

## Audit Committee Report to the Shareholders For the year ended 30th June 2019

I have the pleasure to report before the shareholders as the Chairman of the Audit Committee of your esteemed company. I am one of the independent Directors in the board and the Board appointed me as the Chairman of the Committee. The Audit Committee of H. R. Textile Mills Limited, as one of its prime board sub-committee, assists the Board in discharging its governance responsibilities. A brief of the Audit Committee and its roles, responsibilities and functions are as follows:

### Composition of the Audit Committee

The Board constituted the Audit Committee with the following:

Names	Designation	Position
Professor Dr. A.H.M. Habibur Rahman	Independent Director	Chairman
Mr. Mohammad Kabiruzzaman	Independent Director	Member
Professor Dr. Muhamamd Abdul Moyeen	Chairman	Member
Professor Mohammad Abdul Momen	Director	Member

As per regulatory guidelines, the Company Secretary Mr. Md. Wali Ullah acts as secretary to the Committee.

- a) The Board defined Terms of Reference (TOR) of the Audit Committee. Activities of the Committee are performed as per the said TOR.
- b) The Committee submits its report directly to the Board of Directors.

### Activities

During the year the Audit Committee,

- a) Reviewed the financial statements of the first quarter, half year, third quarter and the year ended 30th June 2019 and subsequently recommended to the Board for consideration and approval;
- b) Reviewed the work of the Internal Audit & Compliance Department and made suggestions for improvement;
- c) Reviewed the observations of the Internal Audit and Compliance Department regarding internal control and suggestions made to improve operational systems and procedures and their implementation;
- d) Reviewed the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended 30th June, 2019;
- e) Ensured, while reviewing the financial statements, that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to textile industries;
- f) Discussed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to address areas of concern;
- g) Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;
- h) Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation;
- i) Reviewed the profiles of the audit firms and proposed to the Board for recommendation.
- j) Reviewed the Internal Control System and Financial Statements.

### Reporting

- 1) Pursuant to Condition # 5.6 of the Corporate Governance Guidelines issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also;
- 2) The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee



Professor Dr. A.H.M. Habibur Rahman  
Chairman of the Audit Committee  
Date: October 23, 2019