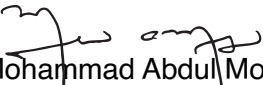


Dear Shareholders  
As-salamu Alaykum Wa-rahmatullah!

We forward herewith of the Third Quarter (Q3) Financial Statements (Un-audited) performances of the company for the 9 (Nine) months (July 2022 to March 2023) period ended 31st March 2023 of H.R. Textile Mills Limited as per Regulation of the Stock Exchange (Listing) Regulations, 2015 under LR 17(3).

  
Mohammad Abdul Moyeed  
Managing Director



Third Quarter (Q3) Financial Statements (Un-Audited)  
for the 9 (Nine) months period ended 31st March 2023

**H.R. Textile Mills Limited**  
Pride Hamza (5th Floor), House # 54  
Road # 1, Sector # 6, Uttara  
Dhaka-1230, Bangladesh  
Cell: 01990409190 (Share Department)  
Fax: (8802) 222299147  
E-mail: [hrtex\\_cs@pride-grp.com](mailto:hrtex_cs@pride-grp.com)  
[www.pride-grp.com/hrt](http://www.pride-grp.com/hrt)

**H.R Textile Mills Limited**  
**Statement of Financial Position**  
**As at March 31, 2023**

ASSETS	Notes	Amount in Taka	
		As at March 31, 2023	As at June 30, 2022
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	2,284,897,155	2,352,342,968
Investment in FDR	5	88,817,370	79,396,504
<b>Total Non-Current Assets</b>		<b>2,373,714,525</b>	<b>2,431,739,472</b>
<b>Current Assets</b>			
Stocks and Stores	6	757,880,813	707,745,180
Trade and Other Debtors	7	785,446,570	682,049,353
Advances, Deposits and Prepayments	8	121,690,492	102,534,585
Cash and Bank Balances	9	60,751,068	55,466,937
<b>Total Current Assets</b>		<b>1,725,768,943</b>	<b>1,547,796,055</b>
<b>TOTAL ASSETS</b>		<b>4,099,483,468</b>	<b>3,979,535,527</b>
<b><u>SHAREHOLDERS' EQUITY &amp; LIABILITIES</u></b>			
<b>Shareholders' Equity</b>			
Share Capital	10	292,215,000	265,650,000
General Reserve	11	6,956,752	6,956,752
Tax Holiday Reserve	12	22,378,988	22,378,988
Dividend Equalisation Reserve	13	10,000,000	10,000,000
Revaluation Surplus	14	650,299,422	650,971,582
Retained Earnings	15	280,542,086	248,853,452
<b>Total Shareholders' Equity</b>		<b>1,262,392,248</b>	<b>1,204,810,774</b>
<b>Long-term Liabilities</b>			
Long-term Loans-Secured, Future Maturity	16	1,729,676,567	1,615,926,934
Non-Convertible Callable Zero-coupon Bond	17	22,685,534	21,309,644
Provision for Gratuity	18	23,533,326	24,395,687
Provision for Deferred Taxation	19	90,036,108	88,584,586
<b>Total long-term Liabilities</b>		<b>1,865,931,535</b>	<b>1,750,216,851</b>
<b>Current Liabilities</b>			
Short-term loans	20	391,596,454	368,516,487
Trade Creditors	21	458,062,609	543,564,553
Unclaimed Dividend Account	22	6,839,254	5,698,781
Accrued Expenses	23	36,424,366	35,474,895
Provision for Current Taxation	24	61,081,169	42,980,558
Bills Receivable Discounted	25	6,503,260	16,898,858
Workers' Participation /Welfare Funds	26	10,652,573	11,373,770
<b>Total Current Liabilities</b>		<b>971,159,685</b>	<b>1,024,507,902</b>
<b>Total Liabilities</b>		<b>2,837,091,220</b>	<b>2,774,724,753</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>4,099,483,468</b>	<b>3,979,535,527</b>
<b>Net Assets Value (NAV) per share</b>	27	<b>43.20</b>	<b>45.35</b>

The annexed notes from 1 to 39 and Annexure A to B form an integral part of these financial statements.

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
CFO/HF & A Company Secretary

**H.R Textile Mills Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
**Third Quarter (Q3) ended 31 March 2023**

(Amount in Taka)

Particulars	Notes	1 July 2022 to March 31, 2023	1 July 2021 to March 31, 2022	1 January 2023 to March 31, 2023	1 January 2022 to March 31, 2022
Sales Revenue	28	1,918,970,156	2,273,059,629	588,745,709	688,616,768
Export Incentive	29	65,410,031	35,192,174	7,296,450	16,398,000
<b>Turnover</b>		<b>1,984,380,187</b>	<b>2,308,251,803</b>	<b>596,042,159</b>	<b>705,014,768</b>
Cost of Goods Sold	30	(1,668,966,602)	(1,981,708,121)	(494,937,577)	(607,412,807)
<b>Gross Profit</b>		<b>315,413,585</b>	<b>326,543,682</b>	<b>101,104,582</b>	<b>97,601,961</b>
Administrative, Selling and General Expens	31	(82,232,080)	(81,864,400)	(28,507,595)	(22,281,659)
Financial Expenses	32	(143,990,939)	(166,645,877)	(36,656,780)	(38,451,735)
<b>Operating Profit</b>		<b>89,190,566</b>	<b>78,033,405</b>	<b>35,940,207</b>	<b>36,868,567</b>
Other income	33	5,746,346	1,923,926	932,670	491,766
<b>Profit Before contribution to WPPF</b>		<b>94,936,912</b>	<b>79,957,331</b>	<b>36,872,877</b>	<b>37,360,333</b>
Contribution to WPPF	26	(4,520,805)	(3,807,492)	(1,755,851)	(1,779,064)
<b>Net Profit before Tax</b>		<b>90,416,107</b>	<b>76,149,839</b>	<b>35,117,026</b>	<b>35,581,269</b>
Income Tax Expenses		(19,670,749)	(16,179,496)	(4,643,738)	(3,200,437)
Current Tax	34	(18,100,611)	(13,796,059)	(4,903,887)	(3,140,959)
Deferred Tax	19	(1,570,138)	(2,383,437)	260,149	(59,478)
<b>Net Profit after tax</b>		<b>70,745,358</b>	<b>59,970,343</b>	<b>30,473,288</b>	<b>32,380,832</b>
<b>Earnings per share (EPS)</b>	36	<b>2.42</b>	<b>2.26</b>	<b>1.04</b>	<b>1.22</b>
<b>Earnings per share (EPS)(Restated)</b>		<b>2.42</b>	<b>2.05</b>	<b>1.04</b>	<b>1.11</b>

The annexed notes from 1 to 39 and Annexure A to B form an integral part of these financial statements.

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
CFO/HF & A

Sd/-  
Company Secretary

**H.R Textile Mills Limited**  
**Statement of Cash Flows**  
**Third Quarter (Q3) ended March 31, 2023**

Particulars	Notes	Amount in Taka	
		July 2022 to March 2023	July 2021 to March 2022
<b>Cash flows from Operating Activities:</b>			
Cash received from Sales and Export incentives		1,880,982,970	2,302,479,836
Foreign currency Gain/ (Loss)		825,480	425,421
Receipts from Other Income FDR		4,920,866	1,498,505
Cash paid for goods and services		(1,826,982,551)	(2,088,371,601)
<b>Cash from operation</b>		<b>59,746,765</b>	<b>216,032,161</b>
Interest paid		(134,906,743)	(153,363,044)
Income tax paid/deducted at sources		(18,100,611)	(13,796,059)
<b>Net Cash inflows from operating activities</b>		<b>(93,260,589)</b>	<b>48,873,058</b>
<b>Cash flows from Investing Activities:</b>			
Acquisition of property, plant and equipment	4	(20,984,779)	(71,192,894)
Invest in FDR	5	(9,420,866)	(1,498,505)
<b>Net Cash outflows from investing activities</b>		<b>(30,405,645)</b>	<b>(72,691,399)</b>
<b>Cash flows from Financing Activities:</b>			
Long Term Loans Received/(Repaid)	16	113,749,633	(65,305,657)
Non-Convertible Callable Zero-coupon Bond	17	1,375,890	20,000,000
Short-term loans Received/(Repaid)	20	23,079,967	31,997,637
Unclaimed Dividend Account	22	1,140,473	(3,752,091)
Bills Receivable Discounted Received/( Repaid)	25	(10,395,598)	(391,622)
<b>Net Cash inflow from financing activities</b>		<b>128,950,365</b>	<b>(17,451,733)</b>
<b>Net increase/(decrease) in cash and bank balances</b>		<b>5,284,131</b>	<b>(41,270,074)</b>
Cash and bank balances on opening		55,466,937	91,594,129
Net increase/(decrease) in cash and bank balances		5,284,131	(41,270,074)
<b>Cash and bank balances at closing - Note 9</b>		<b>60,751,068</b>	<b>50,324,055</b>
<b>Net operating cash flows per share (NOCFPS)</b>	37	<b>(3.19)</b>	<b>1.84</b>

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
CFO/HF & A

Sd/-  
Company Secretary

**H.R Textile Mills Limited**  
**Statement of Changes in Shareholders' Equity**  
**Third Quarter (Q3) ended March 31, 2023**

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
<b>Balance as at June 30, 2022</b>	265,650,000	6,956,752	22,378,988	650,971,582	10,000,000	248,853,452	1,204,810,774
Revaluation Surplus realised	-	-	-	(672,160)	-	790,776	118,616
Cash Dividend Declared 2022						(13,282,500)	(13,282,500)
Bonus share Issued 2022	26,565,000					(26,565,000)	
Net profit after Tax	-	-	-	-	-	70,745,358	70,745,358
<b>Balance as on March 31, 2023</b>	<b>292,215,000</b>	<b>6,956,752</b>	<b>22,378,988</b>	<b>650,299,422</b>	<b>10,000,000</b>	<b>280,542,086</b>	<b>1,262,392,248</b>

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
<b>Balance as at June 30, 2021</b>	253,000,000	6,956,752	22,378,988	651,867,794	10,000,000	198,914,119	1,143,117,653
Revaluation Surplus realised	-	-	-	(672,160)	-	790,776	118,616
Cash Dividend Declared 2021						(12,650,000)	(12,650,000)
Bonus share Issued 2021	12,650,000					(12,650,000)	-
Net profit after Tax	-	-	-	-	-	59,970,343	59,970,343
<b>Balance as on March 31, 2022</b>	<b>265,650,000</b>	<b>6,956,752</b>	<b>22,378,988</b>	<b>651,195,634</b>	<b>10,000,000</b>	<b>234,375,238</b>	<b>1,190,556,612</b>

Sd/-

**Managing Director**

Sd/-

**Director**

Sd/-

**Director**

Sd/-

**CFO/HF & A**

Sd/-

**Company Secretary**

**H.R TEXTILE MILLS LIMITED**  
**Notes to the Financial Statements**  
**For the Third Quarter (Q3) ended March 31, 2023**

**Forming an integral Part of the Financial Statements**

**1. Notes-General**

**Status and Activities:**

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

**2. 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 2020 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

**2.2 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 31 March, 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 2	Inventories	Complied
IAS 7	Cash Flows Statement	Complied
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 27	Separate Financial Statements	Complied
IAS 28	Investments in Associates and Joint Ventures	Not Applicable
IAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings Per Share	Complied
IAS 34	Interim Financial Reporting	Complied
IAS 36	Impairment of Assets	Complied
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Complied
IAS 40	Investment Property	Not Applicable

**Applicable International Financial Reporting Standards (IFRSs) are as follows:**

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards	Not Applicable
IFRS 2	Share-based Payment	Not Applicable
IFRS 3	Business Combinations	Not Applicable
IFRS 4	Insurance Contracts	Not Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable
IFRS 7	Financial Instruments: Disclosures	Complied
IFRS 8	Operating Segments	Not Applicable
IFRS 9	Financial Instruments	Complied
IFRS 10	Consolidated Financial Statements	Not Applicable
IFRS 11	Joint Arrangements	Not Applicable
IFRS 12	Disclosure of Interests in Other Entities	Not Applicable
IFRS 13	Fair Value Measurement	Complied
IFRS 14	Regulatory Deferral Accounts	Not Applicable
IFRS 15	Revenue from contracts with customers	Complied
IFRS 16	Leases	Not Applicable

**2.8 Component of Financial Statements**

- (i) Statement of Financial Position as at March 31,2023;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period ended March 31,2023;
- (iii) Statements of Changes in Shareholders' Equity for the period ended March 31,2023;
- (iv) Statement of Cash Flows for the period ended March 31,2023; and
- (v) Notes to the Financial Statements for the period ended March 31,2023.

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

	Particulars	Rate
-	Factory Building	2.50%
-	Plant and Machinery	7.00%
-	Factory Shed	7.50%
-	Electric, Gas, Water , Steam and Telephone Installation	10.00%
-	Furniture& Fixture, Office Equipment, Factory Equipment	10.00%
-	Tools and Apparatus	10.00%
-	Motor Vehicle	15.00%

### 3.01.4 Impairment of assets

#### I) Financial Assets

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

#### II) Non-Financial assets

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

### 3.2 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is valued at weighted average cost method and includes costs for acquiring the inventories and bringing them to their existing locations and conditions.

### 3.3 Provisions

A provision is recognized on the balance sheet date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is provable that an outflow of economic benefits will be required to settle the obligation.

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations;

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

### 3.4 Earnings per share (EPS)

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

\*This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the period.

### Diluted Earnings per share

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

### 3.5 Revenue

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

### 3.6 Trade receivables

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

### **3.7 Finance income and expenses**

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

### **3.8 Cash and cash equivalents**

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

### **3.9 Taxation**

#### **Current tax**

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

#### **Deferred tax**

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

### **3.10 Foreign Currency Transaction**

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

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

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

### **3.11 Employee Benefits:**

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

#### **Retrial Benefits (Gratuity):**

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

### **3.12 Related party disclosure**

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

### **3.13 Statement of Cash Flows**

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

### **3.14 Events after the Reporting Period**

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

### **3.15 Risk Exposure**

#### **Interest Rate Risk**

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

#### **Management Perception**

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

#### **Exchange Rate Risk**

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

#### **Management Perception**

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

#### **Industry Risks**

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

#### **Management Perception**

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

#### **Market risks**

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

#### **Management Perception**

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

#### **Operational Risks**

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

#### **Management Perception**

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

#### **Liquidity Risk**

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

#### **Management Perception**

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

### **Financial risk management (IFRS 7)**

#### **Introduction**

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

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

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

**Credit risks:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Accounts Receivable (see note 07) is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are companied as follows (risk companies): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.

**Market risks**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

**Interest rate risk**

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Company Treasury manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Treasury focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Treasury manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation. Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

**3.16 COVID-19 disclosure in the financial statements**

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

**4. Property, Plant and Equipment****a) Cost**

Opening Balance

Add: Addition during the period

**Sub total (a)**

Amount in Taka	
March 31, 2023	June 30, 2022
3,657,995,867	3,401,814,481
20,984,779	256,181,386
<b>3,678,980,646</b>	<b>3,657,995,867</b>

**b) Accumulated Depreciation**

Opening Balance

Add: Charged during the period

**Sub total (b)****Written Down Value (a-b)**

1,305,652,899	1,199,853,873
88,430,592	105,799,026
<b>1,394,083,491</b>	<b>1,305,652,899</b>
<b>2,284,897,155</b>	<b>2,352,342,968</b>

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

**5. Investment in FDR**

Opening Balance

Add: Addition during the period

Add: Interest during the period

**Closing Balance**

79,396,504	15,897,500
4,500,000	62,500,000
4,920,866	999,004
<b>88,817,370</b>	<b>79,396,504</b>

These above mentioned amount of Four FDR are liened against Five years IPDC Finance Limited Guarantees amounting Tk.88,817,370 which have been issued by IPDC Finance Limited in favor of IPDC Finance Limited. Hence, the same have been shown as non-current assets.

**6. Stocks and stores**

6.1 The make-up is as below:

	March 31, 2023		June 30, 2022	
	In Kg	Taka	In Kg	Taka
Stock of Yarn	6.2	810,919	664,167	263,525,152
Stock of Dyes and Chemicals	6.3	305,349	255,459	84,628,140
Stock of Work-in-Process	6.4	186,552,919		184,171,796
Stock of Finished Goods	6.5	137,782,387		129,658,287
Stock of Accessories		19,754,664		17,865,357
Goods in Transit		16,356,430		13,659,858
		<b>747,190,328</b>		<b>693,508,590</b>
Stock of Spares		10,690,485		14,236,590
		<b>757,880,813</b>		<b>707,745,180</b>

**6.2 Stock of Yarn**

Stock of Yarn	810,919	301,635,975	664,157	263,525,152
	<b>810,919</b>	<b>301,635,975</b>	<b>664,157</b>	<b>263,525,152</b>

**6.3 Stock of Dyes and Chemicals**

Dyes	58,086	41,589,654	56,957	42,105,783
Chemicals	247,263	43,518,299	198,502	42,522,357
	<b>305,349</b>	<b>85,107,953</b>	<b>255,459</b>	<b>84,628,140</b>

**6.4 Stock in Work in Process**

Cost of Materials	120,254,642	105,936,538
Costs of Conversion	66,298,277	78,235,258
	<b>186,552,919</b>	<b>184,171,796</b>

**6.5 Stock of Finished Products**

Finished Garments	122,610	42,545,842	156,425	43,354,766
Knitted Fabrics	139,643	95,236,545	126,733	86,303,521
	<b>262,254</b>	<b>137,782,387</b>	<b>283,158</b>	<b>129,658,287</b>

**7. Trade and Others Debtors**

	March 31, 2023		June 30, 2022	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days)	6,871,934	721,553,070	7,129,448	648,499,353
Other Debtors	608,510	63,893,500	400,119	33,550,000
	<b>7,480,444</b>	<b>785,446,570</b>	<b>7,529,567</b>	<b>682,049,353</b>

These are unsecured but considered good.

**8. Advances, Deposits and Prepayments****Advances :**

	Amount in Taka	
	March 31,2023	June 30,2022
Salary Advance	1,555,170	1,252,650
Advance Tax	1,243,500	923,000
Factory Insurance Advance	245,583	1,168,166
IPDC Finance Ltd	9,363,997	8,709,484
Operational Advance	9,254,856	8,554,510
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	58,247,915	40,147,304
	<b>86,511,021</b>	<b>67,355,114</b>

**Deposits :**

Security Deposits	17,381,571	17,381,571
Bank Guarantee Margin	17,797,900	17,797,900
	<b>35,179,471</b>	<b>35,179,471</b>
	<b>121,690,492</b>	<b>102,534,585</b>

The advances are unsecured but considered good.

**9. Cash and Bank Balances****Cash at Banks with Banks on Current Account:**

Brac Bank Ltd, Dhanmondi Branch, CD A/c	14,238	14,763
Mutual Trust Bank Ltd.,Gulshan Branch, CD A/c	628,247	217,707
Mutual Trust Bank Ltd.,Gulshan Branch, Fund buildup A/c	23,882	2,432,069
Mutual Trust Bank Ltd.,Gulshan Branch, Dollar A/c	3,055,237	122,486
Mutual Trust Bank Ltd.,Gulshan Branch, ERQ A/c	47,703	88,501
Mutual Trust Bank Ltd.,Gulshan Branch, SND A/c	-	5,836
HSBC,Anchor Tower Branch, FCY A/c	434,561	97,718
HSBC,Anchor Tower Branch, CD A/c	13,084	422,572
Trust Bank Ltd,SKB Branch, Dollar A/c	625,182	6,856,936
Trust Bank Ltd,SKB Branch,FCAD A/c	8,564	318,086
Trust Bank Ltd,SKB Branch, CD A/c	50,110	1,306,972
United Commercial Bank, Gulshan Corporate Branch, CD a/c	-	965
Al-Arafah Islami Bank Ltd, Al-Arafah Tower Corporate Branch, CD A/c	230,604	227,956
Dutch Bangla Bank Ltd.,Gulsgan Branch ,CD A/c	225,480	109,344
AB Bank Ltd,Motijheel Branch, CD A/c	89,712	144,290
AB Bank Ltd,Motijheel Branch, Notice A/c	395,541	509,112
	<b>5,842,145</b>	<b>12,875,313</b>

**With Bank on Short Term Deposit Account:**

Trust Bank Ltd.,SKB Branch, SND A/c	49,591,045	39,078,137
Southeast Bank Ltd, Principal Branch, STD A/c	59,458	58,867
	49,650,503	39,137,004
Cash at Banks	<b>55,492,648</b>	<b>52,012,317</b>
Cash in Hand	5,258,420	3,454,620
	<b>60,751,068</b>	<b>55,466,937</b>



**10. Share Capital****10.1 Authorized:**

100,000,000 Ordinary Shares of Tk.10 each

Amount in Taka	
March 31, 2023	June 30, 2022
1,000,000,000	1,000,000,000

**10.2 Issued, Subscribed and Paid-up:**

29,221,500 Ordinary Shares of Tk.10 each fully paid-up

14,000,000 Ordinary Shares of Tk.10 each fully paid-up in cash

11,300,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares

1,265,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares

2,656,500 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares

292,215,000	265,650,000
140,000,000	140,000,000
113,000,000	113,000,000
12,650,000	12,650,000
26,565,000	-
<b>292,215,000</b>	<b>265,650,000</b>

**10.3 Composition of Shareholdings:****Classes of Holdings**

Sponsors

Financial Institutions

General Public

March 31,2023		June 30,2022	
No. of Shares	%	No. of Shares	%
14,793,947	50.63	13,449,047	50.63
2,852,817	9.76	1,610,080	6.06
11,574,736	39.61	11,505,873	43.31
<b>29,221,500</b>	<b>100.00</b>	<b>26,565,000</b>	<b>100.00</b>

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.

**10.4 Year wise break-up of the issue**

Date	No. of Shares	Particulars	Taka	Taka
03.12.1984	4,000	Subscribed capital as per Memorandum and Articles of Association at the time of incorporation (4,000 of	400,000	400,000
25.06.1987	28,100	28,100 Bonus shares of Tk.100 each issued	2,810,000	2,810,000
10.02.1995	1,500	1,500 Bonus shares of Tk.100 each issued	150,000	150,000
27.03.1995	366,400	366,400 Bonus shares of Tk.100 each issued	36,640,000	36,640,000
06.04.1995	400,000	400,000 Bonus shares of Tk.100 each issued	40,000,000	40,000,000
14.12.1995	200,000	200,000 Bonus shares of Tk.100 each issued	20,000,000	20,000,000
19.12.1966	1,000,000	1,000,000 shares issued through public offering (1,000,000 shares of Tk.100 each )	100,000,000	100,000,000
28.03.2011	200,000	10% shares issued as Bonus (200,000 shares of Tk.100 each issued	20,000,000	20,000,000
29.03.2012	330,000	15% shares issued as Bonus (330,000 shares of Tk.100 each issued	33,000,000	33,000,000
24.01.2022	126,500	5% shares issued as Bonus (126,500 shares of Tk.100 each issued	12,650,000	12,650,000
18.01.23	265,650	10% shares issued as Bonus (265,650 shares of Tk.100 each issued	26,565,000	-
<b>Total</b>	<b>2,922,150</b>		<b>292,215,000</b>	<b>265,650,000</b>

**10.5 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.

**11. General Reserve**

Opening and Closing Balance

Amount in Taka	
March 31,2023	June 30,2022
6,956,752	6,956,752
<b>6,956,752</b>	<b>6,956,752</b>

**12. Tax Holiday Reserve**

Opening and Closing Balance

22,378,988	22,378,988
<b>22,378,988</b>	<b>22,378,988</b>

**13. Dividend Equalisation Reserve**

Opening and Closing Balance

Amount in Taka	
March 31,2023	June 30,2022
10,000,000	10,000,000
<b>10,000,000</b>	<b>10,000,000</b>

**14. Revaluation Surplus**

Revaluation Surplus

Revaluation reserve realised

Closing Balance

650,971,582	651,867,794
(672,160)	(896,212)
<b>650,299,422</b>	<b>650,971,582</b>

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.

**15. Retained earnings**

Balance as on June 30,2022	248,853,452	198,914,119
Total Comprehensive income for the period:		
Profit for the period	70,745,358	74,184,965
Revaluation reserve realised	790,776	1,054,368
	<b>320,389,586</b>	<b>274,153,452</b>
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)
<b>Balance as on March 31,2023</b>	<b>280,542,086</b>	<b>248,853,452</b>

**16. Long-term Loan -Secured Future Maturity**

Al-Arafah Islami Bank Ltd,Head office corporate branch	16.01	1,084,725,500	-
Mutual Trust Bank Ltd., Gulshan Branch,Dhaka	16.02	-	956,293,060
IPDC Finance Ltd.,Hosna Centre (4th Floor),106 Gulshan Avenue, Dhak	16.03	359,877,682	343,541,632
United Commercial Bank Ltd, Corporate Branch, , Dhaka-1212	16.04	285,073,385	316,092,242
		<b>1,729,676,567</b>	<b>1,615,926,934</b>

**16.1 The movement of loan is as follows:**

Opening Balance	-	
Loan received this period	1,044,000,000	
Add: Interest during this period	40,725,500	
Less: Current Maturity this period	-	
<b>Closing Balance</b>	<b>1,084,725,500</b>	

The loan has been taken from Al-Arafah Islami Bank Ltd,Head office corporate branch,63 Purana Palton, Dhaka to pay-off the term loan of Mutual Trust bank Limited .The loan carries interest at 9% and is repayable for a period of 7 years (without 1 years gracee period).The loan is secured by hypothecation of stock, machinery, land & factory Building,equipment and book debts.

**16.2 The movement of loan is as follows:**

Opening Balance	956,293,060	987,768,518
Loan received this period	-	55,073,745
Add: Interest during this period	33,301,127	97,502,431
Less: Paid during this period	(807,291,850)	-
Less: Current Maturity this period	(182,302,337)	(184,051,634)
<b>Closing Balance</b>	<b>-</b>	<b>956,293,060</b>

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 Quartly installments,starting from 11 June, 2021.The loan is secured by hypothecation of stock, machinery, equipment and book debts.

**16.3 The movement of loan is as follows:**

Opening Balance	343,541,632	143,787,678
Add: Received this period	50,789,634	250,000,000
Add : Interest during this period	11,443,292	23,297,040
	<b>405,774,558</b>	<b>417,084,718</b>
Less: Current Maturity this period	(45,896,876)	(73,543,086)
<b>Closing Balance</b>	<b>359,877,682</b>	<b>343,541,632</b>

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 25 November 2019.

**16.4 The movement of loan is as follows:**

	Amount in Taka	
	March 31,2023	June 30,2022
Opening Balance	316,092,242	359,397,739
Less:Paid this period	-	(10,031,911)
Add: Interest during this period	28,119,989	45,308,209
	<b>344,212,231</b>	<b>394,674,037</b>
Current Maturity	(59,138,846)	(78,581,795)
<b>Closing Balance</b>	<b>285,073,385</b>	<b>316,092,242</b>

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,

**17. Non-Convertible Callable Zero-coupon Bond**

Opening Balance	21,309,644	-
Received this period	-	20,000,000
Add: Accrued Interest	1,375,890	1,309,644
<b>Closing Balance</b>	<b>22,685,534</b>	<b>21,309,644</b>

The Bond amount was received pursuant to BSEC Sanction No.BSEC/CI/DS-146/2021/454 Date 15 July 2021.

**18. Provision for Gratitude**

Opening Balance  
Contribution during this Period

Paid during this period  
**Closing Balance**

Amount in Taka	
March 31,2023	June 30,2022
24,395,687	26,096,182
2,396,104	3,955,180
<b>26,791,791</b>	<b>30,051,362</b>
(3,258,465)	(5,655,675)
<b>23,533,326</b>	<b>24,395,687</b>

**19. Deferred Tax Liability**

Opening Balance  
Provision during the period  
Adjustment for depreciation of revalued assets  
**Closing balance**

88,584,586	85,348,514
1,570,138	3,394,227
(118,616)	(158,155)
<b>90,036,108</b>	<b>88,584,586</b>

**A. Property, Plant and Equipment**

WDV of Accounting Base  
WDV of Tax Base  
**Texable temporary difference**

1,603,182,860	1,669,837,897
1,188,841,317	1,265,101,585
<b>414,341,543</b>	<b>404,736,312</b>

**Tax Rate**

**15%** **15%**

**Deferred tax liability / (asset)**

<b>62,151,231</b>	<b>60,710,447</b>
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**B. Deferred Tax on Gratuity Provision**

Opening Balance of deferred tax liability for gratuity provision  
Add: Addition during the period

(3,659,353)	(3,914,427)
129,354	255,074
<b>(3,529,999)</b>	<b>(3,659,353)</b>

**C. Calculation of deferred Tax**

Revalued value of Land  
Revalued value of other than land

644,020,625	644,020,625
37,693,671	38,484,447

**Tax Rate**

On land  
On other than land

4% 4%  
15% 15%

**Deferred tax liabilities**

On land  
On other than land

25,760,825	25,760,825
5,654,051	5,772,667

**Deferred tax liability / (asset)**

<b>31,414,876</b>	<b>31,533,492</b>
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**Total (A+B+C)**

<b>90,036,108</b>	<b>88,584,586</b>
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**Calculation of deferred tax charges on Profit or Loss Account**

Deferred tax liability other than revalued asset as on June 30,2022  
Deferred tax liability other than revalued asset as on March 31,2023

57,051,094	53,656,867
58,621,232	57,051,094
<b>1,570,138</b>	<b>3,394,227</b>

**20. Short-term loans**

Bank Overdrafts  
Time Loan  
Loan against Trust receipts  
Current Maturity of Long-term loans

Amount in Taka	
March 31,2023	June 30,2022
101,094,626	51,160,682
25,885,654	25,586,681
7,411,222	27,848,526
257,204,952	263,920,598
<b>391,596,454</b>	<b>368,516,487</b>

**20.01 Bank Overdrafts**

Trust Bank Ltd, SKB Branch  
AL Arafah Islami Bank Ltd. HO Corporate Branch

51,094,626	51,160,682
50,000,000	-
<b>101,094,626</b>	<b>51,160,682</b>

These are secured.

**20.02 Time Loan Bank: The movement of loan is as follows:**

Opening Balance  
Add: Interest  
**Total**  
Paid this period  
**Closing Balance**

25,586,681	29,148,696
1,798,973	736,681
<b>27,385,654</b>	<b>29,885,377</b>
(1,500,000)	(4,298,696)
<b>25,885,654</b>	<b>25,586,681</b>

The loan 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 9% and is repayable in 24 months .

**20.03. Loan against Trust receipts**

Opening Balance	27,848,526	9,357,890
Add: Interest during the period	1,705,725	
Add: Received during the period	-	27,848,526
Total	<b>29,554,251</b>	<b>37,206,416</b>
Less: Paid this period	(22,143,029)	(9,357,890)
Closing Balance	<b>7,411,222</b>	<b>27,848,526</b>

**20.04 Current Maturity of long-term loans**

Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	20.04.01	37,032,875	133,380,745
IPDC Finance Limited, Hosna Centre (4th Floor), 106, Gulshan Avenue, Dhaka	20.04.02	82,451,436	51,958,058
United Commercial Bank Ltd, Corporate Branch, , Dhaka-1212	20.04.03	137,720,641	78,581,795
		<b>257,204,952</b>	<b>263,920,598</b>

**20.04.01 The movement of loanis as follows:**

Opening Balance	133,380,745	158,205,996
Add: Interest	7,261,434	-
Current Maturity this period	182,302,337	184,051,634
	<b>322,944,516</b>	<b>342,257,630</b>
Paid during this period	(285,911,641)	(208,876,885)
Closing Balance	<b>37,032,875</b>	<b>133,380,745</b>

repayable in 16 Quartly installments, starting from 11 June, 2021. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

**20.04.02 The movement of loan is as follows:**

Opening Balance	51,958,058	24,802,620
Current Maturity this year	45,896,876	73,543,086
	97,854,934	<b>98,345,706</b>
	(15,403,498)	(46,387,648)
Paid during this year	<b>82,451,436</b>	<b>51,958,058</b>
Closing Balance		

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.

**20.04.03 The movement of loan is as follows:**

Opening Balance	78,581,795	
Current Maturity	59,138,846	78,581,795
Closing Balance	<b>137,720,641</b>	<b>78,581,795</b>

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,

**21. Creditors**

	March 31,2023		As at June 30,2022	
	US\$	Taka	US\$	Taka
For Import Purchases	4,230,966	#####	5,744,216	533,445,314
For Local Purchases		8,854,820		9,450,190
For Staff Income Tax		725,444		669,049
		#####		<b>543,564,553</b>

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

**22. Unclaimed Dividend Account**

	Amount in Taka	
	March 31,2023	June 30,2022
Opening Balance	5,698,781	9,507,557
Refund Warrant	-	371,469
Addition this period	13,282,500	12,650,000
Sale of Fractional Bonus share		276,369
	18,981,281	22,805,395
Less: Transfer to Capital Market Stabilization Fund ( CMSF)	-	(5,477,457)
Payment during this period	(12,142,027)	(11,629,157)
	<b>6,839,254</b>	<b>5,698,781</b>

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).

**23. Accrued Expenses**

Gas Expenses (Factory)	19,109,074	15,125,133
Electricity Bill	300,905	188,289
Telephone	127,500	145,240
Salaries, Wages and Allowances	16,587,512	19,533,733
Legal Fee	45,000	60,000
Auditors' Fee (including Vat)	129,375	172,500
AGM Expenses	125,000	250,000
	<b>36,424,366</b>	<b>35,474,895</b>

**24. Provision for Current Taxation**

Opening balance	42,980,558	49,803,043
Addition during the period	18,100,611	18,910,163
	<b>61,081,169</b>	<b>68,713,206</b>
Paid during the period	-	(25,732,648)
<b>Closing Balance</b>	<b>61,081,169</b>	<b>42,980,558</b>

**25. Bills Receivable Discounted**

Opening Balance	16,898,858	16,945,349
Discounted during the period	48,546,542	156,985,430
	65,445,400	173,930,779
Collected during the period	(58,942,140)	(157,031,921)
<b>Closing Balance</b>	<b>6,503,260</b>	<b>16,898,858</b>

**26. Workers' Participation/Welfare Funds**

Opening Balance	11,373,770	13,303,076
Payment during this period	(5,568,546)	(7,265,842)
	<b>5,805,224</b>	<b>6,037,234</b>
Contributions for the period	4,520,805	4,883,743
Interest during the period	326,544	452,793
<b>Closing Balance</b>	<b>10,652,573</b>	<b>11,373,770</b>

Interest has been provided on the funds balance in terms of the

**27. Net Assets Value (NAV) per Share**

Total Assets	4,099,483,468	3,979,535,527
Total Liabilities	(2,837,091,220)	(2,774,724,753)
<b>A. Net Assets</b>	<b>1,262,392,248</b>	<b>1,204,810,774</b>

**B. Number of ordinary of shares**

<b>29,221,500</b>	<b>26,565,000</b>
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**Net Assets Value (NAV) per Share (A/B)**

<b>43.20</b>	<b>45.35</b>
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The NAV per share increased mainly due to revaluation surplus detailed in note 14.

**28. Sales**

	July 1, 2022 to March 31, 2023			July 1, 2021 to March 31, 2022		
	Quantity	USD	Taka	Quantity	USD	Taka
<b>Export sales:</b>						
Knit Fabrics (Kgs)	1,673,878	11,198,242	1,175,815,398	2,255,583	15,089,848	1,291,691,007
Garments (pcs)	2,225,681	7,077,664	743,154,758	4,604,252	11,464,587	981,368,622
<b>Total</b>		<b>18,275,906</b>	<b>1,918,970,156</b>		<b>26,554,435</b>	<b>2,273,059,629</b>

**29. Export Incentives**

	Amount in Taka	
	July ,2022 to March 31,2023	July ,2021 to March 31,2022
Cash Incentive	65,410,031	35,192,174
	<b>65,410,031</b>	<b>35,192,174</b>

**30. Cost of Goods Sold****30.1 The break-up is as follows:-**

Materials Consumed - Note 30.2	1,316,671,249	1,584,532,126
Salary, Wages and Allowances	197,292,964	193,168,755
Tiffin & Entertainment Expenses	694,782	852,458
Depreciation	70,744,473	96,030,118
Stores and Spares Consumed	735,420	1,258,967
Factory Conveyance	698,548	896,587
Power and Gas	79,741,984	68,690,915
Gratuity	1,523,654	2,405,892
Vehicle expenses	1,125,698	1,259,862
Repairs and Maintenance	884,564	965,874
Packing & Loading Expenses	815,486	988,754
Import Landing, Clearing and Insurance	1,012,546	1,123,598
Factory Stationery Expenses	758,759	874,568
Carriage Inward and Outward	1,956,482	2,365,890
Knitting, Sewing & Processing Charge	1,659,845	2,658,451
Factory Insurance	2,807,943	2,564,964
Sewing Machine Rental	254,864	524,562
Miscellaneous	92,564	220,000
Total Manufacturing Costs for the year	<b>1,679,471,825</b>	<b>1,961,382,341</b>
Add Opening Work in Process	184,171,796	170,047,725
Total Manufacturing Costs	<b>1,863,643,621</b>	<b>2,131,430,066</b>
Less Closing Work in Process	186,552,919	160,229,697
Cost of Goods Manufactured	<b>1,677,090,702</b>	<b>1,971,200,369</b>
Add Opening Finished Goods	129,658,287	105,640,861
Cost of Goods available for use	<b>1,806,748,989</b>	<b>2,076,841,230</b>
Less Closing Finished Goods	137,782,387	95,133,109
<b>Cost of Goods Sold</b>	<b>1,668,966,602</b>	<b>1,981,708,121</b>

**30.2 Materials Consumed**

	July 1,2022 to March 31,2023		July 1,2021 to March 31,2022	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	2,505,085	967,975,313	2,681,394	1,126,185,435
Dyes	178,851	126,984,512	229,131	167,265,485
Chemicals	760,738	128,564,844	1,423,360	163,686,354
Accessories		93,146,580		127,394,852
<b>Total Materials Consumption</b>		<b>1,316,671,249</b>		<b>1,584,532,126</b>

**31. Administrative, Selling and General Expenses****31.1 The break-up is as below:**

Directors' Remuneration  
Salaries and Allowances  
Depreciation  
Electricity Expenses  
Postage, Courier, Telephone and Fax  
Form & Stamp  
Gratuity  
Travelling and Conveyance  
Legal and Professional Expenses  
Auditors' Fees  
A.G.M Expenses  
Registration and Fees  
Staff welfare  
Stationery Expenses  
Office Repairs and Maintenance  
Vehicle Expenses  
Entertainment Expenses  
Central fund for RMG  
Buying House Commission  
Freight Charges & Freight out  
Garments Testing & Inspection Charges  
Miscellaneous

**Annexure-A**

Amount in Taka	
July ,2022 to March 31,2023	July ,2021 to March 31,2022
1,900,000	1,900,000
49,175,424	47,525,030
17,686,119	16,946,491
1,831,037	1,602,280
986,542	977,856
725,842	802,540
872,450	1,002,550
585,642	684,587
45,000	45,000
129,375	129,375
211,540	205,000
686,584	658,784
552,842	753,584
845,154	635,754
925,640	652,452
954,610	1,154,848
868,569	775,983
184,475	434,520
354,500	1,150,000
1,056,420	1,954,520
1,565,840	1,723,246
88,475	150,000
<b>82,232,080</b>	<b>81,864,400</b>

**32.Financial Expenses**

Interest Expenses  
Bank Charges

134,906,743	153,363,044
9,084,196	13,282,833
<b>143,990,939</b>	<b>166,645,877</b>

**32.1 Interest expense is as follows:**

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

326,544	465,665
109,408,050	92,527,181
1,705,725	-
5,362,770	4,515,784
3,485,499	4,261,264
1,798,973	36,715,459
1,375,890	824,795
11,443,292	14,052,896
<b>134,906,743</b>	<b>153,363,044</b>

**33. Other Income**

Interest on FDR  
Exchange Fluctuation Gain/(Loss)

4,920,866	1,498,505
825,480	425,421
<b>5,746,346</b>	<b>1,923,926</b>

**34. Current Tax**

	Amount in Taka	
	July ,2022 to March 31,2023	July ,2021 to March 31,2022
Profit before tax	90,416,107	76,149,838
Depreciation as per Accounting base	88,430,592	112,976,609
	<b>178,846,699</b>	<b>189,126,447</b>
Depreciation as per Tax base	(72,152,705)	(127,237,981)
	<b>106,693,994</b>	<b>61,888,466</b>
Provision for Gratuity for the Year	2,396,104	3,408,442
	<b>109,090,098</b>	<b>65,296,908</b>
Other income (Separate calculation)	-	-
	<b>109,090,098</b>	<b>65,296,908</b>
Payment for Grauity	(3,258,465)	(4,245,874)
	<b>105,831,633</b>	<b>61,051,034</b>
Tax Rate @ 15%	15,874,745	9,157,655
Minimum tax	18,100,611	13,796,059
Current tax	<b>18,100,611</b>	<b>13,796,059</b>

**35. Remuneration/Payments to Directors/Officers:**

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

Particulars	Directors	Officers	Directors	Officers
Remuneration	1,900,000	-	1,900,000	-
Basic salary		29,159,840		27,852,170
House Rent Allowance		14,326,845		13,545,278
Other benefits and perquisites		5,688,739		5,457,072
	<b>1,900,000</b>	<b>49,175,424</b>	<b>1,900,000</b>	<b>46,854,520</b>

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

**35.3** No amount of money was spent by the Company for compensating any member of the Board for services rendered except as stated

**36. Earnings per share****36.1. Basic earnings per share**

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

The composition of EPS is given below:

A. Earnings attributable to the Ordinary Shareholders (net Profit after tax)	70,745,358	59,970,343
B. Number of ordinary of shares outstanding during the year	29,221,500	26,565,000
<b>Earning Per Share (A/B)</b>	<b>2.42</b>	<b>2.26</b>

**36.2. 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.

**37.Net Operating Cash Flows per Share (NOCFPS):**

	July ,2022 to March 31,2023	July ,2021 to March 31,2022
<b>Cash flows from Operating Activities:</b>		
Cash received from Sales , Export incentives and Others	1,880,982,970	2,302,479,836
Exchange Fluctuation Gain/ (Loss)	825,480	425,421
Receipts from Other Income	4,920,866	1,498,505
Cash paid for goods and services	(1,826,982,551)	(2,088,371,601)
<b>Cash from operation</b>	<b>59,746,765</b>	<b>216,032,161</b>
Interest paid	(134,906,743)	(153,363,044)
Income tax paid/deducted at sources	(18,100,611)	(13,796,059)
<b>Net Cash inflows from operating activities</b>	<b>(93,260,589)</b>	<b>48,873,058</b>
Divided by number of ordinary of shares	29,221,500	26,565,000
<b>Net operating cash flows per share (NOCFPS)</b>	<b>(3.19)</b>	<b>1.84</b>



**38. Reconciliation of net operating cash flow**

	Amount in Taka	
	July ,2022 to March 31,2023	July ,2021 to March 31,2022
Profit after tax	70,745,358	59,970,343
Depreciation	88,430,592	112,976,609
<b>Changes in:</b>		
Stock and Stores	(50,135,633)	(47,355,272)
Trade and other Debtors	(103,397,217)	(5,771,967)
Advance Deposit and Prepayments	(19,155,907)	(15,957,518)
Trade Creditors	(85,501,944)	(56,582,781)
Accrued Expenses	949,471	(346,997)
Provision for Current Taxation	18,100,611	13,796,059
Provision for Gratitude	(862,361)	(837,432)
Workers' Participation /Welfare Funds	(721,197)	(751,422)
Provision for Deferred Taxation	1,451,522	2,264,821
Dividend	(13,282,500)	(12,650,000)
Decrease, Revaluation Surplus	118,616	118,616
<b>Net cash provided (used) by operating activities</b>	<b>(93,260,589)</b>	<b>48,873,059</b>

**39.Related Parties Disclosures**

A.The Company in normal course of business carried out a number of transactions with other entities that fall within the definition of "related Party" contained in Bangladesh Accounting Standard-24:"Related party Disclosures". Total exposure with the related parties during the year ended as at, December 31,2020 is as under:

Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			March 31,2023	June 30,2022
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	1,175,815,398	1,310,002,517
		Receivable	<b>63,893,500</b>	<b>33,550,000</b>
Pride Limited	Common Director	No Transaction	-	-
Dacca Textiles Limited	Common Director	No Transaction	-	-
Pride Spinning Limited	Common Director	No Transaction	-	-

Approval for receivable in Fashion Knit Garments Limited will be taken in next Annual General Meeting interns of BSEC Notification No. BSEC/CMRRCD/2009-193/2/Admin/103 dated 5 February 2020.

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

Name of Directors	Designation	Monthly Remuneration	Bonus during the period	March 31,2023	March 31,2022
Dr. Muhammad Abdul Moyeen	Chairman	-			
Mr. Mohammad Abdul Moyeed	Managing Director	200,000	100,000	<b>1,900,000</b>	<b>1,900,000</b>
Mr. Mohamamd Abdul Momen	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Dr. A.H.M Habibur Rahman	Independent Director	-	-	-	-
Dr. Md. Zakir Hossain Bhuiyan	Independent Director	-	-	-	-
Total		<b>200,000</b>	<b>100,000</b>	<b>1,900,000</b>	<b>1,900,000</b>

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
CFO/HF & A

Sd/-  
Company Secretary

**H.R Textile Mills Limited**  
**Schedule of Property ,Plant and Equipment**  
**As at March 31, 2023**

(Amount in Taka)

Particulars	Cost or valuation		Rate %	Depreciation		W.D.V. As on March 31, 2023
	As on July 01, 2022	Addition/ (Deletion)		As on July 01, 2022	During the period	
Factory Land and Development	8,479,375	-	-	-	-	8,479,375
Factory Building	984,450,532	17,154,594	2.50	117,200,576	18,780,096	865,624,454
Factory Shed	6,823,475		7.50	6,823,470	-	5
Plant and Machinery	1,801,757,486	2,759,285	7.00	1,022,940,114	61,552,826	720,023,831
Electric Installation	36,482,818		10.00	30,649,844	2,736,211	3,096,763
Gas Installation	7,826,035		10.00	6,881,025	586,953	358,057
Water Installation	9,753,520		10.00	9,530,184	223,326	10
Steam Installation	2,563,352		10.00	2,563,342	-	10
Furniture and Fixtures	11,132,967	-	10.00	11,031,994	100,963	10
Telephone Installation	1,027,861		10.00	1,027,851	-	10
Motor Vehicles	46,192,122		15.00	40,937,549	2,467,830	2,786,743
Office Equipment	40,309,847	1,070,900	10.00	39,406,079	80,317	1,894,351
Loose Tools	183,875		10.00	183,865	-	10
Factory Equipment	14,817,242	-	10.00	12,786,718	1,111,293	919,231
<b>A. Total</b>	<b>2,971,800,507</b>	<b>20,984,779</b>		<b>1,301,962,611</b>	<b>87,639,815</b>	<b>1,603,182,860</b>

**B.Revaluation**

Factory Land and Development	644,020,625	-		-	-	644,020,625
Factory Building	42,174,735	-	2.50	3,690,288	790,776	37,693,671
<b>Total</b>	<b>686,195,360</b>	<b>-</b>		<b>3,690,288</b>	<b>790,776</b>	<b>681,714,296</b>
<b>Total (A+B) as on March 31,2023</b>	<b>3,657,995,867</b>	<b>20,984,779</b>		<b>1,305,652,899</b>	<b>88,430,592</b>	<b>2,284,897,155</b>

**Allocation of Depreciation**

Particulars	Notes	March 31,2023	March 31,2022
Cost of Goods sold	30.01	70,744,473	44,834,788
Administrative Expenses	31.01	17,686,119	11,208,697
		<b>88,430,592</b>	<b>56,043,485</b>

**H.R Textile Mills Limited**  
**Schedule of Property, Plant and Equipment**  
**As at March 31, 2022**

Annexure-A

(Amount in Taka)

Particulars	Cost or valuation			Rate %	Depreciation			W.D.V.
	As on July 01, 2021	Addition/ (Deletion)	As on March 31,2022		As on July 01, 2021	During the period	As on March 31,2022	
Factory Land and Development	8,479,375	-	8,479,375	-	-	-	-	8,479,375
Factory Building	903,026,172	55,996,024	939,632,958	2.50	94,597,037	11,745,412	106,342,449	833,290,509
Factory Shed	6,823,475		6,823,475	7.50	6,823,470	-	6,823,470	5
Plant and Machinery	1,631,218,464	14,528,580	1,635,496,964	7.00	950,198,116	37,019,105	987,217,221	648,279,743
Electric Installation	34,642,204		34,642,204	10.00	27,060,059	1,732,110	28,792,169	5,850,035
Gas Installation	7,826,035		7,826,035	10.00	6,746,025	391,302	7,137,327	688,708
Water Installation	9,380,520		9,380,520	10.00	8,588,147	469,026	9,057,173	323,347
Steam Installation	2,563,352		2,563,352	10.00	2,563,342	-	2,563,342	10
Furniture and Fixtures	11,036,777	668,290	11,511,777	10.00	11,026,159	23,750	11,049,909	461,868
Telephone Installation	1,027,861		1,027,861	10.00	1,027,851	-	1,027,851	10
Motor Vehicles	46,192,122		46,192,122	15.00	37,647,109	3,464,409	41,111,518	5,080,604
Office Equipment	39,795,147	-	39,795,147	10.00	39,406,079	-	39,406,079	389,068
Loose Tools	183,875		183,875	10.00	183,865	-	183,865	10
Factory Equipment	13,423,742	-	13,423,742	10.00	11,350,694	671,187	12,021,881	1,401,861
<b>A. Total</b>	<b>2,715,619,121</b>	<b>71,192,894</b>	<b>2,756,979,407</b>		<b>1,197,217,953</b>	<b>55,516,301</b>	<b>1,252,734,254</b>	<b>1,504,245,153</b>

**B. Revaluation**

Factory Land and Development	644,020,625	-	644,020,625		-	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	2.50	2,635,920	527,184	3,163,104	39,011,631
<b>Total</b>	<b>686,195,360</b>	<b>-</b>	<b>686,195,360</b>		<b>2,635,920</b>	<b>527,184</b>	<b>3,163,104</b>	<b>683,032,256</b>
<b>Total (A+B) as on March 31,2022</b>	<b>3,401,814,481</b>	<b>71,192,894</b>	<b>3,443,174,767</b>		<b>1,199,853,873</b>	<b>56,043,485</b>	<b>1,255,897,358</b>	<b>2,187,277,409</b>

## Annexure-B