ANNUAL REPORT

2021-22

ALIF MANUFACTURING COMPANY LIMITED

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LETTER OF TRANSMITTAL

To

All Shareholders
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms (RJSC)
Dhaka Stock Exchange Limited (DSE)

Subject: Annual Report for the year ended June 30, 2022

Dear Sir/Madam (s):

We are pleased to enclose a copy of the Annual Report containing Directors' Report, Auditor's Report along with the Audited Financial Statements comprising the Statement of Financial Position as at 30 June 2022, the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2022 along with notes thereon, and Corporate Governance Compliances Reports of Alif Manufacturing Company Ltd. (Previous CMC-Kamal Textile Mills Ltd.) for your kind information and records.

Sincerely

Company Secretary
Alif Manufacturing Company Ltd
(Previous CMC-Kamal Textile Mills Ltd)

Notice of the 27th Annual General Meeting

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of **ALIF MANUFACTURING COMPANY Ltd.** will be held on Saturday, the 24th December 2022 at 3:30 P.M under virtual platform through the link (http://alif2022.digitalagmbd.net) to transact the following business:

AGENDA:

1. To receive, consider and adopt the directors' report, auditor's report and audited financial statements of the company for the year ended 30th June, 2022;

1. To approve 2% (Two percent) cash dividend i.e Tk. 0.20 for each ordinary share only for the general shareholders other than Sponsors/Directors;

2. To elect Directors in terms of the relevant provision of Articles of Associations;

3. To appoint of Statutory Auditors for the year 2022-23 and fix their remuneration;

4. To appoint corporate governance compliance auditor for the year 2022-23 (till holding of next AGM) and fix their remuneration; and

5. Any other business with the permission of the chair.

Special Agenda:

The following special agenda shall be placed on the 27th AGM for approval of shareholders', if deem fit, with or without modification to be passed as a "Special Resolution".

Special Resolution:

"Resolved that the revised Utilization of Right Share Issue fund (which has been already utilized) as per Annexure – 1 is do and hereby approved and the revised right share issue fund utilization shall be sent to BSEC for approval as per condition on 19 of BSEC/CI/RI-111/2017/697 'Approval of Right Share' is do and here by approved.

Further resolved that utilization time of Right Share Issue (RI) proceeds has been extended up to December 31, 2022".

By the order of the Board

Sd/=

Company Secretary

Dated, Dhaka
November 29, 2022

NOTES:

a. The Record Date for 27th AGM is fixed on November 20, 2022.

b. The shareholders whose name appeared in the Register of Members of the Company or in the depository (CDBL) on the record date shall be entitled to attend the meeting as well as qualify for dividend to be approved at the AGM.

c. A shareholder entitled to attend and vote at the AGM may appoint a proxy to attend and vote in his/her behalf. The Proxy Form, duly filled, signed and stamped of Tk. 20.00 must be sent through email to the Company at alifmanufacturing@gmail.com not later than 48 hours before the time fixed for the meeting.

d. The concern stock broker, merchant banker and portfolio manager are requested to submit hard copy or through mail to the Company at alifmanufacturing@gmail.com on or before **December 21, 2022**; the statement along with detail of their margin client or customer who has debit balance or margin loan, who are entitled to receive cash dividend of the Company for the year ended June 30, 2022. The statement should include shareholder's name, BO ID number, client-wise shareholding position, gross dividend receivable, applicable tax rate, net dividend receivable etc. along with the Consolidated Customers' Bank Account number, routing number and contact person.

e. The shareholders will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the shareholders need to put their 16 digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link http://alif2022.digitalagmbd.net).

f. Shareholders are requested to log-in to the system prior to the meeting start time of 3:30 p.m. on December 24, 2022.

CORPORATE DIRECTORY

Board of Directors

Chairman:
Mr. Md. Azimul Islam

Managing Director:
Mr. Md. Azizul Islam

Directors:
Mrs.Lutfun Nessa Islam

Nominated Directors:
Mrs. Lubna Islam- nominated by Alif Apparels Ltd
Mrs. Nabila Salam- nominated by Alif Outwears Ltd.
Ms. Rezwana Islam- nominated by Alif Bengal Holdings Ltd.
Mr. Niaz Morshed- nominated by Alif Textiles Ltd.
Mr. Rafiqul Islam- nominated by Alif Real Estate ltd.

Independent Director:
Mr. Golam Mostafa
Mr. Md. Azharul Islam

Chief Financial Officer:
Mr. Mohammad Hanif

Company Secretary:
Mr. Md. Mahfuzur Rahman

Head of Internal Audit:
Mr. Bijoy Chandra Sarkar

Audit Committee:
Mr. Md. Azharul Islam (Chairman)
Mr. Niaz Morshed
Mr. Rafiqul Islam
Mr. Mahfuzur Rahman (Secretary)

Management Committee:
Mr. Md. Azimul Islam (Chairman)
Mr. Niaz Morshed
Mr. Md. Rafiqul Islam
Mr. Mohammad Hanif
Mr. Mahfuzur Rahman (Company Secretary)

Auditors:
M/s Kazi Zahir Khan & Co.
Chartered Accountants
Home Town Apartment (Level -15)
87 New Eskaton Road, Dhaka-1000.

Corporate Governance Compliance Auditor:
Huda Hossain & Co
Chartered Accountants
House No # 91/D (1st floor), Road No: 7/A,
Dhanmondi R/A, Dhaka-1209

Bankers:
Exim Bank Limited

Registered & Share Office:
Bilquis Tower (9th floor), Road # 46, House # 06, Gulshan # 02, Dhaka-1212. Ph: 02-58815226-7, Fax: 02-58815228.

Factory:
Kaichabari, Bashbari, Ashulia, Savar, Dhaka

Listing Status:
Listed in Dhaka Stock Exchange Ltd.

OTHER KEY INFORMATION

Name of the Company	:	ALIF MANUFACTURING COMPANY LTD.
Date of Incorporation	:	May 25, 1995
Date of Commencement of Business	:	May 25, 1995
Started Trial Operation	:	February, 1998
Started Commercial Operation	:	July, 1998
Factory Address	:	Kaichabari, Bashbari, Ashulia (Savar), Dhaka
Business Line	:	Manufacturing of cotton yarn of different counts
Nature of the Company	:	Public Limited Company
Listing Status	:	Listed in Dhaka Stock Exchange Ltd. (DSE)
Land (Freehold)	:	20 Bigha
Authorized Capital	:	BDT 5,000 million
Paid -Up Capital	:	BDT 2,599,270,220
Date of Name Change	:	October 10, 2017

SHORT PROFILE OF THE DIRECTORS:

- ***Mr. Md. Azimul Islam, Chairman:***
  Mr. Md. Azimul Islam obtained his MBA from USA. He is also the Managing Director of Alif Group, and the honorable Chairman of Alif SSL Sports Holdings Ltd (A concern of Alif Group). Sylhet Superstars was a franchise cricket team of The Bangladesh Cricket Board (BCB) operated by Alif SSL Sports Holdings Ltd. He started in career in yarn manufacturing and export-oriented business since 2009.

- ***Mr. Md. Azizul Islam, Managing Director:***
  Mr. Md. Azizul Islam has a reputation to be a Commercially Important Person (CIP) for the last 19 years. He is the honorable chairman of Alif Group that has been awarded the National Export Trophy Gold for 4 years being the highest exporters by the Bangladesh Export promotion Bureau. He has been operating on of the largest export-oriented business in the country since 1984.

- ***Mrs. Lutfun Nessa Islam, Director:***
  Mrs. Lutfun Nessa Islam is a director of Alif Group. She has completed her B.A (Hon's) and M.A with an outstanding result being first class first. She is the wife of the honorable chairman of Alif Group.

- ***Mrs. Lubna Islam, Nominated Director (Represented by Alif Apparels Ltd)***
  Dr. Lubna Islam is the eldest daughter of Mr. Azizul Islam, honorable chairman of the Alif Group. Dr. Lubna Islam is an MBBS doctor by profession. She has also completed her MBA.

- ***Mrs. Nabila Salam,*** *Nominated Director:****(Represented by Alif Outwear Ltd)***
  Mrs. Nabila Salam has completed O' levels from Scholastica and then she went to University College of London (UCL) for pursuing higher studies, completed graduation on economics and statistics as major. She came back to country in 2008. Worked in HSBC and Green Delta Insurance. She represents in the board of directors of also Alif Group concerns. Travelled more than 25 countries worldwide with great exposure to international culture and business trade. Also have keen interest in retail business and development. Mrs. Nabila Salam is married to Mr. Azimul Islam, Managing Director of Alif Group.

- ***Ms. Rezwana Islam,*** *Nominated Director:****(Represented by Alif Bengal holdings Ltd)***
  Mrs. Rezwana Islam is the youngest daughter of Mr. Azizul Islam, honorable chairman of the Alif Group. She has completed her MBA from USA.

- ***Mr. Niaz Morshed,*** *Nominated Director:****(Represented by Alif Textiles Ltd)***

  Mr. Niaz Morshed completed MBA (Finance) from IIUC and obtained the Chancellor Award (Gold Medal). He started his professional career from industry and then worked at IT, Media, Power Sector & Textile Industry. He has the expertise in operation and business development.

- ***Mr. Md. Rafiqul Islam,*** *Nominated Director:(****Represented by Alif Real Estate Ltd)***

  Mr. Md. Rafiqul Islam completed the Masters in Accounting from the Rajshahi University. He started his professional career from 1992 in the Garments Industry. He is expert in Business Accounting and Management Development

- ***Mr. Golam Mustafa- Independent Director,*** *Independent Director:*

  Mr. Golam Mustafa has completed MBA from Dhaka University. He started his professional career from Dhaka Bank Limited– Bangladesh. Subsequently, worked for ICB Islamic Bank Limited-Bangladesh, IDLC finance Limited-Bangladesh and joined in Garments Industries in 2015. He is expert in business accounting and management development and his leadership capabilities contributing greatly to the company.

- ***Mr. Md. Azharul Islam,*** *Independent Director:*

  Mr. Md. Azharul Islam has completed the post Graduation in political science from Dhaka University. He started his professional career from 2000 in the textile sector. He is the most proficient in Administration and management development in business organization.

MESSAGE FROM THE CAHIRMAN

Dear Valued Shareholders

AssalamuAlaikum

It is indeed a great pleasure and honor for me to welcome you on this 27th Annual General Meeting of Alif Manufacturing Company Ltd. (Previous CMC-Kamal Textile Mills Ltd.) It is also a great privilege for me to place before you the annual report along with audited financial statements of the company, auditor's report and Directors' report there on for the period from July 01, 2021 to June 30, 2022

As you are aware of, Textiles Sector, especially its main component sub-sector-RMG (Ready Made Garments), is the prime mover of our economy and has the highest contribution to our GDP, Foreign Exchange Reserves, employment, economic/social development including health, education, poverty-alleviation, social security, food security and ethnical integration etc. Most of you are aware of the tremendous slump of the global economic growth potential from 5.7 percent in 2021 to 2.9 percent in 2022, significantly lower than 4.1 percent that was anticipated in January. It is expected to hover around that pace for several years. As a result of the damage from the pandemic and the crisis of the world politics, the level of per capita income in developing economies this year will be nearly 5 percent below its pre-pandemic trend. The negative spillovers from the war will more than offset any near-term boost to some commodity exporters from higher energy prices. Forecasts for 2022 growth have been revised down in nearly 70 percent of EMDEs, including most commodity importing countries as well as four-fifths of low-income countries. As you all are aware that our business is mainly export based and for that reason we are significantly affected by downturn in the global economic downturn.

I sincerely believe that good governance is very vital for success and improvement for the company. I also glad to report that the company has an audit committee, which regularly review the financial transaction. The management is fully aware of risk factors of the economy and the industry as well and take measures to address risk. The company has also internal financial control system that gives reasonable measures to the Board of Directors for their guidance.

Finally, I would like to take the opportunity on behalf of Board of Directors and express my deepest appreciation to all our valued shareholder, customers, and clients, well-wishers for their heartiest support and interest for the betterment of the company. I sincerely hope that the same support would continue in the future to come.

With best Wishes



Md. Azimul Islam

Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders, Colleagues, Ladies and Gentleman!!!

I feel grateful to all of you for making time to attend this 27th Annual General Meeting of the Company. While I welcome you on my behalf, I assume you all have received copies of Annual Report for the period from July 01, 2021 to June 30, 2022 of the company containing directors' report along with financial statements and notes to the accounts for your review and evaluation.

A study of the Directors' Report would show that despite the disorders during the reporting period due to Russia-Ukraine crisis, the company had succeeded to increase installation/operational capacity by additional investment, and the result of those additional investment is yet to come. Management efforts, thereby, led to a reduction in unit cost including percentage of Raw material costs of total unit costs. However, beginning from February 2022, as a consequence of Russia-Ukraine crisis, global and local economy slowdown, demand for yarn in both the domestic and international markets had been decreasing at a faster rate and is continuing. On top of that, the yarn prices decreased at a higher ratio in comparison with the raw material prices

In the end, we are thankful and grateful to you, shareholders, for keeping trust and confidence on us. It is required to mention here that your valued suggestions, advices and continuous support definitely worked crucially for the continuous development and growth of the business. We want to express our recognition providing thanks to the commitment, dedication and hard work on the employees of Alif Manufacturing Company Ltd (Previous CMC-Kamal Textile Mills Ltd.) who are core strength of our success.

I wish all the best for the better and more productive future for our shareholders, employees and the country.

Sincerely

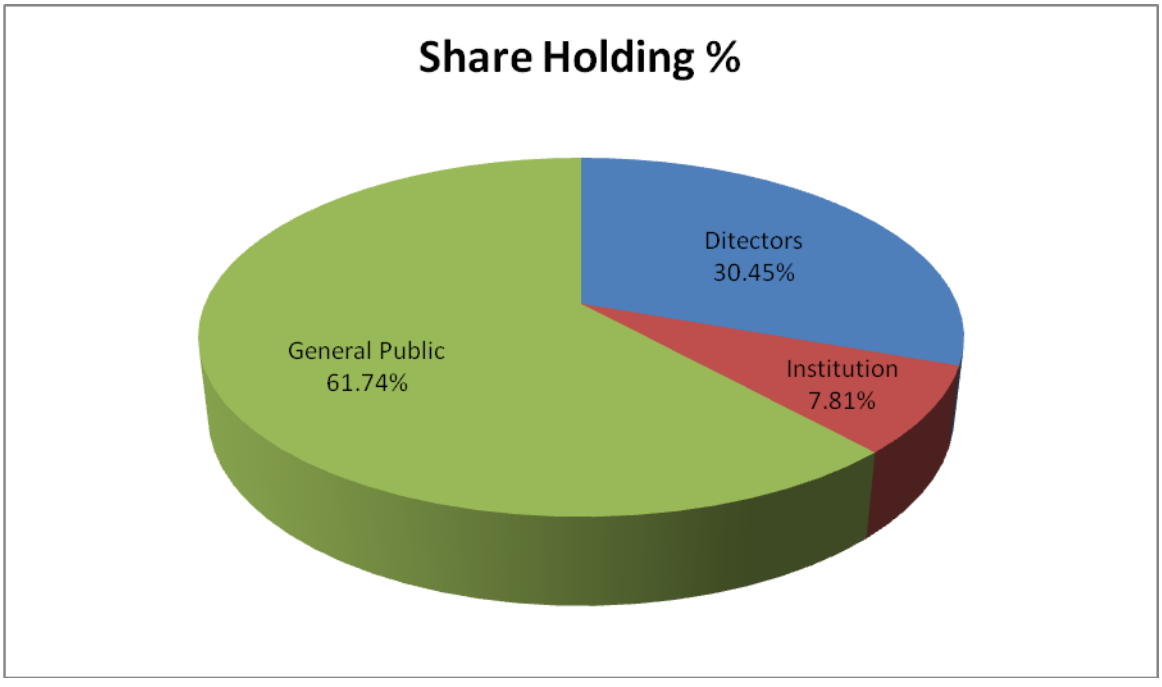


Md. Azizul Islam
Managing Director

COMPOSITION OF SHAREHODING POSITION

(As on June 30, 2022)

		Sponsors/Directors:	No of Shares	% of Total holding
A				
	1	Mr. Md. Azizul Islam	11,053,570	4.25%
	2	Mr. Md. Azimul Islam	25,354,423	9.75%
	3	Mrs. Lutfun Nessa Islam	6,426,048	2.47%
	4	M/s Alif Apparels Ltd	5,266,976	2.03%
	5	M/s Alif Textile Mills Ltd	15,299,705	5.89%
	6	M/s Alif Bengal Holdings Ltd	5,266,976	2.03%
	7	M/s Alif Outwear Ltd	5,222,756	2.01%
	8	M/s Alif Real Estate Ltd	5,266,976	2.03%
		Sub Total	**79,157,430**	**30.45%**
B		**Government**	**-**	
C		**Foreign**	**-**	
D		**Institution:**	**20,305,098**	**7.81%**
F		**General Public**	**160,464,494**	**61.74%**
		Total	**259,927,022**	**100.00%**



CORPORATE GOVERNANCE

ALIF MANUFACTURNIG COMPANY LTD (previous CMC-Kamal textile Mills Ltd) is 100% committed to operate business with trust, confidence, integrity, transparency through high degree of corporate governance standards. The Company believes that high standards of corporate governance are keys to success and best serve the shareholders' interests. The Company is a law abiding responsible corporate citizen of the country. The Company gives highest priority to absolute transparency in conducting business and in its dealings and communications with its suppliers, customers, business partners, as well as with the local communities wherever it operates. At the same time the Company expects that its shareholders, Board of Directors, employees and suppliers would act in compliance with applicable laws and with honesty, integrity and openness. The Company also ensures compliance with the accounting and reporting standards in consonance with the requirements of Bangladesh Securities and Exchange Commission and applicable laws of the countries in which the Company operates

Rules of the Board:

In line with the concept of good corporate management practice and the provisions of Articles of Association, The Board of Directors, The Top Management tier is responsible for overall control and supervision of the entire affairs of the Company primarily through strategic planning & budgetary control mechanisms. The present Board of the Company consists of ten (10) Directors headed by the Chairman of the Company. The Managing Director leads the management of the Company. He is also a member of the Board of Directors. He works as the bridge between the Board and the management of the Company.

The positions of Chairman and Managing Director are held by separate persons. The Chairman is responsible for functions of the Board while the Managing Director serves as the Chief Executive of the Company.

Two (2) Independent Directors are members of the Board of Directors as per the requirements of Bangladesh Securities and Exchange Commission notification dated June 3, 2018. The business of the Company is managed by the Board of Directors. The Board of Directors is responsible to ensure that the business activities are soundly administrated and effectively controlled. At the same time the Board of Directors provides the management of the Company necessary guidance and directors ensure and uphold the highest interest of the shareholders

Audit Committee:

In compliance with the Notification of the Bangladesh Securities and Exchange Commission dated June 3, 2018, the Board of Directors of the Company has formed an Audit Committee as the sub-committee of the Board of Directors. The present Audit Committee of the Company is comprised of four (4) members. Three of them are members of the board, out of them, one (1) members are the Independent Directors. The Chairman of the Audit Committee is an Independent Director. With an aim to ensure a true and fair view of the financial statements and good monitoring system within the business, Audit Committee assists the Board of Directors to discharge its responsibilities by reviewing and/or overseeing the financial reporting, internal control, risk management process, auditing activities and compliances with applicable laws and regulations

and the Code of Business Conduct. The members of the Audit Committee attended in four (4) meetings held during the last twelve (12) months from July 01, 2021 to June 30, 2022.The company secretary is also the member of the audit committee. The Company Secretary acts as the secretary of the Committee and the Head of Internal Audit and the representatives of the Statutory Auditors, when applicable, attend the meetings as invitees.

Scope of Work:

As delegated by the board, the Audit Committee seeks to satisfy itself, by means of suitable steps and appropriate information that proper and satisfactory internal control system is in place. Specific areas of work are to ensure that there in due process for:

a. Efficiency and effectiveness of operational control
b. Safeguarding of Assets
c. Reliability of financial and other management information
d. Compliance with company policies and relevant laws and regulations

Duties & Responsibilities:

a. To oversee the financial reporting process
b. To monitor Internal Control Risk Management Process
c. To monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report
d. To oversee hiring and performance of external auditors
e. hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
f. To review along with the management, the annual financial statements before submission to the Board for approval;
g. To review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
h. To review the adequacy of internal audit function;
i. To review the Management's Discussion and Analysis before disclosing in the Annual Report;
j. To review statement of all related party transactions submitted by the management;
k. To review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
l. To oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and

m. To oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission

Management Committee:

The Management Committee comprises of top senior officials headed by Managing Director. The management committee deals with entire organizational matter. The members of the management committee are:

Mr. Md. Azimul Islam (Chairman of the committee)
Mr. Niaz Morshed
Mr. Md. Rafiqul Islam
Mr. Mohammad Hanif
Mr. Mahfuzur Rahman (Secretary)

Executive Management

The Managing Director is the head of the Executive Management Team which comprises senior members of the Management Apparatus. Within the limits of delegated authority and responsibility by the Board of Directors, executive management operates through further delegation of authority at every echelon of the line management. The Executive Management operates within the frame work of policy & Planning strategies set by the Top Management with periodic performance reporting for guidance. The Executive Management is responsible for preparation of segment plans/ sub-segment plans for every profit center with budgetary targets for every item of goods & services and are held accountable for deficiencies, with appreciation for outstanding and exceptional performances. These operations are continuously carried out by the Executive Management through series of Committees, Sub-Committees, Adhoc Committees and Standing Committees assisting the line management.

Internal Audit:

Internal Audit assures the existence and pertinence of process controls and the integrity of information. Internal Audit operates under the direct supervision of the Audit Committee. Having unrestricted access all over the Company, Internal Audit plays independent roles to evaluate the effectiveness and efficiency of the Company's overall performances in terms of internal control structure, governance and risk management processes. Internal Audit performs operational audits on the business processes, and reliability of financial reporting and acts as the management consultant and strategic partner in designing and improving the reporting & control systems, policies and procedures and business processes where necessary.

Statutory Audit:

Statutory audit of the Company is governed by the Companies Act 1994 of Bangladesh and Bangladesh Securities and Exchange Commission dated June 3, 2018, which explicitly provide guidelines for the appointment, scope of work, and retirement of auditors. Shareholders appoint auditors in the Annual General Meeting (AGM). In addition to the annual audit, they review the quarterly financial reports.

Legal and Compliance:

Compliance is the key to build stakeholder's trust. The Company has adopted clearly defined Compliance Policy. Following the national law is core to the business. The regulatory bodies like Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies & Firms maintain a close monitoring process on the Company. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.

Chief Financial Officer, Head of Internal Audit and Company Secretary

As per the requirements of Bangladesh Securities and Exchange Commission (BSEC), Mr. Mohammad Hanif is working as Chief Financial Officer, Mr. Bijoy Chandra Sarkar is working as Head of Internal Audit and Mr. Mahfuzur Rahman is working as Company Secretary

FINANCIAL HIGHLIGHTS

Particulars	01-Jul-21 to 30-Jun-22	01-Jul-20 to 30-Jun-21	01-Jul-19 to 30-Jun-20	01-Jul-18 to 30-Jun-19	01-Jul-17 to 30-Jun-18
Period	**(12 Months)**	**(12 Months)**	**(12 Months)**	**(12 Months)**	**(12 Months)**
Authorized Capital	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Paid-up Capital	2,599,270,220	2,599,270,220	2,599,270,220	2,406,731,690	2,187,937,900
No of Shares (Face value 10 Tk each)	259,927,022	259,927,022	259,927,022	240,673,169	218,793,790
Reserve & Surplus & Retained Earnings	1,174,821,439	1,086,043,254	970,787,462	1,083,176,422	1,122,594,567
Current Assets	1,316,073,516	1,733,569,159	1,348,672,947	1,350,455,380	1,567,443,758
Current Liabilities	104,140,004	686,311,363	282,022,321	77,634,746	140,788,842
Total Assets	4,055,331,587	4,525,779,887	3,983,157,870	3,679,957,927	3,521,729,898
Net Fixed Assets	2,733,822,415	2,786,893,559	2,629,360,469	2,324,531,772	1,949,490,335
Book Value of Equity	3,774,091,659	3,685,313,474	3,570,057,682	3,489,908,113	3,310,532,467
Turnover	1,808,107,796	1,059,916,786	780,415,087	960,158,235	720,369,383
Gross Profit	241,415,095	202,009,251	194,068,589	256,001,815	322,124,920
Operating Profit	188,472,078	145,845,086	162,585,612	227,254,389	285,167,818
Net Profit	152,047,541	114,838,999	124,688,665	178,958,853	266,862,111
Earnings per Share (EPS)	0.58	0.44	0.48	0.69	1.03
Net Asset Value per Share (NAV/Share)	14.52	14.18	13.73	13.43	12.74
Gross Margin	13.35%	19.06%	24.87%	26.66%	44.72%
Operating Margin	10.42%	13.76%	20.83%	23.67%	39.59%
Net Profit Margin	8.41%	10.84%	15.98%	18.64%	37.05%
Current Ratio	12.64	2.53	4.78	17.39	11.13
Acid Test Ratio	10.64	2.17	3.98	14.96	9.85
Return on Assets	3.75%	2.54%	3.13%	4.97%	9.22%
Return on Equity	4.03%	3.12%	3.49%	5.26%	9.90%
Dividend (%)	*Cash 2% (Only for General Shareholders)	Cash 2% (Only for General Shareholders)	Cash 1.5% (Only for General Shareholders)	Cash 2% Stock 8%	Stock 10%

***Proposed**

DIRECTORS' REPORT

Dear Valued Shareholders:

AssalamuAlaikum

On behalf of the board of directors, I am pleased to welcome you to the 27th Annual General meeting of Alif Manufacturing Company Ltd(previous CMC-Kamal Textile Mills Ltd)and it is my privilege to present before you the Annual Report and Financial Statements of the company for the 12months from July 01, 2021 to June 30, 2022.

OPERATIONAL OVERVIEW

Textiles Sector produce yarn and fabrics for production of varieties of Textile goods that are used by people of World at large. However, most of them suffered huge financial losses due to the sudden appearance of CORONA pandemic with its devastating effects on the Socio-economic lives of all the nationalities of the World for almost a year.

Most of you are aware of the tremendous slump of the global economic growth potential from 5.7 percent in 2021 to 2.9 percent in 2022, significantly lower than 4.1 percent that was anticipated in January. It is expected to hover around that pace for several years. As a result of the damage from the pandemic and the crisis of the world politics, the level of per capita income in developing economies this year will be nearly 5 percent below its pre-pandemic trend. Among emerging market and developing economies, growth is also projected to fall from 6.6 percent in 2021 to 3.4 percent in 2022, well below the annual average of 4.8 percent over 2011-2019. The negative spillovers from the war will more than offset any near-term boost to some commodity exporters from higher energy prices. Forecasts for 2022 growth have been revised down in nearly 70 percent of EMDEs, including most commodity importing countries as well as four-fifths of low-income countries. As you all are aware that our business is mainly export based and for that reason we are significantly affected by downturn in the global economic downturn.

Bangladesh has made a strong economic recovery from the COVID-19 pandemic, but growth faces new headwinds as global commodity prices increase amid the uncertainty created by the crisis of world politics. In Bangladesh, a rebound of manufacturing and service sector activities led strong growth in FY21 and in the first half of FY22. In the medium term, GDP growth is expected to remain strong. Significantly, inflation rose to 6.2 percent in February 2022, driven by a rise in both food and non-food prices. The war in Ukraine and associated sanctions may lead to a higher current account deficit and rising inflation as global commodity prices surge. Public debt remains sustainable, and the March 2022 joint World Bank-IMF Debt Sustainability Analysis assessed that Bangladesh remained at low risk of external and public debt distress.

We have no doubt that the clarity and consistency of our strategy, our discipline to remain focused, and a firm commitment to our culture and values have been crucial to your Company's performance growth. More than anything else, your Company has developed agility to change and transform; to respond to challenges and tackle the twin objective of improving value creation from current assets and paving the path to grow and become more efficient.

Revised Right Share Fund utilization

The meeting of the Board of Directors of the Company held on October 31, 2016 Proposed to raise paid-up capital by BDT 1,093,968,950.00 through issuance of Rights share of 109, 396,895 ordinary shares of BDT 10.00 each at par at a ratio of 1(R):1 (one right share for one existing share) on the basis of existing paid-up capital to raise it to BDT 2,187,937,900.00

In the 22nd AGM the honorable shareholders approved Rights Offer of 109,396,895 ordinary Shares at an offer price of BDT 10.00 each on the basis of 1(one) rights share for every 1 (one) existing share held on the record date.

Bangladesh Securities and Exchange Commission (BSEC) approved the proposed right share issue vide their letter (BSEC/CI/RI-111/2017/697 dated December 19, 2017. The Subscription period for the right issue was from January 30, 2018 to February 15, 2018.

The board has decided to place the following resolution if deem fit with or without modification in the 27th AGM to be passed as "Special Resolution":

Special Agenda:

"Resolved that the revised Utilization of Right Share Issue fund (which has been already utilized) as per Annexure – 1 is do and hereby approved and the revised right share issue fund utilization shall be sent to BSEC for approval as per condition on 19 of BSEC/CI/RI-111/2017/697 'Approval of Right Share' is do and here by approved.

Further resolved that utilization time of Right Share Issue (RI) proceeds has been extended up to December 31, 2022".

As per Right Share offer Document (ROD) of the company, the Right Issue (RI) proceeds has to be completed within June 04, 2019 and the company applied for extended time up to December 31, 2020. Due to Covid-19 pandemic situation, all over the country was locked down from March 26, 2020. In the above situation the construction works of factory was hampered severely. For this reason, the management could not complete full utilization of RI fund in due time. In this situation, considering the greater interest of the shareholders and due to upcoming pandemic awareness situation, the board decided to extended the full utilization of RI fund by December 31, 2022 which is presented to shareholders for approval.

As per the Utilization of Right Issue Fund (page 9-17) of prospectus, the company had budgeted Tk. 296,670,340 for the yarn dyeing project. The Board decided to discontinue the yarn dyeing project because of:

1. The market for yarn dyeing is saturated.
2. It requires extensive ETP cost, which is not cost effective
3. it requires additional gas allocation which is not available under present situation

Therefore, for the greater benefit of the shareholders, the board decided to discontinue the "Yarn Dyeing" project and use the proceeds to increase more its spinning capacity from 25000 spindle to 53,000 spindles as against 25000 spindles to 37, 000 spindle as per initial ROD. The additional 16,000 spindle installation required additional Tk.308,425,642 more for machineries purchase and subsequent increase in cost of Electrification and Others (F) Tk. 33,838,881 and BMRE Spare parts (I) Tk 16,886,374; which were already spent. Moreover, because of abandoned of "Yarn Dyeing" project, construction and other cost related to A to E, G-3, H and J were total Tk.121,949,010 as against total Tk. 254,935,283, thus total Tk. 132,986,273 less than the allocated amount in ROD. On the other hand, the company spent Tk

91,051,659 for Washing Machinery (G-2) as against allocated amount of Tk. 59,113,045, thus spent Tk 31,938,614 more than the allocated amount of ROD. As per the prospectus, Utilization of Right Issue Fund (page 9-17), Right Issue Expense (K) was Tk. 17,703,196, but actually spent Tk. 11,753,377 resulting Tk. 5,949,819 was saved. At last, the total unutilized amount of Tk. 44,516,921 was used to pay off company's short-term loan.

The revised Utilization of Right Issue Fund (page 9-17) of is presented below (Annexure -1) for the shareholders' approval

The revised Right Share Fund Utilization status as on June 30, 2022 as under

SL	Existing Utilization Schedule		Revised Utilization Schedule		Excess/(Shortfall) of Utilization (In BDT)	Reasons
	Purpose	Amount in TK	Purpose	Amount in TK	Amount in TK	
A)	Building Extension of 50000 Sft. (Civil cost for Washing & Yarn Dyeing Facilities)	101,002,915	Building Extension of 50000 Sft. (Civil cost for Washing & Yarn Dyeing Facilities)	54,207,664	(46,795,251)	Did not utilize full since the board decided to abandoned the yarn dyeing project
B)	New ETP construction cost	20,131,120	New ETP construction cost	-	(20,131,120)	Did not utilize full since the board decided to abandoned the yarn dyeing project
C)	Underground Ducting	50,127,038	Underground Ducting	10,968,075	(39,158,963)	Did not utilize full since the board decided to abandoned the yarn dyeing project
D)	Humidification Room-01, Room-02 and Room-03	16,716,000	Humidification Room-01, Room-02 and Room-03	25,534,826	8,818,826	Did not utilize full since the board decided to abandoned the yarn dyeing project
E)	Overhead Air Ducting	19,112,500	Overhead Air Ducting	17,259,000	(1,853,500)	Did not utilize full since the board decided to abandoned the yarn dyeing project
F)	Electrification & Others	5,823,290	Electrification & Others	39,662,171	33,838,881	1. Import one Generator 2. Purchase one gas generator 3. Electrical renovation for un-interrupted power supply 4. Since the board increased the spinning capacity more than reported on ROD, the installation cost of power became more
G)	**Expenditure for capital machineries expansion:**		**Expenditure for capital machineries expansion:**			
G-1)	Spinning Machinery Expenditure	446,493,156	Spinning Machinery Expenditure	**754,918,798**	308,425,642	The board expanded its spinning capacity from 25000 spindle to 53,000 spindle as against 25000 spindle to 37, 0000 spindle as per intial ROD,and abandoned yarn dyeing project , the additional 1,6000 spindle installation required more expense
G-2)	Washing Machinery	59,113,045	Washing Machinery	**91,051,659**	31,938,614	Excess utilization because of building up more capacity
G-3)	ETP Machine	14,260,825	ETP Machine	**8,951,000**	(5,309,825)	
G-4)	Yarn Dyeing	296,670,340	Yarn Dyeing	-	(296,670,340)	The Board abandoned the yarn dyeing project because of: 1. The market for yarn dyeing is saturated. 2. Required extensive ETP, which is not cost effective 3. Required additioanl gas allocation which is not available under present situation
H)	Covered Van	15,397,120	Covered Van	-	(15,397,120)	Not required. Therefore no utilization
I)	BMRE Spare Parts	13,230,640	BMRE Spare Parts	**30,117,014**	16,886,374	By the time we gort approval of Right Share, more BMRE spare parts of old machinariers were required.
J)	Spinning, Washing, ETP & Yarn Dyeing Machinery Erection & Commissioning	18,187,765	Spinning, Washing, ETP & Yarn Dyeing Machinery Erection & Commissioning	**5,028,445**	(13,159,320)	Commissioning and Errection were done through local erector instead of foreign erector
K)	Right Issue Expense	17,703,196	Right Issue Expense	**11,753,377**	(5,949,819)	
	Adjustment of bank libaility	-	Adjustment of bank libaility	**44,516,921**	44,516,921	The rest of the un utilized right sahre fund used to adjust the bank liability
		1,093,968,950		**1,093,968,950**	-	

Production Performance:

Since the main business of the company was to produce 100% cotton yarn, the company attained remarkable performance in production in cotton yarn. Your company has installed capacity of producing 4.5 million of cotton yarn per year as on June 30, 2022. In the reporting period (July 01, 2021 –June 30, 2022), your company has produced 4.27 million kg in the year under review that is 94.91% of capacity utilization.

Particulars	01-Jul-21 to 30-Jun-22	01-Jul-20 to 30-Jun-21
Installed Capacity	4,500,000	4,480,000
Production	4,270,806	4,026,906
Capacity Utilization	94.91%	89.89%

Sales Performance:

The company's net sales increased by 70.59% from July 01, 2021 to June 30, 2022 compared to that of the same previous period i.e. July 01, 2020 to June 30, 2021.

Particulars	01-Jul-21 to 30-Jun-22	01-Jul-20 to 30-Jun-21	Amount of Increase/Decrease	Percentage (%) of Increase/Decrease
Local Sales	18,881,398	22,156,076	(3,274,678)	-14.78%
Export Sales	1,789,776,298	1,038,421,010	751,355,288	72.36%
Sub Total	**1,808,657,696**	**1,060,577,086**	748,080,610	70.54%
Less: VAT	549,900	660,300	(110,400)	-16.72%
Grand Total	**1,808,107,796**	**1,059,916,786**	748,191,010	70.59%

The reason behind increased sales growth was due to Capacity expansion through BMRE.

Financial Performance:

The directors took pleasure in reporting the Financial Results of your Company for the 12 months period starting from July 01, 2021 to June 30, 2022 as follows:

Particulars	01-Jul-21 to 30-Jun-22	01-Jul-20 to 30-Jun-21	Increase/Decrease	% Increase/Decrease
Gross Profit	241,415,095	202,009,251	39,405,844	19.51%
Operating Profit	188,472,078	145,845,086	42,626,992	29.23%
Profit Before Tax	185,844,362	143,264,262	42,580,100	29.72%
Net Profit	152,047,541	114,838,999	37,208,542	32.40%

Company's gross profit increased by TK. 39.40 million thus increased by 19.51% compared to the previous year. Along with the gross profit of the company, the company's operating profit, profit before tax and net profit after tax has also increased by 29.23%, 29.72%, 32.40% respectively compared to that of the previous years. The reasons behind such increase were due to capacity expansion through BMRE

Key Facts:

NAV- Total NAV of the company as on June 30, 2022 was BDT 3,774.09 million compared to BDT 3,685.31 million in June 30, 2021. Net Asset Value (NAV) per Share has been stood up at BDT 14.52 per share as on June 30, 2022. It was BDT14.18 as on June 30, 2021. Thus, the NAV per share increased by BDT 0.34 per share in 2021-22 compared to that of the previous year.

EPS- Earning per Share was BDT 0.58 from July 01, 2021 to June 30, 2022 and BDT 0.44 per share from July 01, 2020 to June 30, 2021. Thus, Earnings per Share (EPS) increased by BDT 0.14 per share over the last year. Thus, EPS increased by 31.82% in FY2021-22 compared to that of the previous. The increase of EPS in 2021-22 was due to increase capacity expansion through BMRE.

NOCFPS- Net Operating Cash Flow per Share (NOCFPS) stood BDT 0.71 per share from July 01, 2021 to June 30, 2022 compared to BDT (0.38) from July 01, 2020 to June 30, 2021.

Human Resources:

Success in business largely depends on the quality of the employees. Employees are the assets, who drive the Company to its goal to better serve the shareholders' interests. Recognizing the differences that the efficient employees can contribute into the business, your Company's focus is to recruit the right talent for the right job, identifying the successors for the key positions and most importantly, improve the efficiency of employees with right Learning & Development initiatives.

Qualified Opinion Clarification:

For ensuring the compliance of the provisions of the Bangladesh Labor (amendment) Act, 2006, in this regard, the company has already made provision of the said amount of WPPF Fund. Since all the required formalities could not be completed till date as a result of during Covid-19 pandemic, the said amount of WPPF Fund was not possible to be disbursed. In the meantime, we are in the process of finalizing all the process that requires to operate WPPF. As a part of the process, we are in the process of registration of the agreement of Trust Deed between employer and the Trustee Board. We expect, we can start disburse the WPPF fund as required by law in from this year.

Appropriation of Profit:

Total Retained Earnings of your company stood at BDT 563,697,000 as on June 30, 2022.The Company has made net profit BDT 152,047,541 from July 01, 2021 to June 30, 2022. The Board of Directors are pleased to show the profit available for appropriation as on June 30, 2022.

Particulars	01-Jul-21 to 30-Jun-22	01-Jul-20 to 30-Jun-21
Retained Earnings Beginning	472,556,990	354,939,373
Add: Profit during the period	152,047,541	114,838,999
Less: Cash Dividend 2019-2020	(27,115,438)	-
Less: Cash Dividend 2020-2021	(36,153,918)	-
Adjustment for depreciation of re-valued assets	2,361,825	2,778,618
Profit Available for Appropriation	**563,697,000**	**472,556,990**

Dividend Distribution Policy

Dividend distribution policy in line with the Directive of Bangladesh Securities and Exchange Commission vide Directive No BSEC/CMRRCD/2021-386/03, dated on January 14, 2021. This policy seeks to lay down a broad framework for the distribution of dividend by the Company to its shareholders. The Board approved the company's Dividend Distribution Policy and based on performance the Board of Directors declare the dividend. The Dividend Policy will enable shareholders to understand the internal and external factors pertaining to dividend declaration and payout. The detailed dividend distribution policy is available in the Company's website at: http://amcl.com.bd

Dividend:

Considering the overall financial position, the board of directors is pleased to recommend 2.00% (Two percent) Cash i.e. Tk 0.20 for each ordinary share only for general shareholders other than sponsors/Directors The recommended 2.00% (Two percent) cash dividend only for general shareholders other than sponsors/Directors, if approved in the annual general meeting, will require disburse Tk. 36,153,916 to general shareholders other than sponsors/Directors. The calculation is as follows:

Particulars	2021-2022	2020-2021
Profit Available for Appropriation (as per Retained Earnings Statements)	563,697,000	472,556,990
Less: 2% Cash Dividend (Other than Sponsor/Directors)	(36,153,918)	(36,153,918)
Less: Stock Dividend		-
Closing Retained Earning	**527,543,082**	**436,403,072**

Paid up Capital:

Particulars	(In BDT)
Paid up capital as on June 30, 2021	2,599,270,220
Add: Transfer from retained earnings	0
Paid up capital as 30 June 2022	**2,599,270,220**

Shareholders whose name will appear in the register of members of the company or in the depository (CDBL) on the record date shall be entitled for dividend to be approved in the AGM.

Statutory Auditors:

Pursuant to Section 210 of the Companies Act, 1994, the Company's statutory auditor's M/s. Kazi Zahir Khan & Co. Chartered Accountants, retire at the 27th Annual General Meeting. Being eligible they requested for reappointment.

Compliance of Corporate Governance Auditor:

As per section 9 (2) of BSEC notification (BSEC/CMRRCD/2006-158/207/Admin/80), dated June 10, 2018, the company shall appoint a practicing professional for the audit of compliance of corporate governance.

M/s. Huda Hossain & Co., chartered accountants, have expressed their willingness to be appointed as a compliance of corporate governance auditor for the year 2022-23 (till holding the next AGM).

Therefore, the board of directors proposed M/s. Huda Hossain & Co., to be appointed as a compliance of corporate governance auditor for 2022-23 (till holding the next AGM)

Directors:

The Company has ten (10) Directors in the Board including the Chief Executive Officer. Pursuant to the provisions of the Companies Act, 1994, one third of the Directors, except the Chief Executive Officer, shall retire by rotation in every ordinary general meeting. The Companies Act 1994 also provides that any Director appointed by the Board of Directors shall retire from office at the next ordinary general meeting but shall be eligible for election by the Company. Accordingly, three (3) Directors of the Company will retire at the 27th Annual General Meeting. The retiring Directors are:

01. Mrs. Nabila Salam – Represented by M/s. Alif Outwear Ltd.
02. Mrs. Rezwana Islam – Represented by M/s. Alif Bengal Holdings Ltd.
03. Mr. Rafiqul Islam – Represented by M/s. Alif Real Estate Ltd.

Being eligible, they offer themselves for re-election.

As per notification dated June 3, 2018 from the Bangladesh Securities Exchange Commission, the directors made additional statements and furnish compliance report in Annexure attached herewith.

I take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to all of our valued clients, shareholders and well-wishers' home and aboard for their whole hearted co-operation and active support in discharging the responsibilities vested on me and the Board during the year under review. I also thank business associates including our foreign and local customers, dealers, suppliers, government agencies, bankers, financial institutions, and auditors, office of the Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, and Central Depository Bangladesh Limited for their co-operation, wholehearted support and faith reposed in the Company. I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers, and employees of the company at all levels without which our success could not have been achieved.

Thanks, are also due to all directors, all executives, officers, staffs and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year under review. We look forward for your continuous support and best wishes for meeting the future challenges awaiting us in the competitive market and satisfying ever increasing expectation of our customers' partners and well-wishers

On behalf of the Board of Directors



Md. Azimul Islam

Chairman

Dated: December 08, 2022

Dhaka,

ANNEXTURE

ADDITIONAL STATEMENTS BY THE BOARD OF DIRECTORS AS NOTIFICATION DATED JUNE 3, 2018 FROM THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION:

i. Industry outlook and possible future developments in the industry:

Most of you are aware of the tremendous slump of the global economic growth potential from 5.7 percent in 2021 to 2.9 percent in 2022, significantly lower than 4.1 percent that was anticipated in January. It is expected to hover around that pace for several years. As a result of the damage from the pandemic and the crisis of the world politics, the level of per capita income in developing economies this year will be nearly 5 percent below its pre-pandemic trend. Among emerging market and developing economies, growth is also projected to fall from 6.6 percent in 2021 to 3.4 percent in 2022, well below the annual average of 4.8 percent over 2011-2019. The negative spillovers from the war will more than offset any near-term boost to some commodity exporters from higher energy prices. Forecasts for 2022 growth have been revised down in nearly 70 percent of EMDEs, including most commodity importing countries as well as four-fifths of low-income countries. As you all are aware that our business is mainly export based and for that reason we are significantly affected by downturn in the global economic downturn.

Bangladesh has made a strong economic recovery from the COVID-19 pandemic, but growth faces new headwinds as global commodity prices increase amid the uncertainty created by the crisis of world politics. In Bangladesh, a rebound of manufacturing and service sector activities led strong growth in FY2020-21 and in the first half of FY2021-22. In the medium term, GDP growth is expected to remain strong. Significantly, inflation rose to 6.2 percent in February 2022, driven by a rise in both food and non-food prices. The war in Ukraine and associated sanctions may lead to a higher current account deficit and rising inflation as global commodity prices surge. Public debt remains sustainable, and the March 2022 joint World Bank-IMF Debt Sustainability Analysis assessed that Bangladesh remained at low risk of external and public debt distress.

ii. Segment-wise or product-wise performance:

The company produce only one type of product that is cotton yarn. The company produces cotton yarn ranges from 10 to 62 count.

iii. Risk and Concerns:

All sectors of textile industry face many similar challenges. The main problems, regardless of the sector within the industry are lack of power, labor unrest causing disruption of production, high price of electricity. The price of raw materials in both local and international market are not stable. Keep in this mind, the company's management perceive operational risk, market risk, and new investment risk, foreign exchange fluctuation risk within the national and international perspective and the risk of any abrupt changes of the policies made by the regulatory authorities that may adversely affect the business of the company. The management is skilled and experienced enough to deal with such risk that could have affected the business

1. Industry Risk

Textile is the largest industrial sub-sector in Bangladesh. It contributes highest in the country's total export earnings, gives employment to over four million people meets the second basic need for clothing of the

country and contributes around 50% of the industrial value addition. But after phasing out of the, Multi Fiber Agreement (MFA) the global textile trade is now free from quota restriction.

Management Perception

The textile industry has successfully coped with the post Multi Fiber Agreement (MFA) competitive situation. The force, which is helping the sector for its strong existence is emergence of backward linkage industry. Backward linkage industries are supporting for minimizing lead- time and cost of production. The company is a first state of backward linkage industry of yarn production that facilitates for better existence.

2. Interest Rate Risks

Interest / Financial charges are paid against any kind of borrowed found. Volatility in money and increased demand for loan presses on interest rate structure to be fixed in high. Raising of interest rate increases the cost of fund for a company, which have borrowed fund, and consequently profit is squeezed.

Management Perception

The management of the Company is always aware of interest rate, which is concerned to the cost of fund the company. The Management prefers in procuring of the long- term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. On the other hand, management of the company is emphasizing on equity-based financing.

3. Exchange Rate Risk

The Company is export oriented. The products of the company are sold against foreign currency and payments for raw material are also made in foreign currency. If exchange rate is increased against local currency opportunity is created for getting more revenue against sale in local currency. On the hand if exchange rate goes down margin is squeezed in local currency.

Management Perception

The exchange rate of the country is traditionally witnessed of upward trends, which markets ample opportunity of export. On the other hand, management perceives revaluation of local currency i.e. down trend of exchange rate will have little impact on profitability of the company.

4. Market and Technology related Risk

Among the functional areas in a yarn company, marketing exerts the sheet part of the importance. Proper implementation of the marketing tools as well as identifying new client will ensure the success of the project. The continuous changes on performance in the garment and textile market will force company to catch the trend. For which the company has to produce yarn for international demand.

Management Perception

The company set its focus only in countries export Market through inland back-to-back letter of credits. The management is trying to sell through direct contact with the customers (RMG &Knitting industries) in the selected regions understanding their needs. The company also has established relationship with potential buyers across the country and expects to find market for its capacity despite competition prevailing in the sector. Further the commercial bank and financial institutors provide a thrust in the textile sector as they provide credit facilities to RMG & knitting industries to acquire the yarn for their final products.

5. Changes in Economic & Political Condition

Changing economic conditions may affect the demand for the product offered by the company. Downturn of economic activity or uncertainty may result in a downturn in demand for loan funds for industry.

Management Perception

Social unrest due to political reasons may cause downturn the economic activity which will have impact on demands of textile. But as elected Government is in place, we can expect that political rivalry within democratic environment will not affect the manufacture sector

6. Energy costs may rise

Due to the adverse power situation in the country, production may be hampered and wastage might rise.

Management Perception

The Company itself sufficient in generating power by its own generators. However, in case of gas shortfall and subsequent rationing if any, then the productivity will be reduced. In that scenario, the overall sector will be affected.

7. Operational risks

Shortage of power supply, labor unrest unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack etc. May disrupt the production of the Company and can adversely impact the profitability of the Company.

Management Perception

The compensation as well the benefit package will restrain the employees to leave their assignment and got for any employee movement for higher benefit packages. The project of the company is situated at a high land where less record of flood. The factory building has strong RCC foundation, RCC floor, pre- fabricated steel structure to withstand wind, storm rain etc. along with good drainage facility. The risks from these factors are also covered through insurance. The Company is also facilitated to keep a rational reserve for any future price escalation of the raw material.

iv. Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

Revenue and Cost of Goods Sold (COGS) both were increased by 70.59% and 82.62% in 2020-21 compared to that of the previous year. The increased Cost of goods sold is partially explained by higher revenue growth.

Particulars	01-Jul-21 to 30-Jun-22	01-Jul-20 to 30-Jun-21	Amount of Increase/Decrease	Percentage (%) of Increase/Decrease
Revenue	1,808,107,796	1,059,916,786	748,191,010	70.59%
Cost of Goods Sold	1,566,692,701	857,907,535	708,785,166	82.62%
Gross Profit	241,415,095	202,009,251	39,405,844	19.51%

During the reporting year FY 2021-22 the country witnessed global crisis i.e. war in Ukraine, which results countrywide business slowdown, however recovering slowly, as a result, the company's Cost of Goods Sold (COGS) increased.

Margins decreased in 2021-22 compared to that of 2020-21 due to devaluation of dollar against taka, increase raw material price in global market, shortage of supply of raw materials, adverse market condition and ongoing BMRE.

Particulars	01-Jul-21 to 30-Jun-22	01-Jul-20 to 30-Jun-21
Gross Profit Margin	13.35%	19.06%
Operating Profit Margin	10.42%	13.76%
Net Profit Margin	8.41%	10.84%

Cotton prices in the international markets were high. The prices of yarn suddenly fell as India is offering lower prices due to devaluation of the Rupee against USD. Besides, huge amounts of yarn are being imported illegally from India through land ports, which are increasing supply at lower prices as taxes are not paid. As a result, the margins are squeezed.

v. Discussion on continuity of any Extra-Ordinary gain/loss:

No Extra-ordinary gain or loss during the year.

vi. Basis for related party transactions:

Related party transactions disclosed in the page (Note- 32) of the audit Report.

vii. Utilization of proceeds from public issues, rights issues and/or through any others

Bangladesh Securities and Exchange Commission (BSEC) approved the proposed right share issue vide their letter (BSEC/CI/RI-111/2017/697 dated December 19, 2017. The Subscription period for the right issue was from January 30, 2018 to February 15, 2018. The utilization of right share fund as on June 30, 2022 is reported on page 19-21.

viii. An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.

No financial results deteriorate after the Right Offer. However, due to spread of pandemic from the last quarter of the financial year, adverse market condition for yarn and cotton in the international market, and ongoing BMRE, the company's revenue, earnings were affected in 2021-2022

ix. If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.

No significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.

x. Remuneration to directors including independent directors.

As per the Articles of Association of the Company (Article 17: Remuneration of Directors), the Directors shall not be entitled to any remuneration except for extra services rendered to the Company and as decided by the Board. The Company may bear all such reasonable expenses as the Director may incur for the purpose of attending meetings of the Directors or general meeting. Details of Remuneration to directors are given in note **32(B).**

xi. That, the Financial Statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

The Financial Statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Commission Rules, 1987. These statements present fairly the Company's State of Affairs, the result of its Operations, Cash Flow and Changes in Equity for the year ended on 30 June, 2022.

xii. That, proper books of account of the company have been maintained.

The company ensures that proper Book of Accounts of the Company has been maintained.

xiii. That, appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.

The management ensures that appropriate Accounting Policies have been consistently applied in preparation of the Financial Statements and that the Accounting estimates are based on reasonable and prudent judgments.

xiv. That, the International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there from has been adequately disclosed.

The management ensures that the International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there from has been adequately disclosed.

xv. That, the system of internal control is sound in design and has been effectively implemented and monitored.

The management ensures that the Internal Control System is sound in design and effectively implemented and monitored

xvi. Regarding protection of minority shareholders:

There was no such situation raised to protect the interest of minority shareholders.

xvii. That, there are no significant doubts upon the company's ability to continue as a going concern.

The management ensures there are no significant doubts upon the company's ability to continue as a going concern.

xviii. Significant deviations from last year's operating results of the company shall be highlighted and the reasons thereof should be explained.

No significant deviation from last year's operating results have been occurred.

xix. Summary of key operating and financial data of preceding five years:

Summary of key operating and financial data of preceding five years are given in page 17

xx. Reasons for non-declaration of dividend.

Not Applicable. Board of Directors has recommended 2.00% (Two percent) Cash Dividend i.e. Tk. 0.2 tk per Share of Tk. 10.00 each only for general shareholders other than Sponsors/Directors. Upon the approval in this General Meeting, the dividend will be paid to the Shareholders whose names appear in the Share Registers of the Company or in the Depository as on record date i.e. 20th November 2022 at the close of office.

xxi. Interim Dividend:

No Bonus share or stock dividend has been declared by Board of Directors for interim period.

xxii. The number of Board meetings held during the year and attendance by each Director.

Seven (7) meetings of the Board of Directors were held during the year ended on 30th June, 2022. The attendance records of the Directors are given below:

Name of the Directors	Official Status	Meeting Attended
Mr. Md. Azimul Islam	Chairman	7
Mr. Md. Azizul Islam	Managing Director	4
Mrs. Lutfun Nessa Islam	Director	4
Mrs. Lubna Islam	Nominated Director of M/s Alif Apparels Ltd	4
Mr. Niaz Morshed	Nominated Director of M/s Alif Textile Mills Ltd	7

Ms. Rezwana Islam	Nominated Director of M/s Alif Bengal Holdings Ltd	4
Mr. Md. Rafiqul Islam	Nominated Director of M/s Alif Real Estate Ltd	7
Mrs. Nabila Salam	Nominated Director of M/s Alif Outwear Ltd	7
Mr. Golam Mostafa	Independent Director	6
Mr. Md. Azharul Islam	Independent Director	5

Company Secretary and Chief Financial Officer has also attended the Board Meetings held during the financial year 2021-2022.

xxiii. Pattern of Shareholding:

a) Parent/Subsidiary/Associated companies and other related parties (name wise details):

Name of Parent /Subsidiary/	Status	Share held	Share held %
NA	NA	NA	NA

b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details):

SL	Name	No of Shares	% of Holding
1	**Mr. Md. Azimul Islam** Chairman	25,354,423	9.75%
2	**Mr. Md. Azizul Islam** Managing Director	11,053,570	4.25%
3	**Mrs. Lutfun Nessa Islam** Director	6,426,048	2.47%
4	**Mrs. Lubna Islam** Nominated Director	NIL	NIL
5	**Ms. Rezwana Islam** Nominated Director	NIL	NIL
6	**Mr. Niaz Morshed** Nominated Director	NIL	NIL
7	**Mr. Md. Rafiqul Islam** Nominated Director	NIL	NIL
8	**Mrs. Nabila Salam** Nominated Director	NIL	NIL
9	**Mr. Golam Mostafa** Independent Director	NIL	NIL
10	**Mr. Md. Azharul Islam** Independent Director	NIL	NIL
11	**Mr. Mohammad Hanif** Chief Financial Officer	NIL	NIL

12	**Mr. Mahfuzur Rahman** Company Secretary	NIL	NIL
13	**Mr. Bijoy Chandra Sarkar** Head of Internal Audit	NIL	NIL

c) Executives (top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit):

Name	Position	No of shares held
Mr. Md. Moniruzzaman	Senior GM, Production	NIL
Mr. Harlal Sikder	AGM, Production	NIL
Mr. Md. Azizul Haque	Senior Manager,	NIL
Mr. Kohinoor Islam	Manager, Admin	NIL
Mr. Md. Nazmul Islam	Senior Civil Engineer	NIL

d) Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details):

NA

xxiv. Appointment/Re-Appointment of Directors:

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Company Act, 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at the 27th Annual General Meeting and will be eligible for re-appointment.

01. Mrs. Nabila Salam – Represented by M/s. Alif Outwear Ltd.
02. Mrs. Rezwana Islam – Represented by M/s. Alif Bengal Holdings Ltd.
03. Mr. Rafiqul Islam – Represented by M/s. Alif Real Estate Ltd.

Brief resume of the Directors, nature of their expertise in specific functional areas and names of companies in which they also hold the directorship and membership of committees of the board are given at page 8-9 of the Annual Report, which fulfill the condition 1.5 (xxii) of the corporate governance guidelines of BSEC.

xxv. Management discussion and Analysis:

Managing Director's Statement

Management's Discussion and Analysis of the Company's position and operations along with a brief discussion of changes in the financial statements as per condition no. 1.5(XXV) of Corporate Governance Code dated June 03, 2018:

(a) Accounting policies and estimation for preparation of financial statements;

These Financial Statements have been prepared under the Historical Cost Convention, Accrual and Going Concern basis in accordance with applicable International Accounting Standards

(IASs) and International Financial Reporting Standards (IFRSs) which does not vary from the requirements of the Companies Act, 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules, 1987 and other laws and rules applicable in Bangladesh. The following IASs & IFRSs are applicable for the financial statements for the year under review

IAS 1 Presentation of Financial Statements
IAS 2 Inventories
IAS 7 Cash Flow Statements
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10 Events after the Balance Sheet Date
IAS 12 Income Tax
IAS 16 Properties, Plant and Equipment
IFRS 15 Revenue
IAS 19 Employee Benefits
IAS 21 The Effects of Changes of Foreign Exchange Rates
IAS 23 Borrowing Costs
IAS 24 Related Parties Disclosure
IAS 33 Earning Per Share
IAS 36 Impairment of Assets

(b) Changes in accounting policies and estimation:

There was no change in accounting policies and estimation during the year under review.

(c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons:

(Figure in million BDT except per share)

Particulars	01-Jul-21 to 30-Jun-22	01-Jul-20 to 30-Jun-21	01-Jul-19 to 30-Jun-20	01-Jul-18 to 30-Jun-19	01-Jul-17 to 30-Jun-18
Revenue	1,808.11	1,059.92	780.42	960.16	720.37
Gross profit	241.42	202.01	194.07	256.00	322.12
Operating profit	188.47	145.85	162.59	227.25	285.17
Net profit	152.05	114.84	124.69	178.96	266.86
Total Assets	4,055.33	4,525.78	3,983.16	3,679.96	3,521.73
Current Assets	1,316.07	1,733.57	1,348.67	1,350.46	1,567.44
Net Fixed Assets	2,733.82	2,786.89	2,629.36	2,324.53	1,949.49
Reserve & Surplus	1,164.73	1,086.04	970.79	1,083.18	1,122.59
Shareholder's Equity	3,774.09	3,685.31	3,570.06	3,489.91	3,310.53
EPS	0.58	0.44	0.48	0.69	1.03
NAVPS	14.52	14.18	13.73	13.43	12.74
NOCFPS	0.71	-0.38	0.11	0.65	1.29

d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario

	ALIF MANUFACTURING COMPANY LTD.	AMAN COTTON FIBROUS LTD.
Comparative Figure	**2021-22**	**2021-22**
Revenue	1,808.11	1,665.26
Gross profit	241.42	183.34
Operating profit	188.47	138.78
Net profit	152.05	76.41
EPS	0.58	0.76
NAV Per Share	14.52	35.14
NOCFPS	0.71	3.30

(e) Briefly explain the financial and economic scenario of the country and the globe:

According to the World Economic Outlook October 2022, the world economy is currently facing a number of difficult obstacles. The prognosis is adversely impacted by persistent COVID-19 epidemic, worsening financial conditions in most regions, Russia's invasion of Ukraine, and inflation that is higher than it has been in recent decades. In order to bring inflation back to target, officials are attempting to reduce demand by returning to normal monetary and fiscal practices that provided unprecedented assistance during the pandemic. However, an increasing number of economies are experiencing a slowdown in growth or perhaps a contraction. The future health of the global economy heavily depends on the proper calibration of monetary policy, the outcome of the conflict in Ukraine, and the potential for additional supply-side disruptions due to persistent pandemics around the world.

Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023, global growth is anticipated to decline. The forecast for 2023 is the weakest since the 2.5 percent growth rate seen during the global slowdown of 2021, with the exception of those during the global financial and COVID-19 crises. With the exception of the global financial crisis and the acute phase of the COVID-19 pandemic, this will be the weakest growth performance since 2021 and it reflects significant slowdowns for the largest economies, including a contraction of the US GDP. The prolonged COVID-19 outbreaks and lockdowns in China with an intensifying property sector crisis also causes negative impacts on the world's third largest economics China significantly in 2022 and 2023. Two straight quarters of negative growth are expected for around a third of the global economy. Forecasts predict that the rate of global inflation would increase from 4.7 percent in 2021 to 8.8 percent in 2022 before falling to 6.5 percent in 2023. With more variety in emerging market and developing nations, upside inflation shocks have been most common in advanced economies.

Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19, however, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. According to the provisional estimates of BBS, the GDP growth stood 7.25 percent in FY 2021-22, 0.05 percent higher than the target rate and 0.31 percent higher than the previous fiscal year. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25

(f) Risk and concerns including internal and external factors and its mitigation plan of the company is stated below:

During the FY 2021-22, fiscal will also remain as a distinct year for us as we exceeded 50 billion dollars export this year while we are celebrating 50 years of our independence. This is really a significant accomplishment for us. RMG export in knitwear during FY 2021-22 the growth was 36.88% and the export value of knitwear stood USD 23.21 billion. The woven garment export reached USD19.39 billion and growth was 33.82% during FY 2021-22. The total export in FY 2021-22 grew by 35.47% compared to previous growth 12.55% in FY 2020-21. While these are the remarkable achievements, yet there are stories of struggles, challenges and sacrifices behind this. This export growth in FY 2021-22 is not absolute growth, the growth is caused by the inflated price of raw materials to some extent. We are into a new challenge as the advanced economies are heading toward recession, while many factories haven't fully recovered from the crisis of the pandemic yet.

The export of garments has increased slightly, in the overall export of Bangladesh has decreased to 81.82% in FY 2021-22 from slightly 81.16% in FY 2020-21. The other sectors such as agro products, home textile, leather and leather products and engineering products also are doing better which is a very positive sign for our economy. Particularly, the export of yarn, fabric, home textile, cap, etc. increased significantly to USD 2.55 billion in FY 2021-22 from USD 720.32 million in 2009-10 fiscal year. It reflects the potential of home textile and other specialized textile sectors to explore further. This also indicates the country's stride toward sector diversification.

Backward linkage factories – spinning, weaving, and knitting – in Bangladesh are running their businesses at a loss because of yarn dumping from India, and fabrics from China and Pakistan. Although apparel industries seem to benefit more from dumping, it makes them more dependent and vulnerable as a supplier of low-priced garments for export. Due to the U.S. – China 'trade war,' yarn and fabric from China are exported to Bangladesh at a lower price. Textile industries are facing hard challenges and incurring business losses, as they can't compete with imported yarn and fabric at very low prices. China is providing direct cash returns to exporters of about 15 to 20% on their export of fabric to Bangladesh. In March 2019, the price of cotton yarn reduced due to lower cotton prices in the international market, along with ample supply of yarn and fabric from China, India, and Pakistan. The local textile millers are facing uneven competition due to abundant imports of cheap yarn and fabrics. Some of them are about to leave the market and are facing a challenge dealing with a huge stockpile of unsold fabric. The phenomena is attributed to low-priced yarn and fabric imports increased through bonded warehouse import "leakage," improper utilization declaration (UD) certification facilities of readymade garment (RMG) manufacturers, false declaration of product specification, and smuggling through the border with India. Local RMG manufacturers are importing yarn and fabric from China, India, and Pakistan using a bonded warehouse (zero tariffs on import of raw materials for export value-added product) privilege. "The imported yarn and fabric with zero tariffs are then illegally sold to the local market which forces down prices in the domestic market and makes local weaving mills and spinners more competitive. Bangladesh has import duties of 32.4 percent for man-made fiber, 91.37 percent for fabric, 38.47 percent for yarn, and 32.4 percent for textile chemical dyes. Export-oriented RMG factories can import yarn and fabric under a duty draw back incentive, which reimburses all customs duties paid on imported yarn, and fabric (but not taxes such as the VAT and Advanced Income tax). Imports of all textile raw materials, including fabrics, have no quotas. As a result of yarn oversupply in the domestic market, prices fell nearly 15-20 percent, while some textile millers and spinners suffered as a result. Some millers planned to cut overseas purchases of cotton for yarn and fabric production as they were struggling in the market due to the flood of imported yarn and fabric from China and India. Textile millers have urged the government to take necessary action in order to protect the textile industry. Of 2.1 million metric tons of Bangladesh's yearly yarn demand, 70 percent is met by local millers, while the rest is imported mainly from India, China, Vietnam and Pakistan. More foreign buyers of value-added apparel are purchasing from Bangladesh due to cheap labor cost, competitive prices, and an appreciated US dollar versus the Bangladesh Taka. Some high-end millers have increased production capacity to satisfy higher domestic and international demand. Bangladesh currently has 430 spinning mills, 802 weaving mills, 244 dyeing and finishing mills, 32 denim fabric mills, 22 home textile mills, and a total

of 6,502 registered and 527 un-registered garment factories. Sixty-five percent of these factories are located in Dhaka district. Approximately 4,296 Bangladesh Garment Manufacturers and Exporters Association (BGMEA) members employ four million workers, of which 80 percent are women. In first eight months of the current fiscal, ready-made garment (RMG) exports fetched Bangladesh approximately US$23 billion, up nearly 15 percent from last year. In previous financial year, the country earned US$ 31.6 billion from RMG exports, an increase of 8.77 percent compared to 2016-17 FY, and contributed 83 percent of total export earnings. Ministry of Textile and Jute has projected that the RMG sector earnings would grow to US$35.62 billion and US$38.73 billion in 2019-20 FY and 2020-21 FY respectively. The export growth was partially contributed to by improved workers' wages, compliance maintenance investment, workers' skill development, diversified value addition, increased domestic and foreign direct investment, and more international brands involved in the trade.

Since the main problem is misuse of duty-free trade facilities and illegal imports, mill owners want strong monitoring to stop misuse of the bonded warehouse facility. They urged the government to ban yarn import through land ports

(g) Future plan:

Alif Manufacturing Company Ltd. is committed towards continuing improvement in infrastructure, capital assets up gradation and modification. We are continuously focusing towards reduction in operating cost and wastage, for this the company introducing energy and water monitoring design and improvement in efficiency of human resources by proper. We have also taken various steps towards strengthening our human resources capabilities and IT infrastructure.



Managing Director
Alif Manufacturing Company Ltd.

Dated: December 08, 2022

AUDIT COMMITTEE REPORT 2021-22

The Audit Committee, appointed by and responsible to the Board of Directors of Alif Manufacturing Company Ltd is constituted as per the internal control framework of the company Policy and conditions imposed by the Bangladesh Securities and Exchange Commission (BSEC). The present committee comprises of 4 (four) members of whom one is Independent Director. The Company secretary functions as the secretary of the committee as well. Meetings of the committee are attended by Managing Director, Head of Internal Audit, engagement partner of External Audit, as necessary by invitation. All members of the committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control process.

The present committee members, nominated by the Board, are:

- Mr. Md. Azharul Islam (Chairman)
- Mr. Niaz Morshed
- Mr. Rafiqul Islam
- Mr. Mahfuzur Rahman (Secretary)

A total of 4 (four) meetings were held within this twelve-month period.

Duties & Responsibilities:

a. To oversee the financial reporting process
b. To monitor Internal Control Risk Management Process
c. Periodic review of the effectiveness of the accounting and internal control systems and report to board if necessary
d. Verification of the reliability and adequacy of Internal Control in the organization including management reporting to the board
e. Verification of Quarterly Financial Statements in compliance with the relevant standards and BSEC Rules and guidance
f. Review of the Annual Financial Statements in compliance with the relevant standards and BSEC Rules and guidance
g. To oversees hiring and performance of external auditors and compliance auditors of the company
h. Review the reports of Internal Auditors as well as External Auditors of the company
i. Consultation with the External Auditors of the company on the adequacy of the accounting and internal control of the company
j. Review and ensuring fairness of any Related Party Transaction
k. Review and ensuring of due compliance with the relevant laws and regulations
l. Review of strategies, methodologies plans for internal auditing and the extent of co-ordination with external auditors
m. Any other responsibilities shall be determined by the Board from time to time

.

Activities of the Committee on Company's affairs for the year under report

In accordance with Audit Committee Charter, governed by the BSEC notifications on Corporate Governance Code, the committee carried out its duties to work on the areas that were raised for consideration and discussed to evaluate issues related to key events of financial reporting cycles. During the current financial period under report activities of the committee include, among others:

- Reviewed the quarterly and half yearly financial statements of the Company and recommended to the Board for adoption and circulation as per the requirement of Bangladesh Securities and Exchange Commission (BSEC).
- Assessed the report of the external auditors on critical accounting policies, significant judgments and practices used by the company in preparation of financial statements.
- Committee recommended appointment of statutory auditor M/s Kazi Zahir Khan & Co to the Board for appointment as the statutory Auditors of the Company for the next financial year ending on 30th June 2023.
- Committee reviewed the effectiveness of internal financial control system and the internal audit procedures.
- Reviewed the recurrent related party transactions during the year under report.
- Reviewed the external auditors' findings arising from audit, particularly comments and responses of the management.
- Reviewed the matters of compliance as per requirements of the Bangladesh Securities and Exchange Commission (BSEC) and ensured corrections, as appropriate, to remain compliant.

The committee is of the opinion that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and the financial position of the Company is adequately managed. On behalf of the Committee

On behalf of the Audit Committee

Sd/
Md. Azharul Islam
Chairman, Audit Committee

Dated: December 08, 2022

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee of **Alif Manufacturing Company Limited** is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executives.

The Board of Directors of **Alif Manufacturing Company Limited** has established the Nomination and Remuneration Committee comprises of three members on February 05, 2019 headed by the Independent Director, Mr. Golam Mostafa. The other members of the committee are, Mr. Niaz Morshed and Mr. Rafiqul Islam Nominated Directors of the company.

During the year 2021-22, one meeting of the Nomination and Remuneration Committee was held on 27th April 2022, the details of attendance of each member at the NRC meetings are as follows

Name of the Member	Position	Number of Meeting held	Attended
Mr. Golam Mostafa	Chairperson	1	1
Mr. Niaz Morshed	Member	1	1
Mr. Rafiqul Islam	Member	1	1

During the year the Nomination and Remuneration Committee oversee the following matters:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.
- The relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Identifying person who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board.
- Formulating the criteria for evaluation of performance of independent directors and the Board.
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria and.
- Developing, recommending and reviewing annually the company's human resources and training policies

The Nomination and Remuneration Committee overall reviewed the Terms of Reference (ToR) of the NRC of the company. On the other hand, the committee also observe the transparent selection process for recruitment of the potential candidates on the basis of role profile and yearly evaluation process of the company.

On behalf of the Nomination and Remuneration Committee

Golam Mostafa
Chairman

Date: 21 November, 2022

xxvi. MD and CFO's Declaration:

MD & CFO's Declaration to the Board of Directors

The Board of Directors
ALIF MANUFACTURNIG COMPANY LTD
(Previous CMC-Kamal Textile Mills Ltd)
Bilquis Tower (9th Floor), House #6, Road # 46
Gulshan Circle-2, Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on June 30, 2022.

Dear Sirs,
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that

1) The Financial Statements of Alif Manufacturing Company Ltd. for the year ended on June 30, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

i) We have reviewed the financial statements for the year ended on June 30, 2022 and that to the best of our knowledge and belief:
(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Md. Azizul Islam
Managing Director

Mohammad Hanif
Chief Financial Office

Dated: 03 November, 2022

CORPORATE GOVERNANCE COMPLIANCE REPORT

HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS

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+88 0967 8800438
info@hudahossain.com
www.hudahossain.com

Ref: 12/22/291/1

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Alif Manufacturing Company Limited on compliance of Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Alif Manufacturing Company Limited for the year ended on June 30, 2022. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange commission.

Such compliance with the corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this corporate Governance Code.

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

(a) The company has complied with the conditions of the Corporate Governance Code as stipulated on the above mentioned Corporate Governance Code issued by the commission;

(b) The company has complied with the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws;

(d) The governance of the Company is highly satisfactory.

Place: Dhaka
Dated: October 30, 2022

Huda Hossain & Co. Dhaka Chartered Accountant

(MD AMINUL ISLAM FCA)
HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS

House # 27/5/A-4, Level-2, Topkhana Road
Segunbagicha, Dhaka-1000.
Keari Plaza (5th Floor), House-83
Road-8/A, Dhanmondi, Dhaka-1209
1557 Agrabad Acess Road,
Agrabad C/A, Chattogram.
Chartered Accountants Worldwide Network Member

Corporate Governance Code Compliance Status

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969.

(Report under Condition No.9)

Condition No.	***Title***	***Compliance Status (Put in the appropriate column)***		***Remarks (if any)***
		Complied	***Not Complied***	
1	**Board of Directors:**			
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors shall not be less than 5 (Five) and more than 20 (Twenty).	✓		
1.2	**Independent Directors:**			
1.2 (a)	Independent Directors: At least 1/5th (We have four Directors and One Independent Director)	✓		
1.2 (b)(i)	Independent Director does not hold any shares in the company or holds Less than one percent (1%) Shares of the total paid-up shares of company	✓		
1.2 (b)(ii)	Not a Sponsor of The Company or is not connected with the Company's any sponsor or Director or Nominated Director or Shareholder	✓		
1.2 (b)iii)	Not been an executive of the Company immediate preceding 2 financial years	✓		
1.2 (b)iv)	Does not have other relationship	✓		
1.2 (b)v)	Not a Member or TREC holder, Director or Officer of any Stock Exchange	✓		
1.2 (b)vi)	Not a Shareholder, Director excepting independent director or Officer of any member TREC holder of Stock Exchange or an intermediary of the capital market	✓		
1.2 (b)vii)	Not a Partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm	✓		
1.2 (b)viii)	Not an Independent Director more than five listed Companies.	✓		
1.2 (b)ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	✓		
1.2 (b)x)	Not convicted for a Criminal offence	✓		
1.2 (c)	Appointment by the Board and approved in AGM.	✓		
1.2 (d)	Post cannot remain vacant for more than 90 days	✓		
1.2 (e)	Tenure of the Independent Director	✓		
1.(3)	**Qualification of Independent Director:**			
1.3 (a)	Independent Director shall be knowledgeable individual with integrity	✓		

1.3 (b)i)	Should be a Business Leader	✓		
1.3 (b)ii)	Should be a Corporate Leader	✓		
1.3(b)iii)	Former official of government or statutory or autonomous or regulatory body.	✓		
1.3 (b)iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.		✓	
1.3 (b)v)	An advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification		✓	
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1.3 (d)	Special cases for relaxation of qualifications.		✓	
1.(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:**			
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or chief Executive Officer;	✓		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting.	✓		
1.(5)	**The Directors' Report to Shareholders**			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra Ordinary gain or loss	✓		
1.5 (vi)	Discussion and Basis of related party transactions- a statement of all related party transactions.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	✓		
1.5 (viii)	An explanation if the financial results deteriorate		✓	

	after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc			
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.		✓	
1.5 (x)	Statement of Remuneration to directors including independent directors.	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1.5 (xii)	Statement of Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	Statement of Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1.5 (xiv)	Statement of IAS/IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	Statement of system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5 (xvi)	Statement of minority shareholders have been protected from abusive actions.		✓	There was no such situation arise to protect the interest of minority shareholders
1.5 (xvii)	Statement of no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5 (xviii)	An explanation that Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.		✓	
1.5 (xix)	Statement of Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.		✓	Dividend declared
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.	✓		
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each Director	✓		

1.5 (xxiii)	**A report on the pattern of the shareholding:**			
1.5 (xxiii)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5 (xxiii)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children (name wise details);	✓		
1.5 (xxiii)c)	Executives;	✓		
1.5 (xxiii)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxiv)a)	A brief resume of the director;	✓		
1.5 (xxiv)b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxiv)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1.5 (xxv)	**Management Discussion and Analysis signed by MD:**			
1.5 (xxv)a)	Accounting policies and estimation for preparation of financial statements.	✓		
1.5 (xxv)b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1.5(xxv)c)	Comparative analysis (including effects of inflation) of financial performance or result and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	✓		
1.5 (xxv)d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5 (xxv)e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1.5 (xxv)f)	Risks and concerns issues related to the financial statements, explaining such risk and concern mitigation plan of the company.	✓		
1.5 (xxv)g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	✓		
1.5 (xxvi)	Declaration or certification by the CEO and CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1.6	Meeting of the Board of Directors: The company	✓		

	shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code			
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		✓	There is no Subsidiary Company
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;		✓	There is no Subsidiary Company
2(c)	The minutes of the Board Meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;		✓	There is no Subsidiary Company
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;		✓	There is no Subsidiary Company
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company		✓	There is no Subsidiary Company
3	**MANAGING DIRECTOR (MD) or CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):**			
3.1	**Appointment**			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), a Head of Internal Audit and Compliance (HIAC);	✓		
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary	✓		

	(CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;			
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).		✓	
3.2	Requirement to attend Board of Director' Meetings: The MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board: Provided that CS, CFO and HIAC shall not attend such part of a meeting if the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	✓		
3.3(a)i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3.3(a)ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	**Board of Directors' Committee:-**			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5	**AUDIT COMMITTEE:**			
5.1	Responsibility to the Board of Directors	✓		
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board.	✓		
5.1(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		

5.1(c)	The Audit Committee shall be responsible to the Board. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
5.2	**Constitution of the Audit Committee**			
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members	✓		
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	✓		
5.2(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		
5.2(e)	The company secretary shall act as the secretary of the Committee	✓		
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	✓		
5.3	**Chairperson of the Audit Committee**			
5.3(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	✓		
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
5.3(c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		Was present in the AGM of 2021
5.4	**Meeting of the Audit Committee**			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	✓		

5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	**Role of Audit Committee**			
5.5(a)	Oversee the financial reporting process	✓		
5.5(b)	Monitor choice of accounting policies and principles	✓		
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5(d)	Oversee hiring and performance of external auditors	✓		
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	✓		
5.5(f)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
5.5(h)	Review the adequacy of internal audit function	✓		
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5.5(j)	Review statement of significant related party transactions submitted by the management	✓		
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by Statutory auditors		✓	
5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5.5(m)	Over see whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:		✓	
5.6	**Reporting of the Audit Committee**			
5.6(a)	Reporting to the Board of Directors	✓		
5.6.a(i)	The Audit Committee shall report on its activities to the Board.	✓		
5.6.a(ii)a)	report on conflicts of interests;		✓	There was no such event to report
5.6.a(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;		✓	There was no such event to

				report
5.6.a(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;		✓	There was no such event to report
5.6.a(ii)d)	Any other matter which shall be disclosed to the Board Immediately.		✓	There was no such event to report
5.6(b)	Reporting to the Authorities		✓	There was no such event to report
5.7	**Reporting to the Shareholders and General Investors.**		✓	There was no such event to report
6	**Nomination and Remuneration Committee(NRC)**	✓		
6.1	**Responsibilities to the Board of Directors:**	✓		
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6.1(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6.2	**Constitution of the NRC**			
6.2(a)	The Committee shall comprise of at least three members including an independent director	✓		
6.2(b)	All members of the Committee shall be non-executive directors;	✓		
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other case of Vacancies, the boards shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be nonvoting member, if the Chairperson feels that advice or suggestion from such external expert and/or or member(s) of staff shall be required or valuable for the Committee;	✓		

6.2(g)	The company secretary shall act as the secretary of the Committee;	✓		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	✓		
6.3	**Chairperson of the NRC**			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;		✓	
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:		✓	In next AGM
6.4	Meeting of the NRC	✓		1st Meeting of NRC held on 20 January, 2019.
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		✓	There was no such event with in the report period
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6.5	**Role of the NRC**			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6.5(b)i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top	✓		

	level executive, considering the following:			
6.5(b)i)a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	✓		
6.5(b)i)b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark;	✓		
6.5(b)i)c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	✓		
6.5(b)ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6.5(b)iii)	Identifying person who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	✓		
6.5(b)iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6.5(b)v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6.5(b)vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	**EXTERNAL OR STATUTORY AUDITORS:**			
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:	✓		
7.1(i)	Appraisal or valuation services or fairness opinions	✓		
7.1(ii)	Financial information systems design and implementation	✓		
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
7.1(iv)	Broker-dealer services	✓		
7.1(v)	Actuarial services.	✓		
7.1(vi)	Internal audit services	✓		
7.1(vii)	Any service that the Audit Committee determines	✓		
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No 9(1); and	✓		
7.1(ix)	Any other service that creates conflict of interest.	✓		

7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in law and daughter-in-law shall be considered as family members.	✓		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	**Maintaining a website by the Company**			
8.1	The company shall have an official website linked with the website of the stock exchange.	✓		
8.2	The company shall keep the website functional from the date of listing.	✓		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
9.1	The company shall obtain a certificate from a practicing professional Accountant or Secretary (Chartered Accountant or Cost & Management Account or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

কাজী জহির খান এন্ড কোং
KAZI ZAHIR KHAN & CO.
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Independent Auditor's Report
To the Shareholders of Alif Manufacturing Company Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Alif Manufacturing Company Limited, which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

As disclosed in note-22, the company has shown an amount of Taka 17,606,347 as liabilities for WPPF and WWF which includes prior year amount of Taka 15,424,316 that has not been paid by the company to the fund. As per section 234 (b) of labor Act 2006 the company should pay the amount to the WPPF and WWF not later than nine months for the end of the respective year. Further the company did not make any interest provision foe the utilization of fund balance as per section 240 (2) of the said Act;

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

Matter of Emphasis

We draw attention to the following matters, though our opinion is qualified in respect of the same:

- As disclosed in note no. 9 of the financial statements related to trade receivable, the balance of the trade receivables has been increasing years to years. About 54% of total sales are lying as trade receivables. The ageing period is unlikely in comparison to other companies of the same industry. Hence, recovery of trade receivable and also existence of the balances as on date is doubtful, but no provision for bad debts has been accounted for. Confirmations/certificate of lying balances as on 30 June, 2022 with the concerned parties were requested but during our audit period one of the said parties was confirmed.

Other Information

Management is responsible for the other information. The other information comprises the information including Director's report included in the annual report but does not include in 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.

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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. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Risk	Our responses to the risk
Revenue recognition Revenue recognition has significant and wide influence on financial statements. The Company has reported revenue of Tk. 1808107796 in the financial statements (30th June, 2021: Tk. 1059916786). Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the customers. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.	We read the assessed compliance of company's revenue recognition policy in terms of IFRS 15: Revenue from Contracts with Customers'. Our audit procedures included the following: ▪ We have evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and sign-off, recording of sales through to cash receipts and customers' outstanding balances; ▪ Collect monthly VAT return form 9.1 and cross match with the said return; ▪ We assessed the design and implementation of these controls. We tested a sample of individual sales transactions and traced to dispatch notes and subsequent cash receipt or other supporting documents; ▪ Assessed the invoicing and measurement systems up to entries in the general ledger; ▪ Examined customer invoices and receipts of payment on test basis; ▪ Assessed the design of the processes set up to account for the transactions in accordance with the company policy; ▪ Assessed whether any adjustments are required.
Refer to note 24.00 to the financial statements	
Valuation of trade receivables The Company has reported Trade Receivables value of Tk. 977,682,388 in the financial statements for the year ended 30 June 2022. (30th June, 2021: Tk. 1,040,129,160). Due to the nature of the business trade receivables is material to the Company. The possible insolvency of the clients may increase credit losses to the Company and the effect on the profit of the Company may be material. Valuation of trade receivables is a key audit matter in the audit due to the size of the trade receivable balance.	Audit procedures related to the key audit matter are as follows: • We obtained trade receivables balance confirmations. • We analyzed the aging of trade receivables. • We have obtained trade receivable confirmations from the third parties. In addition, sample of the trade receivables have been reconciled to subsequent payments. • We have assessed the appropriateness of presentation in the financial statement.
Refer to note 09 to the financial statements	

We have nothing to report on going concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

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Other Matter

a) We refer to the Note 4, where the company reported Property, Plant and Equipment Taka 271,5819,578. Except Land and Building we are unable to verify the whereabouts of other items as mentioned in said Notes due to absence of appropriate Fixed Asset management system which is non-compliance of IAS-16: Property, Plant and Equipment, anyway the Fixed Asset management system is under process;

b) Management has assured us that they will implement the accounting software and Comply with IFRS 16-Lease as soon as possible;

c) The company revalued Land and Building more than five years ago. As per para-34 of IAS 16 "Property, Plant and Equipment" the frequency of revaluation should not exceed three or five years. As of report date the company did not arrange revaluation of Land and Building but the management has assured us that they will arrange the said revaluation as soon as possible.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 judgments 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

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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 Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

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

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditure incurred was for the purposes of the Company's business

Md. Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka
Dated: October 31, 2022
DVC: 2211070240AS280937

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Branch Office: 281/3, Jafrabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207. Tel: 9124642. e-mail: mahmudkzkcbd@gmail.com

Alif Manufacturing Company Limited

Statement Of Financial Position
As At June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
ASSETS			
Non-Current Assets		**2,733,822,415**	**2,786,893,559**
Property, Plant and Equipment	4.00	2,733,822,415	2,786,893,559
Other Non- Current Asset		**5,435,657**	**5,317,169**
Long Term Deposit	5.00	5,435,657	5,317,169
Current Assets:		**1,316,073,516**	**1,733,569,159**
Advance & Prepayment	6.00	13,166,241	5,303,394
Inventories	7.00	208,100,960	243,502,365
Raw Materials in Transit	8.00	10,882,378	5,262,158
Trade Receivable	9.00	977,682,388	1,040,129,160
Sister Concerns / Related Party	10.00	2,174,889	16,701,330
Cash and Cash Equivalents	11.00	104,066,660	422,670,752
Total Assets		**4,055,331,587**	**4,525,779,887**
EQUITY AND LIABILITIES			
Shareholders' Equity		**3,774,091,659**	**3,685,313,474**
Share Capital	12.00	2,599,270,220	2,599,270,220
Reserve & Surplus	13.00	611,124,439	613,486,264
Retained Earnings	14.00	563,697,000	472,556,990
Non Current Liabilities		**177,099,924**	**154,155,050**
Deferred Tax Liabilities	15.00	177,099,924	154,155,050
Current Liabilities		**104,140,004**	**686,311,363**
Accrued Expenses	16.00	18,293,000	20,843,844
Sundry Creditors	17.00	1,815,273	149,856,113
Sister Concerns / Related Party	18.00	-	177,531,125
Dividend Payable	19.00	25,766,109	5,159,279
Short Term Loan	20.00	-	287,689,357
Provision for Income Tax	21.00	40,659,275	29,807,329
Provision for WPPF	22.00	17,606,347	15,424,316
Total Equity and Liabilities		**4,055,331,587**	**4,525,779,887**
Net Assest Value (NAV) per share	23.00	**14.52**	**14.18**

The annexed notes from integral part of these financial statements.

Chairman **Managing Director** **Director** **Chief Financial Officer** **Company Secretary**

Signed in terms of our separate report of even date.

Place: Dhaka.
Dated: October 31, 2022.
DVC: 2211070240AS280937

KAZI ZAHIR KHAN & CO * Dhaka-1000 * Chartered Accountants

Md Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Alif Manufacturing Company Limited

Statement Of Profit Or Loss And Other Comprehensive Income
For The Year Ended June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
Turnover	24.00	1,808,107,796	1,059,916,786
Less: Cost of Goods Sold	25.00	1,566,692,701	857,907,535
Gross Profit		**241,415,095**	**202,009,251**
Less: Operating Expense		**52,943,017**	**56,164,165**
Administrative Expense	26.00	33,492,715	30,303,187
Financial Expenses	27.00	19,450,302	25,860,978
Operating Profit		**188,472,078**	**145,845,086**
Add: Other Income	28.00	**6,091,465**	**5,483,328**
Add: Realized Foreign Currency Gain / (Loss)		**(324,215)**	-
Profit Before WPPF & Taxes		**194,239,328**	**151,328,414**
Less: Workers Profit Participation fund	22.00	8,394,966	8,064,152
Profit Before Taxes		**185,844,362**	**143,264,262**
Less: Provision for Income Tax		**33,796,820**	**28,425,263**
Deferred Tax	15.00	22,944,874	23,493,976
Current Tax	21.00	10,851,946	4,931,287
Other Comprehensive Income			
Net Profit After Tax for the year		**152,047,541**	**114,838,999**
Other Comprehensive Income		-	
Total Comprehensive Income		**152,047,541**	**114,838,999**
Basic Earnings Per Share (EPS)	29.00	**0.5850**	**0.4419**

The annexed notes from integral part of these financial statements.

Chairman **Managing Director** **Director** **Chief Financial Officer** **Company Secretary**

Signed in terms of our separate report of even date.

Md Nurul Hossain Khan FCA
Enrolment No. 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka.
Dated: October 31, 2022
DVC: 2211070240AS280937

KAZI ZAHIR KHAN & CO Dhaka-1000 Chartered Accountants

KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Alif Manufacturing Company Limited

Statement Of Changes In Equity
For The Year Ended June 30, 2022

Particulars		Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at July 01, 2021		**2,599,270,220**	**271,847,108**	**341,639,156**	**472,556,990**	**3,685,313,474**
Bonus Share Issue					-	-
Cash Dividend					**(63,269,356)**	**(63,269,356)**
Net Profit for the year					**152,047,541**	**152,047,541**
Adjustment for Depreciation of Revalued Assets				(2,778,618)	2,778,618	-
Adjustment for Deferred Tax				416793	(416,793)	-
Balance at June 30, 2022		**2,599,270,220**	**271,847,108**	**339,277,331**	**563,697,000**	**3,774,091,659**

Balance as at July 01, 2020		**2,599,270,220**	**271,847,108**	**344,000,981**	**354,939,373**	**3,570,057,682**
Bonus Share Issue					-	-
Cash Dividend					-	-
Net Profit for the year					-	-
Adjustment for Depreciation of Revalued Assets				(2,778,618)	2,778,618	-
Adjustment for Deferred Tax				416,793	-	**416,793**
Balance at June 30, 2021		**2,599,270,220**	**271,847,108**	**341,639,156**	**472,556,990**	**3,685,313,474**

The annexed notes from integral part of these financial statements.

Chairman **Managing Director** **Director** **Chief Financial Officer** **Company Secretary**

KAZI ZAHIR KHAN & CO. Chartered Accountants Dhaka-1000

Alif Manufacturing Company Limited
Statement Of Cash Flows
For The Year Ended June 30, 2022

	Particulars	Notes	June 30, 2022	June 30, 2021
A.	**Cash Flows from Operating Activities**	27	**185,468,584**	**(99,429,262)**
	Collection against Local Sale		18,881,398	22,156,076
	Collection against Export Sale		1,852,223,070	591,357,849
	Other Income		5,635,597	5,483,328
	Payment against Purchase		(1,540,978,920)	(538,342,981)
	Payment against Operating Expense		(133,680,137)	(168,059,432)
	VAT Paid		(549,900)	(660,300)
	Tax Paid		(9,849,590)	(7,691,452)
	Payment against WPPF		(6,212,934)	(3,672,350)
B.	**Cash Flows from Investing Activities**		**(10,716,109)**	**(241,904,147)**
	Acquisition of Property Plant and Equipment		(10,597,621)	(241,711,432)
	Realized Interest Re-Invested in FDR		(118,488)	(192,715)
C.	**Cash Flows from Financing Activities**		**(493,356,567)**	**758,346,811**
	Payment of Dividend		(42,662,526)	(39,934,619)
	Short Term Loan		(287,689,357)	117,437,939
	Sister Concerns / Related Party		(163,004,684)	680,843,491
	Net Cash Inflow for the year (A+B+C)		**(318,604,092)**	**417,013,402**
D.	**Opening balance of Cash and Cash Equivalents**		**422,670,752**	**5,656,358**
F.	**Closing balance of Cash and Cash Equivalents**		**104,066,660**	**422,670,752**
	Net Operating Cash Inflow per share	**27**	**0.71**	**(0.38)**

The annexed notes from integral part of these financial statements.

Chairman **Managing Director** **Director** **Chief Financial Officer** **Company Secretary**

KAZI ZAHIR KHAN & CO. Chartered Accountants

Alif Manufacturing Company Limited
Notes To The Financial Statements
For The Year Ended June 30, 2022

1.00 Background And Activities of The Company:

1.01 Background of the Company:
The company was incorporated on 25 May 1995 as a 'Public' company limited by shares registered under the Companies Act 1994 vide registration No.C-28468(2314)/95 dated 25 May 1995. The Company went for Initial Public Offering (IPO) in August 1997. The company is a publicly traded company and is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited since December 1997. At present the company is maintaining listing status with only Dhaka Stock Exchange Limited. The name of the Company has been changed from **CMC-Kamal Textile Mills Limited** to **Alif Manufacturing Company Limited** on dated 10th October 2017.

1.02 Address of the Registered and Corporate Office:
The registered office of the company is located at Bilquis Tower (9th Floor), House # 06, Road # 46, Gulshan Circle - 2, Dhaka – 1212.

1.03 Nature of Business Activities:
The principal activities of the company are to carry on the business of Textile Spinning Mills to produce various counts of yarn ranging from 10/1 to 80/1 for the apparel industry.

1.04 Production Unit:
Production unit of the company is situated at Kaichabari, Ashulia (Savar), Dhaka.

2.00 Significant Accounting Policies:

2.01 Basis of Preparation and Presentation of the Financial Statements:
The Financial Statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange as applicable and IASs adopted by the institute of Chartered Accountants of Bangladesh (ICAB), International Financial Reporting Standard (IFRS) as applicable to the company. The Statement of Financial Position and Statements of Profit or Loss and Other Comprehensive Income have been prepared according to IAS 1 'Presentation of Financial Statements' based on accrual basis of accounting consistent applied following going concern assumption under generally accepted accounting principles and practices in Bangladesh. Cash Flow Statement of the company has been prepared direct method in accordance with IAS 7.

2.02 Accounting Convention and Assumption:
The Financial Statements are prepared under the Historical Cost Convention.

2.03 Principle Accounting Policies:
The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect within the Framework for the preparation and presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with applicable IASs. This year's figures are re-arranged where necessary. There are no significant changes in the accounting policies and valuation policies affecting the financial position and performance of the company. However, changes (as applicable) made to the presentation are explained into the note for the respective items.

KAZI ZAHIR KHAN & CO. Chartered Accountants

2.04 Application of accounting Standards:

The following IAS are applicable to the financial statements for the year under review:

IAS 1 Presentation of Financial Statements
IAS 2 Inventories
IAS 7 Cash Flow Statements
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10 Events after the Balance Sheet Date
IAS 12 Income Tax
IAS 16 Properties, Plant and Equipment
IFRS 15 Revenue
IAS 19 Employee Benefits
IAS 21 The Effects of Changes of Foreign Exchange Rates
IAS 23 Borrowing Costs
IAS 24 Related Parties Disclosure
IAS 33 Earning Per Share
IAS 36 Impairment of Assets

2.05 Valuation of Inventories:

Inventories are stated at the lower of cost or net realizable value in compliance with the requirements of Para 21 and 25 of IAS 2.

Category of Stocks		**Basis of Valuation**
Raw Materials, Packing Materials and Work in Process	:	Weighted Average cost
Finished Goods at Factory	:	At lower of cost or net realizable value
Store Items	:	Weighted Average cost

Cost comprises of the value of materials and attributable direct labor, depreciation and production overheads. The management conducted annual physical verification of inventories on the closing date of business as at June 30, 2022 in presence of the representative from audit firm and made valuation thereof on the basis stated above.

2.06 Cash Flow Statements:

Statement of Cash Flow is prepared principally in accordance with IAS 7 'Cash Flow Statement' and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

2.07 Accounting Policies, Changes in Accounting Estimates and Errors:

As per IAS 8 The preparation of financial Statements in conformity with the International Accounting Standards requires management to make judgment to estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statement.

2.08 Income Tax

The company makes provision for income tax as per requirement of the Income Tax Ordinance 1984. The applicable tax rate for the Company is 15% as per SRO/LAW/IT/2008 dated June 30, 2008 or 0.60 percent of Gross Receipt as per provision of section 82/C of the Income Tax Ordinance 1984 whichever is higher. Provision for Deferred Tax as per requirement by IAS 12 is done in the financial statements. It is also noted that, the company has not yet filed any return of withholding tax as per provision of Section 75A of The Income Tax Ordinance 1984.

KAZI ZAHIR KHAN & CO. Chartered Accountants

2.09 Property, Plant and Equipment:
Tangible fixed assets are accounted for according to IAS 16 Property, Plant and Equipment at historical cost less accumulated depreciation. Tangible assets are depreciated according to Straight-line method of depreciation.

2.10 Revenue Recognition:
The company recognizes revenues when risk of ownership has been transferred to the buyer which satisfied all the condition for the revenue recognition as provided in IAS -18 "Revenue Recognition".

2.11 Employee Benefits (IAS 19):
The company provides no additional benefits to its employees other than regular salary, allowances and bonus which paid in cash. As per company's management instruction most of employee opened bank account to City Bank Ltd. for transfer employee benefits which will be implemented immediately. Provision at the rate of 5% has been made for Companies Profit (Workers Participation) Fund during the year. However, the Companies Profit (Workers Participation) Fund is not being maintained as per provisions of law. The company has not yet introduced provident fund and gratuity fund scheme although these are required by law.

2.12 The Effects of Changes of Foreign Exchange Rates:
Foreign currency transactions are recorded at the rates applicable on the date of transaction in accordance with IAS-21 (The Effects of Changes in Foreign Exchange Rates). Gains or losses out of foreign currency transactions are charged/credited to the profit and loss account whenever arises. This year the company made transactions in foreign currency for export sales as a deemed exporter which has been accounted for properly.

2.13 Borrowing Costs:
In compliance with the requirements of IAS-23 'Borrowing Costs' borrowing costs of operational period on short-term loan and overdraft facilities from Banks was charged off as revenue expenditure as those were incurred.

2.14 Related Party Disclosure:
During the period, The Company carried out a number of transactions with related parties in the normal course of Business. During the year the company also made export finished goods and purchase of raw material as temporary loan with Related Parties. The name of the related parties, nature of transaction and truncation value has been set out in accordance with the provisions of IAS 24: Details are given below:

Name of the Party	Nature of Transaction	Transaction Value (Dr./Cr.)	Balance as on	
			June 30, 2022 Receivable/ (Payable)	June 30, 2021 Receivable/ (Payable)
Alif Apperals Ltd.	Inter Company Loan	630,69,191	NIL	1822411
Alif Casual Wear Ltd.	Inter Company Loan	44,36,556	NIL	-564444
Alif Ecowash Ltd.	Inter Company Loan	22,00,000	NIL	
Alif Textiles Ltd.	Inter Company Loan	18416628	NIL	8842628
Alif Unitex Co. Ltd	Inter Company Loan	88309213	NIL	-149682706
Lotus Kamal Knitwear Ltd.	Inter Company Loan	7039908	NIL	6036291
Shadhin Dyeing Ltd.	Inter Company Loan	6276930	NIL	-27283975

KAZI ZAHIR KHAN & CO. Chartered Accountants

2.15 Earning per Shares:

The company calculates earning of share (EPS) in according with IAS 33 'Earning per Shares' which has been shown on the face of Income Statement. The same has been calculated dividing surplus available for ordinary shareholders by weighted number of ordinary shares outstanding at the end of the period.

2.16 Impairment of Assets:

In compliance with the requirements of IAS 36, Impairment of Assets, the carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated and impairment losses are recognized in profit and loss account.

2.17 Depreciation of Fixed Assets:

Depreciation is charged on all fixed assets except land and land development on straight-line method. Depreciation has been charged on assets when the assets are available for use.

The depreciation /amortization rate(s) are as follows:

Category of Fixed Assets	Rate %
Factory Building and civil Constructions	2.5
Plant and Machinery	2.5
Electrical Installation	5.0
Gas Line Installation	2.5
Office Equipment	5.0
Furniture and Fixture	5.0
Transport and Vehicles	7.5
Factory Building and civil Constructions	2.5
Plant and Machinery	2.5
Electrical Installation	5.0

2.18 Provision:

The preparation of financial statements in conformity with Bangladesh Accounting Standards (IAS) 37 provides that, Provisions, Contingent Liabilities and Contingent Assets requires management to make estimates and assumption that affect the reported amounts of revenues and expense, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with the guidelines as prescribed by IAS 37 provisions were recognized in the following situations:

- When the company has a present obligation as a result of past event.
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

Provisions in the financial statements at an appropriate level with regard to an adequate provision of risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required fulfilling the current obligation on the balance sheet date.

2.19 Intangible Assets:

In compliance with requirements of IAS 38 intangible assets are usually absorbed as revenue charges as and when incurred. The Company has no intangible assets written off during the period under review.

2.20 Fixed Deposit
Interest on fixed Deposit are calculated as cash basis of accounting.

2.21 Cash and Cash Equivalents:
Cash and Cash Equivalents include cash in hand, cash at banks, etc. which are available for use by the company without any restrictions. There is an insignificant risk of change in value of the same.

2.22 Trade and Other Payable:
Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

2.23 Repairs and Maintenance Charges:
These are usually charged out as revenue expenditure in the period in which it is incurred.

2.24 Bad and doubtful debts:
No provision for bad and doubtful debts has been made since sales/export are based on 100% confirm of cash received and Letter of Credit based.

2.25 Promotional Expenses:
All costs associated with promotional activities are charged in the period those were incurred like sample issued.

2.26 Insurance Coverage:
Fixed Assets and Inventories of the company are not covered by general insurance policies.

2.27 Production Performance:
Since the main business of the company was to produce 100% cotton yarn, the company attained remarkable performance in production in cotton yarn. Your company has installed capacity of producing 4.5 million kg of cotton yarn per year. In the reporting period (July 01, 2021 –June 30, 2022), the company has produced 4.3 million kg in the year under review that is 94.91% of capacity utilization.

Particulars	1-Jul-2021 to 30-Jun-2022	1-Jul-2020 to 30-Jun-2021	1-Jul-2019 to 30-Jun-2020	1-Jul-2018 to 30-Jun-2019
Installed Capacity (Kg)	4,500,000	4,480,000	4,320,000	4,320,000
Production (Kg)	4,270,806	4,026,906	3,824,480	4,017,600
Capacity Utilization	94.91%	89.96%	88.62%	93.00%

The capacity utilization increased in FY 2021-2022 compared to previous year due to ongoing BMRE.

3.00 Compliance And Others:

3.01 Compliance with Local Laws:
The Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other relevant local laws and rules.



3.02 Compliance with International Accounting Standards (IAS):
The Financial Statements have been prepared in compliance with requirements of IAS/IFRS adopted by the Institute of Chartered Accounts of Bangladesh (ICAB) as IAS and as applicable in Bangladesh.

3.03 Reporting Currency and Level of Precision:
The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except were indicated otherwise.

3.04 Comparative Information:
Comparative information has been disclosed in respect of the period previous for all numerical information in the Financial Statements and also for the narrative and descriptive information when it is relevant for understanding of the current period's Financial Statements. The Comparative information of profit or Loss and Other Comprehensive Income is taken from financial year July 01, 2020 to June 30, 2021.

3.05 Reporting Period:
The Financial year of the company covers period from July 01, 2021 to June 30, 2022 consistently.

3.06 Re-arranging
The depreciation of Revaluation Surplus is directly charged on Profit or Loss as corresponding deferred tax also charged in Profit or Loss as per para 61A of IAS 12. As a result, last year's figure reclassified in this year.

Financial charged are being rearranged to administrative expense because financial charged are only Bank charged and L/C commission.

3.07 Events after the Balance sheet date
In compliance with the requirements of IAS 10: Adjusting Events after the reporting year, "Post Balance Events" that provide additional information about the company's position at the balance date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

KAZI ZAHIR KHAN & CO. Dhaka-1000 Chartered Accountants

04.00 Property, Plant and Equipment: Tk. 2715819578

Schedule of property, plant and equipment as at June 30, 2022:

Sl. No.	Particulars	Cost			Rate (%)	Depreciation			Written Down Value as at 30.06.2022
		Opening Balance (01-07-2021)	Addition during the year	Closing Balance (30-06-2022)		Opening Balance (01-07-2021)	Charged for the year	Closing Balance (30-06-2022)	
A)	**At Cost**								
01	Land and Land Development	67,198,031	-	67,198,031	0.00	-	-	-	67,198,031
02	Building and Civil Constructions	550,542,293		550,542,293	2.50	100,551,679	11,249,765	111,801,444	438,740,849
03	Plant and Machinery	2,304,295,502	10,432,221	2,314,727,723	2.50	546,254,995	44,211,818	590,466,813	1,724,260,910
04	Furniture and Fixtures	4,410,623		4,410,623	5.00	2,531,662	93,948	2,625,610	1,785,013
05	Vehicle and Transport	4,771,190		4,771,190	7.50	4,771,189	0	4,771,189	1
06	Electrical Installation	120,795,938		120,795,938	5.00	27,798,989	4,649,847	32,448,836	88,347,102
07	Office Equipment	2,007,193	165,400	2,172,593	5.00	1,266,864	45,286	1,312,150	860,443
08	Tools and Equipments	14,702,649		14,702,649	5.00	3,243,124	572,976	3,816,100	10,886,549
09	Gas Line Installation	5,112,610		5,112,610	2.50	2,452,386	66,506	2,518,892	2,593,718
	Sub-Total	**3,073,836,029**	**10,597,621**	**3,084,433,650**		**688,870,888**	**60,890,147**	**749,761,035**	**2,334,672,615**
01	Land and Land Development	314,401,969	-	314,401,969		-	-	-	314,401,969
02	Building and Civil Constructions	111,144,702	-	111,144,702	2.50	23,618,253	2,778,618	26,396,871	84,747,831
	Sub-Total	**425,546,671**	-	**425,546,671**	**2.50**	**23,618,253**	**2,778,618**	**26,396,871**	**399,149,800**
	Grand Total	**3,499,382,700**	**10,597,621**	**3,509,980,321**		**712,489,141**	**63,668,765**	**776,157,906**	**2,733,822,415**
	Previous Period	**3,257,671,268**	**241,711,432**	**3,499,382,700**		**628,310,799**	**84,178,342**	**712,489,141**	**2,786,893,559**

Allocation of Depreciation:	60,485,327
Factory Overhead	3,183,438
Administrative Expenses	**63,668,765**

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			Amount in Taka	
5.00	**Long Term Deposits**		**June 30, 2022**	**June 30, 2021**
	This is made up as follows:			
	Security for Electricity		437,856	437,856
	Security for Gas		1,117,782	1,117,782
	FDR for Margin on Bank Guarantee	5.01	3,880,019	3,761,531
			5,435,657	**5,317,169**

5.01	**FDR for Margin on Bank Guarantee**		
	Opening Balance	3,761,531	3,568,816
	Add: Interest	118,488	192,715
		3,880,019	**3,761,531**

FDR included Tk. 22,36,000 as 100% Margin on Bank Guarantee and balance are interest.

6.00	**Advance & Prepayment**		
	This is made up as follows:		
	VAT Current Account	460,739	460,739
	Against Raw Cotton	-	2,000,000
	Income Tax deduction at Sources	12,705,502	1,222,870
	Advance Income Tax on Export Sales	-	1,619,785
		13,166,241	**5,303,394**

7.00 Inventories

This is made up as follows:

Particulars	**Quantity (Kg)**	**Average Rate**		
Raw Materials			90,613,353	81,104,535
Packing Materials			3,286,700	1,263,920
Work in Process			19,856,300	19,567,800
Stores & Spares			1,182,900	2,868,400
Finished Goods			93,161,707	138,697,710
			208,100,960	**243,502,365**

The management conducted annual physical verification of inventories on the closing date of business as at June 30, 2022.

8.00 Raw Materials in Transit

This is made up for import of Raw Cotton LC as follows:

Raw Cotton LC195721020003	-	1,276,456
Raw Cotton LC 195721020004	-	810,033
Raw Cotton LC 195721020005	-	822,936
Raw Cotton LC 195721020006	-	551,705
Raw Cotton LC 195721020008	-	830,752
Raw Cotton LC 195721020009	-	216,415
Raw Cotton LC 195721020010	-	180,458
Raw Cotton LC 195721990001	-	573,403
Raw Cotton LC 195721020019	459,552	
Raw Cotton LC 195721020021	482,591	
Raw Cotton LC 195721020022	399,554	
Raw Cotton LC 195722020002	194,796	
Raw Cotton LC 195722020003	1,262,551	
Raw Cotton LC 195722020004	2,018,725	
Raw Cotton LC 195722020007	1,957,313	

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Raw Cotton LC 195722020008		380,326	
Raw Cotton LC 195722020009		496,347	
Raw Cotton LC 195722020010		411,969	
Raw Cotton LC 195722020011		278,095	
Raw Cotton LC 195722020012		599,023	
Raw Cotton LC 195722020013		287,352	
Raw Cotton LC 195722020014		1,028,553	
Raw Cotton LC 195722020015		625,632	
		10,882,378	**5,262,158**

		Amount in Taka	
9.00	**Trade Receivables: Tk. 9677,682,388**	**June 30, 2022**	**June 30, 2021**
	This is made up as follows:		
	Opening Balance	1,040,129,160	593,065,999
	Export During the Year	1,789,776,298	1,038,435,937
	Less: Realization During the year	1,852,223,070	591,372,776
	Closing Balance	**977,682,388**	**1,040,129,160**
	The aging of trade receivables is as follows:		
	Below 60 Days	132,603,558	329,015,700
	Within 61-120 Days	431,478,955	303,618,041
	Within 121-180 Days	413,599,875	407,495,419
	Over 180 Days	-	-
		977,682,388	**1,040,129,160**

	June 30, 2022	**June 30, 2021**
The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:		
Receivable considered good in respect of which the company is fully secured.	977,682,388	1,040,129,160
Receivable considered good in respect of which the company holds no security other than the debtor personal security.	-	-
Receivables considered doubtful bad.	-	-
Receivable to Directors.	-	-
Receivables due by common management.	-	-
The maximum amount of receivable due by any director or other officer of the company.	-	-
	977,682,388	**1,040,129,160**

10.00	**Sister Concerns/ Related Party**		
	This is made up as follows:		
	Alif Apperals Ltd.	1,174,889	1,822,411
	Alif Textiles Ltd.	1,000,000	8,842,628
	Lotus Kamal Knitwear Ltd.	-	6,036,291
		2,174,889	**16,701,330**
11.00	**Cash and Cash Equivalents**		
	Cash in Hand	28,198,009	2,556,297
	Cash at Bank 10.01	75,868,651	420,114,455
		104,066,660	**422,670,752**

			Amount in Taka	
			June 30, 2022	**June 30, 2021**
11.01	**Cash at Bank**			
	Break up of the amount is given below:			
	Particulars			
	The City Bank Ltd	CD-3102025419002	1,458	2,587
	The City Bank Ltd	CD-3102025419001	88,694	89,032
	The City Bank Ltd	CD-1101008203001	-	-
	EXIM Bank Ltd.	CD-03511100048316	1,016,011	12,577
	EXIM Bank Ltd.	CD-'03911100266472	3,521	4,671
	EXIM Bank Ltd.	FC-03519500159385	68,565,940	1,191,251
	EXIM Bank Ltd.	MG-035116-246691	4,483,316	372,260
	EXIM Bank Ltd.	CD-00711100657842	176,252	7,976
	EXIM Bank Ltd.	CD-00711100642919	-	1,147
	EXIM Bank Ltd.	CD-'3513100166891	1,129,327	418,028,822
	Sonali Bank Ltd.	CD-000236001903	16,909	16,909
	Sonali Bank Ltd.	CD-000233059226	17,449	17,449
	Dutch Bangla Bank Ltd.	CD-1161100000910	359,643	359,643
	Dutch Bangla Bank Ltd.	CD-1161200001460	3,181	3,181
	Sonali Bank Ltd.	CD-0116433003565	6,950	6,950
			75,868,651	**420,114,455**
12.00	**Share Capital**			
	This is made up as follows:			
i	**Authorized Capital:**			
	500,000,000 Ordinary Share of TK 10 each		**5,000,000,000**	**5,000,000,000**
ii	**Issued, Subscribed and Paid-up**			
	259,927,022 Ordinary Share of TK 10 each		**2,599,270,220**	**2,599,270,220**

iii **Composition of Share Holding:**

Particulars	June 30, 2022		June 30, 2021	
	No.of Share	% of Shares	No.of Share	% of Shares
Sponsor/ Directors	79,157,430	30.45%	79,157,430	30.45%
Institutions	203,050,980	7.81%	36,953,811	14.22%
General Public	1,604,644,940	61.74%	143,815,781	55.33%
	259,927,022	**100%**	**259,927,022**	**100%**

iv **The Share holding position of the company are as follows:**

Particulars	June 30, 2022		June 30, 2021	
	No.of Share	Value of shares	No.of Share	Value of shares
Mr. Md. Azizul Islam	11,053,570	110,535,700	11,053,570	110,535,700
Mr. Md. Azimul Islam	25,354,423	253,544,230	25,354,423	253,544,230
Mrs. Lutfun Nessa Islam	6,426,048	64,260,480	6,426,048	64,260,480
M/s Alif Apparels Ltd	5,266,976	52,669,760	5,266,976	52,669,760
M/s Alif Textile Mills Ltd	15,299,705	152,997,050	15,299,705	152,997,050
M/s Alif Bengal Holdings Ltd	5,266,976	52,669,760	5,266,976	52,669,760
M/s Alif Outwear Ltd	5,222,756	52,227,560	5,222,756	52,227,560
M/s Alif Real Estate Ltd	5,266,976	52,669,760	5,266,976	52,669,760
Institutions	20,305,098	203,050,980	36,953,811	369,538,110
General Public	160,464,494	1,604,644,940	143,815,781	1,438,157,810
	259,927,022	**2,599,270,220**	**259,927,022**	**2,599,270,220**

v **Classification of Shares by holding as on 30.06.2022**

Slabs by No of Shares	As on June 30, 2022		As on June 30, 2021	
	No of Shareholders	Shareholder's %	No of Shareholders	Shareholder's %
Less than 500 Shares	5,582	25.29%	5,126	30.49%
500 to 5,000 Shares	11,170	50.60%	7,357	43.76%
5,001 to 10,000 Shares	2,178	9.87%	1,600	9.52%
10,001 to 20,000 Shares	1,504	6.81%	1,205	7.17%
20,001 to 30,000 Shares	555	2.51%	501	2.98%
30,001 to 40,000 Shares	272	1.23%	234	1.39%
40,001 to 50,000 Shares	238	1.08%	208	1.24%
50,001 to 100,000 Shares	342	1.55%	326	1.94%
100,001 to 1,000,000 Shares	218	0.99%	232	1.38%
Over 1,000,000 Shares	15	0.07%	24	0.14%
	22,074	**100%**	**16,813**	**100%**

			Amount in Taka	
13.00	**Reserve and Surplus**		**June 30, 2022**	**June 30, 2021**
	Revaluation Reserve	13	339,277,331	341,639,157
	Share Premium		271,847,108	271,847,108
			611,124,439	**613,486,265**

13.01	**Revaluation Reserve**		
	Land & Land Development	267,241,674	267,241,674
	Building & Civil Construction	74,397,482	76,759,308
	Less: Depreciation on Building & Civil Construction	2,361,825	2,361,825
		339,277,331	**341,639,157**

14.00	**Retained Earnings:**	**June 30, 2022**	**June 30, 2021**
	This is made up as follows:		
	Particulars		
	Opening Balance	472,556,990	354,939,373
	Profit after Income Tax during the year	152,047,541	114,838,999
	Depreciation on revaluation surplus	2,361,825	2,778,618
	Cash dividend - 2019-20	(27,115,438)	-
	Cash dividend -2020-21	(36,153,918)	-
	Closing Balance:	**563,697,000**	**472,556,990**

15.00	**Deferred Tax Liability**		
	Carring Amount of PPE (Accounting Base)	2,334,672,615	2,384,965,141
	Carring Amount of PPE (Tax Base)	1,154,006,454	1,329,074,191
	Taxable Temprorary Difference	1,180,666,160	1,055,890,950
	Income Tax Rate	15%	15%
	Deferred Tax Liabilities / (Assets)	177,099,924	154,155,050
	Opening Balance	154,155,050	130,661,074
	Deferred Tax Expenses / (Income)	22,944,874	23,493,976
	Adjustment of Tax on Depreciation of Revalued Assets	416,793	416,793
		23,361,667	**23,910,769**

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		Amount in Taka	
16.00	**Accrued Expenses**	**June 30, 2022**	**June 30, 2021**
	Salary and Allowances	1,878,833	1,731,421
	Listing Fees	3,955,952	3,184,952
	CDBL FEES	335,906	212,000
	Factory Wages and Overtime	5,234,980	5,611,187
	Electricity Bill	3,574,287	6,310,437
	VAT	937,280	946,280
	Audit Fee	350,000	800,000
	Gas Bill	1,781,640	901,816
	Insurance	244,122	1,145,751
		18,293,000	**20,843,844**
17.00	**Sundry Creditors:**		
	This is made up for payable :		
	M/s. Kawser Trading (Civil Construction)	1,815,273	1,815,273
	Liab. Against Raw Cotton Deferred LC	-	148,040,840
		1,815,273	**149,856,113**
17.01	**M/s. Kawser Trading (Civil Construction)**		
	Opening Balance	1,815,273	4,315,273
	Add: Total Bill Amount	-	-
	Less: Paid during the year	-	2,500,000
	Total:	**1,815,273**	**1,815,273**
18.00	**Sister Concerns/ Related Party**		
	This is made up as follows:		
	Alif Casual Wear Ltd.	-	564,444
	Alif Unitex Co. Ltd.	-	149,682,706
	Shadhin Dyeing Ltd.	-	27,283,975
		-	**177,531,125**
19.00	**Dividend Payable:**		
	This is made up as follows:		
	Particulars		
	Opening Balance	5,159,279	45,093,898
	Add: Cash Dividend FY 2019-2020	27,115,438	-
	Add: Cash Dividend FY 2020-2021	36,153,918	
	Less: Dividend Paid during the year	42,662,526	39,934,619
	Total:	**25,766,109**	**5,159,279**
20.00	**Short Term Loan**		
	This is made up as follows:		
	Opening Balance	287,689,357	170,251,418
	Add: Addition made during the year	-	156,241,487
	Less: Payment durinh the year	287,689,357	38,803,548
		-	**287,689,357**
21.00	**Provision for Income Tax**		
	This is made up as follows:		
	Opening Balance	29,807,329	31,626,042
	Add: Addition made during the year	10,851,946	4,931,287
		40,659,275	**36,557,329**
	Less: Payment during the year	-	6,750,000
		40,659,275	**29,807,329**

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21.01	**A. Current Tax**		
	Profit Before Tax as per Account	185,844,362	114,838,999
	Add: Accounting Depreciation	63,668,765	84,178,342
	Less: Tax base Depreciation	184,083,984	173,050,727
	Less: Non-Operating Income	6,091,465	5,483,328
	Taxable Income	**59,337,678**	**20,483,286**
	Current tax @ 15.00%	**8,900,652**	**3,072,493**
	Non-Operating Income @ 20.00%	1,218,293	1,096,666
	Total Current Tax	**10,118,945**	**4,169,158**
	B. Minimum Tax:		
	Gross Receipts	1,808,657,696	1,060,577,086
	Minimum Tax @ 0.60%	10,851,946	4,931,287
	Whichever is Higher from above calculation (A & B)	**10,851,946**	**4,931,287**
22.00	**Workers Profit Participation Fund (WPPF)**		
	This is made up as follows:		
	Beginning balance	15,424,316	11,032,514
	Add: During the year	8,394,966	8,064,152
		23,819,282	**19,096,666**
	Less: Payment during the year	6,212,935	3,672,350
		17,606,347	**15,424,316**
	Add: Interest	-	-
		17,606,347	**15,424,316**
23.00	**Net assest Value per share (NAVPS)**		
	The calculation is as follows:		
	Share Capital	Note 12	2,599,270,220	2,599,270,220
	Share Premium	Note 13	271,847,108	271,847,108
	Revaluation Reserve	Note 13.01	339,277,331	341,639,156
	Retained Earnings	Note -14	563,697,000	472,556,990
			3,774,091,659	**3,685,313,474**
	No of share applied to calculate NAVPS	Note 23.01	**259,927,022**	**259,927,022**
	Net Asset Value Per Share (NAVPS)		**14.52**	**14.18**
23.01	**No of share used to calculate**			
	No of Existing share		259,927,022	259,927,022
	Stock dividend		-	-
	Total No of Share		**259,927,022**	**259,927,022**

		Amount in taka	
		2021-2022	**2020-2021**
24.00	**Turnover**		
	Sales of Yarn:	**1,808,657,696**	**1,060,577,086**
	Local Sales	18,881,398	22,156,076
	Export Sales	1,789,776,298	1,038,421,010
		1,808,657,696	**1,060,577,086**
	Less: VAT	(549,900)	(660,300)
		1,808,107,796	**1,059,916,786**
25.00	**Cost of Goods Sold**		
	This is made up as follows:		
i	**Raw Materials Consumed**		
	Opening Stock	81,104,535	73,790,560
	Add: Purchase	1,362,254,884	654,241,809
	Less: Closing Stock	90,613,354	81,104,535
		1,352,746,065	**646,927,834**
ii	**Packing Materials**		
	Opening Stock	1,263,920	637,568
	Add: Purchase	13,952,780	20,598,930
	Less: Closing Stock	3,286,700	1,263,920
		11,930,000	**19,972,578**
iii	**Store & Spares**		
	Opening Stock	2,868,400	1,632,702
	Add: Purchase	5,516,038	4,280,924
	Less: Closing Stock	1,182,900	2,868,400
		7,201,538	**3,045,226**
iv	**Factory Overhead**		
	Factory Wages and Overtime	65,378,266	62,300,830
	Electricity and Gas	19,602,425	45,381,087
	Repair and Maintenance	614,870	7,077,282
	Insurance - Fire & Burglary	3,486,707	-
	Depreciation Expense	60,485,327	79,954,086
		149,567,595	**194,713,285**
v	**Work In Process**		
	Beginning Work In Process	19,567,800	12,559,829
	Closing Work in Process	19,856,300	19,567,800
		(288,500)	**(7,007,971)**
vi	**Cost of Goods Manufactured (i+ii+iii+iv+v)**		
		1,521,445,198	857,650,952
	Add: Beginning Finished Goods	138,697,710	138,954,293
	Less: Closing Finished Goods	93,161,707	138,697,710
	Cost of Goods Sold	**1,566,692,701**	**857,907,535**

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	Amount in taka	
	2021-2022	**2020-2021**

		Amount in taka	
		2021-2022	**2020-2021**
26.00	**Administrative Expense**		
	AGM Expenses	484,000	-
	Annual Listing Fees (DSE)	1,121,000	1,770,972
	Audit Fees	350,000	350,000
	BTMA	185,200	73,625
	Board Meeting Fees	120,000	120,000
	Car Maintenance	55,920	241,505
	Covid -19	29,000	102,055
	Credit Rating	-	53,750
	CDBL	123,906	106,000
	Directors Remuneration	1,200,000	1,200,000
	Eid Bonus	-	798,523
	Entertainment	183,757	308,462
	Factory Licence	34,200	18,080
	Fire License		25,463
	General Expense	25,500	-
	GSP	20,000	-
	IRC and ERC		86,675
	Postage and Courier	19,615	70,140
	Printing & Stationary	223,162	149,541
	RJSC	93,570	152,000
	Office Rent	2,280,064	519,224
	Office Maintenance	544,460	90,300
	Mis Expenses	129,006	100,000
	Electricity - Office	234,940	132,302
	Salary and Allowance	22,504,521	18,941,156
	Telephone, Fax & Internet	20,350	80,064
	Travelling and Conveyance	265,830	565,434
	Internet	11,276	-
	Legal Expense	50,000	-
	Depreciation	3,183,438	4,224,256
		33,492,715	**30,303,187**
27.00	**Financial Expenses**		
	Bank Charges	1,217,380	335,323
	Interest on Short Term Loan	18,232,922	25,525,655
		19,450,302	**25,860,978**
28.00	**Other Income**		
	Bank Interest	4,605,350	5,483,328
	Covid Subsidy	1,471,115	-
	Sales of Scrap	15,000	-
		6,091,465	**5,483,328**
29.00	Realized Foreign Currency Exchange Gain / (Loss)	**(324,215)**	-
30.00	**Earnings Per Share (EPS)**		
	The calculation is as follows:		
	Profit After Tax	152,047,541	114,838,999
	No of shares applied for calculation	259,927,022	259,927,022
	Earnings per Share (EPS)	**0.5850**	**0.4419**

Amount in taka	
2021-2022	**2020-2021**

31.00 Reconciliation of Profit/Loss before Tax with Cash Fows from Operating Activities

Net Profit/(Loss) before Tax	136,982,335	143,264,262
Add: Depreciation	81,671,602	84,178,342
Adjustment for Deferred Tax	(416,793)	
(Increase)/Decrease in Trade Receivable		(311,715,766)
(Increase)/Decrease in Current Assets	417,495,643	
Accrued Interest shown in Investing Activities	(118,488)	
Acquisition of Property Plant and Equipment	10,597,621	
(Increase)/Decrease in Inventories		(15,927,413)
(Increase)/Decrease in Current Liabilities	(488,499,692)	
Increase/(Decrease) in Provisoin for WPPF		4,391,802
Effect on Foreign Currency Gain/ (Loss)	(324,215)	
Decrease /(Increased) Revaluation Reserve	(2,778,618)	
Increase/(Decrease) in Provisoin for Tax	30,859,189	(1,818,713)
	185,468,585	**(99,428,270)**

32.00 Related Party Disclosures

The company has entered into transaction with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures" The company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties . Total transactions of the significant related parties as at June 30, 2022 are as follows :

A. Transaction with Related Company

i) Balance with related parties.

Name of the Party		Nature of Transaction	Transaction During the year	Balance as on 30.06.2022
Alif Apperals Ltd.	8951000	Inter company Loan	4,436,556	NIL
Alif Casual Wear Ltd.	25560672	Inter company Loan	1,800,000	NIL
Alif Ecowash Ltd.		Inter company Loan	2,200,000	NIL
Alif Textiles Ltd.	51359040	Inter company Loan	18,416,628	NIL
Alif Unitex Co. Ltd	236357948	Inter company Loan	88,309,213	NIL
Lotus Kamal Knitwear Ltd.	19732895	Inter company Loan	7,039,908	NIL
Shadhin Dyeing Ltd.	91051660	Inter company Loan	6,276,930	NIL
Total				

B. **Payment / Perquisites to Directors:**

The aggregate amounts paid / provided during the year in respect of Directors are disclosed below :

Managerial Remuneration	1,200,000
Board Meeting Fees	120,000

Managerial Remuneration paid to the Directors for their full time services, rendered are :

Mr. MD. AZIZUL ISLAM	**1,200,000**

(a) No compensation was made to the Managing Director of the company except
(b) No amount was spent by the company for compensating any member of the
There is no other related party except as stated in (32.00) above

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Amount in taka	
2021-2022	**2020-2021**

33.00 Key Management Personnel:

Particulars	Amount (Tk)
(a) managerial remuneration paid or payable during the year to the directors,	Nil
(b) expenses reimbursed to Managing Agent	Nil
(c) commission or Remuneration payable separately to a managing agent or his	Nil
(d) commission received or receivable by the managing agent or his associate as	Nil
(e)the money value of the contracts for the sale or purchase of goods and materials	Nil
(f) any other perquisite or benefits in cash or in kind stating, approximate money	Nil
(g) other allowances and commission including guarantee commission	Nil
(h) pensions etc.	Nil
(i) pensions	Nil
(ii) gratuities	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest	Nil
(iv) compensation for loss or office	Nil
(iv) consideration in connection with retirement from office	Nil

34.00 Key Management Personnel Compensation in total and for each of the following categories:

Particulars:
(a) Short - term employee benefits;
(b) Post - employment benefits;
(c) Other long-term benefits
(d) Termination benefits; and
(e) Share -based payment.

35.00 This company not taken any services from the external auditor except statutory audit.

36.00 Number of Employees :
The company paid an aggregate amount more than Taka 8,000 per month to all the 885 employees who

37.00 Events after the Reporting Period :
The Board of Directors in its meeting held on 30 October, 2022 has approved the Financial Statements for the year ended 30 June 2022 and recommended @ 2.00% Dividend i.e. Tk. 0.20/= per share for the year ended to the General Shareholders and Institutions (other than Sponsors/ Direcetors) only subject to all necessary approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Company.

KAZI ZAHIR KHAN & CO Chartered Accountants

ALIF MANUFACTURING COMPANY LIMITED

Bilquis Tower (9th Floor), House # 06, Road # 46
Gulshan Circle- 2, Dhaka – 1212

Revenue Stamp of Tk. 20.00

PROXY FORM

I/We…….of ……..…… ……..being Shareholder(s) of Alif Manufacturing Company Limited hereby appoint Mr./Mrs./Miss ……..of……. ……as my /our proxy to attend company and vote for me/us and on my/our behalf at the 27th Annual General Meeting of the company to be held on 24th December, 2022 at 3:30 pm at under virtual platform through the link (http://alif2022.digitalagmbd.net) and or any adjournment thereof. As witness my/our hand this ……day of ……2022.

Signature of Proxy …….. ……..Signature of Shareholder(s)……..

Register Folio No./B.O. ID No…….

N.B.: Proxy form must be deposited at the registered office of the company at least 48 hours before AGM.

ALIF MANUFACTURING COMPANY LIMITED

Bilquis Tower (9th Floor), House # 06, Road # 46
Gulshan Circle- 2, Dhaka – 1212

ATTENDANCE SLIP

I/We…….. .....hereby record my/our presence at the **27h Annual General Meeting** of **Alif Manufacturing Company Ltd** on 24h December, 2022 at 3:30 pm at under virtual platform through the link (http://alif2022.digitalagmbd.net)

Signature of Shareholder (s)

Folio No./B.O. No……

No. of Share held……...

N.B: Please present the slip at the meeting. Signature of Shareholder(s) must be in accordance with specimen signature kept with the company