AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

OF

SONARGAON TEXTILES LIMITED
FOR THE YEAR ENDED 30 JUNE 2026

PKF Aziz Halim Khair Choudhury
Chartered Accountants
Phulbari House, House 25,
Road 1, Sector 9,
Uttara Model Town
Dhaka-1230, Bangladesh.
Tel.: +88-02-55080235
Fax: +88-02-55080236

A member firm

PKF Global London

SONARGAON TEXTILES LIMITED
TABLE OF CONTENTS

Sl. No.	Particulars	Pages
Auditor's Report & Audited Financial Statements		
1	Auditor's Report	1-6
2	Statement of Financial Position	7
3	Statement of Profit & Loss and other Comprehensive Income	8
4	Statement of Changes in Equity	9
5	Statements of Cash Flows	10
6	Notes to the Financial Statements	11-47
7	Exposure to Liquidity Risk	48
8	Schedule of Fixed Assets	49-51

PKF AHKC

PKF AZIZ HALIM KHAIR CHOUDHURY
CHARTERED ACCOUNTANTS

UTTARA BRANCH OFFICE
PHULBARI HOUSE HOUSE 25 ROAD 1 SECTOR 9
UTTARA DHAKA 1230 BANGLADESH

Independent Auditor's Report
To the Shareholders
of
Sonargaon Textiles Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Sonargaon Textiles Limited which comprise the Statement of Financial Position as at 30 June 2026 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2026, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the matter described in the Basis of Qualified Opinion section of our Report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2026, and of its financial performance and its cash flows for the year ended 30 June 2026 in accordance with International Financial Reporting Standards (IFRS), The Company Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

1. We draw attention to the financial statements, the company reported Inventories of BDT 391,491,502 at 30 June 2026. The Company provided an inventory movement schedule, it did not provide sufficient supporting documentation to enable us to verify the completeness, existence, and valuation of inventories as at 30 June 2026. Accordingly, we were unable to determine whether any adjustments to inventories, cost of goods sold and related balances were necessary, or whether inventories were measured in accordance with IAS 2 Inventories.

2. We draw attention to note 9.01 on "Unclaimed/Unpaid dividends" worth of BDT 1,560,103. As per Bangladesh Securities & Exchange Commission's (BSEC) notification BSEC/CMRRCD/2021-391/20/Admin/121 dated 1 June 2021 and BSEC/CMRRCD/2021-386/03 dated 14 January 2021, any cash dividend that remains unpaid or unclaimed or unsettled for three years from the date of declaration, approval or record date must be transferred to the bank account of the Capital Market Stabilization Fund within the time directed by the Commission. We observed that unclaimed dividends for 2019 (BDT 1,372,768) and 2022 (BDT 87,702) remained unpaid during the year, and that the total unclaimed dividend liability (BDT 1,560,103) was not covered by a related bank balance. This is non-compliance of the mentioned BSEC guidelines.

3. We draw attention to note 9.04 on the Workers' Profit Participation and Welfare Fund of BDT 1,622,518. During our audit we observed that the Company has not disbursed and utilized the fund as required by the Bangladesh Labour Act, 2006. This is non-compliance of the Act.

PKF Aziz Halim Khair Choudhury Chartered Accountants is a member of PKF International Ltd, London a network firm of PKF International Limited each of which is a separate and independent legal entity and does not accept any responsibility or liability for the action or inactions of any individual member or correspondent firm(s)

4. During the year, the Company reported purchases of raw materials as disclosed in Note No 11.01. However, the company conducted a significant portion of transaction through cash cheque. Due to the unavailability of reliable information, the compliance status of the payments with applicable laws and regulations remains unverified.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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 qualified opinion.

Emphasis of Matter

In addition, we identified the following matters that, had we not disclaimed our opinion, would have required a modification of our opinion.

1. As presented in the Statement of Changes in Equity, an amount of BDT 52,380,501 described as "Loan Adjustment" was credited directly to retained earnings without being recognized in the Statement of Profit or Loss and Other Comprehensive Income. The amount equals the reduction in the long-term loan balance that was interest waiver. The financial statement did not complied the interest waiver adjustments in accordance with IFRS 9.

2. We draw attention to note #8.01, which describes the company's on-going legal proceedings with Rupali Bank PLC. A money suit was installed with Artha Rin Adalat by Rupali Bank PLC as the loan has declared as classified. The bank is not charging the interest on loans. Moreover, the company has on the process of negotiation for interest remission and the matter is under process. So, the company reformed interest against loans. In the Note named long-term loan (non-current maturity), in which the Company explains why no interest was provided during the year. Our opinion is not modified in respect of these matters.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.06 to the financial statements as at 30 June 2026, which indicates that the Company has accumulated retained losses of BDT 85,990,305. Although the Company generated a profit during the year, the accumulated losses indicate that the Company needs to improve its sales and operating performance to support its ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

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

Key Audit Matter	How our audit addresses the Key Audit Matter
Revenue Recognition	
Revenue of BDT 49.9 Crore (BDT 32.5 Crore for the year ended June 30, 2025) is recognized in the Statement of In the process of recovering from epidemic, their sales have been increased about 32% compared to the last year. Recognition of the revenue has been considered complex to several types of contracts based mainly on export sales, as well as high sales volume comparing to the last few years' performance. This matter is considered a key matter due to the level of judgment required to determine the timing of revenue recognition and measurement.	Our procedure to include: 1. Reviewing the director's assessment of selecting the major customer, ensuring the veracity of the data presented and assessing management's consideration of this process; 2. Assessing completeness and accuracy of the data used for recognition of revenue; 3. Reviewing the company's revenue recognition policies, accounting guidelines and disclosures to assess conformity with IFRS 15 "Revenue from Contacts with customers". 4. Evaluating the appropriateness of the notes related to the company's revenue.
Details of Revenue Recognition are included in Note 10.00 of the Financial Statement	
Property, Plant & Equipment	
The Company's PPE balance as 30 June 2026 was 65.14 Crore (BDT 68.45 Crore as of 30 June 2025) this represents 59.76% comparing to the total assets of the company. There is an estimation performed by the management in regards to asset useful life. Based on the requirement of estimates and the fact that this is a major asset category, this was determined to be a key audit matter.	Our procedure to include: 1. Obtain and understanding of the companies internal controls, systems and process around PPE. 2. We performed PPE addition procedures by obtaining supporting documentation, invoices and payment support. 3. We perform the responsibility of depreciation expenses charged by management to ensure accuracy and occurrence. 4. Reviewed management's calculations to ensure it is free from no clerical errors
Details of Property, Plant & Equipment are included in Note 5.01 of the Financial Statements	

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date od the auditor's report, 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 Consolidated and Separate Financial Statements and Internal Controls

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020 and relevant notifications issues by Bangladesh Securities and Exchange Commission, except for the possible effects of the matter described in the basis for Qualified Opinion section of our report, we also report that:

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

Dated: 27 October 2026
Dhaka

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

AZIZ HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS Ahkc

Dr. Jamshed S.A. Choudhury

Signed by:
Dr. Jamshed S A Choudhury FCA
Senior Partner & International Liaison Partner
ICAB Enrolment No. 363
DVC: 2611010363AS192274

SONARGAON TEXTILES LIMITED
STATEMENT OF FINANCIAL POASITION
AS AT JUNE 30, 2026

Particulars	Notes	Amount in BDT	
		30-Jun-2026	30-Jun-2025
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	5.01	651,482,684	684,487,647
Right of Use Asset	5.02	1,867,033	-
	5.00	**653,349,717**	**684,487,647**
Current Assets:			
Inventories	6.01	391,491,502	549,892,922
Advances, Deposits and Prepayments	6.02	8,188,302	7,636,247
Trade & Other Receivables	6.03	14,927,795	13,568,689
Investment in Shares	6.04	10,509,065	1,569,450
Cash and Cash Equivalent	6.05	11,526,675	590,202
		436,643,339	**573,257,510**
Total Assets		**1,089,993,056**	**1,257,745,156**
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity:			
Share Capital	7.01	264,670,560	264,670,560
Capital Reserve	7.02	5,373,570	5,373,570
Share Premium	7.03	54,560,000	54,560,000
Revaluation Reserve	7.04	310,199,211	319,576,019
Retained Earnings	7.05	(85,990,305)	(158,476,553)
		548,813,037	**485,703,596**
Non-Current Liabilities:			
Long Term Loan (Non -Current Maturity)	8.01	367,775,368	672,404,220
Lease Obligation Liability	8.02	1,943,832	-
Deferred Tax Liability	8.03	54,465,016	57,776,842
		424,184,216	**730,181,062**
Current Liabilities & Provisions:			
Unclaimed/Unpaid Dividend	9.01	1,560,103	1,560,103
Trade & Other Payables	9.02	89,079,346	20,783,510
Accrued Expenses Payable	9.03	19,736,927	15,262,187
Workers Profit Participation and Welfare Fund	9.04	1,622,518	1,001,817
Provision for Income Tax	9.05	4,996,909	3,252,881
		116,995,804	**41,860,499**
Total Shareholders' Equity & Liabilities		**1,089,993,056**	**1,257,745,156**
Net Assets Value Per Share (NAVPS)	**16.00**	**20.74**	**18.35**

(Pintu Sikder ACS)
Company Secretary

(Md. Monirul Islam Khan)
Chief Financial Officer

(Bazlur Rahman)
Managing Director

(Rosy Rahman)
Director

(A.K.M Azizur Rahman)
Chairman

For, AZIZ HALIM KAHIR CHOUDHURY
Chartered Accountants

Dr. Jamshed S A Choudhury FCA
Senior Partner
Enrollment no: 0363
DVC: 2611010363AS192274

Date: 27 October 2026
Place: Dhaka

AZIZ HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS Ahkc

SONARGAON TEXTILES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

Particulars	Notes	Amount in BDT	
		30-Jun-2026	30-Jun-2025
Sales (Revenue)	10.00	499,690,934	325,288,124
Less: Cost of Goods sold	11.00	(462,709,853)	(336,153,950)
Gross Profit /(Loss)		**36,981,081**	**(10,865,826)**
Less: Operating Expenses :			
Administrative Expenses	12.00	(25,169,167)	(20,672,548)
Selling & Distribution Expenses	13.00	(212,538)	(190,422)
Total Operating Expenses		**(25,381,705)**	**(20,862,970)**
Operating Profit/(Loss)		**11,599,376**	**(31,728,796)**
Add: Non-Operating Income			
Other Income	14.00	1,774,643	1,153,422
Total Non-Operating Income		**1,774,643**	**1,153,422**
Less: Non-Operating Expenses			
Financial Expenses	15.00	(339,295)	(98,844)
Total Non-Operating Expenses		**(339,295)**	**(98,844)**
Net Profit/(Loss) before WPPF		**13,034,724**	**(30,674,218)**
Less: Provision for WPPF & WWF	9.03	(620,701)	-
Less: Provision for WWF	9.03	-	-
		(620,701)	-
Net Profit/(Loss) before tax (G-H)		**12,414,023**	**(30,674,218)**
Less: Provision for Income Tax			
Current Tax	9.04	(4,996,909)	(3,252,881)
Deferred Tax	8.04	3,311,826	12,680,831
Total Income Tax Expenses		**(1,685,083)**	**9,427,950**
Net Profit/(Loss)after Tax		**10,728,940**	**(21,246,269)**
Other comprehensive income		-	-
Total comprehensive income		**10,728,940**	**(21,246,268)**
Earning Per Share (EPS)	17.00	**0.41**	**(0.80)**

(Pintu Sikder ACS)
Company Secretary

(Md. Monirul Islam Khan)
Chief Financial Officer

(Bazlur Rahman)
Managing Director

(Rosy Rahman)
Director

(A.K.M Azizur Rahman)

For, AZIZ HALIM KAHIR CHOUDHURY
Chartered Accountants

Dr. Jamshed S.A. Choudhury

Dr. Jamshed S A Choudhury FCA
Senior Partner
Enrollment no: 0363
DVC: 2611010363AS192274

Date: 27 October 2026
Place: Dhaka

AZIZ HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS

SONARGAON TEXTILES LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

Amount in BDT

Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 1 July, 2025	264,670,560	54,560,000	5,373,570	319,576,019	(158,476,553)	485,703,596
Adjustment in Revaluation Reserve	-	-	-	(9,376,808)	9,376,808	-
Net profit/(Loss)- 2026	-	-	-	-	10,728,940	10,728,940
Prior Year Tax Adjustment	-	-	-	-	-	-
Loan Adjustment	-	-	-	-	52,380,501	52,380,501
Dividend 2025	-	-	-	-	-	-
Balance as on 30th June, 2026	**264,670,560**	**54,560,000**	**5,373,570**	**310,199,211**	**(85,990,305)**	**548,813,037**

SONARGAON TEXTILES LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

Amount in BDT

Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 1 July, 2024	**264,670,560**	**54,560,000**	**5,373,570**	**329,610,602**	**(143,025,383)**	**511,189,349**
Adjustment in Revaluation Reserve	-	-	-	(10,034,583)	10,034,583	-
Net profit/(Loss)- 2025	-	-	-	-	(21,246,268)	(21,246,268)
Prior Year Tax Adjustment	-	-	-	-	(1,592,780)	(1,592,780)
Dividend 2024	-	-	-	-	(2,646,705)	(2,646,705)
Balance as on 30th June, 2025	**264,670,560**	**54,560,000**	**5,373,570**	**319,576,019**	**(158,476,553)**	**485,703,596**

(Pintu Sikder ACS)
Company Secretary

(Md. Monirul Islam Khan)
Chief Financial Officer

(Bazlur Rahman)
Managing Director

(Rosy Rahman)
Director

AZIZ HALIM KHAIR CHOUDHURY
CHARTERED ACCOUNTANTS

(A.K.M Azizur Rahman)
Chairman

Date: 27 October 2026
Place: Dhaka

SONARGAON TEXTILES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

Particulars		Amount in BDT	
		30-Jun-2026	30-Jun-2025
A. Cash Flows from Operating Activities :			
Collection from Turnover & Others		498,331,828	327,792,881
Payment to Suppliers and Employees		(234,332,435)	(325,330,649)
Cash Generated from Operation		**263,999,393**	**2,462,232**
Collection from Non-operation Income		1,774,642	1,153,422
Interest Paid		-	-
Income Tax paid		(3,792,436)	(2,206,197)
Net Cash Flows from Operating Activities		**261,981,599**	**1,409,458**
B. Cash Flows from Investing Activities :			
Acquisition of property Plant & Equipment		-	-
Acquisition of Long Term Assets		-	-
Sale Proceeds of Long Term Assets		-	-
Net Cash Flows from Investing Activities		**-**	**-**
C. Cash Flows from Financing Activities :			
Long Term Loan received		-	-
Term Loan Paid		(251,045,126)	-
Other Loans and Advances Received /(Paid)		-	-
Dividend Paid		-	(2,547,072)
Net cash flow from Financing Activities		**(251,045,126)**	**(2,547,072)**
Increase/(decrease) in Cash and Cash Equivalent (A+B+C)		10,936,473	(1,137,614)
Cash and Cash Equivalent at Opening		590,202	1,727,816
Unrealized gain or (loss) on foreign exchange fluctuation		-	-
Cash and Cash Equivalent at Closing		**11,526,675**	**590,202**
Net Operating Cash Flow Per Share (NOCFPS)	**18.00**	**9.90**	**0.05**

(Pintu Sikder ACS)
Company Secretary

(Md. Monirul Islam Khan)
Chief Financial Officer

(Bazlur Rahman)
Managing Director

(Rosy Rahman)
Director

(A.K.M Azizur Rahman)
Chairman

1.0 Reporting Entity

1.01 Corporate Information – Domicile, Legal Formation, and Country of Incorporation

Sonargaon Textiles Limited has been incorporated in Bangladesh as a Public Limited Company under the Companies Act 1913, currently 1994, in the year 1984. The shares of the Company are listed with the Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE).

1.02 Address of Corporate Head Office:

The Corporate Office of the Company is situated at Khansons Centre, 37, Kawran Bazar, Dhaka-1215, Bangladesh.

1.03 Address Factory Office:

The Share Office of the Company is situated at Rupatali, Barisal, and the Registered Office is there.

1.04 Other Corporate Information

(i) Trade License: TRAD/DNCC/064394/2022 date: 11/08/2025
(ii) e-TIN No.:476264417082 date: 18/12/2013
(iii) BIN No.: 0000871560804 date: 14/08/2019

1.05 Principal Activities and Nature of Business

The Company owns and operates a textile spinning mill comprising 3 Units, viz, Unit-I, Unit-2, and Unit-3, and its principal activities and operations are manufacturing of cotton yarn of different counts and sales thereof.

1.06 Commencement of Business

The Company commenced its commercial operation on 21.12.1985, but the operation has stopped for some technical reason for 14 months, and commercial operation has restarted from 30.05.2021.

1.07 Operating Segments

No operating segment is applicable for the Company as required by ***IFRS 8***: Operating Segments as the Company has only one operating segments and the operation of the Company is within the geographical territory in Bangladesh.



1.08 **Structure, Content, and Presentation of Financial Statements**

According to the International Accounting Standards (IAS-1) as adopted by the Institute of Chartered Accountants of Bangladesh as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following component

- Statement of Financial Position as at 30th June, 2026;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2026;
- Statement of Changes in Equity for the year ended 30th June, 2026;
- Statement of Cash Flows for the year ended 30th June, 2026;
- Notes comprising a summary of significant accounting policies and other explanatory Information.

2.00 **Basis of Preparation of Financial Statements**

2.01 **Statement of Compliance**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities & Exchange Rules, 2020, the Listing Regulations of Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (CSE), and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Pursuant to the recent amendment to the Companies Act, 1994 incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in the case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

2.02 **Other Regulatory Compliances**

The Company is also required to comply with the following major legal provisions in addition to the Companies Act, 1994, and other applicable laws and regulations:

The Income Tax Act, 2023;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 2016;
The Stamp Act, 1899;
The Customs Act, 1969;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Securities and Exchange Rules, 2020;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2018)
DSE/CSE Rules;
Listing Regulations, 2015;

2.03 **Compliance with the Financial Reporting Standards as applicable in Bangladesh**

As per para-14(2) of the Securities and Exchange Rule, 2020, the company has followed the International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant, and Equipment	Complied
9	19	Employee Benefits	N/A
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	N/A
15	27	Separate Financial Statements	N/A
16	28	Investment in Associated and Joint Venture	N/A

Sl. No.	IAS No.	IAS Title	Compliance Status
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Complied
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Complied
25	40	Investment Property	N/A
26	41	Agriculture	N/A

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share-based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	N/A
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	N/A
11	11	Joint Arrangements	N/A

A.Q. HALIM KHAIR CHOUDHURY & CO. CHARTERED ACCOUNTANTS

12	12	Disclosure of Interests in Other Entities	N/A
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

2.04 **Basis of Measurement of Elements of Financial Statements**

The financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non-current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes. The accompanying policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of previous years.

2.05 **Accrual Basis of Accounting**

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income, and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS Conceptual Framework.

Going Concern Assumption

The financial statements have been prepared on the assumption that the entity is a going concern and will continue its business in the foreseeable future. The current trend of production indicates further growth in the near future in a bid to augment its revenue and the company has resorted to some measures like support of the company's bank and shareholders and on the basis of these the management of the company is however confident the entity will continue as going concern.

2.07 **Functional and Presentation Currency**

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.08 **Key Accounting Estimates and Judgments in Applying Accounting Policies**

The preparation of financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

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, the key areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation, and other payables.

A.J.O HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS

2.09 **Materiality, Aggregation, and Off Setting**

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has the legal right to set off the amounts and intends to settle on a net basis.

Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exists a legal right; therefore no such incident existed during the year.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies were consistent with the practices of the previous years.

2.11 **Foreign Currency Transactions**

Transactions in foreign currencies are translated into the functional currency (BDT) at exchange rates ruling at the dates of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate differences at the statement of financial position date are charged/credited to the statement of profit or loss and other comprehensive income, to the extent that this treatment does not contradict with the Schedule XI of the Companies Act, 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance the acquisition of construction of fixed assets, to be credited/charged to the cost/value of such assets.

The financial statements are presented in BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit or loss.

2.12 **Comparative Information**

Comparative information has been disclosed in respect of 2024-2025 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. The prior year's figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.13 **Responsibility for Preparation and Presentation of Financial Statements**

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of the Companies Act, 1994.

2.14 **Reporting Period**

The reporting period of the Company covers one year from the 1st day of July, 2025 to 30th of June, 2026.

2.15 **Approval of Financial Statements**

The financial statements have been approved by the Board of Directors on the 27th day of October, 2026.

3.00 **Significant Accounting Principles and Policies selected and applied for significant transactions and events are depicted below:**

For significant transactions and events that have a material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS1 : Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS1:Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 **Property, Plant, and Equipment**

3.01.1 **Recognition and Measurements of Tangible Fixed Assets**

These are capitalized at the cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of *IAS 16 "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.
In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in 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.

Expenses as capitalized included applicable "Borrowing Costs" in compliance with the provisions of Companies Act, 1994 and IAS 23: Borrowing Costs.

Cost also includes an initial estimate of the costs of dismantling, removing the item, and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities, and Contingent Assets.

On retirement or otherwise disposal of fixed assets, the cost, and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of comprehensive income which is determined with reference to the net book value of assets and the net sales proceeds.

3.01.2 **Maintenance Activities**

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 **Subsequent Cost**

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably. The cost of the day-to-day servicing of properly and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

A. F. FALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS

3.01.4 **Depreciation on Tangible Fixed Assets**

As required in Paragraph 43 of IAS-16 Property and Equipment, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment".

Depreciation on all other fixed assets except land and land development and pond excavation is computed using the diminishing balance method in an amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditures for maintenance and repairs are expenses; major replacements, renewals, and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the Statement of Profit or Loss Account for the year ended. The annual depreciation rates applicable to the principal categories are:

Category of Fixed Assets	**Rate of Depreciation**
Land & Land Development	--
Building & Construction	5%
Plant & Machinery	7%
Furniture & Fixture	15%
Motor Vehicles	20%
Sundry Assets	20%

The Company's policy is to transfer excess depreciation of revalued assets are transferred from revaluation surplus to retained earnings.

3.01.5 **Disposal of Property, Plant and Equipment**

An item of Property, Plant, and Equipment is removed from the statement of financial position when it is dispose off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant, and Equipment is included in the statement of profit or loss and other comprehensive income of the period in which the de-recognition occurs.

3.01.6 **Impairment**

The carrying amounts of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment if any such indication exists, the asset's recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

An impairment loss is recognized through the statement of profit or loss and other comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is calculated as the present value of estimated future cash flows, that will be generated using that asset, discounted at an appropriate rate.
Impairment indicators comprise:

- reduced earnings compared to expected future outcomes.
- material negative development trends in the sector or the economy in which the company operates;
  - damage to the asset or changed use of asset;

A.F. FERGUSON & CO. CHARTERED ACCOUNTANTS

3.03 **Sundry Debtors (Including Advance, Deposits and Pre-Payments)**

These are carried at original invoice amounts, which represent net realizable value.

3.04 **Other Current Assets**

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

3.05 **Inventories**

Inventories are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Inventories consist of raw cotton, finished goods, work-in-process, spare parts, packing materials, and wastage cotton. The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

3.06 **Revenue Recognition**

In compliance with the requirements of IFRS 15, the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration received or receivable excluding VAT, discounts, commission, rebates, and other sales taxes where applicable.

IFRS 15 requires the company to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales have been historically very low. As a result, the Company does not make a sales return allowance at the end of the year. The Company does not however monitor the activity of sales returns during the year and the behaviour of customers to determine if a sales return allowance is required. As of 30th June, 2026, no sales return allowance was deemed to be required.

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-step model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from the 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).

(a) **Sale of Goods**

Revenue from the sale of goods is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company has generally concluded that it is the principle in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

SALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS

(b) **Profit on Bank Deposits**

Profit on bank deposits have been accounted for on an accrual basis.

(c) **Other Revenues**

Other revenues are recognized when services are rendered and bank interests are earned.

3.07 **Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.07.1 **Financial Assets**

The company initially recognizes a financial asset in its statement of financial position, when, and only when, the entity becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

An entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL) on the basis of both in pursuance of provision 4.1 classification of financial assets under IFRS 9:

(a) the entity's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial assets.

3.07.1.1 **Financial Assets measured at amortized cost**

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

3.07.1.2 **Financial Assets measured at fair value through other comprehensive income**

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows solely payments of principal and interest on the principal amount outstanding.

3.07.1.3 **Financial Assets measured at fair value through profit or loss**

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

A.K. HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS

Financial assets include trade and other receivables, advances, deposits & prepayments, and cash & cash equivalents.

(i) **Trade and Other Receivables**

Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost-less impairment losses due to non-collectability of any amount so recognized.

(ii) **Advance, Deposits & Prepayments**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments, or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the profit & loss account.

(iv) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank, and fixed deposits having maturity of less than three months which are available for use by the company without any restriction.

3.07.2 **Financial Liabilities**

A financial liability is recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The company initially recognizes financial liabilities 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 canceled or expired.

Non-derivative financial liabilities comprise interest-bearing borrowings, trade, and other payables and provisions.

(i) **Interest bearing borrowings**

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest, and other charges are classified as current liabilities.

(ii) **Trade and Other Payables**

Trade and other payables are recognized at the amount payable for settlement in respect of goods and services received by the Company.

(iii) **Provisions**

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

3.08 **Equity Instruments**

Ordinary shares are classified as equity. Investment costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid-up share capital represents the total amount contributed by the shareholders and bonus shares issued by the Company.

A.Z.F. HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS

3.09 **Impairment**

(i) **Non-derivative Financial Assets**

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

(a) default or delinquency by a debtor;
(b) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
(c) indications that a debtor or issuer will enter bankruptcy;
(d) adverse changes in the payment status of borrowers or issuers;
(e) observable data indicating that there is a measurable decrease in expected cash flows from a Company of financial assets.

(ii) **Financial Assets measured at amortized cost**

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) **Non-Financial Assets**

The carrying amounts of the Company's non-financial assets (other than biological assets, investment property, inventories, and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

ZAHEER KHAIR CHAUDHRY CHARTERED ACCOUNTANTS

Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognized.

3.10 **Derivatives**

The company is not a party to any derivative contract at the statement of financial position date, such as a forward exchange contract, currency swap agreement, or interest rate option contract to hedge currency exposure related to the import of raw materials and others or principal and interest obligations of foreign currency loans.

3.11 **Investment in Shares (IAS-39): Financial Instruments-Recognition and Measurement)**

Investment in marketable ordinary shares has been shown at cost price and classified as available-for-sale financial instruments as per IAS-39. Any adjustment for diminution in the value of shares as on closing of the period on an individual investment basis is made in the financial statement which is reflected in the other comprehensive statement.

3.12 **Leases**

IFRS 16 providesa a single leasee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset as a low value. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Company applied IFRS 16 Lease for the first time on 1st July, 2019. The nature and effect of the changes as a result of the adoption of this new accounting standard is described below.

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the company used to charge the consideration paid in its books as revenue expenses. IFRS 16 introduced a single, on-balance-sheet accounting model for leases. As a result, the Company, as a lessee, has recognized the right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1st January, 2019 for the existing lease contracts.

The Company has only an office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight-line operating lease expenses (as per IAS-17) with an amortization charge for the right-of-use assets and interest expense on lease liabilities.

The Company applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1st January, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.



Subsequent Measurement:

The Lease Liability:

Upon initial recognition, the lease liability is being accounted for using amortized cost. Meaning that the initial liability is added by finance charge at the company's incremental borrowing cost less subsequent rental payment on a monthly basis.

Right to Use Assets:

The leased assets (Right to Use Asset) are depreciated over its useful life on a monthly basis using the straight-line depreciation method.

3.13 **Taxation**

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) **Current Tax:**

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 15% as a reduce rate by SRO.159/AIN/Income tax/2022 Valid up to June 2025 and 30% was on non-operating income.

(b) **Deferred Tax:**

The company has recognized deferred tax using the balance sheet method in compliance with the provisions of IAS 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 financial reporting purposes and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(c) **Value Added Tax:**

Revenues, expenses, and assets are recognized net of the amount of Value Added Tax except:

Where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivable and payables that are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, taxation authority is included as part of receivables or payables in the statement of financial position.

3.14 **Proposed Dividend**

The amount of the proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of the International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.



3.15 **Cost of Post-Employment Benefits**

The company has not maintained a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans and therefore does not record any provisions or expenses in this regard.

3.16 **Capitalization of 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.

3.17 **Accruals, Provisions and Contingencies**

(a) **Accruals**

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) **Provisions**

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 at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year, the company has made sufficient provisions where applicable.

(c) **Contingencies**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one,or more uncertain future events not wholly within the control of the company. At the reporting date, the company does not have any contingent assets.

Contingent liabilities and assets are not recognized in the statement of financial position of the company.



3.18 **Cash and Cash Equivalents**

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represent cash and cash equivalents considering the *IAS 1 "Presentation of Financial Statements"* and *IAS 7 "Cash Flow Statement"* which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risks of changes in value and are not restricted as to use.

3.19 **Statement of Cash Flows**

Cash flow statement is prepared in accordance with IAS 7: "Cash Flow Statement", as recommended by the Securities and Exchange Rules 1987. The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balances held with the commercial banks. It is broken down into operating activities, investing activities, and financing activities. The direct method is used to show the operating activities.

According to IAS 7: "Cash Flow Statements", cash comprises cash in hand and demand deposits and cash equivalents are short-term, highly liquid investments that are readily convertible to the known amount of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS 7 and IAS 1, cash in hand, fixed deposits, and bank balances have been considered as cash and cash equivalent. In addition, management disclosed an indirect method under the IAS-7 statement of cash flows from audit activities as per circular no. Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/ 2006-158/208/ Admin/81, dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method.

3.20 **Earnings per Share (EPS)**

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic EPS

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per share, an entity adjusts the profit or loss attributable to each ordinary equity holder of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Diluted EPS is only calculated where the company has a commitment to issue ordinary shares in the future at the reporting date. No such commitment is held by the company at the reporting date.

3.21 **Risk Exposure**

Interest Rate Risk

Interest rate risk is the risk that a 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 management of the company prefers procuring the long-term fund with a minimum fixed interest rate and the short-term fund with a reasonable competitive rate. The company maintains a low debt/equity ratio; and accordingly, the adverse impact of interest rate fluctuation is insignificant.

Exchange Rate Risk

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

Management Perception

The products of the company are sold mostly in foreign currency. Therefore, the volatility of the exchange rate will have an impact on the profitability of the company.

Industry Risks

Industry risk refers to the risk of increased competition by entries of new competitors 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, and results of operation.

Management Perception

Management is optimistic about growth opportunities in the textile sector in Bangladesh.

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 acts accordingly. The market for the CNG sector in Bangladesh is growing at an exponential rate. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational Risks

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 the 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 price.

A.K. HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS

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 the financial obligation through the preparation of the cash forecast, prepared based on a timeline of payment of the financial obligation and accordingly arranges for sufficient liquidity/fund to make the expected payment within due date.

Labour Unrest Risk

Smooth production is dependent on good relationships with factory workers and their ability to provide high-quality services. In the event of disagreement with workers, the company may face adverse impacts.

Management Perception

The management personnel both in the head office and production premises maintain a good atmosphere at the workplace and provide with all necessary facilities to the workers like healthy remuneration, employee leave entitlement, termination benefits, and worker's profit participation fund for its employees which reduces the risk of labour unrest.

3.22 **Events after the Reporting Period**

As per IAS-10 "Events after reporting Date" are those events favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statements are authorized for issue. Two types of events can be identified: those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after the balance sheet date); and those that are indicative of conditions that arose after the reporting year (Non-adjusting events after the balance sheet date).

3.23 **Related Party Disclosure**

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length
basis at commercial rates with its related parties. Related party disclosures have been given in **Note 20**.

4.00 **General**

(a) All shares have been fully called and paid up;
(b) There is no preference shares issued by the company;
(c) The company has not incurred any expenditure in foreign currency against royalties and technical fees;
(d) Auditors are paid only the statutory audit fees;
(e) No foreign currency was remitted to the shareholders during the year under audit;
(f) No money was spent by the company for compensating any member of the board for rendering special services;
(g) No brokerage was paid against sales during the year under audit;
(h) No bank guarantee was issued by the company on behalf of its directors.



Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025
5.00	**Non-Current Assets**		
	5.01 Property, Plant & Equipment	651,482,684	684,487,647
	5.02 Right of Use Asset	1,867,033	-
		653,349,717	**684,487,647**
5.01	Property, Plant and Equipment		
	At Cost:		
	Balance as 01.07.2025	1,475,544,498	1,475,544,498
	Add: Addition during the year	-	-
		1,475,544,498	1,475,544,498
	Less: Disposal during the year	-	-
		1,475,544,498	1,475,544,498
	Less: Accumulated Depreciation :		
	Balance as on 01.07 .2025	791,056,852	755,624,824
	Add: Charged during the year	33,004,962	35,432,027
		824,061,814	791,056,851
	Less: Disposal during the year	-	-
		824,061,814	791,056,851
	Written Down Value as on 30.06.2026	**651,482,684**	**684,487,647**
	The details of which have been shown in Annexure-1, 2, 3 & 4.		
5.02	**Right Use of Asset**		
	At Cost:	-	1,518,777
	Balance as 01.07.2025	2,333,791	-
	Add: Addition during the year	2,333,791	1,518,777
	Less: Disposal during the year	-	-
		2,333,791	**1,518,777**
	Less: Accumulated Depreciation :	-	1,012,518
	Balance as on 01.07.2025	466,758	506,259
	Add: Charged during the year	466,758	1,518,777
	Less: Disposal during the year	-	-
		466,758	1,518,777
	Written Down Value as on 30.06.2026	**1,867,033**	-
6.00	**Current Assets**	391,491,502	549,892,922
	6.01 Inventories	8,188,302	7,636,247
	6.02 Advances, Deposits & Prepayments	14,927,795	13,568,689
	6.03 Trade & Other Receivables	10,509,065	1,569,450
	6.04 Investment in Shares	11,526,675	590,202
	6.05 Cash and Cash Equivalents	**436,643,339**	**573,257,510**
6.01	**Inventories**	135,598,750	145,965,500
	Raw Cotton (Note No.11.01)	250,467,411	398,467,411
	Finished Goods (Note No.11)	2,204,000	2,090,000
	Work in Process (Note No. 11)	2,599,855	2,778,371
	Waste Cotton (Note No.11)	402,896	377,890
	Spare Parts	218,590	213,750
	Packing Materials	**391,491,502**	**549,892,922**

(i) The valuation method has been applied consistently as supported by IAS;
(ii) The total schedule of closing inventory for each items as at 30th June, 2026;
(iii) The policy to keep provision for impairment of inventory has been obtained;
(iv) There is no damage goods or slow moving item in the inventory;

AZIZ HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS AHKC

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025
6.02	**Advance, Deposits & Prepayments**		
	Advance Income Tax Note 6.2.1	3,791,462	3,251,907
	Security Deposit Note 6.2.2	3,853,540	3,853,540
	Advance against Salary	543,300	530,800
	VAT/Excise duty paid in advance	-	-
		8,188,302	**7,636,247**
6.2.1	**Advance Income Tax**		
	Opening Balance	3,251,907	2,638,490
	Less : Previous year provision for Taxation	-	-
		3,251,907	**2,638,490**
	Add: Current year Tax deducted at sources :		
	Income Tax paid as advance		
	On Export proceeds	199,581	320,227
	On Bank Interest	35,654	2,217
	On Car	50,000	62,500
	On Trade License	3,000	-
	On Dividend	251,320	228,473
		3,791,462	**3,251,907**
	Less : Write off Advance Income Tax	-	-
	Less : Last year provision for Taxation	-	-
	Less : During the year provision for Taxation	-	-
		3,791,462	**3,251,907**
6.2.2	**Security Deposit**		
	Security Deposit to Bangladesh Oxygen Ltd.	4,000	4,000
	Security Deposit to PDB (U-1)	1,061,393	1,061,393
	Security Deposit to PDB (U-2)	621,607	621,607
	Security Deposit to PDB (U-3)	1,942,000	1,942,000
	Security Deposit to Telephone (BTTB)	125,500	125,500
	BTME (Special Fund)	99,040	99,040
		3,853,540	**3,853,540**

Advance to employees against salary which is adjustable against monthly salary is considered good. Security deposits consist utility deposits is considered good.

6.03 Trade & Other Receivables

Name	Address	Amount in BDT	
R B Trade Link		14,927,795	12,968,689
Export Unrealized		-	-
		14,927,795	**12,968,689**

(i) Net receivables are considered good. The company holds no security other than debtors' personal security in the form of work orders etc.

(ii) No amount was due by the directors (including the Managing Director and Chairman), managers and other officers of the Company or any of them either severally or jointly with any other person.

6.04 Investment in Shares

Central Depository BD Ltd.(CDBL)	1,569,450	1,569,450
Others Investment (Annexure i)	8,939,615	-
	10,509,065	**1,569,450**

The Company holds shares of Central Depository BD Ltd.(CDBL) which are measured at cost. The total value of shares as at 30th June, 2026 are the Shares of Central Depository BD Ltd. (CDBL), held at cost:

The Company holds shares of Central Depository Bangladesh Ltd. (CDBL) which are measured at cost as on 30th June, 2026.

Annexure i :

Instrument	Quantity	Cost Price	Total Cost	Market rate	Market Value
BNICL	83,056	104.16	8,651,252.63	120.60	10,016,553.60
RELIANCINS	2,500	115.35	288,362.50	120.20	300,500.00
Total			**8,939,615.13**		**10,317,053.60**

A.F. HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS AHKC

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025
6.05	**Cash and Cash Equivalent**		
	Cash in hand	95,911	262,870
	Cash at Bank (Note-6.05.1)	11,430,764	327,332
		11,526,675	**590,202**

6.05.1 Cash at Bank

Name of the Bank	Branch	A/C No.	Amount in BDT	
Dutch Bangla Bank PLC	Kawran Bazar	107-120-2912	3,389	4,281
Dutch Bangla Bank PLC	Kawran Bazar	1071100272287	2,895	-
National Bank Ltd.	Narayangonj	1010000642300	464	464
Social Islami Bank Ltd.	Narayangonj	0661330007288	396	396
Social Islami Bank Ltd.	Karwan Bazar	0871360000232	146	146
Social Islami Bank Ltd.	Karwan Bazar	0871330004209	23,204	23,204
Social Islami Bank Ltd.	Barisal	0731330006555	1,828	1,828
Basic Bank Ltd.	Main Branch	216010000398	8,009	8,009
Rupali Bank Ltd.	Local Office	18024000171	25,982	25,982
Dutch Bangla Bank Ltd.	Motijheel Foreig	1051201231	2,000	2,000
Pubali Bank Ltd.	Barishal	0374901060680	6,113	16,358
Pubali Bank Ltd.	Karwan Bazar	0557901051294	11,150,644	38,879
Dutch Bangla Bank Ltd.	Barisal	127110855	205,695	205,785
			11,430,764	**327,332**

7.01 Share Capital :

Authorized Share Capital:

50,000,000.00 Ordinary Shares of Tk. 10/- each.	500,000,000	500,000,000
	500,000,000	**500,000,000**

Ordinary Shares Capital:

Issued, Subscribed and Paid up 26,467,056 Ordinary Shares @ Tk. 10/- each.	264,670,560	264,670,560
Sponsors Shares 11,764,497 of Tk. 10/- each	117,644,970	117,644,970
General Public Shares 7,237,423 of Tk. 10/- each	72,374,230	138,416,720
Institutions Shares 7,464,666 of Tk. 10/- each	74,646,660	8,256,250
Non Residence Shares 470 of Tk. 10/- each	4,700	352,620
ICB Securities Trading Co. Tk. 10/- each	-	-
	264,670,560	**264,670,560**

The position of Ordinary Shareholders as on 30th June, 2024 was as follows:

Particulars	No. of Share Holders	No. of Shares	Amount in BDT 2026	Amount in BDT 2025
a) 11,764,497 ordinary shares of Tk.10/- each paid by sponsors	7	11,764,497	117,644,970	117,644,970
Sub Total	**7**	**11,764,497**	**117,644,970**	**117,644,970**
b) Group Summery of Other Shareholders Description of the Group :				
i) Institutions (ICB & others)	159	7,464,666	74,646,660	23,243,640
ii) General Public	2,266	7,237,423	72,374,230	123,000,840
iii) Non residence NRB	2	470	4,700	781,110
Sub Total	**2,427**	**14,702,559**	**147,025,590**	**147,025,590**
Grand Total	**2,434**	**26,467,056**	**264,670,560**	**264,670,560**

7.02 Capital Reserve

This is as per last account.	**5,373,570**	**5,373,570**

7.03 Share Premium

This is as per last account.	**54,560,000**	**54,560,000**

AZIZ HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS AHK

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025
7.04	**Revaluation Reserve**		
	Balance as on 01.07.2025	319,576,019	329,610,602
	Prior Year Error Correction	-	-
	Adjusted Opening Balance	319,576,019	329,610,602
	Less: Adjustment for depreciation for this year	(9,376,808)	(10,034,583)
		310,199,211	**319,576,019**
7.05	**Retained Earnings**		
	Balance as on 01.07.2025	(158,476,553)	(143,025,383)
	Add: Revaluation Reserve	9,376,808	10,034,583
	Add: Profit/(Loss) after Tax	10,728,940	(21,246,268)
		(138,370,806)	**(154,237,068)**
	Less : Adjustment during the year	-	(1,592,780)
	Add: Loan Adjustment	52,380,501	-
	Less : Dividend 2025	-	(2,646,705)
		(85,990,305)	**(158,476,553)**
8.00	**Non-Current Liabilities**		
	8.01 Long Term Loan (Non-Current Maturity)	367,775,368	672,404,220
	8.02 Lease Obligation Liability	1,943,832	-
	8.03 Director's and Other Loans and Advances	-	-
	8.03 Deferred Tax Liability	54,465,016	57,776,842
		424,184,216	**730,181,062**
8.01	**Long Term Loan (Non-Current Maturity)**		
	BDBL Term Loan # 00027	-	303,425,627
	MTB PLC Loan	-	1,203,225
	Rupali Bank Loan account (Principal)	367,775,368	367,775,368
	Grand Total (Unit 1+2+3)	**367,775,368**	**672,404,220**
	BDBL Term Loan # 00027		
	Loan Amount	303,425,627	-
	Payment	(251,045,126)	-
	Adjustment	(52,380,501)	-
		-	-

Note :

The Company availed loan from Rupali Bank Limited (RBL) for working capital of Unit -1,2 & Unit 3 and BMRE for its Unit -3 secured by mortgage of Plant land ,building and machinery and personal guarantee of sponsor Directors. The Bank re-scheduled its liability at taka.301,774,886/- in 2019 for 10 years .The company is however continuing liasion with the bank authority for an amicable settlement within some Tk.20 Crore irrespective of whatever outstanding exits.

The Company availed working capital / term loan from Bangladesh Development Bank PLC (BDBPLC) Although bank filed suit in "Artha Rin Adalat" at suit value taka 303,425,627 yet the company negotiated withe the Bank Authority and settled liabilities at Taka. 23.58 Crore once for all and paid and settled finally .The Bank authority sympathically allowed substantial amount of remission of interest.

8.02	**Lease Obligation Liability**		
	At Cost:		
	Opening Balance	-	550,459
	Add: Addition during the year	2,333,791	-
		2,333,791	550,459
	Add: Finance Charge	210,041	49,541
		2,543,832	600,000
	Less: Payment during the year	(600,000)	(600,000)
	Closing Balance	**1,943,832**	-
	Less: Transferred to current maturity	-	
		1,943,832	-

AZIZ HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS AHKC

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025
8.03	**Deferred Tax Liabilities**		
	Balance as on 01.07.2025	57,776,842	70,457,673
	Add: Addition during the year	-	-
		57,776,842	70,457,673
	Less: Adjustment during the year	(3,311,826)	(12,680,831)
		54,465,016	**57,776,842**
9.00	**Current Liabilities & Provisions**		
	9.01 Unclaimed /Unpaid Dividend	1,560,103	1,560,103
	9.02 Trade & Other Payables	89,079,346	20,783,510
	9.03 Workers Profit Participation and Welfare Fund	1,622,518	1,001,817
	9.04 Provision for Income Tax	4,996,909	3,252,881
		97,258,877	**26,598,312**
9.01	**Unclaimed /Unpaid Dividend**		
	Balance as on 01.07.2025	1,560,103	1,460,470
	Add: Addition during the year	-	2,646,705
		1,560,103	**4,107,175**
	Less: Adjustment during the year	-	2,547,072
	Balance as on 30.06.2026	**1,560,103**	**1,560,103**
	Ageing:		
	For 2019	1,372,768	1,372,768
	For 2022	87,702	87,702
	For 2024	99,633	99,633
		1,560,103	**1,560,103**
9.02	**Trade & Other Payables**		
	Khansons Textiles Ltd. Note 9.02.1	78,001,000	10,820,000
	Unsettled Legal Expenses MTBPLC	1,203,225	-
	Trade Payables Note 9.02.2	9,875,121	9,963,510
		89,079,346	**20,783,510**
9.02.1	**Khansons Textiles Ltd.**		
	Opening Balance	10,820,000	-
	Received During the Year	185,730,000	10,820,000
	Paid During the Year	118,549,000	-
	Closing Balance	**78,001,000**	**10,820,000**

9.02.2 Schedule of Trade Payables

Name	Address	Amount in BDT	
P.N Enterprise	2, S.M Maleh Road, Tanbazar ,N.gonj	44,752	44,752
Ratan Enterprise	103 S.M Maleh Road, Tanbazar ,N.gonj	464,326	464,326
Master Yarn Trading	BB Road, Ukil Para, N. Gonj	-	-
Salma Traders	Kalibari Road, Narayangonj	-	-
Hoq Yarn Ltd.	Kalibari Road, Narayangonj	-	-
Tex trade	Banasree, Rampura, Dhaka	156,414	156,414
3 Star Technology	Banasree, Rampura, Dhaka	28,750	28,750
Adib Enterprise	Plot # 16, Block # D, Mill Gate, Tongi, Dhaka	72,576	72,576
AD Media Printers	Panir Tank Goli, Fakirapul, Arambag	114,039	114,039
Airtech Compressor	Dhamrai, Manikgonj	177,000	207,000
A.I.S. Enterprise	Shop # 35,125, Iqble Road,M.pur , Dhaka	35,795	35,795
AR Tech Solution BD	Sector-3, Uttara, Dhaka	-	-
Axis Textile Engineering	H # 2, L # 13,B # A,Sec-10,Mirpur,Dhaka.	27,700	27,700
Azad Store	69, B.B. Road, Ukil para,Dhaka	84,983	84,983
Aziz Packaging Ltd.	Vulta, Narayangonj	270,000	270,000
Babul Khan Enterprise	Madhobdi, Norosindhi	30,000	30,000
Bengal Roots	New Airport Road, Farmgate, Tejgaon, Dhaka	5,450	5,450
Bijoytex Engineering	Purana Palton, Dhaka	34,750	34,750
Best Technology	Uttara, Dhaka	60,000	60,000
China Plastics BD. LTD.	Gulshan 2, Dhaka	86,200	86,200
Dawood Sultan & Co	Begun Bari, Tejgaon, Dhaka	140,000	140,000

Note	Particulars		Amount in BDT	
			30-Jun-2026	30-Jun-2025
	EnCon Engineering Limited	Elephent Road Dhaka	20,850	65,850
	Energy Control & Eng. Ltd	Eskaton, Dhaka	15,403	15,403
	Euro Trade	Road#7Block#plot#52,Eastern Banasree,Dhaka	480,520	754,969
	Forman Enterprise	Bangshal, Dhaka	81,000	81,000
	Friends Electric House	Noor Electric Market, Nawabpur, Dhaka	8,498	8,498
	Gazi Tanks	Sonir Adhra, Jatrabari, Dhaka	8,200	8,200
	H.A Enterprise	Chasara, Narayangonj	483,356	483,356
	Humayra Paper Cone & Packing	Faisal Tower, Gulshan Avenue, Dhaka	688,745	1,208,196
	IC System & Service	Muscot Plaza, Azampur, Dhaka	23,000	23,000
	ISRA Trade & Services Bangladesh	Motijheel Dhaka	78,590	187,500
	Jusna Enterprise	Narayangonj	80,000	80,000
	Khan Enterprise	Nawabpur, Dhaka	253,250	253,250
	Lipika	Krishi Market, Mohammadpur, Dhaka	259,017	259,017
	Lubricants Asia Ltd.	Rampura, Dhaka	50,804	50,804
	Maas Erectors Ltd	Jashimuddin, Uttara	114,600	114,600
	Madona Enterprise	Elephant Road, Dhaka	36,450	36,450
	Mahin Enterprise	130, B.C Road,Nawabpur Road,Dhaka	105,363	105,363
	Mashud International	Shymoli, Dhaka	139,000	139,000
	Mask Engineering	Chasara, Narayangonj	30,500	30,500
	Masum Enterprise	Shop # 6,107, Nawabpur Road, Dhaka	25,745	25,745
	Meem Enterprise	Madhobdi, Norosindhi	97,875	97,875
	Minha Tex International	Basansree, Rampura, Dhaka	53,400	53,400
	Motin Care Limited	Uttara, Dhaka	97,800	97,800
	M.S Enterprise	Madhobdi, Norosindhi	272,840	219,330
	M/S M Hossain Engineering Works	Zatrabari, Dhaka	42,300	42,300
	M/s Sajib Enterprise	Madhobdi, Norosindhi	250,000	329,210
	New Bangla Technical Support Cent	Madhobdi, Narshindi	157,000	157,000
	Oishi Enterprise	Panthopoth, Dhaka	212,600	212,600
	Pacific Trading	128 Nawabpur, Dhaka	150,337	150,337
	P.N. International	Chasara, Narayangonj	110,000	110,000
	Popular Traders (N.Gonj)	46/1 Old Jimkhana, Narayangonj	206,341	206,341
	Power Tech Engineering Works	Uttara, Dhaka	12,000	12,000
	Prime Power Solution	Darrushsalam, Dhaka	9,400	9,400
	Quality Traders	Nawabpur, Dhaka	234,020	234,020
	Ringtex Engineering	Kaligonj, Dhaka	22,800	22,800
	Riyad Light House	128 Nawabpur, Dhaka	91,440	91,440
	Rumman Spring & Eng. Works	128,Bonogram, Nawabpur Road,Dhaka	319,635	113,669
	Sail International Ltd	Gulshan 1, Dhaka	420,800	420,800
	Sardar Corporation	Uttara, Dhaka	1,375	1,375
	Satata Enterprise	Kakrail, Dhaka	88,400	66,245
	Shabbir Automation Technologies	Hazicamp, Dhaka	66,000	66,000
	Shahell Mechatroniscs Ltd.	Uttara, Dhaka	20,295	20,295
	Sinobangla Industries Ltd	CR Datta Road, Panthapath, Dhaka	39,071	39,071
	S M Paper Cone	Tongi, Gazipur	238,000	238,000
	S M Textech	Azampur, Uttara, Dhaka	1,780	1,780
	Solution Technology	Mirpur 1, Dhaka	123,500	123,500
	Simul Traders	63/A,Railway Commercial Plot,Shajahanpur,Dha	102,806	102,806
	Southern Multi Pack	BASIC, Barisal	415,800	415,800
	Standard Spring Industries	78,Nawabpur Road, Dhaka	24,350	24,350
	Sumon Joint Store	Nawabpur, Dhaka	50,500	50,500
	Sutex International	Mowchalk, Dhaka	749,100	62,100
	Texmate Engineering	Jashimuddin, Uttara	26,495	26,495
	Texlub Resource	Uttara, Dhaka	118,900	118,900
	Trade Way International	Paltan, Dhaka	35,400	35,400
	Triad International	Bijoynagar, Dhaka	8,000	8,000
	United Trade Center	Jasimuddin, Uttara	95,650	95,650

Note	Particulars		Amount in BDT	
			30-Jun-2026	30-Jun-2025
	Yousuf Traders	KB Road, Dhaka	3,290	3,290
	Z3 Automation Engineering	Malibug, Dhaka	37,000	37,000
	ZerOne BD Ltd.	Shymoli, Dhaka	37,305	37,305
	ZSZ Engineering	Hat Khula Road, Motijheel, Dhaka	15,890	15,890
			9,875,121	**9,963,510**

9.03 Accrued Expenses Payable

Electricity Bill	11,593,140	7,963,140
Salary & Wages	5,699,069	5,495,287
Salary & Allowance Employees	849,718	808,760
Office Rent - VAT	1,250,000	650,000
Audit fees	345,000	345,000
	19,736,927	**15,262,187**

9.04 Workers Profit Participation and Welfare Fund

Balance as on 01.07.2025	1,001,817	2,428,459
Add: Addition during the year	620,701	-
	1,622,518	2,428,459
Less: Adjustment during the year	-	(1,426,642)
	1,622,518	**1,001,817**

As per Section 234 of the Bangladesh Labour Act, 2006, 5% of Net Profit has been provided in proportion to 80:10:10 in order to contribute to Workers Profit Participation Fund, Welfare Fund and Bangladesh Workers Welfare Fund Foundation respectively.

WPPF Calculation:

Workers Profit Participation Fund (5% on Profit before WPPF)	620,701	
Allocation of WPPF (80:10:10):	**620,701**	
Profit Participation	496,561	-
Welfare Fund	62,070	-
Bangladesh Workers Welfare Fund Foundation	62,070	-
		-

9.05 Provision for Income Tax

Balance as on 01.07.2025	-	-
Add: during the year	4,996,909	3,252,881
Balance after addition	4,996,909	3,252,881
Less : Adjustment Previous year Advance Tax	-	-
Less : Adjustment During the year Advance Tax	-	-
	4,996,909	**3,252,881**

As per IAS 12,Paragraph 81,a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s) is provided below:

Current Year Tax Calculation

Tax on profit	1,862,103	(4,601,133)
Minimum Tax as per Section 82/C: 1% of Revenue [B]:	4,996,909	3,252,881
Tax: Deducted at Source [C]	539,555	320,227
Tax Provision	**4,996,909**	**3,252,881**



Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025

10.00 Sales (Revenue)

This is made up as follows :

Particulars	30.06.2026		30.06.2025	
	Qty. Lbs	Taka	Qty. Lbs	Taka
Export of Yarn/Local Sales of Yarn/Waste cotton/Stock Lot Sale	2,826,982	505,723,975	1,845,590	326,298,604
Less: VAT on Sales & Sales of Waste Cotton		(6,033,041)	-	(1,010,480)
Total Turnover (Net)	**2,826,982**	**499,690,934**	**1,845,590**	**325,288,124**

11.00 Cost of Goods Sold

Particulars		Amount in BDT	
		30.06.2026	30.06.2025
WIP as on 01.07.2025		2,090,000	1,923,540
Add: Raw Cotton Input (Note-11.01)		91,537,249	142,787,529
		93,627,249	**144,711,069**
Less :WIP as on 30.06.2026		2,204,000	2,090,000
Wastage recovery		2,599,855	2,778,371
		4,803,855	**4,868,371**
Raw Material Consumed		**88,823,394**	**139,842,698**
Add: Factory Overhead (Note-11.02)		**225,886,459**	**210,767,296**
Cost of Production		**314,709,853**	**350,609,994**
Add: Stock of Yarn as on 01.07.2025		398,467,411	384,011,367
		713,177,264	**734,621,361**
Less: Stock of Yarn as on 30.06.2026 (Note-11.3)		250,467,411	398,467,411
Cost of Goods Sold	-	**462,709,853**	**336,153,950**

11.01 Raw Cotton Input

This amount comprises as follows :

Particulars	30.06.2026		30.06.2025	
	Quantity (lbs)	Value	Quantity (lbs)	Value
Stock of Raw cotton as on 01.07.2025	733,629	145,965,500	1,041,809	148,087,143
Add : Raw cotton purchased during the year	796,709	81,170,499	1,299,061	140,665,886
	1,530,338	**227,135,999**	**2,340,870**	**288,753,029**
Less : Closing Stock of raw cotton	819,928	135,598,750	733,629	145,965,500
Stock of slow moving raw materials written off	-	-	-	-
Stock of raw materials sales waste	-	-	-	-
Stock of raw cotton as on 30.06.2026	819,928	135,598,750	733,629	145,965,500
Input of Raw cotton during the year	**710,410**	**91,537,249**	**1,607,241**	**142,787,529**

11.02 Factory Overhead

This amount comprises as follows :

Particulars	Amount in BDT	
	30.06.2026	30.06.2025
Salary & allowance and wages (Note: 11.02.1)	68,814,154	55,216,687
Bonus	5,146,036	4,081,991
Carriage Inward	543,040	423,516
Electricity	115,537,770	113,949,489
Spare Parts	2,738,360	2,177,580
Packing Materials	905,643	641,945
Oil & lubricant	802,850	307,850
Overtime expenses	579,331	291,400
Repair & Maintenance	454,710	486,044
Leave benefits & gratuity	-	593,329
Depreciation (Schedule-4/A)	30,364,565	32,597,465
Total	**225,886,459**	**210,767,296**

A.Z.Z. HALIM KHAIR CHOUDHURY & CO. CHARTERED ACCOUNTANTS

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025

11.02.1 Salary, Allowances and Wages

Particulars	30.06.2026		30.06.2025	
	Employees	Taka	Employees	Taka
a) Up to Tk. 3,000 Per Month	-	-	-	-
b) Above Tk. 3,000 Per Month	469	68,814,154	739	55,216,687
	469	**68,814,154**	**739**	**55,216,687**

11.03 Stock of Yarn

Particulars	30.06.2026	30.06.2025
	Quantity in Lbs	Quantity in Lbs
Opening balance	2,903,542	3,183,549
Add: Production during the year	1,490,000	1,490,000
	4,393,542	**4,673,549**
Less: Sales during the year :		
Export of Yarn/Local Sales of Yarn/Waste cotton/ Stock lot Sale	2,826,982	1,770,007
Closing Stock	**1,566,560**	**2,903,542**

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025

12.00 Administrative Expenses

This is made up as follows:

Particulars	Amount in BDT	
	30.06.2026	30.06.2025
Salary & Allowances (Note-12.01)	10,761,700	10,146,340
Overtime	8,440	10,302
Bonus (Note - 12.01)	862,334	817,620
Board Meeting fee	97,500	135,000
Conveyance	192,052	204,795
Traveling & conveyance	212,580	211,140
Printing & Stationery	172,851	205,353
Vehicle Maintenance	980,413	556,643
Cleaning expenses	197,000	149,190
Subscription (BTMA)	98,656	198,112
Subscription (BCI & BAPLC)	50,000	262,000
Postage & Courier	252,911	156,051
Entertainment	536,351	267,074
Legal Fees & Others	2,219,500	743,027
Gardening	250	3,825
Ifter bill	238,905	240,375
Telephone & Mobile Bill	109,175	163,208
License & renewals	49,241	53,676
Advertisement	104,936	109,250
Internet connection (Wi-Fi)	52,500	66,000
Data Connectivity Solution (Telnet)	26,000	22,000
Miscellaneous Expenses	473,640	207,850
Office Rent - IFRS 16 - ROU Asset Amortization	466,758	506,259
Office expenses	50,218	64,716
Donation & others	51,700	67,963
Insurance Premium	-	548,185
Group Insurance	-	26,550
Repairs & maintenance (Building)	214,899	106,067
Repairs & maintenance (Others)	-	103,670
AGM Expenses	476,025	486,240
Audit fees	345,000	345,000
Leave benefits	2,398,601	218,079
Subscription for DSE,CSE& Others	370,670	264,672
Computer/IT Expenses	30,100	27,000
Medical expenses	41,430	53,002
Training expenses	1,500	1,500
Welfare	70,000	29,455
Depreciation (Schedule-4/A)	2,640,397	2,834,562
Website Maintenance	118,675	43,150
-	-	-
Yarn Test	12,700	6,955
Sundry expenses	178,009	10,692
Total	**25,169,167**	**20,672,548**



Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025

12.01 Salaries, Allowances & Bonus

Particulars	30.06.2026		30.06.2025	
	Employees	Taka	Employees	Taka
a) Up to Tk. 3,000 Per Month	-	-	-	-
b) Above Tk. 3,000 Per Month	21	10,770,140	62	10,156,642
	21	**10,770,140**	**62**	**10,156,642**

13.00 Selling & Distribution Expenses

Particulars	Amount in BDT	
	30.06.2026	30.06.2025
Carriage outward & Discount / VAT Excise duty & Yarn Loading	212,538	190,422
Total	**212,538**	**190,422**

14.00 Non-Operating Income

This amount comprises as follows :

Dividend Received from CDBL	1,256,600	1,142,364
Realised Gain on Investment	280,256	-
Interest on FDR	237,500	-
Interest Income	287	11,058
	1,774,643	**1,153,422**

15.00 Financial Expenses

This amount comprises as follows :

Particulars	Amount in BDT	
	30.06.2026	30.06.2025
Financial Expense - IFRS 16 Lease Obligation	210,041	49,541
Realized (gain) or Loss in foreign exchange	51,114	2,235
Bank charges, commission & others	78,140	47,068
Total	**339,295**	**98,844**

16.00 Net Assets Value Per Share (NAVPS)

Net Assets	548,813,037	485,703,596
Number of Ordinary Shares	26,467,056	26,467,056
Net Assets Value Per Share (NAVPS)	**20.74**	**18.35**

17.00 Earning Per Share (EPS)

	Profit Attributable to Shareholders	
	Number of Ordinary Shares	
Profit Attributable to Ordinary Shareholders	10,728,940	(21,246,268)
Number of Ordinary Shares	26,467,056	26,467,056
Earning Per Share (EPS)	**0.41**	**(0.80)**

Note: Earning per Share (EPS) has decreased compared with that of the previous year because of an increase in production and sales amount.

18.00 Net Operating Cash Flow Per Share (NOCFPS)

Net Cash Generated /(Used) by operating Activities	261,981,599	1,409,458
Number of Ordinary Shares	26,467,056	26,467,056
Net Operating Cash Flow Per Share (NOCFPS)	**9.90**	**0.05**

Note: During the year Net Operating Cash Flows per share (NOCFPS) has been increase due to a huge amount paid in respect of Suppliers, income tax & others paid.

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025

19.00 Reconciliation of Cash Flows from Operating Activities through Indirect Method

Reconciliation of Cash Flows from Operating Activities through indirect method (As per Clause No. 5(2)(e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June, 2018: A Reconciliation of Net Operating Cash Flows under indirect Method provided below:

Net Income after Tax	10,728,940	(21,246,268)
Non-Cash Adjustments		
Add: Depreciation	33,004,962	35,432,027
Less: Cash Rent Paid	-	-
Add: ROU Asset Depreciation	506,259	506,259
Add: ROU Liability Interest	(1,943,832)	550,459
Income Tax Paid	(3,792,436)	(1,592,780)
Income Tax Provision	4,996,909	3,252,881
Less: Def Tax Gain	(3,311,826)	(12,680,831)
	40,188,976	**4,221,747**
Working Capital Adjustments		
Change in Inventory (excluding Inv. Write off)	158,401,420	(13,164,672)
Change in Trade AR	(1,359,106)	2,504,757
Change in Investment in Share	(8,939,615)	-
Change in Advance (Excluding AIT)	(552,055)	(576,238)
Change in Lease Liability	1,943,832	-
Change in Trade Payable	68,295,836	10,951,424
Change in Acrrued Expenses	4,584,837	(1,100,919)
Change in WPPF	620,701	(1,426,642)
	263,184,825	**1,409,457**
Less: Unrealized gain on exchange rate fluctuation	-	-
Net Cash Flow from Operating Activities	**263,184,825**	**1,409,457**

20.00 Related Party Transaction-Disclosures under IAS 24 "Related Party Disclosure"

In accordance with paragraph 19 of IAS 24 Related Party Disclosures, the following matters has been disclosed in the following sequential order:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as at 01 July, 2025	Addition during the period	Balance as at 30 June, 2026
Khansons Textiles Ltd.	Sister Concern	Intercompany Transaction	10,820,000	185,730,000	78,001,000

(i) Parent and Ultimate Controlling Party

There is no such parent company as well as ultimate holding company / controlling party of the company.

(ii) Entities with joint control of, or significant influence over

There is no joint control of, or significant influence over the company.

(iii) Subsidiaries

There are no subsidiary company of the entity (company)

(iv) Associates

There are no associate company of the entity (company)

(v) Joint Venture in which the Entity is a Joint Venture

The Company has not entered into Joint Venture Agreement in which the Company is a Joint Venture.



Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025

(vi) Transactions with Key Management Personnel and their Compensation

(a) Loans to Director

During the year, no loan was given to the directors of Company

(b) Key Management Personnel and their Compensation

There is no compensation for Chairman, Director and Managing Director except Board Meeting fee but there are following categories of compensation in accordance with the paragraph 17 of IAS 24: Related Party Disclosures:

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

Name	Designation	June 30,2026	June 30, 2025
Anwar Hossain	Executive Director	5,515,350	5,130,550
Moha. Rafiqul Islam	Executive Director		
Pintu Sikdar	Company Secretary		
Md Monirul Islam Khan	GM (Finance & Accounts)		
Arjun Chandra Paul	DGM (Accounts & Fund Management)		
Syada Rahana Parvin	DGM (HR & GA)		
Total		**5,515,350**	**5,130,550**

Particulars	Amount in BDT	
	30.06.2026	30.06.2025
Salary and Allowances	79,575,854	65,363,027
Bonus	6,008,370	4,899,611
Overtime	587,771	301,702
Board Meeting Attendance Fee	97,500	145,000
Leave Pay & Gratuity	-	593,329
Total	**86,269,495**	**71,302,669**

Company's key management personnel includes the Company's directors. Compensation includes salary and allowance leave pay gratuity bonus and overtime.

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025

(vii) **Other Related Party Transactions**

The Company carried out a number of transactions with related parties/associates undertakings in the normal course of business and on arms length basis. The nature of transaction and their total value are in below:

	Total Transaction for the year	Balance as on 30.06.2026	Balance as on 30.06.2025
A. Average & Short Term Loan Paid			
Mr.A.K.Azizur Rahman	-	-	-
Mrs. Rosy Rahman	-	-	-
Mr.Bazlur Rahman	-	-	-
Total for Advance & Short Term Loan Paid	-	-	-

B. Supplier/Creditors (Payable)	Balance as on 30.06.2026	Balance as on 30.06.2025
P.N Enterprise	44,752	44,752
Ratan Enterprise	464,326	464,326
Master Yarn Trading	-	-
Salma Traders	-	-
Hoq Yarn Ltd.	-	-
Tex trade	156,414	156,414
3 Star Technology	28,750	28,750
Adib Enterprise	72,576	72,576
AD Media Printers	114,039	114,039
Airtech Compressor	177,000	207,000
A.I.S. Enterprise	35,795	35,795
AR Tech Solution BD	-	-
Axis Textile Engineering	27,700	27,700
Azad Store	84,983	84,983
Aziz Packaging Ltd.	270,000	270,000
Babul Khan Enterprise	30,000	30,000
Bengal Roots	5,450	5,450
Bijoytex Engineering	34,750	34,750
Best Technology	60,000	60,000
China Plastics BD. LTD.	86,200	86,200
Cargo Control (BD) Pet Ltd	-	-
C.H Graphics & Printers	-	-
Chittagong Fibre Board	-	-
City Lube Oil Industries Ltd	-	-
Dawood Sultan & Co	140,000	140,000
EnCon Engineering Limited	20,850	65,850
Energy Control & Eng. Ltd	15,403	15,403
Euro Trade	480,520	754,969
Forman Enterprise	81,000	81,000
Friends Electric House	8,498	8,498
Fusia Electronics	-	-
Gazi Tanks	8,200	8,200
H.A Enterprise	483,356	483,356
Humayra Paper Cone & Packing	688,745	1,208,196
IC System & Service	23,000	23,000
IHS Inspection Serices(BD) ltd.	-	-
ISRA Trade & Services Bangladesh	78,590	187,500
Jusna Enterprise	80,000	80,000
Khan Enterprise	253,250	253,250
Lipika	259,017	259,017

A.F.F. HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS AHKC

Note	Particulars	Amount in BDT	
		30-Jun-2026	30-Jun-2025
	Lubricants Asia Ltd.	50,804	50,804
	Maas Erectors Ltd	114,600	114,600
	Madona Enterprise	36,450	36,450
	Mahin Enterprise	105,363	105,363
	Mashud International	139,000	139,000
	Mask Engineering	30,500	30,500
	Masum Enterprise	25,745	25,745
	Meem Enterprise	97,875	97,875
	Minha Tex International	53,400	53,400
	Motin Care Limited	97,800	97,800
	M.S Enterprise	272,840	219,330
	M/S M Hossain Engineering Workshop	42,300	42,300
	M/s Sajib Enterprise	250,000	329,210
	New Bangla Technical Support Center.	157,000	157,000
	New Diamond Plastic Traders	-	-
	Nuhan Engineering Workshop	-	-
	Oishi Enterprise	212,600	212,600
	Pacific Trading	150,337	150,337
	P.N. International	110,000	110,000
	Popular Traders (N.Gonj)	206,341	206,341
	Power Tech Engineering Works	12,000	12,000
	Prime Power Solution	9,400	9,400
	Quality Traders	234,020	234,020
	Ringtex Engineering	22,800	22,800
	Riyad Light House	91,440	91,440
	Rumman Spring & Eng. Works	319,635	113,669
	Sail International Ltd	420,800	420,800
	Sardar Corporation	1,375	1,375
	Satata Enterprise	88,400	66,245
	Shabbir Automation Technologies	66,000	66,000
	Shahell Mechatroniscs Ltd.	20,295	20,295
	SD Tax Promoters Ltd.	-	-
	Sinobangla Industries Ltd	39,071	39,071
	S M Paper Cone	238,000	238,000
	S M Textech	1,780	1,780
	Solution Technology	123,500	123,500
	Simul Traders	102,806	102,806
	Southern Multi Pack	415,800	415,800
	Square Informatix Ltd.	-	-
	Standard Spring Industries	24,350	24,350
	Sumon Joint Store	50,500	50,500
	Sutex International	749,100	62,100
	Texcoms Services	-	-
	Texmate Engineering	26,495	26,495
	Texlub Resource	118,900	118,900
	Trade Way International	35,400	35,400
	Triad International	8,000	8,000
	United Trade Center	95,650	95,650
	Yousuf Traders	3,290	3,290
	Z3 Automation Engineering	37,000	37,000
	ZerOne BD Ltd.	37,305	37,305
	ZSZ Engineering	15,890	15,890
	Total for Supplier / Creditors	9,921,324	**10,009,348**
	C. Sundry Debtors (Product Sales) (Receivable)		
	R B Trade Link	14,927,795	-
	Export Unrealized	-	-
	Total for Sundry Debtors (Products Sales)	14,927,795	-
	Grand Total	24,849,119	**10,009,348**

21.00 Capital Expenditure Commitment

There was no capital expenditure commitment as on 30.06.2026

22.00 Payment in Foreign Currency

During the year ended at 30th June, 2026 the Company has not made payment in foreign currency in

Import of Raw Materials & Finished Goods	-	-
Import of Machinery, Spare Parts & Other Assets	-	-
	-	-

23.00 Foreign Exchange Earned

The Company has earned foreign currency during the year: US$ 152,002.

24.00 Commission, Brokerage or Discount against Sales

No commission was incurred or paid to distributors, agents nor any brokerage or discount was incurred or paid against sales.

25.00 Credit Facility Not Availed

There was no credit facility available by the company under any contract, but not availed as on 30.06.2026 other than trade credit available in the ordinary course of business.

26.00 Segment Reporting

As there is single business and geographic segment within the company operates as such no segment reporting is felt necessary.

Attendance Status of Board Meeting of Directors

During the period from 01.07.2025 to 30.06.2026 there was 4 Board Meetings and 1 AGM were held. The attendance status of all the meetings is as follows:

Name of Director	Position Held	Meeting Held		Attended	
		2026	2025	2026	2025
Mr. A.K.M Azizur Rahman	Chairman	4	4	4	4
Mr. Bazlur Rahman	Managing Director	4	4	2	3
Mrs. Rosy Rahman	Director	4	4	4	4
Brig Gen Mohammed Abdul Halim	Independent Director	4	4	4	4
Md. Masum Sayeed	Director (Nominated by BDBL)	4	4	4	0
Israt Jahan Rimi	Independent Director	4	4	3	3

For Board Meeting, attendance honorarium were paid to the Directors of the Company.

27.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994

A. Disclosure as per requirement of Schedule XI, Part II Note 5 of Para 3.

A(i) Employee Position as at 30th June, 2026

Salary Range (Monthly)	Office & Staff		Worker	Total Employee
	Head Office	Factory		
Below Tk. 3000	-	-	-	-
Above Tk. 3000	21	62	407	490
Total	**21**	**62**	**407**	**490**

B. Disclosure as per requirement of Schedule XI, Part II, Para 4

Payment/Perquisites to Directors

The aggregate amounts paid to / provided for the Directors of the Company for the year ended 30th June, 2026 is disclosed below:

Name of Directors	Designation	Remuneration	Festival Bonus	AIT Deducted	Net Amount
Mr. A.K.M Azizur Rahman	Chairman	-	-	-	-
Mr. Bazlur Rahman	Managing Director	-	-	-	-
Mrs. Rosy Rahman	Director	-	-	-	-
Brig Gen Mohammed Abdul Halim	Independent Director	-	-	-	-
Mrs. Nusrat Hafiz	Retired Independent Director				
Patit Chandra Barik	Director (Nominated by RBL)	-	-	-	-
Mr. Iqbal Hossain Kha	Director (Nominated by RBL)	-	-	-	-
Total		-	-	-	-

Period of payment to Directors is from 1 July, 2025 to 30 June, 2026

The above Directors of the Company did not take any benefit from the Company other than the remuneration and festival bonus.

- Expenses reimbursed to the managing agent: Nil.
- Commission or other remuneration payable separately to a managing agent or his associate: Nil.
- Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil.
- The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year: Nil.
- Any other perquisites or benefit in cash or in kind stating: Nil.
- Other allowances and commission including guarantee commission: Nil.
- **Provisions etc.:**

a) Pensions: Nil.

b) Gratuities: Nil.

c) Payments from Provident Fund: Nil.

d) Compensating for Loss of Office: Nil.

e) Consideration in connection with retirement from office: Nil.

28.00 Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under Condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The Turnover	499,690,934
3(i)(b) Commission Paid to Selling Agents (Incentive)	Not Applicable
3(i)(c) Brokerage and discount of Sales, Other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	91,537,249
3(i)(d)(ii) The opening and closing stocks of goods produced	330,834,473 and 384,011,367
3(i) (e) In the case of companies, the purchase made and the opening and closing stocks	Not Applicable
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity break up for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	2204000
3(i)(i) Provision for depreciation, renewals or diminution in value of fixed assets	33,004,962
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	4,996,909
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(i) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	Complied
(i) Consumption of stores and spare parts	2,738,360
(ii) Power and Fuel	802,850
(iii) Rent	506,258
(iv) Repairs of Buildings	Not Applicable
(v) Repairs of Machinery	454,710
(vi) Other include:	
(1) Salaries, wages and bonus	85,584,224
(2) Contribution to provident and other funds	Not Applicable
(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Not Applicable

ABDUL HALIM KHAIR CHOUDHURY CHARTERED ACCOUNTANTS AHKC

29.00 **Information regarding Accounts Receivables, Advance in line with Schedule XI.**

i. Disclosure in line with 4(a) of Part I of Schedule XI

The details of trade receivable are given below:

Sl. No.	Particulars	Amount in BDT	
		30.06.2026	30.06.2025
1	Within 3 Months	3,731,949	-
2	Within 6 Months	4,478,339	-
3	Within 12 Months	5,224,728	-
4	More than 12 Months	1,492,780	-

ii. Disclosure in line with 4(b) of Part I of Schedule XI

There are no debts outstanding in this respect.

30.00 **Disclosure in line with Instruction of Part I of Schedule XI**

In regard to sundry debtors the following particulars shall be given separately:

(I) **Debt considered good in respect of which the company is fully secured**

Within six months trade debtors occurred in the ordinary course of business are considered goods but no security given by the debtors.

The debtors occurred in the ordinary course of business are considered goods and secured against confirmed L/C. The details of accounts receivable are given below:

Customers Name	Amount (BDT)
Knit Concern Ltd	-
Tazrian Weaving Mills Ltd.	-
Radowan Knit Composite	-
Total	-

(II) **Debt considered good for which the company holds no security other than the debtors' personal security**

Within six months trade debtors have arisen in the ordinary course of business in good faith as well as market reputation of the company for the above mentioned reasons no personal security taken from debtors.

(III) **Debt considered doubtful or bad**

The company considered more than one year debts are doubtful and provision is created for Tk. Nil.

(IV) **Debt due by directors or other officers of the Company**

There is no debt due by directors or other officers of the company.

(V) **Debt due by common management**

There is no debt under common management.

(VI) **The maximum amount due by directors or other officers of the Company**

There is no such debt in this respect.

31.00 **Disclosure as per requirement of Schedule XI, Part II, Para 7**

Details of Production capacity utilization.

Particulars	License Capacity	Installed Capacity in MT (Per Year)		Actual Production in MT from 1st July, 2025 to 30th June, 2026	Capacity Utilization from 1st July, 2025 to 30th June, 2026
Annual Production Capacity of Yarn in Lbs	Not mentioned in the License	5,953.0		1,040	17.47

32.00 **Disclosure as per requirement of Schedule XI, Part II, Para 8(b) during the year under audit.**

Details of import on CIF basis

i. Raw Materials, Spare Parts, Packing Materials

Items	Purchase (BDT)				Consumption (BDT)	% of Consumption of Total Purchase
Import		Local	Total			
Raw Materials	-	81,170,499	81,170,499		81,170,499	100
Spare Parts	-	1,166,067	1,166,067		1,140,965	98
Packing Materials	-	695,136	695,136		932,835	100
Total		**83,031,702**	**166,276,299**		**83,244,597**	**298**

Value of Export

Particulars	In Foreign Currency (US $)	In BDT
Export	152,002	18,498,595

ii. The Company has not incurred any expenditure in foreign currency for the period from 1st July, 2025 to 30th June, 2026 on account of royalty, know-how, professional fee, consultancy fees and interest.

iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees.

iv. The value of export from the period from 1st July, 2025 to 30th June, 2026 is Tk. 18,498,595.

33.00 Disclosure of Advances, Deposit and Prepayment of Schedule XI of Companies Act, 1994

The details break up of Advances, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act, 1994 are stated below:

Particulars	30.06.2026	30.06.2025
Advance, Deposit and Prepayments exceeding 6 months		-
Advance, Deposit and Prepayments not exceeding 6 months		-
Other Advance, Deposit and Prepayments less provision		-
Advance, Deposits and Prepayments considered Good and Secured		-
Advance, Deposits and Prepayments considered Good without Security		-
Advance, Deposits and Prepayments considered Doubtful or Bad		-
Advance, Deposits and Prepayments due by Directors		-
Advance, Deposits and Prepayments due by Other Officers (against Salary)	543,300	530,800
Advance, Deposits and prepayments due from Companies under same management		-
Maximum Advance, Deposits & Prepayments due by Directors		-
Maximum Advance, Deposits & Prepayments due by Officers at any time		-

Disclosure in line with 8(b) of Part II of Schedule XI

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

34.00 Disclosure for purchase in foreign currency during the year

Disclosure as per Para 8 of Schedule XI (GA) of the Companies Act, 1994 regarding purchase made in foreign currency during the year are as follows:

Type of Expenditure		Amount in Foreign	
		Amount in Foreign Currency	Amount in BDT.
Import of Raw Material (Hino Bus Chassis CKD)			-
Import of Raw Material (Mahindra Motor Cycle SKD)			-
Total			-

35.02 Financial Risk Management Framework

International Financial Reporting Standards (IFRS) 9-Financial instruments: Disclosure - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information-the Company's policies for controlling risks and exposures.

The Company's management has overall responsibility for the establishment and oversight of the company's risk management framework. The Company's Risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company has exposure to the following risks from its use of financial instruments:

33.02.1 Credit Risk; 35.02.2 Liquidity Risk; 35.02.3 Market Risk

35.02.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The debtors management review committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount of credit sale without requiring approval from the committee; these limits are reviewed as per guideline of Sonargaon Textiles Limited in each quarter. Customers that fail to meet the company's benchmark creditworthiness may transact with the company only on a cash / deposit scheme basis.

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2022, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting data was:

	Amount in BDT	
Non-Derivative Financial Assets:	**June 30, 2026**	**6/30/2025**
Advances, Deposits and Prepayments	8,188,302	7,636,247
Trade & Other Receivables	14,927,795	13,568,689
Advance against Employees	543,300	530,800
Investment in Shares	10,509,065	1,569,450
Cash at bank	11,430,764	327,332
Cash in Hand	95,911	262,870
	45,695,137	**23,895,388**

At 30th June, 2023 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

Domestic	-	-
Foreign Receivable	-	-
	-	-

To mitigate the credit risk against accounts receivables, the company has a system of specific credit line period to the customers. This outstanding period and amount are regularly monitored. The company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

35.02.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far 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, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepaid 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.

35.02.3 Market Risk

Market risk is the risk that any change in market price, such as foreign exchange rates and interest rates will affect the company's income 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.

(i) **Interest Rate Risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instrument subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The company is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate management for the Sonargaon Textiles Limited is to reduce financial cost and ensure predictability.

(ii) **Currency Risk**

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in US$ and relate to procurement of raw materials, machineries and equipment from abroad.

36.00 Capital Management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing company's internal capital adequacy to ensure company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approval by the board. The board of directors monitors the level of dividends to ordinary shareholders.



37.00 Contingent Liability

There are no contingent liabilities of the Company for the year ended 30 June, 2026.

38.00 Details of Lease Agreement

There are Lease assets. Therefore , Lease agreement was required or signed by lease Law.

39.00 Internal Control

The following steps have been taken for implementation of an effective internal control procedure of the company: Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect if internal control technique to establish an effective management system that includes planning, organizing culture in the factory as well as at Head Office.

40.00 Subsequent Events-Disclosures under IAS 10 "Events after Reporting Period"

The directors recommended no dividend for the year ended 30th June, 2026. The dividend proposal is subject to shareholders' approval in the forthcoming 39th Annual General Meeting to be held on 29.12.2026.

41.00 General Comments and Observations

A. Comparative amount: Previous period's figure have been regrouped/reclassified wherever considered necessary to confirmed to current period's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.

B. Presentation currency: The annexed financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka.

C. All shares have been fully called and paid up.

D. Auditors are paid only statutory audit fees.

E. No foreign exchange remitted to the relevant shareholders during the period under audit.

F. No amount of money was expended by the company for compensating any members of the Board for special service rendered.

G. There was no bank guarantee issued by the company on behalf of Directors.



35.00 Financial Instrument-Fair Values and Risk Management

35.01 Accounting Classifications and Fair Values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Reconciliation of Carrying Amount	Carrying Amount in BDT '000							
	Note	Fair Value-hedging instruments	Mantaroy at FVTPL-Others	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other Financial Liabilities	Total Amount
30.06.2026								
Financial Assets not measured at Fair Value								
Advance, Deposits & Prepayments	6.02	-	-	-	-	8,188	-	8,188
Trade & Receivables	6.03	-	-	-	-	14,928	-	14,928
Investment in Shares	6.04	-	-	-	-	10,509	-	10,509
Cash and Cash Equivalents	6.05	-	-	-	-	11,527	-	11,527
Total		**-**	**-**	**-**	**-**	**45,151**	**-**	**45,151**
Financial Liabilities not measured at fair value:								
Long Term Loan (Non-Current Maturity)	8.01	-	-	-	-	-	367,775	367,775
Lease Obligation Liability	8.02	-	-	-	-	-	1,944	1,944
Deferred Tax Liability	8.03	-	-	-	-	-	54,465	54,465
Unclaimed/Unpaid Dividend from 2019 & 2022	9.01	-	-	-	-	-	1,560	1,560
Trade & Other Payables	9.02	-	-	-	-	-	89,079	89,079
Accrued Expenses Payable	9.03	-	-	-	-	-	19,737	
Workers Profit Participation and Welfare Fund	9.04	-	-	-	-	-	1,623	1,623
Provision for Income Tax	9.05	-					3,253	3,253
Total		**-**	**-**	**-**	**-**	**-**	**536,183**	**516,446**
30.06.2025								
Financial Assets not measured at Fair Value:								
Advance, Deposits & Prepayments	6.02	-	-	-	-	7,636	-	7,636
Trade & Receivables	6.03	-	-	-	-	13,568,689	-	13,568,689
Investment in Shares	6.04	-	-	-	-	1,569	-	1,569
Cash and Cash Equivalents	6.05	-	-	-	-	590	-	590
Total		**-**	**-**	**-**	**-**	**13,578,484**	**-**	**13,578,484**
Financial Liabilities not measured at fair value:								
Long Term Loan (Non-Current Maturity)	8.01	-	-	-	-	-	672,404	672,404
Lease Obligation Liability	8.02	-	-	-	-	-	-	-
Deferred Tax Liability	8.03	-	-	-	-	-	57,777	57,777
Unclaimed/Unpaid Dividend from 2019	9.01	-	-	-	-	-	1,560	1,560
Trade & Other Payables	9.02	-	-	-	-	-	20,784	20,784
Workers Profit Participation and Welfare Fund	9.03	-	-	-	-	-	1,002	1,002
Provision for Income Tax	9.04	-	-	-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**	**753,526**	**753,526**

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, liabilities for expenses, trade and other payables, because their carrying amounts are a reasonable approximation of fair value.



Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. The caring amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 30th June, 2026.

30th June, 2026

				Contractual Cash Flows			
Amount in BDT	**Note**	**Carrying Amount**	**Total**	**2 months or less**	**2-12 months**	**1-5 years**	**More than 5 years**
Non-derivative Financial Liabilities:							
Long Term Loan (Non-Current Maturity)	**8.01**	367,775,368	367,775,368	-	14,711,015	102,977,103	250,087,250
Lease Obligation Liability	**8.02**	1,943,832	1,943,832	-	1,943,832	-	-
Deferred Tax Liability	**8.03**	54,465,016	54,465,016	-	3,311,826	13,247,305	37,905,885
Unclaimed/Unpaid Dividend from 2019 & 2022	**9.01**	1,560,103	1,560,103	124,808	1,435,295	-	-
Trade and Other Payables	**9.02**	89,079,346	89,079,346	1,000,000	2,000,000	3,000,000	83,079,346
Workers Profit Participation and Welfare Fund	**9.03**	1,622,518	1,622,518	-	535,704	1,086,814	-
		516,446,183	**516,446,183**	**1,124,808**	**23,937,672**	**120,311,222**	**371,072,481**
Derivative Financial Liabilities			-	-	-	-	-
		516,446,183	**516,446,183**	**1,124,808**	**23,937,672**	**120,311,222**	**371,072,481**

30th June, 2025

				Contractual Cash Flows			
Amount in BDT	**Note**	**Carrying Amount**	**Total**	**2 months or less**	**2-12 months**	**1-5 years**	**More than 5 years**
Non-derivative Financial Liabilities:							
Long Term Loan (Non-Current Maturity)	**8.01**	672,404,220	672,404,220	-	26,896,169	188,273,182	457,234,870
Lease Obligation Liability	**8.02**	-	-	-	1,943,832	(1,943,832)	-
Deferred Tax Liability	**8.04**	57,776,842	57,776,842	-	12,680,831	-	45,096,011
Unclaimed/Unpaid Dividend from 2019 & 2022	**9.01**	1,560,103	1,560,103	128,000	1,432,103	-	-
Trade and Other Payables	**9.02**	20,783,510	20,783,510	1,000,000	2,000,000	3,000,000	14,783,510
Workers Profit Participation and Welfare Fund	**9.03**	**1,001,817**	**1,001,817**	**-**	**535,704**	**466,113**	**-**
		753,526,492	**753,526,492**	**1,128,000**	**45,488,639**	**189,795,463**	**517,114,391**
Derivative Financial Liabilities			-	-	-	-	-
		753,526,492	**753,526,492**	**1,128,000**	**45,488,639**	**189,795,463**	**517,114,391**

SONARGAON TEXTILES LTD.
PROPERTY, PLANT & EQUIPMENT SCHEDULE
AS AT 30 JUNE 2026

UNIT - 1

Annexure - 01

Particulars	COST				Rate	DEPRECIATION				W.D.V at 30.06.2026
	Balance as on 01.07.2025	Addition during the year	Revaluation gain	Balance as on 30.06.2026		Balance as on 01.07.2025	Charged During the year	Adjustment/ Transferred	Balance as on 30.06.2026	
Land & Land Development	103,803,963	-	-	103,803,963	-	-	-	-	-	103,803,963
Building & Construction	64,478,714	-	-	64,478,714	5%	33,913,372	1,528,267	-	35,441,639	29,037,075
Plant & Machinery	240,978,096	-	-	240,978,096	7%	165,544,406	5,280,358	-	170,824,765	70,153,331
Furniture & Fixture	1,152,613	-	-	1,152,613	15%	1,140,543	1,810	-	1,142,354	10,259
Motor Vehicles	5,019,620	-	-	5,019,620	20%	4,791,804	45,563	-	4,837,367	182,253
Sundry Assets	6,218,436	-	-	6,218,436	20%	6,175,754	8,536	-	6,184,291	34,145
Balance as on 30.06.2026	**421,651,442**	**-**	**-**	**421,651,442**		**211,565,880**	**6,864,535**	**-**	**218,430,415**	**203,221,027**
Balance as on 30.06.2025	**421,651,442**	**-**	**-**	**421,651,442**		**204,209,619**	**7,356,261**	**-**	**211,565,880**	**210,085,562**

UNIT - 2

Annexure - 02

Particulars	COST				Rate	DEPRECIATION				W.D.V at 30.06.2026
	As on 01.07.2025	Addition during the year	Revaluation gain	As on 30.06.2026		As on 01.07.2025	Charged During the year	Adjustment/ Transferred	As on 30.06.2026	
Land & Land Development	29,806,774	-	-	29,806,774	-	-	-	-	-	29,806,774
Building & Construction	43,972,124	-	-	43,972,124	5%	23,273,120	1,034,950	-	24,308,070	19,664,054
Plant & Machinery	215,104,404	-	-	215,104,404	7%	150,019,673	4,555,931	-	154,575,604	60,528,800
Furniture & Fixture	5,377,188	-	-	5,377,188	15%	5,281,604	14,338	-	5,295,942	81,246
Motor Vehicles	12,813,366	-	-	12,813,366	20%	12,111,360	140,401	-	12,251,761	561,605
Sundry Assets	7,063,764	-	-	7,063,764	20%	7,008,243	11,104	-	7,019,347	44,417
Balance as on 30.06.2026	**314,137,620**	**-**	**-**	**314,137,620**		**197,694,000**	**5,756,724**	**-**	**203,450,724**	**110,686,896**
Balance as on 30.06.2025	**314,137,620**	**-**	**-**	**314,137,620**		**191,499,478**	**6,194,522**	**-**	**197,694,000**	**116,443,620**

SONARGAON TEXTILES LTD.
PROPERTY, PLANT & EQUIPMENT SCHEDULE
AS AT 30 JUNE 2026

UNIT- 3

Annexure - 03

Particulars	COST			Rate of Dep.	DEPRECIATION				W.D.V at 30.06.2026
	As on 01.07.2025	Additions during the year	As on 30.06.2026		As on 01.07.2025	Charged during the year	Disposal/ Adjustment during the year	As on 30.06.2026	
Land & Land Development	56,436,763	-	56,436,763	-	-	-	-	56,436,763	56,436,763
Building & Construction	77,717,462	-	77,717,462	5%	40,534,874	1,859,129	-	75,858,333	37,182,588
Plant & Machinery	597,634,016	-	597,634,016	7%	333,469,127	18,491,542	-	579,142,474	264,164,889
Furniture & Fixture	817,966	-	817,966	15%	781,674	5,444	-	812,522	36,292
Sundry Assets	7,149,229	-	7,149,229	20%	7,011,297	27,586	-	7,121,643	137,932
Balance as on 30.06.2026	**739,755,436**	**-**	**739,755,436**		**381,796,972**	**20,383,702**	**-**	**719,371,734**	**357,958,464**
Balance as on 30.06.2025	**739,755,436**	**-**	**739,755,436**		**359,915,727**	**21,881,245**	**-**	**381,796,972**	**357,958,464**

Consolidated Schedule of Property, Plant and Equipment as on 30th June, 2026

Annexure -04

Particulars	COST			DEPRECIATION				W.D.V at 30.06.2026
	As on 01.07.2025	Additions during the year	As on 30.06.2026	As on 01.07.2025	Charged During the year	Disposal/ Adjustment during the year	As on 30.06.2026	
Unit 1 (Sch-1)	421,651,442		421,651,442	211,565,880	6,864,535	-	218,430,415	203,221,027
Unit 2 (Sch-2)	314,137,620		314,137,620	197,694,000	5,756,724	-	203,450,724	110,686,896
Unit 3 (Sch-3)	739,755,436		739,755,436	381,796,972	20,383,702	-	402,180,674	337,574,762
Balance as on 30.06.2026	**1,475,544,498**	**-**	**1,475,544,498**	**791,056,852**	**33,004,962**	**-**	**824,061,814**	**651,482,684**

Balance as on 30.06.2025	1,475,544,498	-	1,475,544,498	755,624,824	35,432,027	-	791,056,851	684,487,647

SONARGAON TEXTILES LTD.

Schedule of Property Plant and Equipment as at 30th June, 2025

Apportionment of Depreciation :

Annexure-4/A

Unit/Division	30.06.2026		Total
	Factory	Head Office	
Unit -1	6,315,373	549,163	6,864,535
Unit -2	5,296,186	460,538	5,756,724
Unit -3	18,753,006	1,630,696	20,383,702
Total	30,364,565	2,640,397	33,004,962

Schedule of Revaluation Reserve :

Particulars	Revaluation Reserve			Rate	Adjustment			
	Balance as on 01.07.2025	Revaluation surplus during the year	Balance as on 30.06.2026		Balance as on 01.07.2025	During the year	Adjustment/Transfer	Balance as on 30.06.2026
Land & Land Development	178,869,655	-	178,869,655	-	-	-	-	-
Building & Construction	100,525,034	-	100,525,034	5%	50,627,174	2,494,893	-	53,122,067
Plant & Machinery	328,425,585	-	328,425,585	7%	206,473,503	8,536,646	-	215,010,148
Balance as on 30.06.2026	607,820,274	-	607,820,274		257,100,675	11,031,539	-	268,132,215

