

Strictly Private & Confidential

INFORMATION MEMORANDUM

**Zero-Coupon Bond of BDT 2,500 Million (Face Value)
For
Paramount Textile PLC**



Issue Name: Paramount Textile Zero Coupon Bond
Issue Type: Non-convertible, Transferable, Fully Redeemable Unsecured Zero-Coupon Bond
Trustee: Sena Kalyan Insurance Company Limited
Issuer's Contact Information: House # 22, Road # 113/A, Gulshan Circle 2, Dhaka-1212, Bangladesh

Total Face Value: Up to BDT 2,500,000,000
Face Value of Each Bond is: BDT 1,000,000 and **Face Value of Each Lot of Bond:** BDT 1,000,000
Bonds in Each Lot: 1, **Number of Lot:** 2,500, **Total Number of Bonds:** 2,500
Issue Price of each Bond is Variable as it is ZCB and mentioned in Features of Bond
Issue Price of Each Lot of Bond: BDT 697,920.312 *
Total Issue Price of the Bond: BDT 1,744,800,779.83 *

*Calculations are based on the Face Value of BDT 2,500 million of the Bonds and YTM of 12.00% p.a. The approval from BSEC to be taken in a range of 9.00% p.a. – 12.00% p.a. to adopt any market change and to be finalized based on market conditions at the time of bond issuance.

Credit Rating status of the Issuer: AA
Credit Rating status of the Issue: AA-
Credit Rating Agency: Alpha Credit Rating Limited

"If you have any query about this document, you may consult the Issuer, Arranger and the Trustee."


Mandated Arranger:
NDB Capital Limited

Paramount Textile PLC

Chief Financial Officer




Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Arranger's Disclaimer

This Information Memorandum with respect to issuance of Paramount Textile Zero-Coupon Bond (hereinafter referred as "the Bond" or "the Issue") by Paramount Textile PLC (hereinafter referred to as "PTL" or "the Company" or "the Issuer") has been prepared by NDB Capital Limited (hereinafter referred to as "NDB Capital") for circulation amongst potential investors.

The company and market information, financial analysis, forecasts, assumptions, and opinions contained herein have been compiled or arrived at solely based on information obtained from the management of PTL and publicly available information unless otherwise mentioned. NDB Capital does not provide any guarantee, representation, or warranty, expressed, or implied as to the accuracy, completeness or correctness of information provided by PTL. Nothing contained in this document is, or shall be relied upon as, a promise or representation by NDB Capital. All such information is subject to change without notice and such changes could be due to unforeseen circumstances. This document is for information purposes only and does not purport to be a complete description of the subject matter referenced to herein.

Accordingly, PTL and NDB Capital shall not be liable for any loss or damage howsoever arising as a result of any person acting or refraining from acting in reliance on any information, forecast analysis and opinion contained herein. The recipients of this investment document are expected to carry out their own independent evaluations on the transaction contemplated herein taking into consideration macro-economic variables and other relevant conditions. Further, the recipients of this investment document are advised to obtain independent tax, legal and accounting opinions prior to making any investment decision. No person is authorized to give any information or to make any representation not contained in this investment document.

The recipients of this investment document shall not, without the prior written consent of the Company and NDB Capital, transmit, either directly or indirectly to any party, any of the information contained herein. The recipients may disclose the Information at the request of any regulatory or supervisory authority having jurisdiction over them, provided that, they request confidential treatment of such Information to the extent permitted by law. Recipient of investment document shall furnish only that portion of the Information that is legally required and shall disclose that Information in a manner reasonably designed to preserve its confidential nature.

Paramount Textile PLC


Chief Financial Officer
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Contact Information
THE ARRANGER

NDB CAPITAL LIMITED

Uday Tower
6th Floor (South-West Side)
57 & 57/A, Gulshan Avenue
Circle-1, Dhaka-1212.
PHONE: (+880 2) 9888626, 9888979
FAX: (+880 2) 9888906
WEBSITE: www.ndbcapital.com

Contact Person
Israt Jahan Anny

Assistant Vice President
Phone: +880 2 9888626, 9888979
Mobile: +880 1700 701 388
E-mail: israt@ndbcapital.com

Asadullah Armaan

Manager
Phone: +880 2 9888626, 9888979
Mobile: +880 1790 283 913
E-mail: armaan@ndbcapital.com

Nibir Islam

Management Associate
Phone: +880 2 9888626, 9888979
Mobile: +880 1315 664 804
E-mail: nibir@ndbcapital.com

THE ISSUER

PARAMOUNT TEXTILE PLC

House # 22, Road # 113/A,
Gulshan Circle 2, Dhaka-1212, Bangladesh
Phone: +880-2-55049834
Facsimile: +880-2-55049838
Email: textile@paramountgroupbd.com
Website: http://paramounttextilebd.com/

Contact Person
Md. Robiul Islam FCS

Company Secretary & GM
Mobile: +880-1713 236 107
E-mail:

secretary@paramountgroupbd.com

Md. Saif Ullah

Deputy General Manager (F & A)
Mobile: +880 1730 089 060
E-mail:

saifullah@paramountgroupbd.com

Shah Aziz

Deputy General Manager
Mobile: +880 1799 989 501
E-mail:

shahaziz@paramountgroupbd.com

Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Letter of Authority

Mr. Kazi Farhan Zahir
Managing Director & CEO
NDB Capital Limited
Uday Tower
6th Floor (South-West Side), 57 & 57/A
Gulshan Avenue, Circle-1, Dhaka-1212

LETTER OF AUTHORITY

Dear Sir:

We refer to the proposed Paramount Textile Zero-Coupon Bond (the "Issue") issuance of up-to BDT 2,500 million in Face Value, which, you (the Arranger) are arranging at our request to raise fund for the civil construction as well as refinancing of existing high-cost debt, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum").

Paramount Textile PLC (the Issuer), the undersigned, confirms that:

- Except as otherwise provided in the Information Memorandum, all the information contained therein relating to the company and its business has been provided to you by us;
- We confirm that we are fully responsible for all material statements, facts and opinions in the Information Memorandum.
- To the best of our knowledge the Information Memorandum does not omit any fact in the context of the proposed facility although the Information Memorandum does not purport to be all the information which lender may require in order to evaluate the debt.
- The information contained in the Information Memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- The information in the Information Memorandum fairly represents the basis on which the issuer and its shareholders are proceeding with the Bond.

The issuer does not however make any express or implied representation of warranty as to the fairness, accuracy; or completeness of the information (including statements of opinion) or forecasts, nor does it provide any guarantee or accept any liability should a third-party act in reliance of the same. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the bond documentation and no representations or warranties other than those specially set forth on the bond documentation shall be deemed to be given to any party.

We hereby request and authorize you to distribute this Information Memorandum to prospective investors in the Facility. We understand that as per local practice, no confidentiality agreement will be signed between the Arranger and the prospective investors to whom the Information Memorandum shall be placed. We irrevocably confirm that we shall not hold the Arranger accountable for any consequences arising out of distribution and transmission of the "Information Memorandum" to prospective lenders distributed in this manner.

Yours sincerely,



Shakhawat Hossain
Managing Director



Head Office :
House # 22, Level-2,5-8, Road # 113/A
Gulshan-2, Dhaka-1212, Bangladesh.

Tel : +88 02 55049833-37
Cell : +88 01709 631429, 01729 24247
E-mail : info@paramountgroupbd.com

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

TABLE OF CONTENT

Table of Contents	7
Report to the Investor	8
1. Risk factors and management's perception about the risks	8
1. Interest Rate Risks	8
2. Exchange Rate Risks	8
3. Non-Repayment Risks (Credit Risks)	8
4. Prepayment, Call or Refunding Risks	9
5. Security Risks	9
6. Liquidity Risks	9
7. Management Risks	9
8. Operational Risks	10
9. Business Risks	10
10. Market and Technology Related Risk:	10
11. Risks related to potential or existing government regulations	11
12. Risks related to potential changes in global or national policies	11
13. Industry Risk	12
2. Detailed Description and information	15
3. Details of the Utilization of Proceeds	16
4. Features of the Debt Instrument to be Issued	18
5. Description of Collateral Security and type of charges to be created against issue	19
6. Rights & Obligations of the Issuer	19
1. Covenant to Repay:	19
2. Following an Event of Default:	20
3. Other Covenants by the Issuer:	22
7. Rights & Obligations of the Trustee	22
1. Trustee's Right	25
2. Trustee's requirements regarding Paying Agents	26
3. Trustee's Duty and Obligation	30
8. Rights and obligations of the Investors:	31
9. Description of the Issuer: Paramount Textile PLC	31
a. Capital Structure	31
b. Business	33
c. Management	33
d. Descriptions of encumbered assets with value there of	33
e. Profile of Board of Directors	34
f. Description of Assets and Liabilities:	35
g. Description of previously issued debt and equity securities:	36
10. Auditors Report along with Audited Financial Statements of The Issuer	38
11. Brief Overview and Comparative Financial Statements	41
12. Ratios of Last Five Accounting Years	41
13. Rating summary with rating rationale of the Issue and Issuer	42
14. Latest Default Matrix & Transition Statistics of CRC	43
15. Description of the Trustee: Sena Kalyan Insurance Company Limited (SKICL)	43

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

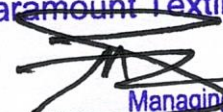
Managing Director

16.	Modus Operandi of the Issue	49
a.	Application Procedure	49
b.	Allotment	50
c.	Refund:	50
d.	Transfer	50
e.	Trading or listing with stock exchange.....	50
f.	Repayment and Coupon Payment.....	51
g.	Redemption or conversion or exchange.....	51
h.	Details of conversion or exchange option exercise procedures	51
17.	Details of Fees Structure and expenses	51
18.	Conditions Imposed by the Commission	52
19.	Declaration and Due Diligence Certificates:	53
20.	Credit Rating Report of the Issuer and the Issue	54
21.	Compliance status from Trustee of previously issued debt securities.....	54
22.	Termination and Final Settlement of The Proposed Bond	60
	Annexure- I.....	60
	Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum [See rule 4(2)(a)]	61
	Annexure-II	63
	Annexure-IV	86
	Annexure-V.....	111
	Annexure-VI	

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC

Paramount Textile PLC

Managing Director

Report to the Investor

This Information Memorandum (IM) with respect to issuance of series of Zero-Coupon Bond by Paramount Textile PLC (Hereinafter referred to as PLC or the Company or the Issuer) has been prepared by NDB Capital Limited (Hereinafter referred to as NDB Capital or the Mandated Arranger).

This IM is prepared based on the information obtained from the management of PTL and upon several discussions with the management of the Company. PTL and NDB Capital Limited collectively and individually, having made all reasonable inquiries, confirming that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Information Memorandum and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Information Memorandum to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

Since any investment in private debt instruments poses some degree of risk, investors are requested to analyse the Company/Issuer fundamentals, seek professional consultant's opinion on legal and tax issues of the offered instrument, rigorous study of the credit rating report of the Company and the instrument, talking to regulators and personal investigate the affairs of the Company/Issuer before any such investment.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

1. Risk factors and management's perception about the risks

1. Interest Rate Risks

Risk

Interest rate risk arises due to changes in market interest rate structure and the resultant adverse impact on the value of the assets and liabilities of the company. In case there is a mismatch between the future yield of assets and their funding costs, the company is susceptible to interest rate risk.

Management Perception

The company has a clearly defined policies for limiting and controlling the risk. The company maintains an interest rate risk management review process, appropriate limits on risk taking, adequate systems of risk measurement, a comprehensive interest rate risk reporting system, and effective internal controls. Also, a major portion of its high-cost debt will be settled by PTL through a portion of proceeds from the issue in discussion.

2. Exchange Rate Risks

Risk

The Foreign Exchange Risk arises from dealings in foreign currencies and from exchange rate volatility in the international currency market.

Management Perception

The company enjoys natural hedging as major share of the revenue comes in foreign currencies and PTL can pay off its import dues in foreign currencies from its revenue earned in foreign currencies.

3. Non-Repayment Risks (Credit Risks)

Risk

Non-repayment risk arises from the risk of loss of principal or income on the failure of an obligor or counterparty to meet their contractual obligations.

Management Perception

PTL is a 100% export-oriented entity and made its sales through Letter of Credit. As the company is involved in 100% export-oriented business, all the sales are made against Letter of Credit (L/C). L/Cs provide guarantee against credit sales and minimise the credit risk to an acceptable level. Bills receivable arises due to the time difference.

4. Prepayment, Call or Refunding Risks

Risk

The risk faced by investors that the issuer may redeem the bond earlier than the scheduled maturity.

Management Perception

The issue will have early redemption clause to prevent the issuer from prepaying the bond.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

5. Security Risks

Risk

The risk associated with the default, authenticity or validation of the collateral used to guarantee servicing or repayment of a debt.

Management Perception

Since this facility is an unsecured bond, this particular risk is not applicable.

6. Liquidity Risks

Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions without incurring any unacceptable losses.

Management Perception

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

7. Management Risks

Risk

The risk associated with inefficient or underperforming management which fails to act in the best interests of the shareholders.

Management Perception

PTL has a very strong corporate governance and sound management system that is not only efficient but also dynamic in taking relevant decision to make the organization more effective and results oriented. Succession is planned, with the key individual identified. Strong functional financial, technical, and marketing teams are led by qualified professionals. Strategic management and control are centralized and undertaken by the key sponsors.

8. Operational Risks

Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and system or from external events.

Management Perception

Internal control and internal audit systems are vital to addressing operational risks. All the policies and guidelines of internal control and compliances are duly approved and monitored by the Board. The Board delegates its authority to Management Committee as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of Internal Audit and Control department as per good governance guidelines issued by the Bangladesh Securities &

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Exchange Commission (BSEC). The Internal Audit and Control department addresses operational risks and frames and implements policies to counter such risks. The department assesses operational risks across the company that ensures an appropriate framework to identify, assess and manage operational risks. The recruitment strategy of the company is also based on retaining and attracting the most suitable people at all levels of the business which mitigates many aspects of operational risks.

9. Business Risks

Risk

It is a risk that the company may fail to perform in line with expectations or forecasts. Business risks could crop up due to a host of factors including general economic conditions, cost structures, competition etc.

Management Perception

PTL is well prepared to deal with business risk posed by unanticipated events. Some of the measures that the company regularly engages in are assessing the economic environment and taking prompt actions in anticipation, continuous improvement in product quality, ensuring customer satisfaction, reviewing budgets, and setting targets, assessing the competitive environment etc.

10. Market and Technology Related Risk:

Risk

Technology risk emanates from embracing and implementing new technology and maintaining existing technology. Existing technologies could become obsolete, and the company may have to incur capital expenditures to upgrade systems. Moreover, proper technology is required to store and process large volume of customer related data to undertake effective analysis and decision making.

Management Perception

Technology of textile machinery develops over time but the technology itself does not become obsolete so frequently. PTL is using very sophisticated and state-of-the-art machineries in its operation. It is expected that there is very low probability that the technology of the existing machineries of the company will become obsolete in near future. In addition to that, the Company had recently invested huge amount in BMRE, and the management has expected to utilize these high-tech new machineries for maximum useful life.

11. Risks related to potential or existing government regulations

Risk

Financial institutions are licensed and monitored by the Bangladesh Bank. There could be substantial changes in the policies and guidelines of the regulator relating to asset/ liability management, credit/ deposit ratio, minimum capital etc. which may have significant impact on the overall performance of the company.

Management Perception

Textile is the vital sector to the economy of Bangladesh. The government incentives and subsidies are also vital to the sustainability of this sector. The Government of Bangladesh is aware of this fact. Hence, it is expected that any undue tax or duty will not be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry.

Paramount Textile PLC


Chief Financial Officer
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

12. Risks related to potential changes in global or national policies

Risk

Risk associated with change in international regulations relating to financial intermediaries or introduction of any new policy guidelines globally impacting the business of the company. Such global policy guidelines may become part of the local regulations in a bid to meet international standards.

Management Perception:

The company supplies raw materials to some of the globally renowned apparel brands. The company's production facilities are designed to comply with all relevant local and international requirements. The machineries of the company are of superior technology. In addition, the company has sufficient financial strength to undertake any additional investment to comply with any updated local or international regulation.

13. Industry Risk

Risk

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 can have an adverse impact on the business, financial condition, and results of operation.

Management Perception:

The major competitive advantage of PTL is the quality of its products. The company has installed very sophisticated and high-end textile machineries. These machineries are capable of manufacturing very high-quality fabric of different specification as per buyer's requirements. The production process is mostly automated and monitored closely at each stage for quality control. The company also has a well-equipped testing laboratory and a design studio to achieve and maintain the optimum quality of the products. For all these reasons, the company is placed at par with the foreign manufacturers in terms of quality. Moreover, PTL can deliver the products to local garment manufacturers within a shorter lead time compared to foreign manufacturers.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

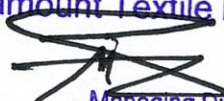
2. Detailed Description and information

1. Particulars of the Issuer									
a. Name of the Issuer	Paramount Textile PLC (DSE: PTL)								
b. Legal Status of the Issuer	Public Limited Company Listed with DSE and CSE								
c. Details of contact information	Head Office: House # 22, Road # 113/A, Gulshan Circle 2, Dhaka-1212, Bangladesh Attention: Mohammad Jahidul Abedin, Financial Officer, Paramount Textile PLC								
d. Date of Incorporation	2006								
e. Date of Commencement of Business	2008								
f. Authorized capital	BDT 5,000 Million								
g. Paid-up capital	BDT 1,628.34 Million								
h. Total equity	BDT 5,877.8 Million								
i. Total Liabilities	BDT 19,759.4 Million								
j. Total Financial Obligation	BDT 19,339.3 Million								
k. Total Assets	BDT 25,736.0 Million								
l. Total Tangible Assets	BDT 25,681.3 Million								
m. Net Worth	BDT 5,976.7 Million								
2. Particulars of the issue									
a. Name of the Issue	Paramount Textile Zero-Coupon Bond								
b. Type of Debt Instrument to be issued	Non-convertible, Transferable, Fully Redeemable, Unsecured Zero-Coupon Bond								
c. Purpose of the Issue	<p>The proceeds from the issuance of bonds shall be used to pay off the existing liability and expansion of the company.</p> <p>The breakdown of utilization of proceeds plan in issue price can be summarized as follows:</p> <table border="1"> <thead> <tr> <th>Purpose</th><th>Amount (in BDT)</th></tr> </thead> <tbody> <tr> <td>Financial cost optimization</td><td>1,270,846,423.83</td></tr> <tr> <td>Business expansion</td><td>473,954,356.00</td></tr> <tr> <td>Total</td><td>1,744,800,779.83</td></tr> </tbody> </table>	Purpose	Amount (in BDT)	Financial cost optimization	1,270,846,423.83	Business expansion	473,954,356.00	Total	1,744,800,779.83
Purpose	Amount (in BDT)								
Financial cost optimization	1,270,846,423.83								
Business expansion	473,954,356.00								
Total	1,744,800,779.83								
d. Number of Securities and Total Size of the Issue to be Offered	<ul style="list-style-type: none"> Total Number of Securities/Bond: 2,500 nos. Total Issue Size: BDT 2,500 million (Face Value) 								
e. Face value and issue price of securities mentioning discount or premium thereof:	<ul style="list-style-type: none"> Total Face value of the bond: BDT 2,500,000,000 Issue price of the bond: BDT 1,744,800,779.83 * * Discounted at 12.00% p.a. 								
f. Discount Rate	<p>The discount rate to be fixed between 9.00%-12.00% p.a. (floor is 9.00% p.a. and ceiling is 12.00% p.a. to be considered for fixing the discount rate)</p> <p>*Rate to be decided at time of approaching the market for subscription of bond based on the then market conditions like market interest rate, deposit/FDR rate etc.</p>								
g. Tenor or maturity	05 (five) years from the Issue Date								
h. Details of conversion/exchange option features	Not Applicable								
i. Mode of redemption or conversion/exchange	Redemption: To be redeemed semi-annually in 10 Instalments starting from end of 6 th month from the Issue								

Paramount Textile PLC

 Chief Financial Officer


Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.


Paramount Textile PLC

 Managing Director

		Date and each 6 months from there after as per the redemption schedule Conversion: Not Applicable
j.	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	Not Applicable
k.	Applicable tax rate	As applicable as per law of the land
l.	Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any	The Issue will be credit enhanced through following Credit Enhancement mechanisms: 1. Personal Guarantee of all the Directors of the Issuer(except independent directors). 2. Corporate Guarantee from eligible Sister Concern.
m.	Type of collateral securities being offered if any	Unsecured.
n.	Enforcement of Charges over securities	The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the securities of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer.
o.	Period within which securities to be issued	As per BSEC approval
p.	Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange)	The Issuer hereby covenants that the bond will be issued in registered and unlisted form and the facility arranger may decide to list the Bonds in ATB in the Stock Exchanges of Bangladesh as per BSEC consent letter.
3. Particulars of the Trustee:		
a.	Name of the trustee	Sena Kalyan Insurance Company Limited
b.	Paid-up capital of the trustee	BDT 400,000,000.00 (BDT Forty Crore) as of 31 Dec 2021.
c.	Net worth of the trustee	BDT 806,672,565 /- (BDT Eighty Crore, Sixty-Six Lacs, Seventy Thousand, Five Hundred and Sixty Five as of 2022)
d.	Name of the issue(s) where performing as trustee	1. Trust Bank Ltd Non-Convertible, Unsecured, Subordinated Bond-IV of BDT 5,000 million 2. Rangpur Metal Ind. Limited, Non-convertible, Secured, Zero Coupon Bond of BDT 1,000 million 3. Export Import Bank of Bangladesh Ltd Non-Convertible Unsecured Mudaraba Subordinated Bond of BDT 5,000 million 4. ONE Bank Ltd Unsecured, Floating Rate Subordinated Bond of BDT 4,000 million 5. Southeast Bank Ltd Non-Convertible Subordinated Bond of BDT 5,000 million 6. IFIC Bank Ltd 2nd Subordinated Non-Convertible Redeemable Subordinated Bond of BDT 5,000 million 7. IFIC Bank Ltd 3rd Non-Convertible Redeemable Subordinated Bond of BDT 5,000 million 8. SAJIDA Foundation Non-Convertible Unsecured Green Zero Coupon Bond of BDT 1,000 million

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

		9. BURO Bangladesh Unsecured Sustainable Finance Zero Coupon Bond of BDT 1,500 million 10. Paramount Textiles PLX, Zero Coupon Bond of BDT 2,500 million 11. Dutch Bangla Bank Limited, 4 th Non-convertible Sub Bond of BDT 5,000 million 12. IFIC Bank Limited, 4 th Non-convertible Sub Bond of BDT 5,000 million
4.	Particulars of the credit rating company	
a.	Name of credit rating company	Issuer: Alpha Credit Rating Ltd Bond: Alpha Credit Rating Ltd
b.	Credit rating status of the issuer or originator	Long Term: AA Short Term: ST-1
c.	Credit rating status of the issue	AA-
d.	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue	Issuer: Date of Rating: September 09, 2023 Validity of Rating: September 08, 2024 Bond: Date of Rating: December 22, 2023 Validity of Rating: December 21, 2024
e.	Latest default rate of the credit rating company	0.00%
f.	Average time to default of the rated category	N/A
g.	Rating trigger, if any	N/A

Paramount Textile PLC

 Chief Financial Officer


 Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director

3. Details of the Utilization of Proceeds

The proceeds from the issuance of bonds shall be used to pay off the existing liabilities and financing the expansion project of the company. The breakdown of utilization of proceeds plan in issue price can be summarized as follows:

Purpose	Amount (in BDT)
Financial cost optimization	1,270,846,423.83
Business expansion	473,954,356.00
Total	1,744,800,779.83

Utilization breakdown for Business expansion:

Particulars	Projected (Amount)
Building construction and Infrastructure development	382,993,419.00
Capital Expenditure (Others)	90,960,937.00
Sub total	473,954,356.00

Paramount Textile PLC

 Chief Financial Officer


 Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director

4. Features of the Debt Instrument to be Issued

a. Basic Features of the Instrument

Issuer:	Paramount Textile PLC												
The Issue:	Paramount Textile Zero-Coupon Bond												
Issue Size:	BDT 2,500.00 Million in Face Value (to be raised in single or multiple tranches)												
Bond type:	Non-convertible, Transferable, Fully Redeemable, Unsecured Zero-Coupon Bond												
Arrangement Basis:	Private Placement on Best Efforts Basis												
Mandated Lead Arranger (MLA)	NDB Capital Limited												
Purpose:	<p>The proceeds from the issuance of bonds shall be used to pay off the existing liability and expansion of the company.</p> <p>The breakdown of utilization of proceeds plan in issue price can be summarized as follows:</p> <table><tr><th>Purpose</th><th>Amount (in BDT)</th></tr><tr><td>Financial cost optimization</td><td>1,270,846,423.83</td></tr><tr><td>Business expansion</td><td>473,954,356.00</td></tr><tr><td>Total</td><td>1,744,800,779.83</td></tr></table>					Purpose	Amount (in BDT)	Financial cost optimization	1,270,846,423.83	Business expansion	473,954,356.00	Total	1,744,800,779.83
Purpose	Amount (in BDT)												
Financial cost optimization	1,270,846,423.83												
Business expansion	473,954,356.00												
Total	1,744,800,779.83												
Investors:	Banks, NBFIs, Corporate Houses, Insurance Companies, Asset Management Firms, Mutual Funds, Merchant Banks, Institutional Investors and High Net Worth Individuals.												
Currency:	Bangladeshi Taka (BDT)												
Mode of Placement:	Private Placement												
Face Value:	BDT 1,000,000 per Bond												
Denomination:	BDT 1,000,000 per bundle												
Number of Bonds/Bundles:	2,500												
Issue Price:	BDT 1,744,800,779.83 (considering discount rate 12.00% p.a. for calculation purpose)												
Tenor:	5 years from the Issue Date												
Maturity:	From 6 months and up to 5 years from the Issue Date												
Minimum Subscription:	For Individual & Institutions: BDT 1,000,000 (BDT One million)												
Redemption Schedule	Tenure (Semi-Annual)	Semi-Annual Yield	Investment at Discounted Value (In Million BDT)	Redemption at Face Value (in million BDT)	Percentage of Total Amount								
	1	6.00%	117.92	125.00	5.00%								
	2	6.00%	111.25	125.00	5.00%								
	3	6.00%	138.54	165.00	6.60%								
	4	6.00%	130.70	165.00	6.60%								
	5	6.00%	239.12	320.00	12.80%								
	6	6.00%	225.59	320.00	12.80%								
	7	6.00%	212.82	320.00	12.80%								
	8	6.00%	200.77	320.00	12.80%								
	9	6.00%	189.41	320.00	12.80%								
	10	6.00%	178.69	320.00	12.80%								
	Total		1,744.80	2,500.00	100.00%								

Paramount Textile PLC

 Chief Financial Officer


 Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director 16

Security:	Unsecured
Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any	The Issue will be credit enhanced through following Credit Enhancement mechanisms: 1. Personal Guarantee of all the Directors of the Issuer(except independent directors). 2. Corporate Guarantee from eligible Sister Concern.
Governing Law:	The laws of The People's Republic of Bangladesh
Form:	Registered
Listing:	The bond may be listed at ATB as per BSEC's consent letter.
Redemption Amount:	Bonds will be redeemed at Face Value.
Credit Rating of the Issue:	AA-
Credit Rating of the Issuer:	AA
Payment Frequency:	Semi-annually beginning at the end of the 6 th month to the closing date
Conditions precedent:	In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for the Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for the financing.
Call and Refunding Feature	Non-callable and Non-refundable
Trustee, Registrar, Paying Agent & Transfer Agent:	Sena Kalyan Insurance Limited
Legal Counsel:	Lex Juris
Documentation:	<ul style="list-style-type: none"> • Subscription agreement • Trust deed • Any other agreement relating to such transaction (if requires)
Credit Rating Agency:	Alpha Credit Rating Limited
Governing Law:	The laws of The People's Republic of Bangladesh
Tax / VAT Features:	According to the laws of Bangladesh
Discount Rate	<p>The discount rate to be fixed between 9.00%-12.00% p.a. (floor is 9.00% p.a. and ceiling is 12.00% p.a. to be considered for fixing the discount rate)</p> <p>*Rate to be decided at time of approaching the market for subscription of bond based on the then market conditions like market interest rate, deposit/FDR rate etc.</p>
Transferability/Liquidity:	Transferable in accordance with the provisions of the Trust Deed and Subscription Agreement
Delay in Payment:	The Issuer shall pay a late payment penalty of 2% (two percent) higher than the discount rate and be payable on the amount not paid on the due date up to the date of actual payment.
Early Redemption:	Subject to the regulatory approval (if requires), the Issuer shall have the option to redeem all Outstanding Bonds, and such rights shall be exercisable at the end of 36 th month from the Closing Date at a price equal to Face Value and 0.50% Premium over the Face Value.
Cost related to the issue:	<ul style="list-style-type: none"> • Total Arrangement Fee, Trustee & Agent Fee (for 5 years), Bond Rating Fee and Legal Fee: BDT 11,674,835.00 (approx.). • Bond Application Fee to BSEC: BDT 10,000.00

Paramount Textile PLC

 Chief Financial Officer


 Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director

	<ul style="list-style-type: none"> • Trustee Application Fee to BSEC: BDT 50,000.00 • Trustee Registration Fee to BSEC: BDT 100,000.00 • BSEC consent fee: 0.1% on Face Value in BDT • Total Trustee Fee to BSEC (5 years): BDT 250,000.00 • Trust Deed Registration Fee: BDT 1,200,000.00 (approx.)
Enforcement of Charges over securities:	The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the securities of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer.
Terms of Investment	As defined in the subscription agreement and other Bond related documents.
Availability Period	Subject to fulfilment of relevant conditions, the Paramount Textile Zero-Coupon Bond shall be available for issuance not less than 30 (thirty) days and not more than 180 days from the date of BSEC consent, subject to any extensions that may be applied for and approved by the Commission.
Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission (BSEC), the Company will issue the bonds as per the information memorandum. In no way the Company shall issue any such bonds without taking approval from the BSEC.

5. Description of Collateral Security and type of charges to be created against issue

The Paramount Textile Zero Coupon Bond is a Non-convertible, Transferable, Fully Redeemable Unsecured Zero-Coupon Bond and hence no charge on assets is to be created. The issuer only owes the bondholders an indebtedness, and which is secured by claims over all present and future assets of the issuer, subsequently to all secured lenders.

Paramount Textile PLC

 Chief Financial Officer


Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director

6. Rights & Obligations of the Issuer

1. Covenant to Repay:

The Issuer covenants with the Trustee that it will, as and when the Bonds becomes due to be redeemed, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, provided that:

- a. The payment due in respect of the Bonds or any of them made to or to the order of the Trustee shall be in satisfaction *pro tanto* of the relative covenant by the Issuer contained in this clause in relation to the Bonds except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Bondholders.
- b. If any payment in respect of such Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the relevant Bondholders or, if earlier, the fifth day after notice has been given to the relevant Bondholders in accordance with the Conditions that the full amount has been received by the Trustee, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions ; and
- c. In any case where payment is due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, interest shall accrue in accordance with the Conditions and the full amount is payable in respect of the unpaid amount to the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the other covenants including Clause 14.3 of the trust deed (Other Covenants by the Issuer) on trust for the Bondholders.

2. Following an Event of Default:

- a. At any time after any Default or Event of Default has occurred, the Trustee may by notice in writing to the Issuer, require it to make all subsequent payments in respect of each class of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn.
- b. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions (including, without limitation, Clause 14.3 (Other Covenants by the Issuer), and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed and the Conditions, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director 19

respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.

- c. The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

3. Other Covenants by the Issuer:

The Issuer hereby covenants with the Trustee that so long as any of the Bonds remains outstanding, it will:

a. Comply with Bond Documents

Comply with, perform and observe all those provisions of this Trust Deed, the Agency Agreement, the Conditions and the other schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

b. Comply with Applicable Laws

Comply with, perform, and observe all those provisions of the applicable laws including, but not limited to, the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable laws and will be deemed to have notice of all of the provisions of the applicable laws, as applicable to them;

c. Bonds held by Issuer and Affiliates

Send to the Trustee forthwith upon being so requested in writing by the Trustee a certificate of the Issuer (signed on its behalf by two Authorized Signatories) setting out the total number of Bonds which at the date of such certificate are held by it or for its benefit or for the benefit of the Issuer or any affiliate of the Issuer.

d. Execution of further documents

So far as permitted by applicable law, do all such further acts and things as may be necessary in the reasonable opinion of the Trustee to give effect to the provisions of this Trust Deed;

e. Notices to the Bondholders

Send or procure to be sent to the Trustee not less than five (5) days prior to the date of publication one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

f. Notification of late payment

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith upon request by the Trustee give notice to the Bondholders that such payment has been made;

g. Notification of redemption or repayment

Not less than 14 (Fourteen) days prior to the redemption date in respect of any Class of Bonds, give to the Trustee notice in writing of the amount of such redemption pursuant to the Conditions and duly proceed to redeem such Bonds accordingly;

h. Evidence of Due Approval by the Board of Directors and Authorized Signatories

Upon reasonable notice by the Trustee to deliver to the Trustee a copy of the resolution of the Board of Directors of the Settlor authorizing issuance of the Bond, the declaration of the Trust, a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same;

i. Payments

Money payable by it to the Trustee under Clause 7.1 (*Expenses*) of this Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

Paramount Textile PLC


Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

7. Rights & Obligations of the Trustee

1. Trustee's Right

a. *Rights under Applicable Law*

Notwithstanding anything contained in this Trust Deed, the Trustee shall have all such rights and powers granted to it under the applicable law including, but is not limited to, the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021 and the Trust Act 1882;

b. *Advice*

The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;

c. *Certificate of directors or Authorized Signatories*

The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorized Signatories of the Issuer or other person duly authorized on their behalf as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;

d. *Resolution or direction of Bondholders*

The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a written resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a written resolution or to have been passed at any meeting or the making of the directions was not valid or binding upon the Bondholders;

e. *No obligation to monitor*

The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

f. Bonds held by the Issuer

In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Issuer or any of its affiliates;

g. Events of Default

The Trustee shall not be bound to give notice to any person or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable;

h. Entry on the Register

The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;

i. Right to deduct or withhold for taxes

Notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and when so ever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of this Trust Deed;

j. No responsibility to investigate

The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:

- a. the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any or all of the Bond Documents.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

- b. any recitals, statements, warranties, representations or covenants of any party to any of the Bond Documents.
- c. its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- d. the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents.

k. Error of judgment

The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate matters.

l. No responsibility for loss

The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- a. be liable to account to any Bondholder or any other person for anything except sums received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- b. be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, wilful default or fraud;

m. Enforcement of Obligations of the Issuer

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

n. Force Majeure

The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labor disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

o. Immunities

The Trustee's immunities and protections from liabilities and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors, employees and consultants. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds, but in any event will be

subject to any gross negligence, wilful default, or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under this Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, the Issuer will not be entitled to claim for itself or any of its assets, immunity from suit, execution, attachment or other legal process;

p. Professional Charges

Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him on matters arising in connection with the Trust of this Trust Deed and also its properly incurred charges in addition to disbursements for all other work and business done and all time spent by him on matters arising in connection with this Trust Deed;

q. Expenditure by the Trustee

Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial Liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it;

r. Trustee may enter into financial transaction with the Issuer

No Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transaction in the ordinary course of business with the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, or from accepting the trusteeship of any other debenture stock, debenture or securities of the Issuer or any subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty retain the same for its or his own benefit.

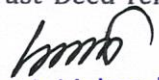
2. Trustee's requirements regarding Paying Agents


At any time after an Event of Default have occurred and for so long as Event of Default is continuing and has not been waived or, in the opinion of the Trustee, has not been remedied or the Bonds shall otherwise have become due and repayable or the Trustee shall have received any money which it proposes to pay under Condition XI-B (Application of Moneys) to the relevant Bondholders, the Trustee may by notice in writing to the Issuer, the Agents and the Registrar, require the Paying Agent and the other Agents or any of them:

- a. to act thereafter as Agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of this Trust Deed *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of this Trust Deed relating to the Bonds and available for such

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

purpose) and thereafter to hold all Bonds and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; or

- b. to deliver up all Bonds and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and
- c. by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Paying Agent and with effect from the issue of any such notice and until such notice is withdrawn shall cease to have effect.

3. Trustee's Duty and Obligation

a. Duties and Obligation under Applicable Law

Notwithstanding anything contained in this Trust Deed, the Trustee shall have all such duties and obligations as set out in the applicable laws including but is not limited to the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021 and the Trust Act 1882;

b. Administration of Trust

The Trustee shall issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and the Conditions and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;

c. Act for the Bondholders

Save the provision of all applicable laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the Bondholders and be liable to sue and to be sued on behalf of them;

d. Monitoring

The Trustee shall ensure that the Issuer is observing the applicable laws including, but not limited to, the requirements of the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021 and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions and the other Schedules which are expressed to be binding on it and to perform and observe the same;

e. Maintaining Account

The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee in pursuant to the provision of this Trust Deed, the Conditions, the Trust Act 1882 and the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021;

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

f. Holding Trust Property

The Trustee shall hold and keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;

g. Report to BSEC

The Trustee shall monitor timely payment of all dues of the Issuer to the Bondholders in terms of the Information Memorandum approved by BSEC and submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC, it shall provide a copy of the Report to the Issuer and each of the bondholders;

h. Grievances of the Bondholders

Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

i. Call for Meeting of the Bondholders

On the recommendation of the Bondholders in accordance with the provision of the Trust Deed, the Trustee shall call any meetings of the Bondholders and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;

j. Compliance with the Instruction of the Bondholders

Upon instruction by the Bondholders in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;

k. Duty to Inspect

It is the duty of the Trustee to inspect or call for books of accounts, records, register of the Issuers and the Trust Property, if required, to the extent necessary for discharging its obligation;

l. Duty to Ensure the Interest of the Bondholders

The trustee shall have power to insert any additional terms and conditions for the performance of the obligations under this Trust Deed for the protection of the interest of the bondholders;


m. Trustee's determination

The trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

of remedy and/or materially prejudicial to the interests of the bondholders, such certificate shall be conclusive and binding upon the Issuer and the bondholders;

n. Determination of questions

The trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and/or the Conditions and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the bondholders;

o. Trustee's discretion

The trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;

p. Trustee's consent

Any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;

q. Application of proceeds

The trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it;

r. Agents

The trustee may with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in the selection of any such agent, the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

s. Delegation

The Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether

being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;

t. Custodians and nominees

The trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any Liability by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

u. Confidential information

The trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with this Trust Deed;

1. Trustee liable for gross negligence

None of the provisions of this Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of this Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any Liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, willful default or fraud of which it may be guilty in relation to its duties under this Trust Deed.

2. Indemnity

The Issuer shall, on demand by the Trustee, indemnify it and any Appointee (a) in respect of all liabilities and expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Trust Deed.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director


8. Rights and obligations of the Investors:

- a. Each of the Bondholders has the right to demand any information relating to the issuance of Bond and/or information relating to the Issuer, as set forth in this Trust Deed or in the Conditions, from the Issuer.
- b. Each of the Bondholders has the right to receive payment of Face Value of the Bond on the respective Redemption Date in accordance with the procedure as set out in the Condition VII (*Redemption*) of the Schedule I (*Terms and Conditions of the Bonds*).
- c. Each of the Bondholders has the right to receive any other payment including default interest and/or early redemption fee, if applicable, whenever such payment becomes due and payable by the Issuer in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (*Terms and Conditions of the Bonds*).
- d. Each has the right to attend meeting of the Bondholders and vote therein in accordance with the provisions of the Schedule II (*Meeting of Bondholders*).
- e. Following enforcement of Securities, each of the Bondholders shall have the right to receive payment in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (*Terms and Conditions of the Bonds*).
- f. The rights of the Bondholder under the Subscription Agreement are several and any debt or other obligation arising under this Agreement at any time from the Issuer to any other Bondholder shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights arising out of this Agreement independently of any other Bondholder and it shall not be necessary for any other Bondholder to be joined as an additional party in proceedings for such purpose.
- g. Notwithstanding anything mentioned in this Trust Deed or the Conditions, the Bondholders shall not be entitled to any of the rights, benefits and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their Authorization.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

9. Description of the Issuer: Paramount Textile PLC

a. Capital Structure

Authorized capital:

Total authorized capital is BDT 5,000,000,000. (As of June 30, 2023).

Issued, subscribed and fully paid-up capital: (as of June 30, 2023)

Issued, Subscribed and Fully Paid-Up Capital	On 30-Jun-23
162,833,532 Ordinary Shares of BDT 10 each	1,628,335,320
Total	1,628,335,320

Shareholding Structure of Paramount Textile PLC as of June 30, 2023:

As on June 30, 2023	
Category	Shareholding (%)
Sponsors/Directors	60.95%
Institutions	10.30%
Foreign Shareholding	4.38%
Public	24.37%
Total	100.00%

b. Business

Paramount Group of companies which established in 1986 has always been praised for their professionalism, code of conduct and quality products. The idea of the textile was embraced in 2004 and its inception was possible in 2006.

The journey started from the year 2006 and within 2 years, commercial production was in full swing. Now, Paramount Textile has produced and exported close to billion yards of fabrics all over the world. Moreover, capacity has grown rapidly ever since and Paramount Textile has now emerged as one of the leading manufacturers in Bangladesh with the help of latest machineries and equipment, an efficient workforce and more than 33 years of extensive experience. Just last year Paramount Textile exported USD 68.18 million worth of merchandise worldwide.

It has been graded as an Oeko-Tex standard 100 export oriented Bangladeshi manufacturer. Paramount manufactures a diversified range of yarn & solid dyed woven fabrics. In these short 14 years it has become one of the top companies of Bangladesh on which the international clientele can rely. As recognition of performance,

Paramount Textile has been awarded the "National Export Trophy" for several years since its inception. In this industry the vision has emerged from the years of experience and expertise in this industry.

It focuses on environment-friendly methods and promotes safe working conditions for the workers. It continues to minimize production hazards for the employees and always looks to create employment opportunities. This phenomenon is clearly visible in each sector of the company. Paramount has implemented economic and environmentally friendly measures in every part of the organization.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Product Range

The product range of Paramount Textile Limited consists of:

100% LINEN	4-WAY STRETCH
LENZING TENCEL	FLANNEL
LENZING ECOVERO & BIRLA LIVAECO	VOILE
LYCRA & T400	DOUBLE CLOTH
COTTON & WOOL	DIAMOND PEACH
RECYCLED POLYESTER MIX	WATER, OIL & SOIL REPELLENT
100% PROCESSED POLYESTER	EASY CARE & WRINKLE FREE
COOLMAX MIX	MECHANICAL STRETCH
LUREX	GLITTER PRINT
OXFORD	
TWILL & SATIN	

Company's Position Compared to Competitors

PTL was set up with the sole objective of servicing the garment manufacturers by providing quality goods and service at a competitive price. The only way to be competitive in an ever-changing environment is through continuous product innovation and upgradation. As 100% export-oriented business, the company doesn't face any undue competition in the local market.


PTL's core differentiating factors are:

- Diversified Products
- Flexibility
- Short Lead Time
- Competitive Pricing by running a lean operation
- Frequent Training and the right exposure in the marketplace

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

c. Management

a. MR. SHAKHAWAT HOSSAIN- Managing Director

Being a versatile business personality with more than 33 years of experience, he has successfully established the following business enterprises namely, Meghna Bank Ltd., Paramount Insurance Company Ltd., Paramount Textile Ltd., Paramount Energy Ltd., Paramount Agro Ltd., Paramount Holding Ltd., Paramount Spinning Ltd., Foodex International Ltd., Sunrise Chemical Industries Ltd. and Paramount Green Garments Ltd.

b. MR. A.B.M. DELWAR HOSSAIN- Executive Director (Head of Technical)

Mr. Hossain had started his career with Beximco Textile Ltd in the year 1995 as Executive and resigned from there in November 2008 as Sr. Dye House Manager. He has vast knowledge on textile wet processing and diversified experiences to deal with all top-class brands. He has joined in Paramount Textile in the year 2008 as Deputy General Manager and currently holding the position of Executive Director and Head of Technical.

c. MR. MOHAMMAD JAHIDUL ABEDIN- Chief Financial Officer

Mr. Mohammad Jahidul Abedin is the Chief Financial Officer of the company. He is a part qualified Chartered Accountant from the Institute Of Chartered Accountants Of Bangladesh (ICAB) & M.Com in Accounting from National University. He has participated in different national and international trainings and programs.

d. MR. MD. ABDUL HALIM- Head of Internal Audit

Mr. Md. Abdul Halim is the General Manager of the company. He completed his master's degree in management and MBA in Finance. For flourishing his knowledge, he also participated in different professional trainings & programs in home & abroad.

e. MR. MD. ROBIUL ISLAM FCS- Company Secretary

A Graduate in Mechanical Engineering & master's in business administration, Mr. Ghosh currently holds the position of Head of Engineering at the Company also working as 'Deputy Plant Head' of the Factory. With over two decades of experience in the Textile Industry, he has been working from the beginning of the Company.

d. Descriptions of encumbered assets with value there of

Details of Encumbered Assets (FY2023)	In Million BDT
Land & land development	114.04
Building construction	2,277.17
Plant & machineries	7,657.68
Accounts receivables	1,632.82
Inventory	4,452.89
Total encumbered asset	16,134.60

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Other than the above, all the other asset of the company is unencumbered which is BDT 9,601.43 million out of their total assets of BDT 25,736.03 million as per latest audit report of June 2023.

e. Profile of Board of Directors

MS. ANITA HAQUE (Chairman)

Ms. Anita Haque is the Chairman of Paramount Textile Ltd. She completed her MA in English from Dhaka University and the entrepreneur within knew her calling lay in the swishes of textile. The changing season of style and the texture of fabrics left a longing in her heart for more. Years were spent in assimilating a team of experts to build Paramount Textile from the scratch.

A multi-talented business personality, she is engaged in the Board of Paramount Insurance Co. Ltd. as Vice-Chairman, Managing Director of Paramount Agro Ltd., and Director of Paramount Spinning Ltd., Foodex International Ltd., Paramount Green Garments Ltd. and Paramount Energy Ltd. Furthermore, Ms. Anita has been involved in various social activities.

MR. SHAKHAWAT HOSSAIN (Managing Director)

Mr. Shakhawat Hossain is the Managing Director of Paramount Textile Ltd. A master's in marketing from Dhaka University, he has always been an enthusiast entrepreneur at heart with challenges being the steppingstones to his vast success. To enrich his knowledge, he has attended various workshops and seminars at home and abroad and participated in the renowned various textile fairs in Paris, New York, Shanghai, and Turkey.

Being a versatile business personality with more than 33 years of experience, he has successfully established the following business enterprises namely, Meghna Bank Ltd., Paramount Insurance Company Ltd., Paramount Textile Ltd., Paramount Energy Ltd., Paramount Agro Ltd., Paramount Holding Ltd., Paramount Spinning Ltd., Foodex International Ltd., Sunrise Chemical Industries Ltd. and Paramount Green Garments Ltd.

Furthermore, he has been an active member of the Dhaka Chamber of Commerce and Industries, Bangladesh Chamber of Commerce and Industries, Bangladesh Employers Federation and Bangladesh German Chamber of Commerce and Industries

MR. ALOCK KUMAR DAS (Director)

Mr. Alock Kumar Das is a Director of the Paramount Textile Ltd. He is a visionary business personality and has versatile experience of 32 years in different business sectors. Mr. Alok Das is one of the Sponsor Director of Meghna Bank Ltd., Director of Paramount Insurance Company Ltd., Paramount Holdings Ltd., Paramount Spinning Ltd., Paramount Agro Ltd., Foodex International Ltd., Sunrise Chemicals Ltd., Paramount Green Garments Ltd., and Paramount Energy Ltd.

MS. ANITA DAS (Director)

Ms. Anita Das is a director of the Paramount Textile Ltd. She is a graduate in Economics from Adamjee Cantonment College. Ms. Anita is also a sponsor director of Paramount Insurance Ltd, Paramount Agro Ltd., Foodex International Ltd. Paramount Spinning Ltd., Paramount Green Garments Ltd., and Paramount Energy Ltd. She is a multitalented business personality, involved in various social activities.

Paramount Textile PLC


Chief Financial Officer
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

f. Description of Assets and Liabilities:
Description of Assets:

Particulars	30 June 2023 (Audited)	30 June 2022 (Audited)
In BDT Millions		
Assets		
Non-Current Assets	16,756,848,157.00	10,237,280,434.00
Property, Plant & Equipment	10,639,521,269.00	4,058,624,647.00
Capital Working Progress	1,828,829,041.00	2,237,464,280.00
Investment in Property	480,822,643.00	485,679,437.00
Investment in Associates	3,227,148,347.00	1,678,952,070.00
Right of Use of assets (After Amortization)	54,748,100.00	-
Intangible assets	525,778,757.00	-
Long term investment (At cost)	-	1,776,560,000.00
Current Assets	8,979,186,237.00	6,878,949,510.00
Inventories	4,452,888,622.00	4,741,814,524.00
Trade Receivables	2,316,045,080.00	1,074,307,195.00
Advances, deposits, & prepayments	1,148,491,894.00	860,194,821.00
Other Receivables	2,232,040.00	1,864,500.00
Investments	44,766,527.00	67,711,347.00
Cash & Cash Equivalents	1,014,762,074.00	133,057,123.00
Total Assets	25,736,034,394.00	17,116,229,944.00

Description of Liabilities:

Particulars	30 June 2023 (Audited)	30 June 2022 (Audited)
Non-Current Liabilities	12,251,293,469.00	6,049,156,457.00
Long Term Loan	12,251,293,469.00	6,049,156,457.00
Current Liabilities	7,508,084,455.00	6,229,624,867.00
Trade & other payables	214,355,507.00	107,524,848.00
Liability for expenses	187,756,138.00	128,602,744.00
Unclaimed dividend	2,219,364.00	2,056,292.00
Loan from Inter Company	325,059,829.00	-
Short term loan	5,967,503,311.00	5,502,056,415.00
Current portion of long-term loan	793,230,653.00	458,033,014.00
Income tax provision	17,959,653.00	31,351,554.00
Total Liabilities	19,759,377,924.00	12,278,781,324.00

Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

g. Description of previously issued debt and equity securities:

Compliance Status of Previously Issued Debt Securities of Paramount Textile PLC

Trustee: IDLC Investments Limited

Name of the Issue: Paramount Textile Secured Zero Coupon Bond

Name of the Issuer: Paramount Textile Limited

Date of Issue Consent & IM Issue: October 31, 2017

Issue Amount: BDT 430,000,000.00 (Face Value)

Maturity Period: 4 years

Amount in BDT

Sl. No.	Name of Investors	Date of Subscription	Subscription Amount (Face Value)	Redemption Amount	Outstanding Amount	Default (If Any)
1	Janata Jute Mills Limited	November 08, 2017	110,000,000.00	110,000,000.00	-	N/A
2	IDLC Securities Limited	August 16, 2018	200,000,000.00	200,000,000.00	-	
3	IPDC Finance Limited	August 19, 2018	120,000,000.00	120,000,000.00	-	
	Total					

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Description of equity securities:

Date of Allotment	Number of Shares Issued		Amount of Shares Capital (In Taka)	Remarks
	Cash	Bonus		
Shares subscribed on the date of incorporation of the company on 12.06.2006	100,000		10,000,000	
Sub-division of the existing shares of Tk. 100 into Tk. 10 each on 02.05.2010	1,000,000		10,000,000	
15.06.2010		2,000,000	30,000,000	
20.06.2010	6,500,000		95,000,000	
25.08.2010	300,000		98,000,000	
30.09.2010	35,200,000		450,000,000	
06.04.2011	10,125,000		551,250,000	
14.10.2013	30,000,000		851,250,000	Capital raised through IPO
30.12.2013		10,215,000	953,400,000	
22.12.2014		14,301,000	1,096,410,000	
04.01.2017		7,674,870	1,173,158,700	
07.01.2018		11,731,587	1,290,474,570	
08.12.2018		6,452,372	1,354,998,290	
05.01.2020		12,194,985	1,476,948,140	
05.01.2021		7,384,741	1,550,795,550	
13.01.2022		7,753,977	1,628,335,320	
	83,125,000	79,708,532		

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

10. Auditors Report along with Audited Financial Statements of The Issuer

Latest audited report provided in Annexure # VI

11. Brief Overview and Comparative Financial Statements

Statement of Financial Position

Particulars	30 June 2023 (Audited)	30 June 2022 (Audited)	30 June 2021 (Audited)	30 June 2020 (Audited)	30 June 2019 (Audited)
In BDT					
Assets					
Non-Current Assets	16,756,848,157.00	10,237,280,434.00	6,159,826,095.00	5,061,799,670.00	4,895,856,726.00
Property, Plant & Equipment	10,639,521,269.00	4,058,624,647.00	2,918,297,188.00	2,987,306,142.00	3,361,207,498.00
Capital Working Progress	1,828,829,041.00	2,237,464,280.00	1,066,343,354.00	526,119,512.00	310,450,312.00
Investment in Property	480,822,643.00	485,679,437.00	490,585,290.00	495,540,698.00	500,546,159.00
Investment in Associates	3,227,148,347.00	1,678,952,070.00	1,684,600,263.00	1,052,833,318.00	723,652,757.00
Right of Use of assets (After Amortization)	54,748,100.00	-	-	-	-
Intangible assets	525,778,757.00	-	-	-	-
Long term investment (At cost)	-	1,776,560,000.00	-	-	-
Current Assets	8,979,186,237.00	6,878,949,510.00	4,807,221,385.00	3,833,568,269.00	3,349,228,121.00
Inventories	4,452,888,622.00	4,741,814,524.00	3,258,512,716.00	2,703,235,756.00	2,594,427,511.00
Trade Receivables	2,316,045,080.00	1,074,307,195.00	658,500,787.00	675,893,376.00	388,305,693.00
Advances, deposits, & prepayments	1,148,491,894.00	860,194,821.00	643,611,506.00	341,830,652.00	287,948,281.00
Other Receivables	2,232,040.00	1,864,500.00	1,568,000.00	5,617,792.00	3,000,000.00
Investments	44,766,527.00	67,711,347.00	175,890,252.00	57,361,269.00	50,990,499.00
Cash & Cash Equivalents	1,014,762,074.00	133,057,123.00	69,138,124.00	49,629,424.00	24,556,137.00
Total Assets	25,736,034,394.00	17,116,229,944.00	10,967,047,480.00	8,895,367,939.00	8,245,084,847.00
Equity and Liabilities					
Shareholders' Equity	5,877,753,265.00	4,819,727,928.00	4,224,794,129.00	3,582,631,597.00	3,003,857,287.00
Ordinary Share Capital	1,628,335,320.00	1,628,335,320.00	1,550,795,550.00	1,476,948,140.00	1,354,998,290.00
Share Premium	540,000,000.00	540,000,000.00	540,000,000.00	540,000,000.00	540,000,000.00
Retained earnings	3,482,854,365.00	2,422,111,689.00	1,860,745,769.00	1,359,207,917.00	917,192,775.00
Tax holiday reserve	203,617,141.00	203,617,141.00	203,617,141.00	203,617,141.00	203,617,141.00
Holiday gain reserve	22,946,439.00	25,663,778.00	69,635,669.00	2,858,399.00	(11,950,919.00)
Non-Controlling Interest	82,818,399.00	-	-	-	-
Deferred tax liability	16,084,807.00	17,720,690.00	18,377,422.00	12,127,087.00	483,883.00
Non-Current Liabilities	12,251,293,469.00	6,049,156,457.00	2,518,244,175.00	1,693,603,203.00	2,063,471,843.00
Long Term Loan	12,251,293,469.00	6,049,156,457.00	2,518,244,175.00	1,693,603,203.00	2,063,471,843.00
Current Liabilities	7,508,084,455.00	6,229,624,867.00	4,205,631,752.00	3,607,006,050.00	3,177,271,833.00
Trade & other payables	214,355,507.00	107,524,848.00	52,780,514.00	312,056,363.00	215,956,069.00
Liability for expenses	187,756,138.00	128,602,744.00	164,895,893.00	165,985,662.00	116,220,447.00
Unclaimed dividend	2,219,364.00	2,056,292.00	3,134,698.00	-	-
Loan from Inter Company	325,059,829.00	-	-	-	-
Short term loan	5,967,503,311.00	5,502,056,415.00	3,684,479,320.00	2,686,229,688.00	2,397,558,620.00
Current portion of long-term loan	793,230,653.00	458,033,014.00	271,838,182.00	418,254,704.00	418,507,791.00
Income tax provision	17,959,653.00	31,351,554.00	28,503,145.00	24,479,633.00	29,028,906.00
Total Liabilities	19,759,377,924.00	12,278,781,324.00	6,723,875,927.00	5,300,609,253.00	5,240,743,676.00
Total Equity & Liabilities	25,736,034,395.00	17,116,229,942.00	10,967,047,478.00	8,895,367,937.00	8,245,084,846.00

Paramount Textile PLC

 Chief Financial Officer


 Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director

Statement of Profit & Loss

Particulars	30 June 2023 (Audited)	30 June 2022 (Audited)	30 June 2021 (Audited)	30 June 2020 (Audited)	30 June 2019 (Audited)
In BDT					
Revenue	9,463,818,403.00	6,615,529,179.00	5,020,706,859.00	5,153,734,276.00	5,673,854,848.00
Cost of Sales	(7,566,843,089.00)	(5,619,899,005.00)	(4,246,967,015.00)	(4,357,656,974.00)	(4,818,814,160.00)
Gross Profit	1,896,975,314.00	995,630,174.00	773,739,844.00	796,077,302.00	855,040,688.00
Operating Expenses	(331,689,552.00)	(280,244,912.00)	(239,156,063.00)	(244,446,896.00)	(269,685,067.00)
Distribution costs	(54,050,776.00)	(53,637,862.00)	(38,484,182.00)	(38,402,269.00)	(43,588,300.00)
Administrative expenses	(277,638,776.00)	(226,607,050.00)	(200,671,881.00)	(206,044,627.00)	(226,096,767.00)
Profit from operations	1,565,285,762.00	715,385,262.00	534,583,781.00	551,630,406.00	585,355,621.00
Finance costs	(482,104,842.00)	(311,435,145.00)	(214,427,912.00)	(219,179,645.00)	(235,991,490.00)
Income from House Rent	16,091,936.00	15,090,600.00	14,134,876.00	14,457,420.00	16,368,212.00
Other income/(loss)	17,047,160.00	4,767,578.00	46,076,220.00	(3,013,672.00)	1,751,890.00
Exchange gain/(loss)	(32,242,409.00)	3,151,030.00	2,331,941.00	2,420,310.00	2,519,168.00
	(481,208,155.00)	(288,425,937.00)	(151,884,875.00)	(205,315,587.00)	(215,352,220.00)
Profit/(loss) before tax and WPPF and WF	1,084,077,607.00	426,959,325.00	382,698,906.00	346,314,819.00	370,003,401.00
Contribution to WPPF and WF	(24,124,442.00)	(1,859,917.00)	(1,511,430.00)	(1,459,844.00)	(1,708,014.00)
Share of profit/(loss) of associates	425,597,407.00	400,226,806.00	372,891,945.00	367,730,561.00	97,102,757.00
Profit Before Taxes	1,485,550,572.00	825,326,214.00	754,079,421.00	712,585,536.00	465,398,144.00
Tax expenses	(128,461,276.00)	(65,317,470.00)	(92,191,984.00)	(53,770,663.00)	(53,850,997.00)
Income tax	(130,097,159.00)	(65,974,203.00)	(85,941,649.00)	(42,127,459.00)	(57,255,893.00)
Deferred tax benefit/(expenses)	1,635,883.00	656,733.00	(6,250,335.00)	(11,643,204.00)	3,404,896.00
Net profit after tax	1,357,089,296.00	760,008,744.00	661,887,437.00	658,814,873.00	411,547,147.00
Dividend on Preference Shareholders	(46,750,000.00)	-	-	-	-
Net Profit Attributable to equity shareholders	1,310,339,296.00	760,008,744.00	661,887,437.00	658,814,873.00	411,547,147.00
Profit Attributable to:					
Non-Controlling Interest	86,763,088.00	-	-	-	-
Net Profit/(Loss) for the period	1,223,576,208.00	760,008,744.00	661,887,437.00	658,814,873.00	411,547,147.00
Other comprehensive income					
Unrealized loss on investment in shares	(2,717,339.00)	(43,971,892.00)	66,777,270.00	14,809,318.00	858,738.00
Total comprehensive income	1,220,858,869.00	716,036,852.00	728,664,707.00	673,624,191.00	412,405,885.00

Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Statement of Cash Flows

Particulars	30 June 2023 (Audited)	30 June 2022 (Audited)	30 June 2021 (Audited)	30 June 2020 (Audited)	30 June 2019 (Audited)
Cash flows from Operating activities			In BDT		
Cash received from operating activities	8,261,748,619.00	6,227,566,375.00	5,065,439,753.00	4,887,069,476.00	5,714,301,494.00
Cash received from customer	8,222,080,518.00	6,199,722,771.00	5,038,099,448.00	4,866,146,593.00	5,693,380,431.00
Cash received from house rent	22,620,940.00	21,261,500.00	24,242,472.00	18,035,664.00	20,383,160.00
Cash received from other income	17,047,161.00	6,582,104.00	3,097,833.00	2,887,219.00	537,903.00
Cash paid for Operating activities	7,306,706,980.00	5,655,978,203.00	4,268,242,413.00	4,253,838,589.00	5,117,664,984.00
Cash paid to suppliers	4,716,516,475.00	3,655,310,719.00	2,524,038,971.00	2,707,288,327.00	3,475,465,240.00
Wages, salaried & other benefits	761,045,015.00	720,922,405.00	663,236,272.00	619,142,911.00	624,710,570.00
Factory overhead	955,130,374.00	686,585,783.00	555,612,589.00	473,792,468.00	447,666,085.00
administrative overhead	198,683,232.00	191,882,143.00	183,953,027.00	172,101,485.00	203,423,170.00
Distribution costs	54,050,776.00	53,637,862.00	38,484,182.00	38,402,269.00	43,588,300.00
Financial charges	510,580,302.00	311,435,145.00	214,427,912.00	219,179,645.00	235,991,490.00
Advance, deposits & pre-payments	(70,347,997.00)	(14,616,787.00)	6,675,802.00	(13,448,677.00)	38,080,225.00
advance, security deposit receipt	3,485,255.00	(9,153,831.00)	2,227,462.00	(6,876,261.00)	2,080,320.00
Exchange loss/(gain)	32,242,409.00	(3,151,030.00)	(2,331,941.00)	(2,420,310.00)	(2,519,168.00)
Income tax	145,321,139.00	63,125,794.00	81,918,137.00	46,676,732.00	49,178,752.00
A.Net cash flows from operating activities	955,041,639.00	571,588,172.00	797,197,340.00	633,230,887.00	596,636,510.00
Cash flows from investing activities					
Payment of investment in associates	(1,122,598,870.00)	(1,045,560,000.00)	(405,875,000.00)	38,550,000.00	(621,650,000.00)
Dividend receipt from associates	20,227,481.00	-	147,000,000.00	-	-
Investment in share	(3,378,006,508.00)	62,392,487.00	(8,773,326.00)	-	-
Payment against property, plant, equipment and CWIP	-	(3,640,662,435.00)	(828,638,845.00)	(470,878,042.00)	(324,842,421.00)
B.Net Cash Increased from Investing Activities	(4,480,377,897.00)	(4,623,829,948.00)	(1,096,287,171.00)	(432,328,042.00)	(946,492,421.00)
Cash Flows from Financing Activities					
Proceeds for bank overdraft	465,446,896.00	444,528,148.00	(231,205,679.00)	246,620,563.00	(39,769,376.00)
Proceeds from loan against trust receipts(LATR)	-	79,224,903.00	(42,285,449.00)	42,285,449.00	(75,740,775.00)
Dividend on Preference Shares	(46,750,000.00)	-	-	-	-
Dividend paid	(162,337,981.00)	(120,304,146.00)	(86,134,789.00)	(94,378,896.00)	(90,031,494.00)
Dividend paid to CMSF	(332,479.00)	(2,798,543.00)	-	-	-
Loan from sister concerns	10,635,127.00	-	-	-	-
Non-Refund public subscription pay to CMSF	-	(1,596,700.00)	-	-	-
Proceeds from term loan	4,045,123,381.00	3,717,107,114.00	678,224,450.00	(370,356,671.00)	567,760,413.00
C.Net Cash Flows Used in Financing Activities	4,311,784,944.00	4,116,160,776.00	318,598,533.00	(175,829,555.00)	362,218,768.00
Net increase in Cash and Cash Equivalents (A+B+C)	786,448,686.00	63,919,000.00	19,508,702.00	25,073,290.00	12,362,857.00
Add: Cash and cash equivalents at the beginning of the year	228,313,389.00	69,138,124.00	49,629,424.00	24,556,137.00	12,193,280.00
Cash and Cash Equivalents at the End of the year	1,014,762,075.00	133,057,124.00	69,138,126.00	49,629,427.00	24,556,137.00
Net Operating cash flows per share (NOCFPS)	5.87	3.51	4.90	4.08	4.04

Paramount Textile PLC

 Chief Financial Officer


 Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director

12. Ratios of Last Five Accounting Years

Ratios	2023	2022	2021	2020	2019	2018
Current Ratio	1.20	1.10	1.14	1.06	1.05	1.09
Quick Ratio	0.60	0.34	0.37	0.31	0.24	0.30
Break-Even Point (Including financial costs) in BDT	496,714,776.96	659,881,092.56	705,373,987.44	649,933,370.42	654,387,050.64	618,171,216.64
Debt to Equity	3.29	2.49	1.53	1.34	1.62	1.65
Debt Asset Ratio	0.74	0.70	0.59	0.54	0.59	0.60
Gross Profit Margin	20.04%	15.05%	15.41%	15.45%	15.07%	16.81%
Operating profit Margin	16.54%	10.81%	10.65%	10.70%	10.32%	11.82%
Net profit margin	14.34%	11.49%	13.18%	12.78%	7.25%	6.74%
Return on Assets	6.33%	5.41%	6.66%	7.69%	5.28%	4.55%
Return on Equity	24.50%	16.81%	16.96%	20.01%	14.48%	10.78%
Earnings Per share	7.51	4.67	4.06	4.05	2.53	1.70
Net Asset Value per Share	36.10	29.60	25.95	23.10	20.34	16.49
Net Operating cashflow to Net income	0.70	0.75	1.20	0.96	1.45	1.24
Receivables Turnover	5.58	7.64	7.53	9.69	14.25	11.97
Total Debt to tangible assets ratio	0.77	0.70	0.59	0.54	0.59	0.60

Debt to Equity Ratio	Before Issue	After Issue
2023	2.49	3.30

13. Rating summary with rating rationale of the Issue and Issuer

Credit Rating Information of Issuer.

Date of Declaration	Validity	Company Rating	Rated by	Outlook
November 19, 2023	September 08, 2024	Long Term: AA Short Term: ST-1	Alpha Credit Rating Limited	Stable

Credit Rating Information of The Bond

Date of Declaration	Validity	Bond Rating	Rated by	Outlook
December 28, 2023	December 21, 2024	AA-	Alpha Credit Rating Limited	Stable

Rating Rationale:

AlphaRating considered the above bond supported by factors such as positive revenue growth, good liquidity position, positive CFO, adequate finance cost payment ability, improved net asset value, and updated compliances. This improvement has become achievable because of insightful operation and long-term experience of professional management team which was also considered while assigning the rating. AlphaRating observed that excellent track record, business development

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

planning and increased demand has driven the company to expand outreach of its operation. Apart from this, good business relationship with all stakeholders was considered as one of the key strengths behind the rating. In addition, quality financial reporting, positive attitude towards regulatory framework & strong corporate governance adherence has also been positively considered during the rating procedure.

Rating Strengths:

- Ability to generate good profitable CFO
- Improved net asset value
- Positive revenue growth
- Professional management

Rating Challenges:

Profitability of the company has been pressurized by extremely competitive despite being a major key player in the market. Apart from this, uncertain macro-economic environment and business risks were taken into account.

14. Latest Default Matrix & Transition Statistics of CRC

Default Matrix

	2018	2019	2020	2021	Number of from other rating	Default Rate
AAA	4	6	6	9		0.00%
AA	24	34	38	50		0.00%
A	162	210	205	261		0.00%
BBB	425	413	371	450		0.06%
BB	23	19	22	18		0.00%
B	0	0	0	0		0.00%
C	0	0	1	0		0.00%
D	2	0	1	0		0.00%
						0.00%

Transaction Matrix

2018/2021

Corporate

2018/2021	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA	5%	95%	0%	0%	0%	0%	0%	0%	0%	0%
A	0%	6%	91%	4%	0%	0%	0%	0%	0%	0%
BBB	0%	0%	9%	89%	2%	0%	0%	0%	0%	0%
BB	0%	0%	0%	60%	40%	0%	0%	0%	0%	0%
B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
D	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

15. Description of the Trustee: Sena Kalyan Insurance Company Limited (SKICL)

Company Overview

Sena Kalyan Insurance Company is a concern of Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces. Born through the Great War of Liberation, Bangladesh Armed Forces have earned a time-tested confidence of the people of the country and with that sky high image, Sena Kalyan Insurance Company Limited is designed to serve all sections of the people by upholding the principles of transparent perception and corporate practices in the field of insurance. This new member of the Insurance Industry of Bangladesh commenced its business since 10 September 2013 and already emerged as a viable and very promising general insurance company in the country. The shareholding structure of the company is institutional, which is unique in our industry. The Board of Directors is composed of ex-officio Senior military officers.

The Chairman of the Board is a serving Major General of Bangladesh Army, who is also the chairman of Sena Kalyan Sangstha. All the shares of the company are owned by Sena Kalyan Sangstha, which has already emerged as one of the viable business organizations in Bangladesh. This feature is a special point of trust and confidence of our valued partners. The Chief of Army Staff of Bangladesh Army is the chairman of the Board of Trustee and thus it adds value to our transparent dealing with the valued partners. It is worth mentioning here that we are the insurer of US Bangla Airlines and very promptly handled the claims of 2018 US-Bangla crash in Nepal on 12th March 2018.

Vision, Mission, and Core Values

Vision: Sena Kalyan Insurance Company Limited will uphold the principles of transparent perception and corporate practices thus turning it to be a viably profit oriented insurance company in the country.

Mission: To become a leading insurance company by providing innovative products and customer friendly services through highly motivated team of dedicated professionals and ensure profit for the sponsors and shareholders.

Core Values:

- Trust
- Integrity
- Professionalism

Board of Directors:

Major General Md Habib Ullah, SPP, ndc, afwc, psc, M Phil	(Chairman, Sena Kalyan Sangstha)
Cdre A.F.M Rafiqul Islam (L), ndu, psc, BN	Vice-Chairman
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Director
Brig Gen Md Shakhawat Hossain, ndu, psc	Director
Brig Gen Md Rezwan, ndc, psc	Director
Brig Gen Md Abu Bakar Siddique Khan, ndc, afwc, psc, G+	Director

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Brig Gen Mohd Muinul Haq Mamun, psc	Director
M. M. Mostafa Bilal	Independent Directors
Barrister Ahamed Ihteyaz Thamid	Independent Directors
Brig Gen Md Shafique Shamim, psc (retd), CII (cert), ABIA	Managing Director & CEO

Executives of the Head Office:

Sl.	Name	Position	Educational Qualification	Overall Experience
1	Brig Gen Shafique Shamim, psc (Retd)	Managing Director & CEO	MDS, MBA & CII (Cert)	36 Years
2	Maloy Kumar Saha	CFO	M.Com, CA CC & ITP	23 Years
3	Lt Col AKM Nazimul Islam, psc (Retd)	Head of Marketing	MBA (HR)	Mil- 30 Yrs Civ- 09 Yrs
4	Pronab Kumar Saha	Head of Underwriting	MBA, (IBA,DU), Cert CII (UK)	35 Years
5	Squadron Leader Md. Mostafa Zaman (Retd)	Head of Admin	MBA (HR)	Mil- 25 Yrs Civ- 05 Yrs
6	Tajul Islam	Head of Claims & Re- Insurance	M.SS (DU)	20 Years
7	Md Shakhawat Hossain	Head of IT	M.Sc & Engineer- (DHNE) (CHNE)	18 Years
8	M.M. Sajedul Islam	Company Secretary	MBA (Finance), AUB CS Qualified	18 Years
9	Khadiza Khanom Mili	Head of HR	MA, MBA (HR)	18 Years

Capital Structure:

Capital structure: The company started its business with a paid-up capital of BDT 400.00 million against an authorized capital of Tk. 1000.00 million being sponsored by Sena Kalyan Sangstha.


Shareholding Structure: SKICL has a unique institutional shareholding structure, shown below:

Shareholder (Sponsor)

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Sl.	Name	No of Shares
1.	Sena Kalyan Sangstha (SKS) Represented by: Major General Md Habib Ullah, SPP, ndc, afwc, psc, M Phil	23,999,994
2.	Air Cadre M Moyeenuddin, ndc, afwc, psc Immediate past Nominated Director	1
3.	Brig Gen M A Mohy, psc Immediate past Nominated Director	1
4.	Brig Gen Mirza Md Enamul Haque, ndc Immediate past Nominated Director	1
5.	Brig Gen Md Mustafa Kamal, SGP Immediate past Nominated Director	1
6.	Brig Gen Md Jamal Hossain, ndc, afwc, psc Immediate past Nominated Director	1
7.	Brig Gen Md Shaheen Iqbal, afwc, psc Immediate past Nominated Director	1
Sub total		24,000,000
Shareholder (Public)		16,000,000
Total		40,000,000

Remarks: We applied to Commission to transfer the above 6 (Six) Shares to the name of SKS.

Classes of Business:

We transact in all types of General Insurance Business. The company's policies are liberal contracts free from restrictive conditions and the premiums charged are strictly moderated consistent with absolute security. Businesses being transacted are as follows:

Fire Business

1. Fire and its allied perils Insurance: Riot, Strike & Damage, Flood, Cyclone, Earthquake (Fire & Shock), Malicious Damage, Explosion, Aircraft Damage, Impact Damage and Bursting of pipes etc.
2. Industrial All Risks Insurance (IAR)
3. Commercial General Liability & Excess Liability
4. Hotel Owners' All Risks Insurance (HOAR) & Business Interruption
5. Property All Risks Insurance (Fire, Flood, Cyclone & Earthquake)
6. Power Plant Operational Package Insurance (PPOPI)

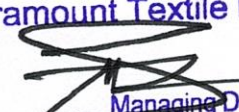
Marine Insurance

1. Marine Cargo Import (Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
2. Marine Cargo Export (Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
3. Inland Transit Insurance (Rail/Road, Water Borne)/ Goods in Transit Insurance)
4. Marine Hull (Comprehensive, Total Loss Only (TLO, Sue & Labour, Salvage)

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

5. Shipbuilders' Insurance Policy

Engineering Insurance

1. Boiler and Pressure Vessel Insurance (BPV)
2. Cold Storage Comprehensive Insurance
3. Construction/Contractors' All Risks Insurance (CAR)/ Erection All Risks Insurance (EAR)
4. Machinery Breakdown Insurance (MBD)
5. Electronic Equipment Insurance (EEI)
6. Deterioration of Stock (DOS)

Motor Insurance (Comprehensive & Act Only Liability Insurance)

1. Private Vehicle (PV)
2. Commercial Vehicle (CV)
3. Motorcycle (MC)

Aviation Insurance

1. Hull, Spares All Risks, Combined Single Liability)
2. Liability/Excess Liability Insurance [TPL, PLL, CLL & CPA]
3. Hull War & Hull deductible Insurance

Miscellaneous/ Accident/ Liability Insurance

1. Overseas Mediclaim (Business & Holidays; Studies & Employment: OMP)
2. Burglary & House Breaking Insurance (BG)
3. Money Insurance (Cash-in-Business premises in strong room vault/safe, A.T.M. Booth and/or on counter & Cash in Transit) for scheduled Banks.
4. Personal Accident Insurance (Individual & Group) (PA)
5. Peoples' Personal Accident (Individual & Group) (PPA)
6. Fidelity Guarantee Insurance (FG), Professional Indemnity Insurance (PII)
7. Commercial General Liability & Excess Liability Insurance (CGL)
8. Automobile Liability Insurance, Public & Product Liability Insurance
9. Workmen's Compensation Insurance
10. Cash in Safe, Cash on Counter & Cash in Transit for other than scheduled Banks
11. Safe Deposit Box (Bank Lockers) All Risks Insurance (SDB)
12. Directors' & Officers' liability Insurance
13. Bankers' Blanket Bond, Electronic & Computer Crime Insurance
14. Livestock/ Cattle Insurance Policy


Re-Insurance Protection

SKICL has started to give financial safety & security of its client. The company has good Treaty arrangement with Sadharan Bima Corporation and from the very beginning has been taking proper

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director
46

re-insurance protection from them. At present, hundred percent of the total portfolios of the company is re-insured with the state-owned Sadharan Bima Corporation, Bangladesh, the only re-insurer of the country. Besides, SKICL obtains Facultative re-insurance beyond its Treaty limit from SBC and is looking for in the coming days to arrange reinsurance coverage with some noted overseas Re-insurers.

Claim Settlement:

SKICL believes that prompt settlement of claims is the most important strategy to procure insurance business and earn confidence from the clients. Bearing this strategy in mind, priority is given to provide prompt services to the clients in the event of loss of their properties under the scope of respective Insurance Policy. It is SKICL's vision to settle the Insurance Claim within the shortest possible time with entire satisfaction of the clients. The company commenced business at the later part of 2013 and by now has settled about 833 claims of various types while 74 claims are in the process of settlement.

SKICL's Commitment:

- a) Prudent Underwriting.
- b) 100% Re-Insurance protection.
- c) Prompt Settlement of Claim.
- d) Friendly relations with valued clients.


Financial Highlights of SKICL in the last three audited years is provided below:

Sl. No	Particulars	Year 2022	Year 2021	Year 2020
1	Authorized Capital	1,000,000,000	1,000,000,000	1,000,000,000
2	Paid-up Capital	400,000,000	400,000,000	240,000,000
3	Total Assets	1,483,708,535	1,381,812,243	978,292,139
4	Net Worth	806,672,565	748,373,312	506,203,422
5	Revenue	800,567,286	780,226,042	580,522,233
6	Gross Profit	82,294,297	80,985,987	66,824,517
7	Net Profit after Tax	114,330,734	106,150,316	94,275,660
8	Cash Flow from Operating Activities	178,110,068	246,513,763	221,715,530
9	Cash and cash Equivalents	1,033,953,274	1,128,915,663	793,496,960

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

List of Issuances in which SKICL is acting as Trustee:

SL	Name of Issuer	Name of Issue	Maturity Period	Date of Subscription	Issue Amount as (Crore)	Disbursed Amount as (Crore)	Repaid Amount as (Crore)	Outstanding amount as on 06/08/23, as (Crore)
1	Trust Bank Ltd Bond-IV	Non-convertible, Unsecured Subordinated	19-12-25	19-12-18	500	500	200	300
2	Rangpur Metal Ind. Limited	Non-convertible, Secured, , Zero Coupon	25-03-25	30-04-19	100	128.75	106.86	21.88
3	Exim Bank Ltd	Unsecured Mudaraba Subordinated Bond	15-06-28	16-06-21	500	500	0	500
4	SAJIDA Foundation	Non-Convertible Unsecured Green Zero Coupon Bond	09-02-24	09-02-22	100	100	75	25
5	IFIC Bank Ltd (2nd sub-Bond)	Non-Convertible Subordinated Bond	13-09-28	14-09-21	500	500	0	500
6	Southeast Bank Ltd (5th Issue)	7-year Subordinated Bond 5th Issue	29-12-28	30-12-21	500	500	0	500
7	ONE Bank Ltd	Floating Rate Subordinated Bond	19-09-2029	20-09-2022	400	400	0	400
8	IFIC Bank Ltd (3rd sub-Bond)	3rd Floating Rate Subordinated Bond	19-09-2029	20-09-2022	500	500	0	500
9	Paramount Textiles PLC	Zero Coupon Bond	Fund not yet disbursed		250	N/A	N/A	N/A
10	BURO Bangladesh	Non-convertible Sustainable Finance Zero Coupon	Fund not yet disbursed		150	N/A	N/A	N/A
11	Dutch Bangla Bank Ltd	Non-convertible 4th Sub Bond	Fund not yet disbursed		500	N/A	N/A	N/A
12	IFIC Bank Ltd (4th sub-Bond)	4th Non-convertible Sub Bond	Application process is running		500	N/A	N/A	N/A

Paramount Textile PLC

 Chief Financial Officer


 Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director

16. Modus Operandi of the Issue

a. Application Procedure

The Bonds shall be distributed through private placement.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors.

Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and issue the bond in dematerialized form as per CDBL bylaws.

Undertaking to Subscribe

The Investor will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

Closing

Subject to the condition's precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer.

Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.

Notwithstanding anything contained anywhere in this Information Memorandum, the Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and to be listed with the stock exchanges as per the consent of BSEC.

b. Allotment

Entitlement to treat Registered Holder as owner

The Register and/or the CDBL records shall be prima facie evidence of any matter in relation to the ownership of the Bonds. Each of the Issuer and the Trustee may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond. All payments made to any such Holder shall be valid and, to the extent of the sums so paid effective to satisfy and discharge the liability for the moneys payable upon the Bonds.

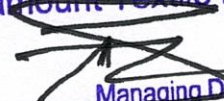
Form and Denomination

The Bonds, (each, a "series") are issued in registered form in a minimum denomination of BDT 1,000,000.00 per lot and integral multiples thereof. The Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and shall be listed in the stock exchanges complying with respective regulations of the stock exchange(s) in this regard and subjected to guidelines/notification as formulated by BSEC. The Issuer shall apply to Central Depository Bangladesh Ltd (CDBL) for dematerialization of the allotted securities/bonds in order to enable the bond holders to hold and transfer the units/bonds in dematerialized form exchanges.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Title

Title to the Bonds passes only by transfer and registration in the Register. A registered Bondholder shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, and no person shall be liable for so treating such Bondholder. In these Terms and Conditions "Bondholder" and (in relation to a Bond) "holder" means the person in whose name a Bond is registered in the Register as owner of the Bond

Register

means the register of the Bondholders as per the CDBL Bye Laws.

c. Refund:

The refund mechanism of the bond (if any) will be done as per the rules and regulations of the BSEC stock exchanges and Bangladesh Bank

d. Transfer

A Bond may be transferred to another Person in Bangladesh (a "Transferee") in the CDBL System upon initiation and upon issuance of a duly completed Transfer Request Form 14 to CDBL as referred to under Bye Law 11.5 under the CDBL Bye Laws. On receipt of a valid Transfer Request Form 14, the Participant or CDBL, in the case of Direct Accounts, shall enter a Transaction into the CDBL System in accordance with the User Manual. On the Settlement Date specified in the Transaction, the Bonds will be debited from the balance in the delivering Account and credited to the receiving Account.

e. Trading or listing with stock exchange

The Bonds, (each, a "series") will be issued in registered form. As per the consent of BSEC, the Bonds to be issued in dematerialised form as per the CDBL Bye Laws and shall be listed in the stock exchanges complying with respective regulations of the stock exchange(S) in this regard and subjected to guidelines/notification as formulated by BSEC. The Issuer shall apply to central Depository Bangladesh Ltd (CDBL) for dematerialization of the allotted securities/bonds in order to enable the bond holders to hold and transfer the units/bonds in dematerialized form exchanges.

f. Repayment and Coupon Payment**Payment of Coupon**

Payment of redemption amount and other payments (if any) will be made on the Redemption Date in accordance with Scheduled Redemption by the Issuer into a bank account to be designated by the Trustee (all cost of maintaining such account to be borne by Issuer) against presentation or surrender of the relevant Bond Certificate to Trustee.

All such payments shall be made by the Trustee by transfer to the registered account of the Bondholder or by a BDT cheque drawn on a bank that processes payments in BDT mailed to the registered address of the Bondholder if it does not have a registered account. Trustee shall forthwith notify the Issuer of presentation or surrender of Bond Certificate and the amount paid by the Trustee. The Trustee shall cancel the same and shall make the corresponding entries in the Register with a notification to the Issuer. If the Trustee made payment in part against a Bond Certificate it shall act in accordance with the clause "Partial Payments" of Trust Deed. For the purposes of this

Paramount Textile Plc


Chief Financial Officer
Md. Robiul Islam FCS
Company Secretary
Paramount Textile Plc.

Paramount Textile PLC


Managing Director
50

Clause, a Bondholder's "registered account" means the BDT account maintained by or on behalf of it with the Issuer in BDT, details of which appear on the Register at the close of business, and a Bondholder's "registered address" means its address appearing on the Register at that time.

g. Redemption or conversion or exchange

To be redeemed in 10 equal Instalments starting from end of 6th month from the Issue Date and each 6 months from there after as per the redemption schedule

h. Details of conversion or exchange option exercise procedures

The bond is non-convertible hence there is no feature for conversion.

17. Details of Fees Structure and expenses

Particulars	Amount in BDT
Bond Application Fee to BSEC	10,000.00
Total Trustee Fee (BDT 300,000 times 5 years)	1,500,000.00
Legal fee	200,000.00
Credit Rating fee (5 years)	400,000.00
BSEC consent fee 0.1% on Face Value	2,500,000.00
Arrangement Fee 0.5% on issue price	9,574,835.47
Trustee Application Fee to BSEC	50,000.00
Trustee Registration Fee to BSEC	100,000.00
Total Trustee Fee to BSEC (5 years)	250,000.00
Trust Deed Registration (approx.)	1,200,000.00
Total Issue Cost excluding applicable VAT	15,784,835.47

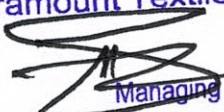
18. Conditions Imposed by the Commission

As per conditions in the consent letter.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

19. Declaration and Due Diligence Certificates:



সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড
Sena Kalyan Insurance Company Ltd.
(A Concern of Sena Kalyan Sangstha)

Corporate Office :
SKS Tower (12th Floor)
7 VIP Road, Mohakhali, Dhaka-1206
PABX : +88-02-55058455-57
Fax : +88-02-55058458
E-mail : info@senakalyanict.com
Web : www.senakalyanict.com

20 December, 2022

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE OF THE ISSUE

Chairman
Bangladesh Securities and Exchange Commission
E-6/C, Agargaon, Sher-E-Bangla Nagar,
Administrative Area, Dhaka-1207.

**Subject: Issuance of Non-Convertible Unsecured Fully Redeemable Zero Coupon Bond of
"Paramount Textile PLC" worth BDT. 2,500 Million.**

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while acting as trustee to the above mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and material facts as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other material facts furnished by the issuer; -

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) we shall also abide by the Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regard of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

Brig Gen Shafique Shamim, psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.
For Trustee

Brig Gen Shafique, Shamim psc (Retd)
Managing Director & CEO

Paramount Textile PLC
Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
Managing Director

20. Credit Rating Report of the Issuer and the Issue

- Credit Rating Report of the Issuer provided in annexure # IV
- Credit Rating Report of the Issue provided in annexure # V

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

21. Compliance status from Trustee of previously issued debt securities

Compliance status of previously issued debt securities provided in annexure # III

22. Termination and Final Settlement of The Proposed Bond

Date of Commencement of the Trust

The Trust hereby created shall be deemed to be established from the date of Trust Deed.

Date of Termination of the Trust

The Trust shall be extinguished when all liabilities, if any, are repaid in full in accordance with Trust Deed and the Conditions.

Notwithstanding anything to the contrary in Trust Deed or the other Bond Documents, the Settlor may revoke the Trust with the express consent of all Beneficiaries of the Trust and the permission from the BSEC.

Termination

The Bondholders may give a termination notice to the Issuer at any time on or prior to the Closing Date if:

Breach of obligation: the Issuer fails to perform any of its obligations under the Subscription Agreement;

Failure of condition precedent: any of the condition precedent is not satisfied or waived by the Bondholders on the Closing Date; or

Force majeure: since the date of the Subscription Agreement there has been (i) any material outbreak or escalation of hostilities involving Bangladesh or declaration by Bangladesh of a national emergency or war or other calamity or crisis or (ii) a material adverse change in economic, political or financial conditions or currency exchange rates or exchange controls in Bangladesh or international market, of such magnitude and severity in its effect on the financial markets as to make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Bonds.

Payments

Payments subject to applicable laws

Unless otherwise agreed herein, all payments in respect of the Bonds are subject in all cases to any applicable laws and Regulations of Bangladesh, but without prejudice to the provisions of *Events of Default*. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Record Date

Each payment in respect of a Bond will be made to the person shown as the Holder in the Register at the close of business on the day that is ten Business Days before the due date for such payment (the "Record Date").

Default Rate

The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the coupon rate and be payable on the amount not paid on the due date up till the date of actual payment.

Failure to Surrender the Bond Certificate

In the event of any Bondholder not surrendering the Bond Certificate when due, which the Paying Agent is ready to pay or satisfy in accordance with the terms of these presents, within seven (7) days, after the Redemption Date, the Paying Agent shall return the said unclaimed amount to the Issuer who shall be at liberty to deposit in a scheduled bank in the name of the Issuer in an account for the purpose, an amount equal to the amount due to such Bondholders in respect of such Bond and upon such deposit being made subject to the condition that the monies deposited therein shall be withdrawn for settling the future claim of the Bondholders, the Bond which the Issuer is ready to pay or satisfy as aforesaid shall be deemed to have been paid off or satisfied in accordance with the provisions hereof.

Payment to Nominee

If the Holder of a Bond is a natural person, he may appoint a nominee who shall on the death of the Holder of a Bond is entitled to all money in relation to the Bond held in the name of the Bondholder in the Register. Bondholder shall inform the Registrar in the prescribed form the name of his nominee and upon receipt of such information the Registrar shall record the name of nominee in the Register and shall inform the Issuer. If the Holder of a Bond is more than one person each Holder of a Bond may appoint a nominee for himself who shall hold the Bond along with the surviving Holder of the Bond. Payment by the Paying Agent to the nominee on the Redemption Date on the death of the Bondholder shall be sufficient to discharge payment obligations of the Issuer to the Bondholders.

Taxation

All tax will be paid or deducted as per prevailing law of the land.

Status

The indebtedness of the Issuer, including the principal and premium, if any, and interest shall be subordinate and junior in right of payment to its obligations to its depositors, its obligations under bankers' acceptances and letters of credit, and its obligations to its other creditors, including its obligations to the Bangladesh Bank, Deposit Insurance Trust Fund (DITF). In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such obligations shall be entitled to be paid in full before any payment shall be made on account of the principal of, or premium, if any, or interest, on the note. In the event of any such proceedings, after payment in full of all sums owing on such prior

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director
55

obligations, the Bondholder will rank senior to the share capital of the Issuer, together with any obligations of the Issuer ranking on a parity with the Bond, shall be entitled to be paid from the remaining assets of the bank the unpaid principal thereof and any unpaid premium, if any, and interest before any payment or other distribution, whether in cash, property, or otherwise, shall be made on account of any capital stock or any obligations of the Issuer ranking junior to the Bonds. Nothing herein shall impair the obligation of the bank, which is absolute and unconditional, to pay the principal of and any premium and interest on the note according to its terms

No Bondholders may exercise, claim or plead any right of set-off, counter-claim, deduction, withholding or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Bonds, and no Bondholders shall set-off, deduct, withhold or retain any amount owing by it to the Issuer against any amount owing to it by the Issuer under the Bonds. Each Bondholder, by his acceptance of the Bonds, shall be deemed to have waived all such rights of set-off, counter-claim, deduction, withholding or retention to the fullest extent permitted by law. If at any time any Bondholders receives payment or benefit of any sum in respect of the Bonds as a result of the exercise or carrying into effect of any such set-off, counterclaim, deduction, withholding or retention (whether or not such exercise or carrying into effect is mandatory under applicable law), the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such Bondholders, by acceptance of any Bonds, shall agree as a separate and independent obligation that any such sum or benefit so received shall be paid or returned by such Bondholders to the Issuer upon demand by the Issuer or, in the event of the winding-up of the Issuer, the liquidator of the Issuer, whether or not such payment or receipt shall have been deemed void hereunder. Any sum so paid or returned shall then be treated for purposes of the Issuer's obligations as if it had not been paid by the Issuer, and its original payment or the original benefit previously received by the relevant Bondholders as a result of any such set-off, counterclaim, deduction, withholding or retention shall be deemed not to have discharged any of the obligations of the Issuer under the Bonds

The Bondholders shall not be entitled to any of the rights and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their Authorization.

The Bonds are not a deposit and are not insured by the Deposit Insurance Scheme established under the Deposit Insurance Ordinance 1984 or any other insurance scheme. The Bonds are unsecured and it will be ineligible as collateral for a loan made by the Issuer.

Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond. No collateral is or will be given for the payment obligations under the Bonds and any collateral that may have been or may in the future be given in connection with other indebtedness of the Issuer shall not secure the payment obligations under the Bonds.

The Bonds shall be distributed to Eligible Persons comprising of financial institutions, corporates and high net worth individuals via private placement only and may only be transferred to another Eligible Person.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Sponsor shareholders of the Issuer or their Affiliate are ineligible for subscription or purchase of Bonds.

Events of default

The occurrence of following events shall constitute an Event of Default:-

- a. the Issuer defaults in the payment of any money owing in respect of the Bonds (whether principal or coupon payment) when the same shall become due and payable in accordance with these presents and such default continues for at least seven (7) Business Days;
- b. a court order is made or an effective resolution is passed for the winding-up of the Issuer.

Upon the occurrence of:-

an Event of Default, subject to the terms of this Trust Deed, the Trustee may by written notice to the Issuer declare that the Bonds shall immediately become due and payable at their respective outstanding Nominal Value together with accrued but unpaid coupon (if any), whereupon the same shall, immediately or in accordance with the terms of such notice, become so due and payable notwithstanding the stated maturity of the Bonds.

For the avoidance of doubt:

the occurrence of an Event of Default shall not prejudice the subordination; and

save as provided in events of default in Trust Deed, the Trustee or any Bondholder shall not be entitled to accelerate any payment under the Bonds as a result of any default by the Issuer in the performance or observance of any covenant, condition or provision contained in the Bonds or the Trust Deed or any of the Issue Documents.

Enforcement

Proceeding

The Trustee, shall enforce all payment obligations under the Bonds only within the scope of law of the land for the amount due and payable under the Bonds.

For the avoidance of doubt:


The Trustee shall not be bound to take any step to enforce the rights of the Bondholders against the Issuer unless it has been directed to do so in writing by the holders of not less than 75% in principal amount of the Bonds then outstanding and unless it has been fully indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs (including legal costs on a solicitor and client basis), charges, damages and expenses which it may incur by so doing

Only the Trustee may pursue the rights and remedies available under Proceeding in Trust Deed to enforce the rights of the Bondholders against the Issuer and no Bondholder shall be entitled to pursue such remedies against the Issuer unless the Trustee, having become bound to do so in

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

accordance with the terms of Trust Deed, fails to do so after the expiry of fourteen (14) days from the date of the Trustee having become bound to do so.

Application of Moneys

All moneys received by the Trustee in respect of the Bonds or amounts payable under the Trust Deed will be held by the Trustee on trust to apply them (subject to the terms of the Trust Deed):

- a. first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by, or other amounts owing to, the Trustee in relation to the preparation and execution of the Trust Deed (including remuneration of the Trustee) agreed between the Trustee and the Issuer but not paid by the Issuer;
- b. secondly, in payment of any amounts due and owing by the Issuer to any Agent under the Agency Agreement;
- c. thirdly, in or towards payment pari-passu and rateably of all amounts remaining due and unpaid in respect of the Bonds; and
- d. fourthly, the balance (if any) in payment to the Issuer for itself.

Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) subject to such certificate or report and/or engagement letter or other document entered into by the Trustee with consent from the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

In the event of the passing of an Extraordinary Resolution Meetings, a modification, waiver or authorisation in accordance with Modifications and Waiver the Issuer will procure that the Bondholders be notified.

Replacement of Certificates

If any Bond Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Bond Certificates must be surrendered before replacements will be issued.

Notices

Addresses for notices

All notices and other communications hereunder shall be made in writing (by letter or fax) and shall be sent as follows:

Issuer: If to the Issuer, to it at:

Address: House # 22, Road # 113/A, Gulshan Circle 2, Dhaka-1212, Bangladesh

Attention: MR. Mohammad Jahidul Abedin, Chief Financial Officer

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Trustee: If to the Trustee, to it at:

Address: Sena Kalyan Insurance Company Limited, KS Tower (12th Floor),
7 VIP Road, Mohakhali, Dhaka -1206, Bangladesh.

Attention: Brig Gen Md Shafique Shamim, psc, (Retd), MDS,MBA, CII (Cert), Chief Executive Officer

Registrar, Paying Agent and Transfer Agent: If to the Registrar, Paying Agent and Transfer Agent, to it at:

Address: Sena Kalyan Insurance Company Limited, KS Tower (12th Floor), 7 VIP Road, Mohakhali, Dhaka -1206, Bangladesh.

Attention: Brig Gen Md Shafique Shamim, psc, (Retd), MDS,MBA, CII (Cert), Chief Executive Officer

or, in any case, to such other address or fax number or for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose, in writing.

Effectiveness

Every notice or other communication sent shall be effective if sent by letter, three days after the time of despatch and if sent by fax at the time of despatch provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

Notices to Bondholders

All notices are validly given if:

- mailed to the Bondholders at their respective addresses in the Register; or
- published for three consecutive days in one English newspaper and one Bengali newspaper, each having wide circulation in Bangladesh; or
- emailed to the Bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the Bondholders or published for three consecutive days in a leading newspaper as aforesaid.

Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.

Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer.

Cancellation

All Bonds which are redeemed by the Issuer will forthwith be cancelled.

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Annexure- I

Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum [See rule 4(2)(a)]

TO WHOM IT MAY CONCERN

Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.



Shakhawat Hossain
Managing Director

www.paramountgroupbd.com



Head Office :
House # 22, Level-2, 5-8, Road # 113/A
Gulshan-2, Dhaka-1212, Bangladesh.

Tel : +88 02 55049833-37
Cell : +88 01709 631429, 01729 242476
E-mail : info@paramountgroupbd.com

Paramount Textile PLC


Chief Financial Officer
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Annexure-II

[See rule 3(1)(m), 4(1)(c) and 4(2) (a)] Due diligence certificate of the trustee



সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড
Sena Kalyan Insurance Company Ltd.
(A Concern of Sena Kalyan Sangstha)

Corporate Office :
SKS Tower (12th Floor)
7 VIP Road, Mohakhali, Dhaka-1206
PABX : +88-02-55058455-57
Fax : +88-02-55058458
E-mail : info@senakalyanid.com
Web : www.senakalyanid.com

20 December, 2022

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE OF THE ISSUE

Chairman

Bangladesh Securities and Exchange Commission
E-6/C, Agargaon, Sher-E-Bangla Nagar,
Administrative Area, Dhaka-1207.

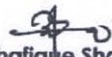
**Subject: Issuance of Non-Convertible Unsecured Fully Redeemable Zero Coupon Bond of
"Paramount Textile PLC" worth BDT. 2,500 Million.**

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while acting as trustee to the above mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and material facts as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other material facts furnished by the issuer; -

WE CONFIRM THAT:


- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) we shall also abide by the Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regard of the issue; and
- (f) the above declarations are unequivocal and irrevocable.


Brig Gen Shafique Shamim, psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.
For Trustee

Brig Gen Shafique, Shamim psc (Retd)
Managing Director & CEO

Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Annexure-III

Compliance status of previously issued debt securities




www.idlc.com

**Compliance Status of Previously Issued Debt Securities of Paramount Textiles PLC
Trustee: IDLC Investments Limited**

Name of the Issue: Paramount Textile Secured Zero Coupon Bond
Name of the Issuer: Paramount Textile Limited
Date of Issue Consent & IM Issue: October 31, 2017
Issue Amount: BDT 430,000,000 (Face Value)
Maturity Period: 4 Years

Sl. No.	Name of Investors	Date of Subscription	Subscription Amount (Face Value)	Redemption Amount	Amount in BDT Million	
					Outstanding Amount	Default (If Any)
1	Janata Jute Mills Limited	November 08, 2017	110,000,000	110,000,000	-	NA
2	IDLC Securities Limited	August 16, 2018	200,000,000	200,000,000	-	
3	IPDC Finance Limited	August 19, 2018	120,000,000	120,000,000	-	
Total			430,000,000	430,000,000	-	


Md. Rashiduzzaman, CFA, FRM
Assistant General Manager
IDLC Investments Limited

Phone : +8801755620270
E-mail : zrashid@idlc.com

IDLC Investments Limited

9 D R Tower (4th Floor), 65/2/2 Bir Protik Gazi Golam Dastagir Road, Purana Paltan, Dhaka 1000, Bangladesh
www.idlc.com contactcenter@idlc.com 16409 +8809609994352 +880 (2) 223390171

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Annexure-IV
Credit Rating Report (Issuer)

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

AlphaRating

PARAMOUNT TEXTILE PLC (PTL)

(Chaklader House (Level-2,5,6,7), House #22, Road #113/A, Gulshan-2, Dhaka-1212)

(Corporate)

Disclaimer: Information used herein was obtained from sources believed to be accurate and reliable. However, Alpha Credit Rating Limited does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. The rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities or to finance in a project. All rights of this report are observed by Alpha Credit Rating Limited. The contents may be used by the news media and researchers with due acknowledgement. Under no circumstances Alpha Credit Rating Limited will or its affiliates will be liable for any special, indirect, incidental or consequential damages of any kind, including, but not limited to, compensation, reimbursement or damages on account of the loss of present or prospective profits, expenditures, loans or commitments, whether made in the establishment, development or maintenance of company reputation or goodwill, cost of substitute materials, products, services or information, cost of capital, and the claims of any third party, or for any other reason whatsoever.

© Alpha Credit Rating Ltd. 2023
Sadharan Bina Bhaban-2, 139 Motijheel C/A, Dhaka-1000. Tel: +88029573026-28. Web: www.alpharating.com.bd

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

AlphaRating

19 November, 2023

Managing Director
Paramount Textile PLC (PTL)
Chaklader House (Level-2, 5, 6, 7), House #22, Road #113/A, Gulshan-2, Dhaka-1212

Subject: Credit Rating of Paramount Textile PLC (PTL)

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating), vide credit rating Agreement No: 5430 has assigned the following rating to **Paramount Textile PLC (PTL)**

Date of Declaration	Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
19 November, 2023	09 September, 2023	08 September, 2024	7 th Surveillance	AA	ST-1	Stable

The long term rating & short term rating is valid up to the earlier of 08 September, 2024 or the limit expiry date of respective credit facility. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **Paramount Textile PLC (PTL)**, hereby solemnly declare that:

- We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With kind regards,


Abdul Mannan
Chief Executive Officer

This letter is integral part of the credit rating report

Alpha Credit Rating Limited, Sadharan Bima Bhaban-2 (2nd & 8th Floor), 139 Motijheel C/A, Dhaka-1000.
Tel: +880-2223353025, 2223353026, 2223353027, 2223353028, www.alpharating.com.bd, E-mail: info@alpharating.com.bd

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Business Risk Moderate	Liquidity Profile Sound	Solvency Good	Industry Group Primary Textile	Sector Fabric Manufacturer
----------------------------------	-----------------------------------	-------------------------	--	--------------------------------------

Paramount Textile PLC is a 100% export oriented woven fabric manufacturer lead by qualified professional management team and has a smart financial profile.

Previous Rating
Long Term Rating: AA
Short Term Rating: ST-1
Date of Declaration: 22 December, 2022
Valid From: 09 September, 2022
Valid Till: 08 September, 2023
Contact Analysts
Sharmin Akter
sharmin@alpharating.com.bd
Jahannoor Khan
jahannur@alpharating.com.bd

Contents	
Rationale	2
Company Profile	3
Industry Overview	5
Business Risk	9
Financial Risk	11
Bank Facilities & Credit History	14
Management & Other Qualitative factors	18

Date of Incorporation:
12th June, 2006
Board Chairman:
Ms. Anita Haque
Managing Director:
Mr. Shakhawat Hossain
Authorized Share Capital: BDT 5000.00 million
Issued Share Capital: BDT 1,628.34 million
Total Asset:
BDT 20,387.86 million (As on 30/06/2023)

Banks/Other Financial Institutions:
Pubali Bank PLC, HSBC Bank Limited
Al-Arafah Islami Bank PLC
IDLC Finance Limited, IPDC Finance Limited
Alliance Finance PLC, Uttara Bank PLC
Community Bank Bangladesh Limited
United Finance Limited, BRAC Bank PLC
Shimanto Bank Limited
Mutual Trust Bank PLC
IPDC Finance Limited, United Commercial Bank PLC, Modhumoti Bank Limited

Total Limit:
BDT 25,502.80 million
Total Outstanding:
BDT 18,452.04 million

Rationale

AlphaRating vide credit rating Agreement No: 5430 affirms long term rating AA (pronounced as "Double A") and short term rating "ST-1" in favor of Paramount Textile PLC (PTL) (Hereinafter referred to as 'the company or PTL'). The company is one of the leading high quality woven fabric manufacturers in Bangladesh and is listed with both Dhaka Stock Exchange & Chittagong Stock Exchange.

The above rating reflects the exposure of the company to all financial and other risks, industry nature, long term experience of the management team, government policy, future prospects of woven fabric industry in Bangladesh and the pace of capital expansion of PTL. Moreover, improved revenue, ROA, ROE, profitability ratio, positive CFO, sound liquidity position, audited financial statements, most of the updated compliances, positive CFO, shortened working capital management policy, adequate capacity to pay interest and improved net asset value has also influenced the rating to a great extent. The rating is also inspired by strong control over internal activities, IT adherence, clean compliance status and application of corporate governance. On the contrary, strength of the rating has been resisted by highly geared capital structure, overdue & EOL. In addition, the rating has also taken into account competitive market of related products and the prevailing uncertainty associated with national macroeconomic environment.

Key Performance Indicator

FYE 30 June	2023	2022	2021	2020
Revenue (BDT in Millions)	8,609.80	6,615.53	5,020.71	5,153.73
COGS (BDT in Millions)	7,286.64	5,619.90	4,246.97	4,357.66
Gross Profit (BDT in Millions)	1,323.16	995.63	773.74	796.08
Operating Profit (BDT in Millions)	1,033.08	715.39	534.58	551.63
Profit After Tax (BDT in Millions)	1,005.17	760.01	661.20	659.81
CFO (BDT in Millions)	935.29	571.59	797.20	633.23
Gross Profit Margin (%)	15.37	15.05	15.41	15.45
Operating Profit Margin (%)	12.00	10.81	10.65	10.70
Net Profit Margin (%)	11.67	11.49	13.18	12.78
Current Ratio (x)	1.03	1.16	1.14	1.06
Quick Ratio (x)	0.40	0.40	0.37	0.31
Cash Conversion Cycle (Days)	281	302	289	238
Debt to Equity (x)	2.58	2.49	1.53	1.34
Interest Coverage (x)	2.27	2.30	2.49	2.52
Net Asset Value (BDT in Millions)	5,612.80	4,819.73	4,224.79	3,582.63

Data obtained from the audited financial statements of 2020-2023


Abdul Mannan
Chief Executive Officer
Alpha Credit Rating Limited

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile

Industry Overview

Business Risk

Financial Analysis

Bank Facilities

Management & Other Qualitative Factor

Company Information

Company Profile

Paramount Textile PLC (PTL) is one of the leading manufacturers of high quality woven fabric in Bangladesh. Having started the journey in 2006 they commenced commercial production on September 01, 2008. Later it converted to a public limited company on September 19, 2010. Paramount textile produces high quality yarn dyed woven fabric which include 100% cotton yarn dyed fabrics, cotton solid white fabrics, stripe & check shirts, stretch fabric. The products are consumed by 100% export oriented garment companies. Normally the products are designed based on specification and guideline of ultimate buyer. The company is an Oeko-Tex certified (Class#1) 100% export oriented woven fabric manufacturer equipped with state of the art machineries sourced from leading European and Asian manufacturers, producing 15 million yards of fabric annually. The Oeko-Tex label is a recognized benchmark for the manufacturers and serves as an additional credential of quality assurance. The registered office of the company is situated at Navana Tower (Level #7), Gulshan C/A, Dhaka-1212. The Factory is located in Sreepur, Gazipur an hour drive from the Dhaka International Airport, Sprawled across 35 acre of factory premise and over 4000 numbers of skilled workers and employees. Paramount Textile today is a name to be reckoned both nationally and globally. Paramount aims to provide high quality fabric for the fashion retailers and fabric sourcing companies from across the globe ensuring an eco-friendly GO FOR GREEN (GFG) environment.

Group Profile

Paramount is one of the most successful group of company which has grown significantly since its beginning with Sunrise Chemicals in 1986. Businesses under Paramount Group are given below:

- Paramount Textile PLC (PTL)
- Paramount Insurance Company Limited
- Sunrise Chemical Industries Limited
- Paramount Holdings Limited
- Foodex International Limited
- Paramount B Trac Energy Limited
- Paramount Agro Limited
- Paramount Spinning Limited
- Intraco Solar Power Limited

Ownership Pattern

Paramount Textile PLC (PTL) is Public Limited Company listed on 2013 under Dhaka & Chittagong Stock exchange. The company has authorized 5,000.00 million shares of Tk. 10 each and Issued BDT 1,628.34 million shares of Tk. 10 each. Ownership pattern of the company was presented in below (As on 31/10/2023)

Shareholders	Percentage (%)
Sponsor/ Directors	60.95%
Institutes	10.07%
Foreign	4.38%
General Public	24.60%
Total Number of Shares	100.00

Source-DSE website

Product Range

The product range of PTL includes 100% cotton yarn dyed fabrics from plain weave to structured twills, dobby & satins. Product range includes the following:

- 100% cotton yarn dyed woven fabric
- 100% cotton solid white fabric
- PFD/RFD woven fabric for garment dyeing/printing
- Dyed yarn for circular knitting
- Sweater yarn or flat knitting dyed yarn

Their special finishing facility gives a distinct advantage to produce different types of finishes such as:

- Silky soft
- Easy care, wrinkle free, post mercerize
- Teflon, Water repellent, oil repellent, Soil release
- Peach & carbon peach finish

Installed Production Capacity

- Yarn Dyed Fabric 110,000 yards per day
- Dyed Yarn 32 ton per day
- Printing 10 ton per day

Rating Report – Paramount Textile PLC (PTL)



Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Dyeing Plant

Their dyeing plant has introduced sets of world's top equipment such as r f dryer machine from STALAM, Italy; stenter machine from EU & China; singeing & de-sizing machine, scouring, bleaching, washing & sanforising machine from RED FLAG.

Weaving Unit	Number
Sectional Warping	4 sets
Direct Warping	7 sets
Sizing & pre-wetting system	2 sets
Air Jet loom	318 sets
Warping Machine	12 sets
Rapier Machine	52 sets
Knotting Machine	7 sets
Sample Loom	7 sets
Yarn Dyeing Unit	
Soft & Hard Winding Machine	1,728 spindles
Yarn Dyeing Machine	106 sets
Hydroextractor	10 sets
RF Dryer	4 sets
Finishing Unit	
Singeing/de-sizing Machine	01 set
Scouring, Bleaching & Washing Machine	01 set
Printing Unit	
Stenter (all types)	5 sets
Sanforising	4 sets
Utility Unit	
Generator	9 pieces
Boiler	5 pieces
Air Compressor	22 pieces
Water Circulation Pump	6 pieces

Weaving Plant

In their weaving plant, they have brand new TSUDAKOMA wrapping machine and sizing winder, combination of TSUDAKOMA, TOYOTA, PINACOL air jet looms with world's renowned French cam-motion and dobby motion machines from STAUBLI, Sectional machine from Korean manufacturer UKIL & JUPITER and Knotting machine from STAUBLI. PTL also has high level of experimental equipment and full range sampling & powered handloom machines to produce high quality yarn dyed fabrics.

Design & Quality Control

To ensure safe and consumer friendly fabric, Paramount has its own high-tech laboratory and computer data processing system. The laboratory is fully equipped with modern testing equipment and machinery to enable checking of fabrics in all stages to comply with all testing criteria and performance indicators. The testing lab equipment is sourced from renowned brands from USA and UK. The company has its own design studio equipped with Tex Tronic dobby and Koppermann software for creating fabric designs. This enables buyers to choose ready designs straight away which can be put into bulk production thereby reducing the lead-time of sampling and handloom making. To support the design studio, Paramount has complete automatic/powered sampling unit.



Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile

Industry Overview

Business Risk

Financial Analysis

Bank Facilities

Management & Other Qualitative Factor

Company Information

ETP & WTP

Paramount Textile PLC takes great care to conserve the environment they operate in. Their sophisticated effluent treatment plant (ETP) treats, purifies & releases waste water through a biological treatment. It has been established covering an area of 70000 sqft along with a 1500 feet long drain.

The company also built water treatment plant (WTP) capable to reduce iron level in water so that it can help produce high quality fabric consistently in term of color levels and the strength of the yarn as well as help environment minimizing the use of pretreatment chemicals.

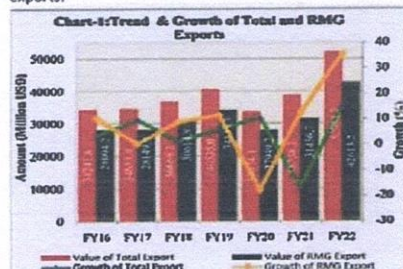
Apart from that, PT ensures eco-friendly GFG (Go for Green) environment for their products. The factory premises have been carefully planted with trees offsetting carbon emission and ensuring a healthy environment for all.

Utilities

Paramount Textile PLC has its own captive power plant and generates its own power resulting uninterrupted production through GE Jenbacher gas engines. The factory generates own power through 4 GE Jenbacher gas fired generators which have cumulative generation capacity of 5 MW. World's leading compressors ATLAS COPCO has been installed and SIEMENS substations and bus bars are used to support the production flow. The company also uses LOOS Boiler from Germany & chillers from other renowned manufacturers.

INDUSTRY ANALYSIS

The RMG sector of Bangladesh was turning around quite well in the post-Covid-19 period; and then the Russia-Ukraine war in late February of last year interrupted that momentum. The apparel sector, the largest contributor to the national export earnings, started the year 2022 with a 30.36% annual growth. Exporters projects that the impact of the war may continue in 2023 and the year will be a crucial and challenging one for the apparel sector of the country. However, the sector bagged \$45.7 billion by shipping apparel items, seeing an annual growth of 27.64% from \$35.41 billion in 2021. Industry insiders said that the major challenges include the prolonged Russia-Ukraine war, mounting energy prices and fear of recession. Moreover, 2023 is the year of the national poll of Bangladesh. Rallies of the political party may create instabilities and put pressure on exports.



In FY22, the RMG sector contributed 9.25 percent to GDP. Bangladesh's overall RMG export earnings stood at USD 42613.15 million, which was 35.47 percent higher than that of the previous fiscal year (Chart-1).

Rating Report – Paramount Textile PLC (PTL)

Page 5



Paramount Textile PLC

Chief Financial Officer

homo
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

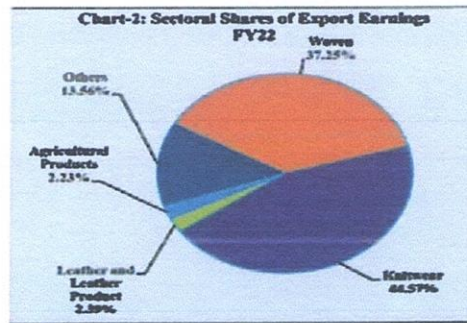
Alpha Credit Rating Limited

AlphaRating

Company Profile
Bank Facilities

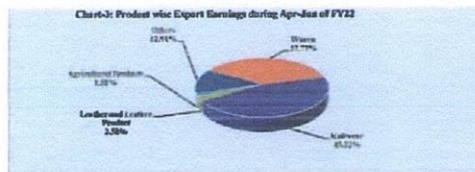
Industry Overview
Management & Other Qualitative Factor

Business Risk
Financial Analysis
Company Information



The sectorial shares of export earnings in FY22 have been shown in Chart-2.

Source: Export Promotion Bureau (EPB)

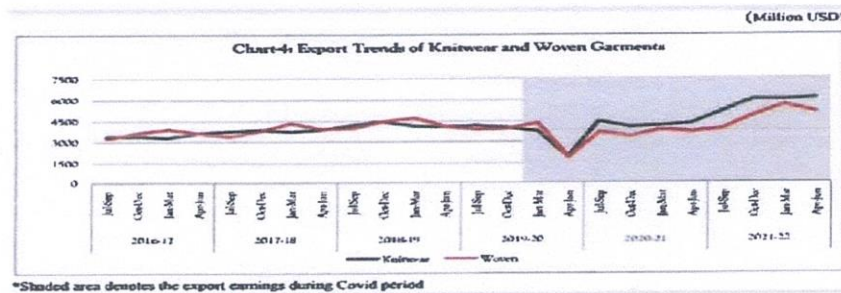


Source: Export Promotion Bureau (EPB)

In this quarter, the contributions of non-RMG products to total exports earnings were as follows: leather and leather products (2.58 percent), agricultural products (1.51 percent), and other products (12.91 percent) (Chart 3).

Knitwear

Export earnings from knitwear rose in April-June FY22, to USD 6094.42 million, which was 2.29 percent higher than the previous quarter. Export trends of knitwear and woven are displayed in Chart-4 on quarterly basis



Paramount Textile PLC
[Signature]
Chief Financial Officer

[Signature]
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
[Signature]
Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile
Bank Facilities

Industry Overview
Management & Other Qualitative Factor

Business Risk

Financial Analysis
Company Information

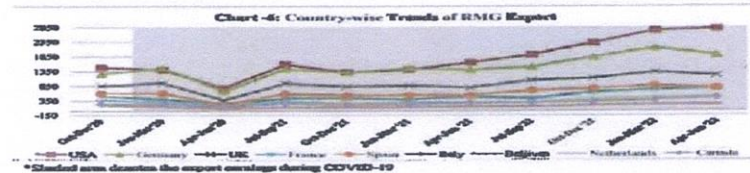
Table-1: Export of Readymade Garments (From FY17 to FY22)

FY	Woven Garments		Knitwear		Total RMG (Woven + Knitwear)		Percentage Share in Total Export		
	Total Export	Target	Actual	Target	Actual		Woven Garments	Knitwear	Total
1	2	3	4	5	6	7=(4+6)	8=(4÷2)	9=(6÷2)	10=(8+9)
FY17	34655.92	16210.00	14392.59	14169.00	13757.30	28149.89	41.53	39.70	81.23
FY18	36668.17	15060.00	15426.25	15100.00	15188.51	30614.76	42.07	41.42	83.49
FY19	40535.04	16539.00	17244.73	16150.00	16888.54	34133.27	42.54	41.66	84.21
Jul-Sep FY20	9647.99	4612.95	3887.34	4493.76	4170.22	8057.56	40.29	43.22	83.51
Oct-Dec FY20	9654.17	4797.10	3930.88	4673.14	4035.58	7966.56	40.72	41.80	82.52
Jan-Mar FY20	9671.67	5004.21	4330.95	4874.90	3748.75	8079.70	44.78	38.76	83.54
Apr-Jun FY20	4700.26	4935.74	1892.02	4500.20	1953.45	3845.47	59.25	41.56	81.81
FY20	33674.09	19350.00	14841.19	18850.00	13908.00	27949.19	41.70	41.30	83.00
Jul-Sep FY21	9896.84	4025.39	3662.72	3934.68	4463.66	8126.38	37.01	45.10	82.11
Oct-Dec FY21	9336.61	4173.74	3356.67	4079.69	4062.51	7419.18	35.95	43.51	79.46
Jan-Mar FY21	9704.90	4418.35	3814.35	4318.78	4128.01	7942.36	39.30	42.54	81.84
Apr-Jun FY21	9819.96	4467.52	3662.96	4366.85	4305.85	7968.81	37.30	43.85	81.15
FY21	38758.31	17085.00	14496.70	16700.00	16960.03	31456.73	37.40	43.76	81.16
Jul-Sep FY22	11021.95	3748.44	3895.26	4680.46	5164.18	9059.44	35.34	46.85	82.19
Oct-Dec FY22	13676.60	3934.56	4843.81	4912.84	5997.45	10841.26	35.42	43.85	79.27
Jan-Mar FY22	13907.12	4029.05	5569.43	5030.84	5958.27	11527.70	40.05	42.84	82.89
Apr-Jun FY22	13476.99	3916.95	5090.34	4890.86	6094.42	11184.76	37.77	45.22	82.99
FY22	52082.66	15629.00	19398.84	19515.00	23214.32	42613.15	37.25	44.57	81.82

<https://www.newclothmarketonline.com/international-business-pages/bangladesh-readymade-garments-rmg-industry-april-june-2022-review/>

Destination of RMG Exports

The main destinations of Bangladesh's RMG exports are the USA, Germany, UK, Spain, France, Italy, Netherlands, Canada, and Belgium (Chart-6). During April-June of FY22, total export earnings from these nine countries stood at USD 9084.71 million; of which 90.43 percent or USD 8215.13 million was earned from the RMG (woven 43.03 percent and knitwear 47.40 percent) export (Table-3).



Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile
Bank Facilities

Industry Overview
Management & Other Qualitative Factor

Business Risk
Financial Analysis
Company Information

Table-3: Country wise RMG Export in April-June, FY22

Countries	Total Export	Woven Garments	Kaltwear	Total RMG	Other Exports	Share of RMG in Total Export (%)	Others Share in Total Export (%)
1	2	3	4	5=(3+4)	6=(2-5)	7=(5÷2)	8=(6÷2)
USA	2802.42	1617.38	805.81	2423.19	379.23	86.47	13.53
Germany	1906.15	692.54	1105.58	1798.12	108.03	94.33	5.67
UK	1201.93	473.16	650.96	1124.12	77.81	93.53	6.47
France	771.37	247.15	432.06	679.21	92.16	88.05	11.95
Spain	777.47	315.37	434.09	749.46	28.01	96.40	3.60
Italy	490.22	148.21	313.80	462.01	28.21	94.25	5.75
Belgium	217.87	54.15	130.14	184.29	33.58	84.59	15.41
Netherlands	464.90	165.14	229.21	394.35	70.55	84.82	15.18
Canada	452.38	196.31	204.07	400.38	52.00	88.51	11.49
Sub-Total	9084.71	3909.41	4305.72	8215.13	869.58	90.43	9.57
Others Countries	4392.28	1180.93	1788.70	2969.63	1422.65	67.61	32.39
Total	13476.99	5090.34	6094.42	11184.76	2292.23	82.99	17.01

Source: Export Promotion Bureau, Bangladesh

Recent Measures Taken to Facilitate RMG Exports

Recently, the government and Bangladesh Bank have undertaken a number of measures especially for facilitating production and export of the RMG sector. Some measures taken to boost up production and export of the RMG sector are highlighted below:

Pre-shipment Credit:

To continue the export activities of export oriented RMG industries amid the Corona pandemic, Bangladesh Bank has formed a refinance fund worth of BDT 50.00 billion. RMG entrepreneurs can take loans from this fund through banks at 6 percent rate of interest (BRPD Circular No 9, Date 13 April, 2020). Recently, for the betterment of economic growth in export sector, BB reduced the interest rate on this refinance fund from 6 percent to 5 percent at receiver level and 3 percent to 2 percent at bank level (BRPD Circular No-26, Date 26 April, 2021). Bangladesh Bank has expanded the tenure of loan facilities for entrepreneurs from 01 year to 03 years under this refinance scheme. Entrepreneurs can avail the loan more than one times within the mentioned period (BRPD circular no: 44, Date 30 September 2021).

Incentives for Export Expansion:

During the FY22, to encourage the country's export trade, export subsidies or cash incentives have been given for some export items from 1 July 2021 to 30 June 2022. Among them, 4 percent cash incentive has been given to export oriented garments sector, small & medium industry of garments sector and to help expanding the new items/new market garments sector (excluding the USA, Canada, UAE). In spite of existing 4 percent cash incentive, additional 2 percent has been given as support for the exporters of garments sector of EURO zones. Moreover, 1 percent special cash incentive has been to RMG sector (FE Circular No-29, Date 20 September, 2021).

Extended Facilities for Trade Transactions:

To facilitate smooth transition in the external trade activities of the country, the following decisions have been implemented: The usage period for industrial raw material imports, including back-to-back imports under supplier or buyer credit, has been extended up to 270 days under the Guideline for Foreign Exchange Transactions (GFET)-2018, Vol.-1.

The Export Development Fund (EDF) limit for individual BTMA and BGMEA member mills have been enhanced to USD 30 million from USD 25 million, and the period of EDF loan has been extended from 90 days to 270 days which remained valid for the respective transactions until June 30, 2022 (FE Circular No-01, Date January 6, 2022).

Conclusion

The strong growth in the RMG industry and the boom in export earnings in the last several months are highly encouraging for Bangladesh. However, for the next phase of export growth and competitiveness for the RMG sector, the pace of innovation and digitalization should be given high priority. Furthermore, this sector requires the adaptability appetite for fast fashion demand and diversified products in the future to settle its own brand globally through the increasing knowledge and skills of garment workers.



Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Business Risk Analysis

Regulatory Risk

As a major foreign currency earner, textile industry always gets special consideration from government. But accidents in several RMG factories has pushed whole textile industry under surveillance of more aggressive regulation and increased government intervention which resulted in greater uncertainty. Regulations vary significantly by jurisdiction, making it difficult to implement consistent growth strategies or operational capabilities across markets. Regulators often control factors that are fundamental to how textile companies operate, and can remove certain competitive advantages that may be expensive to obtain. In response to the changing regulatory environment, many companies are providing additional resources to monitor changes in regulation otherwise it would be difficult to operate in certain jurisdiction, in extreme case a company may have to stop doing business.

However PTL operates its business within the frame of applicable laws & regulation which is a primary requirement for any company to be listed with BSEC. PTL prepares its financial statements in accordance with all relevant reporting standards (IAS, BAS, IFRS & BFRS). It also has established set procedures to ensure compliance with all statutory and regulatory requirements. Moreover assigned personnel are responsible for ensuring proper compliance with relevant regulatory framework so impact of this risk is considered to be low.

Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing asset, such as a loan, due to unfavorable movement of interest rates. The company is availing loan facilities to meet up working capital and paying a significant amount as bank profit and charge. If the company fails to generate enough profit in future years to serve the loan repayment obligation, the company may expose to default risk. However, considering current monetary policy & money supply in Bangladesh economy, it is unlikely that interest rate will go up.

Technology Risk

Technology always plays a vital role for each and every type of business. As the technology is improving rapidly with the change of the customers taste, all entities operating in this industry are exposed to obsolescence risk. Better technology can increase productivity, efficiency and quality of product. Quality of product is assured by the quality assurance organizations but the competitive advantage depends on highly efficient technological adoption. In this sector a company is exposed to technology risks when there are competitors who have already adopted advanced technology in their production process. Keeping updated with the latest processes and methods of providing innovative products is essential to maintain market share which is a big challenge for the company. However, PTL is currently using latest production & quality control equipment. But the company will be exposed to technological risk if one of its competitors introduces updated technology in their operations.

Foreign Exchange Risk

The company faces significant foreign exchange risk as it pays the foreign suppliers and receives from foreign customers in US dollar and other foreign currency. When value of US Dollar rises, the company has to spent more Bangladeshi currency (BDT) to procure materials and receives less BDT that impact growth of sales and overall profitability. The recent trend of the exchange rate of US dollar to BDT is highly volatile and therefore it is a relative concern for the firm to be affected in terms of payment & receipt. Like other businesses PTL uses both export & import facilities, so exchange rate risks can be netted off against each other through use of back to back L/C facilities. Moreover PTL has undertaken hedging facilities thorough use of foreign exchange limit from different banks. So impact of this substantial risk is considered low by AlphaRating.



Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile Industry Overview Business Risk Financial Analysis
Bank Facilities Management & Other Qualitative Factors Company Information

Environmental Risk

Textile industry is considered as one of the biggest environment polluter of the country. The overall manufacturing process of the industry makes harmful effect on the environment by evaporating unsafe chemicals that contaminate the surface water. Acetic acid and formaldehyde are two major emissions of concern in textiles industries. This industry uses high volumes of water throughout its operations, from the washing of fibers to bleaching, dyeing and washing of finished products. There are almost 1,700 factories producing fabric for Bangladesh's booming textile industry. Most of them are located in Dhaka and on its fringe. These factories, known as "wet processors," consume as much as 300 liters of water to produce one kilogram of fabric. That's about six times more water than what is considered international best practice. All told, the sector devoted to washing, dyeing and finishing fabrics consumes 1,500 billion liters of groundwater a year. According to a recent world bank report, the textile mills in and around Dhaka city consume as much groundwater as goes to all of Dhaka's residents. The good news is that, government has decided to make this industry green and to encourage the owner to adapt eco-friendly manufacturing process.

However PTL strongly adheres to the concept of eco-friendly environment and hence implemented various measures to lower Carbon Dioxide emission. The heat generated by their capture power plant is recycled and reused as cogeneration energy to operate the chiller & boiler which otherwise would have consumed about 3000 cft natural gas and 1000 kw conventional electrical power. Moreover PTL has its own ETP (Effluent Treatment Plant) and WTP (Water Treatment Plant) which presents the discharge of waste water to the surrounding water bodies. The plant also has a rain harvesting project which provides natural water to their in house reservoir. This way PTL minimizes environmental consequences of its operations.

Rating Report – Paramount Textile PLC (PTL)


Page 10



Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile

Industry Overview

Business Risk

Financial Analysis

Bank Facilities

Management & Other Qualitative Factor

Company Information

Financial Risk Analysis

AlphaRating performs financial analysis by dividing the financial portion into different categories which are Profitability Analysis, Liquidity analysis Cash Flow Analysis and Capital Structure Analysis. Detailed analysis is presented below:

Profitability

Paramount Textile PLC (PTL) is a 100% export oriented Company. It manufactures a diversified range of yarn & solid dyed woven fabrics. Being a major foreign remittance earner, textile industry always enjoyed special consideration from all successive government body. And, Due to having improved pandemic situation, low labor cost, production cost is lower in Bangladesh in comparison with other countries which is a competitive advantages for this industry. These conditions support PTL to achieve revenue growth in FY 2023. According to audited financial statement, revenue of the company has increased by 30.15% compare to last year & stood at BDT 8,609.80 million in FY 2023. Revenue has increased mainly due to significant increase in sale of yarn & solid dyed fabrics. It has observed that, with the increased scale of operation, COGS of the company has also increased. However, COGS has increased at a lower rate than revenue, which has resulted Gross Profit Margin to increase to 15.37% in FY 2023 from 15.05% in last year.

Total operating cost of the company has consisted of distribution costs & administrative expense. Deeper analysis revealed that, Operating expense of the company has decreased to 3.37% from 4.24% of revenue. As a result, Operating Profit Margin has increased to 12.00% in FY 2023 from 10.81% in FY 2022. It has noticed that, during the year, finance cost & income tax of the company has increased to BDT 454.82 million & BDT 129.73 million respectively compared to previous year. In spite of increasing finance & tax expense, the company has improved Net Profit Margin to 11.67% in FY 2023 due to improved operating profit margin as well as non-operating income

The return on assets ratio measures, how efficiently and effectively company is utilizing assets to generate economic benefits for the company whereas return on equity measures profitability as a percentage of the Company's net asset base. It has been observed that ROA has been increased in FY 2023 because the growth rate of OPM is higher than the growth rate of total assets. At the same time, Return on Equity (ROE) has increased in FY 2023 because net profit has increased at a higher rate than the growth rate of shareholders equity which indicates efficiency in utilizing the shareholders fund to generate return.

Exhibit 1: Selected Indicators: Paramount Textile PLC

FYE 30 June	2023	2022	2021	2020
Revenue (BDT in Millions)	8,609.80	6,615.53	5,020.71	5,153.73
Revenue Growth (%)	30.15	31.76	(2.58)	(9.17)
COGS (BDT in Millions)	7,286.64	5,619.90	4,246.97	4,357.66
COGS Growth (%)	29.66	32.33	(2.54)	(9.57)
Gross Profit (BDT in Millions)	1,323.16	995.63	773.74	796.08
Operating Profit (BDT in Millions)	1,033.08	715.39	534.58	551.63
Gross Profit Margin (%)	15.37	15.05	15.41	15.45
Operating Profit Margin (%)	12.00	10.81	10.65	10.70
Net Profit Margin (%)	11.67	11.49	13.18	12.78
ROA (%)	5.51	5.09	5.38	6.44
ROE (%)	17.91	15.77	15.67	18.39

Data obtained from the audited financial statements of 2020-2023



Paramount Textile PLC
[Signature]
Chief Financial Officer

[Signature]
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
[Signature]
Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile
Bank Facilities

Industry Overview

Business Risk

Management & Other Qualitative Factor

Financial Analysis

Company Information

Liquidity Analysis

Liquidity ratios are used to determine a company's ability to meet its short-term obligations. The liquidity position of the company has decreased from previous year. The liquidity condition of the company has measured by current ratio, which has slightly decreased in FY 2023 and stood at 1.03 times. Moreover, it has observed that, current assets has increased by 5.96%, whereas current liability has increased by 13.12% in FY 2023. Such this has resulted to decrease current ratio. Additionally, current assets of PTL

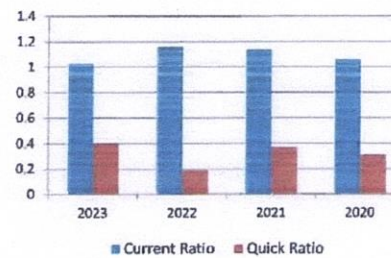
has comprised 61.09% by inventories. Quick Ratio (without considering inventories) of the company has reported 0.40 times in FY 2023 which represents that the company is not capable to meet all kind of short-term liabilities by their most liquid assets. It is observed that, cash & cash equivalents of the company has captured 3.66% of total current assets during the year. Holding extra cash is not desired as because of the opportunity cost.

Cash Conversion Cycle has decreased due to decrease in inventory turnover days. Further analysis revealed that, inventory turnover days has decreased in FY 2023, due to decrease of closing inventory. However, still the company takes almost 8 months to release its cash from inventory. However, this prolonged inventory turnover days has implied risk of damaged inventory and increased storage cost. Therefore, the company should implement a standard method like EOQ (Economic Order Quantity) to reduce the risks regarding inventory at minimum. However, Trade receivables days states that customers have settled their outstanding within 2 months. Additionally, trade payables days has slightly increased by 01 days but still it impels that the company pays off its suppliers within 06 days.

Exhibit 2: Selected Indicators: Paramount Textile PLC

FYE 30 June	2023	2022	2021	2020
Current Ratio (x)	1.03	1.16	1.14	1.06
Quick Ratio (x)	0.40	0.40	0.37	0.31
Cash Ratio (x)	0.04	0.02	0.02	0.01
Trade Receivable Period (Days)	57	48	49	38
Trade Payable Period (Days)	6	5	16	22
Inventory Turnover Period (Days)	230	260	256	222
Cash Conversion Cycle (Days)	281	302	289	238

Data obtained from the audited financial statements of 2020-2023



Paramount Textile PLC
[Signature]
Chief Financial Officer

[Signature]
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
[Signature]
Managing Director

Alpha Credit Rating Limited
AlphaRating
Company Profile
Industry Overview
Business Risk
Financial Analysis
Bank Facilities
Management & Other Qualitative Factor
Company Information
Cash Flow Analysis

In FY 2023, PTL has Positive cash flow from operation (CFO) of BDT 935.29 million. This positive CFO enables PTL to settle debts, reinvest in its business, return money to shareholders, pay expenses, and provide a buffer against future financial challenges. In FY 2023, CFO of PTL has increased than that of last year. This improvement was mainly due to increased cash received from customer & other income. The operating cash flow surplus will make the company less dependent on external finance and increase lenders confidence. CFO Interest Coverage ratio reflects that the company was fully capable of paying its finance cost by generated CFO. CFO Debt Coverage ratio reflects that the company was partially able to fully repay its debt by generated CFO.

Exhibit 3: Selected Indicators: Paramount Textile PLC

FYE 30 June	2023	2022	2021	2020
CFO (BDT in millions)	935.29	571.59	797.20	633.23
CFO Interest Coverage (x)	2.06	1.84	3.72	2.89
CFO Debt Coverage (x)	0.06	0.05	0.12	0.13

Data obtained from the audited financial statements of 2020-2023

Leverage & Capital Structure

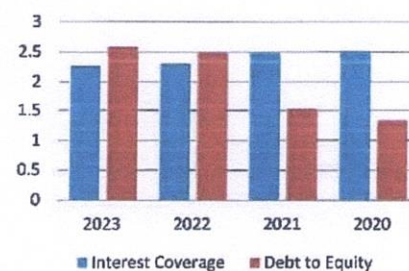
The debt to equity ratio is a leverage ratio that compares a company's total debt to total equity. The debt to equity ratio shows the percentage of company financing that comes from debt providers and investors. A higher debt to equity ratio indicates that more external financing (bank loans) is used than investor financing (shareholders).

Debt to equity ratio of PTL has slightly increased during FY 2023 and reported 2.58 times and this value represents high gearing position of the company. Deeper analysis revealed that, debt capital of the company has increased at a higher rate compared to shareholding Equity. Interest coverage ratio indicates that the company has full capacity to pay off its finance charge from operating profit.

Exhibit 4: Selected Indicators: Paramount Textile PLC

FYE 30 June	2023	2022	2021	2020
Debt-to-Equity (x)	2.58	2.49	1.53	1.34
Net Asset Value (BDT in millions)	5,612.60	4,819.73	4,224.79	3,582.63
Interest coverage (x)	2.27	2.30	2.49	2.52

Data obtained from the audited financial statements of 2020-2023



Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile

Industry Overview

Business Risk

Financial Analysis

Bank Facilities

Management & Other Qualitative Factor

Company Information

Bank Facilities & Credit History

Exhibit 5: Bank Exposure: Paramount Textile PLC

Bank (S) & Other Financial Institution (S)	Mode	Total Limit (BDT in Millions)	Outstanding (BDT in Millions)	Overdue (BDT in Millions)	EOL (BDT in Millions)
Pubali Bank PLC (As on 30/06/2023)	LC (Rev.)**		268.60		
	Accepted Liability**	4,000.00	1,947.50		
	Specific LC (Raw Materials) **		321.60		
	Specific LC (Machinery)**	817.00	538.80		
	BG(Rev)**	105.60	85.80		
	EBLC (Rev)**	400.00	392.30		
	LATR**	100.00	-		
	Over Draft**	650.00	658.80		8.80
	OD-WC**	40.00	40.70		
	Ex. Bill Negotiation**	1,500.00	391.70		
	Term Loan**	2,100.80	1,093.20		
HSBC Limited (As on 31/08/2023)	Term Loan(FC)**	118.40	Nil		
	EDF Cash	422.60	472.60		
	Sub Total	10,254.20	6,162.60		8.80
	Accepted Bills**	1,000.00	680.39		
	Import Lien**	100.00	28.81		
	Bills Discounting**	(100.00)	102.17		2.17
	Installment Loan**	180.00	7.77		
	Demand Loan**	100.00	101.53		1.53
	OD**	50.00	50.69		
	Force Loan**	530.00	104.64	104.63	
	Shipping Guarantee****	10.00	0.47		
Community Bank Bangladesh Limited (As on 31/08/2023)		1,970.00	1,076.47	104.64	3.70
	Overdraft	450.00	449.84		
	Time Loan**	(200.00)	200.00		
	BG**	450.00	201.42		
	LC***	200.00	-		
	LTR**	(200.00)	-		
	Sub Total	1,100.00	851.26		
	Term Loan**	700.00	594.99	51.21	
	Sub Total	700.00	594.99	51.21	
	Term Loan**	500.00	471.92		
	Sub Total	500.00	471.92		
	Term Loan**	50.00	19.93	0.02	
	Investment in Preference Shares**	101.35	80.85		
	Sub Total	151.35	100.78	0.02	
Alliance Finance PLC (As on 31/08/2023)	Long Term Loan**	200.00	194.68		
	Sub Total	200.00	194.68		
	STL	150.00	149.58		
	Long Term Loan	350.00	239.44		
	Sub Total	500.00	389.02		
	Specific STL	350.00	367.13		17.13
	Sub Total	350.00	367.13		17.13
	Lease Finance **	700.00	734.39		34.39
	Time Loan**	500.00	504.15		4.15
	Sub Total	1,200.00	1,238.54		38.54

Rating Report – Paramount Textile PLC (PTL)

Page 14



Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited
AlphaRating

Company Profile Industry Overview Business Risk Financial Analysis
Bank Facilities Management & Other Qualitative Factors Company Information

Bank (S) & Other Financial Institution (S)	Mode	Total Limit (BDT in Millions)	Outstanding (BDT in Millions)	Overdue (BDT in Millions)	EOL (BDT in Millions)
BRAC Bank PLC (As on 31/08/2023)	LC-1 – Raw Materials**	1,400.00	255.97		
	Acceptance-1 (inner of 1)**	(1,400.00)	-		-
	UPAS-1 (inner of 1a)**	(1,400.00)	30.48		
	EDF (inner of 1)**	(1,400.00)	566.76		
	LTR (inner of line 1c)**	(250.00)	-		
	LC-2 (S/D/U) (inner 1) – Machinery & Spares**	(150.00)	4.83		
	(Acceptance)-2 (inner 1e)**	(150.00)	-		-
	UPAS-2 (inner 1e)**	(150.00)	38.39		-
	STL (inner 1f)**	(150.00)	-		-
	Bill Purchase**	(500.00)	411.22		-
	RL**	100.00	100.00		-
	OD**	40.00	39.88		
	EOL- Bill Purchase**	222.25	18.75		
	LC**	1,320.00	477.07		
	Acceptance**	(1,320.00)	-		
	UPAS**	(1,320.00)	-		
	Term Loan**	(1,320.00)	-		
Sub Total		3,082.25	1,943.35		
Shimanto Bank Limited (As on 10/10/2023)	Time Loan**	20.00	20.50		0.50
		100.00	102.50		2.50
		100.00	102.50		2.50
Sub Total		220.00	225.50		5.50
Mutual trust Bank PLC (As on 30/09/2023)	LC**	1,565.00	393.18		
	Acceptance**	(1,565.00)	10.38		
	EDF**	(1,565.00)	1,161.44		
	Term loan**	(1,170.00)	393.47		
	LC Machinery**	1,780.00	82.98		
	ABP-Machinery**	(1,780.00)	1,147.25		
Sub total		3,445.00	3,288.70		
Bengal Commercial Bank Limited (As on 31/08/2023)	Corporate Bai-Muazzal**	380.00	397.10		17.10
Sub Total		380.00	397.10		17.10
Al-Arafah Islami Bank PLC (As on 09/11/2023)	LC (FS/deferred/UPAS/EDF)	250.00	Nil		
	LTR (inner)	(100.00)	Nil		
	HPSM (R/E)	1,200.00	1,150.00		
Sub Total		1,450.00	1,150.00		
Total:		25,502.80	18,452.04	155.86	90.77

*Per USD In BDT 110.04 as on 12/10/2023

** Limit has considered from outstanding statement

Paramount Textile PLC (PTL) has been enjoying composite banking facilities from Pubali Bank PLC, Principal Branch, HSBC Bank Limited, Dhaka Main Office, Uttara Bank PLC & Community Bank Bangladesh Limited, Gulshan Branch, IDLC Finance Limited, Corporate Head Office, Alliance Finance PLC, United Finance Limited, Tejgaon Branch, BRAC Bank PLC, Head office Branch, Shimanto Bank Limited, Corporate Head office, Mutual Trust Bank PLC, Gulshan Branch, IPDC Finance, Head office, United Commercial Bank PLC, Corporate Branch, Bengal commercial Bank Limited, Head office Al-Arafah Islami Bank PLC, HO Corporate Branch, Modhumoti Bank Limited, Gulshan Branch, Dhaka. As per bank information, PTL has BDT 155.86 million at United finance, HSBC & IDLC Finance & BDT 90.77 million EOL at HSBC, Pubali Bank PLC, United Finance, Modhumoti bank, shimanto & Bengal Commercial Bank. AlphaRating only considered the above banking facilities availed by the company while assigning the rating.



Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Alpha Credit Rating Limited

Company Profile	Industry Overview	Business Risk	Financial Analysis
Bank Facilities	Management & Other Qualitative Factor	Company Information	

BRAC Bank PLC

- Hypothecation on fixed, movable & immovable assets including machinery, plant & equipment of the company
- Registered mortgage of land measuring 2,537.33 decimal land existing structure located at Mouza: Kewa, Faugain, Farmer, Dist Gazipur which has a market value of BDT 930.90 million & force sale value of BDT 465.50 million.
- Corporate Guarantee
- Personal guarantee of all directors
- Basic charge documents
- MICR cheque

Pubali Bank PLC

- Hypothecation on fixed, movable & immovable assets including machinery, plant & equipment of the company
- Hypothecation on floating assets including receivables, raw materials, wip, finished goods & book debts of the company
- Personal guarantee of all the directors of the company
- Corporate guarantee of Paramount Holdings Limited & Sunrise Chemicals Limited
- Usual Charge Documents
- Registered mortgage of land measuring 1125.00 decimal land existing structure located at Mouza: Kewa, PS: Sreepur, Dist Gazipur which has a market value of BDT 930.90 million and force sale value of BDT 465.50 million.
- Corporate Guarantee
- Personal guarantee of all directors
- Lien of acceptance
- Cheque covering bill discount

HSBC Limited, Dhaka

- First charge over the company's stock of raw materials, work in progress, finished goods and book debts/receivables with RISC on Pari Passu basis with other lenders. HSBC's share being BDT 1,500.00 million
- First charge over company's plant & machineries with RISC on Pari Passu basis with other lenders. HSBC's share being BDT 1000.00 million.
- Registered mortgage over 1125 decimal land & existing building in the name of Paramount Textile PLC, Paramount Spinning Mills Limited, Mr Shakhawat Hossain & Mr. Alock Das situated at Sreepur, Gazipur on Pari Passu basis with other lenders. HSBC's Share being BDT 1233.00 million.
- Registered mortgage for BDT 430.00 million over 206.75 decimal factory land & building in the name of Paramount Textile PLC situated in Sreepur, Gazipur to secure the term loan facilities.
- Personal Guarantee executed by Mr. Shakhawat Hossain, Mr. Alock Das, Mrs Anita Haque & Mrs. Anita Rani Das for BDT 1,915.00 each supported by personal net worth statement.
- Personal Guarantee executed by Ms. Samsun Nahar, Ms. Aporna Ghosh Das for BDT 1,233.00 each

Alliance Finance PLC

- Pledge of share 2,597,405 of PTL

IDLC Finance Limited

- Personal Guarantee from Mr. Shakhawat Hossain, Mr. Alock Kumar Das, Mrs. Anita Haque and Mrs. Anita Das. to be signed separately without using the seal.
- Lien on share
- Hypothecation (fixed/floating charge) on plant & machineries
- One undated cheque for the full amount with authorization letter
- Pledge on 8744202 shares of PTL
- Corporate guarantee

United Commercial Bank PLC

- BDT 10.00 million director & sponsor share of PTL of BDT 700.00 million



Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile	Industry Overview	Business Risk	Financial Analysis
Bank Facilities	Management & Other Qualitative Factor	Company Information	

Al-Arafah Islami Bank PLC

- 1579.00 decimal land located at Mouza- Dhamsur District- Mymensingh FSV BDT 189.50 million
- Personal guarantee
- Required number of cheque
- Necessary charge documents

IPDC Finance Limited

- Hypothecation on all fixed & Floating assets
- Additional FDR BDT 7.50 million
- Tagging existing lien on BDT 22.50 million
- Personal guarantee
- Demand promissory note
- Other usual charge documents

Modhumoti Bank Limited

- Personal guarantee
- Corporate Guarantee
- Charge on floating assets
- Fresh Lien on FDR BDT 50.00 million
- MICR cheque covering the entire limit favoring the bank
- Usual charge documents

United Finance Limited

- FDR BDT 5.00 million

Community Bank Bangladesh Limited

- Charge with RJSC on present and future floating assets of the company
- Lien of BDT 10,000.000 nos of share of PTL
- Lien on CBBL FDT BDT 50.00 million
- Personal Guarantee of all directors
- MICR cheque
- Standard charge documents

Bengal Commercial Bank Limited

- Bai Muzzal agreement
- Hypothecation of stock
- Personal guarantee
- Postdated cheque
- Usual charge documents
- Lien on 60 lac share of PTL of BDT 475.50 million

Mutual Trust Bank PLC

- 590.95 decimal project land, 701 decimal adjacent land to project & 4.95 decimal third party land with construction BDT 707.76 million



Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Management & Other Qualitative Factors

Board of Directors & its Responsibilities

The board comprises ten members, a good blend of executives and non-executives and independent directors having diverse and professional skills & experiences. The non-executive directors from varied businesses and professional backgrounds and their experience enable them to execute independent judgments on the board where their view carries substantial weight in the process of decision making. They contribute to the company strategy and policy formulation in addition to maintaining its performance as well as executive management. The board is collectively responsible to the company's members as laid down in its article of association. The board approves annual budget and reviews the business plan of the company and gives guideline for improvement wherever necessary. The board also ensures strict compliance on the regulatory requirements by timely submission of financial statements or any other related information for protecting shareholders wealth.

Corporate Governance

As a part of growth strategy, the company believes in adopting best practices that are followed in the area of corporate governance to ensure full transparency and accountability in all its activities, in order to protect the interest of stakeholders. In this regard, the board of directors considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them through creating & building long term value for the shareholders.

Audit Committee

The company formed audit committee as a subcommittee of the board, has been constituted by one of the independent director as chairman and two other members of the board for ensuring good governance practices within the company. Mr. Md. Jahangir Yahya is the chairman of the committee who has twenty seven years of practical knowledge & professional experience in the field of accounting and finance, audit and corporate management. The company secretary is the secretary of the audit committee. This committee assists the board to ensure that the financial statements reflect true and fair view of the state of the affairs of the company. The audit committee is responsible to board of directors for its roles & responsibilities that are clearly set forth by the company.

MIS & Internal Control System

The information system of the company is at developing stage. Currently IT related aspects of the company are taken care of by 8 IT professionals. The company uses Tally software for accounting and most of the cases use packaged software for daily activities of the management. Currently PTL has a total of 285 desktop & laptops in head office and factory for daily operations. Moreover, the company also has separate 10 members internal audit team to ensure structured internal control procedure, safeguard of assets, and promote operational efficiency and compliance with applicable policies and regulations. Internal control system is maintained and reviewed by the internal audit team. This team directly reports to the audit committee, Chairman and Managing Director.

Human Resource Management


PTL has implemented a well-structured service rule for the human resources. Moreover, the company provides training facilities to the employees to improve their individual skills to meet up the business objectives. The company facilitates good working environment for its employees. It has a day care center, where the babies of female workers are looked after while their mothers are busy at work. To ensure sound health of employees, PTL has a sophisticated medical facility attended by qualified doctors. Paramount Textile PLC also has a primary school for children of workers, children which is situated near to the factory. The company exhibits a performance evaluation system and performance incentives for its employees. As part of this, the company introduced Workers Profit Participation Fund (WPPF) to increase the benefit of their workers. The human resource base of the company stands at 4,518.



Paramount Textile PLC

 Chief Financial Officer


 Md. Robiul Islam FCS
 Company Secretary
 Paramount Textile PLC.

Paramount Textile PLC

 Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile

Industry Overview

Business Risk

Financial Analysis

Bank Facilities

Management & Other Qualitative Factor

Company Information

Compliance Issues

Particulars	Valid till
Trade License	2023-2024
Factory License	30.06.2024
Income Tax Clearance (Acknowledgement receipt)	2022-2023
BTMA Membership Certificate	31/12/2023
BGCCI Membership Certificate	31/12/2023
EPB Enrollment Certificate	02/09/2024
ERC	30.06.2028
IRC	30.06.2028
Fire License	30.06.2024
Environmental Certificate	11/01/2024
Insurance	08/10/2024
VAT	Registered
Bond License	01/11/2023

End of the Report

Rating Report – Paramount Textile PLC (PTL)

Page 19



Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited

AlphaRating

Company Profile

Industry Overview

Business Risk

Financial Analysis

Bank Facilities

Management & Other Qualitative Factor

Company Information

COMPANY INFORMATION:

Board of Director

Sl. No.	Name	Designation
1	Ms. Anita Haque	Chairman
2	Mr. Shakhawat Hossain	Managing Director
3	Mr. Alok Kumar Das	Director
4	Ms. Anita Das	Director
5	Mr. A. H. M. Habibur Rahman (Nominated by Paramount Holdings Ltd.)	Director
6	Sib Sankar Saha	Independent Director
7	Mr. Md. Jahangir Hossain	Independent Director
8	Mr. A. H. M. Abdur Rahman (Nominated by Paramount Spinning Ltd.)	Director
9	Aparna Ghosh	Director
10	Samsun Nahar Nadia	Director

Management Team

Sl. No.	Name	Designation
1	Mr. A.B.M. Delwar Hossain	Executive Director (Operation)
2	Mr. Mohammad Jahidul Abedin	Chief Financial Officer
3	Mr. Md. Abdul Halim	Head of Internal Audit
4	Mr. Md. Shah Aziz, FCMA	GM, Accounts & Finance
5	Mr. Md. Robiul Islam, FCS	Company Secretary

Company Address

Registered Office

Navana Tower (Level-7/C), Gulshan-1, Dhaka-1212, Bangladesh.

Corporate Office

House No-22 (Level-2, 5-7), Road No. 113/A, Gulshan-2, Dhaka-1212, Bangladesh.

Factory

Gilarchala, Sreepur, Gazipur, Bangladesh

Auditor

Shiraz Khan Basak & Co.

Chartered Accountants

86, Bir Uttam C.R. Datta Road (312, Sonargaon Road)

Hatirpool, Dhaka- 1205

Company Website

www.Paramountgroupbd.com

Rating Report – Paramount Textile PLC (PTL)

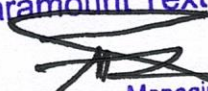
Page 20



Paramount Textile PLC


Chief Financial Officer

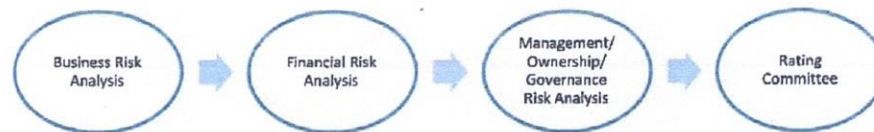

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Alpha Credit Rating Limited

AlphaRating

AlphaRating's Research Methodology for Determining Corporate Credit Rating



Analysis is segmented into two or three sub sectors:

- › Industry Outlook
- › Competitive Position
- › Operational Analysis

Analysis is segmented into four sub sectors:

- › Earnings Cash Flow
- › Generating Ability & Debt Servicing Capacity
- › Capital Adequacy
- › Financial Flexibility

It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

- › Review Modeling Assumption
- › Approve Company-Specific Adjustments

Rating Outlook

BB	A	BBB
CC	AAA	D
B	AA	CCC

BB	A	BBB
CC	AAA	D
B	AA	CCC

POSITIVE	Rating may be raised
NEGATIVE	Rating may be lowered
STABLE	Rating is likely to remain unchanged
DEVELOPING	Rating may be raised, lowered or remain unchanged.

ST-1	Strongest ability to meet Short term financial commitments
ST-2	Above average ability to meet short term financial commitments
ST-3	Average ability to meet Short term financial commitments
ST-4	Below Average ability to meet short term financial commitments
ST-5	Well below average ability to meet short term financial commitments
ST-6	Failed to meet short term financial commitments

AAA	Strongest Credit Quality
AA	Very Strong Credit Quality
A	Above Average Credit Quality
BBB	Average Credit Quality
BB	Slightly Below Average Credit Quality
B	Weak Credit Quality
CCC	Very Weak Credit Quality
CC&C	Extremely Weak Credit Quality
D	Failed to Meet Rated Financial Commitment On Time or When Due

Note: Long term rating from AA to B may be modified by the inclusion of a plus (+) or minus (-) sign to indicate relative strength within the rating category.



Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Annexure-V
Credit Rating Report (Issue)

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

AlphaRating

28 December, 2023

Managing Director

Paramount Textile PLC (PTL)

Chaklader House (Level-2,5,6,7), House #22, Road #113/A, Gulshan-2, Dhaka-1212.

Subject: Credit Rating of Paramount Textile Zero-Coupon Bond

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating), vide credit rating Agreement No: 24219 has assigned the following rating to **Paramount Textile Zero-Coupon Bond**

Date of Declaration	Valid From	Valid Till	Rating Action	Bond Rating	Outlook
28 December 2023	22 December, 2023	21 December, 2024	1 st surveillance	AA-	Stable

The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **Paramount Textile Zero-Coupon Bond**, hereby solemnly declare that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With Kind Regards,

Abdul Mannan
Abdul Mannan
Chief Executive Officer

This letter forms an integral part of the credit rating report.

Alpha Credit Rating Limited, Sadharan Bima Bhaban-2 (2nd & 8th Floor), 139 Motijheel C/A, Dhaka-1000.
Tel: +880-2223353025, 2223353026, 2223353027, 2223353028, www.alpharating.com.bd, E-mail: info@alpharating.com.bd

Paramount Textile PLC
[Signature]
Chief Financial Officer

[Signature]
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
[Signature]
Managing Director

Paramount Textile Zero-Coupon Bond AA- Rating **Rating Action** 1st Surveillance

Date of Declaration 28 December 2023 **Valid From** 22 December, 2023 **Valid Till** 21 December 2024 **Stable** Outlook

Business Risk	Liquidity Profile	Solvency	Priority	Security	Covenant	Industry Group	Sector
Moderate	Good	Good	Moderate	good	Good	Primary Textile	Fabric manufacturer

Paramount Textile PLC is a 100% export oriented woven fabric manufacturer lead by qualified professional management team and has a smart financial profile.

Previous Rating

Rating: AA-

Date of Declaration: 22 December, 2022

Valid Till: 21 December, 2023

Outlook: Stable

Contact Analysts

Jahannoor Khan

jahannoor@alpharating.com.bd

Tanmoy Saha

tanmoy@alpharating.com.bd

Contents

Rationale	2
Company Profile	3
Industry Overview	5
Issue Overview	9
Business Risk	12
Financial Risk Analysis	14
Bank Facility	17
Management & Other Qualitative Factors	21
Company Information	23

Date of Incorporation:

12th June, 2006

Board Chairman: Ms. Anita Haque

Managing Director:

Mr. Shakhawat Hossain

Issue:

Paramount Textile Zero-Coupon

Bond

- Face value of Bond BDT 2,500.00

million.

- Issue value of the Bond is BDT 1,846.96

million (Discounted at 10% P.a.)

Tenure: 5 years

Lead Arranger: NDB Capital Limited

Total Limit:

BDT 27,003.90 million

Total Outstanding:

BDT 19,490.54 million

Rationale

AlphaRating vide credit rating Agreement No: 24219, affirms bond rating "AA-" (pre 'Double A minus') in favor of **Paramount Textile Zero-Coupon Bond**. For instrument Paramount Textile PLC (PTL) (herein after referred as 'the company or PTL') AlphaRating emphasizes on issue specific risk, and Transaction Dimension which covers priority, covenants of the bond. Moreover, actual financial statements of four years, related business risks and management quality of the entity have also been considered for the rating.

AlphaRating considered the above bond supported by factors such as improved revenue, ROA, ROE, profitability ratio, positive CFO, sound liquidity position, audited financial statements, most of the updated compliances, positive CFO, shortened working capital management policy, adequate capacity to pay interest and improved net asset value has also influenced the rating to a great extent. This improvement has become achievable because of insightful operation and long term experience of professional management team which was also considered while assigning the rating. AlphaRating observed that excellent track record, business development planning and increased demand has driven the company to expand outreach of its operation. Apart from this, good business relationship with all stakeholders was considered as one of the key strength behind the rating. In addition, quality financial reporting, positive attitude towards regulatory framework & strong corporate governance adherence has also been positively considered during the rating procedure. However, profitability of the company has been pressurized by extremely competitive despite being a major key player in the market. Apart from this, highly geared capital structure, overdue, uncertain macro-economic environment and business risks were taken into account and all the above issues have prevented us from assigning more than above mentioned rating.

Analysis of Bond Transaction Dimension has revealed that the covenant to the bondholders is very liberal and not quite stringent securing the rights of the bondholders at a maximum level. It was also observed that being an unsecured bond, it eliminates the requirement of the bond to be secured against collateral, which has hindered the priority of the bondholders below secured debt holders and all other obligation on liquidation. Above limitations of transaction dimension have resisted the progress of rating to a great extent.

AlphaRating positively believe that PTL will be able to generate good profitability as well as sufficient CFO when the installments of the bond will fall due reducing the redemption risk to some extent. All these issues have impacted the rating positively and encouraged us to confirm the Stable outlook in favor of instrument rating. The outlook may be revised to 'Negative' if there is significant deterioration in the asset quality and sharp decline in earnings.

Issue specific risk analysis revealed that, the risk of late payment will be compensated by the capacity of generating enough CFO and late payment charge as per bond documents. All these above factors lead AlphaRating to assign one notch lower rating of PTL's entity rating of "AA".

Abdul Mannan
Abdul Mannan
Chief Executive Officer
Alpha Credit Rating Limited

Company Profile

Bank Facilities

Industry Overview

Management & Other Qualitative Factor

Business Risk
Financial Analysis

Company Information

Company Profile

Paramount Textile PLC (PTL) is one of the leading manufacturers of high quality woven fabric in Bangladesh. Having started the journey in 2006 they commenced commercial production on September 01, 2008. Later it converted to a public limited company on September 19, 2010. Paramount textile produces high quality yarn dyed woven fabric which include 100% cotton yarn dyed fabrics, cotton solid white fabrics, stripe & check shirts, stretch fabric. The products are consumed by 100% export oriented garment companies. Normally the products are designed based on specification and guideline of ultimate buyer. The company is an Oeko-Tex certified (Class#1) 100% export oriented woven fabric manufacturer equipped with state of the art machineries sourced from leading European and Asian manufacturers, producing 15 million yards of fabric annually. The Oeko-Tex label is a recognized benchmark for the manufacturers and serves as an additional credential of quality assurance. The registered office of the company is situated at Navana Tower (Level #7), Gulshan C/A, Dhaka-1212. The Factory is located in Sreepur, Gazipur an hour drive from the Dhaka International Airport, Sprawled across 35 acre of factory premise and over 4000 numbers of skilled workers and employees. Paramount Textile today is a name to be reckoned both nationally and globally. Paramount aims to provide high quality fabric for the fashion retailers and fabric sourcing companies from across the globe ensuring an eco-friendly GO FOR GREEN (GFG) environment.

Group Profile

Paramount is one of the most successful group of company which has grown significantly since its beginning with Sunrise Chemicals in 1986. Businesses under Paramount Group are given below:

- Paramount Textile PLC (PTL)
- Paramount Insurance Company Limited
- Sunrise Chemical Industries Limited
- Paramount Holdings Limited
- Foodex International Limited
- Paramount B Trac Energy Limited
- Paramount Agro Limited
- Paramount Spinning Limited
- Intraco Solar Power Limited

Ownership Pattern

Paramount Textile PLC (PTL) is Public Limited Company listed on 2013 under Dhaka & Chittagong Stock exchange. The company has authorized 5,000.00 million shares of Tk. 10 each and issued BDT 1,628.34 million shares of Tk. 10 each. Ownership pattern of the company was presented in below (As on 31/10/2023)

Shareholders	Percentage (%)
Sponsor/ Directors	60.95%
Institutes	10.07%
Foreign	4.38%
General Public	24.60%
Total Number of Shares	100.00

Source-DSE website

Product Range

The product range of PTL includes 100% cotton yarn dyed fabrics from plain weave to structured twills, dobby & satins. Product range includes the following:

- 100% cotton yarn dyed woven fabric
- 100% cotton solid white fabric
- PFD/RFD woven fabric for garment dyeing/printing
- Dyed yarn for circular knitting
- Sweater yarn or flat knitting dyed yarn

Their special finishing facility gives a distinct advantage to produce different types of finishes such as:

- Silky soft
- Easy care, wrinkle free, post mercerize
- Teflon, Water repellent, oil repellent, Soil release
- Peach & carbon peach finish

Installed Production Capacity

- Yarn Dyed Fabric 110,000 yards per day
- Dyed Yarn 32 ton per day
- Printing 10 ton per day

AlphaRating

Company Profile

Bank Facilities

Industry Overview

Management & Other Qualitative Factor

Business Risk
Financial Analysis

Company Information

Dyeing Plant

Their dyeing plant has introduced sets of world's top equipment such as r f dryer machine from STALAM, Italy; stenter machine from EU & China; singeing & de-sizing machine, scouring, bleaching, washing & sanforising machine from RED FLAG.

Weaving Unit	Number
Sectional Warping	4 sets
Direct Warping	7 sets
Sizing & pre-wetting system	2 sets
Air jet loom	318 sets
Warping Machine	12 sets
Rapier Machine	52 sets
Knotting Machine	7 sets
Sample Loom	7 sets
Yarn Dyeing Unit	
Soft & Hard Winding Machine	1,728 spindles
Yarn Dyeing Machine	106 sets
Hydroextractor	10 sets
RF Dryer	4 sets
Finishing Unit	
Singeing/de-sizing Machine	01 set
Scouring, Bleaching & Washing Machine	01 set
Printing Unit	
Stenter (all types)	5 sets
Sanforising	4 sets
Utility Unit	
Generator	9 pieces
Boiler	5 pieces
Air Compressor	22 pieces
Water Circulation Pump	6 pieces

Weaving Plant

In their weaving plant, they have brand new TSUDAKOMA wrapping machine and sizing winder, combination of TSUDAKOMA, TOYOTA, PINACOL air jet looms with world's renowned French cam-motion and dobby motion machines from STAUBLI, Sectional machine from Korean manufacturer UKIL & JUPITER and Knotting machine from STAUBLI. PTL also has high level of experimental equipment and full range sampling & powered handloom machines to produce high quality yarn dyed fabrics.

Design & Quality Control

To ensure safe and consumer friendly fabric, Paramount has its own high-tech laboratory and computer data processing system. The laboratory is fully equipped with modern testing equipments and machinery to enable checking of fabrics in all stages to comply with all testing criteria and performance indicators. The testing lab equipment is sourced from renowned brands from USA and UK. The company has its own design studio equipped with Tex Tronic dobby and Koppermann software for creating fabric designs. This enables buyers to choose ready designs straight away which can be put into bulk production thereby reducing the lead-time of sampling and handloom making. To support the design studio, Paramount has complete automatic/powered sampling unit.

Rating Report – Paramount Textile Zero-Coupon Bond



Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director

Company Profile	Industry Overview	Business Risk	Financial Analysis
Bank Facilities	Management & Other Qualitative Factor		Company Information

ETP & WTP

Paramount Textile PLC takes great care to conserve the environment they operate in. Their sophisticated effluent treatment plant (ETP) treats, purifies & releases waste water through a biological treatment. It has been established covering an area of 70000 sqft along with a 1500 feet long drain.

The company also built water treatment plant (WTP) capable to reduce iron level in water so that it can help produce high quality fabric consistently in term of color levels and the strength of the yarn as well as help environment minimizing the use of pretreatment chemicals.

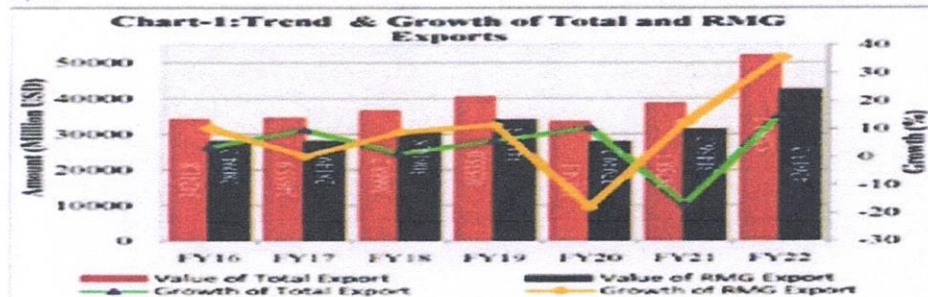
Apart from that, PTL ensures eco-friendly GFG (Go for Green) environment for their products. The factory premises have been carefully planted with trees offsetting carbon emission and ensuring a healthy environment for all.

Utilities

Paramount Textile PLC has its own captive power plant and generates its own power resulting uninterrupted production through GE Jenbacher gas engines. The factory generates own power through 4 GE Jenbacher gas fired generators which have cumulative generation capacity of 5 MW. World's leading compressors ATLAS COPCO has been installed and SIEMENS substations and bus bars are used to support the production flow. The company also uses LOOS Boiler from Germany & chillers from other renowned manufacturers.

INDUSTRY ANALYSIS

The RMG sector of Bangladesh was turning around quite well in the post-Covid-19 period; and then the Russia-Ukraine war in late February of last year interrupted that momentum. The apparel sector, the largest contributor to the national export earnings, started the year 2022 with a 30.36% annual growth. Exporters projects that the impact of the war may continue in 2023 and the year will be a crucial and challenging one for the apparel sector of the country. However, the sector bagged \$45.7 billion by shipping apparel items, seeing an annual growth of 27.64% from \$35.41 billion in 2021. Industry insiders said that the major challenges include the prolonged Russia-Ukraine war, mounting energy prices and fear of recession. Moreover, 2023 is the year of the national poll of Bangladesh. Rallies of the political party may create instabilities and put pressure on exports.



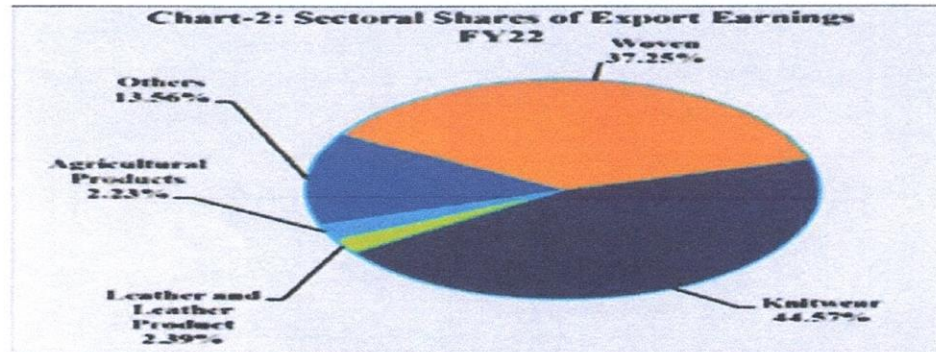
In FY22, the RMG sector contributed 9.25 percent to GDP. Bangladesh's overall RMG export earnings stood at USD 42613.15 million, which was 35.47 percent higher than that of the previous fiscal year (Chart-1).

AlphaRating

Company Profile
Bank Facilities

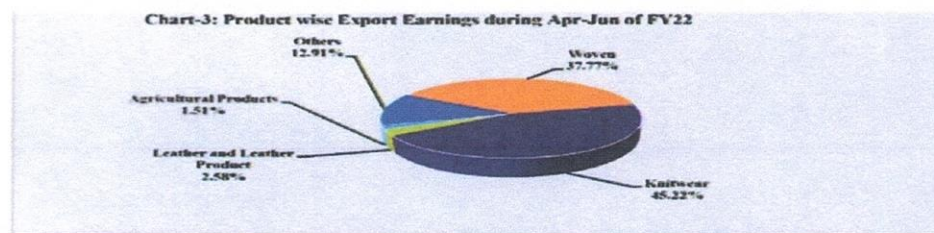
Industry Overview
Management & Other Qualitative Factor

Business Risk
Financial Analysis
Company Information



The sectoral shares of export earnings in FY22 have been shown in Chart-2.

Source: Export Promotion Bureau (EPB)



Source: Export Promotion Bureau (EPB)

In this quarter, the contributions of non-RMG products to total exports earnings were as follows: leather and leather products (2.58 percent), agricultural products (1.51 percent), and other products (12.91 percent) (Chart 3).

Knitwear

Export earnings from knitwear rose in April-June FY22, to USD 6094.42 million, which was 2.29 percent higher than the previous quarter. Export trends of knitwear and woven are displayed in Chart-4 on quarterly basis

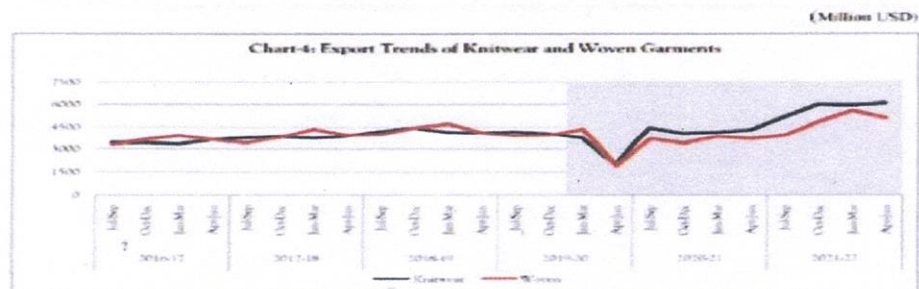


Table-1: Export of Readymade Garments (From FY17 to FY22)

FY	Total Export	Woven Garments		Knitwear		Total RMG (Woven + Knitwear)	Percentage Share in Total Export		
		Target	Actual	Target	Actual		Woven Garments	Knitwear	Total
1	2	3	4	5	6	7=(4+6)	8=(4÷2)	9=(6÷2)	10=(8+9)
FY17	34655.92	16210.00	14392.59	14169.00	13757.30	28149.89	41.53	39.70	81.23
FY18	36668.17	15060.00	15426.25	15100.00	15188.51	30614.76	42.07	41.42	83.49
FY19	40535.04	16539.00	17244.73	16150.00	16888.54	34133.27	42.54	41.66	84.21
Jul-Sep FY20	9647.99	4612.95	3887.34	4493.76	4170.22	8057.56	40.29	43.22	83.51
Oct-Dec FY20	9654.17	4797.10	3930.88	4673.14	4035.58	7966.46	40.72	41.80	82.52
Jan-Mar FY20	9671.67	5004.21	4330.95	4874.90	3748.75	8079.70	44.78	38.76	83.54
Apr-Jun FY20	4700.26	4955.74	1892.02	4808.20	1953.45	3845.47	40.25	41.56	81.81
FY'20	33674.09	19350.00	14041.19	18850.00	13908.00	27949.19	41.70	41.30	83.00
Jul-Sep FY21	9896.84	4025.39	3662.72	3934.68	4463.66	8126.38	37.01	45.10	82.11
Oct-Dec FY21	9336.61	4173.74	3356.67	4079.69	4062.51	7419.18	35.95	43.51	79.46
Jan-Mar FY21	9704.90	4418.35	3814.35	4318.78	4128.01	7942.36	39.30	42.54	81.84
Apr-Jun FY21	9819.96	4467.52	3662.96	4366.85	4305.85	7968.81	37.30	43.85	81.15
FY'21	38758.31	17085.00	14496.70	16700.00	16960.03	31456.73	37.40	43.76	81.16
Jul-Sep FY22	11021.95	3748.44	3895.26	4680.46	5164.18	9059.44	35.34	46.85	82.19
Oct-Dec FY22	13676.60	3934.56	4843.81	4912.84	5997.45	10841.26	35.42	43.85	79.27
Jan-Mar FY22	13907.12	4029.05	5569.43	5030.84	5958.27	11527.70	40.05	42.84	82.89
Apr-Jun FY22	13476.99	3916.95	5090.34	4890.86	6094.42	11184.76	37.77	45.22	82.99
FY'22	52082.66	15629.00	19398.84	19515.00	23214.32	42613.15	37.25	44.57	81.82

<https://www.newclothmarketonline.com/international-business-pages/bangladesh-readymade-garments-rmg-industry-april-june-2022-review/>

Destination of RMG Exports

The main destinations of Bangladesh's RMG exports are the USA, Germany, UK, Spain, France, Italy, Netherlands, Canada, and Belgium (Chart-6). During April-June of FY22, total export earnings from these nine countries stood at USD 9084.71 million; of which 90.43 percent or USD 8215.13 million was earned from the RMG (woven 43.03 percent and knitwear 47.40 percent) export (Table-3).

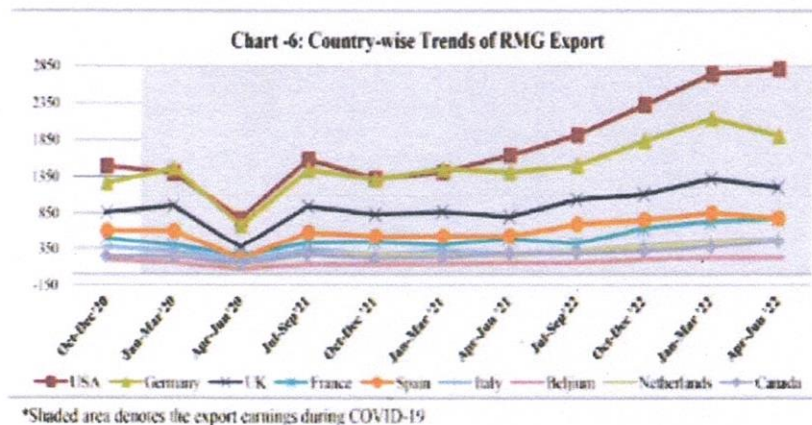


Table-3: Country wise RMG Export in April-June, FY22

(Million USD)							
Countries	Total Export	Woven Garments	Knitwear	Total RMG	Other Exports	Share of RMG in Total Export (%)	Others Share in Total Export (%)
1	2	3	4	5=(3+4)	6=(2-5)	7=(5÷2)	8=(6÷2)
USA	2802.42	1617.38	805.81	2423.19	379.23	86.47	13.53
Germany	1906.15	692.54	1105.58	1798.12	108.03	94.33	5.67
UK	1201.93	473.16	650.96	1124.12	77.81	93.53	6.47
France	771.37	247.15	432.06	679.21	92.16	88.05	11.95
Spain	777.47	315.37	434.09	749.46	28.01	96.40	3.60
Italy	490.22	148.21	313.80	462.01	28.21	94.25	5.75
Belgium	217.87	54.15	130.14	184.29	33.58	84.59	15.41
Netherlands	464.90	165.14	229.21	394.35	70.55	84.82	15.18
Canada	452.38	196.31	204.07	400.38	52.00	88.51	11.49
Sub-Total	9084.71	3909.41	4305.72	8215.13	869.58	90.43	9.57
Others Countries	4392.28	1180.93	1788.70	2969.63	1422.65	67.61	32.39
Total	13476.99	5090.34	6094.42	11184.76	2292.23	82.99	17.01

Source: Export Promotion Bureau, Bangladesh

Recent Measures Taken to Facilitate RMG Exports

Recently, the government and Bangladesh Bank have undertaken a number of measures especially for facilitating production and export of the RMG sector. Some measures taken to boost up production and export of the RMG sector are highlighted below:

Pre-shipment Credit:

To continue the export activities of export oriented RMG industries amid the Corona pandemic, Bangladesh Bank has formed a refinance fund worth of BDT 50.00 billion. RMG entrepreneurs can take loans from this fund through banks at 6 percent rate of interest (BRPD Circular No 9, Date 13 April, 2020). Recently, for the betterment of economic growth in export sector, BB reduced the interest rate on this refinance fund from 6 percent to 5 percent at receiver level and 3 percent to 2 percent at bank level (BRPD Circular No-26, Date 26 April, 2021). Bangladesh Bank has expanded the tenure of loan facilities for entrepreneurs from 01 year to 03 years under this refinance scheme. Entrepreneurs can avail the loan more than one times within the mentioned period (BRPD circular no: 44, Date 30 September 2021).

Incentives for Export Expansion:

During the FY22, to encourage the country's export trade, export subsidies or cash incentives have been given for some export items from 1 July 2021 to 30 June 2022. Among them, 4 percent cash incentive has been given to export oriented garments sector, small & medium industry of garments sector and to help expanding the new items/new market garments sector (excluding the USA, Canada, UAE). In spite of existing 4 percent cash incentive, additional 2 percent has been given as support for the exporters of garments sector of EURO zones. Moreover, 1 percent special cash incentive has been to RMG sector (FE Circular No-29, Date 20 September, 2021).

Extended Facilities for Trade Transactions:

To facilitate smooth transition in the external trade activities of the country, the following decisions have been implemented: The usage period for industrial raw material imports, including back-to-back imports under supplier or buyer credit, has been extended up to 270 days under the Guideline for Foreign Exchange Transactions (GFET)-2018, Vol.-1.

The Export Development Fund (EDF) limit for individual BTMA and BGMEA member mills have been enhanced to USD 30 million from USD 25 million, and the period of EDF loan has been extended from 90 days to 270 days which remained valid for the respective transactions until June 30, 2022 (FE Circular No-01, Date January 6, 2022).

Conclusion

The strong growth in the RMG industry and the boom in export earnings in the last several months are highly encouraging for Bangladesh. However, for the next phase of export growth and competitiveness for the RMG sector, the pace of innovation and digitalization should be given high priority. Furthermore, this sector requires the adaptability appetite for fast fashion demand and diversified products in the future to settle its own brand globally through the increasing knowledge and skills of garment workers.

Company Profile	Industry Overview	Issue Overview	Business Risk
Issue Risk	Financial Risk	Management Quality	Company Information

Issue Overview

Interest

Zero Coupon Bonds' pay no coupons but are issued at deep discount from the 'Face Value', the amount to be paid back upon the Bonds' maturity. The investor's return is the difference between the purchase price of the Bond and its face value when redeemed. Since these Bonds do not pay coupons, there are no interest coupons attached to the Bond document, hence the name "zero-coupon Bond".

Redemption

Payment of redemption amount and other payments (if any) will be made on the Redemption Date in accordance with Redemption Scheduled agreed in the trust deed by the Issuer to the Bondholders. All such payments shall be made by the Issuer by pay order /BDT cheques drawn on a bank that processes payments in BDT for the account of the Bondholder. The Issuer has delivered the relevant cheques/pay orders to the Trustee for distribution to the respective Bondholders against presentation or surrender of the relevant Bond Certificate to Trustee.

Issue Objective

PTL has planned to issue this zero coupon bond of BDT 2,500.00 million for financial cost optimization and business expansion.

Repayment Schedule

Redemption of the bond will take place in 10 equal instalments as depicted below:

5 years to maturity			
Tenure (Semi-annual)	Redemption at Face Value (In Million BDT)	Investment at Discounted Value (In Million BDT)	Semi-annual Yield
1	125.00	119.05	5.00%
2	125.00	113.38	5.00%
3	165.00	142.53	5.00%
4	165.00	135.75	5.00%
5	320.00	250.73	5.00%
6	320.00	238.79	5.00%
7	320.00	227.42	5.00%
8	320.00	216.59	5.00%
9	320.00	206.27	5.00%
10	320.00	196.45	5.00%
Total	2,500.00	1,846.96	

Features of Bond

Issuer	Paramount Textile PLC (PTL)
The Issue	Paramount Textile Zero-Coupon Bond
Type of Issue	Non-convertible, Transferable, Fully Redeemable Unsecured Zero-Coupon Bond
Issue Size	BDT 2,500.00 Million
Total Issue Price	BDT 1,846,956,431.96 (Discounted at 10% P.a.)
Face Value of each bond	BDT 1,000,000.00
Total number of Bonds	2,500
Lead Arranger	NDB Capital Limited
Trustee	Sena Kalyan Insurance Company Limited
Security	Unsecured
Maturity	5 years from the issue date
Discount Rate	The discount rate to be fixed between 9.00%-12.00% p.a. (floor is 9.00% p.a. and ceiling is 12.00% p.a. to be considered for fixing the discount rate)
Listing	Unlisted
Mode of placement	Private placement
Transferability	Transferable in accordance with the provisions of the Trust Deed and Subscription Agreement
Redemption	To be redeemed semi-annually in 10 Instalments starting from end of 6 th month from the Issue Date and each 6 months from there after as per the redemption schedule.
Convertibility	Non-convertible
Delay in Payment	The Issuer shall pay a late payment penalty of 2% (two percent) higher than the discount rate and be payable on the amount not paid on the due date up to the date of actual payment.
Investors	Banks, NBFIs, Corporate Houses, Insurance Companies, Asset Management Firms, Mutual Funds, Merchant Banks, Institutional Investors and High Net Worth Individuals.

Company Profile	Industry Overview	Issue Overview	Business Risk
Issue Risk	Financial Risk	Management Quality	Company Information

Issue Specific Risk

Non Payment Risk

Non-repayment risk arises from the risk of loss of principal or income on the failure of an obligor or counterparty to meet their contractual obligations. PTL is a 100% export-oriented entity and made its sales through Letter of Credit. As the company is involved in 100% export-oriented business, all the sales are made against Letter of Credit (L/C). L/Cs provide guarantee against credit sales and minimize the credit risk to an acceptable level. Bills receivable arises due to the time difference.

Prepayment, call or refunding risk

The risk faced by investors that the issuer may redeem the bond earlier than the scheduled maturity. The issue will have early redemption clause to prevent the issuer from prepaying the bond.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions without incurring any unacceptable losses. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Operational Risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and system or from external events. Internal control and internal audit systems are vital to addressing operational risks. All the policies and guidelines of internal control and compliances are duly approved and monitored by the Board. The Board delegates its authority to Management Committee as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of Internal Audit and Control department as per good governance guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC). The Internal Audit and Control department addresses operational risks and frames and implements policies to counter such risks. The department assesses operational risks across the company that ensures an appropriate framework to identify, assess and manage operational risks. The recruitment strategy of the company is also based on retaining and attracting the most suitable people at all levels of the business which mitigates many aspects of operational risks.

Management Risks

The risk associated with inefficient or underperforming management which fails to act in the best interests of the shareholders. PTL has a very strong corporate governance and sound management system that is not only efficient but also dynamic in taking relevant decision to make the organization more effective and results oriented. Succession is planned, with the key individual identified. Strong functional financial, technical, and marketing teams are led by qualified professionals. Strategic management and control are centralized and undertaken by the key sponsors.

Business Risks

It is a risk that the company may fail to perform in line with expectations or forecasts. Business risks could crop up due to a host of factors including general economic conditions, cost structures, competition etc. PTL is well prepared to deal with business risk posed by unanticipated events. Some of the measures that the company regularly engages in are assessing the economic environment and taking prompt actions in anticipation, continuous improvement in product quality, ensuring customer satisfaction, reviewing budgets, and setting targets, assessing the competitive environment etc.

Industry Risk

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 can have an adverse impact on the business, financial condition, and results of operation. The major competitive advantage of PTL is the quality of its products. The company has installed very sophisticated and high-end textile machineries. These machineries are capable of manufacturing very high-quality fabric of different specification as per buyer's requirements. The production process is mostly automated and monitored closely at each stage for quality control. The company also has a well-11 equipped testing laboratory and a design studio in order to achieve and maintain the optimum quality of the products. For all these reasons, the company is placed at par with the foreign manufacturers in terms of quality. Moreover, PTL can deliver the products to local garment manufacturers within a shorter lead time compared to foreign manufacturers.

Bond Transaction Dimension

Priority

Priority simply means the rank of an obligation in a firm's capital structure. Senior secured debt has priority over senior unsecured debt, which has priority over subordinated debt, which in turn has priority over preferred stock.

The indebtedness of the Issuer, including the principal and premium, if any, and interest shall be subordinate and junior in right of payment to its obligations to its depositors, its obligations under bankers' acceptances and letters of credit, and its obligations to its other creditors, including its obligations to the Bangladesh Bank, Deposit Insurance Trust Fund (DITF). In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such obligations shall be entitled to be paid in full before any payment shall be made on account of the principal of, or premium, if any, or interest, on the note. In the event of any such proceedings, after payment in full of all sums owing on such prior obligations, the Bondholder will rank senior to the share capital of the Issuer, together with any obligations of the Issuer ranking on a parity with the Bond, shall be entitled to be paid from the remaining assets of the bank.

The Bondholders shall not be entitled to any of the rights and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their Authorization.

Security

Security can be in the form of specific collateral or a lien on all assets. For an issue secured with specific collateral to be rated above the "nature" or "stand alone". If the security is separated from the estate of the company in the event of bankruptcy and the security will maintain value regardless of the company's fortunes, then the risk of the bond might be minimized.

The issuance of bond by PTL is unsecured hence no charge on assets to be created. No collateral is or will be given for the payment obligations under the Bonds and any collateral that may have been or may in the future be given in connection with other indebtedness of the issuer shall not secure the payment obligations under the Bonds.

Covenants

The Issuer covenants with the Trustee that it will, as and when the Bonds becomes due to be redeemed, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, provided that:

a. The payment due in respect of the Bonds or any of them made to or to the order of the Trustee shall be in satisfaction pro tanto of the relative covenant by the Issuer contained in this clause in relation to the Bonds except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Bondholders;

b. If any payment in respect of such Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the relevant Bondholders or, if earlier, the fifth day after notice has been given to the relevant Bondholders in accordance with the Conditions that the full amount has been received by the Trustee, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and

c. In any case where payment is due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, interest shall accrue in accordance with the Conditions and the full amount is payable in respect of the unpaid amount to the Bondholders provided that on further due presentation thereof such payment is in fact made.

Company Profile	Industry Overview	Business Risk	Financial Analysis
Bank Facilities	Management & Other Qualitative Factor		Company Information

Business Risk Analysis

Regulatory Risk

As a major foreign currency earner, textile industry always gets special consideration from government. But recent accidents in several RMG factories has pushed whole textile industry under surveillance of more aggressive regulation and increased government intervention which resulted in greater uncertainty. Regulations vary significantly by jurisdiction, making it difficult to implement consistent growth strategies or operational capabilities across markets. Regulators often control factors that are fundamental to how textile companies operate, and can remove certain competitive advantages that may be expensive to obtain. Companies are now concerned that regulators' shifting the goalposts creates a more unpredictable business environment which poses a risk to growth prospect. In response to the changing regulatory environment, many companies are providing additional resources to monitor changes in regulation otherwise it would be difficult to operate in certain jurisdiction, in extreme case a company may have to stop doing business.

However PTL operates its business within the frame of applicable laws & regulation which is a primary requirement for any company to be listed with BSEC. PTL prepares its financial statements in accordance with all relevant reporting standards (IAS, BAS, IFRS & BFRS). It also has established set procedures to ensure compliance with all statutory and regulatory requirements. Moreover assigned personnel are responsible for ensuring proper compliance with relevant regulatory framework so impact of this risk is considered to be low.

Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing asset, such as a loan, due to unfavorable movement of interest rates. The company is availing Loan facilities to meet up working capital for the business. The company is paying a significant amount as bank profit and charge as the capital structure of the company is mostly composed of debt financing. If the company fails to generate enough profit in future years to serve the loan repayment obligation, the company may expose to default risk. However, considering current monetary policy & money supply in Bangladesh economy, it is likely that interest rate will go up.

Technology Risk

Technology always plays a vital role for each and every type of business. As the technology is improving rapidly with the change of the customers test, all entities operating in this industry are exposed to obsolescence risk. Better technology can increase productivity, efficiency and quality of product. Quality of product is assured by the quality assurance organizations but the competitive advantage depends on highly efficient technological adoption. In this sector a company is exposed to technology risks when there are competitors who have already adopted advanced technology in their production process. Keeping updated with the latest processes and methods of providing innovative products is essential to maintain market share which is a big challenge for the company. However, PTL is currently using latest production & quality control equipment. But the company will be exposed to technological risk if one of its competitors introduces updated technology in their operations.

Foreign Exchange Risk

The company faces significant foreign exchange risk as it pays the foreign suppliers and receives from foreign customers in US dollar and other foreign currency. When value of US Dollar rises, it has to expense more Bangladeshi currency (BDT) to procure materials and receives less BDT that impact growth of sales and overall profitability. The recent trend of the exchange rate of US dollar to BDT is highly volatile and therefore it is a relative concern for the firm to be affected in terms of payment & receipt. Like other businesses PTL uses both export & import facilities, so exchange rate risks can be netted off against each other through use of back to back L/C facilities. Moreover PTL has undertaken hedging facilities thorough use of foreign exchange limit from HSBC Limited, Dhaka Main office. So impact of this substantial risk is considered low by AlphaRating.

Company Profile
Bank Facilities

Industry Overview

Business Risk

Financial Analysis

Management & Other Qualitative Factor

Company Information

Environmental Risk

Textile industry is considered as one of the biggest environment polluter of the country. The overall manufacturing process of the industry makes harmful effect on the environment by evaporating unsafe chemicals that contaminate the surface water. Acetic acid and formaldehyde are two major emissions of concern in textiles industries. This industry uses high volumes of water throughout its operations, from the washing of fibers to bleaching, dyeing and washing of finished products. There are almost 1,700 factories producing fabric for Bangladesh's booming textile industry. Most of them are located in Dhaka and on its fringe. These factories, known as "wet processors," consume as much as 300 liters of water to produce one kilogram of fabric. That's about six times more water than what is considered international best practice. All told, the sector devoted to washing, dyeing and finishing fabrics consumes 1,500 billion liters of groundwater a year. According to a recent world bank report, the textile mills in and around Dhaka city consume as much groundwater as goes to all of Dhaka's residents. The good news is that, government has decided to make this industry green and to encourage the owner to adapt eco-friendly manufacturing process.

However PTL strongly adheres to the concept of eco-friendly environment and hence implemented various measures to lower Carbon Dioxide emission. The heat generated by their capture power plant is recycled and reused as cogeneration energy to operate the chiller & boiler which otherwise would have consumed about 3000 cft natural gas and 1000 kw conventional electrical power. Moreover PTL has its own ETP (Effluent Treatment Plant) and WTP (Water Treatment Plant) which presents the discharge of waste water to the surrounding water bodies. The plant also has a rain harvesting project which provides natural water to their in house reservoir. This way PTL minimizes environmental consequences of its operations.

Financial Risk Analysis

AlphaRating performs financial analysis by dividing the financial portion into different categories which are Profitability Analysis, Liquidity Analysis Cash Flow Analysis and Capital Structure. Detailed analysis is presented below:

Profitability

Paramount Textile PLC (PTL) is a 100% export oriented Company. It manufactures a diversified range of yarn & solid dyed woven fabrics. Being a major foreign remittance earner, textile industry always enjoyed special consideration from all successive government body. And, Due to having improved pandemic situation, low labor cost, production cost is lower in Bangladesh in comparison with other countries which is a competitive advantages for this industry. These conditions support PTL to achieve revenue growth in FY 2023. According to audited financial statement, revenue of the company has increased by 30.15% compare to last year & stood at BDT 8,609.80 million in FY 2023. Revenue has increased mainly due to significant increase in sale of yarn & solid dyed fabrics. It has observed that, with the increased scale of operation, COGS of the company has also increased. However, COGS has increased at a lower rate than revenue, which has resulted Gross Profit Margin to increase to 15.37% in FY 2023 from 15.05% in last year.

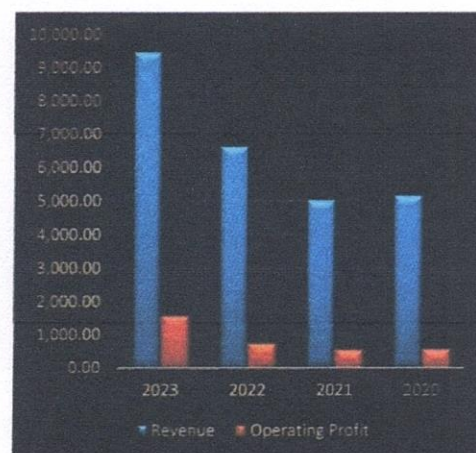
Total operating cost of the company has consisted of distribution costs & administrative expense. Deeper analysis revealed that, Operating expense of the company has decreased to 3.37% from 4.24% of revenue. As a result, Operating Profit Margin has increased to 12.00% in FY 2023 from 10.81% in FY 2022. It has noticed that, during the year, finance cost & income tax of the company has increased to BDT 454.82 million & BDT 129.73 million respectively compared to previous year. In spite of increasing finance & tax expense, the company has improved Net Profit Margin to 11.67% in FY 2023 due to improved operating profit margin as well as non-operating income

The return on assets ratio measures, how efficiently and effectively company is utilizing assets to generate economic benefits for the company whereas return on equity measures profitability as a percentage of the Company's net asset base. It has been observed that ROA has been increased in FY 2023 because the growth rate of OPM is higher than the growth rate of total assets. At the same time, Return on Equity (ROE) has increased in FY 2023 because net profit has increased at a higher rate than the growth rate of shareholders equity which indicates efficiency in utilizing the shareholders fund to generate return.

Exhibit 1: Selected Indicators: Paramount Textile PLC

FYE 30 June	2023	2022	2021	2020
Revenue (BDT in Millions)	8,609.80	6,615.53	5,020.71	5,153.73
Revenue Growth (%)	30.15	31.76	(2.58)	(9.17)
COGS (BDT in Millions)	7,286.64	5,619.90	4,246.97	4,357.66
COGS Growth (%)	29.66	32.33	(2.54)	(9.57)
Gross Profit (BDT in Millions)	1,323.16	995.63	773.74	796.08
Operating Profit (BDT in Millions)	1,033.08	715.39	534.58	551.63
Gross Profit Margin (%)	15.37	15.05	15.41	15.45
Operating Profit Margin (%)	12.00	10.81	10.65	10.70
Net Profit Margin (%)	11.67	11.49	13.18	12.78
ROA (%)	5.51	5.09	5.38	6.44
ROE (%)	17.91	15.77	15.67	18.39

Data obtained from the audited financial statements of 2020-2023



Liquidity Analysis

Liquidity ratios are used to determine a company's ability to meet its short-term obligations. The liquidity position of the company has decreased from previous year. The liquidity condition of the company has measured by current ratio, which has slightly decreased in FY 2023 and stood at 1.03 times. Moreover, it has observed that, current assets has increased by 5.96%, whereas current liability has increased by 13.12% in FY 2023. Such this has resulted to decrease current ratio. Additionally, current assets of PTL

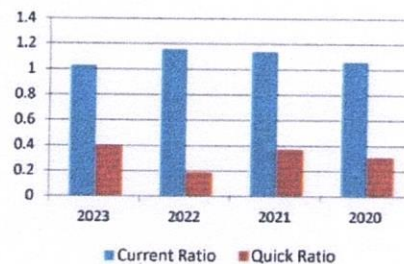
has comprised 61.09% by inventories. Quick Ratio (without considering inventories) of the company has reported 0.40 times in FY 2023 which represents that the company is not capable to meet all kind of short-term liabilities by their most liquid assets. It is observed that, cash & cash equivalents of the company has captured 3.66% of total current assets during the year. Holding extra cash is not desired as because of the opportunity cost.

Cash Conversion Cycle has decreased due to decrease in inventory turnover days. Further analysis revealed that, inventory turnover days has decreased in FY 2023, due to decrease of closing inventory. However, still the company takes almost 8 months to release its cash from inventory. However, this prolonged inventory turnover days has implied risk of damaged inventory and increased storage cost. Therefore, the company should implement a standard method like EOQ (Economic Order Quantity) to reduce the risks regarding inventory at minimum. However, Trade receivables days states that customers have settled their outstanding within 2 months. Additionally, trade payables days has slightly increased by 01 days but still it impels that the company pays off its suppliers within 06 days.

Exhibit 2: Selected Indicators: Paramount Textile PLC

FYE 30 June	2023	2022	2021	2020
Current Ratio (x)	1.03	1.16	1.14	1.06
Quick Ratio (x)	0.40	0.40	0.37	0.31
Cash Ratio (x)	0.04	0.02	0.02	0.01
Trade Receivable Period (Days)	57	48	49	38
Trade Payable Period (Days)	6	5	16	22
Inventory Turnover Period (Days)	230	260	256	222
Cash Conversion Cycle (Days)	281	302	289	238

Data obtained from the audited financial statements of 2020-2023



Cash Flow Analysis

In FY 2023, PTL has Positive cash flow from operation (CFO) of BDT 935.29 million. This positive CFO enables PTL to settle debts, reinvest in its business, return money to shareholders, pay expenses, and provide a buffer against future financial challenges. In FY 2023, CFO of PTL has increased than that of last year. This improvement was mainly due to increased cash received from customer & other income. The operating cash flow surplus will make the company less dependent on external finance and increase lenders confidence. CFO Interest Coverage ratio reflects that the company was fully capable of paying its finance cost by generated CFO. CFO Debt Coverage ratio reflects that the company was partially able to fully repay its debt by generated CFO.

Exhibit 3: Selected Indicators: Paramount Textile PLC

FYE 30 June	2023	2022	2021	2020
CFO (BDT in millions)	935.29	571.59	797.20	633.23
CFO Interest Coverage (x)	2.06	1.84	3.72	2.89
CFO Debt Coverage (x)	0.06	0.05	0.12	0.13

Data obtained from the audited financial statements of 2020-2023

Leverage & Capital Structure

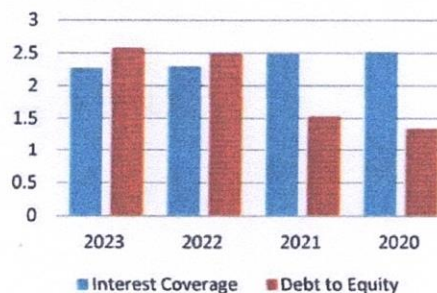
The debt to equity ratio is a leverage ratio that compares a company's total debt to total equity. The debt to equity ratio shows the percentage of company financing that comes from debt providers and investors. A higher debt to equity ratio indicates that more external financing (bank loans) is used than investor financing (shareholders).

Debt to equity ratio of PTL has slightly increased during FY 2023 and reported 2.58 times and this value represents high gearing position of the company. Deeper analysis revealed that, debt capital of the company has increased at a higher rate compared to shareholding Equity. Interest coverage ratio indicates that the company has full capacity to pay off its finance charge from operating profit.

Exhibit 4: Selected Indicators: Paramount Textile PLC

FYE 30 June	2023	2022	2021	2020
Debt-to-Equity (x)	2.58	2.49	1.53	1.34
Net Asset Value (BDT in millions)	5,612.60	4,819.73	4,224.79	3,582.63
Interest coverage (x)	2.27	2.30	2.49	2.52

Data obtained from the audited financial statements of 2020-2023



Bank Facilities & Credit History

Exhibit 5: Bank Exposure: Paramount Textile PLC

Bank (\$) & Other Financial Institution (\$)	Mode	Total Limit (BDT in Millions)	Outstanding (BDT in Millions)	Overdue (BDT in Millions)	EOL (BDT in Millions)
Pubali Bank PLC (As on 30/06/2023)	LC (Rev.)**	4,000.00	1,147.30	135.30	
	Accepted Liability**		1,597.40		
	Specific LC (Machinery)**	728.90	452.00	103.10	
	BG (Rev)**	1,905.60	903.60		
	BBLC (Rev)**	400.00	208.80	14.00	
	LATR**	100.00			
	Over Draft**	650.00	645.60		
	Ex. Bill Negotiation**	1,500.00	804.20	91.50	
	Term Loan**	1,970.80	922.60	20.10	
	STL**	500.00	500.00		
EDF			19.60		
Sub Total		11,755.30	7,181.50	364.00	
HSBC Limited (As on 31/08/2023)	Accepted Bills**	1,000.00	680.39		
	Import Lien**	100.00	28.81		
	Bills Discounting**	(100.00)	102.17		2.17
	Installment Loan**	180.00	7.77		
	Demand Loan**	100.00	101.53		1.53
	OD**	50.00	50.69		
	Force Loan**	530.00	104.64	104.63	
Shipping Guarantee****		10.00	0.47		
Sub Total		1,970.00	1,076.47	104.64	3.70
Community Bank Bangladesh Limited (As on 31/08/2023)	Overdraft	450.00	449.84		
	Time Loan**	(200.00)	200.00		
	BG**	450.00	201.42		
	LC***	200.00			
	LTR**	(200.00)			
Sub Total		1,100.00	851.26		
IDLC Finance Limited (As on 31/08/2023)	Term Loan**	700.00	594.99	51.21	
Sub Total		700.00	594.99	51.21	
Uttara Bank PLC (As on 31/08/2023)	Term Loan**	500.00	471.92		
Sub Total		500.00	471.92		
United Finance Limited (As on 31/08/2023 & 08/10/2023)	Term Loan**	50.00	19.93	0.02	
	Investment in Preference Shares**	101.35	80.85		
		151.35	100.78	0.02	
Sub Total		151.35	100.78	0.02	
Alliance Finance PLC (As on 31/08/2023)	Long Term Loan**	200.00	194.68		
Sub Total		200.00	194.68		
IPDC Finance Limited (As on 31/10/2023)	STL	150.00	149.58		
	Long Term Loan	350.00	239.44		
Sub Total		500.00	389.02		
Modhumoti Bank Limited (As on 31/10/2023)	Specific STL	350.00	367.13		17.13
Sub Total		350.00	367.13		17.13
United Commercial Bank PLC (As on 07/10/2023)	Lease Finance **	700.00	734.39		34.39
	Time Loan**	500.00	504.15		4.15
Sub Total		1,200.00	1,238.54		38.54

Bank (S) & Other Financial Institution (S)	Mode	Total Limit (BDT in Millions)	Outstanding (BDT in Millions)	Overdue (BDT in Millions)	EOL (BDT in Millions)
BRAC Bank PLC (As on 31/08/2023)	LC-1 ~ Raw Materials**	1,400.00	255.97		
	Acceptance-1 (inner of 1)**	(1,400.00)	-		
	UPAS-1 (inner of 1a)**	(1,400.00)	30.48		
	EDF (inner of 1)**	(1,400.00)	566.76		
	LTR (inner of line 1c)**	(250.00)	-		
	LC-2 (S/D/U) (inner 1) ~ Machinery & Spares**	(150.00)	4.83		
	(Acceptance)-2 (inner 1e)**	(150.00)	-		
	UPAS-2 (inner 1e)**	(150.00)	38.39		
	STL (inner 1f)**	(150.00)	-		
	Bill Purchase**	(500.00)	411.22		
	RL**	100.00	100.00		
	OD**	40.00	39.88		
	EOL- Bill Purchase**	222.25	18.75		
	LC**	1,320.00	477.07		
	Acceptance**	(1,320.00)	-		
	UPAS**	(1,320.00)	-		
	Term Loan**	(1,320.00)	-		
Sub Total		3,082.25	1,943.35		
Shimanto Bank Limited (As on 10/10/2023)	Time Loan**	20.00	20.50		0.50
		100.00	102.50		2.50
		100.00	102.50		2.50
Sub Total		220.00	225.50		5.50
Mutual trust Bank PLC (As on 30/09/2023)	LC**	1,565.00	393.18		
	Acceptance**	(1,565.00)	10.38		
	EDF**	(1,565.00)	1,161.44		
	Term loan **	(1,170.00)	393.47		
	LC Machinery**	1,780.00	82.98		
	ABP- Machinery **	(1,780.00)	1,147.25		
	Time Loan**	100.00	100.00		
Sub total		3,445.00	3,288.70		
Bengal Commercial Bank Limited (As on 31/08/2023)	Corporate Bai-Muazzal**	380.00	397.10		17.10
Sub Total		380.00	397.10		17.10
Al-Arafah Islami Bank PLC (As on 09/11/2023)	LC (FS/deferred/UPAS/EDF)	250.00	Nil		
	LTR (inner)	(100.00)	Nil		
	HPSM (R.E)	1,200.00	1,150.00		
Sub Total		1,450.00	1,150.00		
Total:		27,003.90	19,490.54	519.87	81.97

*Per USD in BDT 110.04 as on 12/10/2023

** Limit has considered form outstanding statement

Paramount Textile PLC (PTL) has been enjoying composite banking facilities from Pubali Bank PLC, Principal Branch, HSBC Bank Limited, Dhaka Main Office, Uttara Bank PLC & Community Bank Bangladesh Limited, Gulshan Branch, IDLC Finance Limited, Corporate Head Office, Alliance Finance PLC, United Finance Limited, Tejgaon Branch, BRAC Bank PLC, Head office Branch, Shimanto Bank Limited, Corporate Head office, Mutual Trust Bank PLC, Gulshan Branch, IPDC Finance, Head office, United Commercial Bank PLC, Corporate Branch, Bengal commercial Bank Limited, Head office Al-Arafah Islami Bank PLC, HO Corporate Branch, Modhumoti Bank Limited, Gulshan Branch, Dhaka. As per bank information, PTL has BDT 519.87 million at United finance, HSBC & IDLC Finance & BDT 81.97 million EOL at HSBC, Pubali Bank PLC, United Finance, Modhumoti bank, shimanto & Bengal Commercial Bank. AlphaRating only considered the above banking facilities availed by the company while assigning the rating.

Company Profile
Bank Facilities

Industry Overview
Management & Other Qualitative Factor

Business Risk
Financial Analysis
Company Information

BRAC Bank PLC

- Hypothecation on fixed, movable & immovable assets including machinery, plant & equipment of the company
- Registered mortgage of land measuring 2,537.33 decimal land existing structure located at Mouza: Kewa, Faugain, Former, Dist Gazipur which has a market value of BDT 930.90 million & force sale value of BDT 465.50 million.
- Corporate Guarantee
- Personal guarantee of all directors
- Basic charge documents
- MICR cheque

Pubali Bank PLC

- Hypothecation on fixed, movable & immovable assets including machinery, plant & equipment of the company
- Hypothecation on floating assets including receivables, raw materials, wip, finished goods & book debts of the company
- Personal guarantee of all the directors of the company
- Corporate guarantee of Paramount Holdings Limited & Sunrise Chemicals Limited
- Usual Charge Documents
- Registered mortgage of land measuring 1125.00 decimal land existing structure located at Mouza: Kewa, PS: Sreepur, Dist Gazipur which has a market value of BDT 930.90 million and force sale value of BDT 465.50 million.
- Corporate Guarantee
- Personal guarantee of all directors
- Lien of acceptance
- Cheque covering bill discount

HSBC Limited, Dhaka

- First charge over the company's stock of raw materials, work in progress, finished goods and book debts/receivables with RJSC on Pari Passu basis with other lenders. HSBC's share being BDT 1,500.00 million
- First charge over company's plant & machineries with RJSC on Pari Passu basis with other lenders. HSBC's share being BDT 1000.00 million.
- Registered mortgage over 1125 decimal land & existing building in the name of Paramount Textile PLC, Paramount Spinning Mills Limited, Mr Shakhawat Hossain & Mr. Alock Das situated at Sreepur, Gazipur on Pari Passu basis with other lenders. HSBC's Share being BDT 1233.00 million.
- Registered mortgage for BDT 430.00 million over 206.75 decimal factory land & building in the name of Paramount Textile PLC situated in Sreepur, Gazipur to secure the term loan facilities.
- Personal Guarantee executed by Mr. Shakhawat Hossain, Mr. Alock Das, Mrs Anita Haque & Mrs. Anita Rani Das for BDT 1,915.00 each supported by personal net worth statement.
- Personal Guarantee executed by Ms. Samsun Nahar, Ms. Aporna Ghosh Das for BDT 1,233.00 each

Alliance Finance PLC

- Pledge of share 2,597,405 of PTL

IDLC Finance Limited

- Personal Guarantee from Mr. Shakhawat Hossain, Mr. Alock Kumar Das, Mrs. Anita Haque and Mrs. Anita Das. to be signed separately without using the seal.
- Lien on share
- Hypothecation (fixed/floating charge) on plant & machineries
- One undated cheque for the full amount with authorization letter
- Pledge on 8744202 shares of PTL
- Corporate guarantee

United Commercial Bank PLC

- BDT 10.00 million director & sponsor share of PTL of BDT 700.00 million

Al-Arafah Islami Bank PLC

- 1579.00 decimal land located at Mouza- Dhamsur District- Mymensingh FSV BDT 189.50 million
- Personal guarantee
- Required number of cheque
- Necessary charge documents

IPDC Finance Limited

- Hypothecation on all fixed & Floating assets
- Additional FDR BDT 7.50 million
- Tagging existing lien on BDT 22.50 million
- Personal guarantee
- Demand promissory note
- Other usual charge documents

Modhumoti Bank Limited

- Personal guarantee
- Corporate Guarantee
- Charge on floating assets
- Fresh Lien on FDR BDT 50.00 million
- MICR cheque covering the entire limit favoring the bank
- Usual charge documents

United Finance Limited

- FDR BDT 5.00 million

Community Bank Bangladesh Limited

- Charge with RJSC on present and future floating assets of the company
- Lien of BDT 10,000.000 nos of share of PTL
- Lien on CBBL FDR BDT 50.00 million
- Personal Guarantee of all directors
- MICR cheque
- Standard charge documents

Bengal Commercial Bank Limited

- Bai Muzzal agreement
- Hypothecation of stock
- Personal guarantee
- Postdated cheque
- Usual charge documents
- Lien on 60 lac share of PTL of BDT 475.50 million

Mutual Trust Bank PLC

- 590.95 decimal project land, 701 decimal adjacent land to project & 4.95 decimal third party land with construction BDT 707.76 million

AlphaRating

Company Profile

Industry Overview

Business Risk

Financial Analysis

Bank Facilities

Management & Other Qualitative Factor

Company Information

Management & Other Qualitative Factors

Board of Directors & its Responsibilities

The board comprises ten members, a good blend of executives and non-executives and independent directors having diverse and professional skills & experiences. The non-executive directors from varied businesses and professional backgrounds and their experience enable them to execute independent judgments on the board where their view carries substantial weight in the process of decision making. They contribute to the company strategy and policy formulation in addition to maintaining its performance as well as executive management. The board is collectively responsible to the company's members as laid down in its article of association. The board approves annual budget and reviews the business plan of the company and gives guideline for improvement wherever necessary. The board also ensures strict compliance on the regulatory requirements by timely submission of financial statements or any other related information for protecting shareholders wealth.

Corporate Governance

As a part of growth strategy, the company believes in adopting best practices that are followed in the area of corporate governance to ensure full transparency and accountability in all its activities, in order to protect the interest of stakeholders. In this regard, the board of directors considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them through creating & building long term value for the shareholders.

Audit Committee

The company formed audit committee as a subcommittee of the board, has been constituted by one of the independent director as chairman and two other members of the board for ensuring good governance practices within the company. Mr. Md. Jahangir Yahya is the chairman of the committee who has twenty seven years of practical knowledge & professional experience in the field of accounting and finance, audit and corporate management. The company secretary is the secretary of the audit committee. This committee assists the board to ensure that the financial statements reflect true and fair view of the state of the affairs of the company. The audit committee is responsible to board of directors for its roles & responsibilities that are clearly set forth by the company.

MIS & Internal Control System

The information system of the company is at developing stage. Currently IT related aspects of the company are taken care of by 8 IT professionals. The company uses Tally software for accounting and most of the cases use packaged software for daily activities of the management. Currently PTL has a total of 285 desktop & laptops in head office and factory for daily operations. Moreover, the company also has separate 10 members internal audit team to ensure structured internal control procedure, safeguard of assets, and promote operational efficiency and compliance with applicable policies and regulations. Internal control system is maintained and reviewed by the internal audit team. This team directly reports to the audit committee, Chairman and Managing Director.

Human Resource Management

PTL has implemented a well-structured service rule for the human resources. Moreover, the company provides training facilities to the employees to improve their individual skills to meet up the business objectives. The company facilitates good working environment for its employees. It has a day care center, where the babies of female workers are looked after while their mothers are busy at work. To ensure sound health of employees, PTL has a sophisticated medical facility attended by qualified doctors. Paramount Textile PLC also has a primary school for children of workers, children which is situated near to the factory. The company exhibits a performance evaluation system and performance incentives for its employees. As part of this, the company introduced Workers Profit Participation Fund (WPPF) to increase the benefit of their workers. The human resource base of the company stands at 4,518.

Rating Report – Paramount Textile Zero-Coupon Bond



Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

AlphaRating

Company Profile
Bank Facilities

Industry Overview
Management & Other Qualitative Factor

Business Risk

Financial Analysis

Company Information

Compliance Issues

Particulars	Valid till
Trade License	2023-2024
Factory License	30.06.2024
Income Tax Clearance (Acknowledgement receipt)	2022-2023
BTMA Membership Certificate	31/12/2023
BGCCI Membership Certificate	31/12/2023
EPB Enrollment Certificate	02/09/2024
ERC	30.06.2028
IRC	30.06.2028
Fire License	30.06.2024
Environmental Certificate	11/01/2024
Insurance	08/10/2024
VAT	Registered
Bond License	01/11/2023

End of the Report

Rating Report – Paramount Textile Zero-Coupon Bond



Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

AlphaRating

Company Profile

Industry Overview

Business Risk

Financial Analysis

Bank Facilities

Management & Other Qualitative Factor

Company Information

COMPANY INFORMATION:

Board of Director

SL. No.	Name	Designation
1	Ms. Anita Haque	Chairman
2	Mr. Shakhawat Hossain	Managing Director
3	Mr. Alok Kumar Das	Director
4	Ms. Anita Das	Director
5	Mr. A. H. M. Habibur Rahman (Nominated by Paramount Holdings Ltd.)	Director
6	Sib Sankar Saha	Independent Director
7	Mr. Md. Jahangir Yahya	Independent Director
8	Mr. A H M Abdur Rahman (Nominated by Paramount Spinning Ltd.)	Director
9	Aparna Ghosh	Director
10	Samsun Nahar Nadia	Director

Management Team

SL. No.	Name	Designation
1	Mr. A.B.M. Delwar Hossain	Executive Director (Operation)
2	Mr. Mohammad Jahidul Abedin	Chief Financial Officer
3	Mr. Md. Abdul Halim	Head of Internal Audit
4	Mr. Md. Shah Aziz, FCMA	GM, Accounts & Finance
5	Mr. Md. Robiul Islam, FCS	Company Secretary

Company Address

Registered Office

Navana Tower (Level-7/C), Gulshan-1, Dhaka-1212, Bangladesh.

Corporate Office

House No-22 (Level-2, 5-7), Road No. 113/A, Gulshan-2, Dhaka-1212, Bangladesh.

Factory

Gilarchala, Sreepur, Gazipur, Bangladesh

Auditor

Shiraz Khan Basak & Co.
Chartered Accountants
86, Bir Uttam C.R. Datta Road (312, Sonargaon Road)
Hatirpool, Dhaka- 1205

Company Website

www.Paramountgroupbd.com

Rating Report – Paramount Textile Zero-Coupon Bond



Page 23

Paramount Textile PLC

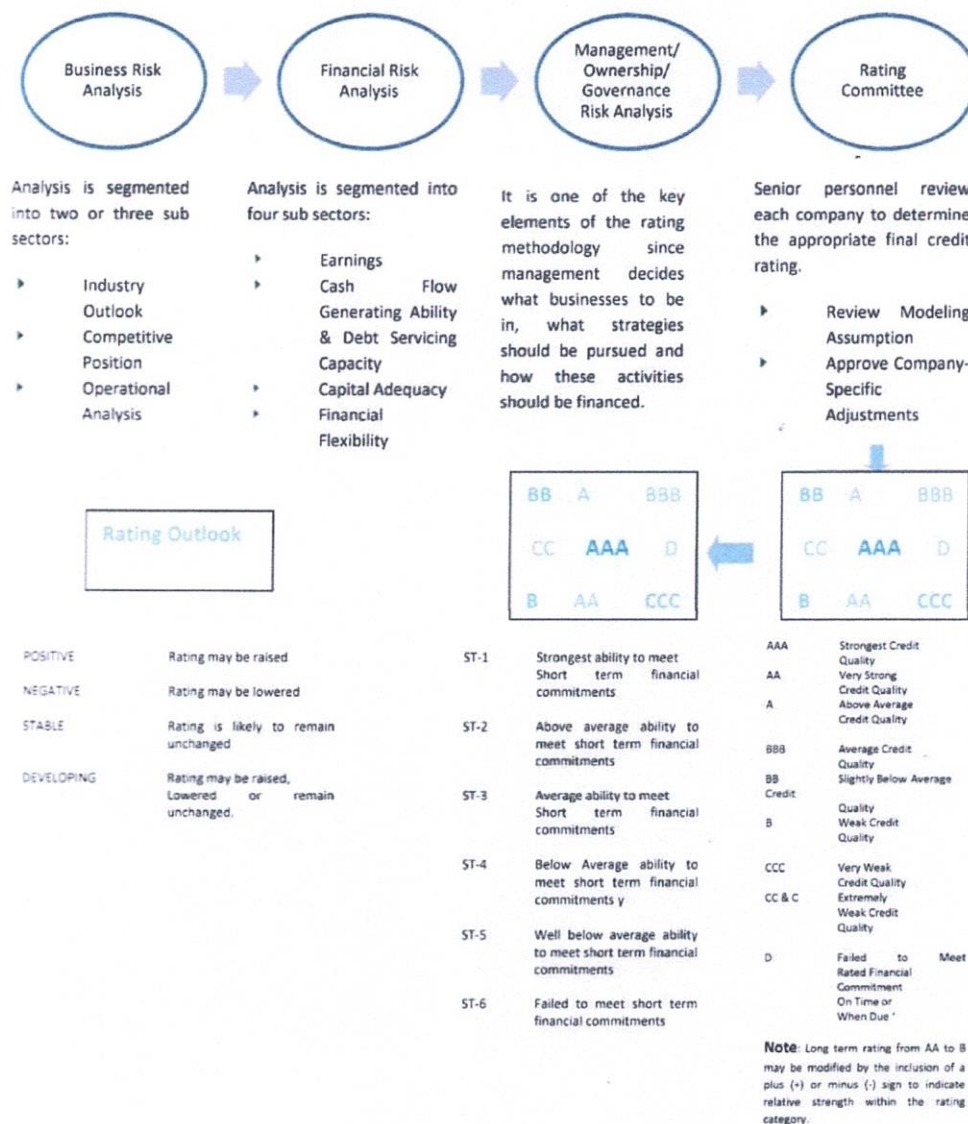
Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
Managing Director

AlphaRating

AlphaRating's Research Methodology for Determining Corporate Credit Rating



Rating Report – Paramount Textile Zero-Coupon Bond



Page 24

Paramount Textile PLC
[Signature]
Chief Financial Officer

[Signature]
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
[Signature]
Managing Director

Annexure-VI

Audited Financial Statements Year Ended 30.06.2023

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Paramount Textile Plc & It's Subsidiary
House No 22, Road No 113/A, Dhaka 1212

Auditors' Report & Financial Statements
For the year ended June 30, 2023

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

R.K Tower
86, Bir Uttam C.R Datta Road (312, Sonargaon), Level-10, Dhaka-1205.

Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

112
Paramount Textile PLC

Managing Director



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-223364597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.com.bd

Independent Auditors' Report
To the Shareholders of Paramount Textile PLC
Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Paramount Textile PLC which comprise the Statement of Financial Position as at 30 June 2023, and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view, in all material respects, 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 in accordance with International Financial Reporting Standards (IFRSs), The Companies Act 1994, The Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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.



Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC


Managing Director



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-223364597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.com.bd

Risk	Our response to the risk
Revenue Recognition	
At the year ended, the company's reported total revenue of Tk. 9,463,818,403 and Tk. 8,609,801,869 in the company's consolidated and separate financial statements respectively.	We have tested the design and operating effectiveness of key controls focusing on the following:
Revenue from sale of goods are measured at fair value of consideration received or receivable net off return and allowance trade discount volume rebates exclusive of VAT. Some of sales contracts contain various performance obligation and management exercises judgment to determine timing of revenue recognition i.e. over time or a point in time.	<ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period. ➤ Policy of revenue recognition ➤ Issuance of VAT challan ➤ Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition. ➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➤ Obtaining supporting documents for sale transaction along with checking the recording period of revenue recognition. ➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
There is the risk the revenue may be overstated due to early recognition of export executed to achieve the desire result.	
The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations.	
The Revenue of subsidiary ISPL was recognized upon transfer of control and when the significant risks and rewards of ownership of the goods and services have passed to the buyer.	
The revenue recognition has been considered as key audit matter, since it is one of the key performance indicators of the company and also the key financial element which would eventually increase the inherent risk of the company.	
Please see note no. 27 and 26 (separate) to the statement of profit or loss & other comprehensive income.	



Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-223364597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.com.bd

Risk	Our response to the risk
Valuation of Inventory	
<p>The balance of consolidated and separate inventory of the company at the year-end was Tk. 4,452,888,622 and Tk. 4,452,888,622 respectively held in the company's warehouses.</p> <p>Regular monitoring is required as the inventories are material by its value, quantity and its nature.</p> <p>On reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company applies judgment in determining the appropriate values of Inventory in accordance with International Accounting Standards.</p> <p>Considering the risk as stated above and the sensitivity of the products as well, the valuation of Inventory is a key audit matter to the financial Statements.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:</p> <ul style="list-style-type: none">➤ Evaluating the design and implementation of key inventory controls operating across the company in respect of inventory management.➤ Checked and verified the stock count report done by the management as on date and physically verified the stock at the year end.➤ We have reconciled the inventory with purchase, production and sales to ensure the physically shown stock as on date was accurate.➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year➤ Obtaining a detailed review with the subsequent sales to compare with the net realizable value.
Please see note no. 11 and 10 (separate) to the financial statements	



Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Imro
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-223364597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.com.bd

Risk	Our response to the risk
Valuation of Property, Plant and Equipment	
<p>The carrying value of the consolidated and separate PPE is Tk. 10,639,521,269 and 5,426,068,316 as at 30 June, 2023. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of useful life of the assets is a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</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.➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year.➤ We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified.➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, physical condition of the assets and its uses.➤ We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.
Please see note no. 5 and 5 (separate) to the financial statements	



Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
Managing Director



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-223364597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.com.bd

Risk	Our response to the risk
Long Term Loan and Short Term Loan	
<p>As at 30 June 2023, the reported amount of total long-term loan and short-term loan is Tk. 19,012,027,433 (Current & Non-current portion) & Tk. 14,472,908,830 respectively. The company borrowed fund from various Bank & Non-banking financial institutions for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse variance between import & export that may result in short-term cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> > Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that the proper use of loan. > We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately. We also submit the balance confirmation to the respective banks and financial institutions > We also checked the financial expenses and classification of loan and repayment schedule as well. > We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.
Please see note no. 21,24,25 and 20,23,24 (separate) to the financial statements	
Investment in Associates and Long Term Investment	
<p>The Company has invested in equity shares and preference shares of its subsidiaries and associates namely Intraco Solar power Limited, Dynamic Sun Energy Private Limited and Paramount BTrac Energy Ltd. As at June 30, 2023 the carrying values of these investments were Tk. 5,472,926,757.</p> <p>At the time of conducting our audit of the separate financial statements of the Company we have considered the recoverable value of the company's investments in all the above subsidiaries stated at cost and associates valued using equity method.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries and associates in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumption used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>
Please see note no. 08 and 08, 09 (separate) to the financial statements	



Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-223364597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.com.bd

Other Matters

The financial statements of the company for the years ended June 30, 2022 were audited by another auditor dated October 27, 2022 and expressed an unqualified opinion on those statements.

The Document Verification Code (DVC) has been taken for separate Financial Statements of Paramount Textile PLC by us the "group auditor" and the DVC of subsidiary Intraco Solar Power Limited has been taken by the component auditor based on the separate Financial Statements of ISPL.

Other Information

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

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated and separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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

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

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements

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

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



Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

118
Paramount Textile PLC

Managing Director



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.bd.com

- Identify and assess the risks of material misstatement of the consolidated and separate 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 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 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 consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the consolidated and separate financial statements we are responsible for the direction, supervision and performance of the company audit. We solely responsible for our audit opinion.

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

Report on other Legal and Regulatory Requirements

In accordance with The Companies Act 1994, and The Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- 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, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;



Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director



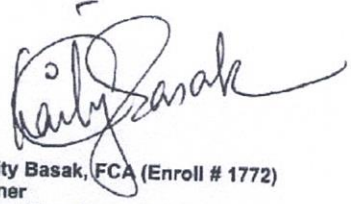
SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL-10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-575775, 01711-520770
01922-117370, 01757-941837
01312-501076, 01711-535885
01645-738747, 01920-719463
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.bd.com

- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Dhaka
Dated: October 28, 2023




Chaity Basak, FCA (Enroll # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2311021772AS 158656

Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

**Paramount Textile PLC
And its Subsidiary**
Consolidated Statement of Financial Position
As At June 30, 2023

Shiraz Khan Basak & Co.
Chartered Accountants

Particulars	Notes	Amount in BDT	
		For the year	
		30.06.2023	30.06.2022
ASSETS			
A. Non-current assets		16,766,848,157	10,237,280,434
Property, plant and equipment	5.00	10,639,521,269	4,058,624,647
Capital work in progress	6.00	1,828,829,041	2,237,464,280
Investment property	7.00	480,822,643	485,679,437
Investment in Associates	8.00	3,227,148,347	1,678,952,070
Right of use assets (After Amortization)	9.00	54,748,100	-
Intangible assets	10.00	525,778,757	-
Long term investment (At cost)		-	1,778,560,000
B. Current assets		8,979,186,238	6,878,949,510
Inventories	11.00	4,452,888,622	4,741,814,524
Trade receivables	12.00	2,318,045,080	1,074,307,195
Advance, deposits & prepayments	13.00	1,148,491,894	860,194,821
Other receivables	14.00	2,232,040	1,864,500
Investments	15.00	44,766,527	67,711,347
Cash & cash equivalents	16.00	1,014,762,074	133,057,123
TOTAL ASSETS (A+B)		25,736,034,395	17,116,229,944
EQUITY AND LIABILITIES			
C. Capital and reserves		5,877,753,265	4,819,727,928
Ordinary share capital	17.00	1,628,335,320	1,628,335,320
Share premium	18.00	540,000,000	540,000,000
Retained earnings		3,482,854,365	2,422,111,689
Tax holiday reserve		203,617,141	203,617,141
Holding gain reserve	19.00	22,946,439	25,663,778
D. Non-Controlling Interest	19.01	82,818,399	-
E. Deferred tax liability	20.00	16,084,807	17,720,690
F. Non-current liabilities		12,251,293,469	6,049,156,457
Long term loan	21.00	12,251,293,469	6,049,156,457
G. Current liabilities		7,508,084,455	6,229,624,867
Trade and other payables	22.00	214,355,507	107,524,848
Liability for expenses	23.00	187,756,138	128,602,744
Short term loan	24.00	5,967,503,311	5,502,058,415
Unclaimed Dividend		2,219,364	2,056,292
Loan from Intercompany		325,059,829	-
Current portion of long term loan	25.00	793,230,653	458,033,014
Income tax provision	26.00	17,959,653	31,351,554
TOTAL EQUITY AND LIABILITIES (C+D+E+F+G)		25,736,034,395	17,116,229,944
Net asset value (NAV) per share	40.00	36.10	29.60

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

[Signature]
Chairman

[Signature]
Managing Director

[Signature]
Company Secretary

Signed as per our annexed report of even date.

Place: Dhaka
Dated: 28 10 2023



Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2311021772AS 158656

An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC
[Signature]
Chief Financial Officer

[Signature]
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
[Signature]
Managing Director

**Paramount Textile PLC
And It's Subsidiary**
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2023

Particulars	Notes	Amount in BDT	
		For the year	
		2022-2023	2021-2022
Revenue	27.00	9,483,818,403	6,615,529,179
Cost of sales	28.00	(7,566,843,089)	(5,619,899,005)
Gross profit		1,896,975,314	995,630,174
Operating Expenses			
Distribution costs	29.00	(331,689,553)	(280,244,912)
Administrative expenses	30.00	(54,050,776)	(53,637,862)
		(277,638,776)	(226,607,050)
Profit from operations		1,565,285,761	715,385,262
Finance costs	31.00	(482,104,842)	(311,435,145)
Income from House Rent	32.00	16,091,936	15,090,600
Other income/(loss)	33.00	17,047,160	4,767,578
Exchange gain/(loss)	34.00	(32,242,409)	3,151,030
		(481,208,155)	(288,425,937)
Profit before WPPF & WF		1,084,077,606	426,959,325
Contribution to WPPF & WF		(24,124,442)	(1,859,917)
Share of profit of associates		425,597,407	400,226,606
Profit before tax		1,485,550,571	825,326,214
Tax expenses			
Income tax	35.00	(128,461,276)	(65,317,470)
Deferred tax expense	36.00	(130,097,159)	(65,974,203)
		1,635,893	656,733
Net profit after tax		1,357,089,296	760,008,743
Dividend on Preference Shareholders		(45,750,000)	-
Net profit Attributable to equity Shareholder		1,310,339,296	760,008,743
Profit Attributable to:			
Non-Controlling Interest		86,763,088	-
Net profit/ (loss) for the period		1,223,576,208	760,008,743
Other comprehensive Income			
Unrealized gain/(loss) on investment in shares	37.00	(2,717,339)	(43,971,892)
Total comprehensive income		1,220,858,870	716,036,852
Basic earnings per share	38.00	7.51	4.67

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

[Signature]
Chairman

[Signature]
Managing Director

[Signature]
Company Secretary

Signed as per our annexed report of even date.

Place: Dhaka
Dated: 28 10 2023



Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2311021772A S 158656

An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC.
[Signature]
Chief Financial Officer

[Signature]
Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC
[Signature]
Managing Director

**Paramount Textile PLC
And its Subsidiary**
Consolidated Statement of Changes in Equity
For the year ended June 30, 2023

Particulars	Amount in taka				
	Share Capital	Share Premium	Retained Earnings	Tax Holiday Reserve	Holding Gain Reserve
Balance as at 1 July, 2022	1,628,335,320	540,000,000	2,422,111,688	203,617,141	25,663,778
Cash dividend paid to shareholders for the year ended June 30, 2022	-	-	(162,833,532)	-	-
Dividend on Preference Shares for the year ended June 30, 2022	-	-	-	-	-
Net Profit for the year	-	-	1,223,576,208	-	-
Total equity	1,628,335,320	540,000,000	3,482,854,365	203,617,141	22,946,440

For the year ended 30 June, 2022

Particulars	Amount in taka				
	Share Capital	Share Premium	Retained Earnings	Tax Holiday Reserve	Holding Gain Reserve
Balance as at 1 July, 2021	1,550,795,550	540,000,000	1,860,745,769	203,617,141	69,635,669
Cash dividend paid to shareholders for the year ended June 30, 2021	-	-	(121,103,054)	-	-
Stock dividend paid to shareholders for the year ended June 30, 2021	77,539,770	-	(77,539,770)	-	-
Net Profit for the year	-	-	760,008,743	-	-
Total equity	1,628,335,320	540,000,000	2,422,111,688	203,617,141	716,036,851

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

Chairman

Managing Director

Signed as per our annexed report of even date.

Company Secretary

Place: Dhaka
Dated: 28.10.2023



Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2311021772A

An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC
Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

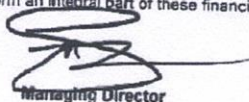
Paramount Textile PLC
Managing Director

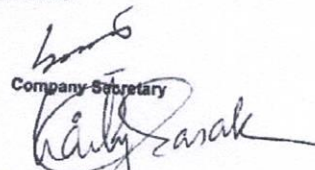
**Paramount Textile PLC
And its Subsidiary
Consolidated Statement of Cash Flows
For the year ended June 30, 2023**

Particulars	Amount in BDT	
	For the year	
	2022-2023	2021-2022
A) Cash flows from operating activities		
Cash received from operating activities		
Cash received from customer	8,222,080,518	6,199,722,771
Cash received from House rent	22,620,940	21,261,500
Cash received from other income	17,047,161	6,582,104
	8,261,748,619	6,227,566,375
Cash paid for operating activities		
Cash paid to suppliers	4,716,516,475	3,655,310,719
Wages, salaries & other benefits	761,046,015	720,922,405
Factory overhead	955,130,374	696,585,783
Administrative overhead	198,683,232	191,882,143
Distribution costs	54,050,776	53,637,862
Financial charges	510,580,302	311,435,145
Advance, deposits & pre-payments	(70,347,997)	(14,616,787)
Advance, security deposit receipt	3,485,255	(9,153,831)
Exchange loss/(gain)	32,242,409	(3,151,030)
Income tax	145,321,139	63,125,794
	7,306,706,980	5,655,978,202
Net cash flows from operating activities (Note-39.00)	955,041,639	571,588,173
B) Cash flows from investing activities		
Payment of investment in Associates		
Investment in share	(1,122,598,870)	(1,045,560,000)
Payment against property, plant, equipment and CWIP	20,227,481	62,392,487
Net cash increase from investing activities	(3,378,006,508)	(3,640,662,435)
C) Cash flows from financing activities		
Proceeds for bank overdraft	465,446,696	444,528,148
Proceeds from loan against trust receipts (LATR)	-	79,224,903
Dividend on Preference Shares	(46,750,000)	-
Dividend payment	(162,337,981)	(120,304,146)
Dividend payment to CMSF	(332,479)	(2,798,543)
Loan from sister concerns	10,635,127	-
Non-Refund public subscription pay to CMSF	-	(1,596,700)
Proceeds from term loan	4,045,123,381	3,717,107,114
Net cash flows used in financing activities	4,311,784,944	4,116,160,776
Net increase in cash and cash equivalents	786,448,685	63,918,999
Cash and cash equivalents at the beginning of year	228,313,389	69,138,124
Cash and cash equivalents at the end of year	1,014,762,074	133,057,123
Net operating cash flows per share (NOCFPS) -Note-39	5.87	3.51

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


Chairman


Managing Director


Company Secretary

Signed as per our annexed report of even date.

Place: Dhaka
Dated: 28 10 2023



Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2311021772A S 158656

An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

Paramount Textile PLC And It's Subsidiary
Notes to the Consolidated Financial Statements
As at and for the Year Ended 30 June 2023

1.00 Introduction

1.01 Industry outlook

The Readymade Garment (RMG) industry of Bangladesh has emerged as a competent garment producer in the world. For nearly last three decades, the export oriented readymade garment (RMG) industry has been one of the major successes of Bangladesh. In this period, not only a world class export-oriented apparel sector has been built in the country but this sector is showing all the potentials of burgeoning into a far more dynamic one to the great benefit of the economy. There are more than 5,000 garments industries in the country that employs about 4.2 million workers. But the industry is far from reaching a saturation point. Greater volumes are being imported to traditional importing countries like USA and Canada and, significantly, major new markets in Japan, EU countries Australia, New Zealand, South Africa and others are being explored. From the current trends, it appears that Bangladesh could go on to doubling its production capacity RMG easily and fairly soon with beneficial effects of the same in the form of the substantially increased foreign currency earnings, job creation and reduction of poverty.

The contributory factors of the RMG industry in Bangladesh are global trading agreements, cheap labor cost, government's supportive policy and dynamic private entrepreneurship. This industry has successfully transformed Bangladesh into an export-oriented economy. The RMG industry also becomes the major foreign-currency earning sector with highest rates of absorption of industrial employment. The country entered into the export market apparels in 1978 with only 9 units and earned only \$0.069 million. During the last three decades, this sector has been achieving a phenomenal growth and the export earnings have reached to around \$34.14 billion (\$17.24 billion for woven garments and \$16.90 billion for knit garments) during fiscal year 2016-17. The growth of woven garments has been 12.81% and the growth of knit garments has been 7.47% in FY 2016-17. At an average around 80% of the country's total exports and also provided job for about 4.2 million people, which accounted for more than 18% of country's GDP.

The RMG industry has a great potential to earn more foreign currency from Latin America, South Africa, Russia, South Korea, Malaysia and Japan. It can earn up to US\$400 million by exporting apparels to three Latin American. The country can secure a slice of \$4.0 billion apparels market of China, Brazil and Mexico. It can also grab about 14% of South Africans US\$1.20 billion clothing market if the local exporters make an aggressive foray.

The recent financial crises especially in Europe have reduced export to the European Countries. The economic slow-down of Europe has resulted in a fall of purchasing capacity, which has brought forth a downward tendency in importing apparels from Bangladesh. In order to offset the export reduction in EU and USA, Bangladesh exporters are going to dispatch trade missions to South Africa, Malaysia, Australia and Latin American countries. Following the recent agreement between governments of Bangladesh and India, India will be one of the major export destinations. Moreover, the minimum wages of the workers in Bangladesh is one of the lowest in Asia.

Intraco Solar Power Limited is a private limited company by the shares having its registered office in Dhaka, Bangladesh incorporated under Companies Act, 1994 on 8 days of May, 2016 vide the incorporation no. C-130770/2016

1.02 Corporate history of reporting entity

Paramount Textile Limited (PTL) was incorporated in Bangladesh on 12th June 2006 under the Companies Act, 1994 as private limited company. Later, it converted to a public limited company on 19th September 2010. It commenced its manufacturing operation on 1st September 2008. Subsequently the name of the company changed from "Paramount Textile Limited" to "Paramount Textile PLC" with the approval of the shareholders of the company at its 15th AGM held on 18th December 2021.

1.03 Corporation & other offices

The registered office of the company is located at Navana Tower (Level#7), Gulshan C/A, Dhaka-1212, Bangladesh. The industrial units are located at Vill-Gilarchala, P.S.-Sreepur, Dist-Gazipur, Bangladesh. The principal place of the business and registered office of the company is located at 45, Navana Tower (Flat-C7), Gulshan C/A, Dhaka-1212, and Bangladesh.



An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

1.04 Nature of business activities

Paramount Textile PLC is engaged in manufacturing high quality woven fabric that are consumed by the export oriented garments industries in Bangladesh. The Company produces high quality woven fabrics which include 100% cotton yarn dyed fabrics, cotton solid white fabrics, striped and check shirts, stretch fabric etc. The finished products are sold to different units to produce readymade garment for final export. Normally the products are designed based on specification and guidelines or ultimate buyers. The company produces the fabrics against the back to back L/C of RMG units. The company also has yarn dyeing and fabrics processing facilities to support the core activity. Since the company sells its products to 100% export oriented readymade garments industries it is considered as deemed export. As per Export policy 2009-2019 of Ministry of Commerce, deemed exporters, will enjoy all export facilities including duty-draw-back. Local raw materials used for producing exports and local raw materials used in industries/projects funded by foreign investments will be considered as 'deemed export.'

Intraco Solar Power Ltd. Runs the business for generating and sell in electricity to Bangladesh Government.

1.05 Investment in Associates and Subsidiary:

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates.

Paramount Textile PLC owned 49.00% shares of Paramount BTrac Energy Ltd. (PBEL) which was incorporated 25th February, 2018 and commencing COD from 16th February 2019 as a Private Limited company for establishing a 200 MW HSD Fired Engine Based Power Plant on Build, own and operate (BOO) basis at Baghabari, Sirajgonj, Bangladesh under Bangladesh Power Development Board (BPDB).

Paramount Textile PLC has acquired 49% of equity interest of Dynamic Sun Energy Pvt Ltd (DSEPL) Ltd. during the year which was incorporated on 4th September 2017 as a Private Limited Company as per the Companies Act 1994 and operation of the company yet to be commenced.

Paramount Textile PLC acquired an 80% equity interest in Intraco Solar Power Ltd. (ISPL) during the year which was incorporated on 8th May, 2016 as a Private Limited Company as per the Companies Act 1994 and operation of the company yet to be commenced. In the previous year, Paramount Textile PLC held 29% of ISPL shares and prepared financial statements using the equity method; no consolidated financial statements were required. This year, Paramount holds 80% of ISPL shares, acquired for a consideration cost of 510,000,000 for 12,000,000 shares (at 10 tk per share), and goodwill has been calculated accordingly.

Paramount Textile Plc holds 49% of the shares in Dynamic Sun Energy Pvt Ltd and Paramount BTrac Energy Ltd. The company has prepared its financial statements using the equity method for its associates.

1.06 Capital structure of the company

Name of shareholders	No. of holding shares	Percentage%
Mr. Shakhawat Hossain	14,317,869	8.79
Mr. Alock Das	14,317,869	8.79
Mrs. Samsun Nahar	11,716,360	7.20
Mrs. Aparna Ghosh	11,716,360	7.20
Mrs. Anita Haque	3,256,667	2.00
Mrs. Anita Rani Das	3,256,667	2.00
Paramount Spinning Ltd	21,595,705	13.26
Paramount Holdings Ltd	19,076,928	11.71
General Public & Others	63,579,107	39.05%
Total	162,833,532	100%

1.07 MIS and internal control mechanism

The IT system of the company has been found at a developing stage. Currently IT related aspects of the company are being taken care of by 10 IT professionals. The company uses Tally software for accounting and most of the cases use packaged software for daily activities of the management supported by STM vision. The company has a total of 362 PCS desktop & laptop in the head office and



An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

126

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

factory for daily operation. Moreover, the company also has separate 16 members internal audit team to ensure structured internal control procedure and to safe guard the assets, promote operating efficiency and ensure compliance with applicable policies and regulations of the units. The team directly reports to the Chairman and Managing Director.

2.00 Basis of preparation

2.01 Statement of compliance

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 as application and International Accounting Standards (IAS) & International Financial Reporting Standard (IFRS), adopted by the Financial Reporting Council (FRC), Bangladesh and other applicable laws in Bangladesh.

2.02 Basis of measurement

The elements of financial statements have been measured on Historical Cost basis, which is one of the most commonly adopted bases provided in the Framework for the preparation and presentation of Financial Statements issued by the International Accounting Standard Committee (IASC) as adopted by the Financial Reporting Council (FRC), Bangladesh except for non-derivative financial instrument at fair value through profit or loss or available for sale, which are measured at fair value.

2.03 Functional and reporting currency

These financial statements are prepared in Bangladesh Taka (BDT) which has been rounded-off to the nearest taka, though the major sales and procurement activities were carried out in US Dollar, EURO, BDT & GBP.

2.04 Use of Estimates and Judgments

The preparation of financial statements require management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form that basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particulars, information about significant areas of estimations and judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes,

- Note 5: Property, Plant and Equipment
- Note 25: Provision for Tax

2.05 Going concern

The financial statements are prepared on a going concern basis. As per management assessment, there is no material uncertainty relating to events or condition which may cause doubt upon the company's ability to continue as a going concern.

2.06 Reporting period

These financial years of the company covers one year from 1st July to 30th June and is followed consistently.

2.07 Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, Paramount Textile PLC and its subsidiary Intraco Solar Power Limited. During the year 2022-23, the Company acquired 12,000,000 (at 10 tk per share) shares of Intraco Solar Power Limited (ISPL) and as a result obtained 80% ownership. As the primary beneficiary, the Company consolidated this entity effective



An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

127

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

from this financial year. All inter-company accounts and transactions have been eliminated in consolidation. In connection with the acquisition of ISPL, an intangible asset in the form of goodwill has been obtained, which is represented by the difference between consideration transferred by the Company plus value of non-controlling interest less the fair value of net asset at acquisition.

3.00 Significant accounting policies

The accounting policies set out below have been applied in preparation of these financial statements.

3.01 Application of International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs)

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

Name of the IAS	IAS No.	Compliance Status
Presentation of financial statements	1	Complied
Inventories	2	Complied
Statement of Cash Flows	7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
Events after the Reporting Period	10	Complied
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Employee Benefits	19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
The Effect of Changes in Foreign Exchange Rates	21	Complied
Borrowing Costs	23	Complied
Related Party Disclosures	24	Complied
Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
Separate Financial Statements	27	Complied
Investments in Associates and Joint Ventures	28	Complied
Financial Reporting in Hyperinflationary Economies	29	Not Applicable
Financial Instruments: Presentation	32	Complied
Earnings per Share	33	Complied
Interim Financial Reporting	34	Complied
Impairment of Assets	36	Not Applicable
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Financial Instrument: Recognition and Measurement	39	Complied
Investment Property	40	Complied
Agriculture	41	Not Applicable

Name of the IFRS	IFRS No.	Compliance Status
First-time Adoption of International Financial Reporting Standards	1	Not Applicable
Share-based Payment	2	Not Applicable
Business Combinations	3	Complied
Insurance Contracts	4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
Exploration for and Evaluation of Mineral Resources	6	Not Applicable
Financial Instruments: Disclosures	7	Complied
Operating Segments	8	Complied
Financial Instruments	9	Complied
Consolidated Financial Statements	10	Complied
Joint Agreements	11	Not Applicable
Disclosure of Interests in Other Entities	12	Not Applicable
Fair Value Measurement	13	Complied
Regulatory Deferral Accounts	14	Not Applicable
Revenue from Contracts with Customers	15	Complied
Leases	16	Complied



An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

3.02 Property, plant and equipment

3.02.1 Recognition and measurement

According to IAS 16 "property plant and equipment" items of property, plant and equipment excluding freehold land, freehold building and leasehold building are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost. Freehold buildings and leasehold buildings are measured at cost less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price, import duties and refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

Part of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

Cost also includes transfer from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchase of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.02.2 Subsequent costs

The cost of replacing or upgrading part of an item of property plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

3.02.3 Depreciation

No depreciation is charged on freehold land and capital work in progress (CWIP) as the land has unlimited useful life and CWIP is not yet available for use. Depreciation on other items of property, plant and equipment is recognized on reducing balance method basis over the estimated useful lives of each item of property, plant and equipment. The depreciation rate of plant and machinery has been changed this year, considering the current remaining useful lives. Depreciation method, useful lives and residual balance are reviewed each reporting date and adjusted if appropriate.

The annual depreciation rates applicable to the principal categories of Paramount Textile Plc are as follows:

Building & Other Construction	10%
ETP & WTP	10%
Plant & Machinery	10%
Loose Tools	10%
Reed Air (Jet)	20%
Electric Installation	15%
Fire Equipment	15%
GAS Installation	20%
Generator & Boiler	15%
Industrial Rack	10%
Air Conditioner	10%
Swimming Pool	10%
Motor Vehicles	15%
Furniture Fixtures & Fittings	10%
Factory & Office Equipment	10%
Telephone Equipment	12%
Decoration in Office	10%
Transformer	10%
Commercial Space	01%

The annual depreciation rates applicable to the principal categories of Intraco Solar Power Ltd. are as follows:

Plant & Machinery	5%
Electric Installation	15%
Motor Vehicles	15%
Furniture Fixtures & Fittings	10%
Office Equipment	10%



An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

129

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

3.02.4 Major maintenance activities

The company incurs maintenance costs for all of its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

3.02.5 Gain or losses on disposal

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized with other income or general and administrative expense.

3.02.6 Borrowing costs

As per requirement of IAS 23: Borrowing Costs, directly attributable borrowing costs are capitalized during constructing period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition construction or production of a qualifying asset are those borrowing cost that would have been avoided if the expenditure or the qualifying asset had not been made. All other borrowing costs are recognized in statement of profit or loss and other comprehensive income in the period in which they are incurred.

3.02.7 Capital work in progress

Capital work in progress consists of acquisition cost of capital components and related installation until the date placed in service. In case of import of components capital work in progress is recognized when risk and rewards are associated with such assets are transferred.

3.03 Inventories

Inventories are valued at lower of cost and net realizable value. Costs of inventories include expenditure incurred in acquiring the inventories production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary allowance is provided for damaged obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.04 Financial instruments

3.04.1 Non-derivatives financial assets

The company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has legal right to offset the amounts intends either to settle on a net basis or to realize the assets and the liability simultaneously.

Financial assets include cash and cash equivalents short term investments, accounts receivable, other receivables and deposits.

3.04.1.1 Accounts receivable

Accounts receivable represents the amounts due from institutional customer export customers etc. Accounts receivable stated at original invoice amount without making any provision for doubtful debts because of the fact that exports are being based on 100% confirmed letter of credit basis with fixed maturity dates.

3.04.1.2 Advance, deposits & prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustment or any other changes.

Deposits are measured at payment value.



An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FC:
Company Secretary
Paramount Textile Pl C

Paramount Textile PLC

Managing Director

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to statements of comprehensive income.

3.04.1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash in transit and cash at bank including fixed deposit having maturity of three months or less which are available for use by the company without any restrictions. Temporary negative balance in any bank account that are adjustable and/or repayable on demand form an integral part of the company's cash management are include as a component of cash and cash equivalent. There is insignificant risk of change in value of the sale.

3.04.1.4 Available-for-sale financial assets

Available-for-sale financial assets are recognized initially at value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value and changes therein other than impairment losses and foreign currency differences or available-for-sale debt instruments are recognized in other comprehensive income and presented in the fair value reserved in equity. When an investment is derecognized the gain or loss accumulated in equity is reclassified to statement of comprehensive income. Available-for-sale financial assets comprise investment in stock market.

3.04.2 Non-derivative financial liabilities

The company recognizes all financial liabilities on the transaction date which is the date the company becomes a party to the contractual provision of instrument. The company derecognizes a financial liability when its contractual obligations are discharged cancelled or expired. Financial liabilities include trade and other payables liability for expense.

3.04.2.1 Trade and other payables

Trade and other payables are recognized when its contractual obligations from past events are certain and settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

The company recognizes a financial liability at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

3.05 Impairment

3.05.1 Non- derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Loans and receivables and held-to-maturity investment securities

The company considers evidence of impairment for loans and receivables and held -to-maturity investment securities at both a specific asset and collective levels. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss recognized previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in comprehensive income.



An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC

Chief Financial Officer

Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director

3.05.2 Non-derivative non-financial assets

In compliance with IAS 36 "Impairment of Assets" the carrying amounts of the company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its related cash generated unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.06 Taxation

The company is a public limited company, as per the income tax act, 2023 the rate of income tax is 15% on business income, 20% on dividend income and 20% on other income since the company is 100% export-oriented Textile industry.

Current tax has been charged at the rate applicable to the company as per Income Tax Act 2023 and Finance Act, subject to provision of section 163 of the ordinance taking higher income of- (a) at the rate of 0.60% of total gross receipts, (b) tax deducted at source for corporate sales u/s 89, tax collected at import stage U/S 120; and tax deducted at source of bank interest income u/s 102, (c) at the applicable tax rate on taxable income.

According to IAS 12 "Income Taxes" deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary difference when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

3.07 Employee benefits

The company maintains a defined contribution plan and short term employee benefits and post-employment benefits for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds as well as rules enforceable as per IAS 19 "Employee Benefits".



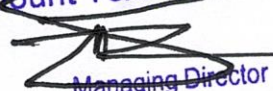
An associate firm of D.N. Gupta & Associates

Strictly Private & Confidential

Paramount Textile PLC


Chief Financial Officer


Md. Robiul Islam FCS
Company Secretary
Paramount Textile PLC.

Paramount Textile PLC

Managing Director