

নিরীক্ষা প্রতিবেদন  
AUDITORS' REPORT

OF

**H.R. Textile Mills Limited**  
For the year ended June 30, 2020



Solution....Begins



রহমান মোস্তফা আলম এন্ড কোং  
**RAHMAN MOSTAFA ALAM & CO.**  
CHARTERED ACCOUNTANTS

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Phone : +88-02-9553449, 9551128, Mob : 01914284705, 01819225339, E-mail : rmadhaka@gmail.com, Web : www.rmabd.com

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## Independent Auditors' Report

To the Shareholders of

H.R. Textile Mills Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of H.R. Textile Mills Limited (the Company), which comprise the Statement of Financial Position as at June 30, 2020, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 45 and Annexure-A.

In our opinion, the accompanying financial statements presents fairly in all material respects the financial position of the company as at June 30, 2020, and of 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 1987 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 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.

#### Our key audit matters

Risk	Our response to the risk
<b>Capital Work-in- Progress (CWIP)</b>	
Refer note no. 4 to the Statement of Financial Position	
Capital work in progress is the pre-stage of capitalization of Property, plant and equipment (PPE). Capitalization of expenses and cost of goods are in some extend judgmental in nature.  Moreover, transfer of capital work in progress to PPE is also judgmental requires estimation.	Our procedure includes:  <b>Control test:</b> testing the effectiveness of the entity's control around the recording and re-assessment of the amount of capitalization and transferred to PPE.  <b>Test of details:</b> obtaining supporting documents of capitalization transaction recorded either side of the year and debit notes issued after the year end to determine



	<p>Test the advance adjustments and notes of transfer from CWIP to PPE and costing, date etc. thereof.</p> <p>Critically analyze journal entries posted during the year to identify unusual items</p> <p><b>Assessing disclosure:</b> considering the adequacy of the entity's disclosure regarding CWIP.</p> <p><b>Our result:</b> the result of our testing is satisfactory and we considered the capitalization cost, expenses and the amount transferred to PPE recognized to be acceptable and recorded in correctly.</p>
<p><b>Term Loan</b></p>	
<p>Refer note no.16 to the Statement of Financial Position</p>	
<p>Long term loans taken from Mutual Trust Bank Ltd., HSBC Bangladesh, IPDC Finance Ltd.</p>	<p>Our procedure includes:</p> <p><b>Control test:</b> testing the effectiveness of the entity's control around the recording of loan, interest and repayments.</p> <p><b>Test of details:</b> obtaining supporting documents of loan taken, utilization of loan, bank statements and transaction recorded either side of the year and credit notes issued after the year end to determine whether the amount recorded in correct period.</p> <p>Test interest rates application, calculation and repayments for carrying amount and current and non-current distinguish.</p> <p>Critically analyze journal entries posted during the year to identify unusual items</p> <p><b>Assessing disclosure:</b> considering the adequacy of the entity's disclosure regarding Loan.</p> <p><b>Our result:</b> the result of our testing is satisfactory and we considered the carrying amount of loan recognized to be acceptable and recorded in correctly.</p>

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## Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

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

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

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 Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the 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.

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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, the Securities and Exchange Rules 1987 and relevant notifications issues 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;
- c) The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure was incurred for the purpose of the Company's business.

The engagement partner on the audit resulting in this independent auditors' report is Md. Anwaruzzaman FCA.

Dated: Dhaka  
October 28, 2020

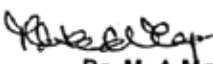
Rahman Mostafa Alam & Co.  
Chartered Accountants

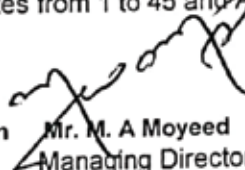



H.R. Textile Mills Limited  
Statement of Financial Position  
As at June 30, 2020

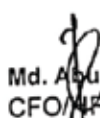
Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>ASSETS</b>			<b>*Restated</b>
<b>Non-current Assets</b>		<b>2,149,175,755</b>	<b>1,656,302,759</b>
Property, Plant and Equipment	4	1,556,043,229	1,475,400,167
Capital Work In Progress	5	593,132,526	180,902,592
<b>Current Assets</b>		<b>1,375,994,306</b>	<b>1,115,358,265</b>
Stocks and Stores	6	606,834,155	393,277,250
Trade and Other Debtors	7	610,274,903	574,533,283
Export Incentive Receivables	8	40,353,566	55,458,792
Advances, Deposits and Prepayments	9	88,020,582	67,318,628
Cash and Bank Balances	10	30,511,100	24,770,312
<b>Total Assets</b>		<b>3,525,170,061</b>	<b>2,771,661,024</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>1,082,316,036</b>	<b>1,066,491,976</b>
Share Capital	11	253,000,000	253,000,000
General Reserve	12	6,956,752	6,956,752
Tax Holiday Reserve	13	22,378,988	22,378,988
Dividend Equalisation Reserve	14	10,000,000	10,000,000
Revaluation Surplus	15	652,764,006	653,660,218
Retained earnings	16	137,216,290	120,496,018
<b>Long-term Liabilities</b>		<b>1,313,863,764</b>	<b>810,036,776</b>
Long-term Loans-Secured, Future Maturity	17	1,208,061,584	705,830,468
Provision for Gratitude	18	27,218,882	28,392,064
Provision for Deferred Taxation	19	78,583,298	75,814,244
<b>Current Liabilities</b>		<b>1,128,990,261</b>	<b>895,132,272</b>
Bank Overdrafts- Secured	20	103,070,844	79,251,108
Time Loan- Secured	21	367,249,038	-
Trade Creditors	22	499,176,489	630,941,433
Accrued Expenses	23	44,352,811	27,136,943
Provision for Current Taxation	24	44,069,406	30,415,148
Bills Receivable Discounted	25	25,558,605	38,658,707
Workers' Participation /Welfare Funds	26	14,491,236	18,386,925
Current Maturity of Long-term Loans	27	31,021,832	70,342,008
<b>Total Equity and Liabilities</b>		<b>3,525,170,061</b>	<b>2,771,661,024</b>
<b>Net Assets Value (NAV) per share</b>	28	<b>42.78</b>	<b>42.15</b>

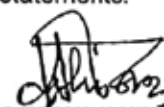
\* Last year's figures have been restated. Details disclosed in note no. 3.17 of the Financial Statements.  
The annexed notes from 1 to 45 and Annexure A form an integral part of these financial statements.

  
Dr. M. A. Moyeen  
Chairman

  
Mr. M. A. Moyeed  
Managing Director

  
Mr. M. A. Momen  
Director

  
Md. Abu Amur Naheel  
CFO/IF & A

  
Mr. Md. Wali Ullah  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 28, 2020



  
Rahman Mostafa Alam & Co.  
Chartered Accountants

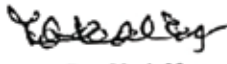
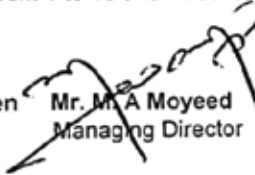


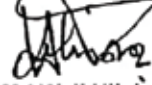


H.R. Textile Mills Limited  
Statement of Profit or Loss and other Comprehensive Income  
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
			*Restated
Sales Revenue	29	2,218,253,529	2,328,287,124
Export Incentive	30	31,254,874	29,884,578
<b>Total Revenue</b>		<b>2,249,508,403</b>	<b>2,358,171,702</b>
Cost of Goods Sold	31	(1,929,453,320)	(2,026,994,848)
<b>Gross Profit</b>		<b>320,055,083</b>	<b>331,176,854</b>
Administrative, Selling and General Expenses	32	(103,534,895)	(110,954,879)
Financial Expenses	33	(166,149,442)	(152,355,380)
<b>Operating Profit</b>		<b>50,370,746</b>	<b>67,866,595</b>
Other income	34	(3,395,866)	961,840
<b>Profit Before contribution to WPPF</b>		<b>46,974,880</b>	<b>68,828,435</b>
Contribution to WPPF	26	(2,236,899)	(3,277,545)
<b>Net Profit before Tax</b>		<b>44,737,981</b>	<b>65,550,890</b>
Income Tax Expenses		(16,581,467)	(19,084,826)
Current Tax	36	(13,654,258)	(11,978,390)
Deferred Tax	19	(2,927,209)	(7,106,436)
<b>Net Profit after tax</b>		<b>28,156,514</b>	<b>46,466,064</b>
<b>Earnings per share (EPS) of Tk.10</b>	38	<b>1.11</b>	<b>1.84</b>

\* Last year's figures have been restated. Details disclosed in note no. 3.17 of the Financial Statements.

The annexed notes from 1 to 45 and Aneexure A form an integral part of these financial statements.

Dr. M. A. Moyeen Chairman  
 Mr. M. A. Moyeed Managing Director  
 Mr. M. A. Momen Director  
 Md. Abu Amur Naheel CFO/IF & A  
 Mr. Md. Wali Ullah Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 28, 2020

  
 Rahman Mostafa Alam & Co.  
 Chartered Accountants








**H.R Textile Mills Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended June 30, 2020**

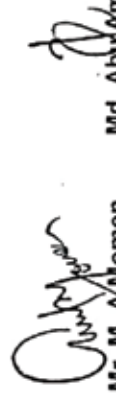
Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2018	253,000,000	6,956,752	22,378,988	-	10,000,000	96,374,242	388,709,982
Adjustment for wrong calculation of deferred tax in prior year						553,543	553,543
<b>Restated opening balance</b>	<b>253,000,000</b>	<b>6,956,752</b>	<b>22,378,988</b>	<b>-</b>	<b>10,000,000</b>	<b>96,927,785</b>	<b>389,263,525</b>
Revaluation Surplus as on 31 December, 2018	-	-	-	686,195,360	-	-	686,195,360
Transfer to deferred tax on revaluation surplus	-	-	-	(32,087,035)	-	-	(32,087,035)
Revaluation reserve realised	-	-	-	(448,106)	-	527,184	79,078
Net profit after Tax	-	-	-	-	-	48,341,049	48,341,049
Cash Dividend declared 2018	-	-	-	-	-	(25,300,000)	(25,300,000)
<b>Balance as at June 30, 2019</b>	<b>253,000,000</b>	<b>6,956,752</b>	<b>22,378,988</b>	<b>653,660,218</b>	<b>10,000,000</b>	<b>120,496,018</b>	<b>1,066,491,976</b>
Balance as at June 30, 2019	253,000,000	6,956,752	22,378,988	653,660,218	10,000,000	120,496,018	1,066,491,976
Revaluation reserve realised	-	-	-	(896,213)	-	1,054,368	158,155
Net profit after Tax	-	-	-	-	-	28,156,514	28,156,514
Cash Dividend declared 2019	-	-	-	-	-	(12,490,610)	(12,490,610)
<b>Balance as on June 30, 2020</b>	<b>253,000,000</b>	<b>6,956,752</b>	<b>22,378,988</b>	<b>652,764,006</b>	<b>10,000,000</b>	<b>137,216,290</b>	<b>1,082,316,036</b>

\* Last year's figures have been restated. Details disclosed in note no. 3.17 of the Financial Statements.

The annexed notes from 1 to 45 and Aneexure A form an integral part of these financial statements.

  
**Dr. M. A. Moyeed**  
Chairman

  
**Mr. M. A. Momen**  
Managing Director

  
**Md. Abu Amir Naheel**  
CFO/HF & A

  
**Mr. Md. Wali Ullah**  
Company Secretary

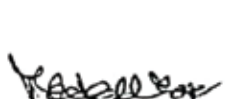




H.R. Textile Mills Limited  
Statement of Cash Flows  
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
<b>Cash flows from Operating Activities:</b>			
Cash received from Sales and Export incentives		2,229,105,781	2,174,809,317
Receipts from Other Income		365,400	961,840
Cash paid for goods and services		(2,256,601,300)	(2,187,442,519)
<b>Cash from operation</b>		<b>(27,130,119)</b>	<b>(11,671,362)</b>
Interest paid		(145,846,074)	(126,546,049)
Income tax paid/deducted at sources		(13,590,313)	(10,659,821)
<b>Net Cash used in operating activities</b>		<b>(186,566,506)</b>	<b>(148,877,232)</b>
<b>Cash flows from Investing Activities:</b>			
Acquisition of property, plant and equipment	4 & 5	(582,232,264)	(307,650,452)
<b>Net Cash used in investing activities</b>		<b>(582,232,264)</b>	<b>(307,650,452)</b>
<b>Cash flows from Financing Activities:</b>			
Bank Overdraft Received/(Repaid)		23,819,736	(1,327,414)
Long Term Loans Received/(Repaid)		501,810,415	577,788,443
Time Loan Received/(Repaid)		367,249,038	(123,733,987)
Bills Receivable Discounted Received/(Repaid)		(13,100,102)	990,766
Current Maturity of Long-term Loans		(39,320,176)	(8,805,677)
Cash Dividend Paid		(66,048,908)	(11,896,126)
<b>Net Cash inflow from financing activities</b>		<b>774,410,003</b>	<b>433,016,005</b>
<b>Net increase/(decrease) in cash and bank balances</b>		<b>5,611,233</b>	<b>(23,511,679)</b>
Opening Cash and bank balances		24,770,312	48,281,991
Effects of exchange rate changes on cash and cash equivalents		129,555	-
<b>Cash and bank balances at closing - Note 10</b>		<b>30,511,100</b>	<b>24,770,312</b>
<b>Net operating cash flows per share (NOCFPS)</b>	39	<b>(7.37)</b>	<b>(5.88)</b>

The annexed notes from 1 to 45 and Aneexure A form an integral part of these financial statements.

  
Dr. M. A Moyeen  
Chairman

  
Mr. M. A Moyeed  
Managing Director

  
Mr. M. A Momen  
Director

  
Md. Abu Amur Naheel  
CFO/HF & A

  
Mr. Md. Wali Ullah  
Company Secretary





## H.R. TEXTILE MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2020

### 1. Notes-General

#### (a) Status and Activities:

This is a public limited company incorporated in Bangladesh under the Companies Act, 1913 on 3 December 1984 under the entrepreneurship of the Pride Group. The other shareholders are the general public and local financial institutions. The shares of the Company are listed with both the Dhaka and Chittagong Stock Exchanges in Bangladesh. The address of the registered office is B-87, Mailbag Chowdhury Para, Dhaka and the mills are located at Karnapara, Savar, Dhaka. The Company owns textile mills and its principal activities are knitting, processing and finishing of textile products and making garments.

### 2. Basis of preparation

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax Act 1991 and the Value Added Tax Rules 1991, Bangladesh Securities and Exchange Rules 1987 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

#### 2.2 Basis of measurement

The financial statements have been prepared on historical cost basis except financial assets and liabilities which are stated at "fair value".

#### 2.3 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka, which is the Company's functional currency.

#### 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IAS/IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

#### 2.5 Reporting period

The financial reporting period of the company covers one year from 01 July 2019 to 30 June 2020.

#### 2.6 Comparative Information and Re-arrangement Thereof

In accordance with the provisions of IAS-1: Presentation of Financial Statements, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.





## 2.7 Corporate Accounting Standards Practiced

IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventories	Complied
IAS 7	Statement of Cash Flows	Complied
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 27	Separate Financial Statements	Complied
IAS 28	Investments in Associates and Joint Ventures	Not Applicable
IAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings Per Share	Complied
IAS 34	Interim Financial Reporting	Complied
IAS 36	Impairment of Assets	Complied
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Complied
IAS 40	Investment Property	Not Applicable
IFRS 1	First-time Adoption of International Financial Reporting Standards	Not Applicable
IFRS 2	Share-based Payment	Not Applicable
IFRS 3	Business Combinations	Not Applicable
IFRS 4	Insurance Contracts	Not Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable



IFRS 7	Financial Instruments: Disclosures	Complied
IFRS 8	Operating Segments	Not Applicable
IFRS 9	Financial Instruments	Complied
IFRS 10	Consolidated Financial Statements	Not Applicable
IFRS 11	Joint Arrangements	Not Applicable
IFRS 12	Disclosure of Interests in Other Entities	Not Applicable
IFRS 13	Fair Value Measurement	Complied
IFRS 14	Regulatory Deferral Accounts	Not Applicable
IFRS 15	Revenue from contracts with customers	Complied
IFRS 16	Leases	Not Applicable

## 2.8 Component of Financial Statements

- (i) Statement of Financial Position as at June 30, 2020;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2020;
- (iii) Statements of Changes in Equity for the year ended June 30, 2020;
- (iv) Statement of Cash Flows for the year ended June 30, 2020; and
- (v) Notes to the Financial Statements for the year June 30, 2020.

## 3.00 Significant accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

### 3.01 Property, plant and equipment

#### 3.01.1 Recognition and measurement

Property, plant and equipment are measured at cost and valuation (only land) less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. It is carried at the lower of its carrying amount and fair value less cost. Any write-down is shown as an impairment loss. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

#### 3.01.2 Subsequent costs

The cost of replacing 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.

### 3.01.3 Depreciation on property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation thereon. Depreciation is charged applying diminishing balance method on all fixed assets other than land and land development. Depreciation has been charged on addition when the related asset is available for use and no depreciation has been charged when the related assets are de-recognized/disposed off. After considering the useful life of the assets as per IAS-16: Property Plant and Equipment, the depreciation rates have been applied as under which is considered reasonable by the management:

SL No.	Particulars	Rate of Depreciation
1	Factory Building	2.50%
2	Plant and Machinery	7%
3	Factory Shed	7.50%
	Electric. Gas, Water, Steam and Telephone installation, Furniture and Fixture, Office Equipment, Factory Equipment and Tools & Apparatus	10%
4		
5	Factory Building	15%

### 3.01.4 Impairment of assets

#### I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

#### II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the year no impaired loss occurred to recognize in the Financial Statements.

### 3.2 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is valued at weighted average cost method and includes costs for acquiring the inventories and bringing them to their existing locations and conditions.





### 3.3 Provisions

A provision is recognised on the balance sheet date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is provable that an outflow of economic benefits will be required to settle the obligation.

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations;

- a) when the company has an obligation (legal or constructive) as a result of past events;
- b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) Reliable estimates can be made of the amount of the obligation.

### 3.4 Earnings per share (EPS)

This has been calculated in compliance with the requirement of IAS-33: Earnings per share. Earnings per share by dividing the net earnings after Tax by the number of ordinary shares outstanding during the period.

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

\*This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

### Diluted Earnings per share

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

### 3.5 Revenue

In compliance with the requirements of IFRS 15 "Revenue from Contracts with Customers" revenue represents the sales proceeds which are recognized when the parties to the contract have approved the contract and are committed to perform their respective obligations; delivery are made from factory godown to carriers that is, when the significant risk and rewards of ownership have been

### 3.6 Trade receivables

Trade receivables at the balance sheet date are stated at amounts which are considered realizable.

### 3.7 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues. Finance expenses comprise interest expense on borrowings, bank charges and guarantee costs. All borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate.

### 3.8 Cash and cash equivalents

It includes cash in hand and other deposits with banks which were held and available for use by the company without any restriction.



### 3.9 Taxation

#### Current tax

Provision for current income tax has been made during the year under review in respect of net profit at the rate of 15%

#### Deferred tax

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

### 3.10 Foreign Currency Transaction

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

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

- a) Foreign currency monetary items are translated using the closing rate.
- b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.
- d) Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the year or in previous financial statements is recognized in profit or loss in the year in which they arise.

### 3.11 Employee Benefits:

The Company is operating Workers Profit Participation Fund (WPPF) and Welfare Fund according to Bangladesh Labour Law 2006 and Bangladesh labour (Amendments) Act 2013 are accounted for securing benefits to the employees in accordance with the provision of International Accounting Standard (IAS)-19, "Employee Benefit".

#### Retrial Benefits (Gratuity):

The retrial benefits (gratuity) liability for the permanent employees of the Company is accrued at one months' basic pay for each completed year of service of each employee who has completed service for six months or more.

### 3.12 Related party disclosure

As per IAS 24: Related Party Disclosure, parties are considered to be related if one has the ability to control or exercise significant influence over other in making financial and operating decisions.

### **3.13 Statement of Cash Flows**

The statement of cash flows has been prepared in accordance with the requirements of IAS 7 "Statement of Cash Flows". The cash generating from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

### **3.14 Events after the Reporting Period**

In compliance with the requirements of IAS 10 "Events after the Reporting Period" events after the reporting period that provided additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

### **3.15 Risk Exposure**

#### **Interest Rate Risk**

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

#### **Management Perception**

The company has mostly fixed rate loans; although the leasing companies are charging a bit higher rate but management expects that the rates will not increase further and accordingly, adverse, impact of interest rate fluctuation is insignificant.

#### **Exchange Rate Risk**

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

#### **Management Perception**

The company's exports exceed imports; therefore, volatility of exchange rates will have limited impact on profitability of the company.

#### **Industry Risks**

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

#### **Management Perception**

Management is optimistic about growth opportunity in garments and textiles sector in Bangladesh. Furthermore there are untapped international market.





## **Market risks**

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

## **Management Perception**

Management is fully aware of the market risk and and takes action as and when required accordingly. Moreover the company has a strong marketing and brand image for its quality products. Based on the above the demand is in increase.

## **Operational Risks**

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

## **Management Perception**

The company has been updated its systems and procedures regularly and updating its equipments depending on the product requirement and as such management is confident to handle the operational risk

## **Liquidity Risk**

Liquidity Risk is defined as the risk that the company will not be able to settle its obligations on time or reasonable price.

## **Management Perception**

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

## **Financial risk management (IFRS 7)**

### **Introduction**

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors (Treasury Policy). Company Treasury identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Treasury Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

### Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of June 30, 2020:

#### Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
<b>Loans and receivables:</b>					
Cash and cash equivalents	3,288,740	-	-	-	3,288,740
Accounts Receivable	-	-	381,365,402	228,909,501	610,274,903
<b>Balance at June 30, 2020</b>	<b>3,288,740</b>	<b>-</b>	<b>381,365,402</b>	<b>228,909,501</b>	<b>613,563,643</b>

#### Financial liabilities measured at amortized cost:

Particulars	Current	>30 days	>90 days	>1 year	Total
Bank Loan	-		-	1,208,061,584	1,208,061,584
Sundry Creditors	499,176,490		-	-	499,176,490
<b>Balance at June 30, 2020</b>	<b>499,176,490</b>		<b>-</b>	<b>1,208,061,584</b>	<b>1,707,238,074</b>



### **Credit risks:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Accounts Receivable (see note 07) is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are categorized as follows (risk companies): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.

### **Market risks**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

### **Interest rate risk**

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, and bank liabilities. All cash and cash equivalents mature or reprice in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Treasury manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Treasury focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Treasury manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

BDT	Carrying amount	Between 1	Between 91	Between 1	Over 2 years
		and 90 days	and 360 days	and 2 years	
<b>Non-derivative financial liabilities</b>					
Bank Loan	-	-	-	-	1,208,061,584
Sundry Creditors	-	-	499,176,490	-	-
<b>Balance at June 30, 2020</b>	-	-	<b>499,176,490</b>	-	<b>1,208,061,584</b>

### 3.16 COVID-19 disclosure in the financial statements

On 30 January 2020, the World Health Organization declared the outbreak of a novel corona virus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh and stock exchanges of Bangladesh declared general holiday from 26 March 2020. Since then the Company temporarily closed its office and branches stopping all of its operations due to health concerns associated with COVID-19. While the disruption is currently expected to be temporary, there is uncertainty around the duration as well as the recovery timeline. Therefore, while the Company expects this matter to negatively impact its business. The Company has considered key accounting considerations related to conditions that may result from the COVID 19.

### 3.17 Restatement

The company inadvertently has not recognized deferred tax on revaluation of land and buildings. Hence revaluation reserve and deferred tax have been restated in this year.





Amount in Taka	
June 30,2020	June 30,2019

#### 4. Property, Plant and Equipment

Opening Balance	2,494,358,742	2,367,610,882
Add: Addition during the year	170,002,330	126,747,860
Less: Accumulated Depreciation	(1,108,317,843)	(1,018,958,575)
<b>Closing Balance</b>	<b>1,556,043,229</b>	<b>1,475,400,167</b>

#### 4.1. Depreciation for the year is charged as below:

Cost of Goods Sold-Note 31.1	71,487,414	64,280,555
Administrative, Selling and General Expenses-Note 32.1	17,871,854	16,070,139
	<b>89,359,268</b>	<b>80,350,694</b>

#### 5. Capital Works in Progress

Opening Balance	180,902,592	-
Add: Addition this Year	412,229,934	180,902,592
<b>Closing Balance</b>	<b>593,132,526</b>	<b>180,902,592</b>

#### 6. Stocks and stores

6.1 The make-up is as below:

	June 30,2020		June 30,2019	
	In Kg	Taka	In Kg	Taka
Stock of Yarn	6.2 1,096,298	305,195,048	823,473	211,701,754
Stock of Dyes and Chemicals	6.3 438,527	78,071,491	375,288	65,547,814
Stock of Work-in-Process	6.4	93,354,996		44,367,516
Stock of Finished Goods	6.5	84,784,030		41,029,893
Stock of Accessories		10,893,146		9,456,443
Goods in Transit		21,485,623		12,062,410
		<b>593,784,334</b>		<b>384,165,830</b>
Stock of Spares		13,049,821		9,111,420
		<b>606,834,155</b>		<b>393,277,250</b>

#### 6.2 Stock of Yarn

Stock of Yarn	1,096,298	305,195,048	823,473	211,701,754
	<b>1,096,298</b>	<b>305,195,048</b>	<b>823,473</b>	<b>211,701,754</b>

#### 6.3 Stock of Dyes and Chemicals

Dyes	39,827	40,432,279	36,488	29,750,874
Chemicals	398,700	37,639,212	338,800	35,796,940
	<b>438,527</b>	<b>78,071,491</b>	<b>375,288</b>	<b>65,547,814</b>

#### 6.4 Stock in Work in Process

Cost of Materials	57,328,297	23,556,383
Costs of Conversion	36,026,699	20,811,133
	<b>93,354,996</b>	<b>44,367,516</b>

#### 6.5 Stock of Finished Products

Finished Garments	26,158,748	22,073,256
Knitted Fabrics	135,979	18,956,637
	<b>135,979</b>	<b>41,029,893</b>



## 7. Trade and Others Debtors

	June 30,2020		June 30,2019	
	US\$	Taka	US\$	Taka
Export Sales Receivable ( <b>Below 180 Days</b> )	6,206,165	519,766,306	6,234,634	519,033,283
Other Debtors	1,080,700	90,508,597	666,667	55,500,000
	<b>7,286,865</b>	<b>610,274,903</b>	<b>6,901,301</b>	<b>574,533,283</b>

These include a sum of Tk.90,508,597 (2019;Tk.55,500,000) due from Associates Companies, expected to be realized /adjusted within a year from the financial statement end date.

These are unsecured but considered good.

## 8. Export Incentives Receivable

	Amount in Taka	
	June 30,2020	June 30,2019
Opening Balance	55,458,792	75,406,776
Received during the year	(46,360,100)	(49,832,562)
	9,098,692	25,574,214
For the Year	31,254,874	29,884,578
<b>Closing Balance</b>	<b>40,353,566</b>	<b>55,458,792</b>

The receivables are unsecured but considered good.

## 9. Advances, Deposits and Prepayments

### Advances :

Salary Advance	1,126,209	1,131,166
Advance Tax	460,000	210,000
Factory Insurance Advance	998,986	1,039,705
Operational Advance	7,902,846	7,185,690
Eltech Engineering Co. Ltd	6,600,000	3,600,000
Tax deducted at source	40,376,790	26,786,476
	<b>57,464,831</b>	<b>39,953,037</b>

### Deposits :

Security Deposits	20,571,731	17,381,571
Bank Guarantee Margin	9,984,020	9,984,020
	<b>30,555,751</b>	<b>27,365,591</b>
	<b>88,020,582</b>	<b>67,318,628</b>

The advances are unsecured but considered good.

## 10. Cash and Bank Balances

### Cash at Banks with Banks on Current Account:

Brac Bank Ltd, Dhanmondi Branch,CD A/c	13,916	211,760
Mutual Trust Bank Ltd.,Gulshan Branch, CD A/c	563,161	118,752
Mutual Trust Bank Ltd.,Gulshan Branch, Dollar A/c	5,900,861	807,270
Mutual Trust Bank Ltd.,Gulshan Branch, ERQ A/c	342,152	337,615
Mutual Trust Bank Ltd.,Gulshan Branch, SND A/c	1,189,241	569,135
HSBC,Anchor Tower Branch, MDA Margin A/c	99	259,082
HSBC,Anchor Tower Branch, FCY A/c	3,242,894	192,318
Trust Bank Ltd,SKB Branch, Dollar A/c	1,100,349	10,117,969
Trust Bank Ltd,SKB Branch,FCAD A/c	18,003	672,191
Trust Bank Ltd,SKB Branch, CD A/c	3,183	114,169
IPDC Finance	10,000,000	-
United Commercial Bank Ltd, CD A/c	2,325,680	-
Dutch Bangla Bank Ltd.,Gulsgan Branch ,CD A/c	36,872	-
AB Bank Ltd,Motijheel Branch, CD A/c	330,692	7,301,646
AB Bank Ltd,Motijheel Branch, Notice A/c	936,012	918,064
	<b>26,003,115</b>	<b>21,619,971</b>

### With Bank on Short Term Deposit Account:

Trust Bank Ltd.,SKB Branch, SND A/c	180,141	21,401
Southeast Bank Ltd, Principal Branch, STD A/c	1,039,104	1,020,619
	1,219,245	1,042,020
Cash at Banks	<b>27,222,360</b>	<b>22,661,991</b>
Cash in Hand	3,288,740	2,104,584
	<b>30,511,100</b>	<b>24,766,575</b>



**11. Share Capital**

**11.1 Authorized:**

100,000,000 Ordinary Shares of Tk.10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
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**11.2 Issued, Subscribed and Paid-up:**

25,300,000 Ordinary Shares of Tk.10 each fully paid-up	<u>253,000,000</u>	<u>253,000,000</u>
14,000,000 Ordinary Shares of Tk.10 each fully paid-up in cash	<u>140,000,000</u>	<u>140,000,000</u>
11,300,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares	<u>113,000,000</u>	<u>113,000,000</u>
	<u><b>253,000,000</b></u>	<u><b>253,000,000</b></u>

**11.3 Composition of Shareholdings:**

Classes of Holdings	June 30,2020		June 30,2019	
	No. of Shares	%	No. of Shares	%
Sponsors	12,808,619	50.63	12,808,619	50.63
Financial Institutions	1,760,838	6.96	3,277,612	12.96
Investment Corporation of Bangladesh	378,874	1.50	-	-
7th ICB Unit Fund	5,000	0.02	38,400	0.15
ICB Investors A/c	27,690	0.11	28,190	0.11
ICB Mutual Fund	3,000	0.01	3,000	0.01
ICB Unit Fund	378,187	1.49	3,500	0.01
ICBMS	191,188	0.76		
General Public	9,746,604	38.52	9,140,679	36.13
<b>Total</b>	<b>25,300,000</b>	<b>100</b>	<b>25,300,000</b>	<b>100.00</b>

Distribution schedule-Disclosures Under the Listing Regulations of Stock Exchanges:

The distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below as a requirement of the Stock Exchanges (Listing) Regulations , 2015.

Shareholdings range in number of shares	June 30,2020			June 30,2019		
	No. of shareholders	No. of Shares	Holdings %	No. of Shareholders	No. of Shares	Holdings %
000001-0000499	6,932	1,938,961	7.66	7,203	1,986,649	7.85
0000500-0000500	3,754	1,877,000	7.42	3,704	1,852,000	7.32
0000501-0002000	915	2,025,543	8.00	1,063	2,351,143	9.29
0002001-0005000	520	1,664,000	6.58	527	1,686,400	6.67
0005001-0010000	118	832,136	3.29	124	874,448	3.45
0010001-0050000	46	1,518,000	6.00	41	1,353,000	5.35
0050001-0100000	4	352,000	1.39	6	528,000	2.09
0100001-0250000	6	1,272,000	5.03	4	848,000	3.35
0250001-0500000	2	1,011,741	4.00	1	1,011,741	4.00
050001 and above	6	12,808,619	50.63	6	12,808,621	50.63
<b>Total</b>	<b>12,303</b>	<b>25,300,000</b>	<b>100.00</b>	<b>12,679</b>	<b>25,300,002</b>	<b>100</b>

**11.4 Option on unissued shares:**

There is no option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid up capital through the issuance of new shares.

**12. General Reserve**

	Amount in Taka	
	June 30,2020	June 30,2019
Opening and Closing Balance	6,956,752	6,956,752
	<b>6,956,752</b>	<b>6,956,752</b>

**13. Tax Holiday Reserve**

Opening and Closing Balance	22,378,988	22,378,988
	<b>22,378,988</b>	<b>22,378,988</b>

**14. Dividend Equalisation Reserve**

Opening and Closing Balance	10,000,000	10,000,000
	<b>10,000,000</b>	<b>10,000,000</b>

**15. Revaluation Surplus**

Revaluation Surplus	653,660,218	686,195,360
Transfer to Deferred Tax on revaluation surplus	-	(32,087,035)
Revaluation reserve realised	(896,212)	(448,107)
Closing Balance	<b>652,764,006</b>	<b>653,660,218</b>

M/S. Ahmad and Akhtar & Co. Chartered Accountants , Dhaka, Bangladesh (the valuer) revalued the Factory Lands & Building as of December 31,2018 at "Current Cost Accounting Method (CCA)". Due to the revaluation , a net revaluation surplus amounting to Tk.686,195,360.00 arose and accounted for.



**16. Retained earnings**

	Amount in Taka	
	June 30,2020	June 30,2019
Balance as on June 30,2019	120,496,018	96,374,242
Prior adjustment of deferred tax	-	553,543
Total Comprehensive income for the year:		
Profit for the year	28,156,514	48,341,049
Revaluation reserve realised	1,054,368	527,184
	<b>149,706,900</b>	<b>145,796,018</b>
Dividend during the year:		
Final dividend for previous year	(12,490,610)	(25,300,000)
<b>Balance as on June 30,2020</b>	<b>137,216,290</b>	<b>120,496,018</b>

**17. Long-term Loan -Secured Future Maturity**

9% Loan - Note 17.1	981,018,475	530,485,517
5% Loan - Note 17.2	8,577,655	39,178,786
15% Loan - Note 17.3	156,548,999	-
Deferred L/C Liabilities -Note 17.4	61,916,455	136,166,165
	<b>1,208,061,584</b>	<b>705,830,468</b>

**17.1 The movement of loan is as follows:**

Opening Balance	530,485,517	2,516,705
Loan received this year	450,532,958	527,968,812
<b>Closing Balance</b>	<b>981,018,475</b>	<b>530,485,517</b>

The loan has been taken from Mutual Trust Bank Ltd, Gulshan Branch for import of Plant and machinery. The loan carries interest at 9% and is repayable in 16 Quarterly installments, starting from 11 June, 2021. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

**17.2 The movement of loan is as follows:**

Opening Balance	39,178,786	102,892,400
Loan received this year	-	-
	<b>39,178,786</b>	<b>102,892,400</b>
Current Maturity	(31,021,832)	(63,713,614)
Unrealised Loss	420,701	-
<b>Closing Balance</b>	<b>8,577,655</b>	<b>39,178,786</b>

The offshore has been taken from The Hongkong and Shanghai Banking Corporation Plc, Anchor Tower Branch, 108 Bir Uttam CR Dutta Road, Dhaka-1205, Bangladesh, for import of Plant and machinery. The loan carries interest at 5% and is repayable in 16 quarterly installments, starting from 1 January 2014..

**17.3 The movement of loan is as follows:**

Opening Balance	-	-
Loan received this period	150,000,000	-
Add: Interest	6,548,999	-
<b>Closing Balance</b>	<b>156,548,999</b>	<b>-</b>

The term loan facility has been taken from IPDC Finance Limited, Head office : Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka-1212, Bangladesh, for construction of effluent treatment plant.. The loan carries interest at 15% and is repayable in 72 equal monthly installments, starting from 25 November 2019.

**17.4 The movement of Deferred L/C liabilities is as follows:**

Opening Balance	136,166,165	22,632,920
Addition this year	61,916,455	136,166,165
Paid this Year	(136,166,165)	(22,632,920)
<b>Closing Balance</b>	<b>61,916,455</b>	<b>136,166,165</b>

The offshore facility has been taken from Mutual Trust Bank Limited, Gulshan Branch, 120 Gulshan Avenue, Gulshan, Dhaka-1212, Bangladesh, for import of Plant and machinery at 360 days deferred L/C payment.

**18. Provision for Gratuity**

Opening Balance	28,392,064	27,852,964
Contribution during this year	3,822,463	4,797,845
	<b>32,214,527</b>	<b>32,650,809</b>
Paid during this year	(4,995,645)	(4,258,745)
<b>Closing Balance</b>	<b>27,218,882</b>	<b>28,392,064</b>

**19. Provision for Deferred Taxation**

Opening Balance	75,814,244	39,128,378
Adjustment for overcharged in prior years	-	(2,428,528)
<b>Restated opening balance</b>	<b>75,814,244</b>	<b>36,699,850</b>
Charged to profit or loss account during the year	2,927,209	7,106,436
Deferred tax on revalued asset	-	32,087,036
Adjustment for depreciation of revalued asset	(158,155)	(79,078)
<b>Closing balance</b>	<b>78,583,298</b>	<b>75,814,244</b>

**A. Property, plant and equipment (PPE)**

WDV of Accounting Base	871,429,421	789,731,991
WDV of Tax Base	532,653,915	469,298,017
<b>Taxable temporary difference</b>	<b>338,775,506</b>	<b>320,433,974</b>
Tax rate	15%	15%
<b>Deferred tax liability/(asset)</b>	<b>50,816,326</b>	<b>48,065,096</b>

**B. Deferred Tax on Gratuity Provision**

Opening balance of deferred tax liability for gratuity provision	(4,258,810)	(4,177,945)
Addition during the year	175,978	(80,865)
<b>Deferred tax liability/(asset)</b>	<b>(4,082,832)</b>	<b>(4,258,810)</b>

**C. Calculation of deferred tax**

Revalued value of land	644,020,625	644,020,625
Revalued value of other than land	40,593,183	41,647,551
<b>Tax Rate</b>		
On land	4%	4%
On other than land	15%	15%

**Deferred tax liabilities**

For land	25,760,825	25,760,825
For other than land	6,088,977	6,247,133
<b>Deferred tax liability/(asset)</b>	<b>31,849,802</b>	<b>32,007,958</b>

**Total (A+B+C)**

<b>78,583,296</b>	<b>75,814,244</b>
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**Calculation of deferred tax charged on Profit or Loss Account:**

Deferred tax liability other than revalued asset as on June 30, 2019	43,806,286	36,699,850
Deferred tax liability other than revalued asset as on June 30, 2020	46,733,495	43,806,286
<b>Deferred tax expense/(income) during the year</b>	<b>2,927,209</b>	<b>7,106,436</b>

**20. Bank Overdrafts**

Trust Bank Ltd, SKB Branch	53,535,858	51,519,908
HSBC Bank, Plc, Anchor Tower Branch, Kawranbazar	49,534,986	18,201,386
Mutual Trust bank Ltd, Gulshan Branch	-	9,529,814
	<b>103,070,844</b>	<b>79,251,108</b>

These are secured.

**21. Time Loan Bank**

9% Loan - Note 21.1	367,249,038	-
9% Loan - Note 21.2	-	-
	<b>367,249,038</b>	<b>-</b>

These are secured.

**21.1 The movement of loan is as follows:**

Opening Balance	-	-
Loan received this year	350,000,000	-
Accrued Interest	17,249,038	-
<b>Closing Balance</b>	<b>367,249,038</b>	<b>-</b>

The loan has been taken from United Commercial Bank Ltd, Corporate Branch, Plot CWS (A)1, Road 34, Gulshan Avenue, Dhaka-1212 for Working Capital requirement. The loan carries interest at 9% and is repayable in 12 months. The loan is secured by hypothecation of stock, machinery, equipment and book debts.



## 22. Creditors

	As at June 30,2020		As at June 30,2019	
	US\$	Taka	US\$	Taka
For Import Purchases	5,680,649	482,003,067	6,678,196	558,096,871
For Local Purchases		8,843,614		11,187,416
For Dividend Payable		7,397,675		60,955,973
For Staff Income Tax		560,664		329,704
For Refund Warrant		371,469		371,469
		<u>499,176,489</u>		<u>630,941,433</u>

These are unsecured but creditors for import purchases are against back to back L/Cs.

## 23. Accrued Expenses

Gas Expenses (Factory)	31,782,536	12,494,102
Electricity Bill	18,430	290,262
Telephone	129,577	75,629
Salaries, Wages and Allowances	11,843,768	13,548,450
Security Bill	96,000	96,000
Legal Fee	60,000	60,000
Auditors' Fee (including Vat)	172,500	172,500
AGM Expenses	250,000	400,000
	<u>44,352,811</u>	<u>27,136,943</u>



#### 24. Provision for Current Taxation

	Amount in Taka	
	June 30,2020	June 30,2019
Opening balance	30,415,148	32,518,992
Addition during the year	13,654,258	11,978,390
	<b>44,069,406</b>	<b>44,497,382</b>
Paid during the year	-	(14,082,234)
<b>Closing Balance</b>	<b>44,069,406</b>	<b>30,415,148</b>

#### 25. Bills Receivable Discounted

Opening Balance	38,658,707	37,667,941
Discounted during the year	235,845,740	245,845,640
	274,504,447	283,513,581
Collected during the year	(248,945,842)	(244,854,874)
<b>Closing Balance</b>	<b>25,558,605</b>	<b>38,658,707</b>

#### 26. Workers' Participation/Welfare Funds

Opening Balance	18,386,925	20,910,081
Payment during this year	(6,987,542)	(6,854,844)
	11,399,383	14,055,237
Contributions for the year	2,236,899	3,277,545
Interest during the year	854,954	1,054,143
<b>Closing Balance</b>	<b>14,491,236</b>	<b>18,386,925</b>

Interest has been provided on the funds balance in terms of the Bangladesh Labour Law.

#### 27. Current Maturity of long-term loans

Opening Balance	70,342,008	79,147,685
Current Maturity this year	31,021,832	63,713,614
	<b>101,363,840</b>	<b>142,861,299</b>
Paid during this year	(70,342,008)	(72,519,291)
<b>Closing Balance</b>	<b>31,021,832</b>	<b>70,342,008</b>

The offshore facility has been taken from The Honkong and Shanghai Banking Corporation Plc, Anchor Tower, 108 Bir Uttam C R Dutta Road, Dhaka-1205, Bangladesh, for import of Plant and machinery .

#### 28. Net Assets Value (NAV) per Share

Total Assets	3,525,170,061	2,771,661,024
Total Liabilities	(2,442,854,025)	(1,705,169,048)
<b>A. Net Assets</b>	<b>1,082,316,036</b>	<b>1,066,491,976</b>

#### B. Number of ordinary of shares

	<b>25,300,000</b>	<b>25,300,000</b>
<b>Net Assets Value (NAV) per Share (A/B)</b>	<b>42.78</b>	<b>42.15</b>

The NAV per share increased mainly due to revaluation surplus detailed in note 15.



29. Sales	June 30,2020			June 30,2019		
	Quantity	USD	Taka	Quantity	USD	Taka
<b>Export sales:</b>						
Knit Fabrics (Kgs)	2,586,173	13,885,709	1,164,403,732	3,098,578	15,928,598	1,328,928,729
Garments (pcs)	5,454,906	12,579,282	1,053,849,797	5,613,538	12,017,881	999,358,395
<b>Total</b>		<b>26,464,991</b>	<b>2,218,253,529</b>		<b>27,946,479</b>	<b>2,328,287,124</b>

30. Export Incentives	Amount in Taka	
	June 30,2020	June 30,2019
Cash Incentive	31,254,874	29,884,578
	<b>31,254,874</b>	<b>29,884,578</b>

**31. Cost of Goods Sold**
**31.1 The break-up is as follows:-**

Materials Consumed - Note 31.2	1,609,765,128	1,611,592,058
Salary, Wages and Allowances - Note 31.3	211,727,847	209,446,229
Tiffin & Entertainment Expenses	985,745	964,251
Depreciation - Note 4.1	71,487,414	64,280,555
Stores and Spares Consumed	1,652,658	1,445,845
Factory Conveyance	988,542	974,587
Power and Gas	96,669,822	104,050,211
Gratuity	2,853,985	3,648,643
Vehicle expenses	1,862,547	1,857,985
Repairs and Maintenance	1,455,848	1,497,148
Packing & Loading Expenses	1,546,535	1,154,871
Import Landing, Clearing and Insurance	1,550,531	1,547,895
Factory Stationery Expenses	1,205,475	1,179,875
Carriage Inward and Outward	2,542,384	2,497,458
Knitting, Sewing & Processing Charge	11,558,458	9,258,565
Factory Insurance	3,184,080	3,465,176
Sewing Machine Rental	795,480	758,942
Miscellaneous	362,458	358,745
Total Manufacturing Costs for the year	<b>2,022,194,937</b>	<b>2,019,979,039</b>
Add Opening Work in Process	44,367,516	43,464,295
Total Manufacturing Costs	<b>2,066,562,453</b>	<b>2,063,443,334</b>
Less Closing Work in Process	93,354,996	44,367,516
Cost of Goods Manufactured	<b>1,973,207,457</b>	<b>2,019,075,818</b>
Add Opening Finished Goods	41,029,893	48,948,923
Cost of Goods available for use	<b>2,014,237,350</b>	<b>2,068,024,741</b>
Less Closing Finished Goods	84,784,030	41,029,893
<b>Cost of Goods Sold</b>	<b>1,929,453,320</b>	<b>2,026,994,848</b>

**31.2 Materials Consumed**

	June 30,2020		June 30,2019	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	4,052,966	1,143,787,458	4,074,551	1,134,232,814
Dyes	274,247	178,147,852	279,090	180,844,651
Chemicals	1,458,363	174,245,231	1,517,251	178,959,748
Accessories		113,584,587		117,554,845
Total Materials Consumption		<b>1,609,765,128</b>		<b>1,611,592,058</b>

**31.3 Salaries, Wages and Allowances**

	June 30,2020		June 30,2019	
	No. of Employees	Taka	No. of Employees	Taka
Employees drawing Tk.8,000 or more per month	1,867	211,727,847	1,879	209,446,229
Employees drawing less than Tk.8,000 per month	-	-	-	-
<b>Total</b>	<b>1,867</b>	<b>211,727,847</b>	<b>1,879</b>	<b>209,446,229</b>

**32. Administrative, Selling and General Expenses**
**32.1 The break-up is as below:**

	Amount in Taka	
	June 30,2020	June 30,2019
Directors' Remuneration-Note 32.2	2,600,000	2,600,000
Salaries and Allowances Note 32.3	58,154,872	58,345,145
Security Service charges	1,152,000	1,152,000
Depreciation - Note 4.1	17,871,854	16,070,139
Electricity Expenses	2,091,943	3,613,759
Postage, Courier, Telephone and Fax	1,158,457	1,524,524
Form & Stamp	954,874	1,025,412
Gratuity	968,478	1,149,202
Travelling and Conveyance	864,355	912,542
Legal and Professional Expenses	60,000	60,000
Auditors' Fee-Note 32.2	172,500	172,500
A.G.M Expenses	285,875	414,845
Registration and Fees	875,254	874,584
Staff welfare	924,872	1,105,875
Stationery Expenses	938,452	985,484
Office Repairs and Maintenance	728,453	845,874
Vehicle Expenses	1,868,323	2,487,652
Entertainment Expenses	1,048,589	1,245,847
Central fund for RMG	318,810	353,030
Buying House Commission	2,658,000	3,450,000
Freight Charges & Freight out	4,258,452	6,754,580
Garments Testing & Inspection Charges	3,254,640	5,371,635
Miscellaneous	325,842	440,250
	<b>103,534,895</b>	<b>110,954,879</b>

32.2 No remuneration or fee, other than that specified in note 29.1, was paid to directors and auditors.

**32.3 Salaries and Allowances:**

	No of Employees	Taka	No of Employees	Taka
Employees drawing Tk.8,000 or more per month	145	58,154,872	147	58,345,145
Employees drawing less than Tk.8,000 per month	-	-	-	-
	<b>145</b>	<b>58,154,872</b>	<b>147</b>	<b>58,345,145</b>

**33. Financial Expenses**

Interest Expenses	146,701,028	127,600,192
Bank Charges	19,448,414	24,755,188
	<b>166,149,442</b>	<b>152,355,380</b>

**33.1 Interest expense is as follows:**

Interest on Workers' Participation/Welfare Funds	854,954	1,054,143
Interest on Long Term Loans	78,338,061	19,328,602
Interest on Bills Discounted	30,559,905	68,005,735
Interest on Bank Overdraft	7,753,130	11,049,016
Interest on Time Loan	22,645,979	28,162,696
Interest on Lease Finance	6,548,999	-
	<b>146,701,028</b>	<b>127,600,192</b>

**34. Other Income**

Rental income		365,400	365,400
Exchange Fluctuation Gain/(Loss)	34.01	(3,761,266)	596,440
		<b>(3,395,866)</b>	<b>961,840</b>

**34.01**

Unrealised gain/(loss) on receivables	233,772	596,440
Unrealised gain/(loss) on payables	(3,703,892)	-
Unrealised gain/(loss) on FC accounts balances	129,555	-
Unrealised gain/(loss) on loans	(420,701)	-
	<b>(3,761,266)</b>	<b>596,440</b>



**35. Event after Balance Sheet Date:**

The Board of Directors of the Company in its meeting held on October 28, 2020 (2019: 23 October 2019) recommended 10% cash dividend i.e. Tk. 1.00 per share of Tk. 10.00 each (2019:10% cash dividend only General Share Holders) for all shareholders of the company subject to their approval in the AGM.

**36. Current Tax**

	Amount in Taka	
	June 30,2020	June 30,2019
Profit before tax	44,737,981	65,550,890
Depreciation as per Accounting base	89,359,268	80,350,694
	<b>134,097,249</b>	<b>145,901,584</b>
Depreciation as per Tax base	(114,237,885)	(115,766,134)
	<b>19,859,364</b>	<b>30,135,450</b>
Provision for Gratuity for the Year	3,822,463	4,797,845
	<b>23,681,827</b>	<b>34,933,295</b>
Other income (Separate calculation)	(365,400)	(365,400)
	<b>23,316,427</b>	<b>34,567,895</b>
Payment for Grauity	(4,995,645)	(4,258,745)
	<b>18,320,782</b>	<b>30,309,150</b>
Tax Rate @ 15%	2,748,117	4,546,372
Minimum tax	13,590,313	10,659,821
<b>Add: Other income tax</b>		
Rental income	365,400	365,400
Maintenance @ 30%	(109,620)	(109,620)
	<b>255,780</b>	<b>255,780</b>
Tax Rate @ 25%	63,945	63,945
Current tax	<b>13,654,258</b>	<b>10,723,766</b>
Additional Tax for the Prior Years finally determined	-	1,254,624
	<b>13,654,258</b>	<b>11,978,390</b>

**37. Remuneration/Payments to Directors/Officers:**

37.1 The aggregate amount paid/provided during the period in respect of directors and officers of the Company as defined in the Securities and Exchange Rules,1987 are disclosed below :

Particulars	Directors		Officers	
	2020	2019	2020	2019
Remuneration	2,600,000	-	2,600,000	-
Basic salary		34,859,864		35,024,587
House Rent Allowance		17,359,875		17,485,487
Other benefits and perquisites		5,935,133		5,835,071
	<b>2,600,000</b>	<b>58,154,872</b>	<b>2,600,000</b>	<b>58,345,145</b>

37.2 No compensation was allowed by the Company to its Managing Director.

37.3 No amount of money was spent by the Company for compensating any member of the Board for services rendered except as stated above.

**38. Earnings per share**

**38.1. Basic earnings per share**

Earnings Per Share (EPS) is calculated in accordance with Bangladesh Accounting Standard (BAS) 33 : Earnings Per Share.  
The composition of EPS is given below:

A. Earnings attributable to the Ordinary Shareholders (net Profit after tax)	28,156,514	46,466,064
B. Number of ordinary of shares outstanding during the year	25,300,000	25,300,000
<b>Earning Per Share (A/B)</b>	<b>1.11</b>	<b>1.84</b>

**38.2. Diluted earnings per share**

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.

**39. Net Operating Cash Flows per Share (NOCFPS):**

	Amount in Taka	
	June 30, 2020	June 30, 2019
<b>Cash flows from Operating Activities:</b>		
Cash received from Sales , Export incentives and Others	2,229,105,781	2,174,809,317
Receipts from Other Income	365,400	961,840
Cash paid for goods and services	(2,256,601,300)	(2,187,442,519)
<b>Cash from operation</b>	<b>(27,130,119)</b>	<b>(11,671,362)</b>
Interest paid	(145,846,074)	(126,546,049)
Income tax paid/deducted at sources	(13,590,313)	(10,659,821)
<b>Net Cash inflows from operating activities</b>	<b>(186,566,506)</b>	<b>(148,877,232)</b>
Divided by number of ordinary of shares	25,300,000	25,300,000
<b>Net operating cash flows per share (NOCFPS)</b>	<b>(7.37)</b>	<b>(5.88)</b>

NOCFPS became negative mainly due to adverse credit terms.

**40. The capacity and actual production of the Company are as below :**

Item	Capacity	Actual Production	Percentage (%) of achievement
Finished Garments (Lac Pcs.)	84	54.55(2019:56.13)	64.94(2019:66.82%)
Knit Fabrics ( MTs.)	6,000	3,873(2019:3,099)	664.55(2019:66.87%)

**41. The Company has obtained bank credit facilities from the following banks:**

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised	
				As at June 30, 2020	As at June 30, 2019
		Taka	Taka	Taka	Taka
<b>Trust Bank Ltd</b>	B to B L/C ,EDF & Sight	650,000,000	254,874,589	395,125,411	291,547,550
SKB Branch, Dhaka	IBP ( Inner Limit B to B L/C , EDF & Sight)	70,000,000	-	70,000,000	70,000,000
	Trust receipt (B to B L/C ,EDF & Sight)	40,500,000	-	40,500,000	40,500,000
	Overdraft	50,000,000	53,535,858	(3,535,858)	(1,519,908)
	Bank Gurantee	1,000,000	-	1,000,000	1,000,000
	Tme Loan	-	-	-	25,000,000
		<b>701,000,000</b>	<b>308,410,447</b>	<b>503,089,553</b>	<b>426,527,642</b>
<b>Mutual Trust Bank</b>	B to B L/C ,EDF & Sight	1,000,000,000	224,584,594	775,415,406	774,514,540
Gulshan Branch, Dhaka	Secured Overdraft	150,000,000	-	150,000,000	140,470,186
	Term Loan	1,060,000,000	981,018,475	78,981,525	529,514,483
		<b>2,210,000,000</b>	<b>1,205,603,069</b>	<b>1,004,396,931</b>	<b>1,444,499,209</b>
<b>HSBC</b>	Export Cash Limit	147,000,000	25,558,605	121,441,395	209,415,480
Anchor Tower, 108 Bir Uttam C R Dutta Road, Dhaka-1205	Import Line	716,000,000	250,097,443	465,902,557	693,027,066
	Overdraft	50,000,000	49,534,985	465,015	31,798,614
	Bank guarantee	18,000,000	17,797,900	202,100	12,202,100
	Loan Line	54,540,000	47,512,134	7,027,866	150,000,000
		<b>985,540,000</b>	<b>390,501,067</b>	<b>595,038,933</b>	<b>1,096,443,260</b>

**42. The analysis of consumption of materials and spares as to origin is as below:**

	June 30, 2020		June 30, 2019	
	Taka	%	Taka	%
Imported	504,167,333	31.29	585,787,450	36.32
Local	1,107,250,453	68.71	1,027,250,453	63.68
	<b>1,611,417,786</b>	<b>100.00</b>	<b>1,613,037,903</b>	<b>100.00</b>

**43. Reconciliation of net operating cash flow**

	Amount in Taka	
	June 30, 2020	June 30, 2019
Profit after tax	28,156,514	46,466,064
Depreciation	89,359,268	80,350,694
Unrealized Loss	3,761,266	-
<b>Changes in:</b>		
Stock and Stores	(213,556,905)	(60,020,829)
Trade and other Debtors	(35,507,848)	(183,362,385)
Export Incentive Receivable	15,105,226	-
Advance Deposit and Prepayments	(20,701,954)	(14,089,097)
Trade Creditors	(81,752,382)	(25,843,351)
Accrued Expenses	17,215,868	4,603,136
Provision for Current Taxation	13,654,258	(2,103,844)
Provision for Gratituty	(1,173,182)	539,100
Workers' Participation /Welfare Funds	(3,895,689)	(2,523,156)
Provision for Deferred Taxation	2,769,054	7,106,436
<b>Net cash provided (used) by operating activities</b>	<b>(186,566,506)</b>	<b>(148,877,232)</b>





#### 44.Related Parties Disclosures

A The Company in normal course of business carried out a number of transactions with other entities that fall within the definition of "related Party" June 30,2019 is as under:

Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			June 30,2020	June 30,2019
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	1,184,403,732	1,328,928,729
Pride Ltd.	Common Director	Receivable	90,508,597	55,500,000
Dacca Textiles Ltd.	Common Director	No Transaction	-	-
Pride Spinnings Ltd.	Common Director	No Transaction	-	-
		No Transaction	-	-

Approval for receivable in Fashion Knit Garments Ltd. Will be taken in next Annual General Meeting.

#### B.Disclosure as per requirement of Schedule XI, Part II, Para 4:

Name of Directors	Designation	Monthly Remuneration	Bonus during the year	June 30, 2020	June 30, 2019
Dr.Mohammad Abdul Moyeen	Chairman	-	-	-	-
Mr.Mohammad Abdul Moyeed	Managing Director	200,000	200,000	2,600,000	2,600,000
Mr.Mohammad Abdul Momen	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azwad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Dr. A.H.M Habibur Rahman	Independent Director	-	-	-	-
Mr. Mohammad Kabiruzzaman	Independent Director	-	-	-	-
<b>Total</b>		<b>200,000</b>	<b>200,000</b>	<b>2,600,000</b>	<b>2,600,000</b>

#### 45.General

##### 45.1

There was no sum for which the Company was contingently liable as at June 30, 2020 and June 30,2019.

##### 45.2

There was no claim,except an agreegate amount of Tk 27,613,521 (2019: 27,549,576) claimed by the Tax Authority but appealed against by the Company, not acknowledged as debt as at June 30, 2020 and June 30,2019.Such claim,being contingent liability,needs not be provided for.

##### 45.3

There was no credit facilities available to the Company,except trade credits and back to back L/c facilities, during the year ended as on June 30, 2020 and June 30,2019.

##### 45.4

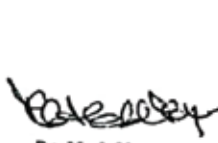
There was no foreign shareholder of the Company as as on June, 2020 and June 30,2019. and no dividend was remitted to any foreign shareholders during the years ended June 30, 2020 and June 30,2019.

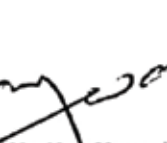
##### 45.5

There was no capital expenditure contracted but not incurred or provided for th year ended June 30, 2020 and June 30, 2019.


##### 45.6

There was no capital expenditure authorised by the Board but not contracted for the year ended June 30,2020 and June 30, 2019.

  
Dr. M. A Moyeen  
Chairman

  
Mr. M. A Moyeed  
Managing Director

  
Mr. M. A Momen  
Director

  
Md. Abu Arur Naheel  
CFO/HR & A

  
Mr. Md. Wali Ullah  
Company Secretary





Annexure A

**H.R. Textile Mills Limited**  
**Schedule of Property, Plant and Equipment**

Particulars	Cost or valuation		Rate	Depreciation		W.D.V. As on June 30, 2020
	As on July 01, 2019	As on June 30, 2020		During the Year	As on June 30, 2020	
Factory Land and Development	8,479,375	8,479,375	0.00%	-	-	8,479,375
Factory Building	336,957,885	336,957,885	2.50%	8,423,947	82,635,163	254,322,722
Factory Shed	6,823,475	6,823,475	7.50%	-	6,823,470	5
Plant and Machinery	1,296,955,367	1,464,038,732	7.00%	67,882,026	885,909,287	578,129,445
Electric Installation	33,799,439	34,280,804	10.00%	3,428,080	23,621,048	10,659,756
Gas Installation	6,476,035	7,826,035	10.00%	135,000	6,611,025	1,215,010
Water Installation	8,465,520	8,990,520	10.00%	899,052	7,652,339	1,338,181
Steam Installation	2,563,352	2,563,352	10.00%	-	2,563,342	10
Furniture and Fixtures	9,955,127	10,166,727	10.00%	21,160	9,976,277	190,450
Telephone Installation	1,027,861	1,027,861	10.00%	-	1,027,851	10
Motor Vehicles	46,192,122	46,192,122	15.00%	3,290,440	34,356,669	11,835,453
Office Equipment	37,957,447	38,016,447	10.00%	2,963,345	35,321,261	2,695,186
Loose Tools	183,875	183,875	10.00%	-	183,865	10
Factory Equipment	12,326,502	12,618,502	10.00%	1,261,850	10,054,694	2,563,808
<b>A. Total</b>	<b>1,808,163,382</b>	<b>1,978,165,712</b>		<b>88,304,900</b>	<b>1,106,736,291</b>	<b>871,429,421</b>
<b>Revaluation</b>						
Factory Land and Development	644,020,625	644,020,625		-	-	644,020,625
Factory Building	42,174,735	42,174,735	2.50%	1,054,368	1,581,552	40,593,183
<b>B. Total</b>	<b>686,195,360</b>	<b>686,195,360</b>		<b>1,054,368</b>	<b>1,581,552</b>	<b>684,613,808</b>
<b>Total (A+B) as on June 30, 2020</b>	<b>2,494,358,742</b>	<b>170,002,330</b>		<b>89,359,268</b>	<b>1,108,317,843</b>	<b>1,556,043,229</b>
<b>Total Taka as on June 30, 2019</b>	<b>2,367,610,882</b>	<b>2,494,358,742</b>		<b>80,350,694</b>	<b>1,018,958,575</b>	<b>1,475,400,167</b>

(Amount in Taka)