

ANNUAL REPORT

2022-2023



QUEEN SOUTH TEXTILE MILLS LTD.

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NOTICE OF THE 21st ANNUAL GENERAL MEETING

DATE & TIME |
Saturday, 30 December, 2023 at 11:00 a.m

PLATFORM |
Virtual in Digital Platform

Notice is hereby given to all the shareholders of Queen South Textile Mills Limited that the 21st Annual General Meeting (AGM) of the company will be held on 30th December 2023 at 11.00 a.m. virtually by using digital platform through the link <https://queensouth.bdvirtualagm.com> (in pursuance with the Bangladesh Securities and Exchange Commission (BSEC) Order no. SEC/SRMIC/94-231/91 dated March 31, 2021) to transact the following business:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June, 2023 together with the report of the Directors and Auditors thereon.
2. To approve dividend for the year ended 30 June, 2023 as recommended by the Board of Directors.
3. To appoint Statutory Auditors for the year 2023-2024 and fix their remuneration.
4. To resign and re-appointment of Directors.
5. To appoint Corporate Governance Compliance Auditors for the year 2023-2024 and fix their remuneration.
6. To transact any other business with the permission of the chair.

Members of the Company are requested to make it convenient to attend the meeting.

By order of the Board,



Md. Massum Rana
Company Secretary

Dated: 09 December 2023

NOTE:

- ◇ The "Record Date" to be entitled dividend for the year 2022-2023 was on Tuesday, 05 December 2023. The Shareholders whose names would appear in the Register of Members of the Company and/ or in the Depository register on the "Record Date" will be eligible to attend and vote at the 21st AGM.
- ◇ The proxy form duly completed, signed and affixed with requisite revenue stamp, must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- ◇ Annual Report, Attendance Slip, Proxy Form along with the Notice will be sent to the Members through Courier Service /Post. Members may also collect Proxy Form from the Registered Office of the Company.
- ◇ The Annual Report is also available in company's website on www.qstmills.com by 24 December 2023.

বিঃ দঃ সম্মানিত শেয়ার হোল্ডারবন্দের অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর সাকলার নংঃ এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ তারিখ- অক্টোবর ২৪, ২০১৩ অনযায়ী আসন ২১তম বার্ষিক সাধারণ সভায় (এজিএম) কোন পকার উপহার বা আপ্যায়নের ব্যবস্থা নেই।

LETTER OF TRANSMITTAL

The Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.
Auditors'

Subject: Annual Report for the year ended 30 June, 2023

Dear Sir(s),

We are pleased to enclose a copy of Annual Report containing Directors' Report, Auditors' Report together with the Audited Financial Statements including Statement of Financial Position as at 30 June 2023, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2023 along with notes thereon for your record and necessary measures.

Yours sincerely,



Md. Masum Rana
Company Secretary

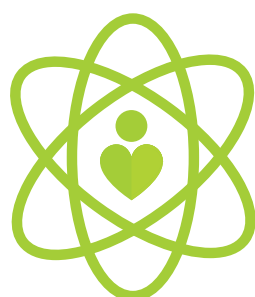


VISION MISSION OBJECTIVES



VISION

To be dynamic, comparable to international standard, to be customer- focused and globally competitive through better quality, latest technology and continuous innovation



CORE VALUES

- Accountability – We are accountable for acknowledging and assuming responsibility for actions, products, decisions, and policies.
- Commitment – We are committed to increase Shareholder wealth as well as meeting stakeholders' interest.
- Integrity – We act with honesty and honor without compromising the truth.
- Innovation – We pursue new creative ideas that have the potential to increase the business.
- Community – We contribute to society and demonstrating corporate social responsibility.
- Ownership – We take care of the company and customers as they were one's own.



MISSION

- To produce world-class dyed yarn for knitting of outstanding quality that give our customers a competitive advantage through superior products and value, so we can make every customer smile
- To strive excellence and sustain position as preferred supplier for yarn with a customer focused strategy
- To build enduring relationship with our customers by giving them fair return on their demand
- To give consistent financial return to the shareholders on their investment
- To be responsible to the society, employees and communicates in which we operate by health care and social welfare activities



OBJECTIVE

- Fair to All
- Superior quality of performance
- Enhance the positioning in the market and establish a stronger brand;
- Continuous development in setting up a progressive and professional management team and a good employee program to run the merchandising, commercial operations and production;
- Customer satisfaction and delight



CORPORATE

D I R E C T O R Y

BOARD OF DIRECTORS

Mr. Wong Kwok Chuen	Chairman
Mr. Wong Jammy Kwok Chan	Managing Director
Mr. Tsang Wai Kwan	Director
Ms. Lee Hung Chun	Director
Mr. Mostaque Ahmmed Sarwar, ACA	Independent Director

AUDIT COMMITTEE

Mr. Mostaque Ahmmed Sarwar, ACA	Chairman
Ms. Lee Hung Chun	Member
Mr. Tsang Wai Kwan	Member
Mr. Massum Rana	Secretary

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Mr. Mostaque Ahmmed Sarwar, ACA	Chairman
Ms. Lee Hung Chun	Member
Mr. Tsang Wai Kwan	Member
Mr. Massum Rana	Secretary

COMPANY SECRETARY, CFO AND HIAC

Mr. Massum Rana	Company Secretary
Mr. Goutam Chandra Roy	Chief Financial Officer
Mr. Tinku Barua	Head of Internal Audit and Compliance

MANAGEMENT COMMITTEE

Mr. Wong Jammy Kwok Chan	Managing Director
Mr. Lai Fong Wai	Chief Executive Officer
Mr. Massum Rana	Company Secretary
Mr. Goutam Chandra Roy	Chief Financial Officer
Mr. Shahabuddin	Deputy General Manager
Miss. Zhao Chao Qiong	Dyeing Technician
Mr. Muzahid Hassan	Manager and In Charge of maintenance

Miss. Yang Linli	Dyeing Technician
Mohammad Azizur Rahman	Factory General Manager
Mr. Shuvo Dey	Asst. Production Manager
Md. Kabir Hossain	QC Manager
Mr. Rupayan Chakma	Shift In-Charge
Mr. Rubel	Winding In-Charge
Mr. Md. Dulal Hossain	Asst. Planning Manager
Mr. Moshiur Rahman	Packing/ Finishing In -charge

PRODUCTION MANAGEMENT



COMPANY PROFILE

Registered Name of the Company:

Queen South Textile Mills Limited

Incorporation No. & Date:

C – 49529(1513)/2003, Dated 15 June 2003

Setting up Permission:

BEPZA given permission to set up factory in DEPZ at plot no 85-88 by their Vide Letter Ref.IP:PJT-D/252/2052 dated 24 August 2003

Commencement of commercial Operation:

05 June 2005 at DEPZ.

Legal Status:

Public Limited Company listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

Nature of Business:

Dyeing of Yarn for sweater industry (100% export oriented)

Legal Advisors:

Monzur Alam Khan Barrister –at- law
Suit no. 8/08
73 Kakrail, Dhaka

Tax Consultant

Sumon Chandra Dey, FCA
Partner: MRH DEY & CO.,
Chartered Accountants
Taher Chamber (1st Floor),
10, Agrabad Commercial Area,
Chittagong, Bangladesh.

Bankers

Woori Bank Limited
Standard Chartered Bank
Hongkong and Shanghai Banking Corporation Limited
Dutch-Bangla Bank Limited
The Premier Bank Limited

Auditors

Pinaki & Company
Chartered Accountants
Ahsandell, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh

Insurers

Pragati Insurance Limited
Pragati Insurance Bhaban
20-21, Karwan Bazar,
Dhaka-1215

Listing

Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Listing Recognition

Company No.: 17476
Trading Code: QUEENSOUTH

Registered Office

Plot No:85-88 Extension Area, Dhaka EPZ,
Ganak Bari, Savar, Dhaka-1349
Telephone: 09617-775555
Fax: 880-2-7790216
Email: info@qstmills.com
Web: www.qstmills.com

Factory

Plot No: 85-88 Extension Area, Dhaka EPZ, Ganak bari,
Savar, Dhaka-1349, Bangladesh



DIRECTORS' PROFILE



WONG KWOK CHUEN | Chairman

Mr. Wong Kwok Chuen is a Hong Kong national and representing GAINPLUS AGENTS LIMITED in Queen South Textile Mills Limited. He is vastly experienced in Textile industry and leading QSTML with his innovative idea. He is well-reputed businessman and highly qualified professional with proven record of success in managing marketing and project management. He visited to many countries in connection with business and had gathered sufficient knowledge required to run a business smoothly and profitably.



WONG JAMMY KWOK CHAN | Managing Director

Mr. Wong Jammy Kwok Chan is a Canadian national and finished his EMBA from Fudan University in Shanghai China. He has 38 years of experience in running different kind of textile business in different countries. He is dynamic and able to lead in different cultures. He established Queen South Textile Mills Limited with his family member at 2003, and he has gone through many challenges, and the company has been growing since then and become one of the largest in terms of dyed yarn production in Bangladesh. His aim is to help the Bangladesh Textile Industry to be fully integrated with domestic support in all area.



MR. TSANG WAI KWAN | Director

Mr. Tsang Wai Kwan, a seasoned investment expert hailing from the vibrant nation of China. With a wealth of experience in the intricate world of investments, Mr. Tsang is not only a distinguished professional but also a beacon of insightful perspectives. His unwavering commitment to sharing invaluable opinions has consistently propelled companies toward greater success. In the dynamic realm of business, Mr. Tsang stands ready to contribute his wealth of knowledge for the continuous enhancement of any enterprise fortunate enough to benefit from his guidance.



MS. LEE HUNG CHUN | Director

Ms. Lee is spouse of Chairman and she is a Hong Kong national. She was working with the Chairman for many years early in her career and experienced in the Textile and Garment industry.



MOSTAQUE AHMMED SARWAR, ACA
Independent Director

Mr. Mostaque Ahmmmed Sarwar, ACA, Member of ICAB and practicing as Chartered Accountants professional. He has worked in leading position at money renowned companies such as Alpha Capital Management, Bti-Building Technology and Ideas Ltd., and MM Yasin and Co. Chartered Accountants. Currently he is working as a partner of Ahammed Hoq Siddiqui & Co. Chartered Accountants. He has 11 year experience in accounts and financial sector.

FROM
Chairman's
DESK



Dear Esteemed Shareholders,

I'm delighted to share a brief update on Queen South Textile Mills Ltd.'s journey in the fiscal year 2022-2023.

Despite the ongoing global challenges, our company has stood resilient. We faced the impacts of the pandemic and external economic factors, but your company weathered the storm, demonstrating strength in various financial metrics.

In the face of uncertainties, we achieved positive outcomes in many areas. Our commitment to your interests is reflected in the proposed cash dividend of BDT 0.6 per share for the fiscal year 2022-2023.

The global economic landscape is presenting challenges, and we are closely monitoring the situation. The Board remains steadfast in its commitment to sustainable profitability, prudent risk management, and good governance to maximize shareholders value.

I want to express gratitude to our regulators, the Bangladesh Securities and Exchange Commission, Stock Exchange, NBR, and other regulatory authorities, for their continued guidance. A special thanks to our dedicated team and employees for their hard work and resilience.

As we navigate uncertain times, your inputs are invaluable. I look forward to your thoughtful suggestions and recommendations, ensuring our collective success.

Warm regards,

A handwritten signature in black ink, appearing to read 'Wong Kwok Chuen', with a stylized flourish at the end.

Wong Kwok Chuen
Chairman



MESSAGE FROM THE *Managing Director*

Dear Shareholders,

I'm happy to share how Queen South Textile Mills Ltd. fared in the year 2022-2023.

Our money stuff (assets) grew to Taka 5,344,770,521, and we made Taka 5,094,716,340 from selling our goods. After taking out all the costs, we ended up with a profit of Taka 164,933,535. Each share you own got us 0.81 Taka in profit.

Looking at how well we ran things, we kept about 11.35% of our sales as profit after all the costs. Even after other expenses, we managed to keep about 2.43% as our profit.

We also spent some money on new things to help us work better, like machinery and vehicles, which cost us Taka 58.28 crore.

Our revenue growth of 6%, totaling Taka 5,094.71 million, is a testament to our adaptability in the 100% export-oriented landscape. Despite global uncertainties, our strategic control over operational costs has fortified our Gross Profit Margin, ensuring sustained profitability.

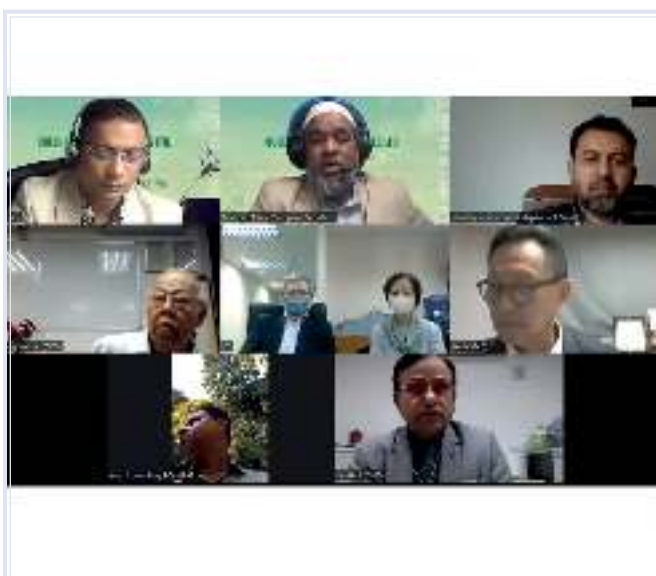
As we navigate the complexities of the global market, your unwavering support remains our bedrock. We anticipate another year of shared triumphs and express our sincere gratitude for being part of our journey.

With appreciation,

A handwritten signature in black ink, appearing to read 'Wong Jammy Kwok Chan'.

Wong Jammy Kwok Chan
Managing Director

20th AGM PICTURE



Directors' Report

TO THE SHAREHOLDERS

Dear valued Shareholders, Ladies and Gentlemen,

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987, BSEC Notification dated 7th August, 2012 and BAS-1 (Bangladesh Accounting Standards-1) codes as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 30 June, 2023

The Company at a glance:

Queen South Textile Mills Limited (hereinafter referred to as "The Company") was incorporated on 15 June 2003 vide Registration No. C-49529(1513)/2003 as a private limited company in Bangladesh under the Companies Act, 1994. The company was converted into a Public Limited Company on 25 January 2017. The company floated its shares to the public through IPO in February 2018 and the company listed in both Dhaka and Chittagong Stock Exchange on 07 January 2018 and started trading 13 March 2018. The registered office and principal place of business of the company is located at Plot No:85-88 Extension Area, Dhaka EPZ, Ganak bari, Savar, Dhaka-1349, Bangladesh and its factory located at Plot No:85-88 Extension Area, Dhaka EPZ, Ganak bari, Savar, Dhaka-1349, Bangladesh.

Nature of Business:

Queen South Textile Mills Limited runs the business as a 100% export oriented backward linkage Textile Industry and producing & selling different types of knitted, dyed and finished cotton, Nylon, Polyester, Viscose, Carded, combed, Acrylic etc. yarn in a single business segment. Industry outlook and possible future developments in the industry:

In the fiscal year 2022-2023, Queen South Textile Mills Ltd. faced a challenging economic landscape, resulting in a significant decrease in Net Profit and Earnings Per Share (EPS). While the company remains resilient, it is essential to acknowledge the adverse factors influencing the financial performance.

Market Challenges:

The textile industry encountered headwinds during this period, marked by a complex interplay of factors.

The substantial increase in utility tariffs, particularly for gas and electricity, added to operational costs.

Simultaneously, the rise in salaries and wages, coupled with a reduction in the competitive sales price of dyed yarn, posed challenges to maintaining robust gross profits.

Delayed Financial Setbacks:

The delayed settlement of export bills and the resultant increase in finance costs, including discounted export bills and Short-Term Loans (STL), impacted the company's financial stability. Adverse foreign currency movements further exacerbated the challenges, contributing to a notable reduction in Net Profit after tax.

Strategic Response:

In response to these challenges, Queen South Textile Mills Ltd. is actively recalibrating its strategic approach. The management recognizes the need for a meticulous review of cost structures and operational efficiencies. Efforts are underway to streamline processes and enhance the adaptability of the business model to mitigate the impact of external factors.

Financial Resilience:

While the reported decrease in Net Profit and EPS is a setback, the company remains committed to financial resilience. The management is exploring avenues for cost optimization, stringent financial planning, and diversification strategies to bolster the bottom line.

Future Outlook:

Looking ahead, Queen South Textile Mills Ltd. acknowledges the dynamic nature of the industry and remains focused on adapting to changing market conditions. The management is poised to implement proactive measures to navigate uncertainties, foster sustainability, and restore shareholder confidence.

In conclusion, despite the recent challenges impacting financial performance, Queen South Textile Mills Ltd. is strategically positioned to weather the storm. The company's commitment to operational excellence, cost management, and strategic resilience will be instrumental in charting a course for sustained growth and profitability in the coming periods.

INFORMATION ABOUT CORPORATE GOVERNANCE:

Board of Directors, Chairman & CEO

The Board of Directors has been formed with 5 members including 1 Independent Director.

The Board structure is as follows:

Sl.	Particulars	Status
1	Mr. Wong Kwok Chuen	Chairman
2	Mr. Wong Jammy Kwok Chan	Managing Director
3	Mr. Tsang Wai Kwan	Director
4	Ms. Lee Hung Chun	Director
5	Mr. Mostaque Ahmmed Sarwar, ACA	Independent Director

Audit Committee:

The Audit Committee, as a sub-committee of the Board has been constituted consisting with 2 (Two) Directors, 1 (One) of whom is an Independent Director, The Company Secretary acts as Secretary to the Audit Committee. The Committee assists the Board in ensuring that the Financial Statements reflect a true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

The Committee structure is as follows:

Name	Designation
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman
Mr. Tsang Wai Kwan	Member
Ms. Lee Hung Chun	Member
Mr. Massum Rana	Secretary

Audit Committee Meeting Held:

Name	Designation	Total Meeting Held	Attended	% of Attended
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman	4	4	100%
Mr. Tsang Wai Kwan	Member	2	2	100%
Ms. Lee Hung Chun	Member	4	4	100%
Mr. Massum Rana	Secretary	4	4	100%

Nomination and Remuneration Committee (NRC):

The Board of Directors has formed a Nomination and Remuneration Committee (NRC) of the Board, which is comprised of the following Non-Executive Directors:

Name	Designation
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman
Mr. Tsang Wai Kwan	Member
Ms. Lee Hung Chun	Member
Mr. Massum Rana	Secretary

NRC Meeting Held:

Name	Designation	Total Meeting Held	Attended	% of Attended
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman	1	1	100%
Ms. Wong Elisa Dai Wah	Member	1	1	100%
Ms. Lee Hung Chun	Member	1	1	100%
Mr. Massum Rana	Secretary	1	1	100%

Number of Board Meetings held during the year and attendance:

During the year ended 30 June 2023, there were 8 Board of Directors Meeting hold and the presence was as follows:

Name	Designation	Total Attendance
Mr. Wong Kwok Chuen	Chairman	8
Mr. Wong Jammy Kwok chan	Managing Director	8
Ms. Wong Elisa Dai Wah	Director	3
Ms. Lee Hung Chun	Director	8
Mr. Tsang Wai Kwan	Director	2
Mr. Mostaque Ahmmed Sarwar, ACA	Independent Director	8
Mr.Goutam Chandra Roy	Chief Financial Officer	8
Mr. Massum Rana	Company Secretary	8
Mr. Tinku Barua	HIAC	4

Pattern and Number of Shareholdings as on 30 June 2023:

Shareholding Range	Number of Shareholders	No. of shares	Percentages of Share
1-499	2,580	529,048	0.35%
500-5000	5,443	9,639,893	6.32%
5001-10000	1,037	6,941,011	4.55%
10001-20000	693	9,109,458	5.97%
20001-30000	242	5,768,499	2.58%
30001-40000	115	3,929,809	2.99%
40001-50000	62	2,729,453	1.79%
50001-100000	127	8,259,886	5.41%
100001-1000000	86	18,167,779	11.91%
1000001-Above	7	87,526,603	57.36%
Total	10,392	152,601,439	100%

Sl.	Particulars	Designation	No. of Shares Holding	Holding %
1	Parent/Subsidiary/Associated Companies and Other Related Companies	-	No such holding	-
2	Directors, CEO, CS, CFO, Head of Internal Audit & their spouse and minor children:	-	No such holding	-
2.1	Mr. Wong Kwok Chuen (Nominated by Gain-plus Agents Limited)	Chairman, Director	45,962,515	30.12%
2.2	Mr. Wong Jammy Kwok Chan	Managing Director, Director	26,722,393	17.51%
2.3	Ms. Lee Hung Chun	Director	4,275,582	2.80%
2.4	Mr. Tsang Wai Kwan	Director	1,732,531	1.13%
2.5	Ms. Wong Elisa Dai Wah	Foreigner	4,275,582	2.80%
2.6	Mr. Massum Rana	Company Secretary	No such holding	-
2.7	Mr. Goutam Chandra Roy	CFO	No such holding	-
2.8	Head of Internal Audit & their spouse and minor children	-	No such holding	-
3	Executives:	-	No such holding	-

Shareholders holding Ten percent (10%) or more voting interest in the company:

Sl.	Particulars	Designation	No. of Shares Holding	Holding %
1	Mr. Wong Kwok Chuen	Chairman	45,962,515	30.12%
2	Mr. Wong Jammy Kwok Chan	Managing Director	26,722,393	17.51%

Share Holding by Directors:

Sl.	Particulars	Status	Holding %	No. of Shares Holding
1	Mr. Wong Kwok Chuen	Chairman, Director	30.12%	45,962,515
2	Mr. Wong Jammy Kwok Chan	Managing Director	17.51%	26,722,393
3	Ms. Lee Hung Chun	Director	2.80%	4,275,582
4	Mr. Tsang Wai Kwan	Director	1.13%	1,732,531

Shareholding Pattern:

Sl.	Particulars	No. of Shares Holding	Holding %
1	Sponsors & Directors	78,693,021	51.56%
2	General Public	56,944,531	37.32%
3	Foreigners	4,954,154	3.25%
4	Institution	12,009,733	7.87%
	Total	152,601,439	100%

Re-Appointment of Directors:

As per the Memorandum and Articles of Association of the Company, in accordance with paragraph 90, one-third of the Directors will retire and be re-appointed during every Annual General Meeting. The Board hereby recommends the retirement and re-appointment of Mr. Tsang Wai Kwan and Ms. Lee Hung Chun as Directors of the Company.

Directors Expertise in Specific functional area:

Name of Directors	Expertise
Mr. Wong Jammy Kwok Chan	All Business functional areas, especially Production and Operational activities
Mr. Wong Kwok Chuen	Oversee all activities
Mr. Tsang Wai Kwan	Commercial Function
Ms. Lee Hung Chun	Strategic Business function, internal control and analytical review

Holding of Directorship and membership of the committees of the board other than this company:
There is no holding of Directorship and membership of the committees of the board other than this company.

Appointment of Auditors:

As per companies Act 1994 section 210 (1) and updated list of Panel Auditors of Bangladesh Securities and Exchange Commission dated 30/05/2023, the present Auditor of the Company, Pinaki & Co. Chartered Accountants is enlisted as panel auditor will retire for the first tenure and based on their interest the board has decided to recommend the firm to reappoint for the second tenure at 21st Annual General Meeting.

Financial Highlights

Particulars	Amount in Taka				
	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Property, Plant & Equipment	839,619,457	895,615,354	903,084,791	881,739,686	761,683,380
Current Assets	4,345,660,448	3,954,116,085	3,315,985,981	3,082,918,508	3,015,245,491
Total Assets	5,344,770,521	4,849,731,440	4,268,379,492	3,964,658,194	3,776,928,871
Equity attributable to the Shareholders	2,393,169,948	2,309,702,841	2,135,130,716	2,016,305,364	1,941,287,864
Non-current Liabilities	508,809,279	529,561,113	677,518,772	683,866,360	495,711,388
Current Liabilities	2,442,791,295	2,010,467,486	1,455,730,006	1,264,486,470	1,339,929,619
Total liabilities and Equities	5,344,770,521	4,849,731,440	4,268,379,492	3,964,658,194	3,776,928,871
Revenue	5,094,716,340	4,807,094,345	3,586,046,413	3,072,519,860	4,198,684,068
Cost of Goods Sold	4,516,507,525	4,253,698,447	3,152,102,086	2,709,870,123	3,715,525,955
Gross Profit	578,208,815	553,395,898	433,944,327	362,649,737	483,158,113
Operating Profit	360,285,147	390,199,881	300,814,731	234,965,737	355,319,755
Net Profit after Tax	123,862,597	235,777,410	164,162,602	116,233,180	198,877,804

Key Operating Performances:

Particulars	Amount in Taka				
	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Basic Earnings per Share (EPS)	0.81	1.64	1.25	0.89	1.64
Gross Profit Margin	11.35%	11.51%	12.10%	11.80%	11.51%
Operating Profit Margin	7.07%	8.12%	8.39%	7.64%	8.46%
Net Profit Margin	2.43%	4.90%	4.58%	3.78%	4.74 %
Fixed Assets Turnover Ratio	5.10	5.37	3.77	3.484	5.51
Total Assets Turnover Ratio	0.95	0.99	0.84	0.775	1.11
Inventory Turnover Ratio	1.83	2.08	1.894	1.936	2.64
Current Ratio	1.78	1.97	2.28	2.438	2.25
Quick Ratio	0.72	0.80	1.08	1.183	1.06
Return on Equity (ROE)	5.18%	10.21%	7.69%	5.76%	10.24 %
Face value per share (Taka)	10	10	10	10	10
Number of Ordinary Shares(weighted)	152,601,439	143,963,622	130,876,020	121,181,500	110,165,000
Net Assets value per Share	15.68	16.04	16.31	16.64	17.62

Contribution to National Exchequer:

The Company contributed an amount of Taka 38.30 million in 2021-2022 to the National Exchequer consisting of the following:

Particulars	Amount in Taka	
	2022-2023 (Tk.)	2021-2022 (Tk.)
AIT & Tax	65,832,266	32,513,136
VAT, Customs & Excise Duties, etc.	4,490,468	2,865,588
Total Taka	70,322,734	35,378,724

Capital Expenditures

During the financial year of 2022-2023, the company made investment Tk. 05.82 crore in the form of capital expenditure from its own generation of fund with the approval of the Board of Directors the company procured some Capital machineries for synchronizing the production flow and to get maximum output and some other modern high efficiency assets have also been procured for smooth functioning. These are as follows:

SI No.	Particulars	Amount Taka
1	Machinery & Equipment	38,794,028
2	Office Equipment	930,916
3	Vehicles	18,557,548
	Total	58,282,492

Revenue:

During this year, the company has reached to its revenue about Taka 5,094.71 million compared with the last year about Taka 4,807.09 million representing 6% increasing of gross revenue. As the company 100% export oriented, the company's revenue growth fully depends on orders from buyers.

Financial Results and Appropriation of Profit:

Particulars	2022-2023	2021-2022
Net Profit for the year (After Tax)	123,862,597	235,777,410
Add: Previous year's Surplus	697,310,275	634,289,211
Profit available for appropriation	821,172,872	870,066,621
Cash and stock -Dividend Declared in % on number of Shares	6% cash	6% cash & 6% stock
Cash and Stock Dividend Declared in Taka	42,819,220	17,27,56,346
Un-appropriation Profit	778,353,652	697,310,275

Discussion on Cost of Goods Sold, Gross Profit Margin, Net Profit Margin

During this year, the company's revenue went up by Tk. 28.76 crore compared to last year. However, the Cost of Goods Sold also increased by Tk. 27.45 crore. Despite the unexpected increase in revenue, the company focused on controlling costs and maintaining profit margins through a strong internal control system. The internal Audit Committee played a key role in supervising operational activities, providing timely reports and recommendations to the management for effective planning and action. The company also emphasized a robust inventory system and a strategic raw material purchase policy to ensure competitive production costs in the market. The comparative performance is shown on the next page:

Financial Results and Appropriation of profit:

Particulars	2022-2023		2021-2022	
	Amount in Taka	In Percentage	Amount in Taka	In Percentage
Cost of Goods Sold	4,516,507,525	88.65%	4,253,698,447	88.48%
Gross Profit	578,208,815	11.35%	553,395,8 98	11.51%
Net Profit after Tax	123,862,597	2.43%	235,777,410	4.90%

Gross Profit Margin

The firm's fiscal evaluation centers on key financial metrics, with emphasis on the gross profit margin—an indicator of the residual funds post-deducting costs of goods sold from total revenues. This metric functions as a financial reservoir for both additional expenditures and future savings.

Notably, in the reviewed fiscal year, the gross profit margin witnessed a substantial increase, totaling Tk. 248.13 million compared to the prior year. This growth is attributed to heightened revenue, underscoring the company's enhanced profitability through effective management of production costs. This positive trajectory signifies improved financial resilience.

Net Profit Margin

Net profit margin is one of the most closely followed numbers in finance. Shareholders look at net profit margin closely because it shows how good a company is at converting revenue into profits available for shareholders.

During the year 2022-2023 net profit was decreased from Tk. 235.78 million to Tk. 123.86 million representing 47.46% downward compared to the last year. The government has increased the utility tariff (Gas and Electricity) significantly in this quarter. On the other hand, salaries and wages have also increased in this period. But competitive sales price of dyed yarn has reduced. Thus, the Gross profit of the company in the period has not

increased significantly. And due to adverse economic condition, the customer did not settle the export bills on maturity. As we discount the export bills, we could not settle the discount export bills on maturity. And we did not settle the some of STL also on maturity due to the delay settle the export bills. So, the finance cost of the company has been increased during the reporting period. Adverse foreign currency movement also reduced the profit of the company. As a result, Net Profit after tax of the company has reduced during the period. And EPS of the company has also reduced accordingly.

Basic Earnings per Share (EPS)

The EPS for the reporting period is Tk. 0.81 per share. In the previous year the EPS was TK. 1.64 per share. EPS has decreased by 50.60 % in reporting year. Considering the Financial Statement still the company taking constant dividend declaration decision.

Investment in securities:

The Company does not have any investment in securities during reporting period.

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures" The Company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30.06.2023 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance	Transaction / Adjustment during the period Dr./ (Cr.)	Closing Balance Dr./ (Cr.)
Gain Plus Agents Limited	Common Management	Trade Payable	(255,141,417)	(212,347,926)	(467,489,343)
Gain Plus Agents Limited	Common Management	Loan from Shareholders	(350,681,106)	(44,485,597)	(395,166,703)
Ideal Fastenar BD Limited	Common Management	Trade Payable	(8,908,214)	(54,450,902)	(63,359,116)
Kingpro Manufacturing Co. Limited	Common Management	Trade Payable	(4,234,136)	(3,504,590)	(7,738,726)
Kingpro Trading Limited	Common Management	Trade Payable	(47,054,717)	(5,969,119)	(53,023,836)
Queensin Ltd	Common Management	Trade Payable	(41,783,640)	(5,300,457)	(47,084,097)
Master Knitwear Ltd	Common Management	Trade Payable	(1,240,333)	(2,525,000)	(3,765,333)
Winpro Textile Mills Ltd	Common Management	Trade Payable	(9,031,667)	4,529,184	(93,560,851)

There was no extra-ordinary gain or loss in the Financial Year 2022-2023.

Basis for related party transaction:

Related party transaction has been shown in notes to the Financial Statements Notes no. 36.1

There is no significant deviation from the operating result of the last year.

Remuneration to Directors including Independent Directors

No remuneration was paid to board of directors. The Company paid taka 120,000/- as remuneration to the Independent Directors in the financial year 2022-2023.

Maintenance of Proper Books of Accounts:

The Directors endeavor to ensure that the company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the company and to be able to ensure that the financial statements of the company meet the requirements of the Companies Act, Bangladesh Accounting Standards, and the regulations of the Dhaka/Chittagong Stock Exchanges Ltd.

Adaptation of appropriate accounting policies and estimates:

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

Followed IAS, BAS, IFRS and BFRS in preparation of Financial Statements:

The financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) and BFRS as applicable in Bangladesh and provided as required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the regulations of the Dhaka/Chittagong Stock Exchanges Ltd.

Soundness of Internal Control Systems:

The system of internal control is robust in design and has been effectively implemented and monitored by Internal Audit Team and also reviewed by Audit Committee.

Ability to Continue as going concern:

As per BAS-1 paragraph 26 'In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The degree of consideration depends on the facts in each case. When an entity has a history of profitable operations and ready access to financial resources, the entity may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. In other cases, management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

On the above circumstances it can be said that there is no doubt that the company has the ability to continue as going concern.

Significant deviation from last years:

During the reporting period, there is no significant deviation from last year.

Dividend:

The Company has declared 6% Cash Dividend for the year ended 30 June 2023 whose names appear into the CDBL register as per record date 5th December 2023 subject to approval of 21st AGM.

Communication to Shareholders & Stakeholders:

The company always keeps proper communication with the Shareholders & stakeholders of the company. The Company response to the shareholders and stakeholders as per compliance with Company's Act 1994, Bangladesh Securities & Exchange Commission rules and regulations, Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Rules along with other applicable laws.

Risks and Governance:

Risk and uncertainty are the indispensable elements of business. The company is not exceptional. The Risk in investment within the national and international perception relating to invention, Govt. regulation, global warming, recession in world economy affects market demand and prices and by strong marketing policy, developing production with brand buyers, fiscal investment policy, product quality and due time supply would help the company to minimize the market risks.

Environment Related Initiatives

Queen South Textile Mills Limited is always conscious about the environment as well as social welfare relating to environment pollution and green effect. The Company is always maintaining appropriate practice in discharging its waste to keep the nature free from any contamination. With this objective, the company Join CETP conducting by BEPZA under DEPZ an Effluent Treatment Plant (ETP), maintaining continuous tree plantation program in free areas in the factory premises and also testing from concern authority by government like as Indoor Air (Work Place Air), Stack Emission Quality Test Report for Boiler and Generator, Eminent Noise Quality Test, Temperature level quality, Environment Impact Assessment, Humidity test, Light level quality test report.

Responsibilities towards staff:

The company frequently arrange training and awareness program among the workers' by engaging medical officer for keeping them abreast on maintaining sound health, about the food habit, other seasonal disease and first aid treatment. The company keeps the sound first aid team management in factory and also provide them medicine and other emergency treatment in case of need through our trained medical officer.

Human Capital:

The quality of Human Resource is a vital factor for the success of an organization. The company believes that the excellence of employees can increase the value of the organization. The Company employed a total of 780 employees as of 30 June 2023. To get high performance from the employees the Company arrange department wise training program like as lean manufacturing to implement KPI System for each Process, 57 and Kanban (Visual) management, Work Efficiency Evaluation and Re-layout, Training System and Fluent Logistics/Storage System when necessary.

Workers Profit Participation Fund:

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 15, Section 232 the company does not maintain Workers Profit Participation Fund (WPPF) for their workers as because now the company operating EPZ labor ACT 2019, February 28 and as per clause no.174, Section XV we don't need to maintain WPPF until government enforce and instruct to comply the rules. Once government instructs us to deduct @0.03% to maintain the fund the company shall follow accordingly.

Employee's Provident Fund:

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 17, Section 264 and now the company operating EPZ labour ACT 2019, February 28 and as per clause no.164, Section XIII the company established Provident Fund for their workers from December 2006 which certified by NBR ref. আ-৪/কঃ অঃ-৪/২০০৭-২০০৮ under income tax ordinance 1984 (XXXXVI of 1984) of the first schedule part B under section 2 under sub section 1.

Group Insurance:

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 8, Section 99, "Compulsory Group Insurance," and Bangladesh Textile Mills Association Order Ref. No. BTMA.593.992, Dated. November 09, 2014, the company introduced Group Insurance cont. No. 1899/2020 according to the prevalent Insurance Law with BTMA nominated Insurance Company of Pragati Life Insurance Ltd. for the workers of the company.

Safety Committee:

As per Labour Law 2006, amendment 2013, Chapter 8, Section 90 (A), The Company established a strong, efficient and well-trained Safety Committee by the trainer of Bangladesh Fire Service and Civil Defense team, Dhaka. The safety committee comprising with 208 members from different departments workers and employees of Factory, and the safety committee divided into 3 teams likely Fire Protection Team 85 persons, Rescue Team 62 persons and First Aid Team 61 persons.

Management Appreciation

On behalf of the Board of Directors, I take this opportunity to thank all our Shareholders heartiest cooperation and active support in assisting us to effectively discharge our duties despite various adverse factors prevailed in 2022-2023 both from nationally and internationally.

We would also like to express our gratitude and acknowledge for unflinching support and cooperation received from Bangladesh Securities Exchange commission, RJSC, National board of Revenue, Stock exchanges, Bank/ Financial Institutions and other business associates. We would also like to thank our Auditor, Pinaki & Company, Chartered Accountants for their efforts for timely completion of the Audit.

Lastly, we would like to express our deepest appreciation for the services and the loyalty of all of our officers, staffs and workers whose continuous support at all levels, without whom it would have been impossible to have delivered such performance despite adverse market situation.

Now, I request the valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Financial Statements for the year 2022-2023 and Directors Report place before you and expect our shareholders unswerving trust to the management to run the business effectively.

Thank you all,



Wong Kwok Chuen
Chairman

Statement on the duties of the Managing Director and the Chief Financial Officer

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07, August 2012, we the undersigned hereby certify to the Board that-

We have reviewed financial statements for the year 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 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- c. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Wong Jammy Kwok Chan
Managing Director



Goutam Chandra Roy
Chief Financial Officer

Queen South Textile Mills Limited
Declaration by MD and CFO
09 November 2023
The Board of Directors
Queen South Textile Mills Limited
Plot No:85-88 Extension Area, Dhaka EPZ
Ganak Bari, Savar, Dhak-1349
Telephone: 880-2-7790219-21

Subject: Declaration on Financial Statements for the year ended on 30 June, 2023

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969

We do hereby declare that:

01. The Financial Statements of Queen South Textile Mills Limited for the year ended on 30 June 2023 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;
02. The estimates and judgments related to the financial statements were made on a prudent and reasonable
03. basis, in order for the financial statements to reveal a true and fair view;
04. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
05. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
06. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
07. 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 30 June 2023 and that to the best of our knowledge and belief:
- (ii) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (iii) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- iv. 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,



Wong Jammy Kwok Chan
Managing Director



Goutam Chandra Roy
Chief Financial Officer

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR 2022-2023

The Audit Committee is governed by the Terms of Reference (TOR) approved by the Board of Directors in line with the conditions of BSEC Guidelines which is appended with the Compliance Report and also enclosed with the Directors' Report.

The Committee is comprised of Mr. Mostaque Ahmmed Sarwar, ACA independent Director and also the Chairman of the Committee, Ms. Lee Hung Chun and Mr. Tsang Wai Kwan is non- executive director and also member of the Committee and Mr. Massum Rana, Company Secretary performs as Secretary to the Audit Committee. The Audit Committee is appointed by the main Board and all the Members are Non-Executive Directors. As required, all Members of the Audit committee are 'financially literate' and are able to analysis and interpret financial statements to effectively discharge their duties and responsibilities as Members of the Audit Committee.

Reporting to the Board of Directors

The Audit Committee is acting as a sub-committee of the Board and reports immediately to the Board of Directors on the following outcomes, if any:

- ◇ Report on conflicts of interests;
- ◇ Suspected or presumed fraud or irregularity or material defect in the internal control system;
- ◇ Suspected infringement of laws, including securities related laws, rules and regulations;
- ◇ Any other matter that it deems necessary.

The Role of Audit Committee

The role of the Audit Committee is to monitor their liability of the financial statements of the Company and make recommendations, when appropriate to the Board on operational risk, internal controls and compliance. The committee gets satisfied, using suitable steps and appropriate information, that proper and satisfactory internal control system are in place and ensured that the Company's business is directed in a proper and economically sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

The role of the Audit Committee includes the following:

- I. Review and recommend to the Board to approve the 1st quarter, 2nd quarter, 3rd quarter and Annual Financial Statements prepared for statutory purpose;
- II. Monitor and oversee choice of accounting policies and principles, internal control, risk Management process, auditing matter, hiring and performance of external auditors;
- III. Review statement of significant related party transactions submitted by the management.
- IV. Carry on a monitoring role to safeguard the systems of governance and independence of statutory auditors;
- V. Review and consider the internal auditors' and statutory auditors' observations on internal control; and
- VI. Evaluate the company's continuous growth.
- VII. Monitoring the company's standard operating procedures.
- VIII. Observe the Companies overall policies and procedures.
- IX. Other matters as per Terms of Reference (TOR) of the Audit Committee and also as directed by the Board.
- X. Authority

In terms of Corporate Governance Guidelines, the Audit Committee is authorized by the Board to review any activity within the business as per its Terms of Reference (TOR). It is authorized to seek any information it requires from, and requires the attendance at any of its meeting of any Director or Member of Management, and all employees are expected to co-operate with any request made by the Committee. The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The

TOR of the Audit Committee may be amended from time to time as required for the business in line with BSEC Notifications subject to approval by the Board of the Company.

Activities carried out during the year:

The Audit Committee met four times during the year 2022-2023. All the Members were present in all meetings of The Committee. The Committee reviewed the integrity of the quarterly and annual financial statements in due time. The Committee found, adequate arrangements were taken 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. The Committee, therefore, recommended for onward submission of the Audited Financial Statements to the Board for its approval 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. Also observed that all payment has incurred in accordance with the terms as approved in the last AGM.

Conclusion:

The Audit Committee is satisfied that the effectiveness of the organization structure of the company in implementation of the accounting policies and operational controls, provide reasonable assurance that the affair of the company is managed in accordance with accepted policies and the assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the company's internal and external audit have been effective and independent throughout the period under review. The Committee is also pleased of having adequate arrangement to present a true and fair view of the activities and the financial status of the Company and did not find any material deviation, discrepancies or any adverse findings/ observation in the areas of reporting.



Mr. Mostaque Ahmmed Sarwar, ACA
Chairman
Audit Committee

NRC

QUEEN SOUTH TEXTILE

Under Condition # 6(5)(c) of CGC

A. NOMINATION AND REMUNERATION POLICY

1.00 Introduction

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top Level Executives of the Queen South Textile Ltd.

The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Queen South Textile Ltd.

2.00 Definitions

"NRC or the Committee" means Nomination and Remuneration Committee "the Company" means Queen South Textile Mills Ltd.

"Board" means Board of Directors of Queen South Textile Mills Ltd.

"Director" means Member of the Board.

"Top Level Executive" means the Managing Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit, Deputy General Manager or equivalent positions and same level or ranked or salaried officials of the company.

3.00 Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company as a subcommittee to assist the Board under the Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

The NRC consists of the following Non-Executive Director of the Board:

Name of the Members	Position in the Committee
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman
Mr. Tsang Wai Kwan	Member
Ms. Lee Hung Chung	Member
Mr. Massum Rana	Secretary

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company.

4.00 Objective

The objective of the NRC is to oversee, assist and guide the Board of Directors: -

- ◇ To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and Top-Level Executives.
- ◇ To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.
- ◇ To the appointment, fixation of remuneration and removal of Directors and Top-Level Executives.
- ◇ To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.
- ◇ To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- ◇ To develop, recommend and review the company's human resources and training policies.
- ◇ To retain, motivate and promote talent and to ensure long term sustainability of talented Top-Level Executive and create competitive advantage.
- ◇ To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.
- ◇ To Implement and monitor policies and processes regarding principles of corporate governance.

5.00 Nomination and Appointment of Directors and Top-Level Executives

The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top-Level Executive are taken place in transparent, rigorous and non-discriminatory way. The committee also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Director and Top-Level Executives.

6.00 Remuneration for Directors and Top-Level Executives

The committee shall oversee, review and make report with recommendation to the Board the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Director and Top-Level Executive. They also consider and review the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, remuneration to Director and Top-Level Executive involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals

7.00 Validation of the Policy

This policy on Nomination and Remuneration of Directors and Top-Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Queen South Textile Ltd.

8.00 Amendments to the Policy

The Board preserve the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.

B. EVALUATION OF PERFORMANCE

Evaluation of performance of Directors be carried out through completion of a preset confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top-Level Executives of the Company.

C. ACTIVITIES OF THE NRC CARRIED OUT DURING THE REPORTING PERIOD

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- i. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- ii. Reviewed the Company's existing policy relating to the remuneration of Directors and Top-Level Executives.
- iii. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- iv. Reviewed the Company's existing Human Resource and Training policies.



Mostaque Ahmmed Sarwar, ACA
Chairman of the NRC

Dividend Distribution Policy

Queen South Textile Mills Ltd.

1. Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, payoff, disbursement, and compliance.

The Board of Directors (the Board) will consider the directive while declaring/recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2. Definitions

"the Act" means Companies Act 1994

"the Company" means Queen South Textile Mills Ltd.

"AGM" means Annual General Meeting

"Board" means Board of Directors of Queen South Textile Mills Ltd.

"Record Date" means the cut-off date established in order to determine which shareholders are eligible to receive a dividend or distribution;

"Shareholders" means Members whose name is registered in the Member Register of the Company.

"Shares" means Ordinary Equity Shares.

3. Objective

The objective of this Policy is to specify the criteria to be considered by the Board when declaring/recommending dividends for a financial year and to provide clarity to shareholders on the profit distribution of the Company and the circumstances under which shareholders may or may not expect a dividend.

4. Dividend Eligibility

As at the date of this Policy, the Company has no other classes of shares other than equity shares with a value of BDT 10 each. Hence, shareholders will be considered eligible for dividends if their names appear in the members' register of the Company on the Record Date as declared by the Board for a particular financial year.

5. Concept of Dividend

A Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

Types of Dividend

Queen South Textile Mills Limited may pay Dividend by the following types:

Cash Dividend:

A cash dividend is the distribution of funds or money paid to the shareholders generally as part of the company's current earnings or accumulated profits based on the shareholding of the shareholders as on record date declared by the Board.

Stock Dividend:

Stock dividend is those paid out in the forms of additional shares issued to the shareholders by converting the earnings with paid-up capital.

Dividend Distribution Policy:

Dividend may be distributed in 2 forms

- Interim and Final.
- Interim dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare an interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as the appropriation of profit. The Board shall have the power to recommend the final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to the holding of the AGM.

1. Parameters to be considered while declaring dividends

1.1 The following financial parameters may be considered by the Board while recommending/declaring dividend:

- a) Adequacy of profits calculated in accordance with the applicable provisions of the Act and Accounting Standards. The Board of Directors may, in exceptional circumstances, consider utilizing retained earnings for the declaration of dividend subject to the provisions of the law.
- b) The Board may consider the following financial parameters while recommending/declaring dividend, namely:
 - ◇ Financial Performance for the year for which dividend is recommended;
 - ◇ Accumulated Reserves;
 - ◇ Earnings stability;
 - ◇ Any interim dividend paid;
 - ◇ Impact of dividend pay-out on Return on Equity;
 - ◇ Future capital expenditure;
 - ◇ Internal capital planning framework/policy;
 - ◇ Cash flow position;
 - ◇ Tax implications if any, on the distribution of dividends;
 - ◇ Cost of raising funds from alternate sources of capital; Corporate actions including mergers/demergers, acquisitions, and additional investments including expansion plans and investment in subsidiaries/associates;
 - ◇ Leverage profile and debt repayment schedules and, under exceptional circumstances, the amount of contingent liabilities;
 - ◇ Such other factors and/or material events that the Board may consider.

1.2 The following non-financial factors may also be considered by the Board while recommending/declaring dividend:

- ◇ Shareholder expectations;
- ◇ Economic environment;
- ◇ Industry outlook;
- ◇ Inorganic growth plans;
- ◇ Stage of the business cycle;
- ◇ Dividend payout history;
- ◇ Trend of Interest rate and Monetary Policy;

- ◇ Reinvestment opportunities;
- ◇ The economic, legal and regulatory framework, government policies, etc.

2. Declaration of Dividend

The Board in each financial year has the absolute discretion to recommend dividends out of the year's profits after setting off carried-over losses of the previous year(s) and depreciation not provided in the previous year(s) or out of any undistributed profits or any retained earnings subject to the approval of the shareholders at the Company's AGM. No dividend shall be declared or paid out of the capital reserve account or the revaluation reserve account or any unrealized gain or through reducing paid-up capital.

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before the declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to compliance with the Act and Rules.

3. Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and the amount of profit to be retained in the business.

The circumstances for dividend pay-out decision depend on various external and internal factors which the Board of Directors shall consider while recommending/declaring dividend including the following:

10.1 External Factors:

- ◇ The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of an Adverse Economic Scenarios.
- ◇ The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- ◇ The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to the declaration of dividend in order to ensure compliance with the applicable laws.
- ◇ Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- ◇ Other factors beyond the control of the Management like natural calamities, fire, etc. affecting the operations of the Company may impact the decision with regard to dividend declaration.

10.2 Internal Factors:

- ◇ Profitability
- ◇ Availability and Liquidity of Funds
- ◇ Capital Expenditure needs for the existing businesses
- ◇ Expansion/Modernization of the business
- ◇ Additional investments in subsidiaries/associates of the Company
- ◇ Cost of raising funds from alternate sources
- ◇ Cost of servicing outstanding debts
- ◇ Funds for meeting contingent liabilities
- ◇ Mergers and Acquisitions

- ◇ Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

4. Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- ◇ Issue of fully paid-up bonus shares
- ◇ Declaration of dividend-Interim or Final
- ◇ Augmenting internal resources
- ◇ Funding for capital expenditure/expansion plans/acquisition;
- ◇ Repayment of debt
- ◇ Any other permitted use as may be decided by the Board.

5. Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

6. Income Tax Impact on Dividend Declaration

Listed companies in Bangladesh are required to pay a dividend tax on the distributed amount and their dividend income is subject to the corporate income tax rate as per applicable law. Individual shareholders of listed companies are also subject to income tax on their dividend income.

7. Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website <http://www.qstmills.com/>

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

8. Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 1st February 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

9. Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

Certificate as per condition No. 1(5) (xxvii)

Report to the Shareholders of QUEEN SOUTH TEXTILE MILLS LTD on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code of QUEEN SOUTH TEXTILE MILLS LTD for the year ended on 30th June 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 1st 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:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- (b) 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;
- (c) 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
- (d) The Governance of the company is satisfactory.

Place: Dhaka
Dated: 12th December, 2023



Md. Yasin Miah FCA
Principal & CEO

Queen South Textile Mills Ltd.

[As per condition No. 1(5)(xxvii)]
ANNEXURE – C

Draft Corporate Governance Compliance Status Report

Annexure-C
[As per condition No. 1(5)(xxvii)]

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

(Report under condition No. 9.00)

Condition No.	Title	Status of Compliance with The Corporate Governance Code (CGC)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓	-	
1(2)	Independent Directors: All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following: -			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; Any fraction shall be considered to the next integer or whole number for calculating number of independent director (s);	✓	-	
1(2)(b)	"Independent director" means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓	-	-
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓	-	-
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial year;	✓	-	-

1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company of its subsidiary / associated companies;	✓	-	-
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓	-	-
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	-
1(2)(b)(vii)	Who is 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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	-
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓	-	-
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFi); and	✓	-	-
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓	-	-
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);		-	-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓	-	-
1(2)(e)	<p>The tenure of office of an independent director shall be for a period of 3 (three) years, which may extend for 1 (one) tenure only:</p> <p>Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenures [i.e. six year)</p> <p>Provided further that the independent director shall not be subject to retirement by rotation as per the ঙKv৐vwb AvBb, 1994 (1994 mvঙji 18 bs AvBb) (Companies Act, 1994).</p>	✓	-	-
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓	-	-
1(3)(b)	Independent Director shall have the following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-	-	Not Applicable

1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	-	-	Not Applicable
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	-	-	Not Applicable
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-	-	Not Applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓	-	-
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	-	-	Not Applicable
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	Not Applicable
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	-	-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	-	-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	-	-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓	-	-
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	Not Applicable

1(5)	<p>Directors' Report to Shareholders</p> <p>The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act. No. XVIII of 1994): -</p>			
1(5)(i)	An 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 factors, threat to sustainability and negative impact on environment, if any;	✓	-	-
1(5)(iv)	A discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin where applicable;	✓	-	-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓	-	-
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	-	-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	-	-	Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.;	-	-	Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓	-	-
1(5)(x)	A statement of remuneration paid to the directors including Independent Directors;	✓	-	-
1(5)(xi)	A statement that the financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓	-	-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓	-	-
1(5)(xiii)	A statement that 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;	-	-	Not Applicable
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (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)	A statement that 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)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓	-	-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	Not Applicable
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend;	✓	-	-
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓	-	-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: -			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓	-	-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓	-	-
1(5)(xxiii)(c)	Executives (name wise details); and	✓	-	-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓	-	-
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: -			
1(5)(xxiv)(a)	A brief resume of the director;	✓	-	-
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓	-	-
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓	-	-
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓	-	-
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	Not Applicable

1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓	-	-
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 the globe;	✓	-	-
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓	-	-
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position 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(3) shall be disclosed as per Annexure-A; and	✓	-	-
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 as per Annexure-B and Annexure-C.	✓	-	-
1(6)	Meetings of the Board of Directors:			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓	-	-
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) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓	-	-
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; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓	-	-
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 company;	-	-	Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	Not Applicable

2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	Not Applicable
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 also;	-	-	Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	Not Applicable
3(1)	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS): -			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓	-	-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (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)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓	-	-
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓	-	-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓	-	-
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓	-	-

3(3)(b)	The MD or CEO and CFO shall also certify that 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 or its members;	✓	-	-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	-
4	Board of Directors' Committee: - For ensuring Good Governance in the Company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	✓	-	-
4(ii)	Nomination and Remuneration Committee.	✓	-	-
5	Audit Committee: -			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓	-	-
5(1)(b)	The 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 and in ensuring a good monitoring system within the business;	✓	-	-
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓	-	-
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)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent 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 management background and 10 (ten) years of such experience;	✓	-	-
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓	-	-

5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓	-	-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	-
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓	-	-
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4) (b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	Not Applicable
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓	-	-
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓	-	-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	-
5(5)	Role of Audit Committee			
	The Audit Committee shall: -			
5(5)(a)	Oversee the financial reporting process;	✓	-	-
5(5)(b)	Monitor choice of accounting policies and principles;		-	-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓	-	-
5(5)(d)	Oversee hiring and performance of external auditors;	✓	-	-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	-	-
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓	-	-
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓	-	-

5(5)(h)	Review the 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 management;	✓	-	-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓	-	-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓	-	-
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	✓	-	-
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)	The Audit Committee shall immediately report to the Board on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of interests;	-	-	Not Applicable
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	Not Applicable
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	Not Applicable
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	Not Applicable
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	Not Applicable
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including Any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	-	-	Not Applicable
6	Nomination and Remuneration Committee (NRC): -			
6(1)	Responsibility to the Board of Directors			

6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓	-	-
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓	-	-
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓	-	-
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓	-	-
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)	The Board shall have authority to remove and appoint any member of the Committee;	✓	-	-
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	Not Applicable
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	Not Applicable
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, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓	-	-
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓	-	-
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	Not Applicable

6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of 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 upon request by any member of the NRC;	✓	-	-
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓	-	-
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓	-	-
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓	-	-
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(a)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The 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)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓	-	-
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 objectives appropriate to the working of the company and its goals;	-	-	Not Applicable
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓	-	-

6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓	-	-
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓	-	-
6(5)(b)(v)	Identifying the company's needs for employees at different levels and identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓	-	-
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 during the year at a glance in its annual report.	✓	-	-

7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
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 services related to the accounting records or financial statements;	✓	-	-
7(1)(iv)	Broker-dealer services;	✓	-	-
7(1)(v)	Actuarial services;	✓	-	-
7(1)(vi)	Internal audit services or special audit services;	✓	-	-
7(1)(vii)	Any service that the Audit Committee determines;	✓	-	-
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓	-	-
7(1)(ix)	Any other service that creates conflict of interest.	✓	-	-

7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓	-	-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓	-	-
8	Maintaining a website by the Company: -			
8(1)	The company shall have an official website linked with the website 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 exchange(s).	✓	-	-
9	Reporting and Compliance of Corporate Governance: -			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	-	-
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓	-	-
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.	✓	-	-



Wong Jammy Kwok Chan
Managing Director

Independent Auditor's Report

To The Shareholders of Queen South Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion:

We have audited the financial statements of Queen South Textile Mills Limited (The Company) which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the accompanying financial statement give true and fair view, in all material respects, the Statement of the financial position of the company as at 30 June 2023 and its financial performance and its cash flows for the year then ended and in accordance with 'International Financial Reporting Standards' (IFRSs), the Companies Act 1994, and other applicable rules and regulation.

Basis for Qualified Opinion

- ◇ Refer to note -5.00, the property, plant & equipment as at 1st July 2022 amounting to BDT. 2,090,068,926/- reported in the financial statements were not possible to confirm by us due to lack of proper asset register & other necessary relevant audit evidences. Moreover, calculation of depreciation doesn't comply with IAS-16.
- ◇ Refer to note no 2.16, We continued our attention to the fact from last audited report that the company did not yet introduce fund for WPPF purpose with retrospective effect & thereby no initiative to that effect was observed in the Financial Statements until the date of signing. The matter concerns to the rule no. 212 of the Bangladesh Labor Rules 2015 & section no. 232 of the Bangladesh Labor Law 2006 (amended 2013).

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

The key audit matters are discussed below together with an explanation of how the risk and our audit response were tailored to address these specific areas.

Key audit matter description	How the scope of our audit responded to the key audit matter.
Property, plant and Equipment	
<p>The carrying value of the PPE amounted to Tk. 839,619,457.00 as at 30 June, 2023.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> ◇ determining which costs meet the criteria for capitalization; ◇ determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; ◇ the estimation of economic useful lives and residual values assigned to Fixed asset. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p> <p>See note no. 5 for details.</p>	<p>Our audit procedures to assess the carrying value of property, plant and equipment included the following:</p>
	<ul style="list-style-type: none"> ◇ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.
	<ul style="list-style-type: none"> ◇ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.
	<ul style="list-style-type: none"> ◇ We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate.
	<ul style="list-style-type: none"> ◇ We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.
	<ul style="list-style-type: none"> ◇ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to make it ready for use, with the date of the completion of the work.
Revenue Recognition	

<p>The Company has reported sales revenue of Tk. 5,094,716,340.00</p> <p>All of the Company's sales are made under sales invoice, delivery challan. It's products primarily comprise sale of sewing thread. Revenue is recognized at the point of delivery from Factory.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>As all sales are translated from USD currency to BDT, there is a risk that foreign exchange gain/loss might not be correctly recognized in the Financial Statements.</p> <p>See note no. 22 for details.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ◊ We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 "Revenue from contracts with customers" ◊ Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded; ◊ We performed analytical test to understand how the revenue has trended over the year among other parameters, we performed a detailed substantive testing on transactions around the year end to ensure revenues were recognized in the correct accounting period. We also tested journal entries focusing on sales transactions; ◊ Verified VAT return with General Ledger. ◊ We obtained supporting documents for sales, transactions recorded during the year; and ◊ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Receivables	
<p>The Company has accounts receivable of Tk. 1,551,126,956.00 as at 30 June 2023.</p> <p>Accounts receivable of the company comprise mainly receivables regarding the sale of yarns which is secured by Letter of Credit (L/C).</p> <p>See note no. 8 for details.</p>	<p>Our substantive procedures in relation to the assessing valuation of receivable comprises the following:</p> <ul style="list-style-type: none"> ◊ Obtained a list of outstanding receivables; ◊ Reconciliation of receivables ageing to general ledger; ◊ Conducting cut-off testing at the year-end; ◊ Reviewing subsequent receipt of receivables balance.
Valuation of Inventories	

<p>The amount of inventory is Tk. 2,595,814,143.00 as at 30 June, 2023</p> <p>which amounted to 40% of the total assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories.</p> <p>SIL values its inventories using the weighted average method which is a complex process and prone to errors and manipulation. Due to the complex nature of accounting for inventories, there is an increased risk of misstatement in valuation of inventory items.</p> <p>IAS 2 defines inventories as assets which are: (a) held for sale in the ordinary course of business, (b) in the process of production for such sale, (c) in the form of materials or supplies to be consumed in the production process or rendering of services. There was therefore a risk that assets which do not meet the definition of inventories have been improperly classified as inventory items.</p> <p>See note no. 7 for details.</p>	<p>We obtained assurance over relevance and appropriateness of management's assumptions applied in calculating the value of the inventories by:</p> <ul style="list-style-type: none"> ◇ We observed SIL's year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts; ◇ We tested the purchase costs of a sample of inventory items by inspecting invoices; ◇ We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2; ◇ We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method; ◇ Testing, on a sample basis the stock expiry dates and the market price used in assessing the net realizable values of inventories of the related supporting documents. ◇ 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.
Measurement of deferred tax liability	
<p>The net deferred tax liability is Tk. 52,712,320.00 as at 30 June, 2023.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.</p> <p>See Annexure-G for details.</p>	<p>We carried out the following substantive testing for this item</p> <ul style="list-style-type: none"> ◇ We checked deferred tax expenses and liabilities in the financial statements and calculation and records; ◇ We obtained an understanding, evaluated the design and tested the operational effectiveness of the controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Company's future taxable income. ◇ We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. ◇ We also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.
Capital Work in Progress	

<p>The Company's assets held under capital work in progress as on the closing date are amounted to BDT 159,490,616.00 equivalent to 18.996% of total non-current assets. Due to the high value of transactions, utilization of IPO proceeds, terms and valuation of these assets, it was significant to our audit.</p> <p>See note no. 06 for details.</p>	<p>Our audit procedures to address the risk of material misstatement relative to capital work in progress includes obtaining understanding of the internal control over capital work in progress, assessing the risk of material misstatement. Our audit procedures address the risk material statement relating to capital work in progress to the financial statements included:</p>
	<p>◇ Obtaining and assessing the movement of the capital work in progress.</p>
	<p>◇ Verifying the records to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work in progress.</p>
	<p>◇ Verifying the supporting documents with reference to the underlying contractor bills, work orders, certification of work performed by expert personal, comparison of the progress and the cost incurred up-to-date with the budgets, policy and plan.</p>
	<p>◇ Reconciling the movement of capital working progress from opening to closing, specially verifying additions during the year and transfer to Property, Plant and Equipment during the year.</p>
	<p>◇ Verify the dates on which the assets are moved from the capital work in progress account to the fixed assets so that the depreciation on fixed assets may be computed correctly, and;</p> <p>◇ Site visit and physical observation of the work on-going for capital work in progress.</p>
<p>Bank Loan</p>	
<p>The company reported short term & long-term loan Tk. 1,272,935,398.00 & 456,096,959.00 respectively in the statement of financial position at the reporting date.</p> <p>The above borrowing were considered as key audit matter because this external form of credit facilities availed by the company required fulfillment of several terms and conditions as mentioned in sanction letter issued by lending bank. Any non-compliance with those stipulated terms and conditions might result in subsequent withdrawal and pose a threat to ongoing operation of the company. Besides, risk of material misstatement also lies due to non-disclosure of all those terms and conditions in the financial statements.</p> <p>See note no. 14 & 16 for details.</p>	<p>Our substantive audit procedures adopted during the audit includes the following test or details.</p>
	<p>◇ Inspecting relevant board minutes in support of bank loan reported in the financial statements.</p>
	<p>◇ Tracing existence and completeness of reported borrowings with supporting evidence such as sanction letters, loan certificates and statements.</p>
	<p>◇ Sending out and obtaining confirmation from the lenders.</p> <p>◇ Recalculating and testing accuracy and completeness of finance costs charged by the company during the year with corresponding loan statements provided by bank.</p>

Other Information:

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any observation to that effect.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of 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 financial statements.

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

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, 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 purpose of our audit and made due verification thereof;
- b. In our opinion, proper books of accounts as required by law have been kept by the Company and so far, as it appeared from our examination of these books;
- c. The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d. The expenditure incurred was for the purposes of the Company's business.

Place: Dhaka, Bangladesh
Dated: 9th November 2023
DVC:2311130151AS501501


Pinaki Das, FCA
Senior Partner
Enrollment Number: **151**
Pinaki & Company
Chartered Accountants



Financial Statements and Notes

Queen South Textile Mills Limited

Statement of Financial Position

as at 30 June 2023

Particulars	Note	(Amount in BDT)	
		30 June 2023	30 June 2022
Assets:			
Non-current assets		999,110,073	895,615,354
Property, plant and equipment	5	839,619,457	895,615,354
Capitan Work in Progress	6	159,490,616	-
Current assets:		4,345,660,448	3,954,116,085
Inventories	7	2,595,814,143	2,339,612,386
Trade and other receivables	8	1,551,126,956	1,420,577,462
Advances, deposits and prepayments	9	118,108,515	95,369,142
Investments-FDR	10	11,161,246	9,746,952
Cash & Cash Equivalent	11	69,449,588	88,810,143
Total Assets		5,344,770,521	4,849,731,440
Equity and liabilities			
Shareholder's equity		2,393,169,948	2,309,702,841
Share capital	12	1,526,014,390	1,439,636,220
Retained earnings	13	867,155,558	870,066,621
Non-current liabilities		508,809,279	529,561,113
Long-term borrowing	14	456,096,959	472,309,108
Deferred tax liability	Annex: G	52,712,320	57,252,005
Current liabilities		2,442,791,295	2,010,467,486
Trade and other payables	15	901,656,432	473,396,661
Current portion of long term borrowing		150,977,292	130,038,638
Short-term borrowing	16	1,272,935,398	1,324,668,812
Liabilities for Expenses	17	81,351,892	51,895,646
Outstanding IPO Subscription	18	-	100,000
Dividend Payable/Unpaid Dividend	19	2,343,678	1,602,347
Income Tax provision	20	33,526,603	28,765,381
Total liabilities		2,951,600,573	2,540,028,598
Total Equity and Liabilities		5,344,770,521	4,849,731,440
NAVPS (Net Assets Value Per Share)	21	15.68	16.04

The accompanying notes from 1 to 37 are an integral part of these financial statements.


Chief Financial Officer


Company Secretary



Director


Managing Director


Chairman

Signed in terms of our separate report of even date

Place : Dhaka, Bangladesh
Date: November 09, 2023
DVC: 2311130151AS501501


Pinaki Das, FCA
ICAB's Enrolment No. 151
Senior Partner
Pinaki & Company
Chartered Accountants

Queen South Textile Mills Limited
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2023

Particulars	Note	(Amount in BDT)	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
Revenue	22	5,094,716,340	4,807,094,345
Cost of Sales	23	(4,516,507,525)	(4,253,698,447)
Gross Profit		578,208,815	553,395,898
Foreign Currency Gain/(Loss)		(60,078,317)	(29,336,991)
Other Income	22.01	183,319	67,108
Operating Expenses:		(158,028,669)	(133,926,134)
Distribution Costs	24	(18,149,038)	(17,906,778)
Administrative Expenses	25	(139,879,631)	(116,019,356)
Operating profit		360,285,147	390,199,881
Financial Expenses	26	(195,351,612)	(112,609,356)
Net profit before tax		164,933,535	277,590,525
Income tax expenses	27	(41,070,939)	(41,813,115)
Net Profit / (Loss) during the year		123,862,597	235,777,410
Basic & Diluted Earnings per share	28	0.81	1.64

The accompanying notes from 1-37 are an integral part of these financial statements.



Chief Financial Officer



Company Secretary



Director




Managing Director



Chairman

Place : Dhaka, Bangladesh
Date: November 09, 2023
DVC: 2311130151AS501501


Pinaki Das, FCA
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Pinaki & Company
Chartered Accountants

Queen South Textile Mills Limited
Statement of Changes in Equity
for the period ended from 01 July 2022 to 30 June 2023

Particulars	Share Capital	Retained Earnings	Total
Balance at 01 July 2022	1,439,636,220	870,066,621	2,309,702,841
Stock Dividend	86,378,170	(86,378,170)	-
Cash Dividend		(86,378,173)	(86,378,173)
Add: Adjustment for Dividend		45,982,683	45,982,683
Net profit for the period	-	123,862,597	123,862,597
Balance at 30 June 2023	1,526,014,390	867,155,558	2,393,169,948

Queen South Textile Mills Limited
Statement of Changes in Equity
for the period ended from 01 July 2021 to 30 June 2022

Particulars	Share Capital	Retained Earnings	Total
Balance at 01 July 2021	1,308,760,200	826,370,516	2,135,130,716
Stock Dividend	130,876,020	(130,876,020)	-
Cash Dividend		(61,205,285)	(61,205,285)
Net profit for the period	-	235,777,410	235,777,410
Balance at 30 June 2022	1,439,636,220	870,066,621	2,309,702,841

The accompanying notes from 1-37 are an integral part of these financial statements.



Chief Financial Officer



Company Secretary



Director



Managing Director



Chairman

Queen South Textile Mills Limited

Statement of Cash Flows for the year ended 30 June 2023

Particulars	Notes	(Amount in BDT)	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
A. Cash flows from operating activities:			
Cash received from customer & other income	29	5,192,405,699	4,908,875,952
Cash Paid to Suppliers, employees and others expenses	30	(4,427,799,265)	(4,798,839,990)
Income Tax Paid/Deducted at Source		(65,832,266)	(32,513,136)
Net Cash provided by operating activities		698,774,168	77,522,826
B. Cash flows from investing activities:			
Acquisition of property, plant and Equipment		(58,282,492)	(110,182,134)
Capital Work in Progress		(159,490,616)	49,308,720
Investments-FDR		(171,909)	(32,522)
Net Cash used in investing activities		(217,945,017)	(60,905,936)
C. Cash flows from financing activities:			
Financial Expenses		(194,527,176)	(112,609,356)
Short term bank loan (paid)/Received		(206,146,136)	392,034,082
Dividend Payment		(33,884,266)	(60,165,190)
IPO Expenses		-	-
Long Term Bank Loan (paid)/Received		(67,236,846)	(178,595,833)
Outstanding IPO Subscription Paid		(100,000)	-
Net Cash from financing Activities		(501,894,423)	40,663,703
Net Decrease in cash & cash equivalents (A+B+C)		(21,065,272)	57,280,593
Unrealized Foreign Exchange Gain/(Loss)		1,704,717	277,771
Cash & cash equivalents at the beginning of the period		88,810,143	31,251,777
Cash & cash equivalents at the end of the period		69,449,588	88,810,143
Net Operating Cash Flow per share	31	4.58	0.54

The accompanying notes are an integral part of these financial statements.

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Queen South Textile Mills Limited

Notes to the financial statements as at & for the year ended 30 June 2023

1 Legal form of the enterprise

Queen South Textile Mills Ltd was incorporated as a private limited company in Bangladesh on 15th June, 2003 under the Companies Act- 1994 and the registration number is C-49529(11513)/2003. It is a 100% foreign owned company. The company went into commercial operation on 1st June 2005. The company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on 7th January 2018 and company's shares are publicly traded on 13th March 2018.

Address of registered office of the company and factory of the company

The address of the registered office is at plot No. 85-88, Extension Area, Dhaka Export processing Zone, Savar, Dhaka, Bangladesh. The company is carrying out its production activities on factory premises constructed on leased land from EPZ.

Nature of business

Queen South Textile Mills Limited is a 100% export oriented company engaged in dying of yarn for consumption by sweater industry through local LC (Deemed Export). Queen South Textile Mills Ltd. set up business establishment in the export -processing zone, Dhaka.

2 Basis of preparation

Significant Accounting Policy for the presentation of the financial Statements

The specific accounting policies selected and applied by the company's management 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.

2.01 Corporate financial statements and reporting

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and other explanatory notes covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the International Accounting Standards (IASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at reporting date. Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

2.02 Fundamental accounting concepts/ assumptions

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

2.03 Going concern

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

2.04 Compliance with IAS & IFRS

The following IAS is applicable to the financial statements for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting period
IAS 12	Income Taxes
IAS 16	Property, Plant And Equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provision , Contingent Liabilities and Contingent Assets

The following IFRS is applicable to the financial statements for the year under review:

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 15	Revenue From Contracts with Customers
IFRS 16	Leases

2.05 Reporting period

The period of the financial statements covers from 01 July 2022 to 30 June 2023

2.06 Authorization for issue

The Financial Statements have been authorized for issue by the board of directors on "&TEXT

2.07 Events after the reporting period.

Events after the reporting period are those events, favorable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period)

During the reporting period, no such event occurred as per the above mentioned IAS.

2.08 Functional and presentational (Reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

2.09 Comparative information and rearrangement thereof

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

2.10 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are revised when there is material impact on the financial results of the company.

2.10.1 Regulatory Compliance

The financial Statements have been prepared in compliance with the following laws and regulations;

The Companies Act, 1994

The Bangladesh Securities and Exchange Rule 1987

The Bangladesh Securities and Exchange Commission Act 1993.

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax (VAT) Act, 1991

The Custom Act 1969

2.11 Summary of significant 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 prior periods.

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

2.12 Recognition of tangible fixed assets

Tangible assets have been stated at cost less accumulated depreciation (Written down value). The cost of acquisition comprises of 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. Expenditure incurred after the assets have been put into operation, such as repairs and 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 expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

2.13 Depreciation of tangible fixed assets

Depreciation on all fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life from the date when the corresponding assets are available for use as per management intention. No depreciation have been charged after the date of retirement.

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.

Category of fixed assets	Rate of depreciation (%)
Machinery & Equipment	15%
Building	5%
Furniture and fixture	20%
Office equipment	25%
Electrical Installation	5%
Vehicles	20%
Right of Use (Asset)	

2.14 Revenue recognition

Revenue is recognised to the extent that , it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment .

The specific recognition criteria described below must also be met before revenue is recognised.

2.15 Identifying the contract

An entity shall account for a contract with a customer with a customer that is within the scope of this standard only when all of the following criteria are met:

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates exclusive of VAT as per IFRS-15. Revenue is recognized when the parties to the contract have approved the contract and are committed to perform their respective obligations, the entity can identify each party's rights and payment terms regarding the goods or services to be transferred, the contract has commercial substance, the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably & there is no continuing management involvement with the goods sold. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents, L/Cs and invoices to customers.

2.16 Employee Benefits:

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

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

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

The company's employee benefits include the following.

Defined Contribution Plan (provident fund)

The company got recognition from commissioner of Taxes its provident fund scheme (Defined Contribution Plan) vide order no: bw_ bs - Av - 4/Kt At - 4/2007-2008/ for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute to the provident fund and the company also makes equal contribution.

Workers Profit Participation Fund:

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 15, Section 232 the company does not maintain Workers Profit Participation Fund (WPPF) for their workers as because Now the company operating EPZ labour ACT 2019, February 28 and as per clause no.174, Section XV we don't need to maintain WPPF until government enforce and instruct to comply the rules. Once government instructs us to deduct @0.03% to maintain the fund the company shall follow accordingly.

2.17 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Average Cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.19 Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was no significant risk of changes in value of the same.

2.2 Statements of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows " and the cash flows from the operating activities have been presented under direct method.

2.21 Accounting Policies, Changes in Accounting Estimates and Errors:

Changes in accounting policies:

An entity shall change an accounting policy only if the change:

(a) is required by an IFRS; or

(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, Financial performance or cash flows.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Income-tax expense

In pursuance of section 44(4) (b) of the Income Tax Ordinance, 1984 (XXXVI of 1984) and cancelling the notification No. SRO 289- Ain /89, dated 17 August 1989, all industries operation in the Export processing zones of Bangladesh have been exempted from payment of income tax for a period of 10 years from an industry goes into commercial production. The tax holiday period of the company expired on June 30, 2015

Current Tax:

Income tax is calculated and provision is made in compliance with the provisions of Finance Act 2018 and the Income Tax Ordinance 1984.

Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

2.24 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

3.00 Related party disclosures

During the year the Company carried out a number of transaction with related parties in the normal course of business on an arms length basis. The name of those related parties, nature of those transactions and their value have been set out in accordance with IAS 24 in Note-36.1

4.00 Financial Instruments

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

Financial assets:

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Financial liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognises the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities includes payable for expense, liability for capital expenditure and other current liabilities.

4.01 Earnings Per Share

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share by dividing the net earnings attributable to the share holders by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings per share (Numerator / Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents weighted average number of ordinary share outstanding during the year.

Diluted Earnings per share

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company. Hence, Diluted EPS of the company is same as basic EPS.

4.02 Impairment of Assets:

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc. No such impairment has been raised till the reporting date.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognised immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset shall be treated as a revaluation decrease. No such impairment has been raised till the reporting date.

4.03 Provision , Contingent Liabilities and Contingent Assets :

Contingent Liabilities and Contingents Assets are present or possible obligations or on liabilities or assets , arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability. In accordance with IAS-37 .

4.04 Intangible Assets

In Compliance with the requirements of IAS, 38 Intangible Assets '

The following terms are used in this Standard with the meanings specified:

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

An asset is a resource:

- (a) controlled by an entity as a result of past events; and
- (b) From which future economic benefits are expected to flow to the entity.

An intangible asset shall be recognised if , and only if:

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and
- (b) the cost of the asset can be measured reliably

4.05 Financial statements comprises:

- (b) Statement of Profit or Loss and Other Comprehensive Income
- (c) Statement of Changes in Equity
- (d) Statement of Cash Flows
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information.

4.06 Risk exposure

Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains low debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant. Moreover maximum debts are interest free.

Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management perception

The products of the company are sold mostly in US\$ currency and the transaction would settle within very short period. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

Management is optimistic about growth opportunity in textile sector in Bangladesh. Furthermore there is untapped international market.

Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management perception

Management is fully aware of the market risk, and act accordingly. Market for textile products in Bangladesh is growing at an exponential rate. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks and also takes preventive measures therefore.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Queen South Textile Mills Limited

Notes to the Financial Statements

as at 30 June 2023

Notes No.	Particulars	(Amount in BDT)	
		30 June 2023	30 June 2022
5	Property, plant and equipment		
	Cost:		
	Opening Balance	2,090,068,926	1,979,886,792
	Addition during the period	58,282,492	110,182,134
	Disposal during the period	-	-
		2,148,351,418	2,090,068,926
	Less: Accumulated Depreciation:		
	Opening Balance	1,194,453,571	1,076,802,001
	Charged during the period	114,278,389	117,651,570
	Adjustment during the period	-	-
		1,308,731,960	1,194,453,571
	Written Down Value	839,619,457	895,615,354
	Included in above PPE, Building, and machineries are mortgaged with banks.		
	The details have been shown in Annexure: A		
6	Capitan Work in Progress		
	Building and Civil Construction		
	Machinery & Equipment	159,490,616	-
		159,490,616	-
7	Inventories		
	Raw materials	1,825,979,727	1,448,744,755
	Work-in-process	131,324,468	258,008,230
	Finished goods	366,638,647	297,521,008
	Dyes & Chemicals	207,109,191	261,858,009
	Spares & Accessories	64,762,109	73,480,384
		2,595,814,143	2,339,612,386
8	Trade and other receivables		
	Accounts Receivable	1,551,126,956	1,420,577,462
	Interest Receivable from FDR	-	-
		1,551,126,956	1,420,577,462
9	Advances, deposits and prepayments		
	Advances	59,708,499	39,871,776
	Deposits	54,299,016	51,439,654
	Prepayments	4,101,000	4,057,712
		118,108,515	95,369,142

** All advances and deposits and prepayment amount are considered good and realizable.

Notes No.	Particulars	(Amount in BDT)	
		30 June 2023	30 June 2022
10	Investments-FDR:		
	Woori Bank-FDR A/C #9230076351	11,161,246	9,746,952
		11,161,246	9,746,952
11	Cash & Cash Equivalent		
	Cash in hand	15,573,481	26,099,733
	Cash at Banks (Note 11.1)	53,876,107	62,710,410
		69,449,588	88,810,143
11.1	Cash at Banks		
	Standard Chartered-Taka A/C-01-6500560-01	2,835,550	5,860,663
	Standard Chartered-USD A/C-01-6700772-01	219,978	199,400
	Woori Bank USD A/C-92-30107-60	1,494,087	696,792
	Woori Bank-Taka A/C-92-30107-75	1,686,222	20,949,808
	Bangladesh Commerce Bank	10,000	
	Premier bank FC A/C-010215200000898	34,409,196	27,823,537
	Premier Bank Taka A/C-010211100015599	44,873	387,789
	Woori Bank- Taka NDA	1,641,405	2,028,081
	Prime Bank-OBU USD A/C-11-0000-10	70,886	180,404
	Prime Bank-DBU USD A/C-124-511800084-41	220,008	195,240
	Prime Bank-TK A/C-124-110500084-40	51,572	52,262
	Midland Bank Limited. Taka	2,617	119,047
	HSBC Bank -OBU USD A/C	1,246,709	1,639,931
	HSBC Bank -Taka A/C	559,222	717,399
	Dutch Bangla Bank-DBU A/C-Taka	9,070,355	1,549,125
	Dhaka Bank-OBU USD A/C-099-1125-0000003-47	8,553	7,591
	Woori Bank -MOB Account	78	68
	Prime Bank-TK A/C-IPO	183,451	184,062
	Prime Bank-EURO A/C-IPO	20,003	20,003
	Prime Bank-USD A/C-IPO	101,342	99,208
		53,876,107	62,710,410
12	Share capital		
	Authorized capital:	2,000,000,000	2,000,000,000
	20,00,00,000 Ordinary shares of Taka 10 each		
	Issued, subscribed and paid up		
	Opening Share Capital	1,439,636,220	1,308,760,200
	Add: Stock Dividend	86,378,170	130,876,020
	Closing Share Capital	1,526,014,390	1,439,636,220

Notes No.	Particulars	(Amount in BDT)	
		30 June 2023	30 June 2022
13	Retained Earnings		
	Retained Earnings Opening Balance	870,066,621	826,370,516
	Less: Stock Dividend	(86,378,170)	(130,876,020)
	Less: Cash Dividend	(86,378,173)	(61,205,285)
	Add: Adjustment for Dividend	45,982,683	
	Add: Net profit during the period	123,862,597	235,777,410
	Retained Earnings Closing Balance	867,155,558	870,066,621
14	Long-term borrowing		
	Lease Liability-ROU	18,278,275	18,589,207
	HSBC Bank Ltd.	180,560,566	233,077,433
	IDLC lease Finance	13,068,706	-
	Loan from Shareholders(Annexure-E)	395,166,703	350,681,106
		607,074,250	602,347,746
	Less: Current Portion of Long Term Loan		
	HSBC Bank Ltd.	53,361,330	47,354,218
	IDLC Lease Finance	4,464,000	-
	Loan from Shareholders	91,989,763	81,634,083
	Lease Liability-ROU	1,162,199	1,050,337
		150,977,292	130,038,638
		456,096,959	472,309,108
15	Trade and other payables		
	Trade Payables	876,561,105	455,239,889
	Other Payables	25,095,327	18,156,772
		901,656,432	473,396,661
16	Short term borrowing		
	Woori Bank Limited (TR)	282,396,564	224,142,905
	Premier Bank Limited (TR)	159,432,935	159,492,431
	HSBC (TR)	442,862,885	790,344,088
	Premier Bank Limited (O/D)	193,387,670	99,913,197
	Woori Bank Limited (O/D)	42,876,591	5,288,269
	Midland Bank (O/D)	151,978,753	45,487,922
		1,272,935,398	1,324,668,812

Notes No.	Particulars	(Amount in BDT)	
		30 June 2023	30 June 2022
17	Liabilities for Expenses		
	Salaries, Wages & Allowances	19,501,597	26,572,852
	Utilities Payable	53,230,675	16,515,374
	Vehicle Rent & Expenses	342,567	342,567
	ETP Expenses BEPZA	3,229,390	4,441,792
	Godown rent	12,000	12,000
	Audit Fees	517,251	500,876
	Liability for employee Tax	361,788	405,145
	Liability for supplier VAT and Tax	1,887,969	999,648
	PF subscription	1,348,673	1,346,139
	Others	919,982	759,253
		81,351,892	51,895,646
18	Outstanding IPO Subscription		
	The Break-Up of the amount is given below		
	Bank Name & Account Number		
	Prime Bank A/C 2148517000877(USD)	-	79,997
	Prime Bank A/C 214851100154 (EURO)	-	20,003
		-	100,000
19	Dividend Payable		
	Dividend Payable	2,343,678	1,602,347
		2,343,678	1,602,347
20	Income Tax provision		
	Opening Balance	28,765,381	31,320,261
	Add: Provision during the year	45,610,624	40,218,452
	Less: Adjustment/Paid during the year	(40,849,402)	(42,773,332)
	Total	33,526,603	28,765,381
21	NAVPS (Net Assets Value Per Share)		
	No of shares to calculate Net Asset Value Per Share	152,601,439	143,963,622
	Shareholder's equity	2,393,169,948	2,309,702,841
	NAVPS (Net Assets Value Per Share)	15.68	16.04
22	Revenue		
	Export Sales	5,094,716,340	4,807,094,345
		5,094,716,340	4,807,094,345

Notes No.	Particulars	(Amount in BDT)	
		30 June 2023	30 June 2022
22.01	Other Income		
	Bank Interest FDR-Premier Bank	580	710
	Bank Interest-Prime Bank	-	13,277
	FDR Interest-Woori Bank	182,739	53,121
		183,319	67,108
23	Cost of Sales		
	Yarn consumed (Note-23.01)	3,319,416,136	3,184,219,426
	Dyes & Chemicals Consumed (Note 23.02)	369,362,470	359,385,382
	Manufacturing expenses (Note-23.03)	770,162,797	668,579,560
	Manufacturing costs for the period	4,458,941,402	4,212,184,369
	Opening work in progress	258,008,230	220,792,279
	Closing work in progress	(131,324,468)	(258,008,230)
	Cost of goods manufactured	4,585,625,165	4,174,968,417
	Finished goods (Opening)	297,521,008	376,251,037
	Finished goods (Closing)	(366,638,647)	(297,521,008)
		4,516,507,525	4,253,698,447
23.01	Yarn consumed		
	Opening stock	1,448,744,755	820,709,324
	Purchase during the period	3,696,651,107	3,812,254,858
	Raw materials available for consumption	5,145,395,863	4,632,964,182
	Closing stock	(1,825,979,727)	(1,448,744,755)
	Raw materials consumed	3,319,416,136	3,184,219,426
23.02	Dyes & Chemical consumed		
	Opening stock	261,858,009	223,055,429
	Purchase during the period	314,613,652	398,187,962
	Dyes & Chemicals available for consumption	576,471,661	621,243,391
	Closing stock	(207,109,191)	(261,858,009)
	Dyes & Chemicals consumed	369,362,470	359,385,382
23.03	Factory Overhead		
	Utility Bills-BEPZA	182,997,899	164,362,551
	Repair and maintenance	5,539,274	9,310,624
	Wages	169,706,417	156,903,236
	P.F. Contribution	4,508,271	4,345,096
	Gas Charges- Titas	201,533,627	106,239,223
	Insurance Premium (mfg.)	4,863,281	2,431,737
	Marin Insurance	8,715	498,582
	Godown Rent	2,655,283	3,715,813
	Workers Welfare Fund-BEPZA	1,550,593	1,132,649
	C&F Expense	7,474,248	6,839,167
	Spare & Accessories consumed(Notes-23.04)	86,474,639	106,914,468
	Depreciation	102,850,550	105,886,414
		770,162,797	668,579,560

Notes No.	Particulars	(Amount in BDT)	
		30 June 2023	30 June 2022
23.04	Spare & Accessories consumed		
	Opening stock	73,480,384	100,356,455
	Purchase during the period	77,756,364	80,038,397
	Spares & Accessories available for consumption	151,236,748	180,394,852
	Closing stock	(64,762,109)	(73,480,384)
	Spares & Accessories consumed	86,474,639	106,914,468
24	Distribution Costs		
	Salaries & Allowances	12,899,121	13,026,267
	Contribution to P.F	650,130	629,853
	Advertisement	71,270	99,938
	House Rent	1,099,035	1,137,378
	Entertainment	3,429,482	3,013,342
		18,149,038	17,906,778
25	Administrative expenses		
	Association Fees	1,525,600	643,507
	Telephone & mobile	1,477,568	1,149,769
	Professional Fees	4,806,562	4,363,477
	Audit Fees	312,500	200,375
	Renewal & Registration	3,028,914	2,295,098
	Salaries & Allowances	92,307,688	75,050,177
	Security Expenses	3,332,363	3,048,754
	Vehicle Expenses	9,787,261	7,806,026
	Contribution for P.F	3,171,187	2,901,691
	Entertainment(Office)	790,009	674,887
	Local Conveyance	2,290,772	3,246,912
	Stationeries	5,115,928	2,700,826
	Courier Charge	505,440	172,701
	Depreciation	11,427,839	11,765,156
		139,879,631	116,019,356
26	Financial Expenses:		
	Interest on Long Term Loan	23,437,658	15,694,764
	Interest on Short Term Loan	162,092,720	84,609,261
	Bank Charge and Commission	9,821,234	12,305,331
		195,351,612	112,609,356
	Financial Expenses:		
	Interest -Bill Discounting	48,637,863	21,807,652
	Bank Charges & Commission	9,821,234	12,305,331
	Interest -Bill settlement	21,922,404	17,879,814
	Interest-overdraft	5,449,587	1,081,890
	Interest- Term Loan	22,613,223	15,694,764
	Interest TR Loan	86,082,866	43,112,669
	Interest-Lease Liability (ROU)	824,435	727,236
		195,351,612	112,609,356

Notes No.	Particulars	(Amount in BDT)	
		30 June 2023	30 June 2022
27	Income tax expenses:		
	The above balance is made up as follows:		
	Current tax (27.01)	45,610,624	40,218,452
	Deferred tax (income)/expenses (Annexure-G)	(4,539,685)	1,594,663
		41,070,939	41,813,115
27.01	Current tax		
	The above balance is made up as follows:		
	Income tax on business income (Note 27.02)	45,564,794	40,201,675
	Income tax on other income (Note 27.03)	45,830	16,777
	Total tax on income	45,610,624	40,218,452
27.02	Income tax on business income		
	Net Profit/ (Loss) before tax	164,933,535	277,590,525
	Add: Accounting depreciation	114,278,389	117,651,570
	Less: Tax depreciation	(101,710,550)	(127,163,821)
		177,501,374	268,078,275
	Less: Other income	183,319	67,108
	Total business income	177,318,055	268,011,167
	Income tax @ 15%	26,597,708	40,201,675
	Tax deducted under section 82 (C)	45,564,794	19,253,223
	As per section 82(c) of the ITO tax deducted at source or tax calculated @ 15% whichever is higher will be the tax payable.	31,154,434	29,453,256
27.03	Income tax on other income:		
	Other income	183,319	67,108
	Income tax @ 15%	45,830	16,777
28	Earning Per Share:		
	Net profit after tax attributable to ordinary shareholders	123,862,597	235,777,410
	No of weighted average shares to calculate basic earnings per share	152,601,439	143,963,622
	Basic & Diluted Earnings per share	0.81	1.64
29	Cash received from customer & other income		
	Revenue	5,094,716,340	4,807,094,345
	Other Income	183,319	67,108
	Realized Foreign Exchange Gain/(Loss)	52,316,284	7,685,107
	Adjustment of unrealized foreign exchange gain/(loss) for trade receivable	175,739,250	83,519,849
	Adjustment for Sale of PPE included in Other Income (Increase)/Decrease in Trade and other receivables	(130,549,494)	10,509,543
		5,192,405,699	4,908,875,952

Notes No.	Particulars	(Amount in BDT)	
		30 June 2023	30 June 2022
30	Cash Paid to Suppliers, employees and others expenses		
	Cost of Goods Sold	(4,516,507,525)	(4,253,698,447)
	Distribution Cost	(18,149,038)	(17,906,778)
	Administrative Expenses	(139,879,631)	(116,019,356)
	Adjustment for Depreciation	114,278,389	117,651,570
	Adjustment for Unrealized Foreign Exchange gain/(Loss)	(65,529,317)	(27,175,052)
	(Increase)/Decrease in Inventory	(256,201,756)	(598,447,863)
	(Increase)/Decrease in Advances Deposits Prepayments	(22,739,373)	7,919,345
	Net AIT included in advance deposits & prepayments considered separately	24,982,864	(10,260,196)
	Increase/(Decrease) Trade and other payable	428,259,771	104,028,782
	Increase/(Decrease) Liabilities for Expenses	23,686,352	(4,931,996)
		(4,427,799,265)	(4,798,839,990)
	Income Tax paid		
	Opening AIT	(24,273,813)	(34,534,009)
	Closing AIT	49,256,677	24,273,813
	Opening Income Tax Provision	28,765,381	31,320,261
	Closing Income Tax Provision	(33,526,603)	(28,765,381)
	Current Year Tax Provision	45,610,624	40,218,452
		65,832,266	32,513,136
31	Net Operating Cash Flow per share(NOCFPS)		
	No of weighted average shares to calculate Net Operating Cash flow per share	152,601,439	143,963,622
	Net Cash provided by operating activities	698,774,168	77,522,826
	Net Operating Cash Flow per share (NOCFPS)	4.58	0.54
32	Reconciliation of Net profit with cash flow from operating activities		
	Net Profit Before Tax	164,933,535	277,590,525
	(Increase)/Decrease in Trade and other receivables	(130,549,494)	10,509,543
	Adjustment for Depreciation	114,278,389	117,651,570
	(Increase)/Decrease in Inventory	(256,201,756)	(598,447,863)
	(Increase)/Decrease in Advances Deposits Prepayments	(22,739,373)	7,919,345
	Net Advance Income Tax included in advance deposits & prepayments considered separately	24,982,864	(10,260,196)
	Increase/(Decrease) Trade and other payable	428,259,771	104,028,782
	Increase/(Decrease) Liabilities for Expenses	23,686,352	(4,931,996)
	Finance Expenses	195,351,611	112,609,356
	Income Tax Paid	(65,832,266)	(32,513,136)
	Foreign Currency Gain/(Loss) for financing and investing activities	224,309,256	93,644,666
	Foreign Currency Gain/(Loss) for Cash and Cash Equivalents	(1,704,717)	(277,771)
	Cash Flow from operating activities	698,774,168	77,522,826

33 Explanation note 28 for changes in EPS

In this reporting period, the EPS of the company has reduced from Taka 1.064 to Taka 0.81. The government has increased the utility tariff (Gas and Electricity) significantly last year. On the other hand, salaries and wages have also increased in this period. But competitive sales price of dyed yarn has been reduced. Thus, the Gross profit of the company in the period has decreased significantly. And due to adverse economic condition, the customer did not settle the export bills on maturity. As we discount the export bills, we could not settle the discount export bills on maturity. And we did not settle the some of STL also on maturity due to the delay settle the export bills. So, the finance cost of the company has been increased during the reporting period. Adverse foreign currency movement also reduced the profit of the company. As a result Net profit after tax of the company has reduced during the period. And EPS of the company has also reduced accordingly.

34 Explanation note 29 & 30 for changes in statement of cash flow

In the reporting period, We have received Tk. 5,192,405,699/- from customers and other incomes compare with of last year Tk.4,908,875,952/- which has been increased by TK. 283,529,747/-. And in this period, we have opened more LC on Usance basis, thats why LC will be mature after the reporting date. So that, cash payment to supplier has been reduced then previous year by TK,331,988,725/-. Thus, Operating Cash flow per share for the reporting period has been increased to Tk 4.32 from Tk. 0.54.

35 Reclassification of comparative amount

As per IAS 1 section 41, we require to reclassify following amount of accounting head as per below:

a. Medical and walfare & Daily labour merge to Wages.

We have recorded daily labour for non permanent worker wages. So as nature of the transaction we have merge the comparative amount of daily labour amount of Tk.8,006,561/- with wages. And as Medical and welfare cost amount of Tk.4,848,235/- are being consider as benefit of worker, we have merged with wages.

b. Delivery Expenses transfer to Factory overhead as C & F expenses

Now we export our yarn on ex factory basis. So we have no delivery cost related with export. That's why, we have transfer the delivery expenses amount of TK. 6,839,167 to factory overhead as C & F expenses.

36 Disclosure as per requirement of schedule XI, Part-II of companies Act 1994

36.1 Related party disclosures

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures" The Company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties . Total transactions of the significant related parties as at 30.06.2023 are as follows:

a)

Name of Related Party	Relationship	Nature of Transaction	Opening Balance	Transaction / Adjustment during the period Dr./ (Cr.)	Closing Balance Dr./ (Cr.)
Gain Plus Agents Limited	Common Management	Trade Payable	(255,141,417)	212,347,926	(467,489,343)
Gain Plus Agents Limited	Common Management	Loan from Shareholders	(350,681,106)	44,485,597	(395,166,703)
Ideal Fastenar BD Limited	Common Management	Trade Payable	(8,908,214)	54,450,902	(63,359,116)
Kingpro Manufacturing Co. Limited	Common Management	Trade Payable	(4,234,136)	3,504,590	(7,738,726)

Name of Related Party	Relationship	Nature of Transaction	Opening Balance	Transaction / Adjustment during the period Dr./ (Cr.)	Closing Balance Dr./ (Cr.)
Kingpro Trading Limited	Common Management	Trade Payable	(47,054,717)	5,969,119	(53,023,836)
Queensin Ltd	Common Management	Trade Payable	(41,783,640)	5,300,457	(47,084,097)
Master Knitwear Ltd	Common Management	Trade Payable	(1,240,333)	2,525,000	(3,765,333)
Winpro Textile Mills Ltd	Common Management	Trade Payable	(9,031,667)	84,529,184	(93,560,851)
BHK Textile Mills Ltd	Common Management	Trade Receivable	-	-	-

37 General

37.1 Directors' responsibility statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

37.2 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest Taka and, wherever considered necessary.

37.3 Rearrange of last period figures

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/ reclassified/restated whenever considered necessary to conform to current period presentation.

37.4 Authorization for issue of the financial statements

The financial statements have been authorised for issue by the Board of Directors on November 09, 2023



Chief Financial Officer



Company Secretary



Director



Managing Director



Chairman

Queen South Textile Mills Limited
Notes to the Financial Statement
as at 30 June 2023

Annexure: A

Sl. No.	Name of Assets	COST				DEPRECIATION					Written down
		Balance as on 1-Jul-2022	Addition during the period	Disposal during the period	Balance as on 30-Jun-2023	Rate of Dep	Balance as on 1-Jul-2022	Charged during the period	Adjustment during the period	Balance as on 30-Jun-2023	value as on 30-Jun-2023
1	Machinery & Equipment	1,678,094,167	38,794,028		1,716,888,195	15%	1,001,583,091	99,363,138	-	1,100,946,229	615,941,966
2	Building & Civil Const.	318,193,669	-		318,193,669	5%	142,545,226	8,619,120	-	151,164,346	167,029,323
3	Furniture and fixture	2,555,994	-		2,555,994	20%	2,138,806	77,386	-	2,216,192	339,802
4	Office equipment	24,665,587	930,916		25,596,503	25%	20,991,889	959,317	-	21,951,206	3,645,297
5	Electrical Installation	30,754,236	-		30,754,236	5%	12,226,055	909,183	-	13,135,238	17,618,998
6	Vehicles	12,812,743	18,557,548		31,370,291	20%	11,084,913	2,938,031	-	14,022,944	17,347,347
7	Right of Use (Asset)	22,992,530	-		22,992,530		3,883,591	1,412,215	-	5,295,806	17,696,724
	Total at 30.06.2023	2,090,068,926	58,282,492	-	2,148,351,418		1,194,453,571	114,278,389	-	1,308,731,960	839,619,457
	Total at 30.06.2022	1,979,886,792	110,182,134	-	2,090,068,926	-	1,076,802,001	117,651,570	-	1,194,453,571	895,615,354

Depreciation Allocation:

Administrative expenses	11,427,839
Manufacturing Expenses	102,850,550
	<u>114,278,389</u>

Queen South Textile Mills Limited

Dhaka export Processing Zone

Savar Dhaka

Schedule of Property Plant and Equipment as at June 30, 2022

Annexure: A

Sl. No.	Name of Assets	COST				DEPRECIATION					Written down value as on 30-Jun-2022
		Balance as on 1-Jul-2021	Addition during the period	Disposal during the period	Balance as on 30-Jun-2022	Rate of Dep	Balance as on 1-Jul-2021	Charged during the period	Adjustment during the period	Balance as on 30-Jun-2022	
1	Machinery & Equipment	1,569,758,047	108,336,120		1,678,094,167	15%	896,560,867	105,022,224	-	1,001,583,091	676,511,076
2	Building & Civil Const.	318,193,669	-		318,193,669	5%	133,481,339	9,063,887	-	142,545,226	175,648,443
3	Furniture and fixture	2,555,994	-		2,555,994	20%	2,043,797	95,009	-	2,138,806	417,188
4	Office equipment	24,213,405	452,182		24,665,587	25%	19,930,192	1,061,697	-	20,991,889	3,673,698
5	Electrical Installation	30,479,236	275,000		30,754,236	5%	11,269,955	956,100	-	12,226,055	18,528,181
6	Vehicles	12,812,743	-		12,812,743	20%	10,691,421	393,492	-	11,084,913	1,727,830
7	Right of Use (Asset)	21,873,698	1,118,832		22,992,530		2,824,430	1,059,161	-	3,883,591	19,108,939
Total at 30.06.2022		1,979,886,792	110,182,134	-	2,090,068,926		1,076,802,001	117,651,570	-	1,194,453,571	895,615,354
Total at 30.06.2021		1,897,199,365	235,973,494	153,286,067	1,979,886,792		1,097,175,194	108,309,511	128,682,704	1,076,802,001	903,084,791

Depreciation Allocation:

Administrative expenses

11,765,157

Manufacturing Expenses

105,886,413

117,651,570

Queen South Textile Mills Limited

Statement of Closing Inventory as at 30 June 2023

Sl.	Particulars	Unit of Meas.	30 June 2023			30 June 2022		
			Quantity	Rate	Taka	Quantity	Rate	Taka
1	Raw Materials:							
	Raw Yarn	Lbs.	11,139,848	163.91	1,825,979,727	10,234,419	141.56	1,448,744,755
	Sub-Total		11,139,848	163.91	1,825,979,727	10,234,419	141.56	1,448,744,755
2	Work-in-process:							
	Yarn in process	Lbs.	660,948	198.69	131,324,468	1,516,495	170.13	258,008,230
	Sub-Total		660,948	198.69	131,324,468	1,516,495	170.13	258,008,230
3	Finished Goods:							
	Dyed Yarn	Lbs.	1,672,685	219.19	366,638,647	1,572,807	189.17	297,521,008
	Sub-Total		1,672,685	219.19	366,638,647	1,572,807	189.17	297,521,008
4	Dyes & Chemicals:							
	Dyestuff	Kgs.	337,920	459.65	155,324,816	429,528	457.21	196,384,558
	Chemical	Kgs.	869,157	59.58	51,784,376	1,117,676	58.58	65,473,451
	Sub-Total		1,207,077	171.58	207,109,191	1,547,204	169.25	261,858,009
5	Spares & Accessories				64,762,109			73,480,384
	Sub-Total				64,762,109			73,480,384
	Grand Total				2,595,814,143			2,339,612,386

Queen South Textile Mills Limited
Statement of Advances, deposits and prepayments
as at 30 June 2023

Particulars	Amount In Taka	Amount In Taka
	30 June 2023	30 June 2022
(A) Advances:		
Income Tax Deducted at Sources	49,256,677	24,273,813
Advance against Import of raw material & spares	9,539,445	14,305,009
Al Madina Automobiles		66,774
Conscience Inspecpection		128,563
ENMOS		201,940
Khaja Garibe Newaz Enterprise		32,631
M/S. Farabi Traders		120,216
Rainbow Software Limited		23,192
Stifftec International		170,857
Sustainable Management System BD.		42,854
Advance against Salary & Wages	912,377	199,236
Other Advance		306,690
Sub Total: A	59,708,499	39,871,776
(B) Deposits:		
Security Deposit for Titas Gas	17,453,950	17,453,950
Cylinder and CDBL Deposit	533,193	33,193
House Rent Deposit	35,000	35,000
Security Deposit for Electrical Connection-BEPZA	15,446,233	13,707,385
Bank Gurantee with Prime and Woori Bank	10,877,086	10,877,086
Security Deposit for Land-BEPZA	2,482,078	2,202,660
CDBL Deposit		500,000
L/c Margin with HSBC bank	7,471,476	6,630,380
Sub Total: B	54,299,016	51,439,654
(C) Prepayments:		
Prepayment for Insurance	1,095,298	819,516
Prepayment for House rent	143,080	279,160
Prepayment of Land rent	(82,950)	13,464
Prepayment of Professional Fees	2,945,572	2,945,572
Sub Total: C	4,101,000	4,057,712
Grand Total (A+B+C)	118,108,515	95,369,142

Queen South Textile Mills Limited

As at 30 June 2023

Statement of Shareholding position

Annexure-D

SL	Name of Shareholder	30 June 2023	%	30 June 2022	%
1	Gain Plus Agents Limited	45,962,515.00	30.12%	43,360,864	30.12%
2	Wong Jammy Kwok Chan	26,722,393	17.51%	25,209,805	17.51%
3	Wong Elisa Dai Wah	4,275,582	2.80%	4,033,568	2.80%
4	Lee Hung Chun	4,275,582	2.80%	4,033,568	2.80%
5	Foreign	2,411,103	1.58%	2,260,229	1.57%
6	General Public and Institute	68,954,264	45.19%	65,065,588	45.20%
	Total	152,601,439	100.00%	143,963,622	100.00%

Annexure: E

Queen South Textile Mills Limited

Schedule of Loan from Shareholders

as at 30 June 2023

SL No.	Inv. Date	Invoice No.	Sales Contract No	Items	Amount in Taka	Amount in Taka
					30 June 2023	30 June 2022
1	26-Jan-13	GP-LHT01/13	GP-CONT/LHT-01/13	Yarn		
2	12-Jan-13	GP-JGT01-A/13	GP-CONT/JGT-01-A/13	Yarn		
3	26-Jan-13	GP-JGT01-C/13	GP-CONT/JGT-01-C/13	Yarn		
4	16-Jan-13	GP-JGT01-B/13	GP-CONT/JGT-01-B/13	Yarn		
5	05-Feb-13	GP-JGT02-A/13	GP-CONT/JGT-02-A/13	Yarn		
6	28-Jan-13	GP-NA01-A/13	GP-CONT/NA-01-A/13	Yarn		
7	01-Feb-13	GP-JGT02-B/13	GP-CONT/JGT-02-B/13	Yarn		
8	05-Mar-13	GP-JGT04-A/13	GP-CONT/JGT-04-A/13	Yarn		
9	19-Feb-13	GP-NA01-D/13	GP-CONT/NA01-D/13	Yarn		
10	12-Feb-13	GP-NA01-B/13	GP-CONT/NA01-B/13	Yarn		
11	19-Feb-13	GP-NA01-C/13	GP-CONT/NA01-C/13	Yarn		
12	06-Mar-13	GP-JGT04-B/13	GP-CONT/JGT04-B/13	Yarn		
13	16-Mar-13	GP-MAI-01/13	GP-CONT/MAI-01/13	Yarn	50,500	44,815
14	17-Mar-13	GP-JGT-04-D/13	GP-CONT/JGT-04-D/13	Yarn	7,735,368	6,864,565
15	19-Mar-13	GP-JGT-04-E/13	GP-CONT/JGT-04-E/13	Yarn	7,728,877	6,858,804
16	18-Mar-13	GP-JGT-04-F/13	GP-CONT/JGT-04-F/13	Yarn	7,772,643	6,897,643
17	16-Mar-13	GP-VC-02/13	GP-CONT/GP-VC-02/13	Chemical	5,278,664	4,684,422
18	26-Mar-13	GP-FCC-02/13	GP-CONT/GP-FCC-02/13	Chemical	2,989,600	2,653,048
19	29-Apr-13	GP-NA-01-F/13	GP-CONT/NA01-F/13	Yarn	6,056,213	5,374,439
20	16-May-13	GP-AAS01-A/13	GP-CONT/AAS-01-A/13	Yarn	6,056,213	5,374,439
21	17-May-13	GP-CFA02/13	GP-CONT/CFA02/13	Yarn	7,533,363	6,685,300
22	23-May-13	GP-ATM01-A/13	GP-CONT/ATM01-A/13	Yarn	6,009,626	5,333,097
23	23-May-13	GP-AAS01-B/13	GP-CONT/AAS-01-B/13	Yarn	6,056,213	5,374,439
24	17-May-13	GP-LHT02-A/13	GP-CONT/LHT-02-A/13	Yarn	21,282,283	18,886,446
25	16-May-13	GP-VC03/13	GP-CONT/VC03/13	Chemical	4,538,536	4,027,614

SL No.	Inv. Date	Invoice No.	Sales Contract No	Items	Amount in Taka	Amount in Taka
					30 June 2023	30 June 2022
26	25-May-13	GP-LHT02-B/13	GP-CONT/LHT-02-B/13	Yarn	21,282,283	18,886,446
27	31-May-13	GP-NA01-G/13	GP-CONT/NA01-G/13	Yarn	18,106,523	16,068,194
28	04-Jun-13	GP-JGT06-B/13	GP-CONT/JGT06-B/13	Yarn	8,032,057	7,127,854
29	16-Jun-13	GP-AAS01-C/13	GP-CONT/AAS-01-C/13	Yarn	6,056,213	5,374,439
30	04-Jun-13	GP-JGT06-A/13	GP-CONT/JGT06-A/13	Yarn	8,046,864	7,140,994
31	04-Jun-13	GP-JGT06-C/13	GP-CONT/JGT06-C/13	Yarn	8,038,192	7,133,299
32	12-Jun-13	GP-130006-JGTGM	GP-CONT/130006-JGTGM	Yarn	7,560,267	6,709,176
33	12-Jun-13	GP-130005-JGTGM	GP-CONT/130005-JGTGM	Yarn	7,826,661	6,945,580
34	18-Jun-13	GP-JGT07-A/13	GP-CONT/JGT07-A/13	Yarn	7,826,661	6,945,580
35	18-Jun-13	GP-JGT07-B/13	GP-CONT/JGT07-B/13	Yarn	7,826,661	6,945,580
36	18-Jul-13	GP-130009/MN	GP-CONT/130009/MN	Yarn	2,646,536	2,348,604
37	25-Jul-13	GP-130015/URM	GP-CONT/130015/URM	Yarn	6,278,665	5,571,849
38	29-Jul-13	GP-130017/URM	GP-CONT/130017/URM	Yarn	6,318,560	5,607,253
39	05-Aug-13	GP-130022-FCC	GP-CONT/130022-FCC	Chemical	4,141,000	3,674,830
40	26-Aug-13	GP-130031/JGTG	GP-CONT/130031/JGTG	Yarn	8,042,000	7,136,678
41	13-Sep-13	GP-130042/ZT	GP-CONT/GP-130042/ZT	Yarn	25,048,000	22,228,240
42	06-Sep-13	GP-130044/QS	GP-CONT/GP-130044/QS	Spares	5,770,231	5,120,652
43	08-Oct-13	GP-130055/ZT	GP-CONT/GP-130055/ZT	Yarn	18,786,000	16,671,180
44	21-Oct-13	GP-130058/ZT	GP-CONT/GP-130058/ZT	Yarn	6,262,000	5,557,060
45	30-Oct-13	GP-130063/ZT	GP-CONT/GP-130063/ZT	Yarn	6,262,000	5,557,060
46	16-Nov-13	GP-130072/AT	GP-CONT/GP-130072/AT	Yarn	6,107,975	5,420,374
47	05-Jun-12	GP-HM02-B/12	GP-HM02-B/12	Yarn	6,009,500	5,332,985
48	03-Jun-12	GP-ES01-B/12	GP-ES01-B/12	Yarn	5,859,263	5,199,660
49	19-Jun-12	GP-ES01-C/12	GP-ES01-C/12	Yarn	5,859,263	5,199,660
50	17-Jun-12	GP-PA02-A/12	GP-PA02-A/12	Yarn	5,662,313	5,024,882
51	28-May-12	GP-JGT03-E/12	GP-JGT03-E/12	Yarn	7,637,368	6,777,597
52	02-Jun-12	GP-JGT03-F/12	GP-JGT03-F/12	Yarn	8,260,857	7,330,897
53	12-Jun-12	GP-JGT03-G/12	GP-JGT03-G/12	Yarn	7,949,104	7,054,240
54	16-Jun-12	GP-JGT03-H/12	GP-JGT03-H/12	Yarn	7,938,600	7,044,918
55	23-Jul-12	GP-GAT02-A/12	GP-GAT02-A/12	Yarn	13,392,600	11,884,938
56	28-May-12	GP-JGT04-D/12	GP-JGT04-D/12	Yarn	8,256,660	7,327,173
57	27-May-12	GP-JGT04-C/12	GP-JGT04-C/12	Yarn	8,249,723	7,321,017
58	23-Jun-12	GP-JGT04-E/12	GP-JGT04-E/12	Yarn	8,254,283	7,325,063
59	27-Jun-12	GP-JGT04-G/12	GP-JGT04-G/12	Yarn	8,245,380	7,317,163
60	27-Jun-12	GP-JGT04-H/12	GP-JGT04-H/12	Yarn	8,238,348	7,310,922
Total					395,166,704	350,681,106

Queen South Textile Mills Limited
Statement of Advances, deposits and prepayments
As on June 2023

Particulars	Amount In Taka	Amount In Taka
	30 June 2023	30 June 2022
A) Trade Payables:		
ARCHROMA SINGAPORE PTE LTD	110,416,998	35,032,714
Gain Plus Agents Limited	467,489,343	255,141,417
Huge Master International Ltd.		15,255,516
HUNTSMAN SINGAPORE PTE LTD		12,517,632
Ideal Fastenar BD/Globalmax Textile Mills Ltd	63,359,116	8,908,214
Kingpro Trading Limited	53,023,836	47,054,717
Perfect Point Raw Mat.-Lc		2,232,000
Queen Product Ltd		28,282,372
QUEENPRODUCT ENTERPRISE CO LTD	39,101,864	
Queensin Ltd.	47,084,097	41,783,640
Big Dipper Textile Mills Limited	2,525,000	
Winpro Textile Mills Ltd	93,560,851	9,031,667.00
Sub Total (A)	876,561,105	455,239,889
B) Other Payables:		
Aamra Networks Ltd	71,750	
Atlas Energy System Ltd.	1,566,500	
A Trims Point-BD	387,500	
AYZ Express Services	71,052	
Bangla Chem	495,000	
Bangla Power	65,600	
Brother's Accessories & Printing	900,000	
China Curtain Gallery, Kumertuli Line, Islampur, Dh	294,240	
Chyti Engineering Works.	2,220,155.99	458,987
Clarke Energy Bangladesh Ltd.	1,041,222.00	
Fashionit Company Ltd, Yarn Repair	532,000.00	
Graph Printing Press	19,760.00	
HWA TAI Industry Co. Ltd.Dhaka	1,620,760.00	
Jamuna Chemicals,	440,000.00	
Khan Sufia Packaging (Pvt) Ltd.	287,500.00	
L.H. International	8,278,791.00	
Mahir International	10,800.00	
M.H Trade International	4,230.00	
Hawk Eye Security Services		258,973
H. R. Construction		490,000
M/S Ujma Traders		8,357,135
M/S. Anis Traders	1,069,490.00	215,666
M/S. C.S International	6,840.00	
M/S. Ranks-ITT Ltd.	1,882.00	

Particulars	Amount In Taka	Amount In Taka
	30 June 2023	30 June 2022
Nabinagor Printers	72,700.00	
Minhaz Enterprise,		224,515
Mollah And Sons	410,946	745,894
Mojumder Industries		145,963
National Enterprise		54,892
Nirob Dyes & Chemical		25,897
Perfect Point- Cone (Limited)	927,026.00	
Securex (PVT.) Ltd.	576,000	1,470,000
Shah Enterprise	348,251	
Siam Chemical Store	87,000	
Speedway Logistics	600,365	4,119,181
Tex Solution Services	1,482,400	
Taha Colours International		1,311,658
Towsif Enterprise	410,484.00	240,000
TUV Rheinland (Bangladesh) Ltd.	44,189.00	
Unique Color Chemicals Co. Ltd.	462,880.00	
Vine Tech	240,000.00	
Walton Plaza, Computer Accessories	48,013.00	
Uttara Color Chemical		14,360
Victor Printing House		23,651
Sub Total (B)	25,095,327	18,156,772
Grand Total (A+B)	901,656,432	473,396,661

Queen South Textile Mills Ltd
Calculation of Deferred tax
for the year ended 30 June 2023

Annexure-G

Particulars	30 June 2023	30 June 2022
Carrying value		
Property , Plant and Equipment	821,922,734	895,615,354
Tax base		
Property , Plant and Equipment	470,507,266	513,935,324
Taxable /(Deductible)temporary difference	351,415,468	381,680,031
Income Tax rate 15%	15%	15%
Deferred Tax Liabilities/(Assets) at the end of the period	52,712,320	57,252,005
Closing Deferred Tax Liabilities	52,712,320	57,252,005
Opening Deferred Tax Liabilities	57,252,005	55,657,342
D.Tax (income) / expenses:	(4,539,685)	1,594,663

QUEEN SOUTH TEXTILE MILLS LIMITED

Plot No.85-88,Extension Area
Dhaka Export Processing Zone, Savar Dhaka, Bangladesh.

Affix revenue
stamp of Tk. 20.00

PROXY FORM

BIO A/C No :

Number of Shares held

I/We.....of.....being a member of
QUEEN SOUTH TEXTILE MILLS LIMITED hereby appoints Mr./Mrs./Ms.....
of..... to attend and vote for me/us and on my/our behalf at the **21st**
ANNUAL GENERAL MEETING of the Company to be held on Saturday, 30 December, 2023 at 11:00 a.m. at Virtual
in Digital Platform

(Signature of Proxy)

(Signature of the Shareholder)

NOTE:

A member entitled to attend and vote at the General meeting may appoint another member of the Company as a proxy to attend and vote in his/her stead. The proxy form duly stamped and signed, must be deposited at the Company's Corporate Office (Share Department) not later than 48 hours before the time appointed for the meeting. In default, forms of Proxy will not be treated as valid.

Authorized Signature

QUEEN SOUTH TEXTILE MILLS LIMITED

Plot No.85-88,Extension Area
Dhaka Export Processing Zone, Savar Dhaka, Bangladesh.

ATTENDANCE SLIP

I hereby record my attendance at the **21st ANNUAL GENERAL MEETING** being held on , Saturday, 30 December, 2023 at 11:00 a.m. at Virtual in Digital Platform

Name of the member (In Block Letter) :

Name of the Proxy (In Block Letter) :

BO Number :

Signature of the Member/Proxy

Authorized Signature of the Company

N.B:

1. Please note that AGM can only be attended by the honorable Shareholders or properly constituted proxy.
2. BSEC Notification NO. SEC/SRMI/2000-953/1950 dated 24th October 2000 clause (C) no benefit in cash or kind, other than in the form of cash or stock dividend shall be paid to the holders of equity Securities.



證書編號 Certificate No. LCMP-F-2023-011

世界自然基金會低碳製造計劃 WWF Low Carbon Manufacturing Programme (LCMP)

旨在減少工廠的碳排放量及協助廠商實踐企業的環境責任
aims at reducing carbon emissions generated by manufacturing facilities and
developing environmental social governance for manufacturers

QUEEN SOUTH TEXTILE MILLS LIMITED

Plot No. 85-88 Extension Area, Dhaka Export Processing Zone, Savar, Dhaka 1349, Bangladesh

已實行低碳製造計劃，減少碳強度，建立溫室氣體管理系統及遵循在製造過程及運作中的能源效益最佳守則，並獲評級為：
has implemented LCMP and demonstrated a satisfactory performance in carbon intensity reduction, greenhouse gas management and
best practices in energy efficiency of manufacturing processes and operations, and is accredited:



LCMP乃世界自然基金會的項目，旨在減少製造業的碳排放
LCMP is a WWF Initiative to reduce carbon emissions in manufacturing
證書編號 Certificate No. LCMP-F-2023-011

有效期由 2023 年 7 月 10 日至 2025 年 7 月 9 日
for the period of 10 July 2023 to 9 July 2025

世界自然基金會香港分會行政總裁黃神姿
Nicole Wong, CEO, WWF-Hong Kong

世界自然基金會香港分會企業可持續發展主管何美如
Karen Ho, Head of Corporate and Community Sustainability,
WWF-Hong Kong

簽發日期：2023 年 9 月 4 日
Issued Date: 4 September 2023

NOTE

Handwriting practice area with horizontal dotted lines.

NOTE

ANNUAL REPORT

2022-2023

QUEEN SOUTH TEXTILE MILLS LTD.
Plot No.85-88, Extension Area
Dhaka Export Processing Zone
Savar Dhaka, Bangladesh

DESIGN
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