

annual report 2022-23



H.R. TEXTILE MILLS LIMITED

An enterprise of PRIDE GROUP with public participation

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Corporate Directory

Board of Directors

Chairman	:	Professor Dr. Muhammad Abdul Moyeen
Managing Director	:	Mr. Mohammad Abdul Moyeed
Director	:	Professor Mohammad Abdul Momen
Director	:	Ms. Ruhey Rawa
Director	:	Ms. Sumbal Azwad Momen
Director	:	Ms. Sana Kainat Moyeen
Independent Director	:	Professor Dr. A.H.M. Habibur Rahman
Independent Director	:	Mr. Mohammad Kabiruzzaman

Corporate Information

Audit Committee

Chairman	:	Professor Dr. A.H.M. Habibur Rahman
Member	:	Professor Dr. Muhammad Abdul Moyeen
Member	:	Professor Mohammad Abdul Momen
Member	:	Mr. Mohammad Kabiruzzaman

Nomination and Remuneration Committee (NRC)

Chairman	:	Mr. Mohammad Kabiruzzaman
Member	:	Professor Dr. Muhammad Abdul Moyeen
Member	:	Professor Mohammad Abdul Momen

Chief Financial Officer : Mr. Md. Abu Amur Naheel

Head of Internal Audit and Compliance : Mr. Sumnoon Moheb

Company Secretary : Md. Wali Ullah

Management Committee

Mr. Mohammad Abdul Moyeed	:	Managing Director / CEO
Mr. Md. Abu Amur Naheel	:	Chief of Financial Officer (CFO)
Mr. Sumnoon Moheb	:	Head of Internal Audit and Compliance (HIAC)
Mr. Md. Wali Ullah	:	Company Secretary (CS)
Mr. Mohammad Karim Hossain	:	GM (MIS)
Mr. Nazmul Hossain Khan	:	DGM (Commercial)
Mr. Sherajul Islam Khan	:	DGM (Accounts)
Mr. Monirul Islam	:	AGM (Admin)
Mr. Muhammad Ali Chowdhury	:	Manager (Taxes)
Mr. Himel Pramanik	:	Assistant Manager (HRD)

Auditors

M/s. S.K. Barua & Co.	:	Chartered Accountants, Houser # 184 (Ground Floor), Road # 2, New DOHS, Mohakhali, Dhaka-1206
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Corporate Governance Auditor

M/s. N.M. Tareque and Associates	:	Cost and Management Accountants Nakshi Homes (1st Floor), 6/1/A, Segunbagicha, Dhaka-1000
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Bankers : Trust Bank Limited, Mutual Trust Bank Limited and
The Hongkong and Shanghai Banking Corporation Limited

Corporate Office & Share Office : Pride Hamza (5th Floor), House # 54, Road # 1, Sector # 6, Uttara, Dhaka-1230
Cell No.: 01990409190 (Share Dept.), Fax: (8802) 222299147
E-mail: hrtex_cs@pride-grp.com, web: www.pride-grp.com/hrt

Operational Office & Factory : 4, Karnapara, Savar, Dhaka

MISSION

Be a caring company through enriching customer experiences
by providing innovative solutions & process excellence.

VISION

Be an industry thought leader.

Screenshot from 38th AGM held through Digital Platform

HR_Textile_Mills_Ltd._Zoom_VAGM_2023_RAW



Virtual Annual General Meeting held on 18th January 2023

AGM Invitation to Our Shareholders

Virtual AGM 2021-22

Through Digital Platform

18th January 2023, Time: 11:30 am

Record Date 22nd November 2022

Helpline - AGM 2021-22

Md. Khaled Sifullah

Investor Relation Dept.

Cell: +8801990409190

E-mail: hrtex_cs@pride-grp.com

Letter of Transmittal

To
The Valued Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange PLC

Annual Report for the year ended 30th June 2023

Dear Sir(s)/Madam(s)

Enclosed please find a copy of the Annual Report together with the Audited Accounts including Statement of Financial Position as at 30th June 2023 and Statement of Profit or Loss and Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30th June 2023 along with the notes thereon of the H.R. Textile Mills Limited for your kind information and record.

Thank you.

Sincerely,


Md. Wali Ullah
Company Secretary

Notice of the 39th Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting (AGM) of the Shareholders of H.R. Textile Mills Limited will be held on Tuesday, 23rd January 2024 at 11:00 am through "Digital Platform" (<https://hrtextile.bdvirtualagm.com>) to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June 2023 together with the Auditors' thereon and the Directors Report;
2. To approve the proposal of dividend as recommended by the Board;
3. To elect / re-elect Directors;
4. To approve the appointment of the Independent Director;
5. To appoint Statutory Auditors of the Company for the year 2023-2024 and to fix their remuneration;
6. To appoint Corporate Governance Compliance Auditors for the year 2023-2024 and to fix their remuneration;
7. To consider approval of the contract for sale of fabrics to Related Party M/s. Fashion Knit Garments Limited.

By Order of the Board



Md. Wali Ullah

Company Secretary

Date: 11/11/2023

Notes

- a. The record/ book closure date was fixed on 4th December 2023. The Shareholders, whose names appeared in CDS/ Company's Register on the 'Record/ Book Closure Date' on 4th December 2023, will be entitled to attend/participate and vote in the 39th Annual General Meeting through "Digital Platform" and to receive the Dividend.
- b. A member entitled to attend/participate and vote in the Annual General Meeting through "Digital Platform", may appoint a proxy to attend and vote in his/her behalf. The scanned copy of the Proxy Form, duly filled and stamped with a revenue stamp of Tk. 20/- and signed by the member must be sent by email to hrtex_cs@pride-grp.com not later than 48 hours before the commencement of the AGM.
- c. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81: dated: 20th June 2018, soft copy of the Annual Report 2022-23 will be sent to the respective shareholders' email addresses as available with us. The Annual Report 2022-23 will be available in the Company's website at: www.pride-grp.com/hrt
- d. Link for joining in the "Digital Platform" (audio-visual meeting) will be mailed to the respective shareholders' email address and sent SMS to their mobile number as available with us.
- e. The Members will be able to submit their questions/comments and vote electronically before 24 hours of commencement of the AGM and during the AGM.
- f. In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/ 2009-193/154; dated: 24th October 2013, No Gift/Gift Coupon/Food Box shall be distributed at the upcoming AGM of the Company.

Directors' Profile

Mr. Mohammad Abdul Moyeed **Managing Director**

Mr. Mohammad Abdul Moyeed obtained B.Sc Engineering (Chemical) from BUET. He started his business career early in life. Mr. Moyeed has 47 years of experience in trade and is now considered an authority in the field of textile processing and finishing in Bangladesh, with a proven and excellent entrepreneurial track record. Mr. Moyeed is the Managing Director of H.R. Textile Mills Limited and also Non-Executive Director of Dacca Textiles Limited, Fashion Knit Garments Limited, Pride Limited, Pride Spinning Limited and Pride Properties Limited and under his dynamic leadership all the industrial ventures of this group are marching towards progress and prosperity. He is involved in different social development works through a host of social organizations.

Professor Dr. Muhammad Abdul Moyeen **Director**

Professor Dr. Muhammad Abdul Moyeen is a B.Com (Hons), M.Com in Management and Ph.D from the University of Glasgow. Dr. Moyeen has 45 years of professional and entrepreneurial experience and is now regarded as an Industry Thought Leader on operations, organization & strategic management. He has been involved with Pride Group as its director since inception. Dr. Moyeen is the Chairman of H.R. Textile Mills Limited and Non-Executive Director of Dacca Textiles Limited, Fashion Knit Garments Limited, Pride Limited and Pride Properties Limited. Dr. Moyeen is also the Chairman of Pride Spinning Limited. Dr. Moyeen additionally serves as a Professor at the University of Dhaka. He is the recipient of several international awards in his capacity as a professor & entrepreneur.

Professor Mohammad Abdul Momen **Director**

Professor Mohammad Abdul Momen is a B.Com Hons M.Com in Finance and has obtained his MBA degree from Drake University, USA. He started his business career during his student life. Professor Momen has 43 years of experience in business and is also a renowned professor of the Institute of Business Administration (IBA) at the University of Dhaka for the last 3 decades and involved with Pride Group since its inception. Professor Momen is well known among the business community, the financial sector and amongst academicians. Professor Momen is also a Non-Executive Director of Dacca Textiles Limited, Pride Limited, Pride Spinning Limited and Pride Properties Limited. Additionally, he is the Chairman of Fashion Knit Garments Limited.

Ms. Ruhey Rawa **Director**

Ms. Ruhey Rawa obtained her education from the United Kingdom. Ms. Ruhey Rawa is working with H.R. Textile Mills Limited since 2006. She is the daughter of Mr. Mohammad Abdul Moyeed, the Managing Director of H.R. Textile Mills Limited.

Ms. Sumbal Azwad Momen **Director**

Ms. Sumbal Azwad Momen obtained her BA (Hons) in Economics from Smith College, one of the highest ranking colleges in the USA. Ms. Sumbal joined H.R. Textile Mills Limited in 2006. She is the daughter of Professor Mohammad Abdul Momen, Director of H.R. Textile Mills Limited. She has been involved in the day to day activities of the group since 2011.

Ms. Sana Kainat Moyeen**Director**

Ms. Sana Kainat Moyeen has obtained her BA (Hons) UK, M. Phil (Oxford), UK. Ms. Sana Kainat Moyeen also oversees the business of H.R. Textile Mills Limited alongside her doctorate studies at the University of Oxford, one of the most prestigious institutions in the world. She is the daughter of Professor Dr. Muhammad Abdul Moyeen, Chairman of the company.

Professor Dr. A.H.M. Habibur Rahman**Independent Director**

Professor Dr. A.H.M. Habibur Rahman obtained B.Com (Hons) and M.Com from University of Dhaka. He did his Ph.D in Industrial Finance from Durham University, England in 1969. Dr. Rahman also did Post Graduate Diploma in Business Management from Brunel, England.

Professor Dr. Rahman served the University of Dhaka for nearly 44 years in different capacities from 1970 to 2016. Dr. Rahman has an excellent record of achievement during his entire service career. His major research publications (National and International) are in industrial finance, entrepreneurship and small enterprise development, technology and Productivity, education and employment, labour market adjustment process. He is a pioneer in entrepreneurship education & research in Bangladesh. He took initiative to introduce entrepreneurship in different levels of the education system in Bangladesh. He is the first author of almost all textbooks on entrepreneurship at different levels of the education system in Bangladesh.

Professor Dr. A.H.M. Habibur Rahman is an eminent academician and former Dean, Faculty of Business Studies, founder Chairman, Department of Finance,

founder Director, Bureau of Business Research and Supernumerary Professor. Honorary Professor, University of Dhaka. He was the Chairman, Board of Directors, Sonali Bank Ltd and B.S.R.S. He is involved in different social development works through a host of social organizations.

Mr. Mohammad Kabiruzzaman**Independent Director**

Mr. Mohammad Kabiruzzaman, S/o: Md. Nuruzzaman (Ex. Addl. Secretary, GOB) was born in a respectable Muslim family of Dhaka. Mr. Kabiruzzaman obtained is a B.S.S (Hons), M.S.S in Public Administration from University of Dhaka. He has also attended various seminars/ workshops/ conferences both at home and abroad. He has over 39 years of business experiences in both local and International trade and worked in the top Management position for about 23 years in the one of the largest business conglomerates of Bangladesh.

With the closing of NIIT business, he was again transferred to Beximco Holding Ltd. After a while, was associated with Beximco Media, GMG Airlines and eventually transferred to Beximco Ports Ltd as COO in 2010. While he is presently working as Chief Operating Officer (COO) of Beximco Ports Ltd, he was also for some time engaged with Beximco Power Ltd (Solar Power Project) - a sister concern of Beximco Group. Prior to this he was also COO of Beximco Systems Ltd., IT Company in collaboration with NIIT India, he was also an Independent Director of H.R. Textile Mills Ltd from 2014 to 2020 and now Independent Director of the company. He is involved in different social development works through a host of social organization.

H.R. Textile Mills Limited

Operational Highlights

General Information

1. Year of Incorporation	1984
2. Converted into Public Ltd. Co.	1995
3. Initial Public Offering of Share	1996
4. Enlistment with DSE and CSE	1997
5. Member of BAPLC	2014
6. Market Lot	1
7. Market Category	A
8. Electronic Share	Yes

Financial Information

1. Authorised Capital	1,000.00 Million
2. Paid-up Capital	292.22 Million

Five Years Statistics

Particulars	For the year ended (Taka in million)				
	2022-23	2021-22	2020-21	2019-20	2018-19
Operations Results					
Turnover	2,329.88	2,993.61	3,051.91	2,249.51	2,358.17
Gross Profit	364.89	433.86	440.01	320.06	331.18
Operating Profit	37.78	101.07	106.53	50.37	67.87
Net Profit before tax	42.30	97.67	101.88	44.74	65.55
Net Profit after tax	15.91	74.18	73.03	28.16	46.47
Earnings Per Share (EPS) (Actual)	0.54	2.79	2.89	1.11	1.84
Earnings Per Share (EPS) (Actual) (Restated)	0.54	2.54	2.75	-	-
Cash Dividend	5%	5%	5%	10%	10%
Stock Dividend	-	10%	5%	-	-
Cash Inflows from Operating Activities	(414.12)	139.37	99.47	(186.57)	(148.88)
Financial Details					
	2022-23	2021-22	2020-21	2019-20	2018-19
Total Assets	4,677.99	3,979.54	3,760.59	3,525.17	2,771.66
Fixed Assets	2,458.70	2,352.34	2,201.96	1,556.04	1,475.40
Reserve and Surplus	915.38	939.16	890.12	829.32	813.49
Working Capital	1,124.22	523.29	223.33	204.46	220.23
Authorised Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Shareholders' Equity	1,207.60	1,204.81	1,143.12	1,082.32	1,066.49
Paid up Capital	292.22	265.65	253.00	253.00	253.00
Long-term Loan	2,510.82	1,615.93	1,186.63	1,175.51	705.83
Key Financial Ratios, Figures and Market Data					
Current Ratio (Actual)	2.37	1.51	1.17	1.18	1.25
Return on Investment (% in Actual)	0.34	1.86	1.94	0.80	1.68
Net Assets Value Per Share (NAV) (Actual)	41.33	45.35	45.18	42.78	42.15
Market value of share (at DSE)	115.90	Closing value per share			
Market value of share (at CSE)	115.90	Closing value per share			
Price Earnings Ratio (Based on DSE price) (Times)	0.43	The Financial Express on 4th December 2023			
Price Earnings Ratio (Based on CSE price) (Times)	0.43	The Financial Express on 4th December 2023			
Other					
Number of shares - Paid-up	29.22	26.57	25.30	25.30	25.30
Number of shareholders as on 30th June (Actual)	11,822	12,305	11,080	12,303	12,679

Message from the Chairman

For the year ended 30th June 2023

“Bismilla-Hir Rahmanir Rahim”

Distinguished Shareholders

As-salamu Alaykum Wa-rahmatullah!

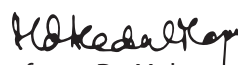
I have the pleasure to welcome you at the 39th Annual General Meeting of your company through Zoom. A meeting on the online platform has proved to be beneficial and effective to the stakeholders in many ways. As such, the regulators have permitted and encouraged companies to hold meeting using digital platform. A breed of new professionals participates in the virtual annual general meetings as Scrutinizers to oversee that the meetings are being conducted in compliance with all related rules and regulations.

Since we last met, we have lost some of our relatives, neighbours and friends at home and abroad. On behalf of the Board of Directors I express my heartfelt condolence to the bereaved families, relatives and friends of those of who have passed away during this period. May Allah, the Almighty, rest the departed souls in eternal peace and bestow unto us His infinite Rahmat and Barakat in all spheres of our lives here and hereafter.

At this stage of business and also in our daily lives, we are affected by a new situation of Ukraine-Russia war and the consequent restrictions on import to curve upward trend of foreign exchange rates. All these shall have impact in our current and future business.

As per the Articles of the company, I have the pleasure to present before you the Directors Report, the Audited Financial Statements of the company for the year ended 30th June 2023, along with the report of the auditors for your consideration. The board profoundly acknowledges and appreciates your continued unwavering support for the smooth functioning and growth of the company.

With best wishes for the time ahead



Professor Dr. Muhammad Abdul Moyeen
Chairman

Report of the Board of Directors

For the year ended 30th June 2023

“Bismilla-Hir Rahmanir Rahim”

Distinguished Shareholders

As-salamu Alaykum Wa-rahmatullah!
Alhamdu Lillahe Rabbil Aalamin

We are happy to welcome you at the 39th Annual General Meeting of the company. As desired by the Regulators and given the current environment it is expeditious to conduct this meeting through digital platform. We hope you are in good health and spirit. We passing through a very difficult time both nationally and globally in terms of environmental, social and turbulent economic situation.

Keeping in view the participation of many shareholders through Zoom, we are now placing before you, to receive and consider the Audited Financial Statements of the Company for the year ended on 30th June 2023, together with the Auditors' Report and Directors' Report herewith. Considering a good number of new shareholders, we have prepared our report with the facts and information of the company with related background

1.0 The Company

You are aware that H.R Textile Mills Limited (HRTM) was established in 1983 on Dhaka Aricha highway with the main objective of operating as a composite knit manufacturing company for the export market. With a paid-up capital of Tk. 10 crores, the company went public in 1996 for raising additional Tk. 10 crores from the public without any premium, although the asset value of the company was quite higher at that point in time. The company has been paying dividends regularly in the range of 10% to 15% with a few exceptions of 5%. The paid-up capital of the company is now Tk. 292,215,000 and the company enjoys franchise value in the market and is listed with both bourses of the country.

2.0 The Board

2.1 Composition

The Board of the company is consisted of eight Directors, including two independent Directors. The Board members, having wide experience in the field, are supported by a young generation of professionals, who are equipped with knowledge of modern business technology and sustainability. This Board is supported by two independent directors, who have a scholarly background and come with years of knowledge in business management. The overall day to day operation is being looked after by the Managing Director under the overall broad guidance of the Board. The highlights of the Directors' background are shown as Annexure-1.

2.2 Philosophy and Policy

The Board principally guides the company on long-term strategy and policy issues, while the key decisions of the business operations remain with top management. However, in very specific cases, the non-executive board members assist the management in resolving those issues, in order to keep the company updated and to ensure promotion of business, through quality products and process excellence. More specifically, the Board members keep an eye on industry trends and broad policy issues, and suggest appropriate actions that need to be taken. The Board members maintain close liaison with buyers and review the business developments nationally and internationally. The Directors also maintain liaison with banks for funding and non-funded financial facilities at better terms. They also participate in the expansion programs, cost reduction strategies oversee the business expansion of programs, review of compliance related issues etc. All these are done through the Board meetings along with the top executives.

2.3 Independent Director

The two independent directors of the board are actively participating in the Board and Committee meetings. The selection of an independent director is done through extensive search. In compliance with the BSEC regulations, the persons having knowledge and experience relevant to the strategic and operational needs the company are being selected as independent directors. Keeping in view the BSEC Guidelines one of the independent Directors is heading the Audit Committee while the other Independent Director is heading the Nomination and Remuneration Committee.

In order to fill up the vacancy created out of the resignation of Professor Dr. Md. Zakir Hossain Bhuiyan, the Chairman invited the members to propose names of persons who can serve the company with knowledge and acumen. It was also informed to the Board that the Remuneration Committee proposed the name of Mr. Md. Kabiruzzaman, S/o. Mr. Late Md. Nuruzzaman, qualification B.S.S. (Hons), M.S.S. Major in Public Administration, having 39 years of experience in business as replacement of Professor Dr Zakir Hossain. The Board reviewed the proposal of the

Remuneration Committee vis a vis the requirement of BSEC approved the appoint Mr. Md. Kabiruzzaman in the vacant position of Independent Director for a term of three years subject to approval of the shareholders at the 39th Annual General Meeting. A brief profile of Mr. Md. Kabiruzzaman is given on page # 7 of the Annual Report.

2.4 Retirement and Re-election of Directors

As per the Articles of Association of the company, one-third of the directors, who have served the longest time in office since their last election, will retire every year. In pursuant to Article of the company, Ms. Sumbal Azwad Momen and Ms. Sana Kainat Moyeen directors of the company, will retire and, being eligible, have offered themselves for re-election

2.5 Meetings

The Board meetings are organized as and when required, keeping in view the minimum requirement specified law. During the year under report, the company organized 5 meetings. The attendance of the Directors, along with the remuneration paid to them, appears as follows:

Sl No	Name of the Directors	No of meetings held	No of meetings attended	Fee Paid Taka
1	Professor Dr. M. A Moyeen	5	4	20,000
2	Mr. M. A Moyeed	5	5	25,000
3	Professor M. A Momen	5	5	25,000
4	Ms. Ruhey Rawa	5	5	25,000
5	Ms. Sumbal Azwad Momen	5	5	25,000
6	Ms. Sana Kainat Moyeen	5	3	15,000
7	Professor Dr. A.H.M. Habibur Rahman	5	5	25,000
8	Professor Dr. Md. Zakir Hossain Bhuiyan	5	4	20,000

In addition to the board members, Mr. Md. Abu Amur Naheel, Chief Financial Officer, Mr. Sumnoon Moheb, Head of Internal Audit & Compliance, and Mr. Md. Wali Ullah, Company Secretary, attended the Board meetings regularly.

3.0 Business Operations

Your company is a composite knit garments manufacturer. The RMG sector has been passing through many challenges. It is continuously losing competitiveness due to product price, environment

and social factors imposed by various stakeholders including the regulators and the buyers. Historically, Bangladeshi regulators have adopted time-based pay instead of piece-rates, hence, wages could not have been linked with performance. Consequently, wages increases have utterly failed to yield any meaningful increase of labour productivity. Thus, value generation have increasingly become costlier thereby stripping off the competitive advantage that Bangladesh once had! Labour and energy costs escalations have begun to seriously threaten the very existence of the industry. Additionally, given the inconsistent and inadequate supply of power and fuel (natural gas and its alternatives) the factories could only utilize a very small fraction of their installed capacities. Consequent to running operations with a low-capacity utilization, have led not only to cost escalation but also in failures of delivery and quality commitments to the buyers. This has further weakened the competitiveness of the industry. However, with the resolution of the energy problem the growth potential of the sector still remains in product and market diversification. The management of your company has been relentlessly working toward this end and have successfully added outer wear and woven garments into its existing product basket. Further, your company has successfully negotiated with buyers from India, a non-traditional market, in its effort to diversify market. Strong initiatives are currently been taken to further strengthen efforts into non-traditional markets.

4.0 Compliances

4.1 BSEC notification on Corporate Governance Code

HRTML has been a publicly listed company since 1996, and is a company that complies strictly with Corporate Governance Rules. The compliance status is shown Annexure-C (page-27) of this Report.

4.2 Compliance in Production Process

In the production process, the buyers' requirements on compliance remains the topmost priority. Achieving consistent compliance of buyers' requirements in terms of quality of fabric, style, colour, production process, is remains one of the top challenges for the management. The management

of human resource and the maintenance of sustainable environment offer the greatest leverage in maintaining stable, consistent and fully compliant production process in your company. Your company has progressed significantly in these areas.

4.3 Statement of Compliance as a Corporate PLC

As stated earlier, HRTML is listed with both the bourses of Bangladesh, and complies with all regulatory requirements. The reporting of required compliances thereon, appears in the following paragraph.

4.4 Accountability and Audit

HRTM, being a reputed company in the knit sector, is under scanner of all stakeholders through payment to suppliers, bankers, shareholders which are looked into by the internal audit team, top management, regulators, financial institutions and the buyers. The buyers are careful throughout the year to see that the company is operating with full compliances. Therefore, the company has taken all out measures to keep compliant from all corporate aspects.

4.5 Financial Reporting

Your company is careful to see that the financial statements are prepared in line with the requirements of Bangladesh Financial Reporting Standard (BFRS), Bangladesh Accounting Standard (BAS) and other related local legislations. The above covers the annual financial statements as well as quarterly unaudited financial statements. The very recently introduced Document Verification System (DVS) by the ICAB has added value to the finance management system of the companies. HRTM keeps itself always compliant.

4.6 Financial Review

The company regularly reviews its financial position through standard measures and procedures. Since a number of banks and financial institutions are involved with the company having specific repayment schedule, the management is required to keep the financials under everyday care in order to avoid mismatch of payment which warrants collecting the sale proceeds, repayment of liabilities, monthly worker payments and to keep the company's commitment with the suppliers. The above forms the basis for external reporting and presentations, and to also provide quality assurance for the financial reporting.

4.7 Statutory Audit

The auditing of financial statements of the Company is governed by the Companies Act 1994 and Securities and Exchange Rules 1987. As per these Regulations, auditors are appointed at each Annual General Meeting (AGM) and their remuneration is also fixed by the shareholders at the AGM. Appropriate attention is placed as per corporate governance and best practices guidelines to ensure independence of statutory auditors.

In the Last AGM, M/s SK Barua & Co, Chartered Accountants was appointed as new Auditors of the company after expiry of the three years audit term of M/s Rahman Mostafa Alam & Co, Chartered Accountants. The new auditors, after carefully reviewing the systems and procedures in a great detail, has identified some points requiring improvement in the system which needs attention of the management. The Board has instructed the top management to address those issues after carefully examining the regulatory requirements and to take corrective actions in order to make the Financial System of the company more transparent and qualitative.

4.8 Compliance with other Rules and Regulations

The Company provides a complete set of financial statements and relevant documents to the BSEC, CDBL, NBR, RJSC, DSE and CSE. The CFO and Company Secretary always accommodate any queries that are raised by different regulators during the year.

4.9 Compliance with Bangladesh Labour Law

The Company has complied with the relevant conditions of Bangladesh Labor Act 2006 (as amended in 2013) in respect of Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF), Provident Fund, and Gratuity etc.

4.10 Restriction on dealings in HRTM Shares by Insiders

The Company has established restrictive policies on trading of HRTM shares by Directors, Employees and other insiders. The securities laws also imposed restrictions on similar transactions. All Insiders are prohibited from trading in HRTM shares, while in possession of unpublished price sensitive information in relation to the company during the prescribed restricted trading period. Directors and employees are also required to notify their intention to trade in HRTM shares prior to initiating the same.

4.11 Secretarial Standards

HRTM complies with all the Bangladesh Secretarial Standards (BSS) as issued by The Institute of Chartered Secretaries of Bangladesh and adopted by BSEC as guidelines for the listed companies

4.12 Scrutinizers

The company also complies the new requirement of appointing independent scrutinizer to maintain records of AGM. The independent scrutinizer is present in this meeting to report the same to BSEC as part of compliance.

5.0 Committee Reports

5.1 Board Committees

The Board has established three board committees and has delegated some of its responsibilities to those committees. The committees are Audit Committee, Nomination and Remuneration Committee and the Management Committee.

5.2 Audit Committee

The Audit Committee is a Sub-committee of the Board and has been formed in pursuance of BSEC circular, to review the activities of business from independent perspective which is headed by an independent director. The role of the Audit Committee is to monitor the integrity of the financial statements of the company and review when appropriate, make recommendations to the Board of Directors on business risks, internal controls, governance issues and compliance. The committee satisfies itself by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the company's business is conducted in a proper and prudent manner.

The Audit Committee comprises four members and of them, two are independent directors. A detailed report of the Audit Committee is enclosed as Annexure - 2.

5.3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three Directors including one Independent Director as its Chairman. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC. A report of the Committee is enclosed as Annexure-3.

5.4 Executive Committee

The Executive Committee consists of the senior management officials of the company who are assigned with specific responsibilities to assist the Managing Director in the management of day to day affairs. The Committee is headed by the Managing Director. The Executive Committee endeavors to achieve the strategic goals and mission of the Company set by the Board of Directors.

5.5 Division of work for the Board and Managing Director

The Board has specified the role and responsibility of the Managing Director in order to maintain smooth performance and transparency. The company has also adopted "Governance Guidelines" for the Managing Director. The Managing Director is the authoritative head for day to day management. He acts to reasonably ensure that the company operates business as per the Articles of Association (AOA), decisions made by the Board and Shareholders, as well as according to Policies and Procedures and applicable regulatory legislations.

6.0 Company Policies and Declarations

6.1 Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer

The company has no Initial Public Offering (IPO) during the financial year 2022-23. At present the company does not have any plan for Repeat Public Offering (RPO), in the near future.

6.2 Dividend Policy/ Dividend

The Board of Directors has a Dividend Policy which is based on the company's performance and long-term objectives. The policy has been developed keeping in view the annual performance, its retained earning position, balance of dividend equalization fund vis a vis cash flow of the company to support the payment.

During the year under report, the company earned profit after tax of Tk. 15,910,220. Out of the above the Board recommended a cash dividend of Tk. 0.50 (i.e., 5%) per share of Tk. 10 for general shareholders other than sponsors/ directors' shareholders against 15% dividend (5% cash and 10% stock dividend) per share in the last year. The above would require a cash outflow of Tk. 7.56 million. The balance amount of

Tk. 8.35 million of un-appropriated profits will be used to meet the working capital requirement of the company as well to finance the developmental works.

6.3 Risk and Concerns

H.R. Textile Mills Limited, as a manufacturing unit in the garments and textiles industry, is vulnerable to global and domestic adversities and threats. International trade tensions, sanctions, working hazards of the local textile industry indicate significant business risks. The country's exporters are accustomed to such risks and have learned to cope with the situation. The Board of Directors assures its shareholders that the company has a competent risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. The audit committee supports the board in monitoring activities of management and deals with risk management issues also. As one of the pioneers of the sector, the company is confident in minimizing the risks and optimizing the benefits.

6.4 Interim Dividend

No interim dividend was declared by the Board of Directors during the year 2022-23.

6.5 The company as Going Concern

"Going Concern" is a concept which means that the amount spent by a company in terms of assets are considered to be good, not for sale and expected that the assets will continue to generate sufficient revenue to meet expenses connected with business. Your company has been in existence since 1983 and acquired adequate resources to continue its operational existence in the foreseeable future. Therefore, the financial statements are prepared on the basis of the Going Concern Concept.

6.6 Related Party Transactions

Related party means if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decisions and include associated companies with or without common Directors and key management positions. The Company has entered into transactions with other related entities in the normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: "Related Party Disclosures". Details of these transactions are set out under Notes to the Financial Statements.

6.7 Employees' remuneration Policy:

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality staff. The Board ensures that the remuneration policies are in line with the strategic objectives and corporate values of the Company, and do not give rise to conflicts between the objectives of the Company and the interests of individual Directors and key executives.

The total compensation package for employees comprises salary, and other benefits. In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. In order to ensure that its remuneration package is competitive, the company regularly reviews its base salary ranges and benefits package based on market data. The company also follows the wages policy as suggested by the Government.

6.8 Policy on Employee's Participation in Management

HRTM believes that the employee's participation in the decision-making process gives employees mental and psychological satisfaction and thereby increases their involvement in the affairs of the organization, which contributed to the overall development of the company. The objectives of employee participation in management are:

- ◆ To prevent the employees from being exploited by the superiors within the organization.
- ◆ To have democracy in the organization.
- ◆ To lead to effective growth and development of the workforce.
- ◆ To encourage the employees to express their ideas and suggestions.
- ◆ To make improvements in the overall working environmental conditions.
- ◆ To make provision of opportunities among the employees for self-expression leading to institutional peace, good relations and increased co-operation.

7.0 Corporate Governance (CG)

7.1 Corporate Governance Statement

The buzz word Corporate Governance (CG) is one of the words of "ESG" which has created significant impact in the management of a corporate globally. Principally the Board of Directors is responsible for proper governance which includes setting out strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to the shareholders on their stewardships. The company is committed to continually reviewing all corporate governance policies and practices to ensure the ongoing transparency of the company's practices and the delivery of high standards and quality information to stakeholders.

CG and its focus remained as a priority of the Board. In order to exercise clarity about directors' responsibilities towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the company. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of the Company's management have been designed.

7.2 CG Framework

The BSEC now considers Good Corporate Governance practices as essential to keep the company in line with the business requirement. Your company operates within a comprehensive governance framework. The Board continuously reviews its corporate governance framework to ensure its relevance, effectiveness and sustainability in addressing the future business challenges.

7.3 Board Practices

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and accountable to the shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled.

The Directors of the Board keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensures that Policies and Procedures and Codes of Conduct are implemented and maintained, and the Company adheres to generally accepted principles for good governance and effective control of Company activities.

7.4 Corporate Governance Compliance Audit

As per the BESC's notification, the Auditors are appointed at each Annual General Meeting (AGM) and their remuneration is also fixed by the shareholders at the AGM. The Report of the Auditors is enclosed as Annexure-B.

8.0 Business Development

HRTML is engaged in export business and hence linked with the international market. Global market behavior is guided by fast fashion forecasts and technological domination every day. These challenges were faced continuously in achieving our objectives to capture a greater market share amidst the advent of newer printing and dyeing houses. Our business development team is in close touch with the market pulse and keeps flexible policy to adopt these challenges with effective tools like innovation based on new trends and thoughts. We could seize greater market values implementing unique ideas, processes and the current trends. In attaining our goals, we ensured a good bonding language among the buyers, suppliers and us.

9.0 Environmental issues

9.1 ESG Issues

The environmental issues, as a part of ESG (Environment, Social responsibility and Governance) are playing a significant role in all the spheres of company operation. The above have been further intensified during the pandemic situation. We are working to bring every operation in the factory under strict environmental regulations. The knitting section has taken care of controlling dust emanating from the yarn in the knitting process, the effluent treatment plant (ETP) is responsible

for treating waste water to release treated water within the permissible limits set by the Department of Environment of Bangladesh. The factory generates its own electricity with power generators utilizing natural gas, which creates less pollution. We are co-generating steam from the exhaust of our gas fired generators. The underground water table is also being recharged with harvested rainwater. We are recovering the heat from our waste water to preheat our process waters. We are soon to operate a fully automated biological effluent treatment plant. Our efforts at environmental sustainability also include reduction of our energy consumption by using LED lights and inverters in all the machineries that we use.

9.2 Health and Safety

HRTML is committed to provide a healthy and risk-free environment for its employees, customers, contractors, suppliers, visitors, etc. We have made it compulsory that all sites must maintain safety helmet, safety belts, safety nets, fire extinguisher, oxygen cylinder, mask, first aid box etc.

10.0 Financial Management

10.1 Monitoring

HRTM practices internal control systems which are updated, adjusted and is monitored regularly. Ongoing monitoring activities are conducted through regular management activities. The Internal Audit Team has been set throughout the year for the above purpose. The internal audit department is responsible to provide an objective and independent view of the effectiveness of operational and financial controls and procedures, as well as management action in dealing with issues of control. The internal audit function monitors the presence of the components of the internal control system and reports to the Audit Committee of the Board.

10.2 Internal Audit

HRTM has Internal Audit Department which is independent of business operation. It operates with a risk-based methodology, ensuring that the key risk factors are appropriately taken care of. Its responsibilities include reviewing and reporting on the effectiveness of risk management systems

and internal control with the Executive Committee, the Audit Committee and ultimately to the Board. Internal Audit facilitates oversight of risk and control systems across the company.

10.3 Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the International Accounting Standards/ Financial Reporting Standards, Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity. Financial statements are also reviewed by the stock exchanges when it is published. They also raise various queries and the company uses them to satisfy them with appropriate explanations.

10.4 Related Party Transactions

In order to maximize the capacity utilization in the fabric section HRTM supplies fabric to Fashion Knit Garments Limited (FKGL) as "Deemed Export". The FKGL is owned by three sponsor directors of the company. However, the transactions between HRTM and FKGL are being transacted on Arm's Length Basis and at market price. The above transactions are being guided by the agreement signed between the companies.

10.5 Accounting Policies

The company follows appropriate accounting policies consistently in preparation of these financial statements and the accounting estimates are based on reasonable and prudent judgments.

10.6 Preparation of the financial statements

The Financial Statements were prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

11.0 Transparency

11.1 Price Sensitive Information

HRTM has been following the policy of informing all price sensitive information within 2 hours of the decision or immediately upon getting such information to the BSEC and the Stock Exchanges.

It also ensures immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English and in one on-line news portal as per requirement. The communication is done through e-mail/Fax and by special messenger, and through courier service in special cases.

11.2 Disclosure on the performance and prospect of the Company

HRTM has been following the policy of informing all price sensitive information within 2 hours of the decision or immediately upon getting such information to the BSEC and the bourses. It also ensures immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English and in one on-line news portal as per requirement. The communication is done through e-mail/Fax and by special messenger, and through courier service in special cases.

11.3 Communications with Shareholders

Your company management is always careful to maintain liaison with its shareholders. The company encourages communication with shareholders throughout the year and welcomes their participation at the shareholders' meeting. The company also ensures that the queries are fully responded to their satisfaction throughout the year. The quarterly financial results and all other information are published and Annual Reports are sent to the shareholders by post. The soft copy of the Annual Report is also made available on the company's website.

11.4 Directors Remuneration

Other than the Managing Director, none of the non-executive directors are paid any remuneration except the meeting attendance fee of Tk. 5,000 per attendance. The Managing Director is paid his monthly remuneration as shown in the Financial Statements. The non-executive directors, including the independent directors do not receive benefits of any other kind, from the company. All information provided to the BSEC and Stock Exchanges are immediately made available to the Shareholders on our company website: www.pride-grp.com/hrt

12.0 Corporate Social Responsibility

12.1 Customers

Your company takes care to maintain a good relationship with its stakeholders. The linkage with the customers plays a very important role in running any sustainable enterprise which is more important in the case of the export market. A significant amount of time and efforts of the Directors and senior management are placed to promote and develop the customer relationship. Having many stringent requirements of the customers, the management tries its best to keep the existing customers on board and also to bring new customers for the products with quality and innovation.

12.2 Community

HRTM is a corporate citizen and as such it maintains healthy relationships with the local community, local political organizations, social organizations and poor family members and relations of the employees residing nearby. On special occasions, the company lends its hand for social welfare.

12.3 Shareholders

The shareholders contributed capital to float this company and set up the management. The management always prefers not to deprive the shareholders and, in many instances, the sponsors forgo their portion of dividend if the distributable profit is insufficient to pay dividend to all the shareholders. We believe that the company maintains high franchise value in the market and among the shareholders.

12.4 Suppliers

Under the present business environment, maintenance of good supply chain management is very important. The company is working with a number of suppliers. Some of them are in the supply chain while many are involved in provid-

ing services as and when required. The company has good relations with all the suppliers. Before payment the quality of services and timely completion of the services are considered.

12.5 Regulators

The Regulations and the Regulators are the part of the operation of listed companies. HRTM is required to maintain close liaison with the regulators such as BSEC, RJSC and others via a vis other quasi regulator like DSEL, CSE PLC, CDBL, Trade associations like BGMEA, BKMEA, licensing organizations etc. with the main objective of working as good corporate citizen with significant franchise value. The company management is always in favor of complying with all rules and regulations of the business as well as satisfying other queries as when asked for.

12.6 Financial Institutions

Your company maintains financial partnership with a number of banks, non-banking financial institutions and enjoys funded and non-funded facilities for business operation. They are our financial and development partners and work with us closely with their satisfaction. In view of the above the company has strong financial flexibility for financial support if needed.

12.7 Protection of Minority Shareholders

HRTM has a large shareholder-base which is widely dispersed. The board always keeps in mind that the company has a high reputation of paying regular dividends, and the shareholders consider that the shares of the company a regular income generating asset. Keeping the above in mind, the management always prefers to declare dividends for the shareholders. As stated earlier, there are instances when the dividend is paid only to the outside shareholders and the sponsors have forfeited their portion of dividend to keep the small shareholders happy.

13.0 Appointment of Auditors

13.1 Appointment of Financial Auditors

The existing Auditor M/s. S.K. Barua & Co, Chartered Accountants, has been carrying out the audit of the company for the last one year. They are now retiring and being eligible for re-appointment have shown their interest to continue as auditors of the company. On the recommendation of the Board Audit Committee, the directors of the Company are proposing their appointment and fixing their remuneration.

13.2 Appointment of Corporate Governance Auditors

M/s. N.M Tareque and Associates, a Firm of Cost and Management Accountants was appointed in the 38th AGM as the Corporate Governance Auditors of the company for the year 2022-23 as per the requirement of the Condition No. 9 of the Corporate Governance Code, and to continue till conclusion of this AGM. The Firm has expressed intention to be re-appointed for the next term. The Board of Directors recommend re-appointment of M/s. N.M Tareque and Associates as Corporate Governance Auditors for the financial year 2023-24. This may be approved by the shareholders in this AGM.

14.0 Audit Committee

The Audit Committee held five meetings during the year. All the committee members attended the above meetings. The Audit Committee has been playing a significant role in guiding the internal management. The Committee reviewed the draft financial statements, financial position of the company, report of the Auditors and the operational results of the company from time to time. A separate report of the Audit Committee to the shareholders is enclosed at Annexure-2.

15.0 Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) held one meeting during the year. All the committee members attended the above meetings. NRC has been formed with independent directors as a sub-committee of the board in order to assist the board in ensuring and fulfilling its responsibilities. Being non-executives and independent, all members of the committee have no conflicts of interest. The committee is to review and recommend remuneration and other facilities of the Directors and top-level executives. They also recommend their appointment and removal. A separate report of the NRC to the shareholders is enclosed at Annexure-3.

16.0 Shareholding Pattern

The shareholding of the directors remained at 48.23% during the year. Out of the balance shares, the institutions are holding 10.20%, which was 6.06% in the previous year. The shareholding of the general public has decreased to 41.57% compared from 43.31% in the previous year, on the date of year closing. The shareholding pattern of the company for the year closing on 30th June 2023 stands as follows:

Name of Shareholders	No. of Shares	Percentage
1.5) (xxiii) a) Parent Company/Subsidiary/Associated Companies/ Other Related Parties:	Nil	-
1.5) (xxiii) b) Directors, Chief Executive Officer, Chief Financial Officer, Head of Finance & Accounts, Company Secretary and their Spouse and Minor Children:		
Mr. Mohammad Abdul Moyeed, MD & CEO	4,345,404	14.871
Professor Dr. Muhammad Abdul Moyeen, Chairman	3,995,402	13.673
Professor Mohammad Abdul Momen, Director	3,995,402	13.673
Ms. Ruhey Rawa, Director	585,913	2.005
Ms. Sumbal Azwad Momen, Director	585,913	2.005
Ms. Sana Kainat Moyeen, Director	585,913	2.005
Professor Dr. A.H.M. Habibur Rahman, Independent Director	Nil	-
Professor Dr. Md. Zakir Hossain Bhuiyan, Independent Director	Nil	-
Shareholdings of Sponsors/Directors	14,093,947	48.23
Mrs. Umbirin Moyeed	14,619	Shares, included in the slot of general shareholders
Dr. Shaheen Afroze	19,297	
Ms. Salsabil Abreshmi Momen	16,697	
Mr. Md. Abu Amur Naheel, CFO	Nil	-
Mr. Sumnoon Moheb, HIA&C	Nil	-
Mr. Md. Wali Ullah, CS	Nil	-
Mr. Sherajul Islam Khan, HF&A	Nil	-
Minor Children	Nil	-

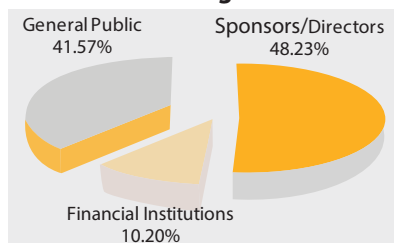
c) Voting Interest (Shareholders holding 10% or more shares have voting interest in the company):

Name	Designation	Shares	Percentage
Professor Dr. Muhammad Abdul Moyeen	Chairman	3,995,402	13.673
Mr. Mohammad Abdul Moyeed	MD & CEO	4,345,404	14.871
Professor Mohammad Abdul Momen	Director	3,995,402	13.673

d) Executives:

Name	Designation	Shares
Mr. Mohammad Karim Hossain	GM (MIS)	Nil
Mr. Nazmul Hossain Khan	DGM (Commercial)	Nil
Mr. Monirul Islam	AGM (Admin)	Nil
Mr. Himel Pramanik	Assistant Manager (HRD)	Nil

Shareholding Pattern



17.0 Future Programs

Although, importance of RMG in earning foreign exchange for the country and in creating employment needs no mention, the sector is passing through a critical time in view of many current and continued geopolitical situation. In addition, with the recent changes in the wages structure the cost effectiveness will be declining. The pressures from the market are driving technological changes in the entire value chain including production, logistics and supply chain. This might require structural changes in organization and management facilitating cost-effectiveness. Apart from internal cost management, the governmental initiatives to facilitate the market development in non-traditional importing countries shall play vital role. Leadership of both BKMEA and BGMEA shall prove to be very critical in catalyzing governmental initiatives to create new markets. HRTML with long years of experience in the field, has created significant value in the global as a quality exporter. The top management have been working to enhance value through various measures including increase in cost effectiveness, new product development and market diversification.

We are also confident of a new future where our next generation leaders will carry on and enhance this value. They are highly competent, extremely committed, and talented. With your help, we will guide them, enable them and empower them.

18.0 Declaration by the CEO and CFO

Declaration of CEO and CFO has been provided in Annexure-A.

19.0 Corporate Governance Compliance Report

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, Notification, Certificate on Compliance of Corporate Governance Code and Directors Report on Compliance of Corporate Governance Code are enclosed at Annexure-B and Annexure-C respectively.

20.0 Financial Reporting framework declaration

The Board of Directors being responsible for governance of the company, the preparation and presentation of financial statements, confirm to the best of their knowledge that:

- The entire business operation is being conducted in accordance with the laws, rules, regulations, agreements, guidelines and standards governed in the country;
- All the judgments and decision taken by management are reasonable and sensible;
- Accurate accounting policies have been systematically followed in formulating the financial statements and accounting estimates were reasonable;
- The financial statements present rationally the

company's state of affairs, the result of its operations, cash flow and changes in equity with the Companies Act, 1994 and Securities and Exchange Rules, 2020;

- The system of internal control is sound in design and has been effectively implemented and monitored;
- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- There is no momentous suspicion about the ability or the company to continue as going concern;
- Proper books of accounts of the Company have been maintained according to the law;
- The Financial Statements were prepared in accordance with the applicable International Accounting Standards (IAs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- No transaction has been entered into by the company which is fraudulent, illegal, or in violation of the company's code of conduct.
- Interests of the minority shareholders have been duly protected.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- There is no significant doubt about the ability of the Company to continue as a going concern.

21. Other Regulatory Disclosures

21.1 Financial

- The key operating and financial data for the last five years have been disclosed in Directors Reports;
- The Company is aware of its various risks and concerns, mainly from the policy and regulatory fronts, and is prepared to meet those by systematic control. Different type of risk management has been disclosed in the director's report;
- No significant difference has occurred between quarterly and final results of the company during 2022-23;
- All significant detachment from the previous year in operating results of the company has been highlighted and reasons thereof have been explained;
- As per IAS 1 Presentation of Financial Statements, no items of income and expense are to be presented as extraordinary gain or losses in the financial statements. As such no extraordinary gain or loss has been recognized in the financial statements;

f) All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Transaction". Details of related party and transactions have been disclosed in Note 44 of the Financial Statements;

g) During the year, the Company has paid Board meeting attendance fees of directors has been mentioned page-11 and the remuneration of Directors has been mentioned in Note 37.1 of Notes to the Financial Statements.

21.2 Directorship in other companies

Mr. Mohammad Abdul Moyeed	Prof. Dr. Muhammad Abdul Moyeen	Prof. Mohammad Abdul Momen
Dacca Textiles Limited	Dacca Textiles Limited	Dacca Textiles Limited
Fashion Knit Garments Ltd.	Fashion Knit Garments Ltd.	Fashion Knit Garments Ltd.
Pride Limited	Pride Limited	Pride Limited
Pride Spinning Limited	Pride Spinning Limited	Pride Spinning Limited
Pride Properties Limited	Pride Properties Limited	Pride Properties Limited

21.3 Website of the Company

The company has an official website linked with the website of the stock exchange and it is functional from the date of listing. All detailed disclosures of the company are available on it. The web address is: www.pride-grp.com/hrt

21.4 Subsidiary Company

The company does not have any subsidiary company.

21.5 Significant Variance between Quarterly and Period Ended Report

There were no significant differences between quarterly performance and overall period ended performance of the Company. Throughout the period, the Company was able to maintain a judicious performance both in operational and financial perspective.

21.6 Significant Deviation in Operating Results Compared to Previous Period

There is no such deviation in operating results compared to the previous period.

21.7 Credit Rating

The company has been assigned Long Term A+ (Single A Plus) and ST-2 Short Term rating for your company with the rationale "Above rating have been assigned on the basis of good fundamental such as good profitability, sound infrastructural arrangement with market leader in Textile and Garment industry, experienced management. Entities rated in this category are judged to be of high quality, offer higher safety and have credit quality. Your Company was also placed with "Stable" outlook.

21.8 Subsequent Events

HRTM needs to comply with the new wages structure and to fit the same in the production and to keep the production cost compliant. The challenge is towards linking the workers efficiency with the increased wages so as to minimize per unit wages cost. HRTM has been working constantly on workers training to increase efficiency. In addition, the sector as a whole is now facing many sectoral hindrances in view of our dependency on western world for export. The geopolitical relation with the western world might have impact on the sector in future. The requirement of meeting the conditions of GSP plus will have further impact on cost effectiveness.

21.9 Human Resources

Human Resources are considered as one of the main assets across the entire business model. The developments of company have been built on its competitive advantage on the skills and commitment of its employees, promoting and rewarding pro-activity, goal orientation and teamwork. The Human Resource Department of your company operates with specific policy, manual and plan designed and approved by the Board of Directors.

We provide on-the-job training and development opportunities to enhance our employees' career progression. Through different training, the professional knowledge in corporate operations, occupational and management skills are enhanced. Your company is an equal opportunity employer and does not discriminate on the basis of personal characteristics. Company has employee handbooks outlining terms and conditions of employment, expectations for employees' conduct and behavior, employees' rights and benefits. We establish and implement policies that promote a harmonious and respectful workplace.

21.10 Information Technology

The information technology has become an integral part of the company operation. We believe that accurate business planning, effective marketing, global sales, systematic management, real time monitoring, instant customer support and long-term business growth cannot be achieved without appropriate IT.

22.0 Transfer of Unclaimed / Unpaid Cash and Stock Dividends to Capital Market Stabilization Fund (CMSF)

In compliance with the Notification of BSEC and as per guideline of the CMSF (Capital Market Stabilization Fund) Rules, 2021 all dividends remaining unpaid or unclaimed for a period of 3 years or more

and also the shares in respect of which the dividend has not been claimed by the shareholders are required to be transferred to the CMSF in accordance with the procedure prescribed in the Rules. Accordingly, during FY 2021-2022, the Company has transferred the unpaid or unclaimed dividend and non-refunded IPO share money of Tk. 51,26,493/- (Fifty-one lac twenty-six thousand four hundred ninety-three) only from the financial year 1997 to 2017 on September 06, 2021. Further, 472,948 (Four lac seventy-two thousand nine hundred forty-eight) shares were transferred to CMS Fund on 20th January 2022 in respect of those shares had not been claimed by the shareholders for the financial year 2010 & 2011 and Tk. 350,964/- (Three Lac fifty thousand nine hundred sixty-four) only also transferred to CMS Fund on 31st March 2022 against dividend unpaid or unclaimed for the financial year 2018. The details of the shares and the Dividends so transferred are available on the website of this Company. Members can claim from CMSF Authority their dividend entitlements and /or shares transferred to CMSF by following the required procedure as mentioned in the CMSF Rules.

23.0 Financial Performance

The summarized financial results of the company are as follows:

Particulars	Amount in Taka (million) for the year ended 30th June	
	2023	2022
Net Profit before Tax	42.30	97.67
Income Tax Expenses	(26.39)	(23.49)
Net Profit after Tax	15.91	74.18
Retained earnings	225.14	248.85
Profit Available for Appropriation	241.05	323.03
Recommended for Appropriations:		
Proposed Dividend (Cash)	(7.56)	(13.28)
Proposed Dividend (Bonus)	-	(26.56)
Un-appropriated Profit carried forward	233.49	283.19

Code of Conduct

This Code of Conduct for Chairperson of the Board of Directors is prepared in accordance with Condition 1(7)(a) of the Corporate Governance Code notified by the BSEC dated 3rd June 2018. For the purpose of this Code, "Chairperson" shall mean the Chairperson of the Board of Directors of the Company. The Company is committed to being an ethical and responsible member of the business communities in which it operates. The Company always endeavors to ensure that the highest standards of honesty, integrity and ethics are maintained. This Code is intended to serve as a source of guiding principles for the Chairperson even though no code or policy can anticipate every situation that may arise. The standards contained in this Code are neither exclusive nor comprehensive. The Chairperson of the Board of Directors is required to comply with all applicable laws, rules and regulations, whether or not specifically addressed in this Code.

Report on the compliance of the conditions of BSEC's notification

In accordance with the BSEC's Notification dated 3rd June 2018, the Board of Directors are required to report on the compliance of certain conditions. The notification was issued for the purpose of establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. The overall shareholding pattern of the company is enclosed at Annexure-4.

Acknowledgement


The Board of Directors acknowledges and expresses its sincere thanks and appreciation to the valued Shareholders and other stakeholders of the company for their persistent support and guidance that led to

the cumulative achievements. The Board also expresses their gratitude to the Government of People's Republic of Bangladesh, National Board of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission, Central Depository Bangladesh Limited, Dhaka Stock Exchange Limited, Chittagong Stock Exchange PLC, SATCOM IT Limited, Ahmed Faruk & Associates, Government Agencies, Banks, Financial Institutions, Contractors, Suppliers and Auditors for their co-operation and active support in discharging the responsibilities given on me and the Board. We offer our heartfelt thanks to our valued international buyers and local buying houses who have contributed significantly as our strategic partners.

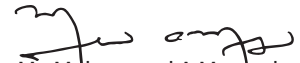
Finally, the Board offers its sincere thanks to the workers and professional administration, whom the management considers the most valuable asset of the company, and hopes that they will continue to keep the spirit of teamwork in the coming years for the smooth growth of the company.

Thank you all.

For and on behalf of the Board of Directors



Prof. Dr. Muhammad A Moyeen
Chairman



Mr. Mohammad A Moyeed
Managing Director & CEO

Annexure - A
[As per condition No. 1(5)(xxvi)]

Declaration of CEO and CFO to the Board of Directors

Dated: 11th November 2023

The Board of Directors
H.R. Textile Mills Limited
Pride Hamza, House # 54, Road # 1
Sector # 6, Uttara, Dhaka-1230

Subject: Declaration on Financial Statements for the year ended on 30th June 2023

Dear Sirs,

Pursuant to the Condition No. 1(5)(xxvi) imposed vide the Bangladesh and Exchange Commission's Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80, dated 3rd June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of H.R. Textile Mills Limited for the year ended on 30th June 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that:

- i) We have reviewed the financial statements for the year ended on 30th June 2023 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting statements and applicable laws;
- ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


Mohammad Abdul Moyeed
Managing Director & CEO


Md. Abu Amir Naheel
Chief Financial Officer

Corporate Governance Compliance CertificateAnnexure - B
[Certificate as per condition No. 1(5)(xxvii)]**N.M Tareque & Associates**
Cost and Management AccountantsNakshi Homes (1st Floor)
6/1/A, Segunbagicha, Dhaka
Phone: +8801552111811**Report to the Shareholders of H.R. Textile Mills Limited
on compliance of Corporate Governance Code**

Dear to the shareholders

We have reviewed and examined the compliance status to the Corporate Governance Code by H.R. Textile Mills Limited for the year ended on 30th June 2023. This Code relates to the Notification No. BSEC/CMRRCD-2006-158/207/Admin/80, dated 3rd June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of above Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provision of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

Dated Dhaka: November 14, 2023



N.M. Tareque & Associates
For N.M Tareque & Associates
Cost and Management Accountants

Corporate Governance Compliance Status

Status of compliance with conditions imposed by the Bangladesh Securities and Exchange Commission's, Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80, dated 3rd June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Report under Condition No. 9.00

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1	Board of Directors:			
1.1	Board Size: Board members should not be less than 5 and more than 20	✓		
1.2 (a)	Independent Directors: Independent Director at least 1/5th of the total number of directors	✓		
1.2 (b) (i)	Does not hold any share or holds less than 1% shares of the paid-up	✓		
1.2 (b) (ii)	Not connected with any sponsor/director/shareholders who holds or	✓		
1.2 (b) (iii)	Not an executive of the company in immediately preceding two financial years	✓		
1.2 (b) (iv)	Does not have any relationship, whether pecuniary or otherwise,	✓		
1.2 (b) (v)	Not a member or TREC holder, director or officer of any stock exchange	✓		
1.2 (b) (vi)	Not a shareholder, director or officer of any member of stock exchange	✓		
1.2 (b) (vii)	Not a partner or an executive or was not a partner or an executive	✓		
1.2 (b) (viii)	Not be an independent director in more than 5 (three) listed companies	✓		
1.2 (b) (ix)	Not been convicted by a court of competent jurisdiction as a defaulter	✓		
1.2 (b) (x)	Not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (c)	Independent Directors has been appointed by the board and approved by the shareholders	✓		
1.2 (d)	Not remain vacant for more than 90 (ninety) days	✓		
1.2 (e)	Tenure of office of an independent director shall be for a period of 3 (three) year's, which may be extended for 1 (one) term only	✓		
1.3 (a)	Independent Directors Knowledgeable individual with integrity to ensure compliance	✓		
1.3 (b) (i)	Business Leader who is or was a promoter or director of an unlisted company	✓		
1.3 (b) (ii)	Higher position in an unlisted company having minimum paid-up capital of TK. 100.00 million	✓		
1.3 (b) (iii)	Former official of government or statutory ...		N/A	
1.3 (b) (iv)	University Teacher with educational background in Commerce or Business Studies or Law.	✓		
1.3 (b) (v)	Professional who is or was an advocate practicing at least		N/A	
1.3 (c)	The independent director shall have at least 10 years of experiences ...	✓		
1.3 (d)	Special cases, the above qualification or experience ...		N/A	
1.4 (a)	Individual Chairman of the Board and Chief Executive Officer (CEO)	✓		
1.4 (b)	Not hold the same position in another listed company of MD/CEO	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the ...	✓		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and	✓		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one		N/A	
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performances	✓		
1.5 (iii)	Risks and concerns including internal and external risk	✓		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-ordinary gain or loss	✓		
1.5 (vi)	A detailed discussion on related party transactions	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and or through any others		N/A	
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO etc.		N/A	
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial	✓		
1.5 (x)	Remuneration to the directors including independent directors	✓		
1.5 (xi)	The financial statements present fairly its state of affairs, result of its operation	✓		
1.5 (xii)	Maintenance of proper books of accounts	✓		
1.5 (xiii)	Appropriate Accounting Policies and estimates have been applied	✓		
1.5 (xiv)	Followed IAS/IFRS in preparation of Financial Reporting Statements	✓		
1.5 (xv)	Internal Control System has been effectively implemented and monitored	✓		
1.5 (xvi)	Minority shareholders have been protected from abusive action		N/A	
1.5 (xvii)	Ability to continue as a going concern	✓		
1.5 (xviii)	Significant deviations from last year's in operation results	✓		
1.5 (xix)	Key operation and financial summarized data of at last preceding five year's	✓		
1.5 (xx)	Reasons for not declared dividend		N/A	
1.5 (xxi)	Declaration of no bonus share or stock dividend as interim dividend	✓		

N/A = Not Applicable

Annexure - C (Contd..)

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5 (xxii)	Number of Board Meetings held during the year and attendance by the Directors	✓		
1.5 (xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties	✓		
1.5 (xxiii)(b)	Directors, CEO, CS, CFO, HIA&C and their spouses and minor children	✓		
1.5 (xxiii)(c)	Executives	✓		
1.5 (xxiii)(d)	Shareholders holding ten percent or more voting interest	✓		
1.5 (xxiv)(a)	Resume of the director	✓		
1.5 (xxiv)(b)	Expertise in specific functional areas	✓		
1.5 (xxiv)(c)	Name of companies in which the person also holds the directorship	✓		
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements	✓		
1.5 (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing		N/A	
1.5 (xxv)(c)	Comparative analysis of financial performance	✓		
1.5 (xxv)(d)	Compare such financial performance	✓		
1.5 (xxv)(e)	Explain the financial and economic scenario of the country	✓		
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements	✓		
1.5 (xxv)(g)	Future plan or projection or forecast for company's operation	✓		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO	✓		
1.5 (xxvii)	Disclosing the report and as well as certificate as per Annexure-A & B	✓		
1.6	Meeting of the Board of Directors	✓		
1.7 (a)	Code of conduct based on recommendation of the NRC	✓		
1.7 (b)	Position code of conduct on the website determined by the NRC	✓		
2	The Board of Directors of all condition of subsidiary Company		N/A	
3	MD/CEO, CFO, HIAC and CS:			
3.1(a)	Appointment of MD/CEO, CS, CFO and HIAC	✓		
3.1(b)	Individuals filled of MD or CEO, CS, CFO and HIAC	✓		
3.1(c)	don't hold any executive position in any other company	✓		
3.1(d)	The Board shall clearly define respective roles of the CFO, HIAC and CS	✓		
3.1(e)	Rules of removing from their position without approval of the Board	✓		
3.2	MD or CEO, CS, CFO and HIAC shall attend the meeting of the Board of Directors	✓		
3.3(a)(i)	Reviewed the materially untrue statement	✓		
3.3(a)(ii)	Reviewed about compliance of the accounting standards	✓		
3.3(b)	The MD or CEO and CFO shall also certify	✓		
3.3(c)	Disclosed the certificate of the MD or CEO and CFO	✓		
4	Board of Directors' Committee			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5	Audit Committee			
5.1(a)	Audit committee as a sub-committee of the Board	✓		
5.1(b)	The Audit Committee shall assist the Board in ensured	✓		
5.1(c)	The Audit Committee shall responsible of the Board	✓		
5.2 (a)	Audit Committee composed of at least 3 (Three) members	✓		
5.2 (b)	Members of the audit committee have been appointed by the Board of Directors	✓		
5.2 (c)	Qualified members in audit committee	✓		
5.2 (d)	Term and conditions of service of audit committee members	✓		
5.2 (e)	Secretary of the audit committee	✓		
5.2 (f)	Quorum of the audit committee	✓		
5.3 (a)	The Chairman has been selected by the Board of Directors	✓		
5.3 (b)	Absence of the Chairperson of the Audit Committee	✓		
5.3 (c)	The Chairman of the audit committee present in the AGM	✓		
5.4(a)	The Audit Committee shall conduct at least four meeting	✓		
5.4(b)	The quorum of the Audit Committee meeting	✓		
5.5(a)	Oversee the financial reporting process	✓		
5.5 (b)	Monitor choice of the accounting policy and principals	✓		
5.5 (c)	Monitor Internal Audit and Compliance Process	✓		
5.5 (d)	Oversee hiring and performance of external auditors	✓		
5.5(e)	The external auditors and Review the annual financial statements	✓		
5.5 (f)	Review the annual financial statements before submission to the board for approval	✓		
5.5 (g)	Review of quarterly and half yearly financial statements before submission	✓		
5.5 (h)	Review of adequacy of internal audit function	✓		
5.5(i)	Review the discussion and analysis	✓		
5.5 (j)	Review statement of significant related party transaction	✓		
5.5 (k)	Review Management letters/Letter of internal control weakness		N/A	
5.5 (l)	Oversee the determination of audit fees based	✓		

Annexure - C (Contd..)

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
5.5 (m)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue		N/A	
5.6(a)(i)	Activities of Audit Committee shall be reported to the Board	✓		
5.6(a)(ii) (a)	Conflicts of interests		N/A	
5.6(a)(ii)(b)	Suspected or presumed fraud of irregularity or material defect in the internal control system		N/A	
5.6(a)(ii)(c)	Infringement of laws, rules and regulations		N/A	
5.6(a)(ii)(d)	Any other matter disclosed to the Board of Directors		N/A	
5.6(b)	Reporting to the Authorities		N/A	
5.7	Reporting to the Shareholders and General Investors	✓		
6 Responsibility of Nomination and Remuneration Committee to the Board:				
6.1(a)	The NRC as sub-committee of the Board	✓		
6.1(b)	The NRC assist the Board in formulation of the nomination criteria	✓		
6.1(c)	The NRC Recommendation to the Board	✓		
6.2	Constitution of the NRC:			
6.2(a)	The Committee size with at least 3 (three) members	✓		
6.2(b)	Non-executive directors would be the members of the committee	✓		
6.2(c)	Members of the Committee would be nominated and appointed by the Board	✓		
6.2(d)	Board would be authority to remove and appoint any member of the Committee	✓		
6.2(e)	Any vacancy in the committee should be filled within 180 days by the Board		N/A	
6.2(f)	External expert or member can be included in the committee by the Chairman if necessary		N/A	
6.2(g)	CS shall act as the secretary of the Committee	✓		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an ID	✓		
6.2(i)	Fee or remuneration is not applicable for any member of NRC	✓		
6.3	Chairperson of the NRC:			
6.3(a)	Selection of the chairperson of the committee by the board	✓		
6.3(b)	In absence of the Chairperson of the NRC		N/A	
6.3(c)	Presence of the chairman in the AGM		N/A	
6.4(a)	At least one meeting in a financial year	✓		
6.4(b)	Convening any emergency meeting if necessary		N/A	
6.4(c)	Constitution of the quorum of the meeting in presence of two or two third members	✓		
6.4(d)	Recording the proceedings of each meeting in the minutes	✓		
6.5(a)	Independence and responsibility or accountability of NRC	✓		
6.5(b)(i) (a)	Overseeing the level and composition of remuneration and reporting with recommendation to the Board	✓		
6.5(b)(i) (b)	Overseeing the relationship between remuneration to performance	✓		
6.5(b)(i) (c)	Balance of remuneration of directors and top level executive	✓		
6.5(b)(ii)	Devising a policy on Board's diversity	✓		
6.5(b)(iii)	Identifying the qualified persons and recommend them to the board	✓		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of I.Directors and the Board	✓		
6.5(b)(v)	Identifying the needs for employees and determine their selection	✓		
6.5(b)(vi)	Developing, recommendation and reviewing annually human resources and	✓		
6.5(c)	Disclosing the nomination and remuneration policy and	✓		
7 External/Statutory Auditor:				
7(1)(i)	Appraisal/valuation services or fairness opinions	✓		
7(1)(ii)	Financial information system design and implementation	✓		
7(1)(iii)	Book-keeping or other services related to the accounting and financial statements	✓		
7(1)(iv)	Broker-dealer services	✓		
7(1)(v)	Actuarial services	✓		
7(1)(vi)	Internal Audit Services	✓		
7(1)(vii)	Services that the Audit Committee determines	✓		
7(1)(viii)	Audit/certification services	✓		
7(1)(ix)	Service that creates conflict or interest	✓		
7(2)	Audit firm could not hold any share of the company they audit	✓		
7(3)	Presence of representative of the auditors in the AGM	✓		
8 Maintaining a website the Company:				
8(1)	An official website linked with the website of the stock exchange	✓		
8(2)	Keeping the website functional from the date of listing	✓		
8(3)	Detailed disclosures on the company's website	✓		
9 Reporting and Compliance of Corporate Governance:				
9(1)	Obtain certificate regarding compliance of conditions of Corporate Governance Guidelines	✓		
9(2)	Appointment of certificate provider regarding compliance of conditions of Corporate Governance Code	✓		
9(3)	Annexure attached in the Director's Report	✓		

N/A = Not Applicable

Audit Committee Report to the Shareholders For the year ended 30th June 2023

As the Chairman of the Audit Committee of H.R. Textile Mills Limited I have the pleasure to place before the shareholders of the company this Report for the information of the shareholders. As you are aware that the Audit Committee is a sub-committee of the Board formed to look after the financial affairs of the company in a closure view and to assist the Board in ensuring that the financial statements reflect a true and fair view of the state of affairs of the company. Internal control and monitoring systems of the company are also the prime concern of the committee. Besides, it advises the Board in various matters like internal control system, risk management and other strategic issues in terms of the policies and procedures.

The Audit Committee is comprised of 4 (Four) members as follows:

Names	Designation	Position
Professor Dr. A.H.M. Habibur Rahman	Independent Director	Chairman
Mr. Mohammad Kabiruzzaman	Independent Director	Member
Professor Dr. Muhamamd Abdul Moyeen	Chairman	Member
Professor Mohammad Abdul Momen	Director	Member

Mr. Md. Wali Ullah, Company Secretary acted as Secretary to this Committee. In addition to the secretary, The Chief Financial Officer (CFO), the Head of Internal Audit and Compliance (HIAC) attend the meeting regularly. During the financial year 30th June 2023, the committee held 5 (Five) meetings and the proceedings of the Audit Committee have been duly reported to the Board.

Activities carried out during the year were:

- a) Reviewed the financial statements of all the quarters before those were finalized and published. The Committee also reviews the annual financials at the draft stage and compares the same with the quarterly unaudited accounts to review as to whether the annual accounts have any significant differences with the quarterly trend as reflected in the published quarterly accounts;
- b) Reviewed the annual financial statements of the Company prior to submission to the Board for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities Laws, provision of the Companies Act 1994, International Financial Reporting Standards (IFRS) as applicable in Bangladesh;
- c) Reviewed the work of the Internal Audit Department and made suggestions for improvement;
- d) Reviewed the observations of the Internal Audit Department regarding internal control and suggestions were made to improve operational systems and procedures and their implementation;
- e) Reviewed the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended 30th June 2023;
- f) Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;

Annexure - 2 (Contd. . . .)

- g) Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation;
- h) Reviewed the profiles of the audit firms and proposed to the Board for recommendation;
- i) Reviewed the Internal Control System and Financial Statements;
- j) Reviewed statement of all related party transactions submitted by the management.

The committee is of the opinion that adequate controls and procedures are there to provide reasonable assurance that the company's assets are safeguarded, the liabilities are properly accounted for and financial activities of the company is well managed.

Acknowledgment Statement

The Audit Committee has performed all its activities satisfactorily during the financial year 2022-23 and took necessary steps including reporting to the Board. The Committee expresses its sincere acknowledgement to the Board, the management and statutory and internal auditors for their continuous support and assistance in enabling effectively discharge its duties and responsibilities for the period.

On behalf of the Audit Committee



Professor Dr. A.H.M. Habibur Rahman
Chairman of the Audit Committee
Date: November 11, 2023

Nomination and Remuneration Committee Report to the Shareholders For the year ended 30th June 2023

As per the requirements of the BSEC Code of Corporate Governance, The Board has constituted a Nomination and Remuneration Committee (NRC) in July 2018 with the following terms of Reference that the NRC would assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as policy for the formal process of considering remuneration of director and top level executives.

Composition of the Committee

The NRC consist of three Directors including one Independent Director who is the Chairman of the Committee. The Committee acts as per the terms and condition of the Corporate Governance Code of BSEC. The Committee members as follows:

Names	Designation	Position
Mr. Mohammad Kabiruzzaman	Independent Director	Chairman
Professor Dr. Muhammad Abdul Moyeen	Director	Member
Professor Mohammad Abdul Momen	Director	Member

Company Secretary Mr. Md. Wali Ullah act as the Secretary of the Committee.

The Managing Director, Chief Financial Officer (CFO) and Head of HR, attend the meeting as and when required by invitation.

Major Role and responsibilities of the Committee

1. The Committee is an independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders of the Company;
2. The Committee discharges the responsibilities and acts as stipulated in the Terms of Reference (ToR) of the Nomination and Remuneration Committee adopted by the Board in line with the Corporate Governance Code 2018.

The activities of the NRC during the year were as follows:

1. During the year under review the Committee met once. The Managing Director, the Chief Financial Officer and the Head of Human Resources attended the meeting by invitation of the Committee;
2. Reviewed the management's proposals for the annual increment/ enhancement of salary and renewal of contract appointments of Senior Management of the Company;
3. Reviewed the set-up of the organization structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement;
4. Reviewed the set-up of standard pay structure for each job level based on education, experience and competency;
5. Reviewed the Employee Benefit policy to attract the job seekers and retain internal talents. Succession planning of the company to have our future leaders ready according to the requirements. Ensuring extensive training and development plan for the individual or group of people;
6. Reviewed that a transparent recruitment and selection policy is in existence where competent candidates get hired;
7. Reviewed that practicing a clear career path system for employees which reflect in organization structure.

The committee acknowledges the cooperation it received from related professionals of the senior Management and members of the Board of Directors.

On behalf of the Committee



Monammad Kabiruzzaman

Chairman

Nomination and Remuneration Committee

Date: November 11, 2023

S.K. BARUA & CO.
Chartered Accountants

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

Report on the Audit of the Financial Statements:

Qualified Opinion

We have audited the financial statements of HR Textile Mills Limited, which comprise the statement of financial position as of June 30, 2023, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as of June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- 1) Due to scope limitation, we could not verify the closing balance of inventory. The amount of inventory reported in the financial statements is BDT 763,853,167 which represents 16.32% of total assets & 39.23% of current assets.
- 2) A complete fixed assets register was not maintained by the company. We obtained a machinery list only, but the quantities are not agreed with our physical verification. As a result, we could not verify the total amount of fixed assets along with depreciation charged during the financial year and its impact on deferred tax calculations.
- 3) No wastage/leftover stock sales are shown in the financial statements. We have found wastage sales of BDT 2,000,000 in the tax assessment report (Assessment year 2021-22). As a result, net income has been understated.
- 4) As per para 9 of IAS 36 an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. Impairment test of PPE was not done at the end of the financial year.
- 5) In some cases, the company has followed cash basis of accounting instead of accrual basis such as recognition of cash incentive, final settlement of workers benefits & earn leave of employees.
- 6) HR Textile Mills Ltd. & Fashion Knit Garments Ltd. are operating in same building and same place. Fashion Knit Garments Ltd is using the land & building of HR Textile Mills Limited and HR Textile Mills Limited is using some space (fabricated steel shed) of Fashion Knit Garments Ltd. No rent agreement was made between the companies and no rent income/expenses have been shown in the financial statements.

We conducted our audit in accordance with the 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 qualified opinion.

Emphasis of Matters:

We draw attention to the following matters:

- a) As per section 11A(a) of the Companies Act 1994, Public Limited Company should add "PLC" with the name of the company which was not followed by the company.
- b) As per BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated August 08, 2018, annual financial statements of the company except a life insurance company shall be audited within 120 (one hundred and twenty) days from the date on which the company's financial year ends. But the company has failed to comply with it.
- c) The company has made an agreement with CSL Software Resources Limited for software design, development & installation (Twelve modules) amounting to BDT 5,95,50,000. Management has paid the full amount and recognized the same as intangible asset, but two modules are still in progress.

Our opinion is not modified in respect of these matters.

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 period. 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. For each matter below our description of how our audit addressed the matters provided in that context.

Risk	Our response to the risk
Revenue Recognition	
<p>Revenue is the most financially significant item in the statement of profit and loss and other comprehensive income. The company has revenue of Taka 2,329,878,987 for the year ended 30 June 2023.</p> <p>Application of IFRS 15 involves significant judgment in determining when control of the goods or services underlying the performance obligation is transferred to the customer. As the revenue recognition, due to the significance of the balance to the financial statement as a whole, we consider this as a key audit matter.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring a promised good or service.</p> <p>See note no. 3.05, 29 & 30 to the financial statements.</p>	<p>Our procedures included obtaining and understanding of management's revenue recognition process. We tested a sample of the transaction to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in Note-3.05 ,29 & 30 of the financial statement. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoice, bank reconciliation report, bank statements and also, we confirmed selected customers receivable balances at the financial position date, selected on a sample basis by considering the amount outstanding with those customers.</p> <p>We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off.</p> <p>Finally assessed the appropriateness and presentation of disclosure against relevant accounting standards.</p>

Long-term & Short-term loan

<p>At the end of the financial year, the position of loans remained amounting to Tk. 2,874,861,207 for the company. In other words, approximately 61.45% of total external liabilities for the company.</p> <p>Evidently, the company is using loans to operate the business and also, to acquire non-current assets.</p> <p>Therefore, it has been considered a key audit area.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the loans. Our audit procedures included, among others, the followings:</p> <ul style="list-style-type: none"> • Understanding and reviewing the nature and types of loans; • Reviewing the board minutes for arrangements of the loans; • Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans; • Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans; • Recalculating the interest related to loans; • Checking the adjustments or repayments of loans through bank statements as per repayment schedule; • Checking whether there are any overdue payments and penal interests; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our procedures above did not identify any issues with regard to the loans.</p>
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Carrying value (CV) of Property, plant and equipment (PPE) and its impairment

PPE includes the company's long-term assets, which flow economic benefits to the entities for more than one year. PPE is measured at cost less accumulated depreciation.

The carrying value of PPE represents a significant portion of total assets, which is amounting to Tk. 2,458,698,974 for the company at the reporting date.

The carrying value of PPE is the function of depreciation charges on cost/ revaluated amount that involved estimation. Therefore, it has been considered as a significant area of auditor's judgment and requires special attention. It is a matter of consideration that the carrying value of PPE may be higher than the recoverable amount and the impairment charges thereon may not have been recognized.

We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets. Followings are our audit procedures on the carrying value and impairment risk of PPE:

Reviewing basis of recognition, measurement and valuation of assets;

- ▶ Observing procedures of assets acquisition, depreciation and disposal;
- ▶ Checking ownership of the major assets;
- ▶ Checking estimated rates of depreciation being used and assessing its fairness;
- ▶ Discussing with the management about the fair value of the assets and assessing independently whether the carrying value approximates the fair value at the reporting date;
- ▶ Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.

Our testing identified issues with regard to impairment, depreciation and physical existence of PPE which have been reported in the basis for qualified opinion section in our report.

Measurement of Deferred Tax Liability

Deferred tax liability has been recognized due to taxable temporary difference in compliance with IAS 12.

The Company has reported deferred tax liability amounting to BDT 90,721,566 as at June 30, 2023.

A significant judgment is required in relation to deferred tax liabilities as this is related to taxable profit(loss) of future periods.

In order to obtain the completeness and correctness of the deferred tax, we have tested the following key control activities;

- ⇒ Assessed the key assumptions, recognition, controls and measurement of deferred tax.
- ⇒ We have tested the calculation of tax-based depreciation and accounting-based depreciation.
- ⇒ Assessed the appropriateness of presentation and disclosure against IAS 12.
- ⇒ Verify the procedure of deferred tax calculation and recognition.

Valuation of inventory

Inventories should be measured at the lower of cost and net realizable value.

The amount of BDT 763,853,167 has been reported as stock and stores as on 30 June 2023 in the financial statements.

Inventories are maintained by manual interfaces and inputs, there is a risk that inappropriate management override and/ or error may occur.

See note no. 3.2 & 07 to the financial statements.

We challenged the appropriateness of managements assumptions applied in calculating the value of the inventory provisions by:

- Evaluating the design and Implementation of key inventory controls operating across the company;
- Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;
- Verified cost price of a sample of inventories and compared with the associated provision to assess whether inventory provisions are complete;
- Review the historical accuracy of inventory provisioning and the level of inventory write-off during the year.

Our testing identified issues regarding existence of inventories which have been reported in the basis for qualified opinion section of our report.

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 and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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.

Auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group 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 auditors' 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, we also report the following:

- 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 required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of 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 : S. K. BARUA & CO., Chartered Accountants

Signature : 

Auditor's Name : Mohammad Anwarul Hoque FCA, Engagement Partner/Enr No: 1458

Date : 15th November 2023

Place : Dhaka

DVC : 2311151458AS732289

H.R. Textile Mills Limited

Statement of Financial Position

As at 30th June 2023

Particulars	Notes	As at 30/06/2023 Taka	As at 30/06/2022 Taka
ASSETS			
Non-Current Assets		2,731,177,023	2,431,739,472
Property, Plant and Equipment	4	2,458,698,974	2,352,342,968
Capital Work in Progress	5	184,646,812	-
Investment in FDR	6	87,831,237	79,396,504
Current Assets		1,946,808,109	1,547,796,055
Stocks and Stores	7	763,853,167	707,745,180
Trade and Other Debtors	8	702,905,122	682,049,353
Advances, Deposits and Prepayments	9	378,589,239	102,534,585
Cash and Bank Balances	10	101,460,581	55,466,937
Total Assets		4,677,985,132	3,979,535,527
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		1,207,596,650	1,204,810,774
Share Capital	11	292,215,000	265,650,000
General Reserve	12	6,956,752	6,956,752
Tax Holiday Reserve	13	22,378,988	22,378,988
Dividend Equalisation Reserve	14	10,000,000	10,000,000
Revaluation Surplus	15	650,075,370	650,971,582
Retained Earnings	16	225,970,540	248,853,452
Non-Current Liabilities		2,647,804,507	1,750,216,851
Long-term Loans - Secured, Future Maturity	17	2,510,819,755	1,615,926,934
Non-Convertible Callable Zero-coupon Bond	18	24,254,358	21,309,644
Provision for Gratuity	19	22,008,828	24,395,687
Deferred Tax Liability	20	90,721,566	88,584,586
Current Liabilities		822,583,975	1,024,507,902
Short-term Loans	21	364,041,452	368,516,487
Trade and Other Creditors	22	337,744,483	543,564,553
Unclaimed Dividend Account	23	6,785,277	5,698,781
Accrued Expenses	24	26,136,042	35,474,895
Provision for Current Taxation	25	67,079,066	42,980,558
Bills Receivable Discounted	26	15,328,209	16,898,858
Workers' Participation/ Welfare Funds	27	5,469,446	11,373,770
Total Shareholders' Equity & Liabilities		4,677,985,132	3,979,535,527
Net Assets Value (NAV) per share	28	41.33	45.35

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


Mr. M. A. Moyeed
Managing Director


Dr. M. A. Moyeen
Director


Mr. M. A. A. Naheel
CFO


Mr. Md. Wali Ullah
Company Secretary

Dated: Dhaka
Meeting: November 11, 2023

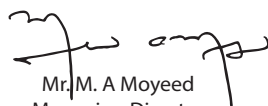
Signed in terms of our annexed report of even date.
Dated: Dhaka: November 11, 2023
DVC : 2311151458AS732289

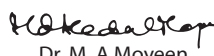

S.K. BARUA & CO.
Chartered Accountants

H.R. Textile Mills Limited
Statement of Profit or Loss and
other Comprehensive Income
For the year ended 30th June 2023

Particulars	Notes	30/06/2023 Taka	30/06/2022 Taka
Sales Revenue	29	2,282,079,427	2,953,308,668
Export Incentive	30	47,799,560	40,297,350
Turnover		2,329,878,987	2,993,606,018
Cost of Goods Sold	31	(1,964,985,595)	(2,559,743,057)
Gross Profit		364,893,392	433,862,961
Administrative, Selling and General Expenses	32	(85,356,970)	(103,472,082)
Financial Expenses	33	(241,755,003)	(229,316,557)
Operating Profit		37,781,419	101,074,322
Other Income	34	6,637,637	1,484,289
Profit before contribution to WPPF		44,419,057	102,558,611
Contribution to WPPF	27	(2,115,193)	(4,883,743)
Net Profit before Tax		42,303,864	97,674,868
Income Tax Expenses		(26,393,644)	(23,489,903)
Current Tax	36	(24,098,508)	(18,910,163)
Deferred Tax	20	(2,295,136)	(3,394,227)
Prior year Tax		-	(1,185,513)
Net Profit after Tax		15,910,220	74,184,965
Earning Per Share (EPS)	38	0.54	2.79
Earning Per Share (EPS) (Restated)	38	0.54	2.54

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


Mr. M. A Moyeed
Managing Director


Dr. M. A Moyeen
Director


Mr. M. A. Naheel
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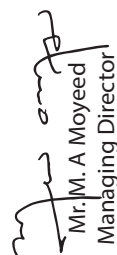

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Chartered Accountants

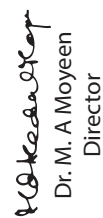
H.R. Textile Mills Limited

Statement of Changes in Shareholders' Equity

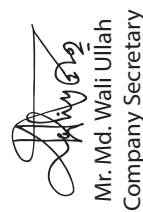
For the year ended 30th June 2023

Particulars	Share Capital	General Reserve	Tax holiday Reserve	Revaluation Surplus	Dividend Equalisation Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2022	265,650,000	6,956,752	22,378,988	650,971,582	10,000,000	248,853,452	1,204,810,774
Revaluation reserve realised	-	-	-	(896,212)	-	1,054,368	158,156
Cash Dividend declared 2022	-	-	-	-	-	(13,282,500)	(13,282,500)
Bonus Shares Issued 2022	26,565,000	-	-	-	-	(26,565,000)	-
Net profit after tax	-	-	-	-	-	15,910,220	15,910,220
Balance as at 30th June 2023	292,215,000	6,956,752	22,378,988	650,075,370	10,000,000	225,970,540	1,207,596,650
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 on 30th June 2022	265,650,000	6,956,752	22,378,988	650,971,582	10,000,000	248,853,452	1,204,810,774


Mr. M. A. Moyeed
Managing Director


Dr. M. A. Moyeen
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Company Secretary

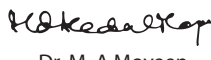
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S.K. BARUA & CO.
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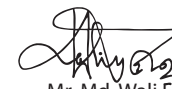
H.R. Textile Mills Limited Statement of Cash Flows For the year ended 30th June 2023

Particulars	Notes	30/06/2023 Taka	30/06/2022 Taka
Cash Flows from Operating Activities:			
Cash received from Sales and export incentives		2,309,023,218	3,006,724,266
Receipts from Other Income		6,596,432	1,329,764
Cash paid for goods and services		(2,483,330,303)	(2,643,589,739)
Cash from operation		(167,710,653)	364,464,291
Interest paid		(221,888,983)	(206,079,881)
Income tax paid/deducted at sources		(24,519,008)	(19,010,163)
Net Cash inflows from operating activities		(414,118,643)	139,374,247
Cash Flows from Investing Activities:			
Acquisition of property, plant and equipment	4 & 5	(411,090,031)	(256,181,386)
Investment in FDR	6	(8,434,733)	(63,499,004)
Net Cash outflows from investing activities		(419,524,764)	(319,680,390)
Cash Flows from Financing Activities:			
Long Term Loans Received/(Repaid)		894,892,821	429,296,993
Non-Convertible Callable Zero-coupon Bond		2,944,714	21,309,644
Short-term Loans Received/(Repaid)		(4,475,035)	(294,906,564)
Cash Dividend Paid		(12,196,004)	(11,629,157)
Bills Receivable Discounted Received/(Repaid)		(1,570,649)	(46,491)
Net Cash inflow from financing activities		879,595,847	144,024,425
Net increase/(decrease) in cash and bank balances		45,952,440	(36,281,718)
Cash and Bank balances on opening		55,466,936	91,594,129
Effects of exchange rate changes on cash and cash equivalents		41,205	154,525
Cash and Bank balances at closing		101,460,581	55,466,936
Net Operating Cash Flows Per Share (NOCFPS)	39	(14.17)	5.25


Mr. M. A Moyeed
Managing Director


Dr. M. A Moyeen
Director


Mr. M.A.A Naheel
CFO


Mr. Md. Wali Ullah
Company Secretary

Dated: Dhaka
Meeting: November 11, 2023

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S.K. BARUA & CO.
Chartered Accountants

H.R. Textile Mills Limited

Notes to the Financial Statements

For the year ended June 30, 2023

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 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 Stock Exchanges and Chittagong Stock Exchanges PLC 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, 2007 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

2.2 Basis of measurement

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

2.3 Functional and presentational currency

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

2.4 Use of estimates and judgments

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

2.5 Reporting period

The financial reporting period of the company covers three months from 01 July 2022 to June 30, 2023.

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 at June 30, 2023;
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended on June 30, 2023;
- iii) Statements of Changes in Shareholders' Equity for the year ended on June 30, 2023;
- iv) Statement of Cash Flows for the year ended on June 30, 2023; and
- v) Notes to the Financial Statements for the year ended on June 30, 2023.

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 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
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

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 of 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.

3.01.5 Intangible assets:

i) Software:

Software that acquires by Group, which have finite useful lives, are measured as cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

3.01.6 Amortization:

Amortization is charged in the income statement on a straight-line basis over the estimated useful lives of intangible assets other than goodwill. Amortizations on additions are charged at 50% of normal rates only in the year of acquisition. Amortized is charged at the rates of 05-20% depending on the estimated useful lives of assets and no amortization is charged in the year of disposal except other assets.

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;

- 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.

3.4 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, 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 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.

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 risks

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	-	-	-	-	2,874,861,207
Sundry Creditors	-	-	-	-	337,744,483
Balance at June 30, 2023	-	-	-	-	3,212,605,690

3.16 Going Concern:

At each year end management of the Company makes assessment of going concern as required by IAS-1. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. The Board of Directors continue to adopt going concern assumption while preparing the financial statements.

3.17 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3.18 Capital Work-In-Progress:

Property, Plant and Equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.19 Capitalized Borrowing Cost:

Borrowing cost relating to acquisition of fixed asset, is capitalized as per International Accounting Standard (IAS-23) - Borrowing Cost at the weighted average cost of borrowing. However, capitalization of borrowing costs is ceased when acquisition of relevant asset is completed. The borrowing costs for the Right Use of Assets are not capitalized as per IFRS-16.

3.20 Other Income

Other income is recognized when the company's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

3.21 Sources of Information:

During our course of preparation and presentation of the financial statements it has been considered the relevant financial documents and collected information throughout the accounting period ended 2022-2023 after overlooking of the head of accounts.

4. Property, Plant and Equipment

a) Cost:

Opening balance

Add: Addition during the year

Less: Adjustmet during the year

Sub Total (a)

b) Accumulated depreciation

Opening balance

Add: Charged during the year

Less: Adjustment during the year

Sub Total (b)

Written down value (a - b)

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

	2023	2022
	Taka	Taka
Opening balance	3,657,995,867	3,401,814,481
Add: Addition during the year	226,443,219	256,181,386
	3,884,439,086	3,657,995,867
Less: Adjustmet during the year	-	-
Sub Total (a)	3,884,439,086	3,657,995,867
b) Accumulated depreciation		
Opening balance	1,305,652,899	1,199,853,873
Add: Charged during the year	120,087,213	105,799,026
	1,425,740,112	1,305,652,899
Less: Adjustment during the year	-	-
Sub Total (b)	1,425,740,112	1,305,652,899
Written down value (a - b)	2,458,698,974	2,352,342,968

5. Capital Works in Progress

Opening balance

Add: Addition during the year

Closing balance

6. Investment in FDR

Opening balance

Add: Addition this year

Add Interest charges during the year

Closing balance

These above mentioned amount of the FDR's are liened against Five years IPDC Finance Ltd, Guarantees amounting Tk. 87,831,237 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:

	2023		2022	
	Quantity (Kg.)	Amount (Taka)	Quantity (Kg.)	Amount (Taka)
Stock of Yarn - Note 7.2	737,802	283,611,964	664,167	263,525,152
Stock of Dyes and Chemicals - Note 7.3	231,808	68,945,328	255,459	84,628,140
Stock of Work-in-Process - Note 7.4		193,481,154		184,171,796
Stock of Finished Goods - Note 7.5		155,150,760		129,658,287
Stock of Accessories		22,509,057		17,865,357
Goods in Transit		24,856,452		13,659,858
		748,554,715		693,508,590
Stock of Spares		15,298,452		14,236,590
		763,853,167		707,745,180
7.2 Stock of Yarn				
Stock of Yarn	737,802	283,611,964	664,167	263,525,152
	737,802	283,611,964	664,167	263,525,152
7.3 Stock of Dyes and Chemicals				
Dyes	46,478	38,308,866	56,957	42,105,783
Chemicals	185,330	30,636,462	198,502	42,522,357
	231,808	68,945,328	255,459	84,628,140
7.4 Stock in Work in Process				
Cost of Materials		105,245,896		105,936,538
Cost of Conversion		88,235,258		78,235,258
		193,481,154		184,171,796
7.5 Stock of Finished Products				
Finished Garments	143,236	48,847,239	156,425	43,354,766
Knitted Fabrics	176,312	106,303,521	126,733	86,303,521
	319,548	155,150,760	283,158	129,658,287

8. Trade and Others Debtors

	2023		2022	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 days)	6,058,422	648,385,122	7,129,448	648,499,353
Others Debtors	509,533	54,520,000	400,119	33,550,000
	<u>6,567,955</u>	<u>702,905,122</u>	<u>7,529,567</u>	<u>682,049,353</u>

These include a sum of Tk. 54,520,000 (2022: Tk. 33,550,000) 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. Advances, Deposits and Prepayments

	2023	2022
	Taka	Taka
Advances:		
Salary Advance	2,592,000	1,252,650
Advance Tax	1,343,500	923,000
Factory Insurance Advance	2,933,520	1,168,166
Advance against land	248,000,000	-
IPDC Finance Ltd.	8,709,484	8,709,484
Operational Advance	8,985,452	8,554,510
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	64,245,812	40,147,304
	<u>343,409,768</u>	<u>67,355,114</u>
Deposits :		
Security deposits	17,381,571	17,381,571
Bank Guarantee Margin	17,797,900	17,797,900
	<u>35,179,471</u>	<u>35,179,471</u>
	<u>378,589,239</u>	<u>102,534,585</u>

The advances are unsecured but considered good.

10. Cash and Bank Balances

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

BRAC Bank Ltd, Dhanmondi Branch, CD A/c	13,923	14,763
Mutual Trust Bank Ltd, Gulshan Branch, CD A/c	127,280	217,707
Mutual Trust Bank Ltd, Gulshan Branch, Fund builup A/c	4,049,943	2,432,069
Mutual Trust Bank Ltd, Gulshan Branch, Dollar A/c	13,359,991	122,486
Mutual Trust Bank Ltd, Gulshan Branch, Dollar A/c	2,113,095	-
Mutual Trust Bank Ltd, Gulshan Branch, ERQ A/c	50,537	88,501
Mutual Trust Bank Ltd, Gulshan Branch, SND A/c	-	5,836
HSBC, Anchor Tower Branch, MDA Margin A/c	5,366,192	-
HSBC, Anchor Tower Branch, FCY A/c	1,487,978	97,718
HSBC, Anchor Tower Branch, CD A/c	782,244	422,572
Trust Bank Ltd, SKB Branch, Dollar A/c	422,995	6,856,936
Trust Bank Ltd, SKB Branch, FCAD A/c	411	318,086
Trust Bank Ltd, SKB Branch, CD A/c	72,929	1,306,972
United Commercial Bank Ltd., CD A/c	-	965
AL-Arafa Islami Bank Ltd, H/O Corporate Br., CD A/c	250,375	227,956
AL-Arafa Islami Bank Ltd, H/O Corporate Br., ERQ A/c	287,794	-
AL-Arafa Islami Bank Ltd, H/O Corporate Br., FC Held A/c	10,465,997	-
Dutch-Bangla Bank Ltd., Gulshan Branch, CD A/c	129,938	109,344
AB Bank Ltd, Motijheel Branch, CD A/c	7,891	144,290
AB Bank Ltd, Motijheel Branch, Notice A/c	362,200	509,112
	<u>39,351,713</u>	<u>12,875,313</u>
With Bank on Short-term Deposit Account:		
Trust Bank Ltd, SKB Branch, SND A/c	55,701,037	39,078,137
Southeast Bank Ltd, Principal Branch, STD A/c	54,671	58,867
	<u>55,755,708</u>	<u>39,137,004</u>
Cash at Banks	95,107,421	52,012,317
Cash in Hand	6,353,160	3,454,620
	<u>101,460,581</u>	<u>55,466,937</u>

11. Share Capital

11.1 Authorized:
100,000,000 Ordinary Shares of Tk. 10 each

11.2 Issued, Subscribed and Paid-up:
29,221,500 Ordinary Shares of Tk. 10 each fully paid-up

11.3 Composition of Shareholdings:

Classes of Holdings	June 30, 2023		June 30, 2022	
	No. of Shares	%	No. of Shares	%
Sponsor/Directors	14,093,947	48.23	13,449,047	50.63
Financial Institutions	2,981,177	10.20	1,610,080	6.06
General Public	12,146,376	41.57	11,505,873	43.31
Total	<u>29,221,500</u>	<u>100.00</u>	<u>26,565,000</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	2023			2022		
	No. of Shareholders	No. of Shares	Holdings (%)	No. of Shareholders	No. of Shares	Holdings (%)
00000000001 - 00000000499	6,858	1,918,611	6.57	6,929	1,916,330	7.21
00000000500 - 00000000500	3,682	1,841,000	6.30	3,746	1,873,000	7.05
00000000501 - 00000002000	763	1,678,600	5.74	917	2,017,400	7.59
00000002001 - 00000005000	324	915,948	3.14	523	1,478,521	5.57
00000005001 - 00000010000	112	823,424	2.82	121	877,492	3.30
00000010001 - 00000050000	35	1,260,000	4.31	47	1,598,000	6.02
00000050001 - 00000100000	21	1,455,163	4.98	5	445,000	1.67
00000100001 - 00000250000	14	2,250,548	7.70	9	1,899,000	7.15
00000250001 - 00000500000	5	1,905,857	6.52	2	1,011,210	3.81
00000500001 and above	8	15,172,349	51.92	6	13,449,047	50.63
Total	<u>11,822</u>	<u>29,221,500</u>	<u>100.00</u>	<u>12,305</u>	<u>26,565,000</u>	<u>100.00</u>

11.4 Year wise break-up of the issue:

Date	Particulars	Shares	2023 (Taka)	2022 (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
24/01/2022	5% shares issued as Bonus (126,500 shares of Tk. 100 each)	126,500	12,650,000	12,650,000
18/01/2023	10% shares issued as Bonus (265,650 shares of Tk. 100 each)	265,650	2,656,500	-
	Total (Taka 100 per share)	<u>2,922,150</u>	<u>292,215,000</u>	<u>265,650,000</u>
	Total (Taka 10 per share)	<u>29,221,500</u>	<u>292,215,000</u>	<u>265,650,000</u>

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.

12. General Reserve

Opening & Closing balance

2023
Taka
6,956,7522022
Taka
6,956,752**13. Tax Holiday Reserve**

Opening & Closing balance

22,378,988

22,378,988

14. Dividend Equalisation Reserve

Opening & Closing balance

10,000,000

10,000,000

15. Revaluation Surplus

Revaluation Surplus

650,971,582

651,867,794

Transferred to retained earnings

(896,212)

(896,212)

Closing balance

650,075,370

650,971,582

M/S. Ahmad and Akhtar & Co. Chartered Accountants, Dhaka, Bangladesh (the valuer) revalued the Factory Lands & Building as of December 31, 2018 at "Current Cost Accounting Method (CCA)". Due to the revaluation, a net revaluation surplus amounting to Tk. 686,195,360.00 arose and accounted for.

16. Retained earnings

Balance as on June 30, 2022

248,853,452

198,914,119

Total Comprehensive income for the year:

Profit for the year

15,910,220

74,184,965

Revaluation reserve realized

1,054,368

1,054,368

265,818,040

274,153,452

Dividend during the year:

Final dividend for previous year (Bonus share)

(26,565,000)

(12,650,000)

Final dividend for previous year (Cash)

(13,282,500)

(12,650,000)

Balance as on June 30, 2023

225,970,540

248,853,452

17. Long-term Loans - Secured Future Maturity

Mutual Trust Bank Ltd, Gulshan Branch, Dhaka

17.1

602,567,269

956,293,060

IPDC Finance Ltd, Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka

17.2

343,210,208

343,541,632

United Commercial Bank Ltd., Gulshan Corporate Branch, Dhaka

17.3

328,722,028

316,092,242

Al-Arafa Islami Bank Ltd, H/Office Corporate Branch, Dhaka

17.4

1,236,320,250

-

2,510,819,755

1,615,926,934

17.1 The movement of loans is as follows:

Opening balance

956,293,060

987,768,518

Received this year

559,888,693

55,073,745

Add: Interest during the period

77,503,079

97,502,431

1,593,684,832

1,140,344,694

Paid during the year

(991,117,563)

(184,051,634)

Closing balance

602,567,269

956,293,060

The loan has been taken from Mutual Trust Bank Ltd., Gulshan Branch for import of Plant and machinery. The loan carries interest at 9% and is repayable in 16 quarterly installments, starting from 11 July 2021. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

17.2 The movement of loans is as follows:

Opening balance

343,541,632

143,787,678

Received this year

50,789,635

250,000,000

Add: Interest

20,006,024

23,297,040

414,337,291

417,084,718

Current Maturity

(71,127,083)

(73,543,086)

Closing balance

343,210,208

343,541,632

The term loan facility has been taken from IPDC Finance Limited, Head Office: Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka-1212, Bangladesh, for construction of effluent treatment plant. The loan carries interest at 11% and is repayable in 72 equal monthly installments, starting from 25th November 2019.

17.3 The movement of loan is as follows:

	2023 Taka	2022 Taka
Opening balance	316,092,242	359,397,739
Paid this year	-	(10,031,911)
Accrued Interest	38,095,386	45,308,209
	<u>354,187,628</u>	<u>394,674,037</u>
Current Maturity	(25,465,600)	(78,581,795)
Closing balance	<u>328,722,028</u>	<u>316,092,242</u>

The lone 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.

17.4 The movement of loan is as follows:

	2023 Taka	2022 Taka
Opening balance	-	-
Loan received this period	1,169,000,000	-
Add: Interest	67,320,250	-
Less: Current Maturity this period	-	-
Closing balance	<u>1,236,320,250</u>	<u>-</u>

The lone has been taken from Al-Arafa Islami Bank Ltd., Head Office, Corporate Branch, 63 Purana Paltan, Dhaka, to pay-off the term loan of Mutual Trust Bank Ltd. The loan carries interest at 9% and is repayable for a period of 7 years (Without 1 year grace period. The loan is secured by hypothecation of stock, machinery, land & factory building, equipment and book debts.

18. Non-Convertible Callable Zero-coupon Bond

	2023 Taka	2022 Taka
Received this year	21,309,644	20,000,000
Add: Interest	2,944,714	1,309,644
Closing balance	<u>24,254,358</u>	<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. Provision for Gratuity

	2023 Taka	2022 Taka
Opening balance	24,395,687	26,096,182
Contribution during this year	2,267,461	3,955,180
	<u>26,663,148</u>	<u>30,051,362</u>
Paid during this year	(4,654,320)	(5,655,675)
Closing balance	<u>22,008,828</u>	<u>24,395,687</u>

20. Deferred Tax Liability

	2023 Taka	2022 Taka
Opening balance	88,584,586	85,348,515
Charged to profit or loss account during the year	2,295,136	3,394,227
Adjustment for depreciation of revalued assets	(158,156)	(158,156)
Closing balance	<u>90,721,566</u>	<u>88,584,586</u>

	2023 Taka	2022 Taka
A. Property, Plant and Equipment (PPE)		
WDV of Accounting Base	1,777,248,270	1,669,837,896
WDV of Tax Base	1,359,597,911	1,265,101,585
Taxable temporary difference	417,650,360	404,736,311
Tax rate	15%	15%
Deferred tax liability/(asset)	<u>62,647,554</u>	<u>60,710,447</u>
B. Deferred Tax on Gratuity Provision		
Opening balance of deferred tax liability for gratuity provision	(3,659,353)	(3,914,427)
Addition during the year	358,029	255,074
Deferred tax liability/(asset)	<u>(3,301,324)</u>	<u>(3,659,353)</u>
C. Calculation of deferred Tax		
Revalued value of land	644,020,625	644,020,625
Revalued value of other than land	37,430,079	38,484,447
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	5,614,512	5,772,667
Deferred tax liability/(asset)	<u>31,375,337</u>	<u>31,533,492</u>
Total (A+B+C)	<u>90,721,567</u>	<u>88,584,586</u>
Calculation of deferred tax charged on Profit and Loss Account:		
Deferred tax liability other than revalued asset as on June 30, 2022	57,051,094	53,656,867
Deferred tax liability other than revalued asset as on June 30, 2023	<u>59,346,230</u>	<u>57,051,094</u>
	<u>2,295,136</u>	<u>3,394,227</u>
21. Short-term Loans		
Bank Overdrafts - Note 21.01	105,727,629	51,160,682
Time Loan - Note 21.02	25,169,353	25,586,681
Loan against Trust Receipts - Note 21.03	-	27,848,526
Current Maturity of long-term loans - Note 21.04	233,144,470	263,920,598
	<u>364,041,452</u>	<u>368,516,487</u>
21.01. Bank Overdraft		
Trust Bank Ltd, SKB Branch	51,152,629	51,160,682
Al-Arafa Islami Bank Ltd, Head Office Corporate Branch	54,575,000	-
	<u>105,727,629</u>	<u>51,160,682</u>
These are secured.		
21.02. Time Loan Bank: The movement of loan is as follows		
Opening Balance	25,586,681	29,148,696
Add: Interest	2,382,672	736,681
Total	27,969,353	29,885,377
Paid this period	(2,800,000)	(4,298,696)
Closing Balance	<u>25,169,353</u>	<u>25,586,681</u>

The lone has been taken under Stimulus Package Covid-19 Pandemic from Trust Bank Ltd, Sena Kalyan Bhaban Branch, 195 Motijheel C/A, Dhaka-1000 for Working Capital requirement. The loan carries Interest at 10.10% and is repayable in 24 months.

21.03 Loan against Trust receipts

	2023 Taka	2022 Taka
Openining balance	27,848,526	9,357,890
Add: Interest during the period	1,089,193	-
Add: Received during the period	2,694,882	27,848,526
Total	31,632,601	37,206,416
Less: Paid this period	(31,632,601)	(9,357,890)
Closing balance	-	27,848,526

21.04 Current Maturity of long-term loans

Mutual Trust Bank Ltd, Gulshan Branch, Dhaka	21.04.01	27,845,637	133,380,745
IPDC Finance Ltd, Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka	21.04.02	101,251,438	51,958,058
United Commercial Bank Ltd., Gulshan Corporate Branch, Dhaka	21.04.03	104,047,395	78,581,795
		233,144,470	263,920,598
21.04.01 The movement of loan is as follows:			
Openining balance		133,380,745	158,205,996
Current Maturity this period		15,658,008	184,051,634
		149,038,753	342,257,630
Paid during this period		(121,193,116)	(208,876,885)
Closing balance		27,845,637	133,380,745

The loan has been taken from Mutual Trust Bank Limited, 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.

21.04.02 The movement of loan is as follows:

Openining balance	51,958,058	24,802,620
Current Maturity this year	71,127,083	73,543,086
	123,085,141	98,345,706
Paid during this year	(21,833,703)	(46,387,648)
Closing balance	101,251,438	51,958,058

The Term-loan facility has been taken from IPDC Finance Ltd, Head Office, Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka-1212, Bangladesh for Construction of Effluent Treatment Plant. The loan carries interest at 11% and is repayable in 72 Equal monthly installments, starting from 25 November 2019.

21.04.03 The movement of loan is as follows:

Openining balance	78,581,795	-
Current Maturity	25,465,600	78,581,795
Closing balance	104,047,395	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 12 months. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

22. Trade and Other Creditors

	2023		2022	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>3,078,263</u>	329,374,174	<u>5,744,216</u>	533,445,314
For Local Purchases		8,049,323		9,450,190
For Staff Income Tax		<u>320,986</u>		<u>669,049</u>
		<u>337,744,483</u>		<u>543,564,553</u>

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

23. Unclaimed Dividend Account

	2023 Taka	2022 Taka
Opening balance	5,698,781	9,507,557
Refund Warrant	-	371,469
Addition during this year	13,282,500	12,650,000
Sale of Fractional Bonus share	-	<u>276,369</u>
	18,981,281	22,805,395
Less: Transfer to Capital Market Stabilization Fund (CMSF)	-	<u>(5,477,457)</u>
	18,981,281	17,327,938
Payment during this period	<u>(12,196,004)</u>	<u>(11,629,157)</u>
	<u>6,785,277</u>	<u>5,698,781</u>

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

24. Accrued Expenses

	2023 Taka	2022 Taka
Gas Expenses (Factory)	8,934,378	15,125,133
Electricity bill	191,737	188,289
Telephone	-	145,240
Salaries, Wages and Allowances	16,557,427	19,533,732
Legal Fee	60,000	60,000
Auditors' Fee (Including Vat)	172,500	172,500
AGM Expense	220,000	250,000
	<u>26,136,042</u>	<u>35,474,894</u>

25. Provision for Current Taxation

Opening balance	42,980,558	49,803,043
Addition during the year	24,098,508	18,910,163
	67,079,066	68,713,206
Paid during the year	-	<u>(25,732,648)</u>
Closing balance	<u>67,079,066</u>	<u>42,980,558</u>

26. Bills Receivable Discounted

Opening balance	16,898,858	16,945,349
Discounted during the year	90,461,272	156,985,430
	107,360,130	173,930,779
Collected during the year	<u>(92,031,921)</u>	<u>(157,031,921)</u>
Closing balance	<u>15,328,209</u>	<u>16,898,858</u>

27. Workers' Participation/Welfare Funds

Opening balance	11,373,770	13,303,076
Payment during this year	<u>(8,253,535)</u>	<u>(7,265,842)</u>
	3,120,235	6,037,234
Contributions for the year	2,115,193	4,883,743
Interest during the year	234,018	452,793
Closing balance	<u>5,469,446</u>	<u>11,373,770</u>

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

28. Net Assets Value (NAV) Per Share

Total Assets
Total Liabilities

A. Net Assets

B. Number of ordinary of shares

Net Assets Value (NAV) Per Share (A/B)

2023 Taka	2022 Taka
4,677,985,132	3,979,535,527
(3,470,388,482)	(2,774,724,753)
<u>1,207,596,650</u>	<u>1,204,810,774</u>
<u>29,221,500</u>	<u>26,565,000</u>
<u>41.33</u>	<u>45.35</u>

29. Sales

Item

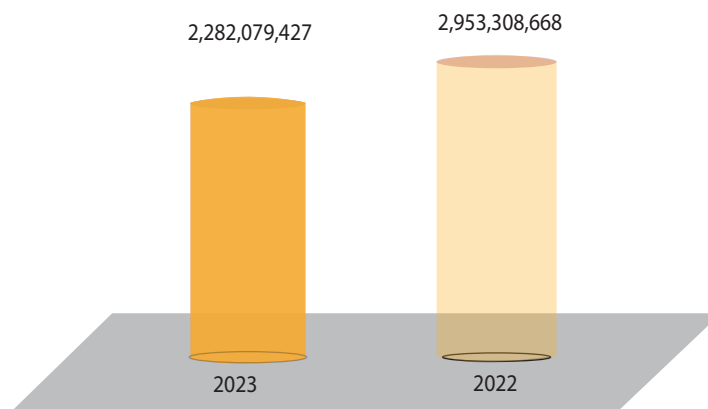
Export sales:

Knit Fabrics (Kgs)

Garments (Pcs)

Total

	Quantity	2023 Amount (in US\$)	Amount (In Taka)	Quantity	2022 Amount (In US\$)	Amount (In Taka)
Knit Fabrics (Kgs)	<u>1,805,167</u>	<u>12,076,568</u>	<u>1,229,050,415</u>	<u>2,281,972</u>	<u>15,106,652</u>	<u>1,310,002,517</u>
Garments (Pcs)	<u>3,296,612</u>	<u>10,120,599</u>	<u>1,053,029,012</u>	<u>5,928,880</u>	<u>19,150,282</u>	<u>1,643,306,151</u>
Total		<u>22,197,167</u>	<u>2,282,079,427</u>		<u>34,256,934</u>	<u>2,953,308,668</u>

Export Sales in Taka

30. Export Incentives

Cash Incentive

2023
Taka

47,799,560

47,799,560

2022
Taka

40,297,350

40,297,350

31. Cost of Goods Sold

31.1 The break-up is as follows:

Materials Consumed - Note-31.2

1,529,020,135

2,150,078,451

Salary, Wages and Allowances - Note 31.3

253,346,360

240,859,851

Tiffin & Entertainment expenses

692,889

912,251

Depreciation - Annexure-A

96,069,770

84,639,221

Stores and Spares Consumed

726,172

932,568

Factory Conveyance

619,040

976,016

Power and Gas

105,800,480

99,156,418

Gratuity

1,545,874

2,932,540

Vehicle expenses

1,192,233

1,886,073

Repairs and Maintenance

1,308,821

1,165,842

Packing & Loading expenses

723,963

1,358,954

Import Landing, Clearing and Insurance

818,842

1,462,548

Factory Stationery expenses

826,556

1,270,889

Carriage Inward & Outward

1,584,440

3,346,754

Knitting, Sewing & Processing charge

2,123,705

3,045,852

Factory Insurance

3,268,826

3,279,826

Sewing Machine Rental

-

425,500

Miscellaneous

119,320

155,000

Total Manufacturing Costs for the year

1,999,787,426

2,597,884,554

Add: Opening Work in Process

184,171,796

170,047,725

Total Manufacturing Costs

2,183,959,222

2,767,932,279

Less: Closing Work in Process

193,481,154

184,171,796

Cost of Goods Manufactured

1,990,478,068

2,583,760,483

Add: Opening Finished Goods

129,658,287

105,640,861

Cost of Goods available for use

2,120,136,355

2,689,401,344

Less: Closing Finished Goods

155,150,760

129,658,287

Cost of Goods Sold

1,964,985,595

2,559,743,057

31.2 Materials Consumed

2023

Quantity (Kg)

Taka

Yarn

2,881,126

1,145,967,679

Dyes

201,574

146,745,606

Chemicals

728,088

141,787,887

Accessories

94,518,963

Total Materials Consumption

1,529,020,135

2022

Quantity (Kg)

Taka

4,131,229

1,565,384,556

307,009

218,186,320

1,316,832

213,958,921

152,548,654

2,150,078,451

31.3 Salaries, Wages and Allowances

No. of Employee

Taka

Employees drawing Tk. 8,000 or more per month

1,802

253,346,360

Employees drawing less than Tk. 8,000 per month

-

-

Total

1,802

253,346,360

No. of Employee

Taka

1,897

240,859,851

-

-

1,897

240,859,851

32. Administrative, Selling and General Expenses

32.1 The break-up is as below:

Directors' Remuneration - Note 32.2
Salaries and Allowances - Note 32.3
Depreciation - Annexure-A
Electricity expenses
Postage, Courier, Telephone and Fax
Form & Stamp
Gratuity
Traveling and Conveyance
Legal and Professional expenses
Auditors' Fee - Note 32.2
A.G.M expenses
Registration and Fees
Staff welfare
Stationery expenses
Office Repairs and Maintenance
Vehicle expenses
Entertainment expenses
Central fund for RMG
Buying House Commission
Export document Charges & Freight out
Garments Testing & Inspection Charges
Miscellaneous
Total

2023 (Taka)	2022 (Taka)
2,600,000	2,600,000
45,902,386	60,165,874
24,017,443	21,159,805
2,422,441	2,826,376
1,147,931	1,052,650
451,105	845,698
721,587	1,022,640
579,235	872,540
60,000	60,000
172,500	172,500
330,000	255,452
954,290	758,540
118,413	556,850
576,228	867,009
157,551	685,245
1,085,321	1,512,214
478,584	864,908
267,157	480,585
500,000	1,565,000
1,355,168	2,003,528
1,274,569	2,879,668
185,061	265,000
<u>85,356,970</u>	<u>103,472,082</u>

32.2 No remuneration or fee, other than that specified in note 32.1 was paid to directors and auditors.

32.3 Salaries and Allowances:

	2023		2022	
	No. of Employee	Taka	No. of Employee	Taka
Employees drawing Tk. 8,000 or more p/m	147	45,902,386	169	60,165,874
Employees drawing less than Tk. 8,000 p/m	-	-	-	-
	<u>147</u>	<u>45,902,386</u>	<u>169</u>	<u>60,165,874</u>

33. Financial Expenses

Interest Expenses- Note-33.1
Bank Charges

2023 Taka	2022 Taka
221,888,983	207,842,318
19,866,020	21,474,239
<u>241,755,003</u>	<u>229,316,557</u>

33.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds
Interest on Long-term Loans
Interest on Non-Convertible Callable Zero-coupon Bond
Interest on Bills Discounted
Interest on Bank Overdraft
Interest on Time Loan
Interest on Trust Receipts
Interest on Lease Finance

234,018	452,793
182,457,928	142,810,641
2,944,714	1,309,644
1,457,355	33,582,526
9,216,947	5,111,360
2,583,318	736,681
1,645,339	561,633
21,349,364	23,277,040
<u>221,888,983</u>	<u>207,842,318</u>

34. Others Income

Interest in FDR
Interest on STD A/c
Exchange Fluctuation Gain/(Loss)- Note-34.1

5,007,166	999,004
577,228	-
1,053,243	485,285
<u>6,637,637</u>	<u>1,484,289</u>

34.1 Exchange Fluctuation Gain/(Loss)

Gain/(loss) on receivables
Gain/(loss) on payables
Gain/(loss) FC accounts balances

1,968,452	856,450
(956,414)	(525,690)
41,205	154,525
<u>1,053,243</u>	<u>485,285</u>

35. Declaration of dividend & authorised for issue:

The financial statements have been authorized by the Board of Directors of the Company in its meeting held on November 11, 2023 (2022: October 27, 2022) recommended 5% cash dividend i.e. Tk. 0.50 per share of Tk. 10.00 each (2022: 5% cash dividend and 10% stock dividend) for general shareholders of the company subject to their approval in the AGM.

36. Current Tax

	2023 (Taka)	2022 (Taka)
A. Regular Tax		
Profit before tax	42,303,864	97,674,868
Depreciation as per accounting base	120,087,213	105,799,026
	162,391,076	203,473,894
Depreciation as per Tax base	(131,946,895)	(125,672,342)
	30,444,181	77,801,552
Provision for Gratuity for the year	2,267,461	3,955,180
	32,711,642	81,756,732
Other income (Separate calculation)	6,637,637	1,484,289
	39,349,279	83,241,021
Payment for Gratuity	(4,654,320)	(5,655,675)
	34,694,959	77,585,346
Tax Rate @ 15%	5,204,244	11,637,802
B. Minimum Tax on gross receipt @ 0.30%	7,009,550	8,864,379
C. Tax Deducted at source U/S-52	24,098,508	18,910,163
Current tax expense (Higher of A, B & C)	24,098,508	18,910,163

37. Remuneration/Payments to Directors/Officers:

37.1 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	2023		2022	
	Directors	Officers	Directors	Officers
Remuneration	2,600,000	-	2,600,000	-
Basic salary		27,098,548		35,869,854
House rent allowance		13,804,560		17,789,540
Other benefits and perquisites		4,999,278		6,506,480
	2,600,000	45,902,386	2,600,000	60,165,874

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

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

38. Earnings Per Share**38.1 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:

	2023 (Taka)	2022 (Taka)
A. Earnings attributable to the Ordinary Shareholders (Net Profit after tax)	15,910,220	74,184,965
B. Number of ordinary of shares outstanding during the year	29,221,500	26,565,000
Earnings Per Share (EPS) (A/B)	0.54	2.79

38.2 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.

39. Net Operating Cash Flows Per Share (NOCFPS)

	2023 (Taka)	2022 (Taka)
Cash flows from Operating Activities:		
Cash received from Sales, Export incentive and Others	2,309,023,218	3,006,724,266
Receipts from Other Income	6,596,432	1,329,764
Cash paid for goods and services	(2,483,330,303)	(2,643,589,739)
Cash from operation	(167,710,653)	364,464,291
Interest paid	(221,888,983)	(206,079,881)
Income tax paid/deducted at sources	(24,519,008)	(19,010,163)
Net Cash inflows from operating activities	(414,118,643)	139,374,247
Divided by number of ordinary of shares	29,221,500	26,565,000
Net operating Cash Flows Per Share (NOCFPS)	(14.17)	5.25

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

Item	Capacity	Actual Production	Percentage (%) of achievement
Finished Garments (Lac Pcs.)	108	32.96 (2022: 59.29)	30.52 (2022: 54.89%)
Knit Fabrics (MTs.)	6,000	1,805 (2022: 5,225)	30.09 (2022: 87.08%)

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

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised	
		Taka	Taka	2023 Taka	2022 Taka
Trust Bank Ltd. SKB Branch, Dhaka	B to B L/C, EDF & Sight	650,000,000	159,519,964	490,480,036	493,451,480
	IBP (Inner Limit B to BL/C, EDF & Sight)	70,000,000	-	70,000,000	70,000,000
	Trust receipt (B to BL/C, EDF & Sight)	40,500,000	-	40,500,000	12,651,474
	Overdraft	50,000,000	51,152,629	(1,152,629)	(1,160,682)
	Bank Guarantee	20,000,000	2,728,300	17,271,700	19,603,400
	Time Loan	30,000,000	25,169,353	4,830,647	4,413,319
		860,500,000	238,570,246	621,929,754	598,958,991
Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	B to B L/C, EDF & Sight	1,000,000,000	-	1,000,000,000	807,451,350
	Secured Overdraft	150,000,000	-	150,000,000	150,000,000
	FDBP/IDBP	100,000,000	-	100,000,000	90,612,826
	Term Loan	791,610,000	630,412,906	161,197,094	(29,673,805)
		2,041,610,000	630,412,906	1,411,197,094	1,018,390,371
HSBC Anchor Tower, 108 Bir Uttam C.R. Datta Road, Dhaka-1205	Export Cash Limit	147,000,000	-	147,000,000	130,101,142
	Import Line	716,000,000	-	716,000,000	531,631,856
	Overdraft	50,000,000	-	50,000,000	50,000,000
	Bank Guarantee	18,000,000	15,069,600	2,930,400	202,100
	Loan Line	54,540,000	-	54,540,000	54,540,000
		985,540,000	15,069,600	970,470,400	766,475,098
Al-Arafa Islami Bank Ltd Head Office, Corporate Br.	LC/BBLC/Bills	1,000,000,000	169,854,210	830,145,790	130,101,142
	FBP/MDBP	150,000,000	15,328,209	134,671,791	531,631,856
	Bai-Mujjal	50,000,000	54,575,000	(4,575,000)	50,000,000
	Bank Guarantee	18,000,000	-	18,000,000	202,100
Purana Paltan, Dhaka	HPSM	1,169,000,000	1,236,320,250	(67,320,250)	54,540,000
		2,387,000,000	1,476,077,669	910,922,331	766,475,098

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

	2023		2022	
	Taka	%	Taka	%
Imported	364,420,895	23.82	562,618,597	26.16
Local	1,165,325,412	76.18	1,588,392,422	73.84
	1,529,746,307	100.00	2,151,011,019	100.00

43. Reconciliation of net operating cash flow

	2023 (Taka)	2022 (Taka)
Profit after tax	15,910,220	74,184,965
Depreciation	120,087,213	105,799,026
Unrealised Loss	-	-
Changes in:		
Stock and Stores	(56,107,987)	(46,043,400)
Trade and other Debtors	(20,855,769)	12,809,198
Export Incentive Receivable	-	-
Advance Deposit and Prepayments	(276,054,654)	(8,108,732)
Trade Creditors	(205,893,402)	8,020,531
Unclaimed Dividend Account	1,086,496	(3,808,776)
Accrued Expenses	(9,338,853)	4,633,860
Provision for Current Taxation	24,098,508	(896,212)
Provision for Gratuity	(2,386,859)	(6,822,485)
Workers' Participation/Welfare Funds	(5,904,324)	(1,700,495)
Decrease Revaluation Surplus	(896,212)	(1,929,305)
Provision for Deferred Taxation	2,136,980	3,236,072
Net cash provided (used) by operating activities	(414,118,643)	139,374,247

44. 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, 2023 is as under:

Name of the related party	Relationship	Nature of Transaction	2023 Taka	2022 Taka
Fashion Knit Garments Ltd.	Common Director	Sale of Finished Fabrics	1,229,050,415	1,310,002,517
		Receivable	54,520,000	33,550,000
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/2009-193/2/ 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, 2023	June 30, 2022
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	-	-	-	-
Mr. Mohammad Kabiruzzaman	Independent Director	-	-	-	-
Total		200,000	200,000	2,600,000	2,600,000

45. General

45.1 There was no sum for which the Company was contingently liable as at 30th June 2023 and 30th June 2022.

45.2 There was no claim, except an aggregate amount of Tk 28,979,884 (2021: 28,868,145) claimed by the Tax Authority but appealed against by the Company, not acknowledged as debt as at 30th June 2023 and 30th June 2022. Such claim, being contingent liability, needs not be provided for.

45.3 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 2023 and 30th June 2022.

45.4 There was no foreign shareholder of the Company as on 30th June 2023 and 30th June 2022 and no dividend was remitted to any foreign shareholders during the years ended 30th June 2023 and 30th June 2022.

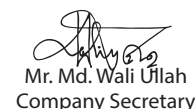
45.5 There was no capital expenditure contracted but not incurred or provided for the year ended 30th June 2023 and 30th June 2022.

45.6 There was no capital expenditure authorised by the Board but not contracted for the year ended 30th June 2023 and 30th June 2022.


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 2023

Particulars	Cost or valuation		Depreciation		(Amount in Taka)	
	As on 1 July 2022	Additions/ (Deletions)	As on 30 June 2023	During the year	As on 30 June 2023	Written down value
Factory Land and Development						
Factory Building	8,479,375	-	8,479,375	-	-	8,479,375
Factory Shed	984,450,532	24,112,478	1,008,563,010	24,912,669	142,113,245	866,449,765
Plant and Machinery	6,823,475	-	6,823,475	-	6,823,470	5
Electric Installation	1,801,757,486	129,731,041	1,931,488,527	84,263,285	1,107,203,399	824,285,128
Gas Installation	36,482,818	-	36,482,818	3,648,282	34,298,126	2,184,692
Water Installation	7,826,035	-	7,826,035	212,867	7,093,892	732,143
Steam Installation	9,753,520	-	9,753,520	223,326	9,753,510	10
Furniture and Fixtures	2,563,352	-	2,563,352	-	2,563,342	10
Telephone Installation	11,132,967	42,000	11,174,967	13,083	11,045,077	129,890
Motor Vehicles	1,027,861	-	1,027,861	-	1,027,851	10
Office Equipment	46,192,122	-	46,192,122	3,290,440	44,227,989	1,964,133
Loose Tools	40,309,847	1,007,700	41,317,547	987,168	40,393,247	924,300
Factory Equipment	183,875	-	183,875	-	183,865	10
A. Total	14,817,242	-	14,817,242	1,481,724	14,268,442	548,800
	2,971,800,507	154,893,219	3,126,693,726	119,032,845	1,420,995,456	1,705,698,270
Intangible assets						
Software Installation	-	71,550,000	71,550,000	-	-	71,550,000
B. Total	-	71,550,000	71,550,000	-	-	71,550,000
Revaluation						
Factory Land and Development						
Factory Building	644,020,625	-	644,020,625	-	-	644,020,625
C. Total	42,174,735	-	42,174,735	1,054,368	4,744,656	37,430,079
	686,195,360	-	686,195,360	1,054,368	4,744,656	681,450,704
Total (A+B+C) as on June 30, 2023	3,657,995,876	226,443,219	3,884,439,086	120,087,213	1,425,740,112	2,458,698,974

Allocation of Depreciation

Particulars		2022-23	2021-22
Cost of Goods Sold & Services		96,069,770	84,639,221
Administrative		24,017,443	21,159,805
Total		120,087,213	105,799,026

Notes

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

Particulars	Cost or valuation		Depreciation		(Amount in Taka) Written down value As on 30 June 2022
	As on 1 July 2021	Additions/ (Deletions) As on 30 June 2022	As on 1 July 2021	During the year As on 30 June 2022	
Factory Land and Development	8,479,375	-	-	-	8,479,375
Factory Building	903,026,172	81,424,360	94,597,037	22,603,539	867,249,956
Factory Shed	6,823,475	-	6,823,470	-	5
Plant and Machinery	1,631,218,464	170,539,022	950,198,116	72,741,998	778,817,372
Electric Installation	34,642,204	1,840,614	27,060,059	3,589,785	5,832,974
Gas Installation	7,826,035	-	6,746,025	135,000	945,010
Water Installation	9,380,520	373,000	8,588,147	942,037	223,336
Steam Installation	2,563,352	-	2,563,342	-	10
Furniture and Fixtures	11,036,777	96,190	11,026,159	5,835	100,973
Telephone Installation	1,027,861	-	1,027,851	-	10
Motor Vehicles	46,192,122	-	37,647,109	3,290,440	5,254,573
Office Equipment	39,795,147	514,700	39,406,079	-	903,768
Loose Tools	183,875	-	183,865	-	10
Factory Equipment	13,423,742	1,393,500	11,350,694	1,436,024	2,030,524
A. Total	2,715,619,121	256,181,386	1,197,217,953	104,744,658	1,669,837,896
Revaluation					
Factory Land and Development	644,020,625	-	-	-	644,020,625
Factory Building	42,174,735	-	2,635,920	1,054,368	38,484,447
B. Total	686,195,360	-	2,635,920	1,054,368	682,505,072
Total (A+B) as on June 30, 2022	3,401,814,481	256,181,386	1,199,853,873	105,799,026	2,352,342,968

Allocation of Depreciation

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

H.R. Textile Mills Limited
Schedule of Property, Plant and Equipment
Tax Based Depreciation Calculation for the Assessment year 2023-24

Particulars of Assets	WDV 01.07.22	Addition	Total 30.06.2023	Rate	Depreciation	WDV 30.06.2023
Land & Development	8,479,375	-	8,479,375	-	-	8,479,375
Factory Shed and Building	630,636,232	24,112,478	654,748,710	10	63,264,560.52	591,484,149
Plant and Machinery	583,054,552	129,731,041	712,785,593	10	60,467,639.22	652,317,954
Furniture and Fixture	3,535,049	42,000	3,577,049	15	536,557	3,040,492
Software Installation	-	71,550,000	71,550,000	15	1,788,750	69,761,250
Gas Installation	722,437	-	722,437	20	144,487	577,950
Electrical Installation	9,806,798	-	9,806,798	20	1,961,360	7,845,438
Vehicles	6,380,852	-	6,380,852	20	1,276,170	5,104,682
Water Installation	2,070,520	-	2,070,520	20	414,104	1,656,416
Steam Installation	4,088	-	4,088	20	818	3,270
Telephone Installation	1,974	-	1,974	20	395	1,579
Office Equipment	20,402,724	1,007,700	21,410,424	10	2,090,657	19,319,767
Loose Tools	6,986	-	6,986	20	1,397	5,589
	<u>1,265,101,587</u>	<u>226,443,219</u>	<u>1,491,544,806</u>	<u>200</u>	<u>131,946,895</u>	<u>1,359,597,911</u>

H.R. Textile Mills Limited
Schedule of Property, Plant and Equipment
Tax Based Depreciation Calculation for the Assessment year 2023-24

Particulars of Assets	WDV 01.07.21	Addition	Total 30.06.2022	Rate	Depreciation	WDV 30.06.2022
Land & Development	8,479,375	-	8,479,375	-	-	8,479,375
Factory Shed and Building	612,497,201	81,424,360	693,921,561	10	63,285,329	630,636,232
Plant and Machinery	467,824,979	170,539,022	638,364,001	10	55,309,449	583,054,552
Furniture and Fixture	4,062,691	96,190	4,158,881	15	623,832	3,535,049
Gas Installation	903,046	-	903,046	20	180,609	722,437
Electrical Installation	10,015,249	1,840,614	11,855,863	20	2,049,065	9,806,798
Vehicles	7,976,064	-	7,976,064	20	1,595,213	6,380,851
Water Installation	2,215,150	373,000	2,588,150	20	517,630	2,070,520
Steam Installation	5,110	-	5,110	20	1,022	4,088
Telephone Installation	2,467	-	2,467	20	493	1,974
Office Equipment	20,602,477	1,908,200	22,510,677	10	2,107,953	20,402,724
Loose Tools	8,732	-	8,732	20	1,746	6,986
	<u>1,134,592,541</u>	<u>256,181,386</u>	<u>1,390,773,927</u>	<u>185</u>	<u>125,672,342</u>	<u>1,265,101,585</u>

H.R. Textile Mills Limited
Pride Hamza (5th Floor), House # 54, Road # 1
Sector # 6, Uttara, Dhaka-1230

PROXY FORM

I/We.....of.....
 being a shareholder of H.R. Textile Mills Limited here by appoint
 Mr./Mrs/Ms..... of

.....
 as my proxy to attend and vote for me on my behalf at the 39th Annual General Meeting of the company to
 be held on Wednesday, 23rd January 2024 at 11:00 am at the Digital Platform and at any adjournment
 thereof.

As witness my hands this day of January 2024

Signature of Proxy

Signature of Shareholder.....

Registered Folio / BO No.

**Revenue
Stamp
Tk 20.00**

Importants:

1. This Form of Proxy duly completed must be deposited at the Company's Dhaka Office at least 48 (forty eight) hours before the meeting. The proxy will not be valid if it is not duly stamped and signed. Signature of the Shareholder(s) and the Proxy must agree with the respective specimen signatures recorded with the Company.
2. A member of the Company may only be appointed as Proxy.

ATTENDANCE SLIP

Mr./Mrs. Folio / BO No.

I hereby record my presence of the 39th Annual General Meeting of H.R. Textile Mills Limited to be held on Wednesday, 23rd January 2024 at 11:00 am at the Digital Platform.

Signature Verified By
 Authorized Signature of the Company

.....
 Signature of Shareholder / Proxy

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be sent by email to hrtex_cs@pride-grp.com not later than 48 hours before the commencement of the AGM.



