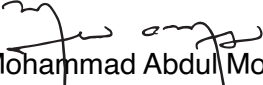


Dear Shareholders
As-salamu Alaykum Wa-rahmatullah!

We forward herewith of the Half-yearly and Second Quarter (Q2) Financial Statements (Un-audited) performances of the company for the 6 (Six) months (July to December 2022) period ended 31st December 2022 of H.R. Textile Mills Limited as per Regulation of the Stock Exchange (Listing) Regulations, 2015 under LR 17(2).


Mohammad Abdul Moyeed
Managing Director



Half-yearly and Second Quarter (Q2) Financial Statements (Un-Audited)
for the 6 (six) month period ended 31st December 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 December 31, 2022

ASSETS		Notes	Amount in Taka	
			As at December 31, 2022	As at June 30, 2022
Non-Current Assets				
Property, Plant and Equipment	4		2,311,585,049	2,352,342,968
Investment in FDR	5		83,582,637	79,396,504
Total Non-Current Assets			2,395,167,686	2,431,739,472
Current Assets				
Stocks and Stores	6		737,679,875	707,745,180
Trade and Other Debtors	7		718,830,222	682,049,353
Advances, Deposits and Prepayments	8		115,908,679	102,534,585
Cash and Bank Balances	9		59,937,221	55,466,937
Total Current Assets			1,632,355,997	1,547,796,055
TOTAL ASSETS			4,027,523,683	3,979,535,527
SHAREHOLDERS' EQUITY & LIABILITIES				
Shareholders' Equity				
Share Capital	10		265,650,000	265,650,000
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		650,523,476	650,971,582
Retained Earnings	15		289,652,706	248,853,452
Total Shareholders' Equity			1,245,161,922	1,204,810,774
Long-term Liabilities				
Long-term Loans-Secured, Future Maturity	16		1,651,023,532	1,615,926,934
Non-Convertible Callable Zero-coupon Bond	17		22,226,904	21,309,644
Provision for Gratuity	18		23,130,961	24,395,687
Provision for Deferred Taxation	19		90,335,795	88,584,586
Total long-term Liabilities			1,786,717,192	1,750,216,851
Current Liabilities				
Short-term loans	20		442,881,358	368,516,487
Trade Creditors	21		434,286,767	543,564,553
Unclaimed Dividend Account	22		5,629,562	5,698,781
Accrued Expenses	23		31,148,518	35,474,895
Provision for Current Taxation	24		56,177,282	42,980,558
Bills Receivable Discounted	25		14,970,483	16,898,858
Workers' Participation /Welfare Funds	26		10,550,599	11,373,770
Total Current Liabilities			995,644,569	1,024,507,902
Total Liabilities			2,782,361,761	2,774,724,753
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES			4,027,523,683	3,979,535,527
Net Assets Value (NAV) per share	27		46.87	45.35

The annexed notes from 1 to 39 and Annexure A to B 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
Half yearly and second Quarter (Q2) ended 31 December, 2022

(Amount in Taka)

Particulars	Notes	Half-Year Ended		Second Quarter Ended	
		July, 2022 to December, 2022	July, 2021 to December, 2021	October, 2022 to December, 2022	October, 2021 to December, 2021
Sales Revenue	28	1,330,224,447	1,584,442,861	691,627,572	763,378,895
Export Incentive	29	58,113,581	18,794,174	11,109,521	7,538,172
Turnover		1,388,338,028	1,603,237,035	702,737,093	770,917,067
Cost of Goods Sold	30	(1,174,029,025)	(1,374,295,314)	(610,143,538)	(671,662,752)
Gross Profit		214,309,003	228,941,721	92,593,555	99,254,315
Administrative, Selling and General Expens	31	(53,724,485)	(59,582,741)	(25,545,584)	(30,048,078)
Financial Expenses	32	(107,334,159)	(128,194,143)	(49,873,737)	(52,355,737)
Operating Profit		53,250,359	41,164,837	17,174,234	16,850,500
Other income	33	4,813,676	1,432,160	3,667,321	415,795
Profit Before contribution to WPPF		58,064,035	42,596,997	20,841,555	17,266,295
Contribution to WPPF	26	(2,764,954)	(2,028,428)	(992,455)	(822,204)
Net Profit before Tax		55,299,081	40,568,569	19,849,100	16,444,091
Income Tax Expenses		(15,027,011)	(12,979,059)	(5,479,680)	(4,320,866)
Current Tax	34	(13,196,724)	(10,655,100)	(4,507,961)	(5,318,014)
Deferred Tax	19	(1,830,287)	(2,323,959)	(971,719)	997,148
Net Profit after tax		40,272,070	27,589,510	14,369,420	12,123,225
Earnings per share (EPS)	36	1.52	1.09	0.54	0.48
Earnings per share (EPS)(Restated)		1.52	1.04	0.54	0.46

The annexed notes from 1 to 39 and Annexure A to B 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
Half yearly and Second Quarter (Q2) ended December 31, 2022

Particulars	Notes	Amount in Taka	
		July 22 to Dec. 22	July 21 to Dec. 21
Cash flows from Operating Activities:			
Cash received from Sales and Export incentives		1,351,557,159	1,628,915,691
Foreign currency Gain/ (Loss)		627,543	205,123
Receipts from Other Income FDR		4,186,133	1,227,037
Cash paid for goods and services		(1,322,214,894)	(1,435,048,529)
Cash from operation		34,155,941	195,299,322
Interest paid		(99,699,156)	(115,639,210)
Income tax paid/deducted at sources		(13,196,724)	(10,655,100)
Net Cash inflows from operating activities		(78,739,939)	69,005,012
Cash flows from Investing Activities:			
Acquisition of property, plant and equipment	4	(20,984,779)	(41,360,286)
Invest in FDR	5	(4,186,133)	(1,227,037)
Net Cash outflows from investing activities		(25,170,912)	(42,587,323)
Cash flows from Financing Activities:			
Long Term Loans Received/(Repaid)	16	35,096,598	19,460,414
Non-Convertible Callable Zero-coupon Bond	17	917,260	20,000,000
Short-term loans Received/(Repaid)	20	74,364,871	(57,244,021)
Unclaimed Dividend Account	22	(69,219)	(4,771,179)
Bills Receivable Discounted Received/(Repaid)	25	(1,928,375)	305,789
Net Cash inflow from financing activities		108,381,135	(61,709,411)
Net increase/(decrease) in cash and bank balances		4,470,284	(35,291,722)
Cash and bank balances on opening		55,466,937	91,594,129
Net increase/(decrease) in cash and bank balances		4,470,284	4,168,692
Cash and bank balances at closing - Note 9		59,937,221	95,762,821
Net operating cash flows per share (NOCFPS)	37	(2.96)*	2.73

* NOCFPS has been negative due to decrease collection from customers as well as increase in cost and expenses.

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 Half year (Q2) ended December 31, 2022

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2022	265,650,000	6,956,752	22,378,988	650,971,582	10,000,000	248,853,452	1,204,810,774
Revaluation Surplus realised	-	-	-	(448,106)	-	527,184	79,078
Net profit after Tax	-	-	-	-	-	40,272,070	40,272,070
Balance as on December 31, 2022	265,650,000	6,956,752	22,378,988	650,523,476	10,000,000	289,652,706	1,245,161,922

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	-	-	-	(448,106)	-	527,184	79,078
Net profit after Tax	-	-	-	-	-	27,589,510	27,589,510
Balance as on December 31, 2021	253,000,000	6,956,752	22,378,988	651,419,688	10,000,000	227,030,813	1,170,786,241

Sd/-	Sd/-	Sd/-
Managing Director	Director	CFO/HF & A
	Director	Company Secretary

H.R TEXTILE MILLS LIMITED
Notes to the Financial Statements
For the Q2 Quarter ended 31 December, 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 2020 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 2022 to 31 December, 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 December 31, 2022;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period ended December 31, 2022;
- (iii) Statements of Changes in Shareholders' Equity for the period ended December 31, 2022;
- (iv) Statement of Cash Flows for the period ended December 31, 2022; and
- (v) Notes to the Financial Statements for the period ended December 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 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

Marker 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.

4. Property , Pant and Equipment**a) Cost**

Opening Balance

Add: Addition during the period

Sub total (a)**b) Accumulated Depreciation**

Opening Balance

Add: Charged during the period

Sub total (b)**Written Down Value (a-b)**

Amount in Taka	
December 31, 2022	June 30, 2022
3,657,995,867	3,401,814,481
20,984,779	256,181,386
3,678,980,646	3,657,995,867
1,305,652,899	1,199,853,873
61,742,698	105,799,026
1,367,395,597	1,305,652,899
2,311,585,049	2,352,342,968

(Details Schedule of PPE are shown in Annexure-A)

5. Investment in FDR

Opening Balance

Add: Addition during the period

Add: Interest during the period

Closing Balance

79,396,504	15,897,500
-	62,500,000
4,186,133	999,004
83,582,637	79,396,504

These above mentioned amount of three FDR are liened against Five years IPDC Finance Limited Guarantees amounting Tk.79,396,504 which have been issued by IPDC Finance Limited in favor of IPDC Finance Limited . Hence, the same have been shown as non-current asstes.

6. Stocks and stores

6.1 The make-up is as below:

	December 31, 2022		June 30, 2022	
	In Kg	Taka	In Kg	Taka
6.2 Stock of Yarn	855,002	293,265,675	664,167	263,525,152
6.3 Stock of Dyes and Chemicals	295,333	85,334,443	255,459	84,628,140
6.4 Stock of Work-in-Process		185,225,085		184,171,796
6.5 Stock of Finished Goods		127,053,093		129,658,287
Stock of Accessories		19,574,587		17,865,357
Goods in Transit		16,658,542		13,659,858
		727,111,425		693,508,590
Stock of Spares		10,568,450		14,236,590
		737,679,875		707,745,180

6.2 Stock of Yarn

Stock of Yarn	855,002	293,265,675	664,157	263,525,152
	855,002	293,265,675	664,157	263,525,152

6.3 Stock of Dyes and Chemicals

Dyes	59,257	42,368,595	56,957	42,105,783
Chemicals	236,076	42,965,848	198,502	42,522,357
	295,333	85,334,443	255,459	84,628,140

6.4 Stock in Work in Process

Cost of Materials		119,856,875		105,936,538
Costs of Conversion		65,368,210		78,235,258
		185,225,085		184,171,796

6.5 Stock of Finished Products

Finished Garments	95,516	30,469,530	156,425	43,354,766
Knitted Fabrics	142,875	96,583,563	126,733	86,303,521
	238,391	127,053,093	283,158	129,658,287

7. Trade and Others Debtors

	December 31, 2022		June 30, 2022	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days)	6,484,522	654,936,722	7,129,448	648,499,353
Other Debtors	632,609	63,893,500	400,119	33,550,000
	7,117,131	718,830,222	7,529,567	682,049,353

These are unsecured but considered good.

8. Advances, Deposits and Prepayments**Advances :**

	Amount in Taka	
	December 31,2022	June 30,2022
Salary Advance	1,325,940	1,252,650
Advance Tax	1,243,500	923,000
Factory Insurance Advance	203,588	1,168,166
IPDC Finance Ltd	8,709,484	8,709,484
Operational Advance	9,302,668	8,554,510
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	53,344,028	40,147,304
	80,729,208	67,355,114

Deposits :

Security Deposits	17,381,571	17,381,571
Bank Guarantee Margin	17,797,900	17,797,900
	35,179,471	35,179,471
	115,908,679	102,534,585

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	42,852	14,763
Mutual Trust Bank Ltd., Gulshan Branch, CD A/c	11,279	217,707
Mutual Trust Bank Ltd., Gulshan Branch, Fund buildup A/c	7,799,450	2,432,069
Mutual Trust Bank Ltd., Gulshan Branch, Dollar A/c	1,653,919	122,486
Mutual Trust Bank Ltd., Gulshan Branch, ERQ A/c	47,703	88,501
Mutual Trust Bank Ltd., Gulshan Branch, SND A/c	-	5,836
HSBC, Anchor Tower Branch, FCY A/c	47,499	97,718
HSBC, Anchor Tower Branch, CD A/c	17,250	422,572
Trust Bank Ltd, SKB Branch, Dollar A/c	52,776	6,856,936
Trust Bank Ltd, SKB Branch, FCAD A/c	17,346	318,086
Trust Bank Ltd, SKB Branch, CD A/c	4,619	1,306,972
United Commercial Bank, Gulshan Corporate Branch, CD a/c		965
Al-Arafah Islami Bank Ltd, Al-Arafah Tower Corporate Branch, CD A/c	313,750	227,956
Dutch Bangla Bank Ltd., Gulshan Branch, CD A/c	325,484	109,344
AB Bank Ltd, Motijheel Branch, CD A/c	81,557	144,290
AB Bank Ltd, Motijheel Branch, Notice A/c	462,022	509,112
	10,877,506	12,875,313

With Bank on Short Term Deposit Account:

Trust Bank Ltd., SKB Branch, SND A/c	45,543,029	39,078,137
Southeast Bank Ltd, Principal Branch, STD A/c	58,236	58,867
	45,601,265	39,137,004
Cash at Banks	56,478,771	52,012,317
Cash in Hand	3,458,450	3,454,620
	59,937,221	55,466,937

10. Share Capital**10.1 Authorized:**

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

Amount in Taka	
December 31, 2022	June 30, 2022
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

11,300,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares

1,265,000 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
113,000,000	113,000,000
12,650,000	12,650,000
265,650,000	265,650,000

10.3 Composition of Shareholdings:**Classes of Holdings**

Sponsors

Financial Institutions

General Public

December 31, 2022		June 30, 2022	
No. of Shares	%	No. of Shares	%
13,449,047	50.63	13,449,047	50.63
1,941,963	7.31	1,610,080	6.06
11,173,990	42.06	11,505,873	43.31
26,565,000	100.00	26,565,000	100.00

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	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 issued	20,000,000	20,000,000
29.03.2012	330,000	15% shares issued as Bonus (330,000 shares of Tk.100 each issued	33,000,000	33,000,000
24.01.2022	126,500	5% shares issued as Bonus (126,500 shares of Tk.100 each issued	12,650,000	12,650,000
Total	2,656,500		265,650,000	265,650,000

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	
December 31, 2022	June 30, 2022
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

Amount in Taka	
December 31, 2022	June 30, 2022
10,000,000	10,000,000
10,000,000	10,000,000

14. Revaluation Surplus

Revaluation Surplus

Revaluation reserve realised

Closing Balance

650,971,582	651,867,794
(448,106)	(896,212)
650,523,476	650,971,582

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 30,2022

Total Comprehensive income for the period:

Profit for the period

Revaluation reserve realised

248,853,452	198,914,119
40,272,070	74,184,965
527,184	1,054,368
289,652,706	274,153,452

Dividend during the year:

Final dividend for previous year (Bonus Share)	-	(12,650,000)
Final dividend for previous year (Cash)		(12,650,000)

Balance as on December 31, 2022	289,652,706	248,853,452
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16. Long-term Loan -Secured Future Maturity

Al-Arafah Islami Bank Ltd, Head office corporate branch	16.01	1,036,323,000	-
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	16.02	-	956,293,060
IPDC Finance Ltd., Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka-1212	16.03	326,092,156	343,541,632
United Commercial Bank Ltd, Corporate Branch, , Dhaka-1212	16.04	288,608,376	316,092,242
		1,651,023,532	1,615,926,934

16.1 The movement of loan is as follows:

Opening Balance	-	
Loan received this period	1,019,000,000	
Add: Interest	17,323,000	
Less: Current Maturity this period	-	
Closing Balance	1,036,323,000	

The loan has been taken from Al-Arafah Islami Bank Ltd, Head office corporate branch, 63 Purana Palton, Dhaka to pay-off the term loan of Mutual Trust bank Limited. The loan carries interest at 9% and is repayable for a period of 7 years (without 1 years grace period). The loan is secured by hypothecation of stock, machinery, land & factory Building, equipment and book debts.

16.2 The movement of loan is as follows:

Opening Balance	956,293,060	987,768,518
Loan received this period	-	55,073,745
Add: Interest	33,301,127	97,502,431
Less: Paid during this period	(807,291,850)	-
Less: Current Maturity this period	(182,302,337)	(184,051,634)
Closing Balance	-	956,293,060

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.

16.3 The movement of loan is as follows:

Opening Balance	343,541,632	143,787,678
Add: Received this year	-	250,000,000
Add : Interest during this period	19,591,578	23,297,040
Less: Current Maturity this period	(37,041,054)	(73,543,086)
Closing Balance	326,092,156	343,541,632

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 11% and is repayable in 72 equal monthly installments, starting from 25 November 2019.

16.4 The movement of loan is as follows:

	Amount in Taka	
	December 31, 2022	June 30, 2022
Opening Balance	316,092,242	359,397,739
Paid this period	-	(10,031,911)
Accrued Interest	18,539,830	45,308,209
	334,632,072	394,674,037
Current Maturity	(46,023,696)	(78,581,795)
Closing Balance	288,608,376	316,092,242

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

17. Non-Convertible Callable Zero-coupon Bond

Opening Balance	21,309,644	-
Received this period	-	20,000,000
Add: Accrued Interest	917,260	1,309,644
Closing Balance	22,226,904	21,309,644

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
Contribution during this Period

Paid during this period
Closing Balance

Amount in Taka	
December 31, 2022	June 30, 2022
24,395,687	26,096,182
1,592,128	3,955,180
25,987,815	30,051,362
(2,856,854)	(5,655,675)
23,130,961	24,395,687

19. Deferred Tax Liability

Opening Balance
Provision during the period
Adjustment for depreciation of revalued assets
Closing balance

88,584,586	85,348,514
1,830,287	3,394,227
(79,078)	(158,155)
90,335,795	88,584,586

A. Property, Plant and Equipment

WDV of Accounting Base
WDV of Tax Base
Texable temporary difference

1,629,607,161	1,669,837,897
1,213,933,660	1,265,101,585
415,673,501	404,736,312

Tax Rate

15% 15%

Deferred tax liability / (asset)

62,351,025	60,710,447
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B. Deferred Tax on Gratuity Provision

Opening Balance of deferred tax liability for gratuity provision
Add: Addition during the period

(3,659,353)	(3,914,427)
189,709	255,074
(3,469,644)	(3,659,353)

C. Calculation of deferred Tax

Revalued value of Land
Revalued value of other than land

644,020,625	644,020,625
37,957,263	38,484,447

Tax Rate

On land
On other than land

4% 4%
15% 15%**Deferred tax liabilities**

On land
On other than land

25,760,825	25,760,825
5,693,589	5,772,667

Deferred tax liability / (asset)

31,454,414	31,533,492
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Total (A+B+C)

90,335,795	88,584,586
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Calculation of deferred tax charges on Profit or Loss Account

Deferred tax liability other than revalued asset as on June 30,2022
Deferred tax liability other than revalued asset as on December 31,2022

57,051,094	53,656,867
58,881,381	57,051,094
1,830,287	3,394,227

20. Short-term loans

Bank Overdrafts
Time Loan
Loan against Trust receipts
Current Maturity of Long-term loans

		Amount in Taka	
		December 31,2022	June 30,2022
20.01	Bank Overdrafts	51,202,874	51,160,682
20.02	Time Loan	26,792,204	25,586,681
20.03	Loan against Trust receipts	29,422,244	27,848,526
20.04	Current Maturity of Long-term loans	335,464,036	263,920,598
		442,881,358	368,516,487

20.01 Bank Overdrafts

Trust Bank Ltd, SKB Branch

51,202,874	51,160,682
51,202,874	51,160,682

These are secured.

20.02 Time Loan Bank: The movement of loan is as follows:

Opening Balance
Paid this period
Add: Interest
Closing Balance

25,586,681	29,148,696
-	(4,298,696)
1,205,523	736,681
26,792,204	25,586,681

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 9% and is repayable in 24 months .

20.03. Loan against Trust receipts

Opening Balance	27,848,526	9,357,890
Less: Paid this period	(2,940,223)	(9,357,890)
Add: Interest during the period	1,128,014	
Add: Received during the period	3,385,927	27,848,526
Closing Balance	<u>29,422,244</u>	<u>27,848,526</u>

20.04 Current Maturity of long-term loans

Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	20.04.01	129,591,289	133,380,745
IPDC Finance Limited, Hosna Centre (4th Floor), 106, Gulshan Avenue, Dhaka	20.04.02	81,267,256	51,958,058
United Commercial Bank Ltd, Corporate Branch, , Dhaka-1212	20.04.03	124,605,491	78,581,795
		<u>335,464,036</u>	<u>263,920,598</u>

20.04.01 The movement of loan is as follows:

Opening Balance	133,380,745	158,205,996
Current Maturity this period	182,302,337	184,051,634
	<u>315,683,082</u>	<u>342,257,630</u>
Paid during this period	(186,091,793)	(208,876,885)
Closing Balance	<u>129,591,289</u>	<u>133,380,745</u>

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.

20.04.02 The movement of loan is as follows:

Opening Balance	51,958,058	24,802,620
Current Maturity this year	37,041,054	73,543,086
	<u>88,999,112</u>	<u>98,345,706</u>
	<u>(7,731,856)</u>	<u>(46,387,648)</u>
Paid during this year	<u>81,267,256</u>	<u>51,958,058</u>
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 11% and is repayable in 72 equal monthly installments, starting from 25 November 2019.

20.04.03 The movement of loan is as follows:

Opening Balance	78,581,795	
Current Maturity	46,023,696	78,581,795
Closing Balance	<u>124,605,491</u>	<u>78,581,795</u>

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

21. Creditors

	As at December 31, 2022		As at June 30, 2022	
	US\$	Taka	US\$	Taka
For Import Purchases	4,182,018	426,565,807	5,744,216	533,445,314
For Local Purchases		7,395,540		9,450,190
For Staff Income Tax		325,420		669,049
		<u>434,286,767</u>		<u>543,564,553</u>

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

22. Unclaimed Dividend Account

	Amount in Taka	
	December 31, 2022	June 30, 2022
Opening Balance	5,698,781	9,507,557
Refund Warrant	-	371,469
Addition this period	-	12,650,000
Sale of Fractional Bonus share		276,369
	<u>5,698,781</u>	<u>22,805,395</u>
Less: Transfer to Capital Market Stabilization Fund (CMSF)	-	(5,477,457)
Payment during this period	(69,219)	(11,629,157)
	<u>5,629,562</u>	<u>5,698,781</u>

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).

23. Accrued Expenses

Gas Expenses (Factory)	15,267,195	15,125,133
Electricity Bill	280,793	188,289
Telephone	122,500	145,240
Salaries, Wages and Allowances	15,246,540	19,533,733
Legal Fee	30,000	60,000
Auditors' Fee (including Vat)	86,250	172,500
AGM Expenses	115,240	250,000
	<u>31,148,518</u>	<u>35,474,895</u>

24. Provision for Current Taxation

Opening balance	42,980,558	49,803,043
Addition during the period	13,196,724	18,910,163
	56,177,282	68,713,206
Paid during the period	-	(25,732,648)
Closing Balance	56,177,282	42,980,558

25. Bills Receivable Discounted

Opening Balance	16,898,858	16,945,349
Discounted during the period	44,956,875	156,985,430
	61,855,733	173,930,779
Collected during the period	(46,885,250)	(157,031,921)
Closing Balance	14,970,483	16,898,858

26. Workers' Participation/Welfare Funds

Opening Balance	11,373,770	13,303,076
Payment during this period	(3,869,534)	(7,265,842)
	7,504,236	6,037,234
Contributions for the period	2,764,954	4,883,743
Interest during the period	281,409	452,793
Closing Balance	10,550,599	11,373,770

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

27. Net Assets Value (NAV) per Share

Total Assets	4,027,523,683	3,979,535,527
Total Liabilities	(2,782,361,761)	(2,774,724,753)
A. Net Assets	1,245,161,922	1,204,810,774
B. Number of ordinary of shares	26,565,000	26,565,000
Net Assets Value (NAV) per Share (A/B)	46.87	45.35

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

28. Sales	July 1, 2022 to December 31, 2022			July 1, 2021 to December 31, 2021		
	Quantity	USD	Taka	Quantity	USD	Taka
Export sales:						
Knit Fabrics (Kgs)	1,339,004	8,957,937	904,751,639	754,795	5,049,576	427,699,111
Garments (pcs)	1,324,718	4,212,602	425,472,808	5,529,130	13,656,951	1,156,743,750
Total		13,170,539	1,330,224,447		18,706,527	1,584,442,861

29. Export Incentives

Amount in Taka

	July, 2022 to December 31, 2022	July, 2021 to December 31, 2021
Cash Incentive	58,113,581	18,794,174
	58,113,581	18,794,174

30. Cost of Goods Sold

30.1 The break-up is as follows:-

Materials Consumed - Note 30.2	945,819,553	1,120,079,104
Salary, Wages and Allowances	111,998,549	127,925,146
Tiffin & Entertainment Expenses	456,246	492,542
Depreciation	49,394,159	44,834,788
Stores and Spares Consumed	455,325	912,540
Factory Conveyance	445,620	525,481
Power and Gas	54,236,467	49,728,815
Gratuity	1,022,328	1,584,524
Vehicle expenses	958,159	975,845
Repairs and Maintenance	569,305	855,420
Packing & Loading Expenses	659,027	954,202
Import Landing, Clearing and Insurance	705,460	920,150
Factory Stationery Expenses	652,503	732,560
Carriage Inward and Outward	1,508,465	1,684,582
Knitting, Sewing & Processing Charge	1,468,002	2,536,420
Factory Insurance	1,797,438	1,590,188
Sewing Machine Rental	254,864	426,520
Miscellaneous	75,650	158,010
Total Manufacturing Costs for the year	1,172,477,120	1,356,916,837
Add Opening Work in Process	184,171,796	170,047,725
Total Manufacturing Costs	1,356,648,916	1,526,964,562
Less Closing Work in Process	185,225,085	162,185,089
Cost of Goods Manufactured	1,171,423,831	1,364,779,473
Add Opening Finished Goods	129,658,287	105,640,861
Cost of Goods available for use	1,301,082,118	1,470,420,334
Less Closing Finished Goods	127,053,093	96,125,020
Cost of Goods Sold	1,174,029,025	1,374,295,314

30.2 Materials Consumed

	July 1, 2022 to December 31, 2022		July 1, 2021 to December 31, 2021	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	1,924,690	675,565,845	2,005,653	776,187,548
Dyes	155,118	110,598,563	165,433	120,765,845
Chemicals	784,539	104,343,677	1,141,597	118,726,064
Accessories		55,311,468		104,399,647
Total Materials Consumption		945,819,553		1,120,079,104

31. Administrative, Selling and General Expenses

Amount in Taka

	July, 2022 to December 31, 2022	July, 2021 to December 31, 2021
31.1 The break-up is as below:		
Directors' Remuneration	1,300,000	1,300,000
Salaries and Allowances	31,568,542	33,927,672
Security Service charges	-	576,000
Depreciation	12,348,539	11,208,697
Electricity Expenses	1,290,436	1,329,985

Postage, Courier, Telephone and Fax	556,596	785,642
Form & Stamp	426,805	542,653
Gratuity	569,800	988,542
Travelling and Conveyance	365,322	458,642
Legal and Professional Expenses	30,000	30,000
Auditors' Fee-Note 34.2	86,250	86,250
A.G.M Expenses	173,520	182,354
Registration and Fees	433,158	565,840
Staff welfare	352,422	802,540
Stationery Expenses	363,590	578,535
Office Repairs and Maintenance	359,577	572,628
Vehicle Expenses	765,593	1,196,589
Entertainment Expenses	436,668	572,560
Central fund for RMG	94,369	384,922
Buying House Commission	250,000	200,000
Freight Charges & Freight out	756,540	1,852,427
Garments Testing & Inspection Charges	1,091,558	1,237,763
Miscellaneous	105,200	202,500
	53,724,485	59,582,741

32. Financial Expenses

Interest Expenses	99,699,156	115,639,210
Bank Charges	7,635,003	12,554,933
	107,334,159	128,194,143

32.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	281,409	373,081
Interest on Long Term Loans	69,163,957	71,607,553
Interest on Loan against Trust receipts	1,128,014	-
Interest on Bills Discounted	3,889,654	3,283,658
Interest on Bank Overdraft	2,393,747	3,121,806
Interest on Time Loan	2,333,537	27,287,067
Interest on Non-Convertible Callable Zero-coupon Bond	917,260	374,795
Interest on Lease Finance	19,591,578	9,591,250
	99,699,156	115,639,210

33. Other Income

Interest on FDR	4,186,133	1,227,037
Exchange Fluctuation Gain/(Loss){ see below}	627,543	205,123
	4,813,676	1,432,160

34. Current Tax

	Amount in Taka	
	July, 2022 to December 31, 2022	July, 2021 to December 31, 2021
Profit before tax	55,299,081	40,568,569
Depreciation as per Accounting base	61,742,698	56,043,485
	117,041,779	96,612,054
Depreciation as per Tax base	(72,152,705)	(71,125,575)
	44,889,074	25,486,479
Provision for Gratuity for the Year	1,592,128	2,573,066
	46,481,202	28,059,545
Other income (Separate calculation)	-	-
	46,481,202	28,059,545
Payment for Grauity	(2,856,854)	(2,456,854)
	43,624,348	25,602,691
Tax Rate @ 15%	6,543,652	3,840,404
Minimum tax	13,196,724	10,655,100
Current tax	13,196,724	10,655,100

35. Remuneration/Payments to Directors/Officers:

35.1 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	1,300,000	-	1,300,000	-
Basic salary		19,256,425		20,256,410
House Rent Allowance		9,586,421		10,558,452
Other benefits and perquisites		2,725,696		3,112,810
	1,300,000	31,568,542	1,300,000	33,927,672

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

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

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 composition of EPS is given below:

A. Earnings attributable to the Ordinary Shareholders (net Profit after tax)	40,272,070	27,589,510
B. Number of ordinary of shares outstanding during the year	26,565,000	25,300,000
Earning Per Share (A/B)	1.52	1.09

36.2. 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.

37. Net Operating Cash Flows per Share (NOCFPS):**Cash flows from Operating Activities:**

	July, 2022 to December 31, 2022	July, 2021 to December 31, 2021
Cash received from Sales , Export incentives and Others	1,351,557,159	1,628,915,691
Exchange Fluctuation Gain/ (Loss)	627,543	205,123
Receipts from Other Income	4,186,133	1,227,037
Cash paid for goods and services	(1,322,214,894)	(1,435,048,529)
Cash from operation	34,155,941	195,299,322
Interest paid	(99,699,156)	(115,639,210)
Income tax paid/deducted at sources	(13,196,724)	(10,655,100)
Net Cash inflows from operating activities	(78,739,939)	69,005,012
Divided by number of ordinary of shares	26,565,000	25,300,000
Net operating cash flows per share (NOCFPS)	(2.96)	2.73

38. Reconciliation of net operating cash flow

	Amount in Taka	
	July, 2022 to December 31, 2022	July, 2021 to December 31, 2021
Profit after tax	40,272,070	27,589,510
Depreciation	61,742,698	56,043,485
Changes in:		
Stock and Stores	(29,934,695)	(7,106,079)
Trade and other Debtors	(36,780,869)	25,678,656
Advance Deposit and Prepayments	(13,374,094)	(11,119,337)
Trade Creditors	(109,277,786)	(34,231,559)
Accrued Expenses	(4,326,377)	7,809
Provision for Current Taxation	13,196,724	10,655,100
Provision for Gratuity	(1,264,726)	116,212
Workers' Participation /Welfare Funds	(823,171)	(952,744)
Provision for Deferred Taxation	1,751,209	2,244,881
Decrease, Revaluation Surplus	79,078	79,078
Net cash provided (used) by operating activities	(78,739,939)	69,005,012

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 year ended as at, December 31,2020 is as under:

Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			December 31,2022	December 31,2021
shion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	904,751,639	427,699,111
		Receivable	63,893,500	35,285,000
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	December 31, 2022	December 31, 2021
Dr. Muhammad Abdul Moyee	Chairman	-	-	-	-
Mr. Mohammad Abdul Moyee	Managing Director	200,000	100,000	1,300,000	1,300,000
Mr. Mohamamd Abdul Mome	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Dr. A.H.M Habibur Rahman	Independent Director	-	-	-	-
Mr. Mohammad Kabiruzzan	Independent Direc	200,000	100,000	1,300,000	1,300,000

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
CFO/HF & A

Sd/-
Company Secretary

Annexure-A

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

(Amount in Taka)

Particulars	Cost or valuation			Rate %	Depreciation			W.D.V.
	As on July 01, 2022	Addition/ (Deletion)	As on December 31, 2022		As on July 01, 2022	During the period	As on December 31, 2022	
Factory Land and Development	8,479,375	-	8,479,375	-	-	-	-	8,479,375
Factory Building	984,450,532	17,154,594	1,001,605,126	2.50	117,200,576	12,520,064	129,720,640	871,884,486
Factory Shed	6,823,475		6,823,475	7.50	6,823,470	-	6,823,470	5
Plant and Machinery	1,801,757,486	2,759,285	1,804,516,771	7.00	1,022,940,114	41,026,591	1,063,966,705	740,550,066
Electric Installation	36,482,818		36,482,818	10.00	30,649,844	1,824,141	32,473,985	4,008,833
Gas Installation	7,826,035		7,826,035	10.00	6,881,025	391,302	7,272,327	553,708
Water Installation	9,753,520		9,753,520	10.00	9,530,184	223,326	9,753,510	10
Steam Installation	2,563,352		2,563,352	10.00	2,563,342	-	2,563,342	10
Furniture and Fixtures	11,132,967	-	11,132,967	10.00	11,031,994	100,963	11,132,957	10
Telephone Installation	1,027,861		1,027,861	10.00	1,027,851	-	1,027,851	10
Motor Vehicles	46,192,122		46,192,122	15.00	40,937,549	3,464,409	44,401,958	1,790,164
Office Equipment	40,309,847	1,070,900	41,380,747	10.00	39,406,079	923,856	40,329,935	1,050,812
Loose Tools	183,875		183,875	10.00	183,865	-	183,865	10
Factory Equipment	14,817,242	-	14,817,242	10.00	12,786,718	740,862	13,527,580	1,289,662
A. Total	2,971,800,507	20,984,779	2,992,785,286		1,301,962,611	61,215,514	1,363,178,125	1,629,607,161

B.Revaluation

Factory Land and Development	644,020,625	-	644,020,625		-	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	2.50	3,690,288	527,184	4,217,472	37,957,263
Total	686,195,360	-	686,195,360		3,690,288	527,184	4,217,472	681,977,888
Total (A+B) as on December 31, 2022	3,657,995,867	20,984,779	3,678,980,646		1,305,652,899	61,742,698	1,367,395,597	2,311,585,049

Allocation of Depreciation

Particulars	Notes	December 31, 2022	December 31, 2021
Cost of Goods sold	30.01	49,394,159	44,834,788
Administrative Expenses	31.01	12,348,539	11,208,697
		61,742,698	56,043,485

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

Annexure-A

(Amount in Taka)

Particulars	Cost or valuation		Rate %	Depreciation		W.D.V.
	As on July 01, 2021	Addition/ (Deletion)		As on July 01, 2021	During the period	
Factory Land and Development	8,479,375	-	-	-	-	8,479,375
Factory Building	903,026,172	36,606,786	2.50	94,597,037	11,745,412	833,290,509
Factory Shed	6,823,475	-	7.50	6,823,470	-	5
Plant and Machinery	1,631,218,464	4,278,500	7.00	950,198,116	37,019,105	648,279,743
Electric Installation	34,642,204	-	10.00	27,060,059	1,732,110	5,850,035
Gas Installation	7,826,035	-	10.00	6,746,025	391,302	688,708
Water Installation	9,380,520	-	10.00	8,588,147	469,026	323,347
Steam Installation	2,563,352	-	10.00	2,563,342	-	10
Furniture and Fixtures	11,036,777	475,000	10.00	11,026,159	23,750	461,868
Telephone Installation	1,027,861	-	10.00	1,027,851	-	10
Motor Vehicles	46,192,122	-	15.00	37,647,109	3,464,409	5,080,604
Office Equipment	39,795,147	-	10.00	39,406,079	-	389,068
Loose Tools	183,875	-	10.00	183,865	-	10
Factory Equipment	13,423,742	-	10.00	11,350,694	671,187	1,401,861
A. Total	2,715,619,121	41,360,286		1,197,217,953	55,516,301	1,504,245,153

B.Revaluation

Factory Land and Development	644,020,625	-	-	-	-	644,020,625
Factory Building	42,174,735	-	2.50	2,635,920	527,184	39,011,631
Total	686,195,360	-		2,635,920	527,184	683,032,256
Total (A+B) as on December 31,2021	3,401,814,481	41,360,286		1,199,853,873	56,043,485	2,187,277,409

Allocation of Depreciation

Particulars	Notes	December 31, 2021	December 31, 2020
Cost of Goods sold	30.01	44,834,788	36,034,800
Administrative Expenses	31.01	11,208,697	9,008,700
		56,043,485	45,043,500

H.R Textile Mills Limited
Schedule of Quantitywise Movement of Inventories
For the year ended on December 31, 2022

Annexure-B

Particulars	Opening Stock			Purchase/Production			Material Consumed/Sales			Closing Stock		
	Quantity	Unit	Rate	Taka	Quantity	Unit	Rate	Taka	Quantity	Unit	Rate	Taka
Yarn	664,157	Kg	396.78	263,525,152	2,115,535	Kg	333.39	705,306,368	1,924,690	Kg	351.00	675,565,845
Dyes	56,357	Kg	739.26	42,105,783	157,418	Kg	704.25	110,861,375	155,118	Kg	713.00	110,598,563
Chemicals	198,502	Kg	214.22	42,522,357	822,113	Kg	127.46	104,787,168	784,539	Kg	133.00	104,343,677
Work-in-Process	-	-	-	184,171,796	-	-	-	-	-	-	-	185,225,085
Finished Fabrics	126,733	Kg	680.69	86,303,521	-	-	-	-	-	Kg	676.00	86,583,563
Finished Goods	156,425	Pcs	277.16	43,354,766	-	-	-	-	-	Pcs	319.00	30,469,530
Accessories	-	-	-	17,865,357	-	-	-	57,020,698	-	-	-	19,574,587
Goods in Transit	-	-	-	13,659,858	-	-	-	-	-	-	-	16,658,542
Spare Parts	-	-	-	14,236,590	-	-	-	-	-	-	-	10,588,450
Total	1,202,774			707,745,180	3,095,066	-		977,975,609	2,864,347	-		737,679,875