

MANAGING PARTNER:
MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS:
ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC

Corporate Address : 142/B, Green Road (3rd & 4th Floor)
Dhaka-1215, Bangladesh.
Registered Address : Rahman Chamber (5th Floor)
12-13, Motijheel Commercial Area, Dhaka-1000. Bangladesh.

Independent Auditor's Report To the Shareholders 'Alif Industries Limited'

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of 'Alif Industries Limited' (the company) which comprise the Statement of Financial Position on 30th June, 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statement.

In our opinion, except for the effects of matters described in the Basis for Qualified Opinion section in our report, the financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of 'Alif Industries Limited' as of 30th June, 2020 and results of its financial performance and its cash flows for the year then ended & comply with the Companies Act 1994, & other applicable laws & regulations.

Basis for Qualified Opinion

The company carried its inventory in the statement of financial position at Tk.199,615,685/-. Management has not stated the inventories at the lower of cost and net realizable value which is a departure from IAS-2 Inventories. If stated at net realizable value the closing inventory value will decrease by Tk.3,332,313 and accordingly cost of sales would have been increased by the same amount. The profit before tax reduced to Tk.47,276,629/- and income tax, net income & shareholders' equity would have been reduced respectively. The Earnings Per Share (EPS) would have been Tk.1.06 instead of Tk.1.02 (as reported by the company).

The company did not follow appropriate guideline for Workers Profit Participation Fund (WPPF) in accordance with Bangladesh Labour Act & Rules-2015. The company did not form a separate account and did not transfer the fund to workers through banking channel within stipulated time. This is a non compliance of section-234 of Bangladesh Labour Act & Rules-2015. In addition, as a 100% export oriented company of RMG sector in Bangladesh, the management did not disclose anything regarding Bangladesh Bank Circular letter No:এফইপিডি(রপ্তানি নীতি)২২০/২০১৬-১৮ in the financial statements either.

In calculating liability for deferred tax (note no: 16), the company include revaluation portion of the fixed assets which is not in line with applicable regulation / accounting standards. This results in overstatement of deferred tax liability.

In addition to these, the company did not applied or provide adequate disclosures for IFRS-9 Financial Instruments (effective date on or after January,2018) & IFRS-16 Leases (effective date on or after January, 2019). The application of mentioned International Financial Reporting Standards as adopted by Bangladesh Financial Reporting Council (FRC), may result significant changes to the financial position & performance of the company.

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 ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significant 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.

1.Revenue Recognition Ref: Note 22.00	
Key audit matters	How our audit address the matter
<p>Export Sales Revenue is recognized for Tk.448,816,487/- for the year ended 30th June, 2020.</p> <p>Revenue recognition have significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p>	<p>-Our procedures included, among others, obtaining an understanding of the project execution processes and relevant controls relating to the accounting for customer contracts.</p> <p>-We tested the completeness of journal entries compared to financial statements and make sure that there are no unusual items.</p> <p>-On sample basis, we tested the export proceed documents and other supporting like bill of lading, bill of export, challan and also check some receivables balances of material figure to match against balance sheet date. We also review the sales contract agreements with different buyer.</p> <p>-We further performed testing for to verify valuation of WIP balances. This included reconciling accounting entries to supporting documentation. When doing this, we specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off.</p> <p>-We verified the adequacy of disclosure made under IFRS-15 Revenue from contracts with Customers.</p>
2. Newly adopted IASs & IFRSs Ref: Note 2.04	
Key audit matters	How our audit address the matter
<p>The company has adopted new financial reporting standards and applied changes in its accounting policy and judgment in the preparation of financial statements for the year under audit.</p> <p>Adoption and application of new reporting standards require careful professional judgment and</p>	<p>- Obtained an understanding from the management regard company policy in adoption of new International Accounting & Financial Reporting Standards.</p> <p>-We reviewed the process followed by the management in adopting and implementing new standards of reporting.</p>



<p>assumption. They have widespread impact on the preparation of the financial statements. Improper application may result in significant deviation among key performance indicators of the company.</p>	<ul style="list-style-type: none"> - Assesses the assumptions made while applying those standards. - Analyze the impact on overall financial results due to adoption of new IFRS. -Carried out recalculation where necessary. - We checked the adequacy and appropriateness of disclosure requirements.
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3. Information Technology System and Control (IT Controls)

Key audit matters	How our audit address the matter
<p>The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Company uses several systems for its overall financial reporting.</p> <p>All insurance companies are highly dependent on technology due to the significant number of transactions that are processed daily. A significant part of the Company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p>	<p>Our audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems.</p> <ul style="list-style-type: none"> -Test the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; -Understand IT application controls covering: <ul style="list-style-type: none"> -user access and roles, segregation of duties; and o key interfaces, reports, reconciliations and system processing; -Test the IT application controls for design and operating effectiveness for the audit period -Sample testing of key control over IT systems having impact on financial accounting and reporting; -Assessed the IT system processes for effectiveness of some of the key controls with respect to financial accounting and reporting records by sample testing; and -Reviewed the report of independent information system auditors which has further confirmed the various system control measures adopted by the Company.

Other Information

Another independent auditor has expressed an unmodified opinion on the financial statements of the Company for the year ended 30 June, 2019 with an emphasis of matter paragraph regarding disclosure for IAS-12 & lack of provision for Workers Profit Participation Fund (WPPF).The auditor also cast doubt on the going concern status of the Company through addition of a separate paragraph relating to going concern.



The company filed an application (ref-company matter no; 42 of 2021) under section 81(2) read with 85(3) and 396 of Companies Act, 1994 to Honorable High Court to call and hold pending Annual General Meeting of the Company for the year ended 30 June, 2020. The court had given permission to call and hold the AGM for the year ended 30 June, 2020 through a court order signed on 17 October, 2021. As per the court order the company shall hold the pending AGM within 08(eight) weeks from the date of the court order.

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view 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 judgment and maintain professional skepticism throughout the audit. We also:

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

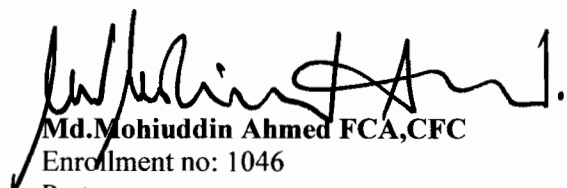
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 statement 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.

Place:Dhaka
Date:08 November, 2021


Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2111091046AS825952



ALIF INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020


Particulars	Notes	Amount in (Taka)	
		30.06.2020	30.06.2019
ASSETS:			
I. Non-Current Assets			
Property, Plant and Equipments	5.00	327,686,977	333,668,690
Advances , Deposits & Pre-payments	6.00	2,515,141	2,515,141
		330,202,118	336,183,831
II. Current Assets:			
Inventories	7.00	199,615,685	178,045,882
Trade Receivable	8.00	470,358,257	470,188,343
Export Incentive Receivable	9.00	1,554,626	1,554,626
Income Tax deducted at Source	10.00	13,672,648	12,139,868
Cash & Cash Equivalents	11.00	39,885,952	86,880,142
		725,087,168	748,808,861
Total		1,055,289,286	1,084,992,690
EQUITY AND LIABILITIES			
III. Shareholders' Equity			
Share Capital	12.00	442,516,690	413,567,000
Retained Earnings	13.00	184,747,733	178,297,196
Tax Holiday Reserve	14.00	2,481,728	2,481,728
Revaluation Reserve	15.00	264,462,300	267,116,062
		894,208,451	861,461,986
IV. Non-Current Liabilities			
Deferred Tax Liability	16.00	22,475,467	22,943,778
		22,475,467	22,943,778
V. Current Liabilities			
Accrued Expenses	17.00	5,319,859	5,238,265
Liabilities for Goods & Other Payables	18.00	984,630	77,239,008
Provision for WPPF	19.00	5,297,187	2,633,558
Dividend Payable	20.00	41,376,901	35,773,080
Provision for Income Tax	21.00	85,626,792	79,703,015
		138,605,368	200,586,926
Total		1,055,289,286	1,084,992,690
Net Asset Value (NAV) per Share	27.00	20.21	19.47

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

 Chairman
 Managing Director
 Director
 Company Secretary
 Chief Financial Officer

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Place: Dhaka
Date: 08 November, 2021


 Md. Mohiuddin Ahmed FCA, CFC
 Enrollment No: 1046
 Partner
 Ashraf Uddin & Co.
 Chartered Accountants
 DVC: 2111091046AS825952



ALIF INDUSTRIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

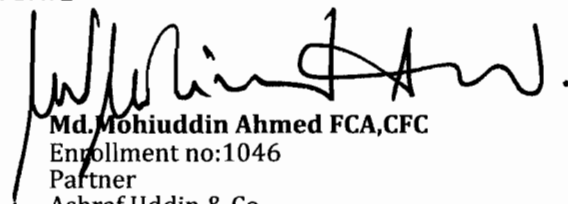
Particulars	Notes	Amount in (Taka)	
		2019-2020	2018-2019
Turnover	22.00	448,816,487	648,101,697
Less: Cost of Sales	23.00	393,755,208	516,442,039
Gross Profit		55,061,279	131,659,658
Less: Operating Expenses		5,573,165	9,287,911
Administrative Selling & Distribution Expense	24.00	5,573,165	9,287,911
Operating Profit		49,488,114	122,371,747
Add: Non Operating Income	25.00	3,784,456	6,488,645
Profit Before Financial Charges & Taxes		53,272,570	128,860,392
Less: Financial Charges	26.00	-	197,312
Less: Workers Profit Participation Fund (WPPF)		2,663,629	-
Profit Before Tax		50,608,942	128,663,080
Less: Income Tax Expense		5,455,467	15,341,905
Current Tax	21.00	5,923,778	15,030,394
Deferred Tax Expense/(Income)	16.00	(468,311)	311,511
Profit After Tax		45,153,475	113,321,175
Other Comprehensive Income:			
Total Comprehensive Income for the year		45,153,475	113,321,175
Earnings Per Share (EPS)	28.00	1.02	2.56

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

 Chairman
 Managing Director
 Director
 Company Secretary
 Chief Financial Officer

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Place: Dhaka
Date: 08 November, 2021


 Md. Mohiuddin Ahmed FCA, CFC
 Enrollment no: 1046
 Partner
 Ashraf Uddin & Co.
 Chartered Accountants
 DVC: 2111091046AS825952



ALIF INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

Amount in BDT

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2019	413,567,000	2,481,728	267,116,062	178,297,196	861,461,986
Profit after tax for the year	-	-	-	45,153,475	45,153,475
Stock Dividend @7% for the year 2018-19	28,949,690	-	-	(28,949,690)	-
Cash Dividend @3% for the year 2018-19	-	-	-	(12,407,010)	(12,407,010)
Revaluation Reserve	-	-	-	-	-
Transfer to retained earnings for additional depreciation	-	-	(2,653,762)	2,653,762	-
Adjustment for deferred tax	-	-	-	-	-
Balance as on 30.06.2019	442,516,690	2,481,728	264,462,300	184,747,733	894,208,451

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2018	375,970,000	2,481,728	269,769,824	193,443,448	841,665,000
Profit after tax for the year	-	-	-	113,321,175	113,321,175
Stock Dividend @10% for the year 2017-18	37,597,000	-	-	(37,597,000)	-
Cash Dividend @25% for the year 2017-18	-	-	-	(93,992,500)	(93,992,500)
Revaluation Reserve	-	-	-	-	-
Transfer to retained earnings for additional depreciation	-	-	(3,122,073)	3,122,073	-
Adjustment for deferred tax	-	-	468,311	-	468,311
Balance as on 30.06.2019	413,567,000	2,481,728	267,116,062	178,297,196	861,461,986


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Place:Dhaka

Date:08 November, 2021



ALIF INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Notes	Amount in (Taka)	
		30.06.2020	30.06.2019
A. Cash Flows from Operating Activities			
Receipts:			
Cash Collection from Sales		379,298,685	585,914,635
Cash Collection from Other Sources		71,599,564	23,451,163
Cash Received from Export Incentives		-	-
Total Receipts		450,898,249	609,365,798
Payments:			
Payment to Suppliers		(430,277,604)	(461,687,205)
Payment to other Operating Expenses		(59,278,866)	(73,370,648)
Payment to Financial Charges		-	(197,312)
Advanced Income Tax paid		(1,532,780)	(3,495,727)
Total Payments		(491,089,250)	(538,750,892)
Net Cash flows from Operating Activities		(40,191,001)	70,614,906
B. Cash Flows from Investing Activities			
Payment of Dividend		(6,803,189)	-
Acquisition of Fixed Assets		-	-
Net Cash Flows from Investing Activities		(6,803,189)	-
C. Cash Flows from Financing Activities			
Payment of Dividend (Declared 2016-2017)		-	(62,772,109)
Net Cash Flows from Financing Activities		-	(62,772,109)
Net Cash Inflow for the year		(46,994,190)	7,842,797
D. Opening balance of cash & cash equivalents		86,880,142	79,037,344
E. Closing balance of cash & cash equivalents		39,885,952	86,880,141
Net Operating Cash flow Per Share (NOCFPS)	29.00	(0.91)	1.60

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

 Chairman
 Managing Director
 Director
 Company Secretary
 Chief Financial Officer

Place: Dhaka
Date: 08 November, 2021



ALIF INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2020

01.00 BACKGROUND AND ACTIVITIES OF THE COMPANY:

01.01 Background of the Company:

The company was incorporated as a Private Limited Company vide registration No. C-22524(932)/92 dated August 02, 1992 under the Companies Act, 1913. It was converted into a 'Public Limited Company' in 1995. The Company went for Initial Public Offering (IPO) in September 1995, and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in December 1995. The company changed its name from "Sajib Knitwear and Garments Limited" to "Alif Industries Limited" in March 2015. Currently company's share are listed in main platform of both DSE and CSE.

01.02 Address of the Registered and Corporate Office:

The registered office and corporate office of the company is located at Bilquis Tower (9th floor), House # 06, Road # 46, Gulshan Circle-2, Dhaka-1212

01.03 Nature of Business Activities:

The Principal activities of the company are to carry on the business of 100% export oriented knit garments.

01.04 Production Unit:

Production unit of the company is situated at 05 Tatki, Rupganj, Narayanganj.

02.00 SIGNIFICANT ACCOUNTING POLICIES:

02.01 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, International Accounting Standards (IASs) and International Financial Reporting Standard (IFRSs) as applicable to the company. The Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income have been prepared according to IAS I 'Presentation of Financial Statements' based on accrual basis of accounting and going concern assumption. Statement of Cash Flows of the company has been prepared under direct method in accordance with IAS 7: Statement of Cash Flows.

02.01. (a) Going Concern

The company has adequate resources to continue in operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. For this reason the directors continue to adopt going concern basis in preparing the Financial Statement.

02.02 Basis of Measurement:

These financial statements have been prepared on historical cost basis except for the following items in the statement of financial position:

- (a) Land and land development is measured at revalued amount.
- (b) Building & other civil work is initially measured at cost and subsequently at revalued amount less accumulated depreciation.
- (c) Additions to property, plant & equipment after the date of revaluation is measured at cost.



02.03 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 and IFRSs.

02.04 Application of accounting Standards:

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

IAS 01 Presentation of Financial Statements
IAS 02 Inventories
IAS 07 Statement of Cash Flows
IAS 08 Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10 Events after the Reporting Period
IAS 12 Income Taxes
IAS 16 Property, plant and Equipment
IAS 19 Employee Benefits
IAS 21 The Effects of Changes in Foreign Exchange Rates
IAS 23 Borrowing Costs
IAS 24 Related party Disclosures
IAS 33 Earnings Per Share
IAS 36 Impairment of Assets
IAS 39 Financial Instruments: Recognition and Measurement
IFRS 7 Financial Instruments: Disclosure
IFRS 8 Operating Segments
IFRS 15 Revenue from Contracts with Customers

The other related IFRSs are also complied for the preparation of these financial statements.

02.05 Valuation of Inventories:

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

<u>Category of Stocks</u>	<u>Basis of Valuation</u>
Raw Materials, Packing Materials and work in Process	: Weighted Average Cost
Finished Goods	: At lower of cost and net realizable value
Store Items	: Weighted Average Cost

Costs of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The management conducted annual physical verification of inventories on the closing date of business as on June 30, 2020 and made valuation thereof on the basis stated above.

02.06 Statement of Cash Flows:

Statement of Cash Flow is prepared principally in accordance with IAS 7: 'Statement of Cash Flows' and the cash flows from operating activities have been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987 and Considering the para 19 of IAS 7 that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".



02.07 Use of estimates and judgments:

The preparation of financial statements requires management to make and apply consistent judgments, estimates and assumptions for records and balances that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

02.08 Events after the Reporting Period:

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

02.09 Income Tax:

Current Tax:

Current income tax is provided on the taxable income for the year. During the year provision for taxation has been made at 12% as per Finance Act, 2018 and the Income Tax Ordinance, 1984 on the taxable income made by the company.

Deferred Tax:

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date. The company has recognized Deferred Tax as per provision of IAS-12: Income Taxes

02.10 Property, Plant and Equipment:

Property plant and equipment are shown at cost/revalued amount less accumulated depreciation. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All repairs and maintenance expenses are charged to the Statement of Profit or Loss and other Comprehensive Income during the year when these are incurred.

Revaluation of Property, Plant & Equipment (PPE)

PPE have been revalued in accordance with IAS: 16 Property, Plant & Equipment.

- i) Effective date of revaluation to the financial Statements 31 December 2016.
- ii) Land & Land Developments and Buildings & other civil works has been revalued by an independent valuer, Ata Khan & CO. Chartered Accountants.
- iii) Initial revaluation surplus of Tk. 297,882,901 has been transferred to Revaluation Reserve deducting deferred tax therefrom and distribution of such surplus to the shareholders is restricted.

02.11 Depreciation of property, plant and equipment

Depreciation on all property, plant and equipment other than land and land development has been charged on Straight-line method considering the economic and useful lives of such assets. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated depreciation rates are as follows:



Category of Fixed Assets	Rate%
Factory Building and civil Constructions	2.5
Plant and Machinery	5.0
Electrical Installation	5.0
Furniture & Fixture	5.0
Transport and Vehicles	7.5
Office Decoration	10.0
Computer	15.0

02.12 Revenue Recognition:

As per IFRS-15: "Revenue from contracts from customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

- i) The parties to the contract have approved the contract (in writing, orally, or in accordance with other customary business practices) and are committed to perform their respective obligations,
- ii) The entity can identify each party's right regarding the goods or services to be transformed
- iii) The entity can identify the payment terms for the goods or services to be transferred
- iv) The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flow is expected to change as a result of the contract; and
- v) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

02.13 Employee Benefits (IAS 19):

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include short-term employee benefits such as maternity leave allowance, medical service, day care center etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

02.14 The Effects of Changes in Foreign Exchange Rates:

The financial statements are presented in Taka/Tk., which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 30 June 2020 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the statement of financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in statement of profit or loss and other comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

02.15 Borrowing Costs:

Borrowing costs/Financial expenses comprise of interest expense on long term loan, short term loan, finance lease, L/C commission, bank charges etc. All such costs are recognized in the statement of profit or loss and other comprehensive income except those are capitalized in accordance with IAS-23: Borrowing Costs.



02.16 Related Party Disclosures:

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. During the year the company did not have any transactions with related party other than payment to directors disclosed in note # 32 B to the financial statements.

The company did not made any transaction covered by IAS-24 Related Party Disclosures other than director's remuneration shown in administrative expense (note:24).

02.17 Earnings per Share:

The company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no dilutive potential ordinary shares during the year.

02.18 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 asset's recoverable amount is estimated and impairment losses are recognized in profit or loss account. No such indication of impairment has been observed till to date.

02.19 Provisions:

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

- When the company has a present obligation (legal or constructive) as a result of past events;
- 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

02.20 Contingent liabilities and assets

Contingent liability:

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the company; or
- b) a present obligation arising from past events but not recognized because:
 - i) an outflow of resources to settle the obligation is not probable; or
 - ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the company. During the year there were no such assets or liabilities of the company.

2.21 Financial Instruments:

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



Derivative:

According to IFRS 7: " Financial Instruments: Disclosures", the Company was not a Party to any derivative contract (financial instruments) at the financial statement date, such as forward contracts, future contracts to hedge risks arising from borrowings, future purchase, etc.

Non-Derivative:

Non-derivative financial instruments comprise of trade and other receivables, borrowings and other payables and are shown at transaction cost as per IAS 39 "Financial Instruments: Recognition and Measurement".

02.22 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.

02.23 Trade Receivable

Trade receivable from foreign currency transactions are recognized into Bangladeshi Taka using exchange rates prevailing on the closing date of the accounts in accordance with IAS-21: The Effects of Changes in Foreign Exchange Rates. Uncollectible receivables are charged to statement of profit or loss and comprehensive income as bad debts.

02.24 Trade and Other Payable:

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

02.25 Segment Reporting

No segmental reporting is applicable for the company as required by IFRS 8: "Segment Reporting" as the company operates in a single industry segment and within a single operational unit.

03.00 COMPLIANCE AND OTHERS:

03.01 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.

03.02 Compliance with International Accounting Standards (IAS)

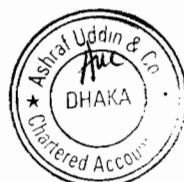
The Financial Statements have been prepared in compliance with requirements of Bangladesh Accounting Standards (IASs) and Bangladesh Financial Reporting Standards (IFRSs).

03.03 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 where indicated otherwise.

04.00 Reporting period:

The Financial year of the company covers one (1) year from 1st July 2019 to 30th June 2020 consistently.



Notes	Particulars	Amount in (Taka)	
		2019-2020	2018-2019
5.00	Property, Plant & Equipment		
	Land & Land Development	180,000,000	180,000,000
	Building & Other Civil Works	140,460,829	145,375,907
	Electrical Installation	7,226,148	7,912,913
	Furniture & Fixture	-	164,453
	Office Decoration	-	215,417
	Computer	-	-
	Total	327,686,977	333,668,690

Details of property, plant and equipment have been shown in annexure A/1.

6.00 Advances , Deposits & Pre-payments

Advance		
Deposit to DESA	175,540	175,540
Deposit to Titas Gas	1,474,812	1,474,812
Deposit to T&T	80,140	80,140
Deposit to CDBL	300,000	300,000
Marginal Deposit	426,053	426,053
Advance against Office Rent	58,596	58,596
Total	2,515,141	2,515,141

7.00 Inventories

Raw Materials-Fabrics (Yards)	75,447,475	69,538,872
Raw Materials-Yarn (Kg)	18,844,800	
Raw Materials-Accessories	14,016,100	11,192,120
Packing Materials	1,982,425	1,469,655
Spare Parts	721,885	510,180
Work in Process (Yards)	29,545,000	39,877,415
Finished Goods (Pcs)	59,058,000	55,457,640
Total	199,615,685	178,045,882

8.00 Trade Receivable

This represents invoice value of goods delivered to customer. This is considered good and collectible

Trade Receivable Beginning	470,188,343	424,963,799
Add: Sales during the year	379,468,599	629,900,255
Less: Realized	379,298,685	584,675,711
Total	470,358,257	470,188,343

The aging of trade receivables are as follows

Below 60 Days	148,397,820	138,609,165
Within 61-120 Days	104,387,927	107,764,574
Within 121-180 Days	157,688,950	185,422,029
Over 180 Days	59,883,560	38,392,575
Total	470,358,257	470,188,343



No.	Particulars	Amount in (Taka)	
		2019-2020	2018-2019

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.	470,358,257	470,188,343
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	-	-
The maximum amount of receivable due by any director or other officer of the company.	-	-
Total	470,358,257	470,188,343

9.00 Export Incentive Receivable

This receivables arise due to cash incentive on export.

Beginning Balance	1,554,626	1,554,626
Add: Export Incentive claimed during the year	-	-
Less: Realized	-	-
Total	1,554,626	1,554,626

10.00 Income Tax deducted at Source

Opening Balance	12,139,868	8,644,141
Addition During the year	1,532,780	3,495,727
Less: Adjustments	-	-
Total	13,672,648	12,139,868

11.00 Cash & Cash Equivalents

Cash in Hand (11.01)	7,572,298	2,014,286
Cash at Bank (11.02)	32,313,654	84,865,856
Total	39,885,952	86,880,142

11.01 Cash in Hand

Cash in Hand	7,572,298	2,014,286
	7,572,298	2,014,286

balance confirmation certificate has confirmed the above

11.02 Cash at Bank

EXIM Bank A/C No. 3511100085318	60,162	100,422.36
EXIM Bank A/C No. 03919500173701	697,874	84,753,849
EXIM Bank A/C No. 03919500014491	31,544,276	-
EXIM Bank A/C No. 03913100296723	11,342	11,584.71
Total Taka	32,313,654	84,865,856



No.	Particulars	Amount in (Taka)	
		2019-2020	2018-2019

12.00 Share Capital

i Authorized Capital

150,000,000 ordinary Shares @ Tk 10 each. **1,500,000,000** **1,500,000,000**

ii Issued, Subscribed and Paid-up Capital

41,356,700 Ordinary Shares @ Tk 10 each. 413,567,000 375,970,000
 2,894,969 Ordinary Shares @ Tk 10 each. 28,949,690 37,597,000

442,516,690 **413,567,000**

iii Detail Break up of issued, Subscribed and Paid-up Share Capital

Ordinary Shares	20,500,000	20,500,000
Stock Dividend @12% in 2015	2,460,000	2,460,000
Stock Dividend @31% in 2016	7,117,600	7,117,600
Stock Dividend @25% in 2017	7,519,400	7,519,400
Stock Dividend @10% in 2018	3,759,700	3,759,700
Stock Dividend @7% in 2019	2,894,969	-
Total Shares	44,251,669	41,356,700

iv

Share Holding Patterns	As on 30 June, 2020		As on 30 June, 2019	
	No of Shares	%	No of Shares	%
Sponsor/ Directors	14,758,705	33.35%	14,933,016	36.11%
Institutions	4,664,125	10.54%	4,809,784	11.63%
General Public and Others	24,828,839	56.11%	21,613,900	52.26%
Total Shares	44,251,669	100%	41,356,700	100%

v The Share holding position of the company are as follows:

Particulars	As on 30 June, 2020		As on 30 June, 2019	
	No of Shares	TK	No of Shares	TK
MD. AZIZUL ISLAM	1,566,879	15,668,790	1,575,588	15,755,880
MD. AZIMUL ISLAM	11,337,846	113,378,460	11,624,734	116,247,340
LUBNA ISLAM	922,441	9,224,410	862,096	8,620,960
M/S ALIF APPARELS LTD	931,539	9,315,390	870,598	8,705,980
INSTITUTIONS	4,664,125	46,641,250	4,874,784	48,747,840
GENERAL PUBLIC	24,828,839	248,288,390	21,548,900	215,489,000
Total	44,251,669	442,516,690	41,356,700	413,567,000



vi Classification of Shares by holding as on 30.06.2020

Slabs by No of Shares	As on 30 June, 2020		As on 30 June, 2019	
	No of Share Holders	Shareholder %	No of Share Holders	No of Share Holders
Less than 500 Shares	2,544	36.72%	4,318	26.95%
500 to 5,000 Shares	3,296	47.57%	2,588	16.15%
5,001 to 10,000 Shares	528	7.62%	3,534	22.05%
10,001 to 20,000 Shares	308	4.45%	2,512	15.68%
20,001 to 30,000 Shares	98	1.41%	2,215	13.82%
30,001 to 40,000 Shares	45	0.65%	267	1.67%
40,001 to 50,000 Shares	30	0.43%	570	3.56%
50,001 to 100,000 Shares	41	0.59%	18	0.11%
100,001 to 1,000,000 Shares	33	0.48%	2	0.01%
Over 1,000,000 Shares	6	0.09%	1	0.01%
Total	6,929	100%	16,025	100%

Notes	Particulars	Amount in (Taka)	
		2019-2020	2018-2019

13.00 Retained Earnings

Retained Earning Beginning	178,297,196	193,443,448
Add: Profit after tax for the year	45,153,475	113,321,175
Less: Stock Dividend	(28,949,690)	(37,597,000)
Less: Cash Dividend	(12,407,010)	(93,992,500)
Transfer from revaluation reserve for additional depreciation	2,653,762	3,122,073

Total

184,747,733	178,297,196
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14.00 Tax Holiday Reserve

This amount is made up as per the last years account.
Tax Holiday Reserve

2,481,728	2,481,728
2,481,728	2,481,728

15.00 Revaluation Reserve

Land & land Development	173,000,000	173,000,000
Factory Building	124,882,901	124,882,901
Transfer to retained earnings for additional depreciation	(10,927,254)	(7,805,181)
Adjustment for deferred tax	(22,493,347)	(22,961,658)
	264,462,300	267,116,062

Particulars	Book Value as on 31.12.2016	Repalcement Value as on 31.12.2016	Repalcement Value
Land & land Development	7,000,000	180,000,000	173,000,000
Factory Building	32,780,699	157,663,600	124,882,901
Total	39,780,699	337,663,600	297,882,901



No.	Particulars	Amount in (Taka)	
		2019-2020	2018-2019
16.00	Deferred Tax Liability/(Asset)		
	A. Temporary difference:		
	Written down value of PPE	40,731,330	43,590,970
	Tax base value of PPE	(39,518,613)	(46,321,065)
	Taxable temporary difference	1,212,717	(2,730,095)
	Income Tax rate	12%	12%
	Deferred Tax Liability/(Asset)	145,526	(327,611)
	Add: Foreign currency translation gain/(loss)	-	309,731
	Deferred Tax Liability/(Asset)	145,526	(17,880)
	Opening Deferred Tax Liability	(17,880)	(329,390)
	Deferred Tax Expense/(Income)	163,406	311,510
	B. Revaluation:		
	Carrying value of land	180,000,000	180,000,000
	Other than Land	113,955,647	117,077,720
	Tax rate:		
	Land	3%	3%
	Other than Land	15%	15%
	Closing Deferred Tax Liability:	22,493,347	22,961,658
	Land	5,400,000	5,400,000
	Other than Land	17,093,347	17,561,658
	Less: Opening Deferred Tax Liability:	22,961,658	23,429,969
	Land	5,400,000	5,400,000
	Other than Land	17,561,658	18,029,969
	D. Tax asset / liability:		
	Deferred Tax Expense/(Income)	(468,311)	(468,311)
	Closing Deferred Tax Liability (A+B)	22,475,467	22,943,778
17.00	Accrued Expenses		
	Listing Fees	468,214	299,797
	Salaries & Wages	4,257,472	4,476,658
	Utility Bill	214,172	67,631
	CDBL Fees	130,000	144,179
	Audit Fees	250,000	250,000
	Total	5,319,858	5,238,265



Notes No.	Particulars	Amount in (Taka)	
		2019-2020	2018-2019

18.00 Liabilities for Goods

Liabilities for Goods	984,630	77,239,008
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The break down is given as below:

Fabrics/yarns	984,630	77,239,008
Packign Materials	-	-
Accessories	-	-
Total	984,630	77,239,008

19.00 Provision for WPPF

Beginning Balance	2,633,558	2,633,558
Provision made during the year	2,663,629	-
Total	5,297,187	2,633,558

Reason for not providing provision for WPPF in the Audited Accounts:

Alif Industries Limited is a 100% export orientedt garments manufacturer and member of The Bangladesh Garment Manufacturers and Exporters Association (BGMEA). As per Sub-Section 3 of Section 232 of Bangladesh Labor Act 2006 re-placed by the Act No 30, Para 63 of the year 2013 as follows:

"in case of a 100% export-oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector-based central fund comprising of buyers and owners, form a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector."

For the above reason management didn't start making provision for WPPF because of not yet forming Board for fund raise and utilization by the government. The board shall format the rules of determination of subscription, procedure of collection and utilization of fund. Alif Industries Limited is a 100% export oriented company also the member of BGMEA, that's why in the audited financial statements did not recognize WPPF.

20.00 Dividend Payable

Opening Balance	35,773,080	4,552,689
Add: Dividend declared in 2017-18	-	93,992,500
Add: Dividend declared in 2018-19	12,407,010	-
Diivdend paid during the year	6,803,189	62,772,109
Closing Balance	41,376,901	35,773,080

21.00 Provision for Income Tax

Beginning Balance	79,703,014	64,672,620
Provision for the year	5,923,778	15,030,394
Total	85,626,792	79,703,014
Payment made during the year	-	-
Total	85,626,792	79,703,014



No.	Particulars	Amount in (Taka)	
		2019-2020	2018-2019

22.00 Turnover

Export Sales	379,468,599	629,900,255
Subcontract Bill	69,347,888	18,201,442
Export Incentives	-	-
Total	448,816,487	648,101,697

23.00 Cost of Goods Sold

i Raw Materials Consumed

Beginning Raw Materials	80,730,990	71,815,427
Add: Purchase of Raw Materials	320,777,894	446,808,609
Less: Closing Stock	108,308,375	80,730,992
Total	293,200,509	437,893,044

The breakdown of Raw Materials Consumptions are given as below:

a	Particulars	30-06-2020		30-06-2019	
		QTY (Yards)	TK	QTY (Yards)	TK
a Yarn					
	Opening Balance	-	-	-	-
	Add: Purchase during the year		180,178,300	-	-
	Less: Closing Balance		18,844,800	-	-
	Sub Total (Yarn consumption)	-	161,333,500	-	-
a Fabrics					
	Opening Balance	1,146,582	69,538,872	995,973	57,766,415
	Add: Purchase during the year		129,357,583	7,208,132	425,403,770
	Less: Closing Balance		75,447,475	1,146,582	69,538,872
	Sub Total (Fabrics Consumption)	1,146,582	123,448,980	7,057,523	413,631,313
b	Accessories (Various Type)				
	Opening Balance	Various Type	11,192,120	Various Type	14,049,012
	Add: Purchase during the year	Various Type	11,242,011	Various Type	21,404,839
	Less: Closing Balance	Various Type	14,016,100	Various Type	11,192,120
	Sub Total (Accessoris Consumptions)		8,418,031		24,261,731
	Raw Material Consumption		293,200,509		437,893,044
	(Grand Total)		293,200,509		437,893,044



ii Packing Materials Consumed

Particular	30-06-2020		30-06-2019	
	QTY (Yards)	TK	QTY (Yards)	TK
Beginning Balance	Various Type	1,469,655	Various Type	1,870,418
Add: Purchase	Various Type	22,580,980	Various Type	22,718,500
Less: Closing Stock	Various Type	1,982,425	Various Type	1,469,655
		22,068,210		23,119,263

iii Store & Spares Consumed

Particular	30-06-2020		30-06-2019	
	QTY (Yards)	TK	QTY (Yards)	TK
Beginning Balance	Various Type	510,180	Various Type	91,635
Add: Purchase	Various Type	1,768,090	Various Type	1,315,000
Less: Closing Stock	Various Type	721,885	Various Type	510,180
		1,556,385		896,455

Notes	Particulars	Amount in (Taka)	
		2019-2020	2018-2019

iv Factory Overhead

Salary, Wages & Overtime	46,678,605	62,165,331
Eid Bonus	979,456	
Tiffin Bill	265,000	88,971
Entertainment	750,000	88,900
Electricity Bill	1,473,494	1,513,490
Depreciation	5,682,627	5,876,530
Dyeing Charges	2,977,998	
Knitting Charges	7,189,221	
Heat Setting	261,823	
Fire Extinguisher & Compliance	40,000	57,000
Repair & Maintainance	1,160,000	800,580
Freight & Carrying Exp	2,739,825	3,647,180
Total	70,198,049	74,237,982

v Work In Process

Opening Work In Process	39,877,415	34,157,985
Closing Work In Process	29,545,000	39,877,415
Total	10,332,415	(5,719,430)

vi Cost of Sales

Beginning Finished Goods	55,457,640	41,472,365
Cost of Goods Manufactured	397,355,568	530,427,314
Closing Finished Goods	59,058,000	55,457,640
Total	393,755,208	516,442,039



24.00 Administrative Expense

Salary & Allowances	819,000	1,719,800
AGM Expense	595,000	600,000
Director's Remuneration	900,000	900,000
Board Meeting Fees	112,000	115,000
Printing & Stationary	415,000	332,718
Travelling & Conveyance	117,500	141,799
Office Expense	517,800	585,580
Customs and Bonds	275,000	380,000
EPB	4,500	3,000
CDBL fees	130,000	250,179
Listing fees	168,417	297,428
Telephone Bill	12,000	8,950
Electricity Bill	12,000	15,600
Wasa Bill	18,000	18,000
Office Rent	300,000	300,000
Entertainment Expense	40,000	36,176
Misc Exp	515,000	949,228
Rjsc fees		1,797,662
Audit Fees	250,000	287,500
Car Expense	45,000	-
Telex & Fax Charges		-
Depreciation	299,086	309,291
Bank Charges	3,862	
Internet Expense	24,000	240,000
Total	5,573,165	9,287,911

25.00 Non Operating Income

Wastage Sales	3,784,456	5,243,195
Interest Income	-	6,526
Foreign currency translation gain/(loss)	-	1,238,924
Total	3,784,456	6,488,645

26.00 Financial Charges

This is made up as follows:

Interest Expenses	-	791,942
Bank Charges and Commission	-	225,705
L/C Expenses	-	7,549
	-	1,025,196

27.00 Net Asset Value per Share

The calculation is as follows:

Paid-Up Capital	Note 12.00	442,516,690	413,567,000
Tax Holiday Reserve	Note 14.00	2,481,728	2,481,728
Revaluation Reserve	Note 15.00	264,462,300	267,116,062
Retained Earnings	Note 13.00	184,747,733	178,297,196
Total Net Asset Value		894,208,451	861,461,986
No of shares applied to calculate Net Asset Value per Share		44,251,669	44,251,669
Net Asset Value (NAV) Per Share		20.21	19.47



No.	Particulars	Amount in (Taka)	
		2019-2020	2018-2019
28.00	Earnings Per Share (EPS)		
	The calculation is as follows:		
	Profit After Tax	45,153,475	113,321,175
	No of shares applied to calculate Earning per Share (EPS)	44,251,669	44,251,669
	Earnings Per Share (EPS)	<u>1.02</u>	<u>2.56</u>

Previous year's EPS has been adjusted in accordance with IAS 33: Earnings Per Share.

29.00 Net Operating Cash flow Per Share (NOCFPS)

The calculation is as follows:

Cash Receipts from Operation	450,898,249	609,365,798
Less: Cash used in Opeartion	(491,089,250)	(538,750,892)
Net Cashflow from Operations	<u>(40,191,001)</u>	<u>70,614,906</u>

No of shares applied to calculate Net Operating Cash	44,251,669	44,251,669
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Net Operating Cash flow Per Share (NOCFPS) (0.91) 1.60

(After issuing bonus share NOCFPS adjusted)

30.00 Reconciliation of Profit/Loss before tax to Cash Generated from Operatiobns

Net Profit/(Loss) after WPPF & before Tax	50,608,942	128,663,080
Add: Depreciation	5,981,713	6,185,821
(Increase)/Decrease in Receivable	(169,914)	(45,224,544)
(Increase)/Decrease in Inventory	(21,569,803)	(28,638,051)
Increase/(Decrease) in Incentive Receivable	-	-
Increase/(Decrease) in Liabilities for Goods	(76,254,378)	9,154,904
Increase/(Decrease) in Accrued for Expenses	81,594	3,969,424
Increase/(Decrease) in Dividend Payable	2,663,626	-
AIT at source on export bills realization	(1,532,780)	(3,495,727)
	<u>(40,191,001)</u>	<u>70,614,908</u>

31.00 Related party transactions :

A. The names and nature of the related parties, the nature of these transaction and

Name of the parties	Relationship	Nature of	Value of	Closing Balance
Shadhin Garments Ltd.	Common Management	Trading	758,767,284	470,358,257
Total			758,767,284	470,358,257

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

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

Managerial remuneration

Board Meeting fees	900,000
	112,000

Managerial remuneration paid to the directors for their full time services, rendered are :

Mr. MD. Azimul Islam	900,000
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(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 Board of Directors except as stated in above.

There is no other related party except as stated in (21) above



32.00 This company has not taken any services from the external auditor except

33.00 Capacity utilization :

Particulars	Installed Capacity (Pcs)	Export During the Year (Pcs)
Pcs	10,000,000	4,225,116

34.00 Number of employees :

The company paid an aggregate amount more than Taka 8,000 per month to all the

35.00 Contingent Liability

There is no such liability for which the company is liable as on 30 June 2020

36.00 Capital Expenditure Commitment

No capital expenditure incurred.

37.00 Financial Risk Management Policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative Financial Instruments for speculative or trading purposes.

Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

Foreign Currency Risk

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

Credit Risk

Credit risk is the potential Financial loss resulting from the failure of a customer or counterparty to settle its Financial and contractual obligations to the company as and when they fall due. Management has a credit policy in place and the exposure to Credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of Credit Risk. The maximum exposure to Credit Risk is represented by the carrying amount of each Financial Asset in the Statement of Financial Position. However, due to a large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

Interest Rate Risk Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.



38.00 Event After Reporting Period

Following events occurred since the balance sheet date:

(a) The board of directors recommended 5% cash dividend for general shareholders (29,492,964 Shares @ Tk.10 each, Cash Dividend payable Tk. 14,746,482.00) only at the Board meeting held on 09 November,2021 for the year ended June 30, 2020. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

(b) Except for the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.



ALIF INDUSTRIES LIMITED
Schedule of property, plant and equipment
As at 30 June 2020

Sl. No.	Particulars	Cost			Rate %	Depreciation			Written Down Value as on 06-2020
		Balance as on 06-2019	Addition during the Period	Disposal During the year		Balance as on 06-2020	Charged during the Period	Disposal During the year	
A)	At Cost								
01	Land & Land Development	7,000,000	-	-	0.0%	-	-	-	7,000,000
02	Building & Other Civil Works	71,720,200	-	-	2.5%	43,422,013	1,793,005	45,215,018	26,505,182
03	Machinery	49,022,689	-	-	5.0%	49,022,689	-	49,022,689	-
04	Electrical Installation	13,735,294	-	-	5.0%	5,822,381	686,765	6,509,146	7,226,148
05	Furniture & Fixture	4,703,236	-	-	5.0%	4,538,783	164,453	4,703,236	-
06	Motor Vechiles	1,492,000	-	-	7.5%	1,492,000	-	1,492,000	-
07	Office Decoration	3,389,416	-	-	10.0%	3,173,999	215,417	3,389,416	-
08	Computer	181,500	-	-	15.0%	181,500	-	181,500	-
	Sub Total	151,244,335	-	-		107,653,365	2,859,640	110,513,005	40,731,330
B)	Revaluation Surplus								
01	Land & Land Development	173,000,000	-	-	-	-	-	-	173,000,000
02	Building & Other Civil Works	124,882,901	-	-	2.5%	7,805,181	3,122,073	10,927,254	113,955,647
	Sub Total	297,882,901	-	-		7,805,181	3,122,073	10,927,254	286,955,647
	Balance (A+B) at 30 June 2020	449,127,236	-	-		115,458,546	5,981,713	121,440,259	327,686,977
	Balance as at 30 June 2019	449,127,236	-	-		109,272,726	6,185,821	115,458,547	333,668,689

