

Independent Auditor's Report

Alif Industries Limited

For the Year Ended 30th June, 2022.

MANAGING PARTNER:
MD. ASHRAF UDDIN AHMED
LLB, CFC, FCAPARTNERS:
ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC142/B, Green Road (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.
Rahman Chamber (5th Floor)
12-13, Motijheel Commercial Area, Dhaka. Bangladesh.

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of 'Alif Industries Limited' ('the company') which comprise the Statement of Financial Position on **30th June, 2022** 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, 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, 2022** 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 Opinion

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 23.00	
Key audit matters	How our audit address the matter
Export Sales Revenue is recognized for Tk.601,841,192/- for the period ended 30 June, 2022. 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.	-Our procedures included, among others, obtaining an understanding of the project execution processes and relevant controls relating to the accounting for customer contracts. -We tested the completeness of Journal entries compared to financial statements and make sure that there are no unusual items. -We checked company monthly VAT return and confirmed the amount disclosed as direct export & deemed export.

Under IFRS-15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.	<p>-On sample basis, we tested the export proceed documents and other supporting like bill of lading, bill of export, and also check some receivables balances of material figure to match against balance sheet date.</p> <p>-We confirm cut off by checking pre & post year end revenue receipts / invoices.</p> <p>-We checked bank confirmation for direct export realization and amount of tax deducted at source.</p> <p>-We verified the adequacy of disclosure made under IFRS-15 Revenue from contracts with Customers.</p>
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2. Valuation of Inventory

Ref: Note 7.00

Key audit matters	How our audit address the matter
<p>Closing inventory of Tk. 169,203,396/- represents 19.25 % of current assets and almost 13.80% of total assets. The closing inventory figure have significant impact in determining the cost of goods sold.</p> <p>Inventories are usually carried in financial statements at the lower of cost and net realizable value. Since frequent changes in customer demand is unavoidable in manufacturing industry and a large quantity of raw material is held. As a result, there is risk that the carrying value of inventory exceeds net realizable value.</p>	<p>Our audit approach includes but not limited to the followings:</p> <p>-We gained a clear understanding of recording and valuation methods and operating effectiveness regarding Inventory.</p> <p>-We made sure that closing balances care carried forward correctly and current year purchase amounts are in agreement with ledger balances.</p> <p>-We conducted physical counting and verification of yearend inventory at production premise of the Company & checked the valuation process.</p> <p>-We reviewed the company's policy of accounting for obsolete, damaged & slow moving items along with procedure for disposal.</p> <p>-We have checked the physical safeguard of inventory held at warehouse of the company.</p> <p>- We also reviewed the requisition process of inventory and control on dispatch of items.</p> <p>-We have also considered the adequacy of the company's disclosures in respect of the levels of provisions against inventory.</p>

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

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.

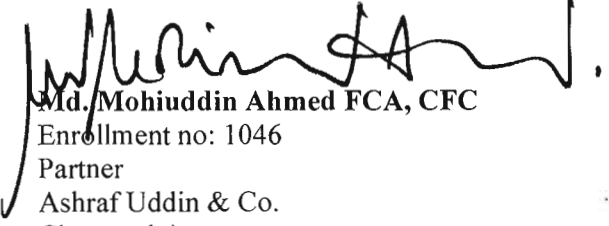
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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: October 30, 2022


Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2210301046AS433987

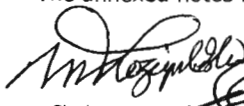
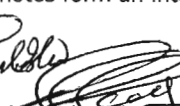
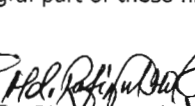
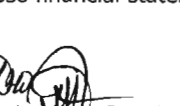


ALIF INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Particulars	Notes	Amount in (Taka)	
		30.06.2022	30.06.2021
ASSETS:			
I. Non-Current Assets		347,706,196	354,747,989
Property, Plant and Equipments	5.00	347,706,196	354,747,989
II. Current Assets:		878,792,605	748,078,224
Advances , Deposits & Pre-payments	6.00	7,833,033	2,515,141
Inventories	7.00	169,203,396	173,803,600
Trade Receivable	8.00	645,981,781	537,726,292
Export Incentive Receivable	9.00	1,554,626	1,554,626
Income Tax deducted at Source	10.00	24,552,189	22,053,251
Cash & Cash Equivalents	11.00	29,667,581	10,425,314
Total		1,226,498,801	1,102,826,213
EQUITY AND LIABILITIES			
III. Shareholders' Equity		982,526,167	958,614,991
Share Capital	12.00	442,516,690	442,516,690
Retained Earnings	13.00	278,841,284	251,808,035
Tax Holiday Reserve	14.00	2,481,728	2,481,728
Revaluation Reserve	15.00	258,686,465	261,808,538
IV. Non-Current Liabilities		2,252,204	1,281,602
Deferred Tax Liability	16.00	2,252,204	1,281,602
V. Current Liabilities		241,720,430	142,929,620
Accrued Expenses	17.00	5,903,326	4,130,686
Short Term Loan	18.00	18,485,828	-
Sundry Creditors	19.00	96,390,588	34,281,340
Provision for WPPF	20.00	5,297,187	5,297,187
Dividend Payable	21.00	13,240,088	4,558,009
Unclaimed / Unpaid Dividend	21.01	-	1,007,387
Provision for Income Tax	22.00	102,403,413	93,655,011
Total		1,226,498,801	1,102,826,213
Net Asset Value (NAV) per Share	28.00	22.20	21.66

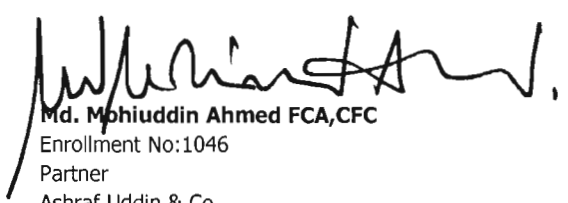
The annexed notes form an integral part of these financial statements.

 Chairman
 Managing Director
 Director
 Company Secretary

 Chief Financial Officer

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Place: Dhaka
Date: October 30, 2022


 Md. Mohiuddin Ahmed FCA,CFC
 Enrollment No:1046
 Partner
 Ashraf Uddin & Co.
 Chartered Accountants
 DVC: 2210301046AS433987


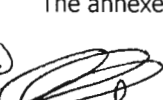
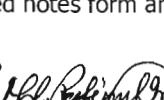

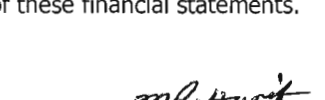


ALIF INDUSTRIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022


Particulars	Notes	Amount in (Taka)	
		2021-2022	2020-2021
Turnover	23.00	601,841,192	555,675,944
Less: Cost of Sales	24.00	519,061,865	499,950,099
Gross Profit		82,779,327	55,725,845
Less: Operating Expenses		5,196,512	4,854,501
Administrative Selling & Distribution Expense	25.00	5,196,512	4,854,501
Operating Profit		77,582,815	50,871,344
Add: Other Income	26.00	640,586	22,508,694
Profit Before Financial Charges & Taxes		78,223,401	73,380,038
Less: Financial Charges	27.00	353,775	114,108
Less: Worker Profit Participation Fund (WPPF)		-	-
Profit Before Tax		77,869,626	73,265,930
Less: Income Tax Expense		9,250,693	9,164,295
Current Tax	22.00	8,748,402	8,028,219
Deferred Tax Expense/(Income)	16.00	502,291	1,136,076
Profit After Tax		68,618,933	64,101,635
Other Comprehensive Income:		-	-
Total Comprehensive Income for the year		68,618,933	64,101,635
Earnings Per Share (EPS)	29.00	1.55	1.45

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: October 30, 2022


Md. Mohiuddin Ahmed FCA,CFC
 Enrollment No:1046
 Partner
 Ashraf Uddin & Co.
 Chartered Accountants
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ALIF INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

Amount in BDT

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2021	442,516,690	2,481,728	261,808,538	251,808,035	958,614,991
Profit after tax for the year	-	-	-	68,618,933	68,618,933
Stock Dividend	-	-	-	-	-
Cash Dividend	-	-	-	(44,239,446)	(44,239,446)
Revaluation Reserve	-	-	-	-	-
Transfer to retained earnings for additional depreciation	-	-	(2,653,762)	2,653,762	-
Adjustment on tax on depreciation of revaluation assets	-	-	(468,311)	-	(468,311)
Balance as on 30.06.2022	442,516,690	2,481,728	258,686,465	278,841,284	982,526,167

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2020	442,516,690	2,481,728	264,462,300	184,747,733	894,208,451
Profit after tax for the year	-	-	-	64,101,635	64,101,635
Stock Dividend	-	-	-	-	-
Cash Dividend	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-
Adjustment on tax on depreciation of revaluation assets	-	-	(2,653,762)	2,653,762	-
Balance as on 30.06.2021	442,516,690	2,481,728	261,808,538	251,808,035	958,614,991


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Place: Dhaka
Date: October 30, 2022




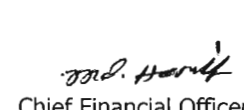


ALIF INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Notes	Amount in (Taka)	
		30.06.2022	30.06.2021
A. Cash Flows from Operating Activities			
Receipts:			
Cash Collection from Sales		493,738,032	486,604,105
Cash Collection from Other Sources		640,586	1,729,468
Total Receipts		494,378,618	488,333,573
Payments:			
Payment to Suppliers		(387,103,468)	(415,565,290)
Payment to Other Operating Expenses		(61,690,083)	(56,922,044)
RMG Central Fund		(152,329)	(10,317)
Advanced Income Tax paid		(2,498,938)	(15,226,986)
Total Payments		(451,444,818)	(487,724,637)
Net Cash flows from Operating Activities		42,933,800	608,936
B. Cash Flows from Investing Activities			
Acquisition of Fixed Assets		(294,715)	(101,455)
Net Cash Flows from Investing Activities		(294,715)	(101,455)
C. Cash Flows from Financing Activities			
Payment of Dividend		(35,557,367)	(29,968,119)
Payment of Unclaimed Dividend		(1,007,387)	-
Marginal Deposit		(2,317,892)	-
AIL Convertible Bond		(3,000,000)	-
Short Term Loan		18,485,828	-
Net Cash Flows from Financing Activities		(23,396,818)	(29,968,119)
Net Cash Inflow for the year		19,242,267	(29,460,638)
D. Opening balance of cash & cash equivalents		10,425,314	39,885,952
E. Closing balance of cash & cash equivalents		29,667,581	10,425,314
Net Operating Cash flow Per Share (NOCFPS)	30.00	0.97	0.014

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

 Chairman
 Managing Director
 Director
 Company Secretary
 Chief Financial Officer

Place: Dhaka
Date: October 30, 2022



ALIF INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

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 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases

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

02.05 Valuation of Inventories:

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realizable value as per IAS 2: Inventory. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete, and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value as the board approve from time to time. 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.

Category of Stocks	Basis of valuation
Raw Material	At lower of cost or net realizable value
Finished Goods:	At lower of cost or net realizable value
Goods in Transit	At lower of cost or net realizable value
WIP	At lower of cost or net realizable value

Impairment of Inventories

Impairment of inventory is made as and when inventory became obsolete or unusable or for slow moving items for which the management of the company is giving decisions from time to time. Based on sales cycle of slow-moving items, the sales prices of the products may decrease over time. The management of the Company reviews the carrying amounts of its inventory (Balance Sheet Date) to determine whether there is any indication of impairment in accordance with IAS-2: 'Inventories'.



When the sales price moves below the inventory cost prices, the loss on sales is recognized immediately in the Financial Statements. However, there was no indication of impairment of inventory during the year; and as such, no adjustment was given in the Financial Statements for impairment.

The company conducted yearend inventory count held at 30/06/2022 as per accepted guideline set by management. A management expert team consisting of members with adequate knowledge & expertise was engaged in counting and valuation of inventory. The breakdown of the components of inventory is disclosed in note no 7:00. As per accepted practice within the industry, management has made adequate declaration regarding the value & quantity of inventory as at 30/06/2022.

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 transferred
- 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 2021 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 large number of transactions with related party other than payment to directors disclosed in note # 31 B to the financial statements.

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 was 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.



02.26 Leases

An entity shall assess a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In line with IFRS-16 Leases, an entity shall determine the lease term as the non-cancellable period of a lease together with both:

- I. Period covered by the option to extend the lease and;
- II. Period covered by the option to terminate the lease.

Initial measurement of right of use asset shall be measured at cost and subsequently either by fair value or follow revaluation model.

The company does not hold any such right of use of asset for non-cancellable period of time in exchange for any consideration.

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 International Accounting Standards (IASs) and International 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.

03.04 Reporting period:

The Financial year of the company covers one (1) year from 1st July 2021 to 30th June 2022 consistently.

04.00 General

- i. Wherever considered necessary, previous Period's figures have been rearranged for the purpose of comparison.
- ii. Figures appearing in the financial statements have been rounded off to the nearest Taka.
- iii. The Financial Statements were authorized by the Board of Directors on October 30, 2022.



Notes No.	Particulars	Amount in (Taka)	
		2021-2022	2020-2021
5.00	Property, Plant & Equipment		
	Land & Land Development	180,000,000	7,000,000
	Building & Other Civil Works	130,630,673	130,630,673
	Machinery	253,555	44,650
	Electrical Installation	5,852,618	5,852,618
	Fire Fighting System	30,932,460	32,611,405
	Furniture & Fixture		-
	Office Decoration		-
	Computer	36,890	36,890
	Total	347,706,196	176,176,236
	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	2,743,945	426,053
	Advance against Office Rent	58,596	58,596
	AIL-Convertible Bond	3,000,000	-
	Total	7,833,033	2,515,141
7.00	Inventories		
	Raw Materials-Fabrics (Yards)	49,568,585	49,668,600
	Raw Materials-Yarn (Kg)	16,968,121	17,568,300
	Raw Materials-Accessories	18,884,367	19,684,200
	Packing Materials	4,336,671	4,836,700
	Spare Parts	836,700	836,700
	Work in Process (Yards)	27,530,119	28,730,400
	Finished Goods (Pcs)	51,078,833	52,478,700
	Total	169,203,396	173,803,600
8.00	Trade Receivable		
	This represents invoice value of goods delivered to customer. This is considered good and collectible		
	Trade Receivable Beginning	537,726,292	470,358,257
	Add: Sales during the year	569,078,791	553,972,140
	Less: Realized	460,823,302	486,604,105
	Total	645,981,781	537,726,292
	The aging of trade receivables are as follows		
	Below 60 Days	94,846,465	127,660,933
	Within 61-120 Days	215,327,260	147,780,980
	Within 121-180 Days	161,495,445	158,390,700
	Over 180 Days	174,312,610	103,893,679
		645,981,781	537,726,292



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.	159,935,154	27,660,933
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.	486,046,627	510,065,359
The maximum amount of receivable due by any director or other officer of the company.		-
Total	645,981,781	537,726,292

9.00 Export Incentive Receivable

This receivables arise due to cash incentive on export.

Beginning Balance

Add: Export Incentive claimed during the year

Less: Realized

Total

1,554,626	1,554,626
-	-
-	-
1,554,626	1,554,626

10.00 Income Tax deducted at Source

Opening Balance

Addition During the year

Payment through pay order

Less: Adjustments

Total

22,053,251	13,672,648
2,498,938	180,603
-	8,200,000
-	-
24,552,189	22,053,251

11.00 Cash & Cash Equivalents

Cash in Hand (11.01)

Cash at Bank (11.02)

Total

6,996,208	8,390,800
22,671,373	2,034,514
29,667,581	10,425,314

11.01 Cash in Hand

Cash in Hand

6,996,208	8,390,800
6,996,208	8,390,800

The Management through balance confirmation certificate has confirmed the above balance as on June 30, 2022

11.02 Cash at Bank

EXIM Bank A/C No. 3511100085318

EXIM Bank A/C No. 03919500173701

EXIM Bank A/C No. 03919500014491

EXIM Bank A/C No. 03915200396493

Islami Bank A/C No. FC 205010223-73610

EXIM Bank A/C No. 03913100296723

EXIM Bank A/C No. 039111-169486

EXIM Bank A/C No. 0713100840782

Total Taka

578	56,082
12,422,811	1,944,278
-	-
319,430	23,696
761	761
2,892	9,697
8,369,144	-
1,555,757	-
22,671,373	2,034,514



12.00 Share Capital

i Authorized Capital

400,000,000 ordinary Shares @ Tk 10 each.

4,000,000,000

1,500,000,000

ii Issued, Subscribed and Paid-up Capital

44,251,669 Ordinary Shares @ Tk 10 each.

442,516,690

442,516,690

442,516,690

442,516,690

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

2,894,969

Total Shares

44,251,669

44,251,669

iv

Share Holding Patterns	As on 30 June, 2022		As on 30 June, 2021	
	No of Shares	%	No of Shares	%
Sponsor/ Directors	14,758,705	33.35%	14,758,705	33.35%
Institutions	6,679,167	15.09%	4,664,125	10.54%
General Public and Others	22,813,797	51.55%	24,828,839	56.11%
Total Shares	44,251,669	100%	44,251,669	100%

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

Particulars	As on 30 June, 2022		As on 30 June, 2021	
	No of Shares	TK	No of Shares	TK
MD AZIZUL ISLAM	1,566,879	15,668,790	1,566,879	15,668,790
MD AZIMUL ISLAM	11,337,846	113,378,460	11,337,846	113,378,460
LUBNA ISLAM	922,441	9,224,410	922,441	9,224,410
M/S ALIF APPARELS LTD	931,539	9,315,390	931,539	9,315,390
INSTITUTIONS	6,679,167	66,791,670	4,664,125	46,641,250
GENERAL PUBLIC	22,813,797	228,137,970	24,828,839	248,288,390
Total	44,251,669	442,516,690	44,251,669	442,516,690

vi Classification of Shares by holding as on 30.06.2021

Slabs by No of Shares	As on 30 June, 2022		As on 30 June, 2021	
	No of Share Holders	Shareholder %	No of Share Holders	No of Share Holders %
Less than 500 Shares	1632	32.54%	2,544	2,544
500 to 5,000 Shares	2418	48.21%	3,296	3,296
5,001 to 10,000 Shares	423	8.43%	528	528
10,001 to 20,000 Shares	268	5.34%	308	308
20,001 to 30,000 Shares	100	1.99%	98	98
30,001 to 40,000 Shares	48	0.96%	45	45
40,001 to 50,000 Shares	26	0.52%	30	30
50,001 to 100,000 Shares	53	1.06%	41	41
100,001 to 1,000,000 Shares	42	0.84%	33	33
Over 1,000,000 Shares	6	0.12%	6	6
Total	5016	100%	6,929	6,929



13.00 Retained Earnings

Retained Earning Beginning
Add: Profit after tax for the year
Less: Stock Dividend
Less: Cash Dividend
Transfer from revaluation reserve for additional depreciation

251,503,129	184,747,732
68,618,933	64,101,635
-	-
(44,239,446)	-
2,653,762	2,653,762
278,536,378	251,503,129

Total**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
Factory Building
Transfer to retained earnings for additional depreciation
Adjustment for deferred tax

173,000,000	173,000,000
124,882,901	124,882,901
(36,074,363)	(14,049,327)
(3,122,073)	(22,025,036)
258,686,465	261,808,538

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	107,711,501
Total	39,780,699	337,663,600	280,711,501

16.00 Deferred Tax Liability/(Asset)**A. Temporary difference:**

Written down value of PPE
Tax base value of PPE
Taxable temprorary difference
Income Tax rate
Deferred Tax Liability/(Asset)

Opening balance
Adjustment of Tax on Depreciation of Revalued Assets
Expense/ (Income)

66,994,695	70,914,415
(48,226,330)	(60,234,397)
18,768,365	10,680,018
12%	12%
2,252,204	1,281,602
1,281,602	145,526
468,311	-
502,291	1,136,076

17.00 Accrued Expenses

Listing Fees
Salaries & Wages
Utility Bill
CDBL Fees
Audit Fees

1,280,176	430,774
3,917,412	3,082,802
125,446	131,110
330,292	236,000
250,000	250,000
5,903,326	4,130,686

Total**18.00 Short Term Loan****The break down is given as below:**

Opening Banalce
Received During the Year
Payment During the year

-	-
158,838,973	-
140,353,145	-
18,485,828	-

19.00 Sundry Creditors

Liabilities for BTB LC
Liabilities for Fire Fighting System (Alif Garments Ltd)

62,109,248	-
34,281,340	34,281,340
96,390,588	34,281,340



19.01 The break down is given as below:

Opening Banalce	-	984,630
Purchases Through BTB LC	279,715,757	479,293,747
Payment During the year	217,606,509	480,278,377
Total	62,109,248	-

20.00 Provision for WPPF

Beginning Balance	5,297,187	5,297,187
Provision made during the year	-	-
Total	5,297,187	5,297,187

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

Alif Industries Limited is a 100% export oriented 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."

Amount for WPPF central fund has been deducted at source in accordance with একইপিডি(রসদানি

নীতি)২২০/২০১৬-১৮ and the sales revenue has been netted off against deduction of contribution for WPPF.

21.00 Dividend Payable

Opening Balance	4,558,009	41,376,901
Add: Dividend declared During the year		-
Dividend declared in 2020	14,746,482	
Dividend declared in 2021	29,492,964	
Dividend paid during the year	35,557,367	36,818,892
Closing Balance	13,240,088	4,558,009

Dividend Payable Including Tax Deduction Tk. 5,907,861

21.01 Unclaimed / Unpaid Dividend

Opening	1,007,387	1,007,387
Addition in current year		-
	1,007,387	1,007,387
Transfer to Gov. Fund	1,007,387	-
Total	-	1,007,387

22.00 Provision for Income Tax

Beginning Balance	93,655,011	85,626,792
Provision for the year	8,748,402	8,028,219
Total	102,403,413	93,655,011

22.01 A. Current Tax

Profit as per Account	77,869,626	73,265,930
Add: Accounting Depreciation	7,336,509	7,321,783
Less: Tax base Depreciation	12,302,782	13,685,888
Taxable Income	72,903,353	66,901,825
Current tax @ 12.00%	8,748,402	8,028,219
Non-Operating Income @ 20.00%	-	-
Total Current Tax	8,748,402	8,028,219

B. Minimum Tax:

Gross Receipts	601,993,521	555,686,261
Minimum Tax @ 0.60%	3,611,961	3,334,118
Whichever is Higher from above calculation A & B.	8,748,402	8,028,219

23.00 Turnover

Direct Export
Deeam Export
Subcontract Bill
Less: RMG Central Fund

Total

154,728,473	32,389,182
414,350,318	521,582,958
32,914,730	1,714,121
152,329	10,317
601,841,192	555,675,944

24.00 Cost of Gods Sold**i Raw Materials Consumed**

Beginning Raw Materials
Add: Purchase of Raw Materials
Less: Closing Stock

Raw Material Consumed

Total

86,921,100	108,308,375
432,416,508	432,416,508
85,421,073	85,421,073
433,916,535	455,303,810

The breakdown of Raw Materials Consumptions are given as below:

	30-06-2022		30-06-2021	
	QTY (Yards)	TK	QTY (Yards)	TK
a Yarn				
Opening Balance	-	17,568,300		18,844,800
Add: Purchase during the year		88,261,909		129,019,817
Less: Closing Balance		16,968,121		17,568,300
Sub Total (Yarn consumption)	-	88,862,088	-	130,296,317
b Fabrics				
Opening Balance	49,668,600	49,668,600		75,447,475
Add: Purchase during the year		277,629,722		141,525,396
Less: Closing Balance		49,568,585		49,668,600
Sub Total (Fabrics Consumption)	49,668,600	277,729,737	-	167,304,271
c Accessories (Various Type)				
	QTY (Yards)	TK	QTY (Yards)	TK
Opening Balance	Various Type	19,684,200	Various Type	14,016,100
Add: Purchase during the year	Various Type	66,524,877	Various Type	59,341,310
Less: Closing Balance	Various Type	18,884,367	Various Type	19,684,200
Sub Total (Accessoris Consumptions)		67,324,710		53,673,210
Raw Material Consumption (Grand Total)		433,916,535		351,273,798

Notes	Particulars	Amount in (Taka)	
		2020-2021	

ii Packing Materials Consumed

Particular	30-06-2022		30-06-2021	
	QTY (Yards)	TK	QTY (Yards)	TK
Beginning Balance	Various Type	4,836,700	Various Type	1,982,425
Add: Purchase	Various Type	3,369,805	Various Type	12,921,014
Less: Closing Stock	Various Type	4,336,671	Various Type	4,836,700
		3,869,834		10,066,739



iii Store & Spares Consumed

Particular	30-06-2022		30-06-2021	
	QTY (Yards)	TK	QTY (Yards)	TK
Beginning Balance	Various Type	836,700	Various Type	721,895
Add: Purchase	Various Type	13,426,403	Various Type	9,686,866
Less: Closing Stock	Various Type	836,700	Various Type	836,700
		13,426,403		9,572,061

iv Factory Overhead

Salary, Wages & Overtime	48,378,160	44,471,403
Eid Bonus	660,416	-
Tiffin Bill	377,990	196,870
Chemical	15,980	
Covervan Repair	63,290	
Electricity Bill	1,664,404	1,689,553
Electrical Expenses	-	43,006
Depreciation	7,336,509	7,321,783
Dyeing Charges	568,900	55,250,813
Knitting Charges	1,402,392	6,214,032
Printing Charges	-	617,282
Internet	7,762	-
Insurance	279,864	
Iron Foam	12,360	
Fuel (CNG)	2,163,846	1,511,819
Fuel (Dissel)	375,870	241,150
Machine Oil	24,910	14,100
Machine Rent	14,380	10,800
Fire Extinguisher & Compliance	60,830	529,200
Repair & Maintainance	474,300	242,220
Freight & Carrying Exp	1,366,782	3,289,580
Total	65,248,945	121,643,611

v Work In Process

Opening Work In Process	28,730,400	29,545,000
Closing Work In Process	27,530,119	28,730,400
Total	1,200,281	814,600

vi Cost of Sales

Beginning Finished Goods	52,478,700	59,058,000
Cost of Goods Manufactured	517,661,998	493,370,799
Closing Finished Goods	51,078,833	52,478,700
Total	519,061,865	499,950,099



Notes	Particulars	Amount in (Taka)	
		2020-2022	2020-2021

25.00 Administrative Expense

Salary & Allowances	1,246,709	1,440,000
Director's Rumuneration	675,000	900,000
AGM Expense	302,175	20,000
IRC & ERC	-	40,250
Credit Rating	270,000	107,500
Audit Fee	250,000	250,000
BGMEA	32,500	15,000
Bkash Charges	51,390	-
Board Meeting Fees	110,000	110,000
Car Maintenance	85,910	-
CDBL fees	94,292	106,000
Travelling & Conveyance	76,931	41,595
Entertainment	113,150	69,335
EPB	9,000	3,250
Factory Licence	4,900	19,900
Fire Licence	8,740	28,740
General Expenses	5,000	-
Internet Expense	44,364	31,042
Medicine	-	1,335
Land Tax	41,000	-
Listing fees DSE & CSE	849,402	389,623
Misc Exp	105,306	165,630
Legal Expenses	-	225,000
Office Expense	276,974	480,000
Office Rent	410,000	360,000
News Paper	1,950	730
Printing & Stationary	105,949	49,571
Scissor Shun	3,070	-
Tonner Purchase	15,300	-
Telephone Bill	7,500	-

Total

5,196,512	4,854,501
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26.00 Non Operating Income

Wastage Sales	610,150	-
Interest Income	11,020	16,076
Adjustment of Deffered Tax	-	22,493,347
Foreign currency translation gain/(loss)	19,416	(729)

Total

640,586	22,508,694
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27.00 Financial Charges

This is made up as follows:

Bank Charges and Commission

353,775	114,108
353,775	114,108



Notes No.	Particulars	Amount in (Taka)	
		2020-2022	2020-2021

28.00 Net Asset Value per Share

The calculation is as follows:

Paid-Up Capital	Note 12.00	442,516,690	442,516,690
Tax Holiday Reserve	Note 14.00	2,481,728	2,481,728
Revaluation Reserve	Note 15.00	258,686,465	261,808,538
Retained Earnings	Note 13.00	278,536,378	251,503,130
Total Net Asset Value		982,221,261	958,310,086

No of shares applied to calculate Net Asset Value per Share 44,251,669 44,251,669

Net Asset Value (NAV) Per Share **22.20** **21.66**

29.00 Earnings Per Share (EPS)

The calculation is as follows:

Profit After Tax	68,618,933	64,101,635
No of shares applied to calculate Earning per Share (EPS)	44,251,669	44,251,669
Earnings Per Share (EPS)	1.55	1.45

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

30.00 Net Operating Cash flow Per Share (NOCFPS)

The calculation is as follows:

Cash Receipts from Operation	494,378,618	488,333,573
Less: Cash used in Opeartion	(451,444,818)	(487,724,637)
Net Cashflow from Operations	42,933,800	608,936

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

Net Operating Cash flow Per Share (NOCFPS) **0.97** **0.014**

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

Net Profit	68,618,933	73,265,930
Add: Depreciation	7,336,509	7,321,783
Increase / (Decrease) of Current Assets	(130,714,382)	(115,554,742)
Increase / (Decrease) of Current Liabilities	98,790,810	59,108,795
Acquisition of Fixed Assets	(294,715)	(101,455)
Payment of advance tax		(23,431,376)
RMG Central Fund	(335,044)	-
Tax on additional depreciation on Revaluation	(468,311)	-
	42,933,800	608,936



31.00 Related party transactions :

A. The names and nature of the related parties, the nature of these transaction and their total value are

Name of the parties	Relationship	Nature of Transaction	Value of Transaction	Closing Balance
Shadhin Garments Ltd.	Common Management	Accounts Receivable	873,486,128	486,046,627
Alif Garments Ltd.	Common management	Fire Equipments Suppliers	Nil	32,481,340
Total				453,565,287

B. Payment / Perquisites to directors:

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

Managerial remuneration	900,000
Board Meeting fees	110,000
	<u>1,010,000</u>

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

Mr. MD. Azimul Islam 900,000

(a) No compensation was made to the Managing Director of the company except as stated in

(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 (31) above

32.00

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

33.00 Capacity utilization :

Particulars	Installed Capacity (Pcs)	Export During the Year (Pcs)	Capacity Utilization
Pcs	10,000,000	9,429,894	94.30

34.00 Number of employees :

The company paid an aggregate amount more than Taka 8,000 per month to all the 356 employees who were in employment for the year.

35.00 Contingent Liability

There is no such liability for which the company is liable as on 30 June 2022

36.00 Capital Expenditure Commitment

Firefighting equipment added during the year ended 30 June 2022

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,

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligation through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

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.

38.00 Events after the Reporting Period:

Following events occurred since the balance sheet date:

(a) The board of directors recommended 12% cash dividend for General Shareholders (Excluding Directors/Sponsors) only at the Board meeting held on 30 October, 2022 for the year ended June 30, 2022. 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 2022

Annexure-A

Sl. No.	Particulars	Cost				Depreciation				WDV as on 30.06.2022
		Balance as on01.07.2021	Addition during the Period	Disposal During the year	Balance as on 30-06-2022	Rate %	Balance as on 30-06-2021	Charged during the Period	Disposal During the year	
A)	At Cost									
01	Land & Land Development	7,000,000		-	7,000,000	0.0%	-	-	-	7,000,000
02	Building & Other Civil Works	71,720,200		-	71,720,200	2.5%	47,008,023	1,793,005	-	22,919,172
03	Machinery	49,069,689	219,900		49,289,589	5.0%	49,025,039	10,995		253,555
	Fire Fighting System	34,327,795	39,415	-	34,367,210	5.0%	1,716,390	1,718,361	-	30,932,459
04	Electrical Installation	13,735,294	-	-	13,735,294	5.0%	7,195,911	686,765	-	5,852,618
05	Furniture & Fixture	4,703,236	-	-	4,703,236	5.0%	4,703,236	-	-	-
06	Motor Vechiles	1,492,000	-	-	1,492,000	7.5%	1,492,000	-	-	-
07	Office Decoration	3,389,416	-	-	3,389,416	10.0%	3,389,416	-	-	-
08	Computer	189,500	35,400	-	224,900	15.0%	182,700	5,310	-	36,890
	Sub Total	185,627,130	294,715	-	185,921,845		114,712,715	4,214,436	-	66,994,695

B)	Revaluation Surplus									
01	Land & Land Development	173,000,000		-	173,000,000		-	-	-	173,000,000
02	Building & Other Civil Works	124,882,901		-	124,882,901	2.5%	14,049,327	3,122,073	-	17,171,400
	Sub Total	297,882,901	-	-	297,882,901		14,049,327	3,122,073	-	17,171,400
										280,711,501
	Balance (A+B) at 30 June 202	483,510,031	294,715	-	483,804,746		128,762,042	7,336,509	-	136,098,551
										347,706,196
	Balance as at 30 June 2021	449,127,236	-	-	449,127,236	-	115,458,546	5,981,713	-	121,440,259
										327,686,977

