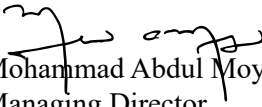


Dear Shareholders
As-salamu Alaykum!

We forward herewith of the Third Quarter (Q3) Financial Statements (Un-audited) performances of the company, for the 9 (nine) months period (July 2021 to March 2022) for the period ended 31st March 2022 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) months period ended 31st March 2022

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, 2022

ASSETS	Notes	Amount in Taka	
		As at March 31, 2022	As at June 30, 2021
Non-Current Assets			
Property, Plant and Equipment	4	2,160,176,893	2,201,960,608
Investment in FDR	5	17,396,005	15,897,500
Total Non-Current Assets		2,177,572,898	2,217,858,108
Current Assets			
Stocks and Stores	6	709,057,052	661,701,780
Trade and Other Debtors	7	700,785,043	695,013,076
Advances, Deposits and Prepayments	8	110,383,371	94,425,853
Cash and Bank Balances	9	50,324,055	91,594,129
Total Current Assets		1,570,549,521	1,542,734,838
TOTAL ASSETS		3,748,122,419	3,760,592,946
<u>SHAREHOLDERS' EQUITY & LIABILITIES</u>			
Shareholders' Equity			
Share Capital	10	265,650,000	253,000,000
General Reserve	11	6,956,752	6,956,752
Tax Holiday Reserve	12	22,378,988	22,378,988
Dividend Equalisation Reserve	13	10,000,000	10,000,000
Revaluation Surplus	14	651,195,634	651,867,794
Retained Earnings	15	234,375,238	198,914,119
Total Shareholders' Equity		1,190,556,612	1,143,117,653
Long-term Liabilities			
Long-term Loans-Secured, Future Maturity	16	1,121,324,284	1,186,629,941
Non-Convertible Callable Zero-coupon Bond	17	20,000,000	-
Provision for Gratitude	18	25,258,750	26,096,182
Provision for Deferred Taxation	19	87,613,335	85,348,514
Total long-term Liabilities		1,254,196,369	1,298,074,637
Current Liabilities			
Bank Overdrafts- Secured	20	51,137,866	73,932,455
Time Loan- Secured	21	414,508,927	388,546,435
Loans against Trust receipts	22	2,392,471	9,357,890
Trade Creditors	23	478,994,765	535,577,546
Unclaimed Dividend Account	24	5,755,466	9,507,557
Accrued Expenses	25	30,494,038	30,841,035
Provision for Current Taxation	26	63,599,102	49,803,043
Bills Receivable Discounted	27	16,553,727	16,945,349
Workers' Participation /Welfare Funds	28	12,551,653	13,303,075
Current Maturity of Long-term Loans	29	227,381,424	191,586,271
Total Current Liabilities		1,303,369,439	1,319,400,656
Total Liabilities		2,557,565,808	2,617,475,293
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		3,748,122,419	3,760,592,946
Net Assets Value (NAV) per share	30	44.82	45.18

The annexed notes from 1 to 42 and Annexure A are form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
CFO/HF&A

Sd/-
Company Secretary

H.R Textile Mills Limited
Statement of Profit or Loss and other Comprehensive Income
Third Quarter (Q3) ended March 31, 2022

(Amount in Taka)

Particulars	Notes	1 July 2021 to 31 March 2022	1 July 2020 to 31 March 2021	1 January to 31 March 2022	1 January to 31 March 2021
Sales Revenue	31	2,273,059,629	2,023,080,923	688,616,768	659,897,458
Export Incentive	32	35,192,174	25,563,541	16,398,000	8,705,063
Turnover		2,308,251,803	2,048,644,464	705,014,768	668,602,521
Cost of Goods Sold	33	(1,981,708,121)	(1,765,084,845)	(607,412,807)	(582,049,298)
Gross Profit		326,543,682	283,559,619	97,601,961	86,553,223
Administrative, Selling and General Expense	34	(81,864,400)	(79,536,228)	(22,281,659)	(23,762,712)
Financial Expenses	35	(166,645,878)	(139,581,281)	(38,451,735)	(34,197,673)
Operating Profit		78,033,404	64,442,110	36,868,567	28,592,838
Other income	36	1,923,926	772,614	491,766	91,367
Profit Before contribution to WPPF		79,957,330	65,214,724	37,360,333	28,684,205
Contribution to WPPF	28	(3,807,492)	(3,105,463)	(1,779,064)	(1,365,914)
Net Profit before Tax		76,149,838	62,109,261	35,581,269	27,318,291
Income Tax Expenses		(16,179,496)	(15,543,188)	(3,200,437)	(3,795,781)
Current Tax	37	(13,796,059)	(13,332,913)	(3,140,959)	(2,974,136)
Deferred Tax	19	(2,383,437)	(2,210,275)	(59,478)	(821,645)
Net Profit after tax		59,970,343	46,566,073	32,380,832	23,522,510
Earnings per share	39	2.26	1.84	1.22	0.93
Earning Per Share (EPS) of Tk.10 (Restated)		2.26	1.75	1.22	0.89

The annexed notes from 1 to 42 and Annexure A are form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
CFO/HF&A

Sd/-
Company Secretary

H.R Textile Mills Limited
Statement of Cash Flows
Third Quarter (Q3) ended March 31, 2022

Particulars	Notes	Amount in Taka	
		July 2021 to March 2022	July 2020 to March 2021
Cash flows from Operating Activities:			
Cash received from Sales and Export incentives		2,302,479,836	2,076,666,645
Foreign currency Gain/ (Loss)		425,421	498,564
		1,498,505	274,050
Cash paid for goods and services		(2,088,371,601)	(1,884,582,044)
Cash from operation		216,032,161	192,857,215
Interest paid		(153,363,044)	(125,430,817)
Income tax paid/deducted at sources		(13,796,059)	(12,597,858)
Net Cash inflows from operating activities		48,873,058	54,828,540
Cash flows from Investing Activities:			
Acquisition of property, plant and equipment	4	(71,192,894)	(24,123,584)
Capital Works in Progress		-	(91,849,255)
Invest in FDR	5	(1,498,505)	-
Net Cash outflows from investing activities		(72,691,399)	(115,972,839)
Cash flows from Financing Activities:			
Bank Overdraft Received/(Repaid)		(22,794,589)	(38,549,087)
Time Loan Received/(Repaid)		25,962,492	21,379,893
Loan against Trust receipts Received (Paid)		(6,965,419)	-
Non-Convertible Callable Zero-coupon Bond		20,000,000	-
Long Term Loans Received/(Repaid)		(65,305,657)	146,639,130
Bills Receivable Discounted Received/(Repaid)		(391,622)	(13,680,891)
Current Maturity of Long-term Loans		35,795,153	(18,780,159)
Unclaimed Dividend Account		(3,752,091)	(9,933,684)
Net Cash inflow from financing activities		(17,451,733)	87,075,202
Net increase/(decrease) in cash and bank balances		(41,270,074)	25,930,903
Cash and bank balances on opening		91,594,129	30,511,100
Net increase/(decrease) in cash and bank balances		(41,270,074)	25,930,903
Cash and bank balances at closing - Note 9		50,324,055	56,442,003
Net operating cash flows per share (NOCFPS)	40	1.84	2.17

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
CFO/HF&A

Sd/-
Company Secretary

H.R Textile Mills Limited
Statement of Changes in Shareholders' Equity
For The third Quarter (Q3) ended March 31, 2022

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2021	253,000,000	6,956,752	22,378,988	651,867,794	10,000,000	198,914,119	1,143,117,653
Revaluation Surplus realised	-	-	-	(672,160)	-	790,776	118,616
Cash Dividend Declared 2021	-	-	-	-	-	(12,650,000)	(12,650,000)
Bonus Share issued 2021	12,650,000	-	-	-	-	(12,650,000)	-
Net profit after Tax	-	-	-	-	-	59,970,343	59,970,343
Balance as on March 31, 2022	265,650,000	6,956,752	22,378,988	651,195,634	10,000,000	234,375,238	1,190,556,612

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
Revaluation Surplus realised	-	-	-	(672,160)	-	790,776	118,616
Cash Dividend Declared 2020	-	-	-	-	-	(12,388,145)	(12,388,145)
Net profit after Tax	-	-	-	-	-	46,566,073	46,566,073
Balance as on 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

Managing Director

Director

Director

CFO/HF&A

Company Secretary

H.R TEXTILE MILLS LIMITED
Notes to the Financial Statements
For the Q3 Quarter ended 31 March 2022
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 an ongoing basis.

2.5 Reporting period

The financial reporting period of the company covers three months from 01 July 2021 to 31 March 2022.

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	Cash Flows Statement	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	First-time Adoption of Bangladesh 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 March 31, 2022;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period ended March 31, 2022;
- (iii) Statements of Changes in Shareholders' Equity for the period ended March 31, 2022;
- (iv) Statement of Cash Flows for the period ended March 31, 2022; and
- (v) Notes to the Financial Statements for the period ended March 31, 2022.

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 or delinquency by a debtor, indicates that a debtor or 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 market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

Management is optimistic about growth opportunity in 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'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.

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.

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.

4. Property, Plant and Equipment

	Amount in Taka	
	March 31, 2022	June 30, 2021
Opening Balance	3,401,814,481	2,664,361,072
Add: Addition this period	71,192,894	737,453,409
Less: Accumulated Depreciation	(1,312,830,482)	(1,199,853,873)
Closing Balance	2,160,176,893	2,201,960,608

4.1. Depreciation for the year is charged as below:

	March 31, 2022	March 31, 2021
Cost of Goods Sold-Note 33.1	96,030,118	53,669,651
Administrative, Selling and General Expenses-Note 34.1	16,946,491	13,417,413
	112,976,609	67,087,064

5. Investment in FDR

	March 31, 2022	June 30, 2021
Opening Balance	15,897,500	15,897,500
Add: Interest during the period	1,498,505	-
Closing Balance	17,396,005	15,897,500

These above mentioned amount of three FDR are liened against Five years IPDC Finance Limited Guarantees amounting Tk.17,396,005 which have been issued by IPDC Finance Limited in favor of IPDC Finance Limited. Hence, the same have been shown as non-current assets.

6. Stocks and stores

6.1 The make-up is as below:

	March 31, 2022		June 30, 2021	
	In Kg	Taka	In Kg	Taka
Stock of Yarn	6.2	768,112	964,335	257,522,055
Stock of Dyes and Chemicals	6.3	425,445	538,876	84,808,306
Stock of Work-in-Process	6.4	160,229,697		170,047,725
Stock of Finished Goods	6.5	95,133,109		105,640,861
Stock of Accessories		21,425,484		17,587,458
Goods in Transit		15,565,845		12,214,521
		697,800,602		647,820,926
Stock of Spares		11,256,450		13,880,854
		709,057,052		661,701,780

6.2 Stock of Yarn

Stock of Yarn	768,112	322,606,919	964,335	257,522,055
	768,112	322,606,919	964,335	257,522,055

6.3 Stock of Dyes and Chemicals

Dyes	55,144	40,254,894	58,789	41,694,405
Chemicals	370,301	42,584,654	480,087	43,113,901
	425,445	82,839,548	538,876	84,808,306

6.4 Stock in Work in Process

Cost of Materials	112,659,852	119,645,444
Costs of Conversion	47,569,845	50,402,281
	160,229,697	170,047,725

6.5 Stock of Finished Products

Finished Garments	32,548,520	38,637,394
Knitted Fabrics	106,712	67,003,467
	106,712	105,640,861

7. Trade and Others Debtors

	December 31, 2021		June 30, 2021	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days)	7,769,738	665,089,543	7,991,211	670,063,076
Other Debtors	417,004	35,695,500	297,555	24,950,000
	8,186,742	700,785,043	8,288,766	695,013,076

These are unsecured but considered good.

8. Advances, Deposits and Prepayments

Advances :

	Amount in Taka	
	March 31, 2022	June 30, 2021
Salary Advance	1,653,770	1,066,770
Advance Tax	1,337,500	1,150,000
Factory Insurance Advance	2,040,452	1,124,816
Operational Advance	8,912,563	8,441,240
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	59,283,335	45,487,276
	79,827,620	63,870,102

Deposits :

Security Deposits	20,571,731	20,571,731
Bank Guarantee Margin	9,984,020	9,984,020
	30,555,751	30,555,751
	110,383,371	94,425,853

The advances are unsecured but considered good.

9. Cash and Bank Balances

Cash at Banks with Banks on Current Account:

Brac Bank Ltd, Dhanmondi Branch, CD A/c	35,785	48,418
Mutual Trust Bank Ltd., Gulshan Branch, CD A/c	809,167	498,342
Mutual Trust Bank Ltd., Gulshan Branch, Fund buildup A/c	2,638,846	3,700,371
Mutual Trust Bank Ltd., Gulshan Branch, Dollar A/c	1,208,205	17,231,255
Mutual Trust Bank Ltd., Gulshan Branch, ERQ A/c	81,169	80,307
Mutual Trust Bank Ltd., Gulshan Branch, SND A/c	749	8,137
HSBC, Anchor Tower Branch, MDA Margin A/c	2,131,583	146,695
HSBC, Anchor Tower Branch, FCY A/c	461,649	1,621,248
HSBC, Anchor Tower Branch, current A/c	18,235	
Trust Bank Ltd, SKB Branch, Dollar A/c	304,008	18,570,432
Trust Bank Ltd, SKB Branch, FCAD A/c	21,329	7,301
Trust Bank Ltd, SKB Branch, CD A/c	21,698	19,573,484
Dutch Bangla Bank Ltd., Gulshan Branch, CD A/c	474,545	385,674
United Commercial Bank Corporate Branch, C/A	1,310	-
Al Arafah Islami Bank Ltd., Corporate Branch	1,001,717	
AB Bank Ltd, Motijheel Branch, CD A/c	564,234	691,143
AB Bank Ltd, Motijheel Branch, CD A/c	58,886	
AB Bank Ltd, Motijheel Branch, Notice A/c	561,663	3,046,756
	10,394,778	65,609,563

With Bank on Short Term Deposit Account:

Trust Bank Ltd., SKB Branch, SND A/c	36,012,894	21,238,894
Southeast Bank Ltd, Principal Branch, STD A/c	70,763	1,055,211
	36,083,657	22,294,105
Cash at Banks	46,478,435	87,903,668
Cash in Hand	3,845,620	3,690,461
	50,324,055	91,594,129

10. Share Capital**10.1 Authorized:**

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

Amount in Taka	
March 31, 2022	June 30, 2021
1,000,000,000	1,000,000,000

10.2 Issued, Subscribed and Paid-up:

25,300,000 Ordinary Shares of Tk.10 each fully paid-up

14,000,000 Ordinary Shares of Tk.10 each fully paid-up in cash

12,565,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares

253,000,000	253,000,000
140,000,000	140,000,000
125,650,000	113,000,000
265,650,000	253,000,000

10.3 Composition of Shareholdings:

Classes of Holdings	March 31, 2022		June 30, 2021	
	No. of Shares	%	No. of Shares	%
Sponsors	13,449,047	50.63	12,808,619	50.63
Financial Institutions	1,570,695	5.91	1,712,981	6.77
General Public	11,545,258	43.46	10,778,400	42.60
	26,565,000	100.00	25,300,000	100.00

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.

10.4 Year wise break-up of the issue

Date	No. of Shares	Particulars	Taka	Taka
03.12.1984	4,000	Subscribed capital as per Memorandum and Articles of Association at the time of incorporation (4,000 of Tk.100 each)	400,000	400,000
25.06.1987	28,100	28,100 Bonus shares of Tk.100 each issued	2,810,000	2,810,000
10.02.1995	1,500	1,500 Bonus shares of Tk.100 each issued	150,000	150,000
27.03.1995	366,400	366,400 Bonus shares of Tk.100 each issued	36,640,000	36,640,000
06.04.1995	400,000	400,000 Bonus shares of Tk.100 each issued	40,000,000	40,000,000
14.12.1995	200,000	200,000 Bonus shares of Tk.100 each issued	20,000,000	20,000,000
19.12.1966	1,000,000	1,000,000 shares issued through public offering (1,000,000 shares of Tk.100 each)	100,000,000	100,000,000
28.03.2011	200,000	10% shares issued as Bonus (200,000 shares of Tk.100 each	20,000,000	20,000,000
29.03.2012	330,000	15% shares issued as Bonus (330,000 shares of Tk.100 each	33,000,000	33,000,000
25.01.2022	1,265,000	5% shares issued as Bonus (1,265,000 shares of Tk.10 each	12,650,000	-
Total	3,795,000		265,650,000	253,000,000

10.5 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.

11. General Reserve

Opening and Closing Balance

Amount in Taka	
March 31, 2022	June 30, 2021
6,956,752	6,956,752
6,956,752	6,956,752

12. Tax Holiday Reserve

Opening and Closing Balance

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

13. Dividend Equalisation Reserve

Opening and Closing Balance

10,000,000	10,000,000
10,000,000	10,000,000

14. Revaluation Surplus

Revaluation Surplus

Revaluation reserve realised

Closing Balance

651,867,794	652,764,006
(672,160)	(896,212)
651,195,634	651,867,794

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.

15. Retained earnings

Balance as on June 30, 2021

Total Comprehensive income for the period:

Profit for the period

Revaluation reserve realised

Amount in Taka	
March 31, 2022	June 30, 2021
198,914,119	137,216,290
59,970,343	73,031,606
790,776	1,054,368
259,675,238	211,302,264

Dividend during the year:

Final dividend for previous year (Bonus)

(12,650,000)

-

Final dividend for previous year (Cash)

(12,650,000)

(12,388,145)

Balance as on December 31, 2021

234,375,238

198,914,119

16. Long-term Loan -Secured Future Maturity

9% Loan - Note 16.1

996,764,045

987,768,518

5% Loan - Note 16.2

-

-

15% Loan - Note 16.3

124,560,239

143,787,678

Deferred L/C Liabilities -Note 16.4

-

55,073,745

1,121,324,284

1,186,629,941

16.1 The movement of loan is as follows:

Opening Balance

987,768,518

957,660,813

Loan received this period

55,073,745

188,313,701

Add: Interest

92,527,181

-

Less: Current Maturity this period

(138,605,399)

(158,205,996)

Closing Balance

996,764,045

987,768,518

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.

16.2 The movement of loan is as follows:

Opening Balance

-

8,577,655

Current Maturity this period

-

(8,577,655)

Unrealised loss

-

-

Closing Balance

-

-

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..

16.3 The movement of loan is as follows:

Opening Balance

143,787,678

147,357,795

Add : Interest during this period

14,052,896

21,232,503

Less: Current Maturity this period

(33,280,335)

(24,802,620)

Closing Balance

124,560,239

143,787,678

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.

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

Opening Balance

55,073,745

61,916,455

Addition this period

-

55,073,745

Paid this period

(55,073,745)

(61,916,455)

Closing Balance

-

55,073,745

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.

17. Non-Convertible Callable Zero-coupon Bond

Received this period

20,000,000

-

Closing Balance

20,000,000

The Bond amount was received pursuant to BSEC Sanction No.BSEC/CI/DS-146/2021/454 Date 15 July 2021.

18. Provision for Gratuity

Opening Balance

26,096,182

27,218,882

Contribution during this Period

3,408,442

4,002,800

29,504,624

31,221,682

Paid during this period

(4,245,874)

(5,125,500)

Closing Balance

25,258,750

26,096,182

19. Provision for Deferred Taxation

Opening Balance	85,348,514	78,583,298
Provision during the period	2,383,437	6,923,371
Adjustment for depreciation of revalued assets	(118,616)	(158,155)
Closing balance	87,613,335	85,348,514

A. Property, Plant and Equipment

WDV of Accounting Base	1,477,408,229	1,518,401,168
WDV of Tax Base	1,078,547,454	1,134,592,541
Texable temporary difference	398,860,775	383,808,627

Tax Rate	15%	15%
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Deferred tax liability / (asset)	59,829,116	57,571,294
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B. Deferred Tax on Gratuity Provision

Opening Balance of deferred tax liability for gratuity provision	(3,914,427)	(4,082,832)
Add: Addition during the period	125,615	168,405
	(3,788,813)	(3,914,427)

C. Calculation of deferred Tax

Revalued value of Land	644,020,625	644,020,625
Revalued value of other than land	38,748,039	39,538,815

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	5,812,206	5,930,822
Deferred tax liability / (asset)	31,573,031	31,691,647

Total (A+B+C)	87,613,335	85,348,514
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Calculation of deferred tax charges on Profit or Loss Account

Deferred tax liability other than revalued asset as on March 31,2022	53,656,867	46,733,495
Deferred tax liability other than revalued asset as on June 30,2021	56,040,304	53,656,867
	2,383,437	6,923,372

20. Bank Overdrafts

Trust Bank Ltd, SKB Branch	51,137,866	50,933,128
HSBC Bank, Plc,Anchor Tower Branch,Kawranbazar	-	22,999,327
	51,137,866	73,932,455

These are secured.

21. Time Loan Bank

9% Loan - Note 21.1	385,894,927	359,397,739
5% Loan - Note 21.2	28,614,000	29,148,696
	414,508,927	388,546,435

21.1 The movement of loan is as follows:

	Amount in Taka	
	March 31, 2022	June 30, 2021
Opening Balance	359,397,739	367,249,038
Add: Interest	36,497,188	28,226,076
Paid this period	(10,000,000)	(36,077,375)
Closing Balance	385,894,927	359,397,739

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.

21.2 The movement of loan is as follows:

Opening Balance	29,148,696	28,500,000
Paid this period	(752,967)	(320,671)
Add: Interest	218,271	969,367
Closing Balance	28,614,000	29,148,696

The loan has been taken under Stimulus Package Covid-19 Pandemic from Trust Bank Ltd , Sena Kalyan Bhaban Branch, 195 Motijheel C/A, Dhaka-1000 for Working Capital requirement. The loan carries interest at 4.50% and is repayable in 24 months .

22. Loan against Trust receipts

Opening Balance	9,357,890	9,357,890
Paid this period	(9,357,890)	-
Add received this period	2,392,471	
Closing Balance	2,392,471	9,357,890

23. Creditors

	As at March 31, 2022		As at June 30, 2021	
	US\$	Taka	US\$	Taka
For Import Purchases	5,475,377	470,608,663	6,243,975	525,430,493
For Local Purchases		7,798,562		9,158,254
For Staff Income Tax		587,540		617,330
For Refund Warrant		-		371,469
		478,994,765		535,577,546

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

24. Unclaimed Dividend Account

Opening Balance	9,507,557	7,397,675
Refund Warrant	371,469	-
Addition this period	12,650,000	12,388,145
	22,529,026	19,785,820
Less: Transfer to Capital Market Stabilization Fund (CMSF)	(5,477,457)	-
Payment during this period	(11,296,103)	(10,278,263)
	5,755,466	9,507,557

As per direction of BSEC the Company subsequently deposit the mentioned amount on September 28,2021 for the purpose of transferring the amounts held against unclaimed or undistributed or unsettled dividend in cash to the Capital Market Stabilization Fund (CMSF).

25. Accrued Expenses

Gas Expenses (Factory)	14,365,780	15,192,692
Electricity Bill	375,507	76,102
Telephone	86,500	135,450
Salaries, Wages and Allowances	14,462,081	14,879,016
Security Bill	-	75,275
Legal Fee	45,000	60,000
Auditors' Fee (including Vat)	129,375	172,500
AGM Expenses	205,000	250,000
Accrued Interest (Non-Convertible Callable Zero-coupon Bond)	824,795	-
	30,494,038	30,841,035

26. Provision for Current Taxation

	Amount in Taka	
	March 31, 2022	June 30, 2021
Opening balance	49,803,043	44,069,406
Addition during the period	13,796,059	21,924,237
	63,599,102	65,993,643
Paid during the period	-	(16,190,600)
Closing Balance	63,599,102	49,803,043

27. Bills Receivable Discounted

Opening Balance	16,945,349	25,558,605
Discounted during the period	54,854,230	169,845,684
	71,799,579	195,404,289
Collected during the period	(55,245,852)	(178,458,940)
Closing Balance	16,553,727	16,945,349

28. Workers' Participation/Welfare Funds

Opening Balance	13,303,076	14,491,236
Payment during this period	(5,024,580)	(6,854,850)
	8,278,496	7,636,386
Contributions for the period	3,807,492	5,093,961
Interest during the period	465,665	572,729
Closing Balance	12,551,653	13,303,076

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

29. Current Maturity of long-term loans

29.1 Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	180,886,315	158,205,996
29.2 The Hongkong and Shanghai Banking Corporation Plc, Anchor Tower, Dhaka	-	8,577,655
29.3 IPDC Finance Limited, Hosna Centre (4th Floor), 106, Gulshan Avenue, Dhaka	46,495,109	24,602,620
	227,381,424	191,386,271

29.1 The movement of loan is as follows:

Opening Balance	158,205,996	23,357,662
Current Maturity this period	138,605,399	158,205,996
	296,811,395	181,563,658
Paid during this period	(115,925,080)	(23,357,662)
Closing Balance	180,886,315	158,205,996

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.

29.2 The movement of loan is as follows:

Opening Balance	8,577,655	31,021,832
Current Maturity this period	-	8,577,655
	8,577,655	39,599,487
Paid during this period	(8,577,655)	(31,021,832)
Closing Balance	-	8,577,655

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..

29.3 The movement of loan is as follows:

	Amount in Taka	
	March 31, 2022	June 30, 2021
Opening Balance	24,802,620	9,191,204
Current Maturity this year	33,280,335	24,802,620
	58,082,955	33,993,824
	(11,587,846)	(9,191,204)
Paid during this year	46,495,109	24,802,620
Closing Balance		

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.

30. Net Assets Value (NAV) per Share

Total Assets	3,748,122,419	3,760,592,946
Total Liabilities	(2,557,565,808)	(2,617,475,293)
A. Net Assets	1,190,556,612	1,143,117,653
B. Number of ordinary of shares	26,565,000	25,300,000
Net Assets Value (NAV) per Share (A/B)	44.82	45.18

The NAV per share increased mainly due to revaluation surplus detailed in note 14.

31. Sales	July, 2021 to March, 2022			July, 2020 to March, 2021		
	Quantity	USD	Taka	Quantity	USD	Taka
Export sales:						
Knit Fabrics (Kgs)	2,255,583	15,089,848	1,291,691,007	946,306	5,422,331	454,228,646
Garments (pcs)	4,604,252	11,464,587	981,368,622	7,287,195	18,728,092	1,568,852,277
Total		26,554,435	2,273,059,629		24,150,423	2,023,080,923

32. Export Incentives

Amount in Taka	
July, 2021 to March 31, 2022	July, 2020 to March 31, 2021
Cash Incentive	35,192,174
	35,192,174

33. Cost of Goods Sold

33.1 The break-up is as follows:-

Materials Consumed - Note 33.2	1,584,532,126	1,418,690,492
Salary, Wages and Allowances	193,168,755	189,854,863
Tiffin & Entertainment Expenses	852,458	846,584
Depreciation - Note 4.1	96,030,118	53,669,651
Stores and Spares Consumed	1,258,967	1,388,326
Factory Conveyance	896,587	1,062,564
Power and Gas	68,690,915	74,439,797
Gratuity	2,405,892	2,359,745
Vehicle expenses	1,259,862	1,375,246
Repairs and Maintenance	965,874	1,032,657
Packing & Loading Expenses	988,754	985,637
Import Landing, Clearing and Insurance	1,123,598	1,156,345
Factory Stationery Expenses	874,568	875,694
Carriage Inward and Outward	2,365,890	2,465,942
Knitting, Sewing & Processing Charge	2,658,451	2,546,947
Factory Insurance	2,564,964	2,194,220
Sewing Machine Rental	524,562	728,460
Miscellaneous	220,000	325,610
Total Manufacturing Costs for the year	1,961,382,341	1,755,998,780
Add Opening Work in Process	170,047,725	93,354,996
Total Manufacturing Costs	2,131,430,066	1,849,353,776
Less Closing Work in Process	160,229,697	84,256,413
Cost of Goods Manufactured	1,971,200,369	1,765,097,363
Add Opening Finished Goods	105,640,861	84,784,030
Cost of Goods available for use	2,076,841,230	1,849,881,393
Less Closing Finished Goods	95,133,109	84,796,548
Cost of Goods Sold	1,981,708,121	1,765,084,845

33.2 Materials Consumed

	July, 2021 to March 31, 2022		July, 2020 to March 31, 2021	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	2,681,394	1,126,185,435	3,404,664	1,004,375,964
Dyes	229,131	167,265,485	216,556	156,786,347
Chemicals	1,423,360	163,686,354	1,329,303	152,869,848
Accessories		127,394,852		104,658,313
Total Materials Consumption		1,584,532,126		1,418,690,472

34. Administrative, Selling and General Expenses

34.1 The break-up is as below:

	Amount in Taka	
	July, 2021 to March 31, 2022	July, 2020 to March 31, 2021
Directors' Remuneration	1,900,000	1,900,000
Salaries and Allowances	46,854,520	45,915,784
Security Service charges	670,510	864,000
Depreciation - Note 4.1	16,946,491	13,417,413
Electricity Expenses	1,602,280	1,912,492
Postage, Courier, Telephone and Fax	977,856	996,589
Form & Stamp	802,540	798,957
Gratuity	1,002,550	1,075,970
Travelling and Conveyance	684,587	702,654
Legal and Professional Expenses	45,000	45,000
Auditors' Fee-Note 34.2	129,375	129,375
A.G.M Expenses	205,000	225,000
Registration and Fees	658,784	685,697
Staff welfare	753,584	983,845
Stationery Expenses	635,754	687,460
Office Repairs and Maintenance	652,452	699,583
Vehicle Expenses	1,154,848	1,102,659
Entertainment Expenses	775,983	865,954
Central fund for RMG	434,520	463,762
Buying House Commission	1,150,000	1,600,000
Freight Charges & Freight out	1,954,520	2,194,220
Garments Testing & Inspection Charges	1,723,246	2,013,814
Miscellaneous	150,000	256,000
	81,864,400	79,536,228

35. Financial Expenses

Interest Expenses	153,363,044	125,430,817
Bank Charges	13,282,834	14,150,464
	166,645,878	139,581,281

35.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	465,665	519,003
Interest on Long Term Loans	92,527,181	62,121,463
Interest on Bills Discounted	4,515,784	14,951,426
Interest on Bank Overdraft	4,261,264	4,862,316
Interest on Time Loan	36,715,459	26,632,893
Interest on Non-Convertible Callable Zero-coupon Bond	824,795	-
Interest on Lease Finance	14,052,896	16,343,716
	153,363,044	125,430,817

36. Other Income

Rental income	-	274,050
Interest on FDR	1,498,505	-
Exchange Fluctuation Gain/(Loss)	425,421	498,564
	1,923,926	772,614

37. Current Tax

	Amount in Taka	
	July, 2021 to March 31, 2022	July, 2020 to March 31, 2021
Profit before tax	76,149,838	62,109,261
Depreciation as per Accounting base	112,976,609	67,087,064
	189,126,447	129,196,325
Depreciation as per Tax base	(127,237,981)	(80,576,726)
	61,888,466	48,619,599
Provision for Gratuity for the Year	3,408,442	3,435,715
	65,296,908	52,055,314
Other income (Separate calculation)	-	(274,050)
	65,296,908	51,781,264
Payment for Grauity	(4,245,874)	(3,890,450)
	61,051,034	47,890,814
Tax Rate @ 15%	9,157,655	7,183,622
Minimum tax	13,796,059	12,597,858
Add: Other income tax		
Rental income	-	274,050
Maintenance @ 30%	-	(82,215)
	-	191,835
Tax Rate @ 25%	-	47,959
Current tax	13,796,059	12,645,817
Additional Tax for the Prior Years finally determined	-	687,096
	13,796,059	13,332,913

38. Remuneration/Payments to Directors/Officers:

38.1 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	Directors	Officers
Remuneration	1,900,000	-	1,900,000	-
Basic salary		27,852,170		27,254,845
House Rent Allowance		13,545,278		13,584,582
Other benefits and perquisites		5,457,072		5,076,357
	1,900,000	46,854,520	1,900,000	45,915,784

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

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

39. Earnings per share**39.1. 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)	59,970,343	46,566,073
B. Number of ordinary of shares outstanding during the year	26,565,000	25,300,000
Earning Per Share (A/B)	2.26	1.84

39.2. 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.

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

	July, 2021 to March 31, 2022	July, 2020 to March 31, 2021
Cash flows from Operating Activities:		
Cash received from Sales , Export incentives and Others	2,302,479,836	2,076,666,645
Exchange Fluctuation Gain/ (Loss)	425,421	498,564
Receipts from Other Income	1,498,505	498,564
Cash paid for goods and services	(2,088,371,601)	(1,884,582,044)
Cash from operation	216,032,161	193,081,729
Interest paid	(153,363,044)	(125,430,817)
Income tax paid/deducted at sources	(13,796,059)	(12,597,858)
Net Cash inflows from operating activities	48,873,058	55,053,054
Divided by number of ordinary of shares	26,565,000	25,300,000
Net operating cash flows per share (NOCFPS)	1.84	2.18

41. Reconciliation of net operating cash flow

	Amount in Taka	
	July, 2021 to 'March 31, 2022	July, 2020 to 'March 31, 2021
Profit after tax	59,970,343	46,566,073
Depreciation	112,976,609	67,087,064
Changes in:		
Stock and Stores	(47,355,272)	(16,309,586)
Trade and other Debtors	(5,771,967)	14,164,738
Export Incentive Receivable	-	13,857,443
Advance Deposit and Prepayments	(15,957,518)	1,308,762
Trade Creditors	(56,582,781)	(55,565,285)
Accrued Expenses	(346,997)	(13,657,094)
Provision for Current Taxation	13,796,059	(2,857,687)
Provision for Gratuity	(837,432)	(454,735)
Workers' Participation /Welfare Funds	(751,422)	(1,640,044)
Provision for Deferred Taxation	2,264,821	2,210,275
Dividend	(12,650,000)	-
Decrease, Revaluation Surplus	118,616	118,616
Net cash provided (used) by operating activities	48,873,058	54,828,540

42.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 year ended as at March 31, 2022 is as under:

Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			March 31, 2022	June 30, 2021
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	1,291,691,007	822,975,804
		Receivable	35,695,500	23,120,000
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 Limited will be taken in next Annual General Meeting interns of BSEC Notification No. BSEC/CMRRCD/2009-193/2/Admin/103 dated 5 February 2020.

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

Name of Directors	Designation	Monthly Remuneration	Bonus during the period	March 31, 2022	June 30, 2021
Prof. Dr. Muhammad Abdul Moyeen	Chairman	-			
Mr. Mohammad Abdul Moyeed	Managing Director	200,000	100,000	1,900,000	1,900,000
Prof. 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. Md. Zakir Hossain Bhuiyan	Independent Director	200,000	100,000	1,900,000	1,900,000

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
CFO/HF&A

Sd/-
Company Secretary

H.R Textile Mills Limited
Schedule of Property, Plant and Equipment
As at March 31, 2022

Particulars	Cost or valuation		Rate %	Depreciation		W.D.V.
	As on July 01, 2021	Addition/ (Deletion)		As on March 31, 2022	As on July 01, 2021 During the period	
Factory Land and Development	8,479,375	-	-	8,479,375	-	8,479,375
Factory Building	903,026,172	55,996,024	2.50	959,022,196	17,981,666	846,443,493
Factory Shed	6,823,475		7.50	6,823,475	-	5
Plant and Machinery	1,631,218,464	14,528,580	7.00	1,645,747,044	86,401,720	609,147,208
Electric Installation	34,642,204		10.00	34,642,204	2,598,165	4,983,980
Gas Installation	7,826,035		10.00	7,826,035	586,953	493,057
Water Installation	9,380,520		10.00	9,380,520	703,539	88,834
Steam Installation	2,563,352		10.00	2,563,352	-	10
Furniture and Fixtures	11,036,777	668,290	10.00	11,705,067	50,121	628,787
Telephone Installation	1,027,861		10.00	1,027,861	-	10
Motor Vehicles	46,192,122		15.00	46,192,122	2,467,830	6,077,183
Office Equipment	39,795,147	-	10.00	39,795,147	389,058	10
Loose Tools	183,875		10.00	183,875	-	10
Factory Equipment	13,423,742	-	10.00	13,423,742	1,006,781	1,066,267
A. Total	2,715,619,121	71,192,894		2,786,812,015	112,185,833	1,477,408,229

B.Revaluation

Factory Land and Development	644,020,625	-		644,020,625	-	644,020,625
Factory Building	42,174,735	-	2.50	42,174,735	790,776	38,748,039
Total	686,195,360	-		686,195,360	790,776	682,768,664
Total (A+B) as on March 31, 2022	3,401,814,481	71,192,894		3,473,007,375	112,976,609	2,160,176,893
Total Taka as on June 30, 2021	2,664,361,072	737,453,409		3,401,814,481	91,536,030	2,201,960,608

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

Particulars	Cost or valuation		Rate %	Depreciation		W.D.V.
	As on July 01, 2020	Addition/ (Deletion)		As on July 01, 2020	During the period	
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

B.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
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