



এম, জেড, ইসলাম এন্ড কোং
M. Z. ISLAM & CO.
Chartered Accountants



An International Affiliated Member Firm of MGM Accountants Pty Ltd. Australia.

R. N. SPINNING MILLS LIMITED
For the Period ended October 31, 2023

Chamber : Eastern View (10th Floor) 50 D.I.T Extension, Road, Nayapaltan
Dhaka-1000, Bangladesh, Tel : +880 2 222220092, +880 2 48310365
E-mail : mzislam.ca@gmail.com, afakrul@yahoo.com, Web : www.mzislam.co

**Auditor's Report and
Audited Consolidated Financial Statements**

Of

**R. N. SPINNING MILLS LIMITED
For the Period ended October 31, 2023**

Auditors



MZ Islam & Co.
Chartered Accountants



*An International Affiliated Member Firm of
MGM Accountants Pty Ltd. Australia*

Chamber: 10 (4-7), Eastern View (10th Floor) 50, DIT Ext. Road, Nayapaltan, Dhaka-1000.
TEL: 88-02-48310365, 88-02-22220092 E-mail: mzislam.ca@gmail.com



Independent Auditors' Report

To the Shareholders of

R. N. Spinning Mills Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of **R. N. Spinning Mills Limited**, which comprise the Consolidated Statement of Financial Position as at October 31, 2023; Consolidated Statement of Profit or Loss and Other Comprehensive Income; Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the four-month period then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 33 and Annexure- A & B.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at October 31, 2023, and of its financial performance and its cash flows for the four-month period then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention on the matters disclosed as below:

1. Property, Plant & Equipment under Note-3 of the Consolidated Financial Statements represents amounting BDT. 3,901,742,181 as written down value. A fire incident occurred on 8 April 2019 in R.N. Spinning Mills Limited and total reported loss amounting BDT. 6,123,281,989, at that period inventories were damaged amounting BDT. 1,475,022,287 and property, plant & equipment carrying amount was damaged amounting BDT. 4,648,259,702. On the other hand, the Company's fired assets and inventories were covered by Union Insurance Company Limited amounting BDT. 1,324,606,136. The Company reported that amount of recoverable insurance benefits yet to be finalized by the insurance company surveyor and relevant concerned authority for determination of loss and benefits wherefrom is still pending till date. Though the insurance company has paid BDT. 19,000,000 up to October 31, 2023 which is described in consolidated financial statements note-20.03 as advance received from Union Insurance Company Limited which will be adjusted during final settlement. The whole process has already elapsed for more than (04) four years since 8 April 2019, the date of fire incident, and it seems that uncertain time existed for recovery of the coverage in the company. No legal steps have been taken by the company to expedite the recovery process.

This consolidated financial statement consists of R.N. Spinning Mills Limited and Samin Food & Beverage Indus. And Textile Mills Ltd. Here it is noted that a fire incident occurred on 8 April 2019, then the production plant of the factory of R.N. Spinning Mills Limited at cumilla EPZ has been shut down till date which is described in consolidated financial statements note-2.26

through impairment has not been performed as per IAS 36.





2. Refundable Deposit (IPO) under Note-22 of the Financial Statements amount to Taka 805,312 yet not distributed as per Directive no. BSEC/CMRRCD/2021-386/03, dated 14 January 2021 of BSEC and the Bangladesh Securities & Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, accounts to "Capital Market Stabilization Fund (CMSF)".
3. We draw attention to Note-2.24 of consolidated the financial statements that Amalgamation/merger of Samin Food & Beverage Industries, and Textile Mills Ltd. with R.N. Spinning Mills Ltd. has been approved by the High Court Division of the Supreme Court of Bangladesh as on 5 January 2023. The company has received BSEC consent vide Ref no. BSEC/LSD/CM-2022/992/1415, dated-1 October 2023 for completion of amalgamation process by following the High Court Order and provisions of securities related laws, rules, regulations and The Companies Act 1994 as well as other laws in force in Bangladesh.
4. Referring to Note No.5 of the consolidated financial statements where inventories represent amount to BDT. 1,160,719,306 We didn't observe the physical counting of inventories at period end date. The inventory's amount is verified and counted by internal management. People charged with corporate governance provide related certificates on closing balance. Subsequently, during the audit of the financial statements, we observe the process of maintaining physical inventory and consumptions of the inventories.
5. We draw attention to Note -2.25 of the consolidated financial statements, the company yet not provided Workers Profit Participation Fund (WPPF) and no trustee board yet not approved by the concerned authority. On the other hand, the company didn't maintain other Employee Benefit plans, which include the Contributory Provident Fund and Gratuity Fund.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the four-month period ended on October 31, 2023. These matters were addressed in the context of the audit of the consolidated financial statements as a whole and in forming the auditors' opinion thereon and we do not provide a separate opinion on these matters.

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

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of our consolidated financial statements, the results of our audit procedures, including the procedures performed to address the matters below;

Key Audit Matters	How our audit addressed the key audit matters
Revenue	
Revenue is the most financially significant item in the consolidated statement of profit and loss and other comprehensive income. The company has reported revenue of BDT. 1,248,725,296 for the four-month period ended October 31, 2023.	Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue recognition policy as disclosed in Note- 2.15 of the consolidated financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.





<p>Revenue is measured at the fair value of the consideration received, or receivable excluding VAT discounts commission, rebates and other sales taxes where applicable. R.N. Spinnig Mills Limited sales of goods to export customers.</p> <p>The company has taken full contract price as revenue and no warranty provision has been made to the consolidated financial statements because the full amount is reimbursed by the principal.</p> <p>See Note- 24.00 to the financial statements.</p>	<p>For the revenue recognized throughout the period, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>Our audit procedures on implementation of IFRS 15 Revenue from contracts with Customers, we verified management's conclusion from assessing different types of Contracts and the accuracy of the accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related party disclosures.</p> <p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates</p>
---	---

Valuation of Inventory

<p>The Company had inventory of BDT. 1,160,719,306 at October 31, 2023 held in its warehouses and across multiple production lines.</p> <p>Inventories consisting of finished goods and raw material, work in process, to be valued at lower of cost and net realizable value. Cost for stock of finished goods comprises expenditures incurred in the normal course of business in bringing such inventories to present condition and includes, whether applicable, appropriate overheads based on normal level of activity.</p> <p>The company determines cost of inventories using weighted average method. Where necessary, allowance should be provided for damaged, obsolete and slow-moving items to adjust the carrying amounts of inventories to the lower of cost and net realizable value</p>	<p>As part of our audit testing against closing inventories, we performed the following audit procedures in response to the assessed risk of material misstatements:</p> <ul style="list-style-type: none">• Evaluating the design and implementation of key inventory controls operated across the company, including those at a sample of, factory production house, warehouse;• Evaluating internal controls to monitor or keep track of inventory movement;• Comparing the net realizable value. obtained through a detailed review of sales subsequent to the period-end, to the cost price of a sample of inventories;• Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the period;
---	--





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.

See note- 5.00 to the consolidated financial statements.

- Reassessing reasonableness and adequacy of provision required to write down the cost of inventories recognized to net realizable value against slow moving, obsolete and damaged items to test both accuracy and valuation of reported amount
- Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 02 and other relevant IFRSs.

Property, Plant and Equipment

Property, plant and equipment (PPE) was recognized at carrying value aggregating to **BDT. 3,901,742,181** representing over 54.39% of total assets of the company on October 31, 2023.

Since PPE comprised a significant portion of the company's total assets, it also involves management judgement to determine estimated useful lives to charge depreciation. Besides, PPE is also subject to impairment when any possible indicators exist warranting their impairment review.

See note - 3.00 to the financial statements

- Our audit procedures performed during the audit to address the risks identified consist of the following:
- Obtaining and documenting detailed understanding regarding procurement process of PPE and identified relevant control points and their implementation.
- Reviewing recognition, measurement and valuation basis of PPE in compliance with requirement of IAS 16: Property, plant and equipment.
- Performing test of details against sampled population with supporting evidence as maintained by the company in test the accuracy, valuation of capitalized amount and ownership of the assets.
- Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 16 and other relevant IFRSs.

Bills Receivable

In the consolidated financial statements, the company Bills Receivable **BDT. 1,503,403,818** as per Note # 6.00 representing over 12.33 % of total assets of the company as on October 31, 2023 is initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to un- collectability of any amount so recognized.

- Reviewing recognition, measurement and valuation basis in compliance with requirement of IAS 32: bills receivables.
- Performing test of details sampled population with supporting evidence as maintained by the company to test the accuracy, valuation aging or bills receivables,
- Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 39 and other relevant IFRS's 09.
- Sending Balance Confirmations requests to selected parties. Verifying subsequent realization against the outstanding balance





Long Term Borrowings

In the consolidated financial statements, the company reported Long Term Loans of **BDT. 106,915,259** at the reporting date. This element was considered as key audit matter because this external form of credit facilities availed by the company require fulfillment of several terms and conditions as mentioned in loan sanction letter issued by the bank. Hence, there is potential risk that not all such terms and conditions are adequately disclosed in the financial statements.

See note no 16 & 19 to the financial statements.

Our substantive audit procedures adopted during the audit includes the following test or details.

- Inspecting relevant board minutes in support of bank loans sanctioned and reported during the year in the financial statements.
- Testing the accuracy and completeness of outstanding amount carried at the reporting date with loans statements, amortization schedule and corresponding sanction letter from the bank.
- Testing the existence of outstanding balances with confirmation letter issued against the said loans by the company.
- Recalculating and testing accuracy and completeness of finance costs recognized during the year with loan statements provided by banks.

Assessing the adequacy and appropriateness of disclosures made by the company for the loans availed in accordance

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated Financial Statements

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

In preparing the consolidated 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- 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;
- In our opinion, proper books of accounts, as records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of these books;
- 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
- The expenditure incurred was for the purposes of the Company's business.

The engagement partner of the audit resulting in this independent auditors' report is Mohammad Fakhurul Alam Patwary, FCA

Place: Dhaka

Dated: February 13, 2024




Mohammad Fakhurul Alam Patwary FCA

Enrollment No: 1249

Managing Partner

M.Z. Islam & Co.

Chartered Accountants

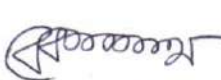
DVC: 2402131249AO919471

R. N. SPINNING MILLS LIMITED
Consolidated Statement of Financial Position
As at October 31, 2023

Particulars	Notes	Amount in Taka	
		October 31, 2023	June 30, 2023
ASSETS			
Non-Current Assets		3,932,307,540	4,024,552,805
Property, Plant & Equipment	3.00	3,901,742,181	3,993,987,446
Security Deposits	4.00	30,565,359	30,565,359
Current Assets		3,241,475,794	2,285,729,725
Inventories	5.00	1,160,719,306	567,376,484
Bills Receivables	6.00	1,503,403,818	1,076,144,914
Advances, Deposits and Prepayments	7.00	116,744,085	115,280,572
Investment	8.00	365,280,717	423,232,567
Cash and Cash Equivalents	9.00	94,522,556	102,889,876
STD Account (IPO)	10.00	805,312	805,312
Total Assets		7,173,783,334	6,310,282,530
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital and Reserves		3,184,499,531	3,182,801,031
Ordinary Shares	11.00	3,034,521,090	6,257,314,180
Share Premium	12.00	-	599,780,490
Capital Reserve	13.00	148,279,941	-
Retained Earnings	14.00	1,698,500	(3,674,293,639)
Non-Current Liabilities		274,917,974	276,670,522
Long Term borrowings	15.00	106,915,259	106,883,259
Lease Liability	16.00	40,677,792	41,404,428
Deferred Tax	17.00	127,324,923	128,382,835
Current Liabilities		3,714,365,829	2,850,810,977
Creditors and Accrues	18.00	56,346,570	42,162,001
Bills Payables	19.00	660,573,611	732,670,450
Short Term Loan & Advances	20.00	2,815,045,114	1,903,008,136
Income Tax Payable	21.00	181,595,222	172,165,078
Refundable Deposit (IPO)	22.00	805,312	805,312
Total Shareholders' Equity & Liabilities		7,173,783,334	6,310,282,530
Net Asset Value (NAV) Per Share	23.00	10.49	5.09

The annexed notes form an integral part of these financial statements


Chairman


Managing Director


Director



Company Secretary


Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka
Dated: February 13, 2024



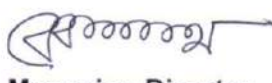

Mohammad Fakhru Alam Patwary FCA
Enrolment No. 1249
Managing Partner
M. Z. Islam & Co.
Chartered Accountants
DVC: 2402131249AO919471

R. N. SPINNING MILLS LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income
 For the period ended October 31, 2023

Particulars	Notes	Amount in Taka	
		July 01, 2023 to October 31, 2023	July 01, 2022 to October 31, 2022
Revenue	24.00	1,248,725,296	1,298,241,576
Less: Cost of Goods Sold	25.00	1,182,845,908	1,192,486,945
Gross Profit/(Loss)		65,879,388	105,754,631
Less: Operating Expenses	26.00	19,018,573	18,141,608
Operating Income/(Loss)		46,860,815	87,613,023
Less: Other Operating Expenses		112,455	108,004
Welfare Expenses		112,455	108,004
Net Operating Income/(Loss)		46,748,360	87,505,019
Less: Financial Expenses	27.00	42,352,927	46,009,122
Add/(Less): Foreign Exchange Gain/(loss)	28.00	1,240,827	413,609
Net Operating Profit/(Loss)		5,636,260	41,909,506
Add: Other Income/(loss)	29.00	4,434,472	1,860,497
Net Profit/(Loss) Before Tax		10,070,732	43,770,003
Provision for Taxation	30.00	8,372,232	13,543,456
Current Tax		9,430,144	13,896,094
Deferred Tax		(1,057,912)	(352,637)
Profit/(Loss) After Tax		1,698,500	30,226,547
Earnings per Share (EPS)	32.00	0.01	0.10

The annexed notes form an integral part of these financial statements


 Chairman


 Managing Director


 Director

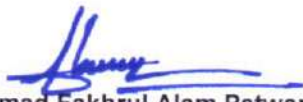

 Company Secretary


 Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka

Dated: February 13, 2024



 Mohammad Fakhru Alam Patwary FCA
 Enrolment No. 1249
 Managing Partner
 M. Z. Islam & Co.
 Chartered Accountants
 DVC: 2402131249A0919471

R. N. SPINNING MILLS LIMITED
Consolidated Statement of Changes in Equity
 For the period ended October 31, 2023

(Amount in Taka)

Particulars	Ordinary Share Capital	Capital Reserve	Share Premium	Retained Earnings	Total Equity
Balance as at 01 July 2023	3,925,448,340		599,780,490	(3,674,293,639)	850,935,191
Transfer during the period	(3,222,793,090)	3,222,793,090	-	-	-
Transfer during the period	-	599,780,490	(599,780,490)	-	-
Transfer during the period	-	(3,674,293,639)	-	3,674,293,639	-
Add: Addition during the period	2,331,865,840	-	-	1,698,500	2,333,564,340
Balance as at October 31, 2023	3,034,521,090	148,279,941	-	1,698,500	3,184,499,531

R. N. SPINNING MILLS LIMITED
Consolidated Statement of Changes in Equity
 For the period ended October 31, 2022

(Amount in Taka)

Particulars	Ordinary Share Capital	Capital Reserve	Share Premium	Retained Earnings	Total Equity
As at 01 July 2022	3,925,448,340	-	599,780,490	(4,466,852,335)	58,376,495
Addition during the period	-	-	-	(9,984,593)	(9,984,593)
As at October 31, 2022	3,925,448,340	-	599,780,490	(4,476,836,928)	48,391,902

The annexed notes form an integral part of these financial statements


 Chairman


 Managing Director


 Director


 Company Secretary


 Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka

Dated: February 13, 2024

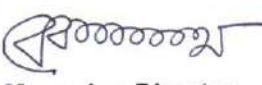


R. N. SPINNING MILLS LIMITED
Consolidated Statement of Cash Flows
 For the period ended October 31, 2023

Particulars	Amount In Taka	
	July 01, 2023 to October 31, 2023	July 01, 2022 to October 31, 2022
A. Cash Flows from Operating Activities		
Collection from customers and others	825,970,579	1,385,079,165
Collection from Other Income	4,434,472	2,547,791
Payment to Suppliers, employee & others	(1,757,128,004)	(1,323,837,507)
Payment for Other Operating Activities	(8,732,929)	(13,845,098)
Payment for Financial Expenses	(42,352,927)	(49,042,009)
Net Cash Flows from Operating Activities	(977,808,809)	902,342
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	-	(281,085,418)
Investment in other company	(19,753,446)	(7,845,187)
Net Cash Flows from Investing Activities	(19,753,446)	(288,930,605)
C. Cash Flows from Financing Activities		
Increase / (Decrease) in Short Term Loan & advances	989,742,274	550,848,215
Increase / (Decrease) in Long Term Loan & advances	(32,000)	(291,052,187)
Payment of Lease liability	(664,758)	(752,816)
Net Cash Flows from Financing Activities	989,045,516	259,043,212
D. Increase/(Decrease) Cash and Cash Equivalents (A+B+C)	(8,516,739)	(28,985,051)
E. Opening Cash and Cash equivalents	102,889,876	76,211,989
F. Foreign Exchange Gain/(Loss)	85,419	639,784
G. Closing Cash and Cash Equivalents (D+E+F)	94,458,556	47,866,722
Net operating cash flow per share (Note-33.00)	(3.22)	0.00

The annexed notes form an integral part of these financial statements


 Chairman


 Managing Director


 Director


 Company Secretary


 Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka
 Dated: February 13, 2024



R. N. SPINNING MILLS LIMITED
Notes, summary of significant Accounting policies and other explanatory information
 For the period ended October 31, 2023

1.00 The Company and its operations

1.01 Legal form of the Company

The Company was incorporated on November 4, 2004 as a 'Private' Limited Company by shares registered under the Companies Act 1994 vide certificate of incorporation No.C-54808 (1493)/04. The company was converted to 'Public' Limited Company on February 20, 2007 and started commercial production on August 28, 2007.

1.02 Address of the Registered and Corporate office

The registered office is located at M.L Tower, 1 East Rampura, DIT Road, Dhaka 1000, Bangladesh.

The Corporate office of the company is located at House # 11, (5th Floor), Unit # 5B, Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212, Bangladesh.

1.03 Nature of Business activities

- a) The principal activities of the Company are to carry on the business of Textile Spinning Mills to produce 100% Synthetic Yarn / Acrylic Yarn and Cotton Yarn for 100% export oriented Dyeing / Textiles industries and export thereof.
- b) The company has been amalgamated with another spinning mills namely Samin Food & Beverage Inds. and Textile Mills Ltd. as on 31st October 2023 by complying due process including approval of shareholders & Creditors in EGM of Shareholders and Creditors respectively, Honorable High Court order and Consent from Bangladesh Securities and Exchange Commission etc.

1.04 Capital Structure of the Company

Particulars	Taka
Authorized Capital 750,000,000 ordinary shares of Taka 10/= each.	7,500,000,000
Issued, subscribed, called-up and paid-up capital (before amalgamation) 303,452,109 Ordinary Shares of Tk 10/= each fully paid-up	3,034,521,090

Shareholding of R. N. Spinning Mills Limited as detailed shown in note # 11.02.

1.05 Production Unit

Production unit of the company is situated at Comilla Export Processing Zone, Comilla. The production unit has been destroyed by fire incident dated on 8 April, 2019. Due to amalgamation with Samin food & Beverage Ind. & Textile Mills Ltd, the Production plant also located at bhabanipur, Gazipur,

2.00 Summary of significant accounting policies

2.01 Basis of preparation and presentation of the financial statements

The Consolidated 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 and International Accounting Standard (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), International Financial Reporting Standard (IFRS) as far as applicable for the company. The Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income have been prepared according to IAS 1 Presentation of Financial Statements based on accrual basis of Accounting following going concern assumption and Statement of cash flows according to IAS – 7: Statements of Cash flows.



2.02 Regulatory Compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984;
The Income Tax Rules 1984;
The Income Tax Act, 2023;
The Value Added Tax and Supplementary Duty Act 2012;
The Value Added Tax and Supplementary Duty Act Rules 2016;
The Customs Act, 1969;
Bangladesh Labor Law, 2006 (Amended);
The Securities and Exchange Rules, 1987 and
Bangladesh EPZ related rules and regulations.

2.03 Components of the Financial Statements

According to the International Accounting Standards (IAS)-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- i. Consolidated Statement of financial position as at October 31, 2023;
- ii. Consolidated Statement of profit or loss and other comprehensive income for the period ended October 31, 2023;
- iii. Consolidated Statement of changes in equity for the period ended October 31, 2023;
- iv. Consolidated Statement of cash flows for the period ended October 31, 2023; and
- v. Notes, summary of significant accounting policies and other explanatory information for the period ended October 31, 2023.

2.04 Accounting convention and assumption

The Consolidated financial statements are prepared under historical cost convention and on accrual basis.

2.05 Principal 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 IFRS & IAS. Previous year's figures were re-arranged for comparisons. There were no significant changes in the accounting policies and valuation policies affecting the financial position and performance of the Company. However, changes made to the presentation are explained in the note for each respective item.

Accounting and valuation methods are disclosed for reasons of clarity. The company classified the expenses using the function of expenses method as per IAS -1.

2.06 IAS and IFRS Adopted by the Management

The following IAS and IFRS are applicable and adopted by management for preparation of financial statements for the period ended October 31, 2023.

IASs:

- | | | |
|-----|----|---|
| IAS | 1 | Presentation of Financial Statements |
| IAS | 2 | Inventories |
| IAS | 7 | Statement of Cash Flows |
| IAS | 8 | 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	26	Accounting and Reporting by Retirement Benefit Plans
IAS	28	Investment in Associates and Joint Ventures
IAS	33	Earnings per Share (EPS)
IAS	36	Impairment of Assets
IAS	37	Provisions, Contingent liabilities and Contingent Assets

IFRSs:

IFRS	7	Financial Instruments: Disclosures
IFRS	8	Operating Segments
IFRS	9	Financial Instruments
IFRS	15	Revenue from Contracts with Customers
IFRS	16	Leases

2.07 Property, Plant and Equipment

Tangible fixed assets are accounted for according to IAS -16 Property, Plant and Equipment at Historical cost less accumulated depreciation and the Capital work-in-progress is stated at cost. Both tangible and intangible assets are depreciated/ amortized according to the Written Down Value method.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as non-operating income and reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

2.08 Valuation of Inventory

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

Category of inventory		Basis of valuation
Raw & packing materials including w-i-p	:	Moving average (Weighted) Cost
Finished Goods at Factory	:	At lower of cost or estimated net realizable value
At warehouses	:	At cost
Stores Items	:	At cost
Materials in-transit	:	Book value i.e. cost so far incurred

Cost comprises of the value of materials and all other distributable direct labor & production overheads including depreciation.

Recognition of Inventory loss:

As per Para 34 of IAS 2 when inventories are sold, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

2.09 Bills Receivable

Bills Receivable is carried at invoice amount without making any provision for doubtful debts, because of the fact that sales / exports are being based on 100% confirmed letter of credit basis with fixed maturity dates by L/C opening bank.

2.10 Cash and Cash Equivalents

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



2.11 Foreign Currency Transaction

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with IAS 21 (the Effects of changes in Foreign Exchange Rates). Foreign currency transactions translated at the Consolidated financial position date are charged/credited to the consolidated statement of Profit or Loss and Other Comprehensive Income whenever arise.

2.12 Creditors and Accrued Expenses

2.12.1 Trade and Other Payables

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

2.12.2 Provision

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

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

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

An appropriate level with regard to an adequate provision for risks and uncertainties has been shown in the Consolidated Statement of Financial Position. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the date of Statement of Financial Position.

2.13 Taxation:

i) Current Tax

R.N Spinning Mills Limited situated in Comilla export processing zone. As per income tax regulation for EPZ Ref. # IRD SRO No. 289-Law/89, dated 19 August 1989, all industries operating in the export processing zone of Bangladesh have been exempted from payment of income tax for a period of 10 years from the date an industry goes into commercial production and accordingly the Company enjoyed benefit of tax exemption as on the financial period ended 30th June 2017. Taxes on business income have been charged @ 15.00% as per Income Tax Ordinance 1984 and Income Tax Act 2023. Tax on other operating income @ 27.50%. Current tax on business income has been charged.

ii) Deferred Tax

Deferred tax is recognized in compliance with IAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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



2.14 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in the notes to the Consolidated financial statements.

2.15 Revenue

In compliance with the requirements of IFRS 15 Revenue from contracts with customers, Entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized only when following steps match with a transaction;

- a) Identification of the contract(s) with a customer;
- b) Identification of the performance obligation in a contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligations in the contract;
- e) Recognition revenue when (or as) the entity satisfies a performance obligation by transferring control over goods or services to a customer;

2.16 Borrowing Costs

In compliance with the requirements of IAS-23 Borrowing Costs, borrowing costs of operational period on short term loan and overdraft facilities was charged off as revenue expenditure as they incurred.

2.17 Statement of cash flows

Consolidated Statement of Cash Flows is prepared principally in accordance with IAS-7 Statements of Cash Flows and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions that 'Enterprises are Encouraged to Report Cash Flows from Operating Activities using the Direct Method'. Reconciliation of Cash flows from operating activities under indirect method have been presented in the notes to the accounts.

2.18 Earnings Per Share

The Management calculates Earnings per Share (EPS) in accordance with IAS - 33, Earnings per share, which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income; the same has been calculated dividing surplus available for ordinary shareholders by weighted average number of ordinary shares outstanding at the end of the period (note- 29.00).

2.19 Net Asset Value (NAV)

The net asset value (NAV) represents the net value of an entity and is calculated as the total value of the entity's assets minus the total value of its liabilities has been shown in note no. 23.00. Formula-

$$\text{NAV} = (\text{Assets} - \text{Liabilities}) / \text{Total number of outstanding shares}$$

2.20 Related Party Disclosure

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24: Related Party Disclosures has been disclosed in a separate note (note no: 33.00) to the accounts.

2.21 Reporting period

The financial period of the Company covers the period from July 01, 2023 to October 31, 2023 consistently.



2.22 Presentation Currency

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

2.23 Events after the reporting period

Amounts recognized in the consolidated financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events, if any, are disclosed in the financial statements.

There are no other events identified after the date of the Consolidated statement of financial position which require adjustment or disclosure in the accompanying Consolidated financial statements.

2.24 Amalgamation/Merger of Samin Food & Beverage Inds. and Textile Mills Ltd. with R.N. Spinning Mills Ltd.:

Amalgamation/merger of Samin Food & Beverage Indus. and Textile Mills Ltd. with R.N. Spinning Mills Ltd. has been decided by the company board. The Shareholders and the Creditors of the Company, R.N. Spinning Mills Ltd., has accepted the decision of amalgamation/merger in the EGM and the Creditors Meeting held on 21 April 2022. The EGM and the Creditors Meeting has been conducted as per the order of the Honorable High Court Division of the Supreme Court of Bangladesh. Regulatory body finally given consent to amalgamate the above mention company as per scheme. As a result, two company has been amalgamated on the date of 31st October 2023.

2.25 Employees Benefits

The Company offers a number of benefits, which include Short-term employee benefits like Salaries, Wages, House Rent and Annual Sick Leave. Non-Monetary Benefits like Medical care, Car Facilities.

The company will contribute to the Central Fund after established of the fund by relevant authority as per provisions of the Bangladesh Labor Law (amended) and is payable to workers as defined in the said law.

2.26 Fire Incident at Company's factory and shut down of production:

A massive fire incident has occurred on 8th April, 2019 at the factory of R.N. Spinning Mills Ltd. at Comilla EPZ. Company's factory including building and other constructions, raw materials and finished yarns in the factory, plant and machineries etc. whereof were damaged by the fire incident. Company's production has been shut down since the date of the fire incident. Assessment result from the insurance company yet to waiting for finalized and the claim receivable has not been fixed that to be recovered from the insurance company as on the date of authorization of the consolidated financial statements.

2.27 Comparative Information

Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the consolidated financial statements.

3.28 General

- i) Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the consolidated financial statements.
- ii) Figures for the financial year 2022-2023 have been rearranged wherever considered necessary to ensure comparability with the current period.



Note No	Particulars	Amount in Taka	
		October 31, 2023	June 30, 2023
3.00	Property, Plant & Equipment		
	A. Cost		
	Opening balance	5,062,702,166	4,209,784,068
	Add: Addition during the period	-	852,918,098
	Less: Disposal during the period	-	-
	Closing Balance	5,062,702,166	5,062,702,166
	B. Accumulated depreciation:		
	Opening balance	1,068,714,720	838,900,669
	Add: Charge during the period	92,245,265	229,814,051
	Less: Adjustment during the period	-	-
	Closing Balance	1,160,959,985	1,068,714,720
	Written down value as on 31 October (A-B)	3,901,742,181	3,993,987,446
	Details shown in Annexure-A		
4.00	Security Deposits		
	Land Leases at BEPZA, Plot # 100-107	1,032,827	1,032,827
	Land Leases at BEPZA, Plot # 127-134	1,039,302	1,039,302
	Flat Rent of BEPZA Flat # A-2/8 & B-2/2	124,415	124,415
	Bakhrabad Gas System Ltd. (BGSL)- Gas line	13,189,852	13,189,852
	Bakhrabad Gas System Ltd. (BGSL)- Gas line	139,932	139,932
	Electricity	15,039,031	15,039,031
	Total	30,565,359	30,565,359
5.00	Inventories		
	Raw Materials	555,113,263	165,036,009
	Work in process	58,777,599	58,946,408
	Packing Materials	2,108,187	3,254,081
	Finished goods	536,126,741	330,931,568
	Store items	8,593,516	9,208,418
	Total	1,160,719,306	567,376,484
	Raw Materials: It consists of import value and local expenses incurred upto warehouse. Inventory system maintained on FIFO basis.		
	Work-in-Process: It consists of cost of raw materials only.		
	Finished Goods: It includes the cost incurred upto cost of goods available for sale.		
	Store Items: It consists of the total cost of spare parts, loose tools and consumable items.		
5.01	Raw Materials		
	The balance is made up as follows:		
	Opening	165,036,009	110,795,994
	Add: Purchase during the period	1,498,718,527	2,632,509,235
	Raw materials available for production	1,663,754,536	2,743,305,229
	Less: Input to production	1,108,641,273	2,578,269,220
	Closing balance	555,113,263	165,036,009



Note No	Particulars	Amount in Taka	
		October 31, 2023	June 30, 2023
5.02	Work in process		
	The balance is made up as follows:		
	Opening Balance	58,946,408	21,069,185
	Add: Current period	1,117,965,579	2,603,866,856
	Total available for use	1,176,911,987	2,624,936,041
	Less: Transfer to finished goods	1,118,134,388	2,565,989,633
	Closing balance	58,777,599	58,946,408
5.03	Packaging Materials		
	The balance is made up as follows:		
	Opening Balance	3,254,081	1,976,531
	Add: Purchase during the period	8,178,412	26,875,186
	Total available	11,432,493	28,851,717
	Less: Consumption during the period	9,324,306	25,597,636
	Closing balance	2,108,187	3,254,081
5.04	Finished Goods		
	The balance is made up as follows:		
	Opening	330,931,568	286,638,930
	Add: Production during the period	1,388,041,081	3,276,787,135
	Production available for export	1,718,972,649	3,563,426,065
	Less: Cost of goods sold	1,182,845,908	3,232,494,497
	Closing balance	536,126,741	330,931,568
5.05	Store items		
	The balance is made up as follows:		
	Opening	9,208,418	9,208,418
	Add: Purchase during the period	9,584,602	43,018,505
		18,793,020	52,226,923
	Less: Consumption during the period	10,199,504	43,018,505
	Closing balance	8,593,516	9,208,418
6.00	Bills Receivables		
	Opening balance	1,076,144,914	1,482,855,178
	Add: Revenue during the period	1,248,725,296	3,589,489,831
		2,324,870,210	5,072,345,009
	Less: Realized during the period	821,466,392	3,996,200,095
	Closing Balance	1,503,403,818	1,076,144,914



Note No	Particulars	Amount in Taka	
		October 31, 2023	June 30, 2023

The above is the amount of receivable against export bills as on 31 October, 2023. This was considered as good & realizable and was secured by export letter of credit duly accepted by L/C opening bank.

Aging Schedule

Receivables due over six months	160,232,611	71,285,479
Receivables due below six months	1,343,171,207	1,001,859,435
Total	1,503,403,818	1,073,144,914

This was considered as fully secured and guaranteed payment based on 100% confirm export letter of credit with fixed maturity date by L/C opening bank against export order. Therefore, this was good & realizable as per the terms of export letter of credit. The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Particulars	Amount in Taka	
	October 31, 2023	June 30, 2023
i. Receivables considered good and in respect of which the company is fully secured.	1,503,403,818	1,076,144,914
ii. Receivables considered good for which the company holds no security other than the debtor's personal security.	-	-
iii. Receivables considered doubtful or bad	-	-
iv. Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
v. Receivables due by companies under same	-	-
vi. The maximum amount due by directors or other officers of the company at any time during the period.	-	-
Total	1,503,403,818	1,076,144,914

7.00 Advances, Deposits & Prepayments

Sundry Advances	15,482,851	22,743,773
Advance Income Tax	101,261,234	92,536,799
Total	116,744,085	115,280,572

7.01 Sundry Advances

Advance Salary	240,518	5,654,281
L/C Margin	13,321,772	13,862,190
Gazi Enterprise	37,000	-
Energypac Engineering Ltd.	100,000	-
Mita Engineering	260,000	-
Global International Ltd	1,260,000	-
Khan Enterprise	-	385,500
JM Transport Agency	207,600	-
Uttom Kumar	55,961	2,841,802
Total	15,482,851	22,743,773



Note No	Particulars	Amount in Taka	
		October 31, 2023	June 30, 2023
7.02	Advance Income Tax		
	Opening Balance	92,536,799	50,217,946
	Add: Tax deduction at source - From Export	8,210,517	40,153,369
	Add: Tax deduction at source - Interest Income	513,918	704,537
	Add: Tax deduction at source - Dividend Income	-	1,883,224
	Total Advance Income Tax	101,261,234	92,959,076
	Less: Adjustment during the period	-	422,277
	Closing Balance	101,261,234	92,536,799
8.00	Investment		
	The balance is made up as follows:		
	Investment in Shares 8.01	239,500,000	239,500,000
	Advances 8.02	41,636,964	113,156,539
	FDR	84,143,753	70,576,028
	Total	365,280,717	423,232,567
8.01	Investment in Shares		
	The balance is made up as follows:		
	M.L. Dyeing & Textile Ind. PLC	69,500,000	69,500,000
	S.F Textile Industries Ltd.	170,000,000	170,000,000
	Total	239,500,000	239,500,000
8.02	Advances		
	The balance is made up as follows:		
	R.N Spinning Mills Ltd	-	71,519,575
	FAR Chemical & Textile Ind. PLC	41,636,964	41,636,964
	Total	41,636,964	113,156,539
9.00	Cash and Cash Equivalents		
	Cash in hand	2,737,807	988,764
	Cash at Bank -Islami BanK BD Ltd, A/C: 1166004	666,776	633,512
	Cash at Bank -Islami BanK BD Ltd, A/C: 59309	6,210,540	8,936,439
	Cash at Bank -Islami BanK BD Ltd, A/C: 74409	34,196,747	59,682,257
	Cash at Bank -Islami BanK BD Ltd, A/C: 31507	3,479,107	69,148
	Cash at Bank -Islami BanK BD Ltd, A/C: 5313	881,629	5,232
	Cash at Bank - SBACBL, A/C: 00153	954,063	928,277
	Cash at Bank - SBACBL, A/C: 00692	12,544,938	66,857
	Cash at Bank - SBACBL, A/C: 4778/4425	42,287	42,287
	Cash at Bank - SIBL	52,597	52,597
	Cash at Bank - Jamuna Bank (CD)	651,431	2,406
	Cash at Bank - Jamuna Bank, Foreign Exchange Branch (Convertible A/C)	80,732	79,264
	Cash at Bank - SBACBL, Principal Branch (CD)	149,051	149,051



Note No	Particulars	Amount in Taka	
		October 31, 2023	June 30, 2023
	Cash at Bank-SBACBL, Principal Branch (Convertible A/C)	2,829,314	2,728,267
	Cash at Bank - SBACBL, Principal Branch (SND)	45,228	45,228
	Cash at Bank - SBACBL, Principal Branch (SOD)	34,213	34,213
	Cash at Bank - Woori Bank (CD A/C)	54	54
	Cash at Bank - Woori Bank (Convertible A/C)	106	104
	Cash at Bank - Islami Bank Bangladesh Ltd	69,945	19,945
	FDR-0002242047734- SBACBL, Principal Branch	4,734,591	4,622,974
	FDR-0002244007845-SBACBL, Principal Branch	10,545,000	10,545,000
	FDR-0002244007854-SBACBL, Principal Branch	6,861,000	6,861,000
	FDR-0002244007881-SBACBL, Principal Branch	6,755,400	6,397,000
	Total	94,522,556	102,889,876
10.00	STD Account (IPO)		
	Balance as at 30.06.2023	805,312	805,312
	Total	805,312	805,312
	The balance shown in the following bank accounts of The City Bank Ltd., Principal Office, Dhaka:		
	A/C: 5121113482001 (USD)	764,162	764,162
	A/C: 5121113482002 (GBP)	41,150	41,150
	Total	805,312	805,312
	N.B.; As per Directive no. BSEC/CMRRCD/2021-386/03, dated 14 January 2021 of BSEC and the Bangladesh Securities & Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, Company (the issuer) is about to pay the full amount including due interest available in the bank accounts to "Capital Market Stabilization Fund (CMSF)". However, the company has already transferred an amount of BDT. 3,139,516.68 (including due interest) to Capital Market Stabilization Fund (CMSF) on 14.10.2021 that was held as at in the BDT account -3101113482001.		
11.00	Share Capital		
11.01	Authorized Capital		
	75,00,00,000 ordinary shares of Taka 10/= each.	7,500,000,000	5,000,000,000
	(R.N Spinning Mills Ltd Tk. 5,000,000,000)		
	(Samin Food & Beverage Inds. and Textile Mills Ltd Tk 2,500,000,000)		
11.02	Issued, subscribed, called-up and paid-up capital		
	303,452,109 Ordinary Shares of Tk 10/= each fully paid-up	3,034,521,090	6,257,314,180
		3,034,521,090	6,257,314,180



Note No	Particulars	Amount in Taka	
		October 31, 2023	June 30, 2023

The shareholding position of the company are as under:

Name	No. of Shares	Percentage (%)	Amount
Al-Haj Mustafizur Rahman	5,715	0.00%	57,150
Abdul Kader Faruk	26,031,511	8.58%	260,315,110
Md. Abdul Quyum Mamun	656,697	0.22%	6,566,970
M.L. Dyeing Ltd.	6,191,603	2.04%	61,916,030
Mrs. Shirin Faruk	20,342,783	6.70%	203,427,830
Faiaz Kader	14,430,400	4.76%	144,304,000
Rezaur Rahman Rajon	16,164,672	5.33%	161,646,720
Abid Mustafizur Rahman	8,982,880	2.96%	89,828,800
Fatin Kader Fardin	18,348,240	6.05%	183,482,400
Other Shareholders	143,111,859	47.16%	1,431,118,590
General Shareholders	49,185,749	16.21%	491,857,490
Total	303,452,109	100%	3,034,521,090

11.03 Paid up Capital

Paid up Capital at the beginning of the period	3,925,448,340	6,257,314,180
Less : Transfer to capital reserve during the period	(3,222,793,090)	-
Add : Addition during the period**	2,331,865,840	-
	3,034,521,090	6,257,314,180

**No of 233,186,584 Ordinary shares of Tk 10. each has been allotted to shareholder of Samin Food & Beveage Ind. and Textile Mills Ltd.

12.00 Share Premium

Opening Balance	599,780,490	599,780,490
Less: Transfer to capital reserve	599,780,490	-
Total	-	599,780,490

13.00 Capital Reserve

Tranfer from paid up capital	3,222,793,090	-
Tranfer from Share Premium	599,780,490	-
Total	3,822,573,580	-
Less: Transfer from retained earnings	3,674,293,639	-
Total	148,279,941	-

14.00 Retained Earnings

Opening balance	(3,674,293,639)	(3,811,703,264)
Less: Transfer to capital reserve	3,674,293,639	-
Add: Current period profit/(loss)	1,698,500	137,409,625
Closing balance	1,698,500	(3,674,293,639)



Note No	Particulars	Amount in Taka	
		October 31, 2023	June 30, 2023
15.00	Long Term borrowings		
	HPSM	106,915,259	106,883,259
	Total	106,915,259	106,883,259
16.00	Lease Liability		
	Opening balance	42,790,728	43,455,486
	Less: Short term lease liability	2,112,936	2,051,058
	Total	40,677,792	41,404,428
17.00	Deferred Tax		
	Opening balance	128,382,835	129,612,481
	Add: Current period charged	(1,057,912)	(1,229,647)
	Total	127,324,923	128,382,835
18.00	Creditors and Accrues		
	Gas Bill	-	-
	Electricity Bill	30,318,129	20,849,298
	Water Bill	4,622	3,909
	Medical subscription -BEPZA	28,305	27,795
	Worker Welfare fund	11,100	10,900
	Salary & Wages	15,892,734	14,982,952
	Director Remuneration & Fees	100,000	50,000
	Sundry Creditors	4,391,744	544,089
	Audit & Professional Fees	345,000	500,000
	Subscription & Fees	3,142,000	3,142,000
	Lease Liability	2,112,936	2,051,058
	Total	56,346,570	42,162,001
18.01	Sundry Creditors		
	M/S. Azmi Enterprise	1,221,240	150,410
	Mr. Karim Carrier	978,704	76,700
	M/S. Modina Transport	661,000	-
	M/S. JM Transport	-	107,600
	M/S. Delta Transport	799,300	-
	M/S. Himalaya Logistics	15,000	-
	M/S. Shathi Enterprise	-	191,092
	M/S. FR Trade Corporatoin	713,000	-
	M/S. Jubair Construction	-	14,287
	M/S. SB Communication	3,500	4,000
	Total	4,391,744	544,089
19.00	Bills Payables		
	Bills Payables	660,573,611	732,670,450
	Total	660,573,611	732,670,450

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



Note No	Particulars	Amount in Taka	
		October 31, 2023	June 30, 2023
20.00	Short Term Loan & advances		
	Short Term Loan (Secured)	2,572,177,114	1,588,620,561
	Short Term Loan (Unsecured)	223,868,000	295,387,575
	<i>Advances</i>	19,000,000	19,000,000
	Total	2,815,045,114	1,903,008,136
20.01	Short Term Loan (Secured)		
	Short Term Loan - UPAS/EDF	1,902,769,279	1,148,457,823
	FDBP/MDB	669,407,835	440,162,738
	Total	2,572,177,114	1,588,620,561
20.02	Short Term Loan (Unsecured)		
	The Liabilities has been made by loan taken as follows:		
		31-10-2023	30-06-2023
		Amount (Taka)	Amount (Taka)
	Rahman & Nesa Hospital and Research Center Ltd.	145,888,000	145,888,000
	Samin Food and Beverage Ind. & Textile Mills Ltd.	-	71,519,575
	F & S Industries Limited	77,980,000	77,980,000
	Total	223,868,000	295,387,575
20.03	Advances		
	Received in advance from Union Insurance Co. Ltd.	19,000,000	19,000,000
	Total	19,000,000	19,000,000
	*Adjustable with final settlement of insurance claim for fire loss		
21.00	Income Tax Payable		
	Income Tax Payable -Opening	172,165,078	129,015,851
	Add: Charge for the period	9,430,144	43,571,504
		181,595,222	172,587,355
	Less: Adjustment during the period	-	422,277
	Total	181,595,222	172,165,078
22.00	Refundable Deposits (IPO)		
	Balance as at 31.10.2023	805,312	805,312
	Total	805,312	805,312
	N.B.; As per Directive no. BSEC/CMRRCD/2021-386/03, dated 14 January 2021 of BSEC and the Bangladesh Securities & Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, Company (the issuer) is about to pay the full amount including due interest available in the bank accounts to "Capital Market Stabilization Fund (CMSF)". Total balance in the bank accounts including due interest as on 30.06.2021 have been shown in note- 10		
23.00	Net Asset Value Per Share (NAV)		
	A. Net Asset Value	3,184,499,531	3,182,801,031
	B. Number of Ordinary Share Outstanding	303,452,109	625,731,418
	Net Asset Value Per Share (A/B)	10.49	5.09

Note No	Particulars	Amount in Taka	
		July 01, 2023 to October 31, 2023	July 01, 2022 to October 31, 2022
24.00	Sales		
	This is made up as follows:		
	Revenue from Export	1,248,725,296	1,298,241,576
		<u>1,248,725,296</u>	<u>1,298,241,576</u>
25.00	Cost of goods sold		
	This is made up as follows:		
	Raw materials consumed	25.01 1,108,641,273	1,089,215,603
	Packing Materials consumed	25.02 9,324,306	9,063,175
		<u>1,117,965,579</u>	<u>1,098,278,778</u>
	Work in process- opening	58,946,408	21,069,185
	Work in process- closing	58,777,599	24,152,967
	Change in work in process	<u>168,809</u>	<u>(3,083,782)</u>
	Total consumption	<u>1,118,134,388</u>	<u>1,095,194,996</u>
	Add: Manufacturing Overhead	25.03 183,816,187	158,142,014
	Add: Depreciation (Annexure-A)	86,090,506	70,533,286
	Cost of production	<u>1,388,041,081</u>	<u>1,323,870,296</u>
	Finished goods - opening	330,931,568	286,638,930
	Finished goods - closing	536,126,741	418,022,281
	Change of finished goods stock	<u>(205,195,173)</u>	<u>(131,383,351)</u>
	Total	<u>1,182,845,908</u>	<u>1,192,486,945</u>
25.01	Raw materials consumed		
	The balance is made up as follows:		
	Opening Stock	165,036,009	110,795,944
	Add: Purchase during the period	1,498,718,527	1,475,834,945
	Raw materials available for production	1,663,754,536	1,586,630,889
	Less: Closing Stock	555,113,263	497,415,286
	Total	<u>1,108,641,273</u>	<u>1,089,215,603</u>
25.02	Packing Materials Consumed		
	The balance is made up as follows:		
	Opening Stock	3,254,081	1,976,531
	Add: Purchase during the period	8,178,412	9,105,241
	Consumable Item available for packing	11,432,493	11,081,772
	Less: Closing Stock	2,108,187	2,018,597
	Total	<u>9,324,306</u>	<u>9,063,175</u>
25.03	Manufacturing overhead		
	This has been arrived as under;		
	Salary, Wages & allowance	55,411,711	54,453,441
	Medical Expenses	60,418	67,840
	Food & Tiffin	557,190	465,575
	Entertainment	36,381	31,891

Note No	Particulars	Amount in Taka	
		July 01, 2023 to October 31, 2023	July 01, 2022 to October 31, 2022
	Labor Charge	410,529	409,490
	Internet, Telephone & Postage	14,287	16,212
	Insurance & Others	2,251,937	1,956,695
	Carrying Charge	718,594	591,150
	Power & Fuel	112,179,377	84,153,148
	Printing & Stationery	412,839	333,217
	Rent, Rates and Taxes	391,042	345,506
	Repairs & Maintenance	368,249	332,417
	Store & Spare Consumed	5.05 10,199,504	14,339,502
	Other Overhead	804,129	645,930
	Total	183,816,187	158,142,014

26.00 Operating Expenses

This has been arrived as under;

Warehouse, Distribution & Selling Exp.	26.01	5,953,378	5,012,454
Administrative Expenses	26.02	13,065,194	13,129,154
Total		19,018,573	18,141,608

26.01 Warehouse, Distribution & Selling Exp.

This has been arrived as under;

Salary & allowances	1,950,700	1,351,140
Transportation and Handling expenses	2,252,934	2,095,776
Repair and Maintenance	140,517	158,917
Electricity, water and gas	206,391	185,606
Sales promotion expenses	182,639	170,175
Traveling Expenses	301,428	246,560
Entertainment Expenses	110,542	108,472
Printing & Stationery	293,407	262,309
Miscellaneous Expenses	60,375	57,472
Depreciation (Annexure-A)	454,445	376,027
Total	5,953,378	5,012,454

26.02 Administrative Expenses

This has been arrived as under;

Salary & Welfare	2,677,786	1,998,410
Advertising Expenses	55,639	50,803
Postage & Telecommunication	63,264	47,926
Traveling, Haulage & passage	249,984	220,263
Repair & Maintenance	219,436	249,856
Electricity, Fuel & Water	368,514	318,793
Printing and Stationery	414,476	312,774
Rent, Rates and Taxes	714,179	808,538
Subscription & Donation	75,400	67,850
Entertainment	74,754	53,747
Fees and Charges	365,810	461,000

Note No	Particulars	Amount in Taka	
		July 01, 2023 to October 31, 2023	July 01, 2022 to October 31, 2022
	News paper & periodicals	20,458	30,212
	Audit & Professional fees	345,000	166,666
	Miscellaneous Expenses	154,054	148,755
	Legal & Professional Charge	72,185	67,166
	Directors' Remuneration & Fees	435,000	415,500
	CEPZ factory operating and maintenance (Note:2)	5,844,553	5,901,483
	Merger / Amalgamation fees	-	1,051,360
	Depreciation (Annexure-A)	914,702	758,051
	Total	13,065,194	13,129,154
26.02.A	CEPZ factory operating and maintenance		
	Salary, Wages & Allowances	524,179	657,150
	Fuel, Water, Power & others	143,326	128,735
	Insurance & Others	50,415	10,672
	Rent, Rates and other taxes	328,784	137,620
	Travelling & Conveyance	5,297	11,806
	Bank Charges	4,152	4,137
	Repairs & Maintenance	635	5,982
	Depreciation (Annexure-A)	4,785,611	4,937,319
	Other Overhead	2,154	8,062
	Total	5,844,553	5,901,483
27.00	Financial Expenses		
	This has been arrived as under;		
	Interest on lease liability	1,299,946	1,339,238
	Bank charge & Interest on Loan	41,052,981	44,669,884
	Total	42,352,927	46,009,122
28.00	Foreign Exchange gain / (loss)		
	This has been arrived as under;		
	Foreign Exchange gain / (loss)	1,240,827	413,609
	Total	1,240,827	413,609
29.00	Other income		
	This has been arrived as under;		
	Sale of Wastage	285,639	95,213
	Interest Income	4,148,833	1,765,284
	Total	4,434,472	1,860,497
30.00	Income tax expenses		
	This has been arrived as under;		
	Current tax	9,430,144	13,896,094
	Deferred tax	(1,057,912)	(352,637)
	Total	8,372,232	13,543,456

Note No	Particulars	Amount in Taka	
		July 01, 2023 to October 31, 2023	July 01, 2022 to October 31, 2022
31.00	Net Asset Value (NAV) per share		
	Net Asset value at the end of the period	3,184,499,531	3,182,801,031
	No. of Share outstanding at the end of the period	303,452,109	625,731,418
	Net Asset value (NAV) per share	<u>10.49</u>	<u>5.09</u>
32.00	Earnings per Share		
	The above balance is made up as follows:		
	Net profit after tax during the period	1,698,500	30,226,547
	No. of share outstanding	303,452,109	625,731,418
	Earnings per share	<u>0.01</u>	<u>0.05</u>
	Earnings per share (Re-Stated considering amalgamation)	<u>0.01</u>	<u>0.10</u>
33.00	Net operating cash flows per share		
	The above balance is made up as follows:		
	Net operating cash flows	(977,808,809)	902,342
	No. of outstanding share at the end of period	303,452,109	625,731,418
	Net operating cash flows per share	<u>(3.22)</u>	<u>0.00</u>



Note No	Particulars	Amount in Taka	
		July 01, 2023 to October 31, 2023	July 01, 2022 to October 31, 2022
31.00	Net Asset Value (NAV) per share		
	Net Asset value at the end of the period	3,184,499,531	3,182,801,031
	No. of Share outstanding at the end of the period	303,452,109	625,731,418
	Net Asset value (NAV) per share	<u>10.49</u>	<u>5.09</u>
32.00	Earnings per Share		
	The above balance is made up as follows:		
	Net profit after tax during the period	1,698,500	30,226,547
	No. of share outstanding	303,452,109	625,731,418
	Earnings per share	<u>0.01</u>	<u>0.05</u>
	Earnings per share (Re-Stated considering amalgamation)	<u>0.01</u>	<u>0.10</u>
33.00	Net operating cash flows per share		
	The above balance is made up as follows:		
	Net operating cash flows	(977,808,809)	902,342
	No. of outstanding share at the end of period	303,452,109	625,731,418
	Net operating cash flows per share	<u>(3.22)</u>	<u>0.00</u>



R. N. SPINNING MILLS LIMITED
Schedule of Property, Plant & Equipment
As at October 31, 2023



Particulars	Cost		Rate of Dep. / Amortization (%)	Accumulated Depreciation			Written Down Value as at October 31, 2023	Written Down Value as at October 31, 2022
	Balance as on July 01, 2023	Addition during the year		Balance as on October 31, 2023	Charge during the year	Balance as on October 31, 2023		
Leasehold Land Development	129,473,455	-	3.33%	51,020,195	1,437,156	52,457,351	77,016,104	78,453,260
Building	203,558,637	-	2.50%	45,721,211	1,315,312	47,036,523	156,522,114	157,837,426
Electrical Installation	5,060,020	-	10%	3,049,775	67,008	3,116,783	1,943,237	2,010,245
Furniture & Fixture	4,034,205	-	10%	2,179,929	61,809	2,241,738	1,792,467	1,854,276
Office Equipment	8,083,186	-	10%	4,612,361	115,694	4,728,055	3,355,131	3,470,825
Cookeries	806,017	-	20%	631,320	11,646	642,966	163,051	174,697
Vehicles	41,340,767	-	10%	18,884,610	748,539	19,633,149	21,707,618	22,456,157
Water & Gas Installation	4,680,868	-	10%	2,905,711	59,172	2,964,883	1,715,984	1,775,156
Total	397,037,155	-		129,005,113	3,816,336	132,821,449	264,215,706	268,032,042
Leased Assets	50,055,616	-	6.16%	12,328,796	1,027,400	13,356,196	36,699,420	37,726,820
Total	447,092,771	-		141,333,909	4,843,736	146,177,645	300,915,126	305,758,862

Allocation of depreciation :

Manufacturing Overhead	98.80%	4,785,611
Administrative Expenses	0.84%	40,687
Warehouse, Distribution & Selling Expenses	0.36%	17,437
	<u>100%</u>	<u>4,843,736</u>



SAMIN FOOD & BEVERAGE INDS. AND TEXTILE MILLS LTD.
Schedule of Property, Plant & Equipment

As at October 31, 2023

Annexure-B

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at October 31, 2023
	Balance as on July 01, 2023	Addition during the period	Balance as on October 31, 2023		Balance as on July 01, 2023	Charge during the period	Balance as on October 31, 2023	
Land & Land Development	594,009,730	-	594,009,730		-	-	594,009,730	
Land Development	27,677,668	-	27,677,668	3.33%	4,268,342	307,222	23,102,104	
Building	1,129,029,693	-	1,129,029,693	5.00%	208,069,741	15,349,333	905,610,619	
Plant & Machinery	2,578,492,299	-	2,578,492,299	10%	608,736,834	65,658,516	1,904,096,949	
A/C Plant	102,556,521	-	102,556,521	10%	39,743,646	2,093,763	60,719,112	
Furniture & Fixture	5,531,995	-	5,531,995	10%	2,073,765	115,274	3,342,956	
Water line Installation	4,315,295	-	4,315,295	10%	1,724,263	86,368	2,504,664	
Office Equipment	893,148	-	893,148	10%	344,557	18,286	530,305	
Electrical Installation	98,547,684	-	98,547,684	10%	33,101,223	2,181,549	63,264,912	
Computer	1,836,469	-	1,836,469	20%	1,182,737	43,582	610,150	
Transformer	54,548,053	-	54,548,053	10%	20,354,782	1,139,776	33,053,495	
Vehicles	13,356,329	-	13,356,329	10%	4,812,319	284,800	8,259,210	
Fire Extinguisher	4,464,624	-	4,464,624	20%	2,750,806	114,254	1,599,564	
Air Condition	349,887	-	349,887	20%	217,796	8,806	123,285	
Balance as on October 31, 2023	4,615,609,395	-	4,615,609,395		927,380,811	87,401,529	3,600,827,055	
Balance as on June, 2023	3,762,691,297	852,918,098	4,615,609,395		712,558,619	214,822,192	3,688,228,584	

Allocation of depreciation

Manufacturing Expenses	98.50%	86,090,506
Administrative Expenses	1.00%	874,015
Selling & Distribution Expenses	0.50%	437,008
	100.00%	87,401,529

