaka- | | |
| CONE | 9,181,469 | 7,946,006 |
| Poly Bag | 818,100 | 1,272,700 |
| WPP Bag | 2,921,333 | 2,382,000 |
| Sticker | - | 589,538 |
| Others | 461,900 | 269,133 |
| | 13,382,802 | 12,459,377 |
| Quantity in Pcs & Kgs- | | |
| CONE (pcs.) | 2,550,459 | 2,497,793 |
| Poly Bag(kg.) | 4,596 | 7,150 |
| WPP Bag (Kg.) | 96,496 | 110,500 |
| Sticker (pcs.) | - | 1,157,275 |
| 29.05 Factory Overhead : | | |
| Wages & allowances | 58,388,553 | 61,883,626 |
| Salary and allowances | 17,225,615 | 15,395,909 |
| Repair & Maintenance | 1,535,114 | 691,522 |
| Spare Parts | 52,403,773 | 53,015,754 |
| Fuel & Lubricants | 8,044,417 | 9,624,675 |
| Chemical used | 2,191,984 | 1,916,091 |
| Electricity | 108,872 | 96,126 |
| Gas Bill | 135,372,192 | 110,633,711 |
| Insurance & Others | 1,500,444 | 59,820 |
| Printing & Stationary | 319,261 | 428,973 |
| Conveyance Bill - Factory | 635,295 | 182,000 |
| Entertainment- Factory | 641,616 | 312,716 |
| Gardening/Farming Expenses | 188,056 | 248,008 |
| Medical & Welfare | 2,275 | 12,668 |
| Food allowance- Factory | 397,734 | 619,639 |
| Miscellaneous Expenses | 83,990 | 95,769 |
| Carriage Inwards | 953,174 | 346,617 |
| Cleaning & Sanitation Expenses (FO) | 60,000 | 93,045 |
| Depreciation | 48,455,165 | 52,465,602 |
| | 328,507,530 | 308,122,271 |

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|--|--------------------------------|--------------------------------|
| 30.00 Administrative Expenses : | | |
| Salary and Allowances | 16,399,110 | 9,456,823 |
| Directors Remuneration | - | 2,400,000 |
| Board meeting fees | 55,000 | 125,000 |
| Office Rent | 981,000 | 981,000 |
| Certificate Expenses | 855,509 | 1,056,712 |
| Festival Bonus - HO | 1,452,350 | 746,500 |
| Internet Bill | 24,000 | 24,000 |
| Fax and Mobile Exp | 62,124 | 56,324 |
| Postage and Courier | 52,858 | 132,244 |
| Entertainment & Ifter Bill | 131,187 | 143,031 |
| Local Conveyance | 146,722 | 167,875 |
| Stationery | 300,237 | 200,418 |
| Office Supplies | 6,750 | 32,031 |
| Fuel, Oil and Lubricants | 1,569,521 | 1,237,195 |
| Fees, Forms and Renewals | 2,031,493 | 3,083,937 |
| Misc. Expenses | 7,601 | 288,650 |
| Tours & Travels | 591,130 | 999,623 |
| Donation & Gift | 28,600 | 194,800 |
| Audit Fees | 270,250 | 172,500 |
| Professional fees | 2,865,413 | 2,483,350 |
| Service Charge | 26,300 | 49,150 |
| Excise duty | 578,986 | 328,650 |
| Training & Development | 6,900 | - |
| Repair & Maintenance (Electric) | 740,277 | 940,810 |
| Depreciation | 2,550,272 | 2,761,347 |
| Business Promotion Expenses | 3,283,473 | 6,915,439 |
| AGM Expenses | 231,000 | 231,000 |
| Legal Expenses | 200,000 | 396,000 |
| Interest Expenses on DPS | 40,950 | - |
| | 35,489,013 | 35,604,409 |
| 31.00 Selling and Distribution Expenses : | | |
| Carriage Outward | 36,958 | 36,972 |
| Advertisement | 544,023 | 924,805 |
| Sample Expenses | 2,476,135 | 1,940,266 |
| Commercial Expenses | - | 13,825 |
| Delivery Expenses | 193,004 | 121,875 |
| L/C Advising Charges | 252,075 | 214,830 |
| BTMA certificate | 310,085 | 267,710 |
| CU certificate (TC) | 7,172,861 | 381,644 |
| L/C Realisation Charges | 5,173,042 | 4,529,978 |
| Sales Commission | 491,588 | 514,021 |
| | 16,649,771 | 8,945,927 |

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|--|--------------------------------|--------------------------------|
| 32.00 Financial Expenses : | | |
| Financial expenses on bank & others (note-32.01) | 265,938,958 | 121,911,144 |
| Interest charged on Loan to sister concern | (27,309,001) | (25,256,644) |
| Interest income on FDR lien credit facilities to sister concern | (4,927,500) | (3,577,500) |
| | 233,702,457 | 93,077,000 |
| 32.01 Financial expenses on bank & others | | |
| Interest on Term Loan | 34,978,649 | 52,761,855 |
| Interest on Short Term Loan | 55,332,464 | 44,724,528 |
| Bank Charges | 1,822,635 | 1,218,892 |
| FC Fluctuation Charges | 173,805,210 | 23,205,869 |
| | 265,938,958 | 121,911,144 |
| 33.00 Non Operating Income : | | |
| This is arrived at as follows: | | |
| Interest on FDR | 41,540,507 | 34,844,007 |
| Translation Gain/ (Loss) on Cash & Cash Equivalents (notes-33.02) | (1,111,629) | (931) |
| Misc. Income | 4,627,299 | 6,873,896 |
| Gain/(Loss) on import payment | (1,905,950) | (1,418,493) |
| Dividend Income | 8,000 | 10,800 |
| Transaction Gain/ (Loss) (notes-33.01) | 1,203,906 | 19,048,408 |
| Translation Gain/ (Loss) on Accounts Receivable (notes-33.02) | 1,161,362 | 4,519,729 |
| | 45,523,495 | 63,877,415 |

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

| Particulars | Actual realized/ setteled Amount | Realized/setteled as per Book | Total (2022-2023) | Total (2021-2022) |
|----------------------|-------------------------------------|----------------------------------|----------------------|----------------------|
| Accounts Receivables | 1,953,880,497 | 1,952,676,590 | 1,203,906 | |
| Accounts Receivables | 2,162,960,265 | 2,143,911,857 | | 19,048,408 |

33.02 Translation Foreign Exchange Gain/ (Loss)

| Particulars | Monetary Assets in USD as per Bank Statement | BDT as on June 30, 2023 @ 106 | BDT as per Books of Accounts | Gain/(Loss) in Taka (2022-2023) | Gain/(Loss) in Taka (2021-2022) |
|-------------------------|--|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Accounts Receivables | \$ 2,881,703.50 | 305,460,571 | 304,299,209 | 1,161,362 | 4,519,729 |
| Cash & Cash Equivalents | \$ 741,085.56 | 78,555,069 | 79,666,698 | (1,111,629) | (931) |
| Cash & Cash Equivalents | € 5.47 | 5,595 | 5,595 | - | - |
| | | | | 49,733 | 4,518,798 |

| | | | | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|--|---------------|-------------|---------------|--------------------------------|--------------------------------|
| 34.00 Current Tax : | | | | | |
| Net Profit Before Tax | | | | (64,881,904) | 104,370,898 |
| Accounting Depreciation | | | | 51,005,437 | 55,226,949 |
| Unrealized Foreign Exchange Gain/(Loss) | | | | (49,733) | (4,518,798) |
| Other Income | | | | (47,379,712) | (60,777,110) |
| Tax Depreciation | | | | (68,094,600) | (85,921,106) |
| Taxable Business Income | | | | (129,400,512) | 8,380,833 |
| A) Regular Tax : | | | | | |
| Tax on taxable business income | - | 15% | | - | 1,257,125 |
| Tax on other income except Dividend | 45,515,495 | 20% | | 9,103,099 | 12,773,323 |
| Tax on dividend income | 8,000 | 20% | | 1,600 | 2,160 |
| | | | | 9,104,699 | 14,032,608 |
| i) Minimum tax u/s- 163(2) / old u/s-(82C (2): | | | | | |
| AIT on export | 123 | | | 19,551,679 | 10,780,480 |
| TDS on FDR Interest Income | 102 | | | 8,905,423 | 3,484,401 |
| TDS on Dividend Income | 117 | | | 1,600 | - |
| | | | | 28,458,702 | 14,264,881 |
| ii) Alternative Minimum tax on gross receipts u/s-163(5) Old u/s-82C(4) | | | | | |
| Gross receipts | | | | | |
| | | Rate | Weight | | |
| Sales | 2,201,134,850 | 0.6% | 0.45% | 9,905,107 | 7,493,699 |
| Non Operating Income | 45,523,495 | 0.6% | 0.60% | 273,141 | 383,264 |
| | | | | 10,178,248 | 7,876,963 |
| B) Minimum tax of Business income u/s-163(6), old u/s- 82C (Higher of a or b) | | | | 28,458,702 | 14,264,881 |
| Tax on business income | | | | 19,551,679 | 10,780,480 |
| Tax on other income | | | | 9,104,699 | 12,775,483 |
| | | | | 28,656,378 | 23,555,963 |
| Current tax (Higher of A or B) | | | | 28,656,378 | 23,555,963 |
| 35.00 Earnings Per Share : | | | | (0.94) | 0.76 |
| 35.01 Basic Earnings per share : | | | | | |
| Net Profit after tax on core Business | | | | (95,207,841) | 76,411,658 |
| Weighted Average No. of Shares | | | | 100,833,333 | 100,833,333 |
| Basic Earnings Per Share | | | | (0.94) | 0.76 |
| 35.02 Diluted Earnings per share : | | | | | |
| Profit after tax | | | | (95,207,841) | 76,411,658 |
| Total existing number of shares | | | | 100,833,333 | 100,833,333 |
| Diluted Earnings per share | | | | (0.94) | 0.76 |

36.00 Contingent liabilities & Capital Commitments :

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

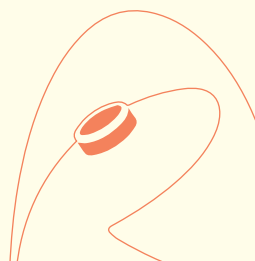
b) There is no un-availed credit facilities, other than those in the normal course of business, available to the company as on 30 June, 2023

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 & 2020-2021 against the DCT Assesment order is under Appeal Reference with the Tax Authority. As such no additional Tax provision in respect of above year has been made in this year.

| Assessment Year | Amount | Remark |
|-----------------|------------|-------------------|
| 2012-2013 | 2,081,524 | Ref. file |
| 2013-2014 | 33,807,652 | Ref. file |
| 2014-2015 | - | |
| 2015-2016 | 2,200,282 | |
| 2016-20 | - | |
| 2017-2018 | 24,053,290 | |
| 2018-2019 | 41,278,237 | |
| 2019-2020 | 12,359,433 | |
| 2020-2021 | 2,683,738 | |
| 2021-2022 | | Under Assesment |
| 2022-2023 | | Under Assesment |
| 2023-2024 | | Not yet submitted |

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 Baina Registered | Deed no. | DCM | Total Advance as on June 30, 2023 | Total Advance as on June 30, 2022 |
|---------------------------------|--------------------------|----------|---------------|-----------------------------------|-----------------------------------|
| 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 |



37.00 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 :

| Particulars | | | June 30,2023 | June 30,2022 |
|----------------------------------|---------------------------------|-----------------------|--------------------------|--------------------------|
| Name of the party | Relationship with Company | Nature of transaction | Transacted amount in BDT | Transacted amount in BDT |
| Md. Rafiqul Islam | Managing Director & Shareholder | Board Meeting Fee | - | 20,000 |
| | | Remuneration | - | 2,400,000 |
| Md. Shofiqul Islam | Director & Shareholder | Board Meeting Fee | - | 20,000 |
| Md. Toufiqul Islam | Director & Shareholder | Board Meeting Fee | - | 20,000 |
| Md. Toriqul Islam | Director & Shareholder | Board Meeting Fee | - | 20,000 |
| Mr. Md. Rabiul Haque | Nominated Director | Board meeting fee | 15,000 | 20,000 |
| Mr. Md. Iftikhar-Uz-Zaman | Independent Director | Board meeting fee | 25,000 | 5,000 |
| Mr. Md. Mizanur Rahman | Independent Director | Board meeting fee | 15,000 | 20,000 |
| Aman Group | Common Director | Office Rent | 981,000 | 981,000 |
| Aman Tex Ltd. | Common Director | Sales | 1,529,481,897 | 1,272,094,858 |
| | | Receivables | 37,590,356 | (44,350,038) |
| Aman Packaging & Accessories Ltd | Common Director | Purchase | 258,100 | 1,272,700 |
| | | Payable | 3,200,245 | 2,942,145 |
| Aman Packaging Ltd | Common Director | Purchase | 1,999,133 | 1,872,000 |
| | | Payable | 4,418,369 | 2,919,236 |
| Anwara Mannan Textile Mills Ltd | Common Director | Loan | (16,511,375) | 86,762,736 |
| | | Interest Receivable | 106,339,293 | 99,279,781 |
| Aman Cement Mills unit-2 Ltd | Common Director | Loan | 37,476,176 | 123,810,985 |
| | | Interest Receivable | 42,509,575 | 37,013,589 |
| Aman Jute Fibrous Ltd | Common Director | Loan | 79,615,000 | 79,615,000 |
| | | Interest Receivable | 29,444,918 | 22,299,199 |
| Aman Feed Ltd. | Common Director | Loan from | 1,500,000 | 1,500,000 |
| | | Interest Payable | 665,750 | 530,750 |
| Aman Cold Storage Ltd | Common Director | Loan | 37,045,000 | 37,045,000 |
| | | Interest Receivable | 10,400,915 | 7,066,865 |
| Akin Carrier Ltd | Common Director | Loan from | 82,449,198 | 104,785,527 |
| | | Interest Payable | 27,839,939 | 20,386,619 |
| Aman Food Limited | Common Director | Loan | 31,198,967 | 26,578,411 |
| | | Interest Receivable | 6,659,662 | 4,005,524 |
| Aman Tex Ltd. | Common Director | Loan | 53,859,051 | 56,441,352 |
| | | Interest Receivable | 23,486,259 | 18,578,261 |
| Islam Brothers & Co. | Common Director | Loan from | 72,391,936 | 29,960,970 |
| | | Interest Payable | 7,517,604 | 3,415,792 |
| Aman Food & Beverage Ltd. | Common Director | Loan | 3,770,507 | - |
| | | Interest Receivable | 198,107 | - |

38.00 Disclosure of Managerial Remuneration :

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

| Particulars | | Nature of transaction | June 30, 2023 | June 30, 2022 |
|-----------------------|------------------------|-----------------------|--------------------------|--------------------------|
| Name | Designation | | Transacted amount in BDT | Transacted amount in BDT |
| Md. Rafiqul Islam | MD & Shareholder | Board Meeting Fees | - | 20,000 |
| Md. Shofiqul Islam | Director & Shareholder | Board Meeting Fees | - | 20,000 |
| Md. Toufiqul Islam | Director & Shareholder | Board Meeting Fees | - | 20,000 |
| Md.Toriqul Islam | Director & Shareholder | Board Meeting Fees | - | 20,000 |
| Md. Rabiul Haque | Nominated Director | Board Meeting Fees | 15,000 | 20,000 |
| Md. Iftikhar-Uz-Zaman | Independent Director | Board Meeting Fees | 25,000 | 5,000 |
| Md. Mizanur Rahman | Independent Director | Board Meeting Fees | 15,000 | 20,000 |
| Total | | | 55,000 | 125,000 |

38.02 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, 2023 | June 30, 2022 |
|--------------------------------|------------------------------|-------------------|-------------------|
| Md. Rafiqul Islam | Managing Director | - | 2,400,000 |
| Md. Mamun-Ur- Rashid Choudhury | CFO | 4,080,000 | 4,080,000 |
| Bishwazit Chakraborty | Executive Director - Factory | 5,400,000 | 780,000 |
| Md. Ismail Hossain | DGM - Maintenance & Utility | 1,610,000 | 1,500,000 |
| Md. Rejwanul Huq | AGM - Finance & Accounts | 1,105,000 | 1,430,000 |
| Total | | 12,195,000 | 10,190,000 |

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

| Name | Designation | June 30, 2023 | June 30, 2022 |
|-----------------------|---------------------------------|-------------------|-------------------|
| Directors | Board meeting Fee | 55,000 | 125,000 |
| Directors | Remuneration | - | 2,400,000 |
| Officers & Executives | Salary, Bonus & Other allowaces | 33,624,725 | 24,852,732 |
| Total | | 33,679,725 | 27,377,732 |

39.00 General :

39.01 Audit Fee :

Audit fee of Tk. 270,250 only represents the audit fee inclusive of VAT.

39.02 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.

39.03 Capacity of Production :

| | Amount in Taka June 30,2023 | Amount in Taka June 30,2022 |
|----------------------------------|--------------------------------|--------------------------------|
| Licensed Capacity in Metric Ton | 6,780 | 6,780 |
| Installed Capacity in Metric Ton | 6,780 | 6,780 |
| Utilized Capacity in Metric Ton | 5,321 | 6,511 |
| Percentage of Capacity Utilized | 78.47% | 96.03% |

39.04 Number of Employees :

| Salary Range (Monthly) | Officers & Staffs | | Worker (Permanent) | Total |
|----------------------------|-------------------|-----------|-----------------------|------------|
| | Head Office | Factory | | |
| Not less than Taka 5,300/- | 10 | 70 | 448 | 528 |
| Less than Taka 5,300/- | - | - | 24 | 24 |
| Total | 10 | 70 | 472 | 552 |

39.05 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 October 28, 2023 recommended 10% cash dividend to the general Shareholders excluding sponsors directors shareholders of the company for the year ended June 30, 2023. The dividend will be paid subject to the shareholders approval at the forthcoming Annual General Meeting.

39.06 There is no interest capitalized during the year.

40.00 WPPF :

We have obtained a legal opinion from the Lawyer's and it appears that WPPF is not applicable for Aman Cotton Fibrous Limited as 100% export oriented industry as per section 232(3) of the Labor Act, 2006 and Rules 212-226 of the Labor Rules-2015 . The Company will participate in the central fund after creation by Government in compliance with above sention and rules. According to the law along with lawyer's opinion, the balance of WPPF payable has been transferred to accumulated retained earnings.

We have obtained a legal opinion from the Lawyer's and it appears that WPPF is not applicable for Aman Cotton Fibrous Limited as 100% export oriented industry as per section 232(3) of the Labor Act, 2006 and Rules 212-226 of the Labor Rules-2015 . The Company will participate in the central fund after creation by Government in compliance with above sention and rules. According to the law along with lawyer's opinion, the balance of WPPF payable has been transferred to accumulated retained earnings.

41.00 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 | - | 1,415,932,538 | 1,415,932,538 | 1,623,436,588 | 96.04 |
| Spare Parts | 25,373,670 | 26,418,123 | 51,791,793 | 52,403,773 | 3.10 |
| Packing Materials | 13,382,802 | - | 13,382,802 | 14,582,333 | 0.86 |
| Capital Machinery | - | - | - | - | - |
| Total | 38,756,473 | 1,442,350,661 | 1,481,107,134 | 1,690,422,694 | 100 |

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

FOB Value of Export:

The FOB value of export for the year ended June 30, 2023 is as follows:

| Particulars | In Foreign Currency \$ | In BDT |
|-------------|------------------------|---------------|
| Export | \$21,626,823 | 2,201,134,850 |

AMAN COTTON FIBROUS LTD.
Schedule of Property, Plant & Equipment

As at June 30 , 2023

Annexure -A

(a) COST :

| ASSET ITEMS | COST | | | Rate | DEPRECIATION | | | | Written down value as at 30.06.2023 |
|-------------------------------------|--------------------------|----------------|----------------------------------|----------------------|--------------------------|-------------------------|------------------------|--------------------------|-------------------------------------|
| | Balance as at 01.07.2022 | Addition | Disposals/ adjustments/ transfer | | Balance as at 01.06.2023 | Charged During the Year | Disposals/ adjustments | Balance as at 01.06.2023 | |
| Land & Land Development | 198,733,695 | - | - | 198,733,695 | - | - | - | - | 198,733,695 |
| Building & Civil Construction | 1,432,215,710 | - | - | 1,432,215,710 | 2.5% | 30,673,833 | 235,936,214 | - | 1,196,279,496 |
| Plant & Machinery | 1,353,036,524 | - | - | 1,353,036,524 | 15% | 19,176,581 | 1,244,369,232 | - | 108,667,292 |
| Electrical Installation | 13,388,299 | - | - | 13,388,299 | 10% | 408,619 | 9,710,727 | - | 3,677,572 |
| Electrical Equipment | 5,148,326 | 38,500 | - | 5,186,826 | 10% | 126,346 | 4,049,710 | - | 1,137,116 |
| Gas Line Installation | 2,805,322 | - | - | 2,805,322 | 10% | 51,744 | 2,339,626 | - | 465,696 |
| Fire Equipment | 2,286,100 | - | - | 2,286,100 | 15% | 17,004 | 2,189,741 | - | 96,359 |
| Vehicle | 19,794,494 | - | - | 19,794,494 | 20% | 278,384 | 18,680,959 | - | 1,113,535 |
| Office Equipment | 1,088,717 | - | - | 1,088,717 | 10% | 19,197 | 915,942 | - | 172,775 |
| Computer & IT Equipment | 2,066,960 | 529,770 | - | 2,596,730 | 20% | 172,880 | 1,905,212 | - | 691,518 |
| Furniture & Fixture | 4,250,475 | 40,516 | - | 4,290,991 | 10% | 80,849 | 3,563,351 | - | 727,640 |
| Balance as on 30.06.2023 (a) | 3,034,814,622 | 608,786 | - | 3,035,423,408 | | 51,005,437 | 1,523,660,714 | - | 1,511,762,694 |

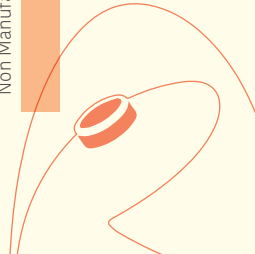
(b) REVALUATION :

| ASSET ITEMS | COST | | | Rate | DEPRECIATION | | | | Written down value as at 30.06.2023 |
|-------------------------------------|--------------------------|----------|----------------------------------|--------------------|--------------------------|-------------------------|------------------------|--------------------------|-------------------------------------|
| | Balance as at 01.07.2022 | Addition | Disposals/ adjustments/ transfer | | Balance as at 01.06.2023 | Charged During the Year | Disposals/ adjustments | Balance as at 01.06.2023 | |
| Land & Land Development | 279,312,378 | - | - | 279,312,378 | - | - | - | - | 279,312,378 |
| Balance as on 30.06.2023 (b) | 279,312,378 | - | - | 279,312,378 | | - | - | - | 279,312,378 |

(c) Total (a+b)

| | | | | | | | | | |
|---------------------------------------|----------------------|----------------|----------|----------------------|----------|-------------------|----------------------|----------|----------------------|
| Balance as on 30.06.2023 (a+b) | 3,314,127,000 | 608,786 | - | 3,314,735,786 | - | 51,005,437 | 1,523,660,714 | - | 1,791,075,072 |
|---------------------------------------|----------------------|----------------|----------|----------------------|----------|-------------------|----------------------|----------|----------------------|

| Allocation of Depreciation | Ratio | June 30,2023 |
|----------------------------|-------|-------------------|
| Manufacturing | 95% | 48,455,165 |
| Non Manufacturing | 5% | 2,550,272 |
| | | 51,005,437 |



AMAN COTTON FIBROUS LTD.
Schedule of Property, Plant & Equipment

As at June 30 , 2022

(a) COST :

| ASSET ITEMS | COST | | | Rate | DEPRECIATION | | | | Written down value as at 30.06.2022 |
|-------------------------------------|--------------------------|----------------|----------------------------------|----------------------|--------------------------|-------------------------|------------------------|--------------------------|-------------------------------------|
| | Balance as at 01.07.2021 | Addition | Disposals/ adjustments/ transfer | | Balance as at 01.06.2022 | Charged During the Year | Disposals/ adjustments | Balance as at 01.06.2022 | |
| Land & Land & Land Development | 198,733,695 | - | - | 198,733,695 | - | - | - | - | 198,733,695 |
| Building & Civil Construction | 1,432,215,710 | - | - | 1,432,215,710 | 2.5% | - | 31,460,342 | 205,262,381 | 1,226,953,329 |
| Plant & Machinery | 1,353,036,524 | - | - | 1,353,036,524 | 15% | - | 22,560,684 | 1,225,192,651 | 127,843,873 |
| Electrical Installation | 13,388,299 | - | - | 13,388,299 | 10% | - | 454,021 | 9,302,108 | 4,086,191 |
| Electrical Equipment | 5,148,326 | - | - | 5,148,326 | 10% | - | 136,107 | 3,923,364 | 1,224,962 |
| Gas Line Installation | 2,805,322 | - | - | 2,805,322 | 10% | - | 57,493 | 2,287,882 | 517,440 |
| Fire Equipment | 2,286,100 | - | - | 2,286,100 | 15% | - | 20,005 | 2,172,737 | 113,363 |
| Vehicle | 19,794,494 | - | - | 19,794,494 | 20% | - | 347,980 | 18,402,575 | 1,391,919 |
| Office Equipment | 1,088,717 | - | - | 1,088,717 | 10% | - | 21,330 | 896,745 | 191,972 |
| Computer & IT Equipment | 1,961,360 | 105,600 | - | 2,066,960 | 20% | - | 83,657 | 1,732,332 | 334,628 |
| Furniture & Fixture | 4,250,475 | - | - | 4,250,475 | 10% | - | 85,330 | 3,482,502 | 767,973 |
| Balance as on 30.06.2022 (a) | 3,034,709,022 | 105,600 | - | 3,034,814,622 | | | 55,226,949 | 1,472,655,277 | 1,562,159,345 |

(b) REVALUATION :

| ASSET ITEMS | COST | | | Rate | DEPRECIATION | | | | Written down value as at 30.06.2022 |
|-------------------------------------|--------------------------|----------|----------------------------------|--------------------|--------------------------|-------------------------|------------------------|--------------------------|-------------------------------------|
| | Balance as at 01.07.2021 | Addition | Disposals/ adjustments/ transfer | | Balance as at 01.06.2022 | Charged During the Year | Disposals/ adjustments | Balance as at 01.06.2022 | |
| Land & Land Development | 279,312,378 | - | - | 279,312,378 | - | - | - | - | 279,312,378 |
| Balance as on 30.06.2022 (b) | 279,312,378 | - | - | 279,312,378 | | | - | - | 279,312,378 |

(c) Total (a+b)

| | | | | | | | | | |
|---------------------------------------|----------------------|----------------|----------|----------------------|----------|----------|-------------------|----------------------|----------------------|
| Balance as on 30.06.2022 (a+b) | 3,314,021,400 | 105,600 | - | 3,314,127,000 | - | - | 55,226,949 | 1,472,655,277 | 1,841,471,723 |
|---------------------------------------|----------------------|----------------|----------|----------------------|----------|----------|-------------------|----------------------|----------------------|

| Allocation of Depreciation | Ratio | June 30,2022 |
|----------------------------|-------|-------------------|
| Manufacturing | 95% | 52,465,602 |
| Non Manufacturing | 5% | 2,761,347 |
| | | 55,226,949 |

Notice of the 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting of Aman Cotton Fibrous Ltd. will be held on Thursday, 28th December, 2023 at 12.10pm at the Digital Platform to transact the following businesses:

AGENDA FOR ORDINARY BUSINESS

1. Consideration and adoption of the Directors' Report and Audited Financial Statements of the Company for the year ended 30th June 2023 together with the Auditors' Report thereon.
2. Declaration of Dividend for the year ended 30th June 2023 as recommended by the Board of Directors.
3. Retire/Re-election of Directors.
4. To appoint Statutory Auditors for the year 2023-2024 and fixation of their remuneration.
5. To appoint Compliance Auditors for the year 2023-2024 and fixation of their remuneration.
6. IPO Fund Utilization.
7. To transact any other business with the permission of chair.

AGENDA FOR SPECIAL RESOLUTION

8. To pass a special resolution in regard to change the name of the company from "Aman Cotton Fibrous Ltd." to "Aman Cotton Fibrous PLC." As per provision of the Companies Act, 1994(2ND Amendment 2020) and to amend clause-I of Memorandum of Association and Article-3(b) of the Articles of Association of the Company.

Date: Dhaka
05th December, 2023

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

Notes:

1. Details of Special Resolution are contained on page no. 62 of this Annual Report 2022-2023.
2. Members whose names appeared on the Members/Depository Register as on 'Record Date' i.e. Sunday, November 26, 2023 are eligible to attend the 18th Annual General Meeting (AGM) and entitled to receive the dividend.
3. 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.
4. 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>
5. 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 2022-2023 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 softcopy of the Annual Report 2022-2023 will also be available on the Company's website at: www.amancotton.com
6. 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.
7. 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.
8. 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 2023. The statement should include Shareholders Name, BOID Number, Client-wise shareholding position, contact person etc.



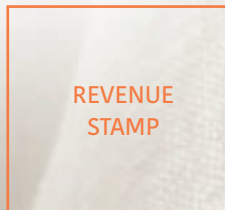
| Shareholders BO A/C No. | No. of Shares held |
|-------------------------|--------------------|
| | |

I/We.....
..... of (Address).....
..... being shareholder(s) of Aman Cotton
Fibrous Limited appoint ofas my/our pproxy to
attend and vote for me/us and on my/our behalf at the 18th Annual General Meeting to be
held on Thursday the 28th December 2023 at 12.10p.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 2023.

(Signature of the Proxy)

(Signature of the Shareholder)



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



**SHAREHOLDERS'
ATTENDANCE SLIP**

I/We hereby record my/our presence at the 18th Annual General Meeting of the Company on
28th December 2023 at the digital platform.

Name of Shareholder/Proxy

BO Account No..... Holding of Ordinary
shares of Aman Cotton Fibrous Limited.

Signature of Shareholder(s)

Note:

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.



CSR HIGHLIGHTS

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 Bangmata 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.





Corporate Office:

2 Ishakha Avenue, Sector: 6
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