

### **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