

TOSRIFA INDUSTRIES LIMITED

TOSRIFA INDUSTRIES LIMITED
Statement of Financial Position
As at 30 September 2021



NORTHERN TOSRIFA
GROUP

Un-Audited

Particulars	Amount in Taka	
	30 September 2021	30 June 2021
Assets		
Non-current assets	3,110,691,866	3,119,755,761
Property, plant and equipment	3,109,166,776	3,118,150,404
Intangible assets	1,525,090	1,605,357
Current assets	1,570,281,434	1,284,843,924
Advances, deposits and prepayments	90,260,829	87,611,636
Trade and other receivables	349,503,159	320,137,909
Accrued income	-	16,486,800
Inventories	1,038,346,538	713,550,946
Cash and cash equivalents	92,170,908	147,056,633
Total assets	4,680,973,300	4,404,599,685
Equity and Liabilities		
Shareholders' equity	1,957,625,445	1,946,820,983
Share capital	663,269,460	663,269,460
Share premium	433,059,200	433,059,200
Retained earnings	325,667,548	314,863,086
Revaluation surplus	535,629,237	535,629,237
Non-current liabilities	1,143,947,649	1,195,561,115
Long term loans (secured), net of current portion	1,033,029,639	1,087,952,967
Deferred tax liabilities	110,918,010	107,608,148
Current liabilities	1,579,400,206	1,262,217,587
Trade and other payables	618,503,237	567,068,822
Provisions for expenses	488,750	488,750
Short term loans	851,856,261	602,126,688
Current portion of long term loans	97,425,690	82,447,239
Provision for income tax	-	-
Workers' profit participation and welfare fund	11,126,269	10,086,088
Total equity and liabilities	4,680,973,300	4,404,599,685
Net asset value (NAV) per share	29.51	29.35

for,

[Signature]

Managing Director

[Signature]
Director

[Signature]
Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

Dated: 14 November 2021
Place: Dhaka

Head Office : 4/2 A, Mouja 135, Gopalpur, Munnu Nagar, Tongi, Gazipur, Bangladesh.
Tel : +88-02-9817461-63, +88 09617888777, Fax : +88-02-9817743
E-mail : info@ntg.com.bd, Web : www.ntg.com.bd, www.til.com.bd

Garments Unit : 4/2A, Mouja 135, Gopalpur, Munnunagar, Tongi, Gazipur
Tel: +8802 9816395, 9816396, Fax : 8802 9817743
Fabric Unit : Holding # 121/1, Block-H, Ward #7, Beraiderchala, Sreepur, Gazipur.

TOSRIFA INDUSTRIES LIMITED



TOSRIFA INDUSTRIES LIMITED
Statement of Profit or Loss and other Comprehensive Income **NORTHERN TOSRIFA GROUP**
For the 1st Quarter Ended on 30 September 2021

Un-Audited

Particulars	Amount in Taka	
	1st July 2021 to 30 September 2021	1st July 2020 to 30 September 2020
Sales revenue (export)	896,927,811	734,209,688
Less: Cost of sales	796,701,336	655,050,501
Gross profit	100,226,475	79,159,187
Less: Operating expenses	64,115,842	52,534,461
General and administrative expenses	19,850,564	22,051,671
Marketing, selling and distribution expenses	44,265,278	30,482,790
Operating profit	36,110,633	26,624,725
Add: Other income	8,432,711	19,986,399
Profit before finance costs	44,543,344	46,611,124
Less: Finance costs	22,699,529	31,010,116
Profit before WPPF	21,843,815	15,601,008
Less: Workers' profit participation and welfare fund	1,040,182	742,905
Profit before income tax	20,803,634	14,858,103
Less: Income tax expenses	9,999,172	7,994,310
Current tax expense	6,689,310	3,725,758
Deferred tax expense	3,309,862	4,268,552
Profit after income tax	10,804,461	6,863,792
Add: Other comprehensive income	-	-
Total comprehensive income	10,804,461	6,863,792
Earnings per share		
Basic earnings per share (Face value Tk. 10.00)	0.16	0.10

for,

Managing Director

Director

Director

Chief Financial Officer

Company Secretary

Dated: 14 November 2021
Place: Dhaka

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TOSRIFA INDUSTRIES LIMITED



TOSRIFA INDUSTRIES LIMITED
Statement of Changes in Equity
For the 1st Quarter ended 30 Sep 2021

Un-Audited
(Amount in Taka)

Particulars	Share capital	Share premium	Retained earnings	Revaluation surplus	Total
Balance as at 01 July, 2021	663,269,460	433,059,200	314,863,086	535,629,237	1,946,820,983
Total comprehensive income for the period	-	-	10,804,461	-	10,804,461
Profit	-	-	-	-	-
Other comprehensive Income	-	-	-	-	-
Transactions with owners of the Company:	-	-	-	-	-
Issue of ordinary shares	-	-	-	-	-
Share premium	-	-	-	-	-
Stock dividend	-	-	-	-	-
Cash dividend	-	-	-	-	-
Transfer from revaluation surplus to retained earnings	-	-	-	-	-
Balance as at 30 September, 2021	663,269,460	433,059,200	325,667,548	535,629,237	1,957,625,445

TOSRIFA INDUSTRIES LIMITED
Statement of Changes in Equity
For the 1st Quarter Ended on 30 Sep 2020

(Amount in Taka)

Particulars	Share capital	Share premium	Retained earnings	Revaluation surplus	Total
Balance as at 01 July, 2020	663,269,460	433,059,200	272,085,985	535,629,237	1,904,043,882
Total comprehensive income for the period	-	-	6,863,792.36	-	6,863,792
Profit	-	-	-	-	-
Other comprehensive Income	-	-	-	-	-
Transactions with owners of the Company:	-	-	-	-	-
Issue of ordinary shares	-	-	-	-	-
Share premium	-	-	-	-	-
Stock dividend	-	-	-	-	-
Cash dividend	-	-	-	-	-
Transfer from revaluation surplus to retained earnings	-	-	-	-	-
Balance as at 30 September, 2020	663,269,460	433,059,200	278,949,777	535,629,237	1,910,907,674

for,

Managing Director

Director

Chief Financial Officer

Company Secretary

Dated: 14 November 2021
Place: Dhaka

Head Office : 4/2 A, Mouja 135, Gopalpur, Munnu Nagar, Tongi, Gazipur, Bangladesh.
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TOSRIFA INDUSTRIES LIMITED

TOSRIFA INDUSTRIES LIMITED
Statement of Cash Flows
For the 1st Quarter Ended on 30 September 2021



NORTHERN TOSRIFA
GROUP

Un-Audited

Particulars	Amount in Taka	
	1st July 2021 to 30 September 2021	1st July 2020 to 30 September 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	867,562,580	505,230,917
Cash receipts from other sources	23,650,000	16,978,961
Cash paid to suppliers, contractors and others	(1,104,908,080)	(673,272,613)
Finance costs	(22,699,529)	(31,010,116)
Income taxes paid	(6,689,310)	(3,725,758)
Net cash (used in)/generated by operating activities	(243,084,339)	(185,798,609)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of property, plant and equipment	(22,834,107)	(2,125,151)
Payments for capital work-in-progress	-	-
Payments for acquisition of intangible assets	-	-
Net cash used in investing activities	(22,834,107)	(2,125,151)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(repayment of) long term loans	(54,923,328)	51,246,815
Proceeds from/(payment of) accepted liabilities for machinery	-	-
Proceeds from/(repayment of) short term loans	249,729,573	29,925,662
Current portion of Long term loan	14,978,451	79,052,362
Interest income	-	-
Payment of dividend	(21,486)	(3,928)
Proceeds from/(refund of) unsuccessful IPO application money	-	-
Net cash generated by financing activities	209,763,209	160,220,911
D. Net changes in cash and cash equivalents (A+B+C)	(56,155,237)	(27,702,850)
E. Cash and cash equivalents at the beginning of the year	147,056,633	99,810,503
F. Exchange Fluctuation loss /gain (Net)	1,269,511	(1,317,531)
F. Cash and cash equivalents at the end of the year (D+E)	92,170,908	70,790,122
Net operating cash flow per share	(3.66)	(2.80)

for,

Managing Director

Director

Director

Chief Financial Officer

Company Secretary

Dated: 14 November 2021
Place: Dhaka

Head Office : 4/2 A, Mouja 135, Gopalpur, Munnu Nagar, Tongi, Gazipur, Bangladesh.
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NOTES TO THE FINANCIAL STATEMENTS
For the 1st Quarter period ended on 30 September 2021

1.00 Corporate Information of the reporting entity

Tosrifa Industries Limited (hereinafter referred to as "the Company") is a public limited Company incorporated in Bangladesh on 27 August 2002 under the Companies Act, 1994 vide registration number C-46888 and has its address at 4/2 A, Mouja 135, Gopalpur, Munnu Nagar, Tongi, Gazipur. The Company was initially registered as a private limited Company and subsequently converted into a public limited Company on 18 August 2011. It commenced its commercial operation in 2005. The Garments Unit and the principal place of the business of the Company is located at 135 Gopalpur (Level 1-6), Munnu Nagar, Tongi, Gazipur. The Fabric Unit is located at Holding - 121/1, Block-H, Beraiderchala, Sreepur, Gazipur.

The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

2.00 Nature of business

The Company operates an international standard industrial unit of readymade garments to carry on the business of knitting, dyeing, designing, manufacturing and marketing of readymade garments to deal in the foreign markets.

3.00 Financial statements and corporate reporting

These financial statements comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows and other explanatory notes.

4.00 Authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company on 14 November 2021.

5.00 Basis of preparation

5.01 Statement of compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Prior year financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IAS) which were adopted accounting standards from IASB.

5.02 Basis of measurement

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements.

5.03 Going Concern

The company has adequate resources to continue its operations for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the Financial Statements. The current revenue generations and resources of the company are sufficient to meet the present obligation of its existing businesses and operations.

5.04 Components of the Financial Statements

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

- a) Statement of financial position as at 30 September 2021;
- b) Statement of profit or loss and other comprehensive income for the period from 01 July 2021 to 30 September 2021;
- d) Statement of changes in equity for the first quarter 30 September 2021;
- c) Statement of cash flows for the period from 01 July 2021 to 30 September 2021;
- e) Notes, comprise a summary of significant accounting policies and other explanatory information for the period from 01 July 2021 to 30 September 2021;



5.05 Applicable Accounting Standards & Financial Reporting Standards

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

Sl. No.	Name of the IAS	IAS's no.
1	Presentation of Financial Statement	1
2	Inventories	2
3	Statement of Cash flows	7
4	Accounting policies, Changes in accounting Estimates and Errors	8
5	Events after the Reporting Period	10
6	Income taxes	12
7	Property plant & Equipment	16
8	Leases	17
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Sl. No.	Name of the IFRS	IFRS No
1	Financial Instruments: Disclosures	7
2	Operating Segments	8
3	Financial Instruments	9
4	Fair Value Measurement	13

5.06 Functional and presentation currency

Items Included in these financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is also the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka. Because of these rounding off, in some instances the totals may not match the sum of Individual balances.

5.07 Accrual basis of accounting

These financial statements have been prepared under the accrual basis of accounting

5.08 Use of estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets liabilities affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates recognized in the period in which the estimates are revised and in any future periods affected thereby.

5.09 Reporting period

The financial statements of the company cover 3 months from 01 July 2021 to 30 September 2021.

5.10 Compliances with Local laws

As required by the company, the management complies with the following major legal provisions In addition to the Companies Act 1994 and the Securities and Exchange rules 1987.

- (i) The Income Tax Ordinance 1984;
- (ii) The Income Tax Rules 1994;



- (iii) The Value Added Tax Act 1991;
- (iv) The Value Added Tax Rules 1991;
- (v) The Customs Act, 1969; and
- (vi) Bangladesh Labor Law, 2006.

5.11 Comparative Information

Comparative Information has been disclosed in accordance with IAS-1: Presentation of Financial Statement in respect of the previous period for all numerical Information in the current financial statements as below:

- a) Statement of Financial Position as at the end of the preceding financial period;
- b) Statement of Profit or Loss and other Comprehensive Income for the comparable period of preceding financial period;
- c) Statement of Changes in Equity for the comparable period of preceding financial period, and
- d) Statement Cash Flows for the comparable Interim period of preceding financial period.

The narrative and descriptive Information where it is relevant for understanding of the current period financial statement has also represented

Re-arrangement

Comparative figures have been rearranged wherever considered necessary ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the financial statement.

6.00 Significant accounting policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current period's presentation.

6.01 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

- I. expected to be realized or intended to be sold or consumed in normal operating cycle,
- II. held primarily for the purpose of trading.
- III. expected to be realized within twelve months after the reporting period, or
- IV. cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- I. expected to be settled in normal operating cycle,
- II. held primarily for the purpose of trading
- III. due to be settled within twelve months after the reporting period, or
- IV. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current liabilities.

6.02 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.



6.03 Property, plant and equipment

6.03.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When major parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate Items (major components) of property, plant and equipment.

6.03.2 Subsequent costs

The cost of replacing or up gradation of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

6.03.3 Depreciation

No depreciation is charged on land and land developments as the land has unlimited useful life.

Depreciation on other items of property, plant and equipment is recognized on a diminishing balance method over the estimated useful life of each item of property, plant and equipment.

Depreciation method, useful lives and residual values are reviewed at each period-end and adjusted if appropriate. Depreciation has been charged on addition of assets during the year when the assets available for use. The depreciation rate based on estimated useful lives of the items of property, plant and equipment for the current and comparative periods are as follows:

Particulars	September 30, 2021	June 30, 2021
	Rate	Rate
Plant and machinery	15%	15%
Motor vehicles	20%	20%
Furniture and fixtures	10%	10%
Office equipment	15%	15%
Building and civil works (RCC)	2.5%	2.5%

Fabric Department		
Plant and machinery		
Production machinery – Dyeing	5%	5%
Lab Equipment	5%	5%
Utility Machinery – Dyeing	7.5%	7.5%
Effluent Treatment Plant	7.5%	7.5%
Electrical Sub-Station & Equipment- Dyeing	10%	10%
Building & civil works (RCC)		
Production Building	2.5%	2.5%
WTP & Chemical Store	2.5%	2.5%
Utility Building	2.5%	2.5%
Husk Boiler Building	5%	5%
Effluent Treatment Plant Building	2.5%	2.5%



6.04 Intangible assets

6.04.1 Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

6.04.2 Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in profit or loss as incurred.

6.04.3 Amortization

Amortization is recognized in profit or loss on a reducing method basis of intangible assets. The amortization rate based on estimated useful lives are as follows:

	September 30, 2021	June 30, 2021
	Rate	Rate
Software and Application	20%	20%
Website	20%	20%

Amortization methods, useful lives and residual values are reviewed at each period-end and adjusted, if appropriate.

6.05 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deduction, adjustment or charges to other account heads such as property, plant and equipment, inventory or expenses. Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit and loss account.

6.06 Financial Instruments

Financial assets and liabilities are recognized on the statement of financial position when the company has become party to a contractual provision of the instrument

6.07 Trade and other receivables

Trade and other receivables are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad.

6.08 Accrued Income

Accrued Income includes Incomes which have been earned but not received during the reporting period.

6.09 Inventories

Inventories comprise of raw materials yarn), raw materials (finished fabrics], raw materials (accessories), needle and spare parts, work-in-process, and finished goods. Inventories are stated at the lower of cost and net realizable value. The cost of Inventories includes expenditure incurred in acquiring the Inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured Inventories and work in process, cost includes an appropriate share of production overheads based on normal operation capacity. Cost of inventories is determined by using the weighted average cost formula. Net realizable value represents the estimated selling price for Inventories less all estimated costs of completion and costs necessary to make the sale.

6.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks, and other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.



6.11 Share capital

Ordinary shares are classified as equity.

6.12 Loans

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on an accrual basis.

6.13 Trade and other payables

Trade and other payables are stated at their nominal value.

6.14 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

6.15 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to Items recognized directly in equity, in which case it is recognized in equity.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The applicable tax rate for the Company is currently 12% on its taxable income derived from export and 25% on taxable income derived from sources other than export. The company is an internationally recognized green building certified involve with 100% export oriented RMG business, according to the SRO no. 164-AIN/Income Tax/2020 dated 06-07-2020, applicable tax rate on its business income is 10%.

(b) 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 purpose and amounts used for taxation purpose. 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 date of statement of financial position. 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 difference can be utilized. Deferred tax assets are reviewed at each period-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

6.16 Employee benefits

6.16.1 Worker's profit participants & welfare funds

The company contributed 5% of net profit before charging the amount to the aforementioned fund in accordance with the requirement of section 234 of Labor Act 2006, (Amendment 2013).

6.17 Revenue recognition, measurement and presentation

Revenue of the Company is derived from sale of goods (i.e. readymade garments) to foreign buyers through export. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

6.18 Finance costs

The Company's finance costs include Interest expenses on bank loans, and other borrowings. Interest expense is recognized using the effective Interest method.

6.19 Foreign currency transactions

These financial statements are presented in Taka/Tk./BDT, 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. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into Taka at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary Items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary Items at the end of the reporting period are recognized in profit or loss as per IAS 21 the Effects of Changes in Foreign Exchange Rates.

6.20 Related party transactions

The Company carried a number of transactions in arm length price with its related parties in the normal course of its business. The nature of those transactions and their total value have been disclosed.

6.21 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 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 relevant periods.

6.22 Statement of cash flows

Cash flows from operating activities are presented under direct method in accordance with IAS-7 "Statement of Cash Flows". It has been also prepared in accordance with the Securities and Exchange Rules, 1987.



6.23 Events after the reporting period

Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of 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 are disclosed in the financial statements.

6.24 Segment Reporting

No segmental reporting is applicable to the company as required by "IFRS-8: Operating Segment" as the company operates in a single industry segment and within as geographical segment.

6.25 Impairment of Assets

In accordance with the provision of IAS-36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the period.

7.00 Sales Revenue (export)

Types of sales/ Particulars	Amount in Taka	
	30 September 2021	30 September 2020
Export of RMG	778,530,321	667,138,401
Deemed export	118,397,490	67,071,287
Total	896,927,811	734,209,688

8.00 Cost of sales

Opening inventories of raw materials	402,594,061	248,354,988
Raw materials (yarn)	278,818,261	160,489,818
Raw materials (finished fabrics)	50,850,432	40,674,767
Raw materials dyes & chemical	37,038,158	30,375,930
Raw materials (accessories)	26,606,603	7,320,151
Needle and spare parts	9,280,607	9,494,322
Add: Raw materials purchased during the year	793,502,929	361,453,693
Yarn	640,777,459	205,599,467
Finished fabrics	7,447,180	26,021,937
Dyes & Chemical	58,537,073	38,965,875
Accessories	64,496,709	77,192,161
Needle and spare parts	7,223,889	5,435,815
Purchase related cost	15,020,619	8,238,438
Raw material available for use	1,196,096,990	609,808,681
Less: Closing inventories of raw materials	622,088,668	216,398,141
Raw materials (yarn)	468,459,442	152,683,120
Raw materials (finished fabrics)	60,858,074	31,147,124
Raw materials dyes & chemical	51,704,165	13,784,131
Raw materials (accessories)	29,713,987	8,942,508
Needle and spare parts	11,353,000	9,841,258
Raw materials consumed	574,008,322	393,410,541
Add: Direct expenses	156,550,904	92,612,411
Prime cost	730,559,226	486,022,952



Add: Factory overhead	171,443,094	150,746,149
Cost of production	902,002,321	636,769,100
Add: Opening inventories of work-in-process	184,021,278	133,098,424
Manufacturing cost at standard	1,086,023,599	769,867,524
Less: Closing inventories of work-in-process	292,058,409	115,554,239
Cost of goods manufactured	793,965,190	654,313,285
Add: Opening inventories of finished goods	126,935,607	69,943,878
Goods available for sale	920,900,797	724,257,163
Less: Closing inventories of finished goods	124,199,461	69,206,662
Cost of Sales	796,701,336	655,050,501

9.00 Other income

Particulars	30 September 2021	30 September 2020
Cash incentive	7,163,200	19,986,399
Exchange fluctuation gain	1,269,511	
Total	8,432,711	19,986,399

10.00 Finance costs

Bank charge	184,719	470,518
Interest on EDF loans	1,544,330	4,514,219
Interest on FDBP	153,368	168,176
Interest on PC loans	2,868,649	1,660,826
Interest on term loans	15,660,814	20,269,130
Interest on SOD loans	254,730	244,697
Interest on STL loans	2,032,919	3,682,551
	22,699,529	31,010,116

11.00 Workers profit participation and welfare fund

The Company has Workers Profit Participation and Welfare Fund (WPPWF) as employee benefit and contributed 5% of net profit before tax.

Workers profit participation and welfare fund	<u>1,040,182</u>	<u>742,905</u>
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12.00 Income tax expenses

Current tax expenses:

Provision made in respect of the current period	6,689,310	3,725,758
Add: Charge in respect of year 2018		
	6,689,310	3,725,758

Deferred tax expenses:

Deferred tax liability as on 30 September 2021	110,918,010	92,680,542
Add: Opening balance	107,608,148	88,411,990
	3,309,862	4,268,552
	9,999,172	7,994,310

*Details shown in Annex-A



13.00 Calculation of NAV per share

	30 September 2021	30 September 2020
Total Assets	4,680,973,300	4,404,599,685
Less: Total Liabilities	2,723,347,856	2,457,778,702
A.Net Asset Value	1,957,625,445	1,946,820,983
B. Number of ordinary shares	66,326,946	66,326,946
NAV per share (A/B)	29.51	29.35

13.01 Calculation of Earnings per share (EPS)

Basic Earnings Per Share	30 September 2021	30 September 2020
A. Profit attributable to the ordinary shareholders	10,804,461	6,863,792
B. Weighted Average number of share outstanding (basic)	66,326,946	66,326,946
Ordinary shares fully outstanding	66,326,946	66,326,946
Basic EPS (A/B)	0.16	0.10

Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

Diluted Earnings per Share

No diluted earnings per share is required to be calculated for the periods presented as the Company has no dilutive potential ordinary shares.

13.02 Calculation Net Operating Cash Flow per Share (NOCFPS)

	30 September 2021	30 September 2020
A.Net cash generated/(used in) by operating activities	(243,084,339)	(185,798,609)
B.Number of Outstanding Shares	66,323,946	66,326,946
NOCFPS (A/B)	(3.66)	(2.80)

13.03 Deviation in EPS

EPS of Tosrifa Industries Ltd was Tk.0.10 in the period ended 30 September 2020 and Tk. 0.16 in the period ended 30 September 2021 which is increased Tk.0.06 per share due to incremental net operating profit. During the period profit after tax has been increased due to increase revenue BDT 162,718,123 compare to previous year corresponding period.

13.04 Deviation in NOCFPS

The price of cotton is rising in the international market. Last few months cotton prices have risen by 10% -15%, as cotton production declined due to the pandemic which had an impact on the global market. Its production may decline further in the coming seasons. In this situation, for smooth running the business operation we had procured more raw materials specially yarn by creation of EDF loan which was impact directly Company's cash flow and result in NOCFPS decreased to Tk. (3.66) in the period ended 30 September 2021 which was Tk. (2.80) per share in the previous same period.



14.00 Related party disclosures

During the 1st quarter period ended on 30 September 2021, the Company entered into a number of transactions with related parties in the normal course of business. The names of the significant related parties, nature of these transactions and amounts thereof have been set out below in accordance with the provisions of IAS 24 Related Party Disclosures. Nature of relationship and significance of the amounts have been considered in giving this disclosure.

14.01 Related party transactions during the period

Name of the related parties	Relationship	Nature of transaction	Amount in Taka	Amount in Taka
			01 July 2021 to 30 September 2021	01 July 2020 to 30 September 2020
Northern Corporation Limited	Shareholders & Common Directorship	knitting, dyeing & sewing services	4,685,298	1,832,050
Enviro pac Limited	Common Directorship	Purchase of Accessories	3,727,459	10,283,964
Printer and Printers Limited	Common Directorship	Purchase of accessories	8,720,413	4,677,500
Fasion Asia Ltd	Common Directorship	Fabric sale	46,214,056	35,739,666
Northern Knit Ltd	Common Directorship	Lease rent	68,200	68,200

14.02 Receivables/ (Payables) with related parties

Name of the related parties	Relationship	Nature of transaction	Amount in Taka	Amount in Taka
			01 July 2021 to 30 September 2021	01 July 2020 to 30 September 2020
Northern Corporation Limited	Shareholders & Common Directorship	Knitting, dyeing & sewing services	4,222,607	(5,466,651)
Enviro pac Limited	Common Directorship	Purchase of Accessories	(238,296)	(1,521,546)
		Purchase of Accessories	(1,660,000)	(8,475,085)
Printer and Printers Limited	Common Directorship	Purchase of accessories	(1,754,610)	(1,958,387)
Fasion Asia Ltd	Common Directorship	Purchase of accessories	(8,066,398)	(10,808,487)
		Fabric sale	15,403,039	20,512,147
Northern Knit Ltd	Common Directorship	Lease rent	(1,035,112)	(762,312)



14.03 Disclosers of Directors' remuneration under Paragraph 4 of Schedule XI, Part II of the Companies Act, 1994

Directors have received the following remuneration from the Company during the period:

Name of Directors	Designation	01 July 2021 to 30 September 2021	01 July 2020 to 30 September 2020
Mr. Mohim Hassan	MD	555,000	832,500
Mr. Naim Hassan	Director	255,000	382,500
Total		810,000	1,215,000

14.04 Compensation of Key personnel's

Sl. No.	Name of Directors	Designation	Remuneration/ Salary per month	Remuneration/ Salary per month
			01 July 2021 to 30 September 2021	01 July 2020 to 30 September 2020
1	Mr. Mohim Hassan	MD	185,000	277,500
2	Mr. Naim Hassan	Director	85,000	127,500
3	Mr. Armanul Azim	COO	184,000	184,000
4	Mr. Hyder Ali	CS	141,500	141,500
5	Mr. Abul Hasnat Moh. Quamruzzaman	CFO	100,000	
5	Mr. Hasibur Rahman	Sr. DGM- Fabric Division	204,500	204,500
6	Mr. Khorshed Alam	Sr. AGM- Production	0	180,500

Note: Mr. Khorshed Alam left the job.

15.00 Case No. 5(2) of notification No. BSEC/CMRRCD/2006-158/2008/Admin/81, Dated: 20 June 2018: Reconciliation of Net Operating Cash Flow under Indirect method:

Particulars	Q1, Period ended 30 September 2021	Q1, Period ended 30 September 2020
Profit after income tax	10,804,461	6,863,792
Depreciation expense	30,757,039	30,982,211
Amortization expense	80,267	100,335
Interest Income (Consider in financing activities)		
Decrease in Account receivable		
Increase in Account receivable	(29,365,251)	(228,978,770)
Increase in Accounts payable	52,079,166	
Decrease in Accounts payable		(20,493,127)
Increase in Provision for expenses		
Decrease in Provision for expenses		(34,485,259)
Differed tax expense	3,309,862	4,268,552
Decrease in accrued Income	16,486,800	
Increase in accrued Income		(3,007,438)
Increase in Inventory	(324,795,592)	
Decrease in Inventory		50,238,248
Increase in advance deposit & prepayment	(2,211,763)	
Decrease in advance deposit & prepayment		6,652,411
Decrease in provision for WPPF		
Increase in provision for WPPF	1,040,182	742,905
Exchange Fluctuation gain	(1,269,511)	
Exchange Fluctuation loss		1,317,531
Net cash generated/(used in) by operating activities	(243,084,339)	(185,798,609)
NOCFPS	(3.66)	(2.80)



Income Tax Liabilities
As at 30 September, 2021

Annexure-A

Particulars	Amount in Taka 30 September 2021
Computation of Total Income	
Accounting Profit before other Income and Tax	12,370,923
Add: Other Inadmissible Allowances	
Accounting Depreciation & Amortization	30,837,306
Provision for WPPF	11,126,269
Less: Items for Separate Consideration	
Depreciation as per 3rd Schedule	64,976,107
Payment for WPPF (Previous)	-
Total Taxable Income	(10,641,609)
Rate	10%
A. Tax on Total Taxable Income	-
Other Income (Except Cash Incentive)	1,269,511
Rate	22.5%
B. Tax from Other Income (Except Cash Incentive)	285,640
Other Income (Cash Incentive)	7,163,200
Rate	10%
C. Tax from Other Income (Cash Incentive)	716,320
Total Tax Expenses (A+B+C)	1,001,960
Calculation of Gross Receipt as per 82 (C) :	
Sales during the year	896,927,811
Add: Trade receivable as on 30 June 2021	320,137,909
Less: Trade receivable as on 30 September 2021	(349,503,159)
Gross receipt from sale (A)	867,562,560
Add: Other income during the year	8,432,711
Add: Accrued income as on 30 June 2021	16,486,800
Less: Accrued income as on 30 September 2021	-
Gross receipt from Other Income (B)	24,919,511
Tax rate as per 82© Minimum Tax @ 0.20% (A)	1,735,125
Tax rate as per 82© Minimum Tax @ .60% (B)	149,517
Tax As per 82 ©	1,884,642
TDS during the year	6,689,310
Whichever is higher from above calculation	6,689,310
Add: Previous year Tax	-
Total Tax	6,689,310
Business profit as per profit or loss accounts	12,370,923



Tax rate @ 10%	1,237,092
Add: Tax on other income	1,001,960
Total Tax Liability	2,239,052

Note: Minimum tax rate calculation for business income as 82 ©

As per paripatra 2016-2017, whenever any company pay tax at reducing rate, minimum tax rate on gross receipt of reducing rate income will be reduce proportionately based on general tax rate. Here

General tax Rate	30.00%
Minimum tax rate as per 82 ©	0.60%
Tax rate for green building garments factory	10%
Minimum tax rate for green building garments factory	0.20%

Deferred Tax Liabilities			
As at 30 September 2021			
Deferred tax assets/ liability recognized in accordance with the provision of IAS-12, is arrived as follows:			
Particulars	30 September 2021		30 June 2021
Opening Balance	107,608,148		-
Deferred Tax Liability/ (Assets) as on 30 September 2021	110,918,010		107,608,148
Increase/ (Decrease) of Deferred Tax Liability	3,309,862		107,608,148
Particulars	Carrying Amount on balance Sheet date (Taka)	Tax Base (Taka)	Temporary Differences (Taka)
At 30 September 2021			
Property, Plant & Equipment	3,109,166,776	1,989,407,120	1,119,759,356
Intangible Assets	1,525,090	978,075	547,015
Temporary difference for lease Assets	-	-	-
Liability to Employees	11,126,269	-	11,126,269
Net Temporary Difference	3,099,565,597	199,0385,495	1,109,180,101
Applicable tax rate			10%
Deferred Tax Liability/(Asset)			110,918,010

