

# **MABS & J Partners**

**Chartered Accountants**

Member firm of Nexia International, UK

**Independent Auditors' Report  
&  
Audited Financial Statements**

of

**Paramount Textile Limited**

**As at & for the Year Ended 30 June 2020**



# Independent Auditor's Report

## To the Shareholders of Paramount Textile Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Paramount Textile Limited (the Company)**, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

#### Basis for Opinion

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 the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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.

Risk	Our response to the risk
<b>Revenue Recognition</b>	
Revenue from sale of goods are measured at fair value of consideration received or receivable net off return and allowance trade discount volume rebates exclusive of VAT. Some of the sales contracts contain various performance obligation and management exercises judgment to determine timing of revenue recognition i.e. over time or a point in time.	Principal audit procedures: <ul style="list-style-type: none"> <li>• Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company.</li> <li>• Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition.</li> <li>• Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.</li> </ul>

<p>See Note No. 25.00 to the financial statements</p>	<ul style="list-style-type: none"> <li>Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the accounting standard.</li> </ul>
<p><b>Valuation of Property, Plant and Equipment</b></p>	
<p>The carrying value of the PPE was Tk. 2,987,306,142 as at 30 June, 2020. Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>See Note No. 5.00 to the financial statements</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none"> <li>We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS and found them to be consistent.</li> <li>We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.</li> <li>We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</li> <li>We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.</li> </ul>
<p><b>Valuation of Inventory</b></p>	
<p>The inventory of Tk. 2,703,235,756 as at 30 June, 2020 held in factory. Inventories are carried at the lower of cost and net realizable value.</p> <p>As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items. Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p> <p>See Note No. 9.00 to the financial statements</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> <li>evaluating the design and implementation of key inventory controls operating across the company;</li> <li>attending in surprise inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li> <li>comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</li> <li>reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year.</li> </ul>

<b>Measurement of Deferred Tax Liability</b>	
<p>The company reports net deferred tax liability to totaling Tk. 12,127,087 as at 30 June 2020.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is probable that taxable profit will be reduced against which the taxable temporary differences can be recognized over a number of years.</p> <p>See Note No. 18.00 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

**Other Matter**

The financial statements of Paramount Textile Limited for the year ended 30 June 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 28 October 2019. Moreover, the company has an investment in its associate (49% of equity interest) namely Paramount BTrec Energy Ltd. (PBEL) which is audited by another auditor for the current year.

**Other Information**

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

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

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

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

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

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



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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) We have obtained all the information and explanation 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss with the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.



**C R Mazumder FCA**  
Managing Partner  
**MABS & J Partners**  
Chartered Accountants


**Dated: Dhaka, 28 October 2020**

**Paramount Textile Limited**  
**Statement of Financial Position**  
 As at 30 June 2020

Particulars	Notes	Amount in BDT	
		As at	
		30.06.2020	30-06-2019
<b>ASSETS</b>			
<b>A. Non-current assets</b>		<b>5,061,799,669</b>	<b>4,895,856,726</b>
Property, plant and equipment	5.00	2,987,306,142	3,361,207,498
Capital working progress	6.00	526,119,512	310,450,312
Investment Property	7.00	495,540,698	500,546,159
Investment in Associates	8.00	1,052,833,318	723,652,757
<b>B. Current assets</b>		<b>3,833,568,269</b>	<b>3,349,228,121</b>
Inventories	9.00	2,703,235,756	2,594,427,511
Trade receivables	10.00	675,893,376	388,305,693
Advance, deposits & prepayments	11.00	341,830,652	287,948,281
Other receivables	12.00	5,617,792	3,000,000
Investments	13.00	57,361,269	50,990,499
Cash & cash equivalents	14.00	49,629,424	24,556,137
<b>TOTAL ASSETS (A+B)</b>		<b>8,895,367,938</b>	<b>8,245,084,847</b>
<b>EQUITY AND LIABILITIES</b>			
<b>C. Capital and reserves</b>		<b>3,582,631,598</b>	<b>3,003,857,287</b>
Ordinary share capital	15.00	1,476,948,140	1,354,998,290
Share premium	16.00	540,000,000	540,000,000
Retained earnings		1,359,207,917	917,192,775
Tax holiday reserve		203,617,141	203,617,141
Holding gain reserve	17.00	2,858,399	(11,950,919)
<b>D. Deferred tax liability</b>	18.00	<b>12,127,087</b>	<b>483,883</b>
<b>E. Non-current liabilities</b>		<b>1,693,603,203</b>	<b>2,063,471,843</b>
Long term loan	19.00	1,693,603,203	2,063,471,843
<b>F. Current liabilities</b>		<b>3,607,006,050</b>	<b>3,177,271,833</b>
Trade and other payables	20.00	312,056,363	215,956,069
Liability for expenses	21.00	165,985,662	116,220,447
Short term loan	22.00	2,686,229,688	2,397,558,620
Current portion of long term loan	23.00	418,254,704	418,507,791
Income tax provision	24.00	24,479,633	29,028,906
<b>TOTAL EQUITY AND LIABILITIES (C+D+E+F)</b>		<b>8,895,367,938</b>	<b>8,245,084,847</b>
<b>Net asset value (NAV) per share ( Restated 2019)</b>		<b>24.26</b>	<b>20.34</b>

The annexed notes form an integral part of these financial statements.

  
 Chairman

  
 Managing Director

  
 Company Secretary

Signed as per our annexed report of even date.

  
**C R Mazumder FCA**  
 Managing Partner  
**MABS & J Partners**  
 Chartered Accountants

Dated: Dhaka, 28 October 2020

**Paramount Textile Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30 June 2020

Particulars	Notes	Amount in BDT	
		For the Year	
		2019-2020	2018-2019
Revenue	25.00	5,153,734,276	5,673,854,848
Cost of sales	26.00	(4,357,656,974)	(4,818,814,160)
<b>Gross profit</b>		<b>796,077,302</b>	<b>855,040,688</b>
<b>Operating Expenses</b>		<b>(244,446,896)</b>	<b>(269,685,067)</b>
Distribution costs	27.00	(38,402,269)	(43,588,300)
Administrative expenses	28.00	(206,044,627)	(226,096,767)
<b>Profit from operations</b>		<b>551,630,406</b>	<b>585,355,621</b>
Finance costs	29.00	(219,179,645)	(235,991,490)
Income from House Rent	30.00	14,457,420	16,368,212
Other income/(loss)	31.00	(3,013,672)	1,751,890
Exchange gain/(loss)	32.00	2,420,310	2,519,168
		<b>(205,315,587)</b>	<b>(215,352,220)</b>
<b>Profit/(loss) before WPPF &amp; WF</b>		<b>346,314,819</b>	<b>370,003,401</b>
Contribution to WPPF & WF		(1,459,844)	(1,708,014)
Share of profit/ (Loss) of associates	8.01	367,730,561	97,102,757
<b>Profit before tax</b>		<b>712,585,536</b>	<b>465,398,144</b>
<b>Tax expenses</b>		<b>(53,770,664)</b>	<b>(53,850,996)</b>
Income tax	33.00	(42,127,459)	(57,255,893)
Deferred tax benefit/(expense)	34.00	(11,643,204)	3,404,896
<b>Net profit after tax</b>		<b>658,814,872</b>	<b>411,547,147</b>
<b>Other comprehensive income</b>			
Unrealized loss on investment in shares	35.00	14,809,318	858,738
<b>Total comprehensive income</b>		<b>673,624,191</b>	<b>412,405,885</b>
<b>Basic earnings per share( Restated 2019)</b>	36.00	<b>4.46</b>	<b>2.79</b>

The annexed notes form an integral part of these financial statements

  
Chairman

  
Managing Director

  
Company Secretary

Signed as per our annexed report of even date.

Dated: Dhaka, 28 October 2020

  
C R Mazumder FCA  
Managing Partner  
MABS & J Partners  
Chartered Accountants

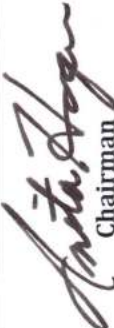


**Paramount Textile Limited**  
**Statement of Changes in Equity**  
For the year ended 30 June 2020


Particulars	Amount in BDT					
	Share Capital	Share Premium	Retained Earnings	Tax Holiday Reserve	Holding Gain Reserve	Total
Balance as at 01 July 2019	1,354,998,290	540,000,000	917,192,775	203,617,141	(11,950,919)	3,003,857,287
Cash dividend paid to shareholders for the year ended June 2019	-	-	(94,849,880)	-	-	(94,849,880)
Stock dividend paid to shareholders for the year ended 30 June 2019	-	-	(121,949,850)	-	-	(121,949,850)
Current year	121,949,850	-	658,814,872	-	14,809,318	795,574,041
<b>Total equity</b>	<b>1,476,948,140</b>	<b>540,000,000</b>	<b>1,359,207,917</b>	<b>203,617,141</b>	<b>2,858,399</b>	<b>3,582,631,598</b>

**For the year ended 30 June 2019**


Particulars	Amount in BDT					
	Share Capital	Share Premium	Retained Earnings	Tax Holiday Reserve	Holding Gain Reserve	Total
Balance as at 1 July, 2018	1,290,474,570	540,000,000	660,502,568	203,617,141	(12,809,657)	2,681,784,622
Cash dividend paid to shareholders for the year ended 30, 2018	-	-	(90,333,220)	-	-	(90,333,220)
Stock dividend paid to shareholders for the year ended June 30, 2018	64,523,720	-	(64,523,720)	-	-	-
Current year	-	-	411,547,147	-	858,738	412,405,885
<b>Total equity</b>	<b>1,354,998,290</b>	<b>540,000,000</b>	<b>917,192,775</b>	<b>203,617,141</b>	<b>(11,950,919)</b>	<b>3,003,857,287</b>

  
Chairman

  
Managing Director

  
Company Secretary

Signed as per our annexed report of even date.

  
C R Mazumder FCA  
Managing Partner  
MABS & J Partners  
Chartered Accountants

**Paramount Textile Limited**  
**Statement of Cash Flows**  
For the year ended 30 June 2020

Particulars	Amount in BDT	
	For the year	
	2019-2020	2018-2019
<b>A) Cash flows from operating activities</b>		
<b>Cash received from operating activities</b>	<b>4,887,069,476</b>	<b>5,714,301,494</b>
Cash received from customer	4,866,146,593	5,693,380,431
Cash received from House rent	18,035,664	20,383,160
Cash received from other income	2,887,219	537,903
<b>Cash paid for operating activities</b>	<b>4,253,838,589</b>	<b>5,117,664,983</b>
Cash paid to suppliers	2,707,288,327	3,475,465,240
Wages, salaries & other benefits	619,142,911	624,710,570
Factory overhead	473,792,468	447,666,085
Administrative overhead	172,101,485	203,423,170
Distribution costs	38,402,269	43,588,300
Financial charges	219,179,645	235,991,490
Advance, deposits & pre-payments	(13,448,677)	38,080,225
Advance, security deposit receipt	(6,876,261)	2,080,320
Exchange loss/(gain)	(2,420,310)	(2,519,168)
Income tax	46,676,732	49,178,752
<b>Net cash from operating activities (Note-37.00)</b>	<b>633,230,887</b>	<b>596,636,511</b>
<b>B) Cash flows from investing activities</b>		
Payment of investment in Associates	38,550,000	(621,650,000)
Payment against property, plant, equipment and CWIP	(470,878,042)	(324,842,421)
<b>Net cash used in investing activities</b>	<b>(432,328,042)</b>	<b>(946,492,421)</b>
<b>C) Cash flows from financing activities</b>		
Proceeds for bank overdraft	246,620,563	(39,769,376)
Proceeds from loan against trust receipts (LATR)	42,285,449	(75,740,775)
Dividend payment	(94,378,896)	(90,031,494)
Proceeds from term loan	(370,356,671)	567,760,413
<b>Net cash used in financing activities</b>	<b>(175,829,555)</b>	<b>362,218,768</b>
<b>Net increase in cash and cash equivalents</b>	<b>25,073,287</b>	<b>12,362,858</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>24,556,137</b>	<b>12,193,280</b>
<b>Cash and cash equivalents at the end of year</b>	<b>49,629,424</b>	<b>24,556,137</b>
<b>Net operating cash flows per share (NOCFPS) (Restated 2019)</b>	<b>4.29</b>	<b>4.04</b>

The annexed notes form an integral part of these financial statements

  
Chairman

  
Managing Director

  
Company Secretary

Signed as per our annexed report of even date.

  
C R Mazumder FCA  
Managing Partner  
MABS & J Partners  
Chartered Accountants

Dated: Dhaka, 28 October 2020

**Paramount Textile Limited**  
**Notes to the financial statements**  
**As at and for the year ended 30 June 2020**

**1.0 Introduction**

**1.1 Industry outlook**

The Readymade Garment (RMG) industry of Bangladesh has emerged as a competent garment producer in the world. For nearly last three decades, the export oriented readymade garment (RMG) industry has been one of the major successes of Bangladesh. In this period, not only a world class export-oriented apparel sector has been built in the country but this sector is showing all the potentials of burgeoning into a far more dynamic one to the great benefit of the economy. There are more than 5000 garments industries in the country that employs about 4.2 million workers. But the industry is far from reaching a saturation point. Greater volumes are being imported to traditional importing countries like USA and Canada and, significantly, major new markets in Japan. EU countries Australia, New Zealand, South Africa and others are being explored. From the current trends, it appears that Bangladesh could go on to doubling its production capacity RMG easily and fairly soon with beneficial effects of the same in the form of the substantially increased foreign currency earnings, job creation and reduction of poverty.

The contributory factors of the RMG industry in Bangladesh are global trading agreements, cheap labor cost, government's supportive policy and dynamic private entrepreneurship. This industry has successfully transformed Bangladesh into an export-oriented economy. The RMG industry also becomes the major foreign-currency earning sector with highest rates of absorption of industrial employment. The country entered into the export market apparels in 1978 with only 9 units and earned only \$0.069 million. During the last three decades, this sector has been achieving a phenomenal growth and the export earnings have reached to around \$34.14 billion (\$17.24 billion for woven garments and \$16.90 billion for knit garments) during fiscal year 2016-17. The growth of woven garments has been 12.81% and the growth of knit garments has been 7.47% in FY 2016-17. At an average around 80% of the country's total exports and also provided job for about 4.2 million people, which accounted for more than 18% of country's GDP.

The RMG industry has a great potential to earn more foreign currency from Latin America, South Africa, Russia, South Korea, Malaysia and Japan. It can earn up to US\$400 million by exporting apparels to three Latin American. The country can secure a slice of \$4.0 billion apparels market of China, Brazil and Mexico. It can also grab about 14% of South Africans US\$1.20 billion clothing market if the local exporters make an aggressive foray.

The recent financial crises especially in Europe have reduced export to the European Countries. The economic slow-down of Europe has resulted in a fall of purchasing capacity, which has brought forth a downward tendency in importing apparels from Bangladesh. In order to offset the export reduction in EU and USA, Bangladesh exporters are going to dispatch trade missions to South Africa, Malaysia, Australia and Latin American countries. Following the recent agreement between governments of Bangladesh and India, India will be one of the major export destinations. Moreover the minimum wages of the workers in Bangladesh is one of the lowest in Asia.



**1.2 Corporate history of reporting entity**

Paramount Textile Limited (PTL) was incorporated in Bangladesh on June 12, 2006 under the Companies Act, 1994 as private limited company. Later, it converted to a public limited company on September 19, 2010. It commenced its manufacturing operation on September 1, 2008.

**1.3 Corporation & other offices**

The registered office of the company is located at Navana Tower (Level#7), Gulshan C/A, Dhaka-1212, Bangladesh. The industrial units are located at Vill-Gilarchala, P.S.-Sreepur, Dist-Gazipur, Bangladesh.

**1.4 Nature of business activities**

Paramount Textile Ltd. is engaged in manufacturing high quality woven fabric that are consumed by the export oriented garments industries in Bangladesh. PTL produces high quality woven fabrics which include 100% cotton yarn dyed fabrics, cotton solid white fabrics, striped and check shirts, stretch fabric etc. The finished products are sold to different units to produce readymade garment for final export. Normally the products are designed based on specification and guidelines or ultimate buyers. The company produces the fabrics against the back to back L/C of RMG units. The company also has yarn dyeing and fabrics processing facilities to support the core activity. Since the company sells its products to 100% export oriented readymade garments industries it is considered as deemed export. As per Export policy 2009-2019 of Ministry of Commerce, deemed exporters, will enjoy all export facilities including duty-draw-back. Local raw materials used for producing exports and local raw materials used in industries/projects funded by foreign investments will be considered as 'deemed export.'

**1.5 Investment in Associates:**

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. Paramount Textile Limited has 49.00% shares of Paramount BTrac Energy Ltd. (PBEL) which was incorporated 25th February, 2018 and commencing COD from 16th February, 2019 as a Private Limited company for establishing a 200 MW HSD Fired Engine Based Power Plant on Build, own and operate (BOO) basis at Baghabari, Sirajonj, Bangladesh under Bangladesh Power Development Board (BPDB).

**1.6 Capital structure of the company**

Name of shareholders	No. of holding shares	Percentage%
Mr. Shakhawat Hossain	12,986,730	8.79%
Mr. Alock Kumar Das	12,986,730	8.79%
Mrs. Samsun Nahar	10,627,085	7.20%
Mrs. Aporna Ghosh	10,627,085	7.20%
Mrs. Anita Haque	2,953,894	2.00%
Mrs. Anita Das	2,953,894	2.00%
Paramount Spinning Ltd.	19,587,942	13.26%
Paramount Holdings Ltd.	17,303,337	11.72%
General Public & Others	57,668,117	39.04%
<b>Total</b>	<b>147,694,814</b>	<b>100%</b>



**1.7 MIS and internal control mechanism**

The IT system of the company has been found at a developing stage. Currently IT related aspects of the company are being taken care of by 10 IT professionals. The company uses Tally software for accounting and most of the cases use packaged software for daily activities of the management supported by STM vision. The company has a total of 303 PCS desktop & laptop in the head office and factory for daily operation. Moreover, the company also has separate 15 members of internal audit team to ensure structured internal control procedure and to safe guard the assets, promote operating efficiency and ensure compliance with applicable policies and regulations of the units. The team directly reports to the Chairman and Managing Director.

**2.0 Basis of preparation****2.1 Statement of compliance**

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 as application and International Accounting Standards (IAS) & International Financial Reporting Standard (IFRS), adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws in Bangladesh.

**2.2 Basis of measurement**

The elements of financial statements have been measured on Historical Cost basis, which is one of the most commonly adopted bases provided in the Framework for the preparation and presentation of Financial Statements issued by the International Accounting Standard Committee (IASC) as adopted by the institute of Chartered Accountant of Bangladesh except for non-derivative financial instrument at fair value through profit or loss or available for sale, which are measured at fair value.

**2.3 Functional and reporting currency**

These financial statements are prepared in Bangladesh Taka (BDT) which has been rounded-off to the nearest taka, though the major sales and procurement activities were carried out in US Dollar, EURO, BDT & GBP.

**2.4 Use of Estimation and Judgments**

The preparation of financial statements require management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form that basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes,

- Note no. 5: Property, plant and equipment
- Note no. 24: Provision for tax



**2.5 Going concern**

The financial statements are prepared on a going concern basis. As per management assessment, there is no material uncertainty relating to events or condition which may cause doubt upon the company's ability to continue as a going concern.

**2.6 Reporting period**

These financial year of the company covers one year from 1<sup>st</sup> July to 30<sup>th</sup> June and is followed consistently.

**3.0 Significant accounting policies**

The accounting policies set out below have been applied in preparation of these financial statements.

**3.1 Application of International Financial Reporting Standards (IFRSs)/International Accounting Standards (IASs)**

The following IFRS/ IAS are applicable for the financial statements for the period under review:

Sl. No.	IAS/IFRS	Title of IAS/IFRS	Status
1	IAS-1	Presentation of financial statements	Complied
2	IAS-2	Inventories	Complied
3	IAS-7	Statement of Cash Flows	Complied
4	IAS-8	Accounting policies, Changes in Accounting Estimates and Errors	Complied
5	IAS-10	Events after the reporting period.	Complied
6	IAS-12	Income Taxes	Complied
7	IAS-16	Property, Plant and Equipment	Complied
8	IAS- 19	Employee Benefits	Complied
9	IAS-21	The Effect of Changes in Foreign Exchange rates	Complied
10	IAS-23	Borrowing costs	Complied
11	IAS-24	Related Party Disclosures	Complied
12	IAS-28	Investments in Associates and Joint Ventures	Complied
13	IAS-32	Financial Instrument: Presentation	Complied
14	IAS-33	Earnings per Share	Complied
15	IAS-34	Interim Financial Reporting	Complied
16	IAS 36	Impairment of Assets	Complied
17	IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
18	IAS-39	Financial Instrument: Recognition and Measurement	Complied
19	IAS-40	Investment Property	Complied

**3.2 Property, plant and equipment**

**3.2.1 Recognition and measurement**

According to IAS 16 "Property Plant and Equipment" items of property, plant and equipment excluding freehold land, freehold building and leasehold building are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost. Freehold buildings and leasehold buildings are measured at cost less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price, import duties and refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

Part of an item of property plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

Cost also includes transfer from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchase of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

### 3.2.2 Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

### 3.2.3 Depreciation

No depreciation is charged on freehold land and capital work in progress (CWIP) as the land has indefinite useful life and CWIP is not yet available for use. Depreciation on other items of property, plant and equipment are recognized on reducing balance method over the estimated useful lives of each item of property, plant and equipment. Depreciation method, useful lives and residual balance are reviewed each reporting date and adjusted if appropriate.

The annual depreciation rates applicable to the principal categories are:

Sl. No.	Title of Assets	Rate of Depreciation
01.	Building & Other Construction	10%
02.	Effluent Treatment Plant (ETP) & Water Treatment Plant (WTP)	10%
03.	Plant & Machinery	20%
04.	Loose Tools	10%
05.	Reed Air (Jet)	20%
06.	Electric Installation	15%
07.	Fire Equipment	15%
08.	GAS Installation	20%
09.	Generator & Boiler	15%
10.	Industrial Rack	10%
11.	Air Conditioner	10%
12.	Swimming Pool	10%
13.	Motor Vehicles	15%
14.	Furniture & Fixtures	10%
15.	Factory & Office Equipment	10%
16.	Telephone Equipment	12%
17.	Decoration in Office	10%
18.	Transformer	10%
19.	Commercial Space	1%

### 3.2.4 Major maintenance activities

The company incurs maintenance costs for all of its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.



### 3.2.5 Gain or losses on disposal

An item of property plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized with other income or general and administrative expense.

### 3.2.6 Borrowing costs

As per requirement of IAS 23: Borrowing Costs, directly attributable borrowing costs are capitalized during constructing period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition construction or production of a qualifying asset are those borrowing cost that would have been avoided if the expenditure or the qualifying asset had not been made. All other borrowing costs are recognized in statement of comprehensive income in the period in which they are incurred.

### 3.2.7 Capital work in progress

Capital work in progress consists of acquisition cost of capital components and related installation until the date placed in service. In case of import of components capital work in progress is recognized when risk and rewards are associated with such assets are transferred.

## 3.3 Inventories

Inventories are valued at lower of cost and net realizable value. Costs of inventories include expenditure incurred in acquiring the inventories production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary allowance is provided for damaged obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 3.4 Financial instruments

### 3.4.1 Non-derivatives financial assets

The company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has legal right to offset the amounts intends either to settle on a net basis or to realize the assets and the liability simultaneously.

Financial assets include cash and cash equivalents, short term investments, accounts receivable, other receivables and deposits.

#### 3.4.1.1 Accounts receivable

Accounts receivable represents the amounts due from institutional customer, export customers etc. Accounts receivable stated at original invoice amount without making any provision for doubtful debts because of the fact that export are being based on 100% confirmed letter of credit basis with fixed maturity dates.





#### **3.4.1.2. Advance, deposits & prepayments**

**Advance:**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustment or any other changes.

**Deposits:**

Deposits are measured at payment value.

**Prepayments:**

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to statements of comprehensive income.

#### **3.4.1.3. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash in transit and cash at bank including fixed deposit having maturity of three months or less which are available for use by the company without any restrictions. Temporary negative balance in any bank account that are adjustable and/or repayable on demand form an integral part of the companies cash management are include as a component of cash and cash equivalent. There is insignificant risk of change in value of the sale.

#### **3.4.1.4 Available-for-sale financial assets**

Available-for-sale financial assets are recognized initially at value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value and changes therein other than impairment losses and foreign currency differences or available-for-sale debt instruments are recognized in other comprehensive income and presented in the fair value reserved in equity. When an investment is derecognized the gain or loss accumulated in equity is reclassified to statement of comprehensive income. Available-for-sale financial assets comprise investment in stock market.

#### **3.4.2 Non-derivative financial liabilities**

The company recognizes all financial liabilities on the transaction date which is the date the company becomes a party to the contractual provision of instrument. The company derecognizes a financial liability when its contractual obligations are discharged cancelled or expired. Financial liabilities include trade and other payables liability for expense.

##### **3.4.2.1 Trade and other payables**

Trade and other payables are recognized when its contractual obligations from past events are certain and settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

The company recognizes a financial liability at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

#### **3.5 Impairment**

##### **3.5.1 Non- derivative financial assets**

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after 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.



### **Loans and receivables and held-to-maturity investment securities**

The company considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective levels. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

### **Available for sale financial assets**

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss recognized previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, than the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in comprehensive income.

### **3.5.2 Non-derivative non-financial assets**

In compliance with IAS 36 "impairment of 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, than the assets recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its related Cash Generated Unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are 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 assets or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



**3.6. Taxation**

The company is a public limited company, as per the Income Tax Ordinance, 1984 the rate of income tax is 15% on business income, 20% on dividend income and 25% on other income since the company is 100% export oriented Textile industry.

According to IAS 12 "Income Taxes" deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary difference when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**3.7 Employee benefits**

The company maintains a defined contribution plan and short term employee benefits and post-employment benefits for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds as well as rules enforceable as per IAS 19 "Employee Benefits".

**3.7.1 Defined contribution plan**

A defined contribution plan is a post employment benefit under which an entity pays fixed contribution into a separate entity and has no legal or constructive obligations to pay fixed contribution into a separate entity and has no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution plan are recognized as an employee benefit expense in statement of profit or loss and other comprehensive income in period during which related services are rendered by employees. Prepaid contributes are recognized as an asset to the extent that a cash flow refunds or a reduction in future payment is available. Contribution to a defined contribution plan is due for more than twelve months after the end of the period in which the employee render are discounted to the present value.

The company contributions to be a recognized provident fund for its permanent employees eligible to be member of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also made equal contribution. The Company recognizes contribution to a defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

**3.7.2 Short term employee benefits**

Short term employee benefits include bonus, leave encashment etc. Such obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short cash bonus or profit sharing plans. If the company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.7.3. Contribution to Workers Profit Participation Fund & Welfare Funds (WPPF & WF)**

The company has made provision during the period against WPPF & WF in accordance with the Bangladesh Labour Act, 2006 (Amendment 2013) & rule 214 of the Bangladesh Labor Rule, 2015.

**3.8. Provisions**

A provision is recognized in the statement of financial position when the group has a legal or constructive obligation as 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 date of statement of financial position. Where the group 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.

**3.9. 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 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 entity.

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

**3.10 Revenue**

Revenue has been recognized as per IFRS 15: Revenue from contracts with customers under 05 (five) step approach of recognizing revenue. According to the core principal of IFRS 15, the entity has recognized revenue to depict the transfer of promise goods or service to custom in an amount that reflects the consideration (payment) to which the entity expects to be entitled in exchanging for those goods or services. 05 (five) step approach applied are as follows:

- i. Identify the contract;
- ii. Identify the separate performance obligation;
- iii. Determine the transaction price;
- iv. Allocate the price to the performance obligations; and
- v. Recognize revenue.

**3.11 Earnings per share**

In complying with IAS 33 "Earnings per Share" The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share 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, adjusted for own shares held. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares.

**3.12 Foreign currency transactions**

The major activities of the company were carried out in USD, EURO and GBP but recorded and reported in Bangladesh taka as this is the reporting currency.

The import activities were not subject to any exchange fluctuation. Only the unencumbered portion of export bills was subject to exchange fluctuation which was dealt through statement of comprehensive income of the entity. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

Among the monetary assets and liabilities denominated in foreign currencies the balance sheet date, only the export retention quota account were translated the applicable rates of exchange ruling at that date. Exchange difference on such translation was also dealt through the statement of comprehensive income.

**3.13 Financial risk management**

The company has exposure to the following risks from its use of financial instruments:

• Credit risks	• Price fluctuation risk
• Liquidity risks	• Currency risk
• Market risk	• Interest rate risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

The company 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.

**3.13.1 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 rises principally from the company's receivables from subscribers; interconnect operators roaming partners and dealers.

Management has a credit policy in place and the exposure to credit risk is monitored on ongoing basis.

In monitoring credit risk, debtors are grouped according to whether they are an individual or legal entity, ageing profile, maturity and existence of previous financial difficulties. Accounts and other receivables are mainly related to the company's subscribers. The exposure of the company to credit risk on accounts receivables is mainly influenced by the individual payment characteristics of post-paid subscribers. Interconnection receivables are normally paid within three months from when they are invoiced and credit risk from this receivable is very minimal. The company employs financial clearing houses to minimize credit risk involving collection of roaming receivables. Credit risk does not arise in respect any other receivables.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position

### **3.13.2 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 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, 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, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity / fund to make the expected payment within due date.

### **3.13.3 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. However, the company does not hold any financial instrument for which market risk arises due to market price movement and thus affect company's income or the value of its holdings of financial instruments.

### **3.13.4 Price fluctuation risk**

PTL along with other companies in the industry faces price fluctuation risk because of volatility of yarn price in the market emanating from fluctuation of raw cotton price in the international market. In recent times the price of yarn has considerably fluctuated in local and global market and the continuance of this will put pressure on the cost of production as well as price of finished goods. PTL procures maximum raw materials (Yarn, Dyes and Chemicals) from abroad and proved the finished goods (fabrics) to some export oriented local garments and buyers. So considering the volatility of raw material price as well finished goods price in the international market, CRISL foresees that the company is exposed to price fluctuation risk.

### **3.13.5 Currency risk**

The company is exposed to currency risk on certain revenues and purchases, resulting receivables and payables, and interest expense and repayments relating to borrowing incurred in foreign currencies. Majority of the company's transactions are denominated in USD. The Company has not entered into any type of derivative instrument in order to hedge currency risk due to stable exchange rate in the country and inflow of USD.

### **3.13.6 Interest rate risk**

Interest rate risk is the risk due to changes in interest rates on borrowing. The risk arises for fluctuation of floating interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at June 30, 2019 due to having a stable money market in the country.

### **3.14 Financial cost**

Financial costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses. On financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets (other than trade receivable). Borrowing costs that is not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest.

**3.15 Statement of cash flows**

The statement of cash flows has been prepared in accordance with requirements of IAS 7 Statement of Cash Flows. The cash generating from operating activities has been reported using the direct method as prescribed by the securities & exchange rules 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payment from operating activities are disclosed

**3.16 Events after the reporting period**

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when it is found to be material.

**3.17 Transaction with related parties**

The company carried out a number of transactions with related parties in the course of business and on arm's length basis. Transactions with related parties have been recognized and disclosed in the relevant notes to the accounts according to IAS 24 "Related Party Disclosures".

**3.18 Risk and uncertainties for use of estimates in preparation of financial statements**

Preparation of financial statement in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization and taxes.

**3.19 Responsibility for preparation and presentation of financial statements**

The board of directors is responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994 and as per the provision of "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB)

**3.20 Comparative information**

Comparative information has been disclosed in respect to the year 2018-2019 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements.

Last year's figures have been rearranged where considered necessary to conform to current year's presentation.

**3.21 Consistency of presentation**

The presentation and classification of all items in the financial statements has been retained from one period to another period unless where it is apparent that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies or changes is required by another IFRS.

**3.22 Level of precision**

The figures in the financial statements have been rounded-off to nearest Bangladeshi Taka (BDT).

**4.0 Components of financial statements**

The financial statement includes the following components as per IAS 1 “presentation of financial statements”

- a) Statement of financial position as at June 30, 2020;
- b) Statement of profit or loss and other comprehensive income for the year ended June 30, 2020;
- c) Statement of cash flows for the year ended June 30, 2020;
- d) Statement of changes in equity for the year ended June 30, 2020;
- e) Notes, comprising significant accounting policies and other explanatory information;  
and
- ea) Comparative information in respect of the preceding period as specified in paragraphs 38 and 38A of IAS 1





**MABS & J Partners**

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>5.00</b>	<b>Property, plant and equipment: Tk. 2,987,306,142</b>		
	The break up of the above amount is as under:		
	Land & land development	14,772,811	14,644,811
	Building construction	968,076,642	1,057,236,291
	Effluent treatment plant (ETP) & water treatment plant (WTP)	40,698,198	44,189,120
	Electrical installation	91,113,988	96,763,355
	Gas line installation	22,759,205	18,735,846
	Transformer	1,365,491	1,504,052
	Plant & machinery	1,526,577,933	1,807,597,804
	Loose tools	120,587	78,334
	Reed air (jet)	1,122,622	1,403,278
	Fire equipment	19,710,077	19,544,924
	Factory equipment	4,964,564	4,971,683
	Generator & boiler	96,539,124	113,575,440
	Industrial rack	9,664,664	10,738,517
	Furniture & fixture	14,875,415	5,736,364
	Air conditioner	12,110,902	12,516,858
	Swimming pool	223,766	248,628
	Office decoration	13,459,958	14,133,400
	Office equipment	70,295,279	59,736,679
	Telephone equipment	333,497	378,974
	Motor vehicles	78,521,418	77,473,139
		<b>2,987,306,142</b>	<b>3,361,207,498</b>

For further details please refer to annexure-A

**6.00 Capital work in progress: Tk. 526,119,512**

The break up of the above amount is as under:

Building Construction	313,447,450	240,403,409
ETP & water treatment	12,240,313	11,782,688
Plant & machinery	200,431,749	58,264,215
	<b>526,119,512</b>	<b>310,450,312</b>

Capital work in progress represents the assets acquired during the year but yet to be installed.

**6.01 Movement of capital work in progress: Tk. 526,119,512**

The break up of the above amount is as under:

Opening balance	310,450,312	656,514,138
Addition during the year	254,636,648	175,348,258
	<b>565,086,960</b>	<b>831,862,396</b>
Transferred to property, plant & equipment	(38,967,448)	(521,412,084)
Closing balance	<b>526,119,512</b>	<b>310,450,312</b>



# MABS & J Partners

Chartered Accountants

Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>7.00</b>	<b>Investment property: Tk. 495,540,698</b>		
	The break up of the above amount is as under:		
	Commercial Space	507,717,671	507,717,671
	Less : Accumulated Depreciation	(7,171,512)	(2,115,490)
	Less : Depreciation	(5,005,462)	(5,056,022)
		<u>495,540,698</u>	<u>500,546,159</u>
	Investment property represents purchase of commercial Space 9,956 sft consist of three floor at Shikhara Jolchhobi, 408 Gulshan North Avenue, Dhaka-1212, cost price of which was Tk. 507,717,671 and charging depreciation @1% pa.		
<b>8.00</b>	<b>Investment in Associates (Paramount BTrac Energy Ltd): Tk. 1,052,833,318</b>		
	The break up of the above amount is as under:		
	Opening Investment in Share	723,652,757	4,900,000
	Addition : During the period	-	621,650,000
	Less: Adjustment against share money deposit	(38,550,000)	-
	Add/Less: Share of Profit/(Loss) of associates (Note -8.01)	367,730,561	97,102,757
		<u>1,052,833,318</u>	<u>723,652,757</u>
<b>8.01</b>	<b>Share of Profit of Associate: Tk. 367,730,561</b>		
	The break up of the above amount is as under:		
	Net profit attributable to the Shareholders of associate	750,470,532	198,168,890
	Percentage of holding	49.00%	49.00%
	<b>Share of net profit</b>	<u>367,730,561</u>	<u>97,102,757</u>
	The company's investment in associates as 49.00% equity interest at Paramount BTrac Energy Ltd. (PBEL). PBEL is a Joint venture company between Paramount Textile Limited and Bangla Trac Limited having formed at 25 <sup>th</sup> February, 2018 and commencing COD at 16 <sup>th</sup> February, 2019. In financial statements 49.00% equity interest is accounted using equity method in accordance with IAS 28. Investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee. The investor's share of investee's profit or loss is recognized in the investor's profit or loss.		
<b>9.00</b>	<b>Inventories: Tk. 2,703,235,756</b>		
	The break up of the above amount is as under:		
	Chemicals	370,890,710	292,859,028
	Finished goods	855,200,593	594,945,235
	Yarn	968,326,182	1,268,067,801
	Packing & sub material	6,004,769	6,025,147
	Work in process	502,813,502	432,530,300
		<u>2,703,235,756</u>	<u>2,594,427,511</u>
	Existence, valuation, completeness and appropriateness of quality and weight of above inventories has been confirmed by the management after carrying out physical verification as on June 30, 2020.		

For further details please refer to annexure B



# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>10.00</b>	<b>Trade receivables: Tk. 675,893,376</b>		
	The break up of the above amount is as under:		
	Amount due from trade receivables	676,677,141	389,885,875
	Foreign exchange gain/(loss) (fair value adjustment)	(783,765)	(1,580,182)
		<u>675,893,376</u>	<u>388,305,693</u>
	i) Amount due from trade receivables has been disclosed in presentation currency and foreign currency exchange fluctuation has been recognized accordingly.		
	ii) There are no such trade receivables due from any directors or any other officers of the company.		
	iii) No receivables are outstanding for a period exceeding six months. All the receivables are considered good and secured by letter of credit.		
	iv) As per management perception the above trade receivables are collectable thus no provision has been made for any doubtful debts.		
<b>10.01</b>	<b>Movement of trade receivables</b>		
	Opening balance	388,305,693	407,831,276
	Addition during the year	5,153,734,276	5,673,854,848
		<u>5,542,039,969</u>	<u>6,081,686,124</u>
	Realized during the year	(4,866,146,593)	(5,693,380,431)
	Closing balance	<u>675,893,376</u>	<u>388,305,693</u>
<b>10.02</b>	<b>Ageing analysis of trade receivables</b>		
	In compliance with the requirement of paragraph 60 and 61 of IAS 1 "Presentation of Financial Statements" trade receivables has been analyzed as follows		
	Less than 06 months	675,893,376	388,305,693
	More than 06 but less than 12 months		-
	More than 12 months		-
		<u>675,893,376</u>	<u>388,305,693</u>
<b>11.00</b>	<b>Advance, deposits &amp; prepayments: Tk. 341,830,652</b>		
	The break up of the above amount is as under:		
	Advance against salary	6,453,355	5,073,450
	Advance against suppliers & Others	246,822,603	182,029,212
	Advance house/office rent	1,609,735	2,809,735
	Bank guarantee	1,490,952	1,395,537
	Security deposit - CDBL	500,000	500,000
	Imprest fund	2,162,763	7,995,388
	L/C margin deposit	3,834,783	342,112
	Prepaid Expenses	8,845,822	4,042,568
	Discount on Zero Coupon Bond	40,620,879	60,023,719
	Security deposits for internet	7,000	7,000
	Security deposits for Titas Gas	29,469,760	23,716,560
	Telephone line deposit	13,000	13,000
		<u>341,830,652</u>	<u>287,948,281</u>
<b>11.01</b>	All advances, deposits and prepayments are considered good and recoverable.		
<b>11.02</b>	There are no such amount due from any directors or officers of the company other than advance against salary.		
<b>11.03</b>	Advance against salaries are regularly being realized from respective employees' salary.		
<b>11.04</b>	Debts considered good in respect of which the company is fully secured.		

For further details please refer to annexure C



# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>12.00</b>	<b>Other receivable: Tk. 5,617,792</b>		
	The break up of the above amount is as under:		
	House Rent Receivable	5,617,792	3,000,000
		<u>5,617,792</u>	<u>3,000,000</u>
<b>13.00</b>	<b>Investment: Tk. 57,361,269</b>		
	The break up of the above amount is as under:		
	Investment in non-listed companies (Meghna Bank Limited)	20,000,000	20,000,000
	Investment in listed companies (market price)	37,361,269	30,990,499
		<u>57,361,269</u>	<u>50,990,499</u>
	The above investment in share has been recognized as "available for sale" financial instrument thus measured in market value as on June 30, 2019		
<b>13.01</b>	<b>Investment in listed companies: Tk. 34,502,870</b>		
	The break up of the above amount is as under:		
	Investments	42,941,418	31,678,248
	Add : Addition/Adjustment	(2,537,657)	10,049,183
	Realized loss/gain	(5,900,891)	1,213,987
	<b>Investment in cost price</b>	<u>34,502,870</u>	<u>42,941,418</u>
<b>14.00</b>	<b>Cash &amp; cash equivalents: Tk. 49,629,424</b>		
	The break up of the above amount is as under:		
	Cash in hand (Note-14.01)	5,332,270	4,953,083
	Cash at banks (Note-14.02)	11,673,553	10,621,255
	Cash at banks (foreign currency) (Note-14.03)	10,123,601	8,981,799
	Cash at Bank (FDR)	22,500,000	-
		<u>49,629,424</u>	<u>24,556,137</u>
<b>14.01</b>	<b>Cash in hand: Tk. 5,332,270</b>		
	The break up of the above amount is as under:		
	Cash (Factory)	1,564,191	1,349,187
	Cash (office)	3,547,121	3,559,942
	Cash (salary)	220,958	43,954
		<u>5,332,270</u>	<u>4,953,083</u>



# MABS & J Partners

Chartered Accountants

Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>14.02</b>	<b>Cash at banks: Tk. 11,673,553</b>		
	The break up of the above amount is as under:		
	Brac bank-1501202249220001	1,879,984	1,849,547
	Brac bank-1501202249220002	55,675	55,675
	Dutch Bangla Bank Ltd - 1031100041078	116,240	106,124
	Dutch Bangla Bank Ltd -1161100021942	13,120	16,655
	Dutch bangla bank-2131107690	1,777,991	4,179,271
	Eastern Bank Ltd-1041360385960	933,350	335,201
	Eastern Bank Ltd-1041060306140	189.00	-
	Jamuna bank-003202100095179517	66,295	66,295
	Mercantile bank-012911100006544	596,928	598,578
	NRB Bank-93625	346,253	346,598
	Pubali Bank-056591028506	106,368	156,547
	Standard chartered bank-0114667301	77828	9,030
	Standard bank-01833001939	5,621,744	2,366,673
	Woori bank-CDA 923927289	81,588	535,061
		<b>11,673,553</b>	<b>10,621,255</b>

## 14.03 Cash at banks (foreign currency): Tk. 10,123,601

The break up of the above amount is as under:

ERQA-EBL-1043100329458	423.20	35,363	35,363
ERQA -PBL-3555162000626	14,546.28	1,219,028	13,085
Margin account (foreign)-EBL-343	515.39	43,218	77,996
Margin account (foreign)-PBL-139	506.46	42,441	1,282,879
HSBC-050003896-005	14,979.58	1,257,537	
HSBC-001012269047	66,940.54	5,621,239	3,001
HSBC-001012269091	3,852.41	323,409	7,176,756
Woori bank-CDA 923927581	19,061.22	1,581,366	392,719
	<b>120,825.08</b>	<b>10,123,601</b>	<b>8,981,799</b>

Among the above bank accounts, account maintained in foreign currency has been disclosed in local currency; thus foreign exchange fluctuation gain/(loss) has been recognized.

## 15.00 Share Capital

### Authorized capital

200,000,000 ordinary shares of Tk. 10/-

**2,000,000,000**      **2,000,000,000**

### Issued, subscribed & paid up capital

Opening balance

1,354,998,290      1,290,474,570

Stock dividend

121,949,850      64,523,720

**1,476,948,140**      **1,354,998,290**

The balance represents 147,694,814 ordinary shares of Tk. 10 each.



# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19

## 15.01 Composition of Share Holding:

Particulars	30 June, 2020 No. of Share	%	30 June, 2019 No. of Share	%
Director and Sponsors	90,026,697	60.955%	82,318,075	60.750%
Institution	18,989,020	12.857%	15,509,595	11.446%
General Public	32,528,897	22.024%	32,694,151	24.129%
Foreign Investor	6,150,200	4.164%	4,978,008	3.674%
	<b>147,694,814</b>	<b>100.00%</b>	<b>135,499,829</b>	<b>100%</b>

The distribution Schedule showing the number of shareholders and their shareholdings in percentage have been disclosed below as a requirement of Listing Regulation of Dhaka and Chittagong Stock Exchange.

## 15.02 Range of Holding :

Particulars	No. of Shareholders	No. of share	Holding (%)
1 to 500 shares	3,515	802,684	0.54347
501 to 5000 Shares	910	1,795,102	1.21541
5001 to 10000 Shares	205	1,488,374	1.00774
10001 to 20000 Shares	137	1,961,870	1.32833
20001 to 50000 Shares	118	3,837,553	2.59830
50001 to 100000 Shares	59	4,375,623	2.96261
100001 to 1000000 Shares	86	23,025,109	15.58965
Over 1000000 Shares	17	110,408,499	74.75449
	<b>5,047</b>	<b>147,694,814</b>	<b>100</b>

Shares of the company are listed with Dhaka and Chittagong Stock Exchange and quoted at Tk. 59.20 per share in 2019 and Tk. 48.90 Per share 2020 in the Dhaka and Chittagong Stock Exchange respectively on 30 June.

## 16.00 Share premium

Share premium received on 30,000,000 shares at Tk.18/- each	540,000,000	540,000,000
	<b>540,000,000</b>	<b>540,000,000</b>

## 17.00 Holding gain reserve: Tk. 2,858,399

The break up of the above amount is as under:

Investment in market price	37,361,269	30,990,499
Investment in cost price	(34,502,870)	(42,941,418)
	<b>2,858,399</b>	<b>(11,950,919)</b>

For further details please refer to Annexure-D



# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19

**18.00 Deferred tax (assets)/liability: Tk. 12,127,087**  
Deferred tax (assets) / liability is arrived as follows:

Particulars	Carrying value as at June30, 2020	Tax base value as at June 30, 2020	Taxable/(Deductible) temporary difference
<b>For the year ended June 30, 2020</b>			
Property, plant and equipment	2,987,306,143	2,855,535,827	131,770,316
Provident fund	(12,699,448)	-	(12,699,448)
WPPF & WF	(35,770,928)	-	(35,770,928)
Post employment benefit	(4,358,292)	-	(4,358,292)
			<b>78,941,648</b>
Effective tax rate			15%
Deferred tax liability/ (assets) excluding holding gain reserve (A)			<b>11,841,247</b>
Holding gain reserve	2,858,399		2,858,399
Effective tax rate			10%
Deferred tax liabilities/(assets) on holding gain reserve (B)			285,840
<b>Deferred tax liability/(assets) (A+B)</b>			<b>12,127,087</b>
<b>For the year ended June 30, 2019</b>			
Property, plant and equipment	3,361,207,498	3,308,416,689	52,790,810
Provident fund	(2,770,388)	-	(2,770,388)
WPPF & WF	(34,315,195)	-	(34,315,195)
Post employment benefit	(4,512,062)	-	(4,512,062)
			<b>11,193,165</b>
Effective tax rate			15%
Deferred tax liability/ (assets) excluding holding gain reserve (A)			<b>1,678,975</b>
Holding gain reserve	(11,950,919)		(11,950,919)
Effective tax rate			10%
Deferred tax liabilities/(assets) on holding gain reserve (B)			<b>(1,195,092)</b>
<b>Deferred tax liability/(assets) (A+B)</b>			<b>483,883</b>

**19.00 Long term loan: Tk. 1,693,603,203**  
The break up of the above amount is as under:

HSBC	237,255,266	289,623,074
Zero Coupon Bond	113,750,000	221,250,000
IDLC Finance Ltd	120,187,774	25,626,212
Pubali Bank Ltd.	1,029,292,222	1,204,376,539
Lanka Bangla Finance Ltd	193,117,941	322,596,018
	<b>1,693,603,203</b>	<b>2,063,471,843</b>

**20.00 Trade and other payables: Tk. 312,056,363**  
The break up of the above amount is as under:

Trade payables ( Note-20.01)	312,056,363	215,956,069
	<b>312,056,363</b>	<b>215,956,069</b>

# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>20.01</b>	<b>Trade payables: Tk. 312,056,363</b>		
	The break up of the above amount is as under:		
	Deferred liabilities (import)	273,777,730	198,446,602
	Deferred liabilities (local))	38,600,233	17,744,697
	Foreign exchange gain/(loss) (fair value adjustment)	(321,600)	(235,230)
		<b>312,056,363</b>	<b>215,956,069</b>
	i) Amount due to trade payables in foreign currency has been disclosed in presentation local currency and foreign currency exchange fluctuation has been recognized accordingly.		
	ii) This amount represents balance due to suppliers.		
	iii All trade payables has been paid as per terms and regular basis.		
<b>20.1.1</b>	<b>Ageing analysis of trade payables</b>		
	In compliance with the requirement of paragraph 60 and 61 of IAS 1 "Presentation of Financial Statements" trade payables has been analyzed as follows:		
	Less than 06 months	312,056,363	215,956,069
	More than 06 but less than 12 months	-	-
	More than 12 months	-	-
		<b>312,056,363</b>	<b>215,956,069</b>
<b>21.00</b>	<b>Liability for expenses: Tk. 165,985,662</b>		
	The break up of the above amount is as under:		
	GAS bill payable	72,456,770	18,308,077
	Security Deposit	11,412,101	3,174,400
	Security deposit against investment property	7,604,160	7,604,160
	Advance receive from investment property	1,705,480	3,066,920
	Other expenses	12,291,612	33,035,762
	Provident fund payable*	12,699,448	2,770,388
	Post employment benefit	4,358,292	4,512,062
	VAT payable	6,623	324,218
	Telephone bill payable	13,975	13,975
	Electricity bill payable	2,853,587	4,753,588
	Unallocated application fees	1,645,375	1,645,375
	Dividend & fraction shareholder	2,767,311	2,296,327
	Provision for WPPF & WF ( <b>Note-21.01</b> )	35,770,928	34,315,195
	Audit & professional fees payable	400,000	400,000
		<b>165,985,662</b>	<b>116,220,447</b>
	* Due to COVID-19 situation we could not transfer the Provident Funt to the PF account as per Rule 250(2) of the Bangladesh Labor Rules 2015 which is subsequently transferred to the respective PF account accordingly.		
<b>21.01</b>	During the Period Tk. 4,111/- has been deducted by bank from export bill on account of worker profit participation.		
<b>22.00</b>	<b>Short term loan: Tk. 2,686,229,688</b>		
	The break up of the above amount is as under:		
	LATR PBL & HSBC	42,285,449	-
	UPAS PBL & HSBC	404,820,793	845,714,393
	EDF PBL,EBL & HSBC	1,058,517,282	617,858,626
	Bank overdraft/STL PBL	504,342,049	501,121,976
	HSBC	261,328,298	276,493,333
	EBL	102,111,817	24,970,292
	Woori Bank & IPDC	312,824,000	131,400,000
		<b>2,686,229,688</b>	<b>2,397,558,620</b>



# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>23.00</b>	<b>Current portion of long term loan: Tk. 418,254,704</b>		
	The break up of the above amount is as under:		
	HSBC	64,393,587	80,410,862
	Zero Coupon Bond	107,500,000	107,500,000
	IDLC Finance Ltd	45,314,364	22,457,076
	Pubali Bank Ltd.	150,498,273	157,591,373
	Lanka Bangla Finance Ltd	50,548,480	50,548,480
		<b>418,254,704</b>	<b>418,507,791</b>
<b>24.00</b>	<b>Provision for tax: Tk. 24,479,633</b>		
	The break up of the above amount is as under:		
	Opening balance	29,028,906	20,951,765
	Less: Paid during the year	(14,508,834)	(18,907,416)
		<b>14,520,072</b>	<b>2,044,349</b>
	Add : Provision for the year ( Note-33.00)	42,127,459	57,255,893
		<b>56,647,531</b>	<b>59,300,242</b>
	Less: Advance income tax	(32,167,898)	(29,954,912)
	Less: Adjustment previous Year	-	(316,424)
		<b>24,479,633</b>	<b>29,028,906</b>
<b>25.00</b>	<b>Revenue: Tk. 5,153,734,276</b>		
	The break up of the above amount is as under:		
	Yarn dyed fabrics	4,471,339,502	4,830,474,850
	Knit yarn dyeing	327,635,165	419,003,249
	Sweater yarn dyeing	-	855,381
	Printing	354,759,609	423,521,368
		<b>5,153,734,276</b>	<b>5,673,854,848</b>
<b>26.00</b>	<b>Cost of sales: Tk. 4,357,656,974</b>		
	The break up of the above amount is as under:		
	<b>Opening stock</b>		
	Raw materials	1,566,951,976	1,138,428,970
	Work-in-process	432,530,300	386,496,585
		<b>1,999,482,276</b>	<b>1,524,925,555</b>
	Purchased during the year (Note-26.01)	2,803,388,621	3,578,119,872
	<b>Goods available for use</b>	<b>4,802,870,897</b>	<b>5,103,045,427</b>
	<b>Less: Closing stock</b>		
	Raw materials	1,345,221,661	1,566,951,976
	Work-in-process	502,813,502	432,530,300
	<b>Materials consumed</b>	<b>2,954,835,734</b>	<b>3,103,563,151</b>
	<b>Add: Conversion cost</b>		
	Wages, salaries & other benefits (Note-26.02)	619,142,911	624,710,570
	Factory overhead ( Note-26.03)	1,043,933,687	1,083,526,786
	<b>Cost of production</b>	<b>4,617,912,332</b>	<b>4,811,800,507</b>
	Add: Opening stock of finished goods	594,945,235	601,958,888
		5,212,857,567	5,413,759,395
	Less: Closing stock of finished goods	855,200,593	594,945,235
		<b>4,357,656,974</b>	<b>4,818,814,160</b>

# MABS & J Partners

Chartered Accountants

Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-20	30-Jun-19
26.01	<b>Purchase: Tk. 2,803,388,621</b> The break up of the above amount is as under:		
	<b>Raw materials</b>		
	Purchase of dyeing ,finishing & printing chemicals	715,980,037	735,295,084
	Purchase of yarn	1,859,569,907	2,414,288,822
	Purchase of Grey Fabrics	-	82,516,260
	Insurance premium (marine)	10,046,449	14,884,701
	Carriage inwards	32,955,219	39,453,520
	C & F expenses	28,085,261	26,221,012
	Acceptance commission	2,771,450	4,432,306
	Charges on UPAS ( Discounting & Confirmation)	59,748,598	124,373,951
	Charges on EDF (Discounting & Confirmation)	23,966,964	28,172,979
	L/C Opening commission	3,247,543	3,860,655
	<b>Packing materials</b>		
	Purchase of poly bag	13,479,428	18,077,905
	Purchase of plastic bag	5,151,150	1,270,900
	<b>Sub- materials</b>		
	Purchase of paper/plastic cone	20,009,295	26,295,100
	Purchase of plastic bobbin	3,305,913	8,861,200
	Purchase of sizing chemicals	19,766,621	44,159,429
	Purchase of textile wax	830,170	687,545
	Purchase of paper tube	4,474,616	5,268,503
		<b>2,803,388,621</b>	<b>3,578,119,872</b>

**26.02 Wages, salaries & other benefits: Tk. 619,142,911**

The break up of the above amount is as under:

Wages, salaries & festival bonus	539,410,368	539,067,704
Overtime, holiday & other allowance	40,707,148	62,920,497
House rent to factory workers	12,788,200	11,359,800
Provident Fund ( <b>Note-26.04</b> )	9,123,295	7,806,660
Insurance premium (factory workers)	1,827,551	1,919,249
Earn leave expenses	15,286,349	1,636,660
	<b>619,142,911</b>	<b>624,710,570</b>



# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>26.03</b>	<b>Factory overhead: Tk. 1,043,933,687</b>		
	The break up of the above amount is as under:		
	Conveyance	1,874,918	1,923,212
	Commission on bank guarantee	1,027,367	842,051
	Depreciation-manufacturing	538,085,127	621,803,947
	Electricity Bill	26,714,593	42,241,589
	Entertainment	2,358,540	3,657,969
	ETP & WTP maintenance	1,464,004	1,513,138
	Food allowance	6,210,363	6,674,745
	Fuel & lubricants	8,549,284	8,379,632
	Gas bill	322,046,823	229,686,215
	Insurance premium (fire)	14,949,263	12,434,404
	Lab test expenses	10,427,776	11,050,389
	Medicare exp	1,271,187	1,877,089
	Miscellaneous exp	153,600	563,662
	Mobile bill	587,736	488,457
	Municipal tax	-	601,709
	Night allowance	25,300	273,724
	Purchase of ETP chemicals	3,406,446	3,153,842
	Purchase of generator & boiler chemicals	2,650,982	1,709,508
	Purchase of machine oil	1,144,340	2,607,967
	Repair & maintenance	52,448,905	57,586,941
	Repair & maintenance-car	7,842,984	9,536,334
	Spare parts	16,283,618	27,733,840
	Stationery	5,631,400	7,153,394
	Tour & travel (Note-26.05)	13,537,561	20,877,441
	Allocation of post employment benefit (Note-26.06)	712,562	855,045
	Compliance and safety	3,871,320	7,378,878
	Uniform & Liveries	657,688	921,664
		<b>1,043,933,687</b>	<b>1,083,526,786</b>
<b>26.04</b>	<b>Allocation of provident fund: Tk. 13,033,278</b>		
	The break up of the above amount is as under:		
	Wages, salaries & other benefits @ 70%	9,123,295	7,806,660
	Administrative overhead @ 30%	3,909,983	3,345,711
		<b>13,033,278</b>	<b>11,152,371</b>
<b>26.05</b>	<b>Allocation of tour &amp; travel expenses: Tk. 28,203,252</b>		
	The break up of the above amount is as under:		
	Factory overhead @ 48%	13,537,561	20,877,441
	Administrative overhead @ 52%	14,665,691	22,617,228
		<b>28,203,252</b>	<b>43,494,669</b>
<b>26.06</b>	<b>Allocation of post employment benefit: Tk. 791,736</b>		
	The break up of the above amount is as under:		
	Factory overhead	712,562	855,045
	Administrative overhead	79,174	95,005
		<b>791,736</b>	<b>950,050</b>

# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>27.00</b>	<b>Distribution costs: Tk. 38,402,269</b>		
	The break up of the above amount is as under:		
	BTMA certificate fees	220,500	825,425
	Courier charges	2,921,802	4,324,007
	Cost of free sample	5,718,659	5,848,000
	C & F expenses (export)	443,084	558,636
	Entertainment (buyer)	2,557,849	2,442,125
	Fuel, running, maintenance & carriage outwards	20,023,389	19,875,044
	Insurance premium (fire)	671,701	558,704
	Loading & unloading	3,881,687	5,253,197
	Miscellaneous expense	1,407,700	1,514,700
	Repair and maintenance of vehicles	555,898	2,388,462
		<b>38,402,269</b>	<b>43,588,300</b>
<b>28.00</b>	<b>Administrative expenses: Tk. 206,044,627</b>		
	The break up of the above amount is as under:		
	Advertisement exp.	696,912	1,058,563
	AGM expenses	490,433	824,426
	Audit & professional fees	583,600	1,783,928
	Books & periodicals	560,583	122,250
	CDBBL charge	106,000	562,477
	Conveyance	1,119,317	1,260,602
	Credit rating fees	502,036	618,429
	Cookeries	102,905	114,115
	Depreciation-administrative	26,231,678	23,453,680
	Donation & subscription	2,469,833	20,289,582
	Electricity bill	1,509,757	1,631,609
	Entertainment	194,040	227,738
	Fees for certificates	586,966	1,525,873
	Food allowance	2,421,819	1,947,141
	Forms, fees & renewal fees	565,138	338,492
	Fuel & lubricants	3,608,414	3,186,786
	Internet exp	1,670,453	1,333,955
	Insurance Premium-Car	1,134,193	382,430
	Listing fees	882,925	1,452,774
	Loss on sale of Car	-	1,267,000
	Medicare exp	558,565	828,290
	Membership fees	220,043	209,372
	Miscellaneous exp	721,671	406,233
	Mobile bill	3,227,647	2,834,086
	Newspaper	27,824	29,572
	Office maintenance	2,799,956	2,208,956
	Office rent	6,184,200	6,085,800
	Postage	71,940	10,570
	Promotional expenses	1,017,592	492,675
	Provident fund (Note-26.04)	3,909,983	3,345,711
	Remuneration	24,000,000	27,800,000
	Repair & maintenances-Car	2,409,632	1,309,134
	Software development	541,500	405,276
	Salary, allowance & festival bonus	97,002,582	91,981,471
	Sports equipment	93,743	12,500

**MABS & J Partners**

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
	Water & Sewerage	110,000	-
	Annual report printing	186,000	136,786
	Stationery	1,867,840	1,663,989
	Telephone exp	33,492	76,289
	Tours & travels (Note-26.05)	14,665,691	22,617,228
	Allocation of post employment benefit (Note-26.06)	79,174	95,005
	Training & development	878,550	165,974
		<b>206,044,627</b>	<b>226,096,767</b>

**29.00 Finance Cost: Tk. 219,179,645**

The break up of the above amount is as under:

Bank charge	1,753,065	2,260,791
Finance arrangement expenses	9,688,207	4,636,855
Interest on bank overdraft	52,927,031	55,837,996
Interest on loan (LATR)	813,933	476,280
Interest on loan (IBP)	52,318,029	70,339,473
Interest on term loan	71,904,817	67,960,603
Interest on Zero Coupon Bond	12,935,224	16,575,810
L/C charge	1,119,943	1,137,000
Remittance collection charge	14,052,216	14,819,236
Stamp charges	226,470	163,592
Swift charges	1,440,710	1,948,457
Interest income on FDR	-	(164,603)
	<b>219,179,645</b>	<b>235,991,490</b>

**30.00 Income from House Rent: Tk. 14,457,420**

The break up of the above amount is as under:

Income from house rent ( investment property)	20,653,456	23,383,160
Less : Maintenance cost including depreciation	(6,196,036)	(7,014,948)
	<b>14,457,420</b>	<b>16,368,212</b>

**31.00 Other income: Tk. -3,013,672**

The break up of the above amount is as under:

Dividend income	307	155,031
Interest income	364,718	75,022
Profit on sale of car	-	292,900
Wastage sales	2,522,194	14,950
Loss on sale of share	(5,900,891)	1,213,987
	<b>(3,013,672)</b>	<b>1,751,890</b>

**32.00 Exchange gain/(loss): Tk. 2,420,310**

The break up of the above amount is as under:

Foreign currency fluctuation gain/(loss)	2,420,310	2,519,168
	<b>2,420,310</b>	<b>2,519,168</b>

# MABS & J Partners

Chartered Accountants

Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>33.00</b>	<b>Income tax: Tk. 42,127,459</b>		
	The break up of the above amount is as under:		
	Income tax from operational income (Note-33.01)	49,767,398	52,290,925
	Income tax on other income (Note-33.02)	1,326,806	872,915
	Income tax on house rent income(Note-33.03)	3,614,355	4,092,053
		<u>54,708,558</u>	<u>57,255,893</u>
	Less: Tax rebate	-	-
		<u>54,708,558</u>	<u>57,255,893</u>
	Add/ (less): Income tax refund/ adjustment (Income Year 2016-17)	(12,581,099)	-
		<u>42,127,459</u>	<u>57,255,893</u>
<b>33.01</b>	<b>Income tax from operational income: Tk. 49,767,398</b>		
	The break up of the above amount is as under:		
	Profit before tax	712,585,536	465,398,144
	Add/(less): exchange loss/gain	(2,420,310)	(2,519,168)
	Add/(less): other income	3,013,672	(1,751,890)
	Add/(less) : House rent income	(14,457,420)	(16,368,212)
	Add/(less):Share of profit/(Loss) of associates	(367,730,561)	(97,102,757)
	Add/(less) : Post employment benefit	791,736	950,050
	<b>Taxable income</b>	<u>331,782,653</u>	<u>348,606,167</u>
	Tax rate	15%	15%
	<b>Income tax on operational income</b>	<u>49,767,398</u>	<u>52,290,925</u>
<b>33.02</b>	<b>Income tax on other income: Tk. 1,326,806</b>		
	The break up of the above amount is as under:		
	Other income (24,20,310+3,64,718+2,522,194)*25%	1,326,806	725,510
	Dividend income (307 -25,000)*20%	-	26,006
	Profit on sale of share (realized profit)	-	121,399
		<u>1,326,806</u>	<u>872,915</u>
<b>33.03</b>	<b>Income tax on house rent income: Tk. 3,614,355</b>		
	The break up of the above amount is as under:		
	Income from House Rent (2,06,53,456-61,96,036)*25%	3,614,355	4,092,053
		<u>3,614,355</u>	<u>4,092,053</u>
<b>34.00</b>	<b>Deferred tax expenses/benefit: Tk. -11,643,204</b>		
	The break up of the above amount is as under:		
	Deferred tax liability as on previous year	483,883	3,888,778
	Deferred tax liability as on current year	12,127,087	483,883
	Deferred tax benefit/expenses during the year	<u>(11,643,204)</u>	<u>3,404,896</u>



# MABS & J Partners

Chartered Accountants

Amount in BDT

Notes	Particulars	As at & for the year ended	
		30-Jun-20	30-Jun-19
<b>35.00</b>	<b>Unrealized gain/(loss) on investment in shares: Tk. 14,809,318</b>		
	The break up of the above amount is as under:		
	Cost price	34,502,870	42,941,418
	Market price	(37,361,269)	(30,990,499)
	<b>Unrealized gain/(loss)</b>	<b>2,858,399</b>	<b>(11,950,919)</b>
	Less: Opening balance (provision)	(11,950,919)	(12,809,657)
	<b>Gain/(loss) on marketable securities during the year</b>	<b>14,809,318</b>	<b>858,738</b>
<b>36.00</b>	<b>Basic earnings per share- EPS (Restated 2019): Tk. 4.46</b>		
	The break up of the above amount is as under:		
	Net profit after tax	658,814,872	411,547,147
	Weighted average number of shares (Note-36.02)	147,694,814	147,694,814
	<b>Earnings per share</b>	<b>4.46</b>	<b>2.79</b>
<b>36.01</b>	<b>Basic earnings per share (EPS): Tk. 4.46</b>		
	The break up of the above amount is as under:		
	Net profit after tax	658,814,872	411,547,147
	Number of share	147,694,814	135,499,829
	<b>Earnings per share</b>	<b>4.46</b>	<b>3.04</b>
	1) Earnings per share has been calculated in accordance with IAS - 33: earnings per share (EPS).		
<b>36.02</b>	<b>Number of shares</b>		
	Number of shares at the beginning of the year	135,499,829	129,047,457
	Add: bonus shares issued during the year	12,194,985	6,452,372
	<b>Closing number of shares</b>	<b>147,694,814</b>	<b>135,499,829</b>
	Face value of share tk. 10/- per share		
<b>37.00</b>	<b>Reconciliation of net income with cash flows from operating activities</b>		
	<b>Net Profit after Tax</b>	<b>658,814,872</b>	<b>411,547,147</b>
	<b>Adjustments to Reconciled with non cash items, non-operating items and net changes of the operating accruals :</b>		
	<b>Non-Cash Items:</b>	<b>216,046,377</b>	<b>558,377,165</b>
	Depreciation	569,322,271	650,313,649
	Income Tax provision	7,093,932	4,672,246
	WPPF & WF Provision	1,459,844	1,708,014
	Share of profit/ (Loss) of associates	(367,730,561)	(97,102,757)
	Profit on sale of share	5,900,891	(1,213,987)
	<b>Changes in operating accruals :</b>	<b>(241,630,362)</b>	<b>(373,287,800)</b>
	Increase/ Decrease in Trade receivables	(290,205,475)	16,525,583
	Increase/ Decrease in Inventory	(108,808,245)	(467,543,068)
	Increase/ Decrease trade payables and others	96,100,294	102,654,632
	Increase/ Decrease in Liability for Expenses	40,958,126	15,235,598
	Increase/Decrease in Advance & Prepayment	13,448,677	(38,080,225)
	Increase/ Decrease in Security deposit	6,876,261	(2,080,320)
	<b>Net Cash flows from operating activities</b>	<b>633,230,887</b>	<b>596,636,511</b>

**38.00 Related party disclosures**

During the year ended June 30, 2020 the company entered into a number of transactions with related parties in the normal course of business. All of these transactions taken place in an arm's length basis. Name of the related parties, nature of these transactions and amount thereof have been set out below in accordance with the provisions of IAS 24: Related Party Disclosure.

Name of related parties	Nature of transaction	Transaction during the year	Balance/ outstanding as on June 30, 2020	Balance/ outstanding as on June 30, 2019
Paramount Insurance Co. Ltd.	Insurance	31,822,070	3,106,174	3,824,163
Paramount Insurance Co. Ltd.	Investment	-	16,212,908	10,887,548
Paramount BTrac Energy Ltd.	House Rent	60,00,000	3,000,000	3,000,000

**39.00 Capital expenditure commitment**

Particulars	Contract value	Paid during the period	Balance
ABC Building Products Ltd.	7,580,456	7,369,247	211,209
Magnum Steel Industries Ltd.	9,500,711	9,391,000	109,711
BBS Cables Ltd.	12,655,166	12,247,649	407,517
KPL Construction & Developers Ltd.	11,679,804	9,672,294	2,007,510

**40.00 Number of employees**

In compliance with the requirement of Schedule XI, Part II, Para 3 of Company Act 1994 following has been disclosed.

Particulars	2019-2020	2018-2019
	Taka	Taka
<b>Factory:</b>		
Number of full time employees (Officers & Staff)	603	718
Number of full time employees (Workers)	2,747	3,124
	<u>3,350</u>	<u>3,842</u>
<b>Head office</b>		
Number of full time employees (Officers & Staff)	108	105
Number of full time employees (Workers)	97	67
	<u>205</u>	<u>172</u>
	<u>3,555</u>	<u>4,014</u>

- All employees received more than Tk. 6000 per month.





**1.00 Key management personnel compensation**

In compliance with the requirement of Schedule XI, Para 4 of Companies Act 1994 and Para 17 of IAS 24 following has been disclosed.

- No remuneration, board meeting attendance fees were provided to any of the directors of the company except managing director.
- As per management decision, the following amount has been paid for the year ended June 30, 2020

Name	Designation	Short term benefits		Post employment benefit (Provident Fund)	Other long term benefit	Termination benefit	Share based benefit
		Remuneration / salary (Taka)	Bonus				
Mr. Shakhawat Hossain	Managing Director	24,000,000	N/A	N/A	N/A	N/A	N/A
Mr. A.B.M Delwar Hossain	Executive Director	3,004,008	429,668	10% of basic salary	N/A	N/A	N/A
Mr. Md. Jamal Mia	General Manager	3,360,000	465,000	10% of basic salary	N/A	N/A	N/A
Mr. Jahidul Abedin	Chief Financial Officer	1,932,000	200,000	10% of basic salary	N/A	N/A	N/A
Mr. Shah Aziz, ACMA	Deputy General Manager	1,698,000	190,000	10% of basic salary	N/A	N/A	N/A
Mr. Robiul Islam, FCS	Company Secretary	1,556,000	84,000	10% of basic salary	N/A	N/A	N/A



**42.00 Capacity and usage**

In compliance with the requirement of Schedule XI, Part II, Para 7 of Company Act 1994 following has been disclosed.

Particulars	Amount in BDT	
	2019-2020	2018-2019
<b><u>Yarn dyed fabric</u></b>		
Installed capacity	110,000 yds per day	110,000 yds per day
Actual production	101,008 yds per day	101,887 yds per day
Utilization	91.82%	92.62%
<b><u>Dyed yarn</u></b>		
Installed capacity	32 ton/per day	32 ton/per day
Actual production	28.50 ton/per day	28.93 ton/per day
Utilization	89.06%	90.40%
<b><u>Printing</u></b>		
Installed capacity	12 ton/per day	10 ton/per day
Actual production	10.80 ton/per day	9.20 ton/per day
Utilization	90.00%	92.00%

**43.00 Transaction in foreign currency**

During the year following transactions took place in foreign currency

Particulars	Amount in BDT	
	2019-2020	2018-2019
<b>CIF value of import</b>		
Yarn	1,815,870,014	2,357,553,035
Chemical	704,524,356	723,530,363
Capital machinery	96,802,012	460,206,690
	<b>2,617,196,383</b>	<b>3,541,290,087</b>
FOB value of export	<b>5,153,734,276</b>	<b>5,673,854,848</b>

**44.00 Credit facility**

No credit facilities were availed by the company under any contract other than bank credit facility and trade credit which took place in the ordinary course of business.

**45.00 Contingent liability**

Particulars	Amount in BDT	
	2019-2020	2018-2019
Letter of credit	744,079,086	252,015,185
	<b>744,079,086</b>	<b>252,015,185</b>



**46.00 Capital management**

- The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consist of total equity attributable to the equity holders.
- In order to maintain or adjust the capital structure, the group may adjust the amount of dividend or obtain long term debt.
- No changes were made in the objectives, policies or processes for managing capital during the year.
- The company is not subject to any externally imposed capital requirement.

**46.01.01 Exposure to credit risk**

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

Particulars	Amount in BDT	
	2019-2020	2018-2019
Trade receivable	675,893,376	388,305,693
Security deposit	29,989,760	24,236,560
Cash and cash equivalent	49,629,424	24,556,137
	<b>755,512,560</b>	<b>437,098,390</b>

**46.01.02 Impairment losses**

The accounts receivables were created for sales made to foreign customers in the ordinary course of business. All sales were made through letter of credit. Thus as per management perception, recognition of any impairment losses were not necessary.



**46.02 Liquidity risk**

The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

As at June 30, 2020					
Particulars	Carrying amount	Contractual cash flows	Within 6 months or less	Within 6-12 months	Within 1-6 years
Trade payables	312,056,363	312,056,363	312,056,363	-	-
Term loan	2,111,857,907	2,111,857,907	209,127,352	209,127,352	1,693,603,203
Liabilities for expenses	165,985,662	165,985,662	165,985,662	-	-
<b>Total</b>	<b>2,589,899,932</b>	<b>2,589,899,932</b>	<b>687,169,377</b>	<b>209,127,352</b>	<b>1,693,603,203</b>

As at June 30, 2019					
Particulars	Carrying amount	Contractual cash flows	Within 6 months or less	Within 6-12 months	Within 1-6 years
Trade payables	215,956,069	215,956,069	215,956,069	-	-
Term loan	2,481,979,634	2,481,979,634	209,253,896	209,253,896	2,063,471,843
Liabilities for expenses	116,220,447	116,220,447	116,220,447	-	-
<b>Total</b>	<b>2,814,156,150</b>	<b>2,814,156,150</b>	<b>541,430,411</b>	<b>209,253,896</b>	<b>2,063,471,843</b>

**46.03 Exposure to currency risk**

The company's exposure to foreign currency risk was as follows based on notional amounts

Particulars	Amount in BDT	
	2019-2020	2018-2019
<b>Foreign currency denominated assets</b>	<b>675,893,376</b>	<b>388,305,693</b>
Accounts receivables	675,893,376	388,305,693
<b>Foreign currency denominated liabilities</b>	<b>370,579,742</b>	<b>658,653,292</b>
Trade payables	273,777,730	198,446,602
Capital machinery	96,802,012	460,206,690
<b>Net exposure</b>	<b>305,313,634</b>	<b>(270,347,599)</b>

The following significant exchange rates are applied during the year:

US dollar (average)

Exchange rate at BDT for the year	
2019-2020	2018-2019
84.45	83.10



**46.04 Accounting classification and fair values**

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

Particulars	2019-2020	
	Carrying amount	Fair value
<b>Loans and receivables</b>		
Trade receivables	675,893,376	675,893,376
Cash and cash equivalent	49,629,424	49,629,424
<b>Available for sale financial instrument</b>		
Investment in shares	37,361,269	37,361,269
<b>Liabilities carried at amortized costs</b>		
Term loan-non current portion	1,693,603,203	1,693,603,203
Trade and other payables	312,056,363	312,056,363
Liability for expense	165,985,662	165,985,662

Particulars	2018-2019	
	Carrying amount	Fair value
<b>Loans and receivables</b>		
Trade receivables	388,305,693	388,305,693
Cash and cash equivalent	24,556,137	24,556,137
<b>Available for sale financial instrument</b>		
Investment in share	30,990,499	30,990,499
<b>Liabilities carried at amortized costs</b>		
Term loan-non current portion	2,063,471,843	2,063,471,843
Trade and other payables	215,956,069	215,956,069
Liability for expense	116,220,447	116,220,447

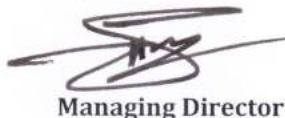
**47.00 Events after reporting period (IAS-10)**

i) The financial statements were authorized for issue on 28th October 2020 by the Board of Directors who had the power to amend the financial statements after issue. There is no other significant event that has occurred between the Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the company.

ii) Subsequent to the financial position date, the Board of Directors has recommended 15% cash only for General shareholders and 5% stock for all i.e. total 20% dividend in its Board meeting held on 28th October 2020. The dividend proposal is subject to shareholder's approval at the forthcoming AGM.

Except the fact as stated above, no circumstances have arisen since the statement of financial position date which would require adjustments, or disclosure in the financial statements.

  
Chairman

  
Managing Director

  
Company Secretary

Dated: Dhaka, 28 October 2020

**Paramount Textile Limited**  
**Schedule of Property, Plant & Equipment**  
As at and for the year ended 30 June 2020

Particulars	Cost					Rate of Dep. (%)	Depreciation			Written Down Value as at 30-06-20
	Opening Balance as on 01-07-19	Transfer from CWIP	Addition for the year	Adjustment for the year	Closing Balance as on 30-06-20		Charged during the year	Adjustment for the year	Closing Balance as on 30-06-20	
J & Land Development	14,644,811	-	128,000	-	14,772,811	0%	-	-	-	14,772,811
Building Construction	1,622,240,178	-	18,404,422	-	1,640,644,600	10%	107,564,071	-	672,567,958	968,076,642
Wastewater Treatment Plant (ETP) & Sewer Treatment Plant (WTP)	92,802,445	-	1,031,100	-	93,833,545	10%	4,522,022	-	53,135,347	40,698,198
Electrical Installation	235,134,442	-	10,429,573	-	245,564,015	15%	16,078,939	-	154,450,027	91,113,988
Line Installation	44,261,845	-	9,713,160	-	53,975,005	20%	5,689,801	-	31,215,800	22,759,205
Transformer	3,349,000	-	13,160	-	3,362,160	10%	151,721	-	1,996,669	1,365,491
Plant & Machinery	4,360,086,812	38,967,448	61,657,164	-	4,460,711,424	20%	381,644,483	-	2,934,133,491	1,526,577,933
Office Tools	169,815	-	55,652	-	225,467	10%	13,399	-	104,879	120,587
Jet Air (Jet)	9,715,003	-	9,715,003	-	9,715,003	20%	280,656	-	8,592,381	1,122,622
Equipment	31,623,690	-	3,643,402	-	35,267,092	15%	3,478,249	-	15,557,015	19,710,077
Generator Equipment	9,634,087	-	544,500	-	10,178,587	10%	551,618	-	5,214,023	4,964,564
Generator & Boiler	347,960,954	-	347,960,954	-	347,960,954	15%	17,036,316	-	251,421,830	96,539,124
Industrial Rack	26,229,600	-	-	-	26,229,600	10%	1,073,852	-	16,564,936	9,664,664
<b>Total (Manufacturing)</b>							<b>538,085,127</b>		<b>4,144,954,355</b>	<b>2,797,485,907</b>
Fixture & Fixture	12,207,044	-	10,791,875	-	22,998,919	10%	1,652,824	-	8,123,504	14,875,415
Conditioner	19,519,989	-	939,700	-	20,459,689	10%	1,345,656	-	8,348,787	12,110,902
Swimming Pool	436,288	-	436,288	-	436,288	10%	24,863	-	212,523	223,766
Office Decoration	20,657,687	-	822,109	-	21,479,796	10%	1,495,551	-	8,019,838	13,459,958
Office Equipment	84,394,042	-	18,369,186	-	102,763,228	10%	7,810,587	-	32,467,950	70,295,279
Telephone Equipment	1,136,320	-	1,136,320	-	1,136,320	12%	45,477	-	802,823	333,497
Motor Vehicles	133,467,899	-	14,905,000	-	148,372,899	15%	13,856,721	-	69,851,481	78,521,418
<b>Total (Administrative)</b>							<b>26,231,678</b>		<b>127,826,907</b>	<b>189,820,235</b>
<b>Total (As at 30 June 2020)</b>	<b>7,069,671,951</b>	<b>38,967,448</b>	<b>151,448,003</b>	<b>-</b>	<b>7,260,087,402</b>		<b>564,316,805</b>	<b>-</b>	<b>4,272,781,262</b>	<b>2,987,306,142</b>
<b>Total (As at 30 June 2019)</b>	<b>6,316,185,524</b>	<b>521,412,084</b>	<b>236,820,343</b>	<b>4,746,000</b>	<b>7,069,671,951</b>		<b>645,257,627</b>	<b>3,021,900</b>	<b>3,708,464,455</b>	<b>3,361,207,498</b>



**Paramount Textile Limited**  
**Schedule of Inventories**  
As at and for the year ended 30 June 2020

Annexure-B

**Quantitative movement of inventories for the year ended 30 June 2020**

compliance with the discloser requirement of Schedule XI of the Companies Act, 1994 movement of inventories has been disclosed as follows:

Particulars	Unit	Opening Stock		Purchases/ Production		Consumption/ Sales		Closing Stock	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
<b>Raw materials</b>									
Wool	KGs	3,712,539	1,268,067,801	6,742,950.32	1,975,684,445	7,314,557	2,275,426,064	3,140,933	968,326,182
Enzymes & chemicals	KGs	1,621,900	292,859,029	4,474,629.31	760,686,983	4,110,012	682,655,302	1,986,517	370,890,710
Wool & sub material	Various	987,729	6,025,147	12,184,944	67,017,193	12,188,285	67,037,571	984,388	6,004,769
<b>Work in progress</b>									
Wool	KGs	316,300	112,809,217	7,314,557	2,560,094,777	7,374,435	2,581,749,943	256,422	91,154,051
Fabrics	Yds.	2,945,879	319,721,082	33,184,955	4,247,674,275	32,503,437	4,155,735,907	3,627,397	411,659,450
<b>Finished goods</b>									
Finished fabric	Yds.	4,313,767	594,945,235	32,503,437	4,617,912,332	30,474,740	4,357,656,974	6,342,464	855,200,593



**Paramount Textile Limited**  
**Schedule of Advance, Deposits & Prepayments**  
As at 30 June 2020

Annexure-C

**Disclose information regarding advance deposits & prepayments as on 30 June 2020**

compliance with the requirement of Schedule of XI, part 1, para (J) of the companies Act, 1994 aging of the advances except security deposits (Titas), security deposit CDBL, bank guarantee & security deposit for telephone line for utilities are given below:

Particulars	June 30, 2020		June 30, 2019	
	Below six months	Over six months	Below six months	Over six months
C margin deposit	3,834,783	-	342,112	-
Advance against salary	4,587,323	1,866,032	3,207,418	1,866,032
Advance office/house rent	1,333,702	276,033	2,533,702	276,033
Advance to construction party, suppliers & others	272,294,112	26,157,955	227,932,932	26,157,955
Advance against security	25,104,889	6,375,823	19,256,274	6,375,823

There is no advance due for payment for more than 6 months from the date of statement of financial position except as mentioned above.





**Paramount Textile Limited**  
**Schedule of Investment**  
As on 30 June 2020

**Annexure-D**  
Amount in BDT

Name of the Company	Cost Price as on 30-06-2020	Market Price as on 30-06-2020	Unrealized gain/(loss)
Aamra Technologies Limited	254,970	155,112	(99,858)
Bangladesh Welding Electrodes Ltd.	250,230	142,000	(108,230)
Bengal Windsor Thermoplastics Ltd	222,053	170,000	(52,053)
Golden Son Ltd.	2,225,763	306,119	(1,919,644)
Khan Brothers PP Woven Bag Industries Limited	1,935,800	450,186	(1,485,614)
Bangladesh Building Systems Ltd.	417,075	196,020	(221,055)
The City Bank Ltd.	1,660,557	701,400	(959,157)
Eastern Housing Ltd	600,498	387,000	(213,498)
IFIC Bank Ltd	1,423,550	946,000	(477,550)
Islami Bank Bangladesh Limited	4,323,869	2,100,000	(2,223,869)
Mercantile Bank Ltd	1,874,675	1,279,950	(594,725)
Paramount Insurance Company Ltd.	16,212,908	28,898,680	12,685,772
Premier Bank Ltd	1,614,025	1,143,450	(470,575)
Shasha Denims Limited	1,486,897	485,352	(1,001,545)
<b>Total</b>	<b>34,502,870</b>	<b>37,361,269</b>	<b>2,858,399</b>

