

H.R. Textile Mills Limited

An Enterprise of  Group

Business Office & Factory:

4, Karnapara, Savar, Dhaka
Bangladesh

Dhaka Office:

Pride Hamza (5th Floor), House # 54
Road # 1, Sector # 6, Uttara, Dhaka-1230
www.pride-grp.com

Phone : (88 02) 774 7952-5

(88 02) 774 8694-7

Fax : (88 02) 774 5819

email : pride@pride-grp.com

Mobile : (88 02) 01990409190

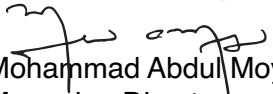
(Share Dept.)

email : hrtex_cs@pride-grp.com

Fax : (8802) 222299147

Dear Shareholders
Assalamu Alaikum Wa Rahmatullah!

We forward herewith the Third Quarter (Q3) Financial Statements (Un-audited) of the company for the 9 (Nine) month period (July 2020 to March 2021) ended 31st March 2021 of H.R. Textile Mills Limited as per Regulation of the Stock Exchange (Listing) Regulations, 2015 under LR 17(3).


Mohammad Abdul Moyeed
Managing Director



Third Quarter (Q3) Financial Statements (Un-Audited)
for the 9 (Nine) month period ended 31st March 2021

H.R. Textile Mills Limited
Pride Hamza (5th Floor), House # 54
Road # 1, Sector # 6, Uttara
Dhaka-1230, Bangladesh
Cell: 01990409190 (Share Department)
Fax: (8802) 222299147
E-mail: hrtex_cs@pride-grp.com
www.pride-grp.com/hrt

H.R Textile Mills Limited
Statement of Financial Position
As at March 31, 2021

ASSETS

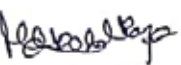
	Notes	Third Quarter ended March 31, 2021 Taka	Year ended June 30, 2020 Taka
Non-Current Assets			
Property, Plant and Equipment	4	1,513,079,749	1,556,043,229
Capital Work In Progress	5	684,981,781	593,132,526
Total Non-Current Assets		2,198,061,530	2,149,175,755
Current Assets			
Stocks and Stores	6	623,143,741	606,834,155
Trade and Other Debtors	7	596,110,165	610,274,903
Export Incentive Receivables	8	26,496,123	40,353,566
Advances, Deposits and Prepayments	9	86,711,820	88,020,582
Cash and Bank Balances	10	56,442,003	30,511,100
Total Current Assets		1,388,903,852	1,375,994,306
TOTAL ASSETS		3,586,965,382	3,525,170,061

SHAREHOLDERS' EQUITY & LIABILITIES

Shareholders' Equity			
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	652,091,846	652,764,006
Retained earnings	16	172,184,994	137,216,290
Total Shareholders' Equity		1,116,612,580	1,082,316,036
Long-term Liabilities			
Long-term Loans-Secured, Future Maturity	17	1,354,700,714	1,208,061,584
Provision for Gratuity	18	26,764,147	27,218,882
Provision for Deferred Taxation	19	80,674,957	78,583,298
Total long-term Liabilities		1,462,139,818	1,313,863,764
Current Liabilities			
Bank Overdrafts- Secured	20	64,521,757	103,070,844
Time Loan- Secured	21	388,628,931	367,249,038
Trade Creditors	22	446,184,281	499,176,489
Accrued Expenses	23	30,695,717	44,352,811
Provision for Current Taxation	24	41,211,719	44,069,406
Bills Receivable Discounted	25	11,877,714	25,558,605
Workers' Participation /Welfare Funds	26	12,851,192	14,491,236
Current Maturity of Long-term Loans	27	12,241,673	31,021,832
Total Current Liabilities		1,008,212,984	1,128,990,261
Total Liabilities		2,470,352,802	2,442,854,025
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		3,586,965,382	3,525,170,061
Net Assets Value (NAV) per share	28	44.13	42.78


The annexed notes from 1 to 39 and Annexue-A form an integral part of these financial statements.


Mr. M.A. Moyeed
Managing Director


Dr. M.A. Moyeen
Director


Mr. M.A. Momen
Director


Mr. M. Abu Amur Naheel
CFO / HF&A


Mr. Md. Wali Ullah
Company Secretary

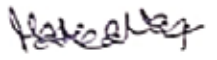
H.R TEXTILE MILLS LIMITED
Statement of Profit or Loss Other Comprehensive Income
Third Quarter (Q3) ended 31 March, 2021

(Amount in Taka)

Particulars	Notes	1 July, 2020 to March 31,2021	1 July, 2019 to March 31,2020	1 January 2021 to March 31,2021	1 January 2020 to March 31,2020
Sales	29	2,023,080,923	1,747,475,751	659,897,458	594,156,753
Export Incentives	30	25,563,541	18,548,745	8,705,063	3,290,288
Turnover		2,048,644,464	1,766,024,496	668,602,521	597,447,041
Less:Cost of Goods Sold	31	1,765,084,845	1,524,563,584	582,049,298	521,100,535
Gross Profit		283,559,619	241,460,912	86,553,223	76,346,506
Less :Administrative and General Expenses	32	79,536,228	80,273,856	23,762,712	23,639,292
Less: Financial Expenses	33	139,581,281	113,989,671	34,197,673	36,749,270
Operating Profit		64,442,110	47,197,385	28,592,838	15,957,944
Add: Other Income	34	772,614	987,548	91,367	315,090
Net Profit before WPP & WF		65,214,724	48,184,933	28,684,205	16,273,034
Less: Provision Contribution to WPP & W	26	3,105,463	2,294,521	1,365,914	774,907
Net Profit before Tax		62,109,261	45,890,412	27,318,291	15,498,127
Provision for Income-tax		15,543,188	12,809,054	3,795,782	4,584,440
Current Tax	35	13,332,913	10,432,666	2,974,136	1,346,248
Deferred Tax	19	2,210,275	2,376,388	821,646	3,238,192
Net Profit after Tax		46,566,073	33,081,358	23,522,509	10,913,687
(Transferred to the Statement of Changes in Equity)					
Earning Per Share (EPS) of Tk.10	36	1.84	1.31	0.93	0.43

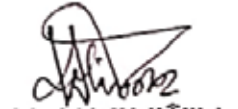
The annexed notes from 1 to 39 and Annexue-A form an integral part of these financial statements.


Mr. M.A Moyeed
Managing Director


Dr. M.A Moyeen
Director


Mr. M.A Momen
Director


Mr. M Abu Amur Naheel
CFO / HF&A

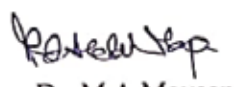

Mr. Md. Wali Ullah
Company Secretary


H.R Textile Mills Limited
Statement of Cash Flows
Third Quarter (Q3) ended 31 March 2021

Particulars	Notes	Amount in Taka	
		July, 2020 to March 2021	July, 2019 to March 2020
Cash flows from Operating Activities:			
Cash received from Sales and Export incentives		2,076,666,645	1,769,191,702
Exchange Fluctuation Gain/ (Loss)		498,564	713,498
Receipts from Other Income		274,050	274,050
Cash paid for goods and services		(1,884,582,044)	(1,850,421,852)
Cash from operation		192,857,215	(80,242,602)
Interest paid		(125,430,817)	(100,261,193)
Income tax paid/deducted at sources		(12,597,858)	(10,384,707)
Net Cash inflows from operating activities		54,828,540	(190,888,502)
Cash flows from Investing Activities:			
Acquisition of property, plant and equipment	4	(24,123,584)	(342,320,815)
Capital Works in Progress	5	(91,849,255)	-
Net Cash outflows from investing activities		(115,972,839)	(342,320,815)
Cash flows from Financing Activities:			
Bank Overdraft Received/(Repaid)		(38,549,087)	(422,585)
Long Term Loans Received/(Repaid)		146,639,130	458,319,545
Time Loan Received/(Repaid)		21,379,893	209,055,506
Bills Receivable Discounted Received/(Repaid)		(13,680,891)	(24,360,098)
Current Maturity of Long-term Loans		(18,780,159)	(34,944,984)
Cash Dividend Paid		(9,933,684)	(53,241,661)
Net Cash inflow from financing activities		87,075,202	554,405,723
Net increase/(decrease) in cash and bank balances		25,930,903	21,196,406
Cash and bank balances on opening		30,511,100	24,770,312
Net increase/(decrease) in cash and bank balances		25,930,903	21,196,406
Cash and bank balances at closing - Note 10		56,442,003	45,966,718
Net operating cash flows per share (NOCFPS)	37	2.17	(7.55)


The annexed notes from 1 to 39 and Annexue-A form an integral part of these financial statements.


Mr. M.A Moyeed
Managing Director


Dr. M.A Moyeen
Director


Mr. M.A Momen
Director


Mr. M Abu Amur Naheel
CFO / HF&A


Mr. Md. Wali Ullah
Company Secretary


H.R Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the Third Quarter (Q3) ended March 31, 2021


Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2020	253,000,000	6,956,752	22,378,988	652,764,006	10,000,000	137,216,290	1,082,316,036
Net profit after Tax	-	-	-	-	-	46,566,073	46,566,073
Revaluation Surplus realised	-	-	-	(672,160)	-	790,776	118,616
Cash Dividend declared 2020	-	-	-	-	-	(12,388,145)	(12,388,145)
Balance as at March 31, 2021	253,000,000	6,956,752	22,378,988	652,091,846	10,000,000	172,184,994	1,116,612,580


H.R Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the Third Quarter (Q3) ended March 31, 2020

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2019	253,000,000	6,956,752	22,378,988	685,668,176	10,000,000	119,942,475	1,097,946,391
Net profit after Tax	-	-	-	-	-	33,081,358	33,081,358
Revaluation Surplus realised	-	-	-	(790,776)	-	790,776	-
Cash Dividend declared 2019	-	-	-	-	-	(12,490,610)	(12,490,610)
Balance as on March 31, 2020	253,000,000	6,956,752	22,378,988	684,877,400	10,000,000	141,323,999	1,118,537,139


Dr. M.A. Moyeed
 Managing Director


Mr. M.A. Momen
 Director


Mr. M. Abu Naheel
 CFO/HF&A


Mr. Md. Wali Ullah
 Company Secretary

H.R TEXTILE MILLS LIMITED
Notes to the financial statements
For the period ended March 31, 2021
Forming an integral Part of the Financial Statements

1. Notes-General

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 a ongoing basis.

2.5 Reporting period

The financial reporting period of the company covers nine months from 01 July 2020 to 31 March 31, 2021.

2.6 Comparative Information and Rearrangement 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

Applicable International Financial Reporting Standards (IFRSs) are as follows:

IFRS 1	Firsttime Adoption of Bangladesh Financial Reporting Standard	Complied
IFRS 2	Share-based Payment	Not Applicable
IFRS 3	Business Combinations	Not Applicable
IFRS 4	Insurance Contracts	Not Applicable
IFRS 5	Noncurrent 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 March ,2021
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period ended 31 March, 2021
- (iii) Statements of Changes in Shareholders' Equity for the period ended 31 March, 2021
- (iv) Statement of Cash Flows for the period ended 31 March, 2021 and
- (v) Notes to the Financial Statements for the period ended 31 March, 2021

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:

Particulars	Rate
- Factory Building	2.50%
- Plant and Machinery	7.00%
- Factory Shed	7.50%
- Electric, Gas, Water , Steam and Telephone Installation	10.00%
- Furniture& Fixture, Office Equipment, Factory Equipment	10.00%
- Tools and Apparatus	10.00%
- Motor Vehicle	15.00%

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 realizable 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 recognized 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 period.

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 transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

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 recognized as it accrues. Finance expenses comprise interest expense on borrowings, bank charges and guarantee costs. All borrowing costs are recognized 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; 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 has 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 is untapped international market.

Market risks

Market risks refer 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 act accordingly. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational Risks

Non-availabilities of materials/ equipment'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 perceives that allocation of its resources properly can reduce this risk factor to great extent. The company hedges such risks in costs and prices and also takes preventive measures therefor.

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 are 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.

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 companied 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 reprise 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.

3.16 COVID-19 disclosure in the financial statements

On 30 January 2020, the World Health Organization declared the outbreak of Novel Corona Virus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh and stock Exchange 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 Lease (IFRS-16)

The company has a rental agreement but the underlying asset is of low value. So, that lease accounting is not applied as per para 5 (b) of IFRS-16.

4. Property , Plant and Equipment

	March 31, 2021	June 30, 2020
	Taka	Taka
Opening Balance	2,664,361,072	2,494,358,742
Add: Addition during the period	24,123,584	170,002,330
Less: Accumulated Depreciation	(1,175,404,907)	(1,108,317,843)
	<u>1,513,079,749</u>	<u>1,556,043,229</u>

4.1. Depreciation for the year is charged as below:

Particulars

	1 July,2020 to 31 March 2021	1 July,2019 to 31 March 2020
Cost of Goods Sold-Note 31.1	53,669,651	56,883,587
Administrative, Selling and General Expenses-Note 32.1	13,417,413	14,220,897
	<u>67,087,064</u>	<u>71,104,484</u>

5. Capital Works in Progress

	March 31,2021	June 30,2020
	Taka	Taka
Opening Balance	593,132,526	180,902,592
Add: Addition during the period	91,849,255	412,229,934
Closing Balance	<u>684,981,781</u>	<u>593,132,526</u>

6. Stocks and stores

6.1 The make-up is as below:

	March 31,2021		June 30,2020	
	In Kg	Taka	In Kg	Taka
Stock of Yarn	6.2 1,102,654	325,684,521	1,096,298	305,195,048
Stock of Dyes and Chemicals	6.3 461,189	87,338,099	438,527	78,071,491
Stock of Work-in-Process	6.4	84,256,413		93,354,996
Stock of Finished Goods	6.5	84,796,548		84,784,030
Stock of Accessories		12,524,652		10,893,146
Goods in Transit		14,978,087		21,485,623
		609,578,320		593,784,334
Stock of Spares		13,565,421		13,049,821
		<u>623,143,741</u>		<u>606,834,155</u>

6.2 Stock of Yarn

Stock of Yarn	1,102,654	325,684,521	1,096,298	305,195,048
	<u>1,102,654</u>	<u>325,684,521</u>	<u>1,096,298</u>	<u>305,195,048</u>

6.3 Stock of Dyes and Chemicals

Dyes	39,665	44,568,254	39,827	40,432,279
Chemicals	421,524	42,769,845	398,700	37,639,212
	<u>461,189</u>	<u>87,338,099</u>	<u>438,527</u>	<u>78,071,491</u>

6.4 Stock in Work in Process

Cost of Materials	45,628,451	57,328,297
Costs of Conversion	38,627,962	36,026,699
	<u>84,256,413</u>	<u>93,354,996</u>

6.5 Stock of Finished Products

Finished Garments	26,354,874	26,158,748
Knitted Fabrics	130,845	58,441,674
	<u>130,845</u>	<u>84,796,548</u>
	<u>135,979</u>	<u>84,784,030</u>

7. Trade and Others Debtors

	March 31,2021		June 30,2020	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days)	6,837,591	572,990,165	6,206,165	519,766,306
Other Debtors	275,895	23,120,000	1,080,700	90,508,597
	<u>7,113,486</u>	<u>596,110,165</u>	<u>7,286,865</u>	<u>610,274,903</u>

These include a sum of Tk.23,120,000 (2020; 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

	March 31, 2021	June 30, 2020
	Taka	Taka
Opening Balance	40,353,566	55,458,792
Received during the Period	(39,420,984)	(46,360,100)
	932,582	9,098,692
For the period	25,563,541	31,254,874
Closing Balance	26,496,123	40,353,566

The receivables are unsecured but considered good.

9. Advances, Deposits and Prepayments

	March 31, 2021	June 30, 2020
	Taka	Taka
Advances :		
Salary Advance	1,352,650	1,126,209
Advance Tax	610,000	460,000
Factory Insurance Advance	2,239,550	998,986
Operational Advance	8,569,821	7,902,846
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	36,784,048	40,376,790
	56,156,069	57,464,831
Deposits :		
Security Deposits	20,571,731	20,571,731
Bank Guarantee Margin	9,984,020	9,984,020
	30,555,751	30,555,751
	86,711,820	88,020,582

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	8,907	13,916
Mutual Trust Bank Ltd., Gulshan Branch, CD A/c	361,408	563,161
Mutual Trust Bank Ltd., Gulshan Branch, Dollar A/c	9,502,936	5,900,861
Mutual Trust Bank Ltd., Gulshan Branch, ERQ A/c	80,307	342,152
Mutual Trust Bank Ltd., Gulshan Branch, SND A/c	1,643,528	1,189,241
HSBC, Anchor Tower Branch, MDA Margin A/c	-	99
HSBC, Anchor Tower Branch, FCY A/c	28,857	3,242,894
Trust Bank Ltd, SKB Branch, Dollar A/c	2,582,168	1,100,349
Trust Bank Ltd, SKB Branch, FCAD A/c	966,122	18,003
Trust Bank Ltd, SKB Branch, CD A/c	121,138	3,183
IPDC Finance Ltd.	15,897,500	10,000,000
United Commercial Bank Ltd, Corporate Branch	-	2,325,680
Dutch Bangla Bank Ltd., Gulsgan Branch, CD A/c	26,053	36,872
AB Bank Ltd, Motijheel Branch, CD A/c	3,316,764	330,692
AB Bank Ltd, Motijheel Branch, Notice A/c	37,659	936,012
	34,573,347	26,003,115

With Bank on Short Term Deposit Account:

Trust Bank Ltd., SKB Branch, SND A/c	17,420,758	180,141
Southeast Bank Ltd, Principal Branch, STD A/c	1,082,478	1,039,104
	18,503,236	1,219,245
Cash at Banks	53,076,583	27,222,360
Cash in Hand	3,365,420	3,288,740
	56,442,003	30,511,100

11. Share Capital

11.1 Authorized:

March 31, 2021	June 30, 2020
Taka	Taka
1,000,000,000	1,000,000,000

100,000,000 Ordinary Shares of Tk.10 each

11.2 Issued, Subscribed and Paid-up:

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

11.3 Composition of Shareholdings:

Classes of Holdings	March 31, 2021		June 30, 2020	
	No. of Shares	%	No. of Shares	%
Sponsors/Directors	12,808,619	50.63	12,808,619	50.63
Financial Institutions	2,194,808	8.67	2,744,777	10.85
General Public	10,296,573	40.70	9,746,604	38.52
	25,300,000	100.00	25,300,000	100.00

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 issuance of new shares.

12. General Reserve

March 31, 2021	June 30, 2020
Taka	Taka
6,956,752	6,956,752
6,956,752	6,956,752

Opening and Closing Balance

13. Tax Holiday Reserve

22,378,988	22,378,988
22,378,988	22,378,988

Opening and Closing Balance

14. Dividend Equalisation Reserve

March 31, 2021	June 30, 2020
Taka	Taka
10,000,000	10,000,000
10,000,000	10,000,000

Opening and Closing Balance

15. Revaluation Surplus

Revaluation Surplus	652,764,006	653,660,218
Transferred to retained earnings	(672,160)	(896,212)
Closing Balance	652,091,846	652,764,006

M/S. Ahmad and Akhtar & Co. Chartered Accountants Dhaka, Bangladesh (the valuer) revalued the Factory Lands & Buildings 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

16. Retained earnings

Balance as on June 30, 2020	137,216,290	120,496,018
Total Comprehensive income for the period:		
Profit for the period	46,566,073	28,156,514
Revaluation reserve realised	790,776	1,054,368
	184,573,139	149,706,900
Dividend during the year:		
Final dividend for previous year	(12,388,145)	(12,490,610)
Balance as on March 31, 2021	172,184,994	137,216,290

17. Long-term Loan - Secured Future Maturity

9% Loan - Note 17.1	1,171,050,168	981,018,475
5% Loan - Note 17.2	-	8,577,655
Deferred L/C Liabilities - Note 17.3	15,815,265	61,916,455
12% Loan - Note 17.4	167,835,281	156,548,999
	1,354,700,714	1,208,061,584

17.1 The movement of loan is as follows:

Opening Balance	981,018,475	530,485,517
Loan received this period	190,031,693	450,532,958
Closing Balance	<u>1,171,050,168</u>	<u>981,018,475</u>

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

17.2 The movement of loan is as follows:

Opening Balance	8,577,655	39,178,786
Current Maturity	(8,577,655)	(31,021,832)
Unrealised Loss		420,701
Closing Balance	<u>-</u>	<u>8,577,655</u>

The offshore term loan has been taken from The Hongkong and Shanghai Banking Corporation Plc, Anchor Tower Branch, 108 Bir Uttam C R 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 1st January 2014.

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

Opening Balance	61,916,455	136,166,165
Addition this period	15,815,265	61,916,455
Paid this period	(61,916,455)	(136,166,165)
Closing Balance	<u>15,815,265</u>	<u>61,916,455</u>

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

17.4 The movement of loan is as follows:

	March 31, 2021 Taka	June 30, 2020 Taka
Opening Balance	156,548,999	150,000,000
Paid during the period	(5,057,434)	-
Add: Interest	16,343,716	6,548,999
Closing Balance	<u>167,835,281</u>	<u>156,548,999</u>

The term loan facility has been taken from IPDC Finance Limited, Head office : Hosna Centre (4th Floor), 106 Gulshan Avenue, Dha 1212, Bangladesh, for construction of effluent treatment plant.. The loan carries interest at 12% and is repayable in 72 equal month starting from 25 November 2019.

18. Provision for Gratuity

Opening Balance	27,218,882	28,392,064
Contribution during this period	3,435,715	3,822,463
	<u>30,654,597</u>	<u>32,214,527</u>
Paid during this period	(3,890,450)	(4,995,645)
Closing Balance	<u>26,764,147</u>	<u>27,218,882</u>

19. Provision for Deferred Taxation

Opening Balance	78,583,298	75,814,244
Provision during the period	2,210,275	2,927,209
Adjustment for depreciation of revalued assets	(118,616)	(158,155)
Closing balance	<u>80,674,957</u>	<u>78,583,298</u>

A. Property, Plant and Equipment

WDV of Accounting Base	829,256,717	871,429,421
WDV of Tax Base	476,200,773	532,653,908
Taxable temporary difference	<u>353,055,944</u>	<u>338,775,513</u>

Tax Rate	15%	15%
----------	-----	-----

Deferred tax liability / (asset)	<u>52,958,392</u>	<u>50,816,327</u>
----------------------------------	-------------------	-------------------

B. Deferred Tax on Gratuity Provision

Opening Balance of deferred tax liability for gratuity provision	(4,082,832)	(4,258,810)
Add: Addition during the period	68,210	175,978
	<u>(4,014,622)</u>	<u>(4,082,832)</u>

C. Calculation of deferred Tax

Revalued value of Land	644,020,625	644,020,625
Revalued value of other than land	39,802,407	40,593,183

Tax Rate

On land	4%	4%
On other than land	15%	15%

Deferred tax liabilities

On land	25,760,825	25,760,825
On other than land	5,970,361	6,088,977
Deferred tax liability / (asset)	<u>31,731,186</u>	<u>31,849,802</u>

Total (A+B+C)	<u>80,674,956</u>	<u>78,583,297</u>
---------------	-------------------	-------------------

Calculation of deferred tax charges on Profit or Loss Account

Deferred tax liability other than revalued asset as on June 30,2020	46,733,495	43,806,286
Deferred tax liability other than revalued asset as on March 31,2021	48,943,770	46,733,495
	<u>2,210,275</u>	<u>2,927,209</u>

20. Bank Overdrafts	March 31,2021	June 30,2020
	Taka	Taka
Trust Bank Ltd, SKB Branch	50,795,187	53,535,858
HSBC Bank, Plc,Anchor Tower Branch,Kawranbazar	13,726,570	49,534,986
	<u>64,521,757</u>	<u>103,070,844</u>

These are secured.

21. Time Loan Bank

9% Loan - Note 21.1	359,487,588	367,249,038
9% Loan - Note 21.2	29,141,343	-
	<u>388,628,931</u>	<u>367,249,038</u>

21.1 The movement of loan is as follows

Opening Balance	367,249,038	350,000,000
Interest this period	25,991,550	17,249,038
Paid during the period	(33,753,000)	
Closing Balance	<u>359,487,588</u>	<u>367,249,038</u>

The loan has been taken from United Commercial Bank Ltd, Corporate Branch, Plot CWS(A)1, Road 34, Gulshan Avenue, Dhaka-1. Working Capital requirement. The loan carries interest at 9% and is repayable in 9 months.

21.1 The movement of loan is as follows

Loan received this period	28,500,000	-
Add: Interest	641,343	-
Closing Balance	<u>29,141,343</u>	<u>-</u>

The loan has been taken under Stimulus Package Covid-19 Pandemic from Trust Bank Ltd, Sena Kalyan Bhaban Branch, 195 Motijheel C 1000 for Working Capital requirement. The loan carries interest at 4.50% and is repayable in 12 months.

22. Creditors

	March 31,2021		As at June 30,2020	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>5,045,577</u>	428,621,725	<u>5,680,649</u>	482,003,067
For Local Purchases		6,953,473		8,843,614
For Dividend Payable		9,852,136		7,397,675
For Staff Income Tax		385,478		560,664
For Refund Warrant		371,469		371,469
		<u>446,184,281</u>		<u>499,176,489</u>

These are unsecured but creditors for import purchases are against back to bank

23. Accrued Expenses		
Gas Expenses (Factory)	13,224,708	31,782,536
Electricity Bill	374,747	18,430
Telephone	127,147	129,577
Salaries, Wages and Allowances	16,548,740	11,843,768
Security Bill	96,000	96,000
Legal Fee	45,000	60,000
Auditors' Fee (including Vat)	129,375	172,500
AGM Expenses	150,000	250,000
	<u>30,695,717</u>	<u>44,352,811</u>

24. Provision for Current Taxation

Opening balance	44,069,406	30,415,148
Addition during the period	13,332,913	13,654,258
	<u>57,402,319</u>	<u>44,069,406</u>
Paid during the period	(16,190,600)	-
Closing Balance	<u>41,211,719</u>	<u>44,069,406</u>

25. Bills Receivable Discounted

	March 31,2021	June 30,2020
	Taka	Taka
Opening Balance	25,558,605	38,658,707
Discounted during the pe	56,584,521	235,845,740
	<u>82,143,126</u>	<u>274,504,447</u>
Collected during the period	(70,265,412)	(248,945,842)
Closing Balance	<u>11,877,714</u>	<u>25,558,605</u>

26. Workers' Participation/Welfare Funds

Opening Balance	14,491,236	18,386,925
Payment during this period	(5,264,510)	(6,987,542)
	<u>9,226,726</u>	<u>11,399,383</u>
Contributions for the period	3,105,463	2,236,899
Interest during the period	519,003	854,954
Closing Balance	<u>12,851,192</u>	<u>14,491,236</u>

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

27. Current Maturity of long-term loans

Opening Balance	31,021,832	70,342,008
Current Maturity this period	8,577,655	31,021,832
	<u>39,599,487</u>	<u>101,363,840</u>
Paid during this period	(27,357,814)	(70,342,008)
Closing Balance	<u>12,241,673</u>	<u>31,021,832</u>

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

28. Net Assets Value (NAV) per Share	March 31,2021	June 30,2020
	Taka	Taka
Total Assets	3,586,965,382	3,525,170,061
Total Liabilities	(2,470,352,802)	(2,442,854,025)
A. Net Assets	<u>1,116,612,580</u>	<u>1,082,316,036</u>
B. Number of ordinary of shares	<u>25,300,000</u>	<u>25,300,000</u>
Net Assets Value (NAV) per Share (A/B)	<u>44.13</u>	<u>42.78</u>

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

29. Sales	1 July 2020 to 31 March 2021			1 July 2019 to 31 March 2020		
	Quantity	USD	Taka	Quantity	USD	Taka
<u>Export sales:</u>						
Knit Fabrics (Kgs)	946,306	5,422,331	454,228,646	1,740,750	9,859,540	822,975,804
Garments (pcs)	7,287,195	18,728,092	1,568,852,277	4,751,247	11,075,835	924,499,947
Total		24,150,423	2,023,080,923		20,935,375	1,747,475,751

30. Export Incentives

Cash Incentive	25,563,541	18,548,745
	25,563,541	18,548,745

31. Cost of Goods Sold	1 July, 2020 to 31 March, 2021	1 July, 2019 to 31 March, 2020
	Taka	Taka

31.1 The break-up is as follows:-

Materials Consumed - Note 31.2	1,418,690,492	1,218,666,226
Salary, Wages and Allowances	189,854,863	163,487,458
Tiffin & Entertainment Expenses	846,584	725,845
Depreciation - Note 4.1	53,669,651	56,883,587
Stores and Spares Consumed	1,388,326	1,075,984
Factory Conveyance	1,062,564	958,491
Power and Gas	74,439,797	77,785,452
Gratuity	2,359,745	2,525,854
Vehicle expenses	1,375,246	1,327,834
Repairs and Maintenance	1,032,657	985,893
Packing & Loading Expenses	985,637	902,542
Import Landing, Clearing and Insurance	1,156,345	1,105,831
Factory Stationery Expenses	875,694	865,932
Carriage Inward and Outward	2,465,942	2,058,462
Knitting, Sewing & Processing Charge	2,546,947	3,585,648
Factory Insurance	2,194,220	2,607,080
Sewing Machine Rental	728,460	715,201
Miscellaneous	325,610	375,800
Total Manufacturing Costs for the year	1,755,998,780	1,536,639,120
Add Opening Work in Process	93,354,996	44,367,516
Total Manufacturing Costs	1,849,353,776	1,581,006,636
Less Closing Work in Process	84,256,413	47,598,424
Cost of Goods Manufactured	1,765,097,363	1,533,408,212
Add Opening Finished Goods	84,784,030	41,029,893
Cost of Goods available for use	1,849,881,393	1,574,438,105
Less Closing Finished Goods	84,796,548	49,874,521
Cost of Goods Sold	1,765,084,845	1,524,563,584

31.2 Materials Consumed

	1 July, 2020 to 31 March, 2021		1 July, 2019 to 31 March, 2020	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	3,404,664	1,004,375,984	3,095,974	864,306,070
Dyes	216,556	156,786,347	207,184	133,945,894
Chemicals	1,329,303	152,869,848	962,872	130,529,473
Accessories		104,658,313		89,884,789
Total Materials Consumption		1,418,690,492		1,218,666,226

	1 July 2020 to 31 March 2021	1 July 2019 to 31 March, 2020
	Taka	Taka
32. Administrative, Selling and General Expenses		
32.1 The break-up is as below:		
Directors' Remuneration-Note 32.2	1,900,000	1,900,000
Salaries and Allowances	45,915,784	43,987,458
Security Service charges	864,000	864,000
Depreciation - Note 4.1	13,417,413	14,220,897
Electricity Expenses	1,912,492	1,195,170
Postage, Courier, Telephone and Fax	996,589	952,558
Form & Stamp	798,957	687,358
Gratuity	1,075,970	1,072,531
Travelling and Conveyance	702,654	698,748
Legal and Professional Expenses	45,000	45,000
Auditors' Fee	129,375	129,375
A.G.M Expenses	225,000	395,487
Registration and Fees	685,697	678,542
Staff welfare	983,845	862,354
Stationery Expenses	687,460	642,352
Office Repairs and Maintenance	699,583	658,748
Vehicle Expenses	1,102,659	1,065,942
Entertainment Expenses	865,954	854,251
Central fund for RMG	463,762	278,408
Buying House Commission	1,600,000	2,658,000
Freight Charges & Freight out	2,194,220	3,964,852
Garments Testing & Inspection Charges	2,013,814	2,096,825
Miscellaneous	256,000	365,000
	<u>79,536,228</u>	<u>80,273,856</u>

32.02 No remuneration or fee, other than that specified in note 28.01, was paid to directors and auditors.

33 Financial Expenses

Interest Expenses	125,430,817	100,261,193
Bank Charges	14,150,464	13,728,478
	<u>139,581,281</u>	<u>113,989,671</u>

33.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	519,003	500,285
Interest on Long Term Loans	62,121,463	42,427,895
Interest on Bills Discounted	14,951,426	47,160,897
Interest on Bank Overdraft	4,862,316	6,587,458
Interest on Time Loan	26,632,893	3,584,658
Interest on lease finance	16,343,716	
	<u>125,430,817</u>	<u>100,261,193</u>

34. Other Income

Rental income	274,050	274,050
Exchange Fluctuation Gain/(Loss){ see below}	498,564	713,498
	<u>772,614</u>	<u>987,548</u>

A. A/R based on Closing rate	572,990,165	519,766,306
B. Sales based on respective date in increased A/R	572,786,230	519,928,592
C. Difference	203,935	(162,286)

A. Last Years' A/R Collection based on respective date	520,060,935	519,909,067
B. Last years' A/R Based on closing rate	519,766,306	519,033,283
C. Difference	294,629	875,784
Total Exchange Fluctuation Gain/(Loss) {C+D}	<u>498,564</u>	<u>713,498</u>

	1 July, 2020 to 31 March, 2021	1 July, 2019 to 31 March, 2020
35. Current Tax	Taka	Taka
Profit before tax	62,109,261	45,890,412
Depreciation as per Accounting base	67,087,064	71,104,484
	129,196,325	116,994,896
Depreciation as per Tax base	(80,576,726)	(86,854,991)
	48,619,599	30,139,905
Provision for Gratuity for the Year	3,435,715	3,598,385
	52,055,314	33,738,290
Other income (Separate calculation)	(274,050)	(274,050)
	51,781,264	33,464,240
Payment for Grauity	(3,890,450)	(3,690,450)
	47,890,814	29,773,790
Tax Rate @ 15%	7,183,622	4,466,069
Minimum tax	12,597,858	10,384,707
Add: Other income tax		
Rental income	274,050	274,050
Maintenance @ 30%	(82,215)	(82,215)
	191,835	191,835
Tax Rate @ 25%	47,959	47,959
Current tax	12,645,817	10,432,666
Additional Tax for the Prior Years finally determined	687,096	-
	13,332,913	10,432,666

36. Earnings per share

36.1. Basic earnings per share

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

A. Earnings attributable to the Ordinary Shareholders (net Profit after tax)	46,566,073	33,081,358
B. Number of ordinary of shares outstanding during the year	25,300,000	25,300,000
Earning Per Share (A/B)	1.84	1.31

36.2. Diluted earnings per share

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

37. Net Operating Cash Flows per Share (NOCFPS):

Cash flows from Operating Activities:

Cash received from Sales , Export incentives and Others	2,076,666,645	1,769,191,702
Exchange Fluctuation Gain/ (Loss)	498,564	713,498
Receipts from Other Income	274,050	274,050
Cash paid for goods and services	(1,884,582,044)	(1,850,421,852)
Cash from operation	192,857,215	(80,242,602)
Interest paid	(125,430,817)	(100,261,193)
Income tax paid/deducted at sources	(12,597,858)	(10,384,707)
Net Cash inflows from operating activities	54,828,540	(190,888,502)
Divided by number of ordinary of shares	25,300,000	25,300,000
Net operating cash flows per share (NOCFPS)	2.17	(7.55)

NOCFPS became negative mainly due to adverse credit terms.

38. Reconciliation of net operating cash flow

	1 July, 2020 to 31 March, 2021	1 July, 2019 to 31 March, 2020
Profit after tax	46,566,073	33,081,358
Depreciation	67,087,064	71,104,484
Changes in:		
Stock and Stores	(16,309,586)	(178,101,278)
Trade and other Debtors	14,164,738	(18,530,149)
Export Incentive Receivable	13,857,443	21,697,355
Advance Deposit and Prepayments	1,308,762	(21,416,624)
Trade Creditors	(55,446,669)	(112,209,306)
Accrued Expenses	(13,657,094)	21,456,608
Provision for Current Taxation	(2,857,687)	(8,004,092)
Workers' Participation /Welfare Funds	(1,640,044)	(2,251,181)
Provision for Gratuity	(454,735)	(92,065)
Provision for Deferred Taxation	2,210,275	2,376,388
Net cash provided (used) by operating activities	<u>54,828,540</u>	<u>(190,888,502)</u>

39. 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" contained in Bangladesh Accounting Standard-24: "Related party Disclosures". Total exposure with the related parties during the period ended as at, March 31, 2021 is as under:


Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			March 31, 2021	June 30, 2020
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	822,975,804	1,164,403,732
		Receivable	23,120,000	90,508,597
Pride Limited	Common Director	No Transaction	-	-
Dacca Textiles Limited	Common Director	No Transaction	-	-
Pride Spinning Limited	Common Director	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 period	July 01, 2020 to March 31, 2021	July 01, 2019 to March 31, 2020
Prof. Dr. Muhammad Abdul Moyeen	Chairman	-	-	-	-
Mr. Mohammad Abdul Moyeed	Managing Director	200,000	100,000	1,900,000	1,900,000
Mr. Mohamamd Abdul Momen	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Prof. Dr. A.H.M Habibur Rahman	Independent Director	-	-	-	-
Prof. Dr. Zakir Hossain Bhuiyan	Independent Director	-	-	-	-
Total		200,000	100,000	1,900,000	1,900,000


Mr. M.A Moyeed
Managing Director


Dr. M.A Moyeen
Director


Mr. M.A Momen
Director


Mr. M Abu Amir Naheel
CFO / HF&A


Mr. Md. Wali Ullah
Company Secretary

H.R Textile Mills Limited
Schedule of Property, Plant and Equipment
As at March 31, 2021

Annexure-A
(Amount in Taka)

Particulars	Cost or valuation		Rate %	Depreciation		W.D.V. As on March 31, 2021
	As on July 01, 2020	Addition/ (Deletion)		As on July 01, 2020	During the Year	
Factory Land and Development	8,479,375	-		-	-	8,479,375
Factory Building	336,957,885	-	2.50	82,635,163	6,317,960	248,004,762
Factory Shed	6,823,475	-	7.50	6,823,470	-	5
Plant and Machinery	1,464,038,732	21,956,384	7.00	885,909,287	49,083,594	551,002,235
Electric Installation	34,280,804	-	10.00	23,621,048	2,571,060	8,088,696
Gas Installation	7,826,035	-	10.00	6,611,025	586,953	628,057
Water Installation	8,990,520	-	10.00	7,652,339	674,289	663,892
Steam Installation	2,563,352	-	10.00	2,563,342	-	10
Furniture and Fixtures	10,166,727	480,000	10.00	9,976,277	670,440	10
Telephone Installation	1,027,861	-	10.00	1,027,851	-	10
Motor Vehicles	46,192,122	-	15.00	34,356,669	2,467,830	9,367,623
Office Equipment	38,016,447	1,687,200	10.00	35,321,261	2,977,774	1,404,612
Loose Tools	183,875	-	10.00	183,865	-	10
Factory Equipment	12,618,502	-	10.00	10,054,694	946,388	1,617,420
A. Total	1,978,165,712	24,123,584		1,106,736,291	66,296,288	829,256,717

Revaluation

Factory Land and Development	644,020,625	-		-	-	644,020,625
Factory Building	42,174,735	-	2.50	1,581,552	790,776	39,802,407
B. Total	686,195,360	-		1,581,552	790,776	683,823,032
Total (A+B) as on March 31, 2021	2,664,361,072	24,123,584		1,108,317,843	67,087,064	1,513,079,749
Total Taka as on June 30, 2020	2,494,358,742	170,002,330	-	1,018,958,575	89,359,268	1,556,043,229