

DIRECTORS' REPORT
TO THE SHAREHOLDERS



	Q1	Q2	Q3	Q4
Expense 1	23	175	218	110
Expense 2	238	110	44	54
Expense 3	110	618	54	851
Expense 4	54	44	54	851
Expense 5	851	54	44	54
Total	1100	1400	1200	1000

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 PRECEEDING 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:

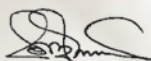
I. The name of the Company is “**Aman Cotton Fibrous PLC.**”

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