



ANNUAL REPORT 2019-2020



ALLTEX INDUSTRIES LIMITED



TABLE OF CONTENTS

PARTICULARS	PAGE NO.
Letter of Transmittal	02
Notice of the 36 th Annual General Meeting	03
Company Profile	04
Corporate Directory	05
Our Mission, Vision and Values	06
Chairperson's Statement	08
Directors' Report	09
Number of Board Meeting and Attendance	17
Key Operating and Financial Data of Last Five Years	18
Pattern of Shareholding as on June 30, 2020	19
Profile of the Directors	20
Management's Discussion and Analysis	22
Declaration by the CEO & CFO to the Board	29
Corporate Governance Compliance Report	31
Report of the Audit Committee	46
Report on Activities of the Nomination and Remuneration Committee	49
Photographs of the 35 th Annual General Meeting	54
Certificate of Membership of BAPLC	55
Auditors' Report to the Shareholders	56
Statement of Financial Position	62
Statement of Profit or Loss and Other Comprehensive Income	63
Statement of Changes in Equity	64
Statement of Cash Flows	65
Notes to the Financial Statements	66
Proxy Form and Attendance Slip	93



LETTER OF TRANSMITTAL

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

Subject: Annual Report for the year ended June 30, 2020

Dear Sir/Madam,

We are pleased to enclose a copy of the Annual Report together with Auditors' Report and Audited Financial Statements of Alltex Industries Limited which comprise Statement of Financial Position as at June 30, 2020, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements for the year ended June 30, 2020 for your information and record.

Thanking you,

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Ziaul Huque'.

Md. Ziaul Huque
Company Secretary

Place: Dhaka, Bangladesh
Date: Monday, December 7, 2020



NOTICE OF THE 36TH ANNUAL GENERAL MEETING

Notice is hereby given to all members of Alltex Industries Limited that the 36th Annual General Meeting of the company will be held on Thursday, December 31, 2020 at 11:00 am at the registered office of the company at Alltex Industrial Park, Ariabo, Barpa, Rupgonj, Narayanganj, Bangladesh to transact the following business:

AGENDA

- Agenda-1:** To receive, consider and adopt the Directors' Report for the year ended June 30, 2020.
Agenda-2: To receive, consider and adopt the Audited Financial Statements of the company and the Auditors' Report thereon for the year ended June 30, 2020.
Agenda-3: To elect/re-elect Directors as per Articles of Association of the company.
Agenda-4: To appoint Independent Director as per Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC).
Agenda-5: To appoint/re-appoint Statutory Auditors of the company and fix their remuneration for the year 2020-2021.
Agenda-6: To appoint Corporate Governance Compliance Auditors and fix their remuneration for the year 2020-2021.
Agenda-7: To reconstitute the Board of Directors of the company as per Notification of BSEC.

By order of the Board

Md. Ziaul Huque
Company Secretary

Date: Saturday, November 28, 2020
Place: Dhaka, Bangladesh

NOTES

1. Monday, December 14, 2020 is the Record Date.
 2. Shareholders whose names will appear in the Members' Register of the company or in the Depository Register on the Record Date will be eligible to attend and vote in the Annual General Meeting.
 3. A member entitled to attend and vote in the Annual General Meeting may appoint a proxy to attend the meeting and vote on his/her behalf. Proxy form, affixed with requisite revenue stamp of Tk.20.00 must be deposited at the Registered Office of the Company at Alltex Industrial Park, Ariabo, Barpa, Rupgonj, Narayanganj, Bangladesh or sent through e-mail to info.alltex@yahoo.com not later than 48 (forty eight) hours before the time fixed for the meeting.
 4. 'Annual Report 2019-2020' along with Attendance Slip, Proxy Form and Notice of the Annual General Meeting will be sent to e-mail addresses of all members to be obtainable as per CDBL report at the record date. All members are requested to update their e-mail addresses in their individual BO account. Members may also collect the Annual Report and Proxy Form from the Share Department of the company situated at registered office of the company or from the website of the company i.e. www.alltexbd.com
 5. The facility for e-voting (off-line) shall be allowed to members from their e-mail addresses declared in their individual BO account. Members are allowed to cast their agenda-wise vote either for or against each resolution and this option will remain open from December 29, 2020 up to the closure of meeting on the day of the Annual General Meeting. For e-voting (off-line) members may collect the ballot form from the website of the company i.e. www.alltexbd.com
 6. Please note that AGM can only be attended by the honorable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honorable shareholder or proxy cannot be allowed in the meeting.
 7. Admission to the meeting venue will be strictly on production of the attendance slip attached with the proxy form.
 8. In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated 24 October, 2013 no Gift/Gift Coupon/Food Box/Cash shall be distributed at the 36th Annual General Meeting of the company.
- N.B. In the scenario of pandemic coronavirus company will strictly maintain physical distancing in the sitting arrangement of the meeting to ensure health safety of all participants. Therefore, all members are requested to attend the meeting wearing face mask.**



COMPANY PROFILE

Company Name	:	Alltex Industries Limited
Industry Category	:	Home Textile & Footwear
Registered Office & Factory	:	Alltex Industrial Park, Ariabo, Barpa, Rupgonj, Narayangonj, Bangladesh
Correspondence Office	:	Suite No. 5B, House No. 1, Road No. 27/28, Block-K, Banani, Dhaka, Bangladesh
Corporate History		
Date of Incorporation	:	January 24, 1985 (As a private limited company)
Incorporation No.	:	C-13621/1398 of 1984-1985 (Incorporated under the Companies Act, 1913)
Date of Conversion in to a Public Limited Company	:	October 25, 1994
Listing in DSE	:	August 31, 1996
Listing in CSE	:	August 07, 1996
Share Capital		
Authorized Capital	:	Taka 1,000,000,000.00
Paid-up Capital	:	Taka 559,680,000.00
No. of Shareholders	:	8,381
No. of Employees	:	103
Production Capacity	:	60,000,000 square meters
Contact		
E-mail	:	info.alltex@yahoo.com
Website	:	www.alltexbd.com
Telephone	:	01711141161 (Share Department) (02) 48810664 (Correspondence Office)
Fax	:	(02) 48810665 (Correspondence Office)

**CORPORATE DIRECTORY****Board of Directors**

Engr. Afsar Uddin Ahmad	:	Chairperson
Mrs. Hasna Ahmad	:	Vice Chairperson & Director
Mr. Imtiaz Uddin Ahmad Asif	:	Managing Director & CEO
Mr. Fahim Uddin Ahmad Arif	:	Director
Mr. M.A. Mohsin	:	Director
Mr. Helal Uddin Ahammed	:	Director (Nominated by ICB)
Mr. Shaïd Rezaus Sarwer	:	Independent Director
Mr. Mizanur Rahman	:	Independent Director

Audit Committee

Mr. Shaïd Rezaus Sarwer, Independent Director	:	Chairperson
Mrs. Hasna Ahmad, Director	:	Member
Mr. Mizanur Rahman, Independent Director	:	Member
Mr. Md. Ziaul Huque, Company Secretary	:	Secretary

Nomination and Remuneration Committee

Mr. Shaïd Rezaus Sarwer, Independent Director	:	Chairperson
Mrs. Hasna Ahmad, Director	:	Member
Mr. Mizanur Rahman, Independent Director	:	Member
Mr. Md. Ziaul Huque, Company Secretary	:	Secretary

Senior Corporate Officials

Mr. Md. Ziaul Huque	:	Company Secretary
Mr. M.A. Mohsin	:	Chief Financial Officer
Mr. S.M. Abdul Mannan Chowdhury	:	Head of Internal Audit and Compliance

Statutory Auditor

: Rahman Mostafa Alam & Co.
Chartered Accountants

Compliance Auditor

: ARTISAN
Chartered Accountants

Bankers

: Sonali Bank Ltd.
Local Office, Dhaka
: ONE Bank Ltd.
Principal Branch, Dhaka
: Prime Bank Ltd.
Foreign Exchange Branch, Dhaka
: Dutch Bangla Bank Ltd.
Bhulta Branch, Narayangonj
: United Commercial Bank Ltd.
Principal Branch, Dhaka
Bhulta Branch, Narayangonj



OUR MISSION, VISION AND VALUES

MISSION & VISION

To establish ALLTEX products as a cutting edge solution and to offer world class home textile from Bangladesh to all the valued customers to earn their long term confidence and trust. ALLTEX believes in a better future for its partners in the competitive and progressive world market. To consistently be our customers' first choice, we are the supplier with the perceived value and quality, maintaining customers' satisfaction, therefore becomes the paramount in all quality and service decisions.

VALUES

Our core purpose is to create value for our customers to earn their long term confidence and our prime focus is human that makes this earth meaningful. Our success depends on people who shop with us, who work with us and the people who lives around us and by us. If people develop reliability on what we offer, they are more likely to remain with us so long satisfaction is guaranteed. If ALLTEX team finds what we do rewarding, they are more likely to go that extra mile to support our customers and if people around us find ourselves to be their benign, they are more likely to grow confidence on us.

ALLTEX is the pioneer in the field of home textile in Bangladesh. The present success of the company is due to its quality products and reputation in the world market. The success and growth is largely due to skilled people and their commitment to the following basic values:

- ❖ Our people, their motivation and dedication to worldwide customers are our main asset.
- ❖ Our commitment to technology and quality is basis for our competitive advantage.
- ❖ Our commitment to produce superior profits for our future independence of action and growth.

CORPORATE GOVERNANCE

Corporate Governance involves decision making process for any corporate body as a going concern for the benefit of all concerned, present and future. The involvement of the entrepreneur in all these areas invokes decision making governance on a continuous basis. These aspects of governance are shared by the Board of Directors, Executive Management, operational participants, workers and others in fulfillment of the common goals that converge in increasing the benefits of all stakeholders.

The individuals through which the corporate governance functions are carried out as under:

Constitution:

Board of Directors, the top management level, consisting of the founding entrepreneurs/successors and Independent Directors provide the policy and strategic support and direction for the entire range of the corporate activities. The Board of Directors now consists of 8 (eight) members including 2 (two) Independent Directors. However, the present Board of Directors consists of persons with varied education and experience which provides a balancing character in decision making process. The Board is reconstituted every year at each Annual General Meeting with one-third of the members retiring by rotation.

Roles & Responsibilities:

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the company through appropriate delegations of authority and accountability processes via the lines of command. The Board of Directors, in fulfillment of its responsibility holds periodic meetings, at least once a quarter and provides



appropriate decisions/directions to the executive management. The Board of Directors also remains responsible for ensuring overall hazard free and friendly working environment in the factory and offices.

Relationship with Shareholders & Public:

The shareholders as owners are to be provided with material information on the company's operation, quarterly, half yearly and annually, the latter at the Annual General Meeting. They are also provided with routine services by the Company Secretary. The Board is, however, responsible to the public for publication of any Price Sensitive Information as per Bangladesh Securities and Exchange Commission's regulations. The Company Secretary is in-charge for all these responsibilities.

Audit Committee of the Board:

The Board of Directors has reconstituted an Audit Committee of the Board consisting of three directors. The Audit Committee is headed by the Independent Director, Mr. Shaïd Rezaus Sarwer a person vastly experienced in company matters. Other members are Mrs. Hasna Ahmad, Director and Mr. Mizanur Rahman, Independent Director. The Audit Committee carries out its responsibilities as per provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee also coordinates with the internal and external auditors as and when required. The Audit Committee also ensures compliance with requirements of the Corporate Governance Code of Bangladesh Securities and Exchange Commission and other related agencies.

Nomination and Remuneration Committee (NRC) of the Board:

The Board of Directors has reconstituted a NRC of the Board consisting of three directors. The NRC is headed by the Independent Director, Mr. Shaïd Rezaus Sarwer a person vastly experienced in company matters. Other members are Mrs. Hasna Ahmad, Director and Mr. Mizanur Rahman, Independent Director. The NRC carries out its responsibilities as per provisions of law and submits its report to the Board of Directors from time to time. The NRC also ensures compliance with requirements of the Corporate Governance Code of Bangladesh Securities and Exchange Commission and other related agencies.

Executive Management:

The executive management is led by the Managing Director & CEO who is appointed by the Board of Directors for a term of five years (renewable) with the approval of shareholders in the Annual General Meeting. The Managing Director is supported by professional, well educated, trained and experienced team consisting of Executive Directors, General Managers and host of Senior Executives in the chain of command of Management.

Independent Directors:

Mr. Mizanur Rahman was appointed as independent director for a term of three years in the Board meeting held on May 30, 2019 and his appointment was effective from May 30, 2019. The Board of Directors in its meeting held on November 26, 2020 appointed Mr. Shaïd Rezaus Sarwer as Independent Director with effect from November 26, 2020 for a term of 3 years. Mr. Sarwer and Mr. Rahman are knowledgeable persons with integrity and capable to ensure compliance with financial, regulatory and corporate laws and can make meaningful contributions to the business of the company and also safeguard the interest of the shareholders. With this appointment the number of Directors of Alltex Industries Limited is now 8 (eight) which meets the requirement of Board's Size as per condition of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission through its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018.



CHAIRPERSON'S STATEMENT TO THE SHAREHOLDERS FOR THE YEAR 2019-2020

Dear Shareholders,

Assalamu Alaikum.

It is my privilege and honor to welcome you all on behalf of the Board of Directors to this 36th Annual General Meeting (AGM) of your company and to present the Annual Report 2019-2020 together with the Audited Financial Statements and the Auditors' Report thereon for the year ended June 30, 2020.

Though Bangladesh has been considered as one of the prime sources for Home-textile products both to Europe and America, the pressure on prices has increased due to the Chinese, Indian and Pakistani threat. Home-textile industries of Bangladesh have potential markets despite the price pressure, currency appreciation and other possible odds in the global arena.

We are convening this 36th AGM of your company in a time when every business entity is suffering from uncertainty in future business due to the present Covid-19 pandemic, continued lockdown of European markets, strong position of local currency against US dollar and withdrawal of anti-dumping duty of Pakistan by the European Union. In addition, due to insufficient pressure in national gas pipe line our production ran at 10% capacity only. These all have a definite and direct impact on the production and profitability of your company.

Your company is very much prompt to develop strategies and lay greater emphasis on innovation in textile, recruitment of best quality employees and aggressive in marketing but with all endeavors, we could not enhance our export during the year due to insufficient production and uneven price competition with neighboring Home-Textile exporting countries.

At the same time, our efforts were not only to keep patronage of our existing customers but also open the way to develop more in future. The demand for the product is expected to increase as one of our prime competitors, China is now moving towards heavy industries replacing labor intensive industries. In such a situation some of our old buyers committed to return to your company. On the other hand to compete with others your company is diverting buyers from other countries for receiving bulk orders of value added products. Also, by adding LNG supply in national gas line gas pressure will be increased considerably within couple of months.

According to the reports of economists, 2020-2021 will also be a hard year for the Home-textile business if the government does not come forward to help this industry as done by the Indian, Chinese and Pakistani government. However, we have taken certain measures to improve our situation. Your company has carried out massive overhauling of the machinery as well as the old gas pipeline which will mean our problems of gas shortage as well as inefficient production system will be much improved in the coming months. Moreover, as soon as we have greater clarity and certainty on the pandemic situation and lockdown in the European and US markets we shall move forward to order the machinery and start commercial production of footwear project as soon as possible.

I am confident that, with your understanding and support we will overcome the outcome of all obstacles and will continue to build on our capabilities for sustained high performance and thus able to increase our sales volume. I would also like to take this opportunity to show my appreciation and sincere gratitude to the valued shareholders, government agencies, employees, banks, financial institutions, suppliers and to our customers for their unforgettable co-operation. In fact you are the real strength to overcome the challenges in our way.

Once again I offer my heartiest thanks to all shareholders for their support during this year.

Allah Hafez.

Engr. Afsar Uddin Ahmad
Chairperson



DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR 2019-2020

Dear Shareholders,

Assalamu Alaikum.

On behalf of the Board of Directors and my own behalf I welcome you all to the 36th Annual General Meeting of Alltex Industries Limited. The Board of Directors is pleased to take the opportunity to present before you its report for the year ended June 30, 2020 along with the audited financial statements and auditors' report thereon.

In terms of provisions of section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 1987 and Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, it is the pleasure of the Board of Directors to submit its Report to the members of the company for the year 2019-2020 in the following paragraphs:

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT IN THE INDUSTRY:

At present RMG sector in Bangladesh is the highest revenue generating sector. Home-Textile sector is a vital part of RMG value chain, to stabilize supply chain and control the major costs. Bangladesh is not a cotton producing country yet we are always considered as one of the prime sources for textile products both to Europe and America. Although the pressure on prices was continuously felt as a result of the Chinese, Indian and Pakistani manufacturers, home-textile companies of Bangladesh always had potential despite possible odds in the global arena.

Alltex Industries has over 35 years of experience in Home-Textile sector. The industry was one of the largest producers of Home-Textile in Bangladesh. The main obstacles in our business is now the economic recession, devaluation of currency value by the main competitor Pakistan, rises in price of raw materials such as gray fabrics and dyes and chemicals and above all severe gas crisis which is the main raw material of electricity producing generators of our manufacturing plant. In addition to that 9 % anti-dumping facility was withdrawn by European Union from Pakistani Home-Textile, free transport to shipment-port given by the Chinese government and the currency depreciation of Pakistani Rupees leading to USD 1 = PAK Rs 156 as opposed to USD 1 = Taka 84 which caused more difficulties for Bangladeshi exporters to accept orders. All the above factors combined, we expect a great hardship for the Bangladeshi home textile exporters over the next year.

Alltex relentlessly pursues its vision of innovation, speed, and service-driven marketing activities to the complete satisfaction of the customers. We are looking forward to open new markets especially in Canada, Japan and Brazil. We are also looking at new markets in North American Countries, in addition to increasing our share in the existing US, European and Australian market.

With our strong focus on differentiated, innovative and value added products, we have strengthened our design team and expanded our product development activities to face the problems during the year. In addition to tint our overall marketing policy of going for quality rather than volumes will pay rich dividends and we will be able to not only hold onto our existing customer base but venture into new markets.



We have observed that the government has identified footwear manufacturing as a thrust sector for the next 10/15 years. Considering this we have decided to establish a footwear manufacturing unit to increase revenue. We are pleased to inform you that we have obtained permission from honorable High Court Division of the Supreme Court of Bangladesh to establish a footwear manufacturing project. Pursuant to the said order we have already amended the objects clause of the Memorandum of Association as well as the trade license. We have also obtained requisite registration from Bangladesh Investment Development Authority (BIDA) and hope to obtain bond license very soon. We have already selected machinery suppliers. Upon receipt of the bond license we shall open L/C for the machinery. As a result of the present Corona Virus Pandemic, the Company has decided to opt for a wait and watch policy to decide on the timing of investment as most of the export buyers are facing huge shut downs and bankruptcy in Europe and USA. Accordingly, we are moving forward to start commercial production of this project as soon as possible but will wait for the present pandemic situation to settle down.

DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN:

The gross turnover of the company has stood at Tk.16.50 Crore in 2019-2020 while it was Tk.22.22 Crore in 2018-2019 with a decrease of 25.74%. The achieved turnover is decreased by Tk.5.72 Crore. Company suffered a substantial fall of turnover during the year under review. The main reason of such fall was negative impact of pandemic coronavirus on our business in the second half of the year. The abridged position of the company's result of operations is reported as follows:

Particulars	FY 2019-2020	FY 2018-2019	Increase/(Decrease)	
	In thousand Taka	In thousand Taka	In thousand Taka	In %
Gross Turnover	165,036	222,244	(57,208)	(25.74%)
Cost of Goods Sold	269,342	359,131	(89,789)	(25.00%)
Gross Profit	(104,306)	(136,887)	32,581	23.80%
Net Profit after Tax	(306,383)	(361,258)	54,875	15.19%

Gross Loss and Net Loss after Tax for the current year have been decreased by 23.80% and 15.19% respectively in comparison to previous year.

NET PROFIT AND APPROPRIATION:

The company has made a Net Loss after Tax of Tk. 306,382,562 during the year 2019-2020 against Net Loss of Tk. 361,258,225 (restated) in the year 2018-2019 which along with the last year's un-appropriated balance of Tk. (342,432,695) (restated) has given an available for appropriation balance of Tk. (648,815,257) which Directors propose to appropriate as follows:

Particulars	FY 2019-2020 Taka	FY 2018-2019 Taka
Opening balance of retained earnings	(342,432,695)	(516,853,751)
Restatement of investment in shares of associate company for application of equity method as per IAS 28	-	535,679,281
Current year's profit/(loss) after tax	(306,382,562)	(361,258,225) (Restated)



Available for appropriation	(648,815,257)	(342,432,695)
Less: Stock dividend	-	-
Less: Cash dividend	-	-
Retained earnings	(648,815,257)	(342,432,695) (Restated)

KEY FACTORS:

1. NAV- Net Asset Value (NAV) per share has stood at Tk. 15.78 as on June 30, 2020 as per audited financial statements against Tk. 21.25 (restated) as on June 30, 2019.
2. EPS- Earnings Per Share (EPS) has stood at Tk. (5.47) during this year which was Tk. (6.45) (restated) in last year.
3. NOCFPS- Net Operating Cash Flow Per Share (NOCFPS) has stood at Tk. 0.40 which was Tk. 1.75 in last year.

OUR PRODUCTS:

Printed & Dyed – Pigment & Reactive Printed & Dyed Bed Sheet , Duvet Cover, Flat Sheet, Fitted Sheet, Frilled Valance Sheet, Platform balance, Curtains, Pelmet, Comforter Shell, Dust ruffle, Window Valance, Pillow Case, Sham and other home-textile items.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The company's operations are currently carried out under a single unit and typically there is no product diversification. Accordingly the company operates one segment of developing, manufacturing and marketing of household textile items.

RISK AND CONCERN:

The company management perceives operational risks, foreign currency exchange fluctuation risks, severe gas crisis risk, soaring price of gas risk, market risks, compliance risks and new investment risks within the national and international perspectives and the risk of any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the country. Our management is very much ready to take proper steps against any uncertainties to overcome any risks which could have an impact on the business of the company.

HUMAN RESOURCES:

As a pioneer in Home-Textile, our company continuously emphasizes on the development of human resources and making reasonable investment for acquisition, development and retention of talented and dynamic professionals. We ensure one of the best HR practices in our organization which leads the attractiveness for new hires and also the retention of competent personnel with their wholehearted effort and loyalty towards the organization. Alltex always approaches on its 'Policy Talks'. The Management encourages taking all operational and functional decisions as per company policy. In this regard we have competent, standard, updated and socially based policies to run the functions of the organization in a standard manner. Enabling people to harmonize working life with family life has been one of the strengths of our HR policies. Alltex Human Resource Department has implemented comprehensive HR Software



that operates a central storage of HR data with the number of extensive workflows, notifications and analytical reports. It establishes a mutual environment for the HR specialists, managers and employees in order to provide the effective management and compliance. Through this software, Alltex adopts environment friendly processes in every steps of HR from recruitment to career management, compensation to performance management and availing leave to talent management.

DIVIDEND:

The company has made an aggregated retained earnings balance of Tk. (64.88) Crore. You are well aware that our turnover has fallen by Tk. 5.72 Crore. As there is no profit for this year nor any undistributed accumulated profit, your directors recommended no dividend for the year ended June 30, 2020.

ROTATION AND RETIREMENT, RESIGNATION, RE-ELECTION AND APPOINTMENT OF DIRECTORS AS PER ARTICLES OF ASSOCIATION OF THE COMPANY:

Mrs. Hasna Ahmad, Director of the company and Mr. Fahim Uddin Ahmad Arif, Director of the company will retire as per Article 102, 103 & 104 of Articles of Association of the company and being eligible have offered themselves for re-election. The Board of Directors in its meeting held on November 23, 2020 has recommended their re-appointment and shall be placed before the honorable shareholders for approval in the ensuing 36th AGM of the company.

Investment Corporation of Bangladesh (ICB) one of the sponsors of the company through its letter No-ICB/CD/14.73/1380/963 dated 19 November 2020 has appointed Mr. Helal Uddin Ahammed, Deputy General Manager of ICB as Nominated Director of Alltex Industries Limited replacing previous Nominated Director Mr. Md. Refat Hasan, Deputy Managing Director of ICB. The letter of ICB was received by Alltex Industries Limited on November 26, 2020. The Board of Directors of Alltex Industries Limited in its meeting held on November 26, 2020 appointed Mr. Helal Uddin Ahammed, Deputy General Manager of ICB as Nominated Director of the company with effect from November 19, 2020. This appointment of Mr. Helal Uddin Ahammad, Deputy General Manager of ICB as nominated director shall be placed before the shareholders for their approval in the ensuing 36th Annual General Meeting of the company.

APPOINTMENT OF INDEPENDENT DIRECTORS:

The Board of Directors in its meeting held on May 30, 2019 appointed Mr. Mizanur Rahman as Independent Director with effect from May 30, 2019 for a term of 3 (three) years as per BSEC's Corporate Governance Code and was placed before the honorable shareholders for approval in the 35th AGM of the company. Shareholders approved his appointment.

The Board of Directors in its meeting held on November 26, 2020 appointed Mr. Shaïd Rezaus Sarwer as Independent Director with effect from November 26, 2020 for a term of 3 years as per BSEC's Corporate Governance Code in the vacant place of Mr. Farhan Hadi, former Independent Director. This appointment of Mr. Shaïd Rezaus Sarwer shall be placed before the shareholders for their approval in the ensuing 36th Annual General Meeting of the company.

APPOINTMENT/RE-APPOINTMENT OF STATUTORY AUDITOR:

The existing statutory auditor of the company M/s. Rahman Mostafa Alam & Co., Chartered Accountants expressed their interest to be re-appointed as statutory auditor of the company for the year 2020-2021. The Board of Directors in its meeting held on November 23, 2020 has recommended their re-appointment at a remuneration of Tk.1,50,000/- (Taka one lac fifty thousand only) for the approval of the honorable shareholders in the ensuing 36th AGM of the company.



APPOINTMENT OF CORPORATE GOVERNANCE COMPLIANCE AUDITOR:

The existing Corporate Governance Compliance auditor of the company M/s. ARTISAN, Chartered Accountants will retire at the ensuing 36th AGM of the company. M/s. ARTISAN, Chartered Accountants will complete their consecutive 3 years of compliance audit after providing report for the year 2019-2020. This necessitates appointment of a new compliance auditor. Meanwhile, M/s. M M Yasin & Co. Chartered Accountants offered themselves to be appointed as corporate governance compliance auditor of the company for the year 2020-2021. The Board of Directors in its meeting held on November 23, 2020 has recommended their appointment at a remuneration of Tk.30,000/- (Taka thirty thousand only) for the approval of the honorable shareholders in the ensuing 36th AGM of the company.

RECONSTITUTION OF THE BOARD OF DIRECTORS OF THE COMPANY:

The Board of Directors in its meeting held on November 26, 2020 has reconstituted the Board of Directors of the company as per BSEC's Notification No. SEC/CMRRCD/2009-193/07/Admin/..... dated 1 September 2020. The reconstituted Board of Directors consists of the following members:

<u>Name</u>	<u>Designation</u>
1. Engr. Afsar Uddin Ahmad	Chairperson
2. Mrs. Hasna Ahmad	Director
3. Mr. Imtiaz Uddin Ahmad Asif	Managing Director
4. Mr. Fahim Uddin Ahmad Arif	Director
5. M.A. Mohsin	Director
6. Mr. Helal Uddin Ahammad	Director (Nominated by ICB)
7. Mr. Mizanur Rahman	Independent Director
8. Mr. Shaid Rezaus Sarwer	Independent Director

This reconstitution of the Board of Directors shall be placed before the shareholders for their approval in the ensuing 36th Annual General Meeting of the company.

EXPLANATION ON QUALIFICATIONS CONTAINED IN AUDITORS' REPORT:

The statutory auditors of the company have expressed their opinion on the financial statements for the year 2019-2020 with qualifications. As qualifications they have written the following:

1. As our appointment was post-dated we were unable to physically verify Property, Plant and Equipment amounting Tk.2,240,991,652 and Inventories amounting Tk.447,141,952 on the balance sheet date. Moreover, an alternative audit procedure could not be applied in this regard due to scope limitations.
2. We were not provided work order(s), acknowledgement of advance receipt(s), etc. to verify advance against construction materials amounting to Tk.23,730,000.
3. The company did not submit Mushak-9.1 as a result, a penalty may be imposed as per section 85(f) of VAT & SD Act, 2012 for which provision has not been made. Quantification of the penalty could not be made due to the period of non-submission is not known to us.
4. The company made revaluation of land in 2015, but subsequent revaluation has not been done as per Para 31 and 34 of IAS-16.
5. Quantitative movement of inventories weren't disclosed as per para-II of schedule-XI of company act 1994.



6. The company did not calculate deferred tax as per IAS-12.

We are providing explanations on the above qualifications in the following paragraphs:

1. Shareholders of the company in their 35th annual general meeting held on December 12, 2019 appointed M/s. Mahfel Huq & Co., Chartered Accountants as statutory auditor of the company for audit of the financial statements of the company for the year ended June 30, 2020. Financial statements for the year 2019-2020 was duly submitted to M/s. Mahfel Huq & Co. by the company management but Mr. Abu Kaiser FCA the engagement partner of the audit firm expressed his incapability to take up the audit due to his severe sickness. As such, the company management appointed M/s. Rahman Mostafa Alam & Co., Chartered Accountants on October 18, 2020. As a result, there was no scope for M/s. Rahman Mostafa Alam & Co. to conduct physical verification of property, plant and equipment as well as inventories at the statement of financial position date since the date was prior to the date of their appointment.
2. The Board of Directors of the company in its meeting held on March 15, 2020 constituted a "Construction Committee" in order to carry out reconstruction work of factory building comprising an area of 80,000 sft for setting up of the footwear manufacturing unit of the company. Total cost of the aforesaid reconstruction work has been estimated at Taka 2,50,00,000/- by the Board. The Construction Committee was entrusted for ensuring efficient and timely completion of the reconstruction work and submission of work completion report along with all bills, work orders to suppliers, etc. to the board of directors of the company within 15 September 2021. Advance against construction materials amounting to Tk.23,730,000 reported under the head Advances, Deposits and Pre-payments in statement of financial position was made to the Construction Committee and those advances were duly acknowledged by the Construction Committee. Therefore, it was not pertinent for the construction committee to submit work order(s), acknowledgement of advance receipt(s) by suppliers, etc. before submission of work completion report to the board of directors.
3. An incident of robbery took place in the factory compound of the company at November 10, 2020. About 10/15 unidentified armed robbers raided the factory at the evening at around 6.30 pm and ransacked company's property in factory premises, chained company's officers and security guards, beat them mercilessly and stabbed some of them. At around 5.00 am on November 11, 2020 robbers left the factory with looted cash and goods by unknown trucks. This has been narrated in note 38 of the audited financial statements. As the factory which is our registered office also was vandalized by the robbers and our accounts officials were seriously injured, we could not find out some of our office files while auditors were working and hence could not submit Mushak-9.1 to the auditors.
4. Paragraph 34 of IAS 16 states that "the frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required." Subsequent revaluation of Land and Land Development after 2015 has not been done by the company due to the fact that management of the company has considered that the changes in fair value of land is insignificant.
5. In our future reporting we shall disclose the quantitative movement of inventories as per Part-II of Schedule-XI of the Companies Act, 1994.



6. The company has adopted deferred tax in compliance with the provisions of International Accounting Standard 12 "Income Taxes". The company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book value) of assets and liabilities for the financial reporting purposes and its tax base. These have been mentioned in note no. 3.09.2 and 14 of our audited financial statements for the year ended June 30, 2020.

COMPLIANCE OF CORPORATE GOVERNANCE:

Bangladesh Securities and Exchange Commission issued the Corporate Governance Code through its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018. This Corporate Governance Code requires some statements or disclosures in the Directors' Report. In compliance with the conditions of the Corporate Governance Code directors have reported the following:

- ❖ As per condition 1(1) size of the Board of Directors is given in ANNEXURE-I;
- ❖ There was no continuity of any extraordinary activities and their implications (gain or loss) during the year;
- ❖ Related party transactions are depicted in Note No.29 of the Notes to the Financial Statements;
- ❖ Significant variances in NAV and EPS have been occurred between Quarterly Financial performances and Annual Financial Statements as a result of application of equity method in accounting for investment in shares of Alltex Fabrics Limited, our associate company. Company applied equity method as per requirement of IAS 28 "Investments in Associates and Joint Ventures";
- ❖ Remuneration of Directors including Independent Directors has been shown in Note No.30 of the Notes to the Financial Statements;
- ❖ The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- ❖ Proper books of account as required by the prevailing law have been maintained by the company;
- ❖ Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates were based on reasonable and prudent judgment.
- ❖ 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 therefrom has been adequately disclosed;
- ❖ The system of internal control is sound in design and has been effectively implemented and monitored;
- ❖ There is no significant doubt upon the company's ability to continue as a going concern;
- ❖ There are no significant deviations from the last year's operating results;
- ❖ Pursuant to the condition No. 1(5)(xix) a statement summarizing key operating and financial data of preceding 5 (five) years have been presented in ANNEXURE-II;
- ❖ As there is no profit for this year nor any accumulated profit, directors recommended no dividend for the year ended June 30, 2020;
- ❖ No bonus share or stock dividend has been or shall be declared as interim dividend;
- ❖ Pursuant to the condition No. 1(5)(xxii) a statement of the number of Board meeting held during the year 2019-2020 and attendance by each director is given in ANNEXURE-I;
- ❖ Pursuant to the condition No. 1(5)(xxiii) a report on the pattern of shareholding disclosing the aggregate number of shares is given in ANNEXURE-III;
- ❖ Pursuant to the condition No. 1(5)(xxiv) brief resumes of the appointed/re-appointed directors specifying their qualifications are depicted in ANNEXURE-IV



- ❖ Pursuant to the condition No. 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 is given in ANNEXURE-V;
- ❖ Pursuant to the condition No. 1(5)(xxvi) declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) has been disclosed in ANNEXURE-VI;
- ❖ Pursuant to the condition No. 1(5)(xxvii) the report as well as certificate regarding compliance of conditions of Corporate Governance Code as required under condition No. 9 from practicing professional accountant and status of compliance with the conditions of Corporate Governance Code have been disclosed in ANNEXURE-VII and ANNEXURE-VIII respectively;
- ❖ As required under condition No. 5(7) Report of the Audit Committee has been disclosed in ANNEXURE-IX;
- ❖ As required under condition No. 6(5)(c) nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance have been disclosed in ANNEXURE-X;

MANAGEMENT APPRECIATION:

The Board of Directors records with deep appreciation the performance of the management, the officers, staff and workers whose relentless efforts helped continuing production despite the natural and unnatural adverse factors of production and marketing throughout the country and the world. It is expected the employees and the management will continue to improve the results for the interest of shareholders whose unwavering trust in management has always been an inspiration to the Board of Directors.

The directors humbly express their gratitude and acknowledge with keen interest the cooperation and unflinching support it has received from various agencies including Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue and other agencies of the public and the private sector.

We look forward to brighter future for all of us.

On behalf of the Board

Engr. Afsar Uddin Ahmad
Chairperson



SIZE OF THE BOARD OF DIRECTORS, NUMBER OF BOARD MEETING AND ATTENDANCE

The number of Board meeting held during the year 2019-2020 and attendance by each director as required under condition 1(5)(xxii) of corporate governance code issued by the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 are stated below:

Sl No.	Name of members of the Board	Position	Meeting Held	Attended
1	Engr. Afsar Uddin Ahmad	Chairperson	14	14
2	Mrs. Hasna Ahmad	Vice Chairperson & Director	14	14
3	Mr. Imtiaz Uddin Ahmad Asif	Managing Director & CEO	14	14
4	Mr. Fahim Uddin Ahmad Arif	Director	14	Granted leave of absence
5	Mr. M. A. Mohsin	Director	14	14
6	Mr. Md. Refat Hasan	Director (Nominated by ICB)	14	3
7	Mr. Mizanur Rahman	Independent Director	14	6
8	Mr. Farhan Hadi	Independent Director	14	7

The Directors who could not attend the meetings were granted leave of absence.


KEY OPERATING AND FINANCIAL DATA OF LAST 5 YEARS

Pursuant to the condition No. 1(5)(xix) of the Corporate Governance Code issued by the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 a statement summarizing key operating and financial data of preceding 5 (five) years is presented below:

Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Financial Position:					
Authorized Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Paid-up Capital	559,680,000	559,680,000	559,680,000	559,680,000	559,680,000
Reserve & Surplus	323,395,401	114,731,388	455,356,907	868,403,732	987,422,383
<i>Reserve & Surplus (Restated)</i>		629,777,963			
Shareholders' Equity	883,075,401	674,411,388	1,015,036,907	1,428,083,732	1,547,102,383
Total Long Term Debt	332,199,791	1,405,905,736	72,592,018	302,287,247	985,003,574
Total Current Assets	947,887,204	1,053,860,984	1,310,011,607	1,523,855,470	1,587,820,220
Total Current Liabilities	2,495,474,648	1,200,380,483	2,464,838,222	1,911,117,364	1,161,378,820
Net Working Capital	(1,547,587,444)	(146,519,500)	(1,154,826,616)	(387,261,894)	426,441,400
Total Assets	3,773,925,431	3,395,585,919	3,713,659,638	3,922,510,489	3,974,772,720
Investment in Shares	585,046,575	70,000,000	70,000,000	70,000,000	70,000,000
<i>Investment in Shares (Restated)</i>		585,046,575			
Fixed Assets-Gross	3,517,979,844	3,497,249,690	3,505,628,975	3,447,194,169	3,373,541,878
Fixed Assets-Net	2,240,991,652	2,271,724,935	2,333,648,032	2,328,655,019	2,310,629,900
Operational Results:					
Turnover	165,035,563	222,243,835	390,771,783	1,202,065,459	1,291,677,919
Gross Profit	(104,306,247)	(136,887,174)	(244,707,576)	168,899,690	200,336,631
Operating Profit	(128,103,714)	(162,497,570)	(297,473,772)	74,104,392	105,624,496
Net Profit before Tax	(347,606,003)	(385,868,149)	(530,210,214)	(112,072,056)	27,871,187
Net Profit after Tax	(306,382,562)	(340,625,519)	(446,190,370)	(119,018,651)	21,267,165
Total Dividend Amount	-	-	-	-	-
Face Value Per Share	10.00	10.00	10.00	10.00	10.00
Net Asset Value Per Share	15.78	12.05	18.14	25.52	27.64
Earnings Per Share	(5.47)	(6.09)	(7.97)	(2.13)	0.38
<i>Earnings Per Share (Restated)</i>		(6.45)			
Dividend Per Share	-	-	-	-	-
Cash Flows from Operating Activities	22,552,758	98,047,656	(99,023,225)	16,944,815	42,890,933
Key Financial Ratios, Figures & Market Data:					
Current Ratio	0.38	0.88	0.53	0.80	1.37
Debt-Equity Ratio	3.12	3.77	2.43	0.21	0.64
Return on Investment (%)	(8.12)	(10.03)	(12.01)	(3.03)	0.54
Net Asset Value Per Share	15.78	12.05	18.14	25.52	27.64
<i>Net Asset Value Per Share (Restated)</i>		21.25			
Payout Ratio (%)	-	-	-	-	-
Market Value Per Share at year end date (DSE)	7.00	11.40	9.80	14.00	18.90
Market Value Per Share at year end date (CSE)	7.40	11.00	9.50	13.90	19.00
Price Earning Ratio (Times) (Based on DSE Price)	-	-	-	-	49.74
Price Earning Ratio (Times) (Based on CSE Price)	-	-	-	-	50.00
No. of Shares	55,968,000	55,968,000	55,968,000	55,968,000	55,968,000
No. of Shareholders	8,381	8,838	8,899	9,063	9,546
Production in Square Meter	2,484,756	3,145,823	5,035,695	14,989,720	18,539,629
Capacity Utilization (%)	4.14%	5.24%	8.39	24.98	30.90

**PATTERN OF SHAREHOLDING AS ON JUNE 30, 2020**

The pattern of shareholding as required under condition 1(5)(xxiii) of corporate governance code issued by the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 is stated below:

Name of the Shareholders	Status	Shares Held	In %
I. Parent/Subsidiary /Associated Companies and other Related Parties:			
Bastu Shilpi Limited, Represented by Mrs. Hasna Ahmad	Director	5,160,606	9.220%
Bastu Shilpi Corporation Limited, Represented by Mr. Fahim Uddin Ahmad Arif	Director	2,322,672	4.150%
Bangladesh Chemical Complex (Pvt.) Limited	Shareholder	5,996,448	10.714%
Alltex Fabrics Limited, Represented by Mr. Imtiaz Uddin Ahmad Asif	Director	1,553,112	2.775%
Alltex Dyeing, Finishing & Printing Mills Limited, Represented by Mr. M. A. Mohsin	Director	1,553,112	2.775%
ICB Unit Fund, Represented by Mr. Md. Refat Hasan	Nominated Director	2,511,600	4.488%
II. Directors:			
Engr. Afsar Uddin Ahmad	Chairperson	1,567,104	2.800%
Mrs. Hasna Ahmad	Vice Chairperson	937,464	1.675%
Mr. Imtiaz Uddin Ahmad Asif	Managing Director	567,842	1.015%
Mr. Fahim Uddin Ahmad Arif	Director	629,640	1.125%
Mr. M. A. Mohsin	Director	1,166	0.002%
Mr. Md. Refat Hasan	Director (Nominated by ICB)	-	0.000%
Mr. Mizanur Rahman	Independent Director	-	0.000%
Mr. Farhan Hadi	Independent Director	-	0.000%
III. Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and their Spouses and Minor Children:			
Mr. Imtiaz Uddin Ahmad Asif	CEO	567,842	1.015%
Mr. Md. Ziaul Huque	CS	-	0.000%
Mr. M. A. Mohsin	CFO	1,166	0.002%
Mr. Moin Uddin Bahadur	HIAC	-	0.000%
IV. Executives:			
Mr. M. Enamul Karim	DGM (Comm.)	-	0.000%
Mr. S.M. Abdul Mannan Chowdhury	DGM (Comm.)	-	0.000%
Mr. Mohammad Mohiuddin	DM-Accounts	-	0.000%
Mr. Md. Ataur Rahman	SO-Accounts	-	0.000%
Mr. Kazi Sharif Mahmud	Officer-Admin	-	0.000%
V. Shareholders holding 10% or more voting interest in the company:			
Bangladesh Chemical Complex (Pvt.) Limited	Shareholder	5,996,448	10.714%



PROFILE OF THE DIRECTORS

Engr. Afsar Uddin Ahmad, Chairperson

Alltex Industries Limited and its allied companies were founded by a philanthropist and educationist Engr. Afsar Uddin Ahmad who has a commitment to the soil as a front line Freedom Fighter and organizer of the Liberation War of Bangladesh. He is an Ex-Member of Parliament of Bangladesh. Mr. Ahmad is a graduate in Civil Engineering from BUET. He set up Alltex Group in 1985 and acted as pivotal force behind phenomenal success of the group. As a pioneer of Home-Textile manufacturing company in Bangladesh in mid-eighties, today the group has emerged as one of the largest and thriving conglomerates in Bangladesh. Mr. Ahmed is a self-motivated person with strong principles. His impeccable honesty, dedication and sincerity favored him to become one of the prosperous and illustrious industrialists at home and abroad. Mr. Ahmed is a strong believer in developing human resource. He is also founder Chairman of BGC Trust University, BGC Trust Medical College and Ibrahim Iqbal Memorial Hospital Limited situated in his own village Chandanaish at Chittagong District. It is the largest private University and Medical College in rural area of Bangladesh. To spread education and improve health care service, BGC Trust runs several service oriented institutions there. They are (1) Maulana Mohammad Ishaq Shishu Niketon (a primary school) (2) Begum Gul Chemonara Academy (School and College) (3) BGC Trust Medical College (4) BGC Trust University Bangladesh (a full-fledge private University) (5) Ibrahim Iqbal Memorial Hospital Limited (500 bed modern complete hospital) and (6) Begum Osman Ara Nursing Institute (to be started soon). At present about five thousand students are studying in these institutes. Here a student starts primary education can even obtain the highest university degree utilizing the benefits and facilities of the single campus.

Mrs. Hasna Ahmad, Vice Chairperson & Director

Mrs. Hasna Ahmad, wife of Engr. Afsar Uddin Ahmad, is the Vice Chairperson & Director of Alltex Industries Limited. She is one of the sponsors of the company and has been included as a member of the Board of Directors as nominated director of Bastu Shilpi Limited where she is a director since its inception. Mrs. Hasna Ahmad is also Co-Chairperson of the Board of Trustees of BGC Trust. She engages herself with various social services and welfare activities. She is member of Audit Committee and Nomination and Remuneration Committee of Alltex Industries Limited.

Mr. Imtiaz Uddin Ahmad Asif, Managing Director & CEO

Mr. Imtiaz Uddin Ahmad Asif, present Managing Director & CEO of Alltex Industries Limited from January 27, 2015 and nominated director of Alltex Fabrics Limited. Mr. Asif is a Barrister by profession and completed his education in UK. He has been involved in various businesses since shifted to Bangladesh in 2004. He is also director of Alltex Fabrics Limited, Bastu Shilpi Limited, Bangladesh Chemical Complex (Pvt.) Limited and Member of BGC Trust University and BGC Trust Medical College.

Mr. Fahim Uddin Ahmad Arif, Director

Mr. Fahim Uddin Ahmad Arif was former MD & CEO of Alltex Industries Limited and nominated director of Bastu Shilpi Corporation Ltd. He obtained his bachelor degree in Business Administration (BBA) in London, UK and MBA degree from Sweden. He has received extensive training on Textile Machinery in Bangladesh, UK, Australia and Singapore. Mr. Arif's current research interests are in the areas of textile sector, economic growth and inequality, green growth, macroeconomic policy and financial sector policy. Mr. Arif is a truly dedicated business personality and gained extensive and diversified knowledge in various industrial sectors especially in the field of textile focusing on resource efficient



production and having wide exposures in the industrial labour management, export market and so on. He is also a Director of Alltex Fabrics Limited, Bastu Shilpi Limited and Member of BGC Trust. Mr. Arif is now in leave of absence with Board's permission for pursuing higher studies in abroad.

Mr. M A Mohsin, Director

Mr. M. A. Mohsin is the nominated director of Alltex Dying, Finishing & Printing Mills Ltd. His commitment to develop brought him to the Board of this company. Mr. Mohsin obtained his bachelor and master degree from the University of Chittagong.

Mr. Helal Uddin Ahammed, Nominated Director

Mr. Helal Uddin Ahammed is director nominated by Investment Corporation of Bangladesh (ICB) in our Board. Mr. Helal Uddin Ahammed is serving as Deputy General Manager of ICB. He is also known as knowledgeable and hard working person having vast experience in the capital market of the country.

Mr. Mizanur Rahman, Independent Director

Mr. Mizanur Rahman completed his Bachelor of Commerce and Master of Commerce (Management) from Chittagong University. He is presently 60 years old. He commenced his career with Morimuto Gumi S/A Limited, Japan in their Saudi Arabia office. The board of directors of Alltex Industries Limited in its meeting held on May 30, 2019 appointed him as independent director with effect from May 30, 2019 for a term of 3 years. He is member of "Audit Committee" and "Nomination and Remuneration Committee" of Alltex Industries Limited and he has not any other relationship with the sponsors, company or its subsidiary or associate companies.

He is the Managing Director and CEO of International Integrated Medical Services. He has acquired wide range of experience in different kinds of project development as well as commercial and internal accounts of a company. He has extensive knowledge in the field of commerce and logistics.

He is neither a member/director/officer of any stock exchange nor shareholder/director/officer of any member of stock exchange. He is also not acting as an independent director in any other company.

Mr. Shaid Rezaus Sarwer, Independent Director

Mr. Shaid Rezaus Sarwer has completed his Bachelor of Business Administration (Marketing) from Chittagong University, Bangladesh and also obtained Master of Business Administration (Marketing) from the same University. Afterwards he completed his M.Sc Banking & Finance from Middlesex University, London, United Kingdom. He has long 17 years' experience of working in sales, administration & human resources, export and international marketing department of several renowned business houses of the country as well as abroad. The board of directors of Alltex Industries Limited in its meeting held on November 26, 2020 appointed him as independent director with effect from November 26, 2020 for a term of 3 years. He is chairman of "Audit Committee" and "Nomination and Remuneration Committee" of Alltex Industries Limited and he has not any other relationship with the sponsors, company or its subsidiary or associate companies.

Mr. Sarwer is a knowledgeable individual with integrity and is able to ensure compliance with financial, regulatory and company laws and has more than 17 years of corporate management experience. Mr. Sarwer is the Deputy General Manager (International Marketing) of Montex Expo Ltd., sister concern of Pakiza Group and he has long involvement with many associations in the industrial sector primarily in the home textile sector.

He is neither member/director/officer of any Stock Exchange nor shareholder/director/officer of any member of Stock Exchange. He is also not acting as an Independent Director in any other company.



MANAGEMENT’S DISCUSSION AND ANALYSIS ON COMPANY’S POSITION AND OPERATIONS

Pursuant to the condition No. 1(5)(xxv) of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission through its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we are pleased to present detailed analysis of the company’s position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:

- (a) accounting policies and estimation for preparation of financial statements;
- (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;
- (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;
- (d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;
- (e) briefly explain the financial and economic scenario of the country and the globe;
- (f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and
- (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;

The following management’s discussion and analysis (“MD&A”) of financial position and results of operations dated November 23, 2020, is intended to assist readers in understanding Alltex Industries Limited (the “Company” or “Alltex”) and its business environment, strategies, performance and risk factors. This MD&A should be read together with the audited financial statements and accompanying notes of the Company for the year ended June 30, 2020. The Company’s audited financial statements for the year ended June 30, 2020 have been prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). All amounts shown in this MD&A are expressed in Bangladesh Taka, unless otherwise indicated. All financial information disclosed in this MD&A is based on audited figures. This MD&A focuses on the Company’s annual results for the year ended June 30, 2020.

DETAILED ANALYSIS OF THE COMPANY’S POSITION AND OPERATIONS ALONG WITH A BRIEF DISCUSSION OF CHANGES IN THE FINANCIAL STATEMENTS

Accounting policies and estimation for preparation of financial statements

The preparation of financial statements in conformity with IAS and IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Please read Note 2.07 of the Company’s financial statements for the year ended June 30, 2020 for further information.

Changes in accounting policies and estimation and the effect on financial performance or results and financial position as well as cash flows for such changes

The Company’s financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and accounting policies and



estimation used in preparation of these financial statements for the year ended June 30, 2020 are the same and in consistent with those adopted in preparation of the Company's annual audited financial statements for the year ended June 30, 2019. As there was no change in accounting policies and estimation, there was no effect on financial performance or results and financial position as well as cash flows.

Comparative analysis of financial performance and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof

(Figures as per audited financial statements)

Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Financial Position:						
Paid-up Capital	559,680,000	559,680,000	559,680,000	559,680,000	559,680,000	528,000,000
Reserve & Surplus	323,395,401	114,731,388	455,356,907	868,403,732	987,422,383	1,011,035,218
<i>Reserve & Surplus (Restated)</i>		629,777,963				
Shareholders' Equity	883,075,401	674,411,388	1,015,036,907	1,428,083,732	1,547,102,383	1,539,035,218
Total Long Term Debt	332,199,791	1,405,905,736	72,592,018	302,287,247	985,003,574	249,398,224
Total Current Assets	947,887,204	1,053,860,984	1,310,011,607	1,523,855,470	1,587,820,220	1,569,509,974
Total Current Liabilities	2,495,474,648	1,200,380,483	2,464,838,222	1,911,117,364	1,161,378,820	1,931,094,026
Net Working Capital	(1,547,587,444)	(146,519,500)	(1,154,826,616)	(387,261,894)	426,441,400	(361,584,052)
Total Assets	3,773,925,431	3,395,585,919	3,713,659,638	3,922,510,489	3,974,772,720	4,000,508,841
Investment in Shares	585,046,575	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
<i>Investment in Shares (Restated)</i>		585,046,575				
Fixed Assets-Gross	3,517,979,844	3,497,249,690	3,505,628,975	3,447,194,169	3,373,541,878	3,307,554,779
Fixed Assets-Net	2,240,991,652	2,271,724,935	2,333,648,032	2,328,655,019	2,310,629,900	2,299,164,116
Financial Performance:						
Turnover	165,035,563	222,243,835	390,771,783	1,202,065,459	1,291,677,919	1,521,894,079
Gross Profit	(104,306,247)	(136,887,174)	(244,707,576)	168,899,690	200,336,631	236,820,076
Operating Profit	(128,103,714)	(162,497,570)	(297,473,772)	74,104,392	105,624,496	132,823,484
Net Profit before Tax	(347,606,003)	(385,868,149)	(530,210,214)	(112,072,056)	27,871,187	75,801,309
Net Profit after Tax	(306,382,562)	(340,625,519)	(446,190,370)	(119,018,651)	21,267,165	64,399,114
Face Value Per Share	10.00	10.00	10.00	10.00	10.00	10.00
Net Asset Value Per Share	15.78	12.05	18.14	25.52	27.64	29.15
<i>Book value Per Share (Restated)</i>		21.25				
Earnings Per Share	(5.47)	(6.09)	(7.97)	(2.13)	0.38	1.22
<i>Earnings Per Share (Restated)</i>		(6.45)				



ALLTEX INDUSTRIES LIMITED

Dividend Per Share	-	-	-	-	-	10.00
Cash Flows from Operating Activities	22,552,758	98,047,656	(99,023,225)	16,944,815	42,890,933	22,261,200

Reserve & surplus as well as shareholders' equity observed a rising mainly due to the application of equity method on investment in shares of Alltex Fabrics Limited, an associate company of Alltex Industries Limited. Total long term debt represents non-current portion of long term loan. Current maturity as well as overdue principal and interest have been shown as current portion of long term loan under current liabilities. During the year 2019-2020 installments of term loans of Sonali Bank Limited and ONE Bank Limited have been fallen due as such non-current portion of long term loan has been decreased and current portion of long term loan has been increased at the statement of financial position date. Current assets have been decreased in this year mainly for reduction in inventories. Fixed assets have decreased slightly due to depreciation.

Turnover has been declining drastically in this year comparing to last year as a consequence of Pandemic Coronavirus. Manufacturing plant of the company remained closed from 26 March to 30 May 2020 due to outbreak of Pandemic Coronavirus and government directives. Also company has been experiencing a sharp decline in its turnover in preceding 5 years. The root cause was severe gas crisis in national gas supply line. Natural gas is the main raw material for our electricity producing generators. Uninterrupted power supply is the precondition for smooth production of home textile industry that could not be ensured for insufficient pressure in national gas supply line. Another cause is our machineries have grown old and require major repair and refurbishment to increase productivity. In order to mitigate these issues, the Company has already started installation of new gas line as well as major overhauling of the machinery simultaneously. Upon completion, the management is confident that it will have a major impact on the increase of revenue.

Moreover, Bangladesh is not a cotton producing country and is heavily dependent on import of cotton, yarn and gray fabrics. Our main competitor Pakistan is one of the major cotton producing countries of the world and in recent years Pakistan devaluated its currency value drastically. All those matters contributed in losing Bangladesh's competitiveness in home textile industry. Though in last few years our turnover was declining quickly, our costs i.e. raw materials, fuel & power, labour, transport were increasing sharply. As a result company's profitability declined gradually and eventually company incurred huge loss in last three years. NAV and EPS have been reduced proportionately.

Comparison of financial performance and financial position as well as cash flows with the peer industry scenario

All figures presented in the table beneath are based on audited financial statements of the following companies for the year ended June 30, 2019:

- AIL = Alltex Industries Limited
- FBL = Familytex (BD) Limited
- GNFL = Generation Next Fashions Limited
- HWTL = Hwa Well Textiles (BD) Limited
- DCSML = Dulamia Cotton Spinning Mills Limited

Particulars	AIL	FBL	GNFL	HWTL	DCSML
Financial Position:					
Paid-up Capital	559,680,000	3,541,603,880	4,949,745,550	560,000,000	75,566,000



Particulars	AIL	FBL	GNFL	HWTL	DCSML
Shareholders' Equity	674,411,388	4,118,805,387	5,883,875,942	1,673,154,835	(264,219,099)
Total Current Assets	1,053,860,984	2,985,350,968	4,287,726,216	1,153,037,283	27,130,533
Total Current Liabilities	1,200,380,483	300,264,821	1,766,007,330	240,529,635	321,230,045
Net Working Capital	(146,519,500)	2,685,086,147	2,521,718,886	912,507,648	(294,099,512)
Non-current Assets	2,341,724,935	1,433,719,419	4,558,636,500	829,669,867	101,542,449
NAV Per Share	12.05	11.63	11.89	29.88	(34.97)
Financial Performance:					
Turnover	222,243,835	983,367,248	5,185,920,854	1,361,799,432	164,821,118
Gross Profit	(136,887,174)	71,403,546	817,874,604	196,814,349	4,740,008
Operating Profit	(162,497,570)	20,829,013	458,130,284	141,245,269	(16,460,881)
Net Profit after Tax	(340,625,519)	(28,102,896)	213,440,369	141,804,631	(17,218,067)
Face Value Per Share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share	(6.09)	(0.079)	0.43	2.53	(2.28)
Dividend Per Share	No dividend	No dividend	No dividend	17% Cash	No dividend
Cash Flows from Operating Activities	98,047,656	(68,285,306)	(723,595,453)	212,593,488	(6,668,619)

Financial and economic scenario of the country and the globe

Global Economic Outlook

Outbreak of Pandemic Coronavirus caused serious impact on economic activities of all countries. The coronavirus recession is an economic recession happening across the world economy in 2020 due to the COVID-19 pandemic. Global stock markets experienced their worst crash since 1987, and in the first three months of 2020 the G20 economies fell 3.4% year-on-year. Between April and June 2020, the International Labour Organization (ILO) estimated that an equivalent of 400 million full-time jobs were lost across the world, and income earned by workers globally fell 10 percent in the first nine months of 2020, equivalent to a loss of over USD 3.5 trillion.

Bangladesh Economic Outlook

Growth plunged to an over 10-year low in FY 2020 (July 2019–June 2020), amid unprecedented contractions in merchandise exports, industrial production and remittances due to Covid-19 in Q4. Turning to FY 2021, economic conditions seem to have been gradually improving after the easing of restrictions in May, supported by expansionary fiscal and monetary policies. Merchandise exports rebounded in Q1 2021 (July–September) as the easing of lockdown measures globally boosted demand for clothing. Moreover, remittances—a key source for consumer spending—soared 48.50% in the same period. In turn, the spike in remittances and lower trade deficit led to a marked improvement in the current account balance in Q1 2021. That said, although authorities ruled out strict lockdown restrictions at home, the recent surge in Covid-19 infections globally could reduce foreign demand, boding ill for the economic recovery.



Bangladesh Economic Growth

Growth is expected to regain momentum this fiscal year (July 2020–June 2021) as the external sector strengthens, while supportive fiscal and monetary stimulus measures bolster domestic demand. That said, uncertainty over the course of pandemic, the country's poor health infrastructure and a fragile global economy cloud the outlook. Economists project GDP to expand 5.90% in FY 2021, which is down 0.8 percentage points from last month's forecast, and 7.1% in FY 2022.

Risks and concerns issues related to the financial statements

In conducting its business, Alltex faces a number of risks and uncertainties, many of which are beyond its ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by Future Plan, and investors are cautioned not to place undue reliance on such statements, which speak only as of the date hereof. Investors are urged to review the discussion of risk factors associated with the Company's business as set out in the following paragraphs.

Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also impair the Company, and the Company's failure to successfully address any such risks and uncertainties could have a material adverse effect on its business, financial condition and/or results of operations, and the future trading price of its common shares may decline and investors may lose all or part of their investment. The risk factors outlined in this section and elsewhere in this MD&A should be carefully considered by investors when evaluating an investment in the Company.

Turnover and Dividend

Alltex has a history of losses since 2016-2017 with a declining trend in its turnover. In those years Company has not achieved profitable operations, has an accumulated losses and expects to incur further loss in the next quarters. Since the Company has a negative retained earnings of Taka 64.88 crore up to June 30, 2020, possibility of declaring dividend in near future is less.

Credit Risk

Credit risk is the risk that the company has failed to make payment in time to lender or party against debt. It is also called Counterparty risk. At present situation, the company have insufficient cash flow to service its debt which indicates that credit risks available.

Management Perception

The management of the Company is cautious about credit risk of the company since last few years the company has been passing critical time about that risk. Though our suppliers, bankers and others stakeholders have positive thinking and faith on the company, company management is very much concern about this risk.

Interest Rate Risks

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

Management Perception

The Company's maximum loan exposure is with Sonali Bank the largest state controlled bank. Government's recent move to keep interest rate within 1 digit has helped us immensely and accordingly, adverse impact of interest rate fluctuation is insignificant.



Exchange Rate Risks

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

Management Perception

As the Company is a 100% export-oriented industry so if the exchange rate is increased against local currency, opportunity is created for getting more revenue against sale in foreign currency. On the other hand, if exchange rate goes down, the management of the company changes the price of their services to cope with the change in exchange rate in order to mitigate the effect of unfavorable volatility in exchange rate on the company's earnings.

Industry Risks

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

Management Perception

Though management is not so optimistic about growth opportunity in home textile sector in Bangladesh, the company continuously carries out Research and Development (R&D) to keep update with the customer's choices and latest fashions.

Market Risk

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

Management Perception

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

Operational Risk

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

Management Perception

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



Liquidity Risk

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

Management Perception

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash flow projection prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Compliance Risk

Compliance means to comply with Act, Law and Ordinance and follow Gazettes and Statutory Regulatory Orders (SROs) as imposed from time to time by government. Compliance also include requirement of buyers regarding workers safety and environment safety issues. Failing to comply with those may result in huge financial loss.

Management Perception

Management are very much aware about the compliance issue and always abide by the Act, Laws, Ordinance, Gazettes and SRO's related to the company, imposed by government and other regulatory authorities such as Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue etc. Sometimes, our valued buyers also check our compliance status about our workers safety and environment safety issues and we successfully met those requirements.

Future plan for company's operation, performance and financial position

To overcome the present tough situation Company management has taken decision to utilize unused resources of the company. Company has a vast area of unused land that can be easily used to set up new factory. Management has planned to diversify its business. As part of this process we have already moved forward to establish a footwear manufacturing project. Also company management is planning to add more items in its product line.

Sincerely yours,

Imtiaz Uddin Ahmad Asif
Managing Director & CEO



**DECLARATION BY THE CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER TO THE BOARD**

Date: November 23, 2020

The Board of Directors
Alltex Industries Limited
Alltex Industrial Park, Ariabo, Barpa,
Rupgonj, Narayangonj,
Bangladesh.

Subject: Declaration on Financial Statements for the year ended on June 30, 2020

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC/2006-158/207/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 Alltex Industries Limited for the year ended on June 30, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom 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) We have reviewed the financial statements for the year ended on June 30, 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;



ALLTEX INDUSTRIES LIMITED

- (a) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (i) 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,

A handwritten signature in black ink, appearing to read 'Imtiaz Uddin Ahmad Asif'.

Imtiaz Uddin Ahmad Asif
Chief Executive Officer
Date: November 23, 2020

A handwritten signature in black ink, appearing to read 'Abul Mohsin'.

Abul Mohsin
Chief Financial Officer
Date: November 23, 2020



REPORT TO THE SHAREHOLDERS

OF

ALLTEX INDUSTRIES LIMITED

ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code of **Alltex Industries Limited** for the year ended on 30th June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd 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 *as stated in the remarks column of the status of the Code.*
- 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 average.

Place: Dhaka
Dated: 7th December, 2020

Md. Selim Reza FCA FCS
Partner
ARTISAN-Chartered Accountants



**REPORT ON STATUS OF COMPLIANCE
WITH THE CONDITIONS OF CORPORATE GOVERNANCE CODE**

(As per condition No. 1(5)(xxvii))

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:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		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).	√		Board size is 8 (Eight) including 2 (Two) independent directors.
1(2)	Independent Directors			
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 company has appointed 2 (Two) independent directors named Mr. Mizanur Rahman and Mr. Shaid Rezaus Sarwer.
1(2)(b)	For the purpose of this clause “independent director” means a director:			Independent directors declared their compliances.
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;	√		
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;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		



1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
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;	√		
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;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		No such event occurred during the year.
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 কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন) (Companies Act, 1994). Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	√		
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			N/A
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	√		Mr. Mizanur Rahman is the Managing Director



	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 Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.			and Mr. Shaid Rezaus Sarwar is a Deputy General Manager of an unlisted private/listed public companies with required paid-up capital.
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			N/A
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);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
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;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors'	√		



	Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
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);			No such event occurred.
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;	√		Please see Note No.29 of audited FS
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;	√		Please see Note No.30 of audited FS
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom 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;			N/A
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 thereof shall be disclosed;	√		A statement is given in Note 02.01.01 of audited FS for the year 2019-2020.



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;	√		As there is no profit for this year nor any accumulated profit, directors recommended no dividend for the year ended June 30, 2020
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);	√		
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	√		
1(5)(xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
	Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	√		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	a brief resume of the director;	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or	√		There are no changes in accounting



	results and financial position as well as cash flows in absolute figure for such changes;			policies and estimation in the year 2019-2020.
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-VI ; and	√		
1(5)(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-VII and Annexure-VIII .	√		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	Governance of Board of Directors of Subsidiary Company.			
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;	√		Complied except MD or CEO
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).	√		No such event occurred during the year.
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.	√	√	Disclosed in the Annexure-VI
4	Board of Directors' Committee. For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	Audit Committee.			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		Audit committee comprises 3 (three) members.
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		All members of the audit committee are non-executive directors including independent directors.
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; Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before	√		



	expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		Chairperson of the audit committee attends in the AGM of the company.
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
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)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		



5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	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.			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interests;			No such event occurred.
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;			No such event occurred.
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such event occurred.
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such event occurred.
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			No such event occurred.



	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.			
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		NRC comprises 3 (three) members.
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;	√		NRC comprises 3 (three) members.
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;	√		No such event occurred.
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		



6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
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 the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		



6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
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.	√		
8	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		Company maintains a website linked with the stock exchanges. www.alltexbd.com
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)	<p>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.</p> <p>Explanation: “Chartered Accountant” means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President’s Order No. 2 of 1973); “Cost and Management Accountant” means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); “Chartered Secretary” means Chartered Secretary as defined in the চার্টার্ড সেক্রেটারীজ আইন, ২০১০ (২০১০ সনের ২৫ নং আইন) (Chartered Secretaries Act, 2010).</p>	√		Obtained certificate from ARTISAN-Chartered Accountants
9(2)	<p>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.</p>	√		Shareholders of the company in its 35 th AGM appointed ARTISAN-Chartered Accountants to provide the certificate on compliance of this Corporate Governance Code.
9(3)	<p>The directors of the company shall state, in accordance with the Annexure-VIII attached, in the directors’ report whether the company has complied with these conditions or not.</p>	√		Stated in Directors’ Report.



REPORT OF THE AUDIT COMMITTEE

Background

The Board of Directors of Alltex Industries Limited reconstituted the Audit Committee in its Board Meeting held on May 30, 2019 in terms of the conditions of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission through its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 which is appended with the Compliance Report and also enclosed with the Directors' Report.

All members of the Audit Committee are financially literate and are able to analyze and interpret financial statements, effectively discharge their duties and responsibilities as members of the Audit Committee. The Audit Committee is a sub-committee of the Board of Directors and reports on its activities to the Board of Directors on quarterly basis.

The purpose of Audit Committee is to assist the Board in fulfilling its oversight responsibilities which includes but not limited to implementation of the objectives, strategies, risk mitigation and overall business plans set by the Board for effective functioning of the company.

Composition of the Audit Committee

The Audit Committee consists of 03 (three) members including two independent directors. The members of the Audit Committee are:

Sl No.	Name of the Member	Position in the Audit Committee
1	Mr. Mizanur Rahman, Independent Director	Chairperson
2	Mrs. Hasna Ahmad, Director	Member
3	Mr. Farhan Hadi, Independent Director	Member

Mr. Md. Ziaul Huque, the Company Secretary functions as the Secretary of the Audit Committee. The Chief Financial Officer attends the meeting by invitation only as and when necessary.

Audit Committee Meetings and Attendance

During the financial year 2019-2020, the Audit Committee held 05 (five) meetings. Proceedings of the Audit Committee meetings were reported regularly to the Board of Directors. The details of attendance of the Audit Committee Members are given below:

Name of the Member	Position	Meeting Held	Attended
Mr. Mizanur Rahman, Independent Director	Chairperson	5	5
Mrs. Hasna Ahmad, Director	Member	5	5
Mr. Farhan Hadi, Independent Director	Member	5	5

Company Secretary (CS) attended all the meetings of the audit committee. Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and representatives of the external auditor attended all the meetings upon invitation by the Audit Committee. From time to time other senior members of the management had also been invited by the Audit Committee to attend the Audit Committee meetings.

The Audit Committee met with the external and internal auditors separately from time to time. As the existing external auditor has completed the tenure of one year, the committee has considered their reappointment as external auditor for the next financial year 2020-2021.



Role of the Audit Committee

The Audit Committee assisted the Board of Directors in fulfilling its responsibilities regarding the company's accounting and financial reporting process by monitoring the following:

- ❖ The integrity of the company's financial statements.
- ❖ The independence, qualifications and performance quality of its external auditor.
- ❖ The company's system of internal controls.
- ❖ The performance of the company's internal audit process.
- ❖ The company's compliance with laws, regulations and code of conduct with a view to safeguard the interest of all stakeholders of the company.

Summary of Activities

The Audit Committee carried out the following activities during the financial year 2019-2020:

Regulatory Compliance

The Committee examined whether the company's procedures are in place to ensure compliance with:

- ❖ The laws and regulations framed by the Regulatory Authorities (BSEC, DSE, CSE and RJSC).
- ❖ Internal regulations approved by the Board of Directors.

The company duly followed the rules and regulations of the regulatory bodies and also strictly followed areas with conflict of interest. The Committee was satisfied that the company substantially complied with these regulatory requirements.

Financial Reporting

The Committee assisted the Board of Directors and the management in carrying out of their responsibilities of preparing true and fair financial statements based on the books of account and in accordance with the International Accounting Standards and International Financial Reporting Standards by:

- ❖ Overseeing the financial reporting process.
- ❖ Monitoring choice of accounting policies and principles-
- ❖ Reviewing adequacy and effectiveness of the internal control systems and procedures in order to provide reasonable assurance that all transactions were accurately and completely recorded in the books of account.
- ❖ Reviewing integrity of the process by which financial statements were prepared from the books of account.
- ❖ Reviewing the process by which provisions of International Accounting Standards and International Financial Reporting Standards were complied.

The Committee also performed

- ❖ Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.
- ❖ Review along with the management, the annual financial statements before submission to the Board for approval.
- ❖ Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- ❖ Review the Management's Discussion and Analysis before disclosing in the Annual Report.
- ❖ Review statement of all related party transactions submitted by the management.



Internal Control

The Committee examined whether the management has set up the appropriate compliance culture across the company in order to ensure that all employees have a clear understanding of their roles and responsibilities. The Committee reviewed the arrangements made by the management for building up a suitable Management Information System (MIS) including computerized systems and its applications.

Internal Audit

The Committee reviewed and discussed the relevant reports of special investigations which were submitted by the Audit Team. The Committee executed:

- ❖ Review the adequacy of internal audit function.
- ❖ 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.

The Committee advised the management to take effective steps for rectification of all the lapses and weaknesses identified by internal audit and to take utmost care so that such weaknesses and lapses shall not be repeated in future. Department heads attended the meetings when their reports were discussed.

External Audit

The Committee met with the external auditor at the conclusion of the annual audit and exchanged views on their Audit Report. The Committee reviewed Management Letters or Letter of Internal Control Weakness issued by statutory auditors. The Committee reviewed the findings and recommendations made by the external auditor in order to remove the weaknesses as detected in the external auditing process.

The Committee has overseen 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 recommended to the Board on their appointment and fees.

Approval of Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements for the year ended on June 30, 2020 prepared by the management and audited by the external auditor M/s. Rahman Mostafa Alam & Co., Chartered Accountants and recommended to place the same before the Board for consideration.

The Board approved the same at its meeting held on November 23, 2020.

Acknowledgement

The Audit Committee expressed its sincere thanks to the Chairperson and Members of the Board, Management and the Auditor for their excellent support while carrying out its duties and responsibilities as per regulatory directives.

On behalf of the Audit Committee

Mizanur Rahman
Chairperson of the Audit Committee



REPORT ON ACTIVITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

Background

The Board of Directors of Alltex Industries Limited reconstituted the Nomination and Remuneration Committee (NRC) in its Board Meeting held on May 30, 2019 in terms of the conditions of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission through its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 which is appended with the Compliance Report and also enclosed with the Directors' Report.

All members of the Nomination and Remuneration Committee are learned to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors as well as a policy for formal process of considering remuneration of directors, top level executives. All are capable to effectively discharge their duties and responsibilities as members of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee is a sub-committee of the Board of Directors and reports on its activities to the Board of Directors.

Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 03 (three) members including two independent directors. The members of the NRC are:

SI No.	Name of the Member	Position in the NRC
1	Mr. Mizanur Rahman, Independent Director	Chairperson
2	Mrs. Hasna Ahmad, Director	Member
3	Mr. Farhan Hadi, Independent Director	Member

Mr. Md. Ziaul Huque, the Company Secretary functions as the Secretary of the Nomination and Remuneration Committee.

Nomination and Remuneration Committee Meeting and Attendance

During the financial year 2019-2020, the Nomination and Remuneration Committee held 01 (one) meeting. Proceedings of the Nomination and Remuneration Committee meeting were reported to the Board of Directors. The details of attendance of the Nomination and Remuneration Committee Members are given below:

Name of the Member	Position	Meeting Held	Attended
Mr. Mizanur Rahman, Independent Director	Chairperson	1	1
Mrs. Hasna Ahmad, Director	Member	1	1
Mr. Farhan Hadi, Independent Director	Member	1	1

Company Secretary (CS) attended the meeting of the Nomination and Remuneration Committee.



Role of the NRC

- (a) Since formation NRC has been independent and responsible or accountable to the Board and to the shareholders;
- (b) NRC has overseen, among others, the following matters and make report with recommendation to the Board:
 - (i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (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;
 - (ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - (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;
 - (iv) formulating the criteria for evaluation of performance of independent directors and the Board;
 - (v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
 - (vi) developing, recommending and reviewing annually the company's human resources and training policies;
- (c) The company has disclosed the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance.

Nomination and Remuneration Policy

This Nomination and Remuneration Policy applies to the directors and the top level executives of Alltex Industries Limited.

Objectives

The objectives of the Policy are as follows:

1. To set criteria for determining qualifications, positive attributes and independence of a director, and recommend remuneration of the directors and top level executives;
2. To enable the Company to attract, retain and motivate highly qualified members for the Board and top level executives to run the Company successfully;



3. To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant corporate regulations;
4. To ensure that the interests of Board members and top level executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for performance" principle; and
5. To ensure that remuneration to directors, top level executives of the Company 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.

Accountabilities

1. The Board is ultimately responsible for the appointment of directors and top level executives.
2. The Board has delegated responsibility for assessing and selecting the candidates for the role of directors and top level executives of the Company to the Nomination and Remuneration Committee which makes recommendations and nominations to the Board.

Procedure for Selection and Appointment of the Board Member

1. The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.
3. Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular group.

Procedure for Selection and Nomination of Top Level Executive

The Chairperson of the Company and the Chairperson of the NRC shall along with Company Secretary, identify suitable candidates for appointing them as top level executives of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning top level executives.

Further, in case of top level executive's appointment, approval of the Board of Directors shall be taken in accordance with provisions of corporate governance code. The appointment and/or removal of top level executives shall be placed before the NRC and/or Board of Directors at regular intervals.



Remuneration of Directors and Top Level Executives

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors and top level executives.

The directors and top level executives' salary shall be based and determined on the individual's responsibilities and performance and in accordance with the limits as prescribed by statute, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for directors and top level executives of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government's other guidelines. The Committee consults with the Chairperson of the Board as it deems appropriate. Remuneration of the Company's Chairperson is recommended by the Committee to the Board of the Company.

Remuneration:

(a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

(b) Variable salary:

The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

Evaluation Criteria

The evaluation/assessment of the directors and top level executives of the Company is to be conducted on an annual basis and to satisfy the requirements of the Corporate Governance Code. The following criteria may assist in determining how effective the performances of the directors and top level executives have been:

1. Leadership and stewardship abilities.
2. Contributing to clearly define corporate objectives & plans.
3. Communication of expectations & concerns clearly with subordinates.
4. Obtain adequate, relevant & timely information from external sources.
5. Review and approval achievement of strategic and operational plans, objectives, budgets.
6. Regular monitoring of corporate results against projections.
7. Identify, monitor and mitigate significant corporate risks.
8. Assess policies, structures and procedures.
9. Direct, monitor and evaluate top level executives.
10. Review management's succession plan.
11. Effective meetings.
12. Assuring appropriate board size, composition, independence and structure.
13. Clearly defining roles and monitoring activities of committees.
14. Review of company's ethical conduct.



Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

Activities of the Nomination and Remuneration Committee

The NRC carried out the following activities during the financial year 2019-2020:

1. reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board at annually and made recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
2. identified individuals suitably qualified to be appointed as the top level executives of the Company;
3. recommended to the Board on the selection of individuals nominated for directorship;
4. made recommendations to the Board on the remuneration payable to the directors/top level executives so appointed/reappointed;
5. assessed the independence of independent directors;
6. assessed such other key issues/matters as referred by the Board;
7. made recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract;
8. ensured that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
9. devised a policy on Board's diversity; and
10. developed a succession plan for the Board and regularly reviewed the plan.

The Committee also carried out the following activities during the financial year 2019-2020:

1. reviewed the ongoing appropriateness and relevance of the Policy;
2. ensured that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;
3. obtained reliable, up-to-date information about remuneration in other companies; and
4. ensured that no director or executive is involved in any decisions as to their own remuneration.

Acknowledgement

The Nomination and Remuneration Committee expressed its sincere thanks to the Chairperson and Members of the Board, other Executives of the Management for their excellent support while carrying out its duties and responsibilities as per regulatory directives.

On behalf of the Nomination and Remuneration Committee

Mizanur Rahman
Chairperson of the NRC



BOARD OF DIRECTORS AND TOP LEVEL EXECUTIVES ON THE STAGE IN THE 35TH ANNUAL GENERAL MEETING



HONORABLE SHAREHOLDERS PRESENT IN THE 35TH ANNUAL GENERAL MEETING





BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Ref. No: 01-2020/217

Date of issue : September 22, 2020

Renewed Certificate

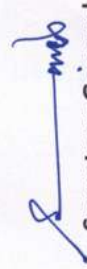
This is to certify that

ALLEX INDUSTRIES LIMITED

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

This certificate remains current until 31st December 2020.





Secretary-General



Solution....Begins

Rahman Mostafa Alam & Co.
Chartered Accountants



Independent Auditors' Report

To the Shareholders of

Alltex Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Alltex Industries Limited (the Company), which comprise the Statement of Financial Position as of June 30, 2020, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 39 and Annexure-A to C.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as of June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. As our appointment was post-dated we were unable to physically verify Property, Plant, and Equipment amounting Tk. 2,240,991,652 and Inventories amounting Tk. 447,141,952 on the balance sheet date. Moreover, an alternative audit procedure could not be applied in this regard due to scope limitations.
2. We were not provided work order(s), acknowledgment of advance receipt(s), etc. to verify advance against construction materials amounting to Tk. 23,730,000.
3. The company did not submit Mushak-9.1 as a result, a penalty may be imposed as per section 85(f) of VAT & SD Act, 2012 for which provision has not been made. Quantification of the penalty could not be made due to the period of non-submission is not known to us.
4. The company made revaluation of land in 2015, but subsequent revaluation has not been done as per Para 31 and 34 of IAS-16.
5. Quantitative movements of inventories weren't disclosed as per part-II of schedule-XI of company act 1994.
6. The company did not calculate deferred tax as per IAS-12.

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

JK



Matter of Emphasis

Without qualifying our opinion we draw attention to the following facts:

1. regarding going concern assumption disclosed in note 2.01.01; and
2. regarding the theft that took place in factory premises disclosed in note 38.

Our key audit matters

Risk	Our response to the risk
Carrying value (CV) of Property, plant, and equipment (PPE) and its impairment	
Refer note no.04 to the Statement of Financial Position	
<p>PPE includes the Company's long-term assets, which flow economic benefits to the entities for more than one year. PPE is measured at cost or revaluation less accumulated depreciation. Land and land development assets were revalued by the professional valuer in 2015 on the basis of application methods including the market value-based method. The carrying value of PPE represents a significant portion of total assets, which is amounting to Tk. 224.0 crore for the Company at the reporting date. In other words, for the Company, approximately 69% of total assets are represented by PPE.</p> <p>The carrying value of PPE is the function of depreciation charges on cost/ revaluated amount that involved estimation. Therefore, it has been considered as a significant area of the auditor's judgment and requires special attention. It is a matter of consideration that the carrying value of PPE may be higher than the recoverable amount and the impairment charges thereon may not have been recognition</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the company's control around the recording of PPE.</p> <p>Test of details: We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of PPE:</p> <ul style="list-style-type: none"> • Reviewing the basis of recognition, measurement, and valuation of assets; • Observing procedures of assets acquisition, depreciation, and disposal; • Checking ownership of the major assets; • Checking estimated rates of depreciation being used and assessing its fairness; • Discussing with the management about the fair value of the assets and assessing independently whether the CV approximates the fair value at the reporting date; • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.

✓



	<p>Assessing disclosure: considering the adequacy of the company's disclosure regarding PPE.</p> <p>Our result: the result of our testing is satisfactory and we considered the carrying amount of the assets recognized to be acceptable and recorded correctly.</p>
Term Loan	
Refer note no.13 to the Statement of Financial Position	
<p>Long term loans were taken from Sonali Bank Limited, Prime Bank Limited, and One Bank Limited.</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the company's control around the recording of loan, interest, and repayments.</p> <p>Test of details: 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.</p> <p>Test interest rates application, calculation, and repayments for carrying amount and current and non-current distinguish.</p> <p>Critically analyze journal entries posted during the year to identify unusual items</p> <p>Assessing disclosure: considering the adequacy of the company's disclosure regarding the Loan.</p> <p>Our result: the result of our testing is satisfactory and we considered the carrying amount of the loan recognized to be acceptable and recorded correctly.</p>

4



Other information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 1987, 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 Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure was incurred for the purpose of the Company's business.

The engagement partner on the audit resulting in this independent auditors' report is Mohammad Mofizul Haque Rinku FCA.

Dated: Dhaka
November 23, 2020


Rahman Mostafa Alam & Co.
Chartered Accountants



ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Alltex Industries Limited

Statement of Financial Position

As at June 30, 2020

Particulars	Note	Amount in Taka	
		June 30, 2020	June 30, 2019
		*Restated	
ASSETS			
Non-current Assets			
		2,826,038,227	2,856,771,510
Property, Plant and Equipment	4	2,240,991,652	2,271,724,935
Investment in Shares (restated)	5	585,046,575	585,046,575
Current Assets			
		947,887,204	1,053,860,984
Inventories	6	447,141,952	558,491,073
Accounts Receivable	7	329,806,262	334,659,512
Advances, Deposits and Pre-payments	8	162,210,819	152,162,651
Cash and Cash Equivalents	9	8,728,171	8,547,748
TOTAL ASSETS		3,773,925,431	3,910,632,494
EQUITY AND LIABILITIES			
Equity			
		883,075,401	1,189,457,963
Share Capital	10	559,680,000	559,680,000
Revaluation Surplus	11	972,210,658	972,210,658
Retained Earnings (restated)	12	(648,815,257)	(342,432,695)
Non-current Liabilities			
		395,375,382	1,520,794,048
Long Term Loan (Secured)	13	322,199,791	1,405,905,736
Deferred Tax Liabilities	14	73,175,591	114,888,312
Current Liabilities			
		2,495,474,648	1,200,380,483
Accounts Payable	15	5,095,618	5,567,844
Long Term Loan (Secured)-Current portion	16	2,431,815,747	1,136,636,116
Unclaimed Dividend	17	2,687,658	2,687,658
Accruals and Provisions	18	55,875,626	55,488,865
TOTAL EQUITY AND LIABILITIES		3,773,925,431	3,910,632,494
Net Asset Value (NAV) Per Share (restated)	26	15.78	21.25

*Details of restatement disclosed in note no. 37

The annexed notes from 1 to 39 and Annexure-A to C form an integral part of these financial statements.

CFO

Company Secretary

MD & CEO

Director

Chairperson

Signed in terms of our separate report of even date.

Dated: Dhaka
November 23, 2020



Rahman Mostafa Alam & Co.
Chartered Accountants



ALTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Alltex Industries Limited

Statement of Profit or Loss and Other Comprehensive income
For the year ended June 30, 2020

Particulars	Note	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
			*Restated
Turnover	19	165,035,563	222,243,835
Cost of Goods Sold	20	269,341,810	359,131,009
Gross Profit		(104,306,247)	(136,887,174)
Operating Expenses		23,797,467	25,610,396
Administrative and General Expenses	21	18,204,112	18,812,976
Selling and Distribution Expenses	22	5,593,355	6,797,420
Operating Profit		(128,103,714)	(162,497,570)
Non-operating Expenses		219,502,289	223,370,579
Financial Expenses	23	219,551,323	223,368,126
Foreign Currency Exchange (Gain) / Loss	24	(49,034)	2,453
Add: Share of profit/(loss) from associate (restated)		-	(20,632,706)
Profit before contribution to WPPF		(347,606,003)	(406,500,855)
Contribution to WPPF		-	-
Profit before Tax		(347,606,003)	(406,500,855)
Provision for Income Tax		(41,223,441)	(45,242,630)
Current Tax Expense	25	489,280	1,061,548
Deferred Tax Expense/(Income)	14	(41,712,721)	(46,304,178)
Net Profit after Tax		(306,382,562)	(361,258,225)
Other Comprehensive Income		-	-
Total Comprehensive Income		(306,382,562)	(361,258,225)
Earnings Per Share (EPS) (restated)	27	(5.47)	(6.45)

The annexed notes from 1 to 39 and Annexure-A to C form an integral part of these financial statements.

CFO

Company Secretary

MD & CEO

Director

Chairperson

Signed in terms of our separate report of even date.

Dated: Dhaka
November 23, 2020



Rahman Mostafa Alam & Co.
Chartered Accountants

**Alltex Industries Limited**
Statement of Changes In Equity
For the year ended June 30, 2020

Particulars	Share Capital	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2019	559,680,000	972,210,658	(342,432,695)	1,189,457,963
Net Profit after Tax for the year	-	-	(306,382,562)	(306,382,562)
Revaluation Surplus	-	-	-	-
Cash Dividend	-	-	-	-
Stock Dividend	-	-	-	-
Balance as on June 30, 2020	559,680,000	972,210,658	(648,815,257)	883,075,401

Particulars	Share Capital	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2018	559,680,000	972,210,658	(516,853,751)	1,015,036,907
Adjustment for application of equity method on associate company	-	-	535,679,281	535,679,281
Restated balance as on July 01, 2018	559,680,000	972,210,658	18,825,530	1,550,716,188
Net Profit after Tax for the year (restated)	-	-	(361,258,225)	(361,258,225)
Revaluation Surplus	-	-	-	-
Cash Dividend	-	-	-	-
Stock Dividend	-	-	-	-
Balance as on June 30, 2019	559,680,000	972,210,658	(342,432,695)	1,189,457,963

The annexed notes from 1 to 39 and Annexure-A to C form an integral part of these financial statements.


CFO


Company Secretary


MD & CEO


Director


Charperson

**Alltex Industries Limited**

Statement of Cash Flows

For the year ended June 30, 2020

Particulars	Amount in Taka	
	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
Cash flows from operating activities		
Collection from turnover and recoveries	169,888,812	176,924,717
Payment to suppliers, employees and others	(140,949,632)	(42,745,625)
Cash generated from operation	28,939,180	134,179,092
Payment of financial expenses	(6,386,422)	(35,098,914)
Payment of income tax	-	(1,032,522)
	22,552,758	98,047,656
Cash flows from investing activities		
Addition to property, plant and equipment	(20,730,154)	(12,918,715)
Disposal of property, plant and equipment	-	21,298,000
	(20,730,154)	8,379,285
Cash flows from financing activities		
Long term loan receipt/(repayment)	(1,691,216)	248,026,056
Short term loan receipt/(repayment)	-	(364,425,156)
Dividend payment	-	-
	(1,691,216)	(116,399,100)
Increase/(Decrease) in cash and cash equivalents	131,389	(9,972,159)
Cash and cash equivalents at the beginning of the year	8,547,748	18,522,360
Unrealized foreign exchange gain/(loss) on cash and cash equivalents	49,034	(2,453)
Cash and cash equivalents at the end of the year	8,728,171	8,547,748
Net Operating Cash Flow Per Share (NOCFPS)	0.40	1.75

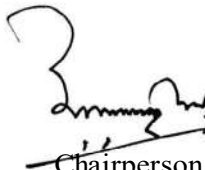
The annexed notes from 1 to 39 and Annexure-A to C form an integral part of these financial statements.


CEO


Company Secretary


MD & CEO


Director


Chairperson



Alltex Industries Limited

Notes to the Financial Statements

As at and for the year ended June 30, 2020

01.00 The Background and Activities of the Company

a) Legal Status of the Company:

Alltex Industries Limited was incorporated on January 24, 1985 as a private limited company under the Companies Act, 1913 now repealed and re-enacted as the Companies Act, 1994. Its registration number is C-13621/1398 of 1984-1985. The Company was converted into a public limited company on October 25, 1994. The Company was listed in the Dhaka Stock Exchange Ltd. (DSE) on 31.08.1996 and Chittagong Stock Exchange Ltd. (CSE) on 07.08.1996.

b) Registered Office & Location of the Factory of the Company:

The registered office of the Company is located at Alltex Industrial Park, Ariabo, Barpa, Rupgonj, Narayongonj, Bangladesh. The factory is situated at the same place.

c) Nature of Business Activities:

The Company is a 100% export oriented industry of dyeing, finishing and printing gray fabrics towards making of Home Textile products for export. The company has got permission from honorable high court division of the supreme court of Bangladesh to do business of footwear manufacturing and export. The company is in the process of establishing a footwear project.

02.00 Bases of Financial Statements-Its Preparation and Presentation

The accounting policies adopted by the Company are as follows:

02.01 Measurement Bases

The financial statements have been prepared on a going concern basis under the historical cost convention and following accrual basis of accounting.

02.01.01 Going concern assumption

The financial statements have been prepared on the basis of going concern assumption as per IAS 1 "Presentation of Financial Statements". As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern though there is some adverse results reflected in various indications of financial position per performance of the company. It is pertinent to mention here that during the year 2018-2019 the company management decided to establish a footwear manufacturing unit to increase revenue. Accordingly an Extraordinary General Meeting (EGM) was called to amend Memorandum of Association of the company by inserting new objects clause. Subsequently the company obtained permission from Honorable High Court Division of the Supreme Court of Bangladesh to establish a footwear manufacturing project. Pursuant to the said order the company amended the objects clause of the Memorandum of Association as well as the trade license. The company also obtained requisite registration from Bangladesh Investment Development Authority (BIDA) and hope to obtain bond license very soon. Machinery suppliers have already been selected by the company. Upon receipt of the bond license the company will open L/C for importing machinery. The company is carrying out major refurbishment work of its gas line to ensure workers' safety. Company management is hopeful about its continuing operation as well as its product diversification and expansion of businesses although all the matters have been slowed down as a consequence of pandemic Corona virus.





02.02 Reporting Framework and Compliance thereof

The financial statements have been prepared in compliance with the requirements of the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act, 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and other applicable laws and regulations.

02.03 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1 "Presentation of Financial Statements".

The financial statements comprise:

- (a) a statement of financial position as at the end of the year June 30, 2020;
- (b) a statement of profit or loss and other comprehensive income for the year ended June 30, 2020;
- (c) a statement of changes in equity for the year ended June 30, 2020;
- (d) a statement of cash flows for the year ended June 30, 2020; and
- (e) notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

02.04 Reporting Period

The financial statements cover one financial year from 01 July 2019 to 30 June 2020.

02.05 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on November 23, 2020.

02.06 Functional and Presentation Currency

The financial statements have been prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

02.07 Use of Estimates and Judgments

The preparation of financial statements in conformity with International Accounting Standards requires management to make judgments, estimates and assumption that affect the application of accounting polices and the reporting requirements for contingent assets and liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the end of the financial statements period.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". In particular, significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables.





02.08 Statement of Cash Flows

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

02.09 Related Party Disclosures

Companies usually carry out a number of transactions with related parties in the normal course of business and on arms-length basis. The information as required by IAS 24 "Related Party Disclosures" has been disclosed in separate note (Note-29) to the financial statements.

03.00 Significant Accounting Policies

03.01 Principal Accounting Policies

The accounting policies and methods of computation used in preparation of the financial statements for the year ended June 30, 2020 are in consistent with those adopted in the financial statements for the year ended June 30, 2019.

03.02 Revenue from Contracts with Customers

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- . Identify the contract with a customer;
- . Identify the performance obligations in the contract;
- . Determine the transaction price;
- . Allocate the transaction price to the performance obligations in the contract; and
- . Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

(i) Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer when the buyer's bank provide assurance by giving acceptance letter on the delivery of goods. Revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable.

(ii) Interest income

Interest on bank deposits have been accounted for on accrual basis.

(iii) Dividends

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





03.03 Property, Plant and Equipment

3.03.1 Recognition and Measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or revalued amount less accumulated depreciation in compliance with the requirements of IAS16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non refundable taxes. Capital work-in-progress represents cost of civil work-in-progress. No depreciation is charged on Land and Land Development and Capital Work-in-Progress. Property, Plant and Equipment except Freehold Land & Land Development have not been revalued as per paragraph 34 of IAS 16 due to the fact that the changes in fair value is insignificant.

3.03.2 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized in the statement of profit or loss as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.03.3 Disposal of Property, Plant and Equipment

On disposal of Property, Plant and Equipment the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss, which is determined with reference to the net book value of the assets and net sales proceeds.

3.03.4 Depreciation

As per IAS 16 "Property, Plant and Equipment" each part of an item of property, plant and equipment with cost that is significant in relation to the total cost of the item has been depreciated separately. Depreciation is a systematic allocation of cost of depreciable asset over its useful life and charged to the statement of profit and loss unless it is included in the carrying amount of another asset.

Depreciation has been calculated using diminishing balance method at the following rates:

<u>Item</u>	<u>Rate</u>
Factory Building	5%
Plant and Machinery	5%
Effluent Treatment Plant (ETP)	5%
Boundary Fencing	10%
Power House	10%
Gas, Boiler, Steam, Water Supply Installation	10%
Other Equipment	10%
Furniture and Fixture	10%
Vehicles	20%
Officers' Quarter	5%
Roads & Culverts	5%





Depreciation of an asset begins when it is available for use. Depreciation is provided on all fixed assets except land.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date the asset is derecognized as mentioned in paragraph 55 of IAS 16.

03.04 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

03.05 Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables.

(a) Accounts Receivable

Accounts receivables are created at original invoice amount less any provision for doubtful debts. Provision are made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible, it is written off, firstly against any provision available and then to the statement of profit or loss.

(b) Advances, Deposits and Prepayments

Advance are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposit are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of profit or loss.

(c) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and include cash in hand and with banks on current deposit and marginal deposits accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

03.06 Financial Liabilities

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. Financial liabilities include payable for expenses, liabilities for capital expenditure and other current liabilities.

03.07 Inventories

Inventories are valued at the lower of cost and net realizable value with cost determined by weighted average cost basis. The cost of inventories comprises of expenditure incurred (raw materials, work-in-process, dyes & chemicals, packing materials, store and spares and stock-in-transit) in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale. Stock in hand at year end date have been physically verified by the management in the presence of the auditors' representatives and duly reconciled.





03.08 Provision

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation.

03.09 Income Taxes

3.09.1 Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted after the reporting date, and any adjustment to tax payable in respect of previous years.

3.09.2 Deferred Tax

The company has adopted deferred tax in compliance with the provisions of International Accounting Standard 12 "Income Taxes". The company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book value) of assets and liabilities for the financial reporting purposes and its tax base, and accordingly, deferred tax income/expense has been considered to determine net profit after tax and earnings per share (EPS).

03.10 Earnings Per Share (EPS)

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding at the end of the reporting period. The company calculated Earnings Per Share (EPS) in accordance with IAS 33 "Earnings per Share" which has been shown on the face of statement of profit or loss and other comprehensive income and the computation of EPS is stated in the financial statements.

Basic Earnings Per Share:

This represents earnings for the year attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders. The company calculated Earnings Per Share (EPS) in accordance with IAS 33 "Earnings per Share" which has been shown on the face of the statement of profit or loss and the computation of EPS is stated in notes to the financial statements.

Diluted Earnings Per Share:

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

03.11 Foreign Currencies

Transactions in foreign currencies are translated into Bangladesh Taka at the exchange rates ruling on the respective transaction date applied by bank. Assets and liabilities in foreign currencies on the statement of financial position date have been converted to local currency at the following rates:

	30 June 2020	30 June 2019
1 US Dollar (\$) =	Taka 84.85	Taka 82.99
1 GB Pound (£) =	102.61	105.31





ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
4.00 Property, Plant & Equipment:		
i) Cost:		
Opening Balance as at July 01, 2019	3,497,249,690	3,505,628,975
Add: Additions during the year	20,730,154	12,918,715
	<u>3,517,979,844</u>	<u>3,518,547,690</u>
Less: Disposal During the year	-	21,298,000
Closing Balance as at June 30, 2020	<u>3,517,979,844</u>	<u>3,497,249,690</u>
ii) Depreciation:		
Opening Balance as at July 01, 2019	1,225,524,755	1,171,980,943
Charged for the year and including prior year adjustment.	51,463,437	53,543,811
	<u>1,276,988,192</u>	<u>1,225,524,755</u>
Less: Adjustment for disposals	-	-
Closing Balance as at June 30, 2020	<u>1,276,988,192</u>	<u>1,225,524,755</u>
Carrying Amount	<u>2,240,991,652</u>	<u>2,271,724,935</u>

04.01 Details of Property, Plant and Equipment are given in Annexure-A.

As per requirements of IAS 16 following disclosures are made:

- The company has revalued the freehold land & land development as on June 30, 2015 by an independent valuer firm M/s. Mahfel Huq & Co., Chartered Accountants according to paragraph 36 of IAS 16 and as per approval of the board of directors of the company.
- These property, plant and equipment are pledged as security of the loans from Sonali Bank Limited, Prime Bank Limited and ONE Bank Limited.

05.00 Investment in Shares

Opening Balance (restated)	585,046,575	605,679,281
Add: Share of profit/ (loss) from associate	-	(20,632,706)
Closing Balance	<u>585,046,575</u>	<u>585,046,575</u>

- This represents amount invested in Alltex Fabrics Limited, a public limited company not listed with any stock exchange for purchase of 7,000,000 ordinary shares of Tk.10/- each.
- The investment is accounted for applying equity method of accounting as per IAS-28 and restatement of previous years has been made to compliance with current year presentation as per IAS-8.
- As per paragraph 21 of IFRS 12 "Disclosure of Interests in Other Entities" following disclosures about the investee associate company are made:
- Share of profit/(loss) from associate could not be calculated for the year 2019-2020 for want of audit report of the associate company.



Production facility of Alltex Fabrics Limited was established to facilitate and ensure uninterrupted gray fabric supply to Alltex Industries Limited. Gray fabric is the main raw material of Alltex Industries Limited.



ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

- b) Alltex Fabrics Limited was incorporated on 11 August 1985 in Bangladesh under the Companies Act, 1913 now repealed and re-enacted as the Companies Act, 1994. Its registered office is situated at Ariabo, Barpa, Rupgonj, Narayangonj, Bangladesh and this is the principal place of its business.
- c) Paid up capital of Alltex Fabrics Limited is Tk.330,000,000/- divided into 33,000,000 ordinary shares of Tk.10/- each. Alltex Industries Limited holds 7,000,000 ordinary shares of Tk.10/- each of Alltex Fabrics Limited that represent 21.21% of total share capital of the company.
- d) As per paragraph B12 of IFRS 12 summarized financial information of Alltex Fabrics Limited based on the last audited financial statements for the year 2018-2019 is given below:

	2018-2019	2017-2018
Current assets	27,889,727	77,055,763
Non-current assets	1,694,106,829	1,869,912,985
Current liabilities	23,354,267	369,557,866
Non-current liabilities	191,392,975	193,001,097
Revenue	-	130,956,299
Profit or loss from continuing operations	(22,868,950)	(83,525,427)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	(154,014,523)	-
Total comprehensive income	(176,883,473)	(83,525,427)

06.00 Inventories

	June 30, 2020	June 30, 2019
Finished Goods	19,405,643	27,564,254
Work-in-Process	19,113,383	25,554,263
Gray Fabrics	375,143,904	448,175,717
Dyes and Chemicals	9,041,608	23,392,039
Screen, Film & Engraving Materials	441,186	650,764
Loose Tools, Stores & Spares and Construction Materials	4,268,702	7,038,865
Stitching Materials	3,587,953	6,063,810
Packing Materials	16,139,573	20,051,361
	447,141,952	558,491,073
	447,141,952	558,491,073

-The above inventories has been physically counted and valued by the inventory team at the year end date.

-Inventories in hand have been valued at lower of weighted average cost and net realizable value.

-Inventories are hypothecated against working capital facilities from the bank.





ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
07.00 Accounts Receivable		
Opening Balance	334,659,511	289,340,394
Add: Sales during the year	165,035,563	222,243,835
	499,695,074	511,584,229
Less: Realized during the year	169,888,812	176,924,717
Closing Balance	329,806,262	334,659,512

This amount represents that portion of credit sales which was remain unrealized from buyers on the statement of financial position date. The receivable amount is considered good by the management and there is no uncertainty about realization of the said amount. Realization has been comparatively reduced in the second half of the financial year as a consequence of economic slowdown throughout the globe caused by pandemic Coronavirus.

Ageing of Accounts Receivable

Below 6 months	64,598,168	122,606,338
Above 6 months	265,208,094	212,053,174
	329,806,262	334,659,512

08.00 Advances, Deposits and Pre-payments

Advances (Note-8.01)	133,279,609	118,144,863
Deposits and Pre-payments (Note-8.02)	28,931,210	34,017,788
	162,210,819	152,162,651

This is unsecured, considered good and consists of as follows:

Break-up of Advances, Deposits and Pre-payments

08.01 Advances:

Advance against salary	2,129,668	2,965,668
Advance against stores purchase	4,292,902	10,039,799
Advance against construction materials	23,730,000	-
Advance income tax deducted at source (Note-8.01.1)	101,328,602	101,328,602
Advance against TA/DA	825,470	1,267,653
Advance against expenses	538,966	2,109,141
Advance against house loan	434,000	434,000
	133,279,609	118,144,863

08.02 Deposits and Pre-payments:

Deposit against loan	19,240,635	19,240,635
Security deposit	6,307,340	6,307,340
Earnest money	43,600	43,600
Margin on bank guarantee	3,339,635	6,731,329
Pre-payments	-	1,694,884
	28,931,210	34,017,788

Total

162,210,818	152,162,651
--------------------	--------------------





ALTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
08.01.1 Advance Income Tax Deducted at Source		
Opening balance	101,328,602	100,296,080
Add: Paid during the year	-	1,032,522
	101,328,602	101,328,602
Less : Adjustment during the year	-	-
	101,328,602	101,328,602
09.00 Cash and Cash Equivalents		
09.01 Cash in Hand	134,180	342,828
Cash at Banks (Note 9.02)	8,593,991	8,204,921
Total	8,728,171	8,547,748
09.02 Cash at Banks:		
Sonali Bank-CD A/c No. 0002633007432, Local Office	2,269	2,269
Sonali Bank-CD A/c No. 0002633068334, Local Office	2,553	5,743
Sonali Bank-SND A/c No. 0002636001597, Local Office	273,568	265,477
Sonali Bank-Retention (USD) A/c No.054 (Balance \$26,279.59), Local Office	2,229,823	2,180,862
Sonali Bank-Marginal Deposit A/c No. 330098, Local Office	109,775	109,775
Sonali Bank-Marginal Deposit A/c No. 3300528, Local Office	3,722,083	3,722,083
UCBL-CD A/c No. 0011101000010129, Principal Branch	861	2,157
UCBL-SND A/c No. 0011301000000591, Principal Branch	1,763,433	1,729,702
UCBL-CD A/c No. 0801101000000106, Bhulta Branch	483,146	180,324
ONE Bank Ltd.-SND A/c No. 0015017499019, Principal Branch	-	1,445
ONE Bank Ltd.-CD A/c No. 0011020006092, Principal Branch	1,204	-
ONE Bank Ltd.-Retention (USD) A/c No. 0010024706001, Principal Branch	3,307	3,235
SIBL-CD A/c No. 1998	-	-
Dutch-Bangla Bank Ltd.- CD A/c No. 1761100019254, Bhulta Branch	1,969	1,849
	8,593,991	8,204,921





ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019

10.00 Share Capital

This represents the following:

Authorized Capital

100,000,000 Ordinary Shares of Taka 10/- each	1,000,000,000	1,000,000,000
---	---------------	---------------

Issued, Subscribed and Paid-up Capital

29,000,000 Ordinary Shares of Taka 10/- each fully paid in cash	290,000,000	290,000,000
26,968,000 Ordinary Shares of Taka 10/- each issued as bonus shares	269,680,000	269,680,000
	559,680,000	559,680,000

10.01 The category wise percentage of shareholding were as follows:

Sl No.	Categories of Shareholding	Shareholding as on June 30, 2020		Shareholding as on June 30, 2019	
		No. of Share	In %	No. of Share	In %
1	Sponsors	22,800,766	40.739%	22,800,766	40.739%
2	Institutes	4,059,990	7.254%	3,827,094	6.838%
3	General Public	29,107,244	52.007%	29,340,140	52.423%
4	Non-residents	-	0.000%	-	0.000%
	Total	55,968,000	100.00%	55,968,000	100.00%

10.02 The distribution of the number of shareholders and their holdings in percentage as on June 30, 2020 are as follows:

Range of holding in number of shares	Number of shareholders		% of Shareholders		Number of Shares in '000'		% of Shareholding	
	2020	2019	2020	2019	2020	2019	2020	2019
1 to 499	3,134	3,263	37.39%	36.92%	497.57	526.14	0.89%	0.94%
500 to 5,000	4,100	4,358	48.92%	49.31%	6,357.67	6,872.78	11.36%	12.28%
5,001 to 10,000	572	619	6.82%	7.00%	4,357.71	4,712.77	7.79%	8.42%
10,001 to 20,000	279	288	3.33%	3.26%	4,021.98	4,123.22	7.19%	7.37%
20,001 to 30,000	100	120	1.19%	1.36%	2,424.92	2,982.23	4.33%	5.33%
30,001 to 40,000	55	50	0.66%	0.57%	1,939.65	1,749.44	3.47%	3.13%
40,001 to 50,000	33	40	0.39%	0.45%	1,519.78	1,869.73	2.72%	3.34%
50,001 to 100,000	65	63	0.78%	0.71%	4,554.80	4,625.13	8.14%	8.26%
100,001 to 1,000,000	35	29	0.42%	0.33%	9,113.97	7,543.85	16.28%	13.48%
Over 1,000,000	8	8	0.10%	0.09%	21,179.95	20,962.71	37.84%	37.45%
Total	8,381	8,838	100.00%	100.00%	55,968.00	55,968.00	100.00%	100.00%

10.03 Market price

The shares were quoted at Taka 7.00 per share (Taka 11.40 on 30.06.2019) in DSE and Taka 7.40 per share (Taka 11.00 on 30.06.2019) in CSE on the statement of financial position date i.e. 30.06.2020.

10.04 Option on unissued shares

There is no option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares against cash contribution and bonus.





ALTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
11.00 Revaluation Surplus		
Fair value of Land & Land Development	1,320,347,175	1,320,347,175
Less : Book value	215,562,336	215,562,336
Revaluation Surplus	1,104,784,839	1,104,784,839
Less : Deferred Tax on revaluation surplus	132,574,181	132,574,181
Net balance of revaluation surplus	972,210,658	972,210,658
12.00 Retained Earnings		
Opening Balance	(342,432,695)	(516,853,751)
Restatement for equity method of associate company	-	535,679,281
Add: Current year's profit/(loss)	(306,382,562)	(361,258,225)
	(648,815,257)	(342,432,695)
Less: Stock Dividend	-	-
Less: Cash Dividend	-	-
Closing Balance	(648,815,257)	(342,432,695)
13.00 Long Term Loan (Secured)-Non-current portion		
Demand Loan from Sonali Bank Ltd. (Note-13.01)	229,756,034	1,114,300,996
Project Loan (ETP) from Sonali Bank Ltd. (Note-13.02)	22,196,726	88,278,880
LTR from Sonali Bank Ltd. (Note-13.03)	2,728,244	13,344,811
Loan General from Prime Bank Ltd. (Note-13.04)	-	-
Long Term Loan from ONE Bank Ltd. (Note-13.05)	67,518,787	189,981,049
	322,199,791	1,405,905,736
13.01 Demand Loan from Sonali Bank Ltd.		
A. Movement of Demand Loan from Sonali Bank Ltd.:		
Opening balance	1,114,300,996	-
Add: Prior year's current maturity	574,265,837	146,578,863
Add: Transferred from overdue principal	-	1,219,918,425
Add: Overdue interest capitalized	-	468,648,408
	1,688,566,833	1,835,145,696
Less: Principal amount of installments due during the year	594,474,527	146,578,863
	1,094,092,306	1,688,566,833
Less: Current maturity	864,336,272	574,265,837
Closing balance (Non-current portion of long term loan)	229,756,034	1,114,300,996
B. Movement of principal account was as under:		
Opening balance	-	1,105,744,250
Add: Principal amount of installments due during the year	594,474,527	146,578,863
	594,474,527	1,252,323,113
Less: Repayment during the year	-	32,404,688
Less: Overdue principal transferred to non-current portion of long	-	1,219,918,425
Principal amount of overdue installments transferred to current liabilities	594,474,527	-
C. Movement of interest account was as under:		
Opening balance	-	317,432,761
Add: Interest due during the year	154,553,955	151,215,647
	154,553,955	468,648,408
Less: Repayment during the year	-	-
Less: Interest waived by bank during the year	-	-
Less: Overdue interest capitalized	-	468,648,408
Interest amount of overdue installments transferred to current liabilities	154,553,955	-
Total overdue installments transferred to current liabilities (B+C)	749,028,482	-





ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019

13.02 Project Loan (ETP) from Sonali Bank Ltd.

A. Movement of Project Loan (ETP) from Sonali Bank Ltd.:

Opening balance	88,278,880	-
Add: Prior year's current maturity	74,853,530	18,884,934
Add: Transferred from overdue principal	-	110,280,312
Add: Overdue interest capitalized	-	52,852,098
Add: Transferred from CC Hypo	-	-
	<u>163,132,410</u>	<u>182,017,343</u>
Less: Principal amount of installments due during the year	57,432,173	18,884,934
	<u>105,700,237</u>	<u>163,132,409</u>
Less: Current maturity	83,503,511	74,853,530
Closing balance (Non-current portion of long term loan)	<u>22,196,726</u>	<u>88,278,880</u>

B. Movement of principal account was as under:

Opening balance	-	150,529,266
Add: Principal amount of installments due during the year	57,432,173	18,884,934
	<u>57,432,173</u>	<u>169,414,200</u>
Less: Repayment during the year	-	59,133,888
Less: Overdue principal transferred to non-current portion of long term loan	-	110,280,312
Principal amount of overdue installments transferred to current liabilities	<u>57,432,173</u>	<u>-</u>

C. Movement of interest account was as under:

Opening balance	-	37,904,319
Add: Interest due during the year	14,251,782	22,630,003
	<u>14,251,782</u>	<u>60,534,322</u>
Less: Repayment during the year	-	7,682,224
Less: Interest waived by bank during the year	-	-
Less: Overdue interest capitalized	-	52,852,098
Interest amount of overdue installments transferred to current liabilities	<u>14,251,782</u>	<u>-</u>
Total overdue installments transferred to current liabilities (B+C)	<u>71,683,955</u>	<u>-</u>

This amount represents loan payable to Sonali Bank Ltd. against Project Loan (ETP) for setting up Effluent Treatment Plant. An amount of Tk. 7.40 crore was sanctioned by Sonali Bank Ltd. against setting up of the said plant of which Tk. 7.02 crore for civil work and Tk. 0.38 crore for IDCP. Subsequently, the loan was last rescheduled by Sonali Bank on 10 December 2018. As per repayment schedule, the Project Loan (ETP) is repayable in 08 (eight) quarterly installments, the first installment to be started from December, 2019.

13.03 LTR from Sonali Bank Ltd.

A. Movement of LTR from Sonali Bank Ltd.:

Opening balance	13,344,811	-
Add: Overdue interest capitalized	-	5,219,397
Add: Transferred from overdue principal	-	14,831,536
Add: Prior year's current maturity	6,706,122	1,692,784
	<u>20,050,933</u>	<u>21,743,717</u>
Less: Principal amount of installments due during the year	7,059,104	1,692,784
	<u>12,991,829</u>	<u>20,050,933</u>
Less: Current maturity	10,263,585	6,706,122
Closing balance (Non-current portion of long term loan)	<u>2,728,244</u>	<u>13,344,811</u>





ALTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
B. Movement of principal account was as under:		
Opening balance	-	13,492,952
Add: Principal amount of installments due during the year	7,059,104	1,692,784
	7,059,104	15,185,736
Less: Repayment during the year	-	354,200
Less: Overdue principal transferred to non-current portion of long term loan	-	14,831,536
Principal amount of overdue installments transferred to current liabilities	7,059,104	-
C. Movement of interest account was as under:		
Opening balance	-	3,387,914
Add: Interest due during the year	1,039,449	1,831,483
	1,039,449	5,219,397
Less: Repayment during the year	-	-
Less: Interest waived by bank during the year	-	-
Less: Overdue interest capitalized	-	5,219,397
Interest amount of overdue installments transferred to current liabilities	1,039,449	-
Total overdue installments transferred to current liabilities (B+C)	8,098,553	-
13.04 Loan General from Prime Bank Ltd.		
A. Movement of Loan General from Prime Bank Ltd.:		
Opening balance	-	72,592,019
Add: Prior year's current maturity	72,592,019	62,538,648
Add: Transferred from overdue principal	-	-
Add: Overdue interest capitalized	-	-
	72,592,019	135,130,667
Less: Principal amount of installments due during the year	72,592,019	62,538,648
	-	72,592,019
Less: Current maturity	-	72,592,019
Closing balance (Non-current portion of long term loan)	-	-
B. Movement of principal account was as under:		
Opening Balance	199,932,190	137,393,541
Add: Principal amount of installments due during the year	72,592,019	62,538,648
	272,524,209	199,932,190
Less: Repayment during the year	-	-
Less: Overdue principal transferred to non-current portion of long term loan	-	-
Principal amount of overdue installments transferred to current liabilities	272,524,209	199,932,190
C. Movement of interest account was as under:		
Opening balance	38,551,808	38,074,333
Add: Interest due during the year	147,269	477,475
	38,699,077	38,551,808
Less: Repayment during the year	-	-
Less: Interest waived by bank during the year	-	-
Less: Overdue interest capitalized	-	-
Interest amount of overdue installments transferred to current liabilities	38,699,077	38,551,808
Total overdue installments transferred to current liabilities (B+C)	311,223,285	238,483,997





ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
13.05 Long Term Loan from ONE Bank Ltd.		
A. Movement of Long Term Loan from ONE Bank Ltd.:		
Opening balance	189,981,049	-
Add: Prior year's current maturity	107,342,338	-
Add: New loan received during the year	-	346,045,050
Add: Transferred from overdue principal	-	-
Add: Overdue interest capitalized	-	-
	297,323,387	346,045,050
Less: Principal amount of installments due during the year	107,342,338	48,721,663
	189,981,049	297,323,387
Less: Current maturity	122,462,263	107,342,338
Closing balance (Non-current part of long term loan)	67,518,787	189,981,049
B. Movement of principal account was as under:		
Opening Balance	42,595,445	-
Add: Principal amount of installments due during the year	107,342,338	48,721,663
	149,937,783	48,721,663
Less: Repayment during the year	1,691,217	6,126,218
Less: Overdue principal transferred to non-current part of long term loan	-	-
Principal amount of overdue installments transferred to current liabilities	148,246,566	42,595,445
C. Movement of interest account was as under:		
Opening balance	19,796,829	-
Add: Interest due during the year	49,482,674	23,670,611
	69,279,503	23,670,611
Less: Repayment during the year	6,310,229	3,873,782
Less: Interest waived by bank during the year	-	-
Less: Overdue interest capitalized	-	-
Interest amount of overdue installments transferred to current liabilities	62,969,275	19,796,829
Total overdue installments transferred to current liabilities (B+C)	211,215,840	62,392,274
14.00 Deferred Tax Liabilities		
Book value of depreciable assets (Annexure-A)	941,942,476	972,675,760
Less: Tax base value of depreciable assets (Annexure-B)	193,435,452	213,164,288
Taxable Temporary Difference (Annexure-C)	748,507,024	759,511,472
Effective tax rate	12.00%	12.00%
Deferred tax liability on original cost of assets	89,820,843	91,141,377
Deferred tax liability on revaluation surplus of assets	132,574,181	132,574,181
Unused tax losses	(149,219,432)	(108,827,245)
Total Deferred Tax Liabilities	73,175,591	114,888,312
Deferred Tax Expense/(Income):		
Closing deferred tax liabilities	89,820,843	91,141,377
Less: Opening deferred tax liabilities	91,141,377	92,161,997
Deferred Tax Expense/(Income) [Details are given in Annexure-B]	(1,320,534)	(1,020,620)
Deferred tax income for unused tax losses (As per para 34 of IAS 12) [Note 25]	(40,392,187)	(45,283,558)
Total Deferred Tax Expense/(Income)	(41,712,721)	(46,304,178)





ALTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
15.00 Accounts Payable		
This amount represents that portion of credit purchase which was remain payable to suppliers on the statement of financial position date and is made up as follows:		
Trade Creditors	5,095,618	5,567,844
	5,095,618	5,567,844
Ageing of Accounts Payable		
Below 6 months	5,095,618	5,567,844
Above 6 months	-	-
	5,095,618	5,567,844
16.00 Long Term Loan (Secured)-Current portion		
Sonali Bank Demand Loan overdue (Note-13.01-B+C)	749,028,482	-
Sonali Bank Demand Loan current maturity (Note-13.01-A)	864,336,272	574,265,837
Sonali Bank Project Loan (ETP) Overdue (Note-13.02-B+C)	71,683,955	-
Sonali Bank Project Loan (ETP) current maturity (Note-13.02-A)	83,503,511	74,853,530
Sonali Bank LTR overdue (Note-13.03-B+C)	8,098,553	-
Sonali Bank LTR current maturity (Note-13.03-A)	10,263,585	6,706,122
Prime Bank Loan General overdue (Note-13.04-B+C)	311,223,285	238,483,997
Prime Bank Loan General current maturity (Note-13.04-A)	-	72,592,019
ONE Bank Term Loan overdue (Note 13.05-B+C)	211,215,840	62,392,274
ONE Bank Term Loan current maturity (Note 13.05-A)	122,462,263	107,342,338
	2,431,815,747	1,136,636,116
Current portion of long term loans has been presented in the financial statements in compliance with paragraph 69 of IAS 1.		
17.00 Unclaimed Dividend		
Opening balance	2,687,658	2,687,658
Add: Dividend unclaimed during the year	-	-
	2,687,658	2,687,658
Less: Dividend paid during the year	-	-
	2,687,658	2,687,658
Ageing of Unclaimed Dividend		
Below 5 years	1,763,432	1,763,432
Above 5 years	924,226	924,226
	2,687,658	2,687,658
18.00 Accruals and Provisions		
Accruals and Provisions	55,875,626	55,488,865
	55,875,626	55,488,865
Break-up:		
Other Accruals and Provisions	2,954,041	3,056,560
Provision for Income Tax (Note 18.01)	52,921,585	52,432,305
	55,875,626	55,488,865
18.01 Provision for Income Tax		
Opening balance	52,432,305	51,370,756
Add: Provision made for the year	489,280	1,061,548
	52,921,585	52,432,305
Less: Adjustment/paid during the year	-	-
	52,921,585	52,432,305





ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019

18.02 Status of Income Tax Assessment:

Accounting year	AIT/TDS	Treasury	Total	Status	Provision
Before			169,125		187,165
2009-2010	4,980,850	-	4,980,850	Final order/ Appeal Tribunal	-
2010-2011	14,937,839	-	14,937,839	Final order/High Court	1,600,023
2011-2012	16,160,614	-	16,160,614	Final order	-
2012-2013	20,602,097	-	20,602,097	Final order	-
2013-2014	19,338,080	-	19,338,080	Final order	21,556,086
2014-2015	4,234,825	-	4,234,825	Final order	11,851,373
2015-2016	6,297,452	-	6,297,452	High court reference case	6,297,452
2016-2017	9,109,803	-	9,109,803	Final order	7,212,393
2017-2018	2,235,162	3,262,755	5,497,917	Minimum Tax	2,666,265
2018-2019	-	-	-	Return submitted and minimum tax paid	1,061,548
2019-2020	-	-	-		489,280
Total	97,896,722	3,262,755	101,328,602		52,921,585





ALTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
19.00 Turnover	165,035,563	222,243,835
20.00 Cost of Goods Sold		
Gray Fabrics	152,397,934	224,367,176
Dyes and Chemicals	22,381,864	16,798,782
Screen, Film & Engraving Materials	783,963	174,887
Loose tools, Stores & Spares	2,956,567	2,676,153
Stitching Materials	2,585,792	2,395,871
Packing Materials	4,485,608	3,776,971
Raw Material Consumed	185,591,727	250,189,840
Wages, Salaries and Allowances	9,093,268	8,783,916
Manufacturing Overhead (Note 20.01)	60,057,324	63,174,936
Cost of Production	254,742,319	322,148,692
Add: Work-in-process - Opening	25,554,263	49,550,354
Less: Work-in-process - Closing	19,113,383	25,554,263
Cost of Goods Manufactured	261,183,199	346,144,783
Add: Finished goods - Opening	27,564,254	40,550,480
Finished Goods Available for Sale	288,747,453	386,695,263
Less: Finished goods - Closing	19,405,643	27,564,254
Cost of Goods Sold	269,341,810	359,131,009
Less: Recoveries	-	-
Total Cost of Goods Sold	269,341,810	359,131,009
20.01 Manufacturing Overhead		
Electricity Bill	1,027,371	1,547,289
Gas Bill	5,416,986	6,345,102
Repair & Maintenance (Machinery)	956,001	1,701,861
Fire Insurance	2,480,114	1,375,468
Depreciation	50,176,852	52,205,216
	60,057,324	63,174,936
21.00 Administrative and General Expenses		
Directors' Remuneration	1,256,000	1,256,000
Salaries and Allowances	8,947,236	8,739,005
Vehicle Fuel & Lubricants	1,293,068	1,453,114
Vehicle Maintenance	1,154,568	1,295,465
Stationery	19,882	67,160
Medical Expenses	78,459	85,456
Vehicle Insurance	10,500	10,500
Traveling and Conveyance	243,938	355,493
Office Tea and Refreshment	109,239	170,072
Telephone, Mobile and Fax Expenses	385,155	430,188
Welfare Expenses	3,000	2,500
Rates and Taxes	748,504	706,205
License and Renewal Fees	745,023	723,532
Postage and Stamps	205	1,665
Audit Fees	207,000	172,500





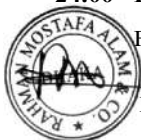
ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
Legal and Professional Fees	509,184	710,050
AGM Expenses	280,724	449,074
CDBL Expenses	106,000	106,000
Donation	10,000	50,000
Newspaper, Books and Forms	2,770	4,480
General Expenses	5,432	6,718
Miscellaneous Expenses	272,000	214,504
Business Promotion Expenses	26,000	27,000
Newspaper Advertisement	156,008	94,007
Garden Expenses	28,000	18,000
General Repair & Maintenance	119,231	143,693
Computer & IT-Repair & Maintenance	200,400	182,000
Depreciation	1,286,586	1,338,595
	18,204,112	18,812,976
22.00 Selling and Distribution Expenses		
Salaries and Allowances	3,176,560	3,649,500
Sales commission	1,650,356	1,254,623
Clearing and Forwarding Expenses	-	756,485
Carrying and Handling Charges	2,254	1,850
Sales Promotion Expenses	34,404	254,685
Vehicle Maintenance	98,249	125,045
Vehicle Fuel and Lubricants	90,857	118,564
Printing and Stationery	2,261	1,232
Traveling and Conveyance	48,562	60,254
Fax and Telephone Expenses	58,459	80,564
Office Tea and Refreshment	48,098	65,482
Samples Expenses	114,726	124,568
Transport Expenses	268,569	304,568
	5,593,355	6,797,420
23.00 Financial Expenses		
Interest on Demand Loan from Sonali Bank Ltd. (Note-13.01)	154,553,955	151,215,647
Interest on Project Loan (ETP) from Sonali Bank Ltd. (Note-13.02)	14,251,782	22,630,003
Interest on LTR from Sonali Bank Ltd. (Note-13.03)	1,039,449	1,831,483
Interest on Loan General from Prime Bank Ltd. (Note-13.04)	147,269	477,475
Interest on Long Term Loan from ONE Bank Ltd. (Note-13.05)	49,482,674	23,670,611
Interest on Term Loan from ONE Bank Ltd.	-	23,547,049
Interest Income	(52,966)	(54,084)
Interest Expenses	219,422,163	223,318,183
Bank Charges and Commission	129,159	49,943
	219,551,323	223,368,126
24.00 Foreign Currency Exchange (Gain) / Loss		
Foreign Currency Exchange (Gain) / Loss	(49,034)	2,453
	(49,034)	2,453

Foreign currencies gain/(loss) was recognized and presented in the financial statements as per paragraph 28 of IAS 21.





Particulars	Amount in Taka	
	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
25.00 Provision for Current Tax Expense		
Net profit before tax	(347,606,003)	(385,868,149)
Add: Accounting depreciation	51,463,437	53,543,811
	(296,142,566)	(332,324,338)
Less: Tax depreciation (Based on Third Schedule) [Please see Annexure-B]	40,458,990	45,038,644
	(336,601,556)	(377,362,982)
(a) Deferred tax income @ 12% (As per paragraph 34 of IAS 12)	(40,392,187)	(45,283,558)
Or		
(b) 0.288% of gross receipts (As per section 82C of the Income Tax Ordinance, 1984)	489,280	1,061,548
Or		
(c) Advance income tax deducted at source as minimum tax	-	1,032,522
Current Tax Expense (Whichever is higher of a, b and c)	489,280	1,061,548
26.00 Net Asset Value (NAV) Per Share		
The computation of NAV per share is given below:		
Net asset value at the end of the year	883,075,401	1,189,457,963
Number of ordinary shares at the end of the year	55,968,000	55,968,000
Net Asset Value (NAV) Per Share (restated)	15.78	21.25
27.00 Earnings Per Share (EPS)		
The computation of EPS is given below:		
Earnings attributable to the ordinary shareholders (net profit after tax)	(306,382,562)	(361,258,225)
Number of ordinary shares	55,968,000	55,968,000
Basic EPS (restated)	(5.47)	(6.45)
28.00 Statement of Cash Flows		
The major reason of decreasing Net Operating Cash Flow Per Share (NOCFPS) is comparatively more purchase and payment to suppliers during the year in comparison to prior year.		
As required by the clause 5(2)(e) of BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June 2018 the reconciliation of net profit with cash flows from operating activities under indirect method is given below:		
Net profit after tax	(306,382,562)	(340,625,519)
Adjustment for non-cash transactions:		
Depreciation	51,463,437	53,543,811
Accrued financial expenses	213,164,901	188,269,211
Foreign currency exchange (gain)/loss	(49,034)	2,453
Current tax expense	489,280	1,061,548
Deferred tax expense/(income)	(41,712,721)	(46,304,178)
Net profit before changes in working capital	(83,026,698)	(144,052,673)
Changes in working capital:		
(Increase)/decrease in inventories	111,349,121	287,172,157
(Increase)/decrease in accounts receivable	4,853,249	(45,319,118)
(Increase)/decrease in advances, deposits and pre-payments	(10,048,168)	4,322,971
Increase/(decrease) in accounts payable	(472,227)	(980,682)
Increase/(decrease) in accruals and provisions	(102,519)	(3,095,000)
	105,579,456	242,100,329
Net cash flows from operating activities	22,552,758	98,047,656





ALLTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Amount in Taka	
	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
	28.01 Net Operating Cash Flow Per Share (NOCFPS)	
Net cash generated from operating activities	22,552,758	98,047,656
Number of shares outstanding	55,968,000	55,968,000
Net Operating Cash Flow Per Share	0.40	1.75

29.00 Related Party Transactions

Company did not carry out transactions with related parties in the normal course of business during the year. Previous years' transactions balances, the nature of business transactions and their total value on June 30, 2020 are shown below:

<u>Name of Related Party</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	2019-2020	2018-2019
(a) Alltex Fabrics Limited	Common Director	Investment in Shares	70,000,000	70,000,000

Investment of Tk. 70,000,000/- was made in 7,000,000 ordinary shares of Tk.10/- each of Alltex Fabrics Limited.

30.00 Payment / Perquisites to Directors

(a) The aggregate amount provided for the Directors of the company as defined in the Securities and Exchange Rules, 1987 is disclosed below:

Basic Salary	660,000	660,000
Bonus	110,000	110,000
Perquisites:		
House Rent	330,000	330,000
Transport	60,000	60,000
Entertainment	60,000	60,000
Medical	36,000	36,000
Total Taka	1,256,000	1,256,000

(b) The Chairperson and the Managing Director have foregone their respective remunerations and allowances for the whole year and they did not take any remuneration for attending board meetings. They were also not paid for special services rendered during the year.

(c) Remuneration paid to one employee director was Taka 12,56,000/-.

(d) No compensation was allowed by the company to the Directors of the company.

(e) No amount of money was expended by the company for compensating any member of the board for special services rendered.

(f) No board meeting attendance fee was paid to the directors of the company.

(g) Number of Board of Directors Meeting held during the year was 14 (Fourteen).

31.00 Production Capacity, Actual Production in 2019-2020 and Reason of Excess/(Shortfall):

Production capacity	60,000,000	60,000,000
Actual production quantity	2,484,756	3,145,823
Excess / (Shortage)	(57,515,244)	(56,854,177)
Percentage of production with capacity	4.14%	5.24%

During the year under audit the aggregate production of Alltex Industries Ltd. has been decreased in capacity by 1.10% in comparison with prior year. Production quantity unit has been disclosed as square meter.





Particulars	Amount in Taka	
	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019

32.00 Contingent Liabilities and Capital Commitments

- (a) There was a contingent liability of Tk. 190.00 lac for bank guarantee purpose.
- (b) There was no unavailed credit facilities, other than those in the normal course of business, available to the company on June 30, 2020.
- (c) Effect of devaluation of BDT after the statement of financial position date on the company's current and long term liabilities have not been considered in these financial statements.

33.00 Capital Commitments

There is no claim against the company not acknowledged as debt in these financial statements.

34.00 Number of Employees

The number of employees and expenses incurred for employees during the year are as follows:

Number of Employees :

Below Tk. 3,000.00 per annum

Tk. 3,000.00 and above per annum

-	-
103	104
<u>103</u>	<u>104</u>

Expenses for Employees :

Below Tk. 3,000.00 per annum

Tk. 3,000.00 and above per annum

-	-
21,217,064	21,172,421
<u>21,217,064</u>	<u>21,172,421</u>

35.00 Impact of Pandemic Coronavirus on Business of the Company

On 30 January 2020, the World Health Organization (WHO) declared the outbreak of novel corona virus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh and Stock Exchanges of Bangladesh declared general holiday from 26 March 2020. Since then the Company temporarily closed its office and branches stopping all of its operations due to health concerns associated with COVID 19. While the disruption was expected to be temporary, there was uncertainty around the duration as well as the recovery timeline. However, In June 2020 the Company resumed its operation in a limited scale. Therefore, while the Company expects this matter to negatively impact its business, the Company has considered key accounting considerations related to the conditions that may result from the COVID 19.



**36.00 Financial Risk Management (IFRS 7)****36.01 Introduction**

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors (Treasury Policy). Company Treasury identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Treasury Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

36.02 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the year end the year at June 30, 2020:

Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Loans and Receivables:					
Cash and Cash Equivalents	8,728,171	-	-	-	8,728,171
Accounts Receivable	12,752,670	-	152,282,892	164,770,700	329,806,262
Advances, Deposits and Pre-payments	-	6,200,000	17,530,000	138,480,819	162,210,819
Balance at June 30, 2020	21,480,841	6,200,000	169,812,892	303,251,519	500,745,252

Financial liabilities measured at amortized cost:

Bank Loans	-	-	2,431,815,747	322,199,791	2,754,015,538
Trade Creditors	4,890,035	-	205,583	-	5,095,618
Balance at June 30, 2020	4,890,035	-	2,432,021,330	322,199,791	2,759,111,156

36.03 Credit risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Accounts Receivable (see note 07) is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are classified as follows (risk companies): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.





36.04 Market risks

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk. The market risk with exchange fluctuation gain/(loss) (see note 24) is limited, as this occurred only from foreign loan.

36.05 Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months. Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Treasury manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Treasury focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

36.06 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Treasury manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation. Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

BDT	Carrying Amount	Contractual cash flows	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities						
Bank Loans	-	-	1,611,064,543	820,751,204	322,199,791	-
Trade Creditors	-	-	5,095,618	-	-	-
Balance at June 30, 2020	-	-	1,616,160,161	820,751,204	322,199,791	-

37.00 Disclosure relating to restatement of financial statements

The company showed investment in associate at cost up to last audited financial statement but during this year company applied equity method of accounting for the said investment as per IAS-28. Restatement of investment in share has been made to confirm with current year's presentation as per IAS-8. Accordingly opening retained earning, share of profit of associate, EPS and NAV have been restated.

38.00 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per International Accounting Standards IAS 10 "Events after the Reporting Period". All material events occurring after the statement of financial position date have been considered and where necessary adjusted for or disclosed.

An Incident of Robbery in Factory

An incident of robbery took place in factory compound of the company at November 10, 2020. About 10/15 unidentified armed robbers raided the factory at the evening at around 6.30 pm and ransacked company's property in factory premises, chained company's officers and security guards, beat them mercilessly and stabbed some of them. At around 5.00 am on November 11, 2020 robbers left the factory with looted cash and goods by unknown trucks. Company filed case No.28 in Rupgonj Thana of Narayangonj district at November 11, 2020. As per FIR assumed value of looted cash and goods is Taka 19,02,547/-. However, loss has not been fully ascertained by the company management yet and investigation is under process by the law enforcing agency.

39.00 General

- (a) Audit fee represents statutory and corporate governance compliance audit fee.
- (b) The company has no gratuity scheme as such no provision has been made in these financial statements.



CFO

Company Secretary

MD & CEO

Director

Chairperson



Alltex Industries Limited
Schedule of Property, Plant and Equipment
As at June 30, 2020

Annexure-A

PARTICULARS	COST			Rate of Dep.	DEPRECIATION			Carrying Amount As on June 30, 2019
	As on July 01, 2019	Addition during the year	Disposal during the year		As on June 30, 2020	Charged/(Adj) during the year	As on June 30, 2020	
	As on July 01, 2019	Addition during the year	Disposal during the year		As on June 30, 2020	Charged/(Adj) during the year	As on June 30, 2020	
Land & Land Development	194,264,336	-	-	194,264,336	-	-	194,264,336	
Boundary, Fencing	17,077,141	4,225,462	-	21,302,603	1,297,418	6,094,971	15,207,632	
Factory Building	533,790,247	16,504,692	-	550,294,939	13,958,222	269,940,579	280,354,360	
Power House	61,672,887	-	-	61,672,887	859,059	53,941,356	7,731,531	
Gas, Boiler, Steam & Water Supply Installation	38,077,979	-	-	38,077,979	914,638	29,846,234	8,231,745	
Plant & Machinery	1,329,245,172	-	-	1,329,245,172	28,546,432	786,862,973	542,382,199	
Effluent Treatment Plant (ETP)	93,478,398	-	-	93,478,398	3,102,221	34,536,199	58,942,199	
Other Equipment	61,670,238	-	-	61,670,238	1,548,266	47,735,844	13,934,394	
Furniture & Fixture	13,660,995	-	-	13,660,995	246,272	11,444,543	2,216,452	
Vehicles	27,115,082	-	-	27,115,082	392,353	25,545,669	1,569,413	
Officers' Quarter	21,862,438	-	-	21,862,438	585,001	10,747,425	11,115,013	
Roads & Culverts	549,938	-	-	549,938	13,555	292,401	257,537	
Vehicles-Lease Assets	-	-	-	-	-	-	-	
Sub Total	2,392,464,851	20,730,154	-	2,413,195,005	51,463,437	1,276,988,192	1,136,206,813	
Revaluation								
Land & Land Development	1,104,784,839	-	-	1,104,784,839	-	-	1,104,784,839	
Sub Total	1,104,784,839	-	-	1,104,784,839	-	-	1,104,784,839	
Total as on June 30, 2020	3,497,249,690	20,730,154	-	3,517,979,844	51,463,437	1,276,988,192	2,240,991,652	
Total as on June 30, 2019	3,505,628,975	12,918,715	21,298,000	3,497,249,690	53,543,811	1,225,524,755	2,271,724,935	

Allocation of Depreciation:

Manufacturing Overhead	50,176,852
Administrative and General Expenses	1,286,586
	<u>51,463,437</u>





ALTEX INDUSTRIES LIMITED



Rahman Mostafa Alam & Co.
Chartered Accountants

Alltex Industries Limited

Schedule of Property, Plant and Equipment (Tax Base Value)

As at June 30, 2020

Annexure-B

SL NO.	PARTICULARS	DEPRECIABLE AMOUNT			Rate of Dep.	DEPRECIATION Charged/(Adj) during the year	Carrying Amount As on June 30, 2020
		As on July 01, 2019	Addition/(Disposal) during the year	As on June 30, 2020			
Dying & Finishing Unit							
1	Boundary Fencing	11,202,970	4,225,462	15,428,432	10%	1,542,843	13,885,589
2	Factory Building	46,183,979	16,504,692	62,688,671	20%	12,537,734	50,150,937
3	Office Building	3,517,982	-	3,517,982	10%	351,798	3,166,184
4	Power House	23,817	-	23,817	20%	4,763	19,053
5	Gas, Boiler, Steam inst.	991,621	-	991,621	15%	148,743	842,878
6	Generator	1,155,725	-	1,155,725	15%	173,359	982,366
7	Plant & Machinery	15,801,362	-	15,801,362	20%	3,160,272	12,641,090
8	Office Equipment	1,379,791	-	1,379,791	15%	206,969	1,172,822
9	Gas Installation	233,212	-	233,212	15%	34,982	198,230
10	Water Installation	44,291	-	44,291	15%	6,644	37,648
11	Vehicle	1,963	-	1,963	20%	393	1,571
12	Furniture & Fixture	1,372,498	-	1,372,498	10%	137,250	1,235,248
13	Electric Installation	58,325	-	58,325	15%	8,749	49,576
14	Officers' Quarters	2,136,248	-	2,136,248	10%	213,625	1,922,623
15	Roads & Culverts	91,645	-	91,645	15%	13,747	77,898
	Total	84,195,429	20,730,154	104,925,583		18,541,870	86,383,713
Printing Unit-II							
1	Factory Building	27,311,457	-	27,311,457	20%	5,462,291	21,849,166
2	Boiler Installation	374,510	-	374,510	15%	56,176	318,333
3	Plant & Machinery	53,259,681	-	53,259,681	20%	10,651,936	42,607,745
4	Effluent Treatment Plant (ETP)	31,845,325	-	31,845,325	10%	3,184,532	28,660,792
5	Office Equipment	6,388,102	-	6,388,102	15%	958,215	5,429,886
6	Gas Installation	4,319,143	-	4,319,143	15%	647,872	3,671,272
7	Vehicle	606,786	-	606,786	20%	121,357	485,429
8	Furniture & Fixture	1,067,890	-	1,067,890	10%	106,789	961,101
9	Lease Asset- Machinery	-	-	-	20%	-	-
	Total	125,172,894	-	125,172,894		21,189,170	103,983,724
Garments Unit							
1	Factory Building	1,053,633	-	1,053,633	20%	210,727	842,906
2	Plant & Machinery	1,054,233	-	1,054,233	20%	210,847	843,387
3	Furniture & Fixture	283,304	-	283,304	10%	28,330	254,974
4	Electric Installation	58,247	-	58,247	15%	8,737	49,510
5	Vehicle	18,677	-	18,677	20%	3,735	14,942
6	Lease Asset- Vehicle	1,327,871	-	1,327,871	20%	265,574	1,062,296
	Total	3,795,966	-	3,795,966		727,950	3,068,016
	Grand Total	213,164,288	20,730,154	233,894,442	-	40,458,990	193,435,452

Provision for Deferred Tax:

Book Value	(Annexure-A)	941,942,477
Tax Base Value		193,435,452
Taxable Temporary Difference	(Annexure-C)	748,507,024
Effective Tax Rate		12.00%
Deferred Tax Liability		89,820,843

Deferred Tax (Income)/Expense:

Closing Liability	89,820,843
Opening Liability	91,141,377
	(1,320,534)





Alltex Industries Limited
Schedule of Taxable Temporary Difference
As at June 30, 2020

Annexure-C

Sl. NO.	PARTICULARS	Tax Base Value				Rate of Dep.	Depreciation Charged/(Adj) during the year	Tax Base Value Carrying Amount as on June 30, 2020	Book Value Carrying Amount as on June 30, 2020	Taxable Temporary Difference
		Depreciable Amount as on July 01, 2019	Depreciable Amount as on July 01, 2019	Addition/ (Disposal) during the year	Depreciable Amount as on June 30, 2020					
		Dyeing & Finishing Unit	Printing Unit-I	Garments Unit						
1	Boundary Fencing	11,202,970	-	-	4,225,462	10%	1,542,843	13,885,589	15,207,632	1,322,043
2	Factory Building	46,183,979	27,311,457	1,053,633	16,504,692	20%	18,210,752	72,843,009	280,354,360	207,511,352
3	Office Building	3,517,982	-	-	-	10%	351,798	3,166,184	-	(3,166,184)
4	Power House	23,817	-	-	23,817	20%	4,763	19,053	7,731,531	7,712,478
5	Gas, Boiler, Steaminst.	991,621	-	-	991,621	15%	148,743	842,878	8,231,745	7,388,867
6	Generator	1,155,725	-	-	1,155,725	15%	173,359	982,366	13,934,394	12,952,029
7	Plant & Machinery	15,801,362	53,259,681	1,054,233	70,115,276	20%	14,023,055	56,092,221	542,382,199	486,289,978
8	Office Equipment	1,379,791	6,388,102	-	7,767,893	15%	1,165,184	6,602,709	-	(6,602,709)
9	Gas Installation	233,212	4,319,143	-	4,552,355	15%	682,853	3,869,502	-	(3,869,502)
10	Water Installation	44,291	-	-	44,291	15%	6,644	37,648	-	(37,648)
11	Vehicle	1,963	606,786	18,677	627,427	20%	125,485	501,942	1,569,413	1,067,471
12	Furniture & Fixture	1,372,498	1,067,890	283,304	2,723,693	10%	272,369	2,451,323	2,216,452	(234,871)
13	Electric Installation	58,325	-	58,247	116,572	15%	17,486	99,086	-	(99,086)
14	Officers' Quarters	2,136,248	-	-	2,136,248	10%	213,625	1,922,623	11,115,013	9,192,390
15	Roads & Culverts	91,645	-	-	91,645	15%	13,747	77,898	257,537	179,639
16	Boiler Installation	-	374,510	-	374,510	15%	56,176	318,333	-	(318,333)
17	Effluent Treatment Plant (ETP)	-	31,845,325	-	31,845,325	10%	3,184,532	28,660,792	58,942,199	30,281,407
18	Lease Asset- Vehicle	-	-	1,327,871	1,327,871	20%	265,574	1,062,296	-	(1,062,296)
	Total	84,195,429	125,172,894	3,795,966	20,730,154		40,458,990	193,435,452	941,942,477	748,507,024





ALLTEX INDUSTRIES LIMITED

PROXY FORM

I/We.....of.....

..... being a Member of **Alltex Industries Limited**, hereby appoint

Mr./Mrs./Miss

Of

as my/our proxy to attend and vote for me/us and on my/our behalf at the 36th Annual General Meeting of the company to be held on Thursday, December 31, 2020 at 11:00 am at the Registered Office of the Company at Alltex Industrial Park, Ariabo, Barpa, Rupgonj, Narayangonj, Bangladesh and/or at any adjournment thereof. Proxy may vote either for or against each resolution.

As witness my/our hand thisday of December 2020.

Signature of Shareholder

Signature of Proxy

Affix
Revenue
Stamp of
Tk.20.00

Signature of Witness

No. of shares held at record date

Register Folio/BO ID No.

Note: A Member entitled to attend and vote in the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. Proxy form, affixed with requisite revenue stamp of Tk.20.00 must be deposited at the Registered Office of the Company at Alltex Industrial Park, Ariabo, Barpa, Rupgonj, Narayangonj, Bangladesh or sent through e-mail to info.alltex@yahoo.com not later than 48 (forty eight) hours before the time fixed for the meeting.



ALLTEX INDUSTRIES LIMITED

ATTENDANCE SLIP

I hereby record my attendance in the 36th Annual General Meeting being held on Thursday, December 31, 2020 at 11:00 am at the Registered Office of the Company at Alltex Industrial Park, Ariabo, Barpa, Rupgonj, Narayangonj, Bangladesh.

Name of member/proxy

Register Folio/BO ID No.

Signature

Note:

1. Shareholders attending meeting in person or proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.
2. Please note that AGM can only be attended by the honorable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honorable shareholder or proxy cannot be allowed in the meeting.



ALLTEX INDUSTRIES LIMITED

Registered Office & Factory

Alltex Industrial Park
Ariabo, Barpa, Rupgonj
Narayangonj, Bangladesh

Correspondence Office

Suite No. 5B, House No.1
Road No. 27/28, Block-K
Banani, Dhaka, Bangladesh

Contact

E-mail : info.alltex@yahoo.com
Website : www.alltexbd.com
Telephone : 01711141161 (Share Department)
(02) 48810664 (Correspondence Office)
Fax : (02) 48810665 (Correspondence Office)