

H.R Textile Mills Limited
Statement of Financial Position

As at September 30, 2024

ASSETS	Notes	Amount in Taka	
		As at Sept 30,2024	As at June 30,2024
Non-Current Assets			
Property, Plant and Equipment	4	2,618,681,175	2,656,075,849
Capital Work In Progress	5	184,646,812	184,646,812
Investment in Fixed Deposits	6	87,163,973	85,254,529
Total Non-Current Assets		2,890,491,960	2,925,977,190
Current Assets			
Stocks and Stores	7	414,597,740	372,930,831
Trade and Other Debtors	8	525,747,137	589,873,127
Export Incentive Receivable	9	57,393,936	47,845,516
Deferred Revenue Expenditure	10	209,789,961	153,180,675
Advances, Deposits and Prepayments	11	347,411,381	351,960,066
Cash and Bank Balances	12	97,181,910	52,404,865
Total Current Assets		1,652,122,065	1,568,195,080
TOTAL ASSETS		4,542,614,025	4,494,172,270
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' Equity			
Share Capital	13	292,215,000	292,215,000
General Reserve	14	6,956,752	6,956,752
Tax Holiday Reserve	15	22,378,988	22,378,988
Dividend Equalisation Reserve	16	10,000,000	10,000,000
Revaluation Surplus	17	648,955,105	649,179,158
Retained earnings	18	(436,573,668)	(354,379,413)
Total Shareholders' Equity		543,932,177	626,350,485
Long-term Liabilities			
Long-term Loans-Secured, Future Maturity	19	2,930,761,224	2,881,032,296
Non-Convertible Callable Zero-coupon Bond	20	25,995,396	25,453,504
Provision for Gratuity	21	14,884,951	15,958,298
Provision for Deferred Taxation	22	94,583,280	94,239,450
Total long-term Liabilities		3,066,224,851	3,016,683,548
Current Liabilities			
Short -terms Loans	23	689,024,634	613,323,955
Trade Creditors	24	170,596,486	168,270,225
Unclaimed Dividend Account	25	3,410,229	3,412,517
Accrued Expenses	26	27,835,722	25,415,763
Provision for Current Taxation	27	39,034,116	37,573,632
Workers' Participation /Welfare Funds	28	2,555,810	3,142,145
Total Current Liabilities		932,456,997	851,138,237
Total Liabilities		3,998,681,848	3,867,821,785
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		4,542,614,025	4,494,172,270
Net Assets Value (NAV) per share	29	18.61	21.43

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


Managing Director


Director


Director


CFO/IF&A


Company Secretary

H.R Textile Mills Limited
Statement of Profit or Loss and other Comprehensive Income
For the Q1 period from July 1, 2024 to September 30,2024

<u>Particulars</u>	Notes	Amount in Taka	
		July 1,2024 to Sept 30,2024	July 1,2023 to Sept 30,2023
Sales Revenue	30	190,829,587	403,824,799
Export Incentive	31	9,548,420	34,574,500
Turnover		200,378,007	438,399,299
Cost of Goods Sold	32	(189,883,391)	(314,225,188)
Gross Profit		10,494,616	124,174,111
Administrative, Selling and General Expenses	33	(22,304,591)	(23,146,971)
Financial Expenses	34	(71,139,519)	(69,457,497)
Operating Profit		(82,949,494)	31,569,643
Other income	35	2,335,500	3,368,064
Profit Before contribution to WPPF		(80,613,994)	34,937,707
Contribution to WPPF	28	-	(1,663,700)
Net Profit before Tax		(80,613,994)	33,274,007
Income Tax Expenses		(1,843,853)	(5,889,480)
Current Tax	38	(1,460,484)	(5,628,720)
Deferred Tax	22	(383,369)	(260,760)
Net Profit after tax		(82,457,847)	27,384,527
Earnings per share (EPS)	39	(2.82)	0.94

The annexed notes from 1 to 42 and Annexure A to 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 Changes in Shareholders' Equity
For the first Quarter ended September 30,2024

<u>Particulars</u>	<u>Share Capital</u>	<u>General Reserve</u>	<u>Tax Holiday Reserve</u>	<u>Revaluation Surplus</u>	<u>Dividend Equalization Reserve</u>	<u>Retained Earnings</u>	<u>Total Taka</u>
Balance as at June 30,2024	292,215,000	6,956,752	22,378,988	649,179,158	10,000,000	(354,379,413)	626,350,485
Revaluation reserve realised				(224,053)		263,592	39,539
Net profit after Tax	-	-	-	-	-	(82,457,847)	(82,457,847)
Balance as on September 30,2024	292,215,000	6,956,752	22,378,988	648,955,105	10,000,000	(436,573,668)	543,932,177

	<u>Share Capital</u>	<u>General Reserve</u>	<u>Tax Holiday Reserve</u>	<u>Revaluation Surplus</u>	<u>Dividend Equalization Reserve</u>	<u>Retained Earnings</u>	<u>Total Taka</u>
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				(224,053)		263,592	39,539
Net profit after Tax	-	-	-	-	-	27,384,527	27,384,527
Balance as on September 30,2023	292,215,000	6,956,752	22,378,988	649,851,317	10,000,000	253,618,659	1,235,020,716


 Managing Director


 Director


 Director


 CFO, ICF&A


 Company Secretary

H.R Textile Mills Limited
Statement of Cash Flows
For the year ended September 30,2024

Particulars	Notes	Frist Quarter Ended	
		Amount in Taka	
		July ,2023 to Sept20 24	July ,2023 to Sept 2023
Cash Flows from Operating Activities:			
Cash received from Sales and Export incentives		254,955,577	477,681,480
Receipts from Other Income		2,199,658	3,241,644
Cash paid for goods and services		(265,692,187)	(326,140,169)
Cash from operation		(8,536,952)	154,782,955
Interest paid		(69,421,128)	(67,301,700)
Income tax paid/deducted at sources		(1,460,484)	(4,891,633)
Net Cash inflows from operating activities		(79,418,564)	82,589,622
Cash Flows from Investing Activities:			
Acquisition of property, plant and equipment	4 & 5	-	-
Investment in FDR	6	(1,909,444)	(1,947,956)
Net Cash outflows from investing activities		(1,909,444)	(1,947,956)
Cash Flows from Financing Activities:			
Long Term Loans Received/(Repaid)		49,728,928	8,456,682
Non-Convertible Callable Zero-coupon Bond		541,892	736,179
Short-term Loans Received/(Repaid)		75,700,679	33,479,711
Bills Receivable Discounted Received/(Repaid)		-	(979,451)
Cash dividend Paid		(2,288)	(527,146)
Net Cash inflow from financing activities		125,969,211	41,165,975
Net increase/(decrease) in cash and bank balances		44,641,203	121,807,641
Cash and bank balances on opening		52,404,865	101,460,581
Effects of Exchange rete changes on cash and cash equivelents		135,842	126,420
Cash and bank balances at closing - Note 7		97,181,910	223,394,642
Net operating cash flows per share (NOCFPS)	40	(2.72)	2.83


Managing Director


Director


Director


CFO/TF&A


Company Secretary

H.R TEXTILE MILLS LIMITED
Notes to the Financial Statements
For the 1st Quarter ended 30 September, 2024

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 2024 to September 30, 2024

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 Assistan	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

2.5 Component of Financial Statements

- (i) Statement of Financial Position as on September 30, 2024;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period ended September 30, 2024;
- (iii) Statements of Changes in Shareholders' Equity for the period ended September 30, 2024;
- (iv) Statement of Cash Flows for the period ended September 30, 2024; and
- (v) Notes to the Financial Statements for the period ended September 30, 2024.

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.

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 Depr
01	Factory Building	2.50%
02	Plant & Machinery	7.00%
03	Factory Shed	7.5%
	Electric, Gas, Water, Steam and Telephone Installation, Furniture & Fixtures, 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 Recognition

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 are operating units. The 'Treasury Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

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

Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of September 30,2024.

Maturity analysis

Particulars	Current	>30 days	> 90 days	> 1 year	Total
Loans and Receivables					
Cash and Cash Equivalents					
Accounts Receivable					
Balance at September 30,2024					

Financial liabilities measured at amortized Cost:

Bank Loan				3,619,785,858	3,619,785,858
Sundry Creditors	170,596				
Balance at September 30,2024				3,	3,

Credit risks:

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

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

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

Market risks

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

Interest rate risk

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

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

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Treasury manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

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

BDT	Carrying am	Between 1 and 3	Between 91 and 3	Between 1 an	Total
Non-derivative financial liabilities		-			
Bank Loan	-	-	-	-	3,619,785,858
Sundry Creditors	-	-		-	-
Balance at September 30,2024	-	-	170,596	-	3,619,785,858

	Sept. 30,2024	June 30,2024
	Taka	Taka
4. Property, Plant and Equipment		
a) Cost:		
Opening Balance	4,217,174,336	3,884,439,086
Add: Addition during the year	-	332,735,250
Sub total (a)	4,217,174,336	4,217,174,336
b) Accumulated depreciation		
Opening Balance	1,561,098,487	1,425,740,112
Add: charged during the period	37,394,674	135,358,375
	1,598,493,161	1,561,098,487
Written down value (a-b)	2,618,681,175	2,656,075,849

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

5. Capital Work In progress		
Opening Balance	184,646,812	184,646,812
Closing Balance	184,646,812	184,646,812
6. Investment in Fixed deposits		
Opening Balance	85,254,529	87,831,237
Addition this Period	-	1,100,029
Add Interest this Period	1,909,444	6,333,080
Less: Realised this year		(10,009,817)
Closing Balance	87,163,973	85,254,529

7. Stocks and stores

7.1 The make-up is as below:

	September 30,2024		June 30,2024	
	In Kg	Taka	In Kg	Taka
7.2 Stock of Yarn	154,401	71,259,208	149,382	68,674,473
7.3 Stock of Dyes and Chemicals	141,900	35,820,463	177,941	42,263,973
7.4 Stock of Work-in-Process		144,958,475		162,385,379
7.5 Stock of Finished Goods		123,429,834		60,518,261
Stock of Accessories		13,565,840		10,560,217
Goods in Transit		12,358,456		15,684,754
		401,392,276		360,087,057
Stock of Spares		13,205,464		12,843,774
		414,597,740		372,930,831

7.2 Stock of Yarn

Stock of Yarn	154,401	71,259,208	149,382	68,674,473
	154,401	71,259,208	149,382	68,674,473

7.3 Stock of Dyes and Chemicals

Dyes	16,130	14,235,865	16,915	14,999,779
Chemicals	125,770	21,584,598	161,026	27,264,194
	141,900	35,820,463	177,941	42,263,973

7.4 Stock in Work in Process

Stock of Work In Process		144,958,475		162,385,379
		144,958,475		162,385,379

7.5 Stock of Finished Products

Finished Garments	93,120	32,584,592	143,236	42,545,240
Knitted Fabrics	-	90,845,242	-	17,973,021
	93,120	123,429,834	143,236	60,518,261

8. Trade and Others Debtors

	September 30,2024		June 30,2024	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days)	3,791,825	471,227,137	4,502,549	535,353,127
Other Debtors	509,533	54,520,000	509,533	54,520,000
	4,301,358	525,747,137	5,012,082	589,873,127

These include a sum of Tk.54,520,000 (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

10. Deferred Revenue Expenditure

Opening Balance
Interest during the year
Closing Balance

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

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

Deposits :

Security Deposits
Bank Guarantee Margin

The advances are unsecured but considered good.

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

Brac Bank Ltd, Dhanmondi Branch,CD A/c	27,234	27,579
Mutual Trust Bank Ltd.,Gulshan Branch, CD A/c	672,894	673,239
Mutual Trust Bank Ltd.,Gulshan Branch, Fund builup A/c	6,377,514	6,377,514
Mutual Trust Bank Ltd.,Gulshan Branch, Dollar A/c	1,997,698	1,980,792
Mutual Trust Bank Ltd.,Gulshan Branch, ERQ A/c	26,602	26,378
HSBC,Anchor Tower Branch, MDA Margin A/c	22,909,268	22,716,753
HSBC,Anchor Tower Branch, FCY A/c	2,498,125	2,477,522
HSBC,Anchor Tower Branch, CD A/c	1,959,472	1,942,618
Trust Bank Ltd,SKB Branch, Dollar A/c	-	281,025
Trust Bank Ltd,SKB Branch,FCAD A/c	457	453
Trust Bank Ltd,SKB Branch, CD A/c	5,142	365,143
Meghna Bank PLC, Principal Bank,CD A/c	60,282	9,425
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch,CD A/c	126,833	564,702
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch,ERQ A/c	28,085,535	8,680,769
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch,Exporter A/c	24,295,041	-
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch,Fc Held A/c	5,585,006	2,941,156
Dutch Bangla Bank Ltd.,Gulsgan Branch ,CD A/c	227,284	227,629
AB Bank Ltd,Motijheel Branch, CD A/c	24,857	25,202
AB Bank Ltd,Motijheel Branch, Notice A/c	621,789	624,016
	95,501,033	49,941,915

With Bank on Short Term Deposit Account:

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

Cash at Banks
Cash in Hand

	Sept. 30,2024 Taka	June 30,2024 Taka
Opening Balance	47,845,516	-
Add for the period	9,548,420	51,823,512
	57,393,936	51,823,512
Less: Received for the period	-	3,977,996
Closing Balance	57,393,936	47,845,516
Opening Balance	153,180,675	-
Interest during the year	56,609,286	153,180,675
Closing Balance	209,789,961	153,180,675
Salary Advance	2,048,500	1,737,000
Advance Tax	1,585,000	1,585,000
LC Margin	-	8,465,000
Factory Insurance Advance	2,905,758	397,923
Advance against Land	248,000,000	248,000,000
IPDC Finance Ltd.	8,709,484	8,709,484
Operational Advance	6,182,306	6,545,810
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	36,200,862	34,740,378
	312,231,910	316,780,595
Security Deposits	17,381,571	17,381,571
Bank Guarantee Margin	17,797,900	17,797,900
	35,179,471	35,179,471
	347,411,381	351,960,066
	37,863	38,208
	53,472	53,987
	91,335	92,195
	95,592,368	50,034,110
	1,589,542	2,370,755
	97,181,910	52,404,865

13. Share Capital

13.1 Authorized:

100,000,000 Ordinary Shares of Tk.10 each	1,000,000,000	1,000,000,000
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13.2 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
	292,215,000	292,215,000

13.3 Composition of Shareholdings:

Classes of Holdings	September 30,2024		June 30,2024	
	No. of Shares	%	No. of Shares	%
Sponsors	14,093,947	48.23	14,093,947	48.23
Financial Institutions	2,597,905	8.89	2,137,911	7.32
General Public	12,529,648	42.88	12,989,642	44.45
	29,221,500	100	29,221,500	100

Distribution schedule-Disclosures Under the Listing Regulations of Stock Exchanges:

The distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below as a requirement of the Stock Exchanges (Listing) Regulations , 2015.

Shareholdings range in number of shares	September 30,2024			June 30,2024		
	No of Shareholders	No. of Shares	Holdings %	No. of Shareholders	No. of Shares	Holdings %
0000000001-00000000499	6,858	1,918,611	6.57	6,658	1,876,611	6.42
00000000500-00000000500	3,682	1,841,000	6.30	3,620	1,831,000	6.27
00000000501-00000002000	763	1,678,600	5.74	758	1,703,600	5.83
00000002001-00000005000	324	915,948	3.14	313	905,948	3.10
00000005001-00000010000	112	823,424	2.82	104	834,424	2.86
00000010001-00000050000	35	1,260,000	4.31	34	1,239,000	4.24
00000050001-00000100000	21	1,455,163	4.98	19	1,466,163	5.02
00000100001-00000250000	14	2,250,548	7.70	13	2,286,548	7.82
00000250001-00000500000	5	1,905,857	6.52	5	1,905,857	6.52
0000020500001 and above	8	15,172,349	51.92	8	15,172,349	51.92
Total	11,822	29,221,500	100.00	11,532	29,221,500	100.00

13.4 Year wise break-up of the issue:

Date	Particulars	Shares	2024 (Taka)	2024 (Taka)
3/12/1984	Subscribed Capital as per Memorandum and Articles of Association at the time on Incorporation (40,000 of Tk. 10 each)	40,000	400,000	400,000
25/06/1987	281,000 Bonus Shares of Tk.10 each issued	281,000	2,810,000	2,810,000
10/2/1995	15,000 Bonus Shares of Tk.10 each issued	15,000	150,000	150,000
27/03/1995	3,664,000 Bonus Shares of Tk.10 each issued	3,664,000	36,640,000	36,640,000
6/4/1995	4,000,000 Bonus Shares of Tk.10 each issued	4,000,000	40,000,000	40,000,000
14/12/1995	2,000,000 Bonus Shares of Tk.10 each issued	2,000,000	20,000,000	20,000,000
19/12/1996	10,000,000 shares issued through Public offering (10,000,000 Shares of Tk.10 each)	10,000,000	100,000,000	100,000,000
28/03/2011	10% Shares issued as Bonus (2,000,000 Shares of Tk. 10 each)	2,000,000	20,000,000	20,000,000
29/03/2012	15% Shares issued as Bonus (3,300,000 Shares of Tk. 10 each)	3,300,000	33,000,000	33,000,000
24/01/2022	5% Shares issued as Bonus (1,265,000 Shares of Tk. 10 each)	1,265,000	12,650,000	12,650,000
18/01/2023	10% Shares issued as Bonus (2,656,500 Shares of Tk. 10 each)	2,656,500	26,565,500	26,565,000
	Total	29,221,500	292,215,500	292,215,000

13.5 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.

14. General Reserve

Opening and Closing Balance	6,956,752	6,956,752
	6,956,752	6,956,752

15. Tax Holiday Reserve

	Sept. 30,2024 Taka	June 30,4 Taka
Opening and Closing Balance	22,378,988	22,378,988
	22,378,988	22,378,988

16. Dividend Equalisation Reserve

Opening and Closing Balance	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

17. Revaluation Surplus

Revaluation Surplus	649,179,158	650,075,370
Revaluation reserve realised	(224,053)	(896,212)
Closing Balance	<u>648,955,105</u>	<u>649,179,158</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.

18. Retained earnings

Balance as on June 30,2024	(354,379,413)	225,970,540
Prior adjustment of Interest on non-Convertible callable Zero-coupon Bond		968,424
Total Comprehensive income for the year:		
Profit for the year	(82,457,847)	(574,808,760)
Revaluation reserve realised	263,592	1,054,368
	<u>(436,573,668)</u>	<u>(346,815,428)</u>
Final dividend for previous year (Cash)	-	(7,563,985)
Balance as on September 30,2024	<u>(436,573,668)</u>	<u>(354,379,413)</u>

19. Long-term Loan -Secured Future Maturity

Mutual Trust Bank Ltd.,Gulshan Branch	19.1	690,542,909	666,386,399
IPDC Finance Ltd., Hosna Centre (4th Floor),106 Gulshan Avenue, Dhaka	19.2	184,999,198	207,790,547
United Commercial Bank Ltd., Gulshan Corporate Branch, Dhaka	19.3	268,715,906	276,961,425
AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch	19.4	1,786,503,211	1,729,893,925
		<u>2,930,761,224</u>	<u>2,881,032,296</u>

19.1 The movement of loan is as follows:

Opening Balance	666,386,399	602,567,269
Received this year	-	-
Add. Interest this Period	24,156,510	72,337,618
Total	690,542,909	674,904,887
Paid during the period	-	(8,518,488)
Closing Balance	<u>690,542,909</u>	<u>666,386,399</u>

The loan has been taken from Mutual Trust Bank Ltd,Gulshan Branch for import of Plant and machinery.The loan carries interest at 14.50% 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.

19.2 The movement of loan is as follows:

Opening Balance	207,790,547	343,210,208
Received this year	-	-
Add: Interest	22,388,549	45,299,930
Total	230,179,096	388,510,138
Current Maturity	(45,179,898)	(180,719,591)
Closing Balance	<u>184,999,198</u>	<u>207,790,547</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 14.50% and is repayable in 72 equal monthly installments, starting from 25 November 2019.

19.3 The movement of loan is as follows:

Opening Balance	276,961,425	328,722,028
Accrued Interest	17,766,330	52,286,792
Total	294,727,755	381,008,820
Current Maturity	(26,011,849)	(104,047,395)
Closing Balance	<u>268,715,906</u>	<u>276,961,425</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 14.50% and is repayable in 44 months .The loan is secured by hypothecation of stock, machinery, equipment and book debts.

19.4 The movement of loan is as follows:

	Sept. 30,2024	June 30,2024
	Taka	Taka
Opening Balance	1,729,893,925	1,236,320,250
Loan received this period	-	341,700,000
Add: Interest	56,609,286	153,180,675
	<u>1,786,503,211</u>	<u>1,731,200,925</u>
Less: Paid this period		(1,307,000)
Closing Balance	<u>1,786,503,211</u>	<u>1,729,893,925</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 14.50% 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.

20. Non-Convertible Callable Zero-coupon Bond

Received this year	25,453,504	24,254,358
Prior year adjustment of Interest	-	(968,424)
Add Interest	541,892	2,167,570
Closing Balance	25,995,396	25,453,504

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

21. Provision for Gratuity

Opening Balance	15,958,298	22,008,828
Contribution during this year	692,103	1,610,904
	16,650,401	23,619,732
Paid during this year	(1,765,450)	(7,661,434)
Closing Balance	14,884,951	15,958,298

22. Provision for Deferred Taxation

Opening Balance	94,239,450	90,721,566
Charged to profit or loss account during the year	383,369	3,676,040
Adjustment for depreciation of revalued assets	(39,539)	(158,156)
Closing balance	94,583,280	94,239,450

A. Property, Plant and Equipment (PPE)

WDV of Accounting Base	1,938,548,431	1,975,679,513
WDV of Tax Base	1,500,959,223	1,539,572,761
Taxable temporary difference	437,589,208	436,106,752
Tax rate	15%	15%
Deferred tax liability (asset)	65,638,381	65,416,014

B. Deferred Tax on Gratuity Position

Opening balance of deferred tax liability for gratuity provision	(2,393,744)	(3,301,324)
Addition during the year	161,002	907,580
Deferred tax liability (asset)	(2,232,742)	(2,393,744)

C. Calculation of deferred Tax

Revalued value of land	644,020,625	644,020,625
Revalued value of other than land	36,112,119	36,375,711
Tax Rate		
On land	4%	4%
On other than land	15%	15%
Deferred tax liabilities		
For land	25,760,825	25,760,825
For other than land	5,416,818	5,456,355
Deferred tax liability (asset)	31,177,643	31,217,180
Total (A+B+C)	94,583,282	94,239,450

Calculation of deferred tax charged on Profit and Loss Account:

Deferred tax liability other than revalued asset as on June 30,2024	63,022,270	59,346,230
Deferred tax liability other than revalued asset as on September 30,2024	63,405,639	63,022,270
	383,369	3,676,040

23. Short-term loans

	September 30,2024	June 30,2024
	Taka	Taka
Bank Overdrafts	23.01 54,296,268	52,514,653
Time Loan	23.02 83,480,617	80,753,300
Current Maturity of Long-term loans	23.03 551,247,749	480,056,002
	689,024,634	613,323,955

23.01 Bank Overdrafts

AL-Arafah Islami Bank Ltd. , Head Office Corporate Branch

	54,296,268	52,514,653
	54,296,268	52,514,653

These are secured.

23.02 Time Loan : The movement of loan is as follows

Opening Balance	80,753,300	25,169,353
Add: received this year		51,592,644
Add: Interest during the period	2,727,317	6,033,903
Total	83,480,617	82,795,900
Less: Paid during the period	-	(2,042,600)
Closing Balance	83,480,617	80,753,300

The loan has been taken from Trust Bank PLC, Sena Kalyan Bhaban Branch, 195 Motijheel C/A, Dhaka-1000 for working Capital requirement. The loan carries interest at 14.50% and is repayable in 36 Months.

23.03 Current Maturity of long-term loans

Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	23.04.01	-	-
IPDC Finance Limited, Hosna Centre (4th Floor), 106, Gulshan Avenue, Dhaka	23.04.02	317,141,110	271,961,212
United Commercial Bank Ltd. Corporate Branch, Dhaka-1212	23.04.03	234,106,639	208,094,790
		<u>551,247,749</u>	<u>480,056,002</u>

23.04.01 The movement of loan is as follows:

Opening Balance	-	27,845,637
Current Maturity this period	-	-
	-	<u>27,845,637</u>
Paid during this period	-	<u>(27,845,637)</u>
Closing Balance	-	-

The loan has been taken from Mutual Trust Bank Ltd, Gulshan Branch for import of Plant and machinery. The loan carries interest at 14.50% and is repayable in 16 Quarterly installments starting from 11 June, 2021. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

23.04.02 The movement of loan is as follows:

Opening Balance	271,961,212	101,251,438
Current Maturity this year	45,179,898	180,719,591
Total	317,141,110	281,971,029
Paid during this year	-	(10,009,817)
Closing Balance	<u>317,141,110</u>	<u>271,961,212</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 14.50% and is repayable in 72 equal monthly installments, starting from 25 November 2019.

23.04.03 The movement of loan is as follows:

Opening Balance	208,094,790	104,047,395
Current Maturity	26,011,849	104,047,395
Closing Balance	<u>234,106,639</u>	<u>208,094,790</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 14.50% and is repayable in 44 months. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

24. Trade and Other Creditors

	As at September 30, 2024		As at June 30, 2024	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>1,349,370</u>	160,574,980	<u>1,317,507</u>	157,832,535
For Local Purchases		9,485,641		10,009,150
For Staff Income Tax		535,865		428,540
		<u>170,596,486</u>		<u>168,270,225</u>

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

25. Unclaimed Dividend Account

	September 30, 2024	June 30, 2024
	Taka	Taka
Opening Balance	3,412,517	6,785,277
Addition during the year	-	7,563,777
	3,412,517	14,349,054
Less: Transfer to Capital Market Stabilization Fund (CMSF)	-	(4,304,756)
Paid this Period	(2,288)	(6,631,781)
Closing Balance	<u>3,410,229</u>	<u>3,412,517</u>

26. Accrued Expenses

Gas Expenses (Factory)	9,870,814	5,318,720
Electricity Bill	132,362	328,037
Salaries, Wages and Allowances	17,647,546	19,029,006
Legal Fee	15,000	60,000
Auditors' Fee (including Vat)	115,000	460,000
AGM Expenses	55,000	220,000
Closing Balance	<u>27,835,722</u>	<u>25,415,763</u>

27. Provision for Current Taxation

Opening balance	37,573,632	67,079,066
Addition during the year	1,460,484	10,641,870
Total	39,034,116	77,720,936
Paid during the year	-	(40,147,304)
Closing Balance	<u>39,034,116</u>	<u>37,573,632</u>

28. Workers' Participation/Welfare Funds

Opening Balance	3,142,145	5,469,446
Payment during this year	(645,250)	(2,546,520)
	<u>2,496,895</u>	<u>2,922,926</u>
Contributions for the year	-	-
Interest during the year	58,915	219,219
Closing Balance	<u><u>2,555,810</u></u>	<u><u>3,142,145</u></u>

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

29. Net Assets Value (NAV) per Share

Total Assets	4,542,614,025	4,494,172,270
Total Liabilities	(3,998,681,848)	(3,867,821,785)
A. Net Assets	<u><u>543,932,177</u></u>	<u><u>626,350,485</u></u>
B. Number of ordinary of shares	<u><u>29,221,500</u></u>	<u><u>29,221,500</u></u>
Net Assets Value (NAV) per Share (A/B)	<u><u>18.61</u></u>	<u><u>21.43</u></u>

30. Sales

	July 1,2024 to September 30,2024			July 1,2023 to September 30,2023		
	Quantity	USD	Taka	Quantity	USD	Taka
Export sales:						
Knit Fabrics (Kgs)	92,965	640,527	76,158,601	56,597	412,030	44,911,234
Garments (pcs)	293,140	964,432	114,670,986	1,026,910	3,292,785	358,913,565
Total		1,604,959	190,829,587		3,704,815	403,824,799

31. Export Incentives

	July 1,2024 to September 30,2024	July 1,2023 to September 30,2023
	Taka	Taka
Cash Incentive	9,548,420	34,574,500
	9,548,420	34,574,500

32. Cost of Goods Sold

32.1 The break-up is as follows:-

Materials Consumed - Note 32.2	132,738,977	226,829,603
Salary, Wages and Allowances - Note 32.3	48,254,238	41,256,421
Tiffin & Entertainment Expenses	82,545	249,066
Depreciation - Annexure-A	29,915,739	26,519,355
Stores and Spares Consumed	125,484	202,421
Factory Conveyance	54,824	175,452
Power and Gas	21,622,531	10,742,626
Gratuity	456,583	658,452
Vehicle expenses	265,835	423,542
Repairs and Maintenance	425,487	185,421
Packing & Loading Expenses	115,658	248,742
Import Landing, Clearing and Insurance	56,250	254,854
Factory Stationery Expenses	115,484	204,546
Carriage Inward and Outward	135,479	254,845
Knitting, Sewing & Processing Charge	114,526	248,478
Factory Insurance	869,877	844,428
Miscellaneous	18,543	22,850
Total Manufacturing Costs for the year	235,368,060	309,321,102
Add Opening Work in Process	162,385,379	193,481,154
Total Manufacturing Costs	397,753,439	502,802,256
Less Closing Work in Process	144,958,475	191,904,294
Cost of Goods Manufactured	252,794,964	310,897,962
Add Opening Finished Goods	60,518,261	155,150,760
Cost of Goods available for use	313,313,225	466,048,722
Less Closing Finished Goods	123,429,834	151,823,534
Cost of Goods Sold	189,883,391	314,225,188

32.2 Materials Consumed

	July 2024 to September 30,2024		July 2023 to September 30,2023	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	210,682	82,854,875	342,186	134,571,679
Dyes	23,921	17,059,784	40,028	28,546,528
Chemicals	79,047	16,954,878	129,912	27,864,854
Accessories		15,869,440		35,846,542
Total Materials Consumption		132,738,977		226,829,603

32.3 Salaries, Wages and Allowances

	July 2024 to September 30,2024		July 2023 to September 30,2023	
	No. of Employees	Taka	No. of Employees	Taka
Employees drawing Tk.12,500 or more per month	1,072	48,254,238	1,644	41,256,421
Employees drawing less than Tk.12,500 per month	-	-	-	-
Total	1,072	48,254,238	1,644	41,256,421

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

	July 1,2024 to September 30,2024	July 1,2023 to September 30,2023
	Taka	Taka
Directors' Remuneration-Note 33.2	700,000	700,000
Salaries and Allowances Note 33.3	11,956,854	12,448,452
Depreciation - Annexure -A	7,478,935	6,629,839
Electricity Expenses	640,527	583,364
Postage, Courier, Telephone and Fax	132,542	289,587
Form & Stamp	32,548	202,545
Gratuity	235,520	315,875
Travelling and Conveyance	52,698	205,853
Legal and Professional Expenses	15,000	15,000
Auditors' Fee-Note 33.2	115,000	43,125
A.G.M Expenses	58,500	72,150
Registration and Fees	450,400	225,850
Staff welfare	45,587	115,200
Stationery Expenses	85,472	225,495
Office Repairs and Maintenance	65,875	105,840
Vehicle Expenses	145,854	225,842
Entertainment Expenses	56,858	115,420
Central fund for RMG	11,841	116,594
Buying House Commission	-	220,000
Garments Testing & Inspection Charges	-	215,420
Miscellaneous	24,580	75,520
	22,304,591	23,146,971

33.2 No remuneration or fee, other than that specified in note 33.1, was paid to directors and auditors.

33.3 Salaries and Allowances:

	No of Employees	Taka	No of Employees	Taka
Employees drawing Tk.12,500 or more per month	123	11,956,854	153	12,448,452
Employees drawing less than Tk.12,500 per month	-	-	-	-
	123	11,956,854	153	12,448,452

34. Financial Expenses

Interest Expenses	69,421,128	67,301,700
Bank Charges	1,718,391	2,155,797
	71,139,519	69,457,497

34.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	58,915	64,576
Interest on Long Term Loans	41,922,840	54,709,404
Interest on Bills Discounted	-	854,214
Interest on Bank Overdraft	1,781,615	1,725,167
Interest on Time Loan	2,727,317	649,449
Interest on Lease Finance	22,388,549	8,562,711
Interest on ZCB	541,892	736,179
	69,421,128	67,301,700

35. Other Income

Interest in FDR	1,909,444	1,947,956
Rental Income	261,000	-
Exchange Fluctuation Gain/(Loss)	165,056	1,420,108
	2,335,500	3,368,064

35.01 Exchange Fluctuation Gain/(Loss)

Unrealised gain/(loss) on receivables	185,462	1,548,420
Unrealised gain/(loss) on payables	(156,248)	(254,732)
Unrealised gain/(loss) FC accounts balances	135,842	126,420
	165,056	1,420,108

36. Declaration of dividend & authorised for issue:

The financial statements have been authorized by the Board of Directors of the Company in its meeting held on December 23, 2024 (2023: 11 November, 2023) recommended 0% cash dividend i.e. ,Tk.0.00 per share of Tk. 10.00 each (2023 : 5% cash dividend for general share holders) for general shareholders of the company subject to their approval in the AGM.

	July 1,2024 to September 30,2024	July 1,2023 to September 30,2023
37. Current Tax		
A. Regular Tax	Taka	Taka
Profit before tax	(80,613,994)	33,274,007
Depreciation as per Accounting base	37,394,674	33,149,194
	(43,219,320)	66,423,201
Depreciation as per Tax base	(38,613,538)	(31,848,350)
	(81,832,858)	34,574,851
Provision for Gratuity for the Year	692,103	974,327
	(81,140,755)	35,549,178
Other Income	2,335,500	3,368,064
	(78,805,255)	38,917,242
Payment for Grauity	(1,765,450)	(1,402,485)
	(80,570,705)	37,514,757
Tax Rate @ 15%	-	5,628,720
B. Minimum tax on Gross receipt %.30%	608,141	1,325,302
C. Tax Deducted at Sources U/S -52	1,460,484	4,891,633
Current Tax Expenses (Higer of A,B C)	1,460,484	5,628,720

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	Directors	Officers
Remuneration	700,000	-	700,000	-
Basic salary		7,052,484		7,226,548
House Rent Allowance		3,285,482		3,587,421
Other benefits and perquisites		1,618,888		1,634,483
	700,000	11,956,854	700,000	12,448,452

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)	(82,457,847)	27,384,527
B. Number of ordinary of shares outstanding during the year	29,221,500	29,221,500
Earning Per Share (EPS) (A/B)	(2.82)	0.94

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:**

Cash received from Sales , Export incentives and Others	254,955,577	477,681,480
Receipts from Other Income	2,199,658	3,241,644
Cash paid for goods and services	(265,692,187)	(326,140,169)
Cash from operation	(8,536,952)	154,782,955
Interest paid	(69,421,128)	(67,301,700)
Income tax paid/deducted at sources	(1,460,484)	(4,891,633)
Net Cash inflows from operating activities	(79,418,564)	82,589,622
Divided by number of ordinary of shares	29,221,500	29,221,500
Net operating cash flows per share (NOCFPS)	(2.72)	2.83

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

41. Reconciliation of net operating cash flow

	July 1,2024 to	July 1,2023 to
	September 30,2024	September 30,2023
	Taka	Taka
Profit after tax	(82,457,847)	27,384,527
Depreciation	37,394,674	33,149,194
Changes in:		
Stock and Stores	(41,666,909)	20,747,566
Trade and other Debtors	64,125,990	70,605,085
Cash Incentive Receivable	(9,548,420)	(31,322,904)
Deferred Revenue Expenditure	(56,609,286)	-
Advance Deposit and Prepayments	4,676,435	(3,503,715)
Trade Creditors	2,326,261	(31,874,056)
Accrued Expenses	2,419,959	(7,496,671)
Provision for Current Taxation	1,460,484	5,628,720
Provision for Gratitude	(1,073,347)	(428,158)
Workers' Participation /Welfare Funds	(586,335)	(297,134)
Provision for Deferred Taxation	343,830	221,221
Decrease, Revaluation Surplus	(224,053)	(224,053)
Net cash provided (used) by operating activities	(79,418,564)	82,589,622

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:

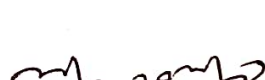
Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			September 30,2024	September 30,2023
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	76,158,601	44,911,234
		Receivable	54,520,000	54,520,000
Pride Limited	Common Director			
Dacca Textiles Limited	Common 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	September 30,2024	September 30,2023
Dr.Mohammad Abdul Moyeen	Chairman	-	-	-	-
Mr.Mohammad Abdul Moyeed	Managing	200,000	100,000	700,000	700,000
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	700,000	700,000


Dr. M. A. Moyeen
Chairman
Director


Mr. M. A. Moyeed
Managing Director


Mr. M. A. Momen
Director


Md. Abu Amur Naheel
CFO/HF&A


Mr. Md. Wali Ullah
Company Secretary

H.R Textile Mills Limited
Schedule of Property ,Plant and Equipment
As at September 30,2024

(Amount in Taka)

Particulars	Cost or valuation			Depreciation			Written Down Value
	As on July 01, 2024	Addition/ (Deletion)	As on September 30, 2024	As on July 01, 2024	During the Year	As on September 30, 2024	As on September 30, 2024
Factory Land and Development	8,479,375	-	8,479,375	-	-	-	8,479,375
Factory Building	1,008,563,010	-	1,008,563,010	167,327,320	6,303,519	173,630,839	834,932,171
Factory Shed	6,823,475	-	6,823,475	6,823,470	-	6,823,470	5
Plant and Machinery	2,264,223,777	-	2,264,223,777	1,204,800,934	29,575,438	1,234,376,372	1,029,847,405
Electric Installation	36,482,818	-	36,482,818	36,482,808	-	36,482,808	10
Gas Installation	7,826,035	-	7,826,035	7,826,025	-	7,826,025	10
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	11,174,957	-	11,174,957	10
Telephone Installation	1,027,861	-	1,027,861	1,027,851	-	1,027,851	10
Motor Vehicles	46,192,122	-	46,192,122	46,192,112	-	46,192,112	10
Office Equipment	41,317,547	-	41,317,547	41,317,537	-	41,317,537	10
Loose Tools	183,875	-	183,875	183,865	-	183,865	10
Factory Equipment	14,817,242	-	14,817,242	14,817,232	-	14,817,232	10
A. Total	3,459,428,976	-	3,459,428,976	1,550,290,963	35,878,957	1,586,169,920	1,873,259,056
Intangible Assets							
Software Installation	71,550,000	-	71,550,000	5,008,500	1,252,125	6,260,625	65,289,375
B. Total	71,550,000	-	71,550,000	5,008,500	1,252,125	6,260,625	65,289,375
Revaluation							
Factory Land and Development	644,020,625	-	644,020,625	-	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	5,799,024	263,592	6,062,616	36,112,119
C. Total	686,195,360	-	686,195,360	5,799,024	263,592	6,062,616	680,132,744
Total (A+B+C) as on September 30,2024	4,217,174,336	-	4,217,174,336	1,561,098,487	37,394,674	1,598,493,161	2,618,681,175

Allocation of depreciation

Particulars	Notes	July 24 to September	July 23 to September 23
Cost of Goods Sold		29,915,739	26,519,355
Administrative, Selling and General Expenses		7,478,935	6,629,839
Total		37,394,674	33,149,194

H.R Textile Mills Limited
Schedule of Property ,Plant and Equipment
As at September 30,2023

(Amount in Taka)

Particulars	Cost or valuation			Depreciation			Written Down Value As on September 30, 2023
	As on July 01, 2023	Addition/ (Deletion)	As on September 30, 2023	As on July 01, 2023	During the Year	As on September 30, 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	6,303,519	148,416,764	860,146,246
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	24,173,690	1,131,377,089	800,111,438
Electric Installation	36,482,818	-	36,482,818	34,298,126	912,070	35,210,196	1,272,622
Gas Installation	7,826,035	-	7,826,035	7,093,892	53,216	7,147,108	678,927
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	3,270	11,048,348	126,619
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	822,610	45,050,599	1,141,523
Office Equipment	41,317,547	-	41,317,547	40,393,247	246,796	40,640,043	677,504
Loose Tools	183,875	-	183,875	183,865	-	183,865	10
Factory Equipment	14,817,242	-	14,817,242	14,268,442	370,431	14,638,873	178,369
A. Total	3,126,693,726	-	3,126,693,726	1,420,995,456	32,885,602	1,453,881,058	1,672,812,668
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	263,592	5,008,248	37,166,487
C. Total	686,195,360	-	686,195,360	4,744,656	263,592	5,008,248	681,187,112
Total (A+B+C) as on September 30,2023	3,884,439,086	-	3,884,439,086	1,425,740,112	33,149,194	1,458,889,306	2,425,549,780

Allocation of depreciation

Particulars	Notes	July 23 to September	July 22 to September 22
Cost of Goods Sold		26,519,355	24,456,571
Administrative, Selling and General Expenses		6,629,839	6,114,143
Total		33,149,194	30,570,714