

Rahman Mostafa Alam & CO.
Chartered Accountants

Auditors' Report
to
The Shareholders of H.R. Textile Mills Limited

Report on the Audit of the Financial Statements:**Opinion**

We have audited the financial statements of H. R Textile Mills Limited (the Company) which comprise the Statement of Financial Position as at 30th June 2021, the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 48 and Annexure - A.

In our opinion, the accompanying financial statements present fairly in all material respects of the financial position of the company as at 30th June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange rules 1987 and other applicable rules and regulation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). 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 audit opinion.

Our Key Audit Matters

Risk	Our response to the risk
Capital Work-in-Progress (CWIP)	
Refer note no. 5 to the Statement of Financial Position	
<p>Refer note No. 5 to the statement of Financial Position</p> <p>Capital work in progress is the pre-stage of Capitalization of Property, Plant and Equipment (PPE), Capitalization of expenses and cost of goods are in some extend judgment in nature.</p> <p>Moreover, transfer of capital work in progress to PPE is also judgment requires estimation.</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording and re- assessment of the amount of capitalization and transferred to PPE.</p> <p>Test of details: obtaining supporting documents of capitalization transaction recorded either side of the year and debit notes issued after the year end to determine whether the mount recorded in correct period.</p> <p>Test the advance adjustment and notes of transfer from CWIP to PPE and costing, date etc. thereof.</p> <p>Critically analyze journal entries posted during the year to identify unusual items</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding CWIP.</p> <p>Our Result: the result of our testing is satisfactory and we considered the capitalization cost, expenses and the amount transferred to PPE recognized to be acceptable and recorded in correctly.</p>

Term Loan

Refer note no. 18 to the Statement of Financial Position	
Long term loans taken from Mutual Trust Bank Limited, HSBC Bangladesh and IPDC Finance Limited	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording of loan, interest and repayments.</p> <p>Test of details: obtaining supporting documents of loan taken, utilization of loan, bank statements and transaction recorded either side of the year and credit notes issued after the year end to determine whether the amount recorded in correct period.</p> <p>Test interest rates application, calculation and repayments for carrying amount and current and non-current distinguish.</p> <p>Critically analyze journal entries posted during the year to identify unusual items</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding loan.</p> <p>Our result: the result of our testing is satisfactory and we considered the carrying amount of loan recognized to be acceptable and recorded in correctly.</p>

Other Information

Management is responsible for 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 those other information.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchanges 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, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure was incurred for the purpose of company's business.

The engagement partner on the audit resulting in this independent auditors' report is Md. Mohammad Mofizul Haque (Rinku) FCA, Partner/Enr No.1204, DVC: 2111071204 AS 262793.

Dated: Place Dhaka,
October 27, 2021


Rahman Mostafa Alam & CO.
Chartered Accountants

H.R. Textile Mills Limited
Statement of Financial Position
As at 30th June 2021

Particulars	Notes	30/06/2021 Taka	30/06/2020 Taka
ASSETS			
Non-Current Assets			
		2,217,858,108	2,159,175,755
Property, Plant and Equipment	4	2,201,960,608	1,556,043,229
Capital Works in Progress	5	-	593,132,526
Investment in FDR	6	15,897,500	10,000,000
		1,542,734,838	1,365,994,306
Current Assets			
Stocks and Stores	7	661,701,780	606,834,155
Trade and Other Debtors	8	695,013,076	610,274,903
Export Incentive Receivables	9	-	40,353,566
Advances, Deposits and Prepayments	10	94,425,853	88,020,582
Cash and Bank Balances	11	91,594,129	20,511,100
		3,760,592,946	3,525,170,061
EQUITY AND LIABILITIES			
Shareholders' Equity			
		1,143,117,653	1,082,316,036
Share Capital	12	253,000,000	253,000,000
General Reserve	13	6,956,752	6,956,752
Tax Holiday Reserve	14	22,378,988	22,378,988
Dividend Equalisation Reserve	15	10,000,000	10,000,000
Revaluation Surplus	16	651,867,794	652,764,006
Retained Earnings	17	198,914,119	137,216,290
		1,298,074,637	1,281,314,898
Non-Current Liabilities			
Long-term Loans - Secured, Future Maturity	18	1,186,629,941	1,175,512,718
Provision for Gratuity	19	26,096,182	27,218,882
Deferred Tax Liability	20	85,348,514	78,583,298
		1,319,400,656	1,161,539,127
Current Liabilities			
Bank Overdrafts - Secured	21	73,932,455	103,070,844
Time Loans - Secured	22	388,546,435	367,249,038
Loans against Trust Receipts	23	9,357,890	-
Trade Creditors	24	535,577,546	491,778,814
Unclaimed Dividend Account	25	9,507,557	7,397,675
Accrued Expenses	26	30,841,035	44,352,811
Provision for Current Taxation	27	49,803,043	44,069,406
Bills Receivable Discounted	28	16,945,349	25,558,605
Workers' Participation/Welfare Funds	29	13,303,075	14,491,236
Current Maturity of Long-term Loans	30	191,586,271	63,570,698
		3,760,592,946	3,525,170,061
Net Assets Value (NAV) per share		45.18	42.78

The annexed notes from 1 to 48 and Annexure-A are form an integral part of these financial statements.

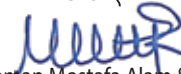





 Dr. M.A. Moyeen Mr. M. A. Moyeed Mr. M. A. Momen Mr. M.A.A. Naheel Mr. Md. Wali Ullah
 Chairman Managing Director Director CFO Company Secretary

Signed in terms of our annexed report of even date .

Dated: Dhaka
October 27, 2021


 Rahman Mostafa Alam & CO.
 Chartered Accountants

H.R. Textile Mills Limited
Statement of Profit or Loss and
other Comprehensive Income
For the year ended 30th June 2021

<u>Particulars</u>	<u>Notes</u>	30/06/2021 Taka	30/06/2020 Taka
Sales Revenue	32	3,000,573,880	2,218,253,529
Export Incentive	33	51,340,341	31,254,874
Turnover		3,051,914,221	2,249,508,403
Cost of Goods Sold	34	(2,611,906,767)	(1,929,453,320)
Gross Profit		440,007,454	320,055,083
Administrative, Selling and General Expenses	35	(104,076,740)	(103,534,895)
Financial Expenses	36	(229,404,084)	(166,149,442)
Operating Profit		106,526,630	50,370,746
Other Income	37	446,545	(3,395,866)
Profit before contribution to WPPF		106,973,175	46,974,880
Contribution to WPPF	29	(5,093,961)	(2,236,899)
Net Profit before Tax		101,879,215	44,737,981
Income Tax Expenses		(28,847,609)	(16,581,467)
Current Tax	39	(21,237,141)	(13,654,258)
Deferred Tax	20	(6,923,372)	(2,927,209)
Prior year Tax		(687,096)	-
Net Profit after Tax		73,031,606	28,156,514
Earning Per Share (EPS)	41	2.89	1.11

The annexed notes from 1 to 48 and Annexure-A are form an integral part of these financial statements.


 Dr. M.A. Moyeen
 Chairman


 Mr. M. A. Moyeed
 Managing Director


 Mr. M. A. Momen
 Director


 Mr. M.A.A. Naheel
 CFO


 Mr. Md. Wali Ullah
 Company Secretary


Signed in terms of our annexed report of even date.

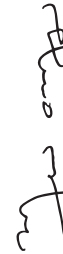
Dated: Dhaka
 October 27, 2021



 Rahman Mostafa Alam & CO.
 Chartered Accountants

H.R. Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the year ended 30th June 2021


Particulars	Share Capital	General Reserve	Tax holiday Reserve	Revaluation Surplus	Dividend Equalisation Reserve	Retained Earnings	Total Taka
Balance as on 1st July 2020	253,000,000	6,956,752	22,378,988	652,764,006	10,000,000	137,216,290	1,082,316,036
Adjustment for deferred tax on revaluation	-	-	-	(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 30th June 2021	253,000,000	6,956,752	22,378,988	651,867,794	10,000,000	198,914,119	1,143,117,653
Balance as on 1st July 2019	253,000,000	6,956,752	22,378,988	653,660,218	10,000,000	120,496,018	1,066,491,976
Adjustment for deferred tax on revaluation	-	-	-	(896,212)	-	1,054,368	158,156
Net profit after tax	-	-	-	-	-	28,156,514	28,156,514
Cash Dividend declared 2019	-	-	-	-	-	(12,490,610)	(12,490,610)
Balance as on 30th June 2020	253,000,000	6,956,752	22,378,988	652,764,006	10,000,000	137,216,290	1,082,316,036


 Dr. M.A. Moyeen
 Chairman


 Mr. M. A. Moyeed
 Managing Director

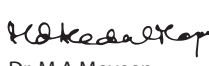

 Mr. M. A. Moimen
 Director


 Mr. M.A.A. Naheel
 CFO


 Mr. Md. Waii Ullah
 Company Secretary

H.R. Textile Mills Limited Statement of Cash Flows For the year ended 30th June 2021

<u>Particulars</u>	<u>Notes</u>	30/06/2021 Taka	30/06/2020 Taka
Cash Flows from Operating Activities:			
Cash received from Sales and export incentives		3,007,414,163	2,229,105,781
Receipts from Other Income		331,094	365,400
Cash paid for goods and services		(2,683,048,133)	(2,256,601,300)
Cash from operation		324,697,124	(27,130,119)
Interest paid		(203,985,706)	(145,846,074)
Income tax paid/deducted at sources		(21,237,141)	(13,590,313)
Net Cash inflows from operating activities		99,474,277	(186,566,506)
Cash Flows from Investing Activities:			
Acquisition of property, plant and equipment	4 & 5	(144,320,883)	(582,232,264)
Investment in FDR	6	(5,897,500)	(10,000,000)
Net Cash outflows from investing activities		(150,218,383)	(592,232,264)
Cash Flows from Financing Activities:			
Bank Overdraft Received/(Repaid)		(29,138,389)	23,819,736
Long Term Loans Received/(Repaid)		11,117,223	469,261,549
Loans against Trust receipts Received/(Paid)		9,357,890	-
Time Loans Received/(Repaid)		21,297,397	367,249,038
Bills Receivable Discounted Received/(Repaid)		(8,659,747)	(13,100,102)
Current Maturity of Long-term Loans		128,015,573	(6,771,310)
Cash Dividend Paid		(10,278,263)	(66,048,908)
Net Cash inflow from financing activities		121,711,684	774,410,003
Net increase/(decrease) in cash and bank balances		70,967,578	(4,388,767)
Cash and Bank balances on opening		20,511,100	24,770,312
Effects of exchange rate changes on cash and cash equivalents		115,451	129,555
Cash and Bank balances at closing - Note 11		91,594,129	20,511,100
Net Operating Cash Flows Per Share (NOCFPS)	42	3.93	(7.37)


Dr. M.A. Moyeen
Chairman


Mr. M. A. Moyeed
Managing Director


Mr. M. A. Monjen
Director


Mr. M.A.A. Naheel
CFO


Mr. Md. Wali Ullah
Company Secretary

H.R. Textile Mills Limited

Notes to the Financial Statements

For the year ended June 30, 2021

Forming an Integral Part of the Financial Statements

1. Notes - General

(a) Status and Activities:

This is a public limited company incorporated in Bangladesh under the Companies Act, 1913 on 3rd 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 Chowdhurypara, Dhaka and the mills are located at Karnapara, Savar, Dhaka. The Company owns textile mills and its principal activities are knitting, processing and finishing of textile products and making garments.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentational currency

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

2.4 Use of estimates and judgments

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

2.5 Reporting period

The financial reporting period of the company covers three months from July 01, 2020 to June 30, 2021.

2.6 Comparative Information and Rearrangement Thereof

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

2.7 Corporate Accounting Standards Practiced

IAS 1 Presentation of Financial Statements	Complied	IAS 24 Related Party Disclosures	Complied
IAS 2 Inventories	Complied	IAS 26 Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 7 Cash Flows Statement	Complied	IAS 27 Separate Financial Statements	Complied
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors	Complied	IAS 28 Investments in Associates and Joint Ventures	Not Applicable
IAS 10 Events after the Reporting Period	Complied	IAS 29 Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 12 Income Taxes	Complied	IAS 32 Financial Instruments: Presentation	Complied
IAS 16 Property, Plant and Equipment	Complied	IAS 33 Earnings Per Share	Complied
IAS 19 Employee Benefits	Complied	IAS 34 Interim Financial Reporting	Complied
IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	Complied	IAS 36 Impairment of Assets	Complied
IAS 21 The Effects of Changes in Foreign Exchange Rates	Complied	IAS 37 Provision, Contingent Liabilities and Contingent Assets	Complied
IAS 23 Borrowing Costs	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 8 Operating Segments	Not Applicable
IFRS 2 Share-based Payment	Not Applicable	IFRS 9 Financial Instruments	Complied
IFRS 3 Business Combinations	Not Applicable	IFRS 10 Consolidated Financial Statements	Not Applicable
IFRS 4 Insurance Contracts	Not Applicable	IFRS 11 Joint Arrangements	Not Applicable
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Not Applicable	IFRS 12 Disclosure of Interests in Other Entities	Not Applicable
IFRS 6 Exploration for and Evaluation of Mineral Resources	Not Applicable	IFRS 13 Fair Value Measurement	Complied
IFRS 7 Financial Instruments: Disclosures	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 on 30th June 2021;
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended 30th June 2021;
- iii) Statement of Changes in Shareholders' Equity for the year ended 30th June 2021;
- iv) Statement of Cash Flows for the year ended 30th June 2021; and
- v) Notes to the Financial Statements for the year 30th June 2021.

3.00 Significant accounting policies

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

3.01 Property, plant and equipment**3.01.1 Recognition and measurement**

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

3.01.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

3.01.3 Depreciation on property, plant and equipment

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

SL No.	Particular	Rate of Depreciation
01	Factory Building	2.50%
02	Plant & Machinery	7.00%
03	Factory Shed	7.50%
04	Electric, Gas, Water, Steam and Telephone Installation, Furniture & Fixture, Office Equipment, Factory Equipment and Tools & Apparatus.	10%
05	Motor Vehicle	15%

3.01.4 Impairment of assets

I) Financial Assets

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

II) Non-Financial assets

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

3.2 Inventories

Inventories are measured at the lower of cost and net 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 event;
- b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) Reliable estimates can be made of the amount of the obligation.

3.4 Earnings Per Share (EPS)

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

*This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the period.

Diluted Earnings per share

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

3.5 Revenue

In compliance with the requirements of IFRS 15 "Revenue from Contracts with Customers" revenue represents the sales proceeds which are recognized when the parties to the contract have approved the contract and are committed to perform their respective obligations; delivery are made from factory godown to carriers that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

3.6 Trade receivables

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

3.7 Finance income and expenses

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

3.8 Cash and cash equivalents

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

3.9 Taxation

Current tax

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

Deferred tax

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

3.10 Foreign Currency Transaction

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

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

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

3.11 Employee Benefits:

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

Retrial Benefits (Gratuity):

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

3.12 Related party disclosure

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

3.13 Statement of Cash Flows

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

3.14 Events after the Reporting Period

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

3.15 Risk Exposure

Interest Rate Risk

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

Management Perception

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

Exchange Rate Risk

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

Management Perception

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

Industry Risks

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

Management Perception

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

Market risks

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

Management Perception

Management is fully aware of the market risk and act accordingly. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational Risks

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

Management Perception

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

Liquidity Risk

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

Management Perception

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

Financial risk management (IFRS 7)

Introduction

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

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

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

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, 2021.

Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Loans and receivables:					
Cash and cash equivalents	3,690,461	-	-	-	3,690,461
Accounts Receivable	-	-	445,894,561	249,115,515	695,013,076
Balance at June 30, 2021	3,690,461	-	445,894,561	249,115,515	698,703,537
Financial liabilities measured at amortized Cost:					
Bank Loan	-	-	-	1,186,629,941	1,186,629,941
Sundry Creditors	535,577,546	-	-	-	535,577,546
Balance at June 30, 2021	535,577,546	-	-	1,186,629,941	1,722,207,487

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	-	-	-	-	-
Bank Loan	-	-	-	-	1,186,629,941
Sundry Creditors	-	-	535,577,546	-	-
Balance at June 30, 2021	-	-	535,577,546	-	1,186,629,941

3.16 COVID-19 disclosure in the financial statements

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

	2021 Taka	2020 Taka
4. Property, Plant and Equipment		
Opening balance	2,664,361,072	2,494,358,742
Add: Addition during the year	737,453,409	170,002,330
Less: Accumulated depreciation	(1,199,853,873)	(1,108,317,843)
Closing balance	<u>2,201,960,608</u>	<u>1,556,043,229</u>
4.1 Depreciation for the year is charged as below:		
Cost of Goods Sold - Note 34.1	73,228,824	71,487,414
Administrative, Selling and General Expenses - Note 35.1	18,307,206	17,871,854
	<u>91,536,030</u>	<u>89,359,268</u>
5. Capital Works in Progress		
Opening balance	593,132,526	180,902,592
Add: Addition during the year	-	412,229,934
Less: Transfer to Property, Plant and Equipment	(593,132,526)	-
Closing balance	<u>-</u>	<u>593,132,526</u>
6. Investment in FDR		
IPDE Finance Limited	15,897,500	10,000,000
	<u>15,897,500</u>	<u>10,000,000</u>

These above mentioned amount of three FDR are liened against Five years IPDC Finance Guarantees amounting Tk. 15,897,500 which have been issued by IPDC Finance Limited in favor of IPDC Finance Limited. Hence, the same have been shown as non-current asset.

7. Stocks and Stores

7.1 The make-up is as below:

	2021		2020	
	Quantity (Kg.)	Amount (Taka)	Quantity (Kg.)	Amount (Taka)
Stock of Yarn - Note 7.2	<u>964,335</u>	<u>257,522,055</u>	<u>1,096,298</u>	<u>305,195,048</u>
Stock of Dyes and Chemicals - Note 7.3	<u>538,876</u>	<u>84,808,306</u>	<u>438,527</u>	<u>78,071,491</u>
Stock of Work-in-Process - Note 7.4		170,047,725		93,354,996
Stock of Finished Goods - Note 7.5		105,640,861		84,784,030
Stock of Accessories		17,587,458		10,893,146
Goods in Transit		12,214,521		21,485,623
		<u>647,820,926</u>		<u>593,784,334</u>
Stock of Spares		13,880,854		13,049,821
		<u>661,701,780</u>		<u>606,834,155</u>
7.2 Stock of Yarn				
Stock of Yarn	<u>964,335</u>	<u>257,522,055</u>	<u>1,096,298</u>	<u>305,195,048</u>
	<u>964,335</u>	<u>257,522,055</u>	<u>1,096,298</u>	<u>305,195,048</u>
7.3 Stock of Dyes and Chemicals				
Dyes	<u>58,789</u>	<u>41,694,405</u>	<u>39,827</u>	<u>40,432,279</u>
Chemicals	<u>480,087</u>	<u>43,113,901</u>	<u>398,700</u>	<u>37,639,212</u>
	<u>538,876</u>	<u>84,808,306</u>	<u>438,527</u>	<u>78,071,491</u>
7.4 Stock in Work in Process				
Cost of Materials		119,645,444		57,328,297
Cost of Conversion		50,402,281		36,026,699
		<u>170,047,725</u>		<u>93,354,996</u>
7.5 Stock of Finished Products				
Finished Garments	-	38,637,394	-	26,158,748
Knitted Fabrics	<u>130,247</u>	<u>67,003,467</u>	<u>135,979</u>	<u>58,625,282</u>
	<u>130,247</u>	<u>105,640,861</u>	<u>135,979</u>	<u>84,784,030</u>

8. Trade and Others Debtors

	2021		2020	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 days)	7,991,211	670,063,076	6,206,165	519,766,306
Others Debtors	297,555	24,950,000	1,080,700	90,508,597
	<u>8,288,766</u>	<u>695,013,076</u>	<u>7,286,865</u>	<u>610,274,903</u>

These include a sum of Tk. 90,508,597 (2020: Tk. 90,508,597) due from Associates Companies, expected to be realised/ adjusted within a year from the financial statement end date.

These are unsecured but considered good.

9. Export Incentives Receivable

	2021 Taka	2020 Taka
Opening balance	40,353,566	55,458,792
Received during the year	(91,693,907)	(46,360,100)
	(51,340,341)	9,098,692
For the year	51,340,341	31,254,874
Closing balance	-	40,353,566

The receivables are unsecured but considered good.

10. Advances, Deposits and Prepayments

Advances:		
Salary Advance	1,066,770	1,126,209
Advance Tax	1,150,000	460,000
Factory Insurance Advance	1,124,816	998,986
Operational Advance	8,441,240	7,902,846
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	45,487,276	40,376,790
	<u>63,870,102</u>	<u>57,464,831</u>
Deposits :		
Security deposits	20,571,731	20,571,731
Bank Guarantee Margin	9,984,020	9,984,020
	<u>30,555,751</u>	<u>30,555,751</u>
	<u>94,425,853</u>	<u>88,020,582</u>

The advances are unsecured but considered good.

11. Cash and Bank Balances

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

BRAC Bank Ltd, Dhanmondi Branch, CD A/c	48,418	13,916
Mutual Trust Bank Ltd, Gulshan Branch, CD A/c	498,342	563,161
Mutual Trust Bank Ltd, Gulshan Branch, Fund builup A/c	3,700,371	-
Mutual Trust Bank Ltd, Gulshan Branch, Dollar A/c	17,231,255	5,900,861
Mutual Trust Bank Ltd, Gulshan Branch, ERQ A/c	80,307	342,152
Mutual Trust Bank Ltd, Gulshan Branch, SND A/c	8,137	1,189,241
HSBC, Anchor Tower Branch, MDA Margin A/c	146,695	99
HSBC, Anchor Tower Branch, FCY A/c	1,621,248	3,242,894
Trust Bank Ltd, SKB Branch, Dollar A/c	18,570,432	1,100,349
Trust Bank Ltd, SKB Branch, FCAD A/c	7,301	18,003
Trust Bank Ltd, SKB Branch, CD A/c	19,573,484	3,183
United Commercial Bank Ltd., CD A/c	-	2,325,680
Dutch-Bangla Bank Ltd., Gulshan Branch, CD A/c	385,674	36,872
AB Bank Ltd, Motijheel Branch, CD A/c	691,143	330,692
AB Bank Ltd, Motijheel Branch, Notice A/c	3,046,756	936,012
	<u>65,609,563</u>	<u>16,003,115</u>

With Bank on Short-term Deposit Account:

Trust Bank Ltd, SKB Branch, SND A/c	21,238,894	180,141
Southeast Bank Ltd, Principal Branch, STD A/c	1,055,211	1,039,104
	<u>22,294,105</u>	<u>1,219,245</u>

Cash at Banks	87,903,668	17,222,360
Cash in Hand	3,690,461	3,288,740
	<u>91,594,129</u>	<u>20,511,100</u>

12. Share Capital

	2021 Taka	2020 Taka
12.1 Authorized: <u>100,000,000</u> Ordinary Shares of Tk. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
12.2 Issued, Subscribed and Paid-up:		
<u>25,300,000</u> Ordinary Shares of Tk. 10 each fully paid-up	<u>253,000,000</u>	<u>253,000,000</u>
14,000,000 Ordinary Shares of Tk. 10 each fully paid-up in cash	140,000,000	140,000,000
<u>11,300,000</u> Ordinary Shares of Tk. 10 each issued as fully paid-up bonus shares	<u>113,000,000</u>	<u>113,000,000</u>
<u>25,300,000</u>	<u>253,000,000</u>	<u>253,000,000</u>

12.3 Composition of Shareholdings: Classes of Holdings	June 30, 2021		June 30, 2020	
	No. of Shares	%	No. of Shares	%
Sponsor/Directors	12,808,619	50.63	12,808,619	50.63
Financials Institutions	1,712,981	6.77	2,744,777	10.85
General Public	10,778,400	42.60	9,746,604	38.52
Total	<u>25,300,000</u>	<u>100.00</u>	<u>25,300,000</u>	<u>100.00</u>

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	2021			2020		
	No. of Shareholders	No. of Shares	Holdings (%)	No. of Shareholders	No. of Shares	Holdings (%)
0000000001 - 00000000499	6,278	1,760,957	6.96	6,932	1,938,961	7.66
00000000500 - 00000000500	3,264	1,632,000	6.45	3,754	1,877,000	7.42
00000000501 - 00000002000	710	1,574,543	6.22	915	2,025,543	8.00
0000002001 - 00000005000	565	1,808,000	7.15	520	1,664,000	6.58
00000005001 - 00000010000	195	1,375,140	5.44	118	832,136	3.29
00000010001 - 00000050000	49	1,617,000	6.39	46	1,518,000	6.00
00000050001 - 00000100000	5	440,000	1.73	4	352,000	1.39
00000100001 - 00000250000	6	1,272,000	5.03	6	1,272,000	5.03
00000250001 - 00000500000	2	1,011,741	4.00	2	1,011,741	4.00
00000500001 and above	6	12,808,619	50.63	6	12,808,619	50.63
Total	<u>11,080</u>	<u>25,300,000</u>	<u>100.00</u>	<u>12,303</u>	<u>25,300,000</u>	<u>100.00</u>

12.4 Year wise break-up of the issue:

Date	Particulars	Shares	2021 (Taka)	2020 (Taka)
03/12/1984	Subscribed capital as per Memorandum and Articles of Association at the time of 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
10/02/1995	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
06/04/1995	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
28/03/2011	10% shares issued as Bonus (200,000 shares of Tk. 100 each)	200,000	20,000,000	20,000,000
29/03/2012	15% shares issued as Bonus (330,000 shares of Tk. 100 each)	330,000	33,000,000	33,000,000
	Total	<u>2,530,000</u>	<u>253,000,000</u>	<u>253,000,000</u>

12.5 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.

	2021 Taka	2020 Taka
13. General Reserve		
Opening & Closing balance	6,956,752	6,956,752
14. Tax Holiday Reserve		
Opening & Closing balance	22,378,988	22,378,988
15. Dividend Equalisation Reserve		
Opening & Closing balance	10,000,000	10,000,000
16. Revaluation Surplus		
Revaluation Surplus	652,764,006	653,660,218
Transferred to retained earnings	(896,212)	(896,212)
Closing balance	651,867,794	652,764,006

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.

	2021 Taka	2020 Taka
17. Retained earnings		
Balance as on June 30, 2020	137,216,290	120,496,018
Total Comprehensive income for the year:		
Profit for the year	73,031,606	28,156,514
Revaluation reserve realized	1,054,368	1,054,368
	211,302,264	149,706,900
Dividend during the year:		
Final dividend for previous year	(12,388,145)	(12,490,610)
Balance as on June 30, 2021	198,914,119	137,216,290

Note: For the year 2019-2020, dividend declared against the shares held by shareholders except sponsors and their relatives. Total shares held by sponsors and their relatives are 12,911,855 shares.

	2021 Taka	2020 Taka
18. Long-term Loan - Secured Future Maturity		
9% Loan - Note 18.1	987,768,518	957,660,813
5% Loan - Note 18.2	-	8,577,655
15% Loan - Note 18.3	143,787,678	147,357,795
Deferred L/C Liabilities - Note 18.4	55,073,745	61,916,455
	1,186,629,941	1,175,512,718
18.1 The movement of loans is as follows:		
Opening balance	957,660,813	530,485,517
Received this year	188,313,701	450,532,958
Less: Current Maturity	(158,205,996)	(23,357,662)
Closing balance	987,768,518	957,660,813

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.

	2021 Taka	2020 Taka
18.2 The movement of loans is as follows:		
Opening balance	8,577,655	39,178,786
Current Maturity	(8,577,655)	(31,021,832)
Unrealised Loss	-	420,701
Closing balance	-	8,577,655

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

18.3 The movement of loan is as follows:

	2021 Taka	2020 Taka
Opening balance	147,357,795	150,000,000
Add: Interest	21,232,503	6,548,999
Less: Current Maturity	(24,802,620)	(9,191,204)
Closing balance	<u>143,787,678</u>	<u>147,357,795</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 25th November 2019.

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

	2021 Taka	2020 Taka
Opening balance	61,916,455	136,166,165
Addition this year	55,073,745	61,916,455
Paid this year	(61,916,455)	(136,166,165)
Closing balance	<u>55,073,745</u>	<u>61,916,455</u>

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

19. Provision for Gratuity

	2021 Taka	2020 Taka
Opening balance	27,218,882	28,392,064
Contribution during this year	4,002,800	3,822,463
	<u>31,221,682</u>	<u>32,214,527</u>
Paid during this year	(5,125,500)	(4,995,645)
Closing balance	<u>26,096,182</u>	<u>27,218,882</u>

20. Deferred Tax Liability

Opening balance	78,583,298	75,814,244
Charged to profit or loss account during the year	6,923,372	2,927,209
Adjustment for depreciation of revalued assets	(158,156)	(158,155)
Closing balance	<u>85,348,514</u>	<u>78,583,298</u>

A. Property, Plant and Equipment (PPE)

WDV of Accounting Base	1,518,401,168	871,429,421
WDV of Tax Base	1,134,592,541	532,653,908
Taxable temporary difference	<u>383,808,627</u>	<u>338,775,513</u>
Tax rate	15%	15%
Deferred tax liability/(asset)	<u>57,571,294</u>	<u>50,816,327</u>

B. Deferred Tax on Gratuity Provision

Opening balance of deferred tax liability for gratuity provision	(4,082,832)	(4,258,810)
Addition during the year	168,405	175,978
Deferred tax liability/(asset)	<u>(3,914,427)</u>	<u>(4,082,832)</u>

C. Calculation of deferred tax

Revalued value of land	644,020,625	644,020,625
Revalued value of other than land	39,538,815	40,593,183

Tax Rate

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

Deferred tax liabilities

	2021 Taka	2020 Taka
For land	25,760,825	25,760,825
For other than land	5,930,822	6,088,978
Deferred tax liability/(asset)	<u>31,691,647</u>	<u>31,849,803</u>
Total (A+B+C)	85,348,514	78,583,298

Calculation of deferred tax charged on Profit or Loss Account:

Deferred tax liability other than revalued asset as on June 30, 2020	46,733,495	43,806,286
Deferred tax liability other than revalued asset as on June 30, 2021	53,656,867	46,733,495
	<u>6,923,372</u>	<u>2,927,209</u>

21. Bank Overdraft

Trust Bank Ltd, SKB Branch	50,933,128	53,535,858
HSBC Bank, Plc, Anchor Tower Branch, Kawran Bazar	22,999,327	49,534,986
	<u>73,932,455</u>	<u>103,070,844</u>

These are secured.

22. Time Loan

9% Loan - Note 22.1	359,397,739	367,249,038
5% Loan - Note 22.2	29,148,696	-
	<u>388,546,435</u>	<u>367,249,038</u>

22.1 The movement of loan is as follows:

Opening balance	367,249,038	-
Received this year	-	350,000,000
Paid this year	(36,077,375)	-
Accrued Interest	28,226,076	17,249,038
Closing balance	<u>359,397,739</u>	<u>367,249,038</u>

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

22.2 The movement of loan is as follows:

	2021 Taka	2020 Taka
Opening balance	-	-
Received this year	28,500,000	-
Paid this year	(320,671)	-
Accrued Interest	969,367	-
Closing balance	<u>29,148,696</u>	<u>-</u>

The loan has been taken WC under Stimulus Package Covid-19 Pandemic from Trust Bank Limited, Senakalyan Bhaban Branch, 195 Motijeeel C/A, Dhaka-1000 for for Working Capital requirement. The loan carries interest at 4.5% and is repayable in 12 months.

23. Loan against Trust Receipts

	2021 Taka	2020 Taka
Opening balance	-	-
Loan received this year	9,357,890	-
Closing balance	<u>9,357,890</u>	<u>-</u>

24. Creditors	2021		2020	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>6,243,975</u>	525,430,493	<u>5,680,649</u>	482,003,067
For Local Purchases		9,158,254		8,843,614
For Staff Income Tax		617,330		560,664
For Refund Warrant		371,469		371,469
		<u>535,577,546</u>		<u>491,778,814</u>

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

25. Unclaimed Dividend Account	2021		2020	
	Taka	Taka	Taka	Taka
Opening	7,397,675	60,955,973		
Add: Addition during the year*	<u>12,388,145</u>	<u>12,490,610</u>		
	19,785,820	73,446,583		
Less: Payment during the year	<u>10,278,263</u>	<u>66,048,908</u>		
	<u>9,507,557</u>	<u>7,397,675</u>		

* See note no 17

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).

26. Accrued Expenses	2021		2020	
	Taka	Taka	Taka	Taka
Gas Expenses (Factory)	15,192,692	31,782,536		
Electricity bill	76,102	18,430		
Telephone	135,450	129,577		
Salaries, Wages and Allowances	14,879,016	11,843,768		
Security bill	75,275	96,000		
Legal Fee	60,000	60,000		
Auditors' Fee (Including Vat)	172,500	172,500		
AGM Expense	250,000	250,000		
	<u>30,841,035</u>	<u>44,352,811</u>		
27. Provision for Current Taxation				
Opening balance	44,069,406	30,415,148		
Addition during the year	<u>21,924,237</u>	<u>13,654,258</u>		
	65,993,643	44,069,406		
Paid during the year	<u>(16,190,600)</u>	-		
Closing balance	<u>49,803,043</u>	<u>44,069,406</u>		
28. Bills Receivable Discounted				
Opening balance	25,558,605	38,658,707		
Discounted during the year	<u>169,845,684</u>	<u>235,845,740</u>		
	195,404,289	274,504,447		
Collected during the year	<u>(178,458,940)</u>	<u>(248,945,842)</u>		
Closing balance	<u>16,945,349</u>	<u>25,558,605</u>		
29. Workers' Participation/Welfare Funds				
Opening balance	14,491,236	18,386,925		
Payment during this year	<u>(6,854,850)</u>	<u>(6,987,542)</u>		
	7,636,386	11,399,383		
Contributions for the year	5,093,961	2,236,899		
Interest during the year	572,729	854,954		
Closing balance	<u>13,303,075</u>	<u>14,491,236</u>		

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

30. Current Maturity of Long-term Loans

	2021 Taka	2020 Taka
Current Maturity of Long-term Loans (MTBL) - Note 30.1	158,205,996	23,357,662
Current Maturity of Long-term Loans (HSBC) - Note 30.2	8,577,655	31,021,832
Current Maturity of Long-term Loans (IPDC) - Note 30.3	24,802,620	9,191,204
Total	<u>191,586,271</u>	<u>63,570,698</u>

30.1 Current Maturity of Long-term Loans (MTBL)

Opening balance	23,357,662	-
Current Maturity this year	158,205,996	23,357,662
	<u>181,563,658</u>	<u>23,357,662</u>
Paid during this year	(23,357,662)	-
Closing balance	<u>158,205,996</u>	<u>23,357,662</u>

30.2 Current Maturity of Long-term Loans (HSBC)

Opening balance	31,021,832	70,342,008
Current Maturity this year	8,577,655	31,021,832
	<u>39,599,487</u>	<u>101,363,840</u>
Paid during this year	(31,021,832)	(70,342,008)
Closing balance	<u>8,577,655</u>	<u>31,021,832</u>

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

30.3 Current Maturity of Long-term Loans (IPDC)

	2021 Taka	2020 Taka
Opening balance	9,191,204	-
Current Maturity this year	24,802,620	9,191,204
	<u>33,993,824</u>	<u>9,191,204</u>
Paid during this year	9,191,204	-
Closing balance	<u>24,802,620</u>	<u>9,191,204</u>

31. Net Assets Value (NAV) Per Share

Total Assets	3,760,592,946	3,525,170,061
Total Liabilities	(2,617,475,293)	(2,442,854,025)
A. Net Assets	<u>1,143,117,653</u>	<u>1,082,316,036</u>
B. Number of ordinary of shares	<u>25,300,000</u>	<u>25,300,000</u>
Net Assets Value (NAV) Per Share (A/B)	<u>45.18</u>	<u>42.78</u>

The NAV Per Share increased mainly due to revaluation surplus detailed in note 16.

32. Sales

Item	2021			2020		
	Quantity	Amount (in US\$)	Amount (In Taka)	Quantity	Amount (In US\$)	Amount (In Taka)
Export sales:						
Knit Fabrics (Kgs)	<u>1,761,282</u>	10,937,560	918,329,200	<u>2,586,173</u>	13,885,709	1,164,403,732
Garments (Pcs)	<u>10,609,820</u>	24,826,979	2,082,244,680	<u>5,454,906</u>	12,579,282	1,053,849,797
Total		<u>35,764,539</u>	<u>3,000,573,880</u>		<u>26,464,991</u>	<u>2,218,253,529</u>

Sales increased significantly by 35.27% mainly from increased export Sales of garments by 94.50% Pcs.

33. Export Incentives

Cash Incentive

2021 Taka	2020 Taka
51,340,341	31,254,874
<u>51,340,341</u>	<u>31,254,874</u>

34. Cost of Goods Sold

34.1 The break-up is as follows:

Materials Consumed - Note-34.2

Salary, Wages and Allowances - Note 34.3

Tiffin & Entertainment expenses

Depreciation - Note 4.1

Stores and Spares Consumed

Factory Conveyance

Power and Gas

Gratuity

Vehicle expenses

Repairs and Maintenance

Packing & Loading expenses

Import Landing, Clearing and Insurance

Factory Stationery expenses

Carriage Inward & Outward

Knitting, Sewing & Processing charge

Factory Insurance

Sewing Machine Rental

Miscellaneous

Total Manufacturing Costs for the year

Add: Opening Work in Process

Total Manufacturing Costs

Less: Closing Work in Process

Cost of Goods Manufactured

Add: Opening Finished Goods

Cost of Goods available for use

Less: Closing Finished Goods

Cost of Goods Sold

2,271,063,462	1,609,765,128
244,422,140	211,727,847
992,450	985,745
73,228,824	71,487,414
1,258,770	1,652,658
984,545	988,542
96,193,104	96,669,822
2,987,580	2,853,985
1,695,875	1,862,547
1,465,985	1,455,848
1,557,394	1,546,535
1,558,533	1,550,531
1,229,792	1,205,475
3,084,500	2,542,384
3,659,754	11,558,458
3,100,629	3,184,080
685,450	795,480
287,540	362,458
<u>2,709,456,327</u>	<u>2,022,194,937</u>
<u>93,354,996</u>	<u>44,367,516</u>
<u>2,802,811,323</u>	<u>2,066,562,453</u>
<u>170,047,725</u>	<u>93,354,996</u>
<u>2,632,763,598</u>	<u>1,973,207,457</u>
<u>84,784,030</u>	<u>41,029,893</u>
<u>2,717,547,628</u>	<u>2,014,237,350</u>
<u>105,640,861</u>	<u>84,784,030</u>
<u>2,611,906,767</u>	<u>1,929,453,320</u>

34.2 Materials Consumed

Yarn

Dyes

Chemicals

Accessories

Total Materials Consumption

2021		2020	
Quantity (Kg)	Taka	Quantity (Kg)	Taka
5,259,671	1,609,459,218	4,052,966	1,143,787,458
344,590	230,875,243	274,247	178,147,852
1,495,955	226,053,754	1,458,363	174,245,231
	204,675,247		113,584,587
	<u>2,271,063,462</u>		<u>1,609,765,128</u>

34.3 Salaries, Wages and Allowances

Employees drawing Tk.8,000 or more per month

Employees drawing less than Tk.8,000 per month

Total

2021		2020	
No. of Employee	Taka	No. of Employee	Taka
1,915	244,422,140	1,867	211,727,847
-	-	-	-
<u>1,915</u>	<u>244,422,140</u>	<u>1,867</u>	<u>211,727,847</u>

35. Administrative, Selling and General Expenses

35.1 The break-up is as below:

	2021 (Taka)	2020 (Taka)
Directors' Remuneration - Note 35.2	2,600,000	2,600,000
Salaries and Allowances - Note 35.3	60,370,283	58,154,872
Security Service charge	894,541	1,152,000
Depreciation - Note 4.1	18,307,206	17,871,854
Electricity expenses	2,291,654	2,091,943
Postage, Courier, Telephone and Fax	1,063,540	1,158,457
Form & Stamp	983,455	954,874
Gratuity	1,015,220	968,478
Traveling and Conveyance	875,840	864,355
Legal and Professional expenses	60,000	60,000
Auditors' Fee - Note 35.2	172,500	172,500
A.G.M expenses	275,250	285,875
Registration and Fees	885,505	875,254
Staff welfare	781,287	924,872
Stationery expenses	945,102	938,452
Office Repairs and Maintenance	703,955	728,453
Vehicle expenses	1,683,478	1,868,323
Entertainment expenses	952,540	1,048,589
Central fund for RMG	622,767	318,810
Buying House Commission	1,656,500	2,658,000
Freight Charges & Freight out	3,755,455	4,258,452
Garments Testing & Inspection Charges	2,892,162	3,254,640
Miscellaneous	288,500	325,842
Total	104,076,740	103,534,895

35.2 No remuneration or fee, other than that specified in note 35, was paid to directors and auditors.

35.3 Salaries and Allowances:

	2021		2020	
	No. of Employee	Taka	No. of Employee	Taka
Employees drawing Tk. 8,000 or more p/m	167	60,370,283	145	58,154,872
Employees drawing less than Tk. 8,000 p/m	-	-	-	-
	<u>167</u>	<u>60,370,283</u>	<u>145</u>	<u>58,154,872</u>

36. Financial Expenses

	2021 Taka	2020 Taka
Interest Expenses	203,985,706	146,701,028
Bank Charges	25,418,378	19,448,414
	<u>229,404,084</u>	<u>166,149,442</u>

36.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	572,729	854,954
Interest on Long-term Loans	115,297,408	78,338,061
Interest on Bills Discounted	12,174,125	30,559,905
Interest on Bank Overdraft	6,073,345	7,753,130
Interest on Time Loan	38,065,438	22,645,979
Interest on Trust Receipts	117,300	-
Interest on Lease Finance	31,685,361	6,548,999
	<u>203,985,706</u>	<u>146,701,028</u>

37. Others Income

Rental income	-	365,400
Exchange Fluctuation Gain/(Loss)	446,545	(3,761,266)
	<u>446,545</u>	<u>(3,395,866)</u>

37.1 Exchange Fluctuation Gain/(Loss)

Unrealised gain/(loss) on receivables	740,503	233,772
Unrealised gain/(loss) on payables	(342,140)	(3,703,892)
Unrealised gain/(loss) FC accounts balances	115,451	129,555
Unrealised gain/(loss) on loans	(67,269)	(420,701)
	<u>446,545</u>	<u>(3,761,266)</u>

38. Event after Balance Sheet Date:

The Board of Directors of the Company in its meeting held on October 27, 2021 (2020: October 28, 2020) recommended 5% cash dividend i.e. Tk. 0.50 per share of Tk. 10.00 each & 5% stock dividend (2020: 10% cash dividend only General Shareholders) all shareholders of the company subject to their approval in the AGM.

39. Current Tax**A. Regular Tax**

	2021 Taka	2020 Taka
Profit before tax	101,879,215	44,737,981
Depreciation as per accounting base	91,536,030	89,359,268
	193,415,245	134,097,249
Depreciation as per Tax base	(139,774,025)	(114,237,885)
	53,641,220	19,859,364
Provision for Gratuity for the year	4,002,800	3,822,463
	57,644,020	23,681,827
Other income (Separate calculation)	-	(365,400)
	57,644,020	23,316,427
Payment for Gratuity	(5,125,500)	(4,995,645)
	52,518,520	18,320,782
Tax Rate @ 15%	7,877,778	2,748,117
B. Minimum Tax on gross receipt @ 0.30%	9,157,082	-
C. Tax Deducted at source U/S-52	21,237,141	13,590,313
Current tax expense (Higher of A, B & C)	21,237,141	13,590,313
Add: Other income tax	-	365,400
Rental income	-	(109,620)
Maintenance @ 30%	-	255,780
Tax Rate @ 25%	-	63,945
Current Tax for the year	21,237,141	13,654,258

40. Remuneration/Payments to Directors/Officers:

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

Particulars	2021		2020	
	Directors	Officers	Directors	Officers
Remuneration	2,600,000	-	2,600,000	-
Basic salary		36,574,263		34,859,864
House rent allowance		17,789,540		17,359,875
Other benefits and perquisites		6,006,480		5,935,133
	2,600,000	60,370,283	2,600,000	58,154,872

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

40.3 No amount of money was spent by the Company for compensating any member of the Board for services.

41. Earnings Per Share**41.1 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:

	2021 (Taka)	2020 (Taka)
A. Earnings attributable to the Ordinary Shareholders (Net Profit after tax)	73,031,606	28,156,514
B. Number of ordinary of shares outstanding during the year	25,300,000	25,300,000
Earnings Per Share (EPS) (A/B)	2.89	1.11

EPS for the year significantly rose by 160.36% mainly from increased sales revenue by 35.27% and increased Export Incentive by 64.26%

41.2 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.

42. Net Operating Cash Flows Per Share (NOCFPS)

	2021 Taka	2020 Taka
Cash flows from Operating Activities:		
Cash received from Sales, Export incentive and Others	3,007,414,163	2,229,105,781
Receipts from Other Income	331,094	365,400
Cash paid for goods and services	(2,683,048,133)	(2,256,601,300)
Cash from operation	324,697,124	(27,130,119)
Interest paid	(203,985,706)	(145,846,074)
Income tax paid/deducted at sources	(21,237,141)	(13,590,313)
Net Cash inflows from operating activities	99,474,277	(186,566,506)
Divided by number of ordinary of shares	25,300,000	25,300,000
Net operating Cash Flows Per Share (NOCFPS)	3.93	(7.37)

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

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

Item	Capacity	Actual Production	Percentage (%) of achievement
Finished Garments (Lac Pcs.)	140	106.09 (2020: 54.55)	75.77 (2020: 64.94%)
Knit Fabrics (MTs.)	6,000	5,410 (2020: 3,873)	90.16 (2020: 64.55%)

44. The Company has obtained bank credit facilities from the following banks

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised	
				2021 Taka	2020 Taka
Trust Bank Ltd. SKB Branch, Dhaka	B to B L/C, EDF & Sight	650,000,000	184,584,520	465,415,480	395,125,411
	IBP (Inner Limit B to BL/C, EDF & Sight)	70,000,000	-	70,000,000	70,000,000
	Trust receipt (B to B L/C, EDF & Sight)	40,500,000	9,357,890	31,142,110	40,500,000
	Overdraft	50,000,000	50,933,128	(933,128)	(3,535,858)
	Bank Guarantee	1,000,000	-	1,000,000	1,000,000
		<u>701,000,000</u>	<u>244,875,538</u>	<u>566,624,462</u>	<u>503,089,553</u>
Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	B to B L/C, EDF & Sight	1,000,000,000	193,654,200	806,345,800	775,415,406
	Secured Overdraft	150,000,000	-	150,000,000	150,000,000
	Term Loan	1,060,000,000	987,768,518	72,231,482	78,981,525
		<u>2,210,000,000</u>	<u>1,181,422,718</u>	<u>1,028,577,282</u>	<u>1,004,396,931</u>
HSBC Anchor Tower, 108 Bir Uttam C.R. Datta Road, Dhaka-1205	Export Cash Limit	147,000,000	16,584,520	130,415,480	121,441,395
	Import Line	716,000,000	226,534,850	489,465,150	465,902,557
	Overdraft	50,000,000	22,999,327	27,000,673	465,015
	Bank Guarantee	18,000,000	17,797,900	202,100	202,100
	Loan Line	54,540,000	8,577,655	45,962,345	7,027,866
		<u>985,540,000</u>	<u>292,494,252</u>	<u>693,045,748</u>	<u>595,038,933</u>

45. The analysis of consumption of materials and spares as to origin is as below

	2021		2020	
	Taka	%	Taka	%
Imported	592,290,570	27.17	504,167,333	31.29
Local	1,587,459,854	72.83	1,107,250,453	68.71
	<u>2,179,750,424</u>	<u>100.00</u>	<u>1,611,417,786</u>	<u>100.00</u>

46. Reconciliation of net operating cash flow

	2021 (Taka)	2020 (Taka)
Profit after tax	73,031,606	28,156,514
Depreciation	91,536,030	89,359,268
Unrealised loss	-	3,761,266
Changes in:		
Stock and Stores	(54,867,625)	(213,556,905)
Trade and other Debtors	(84,738,173)	(35,507,848)
Export Incentive Receivable	40,353,566	15,105,226
Advance Deposit and Prepayments	(6,405,271)	(20,701,954)
Trade Creditors	43,887,928	(81,752,382)
Accrued Expenses	(13,511,776)	17,215,868
Provision for Current Taxation	5,733,637	13,654,258
Provision for Gratuity	(1,122,700)	(1,173,182)
Workers' Participation/Welfare Funds	(1,188,161)	(3,895,689)
Provision for Deferred Taxation	6,765,216	2,769,054
Net cash provided (used) by operating activities	<u>99,474,276</u>	<u>(186,566,506)</u>

47. 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 International Accounting Standard-24; "Related party Disclosures". Total exposure with the related parties during the year ended as at June 30, 2021 is as under:

Name of the related party	Relationship	Nature of Transaction	2021 Taka	2020 Taka
Fashion Knit Garments Ltd.	Common Director	Sale of Finished Fabrics	918,329,200	1,164,403,732
		Receivable	24,950,000	90,508,597
Pride Limited	Common Director	No Transaction	-	-
Dacca Textiles Limited	Common Director	No Transaction	-	-
Pride Spinning Ltd	Common Director	No Transaction	-	-

Approval for receivable in Fashion Knit Garments Ltd., will be taken in next Annual General Meeting interms of BSEC Notification No. BSEC/ CMRRCD/209-193/2/ Admin/ 103 dated 5th February 2020.

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

Name of Directors	Designation	Monthly Remuneration	Bonus during the year	June 30, 2021	June 30, 2020
Professor Dr. Muhammad Abdul Moyeen	Chairman	-	-	-	-
Mr. Mohammad Abdul Moyeed	Managing Director	200,000	200,000	2,600,000	2,600,000
Professor Mohammad Abdul Momen	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azwad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Professor Dr. A.H.M Habibur Rahman	Independent Director	-	-	-	-
Professor Dr. Md. Zakir Hossain Bhuiyan	Independent Director	-	-	-	-
Total		200,000	200,000	2,600,000	2,600,000

48. General


- 48.1 There was no sum for which the Company was contingently liable as at 30th June 2021 and 30th June 2020.
- 48.2 There was no claim, except an aggregate amount of Tk. 28,868,145 (2020: 27,549,576) claimed by the Tax Authority but appealed against by the Company, not acknowledged as debt as at 30th June 2021 and 30th June 2020.
- 48.3 There was no credit facilities available to the Company, except trade credits and back to back L/C facilities, during the years ended as on 30th June 2021 and 30th June 2020.
- 48.4 There was no foreign shareholder of the Company as on 30th June 2021 and 30th June 2020 and no dividend was remitted to any foreign shareholders during the years ended 30th June 2021 and 30th June 2020.
- 48.5 There was no capital expenditure contracted but not incurred or provided for the year ended 30th June 2021 and 30th June 2020.
- 48.6 There was no capital expenditure authorised by the Board but not contracted for the year ended 30th June 2021 and 30th June 2020.


Dr. M.A. Moyeen
Chairman


Mr. M. A. Moyeed
Managing Director


Mr. M. A. Momen
Director


Mr. M.A.A. Naheel
CFO


Mr. Md. Wali Ullah
Company Secretary

Annexure-A

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

Particulars	Cost or valuation		Rate	Depreciation		(Amount in Taka)	
	As on 1 July 2020	As on 30 June 2021		As on 1 July 2020	During the year	As on 30 June 2021	Written down value As on 30 June 2021
Factory Land and Development							
Factory Building	8,479,375	8,479,375	0.00%	-	-	8,479,375	
Factory Shed	336,957,885	903,026,172	2.50%	11,961,874	94,597,037	808,429,135	
Plant and Machinery	6,823,475	6,823,475	7.50%	-	6,823,470	5	
Electric Installation	1,464,038,732	1,631,218,464	7.00%	64,288,829	950,198,116	681,020,348	
Gas Installation	34,280,804	34,642,204	10.00%	3,439,011	27,060,059	7,582,145	
Water Installation	7,826,035	7,826,035	10.00%	135,000	6,746,025	1,080,010	
Steam Installation	8,990,520	9,380,520	10.00%	935,808	8,588,147	792,373	
Furniture and Fixtures	2,563,352	2,563,352	10.00%	-	2,563,342	10	
Telephone Installation	10,166,727	11,036,777	10.00%	1,049,882	11,026,159	10,618	
Motor Vehicles	1,027,861	1,027,861	10.00%	-	1,027,851	10	
Office Equipment	46,192,122	46,192,122	15.00%	3,290,440	37,647,109	8,545,013	
Loose Tools	38,016,447	39,795,147	10.00%	4,084,818	39,406,079	389,068	
Factory Equipment	183,875	183,875	10.00%	-	183,865	10	
A. Total	12,618,502	13,423,742	10.00%	1,296,000	11,350,694	2,073,048	
	1,978,165,712	2,715,619,121		90,481,662	1,197,217,953	1,518,401,168	
Revaluation							
Factory Land and Development							
Factory Building	644,020,625	644,020,625	-	-	-	644,020,625	
B. Total	42,174,735	42,174,735	2.50%	1,054,368	2,635,920	39,538,815	
Total (A+B) as on June 30, 2021	686,195,360	686,195,360		1,054,368	2,635,920	683,559,440	
Total Taka as on June 30, 2020	2,664,361,072	3,401,814,481		91,536,030	1,199,853,873	2,201,960,608	
	2,494,358,742	2,664,361,072		89,359,268	1,108,317,843	1,556,043,229	

H.R. Textile Mills Limited
Schedule of Property, Plant and Equipment
As on 30th June 2020

Particulars	Cost or valuation		Rate	Depreciation		(Amount in Taka) Written down value As on 30 June 2020
	As on 1 July 2019	Additions/ (Deletions) As on 30 June 2020		During the year	As on 30 June 2020	
Factory Land and Development	8,479,375	-	0.00%	-	-	8,479,375
Factory Building	336,957,885	-	2.50%	8,423,947	82,635,163	254,322,722
Factory Shed	6,823,475	-	7.50%	-	6,823,470	5
Plant and Machinery	1,296,955,367	167,083,365	7.00%	67,882,026	885,909,287	578,129,445
Electric Installation	33,799,439	481,365	10.00%	3,428,080	23,621,048	10,659,756
Gas Installation	6,476,035	1,350,000	10.00%	135,000	6,611,025	1,215,010
Water Installation	8,465,520	525,000	10.00%	899,052	7,652,339	1,338,181
Steam Installation	2,563,352	-	10.00%	-	2,563,342	10
Furniture and Fixtures	9,955,127	211,600	10.00%	21,160	9,976,277	190,450
Telephone Installation	1,027,861	-	10.00%	-	1,027,851	10
Motor Vehicles	46,192,122	-	15.00%	3,290,440	34,356,669	11,835,453
Office Equipment	37,957,447	59,000	10.00%	2,963,345	35,321,261	2,695,186
Loose Tools	183,875	-	10.00%	-	183,865	10
Factory Equipment	12,326,502	292,000	10.00%	1,261,850	10,054,694	2,563,808
A. Total	1,808,163,382	170,002,330		88,304,900	1,106,736,291	871,429,421
Revaluation						
Factory Land and Development	644,020,625	-	-	-	-	644,020,625
Factory Building	42,174,735	-	2.50%	1,054,368	1,581,552	40,593,183
B. Total	686,195,360	-		1,054,368	1,581,552	684,613,808
Total (A+B) as on June 30, 2020	2,494,358,742	170,002,330		89,359,268	1,108,317,843	1,556,043,229
Total Taka as on June 30, 2019	2,367,610,882	126,747,860		80,350,694	1,018,958,575	1,475,400,167