

নিরীক্ষা প্রতিবেদন
AUDITORS' REPORT

OF

Auditors' Report
of
H.R. Textile Mills Limited
For the year ended on June 30, 2022



Solution....Begins



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

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Independent Auditors' Report
To the Shareholders of
H.R. Textile Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **H.R. Textile Mills Limited** (the "Company"), which comprise Statement of Financial Position as at June 30, 2022, and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including summary of significant accounting policies and other explanatory information disclosed in notes 1 to 45 and Annexure-A & B.

In our opinion, the accompanying Financial Statements presents fairly in all material respects, the Financial Position of the Company as at June 30, 2022, and its financial performance and its Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange rules 2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue <p>As at June 30, 2022, the company has made total revenue amounting Tk. 2,953,308,668 reported in the financial statements which are 100% exported of Knit Fabrics and Garments product amounting Tk. 1,310,002,517 and 1,643,306,151 respectively.</p> <p>This matter is considered a key matter due to the level of judgment required to determine the timing of revenue recognition and measurement.</p>	<p>Our procedure includes:</p> <ol style="list-style-type: none"> 1. Reviewing the director's assessment of selecting the major customer, ensuring the veracity of the data presented and assessing management's consideration of this process; 2. Assessing completeness and accuracy of the data used for recognition of revenue; 3. Considering the adequacy of the financial statement disclosures contained in relation with revenue during the year; 4. Evaluating the appropriateness of the notes related to the company's revenue; and 5. Examining the long term contracts with major customers, long-term contracts make it more difficult for customers to switch vendors suddenly.
Refer note no. 29.00 to the Statement of Profit or Loss and other Comprehensive Income.	





Acquisition of Property, Plant & Equipment

At the end of the year the company recorded total Property, Plant & Equipment Tk. 2,352,342,968 (Carrying Amount). The company made a number of significant acquisitions for Tk. 256,181,386 the year.

There is a risk that the assets being overvalued, either by inflating cost or valuation

Our procedure includes:

1. Testing relevant controls within the purchase and measurement process of the non-current assets;
2. Recalculating the depreciation and amortization of the non-current assets;
3. Evaluating the basis for the rate of charging amortization and depreciation and determination of useful life;
4. Identifying if there is any impairment indicator; and
5. Assessing the justification of the valuation.

Refer note no. 4.00 to the Statement of Financial Position.

Stock and Stores

The company had inventory of Tk. 707,745,180 at June 30, 2022 held in the factory, store house and across multiple product lines. Inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate values for slow-moving or obsolete items.

Our procedure includes:

1. Evaluating the design and implementation of key inventory controls operating across the company, including stock in the factory and in the store house;
2. Checking the management's inventory count sheet and reconciling the count result to the inventory listing to test the completeness of data;
3. Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, tot the cost price of a sample of inventories;

Refer note no. 7.00 to the Statement of Financial Position.



Long Term Loan

Long term loans were taken from Mutual Trust Bank Ltd, IPDC Finance Limited and United Commercial Bank Ltd under various terms and conditions, applicable interest rate, repayment time and fund utilization make it complex audit issue.

Our procedure includes:

1. Testing the effectiveness of the company's control around the recording of loan, interest, and repayments;
 2. Obtaining supporting documents of loan taken, utilization of loan, bank statements, and transaction recorded either side of the year and credit notes issued after the year-end to determine whether the amount recorded in the correct period;
 3. Test interest rates application, calculation, and repayments for carrying amount and current and non-current distinguish;
 4. Considering the adequacy of the company's disclosure regarding the Loan; and
- the result of our testing is satisfactory and we considered the carrying amount of the loan recognized to be acceptable and recorded correctly.

Refer note no. 17.00 to the Statement of Financial Position.

Measurement and Recognition Deferred Tax Liability

The Company reported net deferred tax liability total Tk. 88,584,586 as at 30 June 2022. Because of reduction in the rate of tax during the year there has been Expenses in deferred tax for Tk. 3,394,227.

Significant judgment is required in relation to deferred tax liability as their adjustability is dependent on forecasts of future.

Our procedure includes:

1. Evaluating the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company;
2. Assessing the completeness and accuracy of the data used for the estimations of future taxable expense/income;
3. Evaluating the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability;
4. Testing the tax implications, the reasonableness of estimates and calculations determined by management; and
5. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

Refer note no. 20.00 to the Statement of Financial Position.



Provision for Current Income Tax

Provision for the income tax requires the consideration of income from Export Sales and other income also consider the previous year's shortfall provision.

Our procedure includes:

1. Reviewing the tax calculation work flows and related details. To be specific, our substantive testing procedures included the following;
2. Current tax has been calculated on the basis of add and back some inadmissible and admissible expenses respectively as per ITO 1984;
3. Tax on income from export was derived properly; and
3. Exclusions as allowable by the 6th Schedule- (Part A, Para 28) of ITO 1984 were applied duly.

Refer note no. 25.00 to the Statement of Financial Position.

Other Information

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

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 other applicable laws and regulation and the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are






therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, as records and other statutory books as required by law have been kept by the H.R. Textile Mills Limited so far as it appeared from our examination of these books;
- c) The statements of Financial Position and Statement of Profit or Loss and other Comprehensive Income dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Firms' Name : Rahman Mostafa Alam & Co., Chartered Accountants
Signature : 
Auditor's Name : Mohammad Mofizul Haque Rinku FCA, **Partner/Enr No:** 1204
Date : 06 NOV 2022
Place : Dhaka
DVC : 2211061204A8550169





H.R. Textile Mills Limited
Statement of Financial Position
As at June 30, 2022


Particulars	Notes	Amount in Taka	
		June 30,2022	June 30,2021
ASSETS			
Non-Current Assets		2,431,739,472	2,217,858,108
Property, Plant and Equipment	4.00	2,352,342,968	2,201,960,608
Investment in FDR	6.00	79,396,504	15,897,500
Current Assets		1,547,798,055	1,542,734,838
Stocks and Stores	7.00	707,745,180	661,701,780
Trade and Other Debtors	8.00	682,049,353	695,013,076
Advances, Deposits and Prepayments	9.00	102,534,585	94,425,853
Cash and Bank Balances	10.00	55,466,937	91,594,129
TOTAL ASSETS		3,979,535,527	3,760,592,946
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' Equity		1,204,810,774	1,143,117,653
Share Capital	11.00	265,650,000	253,000,000
General Reserve	12.00	6,956,752	6,956,752
Tax Holiday Reserve	13.00	22,378,988	22,378,988
Dividend Equalisation Reserve	14.00	10,000,000	10,000,000
Revaluation Surplus	15.00	650,971,582	651,867,794
Retained earnings	16.00	248,853,452	198,914,119
Non-Current Liabilities		1,750,216,851	1,298,074,637
Long-term Loans-Secured, Future Maturity	17.00	1,615,926,934	1,186,629,941
Non-Convertible Callable Zero-coupon Bond	18.00	21,309,644	-
Provision for Gratitude	19.00	24,395,687	26,096,182
Deferred Tax Liability	20.00	88,584,586	85,348,514
Current Liabilities		1,024,507,902	1,319,400,656
Short-term Loans	21.00	368,516,487	663,423,051
Trade and Other Creditors	22.00	543,564,553	535,577,546
Unclaimed Dividend Account	23.00	5,698,781	9,507,557
Accrued Expenses	24.00	35,474,895	30,841,035
Provision for Current Taxation	25.00	42,980,558	49,803,043
Bills Receivable Discounted	26.00	16,898,858	16,945,349
Workers' Participation /Welfare Funds	27.00	11,373,770	13,303,075
Total Liabilities		2,774,724,753	2,617,475,293
TOTAL Shareholders' Equity & Liabilities		3,979,535,527	3,760,592,946
Net Assets Value (NAV) per share	28.00	45.35	45.18

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

 **Mr. M. A. Moyeed**
Managing Director
  **Mr. M. A. Morren**
Director
  **Md. Abu Amur Naheel**
CFO/HF & A
  **Mr. Md. Wali Ullah**
Company Secretary

Signed in terms of our separate report of even date.

Firms' Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditor's Name : Mohammad Mofizul Haque Rinku FCA, Partner/Enr No: 1204

Date : 06 NOV 2022

Place : Dhaka

DVC : 2211061204AB550169

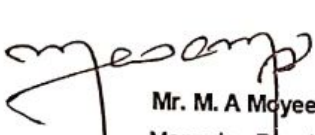





H.R. Textile Mills Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended on June 30, 2022

Particulars	Notes	Amount in Taka	
		July 1,2021 to June 30,2022	July 1,2020 to June 30,2021
Sales Revenue	29.00	2,953,308,668	3,000,573,880
Export Incentive	30.00	40,297,350	51,340,341
Turnover		2,993,606,018	3,051,914,221
Cost of Goods Sold	31.00	(2,559,743,057)	(2,611,906,767)
Gross Profit		433,862,961	440,007,454
Administrative, Selling and General Expenses	32.00	(103,472,082)	(104,076,740)
Financial Expenses	33.00	(229,316,557)	(229,404,084)
Operating Profit		101,074,323	106,526,630
Other income	34.00	1,484,289	446,545
Profit Before contribution to WPPF		102,558,612	106,973,175
Contribution to WPPF	27.00	(4,883,743)	(5,093,960)
Net Profit before Tax		97,674,868	101,879,215
Income Tax Expenses		(23,489,903)	(28,847,609)
Current Tax	36.00	(18,910,163)	(21,237,141)
Deferred Tax	20.00	(3,394,227)	(6,923,372)
Prior Tax		(1,185,513)	(687,096)
Net Profit after tax		74,184,965	73,031,606
Earnings per share (EPS)	38.00	2.79	2.89
Earnings per share (EPS)(Restated)	38.00	2.79	2.75

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


Mr. M. A. Moyeed
Managing Director



Mr. M. A. Momen
Director


Md. Abu Amir Naheel
CFO/HF & A


Mr. Md. Wali Ullah
Company Secretary

Signed in terms of our separate report of even date.

Firms' Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditor's Name : Mohammad Mofizul Haque Rinku FCA, Partner/Enr No: 1204

Date : 06 NOV 2022

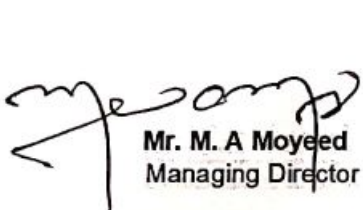
Place : Dhaka

DVC : 2211061204AS550169



H.R. Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the year ended on June 30, 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 reserve realised				(896,212)		1,054,368	158,156
Cash Dividend declared 2021	-	-	-	-	-	(12,650,000)	(12,650,000)
Bonus shares Issued 2021	12,650,000					(12,650,000)	-
Net profit after Tax	-	-	-	-	-	74,184,965	74,184,965
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
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 reserve realised	-		-	(896,212)	-	1,054,368	158,156
Net profit after Tax	-	-	-	-	-	73,031,606	73,031,606
Cash Dividend declared 2020	-	-	-	-	-	(12,388,145)	(12,388,145)
Balance as on 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


Mr. M. A Moyeed
 Managing Director


Mr. M. A Momen
 Director


Md. Abu Amur Naheel
 CFO/HF & A


Mr. Md. Wali Ullah
 Company Secretary





H.R. Textile Mills Limited
Statement of Cash Flows
For the year ended on June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30,2022	June 30,2021
Cash Flows from Operating Activities:			
Cash received from Sales and Export incentives		3,006,724,266	3,007,414,163
Receipts from Other Income		1,329,764	331,094
Cash paid for goods and services		(2,643,589,739)	(2,683,048,133)
Cash from operation		364,464,291	324,697,124
Interest paid		(206,079,881)	(203,985,706)
Income tax paid/deducted at sources		(19,010,163)	(21,237,141)
Net Cash inflows from operating activities		139,374,247	99,474,277
Cash Flows from Investing Activities:			
Acquisition of property, plant and equipment	4.00	(256,181,386)	(144,320,883)
Investment in FDR	6.00	(63,499,004)	(5,897,500)
Net Cash outflows from investing activities		(319,680,390)	(150,218,383)
Cash Flows from Financing Activities:			
Long Term Loans Received/(Repaid)	17.00	429,296,993	11,117,223
Non-Convertible Callable Zero-coupon Bond	18.00	21,309,644	-
Short-term Loans	21.00	(294,906,564)	129,532,471
Cash Dividend Paid	23.00	(11,629,157)	(10,278,263)
Bills Receivable Discounted Received/(Repaid)	26.00	(46,491)	(8,659,747)
Net Cash inflow from financing activities		144,024,425	121,711,684
Net increase/(decrease) in cash and bank balances		(36,281,717)	70,967,578
Cash and bank balances on opening		91,594,129	20,511,100
Effects of exchange rate changes on cash and cash equivalents		154,525	115,451
Cash and bank balances at closing - Note 10		55,466,937	91,594,129
Net operating cash flows per share (NOCFPS)	39.00	5.25	3.93


Mr. M. A Moyeed
Managing Director


Mr. M. A Momen
Director


Md. Abu Amur Naheel
CFO/HF & A


Mr. Md. Wali Ullah
Company Secretary





H.R. Textile Mills Limited
Notes to the Financial Statements
For the year ended on June 30, 2022

Forming an Integral Part of the Financial Statements

1:00 General

a) Status and Activities:

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

2:00 Basis of preparation

2:01 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.

2:02 Basis of measurement

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

2:03 Functional and presentational currency

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

2:04 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.

2:05 Reporting period

The financial reporting period of the company covers three months from 01 July 2021 to June 30, 2022.

2:06 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.

2:07 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	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	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	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

2.08 Component of Financial Statements

- Statement of Financial Position as at June 30, 2022;
- Statement of Profit or Loss and other Comprehensive Income for the year ended on June 30, 2022;
- Statements of Changes in Shareholders' Equity for the year ended on June 30, 2022;
- Statement of Cash Flows for the year ended on June 30, 2022; and
- Notes to the Financial Statements for the year ended on June 30, 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

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

SL No.	Particular	Rate of Depreciation
1	Factory Building	2.50%
2	Plant & Machinery	7.00%
3	Factory Shed	7.50%
4	Electric, Gas, Water, Steam and Telephone Installation, Furniture & Fixture, Office Equipment, Factory Equipment and Tools & Apparatus.	10%
5	Motor Vehicle	15%

3.01.4 Impairment of assets

a) 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 of issuer will enter bankruptcy etc.

b) 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.

3.02 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.

3.03 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;

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

3.04 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.

3.05 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.

3.06 Trade receivables

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

3.07 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

3.08 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.

3.09 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:

- Foreign currency monetary items are translated using the closing rate.
- 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.
- 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.
- 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

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, 2020 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

Management Perception

The company has mostly fixed rate loans; and accordingly, adverse, impact of interest rate fluctuation is

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

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

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.

Carrying amounts of financial instruments by category.

The following table shows the carrying amounts of financial instruments by category at the end of June 30, 2022.

Maturity analysis

Particulars	Current	>30 days	> 90 days	> 1 year	Total
Loans and Receivables					
Cash and Cash Equivalents	55,466,937				55,466,937
Accounts Receivable			682,049,353		682,049,353
Balance at June 20,2022	55,466,937		682,049,353		737,516,290

Financial liabilities measured at amortized Cost:

Bank Loan	368,516,487			1,615,926,934	1,984,443,421
Sundry Creditors			543,564,553		543,564,553
Balance at June 20,2022	368,516,487		543,564,553	1,615,926,934	2,528,007,974





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 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.

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

BDT	Carrying amount	Between 1 and 90 Days	Between 91 and 360 days	Between 1 and 2 years	Total
Non-derivative financial liabilities	-	-	-	-	1,615,926,934
Bank Loan	-	-	543,584,553	-	-
Sundry Creditors	-	-	543,584,553	-	1,615,926,934
Balance at June 20, 2022	-	-	543,584,553	-	1,615,926,934





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.





Notes	Particulars	Amount in Taka	
		June 30,2022	June 30,2021
4.00	Property, Plant and Equipment:		
	a) Cost		
	Opening Balance	3,401,814,481	2,664,361,072
	Add: Addition during the year	256,181,386	737,453,409
		<u>3,657,995,867</u>	<u>3,401,814,481</u>
	Less: Adjustment during the year	-	-
	SubTotal (a)	<u>3,657,995,867</u>	<u>3,401,814,481</u>
	b) Accumulated Depreciation		
	Opening Balance	1,199,853,873	1,108,317,843
	Add: Charged during the year	105,799,026	91,536,030
		<u>1,305,652,899</u>	<u>1,199,853,873</u>
	Less: Adjustment during the year	-	-
	Sub Total (b)	<u>1,305,652,899</u>	<u>1,199,853,873</u>
	Written down value (a-b)	<u>2,352,342,968</u>	<u>2,201,960,608</u>
	(Details Schedule of PPE are shown in Annexure-A)		
5.00	Capital Works In Progress		
	Opening Balance	-	593,132,526
	Less: Transfer to Property Plant and Equipment	-	(593,132,526)
	Closing Balance	<u>-</u>	<u>-</u>
6.00	Investment in FDR		
	Opening Balance	15,897,500	15,897,500
	Add: Addition this year	62,500,000	-
	Add: Interest charges during the year	999,004	-
	Closing Balance	<u>79,396,504</u>	<u>15,897,500</u>
	These above mentioned amount of the FDR,s are liened against Five years IPDC Finance Ltd Guarantees amounting of Tk.78,397,500 which have been issued by IPDC Finance Ltd in favor of IPDC Finance Ltd. Hence , the same have been shown as non-current asset.		
7.00	Stocks and stores		
7.01	The make-up is as below:		
		June 30,2022	June 30,2021
		In Kg	Taka
	Stock of Yarn	664,167	263,525,152
7.02	Stock of Dyes and Chemicals	255,459	84,628,140
7.03	Stock of Work-in-Process		184,171,796
7.04	Stock of Finished Goods		129,658,287
7.05	Stock of Accessories		17,865,357
	Goods in Transit		13,659,858
			<u>693,508,590</u>
	Stock of Spares		14,236,590
			<u>707,745,180</u>
7.02	Stock of Yarn		
	Stock of Yarn	664,167	263,525,152
		<u>664,167</u>	<u>263,525,152</u>
7.03	Stock of Dyes and Chemicals		
	Dyes	56,957	42,105,783
	Chemicals	198,502	42,522,357
		<u>255,459</u>	<u>84,628,140</u>
7.04	Stock in Work in Process		
	Cost of Materials		105,936,538
	Costs of Conversion		78,235,258
			<u>184,171,796</u>
7.05	Stock of Finished Products		
	Finished Garments		43,354,766
	Knitted Fabrics	126,733	86,303,521
		<u>126,733</u>	<u>129,658,287</u>
			<u>130,247</u>
			<u>105,640,861</u>





Notes	Particulars	Amount in Taka	
		June 30,2022	June 30,2021

8.00 Trade and Others Debtors

	June 30,2022		June 30,2021	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days	7,129,448	648,499,353	7,991,211	670,063,076
Other Debtors	400,119	33,550,000	297,555	24,950,000
	<u>7,529,567</u>	<u>682,049,353</u>	<u>8,288,766</u>	<u>695,013,076</u>

These include a sum of Tk.33,550,000 (2021;Tk.24,950,000) due from Associates Companies, expected to be realized /adjusted within a year from the financial statement end date.

These are unsecured but considered good.

9.00 Advances, Deposits and Prepayments

Advances :

Salary Advance		
Advance Tax	1,252,650	1,066,770
Factory Insurance Advance	923,000	1,150,000
IPDC Finance Ltd.	1,168,166	1,124,816
Operational Advance	8,709,484	3,190,160
Eltech Engineering Co. Ltd	8,554,510	8,441,240
Tax deducted at source	6,600,000	6,600,000
	<u>40,147,304</u>	<u>45,487,276</u>
	<u>67,355,114</u>	<u>67,060,262</u>

Deposits :

Security Deposits	17,381,571	17,381,571
Bank Guarantee Margin	17,797,900	9,984,020
	<u>35,179,471</u>	<u>27,365,591</u>
	<u>102,534,585</u>	<u>94,425,853</u>

The advances are unsecured but considered good.

10.00 Cash and Bank Balances

Cash at Banks with Banks/Financial Institutions on Current Account:

Brac Bank Ltd, Dhanmondi Branch, CD A/c	14,763	48,418
Mutual Trust Bank Ltd., Gulshan Branch, CD A/c	217,707	498,342
Mutual Trust Bank Ltd., Gulshan Branch, Fund buildup A/c	2,432,069	3,700,371
Mutual Trust Bank Ltd., Gulshan Branch, Dollar A/c	122,486	17,231,255
Mutual Trust Bank Ltd., Gulshan Branch, ERQ A/c	88,501	80,307
Mutual Trust Bank Ltd., Gulshan Branch, SND A/c	5,836	8,137
HSBC, Anchor Tower Branch, MDA Margin A/c	-	146,695
HSBC, Anchor Tower Branch, FCY A/c	97,718	1,621,248
HSBC, Anchor Tower Branch, CD A/c	422,572	-
Trust Bank Ltd, SKB Branch, Dollar A/c	6,856,936	18,570,432
Trust Bank Ltd, SKB Branch, FCAD A/c	318,086	7,301
Trust Bank Ltd, SKB Branch, CD A/c	1,306,972	19,573,484
United Commercial Bank Ltd, CD A/c	965	-
AL-Arafah Islami Bank Ltd, CD A/c	227,956	-
Dutch Bangla Bank Ltd., Gulshan Branch, CD A/c	109,344	385,674
AB Bank Ltd, Motijheel Branch, CD A/c	144,290	691,143
AB Bank Ltd, Motijheel Branch, Notice A/c	509,112	3,046,756
	<u>12,875,313</u>	<u>65,609,563</u>

With Bank on Short Term Deposit Account:

Trust Bank Ltd., SKB Branch, SND A/c	39,078,137	21,238,894
Southeast Bank Ltd, Principal Branch, STD A/c	58,867	1,055,211
	<u>39,137,004</u>	<u>22,294,105</u>
Cash at Banks	<u>52,012,317</u>	<u>87,903,668</u>
Cash in Hand	3,454,620	3,690,461
	<u>55,466,937</u>	<u>91,594,129</u>





Notes	Particulars	Amount in Taka	
		June 30, 2022	June 30, 2021
11.00	Share Capital		
11.01	Authorized:	June 30, 2022	June 30, 2021
		Taka	Taka
	100,000,000 Ordinary Shares of Tk.10 each	1,000,000,000	1,000,000,000
11.02	Issued, Subscribed and Paid-up:		
	26,565,000 Ordinary Shares of Tk.10 each fully paid-up	265,650,000	253,000,000
	14,000,000 Ordinary Shares of Tk.10 each fully paid-up in cash	140,000,000	140,000,000
	11,300,000 Ordinary Shares of Tk.10 each fully paid-up in cash	113,000,000	113,000,000
	1,265,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares	12,650,000	-
		265,650,000	253,000,000
11.03	Composition of Shareholdings:		
		June 30, 2022	June 30, 2021
Classes of Holdings		No. of Shares	%
Sponsors		13,449,047	50.63
Financial Institutions		1,610,080	6.06
General Public		11,505,873	43.31
		26,565,000	100.00
		No. of Shares	%
		12,808,619	50.63
		1,712,981	6.77
		10,778,400	42.60
		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.

Shareholdings range in number of shares	2022			2021		
	No. of Shareholder	No. of Shares	Holdings %	No. of Shareholders	No. of Shares	Holdings
1-499	6,929	1,916,330	7.21	6,278	1,760,957	6.96
500-500	3,746	1,873,000	7.05	3,264	1,632,000	6.45
501-2000	917	2,017,400	7.59	710	1,574,543	6.22
2001-5000	523	1,478,521	5.57	565	1,808,000	7.15
5001-10000	121	877,492	3.30	195	1,375,140	5.44
10001-50000	47	1,598,000	6.02	49	1,617,000	6.39
50001-100000	5	445,000	1.67	5	440,000	1.73
100001-250000	9	1,899,000	7.15	6	1,272,000	5.03
250001-500000	2	1,011,210	3.81	2	1,011,741	4.00
500001 and above	6	13,449,047	50.63	6	12,808,619	50.63
Total	12,305	26,565,000	100.00	11,080	25,300,000	100.00

11.04 Year wise break-up of the Issue:

Date	Particulars	Shares	2022 (Taka)	2021 (Taka)
3/12/1984	Subscribed Capital as per Memorandum and Articles of Association at the time on Incorporation (4,000 of Tk. 100 each)	4,000	400,000	400,000
25/06/1987	28,100 Bonus Shares of Tk.100 each issued	28,100	2,810,000	2,810,000
10/2/1995	1,500 Bonus Shares of Tk.100 each issued	1,500	150,000	150,000
27/03/1995	366,400 Bonus Shares of Tk.100 each issued	366,400	36,640,000	36,640,000
6/4/1995	400,000 Bonus Shares of Tk.100 each issued	400,000	40,000,000	40,000,000
14/12/1995	200,000 Bonus Shares of Tk.100 each issued	200,000	20,000,000	20,000,000
19/12/1996	1,000,000 shares issued through Public offering (1,000,000 Shares of Tk.100 each)	1,000,000	100,000,000	100,000,000
	10% Shares issued as Bonus (200,000 Shares of Tk. 100 each)	200,000	20,000,000	20,000,000
28/03/2011	15% Shares issued as Bonus (330,000 Shares of Tk. 100 each)	330,000	33,000,000	33,000,000
29/03/2012	5% Shares issued as Bonus (1,265,000 Shares of Tk. 100 each)	126,500	12,650,000	-
24/01/2022	Total	2,656,500	265,650,000	253,000,000

11.5 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.





Notes	Particulars	Amount in Taka	
		June 30,2022	June 30,2021
12.00	General Reserve		
	Opening and Closing Balance	6,956,752	6,956,752
		<u>6,956,752</u>	<u>6,956,752</u>
13.00	Tax Holiday Reserve		
	Opening and Closing Balance	22,378,988	22,378,988
		<u>22,378,988</u>	<u>22,378,988</u>
14.00	Dividend Equalisation Reserve		
	Opening and Closing Balance	10,000,000	10,000,000
		<u>10,000,000</u>	<u>10,000,000</u>
15.00	Revaluation Surplus		
	Revaluation Surplus	651,867,794	652,764,006
	Transferred to retained earnings	(896,212)	(896,212)
	Closing Balance	<u>650,971,582</u>	<u>651,867,794</u>
M/S. Ahmad and Akhtar & Co. Chartered Accountants , Dhaka, Bangladesh (the valuer) revalued the Factory Lands & Building as of December 31,2018 at "Current Cost Accounting Method (CCA)". Due to the revaluation , a net revaluation surplus amounting to Tk.686,195,360.00 arose and accounted for.			
16.00	Retained earnings		
	Balance as on June 30,2021	198,914,119	137,216,290
	Total Comprehensive income for the year:		
	Profit for the year	74,184,965	73,031,606
	Revaluation reserve realised	1,054,368	1,054,368
		<u>274,153,452</u>	<u>211,302,264</u>
	Dividend during the year:		
	Final dividend for previous year (Bonus Share)	(12,650,000)	-
	Final dividend for previous year (cash)	(12,650,000)	(12,388,145)
	Balance as on June 30,2022	<u>248,853,452</u>	<u>198,914,119</u>
17.00	Long-term Loan -Secured Future Maturity		
	Mutual Trust Bank Limited, Gulshan Branch, Dhaka	17.01 956,293,060	987,768,518
	The Hongkong and Shanghai Banking Corporation Plc, Anchor Tower, Dha	17.02 -	-
	IPDC Finance Ltd,Hosna Centre (4th Floor),106 Gulshan Avenue, Dhaka	17.03 343,541,632	143,787,678
	United Commercial Bank Ltd. Gulshan Corporate Branch	17.04 316,092,242	-
	Deferred L/C Liabilities	17.05 -	55,073,745
		<u>1,615,926,934</u>	<u>1,186,629,941</u>
17.01	The movement of loan is as follows:		
	Opening Balance	987,768,518	957,660,813
	Received this year	55,073,745	188,313,701
	Add. Interest during the year	97,502,431	-
		<u>1,140,344,694</u>	<u>1,145,974,514</u>
	Current Maturity during the year	(184,051,634)	(158,205,996)
	Closing Balance	<u>956,293,060</u>	<u>987,768,518</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 July, 2021.The loan is secured by hypothecation of stock, machinery, equipment and book debts.			
17.02	The movement of loan is as follows:		
	Opening Balance	-	8,577,655
	Current Maturity	-	(8,577,655)
	Unrealised Loss	-	-
	Closing Balance	<u>-</u>	<u>-</u>
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.			





Notes	Particulars	Amount in Taka	
		June 30, 2022	June 30, 2021
17.03	The movement of loan is as follows:		
	Opening Balance	143,787,678	147,357,795
	Received this year	250,000,000	-
	Add: Interest	23,297,040	21,232,503
	Current Maturity	417,084,718	168,590,298
	Closing Balance	(73,543,086)	(24,802,620)
		<u>343,541,632</u>	<u>143,787,678</u>
	The term loan facility has been taken from IPDC Finance Limited, Head office : Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka-1212, Bangladesh, for construction of effluent treatment plant.. The loan carries interest at 15% and is repayable in 72 equal monthly installments, starting from 25 November 2019.		
17.04	The movement of loan is as follows:		
	Opening Balance	359,397,739	-
	Paid this year	(10,031,911)	-
	Accrued Interest	45,308,209	-
	Current Maturity	394,674,037	-
	Closing Balance	(78,581,795)	-
		<u>316,092,242</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 debts.		
17.05	The movement of Deferred L/C liabilities is as follows:		
	Opening Balance	55,073,745	61,916,455
	Addition this year	-	55,073,745
	Paid this Year	(55,073,745)	(61,916,455)
	Closing Balance	-	<u>55,073,745</u>
	The offshore facility has been taken from Mutual Trust Bank Limited, Gulshan Branch, 120 Gulshan Avenue, Gulshan, Dhaka-1212, Bangladesh, for import of Plant and machinery at 360 days deferred L/C payment.		
18.00	Non-Convertible Callable Zero-coupon Bond		
	Received this year	20,000,000	-
	Accrued Interest	1,309,644	-
	Closing Balance	<u>21,309,644</u>	
	The Bond amount was received pursuant to BSEC Sanction No. BSEC/CI/DS-146/2021/454 Date 15 July 2021.		
19.00	Provision for Gratuity		
	Opening Balance	26,096,182	27,218,882
	Contribution during this year	3,955,180	4,002,800
		<u>30,051,362</u>	<u>31,221,682</u>
	Paid during this year	(5,655,675)	(5,125,500)
	Closing Balance	<u>24,395,687</u>	<u>26,096,182</u>
20.00	Deferred Tax Liability		
	Opening Balance	85,348,514	78,583,298
	Charged to profit or loss account during the year	3,394,227	6,923,372
	Adjustment for depreciation of revalued assets	(158,156)	(158,156)
	Closing balance	<u>88,584,586</u>	<u>85,348,514</u>
	A. Property, Plant and Equipment (PPE)		
	WDV of Accounting Base	1,669,837,896	1,518,401,168
	WDV of Tax Base	1,265,101,585	1,134,592,541
	Taxable temporary difference	404,736,311	383,808,627
	Tax rate	15%	15%
	Deferred tax liability/(asset)	<u>60,710,447</u>	<u>57,571,294</u>
	B. Deferred Tax on Gratuity Position		
	Opening balance of deferred tax liability for gratuity provision	(3,914,427)	(4,082,832)
	Addition during the year	255,074	168,405
	Deferred tax liability (asset)	<u>(3,659,353)</u>	<u>(3,914,427)</u>





Notes	Particulars	Amount in Taka		
		June 30,2022	June 30,2021	
	C. Deferred Tax on Revaluation			
	Revalued value of land	644,020,625	644,020,625	
	Revalued value of other than land	38,484,447	39,538,815	
	Tax Rate			
	On land	4%	4%	
	On other than land	15%	15%	
	Deferred tax liabilities			
	For land	25,760,825	25,760,825	
	For other than land	5,772,667	5,930,822	
	Deferred tax liability (asset)	31,533,492	31,691,647	
	Total (A+B+C)	88,584,588	85,348,514	
	Calculation of deferred tax charged on Profit and Loss Account:			
	Deferred tax liability other than revalued asset as on June 30,2021	53,656,867	46,733,495	
	Deferred tax liability other than revalued asset as on June 30,2022	57,051,094	53,656,867	
		3,394,227	6,923,372	
21.00 Short-term Loans				
	Bank Overdrafts	21.01	51,160,682	73,932,455
	Time Loan	21.02	25,586,681	388,546,435
	Loan against Trust Receipts	21.03	27,848,526	9,357,890
	Current Maturity of long-term loans	21.04	263,920,598	191,586,271
			368,516,487	663,423,051
21.01 Bank Overdrafts				
	Trust Bank Ltd, SKB Branch		51,160,682	50,933,128
	HSBC Bank, Plc,Anchor Tower Branch,Kawranbazar		-	22,999,327
			51,160,682	73,932,455
	These are secured.			
21.02 Time Loan				
	9% Loan	21.02.1	-	359,397,739
	9% Loan	21.02.2	25,586,681	29,148,696
			25,586,681	388,546,435
21.02.1 The movement of loan is as follows:				
	Opening Balance		359,397,739	367,249,038
	Paid this year		-	(36,077,375)
	Accrued Interest		-	28,226,076
			359,397,739	359,397,739
	Transer to Long term loan		(359,397,739)	
	Closing Balance		-	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 60 Installments .The loan is secured by hypothecation of stock, machinery, equipment and book debts.			
21.02.2 The movement of loan is as follows:				
	Opening Balance		29,148,696	28,500,000
	Received this year		-	-
	Paid this year		(4,298,696)	(320,671)
	Accrued Interest		736,681	969,367
	Closing Balance		25,586,681	29,148,696
	The loan has been taken 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 12 months .			
21.03 Loan against Trust Receipts				
	Opening Balance		9,357,890	9,357,890
	Loan received this year		27,848,526	-
	Less: Paid during this tear		(9,357,890)	-
	Closing balance		27,848,526	9,357,890
21.04 Current Maturity of long-term loans				
	Mutual Trust Bank Limited, Gulshan Branch, Dhaka	21.04.1	133,380,745	158,205,996
	The Hongkong and Shanghai Banking Corporation Plc, Anchor Tower, Dhal	21.04.2	-	8,577,655
	IPDC Finance Ltd,Hosna Centre (4th Floor),106 Gulshan Avenue, Dhaka	21.04.3	51,958,058	24,802,620
	United Commercial Bank Ltd. Gulshan Corporate Branch	21.04.4	78,581,795	-
	Closing Balance		263,920,598	191,586,271





Notes	Particulars	Amount in Taka	
		June 30,2022	June 30,2021
21.04.1	The movement of loan is as follows:		
	Opening Balance		
	Current Maturity this year	158,205,996	23,357,662
		184,051,634	158,205,996
	Paid during this year	342,257,630	181,563,658
	Closing Balance	(208,876,885)	(23,357,662)
		133,380,745	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 July, 2021. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

21.04.2 The movement of loan is as follows:

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

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

21.04.3 The movement of loan is as follows:

Opening Balance	24,802,620	9,191,204
Current Maturity this year	73,543,086	24,802,620
	98,345,706	33,993,824
Paid during this year	(46,387,648)	(9,191,204)
Closing Balance	51,958,058	24,802,620

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.

21.04.4 The movement of loan is as follows:

Opening Balance	-	-
Current Maturity this year	78,581,795	-
	78,581,795	-
Paid during this year	-	-
Closing Balance	78,581,795	-

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 60 Installments. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

22.00 Trade and Other Creditors	June 30,2022		June 30,2021	
	US\$	Taka	US\$	Taka
For Import Purchases	5,744,216	533,445,314	6,243,975	525,430,493
For Local Purchases		9,450,190		9,158,254
For Staff Income Tax		669,049		617,330
For Refund Warrant		-		371,469
		543,564,553		535,577,546

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

23.00 Unclaimed Dividend Account

Opening Balance	9,507,557	7,397,675
Refund Warrant	371,469	-
Addition during this year	12,650,000	12,388,145
Sale of Fractional Bonus share	276,369	-
	22,805,395	19,785,820
Less: Transfer to Capital Market Stabilization Fund (CMSF)	(5,477,457)	-
	17,327,938	19,785,820
Payment during this period	(11,629,157)	(10,278,263)
	5,698,781	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).





Notes	Particulars	Amount in Taka	
		June 30, 2022	June 30, 2021
24.00	Accrued Expenses		
	Gas Expenses (Factory)	15,125,133	15,192,692
	Electricity Bill	188,289	76,102
	Telephone	145,240	135,450
	Salaries, Wages and Allowances	19,533,733	14,879,016
	Security Bill	-	75,275
	Legal Fee	60,000	60,000
	Auditors' Fee (including Vat)	172,500	172,500
	AGM Expenses	250,000	250,000
		<u>35,474,895</u>	<u>30,841,035</u>
25.00	Provision for Current Taxation		
	Opening balance	49,803,043	44,069,406
	Addition during the year	18,910,163	21,924,237
		<u>68,713,206</u>	<u>65,993,643</u>
	Paid during the year	(25,732,648)	(16,190,600)
	Closing Balance	<u>42,980,558</u>	<u>49,803,043</u>
26.00	Bills Receivable Discounted		
	Opening Balance	16,945,349	25,558,605
	Discounted during the year	156,985,430	169,845,684
		<u>173,930,779</u>	<u>195,404,289</u>
	Collected during the year	(157,031,921)	(178,458,940)
	Closing Balance	<u>16,898,858</u>	<u>16,945,349</u>
27.00	Workers' Participation/Welfare Funds		
	Opening Balance	13,303,076	14,491,236
	Payment during this year	(7,265,842)	(6,854,850)
		<u>6,037,234</u>	<u>7,636,386</u>
	Contributions for the year	4,883,743	5,093,961
	Interest during the year	452,793	572,729
	Closing Balance	<u>11,373,770</u>	<u>13,303,076</u>
Interest has been provided on the funds balance in terms of the Bangladesh Labour Law.			
28.00	Net Assets Value (NAV) per Share		
	Total Assets	3,979,535,527	3,760,592,946
	Total Liabilities	(2,774,724,753)	(2,617,475,293)
	A. Net Assets	<u>1,204,810,774</u>	<u>1,143,117,653</u>
	B. Number of ordinary of shares	<u>26,565,000</u>	<u>25,300,000</u>
	Net Assets Value (NAV) per Share (A/B)	<u>45.35</u>	<u>45.18</u>

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





Notes	Particulars		Amount in Taka			
			July 1,2021 to June 30,2022		July 1,2020 to June 30,2021	
			June 30,2022		June 30,2021	
29.00	Sales		Quantity	USD	Quantity	USD
	Export sales:					
	Knit Fabrics (Kgs)		2,316,971	15,106,652	1,761,282	10,937,560
	Garments (pcs)		5,928,880	19,150,282	10,609,820	24,826,979
	Total		34,256,934	2,953,308,668	35,764,539	3,000,573,880

30.00 Export Incentives

Cash Incentive

40,297,350 51,340,341

31.00 Cost of Goods Sold

40,297,350 51,340,341

31.01 The break-up is as follows:-

Materials Consumed			
Salary, Wages and Allowances	31.02	2,150,078,451	2,271,063,462
Tiffin & Entertainment Expenses	31.03	240,859,851	244,422,140
Depreciation		912,251	992,450
Stores and Spares Consumed	Annexure-A	84,639,221	73,228,824
Factory Conveyance		932,568	1,258,770
Power and Gas		976,016	984,545
Gratuity		99,156,418	96,193,104
Vehicle expenses		2,932,540	2,987,580
Repairs and Maintenance		1,886,073	1,695,875
Packing & Loading Expenses		1,165,842	1,465,985
Import Landing, Clearing and Insurance		1,358,954	1,557,394
Factory Stationery Expenses		1,462,548	1,558,533
Carriage Inward and Outward		1,270,889	1,229,792
Knitting, Sewing & Processing Charge		3,346,754	3,084,500
Factory Insurance		3,045,852	3,659,754
Sewing Machine Rental		3,279,826	3,100,629
Miscellaneous		425,500	685,450
Total Manufacturing Costs for the year		155,000	287,540
Add Opening Work in Process		2,597,884,554	2,709,456,327
Total Manufacturing Costs		170,047,725	93,354,996
Less Closing Work in Process		2,767,932,279	2,802,811,323
Cost of Goods Manufactured		184,171,796	170,047,725
Add Opening Finished Goods		2,583,760,483	2,632,763,598
Cost of Goods available for use		105,640,861	84,784,030
Less Closing Finished Goods		2,689,401,344	2,717,547,628
Cost of Goods Sold		129,658,287	105,640,861
		2,559,743,057	2,611,906,767

31.02 Materials Consumed

	June 30,2022		June 30,2021	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	4,131,229	1,565,384,556	5,259,671	1,609,459,218
Dyes	307,009	218,186,320	344,590	230,875,243
Chemicals	1,316,832	213,958,921	1,495,955	226,053,754
Accessories		152,548,654		204,675,247
Total Materials Consumption		2,150,078,451		2,271,063,462

31.03 Salaries, Wages and Allowances

	No. of Employees		No. of Employees	
	Taka		Taka	
Employees drawing Tk.8,000 or more per month	1,897	240,859,851	1,915	244,422,140
Employees drawing less than Tk.8,000 per month	-	-	-	-
Total	1,897	240,859,851	1,915	244,422,140





Notes	Particulars	Amount in Taka	
		July 1, 2021 to June 30, 2022	July 1, 2020 to June 30, 2021
32.00	Administrative, Selling and General Expenses		
32.01	The break-up is as below:		
	Directors' Remuneration	32.02	2,600,000
	Salaries and Allowances	32.03	60,165,874
	Security Service charges		2,600,000
	Depreciation		60,370,283
	Electricity Expenses		894,541
	Postage, Courier, Telephone and Fax	Annexure-A	18,307,206
	Form & Stamp		2,291,854
	Gratuity		1,063,540
	Travelling and Conveyance		983,455
	Legal and Professional Expenses		1,015,220
	Auditors' Fee-Note 32.2		875,840
	A.G.M Expenses		60,000
	Registration and Fees		172,500
	Staff welfare		275,250
	Stationery Expenses		885,505
	Office Repairs and Maintenance		781,287
	Vehicle Expenses		945,102
	Entertainment Expenses		703,955
	Central fund for RMG		1,883,478
	Buying House Commission		952,540
	Freight Charges & Freight out		622,767
	Garments Testing & Inspection Charges		1,856,500
	Miscellaneous		3,755,455
			2,892,162
			288,500
		103,472,082	104,076,740
32.02	No remuneration or fee, other than that specified in note 37 was paid to directors and auditors.		
32.03	Salaries and Allowances:		

	No of Employees	Taka	No of Employees	Taka
Employees drawing Tk.8,000 or more per month	169	60,165,874	167	60,370,283
Employees drawing less than Tk.8,000 per				
	169	60,165,874	167	60,370,283

33.00	Financial Expenses		
	Interest Expenses		
	Bank Charges	33.01	207,842,318
			203,985,706
			21,474,239
			25,418,378
			229,316,557
			229,404,084
33.01	Interest expense is as follows:		
	Interest on Workers' Participation/Welfare Funds		452,793
	Interest on Long Term Loans		572,729
	Interest on Non-Convertible Callable Zero-coupon Bond		142,810,641
	Interest on Bills Discounted		115,297,408
	Interest on Bank Overdraft		1,309,644
	Interest on Time Loan		33,582,526
	Interest on Trust Receipts		12,174,125
	Interest on Lease Finance		5,111,360
			6,073,345
			736,681
			38,065,438
			561,633
			117,300
			23,277,040
			31,685,361
			207,842,318
			203,985,706
34.00	Other Income		
	Interest in FDR		999,004
	Exchange Fluctuation Gain/(Loss)	34.01	485,285
			446,545
			1,484,289
			446,545
34.01	Exchange Fluctuation Gain/(Loss)		
	Unrealised gain/(loss) on receivables		856,450
	Unrealised gain/(loss) on payables		740,503
	Unrealised gain/(loss) FC accounts balances		(525,690)
	Unrealised gain/(loss) on loans		(342,140)
			154,525
			115,451
			(67,269)
			485,285
			446,545

35.00 Event after Balance Sheet Date:

The Board of Directors of the Company in its meeting held on October 27, 2022 (2021: 27 October 2021) recommended 5% cash dividend i.e. Tk. 0.50 per share of Tk. 10.00 each and 10% stock dividend (2021 : 5% cash dividend and 5% stock dividend) for all Shareholders of the company subject to their approval in the AGM.





Notes	Particulars	Amount in Taka	
		July 1,2021 to June 30,2022	July 1,2020 to June 30,2021
36.00 Current Tax			
A. Regular Tax			
Profit before tax		97,874,888	101,879,215
Depreciation as per Accounting base		105,799,026	91,536,030
Depreciation as per Tax base		203,473,894	193,415,245
		(125,872,342)	(139,774,025)
Provision for Gratuity for the Year		77,801,552	53,641,220
		3,955,180	4,002,800
Other income (Separate calculation)		81,756,732	57,644,020
		1,484,289	-
Payment for Grauity		83,241,021	57,644,020
		(5,655,875)	(5,125,500)
Tax Rate @ 15%		77,585,346	52,518,520
B. Minimum Tax on gross receipt @.30%		11,637,802	7,877,778
C. Tax Deducted at Source U/S-52		8,864,379	9,157,082
Current tax expenses (Higher of A,B,C)		18,910,163	21,237,141
		18,910,163	21,237,141

37.00 Remuneration/Payments to Directors/Officers:

37.01 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,2020 are disclosed below :

Particulars	Directors	Officers	Directors	Officers
Remuneration	2,600,000	-	2,600,000	-
Basic salary		35,869,854		38,574,263
House Rent Allowance		17,789,540		17,789,540
Other benefits and perquisites		6,506,480		6,006,480
	2,600,000	60,165,874	2,600,000	60,370,283

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

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

38.00 Earnings per share

June 30,2022	June 30,2021
Taka	Taka

38.01 Basic earnings per share

Earnings Per Share (EPS) is calculated in accordance with International Accounting Standard (IAS) 33 : Earnings Per Share.

The composition of EPS is given below:

A. Earnings attributable to the Ordinary Shareholders (net Profit after tax)	74,184,965	73,031,606
B. Number of ordinary of shares outstanding during the year	26,565,000	26,565,000
Earning Per Share (EPS) (A/B)	2.79	2.75

38.02 Diluted earnings per share

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

39.00 Net Operating Cash Flows per Share (NOCFPS):

Cash flows from Operating Activities:		
Cash received from Sales , Export incentives and Others	3,006,724,266	3,007,414,163
Receipts from Other Income	1,329,764	331,094
Cash paid for goods and services	(2,643,589,739)	(2,683,048,133)
Cash from operation	364,464,291	324,697,124
Interest paid	(206,079,881)	(203,985,706)
Income tax paid/deducted at sources	(19,010,163)	(21,237,141)
Net Cash Inflows from operating activities	139,374,247	99,474,277
Divided by number of ordinary of shares	26,565,000	26,565,000
Net operating cash flows per share (NOCFPS)	5.25	3.74

NOCFPS became significantly positive mainly due to increased collections from Sales and Export Incentive.





Notes	Particulars	Amount in Taka	
		July 1,2021 to June 30,2022	July 1,2020 to June 30,2021

40.00 The capacity and actual production of the Company are as below :

Item	Capacity	Actual Production	Percentage (%) of achievement
Finished Garments (Lac Pcs.)	108	59.29(2021:106.09)	54.90(2021:75.77%)
Knit Fabrics (MTs.)	6,000	5,225(2021:5,410)	87.08(2021:90.16%)

41.00 The Company has obtained bank credit facilities from the following banks:

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised	
				June 30,2022	June 30,2021
		Taka	Taka	Taka	Taka
Trust Bank Ltd	B to B L/C ,EDF & Sight	650,000,000	156,548,520	493,451,480	465,415,480
SKB Branch,	IBP(Inner Limit B to B L/C	70,000,000	-	70,000,000	70,000,000
Dhaka	,EDF & Sight)				
	Trust receipt(B to B L/C	40,500,000	27,848,526	12,651,474	31,142,110
	,EDF & Sight)				
	Overdraft	50,000,000	51,160,682	(1,160,682)	(933,128)
	Bank Gurantee	20,000,000	398,600	19,603,400	1,000,000
	Time Loan	30,000,000	25,586,681	4,413,319	-
		860,500,000	261,541,009	598,958,991	566,624,462
Mutual Trust Bank L	B to B L/C ,EDF & Sight	1,000,000,000	192,548,650	807,451,350	808,345,800
Gulshan Branch,	Secured Overdraft	150,000,000	-	150,000,000	150,000,000
	FDBP/IDBP	100,000,000	9,387,174	90,612,826	
Dhaka	Term Loan	1,060,000,000	1,089,673,805	(29,673,805)	72,231,482
		2,310,000,000	1,291,609,629	1,018,390,371	1,028,577,282
HSBC	Export Cash Limit	147,000,000	16,898,858	130,101,142	130,415,480
Anchor Tower,108	Import Line	716,000,000	184,368,144	531,631,856	489,465,150
Bir Uttam	Overdraft	50,000,000	-	50,000,000	27,000,673
C R Dutta	Bank guarantee	18,000,000	17,797,900	202,100	202,100
Road,Dhaka-1205	Loan Line	54,540,000	-	54,540,000	45,962,345
		985,540,000	219,064,902	766,475,098	693,045,748

42.00 The analysis of consumption of materials and spares as to origin is as below:

	June 30,2022		June 30,2021	
	Taka	%	Taka	%
Imported	562,618,597	26.16	592,290,570	27.17
Local	1,588,392,422	73.84	1,587,459,854	72.83
	2,151,011,019	100.00	2,179,750,424	100.00

43.00 Reconciliation of net operating cash flow

Profit after tax	74,184,985	73,021,606
Depreciation	105,799,026	91,536,030
Changes in:		
Stock and Stores	(46,043,400)	(54,867,625)
Trade and other Debtors	12,809,198	(84,738,173)
Export incentive Receivable	-	40,353,566
Advance Deposit and Prepayments	(8,108,732)	(6,405,271)
Trade Creditors	8,020,531	42,674,258
Unclaimed Dividend Account	(3,808,776)	2,109,882
Accrued Expenses	4,633,860	(13,511,776)
Decrease Revaluation Surplus	(896,212)	(896,212)
Provision for Current Taxation	(6,822,485)	5,733,837
Provision for Gratuity	(1,700,495)	(1,122,700)
Workers' Participation /Welfare Funds	(1,929,305)	(1,188,161)
Provision for Deferred Taxation	3,236,072	6,765,216
Net cash provided (used) by operating activities	139,374,247	99,464,277





44.00 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, June 30,2022 is as under:

Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			June 30,2022	June 30,2021
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	1,310,002,517	918,329,200
Pride Limited	Common Director	Receivable	33,550,000	24,950,000
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:

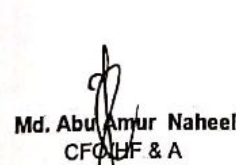
Name of Directors	Designation	Monthly Remuneratio	Bonus during the year	June 30, 2022	June 30, 2021
Dr.Mohammad Abdul Moyeen	Chairman	-	-	-	-
Mr.Mohammad Abdul Moyeed	Managing Director	200,000	200,000	2,600,000	2,600,000
Mr.Mohammad Abdul Momen	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azwad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Dr. A.H.M Habibur Rahman	Independen t Director	-	-	-	-
Dr. Md. Zakir Hossain Bhuiyan	Independen t Director	-	-	-	-
Total		200,000	200,000	2,600,000	2,600,000

45.00 General

- 45.01 There was no sum for which the Company was contingently liable as at June 30, 2022 and June 30,2021.
- 45.02 There was no claim,except an agreegate amount of Tk 28,979,884 (2020: 28,868,145) claimed by the Tax Authority but appealed against by the Company, not acknowledged as debt as at June 30, 2022 and June 30,2021. Such claim,being contingent liability,needs not be provided for.
- 45.03 There was no credit facilities available to the Company,except trade credits and back to back L/c facilities, during the year ended as on June 30, 2022 and June 30,2021.
- 45.04 There was no foreign shareholder of the Company as as on June, 2021 and June 30,2020. and no dividend was remitted to any foreign shareholders during the years ended June 30, 2022 and June 30,2021. There was no capital expenditure contracted but not incurred or provided for th year ended June 30, 2022 and June 30,2021.
- 45.05 There was no capital expenditure authorised by the Board but not contracted for the year ended June 30, 2022 and June 30,2021.
- 45.06


Mr. M. A Moyeed
Managing Director


Mr. M. A Momen
Director


Md. Abu Amur Naheel
CFO, ICF & A


Mr. Md. Wali Ullah
Company Secretary



H.R. Textile Mills Limited
Schedule of Property, Plant and Equipment
As at June 30, 2022

Annexure-A

Particulars	Cost or valuation				Depreciation			(Amount in Taka)
	As on July 01, 2021	Addition/ (Deletion)	As on June 30, 2022	Rate	As on July 01, 2021	During the year	As on June 30, 2022	Written Down Value As on June 30, 2022
Factory Land and Development	8,479,375	-	8,479,375	0.00%	-	-	-	8,479,375
Factory Building	903,026,172	81,424,360	984,450,532	2.50%	94,597,037	22,603,539	117,200,576	867,249,956
Factory Shed	6,823,475	-	6,823,475	7.50%	6,823,470	-	6,823,470	5
Plant and Machinery	1,631,218,464	170,539,022	1,801,757,486	7.00%	950,198,116	72,741,998	1,022,940,114	778,817,372
Electric Installation	34,642,204	1,840,614	36,482,818	10.00%	27,060,059	3,589,785	30,649,844	5,832,974
Gas Installation	7,826,035	-	7,826,035	10.00%	6,746,025	135,000	6,881,025	945,010
Water Installation	9,380,520	373,000	9,753,520	10.00%	8,588,147	942,037	9,530,184	223,336
Steam Installation	2,563,352	-	2,563,352	10.00%	2,563,342	-	2,563,342	10
Furniture and Fixtures	11,036,777	96,190	11,132,967	10.00%	11,026,159	5,835	11,031,994	100,973
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%	37,647,109	3,290,440	40,937,549	5,254,573
Office Equipment	39,795,147	514,700	40,309,847	10.00%	39,406,079	-	39,406,079	903,768
Loose Tools	183,875	-	183,875	10.00%	183,865	-	183,865	10
Factory Equipment	13,423,742	1,393,500	14,817,242	10.00%	11,350,694	1,436,024	12,786,718	2,030,524
A. Total	2,715,619,121	256,181,386	2,971,800,507		1,197,217,953	104,744,658	1,301,962,611	1,669,837,896
Revaluation								
Factory Land and Development	644,020,625	-	644,020,625		-	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	2.50%	2,635,920	1,054,368	3,690,288	38,484,447
B. Total	686,195,360	-	686,195,360		2,635,920	1,054,368	3,690,288	682,505,072
Total (A+B) as on June 30, 2022	3,401,814,481	256,181,386	3,657,995,867		1,199,853,873	105,799,026	1,305,652,899	2,352,342,968

Allocation of Depreciation

Particulars	Notes	2021-22	2020-21
Cost of Goods Sold & Services	31.01	84,639,221	73,228,824
Administration	32.01	21,159,805	18,307,206
Total Depreciation		105,799,026	91,536,030



H.R. Textile Mills Limited
Schedule of Property ,Plant and Equipment
As at June 30, 2021

Annexure-A

(Amount in Taka)

Particulars	Cost or valuation				Depreciation			Written Down Value
	As on July 01, 2020	Addition/ (Deletion)	As on June 30, 2021	Rate	As on July 01, 2020	During the Year	As on June 30, 2021	As on June 30, 2021
Factory Land and Development	8,479,375	-	8,479,375	0.0%	-	-	-	8,479,375
Factory Building	336,957,885	566,068,287	903,026,172	2.5%	82,635,163	11,961,874	94,597,037	808,429,135
Factory Shed	6,823,475		6,823,475	7.5%	6,823,470	-	6,823,470	5
Plant and Machinery	1,464,038,732	167,179,732	1,631,218,464	7%	885,909,287	64,288,829	950,198,116	681,020,348
Electric Installation	34,280,804	361,400	34,642,204	10%	23,621,048	3,439,011	27,060,059	7,582,145
Gas Installation	7,826,035	-	7,826,035	10%	6,611,025	135,000	6,746,025	1,080,010
Water Installation	8,990,520	390,000	9,380,520	10%	7,652,339	935,808	8,588,147	792,373
Steam Installation	2,563,352		2,563,352	10%	2,563,342	-	2,563,342	10
Furniture and Fixtures	10,166,727	870,050	11,036,777	10%	9,976,277	1,049,882	11,026,159	10,618
Telephone Installation	1,027,861		1,027,861	10%	1,027,851	-	1,027,851	10
Motor Vehicles	46,192,122		46,192,122	15%	34,356,669	3,290,440	37,647,109	8,545,013
Office Equipment	38,016,447	1,778,700	39,795,147	10%	35,321,261	4,084,818	39,406,079	389,068
Loose Tools	183,875		183,875	10%	183,865	-	183,865	10
Factory Equipment	12,618,502	805,240	13,423,742	10%	10,054,694	1,296,000	11,350,694	2,073,048
A. Total	1,978,165,712	737,453,409	2,715,619,121		1,106,736,291	90,481,662	1,197,217,953	1,518,401,168

Revaluation

Factory Land and Development	644,020,625	-	644,020,625		-	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	2.5%	1,581,552	1,054,368	2,635,920	39,538,815
B. Total	686,195,360	-	686,195,360		1,581,552	1,054,368	2,635,920	683,559,440
Total (A+B) as on June 30,2021	2,664,361,072	737,453,409	3,401,814,481		1,108,317,843	91,536,030	1,199,853,873	2,201,960,608

Allocation of Depreciation

Particulars	Notes	2020-21	2019-20
Cost of Goods Sold & Services	31.01	73,228,824	71,487,414
Administration	32.01	18,307,206	17,871,854
Total Depreciation		91,536,030	89,359,268



H.R. Textile Mills Limited
Schedule of Quantitywise Movement of Inventories
For the year ended on June 30, 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	Quantity	Unit	Rate	Taka
Yarn	964,335	Kg	267.05	257,522,055	3,831,051	Kg	410.17	1,571,387,653	4,131,229	Kg	378.91	1,565,384,556	664,157	Kg	396.78	263,525,152
Dyes	58,789	Kg	709.22	41,694,405	305,177	Kg	716.30	218,597,698	307,009	Kg	710.68	218,186,320	56,957	Kg	739.26	42,105,783
Chemicals	480,087	Kg	89.80	43,113,901	1,035,247	Kg	206.10	213,367,377	1,316,832	Kg	162.48	213,958,921	198,502	Kg	214.22	42,522,357
Work-in-Process	-	-	-	170,047,725	-	-	-	-	-	-	-	-	-	-	-	184,171,796
Finished Fabrics	130,247	Kg	514.53	67,003,467	-	-	-	-	-	-	-	-	126,733	Kg	680.99	86,303,521
Finished Goods	117,980	Pcs	198.69	38,637,394	-	-	-	-	-	-	-	-	156,425	Pcs	277.16	43,354,766
Accessories	-	-	-	17,587,458	-	-	-	152,826,553	-	-	-	152,548,654	-	-	-	17,865,357
Goods In Transit	-	-	-	12,214,521	-	-	-	-	-	-	-	-	-	-	-	13,659,858
Spare Parts	-	-	-	13,880,854	-	-	-	-	-	-	-	-	-	-	-	14,236,590
Total	1,855,889		-	661,701,780	5,171,475	-	-	2,156,179,281	5,755,070	-	-	2,150,078,451	1,202,774	-	-	707,745,180

