

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
3	<b>Audit Committee</b>			
3.1 (i)	Audit Committee composed of at least 3 (Three) members	✓		
3.1 (ii)	Members of the audit committee have been appointed by the Board of Directors	✓		
3.1 (iii)	Qualified members in audit committee	✓		
3.1 (iv)	Term and conditions of service of audit committee members	✓		
3.1 (v)	Secretary of the audit committee	✓		
3.1 (vi)	Quorum of the audit committee	✓		
3.2 (i)	The Chairman has been selected by the Board of Directors	✓		
3.2 (ii)	The Chairman of the audit committee present in the AGM	✓		
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of the accounting policy and principals	✓		
3.3 (iii)	Monitor Internal Control Risk Management Process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review the annual financial statements before submission to the board for approval	✓		
3.3 (vi)	Review of quarterly and half yearly financial statements before submission	✓		
3.3 (vii)	Review of adequacy of internal audit function	✓		
3.3 (viii)	Review statement of significant related party transaction	✓		
3.3 (ix)	Review Management letters/Letter of internal control weakness	✓		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue		N/A	
3.4.1	Reporting to the Board of Directors	✓		
3.4.1 (i)	Activities of audit committee shall be reported to the Board of Directors	✓		
3.4.1 (ii)a	Conflicts of interest	✓		
3.4.1 (ii)b	Suspected or presumed fraud or irregularity or material defect in the internal control system	✓		
3.4.1 (ii) c	Infringement of laws, rules and regulations	✓		
3.4.1 (ii)d	Any other mater disclosed to the Board of Directors	✓		
3.4.2	Reporting to the Authorities	✓		
3.5	Reporting to the Shareholders and General Investors	✓		
4	<b>External/Statutory Auditor:</b>			
4 (i)	Appraisal or valuation services or fairness opinions	✓		
4 (ii)	Financial information system design and implementation	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal Audit Services	✓		
4 (vii)	Services that the Audit Committee determines	✓		
4 (viii)	Audit firm shall not hold any share of the company they audit	✓		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	✓		
5	<b>Subsidiary Company:</b>			
5 (i)	Composition of the Board of Directors to be holding company		N/A	
5 (ii)	At least 1 (one) independent director to be in both holding and subsidiary company		N/A	
5 (iii)	Submission of Minutes subsidiary company to the holding company		N/A	
5 (iv)	Review of Minutes of subsidiary company by the holding company		N/A	
5 (v)	Review of financial statements by the holding company		N/A	
6	<b>Duties of CEO and CFO:</b>			
6 (i)a	Reviewed the materially untrue statement or omit any material fact of the financial statement	✓		
6 (i)b	Reviewed compliance and maintained existing accounting standards	✓		
6 (ii)	Reviewed about no transaction entered by the company which were fraudulent, illegal or violation of the company's code of conduct	✓		
7(i)	Obtain certificate regarding compliance of conditions of Corporate Governance Guidelines	✓		
7 (ii)	Annexure attached in the Director's Report	✓		

N.M. Tareque & Associates

N.M Tareque & Associates  
Cost and Management Accountants

Dated: January 19, 2015



ATA KHAN & CO.  
Chartered Accountants

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

We have audited the accompanying financial statements of H.R. Textile Mills Limited (the Company) which comprise the Statement of Financial Position as at September 30, 2014, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and a summary of significant accounting policies and other explanatory information disclosed in Notes 1-35 to the financial statements for the year then ended.

Management's responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS); the Companies Act, 1994 and Bangladesh Securities and Exchanges Rules, 1987 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of H.R Textile Mills Limited as at September 30, 2014 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the applicable sections of the Companies Act, 1994, the Bangladesh Securities and Exchange Rule, 1987 and other applicable laws and regulations.

We also report that

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- (d) The expenditure incurred was for the purposes of the Company's business.

ata khan & co

ATA KHAN & Co.  
Chartered Accountants

Dated: Dhaka, January 19, 2015



## H.R. Textile Mills Limited

### Statement of Financial Position

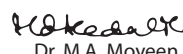
As on 30 September 2014


	Notes	2014 Taka	2013 Taka
CAPITAL EMPLOYED IN:			
NON-CURRENT ASSETS:			
Property, Plant and Equipment	2	506,239,023	489,057,212
Total Non-Current Assets		506,239,023	489,057,212
CURRENT ASSETS:			
Stocks and Stores	3	254,065,709	207,252,615
Trade Debtors	4	200,993,885	340,320,542
Export Incentive Receivables	5	94,028,138	84,747,154
Advances, Deposits and Prepayments	6	33,183,653	34,158,014
Dues from Related Parties	7	35,000,000	-
Cash and Bank Balances	8	149,733,729	78,258,456
<b>Total Current Assets</b>		<b>767,005,114</b>	<b>744,736,781</b>
LESS CURRENT LIABILITIES :			
Bank Overdrafts - Secured	9	34,356,584	35,975,524
Liability against Trust Receipts	10	3,510,858	16,706,788
Creditors	11	548,492,062	536,789,159
Accrued Expenses	12	35,251,371	35,077,154
Provision for Taxation	13	13,900,711	15,000,086
Bills Receivable Discounted	14	40,818,768	61,958,063
Workers' Participation/Welfare Funds	15	34,498,293	28,367,322
Total Current Liabilities		710,828,647	729,874,096
<b>WORKING CAPITAL</b>		<b>56,176,467</b>	<b>14,862,685</b>
<b>NET ASSETS</b>		<b>562,415,490</b>	<b>503,919,897</b>
FINANCED BY:			
SHAREHOLDERS' EQUITY :			
Share Capital	17	253,000,000	253,000,000
General Reserve	18	6,956,752	6,956,752
Tax Holiday Reserve	19	22,378,988	22,378,988
Dividend Equalisation Reserve	20	10,000,000	10,000,000
Unappropriated Profit		117,451,185	105,427,165
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>409,786,925</b>	<b>397,762,905</b>
LONG-TERM LIABILITIES:			
Long-term Loans - Secured	22	143,513,139	97,041,566
Provision for Gratuity	23	9,115,426	9,115,426
		152,628,565	106,156,992
		562,415,490	503,919,897
Net Assets value per share of Tk.10		16.20	15.72

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Md. Wali Ullah  
Company Secretary

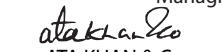
  
M.A. Momen  
Director

  
Dr. M.A. Moyeen  
Director

  
M.A. Moyeed  
Managing Director

Signed in terms of our separate report of even date.

Dated: Dhaka  
January 19, 2015

  
ATA KHAN & Co.  
Chartered Accountants



## H.R. Textile Mills Limited

### Statement of Comprehensive Income

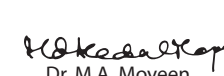
For the year ended 30 September 2014

Particulars	Notes	2014 Taka	2013 Taka
Sales	24	1,550,954,308	1,780,820,020
Export Incentive	25	49,348,161	43,600,628
Turnover		1,600,302,469	1,824,420,648
Less: Cost of Goods Sold	26	1,368,282,941	1,560,884,821
Gross Profit		232,019,528	263,535,827
Less: Administrative, Selling and General Expenses	27	171,144,370	193,522,486
Operating Profit		60,875,158	70,013,341
Add: Other Income	28	857,455	2,016,391
Profit before Contribution to Workers' Participation/Welfare Funds		61,732,613	72,029,732
Less: Contribution to Workers' Participation/Welfare Funds	15	2,939,648	3,429,987
Net Profit before Tax		58,792,965	68,599,745
Less: Provision for Income-tax	29	8,818,945	10,289,962
Net Profit after Tax		49,974,020	58,309,783
Unappropriated Profit brought forward		67,477,165	45,503,467
Transfer from Capital Reserve		-	1,613,915
Profit available for appropriations		117,451,185	105,427,165
Cash Dividend Declared		-	37,950,000
Unappropriated Profit carried forward		117,451,185	67,477,165
Earning per share (EPS) of Tk. 10		1.98	2.30

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Md. Wali Ullah  
Company Secretary

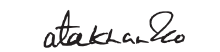
  
M.A. Momen  
Director

  
Dr. M.A. Moyeen  
Director

  
M.A. Moyeed  
Managing Director

Signed in terms of our separate report of even date.

Dated: Dhaka  
January 19, 2015

  
ATA KHAN & CO.  
Chartered Accountants




## H.R. Textile Mills Limited


### Statement of Cash Flow

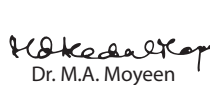
For the year ended 30 September 2014

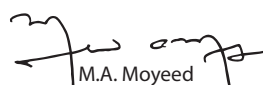
Particulars	Notes	2014 Taka	2013 Taka
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers and export incentives		1,731,205,597	1,997,743,173
Cash paid for goods and services		(1,500,617,413)	(1,749,235,575)
Cash from operation		230,588,184	248,507,598
Interest paid		(35,952,258)	(46,527,167)
Income-tax paid/deducted at sources		(18,012,294)	(22,402,348)
Net Cash inflows from operating activities		176,623,632	179,578,083
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Acquisition of fixed assets	2.2	(81,178,010)	(153,283,890)
Net Cash outflows from investing activities		(81,178,010)	(153,283,890)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Bank Overdraft received/(repaid)		(1,618,940)	(1,945,888)
Loans received/(repaid) against Trust Receipts		(13,195,930)	(13,915,448)
Dues (from) to Related Parties		(35,000,000)	(15,500,750)
Long Term Loans received/(repaid)		46,471,573	68,575,111
Lease Finance Received (repaid)		-	(16,261,055)
Cash Dividend paid		(20,627,052)	(13,947,825)
Net Cash inflow from financing activities		(23,970,349)	7,004,145
Net increase/(decrease) in cash and bank balances		71,475,273	33,298,338
Cash and bank balances on opening		78,258,456	44,960,118
Net increase/(decrease) in cash and bank balances		71,475,273	33,298,338
Cash and bank balances at closing - Note 8		149,733,729	78,258,456
Net operating cash flow per share (NOCFPS) of Tk. 10		6.98	7.10

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Md. Wali Ullah  
Company Secretary

  
M.A. Momen  
Director

  
Dr. M.A. Moyeen  
Director

  
M.A. Moyeed  
Managing Director

Signed in terms of our separate report of even date.

Dated: Dhaka  
January 19, 2015

  
ATA KHAN & CO.  
Chartered Accountants

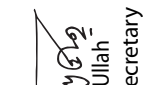
## H.R. Textile Mills Limited


### Statement of Changes in Shareholder's Equity

For the year ended 30 September 2014

Particulars	Share Capital	General Reserve	Tax holiday Reserve	Dividend Equalisation Reserve	Capital Reserve	Retained Earnings	Total Taka
Opening Balance	253,000,000	6,956,752	22,378,988	10,000,000	1,613,915	83,453,467	377,403,122
Capital Reserve Adjustment	-	-	-	-	(1,613,915)	1,613,915	-
Net profit after tax	-	-	-	-	-	58,309,783	58,309,783
Cash Dividend declared	-	-	-	-	-	(37,950,000)	(37,950,000)
Balance as at 30th September 2013	253,000,000	6,956,752	22,378,988	10,000,000	-	105,427,165	397,762,905
Opening Balance	253,000,000	6,956,752	22,378,988	10,000,000	-	105,427,165	397,762,905
Net profit after tax	-	-	-	-	-	49,974,020	49,974,020
Cash Dividend declared	-	-	-	-	-	(37,950,000)	(37,950,000)
Balance as at 30th September 2014	253,000,000	6,956,752	22,378,988	10,000,000	-	117,451,185	409,786,925

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Md. Wali Ullah  
Company Secretary

  
M.A. Momen  
Director

  
Dr. M.A. Moyeen  
Director

  
M.A. Moyeed  
Managing Director

Dated: Dhaka  
January 19, 2015


## H.R. Textile Mills Limited

### Value Added Statement

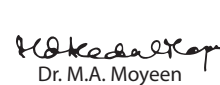
#### For the year ended 30 September 2014

Particulars	Notes	2014 Taka	2013 Taka
Turnover and other income	24, 25 & 28	1,601,159,924	1,826,437,039
Finished Stock differential	26.1	11,294,485	2,562,559
Output		1,612,454,409	1,828,999,598
Less: Bought-in goods and services		(1,272,484,351)	(1,466,920,130)
Value added		339,970,058	362,079,468
<b>Value distributed :</b>			
To Employees in the form of salaries, wages and allowances	26.1 & 27.1	201,588,419	204,582,311
To Government in the form of income-tax	29	8,818,945	10,289,962
To Lenders in the form of interest	27.4	35,952,258	46,527,167
To Shareholders in the form of dividend		37,950,000	37,950,000
For replacement of fixed assets as depreciation	2	63,996,199	57,083,902
For future growth as retained profit		(8,335,763)	5,646,126
		339,970,058	362,079,468

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Md. Wali Ullah  
Company Secretary

  
M.A. Momen  
Director

  
Dr. M.A. Moyeen  
Director

  
M.A. Moyeed  
Managing Director

Signed in terms of our separate report of even date.

Dated: Dhaka  
January 19, 2015

  
ATA KHAN & CO.  
Chartered Accountants

## H.R. Textile Mills Limited

### Notes to the Financial Statements

#### For the year ended 30 September 2014

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 and Chittagong Stock Exchanges in Bangladesh. The address of the registered office is B-87, Malibag Chowdhury Para, Dhaka and the mills are located at 4, Karnapara, Savar, Dhaka. The Company owns textile mills and its principal activities are knitting, processing and finishing of textile products and making garments.

##### (b) Components of the Financial Statements:

- Statement of Financial Position as on 30 September 2014;
- Statement of Comprehensive Income for the year ended 30 September 2014;
- Statement of Changes in Shareholders' Equity for the year ended 30 September 2014;
- Cash Flows Statement for the year ended 30 September 2014;
- Value Added Statement for the year ended 30 September 2014 and
- Notes to the Financial Statements for the year ended 30 September 2014.

##### (c) Reporting Period:

The financial period of the Company covers an accounting year from 1 October to 30 September next consistently.

##### (d) Reporting Currency:

The figures in the financial statements represent Bangladesh Taka currency, which have been rounded off to the nearest Taka, except where indicated otherwise.

##### (e) Comparative Information:

Comparative information have been disclosed in respect of the year 2014 for all numerical information in the financial statements and also narrative and descriptive information when it is relevant to an understanding of the current year's financial statements. Figures of the previous year have been re-classified whenever considered necessary to ensure comparability with the current period.

##### (f) Statement of compliance with local laws:

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant laws as applicable. The cash flows from operating activities is computed by the direct method as prescribed by the Securities and Exchange Rules, 1987.

##### (g) Statement of compliance with Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRSs):

The financial statements complied with requirements of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRSs) as issued by the International Accounting Standards Board (IASB) and as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

##### (h) Statement of Measurement Basis:

The financial statements have been prepared using the Historical Cost basis, except for the earlier revaluation of certain non-current assets.

##### (i) Accrual basis Accounting:

The financial statements have been prepared, except for cash flows information, under the accrual basis of accounting.

##### (j) Statement of Specific Accounting Policies Applied:

###### (i) Revenue Recognition:

Sales are recognized at the time of delivery from godown.

###### (ii) Fixed Assets and Depreciation:

Fixed Assets i.e. Property, Plant, Equipment are stated at their historical cost less accumulated depreciation. No Depreciation has been charged on land and land development and on the Capital Work in progress. Depreciation is charged on all other fixed assets on straight-line method. Depreciation on "revaluation surplus" is charged to "Capital Reserve". The rates at which assets are depreciated depend on the nature and estimated useful life of each asset, and are given below:



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

Net carrying amounts (written down value) are arrived at after deduction of accumulated depreciation from gross carrying amounts (cost).

The gross carrying amounts (cost) represent cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction period and lease payments.

Leased plant and machinery has been capitalized at "Principal amount" thereof and proportionate interest thereof has been charged to interest expenses in terms of BAS 17 - "Lease".

(iii) *Stocks and Stores:*

Stocks and Stores are valued at lower of weighted average cost and net realizable value. Cost of work in process includes material and proportionate conversion cost. Finished goods include material and conversion cost.

(iv) *Provision for Income Tax:*

Provision for current income-tax has been made during the year under review in respect of net profit at the rate of 15%. Provision for deferred tax has been made at 15% on the timing difference relating to depreciation in terms of BAS 12 "Income Taxes".

(v) *Foreign Currency Transaction:*

Transactions in Foreign Currencies are translated into Bangladesh Taka at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into Bangladesh Taka at the rate of exchange ruling at the date of Statement of Financial position.

(vi) *Translation of closing balances in foreign currencies:*

These are converted into Bangladesh Taka at the exchange rate ruling on the date of Statement of Financial Position as follows:

1 US Dollar	2014		2013	
	Receivables	Payables	Receivables	Payables
	Tk. 77.00	Tk. 77.39	Tk. 78.05	Tk. 78.21

(vii) *Trade Receivables:*

Trade Receivable are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad.

(viii) *Payables:*

Trade payables are stated at their nominal value.

(ix) *Cash and cash equivalents:*

Cash in hand and cash at bank have been considered as the cash and cash equivalents for the preparation of these financial statements, which were held and available for use by the Company without any restriction and there was insignificant risk of changes in value of these current assets.

(x) *Related Party Transaction:*

The Company has some related party transactions at arm's length basis with its related parties.

(xi) *Earnings Per Share (EPS):*

The Company calculates Earnings Per Share (EPS) in accordance with Bangladesh Accounting Standard, BAS-33, "Earning Per Share".

(xii) *Retrial Benefits (Gratuity):*

No further provision for retrial benefits (gratuity) has been made as no such provision is required under the Bangladesh Labour Law.

2. Property, Plant and Equipment  
2.1 The make-up of Fixed Assets of Unit-1 is as follows:

Particulars	On 1 October 2013	Cost or valuation Additions/ (Deletions)	On 30 September 2014	On 1 October 2013	Depreciation During the year	On 30 September 2014	Written down value At 30 September 2014
Factory Land and Development							
Factory Building	7,250,000	-	7,250,000	-	-	-	7,250,000
Factory Shed	23,230,710	-	23,230,710	11,531,930	580,768	12,112,698	11,118,012
Plant and Machinery	89,257,661	-	89,257,661	6,823,470	-	6,823,470	5
Electric Installation	3,601,103	-	3,601,103	89,257,656	-	89,257,656	5
Gas Installation	2,171,914	-	2,171,914	3,601,098	-	3,601,098	5
Water Installation	1,168,842	-	1,168,842	2,171,909	-	2,171,909	5
Steam Installation	1,991,090	-	1,991,090	1,168,837	-	1,168,837	5
Furniture and Fixtures	718,694	-	718,694	1,991,085	-	1,991,085	5
Telephone Installation	449,033	-	449,033	718,689	-	718,689	5
Motor Vehicles	5,783,524	-	5,783,524	449,028	-	449,028	5
Office Equipment	3,723,054	-	3,723,054	5,783,519	-	5,783,519	5
Loose Tools	142,382	-	142,382	3,723,049	-	3,723,049	5
Factory Equipment	153,885	-	153,885	142,377	-	142,377	5
Total Taka	146,465,367	-	146,465,367	127,516,527	580,768	128,097,295	18,368,072

2.2 The make-up of Fixed Assets of Unit-2 is as follows:

Particulars	On 1 October 2013	Cost or valuation Additions (Deletion)	On 30 September 2014	On 1 October 2013	Depreciation During the Year	On 30 September 2014	Written down value At 30 September 2014
Land Development							
Factory Building	1,229,375	-	1,229,375	-	-	-	1,229,375
Plant and Machinery	175,681,069	1,200,000	176,881,069	30,551,434	4,422,027	34,973,461	141,907,608
Gas Installation	717,204,309	43,206,322	760,410,631	416,989,158	53,228,744	470,217,902	290,192,729
Electric Installation	4,304,121	-	4,304,121	4,304,116	-	4,304,116	5
Water Installation	8,861,833	2,101,787	10,963,620	7,799,534	1,096,362	8,895,896	2,067,724
Steam Installation	2,523,342	772,000	3,295,342	2,523,337	329,534	2,852,871	442,471
Telephone Installation	572,262	-	572,262	572,257	-	572,257	5
Motor Vehicles	578,828	-	578,828	578,823	-	578,823	5
Furniture and Fixtures	15,149,043	-	15,149,043	15,149,038	-	15,149,038	5
Office Equipment	6,920,169	-	6,920,169	4,694,484	692,017	5,386,501	1,533,668
Factory Equipment	28,164,708	2,547,615	30,712,323	9,886,977	3,071,232	12,958,209	17,754,114
Loose Tools	5,453,147	302,000	5,755,147	3,484,681	575,515	4,060,196	1,694,951
Capital Works in Progress	41,493	-	41,493	41,488	-	41,488	5
Total Taka	966,683,699	31,048,286	1,047,861,709	496,575,327	63,415,431	559,990,758	31,048,286
Grand Total Taka	1,113,149,066	81,178,010	1,194,327,076	624,091,854	63,996,199	688,088,053	487,870,951
2013 Grand Total Taka	959,865,176	153,283,890	1,113,149,066	567,007,952	57,083,902	624,091,854	506,239,023

2.3. Depreciation for the year is charged as below:

Particulars
Cost of Goods Sold - Note 26.1
Administrative and General Expenses - Note 27.1

3. Stocks and Stores

3.1 The make-up is as follows:

Item	2014		2013	
	Quantity (In Kg.)	Amount (In Taka)	Quantity (In Kg.)	Amount (In Taka)
Stock of Yarn - Note 3.2	460,770	138,306,823	380,973	124,091,540
Stock of Dyes and Chemicals - Note 3.3	88,422	20,836,877	118,592	22,462,536
Stock of Work-in-Process - Note 3.4		39,600,217		19,827,536
Stock of Finished Products - Note 3.5		34,716,007		23,421,522
Stock of Accessories		5,985,709		8,253,401
Goods in Transit		10,961,165		5,626,069
		250,406,798		203,682,604
Stock of Spares		3,658,911		3,570,011
		254,065,709		207,252,615
3.2 Stock of Yarn				
Stock of Yarn	460,770	138,306,823	380,973	124,091,343
	460,770	138,306,823	380,973	124,091,343
3.3 Stock of Dyes and Chemicals				
Dyes	14,470	10,108,264	16,943	12,054,842
Chemicals	73,952	10,728,613	101,649	10,407,891
	88,422	20,836,877	118,592	22,462,733
3.4 Stock in Work in Process				
Cost of Materials		29,181,907		7,707,710
Cost of Conversion		10,418,310		12,119,826
		39,600,217		19,827,536
3.5 Stock of Finished Products				
Finished Garments	-	28,636,301	-	7,495,476
Knitted Fabrics	16,344	6,079,706	43,943	15,926,046
	16,344	34,716,007	43,943	23,421,522
4. Trade Debtors				
	2014		2013	
	US\$	Taka	US\$	Taka
Export Sales Receivable	2,610,310	200,993,885	4,363,647	340,320,542
		200,993,885		340,320,542

These are unsecured but considered good.

5. Export Incentives Receivables

	2014 Taka	2013 Taka
Opening Balance	84,747,154	64,879,600
Less: Received	40,067,177	23,733,073
	44,679,977	41,146,527
For the year	49,348,161	43,600,627
Closing Balance	94,028,138	84,747,154

The advances are unsecured but considered good.

6. Advances, Deposits and Prepayments

Advances:
Salary Advance
Operational Advance
Tax deducted at source

Deposits :
Security deposit
Bank Guarantee margin
Lease Deposit
L/C margin

The advances are unsecured but considered good.

7. Dues to Related Parties

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 balance Sheet exposure with the related parties as at 30th September 2014 is as under:

Name of the related party	Relationship	Nature of Transaction	2014 Taka	2013 Taka
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	35,000,000	-
			35,000,000	-

8. Cash and Bank Balances

Cash at Banks with Banks on Current Account:

BRAC Bank Ltd, Dhanmondi Branch, CD A/c	15,850,357	422,710
Islami Bank Bangladesh Ltd, FEX Branch CD A/c	-	508
Mutual Trust Bank Ltd, Gulshan Branch, CD A/c	221,845	474,369
Mutual Trust Bank Ltd, Gulshan Branch, Dollar A/c	17,515,278	9,482,767
Mutual Trust Bank Ltd, Gulshan Branch, ERQ A/c	176,523	222,805
HSBC Anchor Tower Branch, CD A/c	-	764,199
HSBC Anchor Tower Branch, FCY A/c	1,167,044	-
HSBC Anchor Tower Branch, MDA Margin A/c	26,517,256	-
Trust Bank Ltd, SKB Branch, EURO A/c	915	915
Trust Bank Ltd, SKB Branch, Dollar A/c	74,122,638	36,016,826
Trust Bank Ltd, SKB Branch, FCAD A/c	791,245	1,114,735
Trust Bank Ltd, SKB Branch, L/C Margin A/c	752,000	142,000
AB Bank Ltd, Motijheel Branch, FCAD A/c	28,926	29,268
AB Bank Ltd, Motijheel Branch, Dollar A/c	-	14,091,459
AB Bank Ltd, Motijheel Branch, Back to Back A/c	-	93,870
AB Bank Ltd, Motijheel Branch, CD A/c	78,738	80,008
AB Bank Ltd, Motijheel Branch, CD A/c	6,807,988	-
AB Bank Ltd, Motijheel Branch, Notice A/c	2,952,141	1,850,137
AB Bank Ltd, Motijheel Branch, L/C Margin A/c	-	54,655
	146,982,894	64,841,231

With Bank on Short Term Deposit Account:

AB Bank Ltd, Motijheel Branch, Dividend A/c	-	1,391,647
Mutual Trust Bank Ltd, Gualshan Branch, Fixed Deposit A/c	-	513,500
Mutual Trust Bank Ltd, Gualshan Branch, Fixed Deposit A/c	-	9,167,581
Trust Bank Ltd, SKB Branch, SND A/c	1,421,237	1,109,345
Southeast Bank Ltd, Principal Branch, STD A/c	903,638	865,205
	2,324,875	13,047,278

Cash at Banks
Cash in hand

2014 Taka	2013 Taka
990,199	951,100
7,085,042	7,677,000
11,632,042	14,641,584
19,707,283	23,269,684
6,416,121	6,416,121
1,085,070	1,176,989
-	3,295,220
5,975,179	-
13,476,370	10,888,330
33,183,653	34,158,014

**9. Bank Overdraft**

Trust Bank Ltd, SKB Branch  
HSBC Anchor Tower Branch, Kawran Bazar,  
AB Bank Ltd, Motijheel Branch

2014 Taka	2013 Taka
12,538,424	15,275,755
21,818,160	-
-	20,699,769
<u>34,356,584</u>	<u>35,975,524</u>

These are secured

**10. Loan against Trust Receipts**

AB Bank Ltd, Motijheel Branch  
Trust Bank Ltd, SKB Branch

2014 Taka	2013 Taka
-	12,684,300
3,510,858	4,022,488
<u>3,510,858</u>	<u>16,706,788</u>

These are secured

**11. Creditors**

For Import Purchases  
For Local Purchases  
For Buying House Commission  
For Dividend Payable  
For Staff Income Tax  
For Refund Warrant

2014		2013	
US\$	Taka	US\$	Taka
<u>6,062,967</u>	469,235,753	<u>6,016,816</u>	470,575,169
	15,635,749		19,535,284
	835,822		1,135,821
	62,319,489		44,996,542
	93,780		174,874
	371,469		371,469
	<u>548,492,062</u>		<u>536,789,159</u>

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

**12. Accrued Expenses**

Gas Expenses (Factory)  
Electricity bill  
Telephone  
Salaries, Wages and Allowances  
Insurance Premium for Factory  
Security bill  
Legal Fee  
Auditors' Fee  
AGM Expense

2014 Taka	2013 Taka
16,650,779	11,355,484
74,136	46,500
24,611	45,633
16,674,320	16,411,845
-	5,286,027
667,525	771,665
60,000	60,000
100,000	100,000
1,000,000	1,000,000
<u>35,251,371</u>	<u>35,077,154</u>

**13. Provision for Taxation**

13.1 The break-up is as follows:

Provision for current tax- Note 13.2  
Provision for deferred tax-Note 13.3

2014 Taka	2013 Taka
15,799,329	15,976,112
(1,898,618)	(976,026)
<u>13,900,711</u>	<u>15,000,086</u>

13.2 The break-up of provision for current tax is as follows:

Opening balance  
Provision for current Income-tax for the year- Note-29

2014 Taka	2013 Taka
15,976,112	10,425,309
9,741,537	11,550,803
<u>25,717,649</u>	<u>21,976,112</u>
(9,918,320)	(6,000,000)
<u>15,799,329</u>	<u>15,976,112</u>

Less: Paid during the year  
Closing balance

13.3 The break-up of provision for deferred tax is as follows:

Opening balance  
Provision for deferred tax for the year-Note 29  
Closing balance

2014 Taka	2013 Taka
(976,026)	284,815
(922,592)	(1,260,841)
<u>(1,898,618)</u>	<u>(976,026)</u>

**14 Bills Receivable Discounted**

Opening balance  
Add: Discounted during the year

2014 Taka	2013 Taka
61,958,063	113,734,359
<u>257,963,575</u>	<u>328,781,272</u>
319,921,638	442,515,631

Less: Collected during the year

2014 Taka	2013 Taka
279,102,870	380,557,568

Closing balance

2014 Taka	2013 Taka
<u>40,818,768</u>	<u>61,958,063</u>

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

Opening balance  
Add: Contributions for the year  
Add: Interest during the year  
Closing balance

2014 Taka	2013 Taka
28,367,322	22,415,582
2,939,648	3,429,987
3,191,323	2,521,753
<u>34,498,293</u>	<u>28,367,322</u>

No payment has been made from Workers' Participation/Welfare Funds.

**16. Even after Balance Sheet date**

The Board of Directors of the Company in its meeting held on January 19, 2015 (2013: 29 January 2014) recommended 12.50% cash dividend i.e. Tk. 1.25 per share of Tk. 10.00 each (2013: 15% cash dividend) for all shareholders of the company subject to their approval in the AGM.

**17. Share Capital**

17.1 Authorized:

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

2014 Taka	2013 Taka
<u>1,000,000,000</u>	<u>1,000,000,000</u>

17.2 Issued, Subscribed and Paid-up:

25,300,000 Ordinary Shares of Tk. 10 each fully paid-up  
14,000,000 Ordinary Shares of Tk. 10 each fully paid-up in cash  
6,000,000 Ordinary Shares of Tk. 10 each issued as fully paid-up bonus shares  
2,000,000 Ordinary Shares of Tk. 10 each issued as fully paid-up bonus shares  
3,300,000 Ordinary Shares of Tk. 10 each issued as fully paid-up bonus shares  
25,300,000

2014 Taka	2013 Taka
<u>253,000,000</u>	<u>253,000,000</u>
140,000,000	140,000,000
60,000,000	60,000,000
20,000,000	20,000,000
33,000,000	33,000,000
<u>253,000,000</u>	<u>253,000,000</u>

## 17.3 Composition of shareholdings:

Classes of Holdings	2014		2013	
	No. of Shares	%	No. of Shares	%
Sponsor/Directors	12,911,855	51.04	12,911,855	51.04
Financial Institutions	980,400	3.88	1,336,290	5.28
ICB	163,000	0.64	178,020	0.70
ICB Investors A/c	122,220	0.48	-	-
ICB Mutual Fund	243,236	0.96	60,836	0.24
ICB Unit Fund	1,297,115	5.13	1,293,615	5.11
General Public	9,582,174	37.87	9,519,384	37.63
Total	25,300,000	100.00	25,300,000	100.00

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 "Listing Regulations of Dhaka and Chittagong Stock Exchange".

Shareholdings range in number of shares	2014			2013		
	No. of Shareholders	No. of Shares	Holdings (%)	No. of Shareholders	No. of Shares	Holdings (%)
00000000001 - 00000000499	5,879	1,258,964	4.98	5,861	1,254,737	4.96
00000000500 - 00000000500	5,867	2,933,500	11.60	5,811	2,905,500	11.49
00000000501 - 00000002000	825	975,023	3.85	879	884,250	3.51
00000002001 - 00000005000	659	1,726,300	6.82	710	1,727,500	6.82
00000005001 - 00000010000	125	1,146,921	4.53	201	1,154,500	4.56
00000010001 - 00000050000	42	521,700	2.06	58	528,000	2.08
00000050001 - 00000100000	9	955,326	3.78	13	952,015	3.76
00000100001 - 00000250000	5	715,409	2.83	6	840,000	3.32
00000250001 - 00000500000	3	961,123	3.80	3	951,264	3.76
00000500001 and above	7	14,105,734	55.75	7	14,102,234	55.74
Total	13,421	25,300,000	100.00	13,549	25,300,000	100.00

## 17.4 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.

## 18. General Reserve

Opening and Closing Balance

2014 Taka	2013 Taka
6,956,752	6,956,752
6,956,752	6,956,752

## 19. Tax Holiday Reserve

Opening & Closing balance

2014 Taka	2013 Taka
22,378,988	22,378,988
22,378,988	22,378,988

## 20. Dividend Equalisation Reserve

Opening & Closing balance

2014 Taka	2013 Taka
10,000,000	10,000,000
10,000,000	10,000,000

## 21. Capital Reserve

Capital reserve represents re-valuation surplus arising out of revaluation of certain tangible fixed assets of the company as of 30 September 1995 by a professional valuer, following the replacement cost method less depreciation adjusted there against.

The movement is as follows:

	2014 Taka	2013 Taka
Revaluation surplus	52,227,962	52,227,962
Depreciation charged	(44,107,921)	(44,107,921)
Adjustment of revaluation surplus on Discarded Machines	(6,506,126)	(6,506,126)
Transfer to Retained Earnings	(1,613,915)	(1,613,915)
Closing balance	-	-

## 22. Long Term Loan

22.1 The break-up is as follows:

	2014 Taka	2013 Taka
Long Term Loans - Note 22.2	79,512,309	53,859,302
Deferred L/C Liabilities - Note 22.6	-	43,182,264
Deferred L/C Liabilities - Note 22.7	64,000,830	-
	143,513,139	97,041,566

22.2 The movement of loans is as follows:

	2014 Taka	2013 Taka
16.50% Loan - Note 22.3	-	5,000,000
16.50% Loan - Note 23.4	974,783	388,767
5% Loan - Note 22.5	78,537,526	48,470,535
	79,512,309	53,859,302

22.3 The movement of loans is as follows:

	2014 Taka	2013 Taka
Opening balance	5,000,000	19,499,280
Loan re-paid	(5,000,000)	(14,499,280)
Closing balance	-	5,000,000

The loan has been taken from AB Bank Ltd, Motijheel Branch to meet working capital requirement. The loan carries interest at 15.50% and is repayable in 120 days from the date of creation of each loan. The loan is secured by hypothecation of stock and machinery, equipment and book debts.



22.4 The movement of loans is as follows:

	2014 Taka	2013 Taka
Opening balance	388,767	8,967,175
Loan taken	1,279,420	
Loan re-paid	(693,404)	(8,578,408)
Closing balance	974,783	388,767

The loan has been taken from Trust Bank Ltd, Motijheel Branch for import of Plant and machinery. The loan carries interest at 16.50% and is repayable in 36 monthly installments, starting from 12 January 2014. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

22.5 The movement of loan is as follows:

	2014 Taka	2013 Taka
Opening balance	48,470,535	48,470,535
Loan taken	47,131,449	-
Loan re-paid	(17,064,458)	-
Closing balance	78,537,526	48,470,535

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

22.6 The movement of Deferred L/C Liabilities is as follows:

	2014 Taka	2013 Taka
Opening balance	43,182,264	43,182,264
Liabilities paid	(43,182,264)	-
Closing balance	-	43,182,264

The offshore term loan has been taken from Mutual Trust Bank Limited, MTB Centre, 26 Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh, for import of Plant and Machinery at 360 days deferred L/C payment.

22.7 The movement of Deferred L/C Liabilities is as follows:

	2014 Taka	2013 Taka
Opening balance	64,000,830	-
Closing balance	64,000,830	-

The offshore facility has been taken from The Honkong and Shanghai Banking Corporation Plc, Anchor Tower Branch, 108 Bir Uttam C.R. Dutta Road, Dhaka-1205, Bangladesh, for import of Plant and Machinery at 360 days deferred L/C payment.

23. Provision for Gratuity

	2014 Taka	2013 Taka
Opening and Closing balance	9,115,426	9,115,426

24. Sales

Item	Quantity (In Kg.)	2014 Amount (US\$/EURO)	Amount (In Taka)	Quantity (In Kg.)	2013 Amount (In US\$/EURO)	Amount (In Taka)
Export sales:						
Knit fabrics	1,693,057 kgs	10,628,395	817,924,404	1,570,093 kgs	9,189,846	717,267,480
Garments	3,446,238 pcs	9,519,869	733,029,904	5,620,377 pcs	13,626,554	1,063,552,540
Total		20,148,264	1,550,954,308		22,816,400	1,780,820,020

25. Export Incentives

	2014 Taka	2013 Taka
Cash Incentive	49,348,161	43,600,628
	49,348,161	43,600,628

26. Cost of Goods Sold

26.1 The break-up is as follows:

	2014 Taka	2013 Taka
Materials Consumed - Note-26.2	1,055,003,405	1,199,021,896
Salary, Wages and Allowances - Note 26.3	151,025,759	154,046,441
Tiffin & Entertainment expenses	859,630	886,694
Depreciation - Note 2.3	57,596,579	51,375,512
Stores and Spares Consumed	8,169,356	12,810,884
Factory Conveyance	1,015,696	1,117,808
Power and Gas	51,089,841	46,861,468
Vehicle expenses	2,890,281	3,747,032
Repairs and Maintenance	20,754,063	25,948,258
Packing & Loading expenses	3,172,470	3,853,602
Import Landing, Clearing and Insurance	3,098,632	3,856,930
Factory Stationery expenses	2,296,354	3,270,264
Carriage Inward & Outward	3,848,634	4,430,324
Knitting, Sewing & Processing charge	29,862,470	43,558,336
Factory Insurance	5,304,804	6,251,783
Sewing Machine Rental	2,763,435	3,323,288
Miscellaneous	598,698	659,860
Total Manufacturing Costs for the year	1,399,350,107	1,565,020,380
Add: Opening Work in Process	19,827,536	18,254,536
Total Manufacturing Costs	1,419,177,643	1,583,274,916
Less: Closing Work in Process	39,600,217	19,827,536
Cost of Goods Manufactured	1,379,577,426	1,563,447,380
Add: Opening Finished Goods	23,421,522	20,858,963
Cost of Goods available for use	1,402,998,948	1,584,306,343
Less: Closing Finished Goods	34,716,007	23,421,522
Cost of Goods Sold	1,368,282,941	1,560,884,821

26.2 Materials Consumed

	2014		2013	
	Quantity (Kg)	Taka	Quantity (Kg)	Taka
Yarn	2,404,664	770,574,562	2,738,786	877,643,818
Dyes	159,563	113,289,630	181,480	128,850,740
Chemicals	669,234	113,769,863	760,358	129,260,895
Accessories	-	57,369,350	-	63,266,443
Total Materials Consumption		<u>1,055,003,405</u>	-	<u>1,199,021,896</u>

26.3 Salaries, Wages and Allowances	2014		2013	
	No. of Employee	Taka	No. of Employee	Taka
Employees drawing Tk. 5,300 or more	627	78,356,983	625	76,859,300
Employees drawing less than Tk. 5,300	1,230	72,668,776	1,245	77,187,141
Total	1,857	151,025,759	1,870	154,046,441

27. Administrative, Selling and General Expenses

	2014 Taka	2013 Taka
27.1 The break-up is as follows:		
Directors' Remuneration - Note 27.2	2,600,000	2,600,000
Salaries and Allowances - Note 27.3	50,562,660	50,535,870
Security Service charge	4,408,330	4,110,285
Depreciation - Note 2.3	6,399,620	5,708,390
Postage, Courier, Telephone and Fax	1,935,840	2,193,935
Traveling and Conveyance	1,232,922	1,639,557
Legal and Professional expenses	60,000	60,000
Auditors' Fee - Note 27.2	100,000	100,000
A.G.M expenses	1,263,500	2,052,630
Registration and Fees	1,553,563	1,962,906
Staff welfare	2,519,269	3,691,208
Stationery expenses	2,230,583	3,523,445
Office Repairs and Maintenance	5,049,644	5,042,173
Vehicle expenses	5,769,269	5,685,451
Entertainment expenses	956,300	934,030
Buying House Commission	3,560,360	6,514,194
Freight Charges & Freight out	17,245,758	20,544,098
Interest expense- Note 27.4	35,952,258	46,527,167
Bank Charges	26,787,514	28,561,504
Miscellaneous	956,980	1,535,643
Total	171,144,370	193,522,486

27.2 No remuneration or fee, other than that specified in note 27.1, was paid to directors and auditors.

27.3 Salaries and Allowances:	2014		2013	
	No. of Employees	Taka	No. of Employees	Taka
Employees drawing Tk.5,300 or more	97	45,680,560	98	46,732,660
Employees drawing less than Tk.5,300	35	4,882,100	33	3,803,210
	132	50,562,660	131	50,535,870

27.4 Interest expense is as follows:	2014 Taka	2013 Taka
Particulars		
Interest on Lease Finance	-	3,602,990
Interest on Workers' Participation/Welfare Funds	3,191,323	2,521,753
Interest on Long Term Loans	5,704,572	3,956,247
Interest on Loan against Trust Receipt and Bills Discount	22,969,191	31,476,273
Interest on Bank Overdraft	4,087,172	4,969,904
	35,952,258	46,527,167

28. Others Income	2014 Taka	2013 Taka
Rental income	365,400	365,400
Interest on fixed deposits with banks	492,055	1,650,991
	857,455	2,016,391

29. Provision for Taxation	2014	2013
Current Tax expense	9,741,537	11,550,803
Deferred Tax expense	(922,592)	(1,260,841)
	8,818,945	10,289,962

30. Remuneration/Payments to Directors/Officers:

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

Particulars	2014		2013	
	Directors	Officers	Directors	Officers
Remuneration	2,600,000	-	2,600,000	-
Basic salary	-	30,337,590	-	30,081,520
House rent allowance	-	15,168,795	-	15,440,760
Other benefits and perquisites	-	5,056,275	-	5,013,590
	2,600,000	50,562,660	2,600,000	50,535,870

30.2 No compensation was allowed by the company to its Managing Director.

30.3 No amount of money was spent by the company for compensating any member of the board for services rendered except as stated above.

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

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised	
				2014 Taka	2013 Taka
AB Bank Ltd. Motijheel Branch, Dhaka	Back to Back Letter of Credit	500,000,000	-	500,000,000	463,789,842
	Cash Letter of Credit	50,000,000	-	50,000,000	50,000,000
	IBP	100,000,000	-	100,000,000	73,334,000
	Overdraft	20,000,000	-	20,000,000	(699,769)
	Time Loan	5,000,000	-	5,000,000	-
	Trust receipt	45,000,000	-	45,000,000	32,315,700
	Bank guarantee	15,000,000	-	15,000,000	3,230,107
	Term Loan	68,390,740	-	68,390,740	68,390,740
		803,390,740	-	803,390,740	690,360,620
Trust Bank Ltd. SKB Branch, Dhaka	Back to Back Letter of Credit	450,000,000	476,415,480	(26,415,480)	(75,844,668)
	IBP	100,000,000	40,818,768	59,181,232	64,707,937
	Cash Letter of Credit	45,000,000	7,520,000	37,480,000	43,488,960
	Trust receipt	40,500,000	3,510,858	36,989,142	36,477,512
	Overdraft	20,000,000	12,338,424	7,461,576	4,724,245
	Bank guarantee	1,000,000	-	1,000,000	1,000,000
	Term Loan	2,500,000	1,279,420	1,220,580	14,571,233
		659,000,000	542,082,950	116,917,050	89,125,219
Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	Back to Back Letter of Credit	280,000,000	23,751,825	256,248,175	148,953,215
	Sight L/C & EDF	100,000,000	87,448,360	12,551,640	50,000,000
		380,000,000	111,200,185	268,799,815	198,953,215
HSBC Anchor Tower, 108 Bir Uttam C.R. Datta Road, Dhaka-1205	Foreign Exchange Limit	20,000,000	-	20,000,000	20,000,000
	Import Line (PRM)	395,000,000	96,829,950	298,170,050	395,000,000
	Import Line	280,000,000	84,889,137	195,510,863	280,000,000
	Overdraft	40,000,000	21,818,160	18,181,840	40,000,000
	Bank guarantee	20,000,000	10,850,700	9,149,300	20,000,000
	Term Loan	20,000,000	-	20,000,000	20,000,000
	Export Cash Limit	54,000,000	-	54,000,000	5,529,465
	Credit Card	1,200,000	-	1,200,000	1,200,000
		830,200,000	213,987,947	616,212,053	781,729,465

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

	2014		2013	
	Taka	%	Taka	%
Imported	343,913,271	32.35	422,023,137	34.83
Local	719,259,490	67.65	789,809,643	65.17
	<u>1,063,172,761</u>	<u>100.00</u>	<u>1,211,832,780</u>	<u>100.00</u>

33. The capacity and actual production of the company are as follows

Item	Capacity	Actual Production	Percentage (%) of achievement
Finished Garments (Lac Pcs.)	84	34.46 (2013: 56.20)	41.20 (2013: 66.90%)
Knit Fabrics ( MTs.)	2,990	2,255 (2013: 1,570)	75.41 (2013: 52.51%)

34. The Company's transaction with the related parties are as follows


Related Party	Nature of Transaction	2014 Taka	2013 Taka
Fashion Knit Garments Ltd	Export Sale	817,924,404	689,626,316
Fashion Knit Garments Ltd	Receivable	35,000,000	-

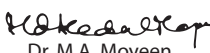
35. General

- 35.1 There was no sum for which the company was contingently liable as on 30 September 2014 and 2013.
- 35.2 There was no claim, except an aggregate amount of Tk. 23,451,403 (2013: 26,019,493) claimed by the Tax Authority but appealed against by the company, not acknowledged as debt as on 30 September 2014 and 2013. Such claim, being contingent liability, needs not be provided for.
- 35.3 There was no credit facilities available to the company, except trade credits and back to back L/c facilities, during the years ended 30 September 2014 and 2013.
- 35.4 There was no foreign shareholder of the company as on 30 September 2014 and 2013 and no dividend was remitted to any foreign shareholders during the years ended 30 September 2014 and 2013.
- 35.5 There was no capital expenditure contracted but not incurred or provided for at 30 September 2014 and 2013.
- 35.6 There was no capital expenditure authorised by the Board but not contracted for at 30 September 2014 and 2013.

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Md. Wali Ullah  
Company Secretary

  
M.A. Momen  
Director

  
Dr. M.A. Moyeen  
Director

  
M.A. Moyeed  
Managing Director

Dated: Dhaka  
January 19, 2015

**H.R. Textile Mills Limited**  
Mirandel (7th Floor), House # 3  
Road # 5, Block # J, Baridhara, Dhaka-1212

**PROXY FORM**

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

as my proxy to attend and vote for me on my behalf at the 30th Annual General Meeting of the company to be held on 31st March 2015 at 10:30 a.m. at the Spectra Convention Centre Limited, King's Hall, House# 19, Road # 7, Gulshan-1, Dhaka-1212 and at any adjournment thereof.

As witness my hands this ..... day of March 2015

Signature of Proxy .....

Signature of Shareholder.....

Registered Folio / BO No. ....

Revenue  
Stamp  
Tk 10.00

**Important:**

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

**ATTENDANCE SLIP**

Mr./Mrs. .... Folio / BO No. ....

I hereby record my presence of the 30th Annual General Meeting of H.R. Textile Mills Limited to be held on 31st March 2015 at 10:30 a.m. at the Spectra Convention Centre Limited, King's Hall, House# 19, Road # 7, Gulshan-1, Dhaka-1212.

.....  
Authorized Signature

.....  
Signature of Shareholder / Proxy

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the registration counter of the meeting hall. Valued shareholders may kindly note that the entry of non members is restricted.