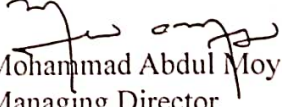


Dear Shareholders
Assalamu Alaikum Wa Rahmatullah!

We forward herewith of the Half-yearly and Second Quarter (Q2) Financial Statements (Un-audited) performances of the company for the 6 (Six) month period (July to December 2023) ended 31st December 2023 of H.R. Textile Mills Limited as per Regulation of the Stock Exchange (Listing) Regulations, 2015 under LR 17(2).


Mohammad Abdul Moyeed
Managing Director



Half-yearly and Second Quarter (Q2) Financial Statements (Un-Audited)
for the 6 (six) month period ended 31st December 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
www.pride-grp.com/hrt

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

ASSETS	Notes	Amount in Taka	
		As at 31st December 2023	As at June 30,2023
Non-Current Assets			
Property, Plant and Equipment	4	2,402,592,662	2,458,698,974
Capital Work In Progress	5	184,646,812	184,646,812
Investment in Fixed Deposits	6	83,678,176	87,831,237
Total Non-Current Assets		2,670,917,650	2,731,177,023
Current Assets			
Stocks and Stores	7	761,407,312	763,853,167
Trade and Other Debtors	8	506,905,256	702,905,122
Export Incentive Receivable	9	45,594,984	-
Advances, Deposits and Prepayments	10	384,295,280	378,589,239
Cash and Bank Balances	11	73,766,484	101,460,581
Total Current Assets		1,771,969,316	1,946,808,109
TOTAL ASSETS		4,442,886,966	4,677,985,132
<u>SHAREHOLDERS' EQUITY & LIABILITIES</u>			
Shareholders' Equity			
Share Capital	12	292,215,000	292,215,000
General Reserve	13	6,956,752	6,956,752
Tax Holiday Reserve	14	22,378,988	22,378,988
Dividend Equalisation Reserve	15	10,000,000	10,000,000
Revaluation Surplus	16	649,627,264	650,075,370
Retained earnings	17	151,709,038	225,970,540
Total Shareholders' Equity		1,132,887,042	1,207,596,650
Long-term Liabilities			
Long-term Loans-Secured, Future Maturity	18	2,486,263,766	2,510,819,755
Non-Convertible Callable Zero-coupon Bond	19	25,726,716	24,254,358
Provision for Gratuity	20	20,307,771	22,008,828
Provision for Deferred Taxation	21	90,225,797	90,721,566
Total long-term Liabilities		2,622,524,050	2,647,804,507
Current Liabilities			
Short -terms Loans	22	388,491,801	364,041,452
Trade Creditors	23	199,827,193	337,744,483
Unclaimed Dividend Account	24	4,565,056	6,785,277
Accrued Expenses	25	15,001,113	26,136,042
Provision for Current Taxation	26	73,431,070	67,079,066
Bills Receivable Discounted	27	3,131,374	15,328,209
Workers' Participation /Welfare Funds	28	3,028,267	5,469,446
Total Current Liabilities		687,475,874	822,583,975
Total Liabilities		3,309,999,924	3,470,388,482
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		4,442,886,966	4,677,985,132
Net Assets Value (NAV) per share	29	38.77	41.33

The annexed notes from 1 to 42 and Annexure A & B form an integral part of these financial statements.


Managing Director


Director


Director


CFO, MF & A


Company Secretary

H.R Textile Mills Limited
Statement of Profit or Loss and other Comprehensive Income
Half yearly and Second Quarter (Q2) ended 31st December 2023

Amount in Taka

Particulars	Notes	Half-Year Ended		Second Quarter	
		July 2023 to December 2023	July 2022 to December 2022	October 2023 to December 2023	October 2022 to December 2022
Sales Revenue	30	472,946,516	1,330,224,447	69,121,717	691,627,572
Export Incentive Turnover	31	48,846,580	58,113,581	14,272,080	11,109,521
Cost of Goods Sold	32	<u>(426,612,281)</u>	<u>(1,174,029,025)</u>	<u>(112,387,093)</u>	<u>(610,143,538)</u>
Gross Profit		95,180,815	214,309,003	(28,993,296)	92,593,555
Administrative, Selling and General Expense	33	(45,498,625)	(53,724,485)	(22,351,654)	(25,545,584)
Financial Expenses	34	<u>(121,273,663)</u>	<u>(107,334,159)</u>	<u>(51,816,166)</u>	<u>(49,873,737)</u>
Operating Profit		(71,591,473)	53,250,359	(103,161,116)	17,174,234
Other income	35	4,401,800	4,813,676	1,033,736	3,667,321
Profit Before contribution to WPPF		(67,189,673)	58,064,035	(102,127,380)	20,841,555
Contribution to WPPF	28	(1,663,700)	(2,764,954)	-	(992,455)
Net Profit before Tax		(68,853,373)	55,299,081	(102,127,380)	19,849,100
Income Tax Expenses		(5,935,313)	(15,027,011)	(45,833)	(5,479,680)
Current Tax	37	<u>(6,352,004)</u>	<u>(13,196,724)</u>	<u>(723,284)</u>	<u>(4,507,961)</u>
Deferred Tax	21	416,691	(1,830,287)	677,451	(971,719)
Net Profit after tax		<u>(74,788,686)</u>	<u>40,272,070</u>	<u>(102,173,213)</u>	<u>14,369,420</u>
Earnings per share (EPS)	39	<u>(2.56)</u>	<u>1.52</u>	<u>(3.50)</u>	<u>0.54</u>
Earnings per share (EPS)	39	<u>(2.56)</u>	<u>1.38</u>	<u>(3.50)</u>	<u>0.54</u>

The annexed notes from 1 to 42 and Annexure A & B form an integral part of these financial statements.


Managing Director


Director


Director


CFO/HF & A



Company Secretary

H.R Textile Mills Limited
Statement of Cash Flows

For the Half yearly and second Quarter (Q2) ended December 31,2023

Particulars	Notes	Second Quarter (Q2) Ended Amount in Taka	
		July 2023 to December 2023	July 2022 to December 2022
Cash Flows from Operating Activities:			
Cash received from Sales and Export incentives		672,197,978	1,351,557,159
Foreign Currency gain/(loss)		-	627,543
Receipts from Other Income		4,106,310	4,186,133
Cash paid for goods and services		(571,409,230)	(1,322,214,894)
Cash from operation		104,895,058	34,155,941
Interest paid		(117,635,364)	(99,699,156)
Income tax paid/deducted at sources		(6,352,004)	(13,196,724)
Net Cash inflows from operating activities		(19,092,310)	(78,739,939)
Cash Flows from Investing Activities:			
Acquisition of property, plant and equipment	4 & 5	-	(20,984,779)
Investment in FDR	6	4,153,061	(4,186,133)
Net Cash outflows from investing activities		4,153,061	(25,170,912)
Cash Flows from Financing Activities:			
Long Term Loans Received/(Repaid)		(24,555,989)	35,096,598
Non-Convertible Callable Zero-coupon Bond		1,472,358	917,260
Short-term Loans Received/(Repaid)		24,450,349	74,364,871
Bills Receivable Discounted Received/(Repaid)		(12,196,835)	(1,928,375)
Cash dividend Paid		(2,220,221)	(69,219)
Net Cash inflow from financing activities		(13,050,338)	108,381,135
Net increase/(decrease) in cash and bank balances		(27,989,587)	4,470,284
Cash and bank balances on opening		101,460,581	55,466,937
Effects of Exchange rete changes on cash and cash equivelents		295,490	-
Cash and bank balances at closing - Note 11		73,766,484	59,937,221
Net operating cash flows per share (NOCFPS)	40	(0.65)	(2.96)


Managing Director


Director


Director


CFO, I.F. & A

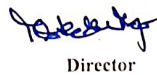

Company Secretary

H.R Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the Half year (Q2) ended December 31,2023

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30,2023	292,215,000	6,956,752	22,378,988	650,075,370	10,000,000	225,970,540	1,207,596,650
Revaluation reserve realised				(448,106)		527,184	79,078
Net profit after Tax	-	-	-	-	-	(74,788,686)	(74,788,686)
Balance as on December 31,2023	292,215,000	6,956,752	22,378,988	649,627,264	10,000,000	151,709,038	1,132,887,042

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30,2022	265,650,000	6,956,752	22,378,988	650,971,582	10,000,000	248,853,452	1,204,810,774
Revaluation reserve realised	-	-	-	(448,106)	-	527,184	79,078
Net profit after Tax	-	-	-	-	-	40,272,070	40,272,070
Balance as on December 31,2022	265,650,000	6,956,752	22,378,988	650,523,476	10,000,000	289,652,706	1,245,161,922


Managing Director


Director


Director


CFO/IF & A


Company Secretary

H.R TEXTILE MILLS LIMITED
Notes to the Financial Statements
For the Half Yearly/ 2nd Quarter (Q2) period ended December 31, 2023

Forming an integral Part of the Financial Statements

1. Notes-General

(a) Status and Activities:

This is a public limited company incorporated in Bangladesh under the Companies Act, 1913 on 3 December 1984 under the entrepreneurship of the Pride Group. The other shareholders are the general public and local financial institutions. The shares of the Company are listed with both the Dhaka 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, 1987 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 2023 to December 31, 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 on December 31,2023;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period ended December 31,2023;
- (iii) Statements of Changes in Shareholders' Equity for the period ended December 31,2023;
- (iv) Statement of Cash Flows for the period ended December 31,2023; and
- (v) Notes to the Financial Statements for the period ended December 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:

SL No.	Particular	Rate of Depreciation
01	Factory Building	2.50%
02	Plant & Machinery	7.00%
03	Factory Shed	7.5%
	Electric, Gas, Water, Steam and Telephone Installation, Furniture & Fixture, Office Equipment, Factory Equipment and Tools & Apparatus.	10%
05	Motor Vehicle	15%

3.01.4 Impairment of assets

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.

3.01.5 Intangible assets

i) Software:

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

3.01.6 Amortization:

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

3.3 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 market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

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

Market risks

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

Management Perception

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

Operational Risks

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

Management Perception

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

Liquidity Risk

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

Management Perception

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

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's 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.

Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of December 31, 2023.

Maturity analysis

Particulars	Current	>30 days	> 90 days	> 1 year	Total
Loans and Receivables					
Cash and Cash Equivalents	6,858,424				6,858,424
Accounts Receivable					506,905,256
Balance at December 31, 2023	6,858,424				513,763,680

Financial liabilities measured at amortized Cost:

Bank Loan				2,486,263,766	2,486,263,766
Sundry Creditors	199,827,193				199,827,193
Balance at December 31, 2023	199,827,193			2,486,263,766	2,686,090,959

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 categorized 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.

The following are the contractual maturities of financial liabilities, including interest payments:

BDT	Carrying amount	Between 1 and 90 Days	Between 91 and 360 days	Between 1 and 2 years	Total
Non-derivative financial liabilities	-	-			
Bank Loan	-	-	-	-	2,486,263,766
Sundry Creditors	-	-	199,827,193	-	-
Balance at December 31,2023	-	-	199,827,193	-	2,486,263,766

	December 31,2023	June 30,2023
4. Property, Plant and Equipment		
a) Cost:	<u>Taka</u>	<u>Taka</u>
Opening Balance	3,884,439,086	3,657,995,867
Add: Addition during the year	-	226,443,219
Sub total (a)	<u>3,884,439,086</u>	<u>3,884,439,086</u>
b) Accumulated depreciation		
Opening Balance	1,425,740,112	1,305,652,899
Add: charged during the period	56,106,312	120,087,213
	<u>1,481,846,424</u>	<u>1,425,740,112</u>
Written down value (a-b)	<u>2,402,592,662</u>	<u>2,458,698,974</u>

(Details Schedule of Property, Plant and Equipment are shown in Annexure -A)

5. Capital Work In progress		
Opening Balance	184,646,812	-
Add: Addition during the period	-	184,646,812
Closing Balance	<u>184,646,812</u>	<u>184,646,812</u>
6. Investment in Fixed deposits		
Opening Balance	87,831,237	79,396,504
Addition this Period	(7,078,889)	4,500,000
Add Interest this Period	2,925,828	3,934,733
Closing Balance	<u>83,678,176</u>	<u>87,831,237</u>

7. Stocks and stores

7.1 The make-up is as below:

	December 31,2023		June 30,2023		
	In Kg	Taka	In Kg	Taka	
Stock of Yarn	7.2	723,825	279,164,664	737,802	283,611,964
Stock of Dyes and Chemicals	7.3	230,223	68,360,496	231,808	68,945,328
Stock of Work-in-Process	7.4		185,946,186		193,481,154
Stock of Finished Goods	7.5		154,968,394		155,150,760
Stock of Accessories			19,858,487		22,509,057
Goods in Transit			33,524,521		24,856,452
			<u>741,822,748</u>		<u>748,554,715</u>
Stock of Spares			19,584,564		15,298,452
			<u>761,407,312</u>		<u>763,853,167</u>

7.2 Stock of Yarn

Stock of Yarn	723,825	279,164,664	737,802	283,611,964
	<u>723,825</u>	<u>279,164,664</u>	<u>737,802</u>	<u>283,611,964</u>

7.3 Stock of Dyes and Chemicals

Dyes	44,537	36,817,972	46,478	38,308,866
Chemicals	185,686	31,542,524	185,330	30,636,462
	<u>230,223</u>	<u>68,360,496</u>	<u>231,808</u>	<u>68,945,328</u>

7.4 Stock in Work in Process

Cost of Materials		98,387,695		105,245,896
Costs of Conversion		87,558,491		88,235,258
		<u>185,946,186</u>		<u>193,481,154</u>

7.5 Stock of Finished Products

Finished Garments	56,927	19,498,542	143,236	48,847,239
Knitted Fabrics	224,095	135,469,852	176,312	106,303,521
	<u>281,022</u>	<u>154,968,394</u>	<u>319,548</u>	<u>155,150,760</u>

8. Trade and Others Debtors

	December 31,2023		June 30,2023	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days)	4,040,048	442,385,256	6,058,422	648,385,122
Other Debtors	509,533	64,520,000	509,533	54,520,000
	<u>4,549,581</u>	<u>506,905,256</u>	<u>6,567,955</u>	<u>702,905,122</u>

These include a sum of Tk.64,520,000 (2022;Tk.54,520,000) due from Associates Companies, expected to be realized /adjusted within a year from the financial statement end date.
These are unsecured but considered good.

9. Export Incentive Receivable

Opening Balance
Add: for the period

Less: Received for the period
Closing Balance

December 31,2023	June 30,2023
Taka	Taka
-	-
48,846,580	-
48,846,580	-
3,251,596	-
45,594,984	-

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

Salary Advance
Advance Tax
Factory Insurance Advance
Advance against Land
IPDC Finance Ltd.
Operational Advance
Eltech Engineering Co. Ltd
Tax deducted at source

2,845,800	2,592,000
1,459,500	1,343,500
1,244,664	2,933,520
248,000,000	248,000,000
8,709,484	8,709,484
9,658,545	8,985,452
6,600,000	6,600,000
70,597,816	64,245,812
349,115,809	343,409,768

Deposits :

Security Deposits
Bank Guarantee Margin

17,381,571	17,381,571
17,797,900	17,797,900
35,179,471	35,179,471
384,295,280	378,589,239

The advances are unsecured but considered good.

11. Cash and Bank Balances**Cash at Banks with Banks/Financial Institutions on Current Account:**

Brac Bank Ltd, Dhanmondi Branch,CD A/c	22,850	13,923
Mutual Trust Bank Ltd.,Gulshan Branch, CD A/c	12,727	127,280
Mutual Trust Bank Ltd.,Gulshan Branch, Fund builup A/c	959,536	4,049,943
Mutual Trust Bank Ltd.,Gulshan Branch, Dollar A/c	-	13,359,991
Mutual Trust Bank Ltd.,Gulshan Branch, Dollar A/c	1,838,219	2,113,095
Mutual Trust Bank Ltd.,Gulshan Branch, ERQ A/c	24,479	50,537
HSBC,Anchor Tower Branch, MDA Margin A/c	21,095,768	5,366,192
HSBC,Anchor Tower Branch, FCY A/c	2,302,340	1,487,978
HSBC,Anchor Tower Branch, CD A/c	2,756,146	782,244
Trust Bank Ltd,SKB Branch, Dollar A/c	10,644,972	422,995
Trust Bank Ltd,SKB Branch,FCAD A/c	422	411
Trust Bank Ltd,SKB Branch, CD A/c	45,962	72,929
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch,CD A/c	84,498	250,375
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch,ERQ A/c	9,072,739	287,794
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch,Fc Held A/c	17,181,560	10,465,997
Dutch Bangla Bank Ltd.,Gulsgan Branch ,CD A/c	385,420	129,938
AB Bank Ltd,Motijheel Branch, CD A/c	86,542	7,891
AB Bank Ltd,Motijheel Branch, Notice A/c	317,731	362,200
	66,831,911	39,351,713

With Bank on Short Term Deposit Account:

Trust Bank Ltd.,SKB Branch, SND A/c
Southeast Bank Ltd, Principal Branch, STD A/c

19,068	55,701,037
57,081	54,671
76,149	55,755,708
66,908,060	95,107,421
6,858,424	6,353,160
73,766,484	101,460,581

Cash at Banks
Cash in Hand

12. Share Capital

12.1 Authorized:

100,000,000 Ordinary Shares of Tk.10 each	1,000,000,000	1,000,000,000
-------------------------------------------	---------------	---------------

12.2 Issued, Subscribed and Paid-up:

29,221,500 Ordinary Shares of Tk.10 each fully paid-up	29,221,500	29,221,500
14,000,000 Ordinary Shares of Tk.10 each fully paid-up in cash	140,000,000	140,000,000
11,300,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares	113,000,000	113,000,000
1,265,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares	12,650,000	12,650,000
2,656,500 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares	26,565,000	26,565,000
	<u>292,215,000</u>	<u>292,215,000</u>

12.3 Composition of Shareholdings:

Classes of Holdings	December 31,2023		June 30,2023	
	No. of Shares	%	No. of Shares	%
Sponsors	14,093,947	48.23	14,093,947	48.23
Financial Institutions	2,395,000	8.20	2,981,177	10.20
General Public	12,732,553	43.57	12,146,376	41.57
	<u>29,221,500</u>	<u>100</u>	<u>29,221,500</u>	<u>100</u>

12.4 Year wise break-up of the issue:

Date	Particulars	Shares	31/12/2023 (Taka)	30/06/2023 (Taka)
3/12/1984	Subscribed Capital as per Memorandum and Articles of Association at the time on Incorporation (4,000 of Tk. 100 each)	4,000	400,000	400,000
25/06/1987	28,100 Bonus Shares of Tk.100 each issued	28,100	2,810,000	2,810,000
10/2/1995	1,500 Bonus Shares of Tk.100 each issued	1,500	150,000	150,000
27/03/1995	366,400 Bonus Shares of Tk.100 each issued	366,400	36,640,000	36,640,000
6/4/1995	400,000 Bonus Shares of Tk.100 each issued	400,000	40,000,000	40,000,000
14/12/1995	200,000 Bonus Shares of Tk.100 each issued	200,000	20,000,000	20,000,000
19/12/1996	1,000,000 shares issued through Public offering (1,000,000 Shares of Tk.100 each)	1,000,000	100,000,000	100,000,000
28/03/2011	10% Shares issued as Bonus (200,000 Shares of Tk. 100 each)	200,000	20,000,000	20,000,000
29/03/2012	15% Shares issued as Bonus (330,000 Shares of Tk. 100 each)	330,000	33,000,000	33,000,000
24/01/2022	5% Shares issued as Bonus (1,265,000 Shares of Tk. 100 each)	126,500	12,650,000	12,650,000
18/01/2023	10% Shares issued as Bonus (1,265,000 Shares of Tk. 100 each)	265,650	26,565,000	26,565,000
	Total (Taka 100 per share)	2,922,150	292,215,000	292,215,000
	Total (Taka 10 per share)	29,221,500	292,215,000	292,215,000

12.5 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.

13. General Reserve

Opening and Closing Balance	6,956,752	6,956,752
	<u>6,956,752</u>	<u>6,956,752</u>

14. Tax Holiday Reserve

Opening and Closing Balance	22,378,988	22,378,988
	<u>22,378,988</u>	<u>22,378,988</u>

15. Dividend Equalisation Reserve

	December 31,2023 Taka	June 30,2023 Taka
Opening and Closing Balance	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

16. Revaluation Surplus

Revaluation Surplus	650,075,370	650,971,582
Revaluation reserve realised	(448,106)	(896,212)
Closing Balance	<u>649,627,264</u>	<u>650,075,370</u>

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.

17. Retained earnings

Balance as on June 30,2023	225,970,540	248,853,452
Total Comprehensive income for the year:		
Profit for the year	(74,788,686)	15,910,220
Revaluation reserve realised	527,184	1,054,368
	<u>151,709,038</u>	<u>265,818,040</u>
Final dividend for previous year		(26,565,000)
Final dividend for previous year	-	(13,282,500)
Balance as on December 31,2023	<u>151,709,038</u>	<u>225,970,540</u>

18. Long-term Loan -Secured Future Maturity

Mutual Trust Bank Ltd.,Gulshan Branch	18.1	590,652,065	602,567,269
IPDC Finance Ltd., Hosna Centre (4th Floor),106 Gulshan Avenue, Dhaka	18.2	343,048,385	343,210,208
United Commercial Bank Ltd., Gulshan Corporate Branch, Dhaka	18.3	280,796,688	328,722,028
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch	18.4	1,271,766,628	1,236,320,250
		<u>2,486,263,766</u>	<u>2,510,819,755</u>

18.1 The movement of loan is as follows:

Opening Balance	602,567,269	956,293,060
Received this year	-	559,888,693
Add. Interest this Period	31,184,761	77,503,079
	<u>633,752,030</u>	<u>1,593,684,832</u>
Paid during the period	(43,099,965)	(991,117,563)
Closing Balance	590,652,065	602,567,269

The loan has been taken from Mutual Trust Bank Ltd,Gulshan Branch for import of Plant and machinery.The loan carries interest at 10.10% and is repayable in 16 Quarterly installments,starting from 11 July, 2021.The loan is secured by hypothecation of stock, machinery, equipment and book debts.

18.2 The movement of loan is as follows:

Opening Balance	343,210,208	343,541,632
Received this year		50,789,635
Add: Interest	17,071,521	20,006,024
	<u>360,281,729</u>	<u>414,337,291</u>
Current Maturity	(17,233,344)	(71,127,083)
Closing Balance	343,048,385	343,210,208

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 12.10% and is repayable in 72 equal monthly installments, starting from 25 November 2019.

18.3 The movement of loan is as follows:

Opening Balance	328,722,028	316,092,242
Paid this year	-	-
Accrued Interest	23,109,602	38,095,386
	<u>351,831,630</u>	<u>354,187,628</u>
Current Maturity	(71,034,942)	(25,465,600)
Closing Balance	280,796,688	328,722,028

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 10.10% and is repayable in 44 months .The loan is secured by hypothecation of stock, machinery, equipment and book debts.

18.4 The movement of loan is as follows:

	December 31,2023	June 30,2023
	Taka	Taka
Opening Balance	1,236,320,250	-
Loan received this period	-	1,169,000,000
Add: Interest	35,446,378	67,320,250
	<u>1,271,766,628</u>	<u>1,236,320,250</u>
Less: Current Maturity this period		
Closing Balance	<u>1,271,766,628</u>	<u>1,236,320,250</u>

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 10.10% 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.

19. Non-Convertible Callable Zero-coupon Bond

	24,254,358	21,309,644
Received this year	1,472,358	2,944,714
Add: Interest		
Closing Balance	25,726,716	24,254,358

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

20. Provision for Gratuity

	22,008,828	24,395,687
Opening Balance	1,184,363	2,267,461
Contribution during this year	23,193,191	26,663,148
	(2,885,420)	(4,654,320)
Paid during this year	20,307,771	22,008,828
Closing Balance		

21. Provision for Deferred Taxation

	90,721,566	88,584,586
Opening Balance	(416,691)	2,295,136
Charged to profit or loss account during the year	(79,078)	(158,156)
Adjustment for depreciation of revalued assets	90,225,797	90,721,566
Closing balance		

A. Property, Plant and Equipment (PPE)

	1,721,669,142	1,777,248,270
WDV of Accounting Base	1,308,497,783	1,359,597,911
WDV of Tax Base	413,171,359	417,650,359
Taxable temporary difference	15%	15%
Tax rate	61,975,704	62,647,554
Deferred tax liability (asset)		

B. Deferred Tax on Gratuity Position

	(3,301,324)	(3,659,353)
Opening balance of deferred tax liability for gratuity provision	255,159	358,029
Addition during the year	(3,046,165)	(3,301,324)
Deferred tax liability (asset)		

C. Calculation of deferred Tax

	644,020,625	644,020,625
Revalued value of land	36,902,895	37,430,079
Revalued value of other than land		
Tax Rate	4%	4%
On land	15%	15%
On other than land		
Deferred tax liabilities	25,760,825	25,760,825
For land	5,535,433	5,614,512
For other than land	31,296,258	31,375,337
Deferred tax liability (asset)	90,225,797	90,721,567
Total (A+B+C)		

Calculation of deferred tax charged on Profit and Loss Account:

	59,346,230	57,051,094
Deferred tax liability other than revalued asset as on June 30,2023	58,929,539	59,346,230
Deferred tax liability other than revalued asset as on December 31,2023	(416,691)	2,295,136

22. Short-term loans

	December 31,2023	June 30,2023
	Taka	Taka
22.01	53,854,359	105,727,629
22.02	26,471,895	25,169,353
22.03	-	-
22.04	308,165,547	233,144,470
	388,491,801	364,041,452

22.01 Bank Overdrafts

Trust Bank Ltd, SKB Branch	-	51,152,629
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch	53,854,359	54,575,000
	<u>53,854,359</u>	<u>105,727,629</u>

These are secured.

22.02 Time Loan : The movement of loan is as follows

Opening Balance	25,169,353	25,586,681
Add: Interest during the period	1,302,542	2,382,672
Total	<u>26,471,895</u>	<u>27,969,353</u>
Less: Paid during the period	-	(2,800,000)
Closing Balance	<u>26,471,895</u>	<u>25,169,353</u>

22.03 Loan against Trust Receipts

Opening Balance	-	27,848,526
Loan received this year	-	1,089,193
Add Interest	-	2,694,882
Total	-	<u>31,632,601</u>
Less:Paid during the period	-	(31,632,601)
Closing balance	-	<u>-</u>

22.04 Current Maturity of long-term loans

Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	22.04.01	22,150,936	27,845,637
IPDC Finance Limited, Hosna Centre (4th Floor), 106, Gulshan Avenue, Dhaka	22.04.02	110,932,274	101,251,438
United Commercial Bank Ltd, Corporate Branch, , Dhaka-1212	22.04.03	175,082,337	104,047,395
		<u>308,165,547</u>	<u>233,144,470</u>

22.04.01 The movement of loan is as follows:

Opening Balance	27,845,637	133,380,745
Interest during the period	985,612	-
Current Maturity this period	-	15,658,008
Total	<u>28,831,249</u>	<u>149,038,753</u>
Paid during this period	(6,680,313)	(121,193,116)
Closing Balance	<u>22,150,936</u>	<u>27,845,637</u>

The loan has been taken from Mutual Trust Bank Ltd, Gulshan Branch for import of Plant and machinery. The loan carries interest at 10.10% and is repayable in 16 Quarterly installments, starting from 11 June, 2021. The loan is secured by hypothecation of stock, machinery, equipment and book

22.04.02 The movement of loan is as follows:

Opening Balance	101,251,438	51,958,058
Current Maturity this year	17,233,344	71,127,083
Total	<u>118,484,782</u>	<u>123,085,141</u>
Paid during this year	(7,552,508)	(21,833,703)
Closing Balance	<u>110,932,274</u>	<u>101,251,438</u>

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 12% and is repayable in 72 equal monthly installments, starting

22.04.03 The movement of loan is as follows:

Opening Balance	104,047,395	78,581,795
Current Maturity	71,034,942	25,465,600
Closing Balance	<u>175,082,337</u>	<u>104,047,395</u>

The loan has been taken from United Commercial Bank Ltd, Corporate Branch, Plot CWS (A)1, Road 34, Gulshan Avenue, Dhaka-1212 for Working Capital requirement. The loan carries interest at 10.10% and is repayable in 44 months . The loan is secured by hypothecation of stock, machinery, equipment and book debts.

23. Trade and Other Creditors

	As at December 31, 2023		As at June 30, 2023	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>1,750,630</u>	194,757,571	<u>3,078,263</u>	329,374,174
For Local Purchases		4,384,202		8,049,323
For Staff Income Tax		685,420		320,986
		<u>199,827,193</u>		<u>337,744,483</u>

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

24. Unclaimed Dividend Account

Opening Balance		
Addition during the year	6,785,277	5,698,781
	-	13,282,500
	<u>6,785,277</u>	<u>18,981,281</u>
Less: Transfer to Capital Market Stabilization Fund (CMSF)	(2,190,903)	-
Paid this Period	(29,318)	(12,196,004)
	<u>4,565,056</u>	<u>6,785,277</u>

25. Accrued Expenses

Gas Expenses (Factory)		
Electricity Bill	1,809,009	8,934,378
Salaries, Wages and Allowances	433,504	191,737
Legal Fee	12,542,350	16,557,427
Auditors' Fee (including Vat)	30,000	60,000
AGM Expenses	86,250	172,500
	100,000	220,000
	<u>15,001,113</u>	<u>26,136,042</u>

26. Provision for Current Taxation

Opening balance		
Addition during the year	67,079,066	42,980,558
	6,352,004	24,098,508
	<u>73,431,070</u>	<u>67,079,066</u>
Paid during the year	-	-
Closing Balance	<u>73,431,070</u>	<u>67,079,066</u>

27. Bills Receivable Discounted

Opening Balance		
Discounted during the year	15,328,209	16,898,858
	26,858,902	90,461,272
	<u>42,187,111</u>	<u>107,360,130</u>
Collected during the year	(39,055,737)	(92,031,921)
Closing Balance	<u>3,131,374</u>	<u>15,328,209</u>

28. Workers' Participation/Welfare Funds

Opening Balance		
Payment during this year	5,469,446	11,373,770
	(4,154,200)	(8,253,535)
	<u>1,315,246</u>	<u>3,120,235</u>
Contributions for the year	1,663,700	2,115,193
Interest during the year	49,321	234,018
Closing Balance	<u>3,028,267</u>	<u>5,469,446</u>

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

29. Net Assets Value (NAV) per Share

Total Assets	4,442,886,966	4,677,985,132
Total Liabilities	(3,309,999,924)	(3,470,388,482)
A. Net Assets	<u>1,132,887,042</u>	<u>1,207,596,650</u>
B. Number of ordinary of shares	<u>29,221,500</u>	<u>29,221,500</u>
Net Assets Value (NAV) per Share (A/B)	<u>38.77</u>	<u>41.33</u>

30. Sales	July 1,2023 to December 31,2023			July 1,2022 to December 31,2022		
	Quantity	USD	Taka	Quantity	USD	Taka
Export sales:						
Knit Fabrics (Kgs)	145,377	1,026,361	112,386,558	1,339,004	8,957,937	904,751,639
Garments (pcs)	1,026,910	3,292,785	360,559,958	1,324,718	4,212,602	425,472,808
Total		4,319,146	472,946,516		13,170,539	1,330,224,447

31. Export Incentives

Cash Incentive

July 1,2023 to December 31,,2023	July 1,2022 to December 31,2022
Taka	Taka
48,846,580	58,113,581
48,846,580	58,113,581

32. Cost of Goods Sold

32.1 The break-up is as follows:-

Materials Consumed - Note 32.2	282,697,233	945,819,553
Salary, Wages and Allowances	70,446,511	111,998,549
Tiffin & Entertainment Expenses	352,855	456,246
Depreciation - Note 4.1	42,079,734	49,394,159
Stores and Spares Consumed	325,753	455,325
Factory Conveyance	285,155	445,620
Power and Gas	17,208,924	54,236,467
Gratuity	728,484	1,022,328
Vehicle expenses	514,852	958,159
Repairs and Maintenance	325,421	569,305
Packing & Loading Expenses	353,230	659,027
Import Landing, Clearing and Insurance	365,983	705,460
Factory Stationery Expenses	345,468	652,503
Carriage Inward and Outward	558,965	1,508,465
Knitting, Sewing & Processing Charge	571,543	1,468,002
Factory Insurance	1,688,856	1,797,438
Sewing Machine rental		254,864
Miscellaneous	45,980	75,650
Total Manufacturing Costs for the year	418,894,947	1,172,477,120
Add Opening Work in Process	193,481,154	184,171,796
Total Manufacturing Costs	612,376,101	1,356,648,916
Less Closing Work in Process	185,946,186	185,225,085
Cost of Goods Manufactured	426,429,915	1,171,423,831
Add Opening Finished Goods	155,150,760	129,658,287
Cost of Goods available for use	581,580,675	1,301,082,118
Less Closing Finished Goods	154,968,394	127,053,093
Cost of Goods Sold	426,612,281	1,174,029,025

32.2 Materials Consumed

	July 1,2023 to December 31,2023		July 1,2022 to December 31,2022	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	481,893	189,514,086	1,924,690	675,565,845
Dyes	37,315	26,611,850	155,118	110,598,563
Chemicals	137,799	29,556,452	784,539	104,343,677
Accessories		37,014,845		55,311,468
Total Materials Consumption		282,697,233		945,819,553

33. Administrative, Selling and General Expenses**33.1 The break-up is as below:**

	July 1,2023 to December 31,2023	July 1,2022 to December 31,2022
	Taka	Taka
Directors' Remuneration	1,300,000	1,300,000
Salaries and Allowances	23,844,837	31,568,542
Depreciation - Annexure -A	14,026,578	12,348,539
Elelectricity Expenses	2,066,884	1,290,436
Postage, Courier, Telephone and Fax	412,535	556,596
Form & Stamp	285,456	426,805
Gratuity	455,879	569,800
Travelling and Conveyance	305,667	365,322
Legal and Professional Expenses	30,000	30,000
Auditors' Fee	86,250	86,250
A.G.M Expenses	105,842	173,520
Registration and Fees	315,320	433,158
Staff welfare	125,850	352,422
Stationery Expenses	314,822	363,590
Office Repairs and Maintenance	278,520	359,577
Vehicle Expenses	355,649	765,593
Entertainment Expenses	265,845	436,668
Central fund for RMG	157,675	94,369
Buying House Commission	220,000	250,000
Freight Charges & Freight out	-	756,540
Garments Testing & Inspection Charges	458,031	1,091,558
Miscellaneous	86,985	105,200
	45,498,625	53,724,485

34. Financial Expenses

Interest Expenses	117,635,364	99,699,156
Bank Charges	3,638,299	7,635,003
	121,273,663	107,334,159

34.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	49,321	281,409
Interest on Long Term Loans	90,726,353	69,163,957
Interest on Bills Discounted	1,833,743	3,889,654
Interest on Bank Overdraft	5,179,526	2,393,747
Interest on Time Loan	1,302,542	2,333,537
Interest on Trust Receipts	-	1,128,014
Interest on Lease Finance	17,071,521	19,591,578
Interest on ZCB	1,472,358	917,260
	117,635,364	99,699,156

35. Other Income

Interest in FDR	2,925,828	4,186,133
Exchange Fluctuation Gain/(Loss)	1,475,972	627,543
	4,401,800	4,813,676

35.01 Exchange Fluctuation Gain/(Loss)

Unrealised gain/(loss) on receivables	1,568,458	687,838
Unrealised gain/(loss) on payables	(387,976)	(214,510)
Unrealised gain/(loss) FC accounts balances	295,490	154,215
	1,475,972	627,543

36. Event after Balance Sheet Date:

The Board of Directors of the Company in its meeting held on November 11,2023 (2022: October 27,2022) recommended 5% cash dividend i.e. ,Tk 0.50 per share of Tk. 10.00 each (2022 : 5% cash dividend and 10% stock dividend) other than Sponsor /Director Shareholders of the company subject to their approval in the AGM.

	July 1,2023 to December 31,2023	July 1,2022 to December 31,2022
	Taka	Taka
37. Current Tax		
A. Regular Tax		
Profit before tax	(68,853,373)	55,299,081
Depreciation as per Accounting base	56,106,312	61,742,698
	(12,747,061)	117,041,779
Depreciation as per Tax base	(51,100,128)	(72,152,705)
	(63,847,189)	44,889,074
Provision for Gratuity for the Year	1,184,363	1,592,128
	(62,662,826)	46,481,202
Other Income	4,401,800	-
	(58,261,026)	46,481,202
Payment for Grauity	(2,885,420)	(2,856,854)
	(61,146,446)	43,624,348
Tax Rate @ 15%	5,628,720	6,543,652
B. Minimum tax on Gross receipt %.30%	2,028,913	4,067,230
C. Tax Deducted at Sources U/S -52	6,352,004	13,196,724
Current Tax Expenses (Higer of A,B C)	6,352,004	13,196,724

38. Remuneration/Payments to Directors/Officers:

38.1 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	1,300,000	-	1,300,000	-
Basic salary		14,226,548		19,256,425
House Rent Allowance		6,987,421		9,586,421
Other benefits and perquisites		2,630,868		2,725,696
	1,300,000	23,844,837	1,300,000	31,568,542

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

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

39. Earnings per share

39.1. 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)	(74,788,686)	40,272,070
B. Number of ordinary of shares outstanding during the year	29,221,500	26,565,000
Earning Per Share (EPS) (A/B)	(2.56)	1.52

39.2. 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.

40.Net Operating Cash Flows per Share (NOCFPS):

Cash flows from Operating Activities:

	July 1,2023 to December 31,2023	July 1,2022 to December 31,2022
	Taka	Taka
Cash received from Sales , Export incentives and Others	672,197,978	1,351,557,159
Exchange Fluctuation Gain/(Loss)		627,543
Receipts from Other Income	4,106,310	4,186,133
Cash paid for goods and services	(571,409,230)	(1,322,214,894)
Cash from operation	104,895,058	34,155,941
Interest paid	(117,635,364)	(99,699,156)
Income tax paid/deducted at sources	(6,352,004)	(13,196,724)
Net Cash inflows from operating activities	(19,092,310)	(78,739,939)
Divided by number of ordinary of shares	29,221,500	26,565,000
Net operating cash flows per share (NOCFPS)	(0.65)	(2.96)

NOCFPS became significantly positive mainly due to increased collections from Sales and Export Incentive.

41. Reconciliation of net operating cash flow

	July 1,2023 to December 31,2023	July 1,2022 to December 31,2022
Profit after tax	(74,788,686)	40,272,070
Depreciation	56,106,312	61,742,698
Changes in:		
Stock and Stores	2,445,855	(29,934,695)
Trade and other Debtors	195,999,866	(36,780,869)
Cash Incentive Receivable	(45,594,984)	
Advance Deposit and Prepayments	(5,706,041)	(13,374,094)
Trade Creditors	(137,685,596)	(109,277,786)
Accrued Expenses	(11,134,929)	(4,326,377)
Provision for Current Taxation	6,352,004	13,196,724
Provision for Gratitude	(1,701,057)	(1,264,726)
Workers' Participation /Welfare Funds	(2,441,179)	(823,171)
Provision for Deferred Taxation	(495,769)	1,751,209
Decrease, Revaluation Surplus	(448,106)	79,078
Net cash provided (used) by operating activities	(19,092,310)	(78,739,939)

42.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, June 30,2021 is as under:

Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			December 31,2023	December 31,2022
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	112,386,558	904,751,639
		Receivable	64,520,000	63,893,500
Pride Limited	Common Director			
Dacca Textiles Limited	Common Director			
Pride Spinning Limited	Common Director			

Approval for receivable in Fashion Knit Garments Limited will be taken in next Annual General Meeting interns of BSEC Notification No.

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

Name of Directors	Designation	Monthly Remuneration	Bonus during	December 31,2023	December 31,2022
Dr.Mohammad Abdul Moyeen	Chairman	-	-	-	-
Mr.Mohammad Abdul Moyeed	Managing	200,000	100,000	1,300,000	1,300,000
Mr.Mohammad Abdul Momen	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azwad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Dr. A.H.M Habibur Rahman	Independent Director	-	-	-	-
Dr. Md. Zakir Hossain Bhuiyan	Independent	-	-	-	-
Total		200,000	100,000	1,300,000	1,300,000

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

(Amount in Taka)

Particulars	Cost or valuation			Depreciation			Written Down Value
	As on July 01, 2023	Addition/ (Deletion)	As on December 31, 2023	As on July 01, 2023	During the Year	As on December 31, 2023	As on December 31, 2023
Factory Land and Development	8,479,375	-	8,479,375	-	-	-	8,479,375
Factory Building	1,008,563,010	-	1,008,563,010	142,113,245	12,607,038	154,720,283	853,842,727
Factory Shed	6,823,475	-	6,823,475	6,823,470	-	6,823,470	5
Plant and Machinery	1,931,488,527	-	1,931,488,527	1,107,203,399	38,347,381	1,145,550,780	785,937,747
Electric Installation	36,482,818	-	36,482,818	34,298,126	1,824,140	36,122,266	360,552
Gas Installation	7,826,035	-	7,826,035	7,093,892	106,433	7,200,325	625,710
Water Installation	9,753,520	-	9,753,520	9,753,510	-	9,753,510	10
Steam Installation	2,563,352	-	2,563,352	2,563,342	-	2,563,342	10
Furniture and Fixtures	11,174,967	-	11,174,967	11,045,078	6,542	11,051,620	123,347
Telephone Installation	1,027,861	-	1,027,861	1,027,851	-	1,027,851	10
Motor Vehicles	46,192,122	-	46,192,122	44,227,989	1,645,220	45,873,209	318,913
Office Equipment	41,317,547	-	41,317,547	40,393,247	493,584	40,886,831	430,716
Loose Tools	183,875	-	183,875	183,865	-	183,865	10
Factory Equipment	14,817,242	-	14,817,242	14,268,442	548,790	14,817,232	10
A. Total	3,126,693,726	-	3,126,693,726	1,420,995,456	55,579,128	1,476,574,584	1,650,119,142
Intangible Assets							
Software Installation	71,550,000	-	71,550,000	-	-	-	71,550,000
B. Total	71,550,000	-	71,550,000	-	-	-	71,550,000
Revaluation							
Factory Land and Development	644,020,625	-	644,020,625	-	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	4,744,656	527,184	5,271,840	36,902,895
C. Total	686,195,360	-	686,195,360	4,744,656	527,184	5,271,840	680,923,520
Total (A+B+C) as on December 31,2023	3,884,439,086	-	3,884,439,086	1,425,740,112	56,106,312	1,481,846,424	2,402,592,662

Allocation of depreciation

Particulars	Notes	July 23 to December 23	July 22 to December 22
Cost of Goods Sold		42,079,734	49,394,159
Administrative, Selling and General Expenses		14,026,578	12,348,539
Total		56,106,312	61,742,698

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

(Amount in Taka)

Particulars	Cost or valuation			Depreciation			Written Down Value
	As on July 01, 2021	Addition/ (Deletion)	As on December 31,2022	As on July 1, 2022	During the Year	As on December 31,2022	As on December 31,2022
Factory Land and Development	8,479,375	-	8,479,375	-	-	-	8,479,375
Factory Building	984,450,532	17,154,594	1,001,605,126	117,200,576	12,520,064	129,720,640	871,884,486
Factory Shed	6,823,475	-	6,823,475	6,823,470	-	6,823,470	5
Plant and Machinery	1,801,757,486	2,759,285	1,804,516,771	1,022,940,112	41,026,591	1,063,966,703	740,550,068
Electric Installation	36,482,818	-	36,482,818	30,649,845	1,824,141	32,473,986	4,008,832
Gas Installation	7,826,035	-	7,826,035	6,881,025	391,302	7,272,327	553,708
Water Installation	9,753,520	-	9,753,520	9,530,184	223,326	9,753,510	10
Steam Installation	2,563,352	-	2,563,352	2,563,342	-	2,563,342	10
Furniture and Fixtures	11,132,967	-	11,132,967	11,031,994	100,963	11,132,957	10
Telephone Installation	1,027,861	-	1,027,861	1,027,851	-	1,027,851	10
Motor Vehicles	46,192,122	-	46,192,122	40,937,549	3,464,409	44,401,958	1,790,164
Office Equipment	40,309,847	1,070,900	41,380,747	39,406,079	923,856	40,329,935	1,050,812
Loose Tools	183,875	-	183,875	183,865	-	183,865	10
Factory Equipment	14,817,242	-	14,817,242	12,786,718	740,862	13,527,580	1,289,662
A. Total	2,971,800,507	20,984,779	2,992,785,286	1,301,962,610	61,215,514	1,363,178,124	1,629,607,162

Revaluation

Factory Land and Development	644,020,625	-	644,020,625	-	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	3,690,288	527,184	4,217,472	37,957,263
B. Total	686,195,360	-	686,195,360	3,690,288	527,184	4,217,472	681,977,888
Total (A+B) as on December 31,2022	3,657,995,867	20,984,779	3,678,980,646	1,305,652,898	61,742,698	1,367,395,596	2,311,585,050

Allocation of depreciation

Particulars	Notes	July 21 to December 22	July 20 to December 21
Cost of Goods Sold		49,394,169	44,834,788
Administrative, Selling and General Expenses		12,348,539	11,208,697
Total		61,742,698	56,043,485