

**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
<b>Revenue Recognition</b>	
<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 &amp; 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 &amp; 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"> <li>• Understanding and reviewing the nature and types of loans;</li> <li>• Reviewing the board minutes for arrangements of the loans;</li> <li>• Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans;</li> <li>• Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans;</li> <li>• Recalculating the interest related to loans;</li> <li>• Checking the adjustments or repayments of loans through bank statements as per repayment schedule;</li> <li>• Checking whether there are any overdue payments and penal interests; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our procedures above did not identify any issues with regard to the loans.</p>
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<b>Carrying value (CV) of Property, plant and equipment (PPE) and its impairment</b>	
<p>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.</p> <p>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.</p> <p>The carrying value of PPE is the function of depreciation charges on cost/ revalued 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.</p>	<p>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:</p> <p>Reviewing basis of recognition, measurement and valuation of assets;</p> <ul style="list-style-type: none"> <li>▶ Observing procedures of assets acquisition, depreciation and disposal;</li> <li>▶ Checking ownership of the major assets;</li> <li>▶ Checking estimated rates of depreciation being used and assessing its fairness;</li> <li>▶ 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;</li> <li>▶ Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>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.</p>
<b>Measurement of Deferred Tax Liability</b>	
<p>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.</p> <p>A significant judgment is required in relation to deferred tax liabilities as this is related to taxable profit(loss) of future periods.</p>	<p>In order to obtain the completeness and correctness of the deferred tax, we have tested the following key control activities;</p> <ul style="list-style-type: none"> <li>⇒ Assessed the key assumptions, recognition, controls and measurement of deferred tax.</li> <li>⇒ We have tested the calculation of tax-based depreciation and accounting-based depreciation.</li> <li>⇒ Assessed the appropriateness of presentation and disclosure against IAS 12.</li> <li>⇒ Verify the procedure of deferred tax calculation and recognition.</li> </ul>
<b>Valuation of inventory</b>	
<p>Inventories should be measured at the lower of cost and net realizable value.</p> <p>The amount of BDT 763,853,167 has been reported as stock and stores as on 30 June 2023 in the financial statements.</p> <p>Inventories are maintained by manual interfaces and inputs, there is a risk that inappropriate management override and/ or error may occur.</p> <p>See note no. 3.2 &amp; 07 to the financial statements.</p>	<p>We challenged the appropriateness of managements assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and Implementation of key inventory controls operating across the company;</li> <li>• Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li> <li>• Verified cost price of a sample of inventories and compared with the associated provision to assess whether inventory provisions are complete;</li> <li>• Review the historical accuracy of inventory provisioning and the level of inventory write-off during the year.</li> </ul> <p>Our testing identified issues regarding existence of inventories which have been reported in the basis for qualified opinion section of our report.</p>

### 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 : 2311151458A5732289

**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
<b>ASSETS</b>			
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
<b>Total Assets</b>		<b>4,677,985,132</b>	<b>3,979,535,527</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>1,207,596,650</b>	<b>1,204,810,774</b>
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
<b>Total Shareholders' Equity &amp; Liabilities</b>		<b>4,677,985,132</b>	<b>3,979,535,527</b>
<b>Net Assets Value (NAV) per share</b>	28	<b>41.33</b>	<b>45.35</b>

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

  
 Mr. M. A. Moyeed  
 Managing Director

  
 Dr. M. A. Moyeen  
 Director

  
 Mr. M. 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 : 2311151458A5732289

  
 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
<b>Turnover</b>		<b>2,329,878,987</b>	<b>2,993,606,018</b>
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)
<b>Net Profit before Tax</b>		<b>42,303,864</b>	<b>97,674,868</b>
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)
<b>Net Profit after Tax</b>		<b>15,910,220</b>	<b>74,184,965</b>
<b>Earning Per Share (EPS)</b>	38	<b>0.54</b>	<b>2.79</b>
<b>Earning Per Share (EPS) (Restated)</b>	38	<b>0.54</b>	<b>2.54</b>

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  
CFO

  
Mr. Md. Wali Ullāh  
Company Secretary

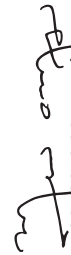
Dated: Dhaka  
Meeting: November 11, 2023


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S.K. BARUA & CO.  
Chartered Accountants

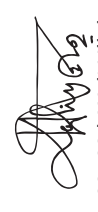
**H.R. Textile Mills Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended 30th June 2023**

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  
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 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)
<b>Net Cash inflows from operating activities</b>		<b>(414,118,643)</b>	<b>139,374,247</b>
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)
<b>Net Cash outflows from investing activities</b>		<b>(419,524,764)</b>	<b>(319,680,390)</b>
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)
<b>Net Cash inflow from financing activities</b>		<b>879,595,847</b>	<b>144,024,425</b>
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
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	39	<b>(14.17)</b>	<b>5.25</b>

  
Mr. M. A Moyeed  
Managing Director

  
Dr. M. A Moyeen  
Director

  
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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**

- Statement of Financial Position as at June 30, 2023;
- Statement of Profit or Loss and other Comprehensive Income for the year ended on June 30, 2023;
- Statements of Changes in Shareholders' Equity for the year ended on June 30, 2023;
- Statement of Cash Flows for the year ended on June 30, 2023; and
- 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.

2023 Taka	2022 Taka
3,657,995,867	3,401,814,481
226,443,219	256,181,386
<u>3,884,439,086</u>	<u>3,657,995,867</u>
-	-
<u>3,884,439,086</u>	<u>3,657,995,867</u>
1,305,652,899	1,199,853,873
120,087,213	105,799,026
<u>1,425,740,112</u>	<u>1,305,652,899</u>
-	-
<u>1,425,740,112</u>	<u>1,305,652,899</u>
<u>2,458,698,974</u>	<u>2,352,342,968</u>
-	-
<u>184,646,812</u>	<u>-</u>
<u>184,646,812</u>	<u>-</u>
79,396,504	15,897,500
4,500,000	62,500,000
3,934,733	999,004
<u>87,831,237</u>	<u>79,396,504</u>

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)
7.1 The make-up is as below:				
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**

	<b>2023</b>		<b>2022</b>	
	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**

	<b>2023</b>		<b>2022</b>	
	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 buildup 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**

	2023 Taka	2022 Taka
11.1 Authorized: <u>100,000,000</u> Ordinary Shares of Tk. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
11.2 Issued, Subscribed and Paid-up: <u>29,221,500</u> Ordinary Shares of Tk. 10 each fully paid-up	<u>292,215,000</u>	<u>265,650,000</u>
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	13,449,047
Financials Institutions	2,981,177	1,610,080
General Public	12,146,376	11,505,873
Total	<u>29,221,500</u>	<u>26,565,000</u>
	%	%
	48.23	50.63
	10.20	6.06
	41.57	43.31
	<u>100.00</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 &amp; Closing balance

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

Opening &amp; Closing balance

22,378,988

22,378,988

**14. Dividend Equalisation Reserve**

Opening &amp; 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
<b>A. Property, Plant and Equipment (PPE)</b>		
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>B. Deferred Tax on Gratuity Provision</b>		
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>
<b>C. Calculation of deferred Tax</b>		
Revalued value of land	644,020,625	644,020,625
Revalued value of other than land	37,430,079	38,484,447
<b>Tax Rate</b>		
On land	4%	4%
On other than land	15%	15%
<b>Deferred tax liabilities</b>		
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>
<b>21. Short-term Loans</b>		
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	<u>233,144,470</u>	<u>263,920,598</u>
	<u>364,041,452</u>	<u>368,516,487</u>
<b>21.01. Bank Overdraft</b>		
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.		
<b>21.02. Time Loan Bank: The movement of loan is as follows</b>		
Opening Balance	25,586,681	29,148,696
Add: Interest	<u>2,382,672</u>	<u>736,681</u>
Total	27,969,353	29,885,377
Paid this period	<u>(2,800,000)</u>	<u>(4,298,696)</u>
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
Opening 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
		<u>233,144,470</u>	<u>263,920,598</u>

## 21.04.01 The movement of loan is as follows:

Opening balance	133,380,745	158,205,996
Current Maturity this period	15,658,008	184,051,634
	<u>149,038,753</u>	<u>342,257,630</u>
Paid during this period	(121,193,116)	(208,876,885)
Closing balance	<u>27,845,637</u>	<u>133,380,745</u>

The loan has been taken from Mutual Trust Bank Limited, Gulshan Branch for import of 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:

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

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:

Opening balance	78,581,795	-
Current Maturity	25,465,600	78,581,795
Closing balance	<u>104,047,395</u>	<u>78,581,795</u>

The loan has been taken from United Commercial Bank Ltd, Corporate Branch, Plot CWS (A)1, Road 34, Gulshan Avenue, Dhaka-1212 for Working Capital requirement. The loan carries interest at 9% and is repayable in 12 months. The loan is secured by hypothecation of stock, machinery, equipment and book 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	-	276,369
	<u>18,981,281</u>	<u>22,805,395</u>
Less: Transfer to Capital Market Stabilization Fund (CMSF)	-	(5,477,457)
	<u>18,981,281</u>	<u>17,327,938</u>
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
	<u>67,079,066</u>	<u>68,713,206</u>
Paid during the year	-	(25,732,648)
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
	<u>107,360,130</u>	<u>173,930,779</u>
Collected during the year	(92,031,921)	(157,031,921)
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>
	<u>3,120,235</u>	<u>6,037,234</u>
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)

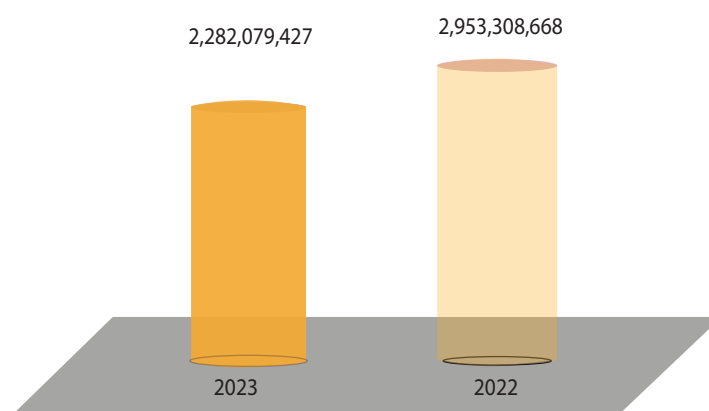
2023 Taka	2022 Taka
4,677,985,132	3,979,535,527
(3,470,388,482)	(2,774,724,753)
<u>1,207,596,650</u>	<u>1,204,810,774</u>
<u>29,221,500</u>	<u>26,565,000</u>
<u>41.33</u>	<u>45.35</u>

**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)
1,805,167	12,076,568	1,229,050,415	2,281,972	15,106,652	1,310,002,517
3,296,612	10,120,599	1,053,029,012	5,928,880	19,150,282	1,643,306,151
	<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	2022 Taka
47,799,560	40,297,350
<u>47,799,560</u>	<u>40,297,350</u>

**31. Cost of Goods Sold**

31.1 The break-up is as follows:

Materials Consumed - Note-31.2

Salary, Wages and Allowances - Note 31.3

Tiffin &amp; Entertainment expenses

Depreciation - Annexure-A

Stores and Spares Consumed

Factory Conveyance

Power and Gas

Gratuity

Vehicle expenses

Repairs and Maintenance

Packing &amp; Loading expenses

Import Landing, Clearing and Insurance

Factory Stationery expenses

Carriage Inward &amp; Outward

Knitting, Sewing &amp; Processing charge

Factory Insurance

Sewing Machine Rental

Miscellaneous

Total Manufacturing Costs for the year

Add: Opening Work in Process

Total Manufacturing Costs

Less: Closing Work in Process

Cost of Goods Manufactured

Add: Opening Finished Goods

Cost of Goods available for use

Less: Closing Finished Goods

Cost of Goods Sold

1,529,020,135	2,150,078,451
253,346,360	240,859,851
692,889	912,251
96,069,770	84,639,221
726,172	932,568
619,040	976,016
105,800,480	99,156,418
1,545,874	2,932,540
1,192,233	1,886,073
1,308,821	1,165,842
723,963	1,358,954
818,842	1,462,548
826,556	1,270,889
1,584,440	3,346,754
2,123,705	3,045,852
3,268,826	3,279,826
-	425,500
119,320	155,000
<u>1,999,787,426</u>	<u>2,597,884,554</u>
<u>184,171,796</u>	<u>170,047,725</u>
<u>2,183,959,222</u>	<u>2,767,932,279</u>
<u>193,481,154</u>	<u>184,171,796</u>
<u>1,990,478,068</u>	<u>2,583,760,483</u>
<u>129,658,287</u>	<u>105,640,861</u>
<u>2,120,136,355</u>	<u>2,689,401,344</u>
<u>155,150,760</u>	<u>129,658,287</u>
<u>1,964,985,595</u>	<u>2,559,743,057</u>

**31.2 Materials Consumed**

Yarn

Dyes

Chemicals

Accessories

Total Materials Consumption

2023		2022	
Quantity (Kg)	Taka	Quantity (Kg)	Taka
2,881,126	1,145,967,679	4,131,229	1,565,384,556
201,574	146,745,606	307,009	218,186,320
728,088	141,787,887	1,316,832	213,958,921
	94,518,963		152,548,654
	<u>1,529,020,135</u>		<u>2,150,078,451</u>

**31.3 Salaries, Wages and Allowances**

Employees drawing Tk. 8,000 or more per month

Employees drawing less than Tk. 8,000 per month

Total

No. of Employee	Taka	No. of Employee	Taka
1,802	253,346,360	1,897	240,859,851
-	-	-	-
<u>1,802</u>	<u>253,346,360</u>	<u>1,897</u>	<u>240,859,851</u>

**32. Administrative, Selling and General Expenses**

32.1 The break-up is as below:

	2023 (Taka)	2022 (Taka)
Directors' Remuneration - Note 32.2	2,600,000	2,600,000
Salaries and Allowances - Note 32.3	45,902,386	60,165,874
Depreciation - Annexure-A	24,017,443	21,159,805
Electricity expenses	2,422,441	2,826,376
Postage, Courier, Telephone and Fax	1,147,931	1,052,650
Form & Stamp	451,105	845,698
Gratuity	721,587	1,022,640
Traveling and Conveyance	579,235	872,540
Legal and Professional expenses	60,000	60,000
Auditors' Fee - Note 32.2	172,500	172,500
A.G.M expenses	330,000	255,452
Registration and Fees	954,290	758,540
Staff welfare	118,413	556,850
Stationery expenses	576,228	867,009
Office Repairs and Maintenance	157,551	685,245
Vehicle expenses	1,085,321	1,512,214
Entertainment expenses	478,584	864,908
Central fund for RMG	267,157	480,585
Buying House Commission	500,000	1,565,000
Export document Charges & Freight out	1,355,168	2,003,528
Garments Testing & Inspection Charges	1,274,569	2,879,668
Miscellaneous	185,061	265,000
<b>Total</b>	<b>85,356,970</b>	<b>103,472,082</b>

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	-	-	-	-
	<b>147</b>	<b>45,902,386</b>	<b>169</b>	<b>60,165,874</b>

**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
<b>241,755,003</b>	<b>229,316,557</b>

33.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	234,018	452,793
Interest on Long-term Loans	182,457,928	142,810,641
Interest on Non-Convertible Callable Zero-coupon Bond	2,944,714	1,309,644
Interest on Bills Discounted	1,457,355	33,582,526
Interest on Bank Overdraft	9,216,947	5,111,360
Interest on Time Loan	2,583,318	736,681
Interest on Trust Receipts	1,645,339	561,633
Interest on Lease Finance	21,349,364	23,277,040
	<b>221,888,983</b>	<b>207,842,318</b>

**34. Others Income**

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

2023 Taka	2022 Taka
5,007,166	999,004
577,228	-
1,053,243	485,285
<b>6,637,637</b>	<b>1,484,289</b>

34.1 Exchange Fluctuation Gain/(Loss)

Gain/(loss) on receivables	1,968,452	856,450
Gain/(loss) on payables	(956,414)	(525,690)
Ggain/(loss) FC accounts balances	41,205	154,525
	<b>1,053,243</b>	<b>485,285</b>

**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**

## A. Regular Tax

Profit before tax

Depreciation as per accounting base

Depreciation as per Tax base

Provision for Gratuity for the year

Other income (Separate calculation)

Payment for Gratuity

Tax Rate @ 15%

B. Minimum Tax on gross receipt @ 0.30%

C. Tax Deducted at source U/S-52

Current tax expense (Higher of A, B &amp; C)

2023 (Taka)	2022 (Taka)
42,303,864	97,674,868
120,087,213	105,799,026
162,391,076	203,473,894
(131,946,895)	(125,672,342)
30,444,181	77,801,552
2,267,461	3,955,180
32,711,642	81,756,732
6,637,637	1,484,289
39,349,279	83,241,021
(4,654,320)	(5,655,675)
34,694,959	77,585,346
5,204,244	11,637,802
7,009,550	8,864,379
24,098,508	18,910,163
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:

A. Earnings attributable to the Ordinary Shareholders (Net Profit after tax)

B. Number of ordinary of shares outstanding during the year

Earnings Per Share (EPS) (A/B)

2023 (Taka)	2022 (Taka)
15,910,220	74,184,965
29,221,500	26,565,000
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)**

Cash flows from Operating Activities:

Cash received from Sales, Export incentive and Others

Receipts from Other Income

Cash paid for goods and services

Cash from operation

Interest paid

Income tax paid/deducted at sources

Net Cash inflows from operating activities

Divided by number of ordinary of shares

Net operating Cash Flows Per Share (NOCFPS)

2023 (Taka)	2022 (Taka)
2,309,023,218	3,006,724,266
6,596,432	1,329,764
(2,483,330,303)	(2,643,589,739)
(167,710,653)	364,464,291
(221,888,983)	(206,079,881)
(24,519,008)	(19,010,163)
(414,118,643)	139,374,247
29,221,500	26,565,000
(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 B L/C, EDF & Sight)	70,000,000	-	70,000,000	70,000,000
	Trust receipt (B to B L/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
		<u>860,500,000</u>	<u>238,570,246</u>	<u>621,929,754</u>	<u>598,958,991</u>
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)
		<u>2,041,610,000</u>	<u>630,412,906</u>	<u>1,411,197,094</u>	<u>1,018,390,371</u>
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
		<u>985,540,000</u>	<u>15,069,600</u>	<u>970,470,400</u>	<u>766,475,098</u>
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
	HPSM	1,169,000,000	1,236,320,250	(67,320,250)	54,540,000
Purana Paltan, Dhaka		<u>2,387,000,000</u>	<u>1,476,077,669</u>	<u>910,922,331</u>	<u>766,475,098</u>

**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
	<u>1,529,746,307</u>	<u>100.00</u>	<u>2,151,011,019</u>	<u>100.00</u>

**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**

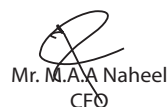
- 45.1 There was no sum for which the Company was contingently liable as at 30th June 2023 and 30th June 2022.
- 45.2 There was no claim, except an aggregate amount of Tk 28,979,884 (2021: 28,868,145) claimed by the Tax Authority but appealed against by the Company, not acknowledged as debt as at 30th 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.



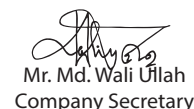
Mr. M. A Moyeed  
Managing Director



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	8,479,375	-	8,479,375	-	-	8,479,375
Factory Building	984,450,532	24,112,478	1,008,563,010	24,912,669	142,113,245	866,449,765
Factory Shed	6,823,475	-	6,823,475	-	6,823,470	5
Plant and Machinery	1,801,757,486	129,731,041	1,931,488,527	84,263,285	1,107,203,399	824,285,128
Electric Installation	36,482,818	-	36,482,818	3,648,282	34,298,126	2,184,692
Gas Installation	7,826,035	-	7,826,035	212,867	7,093,892	732,143
Water Installation	9,753,520	-	9,753,520	223,326	9,753,510	10
Steam Installation	2,563,352	-	2,563,352	-	2,563,342	10
Furniture and Fixtures	11,132,967	42,000	11,174,967	13,083	11,045,077	129,890
Telephone Installation	1,027,861	-	1,027,861	-	1,027,851	10
Motor Vehicles	46,192,122	-	46,192,122	3,290,440	44,227,989	1,964,133
Office Equipment	40,309,847	1,007,700	41,317,547	987,168	40,393,247	924,300
Loose Tools	183,875	-	183,875	-	183,865	10
Factory Equipment	14,817,242	-	14,817,242	1,481,724	14,268,442	548,800
A. Total	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	644,020,625	-	644,020,625	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	1,054,368	4,744,656	37,430,079
C. Total	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)	
	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	-	-	8,479,375
Factory Building	903,026,172	81,424,360	984,450,532	94,597,037	22,603,539	867,249,956
Factory Shed	6,823,475	-	6,823,475	6,823,470	-	5
Plant and Machinery	1,631,218,464	170,539,022	1,801,757,486	950,198,116	72,741,998	778,817,372
Electric Installation	34,642,204	1,840,614	36,482,818	27,060,059	3,589,785	5,832,974
Gas Installation	7,826,035	-	7,826,035	6,746,025	135,000	945,010
Water Installation	9,380,520	373,000	9,753,520	8,588,147	942,037	223,336
Steam Installation	2,563,352	-	2,563,352	2,563,342	-	10
Furniture and Fixtures	11,036,777	96,190	11,132,967	11,026,159	5,835	100,973
Telephone Installation	1,027,861	-	1,027,861	1,027,851	-	10
Motor Vehicles	46,192,122	-	46,192,122	37,647,109	3,290,440	5,254,573
Office Equipment	39,795,147	514,700	40,309,847	39,406,079	-	903,768
Loose Tools	183,875	-	183,875	183,865	-	10
Factory Equipment	13,423,742	1,393,500	14,817,242	11,350,694	1,436,024	2,030,524
A. Total	2,715,619,121	256,181,386	2,971,800,507	1,197,217,953	104,744,658	1,669,837,896
Revaluation						
Factory Land and Development	644,020,625	-	644,020,625	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	2,635,920	1,054,368	38,484,447
B. Total	686,195,360	-	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	3,657,995,867	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