

ANNUAL REPORT

2019-2020



Monno Fabrics Ltd.



HARUNAR RASHID KHAN MONNO
FOUNDING CHAIRMAN, MONNO GROUP OF INDUSTRIES
BORN:17.08.1932. EXPIRED: 01.08.2017

Monno Fabrics Limited

BOARD OF DIRECTORS :

MRS. HURON NAHAR RASHID

Chairman

MR. MOYNUL ISLAM

Vice Chairman

MRS. AFROZA KHAN

Managing Director

MR. RASHEED MYMUNUL ISLAM

Director

MR. RASHEED SAMIUL ISLAM

Director

DR. MD. ANWAR HOSSAIN

Independent Director (Retired on 12.05.2020)

MRS. MINARA HAI

Independent Director (Retired on 12.05.2020)

MR. MD. NAZMUS SAADAT

Independent Director (Appointment on 12.05.2020)

MRS. AFROZA KHAN

Nominee of Monno Welfare Foundation

MR. MRITYUNJOY BANERJEE

Acting Company Secretary

AUDITORS :

Messrs. A. Wahab & Co.,
Chartered Accountants,
Hotel Purbani, Annex-2, 4th Floor,
1 Dilkusha Commercial Area,
Dhaka-1000.

BANKERS :

Sonali Bank Limited.
Janata Bank Limited.
Bangladesh Development Bank. Ltd.

FACTORY :

“Monno City”, Gilondo, Manikgonj.

REGISTERED OFFICE :

“Monno City”, Gilondo, Manikgonj

LIAISON OFFICE :

9 Wyre Street, Wari,
Dhaka-1203.

Monno Fabrics Limited

NOTICE OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Sixth Annual General Meeting of the shareholders of Monno Fabrics Limited will be held on Monday the 28th December 2020 at 3:00 p.m. at Virtually by using **Digital Platform** as per BSEC order SEC/SRMRC/04/231/25 dated the 08 July 2020 through the link <https://monnofabrics.virtualagmbd.com>, to transact the following businesses:

1. To confirm the proceedings of the Twenty Fifth Annual General Meeting held on Saturday the 28th December 2019.
2. To receive, consider and adopt the Audited Financial Statement for the year ended on June 30, 2020 together with Report of the Directors' and Auditors' thereon.
3. To retire & re-elect of Directors & appoint Independent Director.
4. To appoint Auditors for the year ending the 30th June 2021 & to fix their remuneration and also appoint professional auditors for providing certificate on compliance of Corporate Governance Code for the year ending the 30th June 2021 & to fix their remuneration.

By order of the Board,



Afroza Khan
Managing Director

Dated : Dhaka, the October 28, 2020.

Notes:

1. November 19, 2020 is scheduled as Record Date.
2. Any member of the Company entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his/her behalf. The proxy form, with duly affixed revenue stamps of Tk.20.00, should be submitted at the Liaison Office of the Company at 9, Wyre Street, Wari, Dhaka-1203 not less than 48 hours before the time fixed for the meeting.
3. The Shareholder will join the virtual AGM through the above link prior to 24 hours of the meeting. The Shareholder will be able to registration, comments and vote before commencement of the AGM and during the AGM.

Monno Fabrics Limited

Vision We see business as a means to the well-being of the shareholders and all other stakeholders, society as well as the national interest as a whole.

Mission Our Mission is to provide world class quality products to our valued customers, strictly maintain ethical standard in business operation.

Objectives Our objectives are to conduct transparent business operation within the legal & social framework with aims to attain the mission with a quantitative/qualitative target in business operation.

Corporate Focus Our vision, our mission and our objectives are to emphasise on the continuous development in making value addition to our products for producing the higher end products, to keep well prepared for competitive world market.

Financial Management Policy

All financial policies like investments policy, dividend policy and financing policy is to maximise the value of the organisation.

Corporate Governance:

Top Management : Board of Directors

As per provisions of the Article of Association, Board of Directors hold periodic meetings to resolve issue of policies and strategies, recording minutes/decisions for implementation by the Executive Management.

Executive Management:

The Executive Management is headed by the Managing Director, the Chief Executive Officer (CEO) who has been delegated necessary and adequate authority by the Board of Directors. The Executive Management operates through further delegations of authority at every echelon of the line management. The Executive Management is responsible for preparation of segment plans/sub-segment plans for every profit centres with budgetary targets for every items of goods & services and are held accountable for deficiencies with appreciation for exceptional performance.

WE STRIVE FOR

- ◆ Protection of shareholders' capital as well as to ensure maximise the value of the organisation.
- ◆ Best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company through a pay-package composing salary/wages, allowances, bonuses, profit participation and leave salary as per Company rules.

Monno Fabrics Limited

- ◆ The best co-operation of the suppliers by timely payment of their bills, the banks & financial Institutions by repayment of loan before due date and the authority relating to utilities-power, gas etc. by regular payment of their bills.
- ◆ Fulfillment of our responsibility to the Government through regular payment of taxes, VAT and duties etc.
- ◆ As responsible citizen, for a social order devoid of malpractices, anti-environmental behaviours, unethical and immoral activities and corruptive dealings.
- ◆ Practicing good-governance in every sphere of activities covering full disclosure & reporting to shareholders, holding AGM and other benefits to shareholders in time, reporting/ dissemination of price sensitive information, recruitment & promotion of staff, procurement & supplies, sale of assets etc. all that directly and indirectly affect the interest of concerned groups - the shareholders, the creditors, suppliers, employees and the government.

Monno Fabrics Limited

FIVE YEARS FINANCIAL STATISTICS

(Figures in '000 taka)

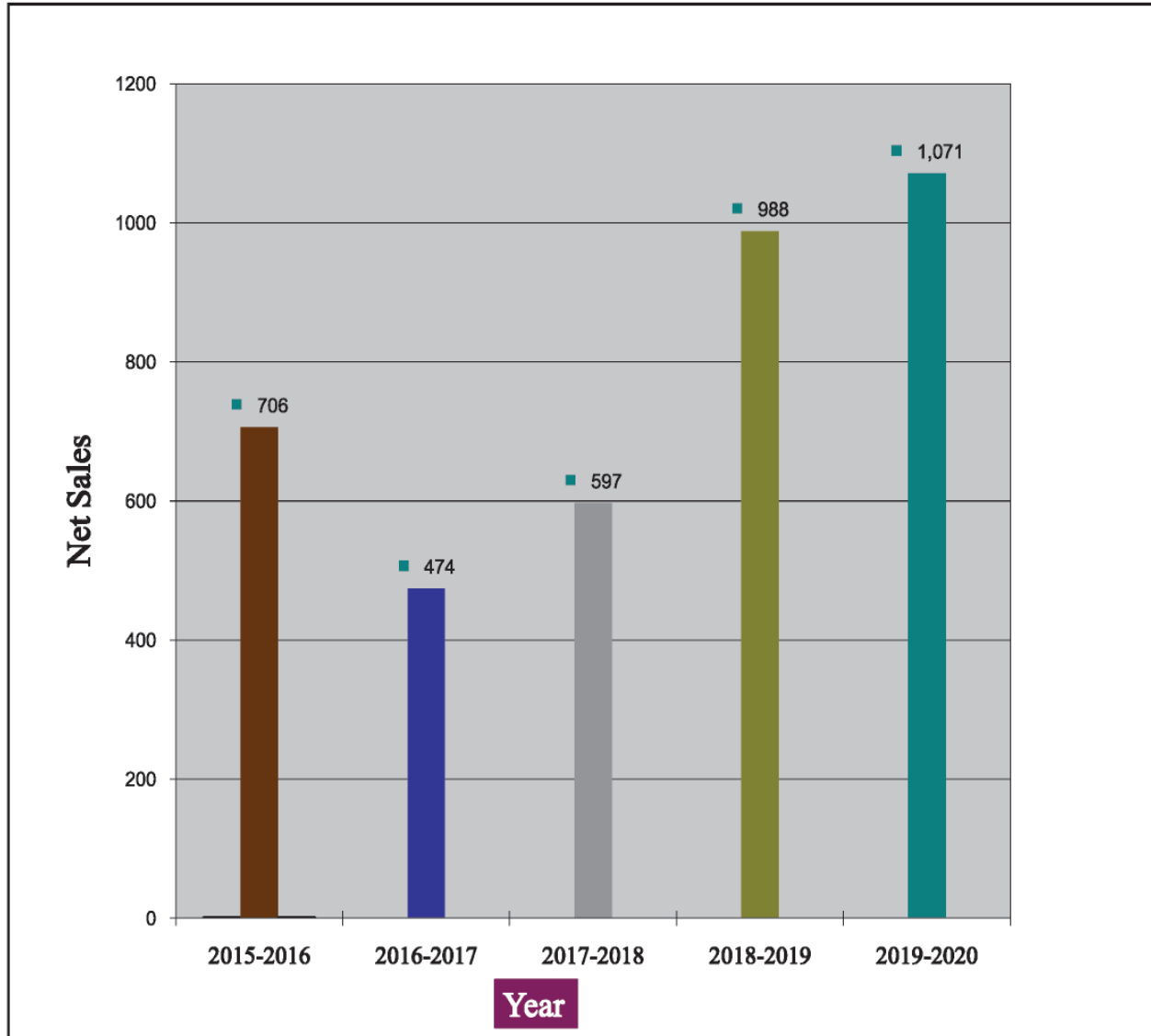
PARTICULARS	2019-2020	2018-2019	2017-2018	2016-2017	2015
Authorised capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Paid-up capital	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Shareholders equity	3,139,512	3,127,262	(951,273)	(861,863)	(724,471)
Fixed assets (gross)	7,351,568	3,287,993	3,271,360	3,249,101	3,214,643
Fixed assets (net)	5,971,309	1,933,012	1,946,934	1,955,852	1,969,551
Turnover (net)	1,071,071	988,210	597,187	474,387	450,275
Gross margin	249,264	149,587	80,093	63,457	45,926
Net profit/(loss) before income tax provision	15,216	7,137	(85,827)	(98,427)	(203,984)
Net profit/(loss) after income tax provision	12,250	6,066	(89,410)	(101,274)	(205,335)
Surplus available for appropriation	(2,444,639)	(2,456,889)	(2,471,849)	(2,382,438)	(2,245,047)
Amount of dividend	-	-	-	-	-

Number of shares	115,000,000	115,000,000	115,000,000	115,000,000	115,000,000
Shareholders equity per share	27.30	27.19	(8.27)	(7.49)	(6.30)
Return on paid-up capital	2%	1%	(8%)	(9%)	(18%)
Rate of dividend	-	-	-	-	-
Earning per share	0.11	0.05	(0.78)	(0.88)	(1.79)
Net asset value per share	27.30	27.19	(8.27)	(7.49)	(6.30)
Pay out ratio	-	-	-	-	-
Net Operating cash flow per share	0.02	1.11	0.27	0.35	0.57
Number of shareholders	9,639	9,665	9,942	9,960	10,057

Monno Fabrics Limited

STATISTICS OF FIVE YEARS NET SALES

(Taka in Million)



Monno Fabrics Limited

CHAIRMAN'S REPORT

Dear shareholders,

We welcome you all. It gives me immense pleasure to share the moments we all had been waiting for. At the same time, on behalf of the Board of Directors of your Company I would like to avail of the opportunity to welcome you all at the twenty-sixth Annual General Meeting of the shareholders of Monno Fabrics Limited and to present to you the Auditor's Report which includes the Audited Financial Statements and the Directors Report for the year ended the 30th June 2020.

Dear shareholders,

You all are aware that Monno Fabrics Limited was laid-off with effect from 22nd October 2009 due to insufficient gas supply as well as low gas pressure of Titas Gas Transmission and Distribution Company Limited. It is worth mentioning that the factory of the Company is still laid-off since 22nd October 2009 which is about nine years. We had contacted several times with relevant authorities and the Titas Gas Transmission and Distribution Company Limited to take steps for regular gas supply at required pressure. It is to be noted that the Boiler of the Factory needs a supply of Gas at a pressure of 15 pound per square inch (PSI) while the Generator requires 20 PSI For maintenance of the valuable plant and machinery of the factory the management of the Company decided to re-open the factory few hours per day subject to the availability of Gas with effect from 11th January 2011.

সভাপতির প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবন্দ,

আপনাদের সকলকে স্বাগতম জানাচ্ছি। দীর্ঘ প্রতীক্ষার পর এই মুহূর্তে আপনাদের সঙ্গে একত্রিত হতে পেরে আনন্দবোধ করছি। সেই সাথে আপনাদের কোম্পানীর পরিচালকমন্ডলীর পক্ষ থেকে মুন্সিফেব্রিক্স লিমিটেডের ২৬তম বার্ষিক সাধারণ সভায় ৩০শে জুন ২০২০ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদন সম্বলিত নিরীক্ষকদের প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন আপনাদের নিকট উপস্থাপন করতে পেরে গর্ববোধ করছি।

প্রিয় শেয়ারহোল্ডারবন্দ,

আপনারা সকলে অবগত আছেন যে, তিতাস গ্যাস ট্রান্সমিশন এন্ড ডিস্ট্রিবিউশন কোম্পানী লিমিটেড কর্তৃক অপরিাপ্ত গ্যাস সরবরাহ এবং গ্যাসের চাপ হ্রাস পাওয়ার কারণে ২২শে অক্টোবর ২০০৯ তারিখ থেকে ফ্যাক্টরী বন্ধ ঘোষণা করা হয়েছে। এখানে উল্লেখ্য যে ২২শে অক্টোবর ২০০৯ তারিখ থেকে অদ্যাবধি ৯ বৎসর যাবৎ ফ্যাক্টরী বন্ধ রয়েছে। বিভিন্ন সময়ে সংশ্লিষ্ট কর্তৃপক্ষ এবং তিতাস গ্যাস ট্রান্সমিশন এন্ড ডিস্ট্রিবিউশন কোম্পানী লিমিটেড-এর সাথে প্রয়োজনীয় গ্যাস সরবরাহের বিষয়ে যথাযথ পদক্ষেপ গ্রহণের জন্য যোগাযোগ করা হয়েছিল। উল্লেখ করা যেতে পারে যে ফ্যাক্টরীর বয়লারে প্রতি বর্গ ইঞ্চিতে ১৫ পাউন্ড এবং জেনারেটরে প্রতি বর্গ ইঞ্চিতে ২০ পাউন্ড গ্যাস প্রেসারের প্রয়োজন রয়েছে। ব্যবস্থাপনা কর্তৃপক্ষ কারখানার মূল্যবান যন্ত্রপাতিসমূহের রক্ষণাবেক্ষণের নিমিত্তে গ্যাস পাওয়ার সাপেক্ষে বিগত ১১ই জানুয়ারী ২০১১ তারিখ থেকে দৈনিক কিছু সময়ের জন্য ফ্যাক্টরী খোলা রাখার সিদ্ধান্ত গ্রহণ করে।

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However, you will be glad to know that the Board of Directors of the Company had withdrawn fully Lay-Off of the factory from March 15, 2020 to the greater interest of our honourable shareholders.

TURNOVER:

Dear shareholders,

However, during the year under review, we achieved a net revenue by sale of yarn and Fabrics of Tk.1,071.07 million against Tk. 988.21 million during previous year. The Company incurred net profit before Tax of Tk.15.22 million as against net profit of Tk. 7.14 million during the previous year. The net profit after tax of the Company is Tk.12.25 million as against net profit of Tk. 6.07 million during the previous year.

FINANCE COST:

Interest on long term loan and interest on Lease Finance Constitute the major finance cost of the Company. Finance cost increased due to interest imposed by the Bank. by re-schedule.

DIVIDEND:

During the year under review, the Company earn profit Tk.12.25 million which is not sufficient as such the Board of Directors of the Company could not recommend any dividend for the year ended on the 30th June, 2020.

যাহোক আপনারা জেনে আনন্দিত হবেন যে কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ সম্মানিত শেয়ারহোল্ডারদের স্বার্থরক্ষাতে গত ১৫ই মে ২০২০ থেকে পুরোদমে কারখানার লে-অফ প্রত্যাহার করেছেন।

বিক্রয় :

প্রিয় শেয়ারহোল্ডারবন্দ,

যাহোক আলোচ্য বছরে সূতা ও কাপড় বাবদ বিক্রয়ের পরিমাণ দাঁড়িয়েছে ১,০৭১.০৭ মিলিয়ন টাকা যা পূর্ববর্তী বছরে ছিল ৯৮৮.২১ মিলিয়ন টাকা। আলোচ্য বছরে কোম্পানীর কর পূর্ব নীট মুনাফা হয়েছে ১৫.২২ মিলিয়ন টাকা যা গত বছরে মুনাফা হয়েছিল ৭.১৪ মিলিয়ন টাকা। আলোচ্য বছরে কোম্পানীর কর বাদ নীট মুনাফা হয়েছে ১২.২৫ মিলিয়ন টাকা যা গত বছরে ছিল নীট মুনাফা ৬.০৭ মিলিয়ন টাকা।

আর্থিক ব্যয় :

কোম্পানীর আর্থিক ব্যয়ের প্রধান অংশ হচ্ছে দীর্ঘ মেয়াদী ঋণের সুদ এবং লীজের উপর সুদ। আর্থিক ব্যয় বৃদ্ধি পাওয়ার কারন ব্যাংক সুদ আরোপ করেছে।

লভ্যাংশ :

আলোচ্য বছরে কোম্পানীর ১২.২৫ মিলিয়ন টাকা নীট লাভ করেছে যা পর্যাপ্ত না হওয়ার কারণে কোম্পানীর পরিচালনা পর্ষদ ৩০শে জুন ২০২০ তারিখে সমাপ্ত বছরের জন্য কোন লভ্যাংশ প্রদানের সুপারিশ করেননি।

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Please also note that the shares of the Company listed in the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and the Company's shares of a nominal value of Tk.10.00 per share were traded at Tk.10.80 per share at the Dhaka Stock Exchange Limited in OTC market and Tk.10.00 per share in Chittagong Stock Exchange Limited in OTC market as on 30th June 2020.

CONCLUSION:

Dear shareholders,

It is worth mentioning that Monno Fabrics Limited a leading composite textile industries in this subcontinent was established in 1994. You all are aware that the factory of the Company is still laid-off since 22nd October 2009 which is about nine years due to irregular and insufficient Gas supply as well as low pressure of Titas Gas Transmission and Distribution Company Limited. It is a matter of Grave Concern that nine years elapsed but there is no assurance from relevant ministries and the Titas Gas Transmission and Distribution Company Limited to take steps for regular gas supply at required pressure. At last, the Board of Directors of the Company had withdrawn fully Lay-Off of the factory from March 15, 2020 to the greater interest of our honourable shareholders. We however feel that it is our responsibility to keep you posted with the real situation.

এখানে উল্লেখ্য যে, কোম্পানীর শেয়ার ঢাকা স্টক এক্সচেঞ্জ লিমিটেড এবং চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড-এ তালিকাভুক্ত রয়েছে এবং ২০১৯ সালের ৩০শে জুন কোম্পানীর ১০.০০ টাকা মূল্যের প্রতিটি শেয়ার ঢাকা স্টক এক্সচেঞ্জ লিমিটেডে-এর ওটিসি মার্কেটে ১০.৮০ টাকায় এবং চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেডে-এর ওটিসি মার্কেটে ১০.০০ টাকায় ক্রয় বিক্রয় হয়।

উপসংহার :

প্রিয় শেয়ারহোল্ডারবৃন্দ,

এখানে উল্লেখ্য যে, মুন্নু ফেব্রিক্স লিমিটেড এই উপমহাদেশে কমপোজিট বস্ত্র শিল্পে অন্যতম প্রতিষ্ঠান হিসাবে ১৯৯৪ সালে প্রতিষ্ঠিত হয়েছে। আপনারা সকলে অবগত আছেন যে তিতাস গ্যাস ট্রান্সমিশন এন্ড ডিস্ট্রিবিউশন কোম্পানী লিমিটেড কর্তৃক অপরিপূর্ণ গ্যাস সরবরাহ এবং গ্যাসের চাপ হ্রাস পাওয়ার কারণে বিগত ২২শে অক্টোবর ২০০৯ তারিখ থেকে অদ্যাবধি ৯ বৎসর যাবৎ ফ্যাক্টরী বন্ধ রয়েছে। অত্যন্ত উদ্বেগের বিষয় যে ৯ বৎসর অতিবাহিত হলেও সংশ্লিষ্ট মন্ত্রণালয় এবং তিতাস গ্যাস ট্রান্সমিশন এন্ড ডিস্ট্রিবিউশন কোম্পানী লিমিটেড থেকে অদ্যাবধি প্রয়োজনীয় গ্যাস সরবরাহের ব্যাপারে কোন প্রতিশ্রুতি পাওয়া যায়নি। অবশেষে কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ সম্মানীত শেয়ারহোল্ডারদের স্বার্থরক্ষাতে গত ১৫ই মে ২০২০ থেকে কারখানার লে-অফ প্রত্যাহার করেছেন পুরোদমে চালু করেছেন। আমরা মনে করি বাস্তব অবস্থা সম্পর্কে আপনাদেরকে অবহিত করা আমাদের দায়িত্ব।

Monno Fabrics Limited

I take this opportunity to express my sincere thanks and gratitude to our business associates, financial institutions and everyone the Company interacted with, in conducting its business and our regulators as well including Bangladesh Securities and Exchange Commission. Our main strength is our dedicated and sincere human resources. I thankfully acknowledge their contribution to the Company.

Finally, we are very grateful to our shareholders for extending their valuable support and co-operation at all times. Let us pray to Almighty Allah that He may guide us in all our endeavours.

Thanking you everybody.

Sd/- Huron Nahar Rashid
Chairman

Dated : 28th October 2020.

আমাদের ব্যবসায়িক সহযোগী, আর্থিক প্রতিষ্ঠানসমূহ এবং আমাদের কর্মকান্ডের সাথে সংশ্লিষ্ট প্রত্যেককে সহ বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন এবং অন্যান্য নিয়ন্ত্রণকারী কর্তৃপক্ষকে আমার আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। আমাদের অন্যতম শক্তি হচ্ছে উৎসর্গীকৃত সচেতন ও দায়িত্বসম্পন্ন কর্মীবাহিনী। আমি কৃতজ্ঞতার সাথে তাঁদের অবদানের প্রশংসা করছি।

পরিশেষে, আমরা আমাদের সম্মানিত শেয়ারহোল্ডারগণের নিকট গভীর কৃতজ্ঞতা জ্ঞাপন করছি তাঁদের সার্বক্ষণিক সক্রিয় সমর্থন এবং সহযোগিতার জন্য। আসুন আমরা সর্বশক্তিমান আল্লাহ তায়লার নিকট প্রার্থনা করি তিনি যেন আমাদের সকল প্রচেষ্টায় সঠিক দিক নির্দেশনা প্রদান করেন।

আপনাদের সকলকে ধন্যবাদ।

স্বাক্ষর/- হুরণ নাহার রশিদ
সভাপতি

তারিখ : ২৮শে অক্টোবর ২০২০।

Monno Fabrics Limited

MANAGING DIRECTOR'S STATEMENT

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

Accounting policies and estimation for preparation of financial statements:

The Financial Statements prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange Ltd. and the International Accounting Standards (IASs) as well as those standards, disclosures recommended by IASs and as applicable to the company.

Changes in accounting policies and estimation:

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

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

(Figures in '000 taka)

Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015	2014
Turnover	1,071,071	988,210	597,187	474,387	450,275	321,847
Cost of goods sold	821,807	838,923	517,094	410,930	404,348	303,690
Gross Profit/(Loss)	249,265	149,587	80,093	63,457	45,926	18,157
Operating expenses	66,815	66,755	63,986	62,322	44,603	17,923
Operating profit/(Loss)	182,449	82,832	16,107	1,135	1,323	234
Finance cost	166,654	76,157	102,618	99,562	205,319	174,828
Profit/(Loss) Before Tax	15,216	7,137	(85,827)	(98,427)	(203,984)	(174,581)
Profit/(Loss) After Tax	12,250	6,066	(89,410)	(101,274)	(205,335)	(175,547)
Shareholders Equity	27.30	3,127,262	(951,273)	(861,863)	(724,471)	(519,136)
Total Asset	6,952,912	6,918,832	2,861,806	2,786,576	2,824,337	2,869,345
Total Bank Borrowings	2,898,852	2,905,781	3,108,630	3,062,522	3,022,797	2,858,805
Total Current Assets	981,602	922,244	914,872	830,724	854,785	871,009
Total Current Liabilities	914,448	885,787	704,448	585,916	847,640	1,840,810

Current Ratio (Time)	1.07	1.04	1.30	1.42	1.00	0.47
Shareholders equity per share	27.30	27.19	(8.27)	(7.49)	(6.30)	(4.51)
Rate of dividend	-	-	-	-	-	-
Earning per share	0.11	0.05	(0.78)	(0.88)	(1.79)	(1.53)
Net asset value per share	27.30	27.19	(8.27)	(7.49)	(6.30)	(4.51)
Net operating cash flow per share	0.11	1.11	0.27	0.35	0.57	0.57
Number of shareholders	9,639	9,665	9,942	9,960	10,057	10,087

Monno Fabrics Limited

Briefly explain the financial and economic scenario of the country and the globe:

The economic Scenario of Bangladesh mostly depending on Agriculture represents 13.1% of GDP and employs 39.7% of the total workforce. It is also relies on its enormous human resources, rich agricultural soils and abundant water resources. Industry represents 28.5% of GDP and employs 20.5% of the total workforce. Textile is by far the largest industry, accounting for more than 80% of the country's total exports. Textile export income fell to USD 30.1 billion in January-November 2019 from USD 32.9 billion in the same time a year earlier. A risk factor for the clothing industry is the gap between local supply and demand of cotton. Secondary industries include paper, leather, fertilizers, metals, and pharmaceuticals. Services account for 53.5% of GDP and employ 39.8% of the total workforce. Microfinance and computing are among the largest sectors, with the country's technology exports reaching around USD 1 billion per year. The government aims to increase technology exports to USD 5 billion by 2021.

Bangladesh achieved one of the fastest growth rates in the world in the past few years with a stable economic performance that has helped to reduce poverty and social inequalities. GDP growth was estimated to have reached 7.9% in 2019 and is forecast to fall to 2% in 2020 due to the outbreak of the COVID-19 and pick up to 9.5% in 2021. The post-pandemic global economic upturn and the private consumption boosted by strong remittance flows from the Bangladeshi Diaspora around the world are projected to be the key drivers of growth in 2021.

Risk and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:

Company's management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks. Besides, the power/gas problem has slightly eased off but more uninterrupted power supply needs to be ensured throughout the year to run the industries efficiently.

Future plan:

As a dynamic company, We had withdrawn Lay-Off of the factory from March 15, 2020 and we recognize that our success depends on our ability to grow. Therefore, we plan to expand the business put in advance technology and automated modern machinery in the production process of the company. So, we are committed to produce high quality yarn and woven fabrics and marketing thereof with various specifications of our customers. We intend to continue to focus on research and development, product development as well as development of manpower skills, capacity and productivity to ensure that our products meet the evolving and stringent requirements of the Textile Industries.

Sd/-
Afroza Khan
Managing Director

Dated : October 28, 2020

Monno Fabrics Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have the pleasure in submitting their report and the audited accounts of the Company for the year ended on June 30, 2020 along with the Auditors' Report thereon.

FINANCIAL RESULTS

Particulars	2019-2020	2018-2019
Revenue	1,071,071,331	988,209,871
Cost of goods sold	(821,806,596)	(838,622,936)
Gross Profit	249,264,735	149,586,935
Operating expenses	(66,815,337)	(66,754,967)
Operating Profit/(Loss)	182,449,398	82,831,968
Finance cost	(166,654,248)	(76,157,416)
Income from other sources	172,601	780,204
Contribution to WPPF	(752,150)	(317,836)
Net Profit/(Loss) before Tax	15,215,601	7,136,920
Provision for Tax	(2,966,044)	(1,070,538)
Net Profit/(Loss) after Tax	12,249,557	6,066,382

DIVIDEND

During the period under review the Company could not earned sufficient profit such the Board of Directors could not recommend any dividend for the year ended on June 30, 2020.

DIRECTORS

Mr. Moynul Islam & Mr. Rasheed Samiul Islam retire from the Board of Directors by rotation in accordance with the provisions of articles 125 and 126 and being eligible, offer themselves for re-election as per articles 126 and 130.

Monno Fabrics Limited

APPOINTMENT OF INDEPENDENT DIRECTOR

In compliance of the condition no. 1(2)(e) of the BSEC's notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018, Dr. Md. Anwar Hossain and Mrs. Minara Hai are Independent Directors of the Company have completed their tenure of office of an Independent Directors of Monno Fabrics Limited and they are not eligible to continue the post of Independent Directors for the next term as per BSEC's notification mentioned.

In compliance of the condition no. 1(2)(a) of Bangladesh Securities and Exchange Commission's notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018, Mr. S. M. Shamsul Arefin and Mr. Md. Nazmus Saadat, have been appointed as Independent Directors of Monno Fabrics Limited by its Board of Directors Meeting held on May 12, 2020 and Mr. S. M. Shamsul Arefin, Independent Director of the Company has resigned from the Board on September 24, 2020 due to his personal problem and the Board of Directors approved his resignation on its Board Meeting on September 24, 2020, subject to the approval of the shareholders of the ensuing Annual General Meeting.

AUDITORS

The present Auditors of the Company, Messrs. A. Wahab & Co., Chartered Accountants, retire in this meeting.

Securities and Exchange Commission, by its notification no. SEC/SRMID/ 2000-953/ Admin/02-04 dated the 10th October 2001, gazetted on the 5th November 2001, imposed an embargo that no company shall appoint any firm of Chartered Accountants as its statutory auditors for a consecutive period exceeding three years. In pursuance thereof, A. Wahab & Co., Chartered Accountants, are not eligible for re-appointment as Auditors of the Company for the next term.

A shareholder of our Company proposed the name of Messrs. Shiraz Khan Basak & Co., Chartered Accountants, to be Auditors of the Company and the latter also offered themselves for being appointed as Auditors of the Company for the year ending the 30th June 2021. Accordingly, the matter be placed in this Annual General Meeting for consideration of the shareholders.

In compliance of the condition no. 9.2 of Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, Chowdhury Bhattacharjee & Co., Chartered Accountants, offer themselves to appoint professional auditors for providing certificate on compliance of Corporate Governance Code for the year ending the 30th June 2021. Accordingly, the matter be placed in this Annual General Meeting for consideration of the shareholders.

Monno Fabrics Limited

Brief Resume of the Directors

Directors who seek re-appointed

MR. MOYNUL ISLAM

Mr. Moynul Islam, is a Sponsor-Director of the Company and also the Vice Chairman of Monno Group. He is an energetic person having Masters Degree in Commerce from the University of Dhaka, enriched himself with practical experience in managing the industrial ventures of Monno Group.

Due to his dynamic efforts and sincere services in the field of Marketing, Administrative, Research and Development and also one of the main contributor, under whose multidimensional leadership the group has achieved such a high success and reputation majority of the countries of the world.

Mr. Moynul Islam is looking after the local and export business of the group and travelled most of the countries of the world in connection with promotion of international business of the group.

Mr. Islam is the Senior Vice President of Bangladesh Ceramic Wares Manufacturers Association (BCWMA).

MR. RASHEED SAMIUL ISLAM

Mr. Rasheed Samiul Islam is a Director of the Company and also the Director of Monno Ceramic Industries Limited nominated by Monno Welfare Foundation and son of Mr. Moynul Islam and Mrs. Afroza Khan. He is an energetic young man having Mechanical Engineer degree from Imperial College of London. Mr. Samiul, due to his dynamic efforts and sincere services in the field of Research and Development, made appreciable contributions towards development of high quality Porcelain Tableware & fabrics of the Group.

Mr. Md. Nazmus Saadat

Mr. Md. Nasmus Saddat, B. A(Hon's) & M.A in Islamic Studies from Dhaka University and MBA major in Finance & Banking, University of Information Technology & Science, Dhaka. He has extensive experience in financial & Banking Sectors of the Country. He travelled in India, Nepal, Singapore, Thailand, China and Kingdom of Saudi Arabia for Training and Seminars. Mr. Saddat has 25 years Banking Experience since 1995, 13 years as Branch Manager, Divisional Head and 4 years as In-charge of Departments of Social Islami Bank Limited.

Monno Fabrics Limited

BOARD MEETINGS AND ATTENDANCE :

The number of Board Meetings and the attendance of Directors during the period ended June 30, 2020 were as follows:-

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended
Mrs. Huron Nahar Rashid Chairman	14	14
Mr. Moynul Islam Vice Chairman	14	12
Mrs. Afroza Khan Managing Director	14	14
Mr. Rasheed Mymunul Islam Director	14	14
Mr. Rasheed Samiul Islam Director	14	11
Dr. Md. Anwar Hossain Independent Director (Retired on 12.05.2020)	12	9
Mrs. Minara Hai Independent Director (Retired on 12.05.2020)	12	9
Mrs. Afroza Khan Nominee of Monno Welfare Foundation	14	14
Mr. Md. Nazmus Saadat Independent Director(Appointment on 12-05-2020)	2	2
Mr. S. M. Shamsul Arefin, Independent Director(Appointment on 12-05-2020)	2	2

AUDIT COMMITTEE

Mr. Md. Nasmus Saadat	Chairman
Mr. Rasheed Mymunul Islam	Member
Mr. Rasheed Samiul Islam	Member
Mr. Mrityunjoy Banerjee	Member Secretary

NOMINATION & REMUNERATION COMMITTEE (NRC)

Mr. Md. Nasmus Saadat	Chairman
Mr. Rasheed Mymunul Islam	Member
Mr. Rasheed Samiul Islam	Member
Mr. Mrityunjoy Banerjee	Member Secretary

Monno Fabrics Limited

SHAREHOLDING STRUCTURE

Shareholdings of other related parties as on June 30, 2020 is as follows :

Name of shareholder	Number of shares	% of shareholding
Monno Ceramic Industries Limited	11,254,000	9.79

Number of shares held by the Directors of the Company, Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and children as on June 30, 2020 are as follows :

Name of the Directors	Designation	Number of shares	% of shareholding
Mrs. Huron Nahar Rashid	Chairman	2,691,688	2.34
Mr. Moynul Islam	Vice Chairman	1,276,500	1.11
Mrs. Afroza Khan	Managing Director	13,649,906	11.87
Mr. Rasheed Mymunul Islam	Director	2,310,000	2.01
Mr. Rasheed Samiul Islam	Director	3,031,500	2.64
Dr. Md. Anwar Hossain (Retired on 12.05.2020)	Independent Director	-	-
Mrs. Minara Hai (Retired on 12.05.2020)	Independent Director	-	-
Mr. Md. Nazmus Saadat Independent Director (Appointment on 12-05-2020)	Independent Director	-	-
Mrs. Afroza Khan Nominee of Monno Welfare Foundation	Nominee Director	19,599,500	17.04
Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and children.	-	-	-

Shareholders holdings ten percent (10%) or more in the Company as on June 30, 2020 are as follows :

Name of shareholder	Number of shares	% of shareholding
Mrs. Afroza Khan	13,649,906	11.87
Monno Welfare Foundation	19,599,500	17.04

The Director's also report that

- The Financial Statements of the Company present a true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates were reasonable and prudent.
- The Financial Statements was prepared in accordance with International Accounting Standard (IAS)/BAS/IFRS/BFRS as applicable in Bangladesh.
- The Internal Control System is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of last year.
- Bangladesh Securities and Exchange Commission's Corporate Governance Compliance Report is enclosed herewith.

Monno Fabrics Limited

KEY OPERATING AND FINANCIAL DATA

(Figures in '000 taka)

Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015
Turnover	1,071,071	988,210	597,187	474,387	450,275
Cost of goods sold	821,806	838,923	517,094	410,930	404,348
Gross Profit/(Loss)	249,265	149,587	80,093	63,457	45,926
Operating expenses	66,815	66,755	63,986	62,322	44,603
Operating profit/(Loss)	182,449	82,832	16,107	1,135	1,323
Finance cost	166,654	76,157	102,618	99,562	205,319
Profit/(Loss) Before Tax	15,216	7,137	(85,827)	(98,427)	(203,984)
Profit/(Loss) After Tax	12,249	6,066	(89,410)	(101,274)	(205,335)
Shareholders Equity	3,139,512	3,127,262	(951,273)	(861,863)	(724,471)
Total Asset	6,952,912	6,918,832	2,861,806	2,786,576	2,824,337
Total Bank Borrowings	2,898,952	2,905,781	3,108,630	3,062,522	3,022,797
Total Current Assets	981,602	922,244	955,425	830,724	854,785
Total Current Liabilities	914,448	885,787	745,002	585,916	847,640
Current Ratio (Time)	1.07	1.04	1.30	1.42	1.00
Shareholders equity per share	27.30	27.19	(8.27)	(7.49)	(6.30)
Return on paid-up capital	2%	1%	(8%)	(9%)	(18%)
Rate of dividend	-	-	-	-	-
Earning per share	0.11	0.05	(0.78)	(0.88)	(1.79)
Net asset value per share	27.30	27.19	(8.27)	(7.49)	(6.30)
Pay out ratio	-	-	-	-	-
Net operating cash flow per share	0.11	1.11	0.27	0.35	0.57
Number of shareholders	9,639	9,665	9,942	9,960	10,057

Monno Fabrics Limited

Industry outlook and possible future developments in the industry

Monno Fabrics Limited is the 100% export oriented leading Composite Textile Industries in this sub-continent and to produce of high quality yarn and woven fabrics and marketing thereof, in the local & global market. The factory of the company laid-off since 2nd October 2009 due insufficient gas supply. For maintenance of the valuable plant and machinery of the factory, the management of the company decided to re-open the factory few hours per day subject to the availability of Gas with effect from January 11, 2011. As a result, we can not continue to earning foreign currency by exported goods. The Company had withdrawn Lay-Off of the Factory from March 15, 2020. Due to pandemic COVID-19 we could not attained optimum growth during for the year ended June 30, 2020. It is expected that the growth trend will be increased subject to the improvement of the prevailing market conditions and availability of adequate gas supply. We hope that the growth level will be better in near future.

Segment-wise or product-wise performance

As Monno Fabrics Limited produce of high quality yarn and woven fabrics. It is very difficult to separation of Product wise performance reporting. However, details are given in notes-20.00 of the Annual Report 2019-2020.

Risks and concerns

Company's management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks. Besides, the power/gas problem has slightly eased off but more uninterrupted power/gas supply needs to be ensured throughout the year to run the industries efficiently.

Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin

Particulars	Amount in Taka	
	<u>2019-2020</u>	<u>2018-2019</u>
Cost of Goods Sold	821,806,596	838,622,936
Gross Profit	249,264,735	149,586,935
Net Profit after Tax for the year	12,249,557	6,066,382

Extra-Ordinary gain or loss

During the year/period under the review there was no extra-ordinary gain or loss made by the company.

Related party transactions

During the year there are related parties transactions in the normal course of business shown in the note 35.03 of the Annual Report 2019-2020.

Utilization of proceeds from public issues and/ or rights issues:

There was no public issues and/ or right issue offered during the year/period.

Financial results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:

Initial Public Offering was made on January 14, 1996. Since then the company is performing well.

Monno Fabrics Limited

Remuneration to directors including independent directors:

The Directors including Independent Directors have not taken any remunerations/perquisites from the Company during the period.

Other Information

The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

Proper books of account of the issuer company have been maintained.

Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

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

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the issuer company's ability to continue as a going concern.

Dividend

The Board of Directors did not recommend any Dividend for the year ended on June 30, 2020 as the company could not earned sufficient profit during the year.

FAIRNESS OF THE ACCOUNTS

As per Companies Act 1994, it is the responsibility of the Directors to prepare financial statements for each year to be presented before the shareholders in the general meeting. The financial statements and other financial information included in this report fairly present in all material respects, the financial conditions, results of operations, cash flow and changes in equity of company as of and for the year ended on June 30, 2020.

REPORTING ON THE CORPORATE GOVERNANCE CODE

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, keeping in view its accountability to the shareholders/stakeholders and to the society. Pursuant to the condition no. 9.00 of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, we attach the Corporate Governance Code with the conditions in prescribed format.

On behalf of the Board of Directors,

Sd/-Huron Nahar Rashid,
Chairman

Dated : 28th October 2020.

Monno Fabrics Limited

AUDIT COMMITTEE REPORT

For the Year 2019-2020

The Audit Committee as a sub-committee of the Board of Directors of the Company and the Audit Committee assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of the affairs of the Company and in assuring a good monitoring system within the business.

Composition of the Audit Committee

In accordance with the requirements of Corporate Governance Code of BSEC, the Audit Committee of Monno Fabrics Limited consists of the following members :

Sl. No.	N a m e	Status of the Company	Status of the Committee
1.	Mr. Md. Nazmus Saadat	Independent Director	Chairman
2.	Mr. Rasheed Mymunul Islam	Director	Member
3.	Mr. Rasheed Samiul Islam	Director	Member
4.	Mr. Mrityunjoy Banerjee	Acting Company Secretary	Member Secretary

The scope of Audit Committee was defined as under:

- Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- Review statement of significant related party transactions submitted by the management.
- Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Activities carried out during the year

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Acknowledgements

The Audit Committee would like to express their thanks to the members of the Board, Managements and the Auditors for their support in carrying out its duties and responsibilities effectively.

Sd/-
Chairman
Audit Committee

Date: October 28, 2020

Monno Fabrics Limited

চৌধুরী ভট্টাচার্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/8, Indira Road, (Gr. Floor), Dhaka-1215
Phone: +88 02 48110567, Fax: +88 02 48110567
Mob: 01711-832387, 01711-115171, 01819-227413
CTG. OFFICE : 922, Jubilee Road, Chattogram-4000
Ph: 031-614907 (O) 624228 (R), Mob : 01971-115171

Monno Fabrics Limited
Certificate of Compliance
Under Condition # 1(5) (xxvii) of CGC

Report to the Shareholders' of Monno Fabrics Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Monno Fabrics Limited** for the year ended on 30th June, 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- The Company has complied except condition no:1(7)(b) with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

Place: Dhaka
Dated: 10 November, 2020



B. K. Bhattacharjee, FCA
Chartered Accountants
Partner
Chowdhury Bhattacharjee & Co.



Monno Fabrics Limited

Declaration by CEO and CFO

Dated : October 28, 2020

The Board of Directors,
Monno Fabrics Limited,
“Monno City”, Gilondo,
Manikgonj,

Subject: Declaration on Financial Statements for the year ended on June 30, 2020.

Dear Sirs,

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

- (1) The Financial Statements of Monno Fabrics Limited for the year ended on June 30, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company’s state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management’s use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

In this regard, we also certify that:-

- i) We have reviewed the financial statements for the year ended on June 30, 2020 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company’s affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company’s Board of Directors or its members.

Sincerely yours,

Sd/-
(Afroza Khan)
Chief Executive Officer

For Sd/-
(Prodip Kumar Pramanik)
Acting Chief Financial Officer

Dated : October 28, 2020

Monno Fabrics Limited

Corporate Governance Code

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.0	Board of Directors			
1.1	Board Size (minimum - 5 and maximum - 20)	✓		Board of Directors comprises of 7 Directors including 02 Independent Directors
1.2	Independent Directors			
1.2(a)	1/5th of total as Independent Director (ID)	✓		Two ID retired on 12.05.2020 and appointment two ID on 12.05.2020.
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	✓		Does not hold any share of the Company.
1.2 (b) (ii)	Not a Sponsor of the Company	✓		
1.2 (b) (iii)	Who has not been an executive of the company	✓		
1.2 (b) (iv)	Does not have other relationship	✓		
1.2 (b) (v)	Not a Member or TREC, Director or Officer of any Stock Exchange	✓		
1.2 (b) (vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	✓		
1.2 (b) (vii)	Not a partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	✓		
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	✓		
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	✓		
1.2 (b)(x)	Not convicted for a Criminal Offence	✓		
1.2 (c)	Appointed by the Board and approved by the shareholders in AGM.	✓		Two Independent directors retired on 12.05.2020 another two new ID

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				appointed by the board of the directors' during the financial year.
1.2 (d)	Post cannot remain vacant more than 90 days.	✓		
1.2 (e)	Tenure of the Independent Director.	✓		
1.3	Qualification of Independent Director			
1.3(a)	Independent Director shall be a knowledgeable individual.	✓		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.			N/A
1.(3)(b)(ii)	Should be a Corporate Leader/Business Leader.	✓		Newly appointed a new ID and notify to the BSEC on 09 July 2020.BSEC till have not arisen any objections.
1(3)(b)(iii)	Former official of government.			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.			N/A
1 (3) (c)	The independent director shall have at least 10(ten) years of experiences.	✓		
1 (3) (d)	Relaxation in special cases.			No such deviation occurred.
1.4	Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	✓		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	✓		
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	✓		
1(4)(e)	In absence of Chairperson of the Board etc.			N/A
1.5	The Directors' Report to Shareholders			
1(5)(i)	Industry outlook and possible future developments in the industry.	✓		
1(5)(ii)	Segment-wise or product-wise performance	✓		
1(5)(iii)	Risks and concerns including internal and external risk factor.	✓		

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1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	✓		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.	✓		
1(5)(vi)	Detailed discussion and statement on related party transactions.	✓		
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			No such event arose.
1(5)(x)	Remuneration to Directors including Independent Director.	✓		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	✓		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1(5)(xiv)	International Accounting Statement (IAS) or International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any Departure there-from has been adequately disclosed.	✓		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	✓		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.			No such event arose.
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	✓		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the Year, the reasons there of shall be given.	✓		Not earn Sufficient Profit

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1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	✓		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	✓		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	✓		
1(5)(xxiii)(c)	Executives	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	✓		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the board.	✓		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.			N/A
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons.	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and globe.	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	✓		

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1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed.	✓		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards(BSS).	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior...		✓	Under Process
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.			N/A
2(b)	Independent Director of holding company also in the subsidiary company.			N/A
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary			
3.1	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	✓		CFO and Company Secretary have not appointed permanently acting CFO & CS has run the activities.
3(1)(b)	The positions of the MD, CEO, CS, CFO & HIAC shall be filled by different individuals.	✓		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of	✓		

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	the Board and be disseminated to the commission and exchange.			
3.2	Requirement to attend Board of Directors' Meetings			
3 (2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance.	✓		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	✓		
3(3) (c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee	✓		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	✓		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	✓		
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	✓		
5.2	Constitution of the Audit committee			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non- executive director.	✓		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	✓		
5(2) (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold	✓		
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	✓		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	✓		
5.3	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	✓		

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5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	✓		
5.4	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	✓		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	✓		
5.5	Role of the Audit Committee			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	✓		
5(5)(d)	Performance of external auditors.	✓		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	✓		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	✓		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	✓		
5(5)(h)	The review adequacy of internal audit function.	✓		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	✓		
5(5)(j)	Review statement of all related party transactions submitted by the Mgt.	✓		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	✓		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.			N/A
5.6	Reporting of the Audit Committee			
5.6 (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests.			No such incidence arose.
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.			No such incidence arose.
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			No such incidence arose.

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5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			No such incidence arose.
5.6 (b)	Reporting to the Authorities			
5.7	Reporting to the Shareholders and General Investors			
5(7)	Reporting to the Shareholders and General Investors	✓		
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	✓		
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications	✓		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	✓		
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	✓		
6(2)(b)	All members of the Committee shall be non-executive directors.	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	✓		
6(2)(d)	Board have authority to remove and appoint any member of the committee.	✓		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	✓		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	✓		
6(2)(g)	The company secretary shall act as the secretary of the committee.	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	✓		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form the company.	✓		
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee	✓		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	✓		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	✓		
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	✓		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.			To be complied if

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				necessary.
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	✓		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	✓		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	✓		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	✓		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	✓		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	✓		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	✓		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	✓		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	✓		
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions.	✓		
7(1)(ii)	Financial information systems design and implementation.	✓		
7(1)(iii)	Book keeping or other service related to the account ion records.	✓		
7(1)(iv)	Broker-dealer services	✓		
7(1)(v)	Actuarial services	✓		

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7(1)(vi)	Internal/special audit services.	✓		
7(1)(vii)	Any services that the Audit Committee may determine.	✓		
7(1)(viii)	Certification services on compliance of corporate governance as required under condition No 9(1).	✓		
7(1)(ix)	Any other service that may create conflict of interest.	✓		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	✓		
7(3)	Representative of External Auditors shall remain present in the AGM.	✓		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	✓		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance and such certificate shall be disclosed in the Annual Report	✓		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure- C attached, in the directors report whether the company has complied with these conditions or not.	✓		

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Independent Auditor's Report To the Shareholders of Monno Fabrics Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Monno Fabrics Limited, which comprise the Statement of Financial Position as at June 30, 2020, and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1. The Company has not recognized Deferred Tax Income/Expense in the financial statements which is a non-compliance to the paragraph 15 & 24 of IAS -12 'Income Taxes'. As a result, the actual position and performance of the company has not reflected correctly. Ultimately, investors may not be able to take investment, credit & other economic decisions.
2. As disclosed in note # 15.00, the company has shown Tk. 846,176 as liabilities for WPF & WWF which includes prior years amount of Tk. 317,836 that has not been paid by the company to the Fund. As per section 234 (b) of Labour Act, 2006 the company should pay the amount to the WPF & WWF not later than nine months from the end of the respective year. Further, the company did not make any interest provision for the utilization of fund balance as per section 240(2) of the said Act.
3. As disclosed in note # 16.00, the company has shown Tk. 36,640,338 as Unclaimed Dividend. The company has not declared any dividend during the year, this is the accumulated amount of unpaid dividend of earlier years. The company has no designated bank account for dividend. Apparently, there is a shortfall of deposit to the tune of Tk. 36,640,338. This is a non-compliance of the section 28(1) of Dhaka Stock Exchange (Listing) Regulations, 2015.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Risk	Our response to the risk
Revenue recognition	
<p>At year end the Company reported total revenue of BDT 1,071,071,331.</p> <p>The Company manufactures and sells a number of products for customers. The Company has adopted IFRS 15 and reviews its sales contracts for determining the principles for recognizing revenue in accordance with the standard. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company. • Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operational effectiveness of the internal controls in relation to the identification of performance obligations and timing of revenue recognition. • Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.
See note no. 20.00 to the financial statements	
Valuation of Inventories	
<p>The inventory of Tk. 160,118,082 as at 30th June 2020 was held in the factory.</p> <p>Inventories are carried at the lower of cost and net realizable value.</p> <p>As a result, the management applies judgment in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the factory. • Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data. • Reviewing the requirement of inventory provisioning and action there upon by the management. • Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
See note no. 4.00 to the financial statements	

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Legal and regulatory matters	
<p>We focused on this area because the company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the company's best estimate for existing legal matters that have a probable and estimable impact on the company's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the company's provisions and contingent liabilities disclosure.</p>

Reporting to other information

The Company's management and Board of Directors are responsible for other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Monno Fabrics Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's 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.

Monno Fabrics Limited

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

Report on other Legal and Regulatory Requirements

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Monno Fabrics Limited so far as it appeared from our examination of those books;
- c) The statements of financial position as at June 30, 2020 and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

For, A. Wahab & Co.
Chartered Accountants



Md. Showkat Hossain, FCA
Partner

Dated, Dhaka, November 02, 2020

Monno Fabrics Limited

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

Particulars	Notes	30-06-2020	30-06-2019
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	3.00	5,971,309,824	5,996,587,302
Current Assets			
Inventories	4.00	160,118,082	185,621,927
Trade & Other Receivables	5.00	575,280,026	525,798,493
Advances, Deposits & Pre-payments	6.00	204,055,568	171,440,918
Advance Income Tax	7.00	33,852,362	33,704,932
Cash and Cash Equivalents	8.00	8,295,939	5,677,978
TOTAL ASSETS	Taka	6,952,911,801	6,918,831,550
EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued, Subscribed and Paid-up Share Capital	9.00	1,150,000,000	1,150,000,000
Share Premium	10.00	370,575,835	370,575,835
Revaluation Surplus	11.00	4,063,575,356	4,063,575,356
Retained Earnings	12.00	(2,444,639,256)	(2,456,888,813)
Non-Current Liabilities			
Long Term Borrowing	13.00	2,898,951,996	2,905,781,341
Current Liabilities			
Trade & Other Payables	14.00	26,269,533	32,890,567
Accrued Expenses	15.00	188,505,751	167,694,874
Unclaimed Dividend	16.00	36,640,338	36,640,338
Provision for Income Tax	17.00	29,949,858	27,629,277
Liabilities for Other Finance	18.00	288,597,945	285,327,945
Inter Company Loan	19.00	344,484,445	335,604,830
TOTAL EQUITY AND LIABILITIES	Taka	6,952,911,801	6,918,831,550
Net assets value per share (NAVPS)	26.00	27.30	27.19

The annexed Notes from 1 to 36 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2020 and were signed on its behalf by:

for 
(MRITYUNJOY BANERJEE)
ACTING COMPANY SECRETARY


(AFROZA KHAN)
MANAGING DIRECTOR


(HURON NAHAR RASHID)
CHAIRMAN

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS


Dated: Dhaka, November 02, 2020

Monno Fabrics Limited

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

Particulars	Notes	30-06-2020	30-06-2019
Revenue	20.00	1,071,071,331	988,209,871
Cost of Goods Sold	21.00	(821,806,596)	(838,622,936)
Gross Profit		249,264,735	149,586,935
Operating Expenses		(66,815,337)	(66,754,967)
Administrative Expenses	22.00	(51,599,277)	(51,709,456)
Selling and Distribution Expenses	23.00	(15,216,060)	(15,045,511)
Profit from Operations		182,449,398	82,831,968
Finance Cost	24.00	(166,654,248)	(76,157,416)
Income from other sources	25.00	172,601	780,204
Profit before Contribution to WPF & WWF		15,967,751	7,454,756
Contribution to Workers Participation Fund and Workers Welfare Fund	15.01	(752,150)	(317,836)
Net Profit/(Loss) Before Tax		15,215,601	7,136,920
Income Tax Provision	17.02	(2,966,044)	(1,070,538)
Net Profit/(Loss) After Tax		12,249,557	6,066,382
Earnings per share (EPS)	27.00	0.11	0.05

The annexed Notes from 1 to 36 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2020 and were signed on its behalf by:

for 
(MRITYUNJOY BANERJEE)
ACTING COMPANY SECRETARY


(AFROZA KHAN)
MANAGING DIRECTOR


(HURON NAHAR RASHID)
CHAIRMAN

Subject to our separate report of even date.

Dated: Dhaka, November 02, 2020


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Monno Fabrics Limited

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

Particulars	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2019	1,150,000,000	370,575,835	4,063,575,356	(2,456,888,813)	3,127,262,378
Net Profit for the year ended June 30, 2020	-	-	-	12,249,557	12,249,557
At the end of the year Taka:	1,150,000,000	370,575,835	4,063,575,356	(2,444,639,256)	3,139,511,935

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

Particulars	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2018	1,150,000,000	370,575,835	-	(2,471,848,722)	(951,272,887)
Income from Interest Waive	-	-	-	8,893,527	8,893,527
Net Profit for the year ended June 30, 2019	-	-	-	6,066,382	6,066,382
Revaluation Surplus on Land	-	-	4,063,575,356	-	4,063,575,356
At the end of the year Taka:	1,150,000,000	370,575,835	4,063,575,356	(2,456,888,813)	3,127,262,378

The annexed Notes from 1 to 36 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2020 and were signed on its behalf by:

for 
(MRITYUNJOY BANERJEE)
ACTING COMPANY SECRETARY


(AFROZA KHAN)
MANAGING DIRECTOR


(HURON NAHAR RASHID)
CHAIRMAN

Subject to our separate report of even date.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, November 02, 2020


Monno Fabrics Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Notes	30-06-2020	30-06-2019
Cash Flows from Operating Activities:	34.00	1,969,691	127,333,365
Cash Receipts from Customers	29.00	1,021,113,350	988,258,659
Cash Receipts from Interest & Others	30.00	649,049	1,130,992
Cash Paid to Suppliers	31.00	(775,969,255)	(801,262,787)
Cash paid to Employees and Others	32.00	(76,376,312)	7,234,470
Income from Interest Waive	12.00	-	8,893,527
Interest Paid	24.00	(166,654,248)	(76,157,416)
Income Tax Paid	33.00	(792,893)	(764,081)
Cash Flows from Investing Activities:		(4,672,000)	(16,633,300)
Acquisition of Fixed Assets Property, Plant & Equipment	3.00	(4,672,000)	(16,633,300)
Cash Flows from Financing Activities:		5,320,270	(107,623,905)
Increase/Decrease in Long Term Borrowing (Secured)	13.00	(6,829,345)	(202,849,095)
Increase/Decrease in Liabilities for Other Finance	18.00	3,270,000	(199,826,788)
Increase/Decrease in Inter Company Loan	19.00	8,879,615	295,051,978
Increase/(Decrease) in Cash & Cash Equivalents		2,617,961	3,076,161
Cash and Cash Equivalents at Beginning of the Year		5,677,978	2,601,817
Cash and Cash Equivalents at End of the Year	8.00	8,295,939	5,677,978
Net Operating Cash Flows Per Share (NOCFPS)	28.00	0.02	1.11

The annexed Notes from 1 to 36 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2020 and were signed on its behalf by:

for 
(MRITYUNJOY BANERJEE)
ACTING COMPANY SECRETARY


(AFROZA KHAN)
MANAGING DIRECTOR


(HURON NAHAR RASHID)
CHAIRMAN

Subject to our separate report of even date.

Dated: Dhaka, November 02, 2020


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Monno Fabrics Limited

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED JUNE 30, 2020**

1.00 COMPANY AND ITS ACTIVITIES

1.01 Corporate History of the Reporting Entity

The Monno Fabrics Limited (the "Company"), was incorporated in Bangladesh as a Public Limited Company on September 07, 1994. The company went for public issue of shares in 1996 and it commenced commercial operation in 1998. The shares of the Company are listed in both the Dhaka and Chittagong Stock Exchanges of Bangladesh.

The registered office of the company is located at "Monno City" Gilondo, Manikgonj and the manufacturing plants are located at Gilondo, Manikgonj.

The factory was partly in operation to keep the Machinery at running condition only due to non availability of adequate gas supply.

1.02 Corporate Business

The principal activities of the company are production of high quality yarn and woven fabrics and marketing thereof.

2.00 SIGNIFICANT ACCOUNTING POLICIES & OTHER MATERIAL INFORMATION:

2.01 Corporate Financial Statements and Reporting

Financial Statements comprise of the followings:

- a) Statement of Financial Position,
- b) Statement of Profit or Loss and Other Comprehensive Income,
- c) Statement of Changes in Equity,
- d) Statement of Cash Flows, and
- e) Notes & explanatory materials covering accounting policies.

The Financial Statements prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange Ltd. and the International Accounting Standards (IASs) as well as those standards and disclosures recommended by IASs as applicable to the company.

The Management is responsible for preparing and presenting the financial statements including adequate disclosures, who are approved and authorized for issue of these financial statements.

The following IASs are applicable for the Financial Statements under audit:

IAS 1	Presentation of Financial Statements
IAS 2	Inventory
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 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 7	Financial Instruments : Disclosures
IFRS 15	Revenue from contracts with customers

2.02 Fundamental Accounting Concepts/Assumptions

The financial statements have been prepared based on Going concern, Consistency concept, Accrual concept and such other convention as required by IAS-1 for fair presentation of financial statements.

Monno Fabrics Limited

2.03 Going Concern:

The company is incurring loss for several years and its accumulated loss upto 30.06.2020 is Tk. 2,444,402,430. The net asset is Tk. 3,139,748,761 as at June 30, 2020. The company has revalued its Land and Land Development and an amount of Tk. 4,063,575,356 has been shown as Revaluation Surplus without which the net asset would be negative to the amount of Tk. 923,826,595. However, management feels that the going concern uncertainty is not appropriate for the following circumstances:

- a) In the PPE in the statement of financial position, the carrying amount is Tk. 597.13 Crore including the Revaluation Surplus of Tk. 406.35 Crore. This incremental Property, Plant & Equipment base should be quite adequate to meet long term debt serving amounted to Tk. 289.90 Crore with a surplus of 307.23 (597.13 - 289.90) Crore.
- b) As per the accounts as of 30th June 2020, the accumulated loss is Tk. 244.44 Crore. However, our capital base stood at Tk. 152.05 Crore as on 30th June 2020 including the premium amount. If we compare our accumulated prior year loss with the current capital base, the equity would be negative to the amount of Tk. 92.39 Crore. However this negative equity could be compared as to cover from the above surplus of 307.23 Crore having a excess of Tk. 214.84 (307.23-92.39) Crore.
- c) If we compare our current asset base amounted to Tk. 98.16 Crore against current working capital amounted to Tk. 91.42 Crore, the positive net working capital is amounted to Tk. 6.74 (98.16 - 91.42) Crore, this indicates another strength of the working capital financing.
- d) As per accounts as on 30th June 2020 Sales increased by Tk. 7.82 Crore (106.64 - 98.82), Gross Profit increased by Tk. 9.50 Crore (24.46 - 14.96) and Profit from Operations increased by Tk. 9.49 Crore (17.77-8.28) which clearly indicate the company's annual growth.
- e) In addition, the group's non-current assets amounted to Tk. 822.65 (MFL-599.66 + MCIL-220.39 + MJSL-2.60) Crore as on 30th June 2019. Which will also support Monno Fabrics Ltd. at the time of crisis situation based on the requirement.

2.04 Net Profit/(Loss) Before Tax:

The company earned a net profit of Tk. 12,486,383 during the year under audit because of increased of gas supply accordingly production was increased compared with last audit year. Although the factory was only partly in operation due to non availability of adequate gas supply.

2.05 Reporting Currency and Level of Precision:

The financial statements are presented in Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise. Figures in brackets indicate subtractions.

2.06 Reporting Period:

Financial statements cover one year from 1st July 2019 to 30 June, 2020.

2.07 Comparative Information:

Comparative figures have been re-arranged, wherever 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 financial statements.

2.08 Historical Cost Profit and Loss:

There was no extraordinary item, hence there was no difference in profit on ordinary activities before taxation and the net profit before tax. In addition, there was no revaluation of fixed assets in previous years and during the period under review. Therefore, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets, etc. Accordingly, no separate note of historical cost profit and loss has been presented.

2.09 Principal Accounting Policies:

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendation of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

Monno Fabrics Limited

2.10 Recognition of Property, Plant & Equipment:

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Interest during construction period have been capitalized as required by IAS-23. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the Property, Plant & Equipment the expenditure is capitalized as an additional cost of the assets.

There is no intangible assets and the Property, Plant & Equipment do not include any assets held under lease.

On retirement or otherwise disposal of Property, Plant & Equipment, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the Statement of Profit or Loss and Other Comprehensive Income which is determined with reference to the net book value of assets and the net sales proceeds.

2.11 Depreciation on Property, Plant & Equipment:

No depreciation is charged on Land and Land Development. Depreciation on all other Property, Plant & Equipment is computed using the Reducing Balance Method.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

	2020	2019
Building and other constructions	2.50%	2.50%
Plant, Machinery & equipment	5%	5%
Office equipment	10%	10%
Vehicles	20%	20%
Furniture & fixtures	10%	10%
Computer and IT Equipment	10%	10%

Depreciation has been charged on Plant, Machinery and Equipments @ 5% for only one quarter since the factory is not in full operation during the year under audit.

2.12 Impairment of Assets:

All Property, Plant & Equipment have been reviewed and it was confirmed that no such Property, Plant & Equipment have been impaired during the year and for this reason no provision has been made for impairment of assets.

2.13 Revenue Recognition:

Revenue are recognized when goods are delivered from the Factory Warehouse and Delivery Challan is issued.

2.14 Inventories:

Inventories comprises of Raw Materials, Work-in-process, Finished goods, Stores & Spares and Materials-in-transit. Raw Materials and Stores and Spares have been valued at average cost. Materials-in-transit have been valued at the cost incurred upto the date of Statement of Financial Position. Work-in-process have been valued at prime cost basis as required by IAS-2 with proportionate addition of Factory Overheads. Finished goods have been consistently valued at the lower of cost and net realizable value.

2.15 Taxation:

Provision on current year for Income Tax has been made on Net profit of the company as per SRO no: 218-AIN/Income Tax/2019, dated 23-06-2019.

2.16 WPPF and WWF Policy:

Provision has made on account of WPPF and WWF as the company has made profit during the year.

Monno Fabrics Limited

2.17 Cash Flow Statement:

Cash flow statement is prepared principally in accordance with IAS-7 "Cash Flow Statements" and the cash flows from the operating activities have been presented under direct method as required by the Securities and Exchange rules 1987 and considering the provisions of paragraph-19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method". Reconciliation of cash flows from operating activities between Direct and Indirect Method have been shown in notes 34.00.

2.18 Transactions in Foreign Currencies:

Transactions in foreign currencies are converted into Bangladesh Taka at the exchange rate ruling on the dates of transactions.

2.19 Earnings Per Share (EPS):

The company calculates Basic Earnings per share (EPS) in accordance with International Accounting Standards (IAS-33). Diluted earning per share is not applicable for the company as it has no such convertible securities.

Sales Revenue of the Company has increased from the last year as such the Net Profit after tax has increased. Therefore, The Earnings Per Share (EPS) has increased from the last year which is shown in Note 27.00.

2.20 Net Operating Cash Flows Per Share (NOCFPS):

Cash Flows of the Company has decreased due to increase of interest payment from the last year. Therefore, Net Operating Cash Flow Per Share (NOCFPS) has decreased which is shown in note 28.00.

2.21 Net Asset Value Per Share (NAVPS):

The Company has earned Net Profit & Assets Addition during the year. Therefore, Net Asset Value Per Share (NAVPS) increased from the last year.

Monno Fabrics Limited

3.00 PROPERTY, PLANT & EQUIPMENT:

3.01 The movement in Property, Plant & Equipment is as under:

Particulars	COST				DEPRECIATION				Written Down Value as on 30.06.2020	Written Down Value as on 30.06.2019	
	Balance as on 01.07.2019	Addition During the Year	Adjustment during the Year	Balance as on 30.06.2020	Balance as on 01.07.2019	Rate	Charged for the Year	Adjustment during the Year			Balance as on 30.06.2020
Land & Land Development	102,831,644	-	-	102,831,644	-	0.00%	-	-	-	102,831,644	102,831,644
Building & Other Construction	670,644,398	-	-	670,644,398	251,959,504	2.50%	10,467,122	-	262,426,626	408,217,772	418,684,894
Plant, Machinery & Equipment	2,460,801,475	4,200,000	-	2,465,001,475	1,063,824,507	5.00%	17,532,212	-	1,081,356,719	1,383,644,756	1,396,976,968
Office Equipment	19,152,010	154,000	-	19,306,010	13,630,200	10.00%	562,264	-	14,192,464	5,113,546	5,521,810
Vehicles	15,970,050	-	-	15,970,050	11,242,093	20.00%	945,591	-	12,187,684	3,782,366	4,727,957
Furniture & Fixtures	13,896,840	-	-	13,896,840	10,560,858	10.00%	333,598	-	10,894,456	3,002,384	3,335,982
Computer and IT Equipment	4,696,643	318,000	-	5,014,643	3,763,952	10.00%	108,691	-	3,872,643	1,142,000	932,691
Total:	3,287,993,060	4,672,000	-	3,292,665,060	1,354,981,114		29,949,478	-	1,384,930,592	1,907,734,468	1,933,011,946

At Revaluation

Land & Land Development	4,063,575,356	-	-	4,063,575,356	-	0%	-	-	-	4,063,575,356	4,063,575,356
Sub Total	4,063,575,356	-	-	4,063,575,356	-	-	-	-	-	4,063,575,356	4,063,575,356
Grant Total	7,351,568,415	4,672,000	-	7,356,240,415	1,354,981,114	-	29,949,478	-	1,384,930,592	5,971,309,824	5,996,587,302

3.02 Revaluation of Land & Land Development:

Valuation of land done by independent valuer Ahmed Zakir & Co, Chartered Accountants with cut off date 31.03.2019 and subsequently report submitted on 25.06.2019.

3.03 Allocation of Depreciation:

Particulars	Notes	30.06.2020	30.06.2019
a) Factory Expenses	21.02	26,954,530	27,500,190
b) Administrative expenses	22.00	2,395,958	2,444,461
c) Selling and Distribution expenses	23.00	598,990	611,115
Total		29,949,478	30,555,767

Monno Fabrics Limited

4.00 INVENTORIES:

This is made up as follows:

Particulars	30-06-2020	30-06-2019
Raw Materials:	74,241,824	90,713,679
Raw Cotton	38,249,665	51,902,038
Dyes & Chemicals	28,742,494	32,653,046
Packing Materials	7,249,665	6,158,595
Finished Goods:	30,298,408	40,392,279
Yarn	21,660,929	29,979,359
Fabrics	8,637,479	10,412,920
Stores & Spares	23,949,831	24,354,230
Work-in-process	31,628,019	30,161,739
Taka:	160,118,082	185,621,927

These have been certified by the Management.

5.00 TRADE & OTHER RECEIVABLES:

This is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Receivable against sales	5.01	412,835,079	362,877,098
Cash incentive receivable	5.02	162,444,947	162,921,395
Taka:		575,280,026	525,798,493

5.01 RECEIVABLE AGAINST SALES:

The details break-up is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening Balance	362,877,098	362,925,887
Add: Sales during the year	1,071,071,331	988,209,871
	1,433,948,429	1,351,135,758
Less: Collection during the year	(1,021,113,350)	(988,258,660)
Closing Balance	412,835,079	362,877,098

5.02 CASH INCENTIVE RECEIVABLE

Year-wise break up:

Years	30-06-2020	30-06-2019
Opening Balance	162,921,395	162,921,395
2017-2018	350,788	350,788
2018-2019	(350,788)	(350,788)
2019-2020	(476,448)	-
	162,444,947	162,921,395

6.00 ADVANCES, DEPOSITS & PRE-PAYMENTS:

This is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Advances	6.01	76,131,076	43,368,421
Deposits	6.02	30,886,374	31,034,379
Pre-Payments	6.03	97,038,118	97,038,118
Taka:		204,055,568	171,440,918

6.01 ADVANCES:

Particulars	30-06-2020	30-06-2019
Suppliers, Contractors & Others	64,916,060	32,153,405
Tax Refundable from Government	11,215,016	11,215,016
Taka:	76,131,076	43,368,421

6.01(a) Suppliers, Contractors & Others:

The details break-up is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening Balance	32,153,405	116,132,916
Add: Addition during the year	69,764,360	43,906,490
	101,917,765	160,039,406
Less: Adjustment during the year	37,001,705	127,886,001
Closing Balance	64,916,060	32,153,405

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6.02 DEPOSITS		30-06-2020	30-06-2019
Particulars			
VAT Deposit		3,568	151,573
Lease Deposit		11,432,946	11,432,946
Security Deposit		19,449,860	19,449,860
	Taka:	30,886,374	31,034,379

6.03 PRE-PAYMENTS		30-06-2020	30-06-2019
Particulars			
Lease Premium		97,038,118	97,038,118
	Taka:	97,038,118	97,038,118

7.00 **ADVANCE INCOME TAX:**

7.01 The details break-up is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Opening Balance		33,704,932	33,366,361
Add: Addition During the Year		147,430	338,571
Closing Balance	7.02	33,852,362	33,704,932

7.02 Year-wise break up:

Accounting Year	Assessment Year	30-06-2020	30-06-2019
Opening Balance		31,922,357	31,922,357
2015-2016	2016-2017	131,287	131,287
2016-2017	2017-2018	527,492	527,492
2017-2018	2018-2019	785,225	785,225
2018-2019	2019-2020	338,571	338,571
2019-2020	2020-2021	147,430	-
	Taka:	33,852,362	33,704,932

8.00 **CASH AND CASH EQUIVALENTS**

This is made-up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Cash-in-Hand	8.01	222,801	178,686
Cash-at Banks	8.02	8,073,138	5,499,292
	Taka:	8,295,939	5,677,978

8.01 **CASH IN HAND**

Cash in hand Tk. 222,801 has been certified by the management.

8.02 **CASH AT BANK**

This is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Current Account	8.02.1	6,870,525	4,465,911
Sonali Bank Ltd.-FC Account		882,957	723,177
Sonali Bank Ltd. Local Office -SD Account		319,656	310,203
	Taka:	8,073,138	5,499,291

The above bank balances have been confirmed and reconciled with the respective bank statements and ledger balances.

8.02.1 **CURRENT ACCOUNT**

The details break-up is made up as follows:

Name of the Bank	A/C No.	30-06-2020	30-06-2019
Agrani Bank Ltd.	0200001036104	504,540	505,730
Exim Bank Ltd.	07611100121026	1,075,347	535,980
Islami Bank Bangladesh Ltd.	20501020101186107	1,484	168,275
Islami Bank Bangladesh Ltd.	20501810100200018	2,067,034	28,957
Islami Bank Bangladesh Ltd.	20501810900005111	65,909	67,654
Jamuna Bank Ltd.	00060210014558	66,526	67,216
Shahajalal Islami Bank Ltd.	400411100012842	2,535	3,225
Social Islami Bank Ltd.	00221330454666	8,275	8,965
Sonali Bank Ltd.	001004757	1,955	2,645
Sonali Bank Ltd.	200000017	75,374	75,719
Sonali Bank Ltd.	200005979	96,888	96,888
Sonali Bank Ltd.	233027455	242,516	242,516
Sonali Bank Ltd.	233111738	2,662,142	2,662,142
		6,870,525	4,465,911

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9.00 SHARE CAPITAL

This represents:

Particulars	30-06-2020	30-06-2019
Authorized Share Capital		
500,000,000 Ordinary Shares of Tk.10 each	5,000,000,000	5,000,000,000
Issued, Subscribed and Paid-up:		
115,000,000 Ordinary Shares of Tk.10 each fully paid up in cash	1,150,000,000	1,150,000,000
Taka:	1,150,000,000	1,150,000,000

Changes in Share Capital

There was no changes in Authorized and Paid up capital during the period.

Share holdings

The distribution schedule showing the number of Shareholders and their shareholdings in percentage as on 30.06.2020 are as follows:

Range of holdings in number of shares	No. of Shareholders		No. of Share		Holding %	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Less than 500	5	-	550	-	0.0005	-
500 to 5,000	8,787	8,824	9,950,300	10,089,850	8.65	8.77
5,001 to 10,000	422	419	3,528,350	3,506,350	3.07	3.05
10,001 to 20,000	180	180	2,735,400	2,722,900	2.38	2.37
20,001 to 30,000	79	79	1,949,500	1,949,000	1.70	1.69
30,001 to 40,000	37	34	1,305,000	1,190,500	1.13	1.04
40,001 to 50,000	28	28	1,319,400	1,325,400	1.15	1.15
50,001 to 100,000	47	47	3,705,000	3,709,500	3.22	3.23
100,001 to 1,000,000	37	37	10,629,000	10,629,000	9.24	9.24
10,000,001 to Over	17	17	79,877,500	79,877,500	69.46	69.46
Total	9,639	9,665	115,000,000	115,000,000	100.00	100.00

Market Price:

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchange Ltd. and was quoted at Tk. 10.80 per share of Tk.10.00 each in Dhaka Stock Exchange Ltd. in OTC market as on June 30, 2020 and Tk. 10.80 per share of Tk.10.00 each in Chittagong Stock exchange Ltd. in OTC market as on June 30, 2020.

The break-up of share holdings as on 30.06.2020 is given below:

	30.06.2020		30.06.2019	
	No. of Shares	%	No. of Shares	%
Sponsors and Directors	53,813,094	46.79	53,813,094	46.79
Institutions	17,365,000	15.10	17,361,000	15.10
Foreign Investors	1,599,000	1.39	1,599,000	1.39
Non-resident investors	75,500	0.07	75,500	0.07
General Public	42,147,406	36.65	42,151,406	36.65
Total:	115,000,000	100.00	115,000,000	100.00

10.00 SHARE PREMIUM

This is made up as follows:

Particulars	30-06-2020	30-06-2019
Share Premium	370,575,835	370,575,835
Taka:	370,575,835	370,575,835

11.00 REVALUATION SURPLUS

This is made up as follows:

Particulars	30-06-2020	30-06-2019
Land & Land Development	4,063,575,356	4,063,575,356
Taka:	4,063,575,356	4,063,575,356

12.00 RETAINED EARNINGS

This is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening Balance	(2,456,888,813)	(2,471,848,722)
Income from Interest Waive	-	8,893,527
Current Year's Profit/(Loss)	12,249,557	6,066,382
Taka:	(2,444,639,256)	(2,456,888,813)

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13.00 LONG TERM BORROWINGS

The break-up of the amount is given below:

Name of the Bank	A/C No.	30-06-2020	30-06-2019
Bangladesh Development Bank Ltd.	0650690000311	-	83,697,539
Bangladesh Development Bank Ltd.	0650690000327	111,546,125	-
Janata Bank Ltd.	103000346	342,793,784	321,299,283
Janata Bank Ltd.	116001989	25,824,179	23,422,203
Mercantile Bank Ltd.	110179931653868	11,534,986	-
Mercantile Bank Ltd.	1508461062	-	695,503,075
Mercantile Bank Ltd.	1936302940	751,429,824	-
Sonali Bank Ltd.	0330672000106	-	2,232,610
Sonali Bank Ltd.	0330672000113	2,486,021	205,044
Sonali Bank Ltd.	0330672000114	573,432	613,204
Sonali Bank Ltd.	238016404	1,269,031,637	1,394,748,524
Sonali Bank Ltd.	241000001	1,744,087	1,741,587
Sonali Bank Ltd.	241000002	15,201,455	15,758,677
Sonali Bank Ltd.	0330665000009	-	267,720,562
Sonali Bank Ltd.	0330665000011	277,774,456	22,916,063
Sonali Bank Ltd.	0330665000012	89,012,010	75,922,970
		2,898,951,996	2,905,781,341

The above bank balances have been confirmed with the respective bank statements.

14.00 TRADE & OTHER PAYABLES

This is made-up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Trade Creditors & Others	14.01	26,269,533	32,890,567
	Taka:	26,269,533	32,890,567

14.01 TRADE CREDITORS & OTHERS

The details break-up is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening Balance	32,890,567	32,890,567
Add: Addition during the year	518,517,196	-
	551,407,763	32,890,567
Less: Adjustment during the year	525,138,230	-
Closing Balance	26,269,533	32,890,567

15.00 ACCRUED EXPENSES

This is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Electricity & Gas bill		171,888,823	153,670,251
Salaries & Wages		15,303,142	13,488,287
Audit fees		243,800	218,500
Contribution to WPF & WWF	15.01	1,069,986	317,836
	Taka:	188,505,751	167,694,874

15.01 CONTRIBUTION TO WPF & WWF

The details break-up is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening Balance	317,836	-
Add: Addition during the year	752,150	317,836
Closing Balance	1,069,986	317,836

16.00 UNCLAIMED DIVIDEND

This is in-respect of:

Particulars	30-06-2020	30-06-2019
Unclaimed Dividend	36,640,338	36,640,338
	Taka:	36,640,338

17.00 PROVISION FOR INCOME TAX

This is in-respect of:

Particulars	Notes	30-06-2020	30-06-2019
Opening Balance		27,629,277	26,984,249
Less: Paid due Income Tax (Income Year 2013-14)		(645,463)	(425,510)
Add: Provision during the year- Current year Tax	17.02	2,966,044	1,070,538
	Taka:	29,949,858	27,629,277

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17.01 Provision for income tax is made @ 15% on taxable profit in accordance with Income Tax Ordinance 1984, SRO No. 218-AIN/Income Tax/2019, Dated # 23.06.2019, previously with SRO No. 193-AIN/Income Tax/2015, Dated # 01.07.2015.

17.02 Details of Provision for Income Tax

This balance is made up as follows:

Particulars	30-06-2020	30-06-2019
a.Regular Tax Calculation	2,282,340	1,070,538
b.Advance Income Tax (AIT)	147,430	-
c.Minimum Tax gross receipt U/S-82C (4)	2,966,044	-
Whichever is higher (a,b,c)	2,966,044	1,070,538

18.00 LIABILITIES FOR OTHER FINANCE

This is in-respect of:

Particulars	30-06-2020	30-06-2019
Uttara Finance and investment Ltd.	285,327,945	285,327,945
Import Liabilities On IBBL Manikgonj	3,270,000	-
	288,597,945	285,327,945

19.00 INTER COMPANY LOAN

This is made up as follows:

Particulars	30-06-2020	30-06-2019
Monno Ceramic Industries Ltd.	61,697,000	64,897,000
Monno Attire Ltd.	(48,802,555)	(36,282,170)
Monno Welfare Foundation	331,590,000	306,990,000
Taka:	344,484,445	335,604,830

20.00 REVENUE

This is made up as follows:

Particulars	30-06-2020	30-06-2019
Local sales	1,061,614,628	934,972,522
L/C sales	9,456,703	53,237,348
Revenue	1,071,071,331	988,209,871

21.00 COST OF GOODS SOLD

This is arrived at as follows:

Particulars	Notes	30-06-2020	30-06-2019
Opening work-in-process		30,161,739	28,944,481
Add: Raw Materials Consumed	21.01	528,737,940	456,740,518
Add: Factory Expenses	21.02	284,441,065	388,135,965
Less: Closing work-in-process	4.00	(31,628,019)	(30,161,739)
Cost of Production:	Taka:	811,712,725	843,659,225
Add. Opening stock of finished goods		40,392,279	35,355,990
Less: Closing stock of finished goods	4.00	(30,298,408)	(40,392,279)
Cost of Goods Sold:	Taka:	821,806,596	838,622,936

21.01 RAW MATERIALS CONSUMED

This is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Opening stock:		90,713,679	79,952,856
Raw Cotton		51,902,038	46,952,759
Dyes & Chemicals		32,653,046	26,962,224
Packing Materials		6,158,595	6,037,873
Add. Purchase:		512,266,085	467,501,341
Raw Cotton		419,090,766	383,915,401
Dyes & Chemicals		61,623,348	59,250,410
Packing Materials		13,151,049	13,575,482
Gray Yarn		18,400,922	10,760,048
Less. Closing stock:		74,241,824	90,713,679
Raw Cotton	4.00	38,249,665	51,902,038
Dyes & Chemicals	4.00	28,742,494	32,653,046
Packing Materials	4.00	7,249,665	6,158,595
Raw Materials Consumed	Taka:	528,737,940	456,740,518

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21.02 FACTORY EXPENSES

This is made-up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Salaries & Wages		103,401,068	86,822,197
Power & Fuel Cost		125,538,334	247,661,676
Repairs & Maintenance Factory	21.02.01	21,466,560	21,183,094
Oil & Lubricants		4,818,191	1,715,871
Entertainment Factory		847,083	557,848
Medical Expenses		83,506	150,631
Carriage Inward		283,975	502,100
Testing Fees		75,375	1,350,022
Design & Development Expenses		972,443	692,336
Depreciation	3.00	26,954,530	27,500,190
	Taka:	284,441,065	388,135,965

21.02.01 REPAIRS & MAINTENANCE

This is made-up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Opening Consumable stores & spars		24,354,230	26,985,950
Add. Store & spares purchase		21,062,161	18,551,374
Less. Closing Consumable stores & spars	4.00	(23,949,831)	(24,354,230)
Stores & spars used	Taka:	21,466,560	21,183,094

22.00 ADMINISTRATIVE EXPENSES

This consists of as under:

Particulars	Note	30-06-2020	30-06-2019
Salaries & Allowances		39,265,308	39,698,926
Fuel & Oil - Vehicle		1,945,678	1,785,409
Repairs & Maintenance - Vehicle		443,479	438,959
Repairs & Maintenance -Furniture & Fixture		664,325	459,394
Office Printing & Stationery		773,643	746,151
Registration, Renewal & Others Fee		1,426,709	1,461,634
Insurance		1,006	19,085
Power & Fuel - Electricity		71,922	86,261
Rent, Rates & Taxes		-	248,595
Travelling & Conveyance		999,276	822,959
Paper & Periodicals		18,820	24,854
Internet & IT Expenses		336,000	336,000
Entertainment Expenses		1,268,667	1,202,461
Audit Fees		220,800	195,500
Fees & Professional Charges		80,625	348,785
Advertisement		61,410	105,772
AGM Expenses		72,900	46,075
Couriers, Postage & Stamp		15,998	-
Welfare Expenses		1,048,000	643,340
Telephone & Mobile bill		330,430	442,510
Uniform & Liveries		158,323	152,325
Depreciation	3.00	2,395,958	2,444,461
	Taka:	51,599,277	51,709,456

23.00 SELLING AND DISTRIBUTION EXPENSES

This is made-up as follows:

Particulars	Note	30-06-2020	30-06-2019
Salaries & Allowances		8,205,599	8,910,893
Carrying Outward		147,000	53,400
Office Printing and Stationary		165,192	131,921
House Rent		1,440,000	1,440,000
L/C Charge & Commission		85,781	233,908
Travelling & Conveyance		1,581,081	1,619,201
Entertainment Expenses		432,615	729,143
Sample Expenses		2,559,802	1,315,930
Depreciation	3.00	598,990	611,115
	Taka:	15,216,060	15,045,511

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24.00 FINANCE COST

This consists of:

Particulars	30-06-2020	30-06-2019
Financial Cost:	166,137,938	75,228,180
Interest on Term Loan	166,137,938	75,228,180
Lease Premium:	269,728	637,654
Interest on Liabilities for Other Finance	269,728	637,654
Bank Charges	246,582	291,582
Taka:	166,654,248	76,157,416

25.00 INCOME FROM OTHER SOURCES

This consists of:

Particulars	30-06-2020	30-06-2019
Income from Interest:	12,821	207,353
Interest from SD & SND Account	12,821	45,531
Interest from FDR Account	-	161,822
Income from Cash Incentive	-	572,851
Income from foreign exchange gain on FC A/C	159,780	-
Taka:	172,601	780,204

26.00 NET ASSETS VALUE PER SHARE (NAVPS)

The computation of NAVPS is given below:

Particulars	30-06-2020	30-06-2019
Shareholder's Equity	3,139,511,935	3,127,262,378
Number of Ordinary Shares outstanding during the year	115,000,000	115,000,000
Net Assets Value per share (NAVPS)	27.30	27.19

27.00 EARNINGS PER SHARE (EPS)

The computation of EPS is given below:

Particulars	30-06-2020	30-06-2019
Earnings attributable to the ordinary shares profit/(loss)	12,249,557	6,066,382
Number of ordinary shares outstanding during the year	115,000,000	115,000,000
Earnings Per Share (EPS)	0.11	0.05

Diluted Earning per share is not applicable as there was no such convertible securities.

28.00 NET OPERATING CASH FLOWS PER SHARE (NOCFPS)

The details break-up is made up as follows:

Particulars	30-06-2020	30-06-2019
Cash Flows from Operating Activities	1,969,691	127,333,365
Number of Ordinary Shares outstanding during the year	115,000,000	115,000,000
Net operating cash flows per share (NOCFPS)	0.02	1.11

29.00 CASH RECEIPTS FROM CUSTOMERS

The details break-up is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Revenue	20.00	1,071,071,331	988,209,871
Changes in Receivable against sales	5.00	(49,957,981)	48,789
Taka:		1,021,113,350	988,258,659

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30.00 CASH RECEIPTS FROM INTEREST & OTHERS

The details break-up is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Income from Cash Incentive	25.00	-	572,851
Changes in incentive receivable	5.00	476,448	350,788
Interest on Bank account	25.00	12,821	207,353
Income from foreign exchange gain on FC A/C	25.00	159,780	-
Taka:		649,049	1,130,992

31.00 CASH PAID TO SUPPLIERS

The details break-up is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Cost of Goods Sold	21.00	821,806,596	838,622,936
Changes in Inventories	4.00	(25,503,845)	14,382,650
Changes in Trade & Other Payables	14.00	6,621,034	(24,242,607)
Depreciation on Factory Expense	21.02	(26,954,530)	(27,500,190)
Taka:		775,969,255	801,262,787

32.00 CASH PAID TO EMPLOYEES AND OTHERS

The details break-up is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Administrative Expenses	22.00	51,599,277	51,709,456
Selling & Distribution Expenses	23.00	15,216,060	15,045,511
Depreciation on Administrative Expenses	22.00	(2,395,958)	(2,444,461)
Depreciation on Selling & Distribution Expenses	23.00	(598,990)	(611,115)
Changes in Advances, Deposits & Pre-payments(without AIT)	6.00	32,614,650	(50,578,467)
Changes in Accrued Expenses	15.00	(20,810,877)	(20,673,229)
Contribution WPPF & WWF	15.01	752,150	317,836
Taka:		76,376,312	(7,234,470)

33.00 INCOME TAX PAID

The details break-up is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Changes in Advance Income Tax	6.01	147,430	338,571
Paid due Income Tax	17.00	645,463	425,510
Taka:		792,893	764,081

34.00 RECONCILIATION OF CASH FLOWS

The reconciliation of Net Cash Flow from operating activities between Direct and Indirect method as follows:

Particulars	30-06-2020	30-06-2019
Cash flow from Operating Activities:		
As per direct method	1,969,691	127,333,365
As per indirect method:		
Net Profit after Tax for the year	12,249,557	6,066,382
Adjustments for items not involving movement of cash:		
Add: Depreciation on Property, Plant & Equipment	29,949,478	30,555,767
Total:	42,199,035	36,622,149
Changing in working capital components:		
Decrease/(Increase) in Inventories	25,503,845	(14,382,650)
Decrease/(Increase) in Trade & Other Receivables	(49,481,533)	399,577
Decrease/(Increase) in Advances, Deposits & Pre-Payments	(32,614,650)	50,239,896
Decrease/(Increase) in Advance Income Tax	(147,430)	-
(Decrease)/Increase in Trade & Other Payables	(6,621,034)	24,242,607
(Decrease)/Increase in Accrued Expenses	20,810,877	20,673,229
(Decrease)/Increase in Provisions for Income Tax	2,320,581	645,028
Income from Interest Waive	-	8,893,527
Net Cash Flow from Operating Activities	(40,229,344)	90,711,214
	1,969,691	127,333,365

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35.00 OTHER RELEVANT INFORMATION

35.01 CONTINGENT ASSETS/LIABILITIES

There was no contingent liability as on 30 June 2020.

There was no claim against the Company acknowledged as debt as on 30 June 2020.

35.02 CREDIT FACILITY NOT AVAILED

There was no credit facilities available to the company under any contract but not availed of as on 30 June 2020 other than trade credit available in ordinary course of business.

35.03 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard (IAS) 24: " Related Party Disclosures". Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at 30 June 2020 as follows:

Name of the related party	Relationship	Opening Balance	Addition	Adjustment	Closing Balance
Monno Ceramic Industries Ltd.	Intercompany	64,897,000	64,800,000	68,000,000	61,697,000
Monno Attire Ltd.	Intercompany	(36,282,170)	479,615	13,000,000	(48,802,555)
Monno Welfare Foundation	Corporate Director	306,990,000	24,600,000	-	331,590,000

35.04 DIRECTORS' REMUNERATION

During the year no amount was expended by the Company for compensation any member of the board including the Managing Director for rendering services.

No board meeting fees were drawn by the board members.

35.05 CAPITAL EXPENDITURE COMMITMENT

There was no capital expenditure commitment of the company as of 30 June 2020.

35.06 FOREIGN EXCHANGE EARNED

L/C sales of goods calculated on FOB basis is \$ 1,13,386.61 where document duly accepted, payment has been realized subsequently.

35.07 PAYMENTS IN FOREIGN CURRENCY

For Foreign Technicians \$ 30,000.00

For Stores & Spares \$ 2,318.50


35.08 MAN POWER

As on 30 June 2020 the total number of employees working in factory as well as Head Office of the Company was 1154 (2019:1220)

36.00 EVENTS AFTER THE REPORTING PERIOD: (IAS # 10)

There is no major event that has occurred subsequent to the Statement of Financial Position date which may affect the operating results.

for 
(MRITYUNJOY BANERJEE)
ACTING COMPANY SECRETARY


(AFROZA KHAN)
MANAGING DIRECTOR


(HURON NAHAR RASHID)
CHAIRMAN

Dated: Dhaka, November 02, 2020

Monno Fabrics Limited

9 Wyre Street, Wari, Dhaka-1203

PROXY FORM

I/We,

of

being shareholder(s) of **MONNO FABRICS LIMITED**, hereby appoint

Mr./Mrs./Miss.....

of.....

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the twenty-Sixth Annual General Meeting of the Company to be held on Monday the 28th December 2020 at 3:00 p.m. at Virtually by using **Digital Platform** as per BSEC order SEC/SRMRC/04/231/25 dated the 08 July 2020 through the link <https://monnofabrics.virtualagmbd.com> and at any adjournment thereof.

Shareholder's Folio/BO No :

Number of shares held :

Affix
Tk.20.00
revenue
stamps

Signature of proxy

Signature of witness

Signature of shareholder(s)
Date :

FOR OFFICIAL USE

Received in the office on

Signature verified

Authorised Signatory

Note:

The proxy form duly filled in/signed and affixed with revenue stamps of Tk.20.00 must be submitted at the Liaison office of the Company at 9, Wyre Street, Wari, Dhaka-1203 not less than 48 hours before the time fixed for the meeting.

MONNO FABRICS LIMITED

Shareholder's Attendance Slip

I/We,

(Folio/BO A/c. No.) holding ordinary shares of Monno Fabrics Limited, am/are recording my/our attendance at the twenty-Sixth Annual General Meeting of the Company for the year 2020 on Monday the 28th December 2020 at 3:00 p. m. at Virtually by using **Digital Platform** as per BSEC order SEC/SRMRC/04/231/25 dated the 08 July 2020 through the link <https://monnofabrics.virtualagmbd.com>.

Signature of shareholder(s)



Monno Fabrics Ltd.

Monno City, Manikganj, Bangladesh
Phone : +880-2-7712110-14