

# **annual report 2023-24**



**H.R. TEXTILE MILLS LIMITED**

An enterprise of PRIDE GROUP with public participation

# Contents

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Board of Directors & Corporate Information	1
Mission Statement	2
Screenshot from 39th AGM held through Digital Platform	3
Letter of Transmittal	4
Notice of the 40th Annual General Meeting	5
Director's Profile	6
Five Years Statistics	8
Message from the Chairman	9
Report of the Board of Directors	10
Shareholding Pattern	18
Declaration of CEO and CFO	23
Corporate Governance Compliance Certificate	24
Corporate Governance Compliance Status	25
Audit Committee Report to the Shareholders	28
Nomination and Remuneration Committee Report to the Shareholders	30
Auditor's Report to the Shareholders	32
Statement of Financial Position	36
Statement of Profit or Loss and other Comprehensive Income	37
Statement of Changes in Shareholders' Equity	38
Statement of Cash Flows	39
Notes to the Financial Statements	40
Schedule of Property, Plant and Equipment	62
Proxy Form	65

# Corporate Directory

## Board of Directors

Chairman	:	Professor Dr. Muhammad Abdul Moyeen
Managing Director	:	Mr. Mohammad Abdul Moyeed
Director	:	Professor Mohammad Abdul Momen
Director	:	Ms. Ruhey Rawa
Director	:	Ms. Sumbal Azwad Momen
Director	:	Ms. Sana Kainat Moyeen
Independent Director	:	Mr. Mohammad Kabiruzzaman
Independent Director	:	Mr. Md. Shafiqul Islam Talukder

## Corporate Information

### Audit Committee

Chairman	:	Mr. Mohammad Kabiruzzaman
Member	:	Professor Dr. Muhammad Abdul Moyeen
Member	:	Professor Mohammad Abdul Momen
Member	:	Mr. Md. Shafiqul Islam Talukder

### Nomination and Remuneration Committee (NRC)

Chairman	:	Mr. Mohammad Kabiruzzaman
Member	:	Professor Dr. Muhammad Abdul Moyeen
Member	:	Professor Mohammad Abdul Momen
Chief Financial Officer	:	Mr. Md. Abu Amur Naheel

Head of Internal Audit and Compliance : Mr. Sumnoon Moheb

Company Secretary : Md. Wali Ullah

### Management Committee

Mr. Mohammad Abdul Moyeed	:	Managing Director / CEO
Mr. Md. Abu Amur Naheel	:	Chief of Financial Officer (CFO)
Mr. Sumnoon Moheb	:	Head of Internal Audit and Compliance (HIAC)
Mr. Md. Wali Ullah	:	Company Secretary (CS)
Mr. Mohammad Karim Hossain	:	GM (MIS)
Mr. Nazmul Hossain Khan	:	DGM (Commercial)
Mr. Sherajul Islam Khan	:	DGM (Accounts)
Mr. Monirul Islam	:	AGM (Admin)
Mr. Muhammad Ali Chowdhury	:	Manager (Taxes)
Mr. Nur Hossain	:	Senior Executive (HRD)

### Auditors

M/s. S.K. Barua & Co. : Chartered Accountants, Houser # 184 (Ground Floor),  
Road # 2, New DOHS, Mohakhali, Dhaka-1206

### Corporate Governance Auditor

M/s. N.M. Tareque and Associates : Cost and Management Accountants  
Nakshi Homes (1st Floor), 6/1/A, Segunbagicha, Dhaka-1000

### Bankers

: Trust Bank Limited, Mutual Trust Bank Limited  
The Honkong and Shanghai Banking Corporation Limited  
United Commercial Bank PLC, Mutual Trust Bank PLC  
Al-Arafa Islami Bank PLC, IPDC Finance Limited

**Corporate Office & Share Office** : Pride Hamza (5th Floor), House # 54, Road # 1, Sector # 6, Uttara, Dhaka-1230  
Cell No.: 01990409190 (Share Dept.),  
E-mail: hrtex\_cs@pride-grp.com, web: www.pride-grp.com/hrt

**Operational Office & Factory** : 4, Karnapara, Savar, Dhaka

## **MISSION**

Be a caring company through enriching customer experiences  
by providing innovative solutions & process excellence.

## **VISION**

Be an industry thought leader.

## Screenshot from 39th AGM held through Digital Platform

HR\_Textile\_Mills\_Ltd.\_Zoom\_VAGM\_2024\_RAW



### AGM Invitation to Our Shareholders

#### Virtual AGM 2022-23

Through Digital Platform

23rd January 2024, Time: 11:00 am

Record Date on 4th December 2023

#### Helpline - AGM 2022-23

Md. Khaled Sifullah

Investor Relation Dept.

Cell: +8801990409190

E-mail: hrtex\_cs@pride-grp.com

## Letter of Transmittal

To  
The Valued Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies and Firms  
Dhaka Stock Exchange PLC  
Chittagong Stock Exchange PLC

### Annual Report for the year ended 30th June 2024

Dear Sir(s)/Madam(s)

Enclosed please find a copy of the Annual Report together with the Audited Accounts including Statement of Financial Position as at 30th June 2024 and Statement of Profit or Loss and Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30th June 2024 along with the notes thereon of the H.R. Textile Mills Limited for your kind information and record.

Thank you.

Sincerely,

  
Md. Wali Ullah  
Company Secretary

# Notice of the 40th Annual General Meeting

Notice is hereby given that the 40th Annual General Meeting (AGM) of the Shareholders of H.R. Textile Mills Limited will be held on Wednesday, 19th March 2025 at 11:30 am through "Hybrid System" (<https://hrtextile.bdvirtualagm.com>) to transact the following businesses:

## General Business

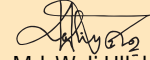
1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June 2024 together with the Auditors' thereon and the Directors Report;
2. To approve no dividend for the year ended 30th June 2024 as recommended by the Board;
3. To elect / re-elect Directors;
4. To approve the re-appointment of the Managing Director;
5. To approve the appointment of the Independent Director;
6. To appoint Statutory Auditors of the Company for the year 2024-2025 and to fix their remuneration;
7. To appoint Corporate Governance Compliance Auditors for the year 2024-2025 and to fix their remuneration;
8. To consider approval of the contract for sale of fabrics to Related Party M/s. Fashion Knit Garments Limited.

## Special Business

To change the registered name of the Company from 'H.R. Textile Mills Limited' to 'H.R. Textile Mills PLC':  
To adopt the change of registered name of the company from 'H.R. Textile Mills Limited' to 'H.R. Textile Mills PLC' in accordance with the Company Act, 1994 (amended in 2020) and to amend the relevant clauses of the Memorandum and Articles of Associations of the company by adopting the following Special Resolution;

"Resolved That the proposal for changing the registered name of the Company from 'H.R. Textile Mills Limited' to 'H.R. Textile Mills PLC' in accordance with the Company Act 1994 (amended in 2020) and to effect the change in the registered name Company as 'H.R. Textile Mills PLC' the amendment of the relevant clauses of the Memorandum and Articles of Association of the company by and are hereby approved, subject to approval of the Shareholders and the Regulatory Authorities.

By Order of the Board



Md. Wali Ullah  
Company Secretary

Date: 27/02/2025

## Notes

- a. The record/ book closure date was fixed on 22nd January 2025. The Shareholders, whose names appeared in CDS/ Company's Register on the 'Record/ Book Closure Date' on 22nd January 2025, will be entitled to attend/participate and vote in the 40th Annual General Meeting through "Hybrid System" and to attend/ join the meeting
- b. A member entitled to attend/participate and vote in the Annual General Meeting through "Hybrid System", may appoint a proxy to attend and vote in his/her behalf. The scanned copy of the Proxy Form, duly filled and stamped with a revenue stamp of Tk. 100/- and signed by the member must be sent by email to [hrtex\\_cs@pride-grp.com](mailto:hrtex_cs@pride-grp.com) not later than 48 hours before the commencement of the AGM.
- c. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81: dated: 20th June 2018, soft copy of the Annual Report 2023-24 will be sent to the respective shareholders' email addresses as available with us. The Annual Report 2023-24 will be available in the Company's website at: [www.pride-grp.com/hrt](http://www.pride-grp.com/hrt)
- d. Link for joining in the "Hybrid System" (physical presence, audio-visual meeting) will be mailed to the respective shareholders' email address and sent SMS to their mobile number as available with us.
- e. The Members will be able to submit their questions/comments and vote electronically before 24 hours of commencement of the AGM and during the AGM.
- f. In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/ 2009-193/154; dated: 24th October 2013, No Gift/Gift Coupon/Food Box shall be distributed at the upcoming AGM of the Company.

## Directors' Profile

### **Mr. Mohammad Abdul Moyeed** **Managing Director**

Mr. Mohammad Abdul Moyeed obtained B.Sc Engineering (Chemical) from BUET. He started his business career early in life. Mr. Moyeed has 48 years of experience in trade and is now considered an authority in the field of textile processing and finishing in Bangladesh, with a proven and excellent entrepreneurial track record. Mr. Moyeed is the Managing Director of H.R. Textile Mills Limited and also Non-Executive Director of Dacca Textiles Limited, Fashion Knit Garments Limited, Pride Limited, Pride Spinning Limited and Pride Properties Limited and under his dynamic leadership all the industrial ventures of this group are marching towards progress and prosperity. He is involved in different social development works through a host of social organizations.

### **Professor Dr. Muhammad Abdul Moyeen** **Director**

Professor Dr. Muhammad Abdul Moyeen is a B.Com (Hons), M.Com in Management and Ph.D from the University of Glasgow. Dr. Moyeen has 46 years of professional and entrepreneurial experience and is now regarded as an Industry Thought Leader on operations, organization & strategic management. He has been involved with Pride Group as its director since inception. Dr. Moyeen is the Chairman of H.R. Textile Mills Limited and Non-Executive Director of Dacca Textiles Limited, Fashion Knit Garments Limited, Pride Limited and Pride Properties Limited. Dr. Moyeen is also the Chairman of Pride Spinning Limited. Dr. Moyeen additionally serves as a Professor at the University of Dhaka. He is the recipient of several international awards in his capacity as a professor & entrepreneur.

### **Professor Mohammad Abdul Momen** **Director**

Professor Mohammad Abdul Momen is a B.Com Hons M.Com in Finance and has obtained his MBA degree from Drake University, USA. He started his business career during his student life. Professor Momen has 44 years of experience in business and is also a renowned professor of the Institute of Business Administration (IBA) at the University of Dhaka for the last 3 decades and involved with Pride Group since its inception. Professor Momen is well known among the business community, the financial sector and amongst academicians. Professor Momen is also a Non-Executive Director of Dacca Textiles Limited, Pride Limited, Pride Spinning Limited and Pride Properties Limited. Additionally, he is the Chairman of Fashion Knit Garments Limited.

### **Ms. Ruhey Rawa** **Director**

Ms. Ruhey Rawa obtained her education from the United Kingdom. Ms. Ruhey Rawa is working with H.R. Textile Mills Limited since 2006. She is the daughter of Mr. Mohammad Abdul Moyeed, the Managing Director of H.R. Textile Mills Limited.

### **Ms. Sumbal Azwad Momen** **Director**

Ms. Sumbal Azwad Momen obtained her BA (Hons) in Economics from Smith College, one of the highest ranking colleges in the USA. Ms. Sumbal joined H.R. Textile Mills Limited in 2006. She is the daughter of Professor Mohammad Abdul Momen, Director of H.R. Textile Mills Limited. She has been involved in the day to day activities of the group since 2011.



### **Ms. Sana Kainat Moyeen**

#### **Director**

Ms. Sana Kainat Moyeen has obtained her BA (Hons) UK, M. Phil (Oxford), UK. Ms. Sana Kainat Moyeen also oversees the business of H.R. Textile Mills Limited alongside her doctorate studies at the University of Oxford, one of the most prestigious institutions in the world. She is the daughter of Professor Dr. Muhammad Abdul Moyeen, Chairman of the company.

### **Mr. Mohammad Kabiruzzaman**

#### **Independent Director**

Mr. Mohammad Kabiruzzaman, S/o: Md. Nuruzzaman (Ex. Addl. Secretary, GOB) was born in a respectable Muslim family of Dhaka. Mr. Kabiruzzaman obtained is a B.S.S (Hons), M.S.S in Public Administration from University of Dhaka. He has also attended various seminars/ workshops/ conferences both at home and abroad. He has over 40 years of business experiences in both local and International trade and worked in the top Management position for about 23 years in the one of the largest business conglomerates of Bangladesh.

With the closing of NIIT business, he was again transferred to Beximco Holding Ltd. After a while, was associated with Beximco Media, GMG Airlines and eventually transferred to Beximco Ports Ltd as COO in 2010. While he is presently working as Chief Operating Officer (COO) of Beximco Ports Ltd, he was also for some time engaged with Beximco Power Ltd (Solar Power Project) - a sister concern of Beximco Group. Prior to this he was also COO of Beximco Systems Ltd., IT Company in collaboration with NIIT India, he was also an Independent Director of H.R. Textile Mills Ltd from 2014 to 2020 and now Independent Director of the company. He is involved in different social development works through a host of social organization.

### **Mr. Md. Shafiqul Islam Talukder**

#### **Independent Director**

Mr. Md. Shafiqul Islam Talukder, FCMA S/o: Mr. Jahir Uddin Talukder was born in a respectable Muslim family of Cumilla. Mr. Md. Shafiqul Islam Talukder, obtained is a B.Com (Hons) M.com in Management, from University of Dhaka. He has also attended various seminars/ workshops/ conferences both at home and abroad. He has over 14 years of business experiences in both local and International trade and worked in the top Management position for about 16 years in the one of the largest business conglomerates of Bangladesh. He working with the various companies since late 2008. He is presently working as Chief Financial Officer Premier Cement Mills Limited.

Md. Shafiqul Islam Talukder is an accomplished finance professional with extensive experience in financial management, corporate governance and strategic leadership. A Fellow of the Institute of Cost and Management Accountants of Bangladesh (FCMA), he has held senior roles including Chief Financial Officer and Finance Director in leading organizations such as Premier Cement Mills Limited, Bangladesh Communications Ltd., and BASF Bangladesh Ltd.

With over three decades of professional expertise in finance, accounting and management, Mr. Talukder has excelled in corporate governance, financial reporting, strategic planning and project management. He is known for his exceptional leadership skills, strong analytical abilities and a proven track record in improving financial systems and organizational efficiency. His contributions have earned recognition, including awards for best corporate governance and financial disclosures.

## H.R. Textile Mills Limited Operational Highlights

### General Information

1. Year of Incorporation	1984
2. Converted into Public Ltd. Co.	1995
3. Initial Public Offering of Share	1996
4. Enlistment with DSE and CSE	1997
5. Member of BAPLC	2014
6. Market Lot	1
7. Market Category	B
8. Electronic Share	Yes

### Financial Information

1. Authorised Capital	1,000.00 Million
2. Paid-up Capital	292.22 Million

### Five Years Statistics

Particulars	For the year ended (Taka in million)				
	2023-24	2022-23	2021-22	2020-21	2019-20
<b>Operations Results</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Turnover	661.87	2,329.88	2,993.61	3,051.91	2,249.51
Gross Profit	(287.34)	364.89	433.86	440.01	320.06
Operating Profit	(568.29)	37.78	101.07	106.53	50.37
Net Profit before tax	(560.49)	42.30	97.67	101.88	44.74
Net Profit after tax	(574.81)	15.91	74.18	73.03	28.16
Earnings Per Share (EPS) (Actual)	(19.67)	0.54	2.79	2.89	1.11
Earnings Per Share (EPS) (Actual) (Restated)	-	0.54	2.54	2.75	-
Cash Dividend	-	5%	5%	5%	10%
Stock Dividend	-	-	10%	5%	-
Cash Inflows from Operating Activities	(318.64)	(414.12)	139.37	99.47	(186.57)
<b>Financial Details</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Total Assets	4,494.17	4,677.99	3,979.54	3,760.59	3,525.17
Fixed Assets	2,656.08	2,458.70	2,352.34	2,201.96	1,556.04
Reserve and Surplus	912.60	915.38	939.16	890.12	829.32
Working Capital	717.06	1,124.22	523.29	223.33	204.46
Authorised Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Shareholders' Equity	626.35	1,207.60	1,204.81	1,143.12	1,082.32
Paid up Capital	292.22	292.22	265.65	253.00	253.00
Long-term Loan	2,881.03	2,510.82	1,615.93	1,186.63	1,175.51
<b>Key Financial Ratios, Figures and Market Data</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Current Ratio (Actual)	1.81	2.37	1.51	1.17	1.18
Return on Investment (% in Actual)	(12.79)	0.34	1.86	1.94	0.80
Net Assets Value Per Share (NAV) (Actual)	21.43	41.33	45.35	45.18	42.78
Market value of share (at DSE)	33.40	Closing value per share			
Market value of share (at CSE)	32.60	Closing value per share			
Price Earnings Ratio (Based on DSE price) (Times)	0.00	The Financial Express on 20th February 2025			
Price Earnings Ratio (Based on CSE price) (Times)	0.00	The Financial Express on 20th February 2025			
<b>Other</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Number of shares - Paid-up	29.22	29.22	26.57	25.30	25.30
Number of shareholders as on 30th June (Actual)	11,532	11,822	12,305	11,080	12,303

## Message from the Chairman For the year ended 30th June 2024

“Bismilla-Hir Rahmanir Rahim”

### **Distinguished Shareholders**

As-salamu Alaykum Wa-rahmatullah!

It is my pleasure to welcome you at the 40th Annual General Meeting of your company. We are now conducting the AGM in hybrid system where the shareholders may directly participate through physical presence or through Zoom. The Scrutinizers are also joining us to see that the meeting is being conducted in compliance with all related rules and regulations.

Since we last met, we have lost some of our relatives, neighbors and friends at home and abroad. On behalf of the Board of Directors I express my heartfelt condolence to the bereaved families, relatives and friends of those of who have passed away during this period. May Allah, the Almighty, rest the departed souls in eternal peace and bestow unto us His infinite Rahmat and Barakat in all spheres of our lives here and hereafter.

As per the Articles of the company, I have the pleasure to present before you the Directors Report, the Audited Financial Statements of the company for the year ended 30th June 2024, along with the report of the auditors for your consideration. The board profoundly acknowledges and appreciates your continued unwavering support for the smooth functioning and growth of the company.

With best wishes for the time ahead.



Professor Dr. Muhammad Abdul Moyeen  
Chairman

## Report of the Board of Directors For the year ended 30th June 2024

“Bismilla-Hir Rahmanir Rahim”

### Distinguished Shareholders

As-salamu Alaykum Wa-rahmatullah!  
Alhamdu Lillahe Rabbil Aalamin

We are pleased and delighted to welcome you at the 40th Annual General Meeting of the company. As desired by the Regulators and given the current environment we are conducting this meeting through Hybrid System ensuring both physical presence along with digital participation. We hope you are in good health and spirit.

We are now placing before you the Audited Financial Statements of the Company for the year ended on 30th June 2024, together with the Auditors’ Report and Directors’ Report herewith for your consideration.

### 1.0 The Company

H.R Textile Mills Limited (HRTML) was established in 1983 on Dhaka Aricha highway with the main objective of operating as a composite knit manufacturing company for the export market. With a paid-up capital of Tk. 10 crores, the company went public in 1996 for raising additional Tk. 10 crores from the public without any premium, although the

asset value of the company was quite higher at that point in time. The paid-up capital of the company is now Tk. 292,215,000. As on 30th June 2024, the number of shareholders stood at 11,532.

### 2.0 The Board

#### 2.1 Composition

The Board of the company is consisted of eight Directors, including two independent Directors. The overall day to day operation is being looked after by the Managing Director under the overall broad guidance of the Board. The Managing Director is supported by a large number of employees both at factory and office level. The highlights of the Directors’ background are shown as Annexure-1.

#### 2.2 Philosophy and Policy

The Board guides the company on long-term strategy and policy issues, while the key decisions of the business remains with top management. However, in very specific cases, the non-executive board members assist the management in resolving some important issues, to keep the company updated and to ensure promotion of business. The Directors also maintains liaison with banks for funded and non-funded financial facilities required by the company from time to time. They also participate in the expansion programs, cost reduction strategies oversee the business expansion of programs, review of compliance related issues etc. All these are done through the Board meetings along with the participation of top executives.

### 2.3 Independent Director

The independent director of the board actively participates in the Board and Committee meetings. The selection of an independent director is done through extensive search. In compliance with the BSEC regulations, the persons having knowledge and experience relevant to the strategic and operational needs the company are being selected as independent directors. Keeping in view the BSEC Guidelines the independent Director is heading the Audit Committee The company is also looking for another independent director having required qualification and experience in compliance with BSEC guidelines.

### 2.4 Retirement and Re-election of Directors

As per the Articles of Association of the company, one-third of the directors, who have served the longest time in office since their last election, will retire every year. In pursuant to Article of the company, Professor Dr. Muhammad Abdul Moyeen and Professor Mohammad Abdul Momen; directors of the company, will retire and, being eligible, have offered themselves for re-election.

### 2.5 Re-appointment of Managing Director

As per clause 136 of the Articles of Association of the Company and decision of the 35th Annual General Meeting, the tenure of the appointment of Mr. Mohammad Abdul Moyeed, Managing Director will expire on 19th March 2025. The Managing Director has expressed his desire to be re-appointed for a further period of 5(five) years with effect from 20th March 2025. The re-appointment of the Managing Director of the company is required to be approval by the shareholders in this 40th Annual General Meeting as per Section 110(3) of the Companies Act 1994.

### 2.6 Meetings

The Board meetings are organized as and when required, keeping in view the minimum requirement specified by law. During the year under report, the company organized 5 meetings. The attendance of the Directors, along with the remuneration paid to them, appears as follows:

Sl No	Name of the Directors	No of meetings held	No of meetings attended	Fee Paid Taka
1	Professor Dr. M. A Moyeen	5	5	25,000
2	Mr. M. A Moyeed	5	5	25,000
3	Professor M. A Momen	5	5	25,000
4	Ms. Ruhey Rawa	5	5	25,000
5	Ms. Sumbal Azwad Momen	5	5	25,000
6	Ms. Sana Kainat Moyeen	5	3	15,000
7	Professor Dr. A.H.M. Habibur Rahman	5	2	10,000
8	Professor Dr. Md. Zakir Hossain Bhuiyan	5	1	5,000
9.	Mr. Mohammad Kabiruzzaman	5	5	25,000

In addition to the board members, Mr. Md. Abu Amur Naheel, Chief Financial Officer, Mr. Sumnoon Moheb, Head of Internal Audit & Compliance, and Mr. Md. Wali Ullah, Company Secretary, attended the Board meetings regularly.

### 3.0 Business Operations

The RMG sector has been passing through many challenges. It is continuously losing competitiveness due to product price, environment and social factors imposed by various stakeholders including the regulators and the buyers. Historically, Bangladeshi regulators have adopted time-based pay instead of piece-rates, hence, wages could not have been linked with performance. Consequently, wages increases have utterly failed to yield any meaningful increase of labour productivity. Thus, value generation have increasingly become costlier thereby stripping off the competitive advantage that Bangladesh once had! Labour and energy costs escalations have begun to seriously threaten the very existence of the industry. Additionally, given the inconsistent and inadequate supply of power and fuel (natural gas and its alternatives) the factories could only utilize a very small fraction of their installed capacities. Consequent to running operations with a low-capacity utilization, have led not only to cost escalation but also in failures of delivery and quality commitments to the buyers. This has further weakened the competitiveness of the industry. However, with the resolution of the energy problem the growth potential of the sector still remains in product and market diversification. The management of your company has been relentlessly working toward this end .

## 4.0 Compliances

### 4.1 BSEC notification on Corporate Governance Code Compliance

HRTML has been a publicly listed company since 1996, and complies with Corporate Governance Rules. The compliance status is shown Annexure-C (page-25) of this Report.

### 4.2 Compliance in Production Process

In the production process, the buyers' requirements on compliance remains the topmost priority. Achieving consistent compliance of buyers' requirements in terms of quality of fabric, style, colour, production process, is remains one of the top challenges for the management. The management of human resource and the maintenance of sustainable environment offer the greatest leverage in maintaining stable, consistent and fully compliant production process in your company.

### 4.3 Statement of Compliance as a Corporate PLC

As stated earlier, HRTML is listed with both the bourses of Bangladesh, and complies with all regulatory requirements. The reporting of required compliances thereon, appears in the following paragraph.

### 4.4 Accountability and Audit

HRTML is under scanner of all stakeholders through payment to suppliers, bankers, shareholders which are looked into by the internal audit team, top management, regulators, financial institutions and the buyers. The buyers are careful throughout the year to see that the company is operating with full compliances. Having the above in mind, the company is still to comply with certain external audit requirements which are being looked into by the management.

### 4.5 Financial Reporting

Your company is careful to see that the financial statements are prepared in line with the requirements of Bangladesh Financial Reporting Standard (BFRS), Bangladesh Accounting Standard (BAS) and other related local legislations. The above covers the annual financial statements as well as quarterly unaudited financial statements. HRTM has been trying to keep itself compliant.

## 4.6 Financial Review

The company regularly reviews its financial position through standard measures and procedures. With these financial reviews the company seeks to effectively manage the revenue and cost structures, and fund flows to meet obligations. The reviews form the basis for external reporting and presentations, and to also provide quality assurance for the financial reporting.

## 4.7 Statutory Audit

The auditing of financial statements of the Company is governed by the Companies Act 1994 and Securities and Exchange Rules 1987. As per these Regulations, auditors are appointed at each Annual General Meeting (AGM) and their remuneration is also fixed by the shareholders at the AGM. Appropriate attention is placed as per corporate governance and best practices guidelines to ensure independence of statutory auditors.

In the Last AGM, M/s SK Barua & Co, Chartered Accountants was appointed as the Auditors of the company. The auditors, after carefully reviewing the systems and procedures in a great detail, has identified some points requiring improvement in the system which needs attention of the management. The Board has instructed the top management to address those issues after carefully examining the regulatory requirements and to take corrective actions in order to make the Financial System of the company more transparent and qualitative.

## 4.8 Compliance with other Rules and Regulations

The Company provides a complete set of financial statements and relevant documents to the BSEC, CDBL, NBR, RJSC, DSE and CSE. The CFO and Company Secretary always accommodate any queries that are raised by different regulators during the year.

## 4.9 Compliance with Bangladesh Labour Law

The Company has complied with the relevant conditions of Bangladesh Labor Act 2006 (as amended in 2013) in respect of Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF), Provident Fund, and Gratuity etc.

#### 4.10 Restriction on dealings in HRTM Shares by Insiders

The Company has restrictive policies on trading of company shares by Directors, Employees and other insiders. The securities laws also imposed restrictions on similar transactions. All Insiders are prohibited from trading in HRTM shares, while in possession of unpublished price sensitive information in relation to the company during the prescribed restricted trading period. Directors and employees are also required to notify their intention to trade in HRTM shares prior to initiating the same.

#### 4.11 Secretarial Standards

HRTM complies with all the Bangladesh Secretarial Standards (BSS) as issued by The Institute of Chartered Secretaries of Bangladesh and adopted by BSEC as guidelines for the listed companies.

#### 4.12 Scrutinizers

The company also complies the new requirement of appointing independent scrutinizer to maintain records of AGM. The independent scrutinizer is present in this meeting to report the same to BSEC as part of compliance.

### 5.0 Committee Reports

#### 5.1 Board Committees

The Board has established three board committees and has delegated some of its responsibilities to those committees. The committees are Audit Committee, Nomination and Remuneration Committee and the Management Committee.

#### 5.2 Audit Committee

The Audit Committee has been formed in pursuance of BSEC Circular, to review the activities of business from independent perspective which is headed by an independent director. The role of the Audit Committee is to monitor the integrity of the financial statements of the company and review when appropriate, make recommendations to the Board of Directors on internal controls, governance issues and compliance. The committee satisfies itself by means of suitable steps and appropriate information that the company's business is conducted in a proper and prudent manner. The Audit Committee comprises three members and of them, one is independent director. A detailed report of the Audit Committee is enclosed as Annexure - 2.

#### 5.3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three Directors including one Independent Director as its Chairman. However, there is a vacancy in the position of one Independent Director which will be filled up shortly. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC. A report of the Committee is enclosed as Annexure - 3.

#### 5.4 Executive Committee (EC)

The EC consists of the senior management of the company who are assigned with specific responsibilities to assist the Managing Director in the management of day to day affairs. The Committee is headed by the Managing Director. The EC endeavors to achieve the company goals and standards set by the Board of Directors.

#### 5.5 Division of work for the Board and Managing Director

The Board has specified the role and responsibility of the Managing Director to maintain smooth performance and transparency. The company has also adopted "Governance Guidelines" for the Managing Director. The Managing Director is the authoritative head for day to day management. He acts to reasonably ensure that the company operates its business as per the Articles of Association (AOA), decisions made by the Board and Shareholders, as well as according to Policies and Procedures and applicable regulatory legislations.

### 6.0 Company Policies and Declarations

#### 6.1 Initial Public Offering (IPO), Repeat Public

The company has no Initial Public Offering (IPO) during the financial year 2023-24. At present the company does not have any plan for Repeat Public Offering (RPO), in the near future.

#### 6.2 Dividend Policy/ Dividend

The Board of Directors has a Dividend Policy which is based on the company's performance and long-term objectives. The policy has been developed keeping in view the annual performance, its retained earning position, balance of dividend equalization fund vis a vis cash flow of the company to support the payment. During the year under report, the company could not earn any profit and as such could not declare any dividend.

### 6.3 Risk and Concerns

HRTM as a manufacturing unit in the garments and textiles industry, is vulnerable to global and domestic adversities and threats. International trade tensions, sanctions, escalating price of utilities, severe shortage of gas supply, regulatory wages increase, labour agitation and unrest, political instability with consequent erosion of buyer confidence indicate significant business risks. Company has very little or no control over many of these risks. However, the company has put in place a risk management process to ensure that the controllable risks are minimized through a system of internal control. The audit committee supports the board in monitoring activities of management and deals with risk management issues also. The company is striving relentlessly in minimizing the risks and optimizing the benefits.

### 6.4 Interim Dividend

No interim dividend was declared by the Board of Directors during the year 2023-24.

### 6.5 The company as Going Concern

“Going Concern” is a concept which means that the amount spent by a company in the assets that are considered to be good, not for sale and expected that the assets will continue to generate sufficient revenue over the future years. Your company has been in existence since 1983 and acquired adequate resources to continue its operational existence in the foreseeable future. Therefore, the financial statements are prepared on the basis of the Going Concern Concept.

### 6.6 Related Party Transactions

The Company has entered into transactions with other related entities in the normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: “Related Party Disclosures”. Details of these transactions are set out under Notes to the Financial Statements.

### 6.7 Employees’ remuneration Policy:

The objective of the Remuneration policy is to attract, motivate, reward and retain quality staff. The Board looks into the remuneration policies that are in line with the objectives, goals and corporate values of the Company, and do not give rise to conflicts between the objectives of the Company and the interests of individual Directors and key executives.

### 6.8 Policy on Employee’s Participation in Management

The Management believes that the employee’s participation in the decision-making process gives employees mental and psychological satisfaction and thereby increases their involvement in the affairs of the organization, which contributed to the overall development of the company.

## 7.0 Corporate Governance (CG)

### 7.1 Corporate Governance Statement

The words (CG) and ESG has created significant impact in the management of a corporate globally now a days. The company is committed to continually reviewing all corporate governance policies and practices to ensure the ongoing transparency of the company’s practices and the delivery of high standards and quality information to stakeholders.

### 7.2 CG Framework

The BSEC now considers Good Corporate Governance practices as essential to keep the company in line with the business requirement. HRTM operates within a comprehensive governance framework. The management also continuously reviews its corporate governance framework to ensure its relevance, effectiveness and sustainability in addressing the future business challenges.

### 7.3 Board Practices

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting and accountable to the shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled.

The Board also ensures that Policies and Procedures and Codes of Conduct are implemented and maintained, and the Company adheres to generally accepted principles for good governance and effective control of Company activities.

### 7.4 Corporate Governance Compliance Audit

As per the BSEC’s notification, the Auditors are appointed at each Annual General Meeting (AGM) and their remuneration is also fixed by the shareholders at the AGM. The Report of the Auditors is enclosed as Annexure-B.



## 8.0 Business Development

HRTM is engaged in export business and hence linked with the international market. Global market behavior is guided by fast fashion trends and technological/process innovation every day. These challenges were faced continuously to ensure a pipeline of orders. Our business development team is in close touch with the market pulse and adopts to these challenges with new garment styles and designs based on current trends and thoughts.

## 9.0 Environmental issues

### 9.1 ESG Issues

ESG (Environment, Social responsibility and Governance) is playing a significant role in all the spheres of company operation. We are working to bring every operation in the factory under strict environmental regulations. The knitting section has taken care of controlling dust emanating from the yarn in the knitting process, the effluent treatment plant (ETP) is responsible for treating waste water to release treated water within the permissible limits set by the Department of Environment of Bangladesh. The factory generates its own electricity with power generators utilizing natural gas, which creates less pollution. We are co-generating steam from the exhaust of our gas fired generators. The underground water table is also being recharged with harvested rainwater. We are recovering the heat from our waste water to preheat our process waters. Our efforts at environmental sustainability also include reduction of our energy consumption by using LED lights and inverters in all the machineries that we use.

### 9.2 Health and Safety

Your company is committed to provide a healthy and risk-free environment for its employees, customers, contractors, suppliers, visitors, etc. We have made it compulsory that all sites must maintain safety helmet, safety belts, safety nets, fire extinguisher, oxygen cylinder, mask, first aid box etc.

## 10.0 Financial Management

### 10.1 Monitoring

HRTM practices internal control systems which are updated, adjusted and is monitored regularly. Ongoing monitoring activities are conducted through regular management activities. The Internal Audit Team has been set throughout the

year for the above purpose. The internal audit function monitors the presence of the components of the internal control system and reports to the Audit Committee of the Board.

### 10.2 Internal Audit

The company has Internal Audit Department that is independent of business operation. Its responsibilities include reviewing and reporting on the effectiveness of internal control system to the Executive Committee, the Audit Committee and ultimately to the Board. Internal Audit facilitates oversight of risk and control systems across the company.

### 10.3 Fairness of Financial Statements

The financial statements have been drawn up in conformity with the International Accounting Standards/ Financial Reporting Standards, Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the state of affairs, the results of its operations, cash flow and changes in equity. Financial statements are also reviewed by the stock exchanges when it is published. They also raise various queries and the company uses them to satisfy them with appropriate explanations.

### 10.4 Related Party Transactions

In order to maximize the capacity utilization in the fabric section HRTM supplies fabric to Fashion Knit Garments Limited (FKGL) as "Deemed Export". The FKGL is owned by three sponsor directors of the company. However, the transactions between HRTM and FKGL are being transacted on Arm's Length Basis and at market price. The above transactions are being guided by the agreement signed between the companies.

### 10.5 Accounting Policies

The company follows appropriate accounting policies consistently in preparation of these financial statements and the accounting estimates are based on reasonable and prudent judgments.

### 10.6 Preparation of the financial statements

The Financial Statements were prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

## 11.0 Transparency

### 11.1 Price Sensitive Information

The company has been following the policy of informing all price sensitive information within two hours of the decision or immediately upon getting such information to the BSEC and the Stock Exchanges. It also ensures immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English and in one on-line news portal as per requirement. The communication is done through e-mail/Fax and by special messenger, and through courier service in special cases.

### 11.2 Disclosure on the performance and prospect of the Company

The management has been following the policy of informing all price sensitive information within two hours of the decision or immediately upon getting such information to the BSEC and the bourses. It also ensures immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English and in one on-line news portal as per requirement. The communication is done through e-mail/Fax and by special messenger, and through courier service in special cases.

### 11.3 Communications with Shareholders

The management is always careful to maintain liaison with its shareholders. The company encourages communication with shareholders throughout the year and welcomes their participation at the shareholders' meeting. The company also ensures that the queries are fully responded to their satisfaction throughout the year. The quarterly financial results and all other information are published and Annual Reports are sent to the shareholders by post. The soft copy of the Annual Report is also made available on the company's website.

### 11.4 Directors Remuneration

Other than the Managing Director, none of the non-executive directors are paid any remuneration except the meeting attendance fee of Tk. 5,000 per attendance. The Managing Director is paid his monthly remuneration as shown in the Financial Statements. The non-executive directors, including the independent directors do not receive benefits of any other kind, from the

company. All information provided to the BSEC and Stock Exchanges are immediately made available to the Shareholders on our company website: [www.pride-grp.com/hrt](http://www.pride-grp.com/hrt).

## 12.0 Corporate Social Responsibility

### 12.1 Customers

HRTM takes care to maintain a good relationship with its stakeholders. The relationship with the customers plays a very important role in running any sustainable enterprise which is more important in the case of the export market. A significant amount of time and efforts of the Directors and senior management are placed to promote and develop the customer relationship. Having many stringent requirements of the customers, the management tries its best to keep the existing customers on board and also to bring new customers for the products with quality and innovation.

### 12.2 Community

HRTML is a corporate citizen and as such it maintains healthy relationships with the local community, local political organizations, social organizations and poor family members and relations of the employees residing nearby. On special occasions, the company lends its hand for social welfare.

### 12.3 Shareholders

The shareholders contributed capital to the company. The management always prefers to prioritize shareholders' benefits and, in many instances, the sponsors forgo their portion of dividend if the distributable profit is insufficient to pay dividend to all the shareholders. We believe that the company maintains high franchise value in the market and among the shareholders.

### 12.4 Suppliers

Under the present environment, good supply chain management is essential. The company is working with a number of suppliers. Some of them are in the supply chain while many are involved in providing services as and when required. The company has good relations with all the suppliers.

### 12.5 Regulators

The Regulations and the Regulators are the part of the operational eco system of listed companies. HRTM maintains close liaison with the regulators such as BSEC, RJSC vis a vis other quasi regulator like DSE, CSE, CDBL, trade associations like BGMEA, BKMEA, licensing organizations etc. with the objective of working as good corporate citizen. The company management is always in favor of complying with all rules and regulations of the business as well as satisfying other queries as when asked for.

### 12.6 Financial Institutions

Your company maintains financial partnership with a number of banks, non-banking financial institutions and enjoys funded and non-funded facilities for business operation. They are our financial and development partners and work with us closely

### 12.7 Protection of Minority Shareholders

Your company has a large shareholder-base which is widely dispersed. Keeping the above in mind, the management always prefers to declare dividends for the shareholders. As stated earlier, there are instances when the dividend is paid only to the outside shareholders and the sponsors have forgone their portion of dividend to keep the small shareholders happy.

### 13.0 Appointment of Auditors

#### 13.1 Appointment of Financial Auditors

The existing Auditor M/s. S.K. Barua & Co, Chartered Accountants, has been carrying out the audit of the company for the last two years. They are now retiring and being eligible for re-appointment have shown their interest to continue as auditors of the company. On the recommendation of the Board Audit Committee, the directors of the Company are proposing their appointment and fixing their remuneration.

#### 13.2 Appointment of Corporate Governance Auditors

M/s. N.M Tareque and Associates, a Firm of Cost and Management Accountants was appointed in the 39th AGM as the Corporate Governance Auditors of the company for the year 2023-24 as

per the requirement of the Condition No. 9 of the Corporate Governance Code, and to continue till conclusion of this AGM. The Firm has expressed intention to be re-appointed for the next term. The Board of Directors recommend re-appointment of M/s. N.M Tareque and Associates as Corporate Governance Auditors for the financial year 2024-25. This may be approved by the shareholders in this AGM.

### 14.0 Audit Committee

The Audit Committee held five meetings during the year. All the committee members attended the above meetings. The Audit Committee has been playing a significant role in guiding the internal management. The Committee reviewed the draft financial statements, financial position of the company, report of the Auditors and the operational results of the company from time to time. A separate report of the Audit Committee to the shareholders is enclosed at Annexure-2.

### 15.0 Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) held one meeting during the year. All the committee members attended the above meetings. NRC has been formed with independent directors as a sub-committee of the board in order to assist the board in ensuring and fulfilling its responsibilities. Being non-executives and independent, all members of the committee have no conflicts of interest. The committee is to review and recommend remuneration and other facilities of the Directors and top-level executives. They also recommend their appointment and removal. A separate report of the NRC to the shareholders is enclosed at Annexure-3.

## 16.0 Shareholding Pattern

At the end of the year shareholding of the directors remained at 48.23%. Out of the balance shares, the institutions are holding 7.32%, which was 10.20% in the previous year. The shareholding of the general public has increased to 44.45% compared from 41.57% in the previous year, on the date of year closing. The shareholding pattern of the company for the year closing on 30th June 2024 stands as follows:

Name of Shareholders	No. of Shares	Percentage
1.5) (xxiii) a) Parent Company/Subsidiary/Associated Companies/ Other Related Parties:	Nil	-
1.5) (xxiii) b) Directors, Chief Executive Officer, Chief Financial Officer, Head of Finance & Accounts, Company Secretary and their Spouse and Minor Children:		
Mr. Mohammad Abdul Moyeed, MD & CEO	4,345,404	14.871
Professor Dr. Muhammad Abdul Moyeen, Chairman	3,995,402	13.673
Professor Mohammad Abdul Momen, Director	3,995,402	13.673
Ms. Ruhey Rawa, Director	585,913	2.005
Ms. Sumbal Azwad Momen, Director	585,913	2.005
Ms. Sana Kainat Moyeen, Director	585,913	2.005
Mr. Mohammad Kabiruzzaman, Independent Director	Nil	-
Shareholdings Sponsors/Directors	14,093,947	48.23
Dr. Shaheen Afroze, wife of Prof. Dr M. Abdul Moyeen	19,297	Shares, included in the slot of general shareholders
Mr. Md. Abu Amur Naheel, Chief Financial Officer	Nil	-
Mr. Sumnoon Moheb, HIA&C	Nil	-
Mr. Md. Wali Ullah, Company Secretary	Nil	-
Mr. Sherajul Islam Khan, HF&A	Nil	-
Minor Children	Nil	-

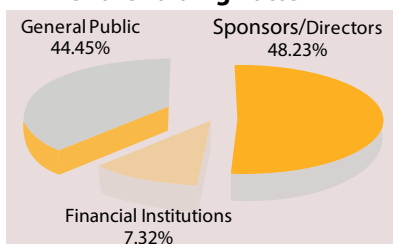
c) Voting Interest (Shareholders holding 10% or more shares have voting interest in the company):

Name	Designation	Shares	Percentage
Professor Dr. Muhammad Abdul Moyeen	Chairman	3,995,402	13.673
Mr. Mohammad Abdul Moyeed	MD & CEO	4,345,404	14.871
Professor Mohammad Abdul Momen	Director	3,995,402	13.673

d) Executives:

Name	Designation	Shares
Mr. Mohammad Karim Hossain	GM (MIS)	Nil
Mr. Nazmul Hossain Khan	DGM (Commercial)	Nil
Mr. Monirul Islam	AGM (Admin & Compliance)	Nil

### Shareholding Pattern



## 17.0 Future Programs

Although, importance of RMG in earning foreign exchange for the country and in creating employment needs no mention, the sector is passing through a challenging time. In addition, with the changes in the wages structure the cost effectiveness will be declining. Beside, changes in the government has further, created uncertainty in the market situation. The pressures from the market are driving technological changes in the entire value chain including production, logistics and supply chain. This might require structural changes in organization and management facilitating cost-effectiveness. Apart from internal cost management, the governmental initiatives to facilitate the market development in non-traditional importing countries shall play vital role. Leadership of both BKMEA and BGMEA shall prove to be very critical in catalyzing governmental initiatives to create new markets.

We are also confident of a new future where our next generation leaders will carry on and enhance this value. They are highly competent, extremely committed, and talented. With your help, we will guide them, enable them and empower them.

## 18.0 Declaration by the CEO and CFO

Declaration of CEO and CFO has been provided in Annexure-A.

## 19.0 Corporate Governance Compliance Report

In compliance to the BSEC Notification, Certificate on Compliance of Corporate Governance Code and Directors Report on Compliance of Corporate Governance Code are enclosed at Annexure-B and Annexure-C respectively.

## 20.0 Financial Reporting framework declaration

The Board of Directors being responsible for governance of the company, the preparation and presentation of financial statements, confirm to the best of their knowledge that:

- a) The entire business operation is being conducted in accordance with the laws, rules, regulations, agreements, guidelines and standards governed in the country;
- b) All the judgments and decision taken by management are reasonable and sensible;
- c) Accurate accounting policies have been systematically followed in formulating the financial statements and accounting estimates were reasonable;
- d) The financial statements present rationally the company's state of affairs, the result of its operations, cash flow and changes in equity with the Companies Act, 1994 and Securities and Exchange Rules, 2020;
- e) The system of internal control is sound in design and has been effectively implemented and monitored;

- f) The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- g) There is no significant doubt about the ability of the Company to continue as a going concern.
- h) Proper books of accounts of the Company have been maintained according to the law;
- i) The Financial Statements were prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- j) No transaction has been entered into by the company which is fraudulent, illegal, or in violation of the company's code of conduct.
- k) Interests of the minority shareholders have been duly protected.
- l) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

## 21. Other Regulatory Disclosures

### 21.1 Financial

- a) The key operating and financial data for the last five years have been disclosed in Directors Reports;
- b) The Company is aware of its various risks and concerns, mainly from the policy and regulatory fronts, and is prepared to meet those by systematic control;
- c) No significant difference has occurred between quarterly and final results of the company during 2023-24;
- d) All significant detachment from the previous year in operating results of the company has been highlighted and reasons thereof have been explained;
- e) As per IAS 1 Presentation of Financial Statements, no items of income and expense are to be presented as extraordinary gain or losses in the financial statements. As such no extraordinary gain or loss has been recognized in the financial statements;
- f) All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Transaction". Details of related party and transactions have been disclosed in Note 46 of the Financial Statements;
- g) During the year, the Company has paid Board meeting attendance fees of directors has been mentioned page-11 and the remuneration of Directors has been mentioned in Note 46 B of Notes to the Financial Statements.

## 21.2 Directorship in other companies

Mr. Mohammad Abdul Moyeed	Prof. Dr. Muhammad Abdul Moyeen	Prof. Mohammad Abdul Momen
Dacca Textiles Limited	Dacca Textiles Limited	Dacca Textiles Limited
Fashion Knit Garments Ltd.	Fashion Knit Garments Ltd.	Fashion Knit Garments Ltd.
Pride Limited	Pride Limited	Pride Limited
Pride Spinning Limited	Pride Spinning Limited	Pride Spinning Limited

## 21.3 Website of the Company

The company has an official website linked with the website of the stock exchange and it is functional from the date of listing. All detailed disclosures of the company are available on it. The web address is: [www.pride-grp.com/hrt](http://www.pride-grp.com/hrt)

## 21.4 Subsidiary Company

The company does not have any subsidiary company.

## 21.5 Significant Variance between Quarterly and Period Ended Report

There were significant variations between quarterly performance and overall period ended performance of the Company.

The above variations were due to factors that are mostly beyond our control. As mentioned above in point 3 (Business Operations) the RMG sector, in general, has been passing through many challenges. It is continuously losing competitiveness due to falling product price and escalating costs.

Unprecedented regulatory wage increases without taking into cognizance a company's ability to pay has been a significant factor in the erosion of competitiveness and profitability. A time-based pay instead of piece-rate is not linked to performance. Consequently, wages increases have utterly failed to yield any meaningful increase of labour productivity. Thus, value generation have increasingly become costlier thereby stripping off our competitive advantage.

The Ukraine war and the war in the middle east had seriously resulted in reduced order flow and increased shipping costs. Additionally, the industry-wide labour unrest and political instability resulted in serious loss of productive hours, however, despite the losses of productive hours the wages bills had to be footed in

full. Increases in the interest rates and other charges have had serious negative impacts on the cost structure of the company.

Besides, energy costs escalations have seriously threatened the very existence of the industry. Coupled with several rounds of energy cost escalations, the inconsistent and inadequate supply of power and fuel (natural gas and its alternatives) resulted in serious loss of factory output. On the top of these industrywide energy issues, HRTM became a worst sufferer due to gas crisis. The gas line connecting HRTM under river Turag got damaged while dredging. The authorities instead of repairing have end capped the damaged line rerouting our supply to line with a very poor flow of gas. Despite our consistent request, persuasion and legal measures, the authorities have not resolved the matter as of date. Consequently, we have been either experiencing extreme low pressure or mostly complete shutdown of gas supply. HRTM thus, had to frequently shut down its operations completely or run at a very minimal level. This continued for days, weeks and months and as mentioned the authorities have not resolved the issue yet. The management had to source costly alternative energy to keep operations afloat to honour quality and delivery commitments to the buyers. Gas crisis resulted in very low-capacity utilization thereby reduced revenue and increased cost (including costs of alternative energy); frequent and unanticipated gas shutdowns also resulted in sudden machine stoppages which in turn caused in huge quality issues and severe losses of fabric, dyes and chemicals etc. All the factors have cumulatively affected the bottom-line of the company.

### 21.6 Significant Deviation in Operating Results Compared to Previous Period

There is no such deviation in operating results compared to the previous period.

### 21.7 Credit Rating

The company has been assigned Long Term A+ (Single A Plus) and ST-2 Short Term rating for your company with the rationale "Above rating have been assigned based on good fundamental such as good profitability, sound infrastructural arrangement with market leader in Textile and Garment industry, experienced management. Entities rated in this category are judged to be of high quality, offer higher safety and have credit quality. Your Company was also placed with "Stable" outlook.

### 21.8 Subsequent Events

While complying with the wage increase HRTM needs to evolve ways to contain escalating production cost. The challenge is about linking the workers efficiency with the increased wages to minimize per unit wages cost. HRTM has been working constantly on workers training to increase efficiency. In addition, the sector is now facing many sectorial hindrances in view of our dependency on western world for export. The geopolitical relation with the western world might have impact on the sector in future. The requirement of meeting the conditions of GSP plus will have further impact on cost effectiveness.

### 21.9 Information Technology

The information technology has become an integral part of the company operation We believe that accurate business planning, effective marketing, global sales, systematic management, real time monitoring, instant customer support and long-term business growth cannot be achieved without appropriate IT.

### 21.10 Human Resources

HRTM considers Human resource as one of the main assets across the entire business model. It provides on-the-job training and development opportunities to enhance our employees' career progression. Through different training, the professional knowledge in corporate operations, occupational and management skills are enhanced. HRTM is an equal opportunity employer and does not discriminate based on personal characteristics. Company has employee handbooks outlining terms and conditions of employment, expectations for employees' conduct and behavior, employees' rights and benefits.

### 22.0 Financial Performance

The summarized financial results of the company are as follows:

Particulars	Amount in Taka (million) for the year ended 30th June	
	2024	2023
Net Profit before Tax	(560.49)	42.30
Income Tax Expenses	(14.31)	(26.39)
Net Profit after Tax	(574.80)	15.91
Retained earnings	(354.37)	225.97
Profit Available for Appropriation	(929.17)	241.88
<b>Recommended for Appropriations:</b>		
Proposed Dividend (Cash)	-	(7.56)
Proposed Dividend (Bonus)	-	-
Un-appropriated Profit carried forward	(929.17)	234.32

### 23.0 Transfer of Unclaimed/Unpaid Cash and Stock Dividends to Capital Market Stabilization Fund (CMSF)

In compliance with the Notification of BSEC and as per guideline of the CMSF (Capital Market Stabilization Fund) Rules all dividends remaining unpaid or unclaimed for a period of 3 years or more and also the shares in respect of which the dividend has not been claimed by the shareholders are required to be transferred to the CMSF.

Accordingly, during FY 2023-2024, the Company has transferred the unpaid or unclaimed dividend of Tk. 500,000/- and Tk. 16,90,903/- only to CMS Fund on 3rd August 2023 & 2nd October 2023 against dividend unpaid or unclaimed for the financial year 2019 and 21,13,853.85/- only transferred to CMS Fund on 20th March 2024 against dividend unpaid or unclaimed for the financial year 2020. The details of the shares and the Dividends so transferred are available on the website of this Company. Members can claim from CMSF Authority their dividend entitlements and /or shares transferred to CMSF by following the required procedure as mentioned in the CMSF Rules.

## Code of Conduct

The Code of Conduct for Chairperson of the Board of Directors is prepared in accordance with Condition 1(7)(a) of the Corporate Governance Code notified by the BSEC dated 3rd June 2018. For the purpose of this Code, "Chairperson" shall mean the Chairperson of the Board of Directors of the Company. The Company is committed to being an ethical and responsible member of the business communities in which it operates. The Company endeavors to ensure that the highest standards of honesty, integrity and ethics are maintained. This Code is intended to serve as a source of guiding principles for the Chairperson even though no code or policy can anticipate every situation that may arise. The standards contained in this Code are neither exclusive nor comprehensive. The Chairperson of the Board of Directors is required to comply with all applicable laws, rules and regulations, whether or not specifically addressed in this Code.

## Report on the compliance of the conditions of BSEC's notification

In accordance with the BSEC's Notification dated 3rd June 2018, the Board of Directors are required to report on the compliance of certain conditions. The notification was issued for the purpose of establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. The overall shareholding pattern of the company is enclosed at Annexure-4.

## Acknowledgement

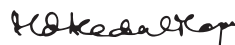
The Board of Directors acknowledges and expresses its sincere thanks and appreciation to the valued Shareholders and other stakeholders of the company for their persistent support and guidance that led to the cumulative achievements. The Board also expresses their gratitude to the Government of People's Republic of Bangladesh, National Board of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC),

Bangladesh Securities and Exchange Commission, Central Depository Bangladesh Limited, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, SATCOM IT Limited, Ahmed Faruk & Associates, Government Agencies, Banks, Financial Institutions, Contractors, Suppliers and Auditors for their co-operation and active support in discharging the responsibilities given on me and the Board. We offer our heartfelt thanks to our valued international buyers and local buying houses who have contributed significantly as our strategic partners.

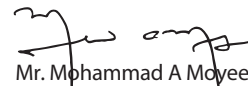
Finally, the Board offers its sincere thanks to the workers and professional administration, whom the management considers the most valuable asset of the company, and hopes that they will continue to keep the spirit of teamwork in the coming years for the smooth growth of the company.

Thank you all.

For and on behalf of the Board of Directors,



Prof. Dr. Muhammad A Moyeen  
Chairman



Mr. Mohammad A Moyeed  
Managing Director & CEO



Annexure - A  
[As per condition No. 1(5)(xxvi)]

## Declaration of CEO and CFO to the Board of Directors

Dated: 23rd December 2024

The Board of Directors  
H.R. Textile Mills Limited  
Pride Hamza, House # 54, Road # 1  
Sector # 6, Uttara, Dhaka-1230

### Subject: Declaration on Financial Statements for the year ended on 30th June 2024

Dear Sirs,

Pursuant to the Condition No. 1(5)(xxvi) imposed vide the Bangladesh and Exchange Commission's Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80, dated 3rd June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of H.R. Textile Mills Limited for the year ended on 30th June 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of according records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

### In this regard, we also certify that:

- i) We have reviewed the financial statements for the year ended on 30th June 2024 and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting statements and applicable laws;
- ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

  
Mohammad Abdul Moyeed  
Managing Director & CEO

  
Md. Abu Amur Naheel  
Chief Financial Officer

**Corporate Governance Compliance Certificate**Annexure - B  
[Certificate as per condition No. 1(5)(xxvii)]**N.M Tareque & Associates**  
Cost and Management AccountantsNakshi Homes (1st Floor)  
6/1/A, Segunbagicha, Dhaka  
Phone: +8801552111811**Report to the Shareholders of H.R. Textile Mills Limited  
on compliance of Corporate Governance Code**

Dear to the shareholders

We have reviewed and examined the compliance status to the Corporate Governance Code by H.R. Textile Mills Limited for the year ended on 30th June 2024. This Code relates to the Notification No. BSEC/CMRRCD-2006-158/207/Admin/80, dated 3rd June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of above Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provision of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

Dated Dhaka: December 29, 2024



*N.M. Tareque & Associates*  
For N.M Tareque & Associates  
Cost and Management Accountants

**Corporate Governance Compliance Status**

Status of compliance with conditions imposed by the Bangladesh Securities and Exchange Commission's, Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80, dated 3rd June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

**Report under Condition No. 9.00**

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
<b>1</b>	<b>Board of Directors:</b>			
1.1	Board Size: Board members should not be less than 5 and more than 20	✓		
1.2 (a)	<b>Independent Directors:</b> Independent Director at least 1/5th of the total number of directors	✓		
1.2 (b) (i)	Does not hold any share or holds less than 1% shares of the paid-up	✓		
1.2 (b) (ii)	Not connected with any sponsor/director/shareholders who holds or	✓		
1.2 (b) (iii)	Not an executive of the company in immediately preceding two financial years	✓		
1.2 (b) (iv)	Does not have any relationship, whether pecuniary or otherwise,	✓		
1.2 (b) (v)	Not a member or TREC holder, director or officer of any stock exchange	✓		
1.2 (b) (vi)	Not a shareholder, director or officer of any member of stock exchange	✓		
1.2 (b) (vii)	Not a partner or an executive or was not a partner or an executive	✓		
1.2 (b) (viii)	Not be an independent director in more than 5 (three) listed companies	✓		
1.2 (b) (ix)	Not been convicted by a court of competent jurisdiction as a defaulter	✓		
1.2 (b) (x)	Not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (c)	Independent Directors has been appointed by the board and approved by the shareholders	✓		
1.2 (d)	Not remain vacant for more than 90 (ninety) days	✓		
1.2 (e)	Tenure of office of an independent director shall be for a period of 3 (three) year's, which may be extended for 1 (one) term only	✓		
1.3 (a)	Independent Directors Knowledgeable individual with integrity to ensure compliance	✓		
1.3 (b) (i)	Business Leader who is or was a promoter or director of an unlisted company	✓		
1.3 (b) (ii)	Higher position in an unlisted company having minimum paid-up capital of TK. 100.00 million	✓		
1.3 (b) (iii)	Former official of government or statutory ...		N/A	
1.3 (b) (iv)	University Teacher with educational background in Commerce or Business Studies or Law.	✓		
1.3 (b) (v)	Professional who is or was an advocate practicing at least		N/A	
1.3 (c)	The independent director shall have at least 10 years of experiences ...	✓		
1.3 (d)	Special cases, the above qualification or experience ...		N/A	
1.4 (a)	Individual Chairman of the Board and Chief Executive Officer (CEO)	✓		
1.4 (b)	Not hold the same position in another listed company of MD/CEO	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the ...	✓		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and	✓		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one		N/A	
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performances	✓		
1.5 (iii)	Risks and concerns including internal and external risk	✓		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-ordinary gain or loss	✓		
1.5 (vi)	A detailed discussion on related party transactions	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and or through any others		N/A	
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO etc.		N/A	
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial	✓		
1.5 (x)	Remuneration to the directors including independent directors	✓		
1.5 (xi)	The financial statements present fairly its state of affairs, result of its operation	✓		
1.5 (xii)	Maintenance of proper books of accounts	✓		
1.5 (xiii)	Appropriate Accounting Policies and estimates have been applied	✓		
1.5 (xiv)	Followed IAS/IFRS in preparation of Financial Reporting Statements	✓		
1.5 (xv)	Internal Control System has been effectively implemented and monitored	✓		
1.5 (xvi)	Minority shareholders have been protected from abusive action		N/A	
1.5 (xvii)	Ability to continue as a going concern	✓		
1.5 (xviii)	Significant deviations from last year's in operation results	✓		
1.5 (xix)	Key operation and financial summarized data of at last preceding five year's	✓		
1.5 (xx)	Reasons for not declared dividend		N/A	
1.5 (xxi)	Declaration of no bonus share or stock dividend as interim dividend	✓		

N/A = Not Applicable

## Annexure - C (Contd..)

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5 (xxii)	Number of Board Meetings held during the year and attendance by the Directors	✓		
1.5 (xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties	✓		
1.5 (xxiii)(b)	Directors, CEO, CS, CFO, HIA&C and their spouses and minor children	✓		
1.5 (xxiii)(c)	Executives	✓		
1.5 (xxiii)(d)	Shareholders holding ten percent or more voting interest	✓		
1.5 (xxiv)(a)	Resume of the director	✓		
1.5 (xxiv)(b)	Expertise in specific functional areas	✓		
1.5 (xxiv)(c)	Name of companies in which the person also holds the directorship	✓		
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements	✓		
1.5 (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing		N/A	
1.5 (xxv)(c)	Comparative analysis of financial performance	✓		
1.5 (xxv)(d)	Compare such financial performance	✓		
1.5 (xxv)(e)	Explain the financial and economic scenario of the country	✓		
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements	✓		
1.5 (xxv)(g)	Future plan or projection or forecast for company's operation	✓		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO	✓		
1.5 (xxvii)	Disclosing the report and as well as certificate as per Annexure-A & B	✓		
1.6	Meeting of the Board of Directors	✓		
1.7 (a)	Code of conduct based on recommendation of the NRC	✓		
1.7 (b)	Position code of conduct on the website determined by the NRC	✓		
<b>2</b>	<b>The Board of Directors of all condition of subsidiary Company</b>		N/A	
<b>3</b>	<b>MD/CEO, CFO, HIAC and CS:</b>			
3.1(a)	Appointment of MD/CEO, CS, CFO and HIAC	✓		
3.1(b)	Individuals filled of MD or CEO, CS, CFO and HIAC	✓		
3.1(c)	don't hold any executive position in any other company	✓		
3.1(d)	The Board shall clearly define respective roles of the CFO, HIAC and CS	✓		
3.1(e)	Rules of removing from their position without approval of the Board	✓		
3.2	MD or CEO, CS, CFO and HIAC shall attend the meeting of the Board of Directors	✓		
3.3(a)(i)	Reviewed the materially untrue statement	✓		
3.3(a)(ii)	Reviewed about compliance of the accounting standards	✓		
3.3(b)	The MD or CEO and CFO shall also certify	✓		
3.3(c)	Disclosed the certificate of the MD or CEO and CFO	✓		
<b>4</b>	<b>Board of Directors' Committee</b>			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee	✓		
<b>5</b>	<b>Audit Committee</b>			
5.1(a)	Audit committee as a sub-committee of the Board	✓		
5.1(b)	The Audit Committee shall assist the Board in ensured	✓		
5.1(c)	The Audit Committee shall responsible of the Board	✓		
5.2 (a)	Audit Committee composed of at least 3 (Three) members	✓		
5.2 (b)	Members of the audit committee have been appointed by the Board of Directors	✓		
5.2 (c)	Qualified members in audit committee	✓		
5.2 (d)	Term and conditions of service of audit committee members	✓		
5.2 (e)	Secretary of the audit committee	✓		
5.2 (f)	Quorum of the audit committee	✓		
5.3 (a)	The Chairman has been selected by the Board of Directors	✓		
5.3(b)	Absence of the Chairperson of the Audit Committee	✓		
5.3 (c)	The Chairman of the audit committee present in the AGM	✓		
5.4(a)	The Audit Committee shall conduct at least four meeting	✓		
5.4(b)	The quorum of the Audit Committee meeting	✓		
5.5(a)	Oversee the financial reporting process	✓		
5.5 (b)	Monitor choice of the accounting policy and principals	✓		
5.5 (c)	Monitor Internal Audit and Compliance Process	✓		
5.5 (d)	Oversee hiring and performance of external auditors	✓		
5.5(e)	The external auditors and Review the annual financial statements	✓		
5.5 (f)	Review the annual financial statements before submission to the board for approval	✓		
5.5 (g)	Review of quarterly and half yearly financial statements before submission	✓		
5.5 (h)	Review of adequacy of internal audit function	✓		
5.5(i)	Review the discussion and analysis	✓		
5.5 (j)	Review statement of significant related party transaction	✓		
5.5 (k)	Review Management letters/Letter of internal control weakness		N/A	
5.5 (l)	Oversee the determination of audit fees based	✓		

## Annexure - C (Contd..)

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
5.5 (m)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue		N/A	
5.6(a)(i)	Activities of Audit Committee shall be reported to the Board	✓		
5.6(a)(ii) (a)	Conflicts of interests		N/A	
5.6(a)(ii)(b)	Suspected or presumed fraud of irregularity or material defect in the internal control system		N/A	
5.6(a)(ii)(c)	Infringement of laws, rules and regulations		N/A	
5.6(a)(ii)(d)	Any other matter disclosed to the Board of Directors		N/A	
5.6(b)	Reporting to the Authorities		N/A	
5.7	Reporting to the Shareholders and General Investors	✓		
<b>6 Responsibility of Nomination and Remuneration Committee to the Board:</b>				
6.1(a)	The NRC as sub-committee of the Board	✓		
6.1(b)	The NRC assist the Board in formulation of the nomination criteria	✓		
6.1(c)	The NRC Recommendation to the Board	✓		
6.2	Constitution of the NRC:			
6.2(a)	The Committee size with at least 3 (three) members	✓		
6.2(b)	Non-executive directors would be the members of the committee	✓		
6.2(c)	Members of the Committee would be nominated and appointed by the Board	✓		
6.2(d)	Board would be authority to remove and appoint any member of the Committee	✓		
6.2(e)	Any vacancy in the committee should be filled within 180 days by the Board		N/A	
6.2(f)	External expert or member can be included in the committee by the Chairman if necessary		N/A	
6.2(g)	CS shall act as the secretary of the Committee	✓		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an ID	✓		
6.2(i)	Fee or remuneration is not applicable for any member of NRC	✓		
6.3	Chairperson of the NRC:			
6.3(a)	Selection of the chairperson of the committee by the board	✓		
6.3(b)	In absence of the Chairperson of the NRC		N/A	
6.3(c)	Presence of the chairman in the AGM		N/A	
6.4(a)	At least one meeting in a financial year	✓		
6.4(b)	Convening any emergency meeting if necessary		N/A	
6.4(c)	Constitution of the quorum of the meeting in presence of two or two third members	✓		
6.4(d)	Recording the proceedings of each meeting in the minutes	✓		
6.5(a)	Independence and responsibility or accountability of NRC	✓		
6.5(b)(i)(a)	Overseeing the level and composition of remuneration and reporting with recommendation to the Board	✓		
6.5(b)(i)(b)	Overseeing the relationship between remuneration to performance	✓		
6.5(b)(i)(c)	Balance of remuneration of directors and top level executive	✓		
6.5(b)(ii)	Devising a policy on Board's diversity	✓		
6.5(b)(iii)	Identifying the qualified persons and recommend them to the board	✓		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of I.Directors and the Board	✓		
6.5(b)(v)	Identifying the needs for employees and determine their selection	✓		
6.5(b)(vi)	Developing, recommendation and reviewing annually human resources and	✓		
6.5(c)	Disclosing the nomination and remuneration policy and	✓		
<b>7 External/Statutory Auditor:</b>				
7(1)(i)	Appraisal/valuation services or fairness opinions	✓		
7(1)(ii)	Financial information system design and implementation	✓		
7(1)(iii)	Book-keeping or other services related to the accounting and financial statements	✓		
7(1)(iv)	Broker-dealer services	✓		
7(1)(v)	Actuarial services	✓		
7(1)(vi)	Internal Audit Services	✓		
7(1)(vii)	Services that the Audit Committee determines	✓		
7(1)(viii)	Audit/certification services	✓		
7(1)(ix)	Service that creates conflict or interest	✓		
7(2)	Audit firm could not hold any share of the company they audit	✓		
7(3)	Presence of representative of the auditors in the AGM	✓		
<b>8 Maintaining a website the Company:</b>				
8(1)	An official website linked with the website of the stock exchange	✓		
8(2)	Keeping the website functional from the date of listing	✓		
8(3)	Detailed disclosures on the company's website	✓		
<b>9 Reporting and Compliance of Corporate Governance:</b>				
9(1)	Obtain certificate regarding compliance of conditions of Corporate Governance Guidelines	✓		
9(2)	Appointment of certificate provider regarding compliance of conditions of Corporate Governance Code	✓		
9(3)	Annexure attached in the Director's Report	✓		

N/A = Not Applicable

## Audit Committee Report to the Shareholders For the year ended 30th June 2024

As the Chairman of the Audit Committee of H.R. Textile Mills Limited I have the pleasure to place before the shareholders of the company this Report for the information of the shareholders. As you are aware that the Audit Committee is a sub-committee of the Board formed to look after the financial affairs of the company in a closure view and to assist the Board in ensuring that the financial statements reflect a true and fair view of the state of affairs of the company. Internal control and monitoring systems of the company are also the prime concern of the committee. Besides, it advises the Board in various matters like internal control system, risk management and other strategic issues in terms of the policies and procedures.

The Audit Committee is comprised of 3 (Three) members as follows:

Names	Designation	Position
Mr. Mohammad Kabiruzzaman	Independent Director	Chairman
Professor Dr. Muhamamd Abdul Moyeen	Chairman	Member
Professor Mohammad Abdul Momen	Director	Member

Mr. Md. Wali Ullah, Company Secretary acted as Secretary to this Committee. In addition to the secretary, The Chief Financial Officer (CFO), the Head of Internal Audit and Compliance (HIAC) attend the meeting regularly. During the financial year 30th June 2024, the committee held 5 (Five) meetings and the proceedings of the Audit Committee have been duly reported to the Board.

### Activities carried out during the year were:

- a) Reviewed the financial statements of all the quarters before those were finalized and published. The Committee also reviews the annual financials at the draft stage and compares the same with the quarterly unaudited accounts to review as to whether the annual accounts have any significant differences with the quarterly trend as reflected in the published quarterly accounts;
- b) Reviewed the annual financial statements of the Company prior to submission to the Board for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities Laws, provision of the Companies Act 1994, International Financial Reporting Standards (IFRS) as applicable in Bangladesh;
- c) Reviewed the work of the Internal Audit Department and made suggestions for improvement;
- d) Reviewed the observations of the Internal Audit Department regarding internal control and suggestions were made to improve operational systems and procedures and their implementation;
- e) Reviewed the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended 30th June 2024;
- f) Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;

## Annexure - 2 (Contd. . . .)

- g) Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation;
- h) Reviewed the profiles of the audit firms and proposed to the Board for recommendation;
- i) Reviewed the Internal Control System and Financial Statements;
- j) Reviewed statement of all related party transactions submitted by the management.

The committee is of the opinion that adequate controls and procedures are there to provide reasonable assurance that the company's assets are safeguarded, the liabilities are properly accounted for and financial activities of the company is well managed.

**Acknowledgment Statement**

The Audit Committee has performed all its activities satisfactorily during the financial year 2023-24 and took necessary steps including reporting to the Board. The Committee expresses its sincere acknowledgement to the Board, the management and statutory and internal auditors for their continuous support and assistance in enabling effectively discharge its duties and responsibilities for the period.

On behalf of the Audit Committee



Mr. Mohammad Kabiruzzaman  
Chairman of the Audit Committee  
Date: December 23, 2024

## Nomination and Remuneration Committee Report to the Shareholders For the year ended 30th June 2024

As per the requirements of the BSEC Code of Corporate Governance, The Board has constituted a Nomination and Remuneration Committee (NRC) in July 2018 with the following terms of Reference that the NRC would assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as policy for the formal process of considering remuneration of director and top level executives.

### Composition of the Committee

The NRC consist of three Directors including one Independent Director who is the Chairman of the Committee. The Committee acts as per the terms and condition of the Corporate Governance Code of BSEC. The Committee members as follows:

Names	Designation	Position
Mr. Mohammad Kabiruzzaman	Independent Director	Chairman
Professor Dr. Muhammad Abdul Moyeen	Director	Member
Professor Mohammad Abdul Momen	Director	Member

Company Secretary Mr. Md. Wali Ullah act as the Secretary of the Committee.

The Managing Director, Chief Financial Officer (CFO) and Head of HR, attend the meeting as and when required by invitation.

### Major Role and responsibilities of the Committee

1. The Committee is an independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders of the Company;
2. The Committee discharges the responsibilities and acts as stipulated in the Terms of Reference (ToR) of the Nomination and Remuneration Committee adopted by the Board in line with the Corporate Governance Code 2018.

### The activities of the NRC during the year were as follows:

1. During the year under review the Committee met once. The Managing Director, the Chief Financial Officer and the Head of Human Resources attended the meeting by invitation of the Committee;
2. Reviewed the management's proposals for the annual increment/ enhancement of salary and renewal of contract appointments of Senior Management of the Company;
3. Reviewed the set-up of the organization structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement;
4. Reviewed the set-up of standard pay structure for each job level based on education, experience and competency;
5. Reviewed the Employee Benefit policy to attract the job seekers and retain internal talents. Succession planning of the company to have our future leaders ready according to the requirements. Ensuring extensive training and development plan for the individual or group of people;
6. Reviewed that a transparent recruitment and selection policy is in existence where competent candidates get hired;
7. Reviewed that practicing a clear career path system for employees which reflect in organization structure.

The committee acknowledges the cooperation it received from related professionals of the senior Management and members of the Board of Directors.

On behalf of the Committee



Mohammad Kabiruzzaman

Chairman

Nomination and Remuneration Committee

Date: December 23, 2024



# Financial Report

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

For the year ended 30th June 2024

**S.K. BARUA & CO.**  
**Chartered Accountants**  
**Independent Auditors' Report**  
**to**  
**The Shareholders of H.R. Textile Mills Limited**

**Report on the Audit of the Financial Statements:**

**Qualified Opinion**

We have audited the financial statements of HR Textile Mills Limited, which comprise the statement of financial position as of June 30, 2024, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as of June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

- 1) IAS-2 was not followed with regard to measurement of inventories. Additionally, discrepancies found while verifying inventories at the year end
- 2) Foreign currency monetary items were not translated using the closing rate. Which is non-compliance IAS 21 and assets/ liabilities may be overstated/understated.
- 3) Unclaimed Dividend was reported in the financial statements BDT 3,412,516.96. but BDT 624,016 was shown in the bank statement of Dividend Account as on 30.06.2024. There is a difference for an amount of BDT 2,788,500.96 which is not transferred to the designated Bank Account.
- 4) Proper accounts were not maintained for the workers' participation fund and welfare fund. As per Section 248, the funds must undergo an annual audit. The company did not comply with this statutory requirement, raising concerns about proper fund management and oversight.
- 5) As Per the BSEC Directive No. BSEC/CMRRCD/2021-386/03, (3)(i) the whole amount of cash dividend must be transferred to the designated account within 10-days after declaration. It was not fully complied with.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of Matters:**

We draw attention to the following matters:

- a) Interest expense on long-term loan from Al-Arafah Islami Bank Ltd has been recognized as deferred revenue expenditure which is mentioned in note no 3.7 of notes to the financial statements.
  - b) As per section 11A(a) of the Companies Act 1994, Public Limited Company should add "PLC" with the name of the company which was not followed by the company.
  - c) As Per the BSEC Directive No. BSEC/CMRRCD/2021-386/03, (3)(vii) Unclaimed / Unpaid cash dividend shall be transferred to a separate Bank Account within 1 year from declaration or approval or record date which was not followed by the company.
  - d) The company has incurred significant transactions with related party which is disclosed in note 46 of notes to the financial statements.
  - e) As per the Bangladesh Securities and Exchange Commission (BSEC) directive No: BSEC/CMRRC/2009-193/37/Admin/132 (1), all listed securities issuers, except life insurance companies, must obtain a credit rating within six months of each financial year. HR Textile Mills Ltd obtained after the stipulated date. Additionally, the company did not disseminate the rating as a PSI (Price Sensitive Information) or submit the rating information to the exchanges, further breaching regulatory obligations.
  - f) Earlier years claim for export incentives have been recognized in the financial statements which is disclosed in note 3.5.1 in the notes to the financial statements.
  - g) Net profit, NAV & NOCFPS significantly reduced during the year which is disclosed in note 3.16 of notes to the financial statements.
- Our opinion is not modified in respect of these matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matters provided in that context.

Risk	Our response to the risk
<b>Revenue Recognition</b>	
<p>Revenue is the most financially significant item in the statement of profit and loss and other comprehensive income. The company has revenue of Taka 661,866,050 for the year ended 30 June 2024 including incentive.</p> <p>Application of IFRS 15 involves significant judgment in determining when control of the goods or services underlying the performance obligation is transferred to the customer. As the revenue recognition, due to the significance of the balance to the financial statement as a whole, we consider this as a key audit matter.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring a promised good or service.</p> <p>See note no. 3.5, 31 &amp; 32 to the financial statements.</p>	<p>Our procedures included obtaining and understanding of management's revenue recognition process. We tested a sample of the transaction to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in Note-3.5, 31 &amp; 32 of the financial statement. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoice, bank reconciliation report, bank statements and also, we confirmed selected customers receivable balances at the financial position date, selected on a sample basis by considering the amount outstanding with those customers.</p> <p>We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off.</p> <p>Finally assessed the appropriateness and presentation of disclosure against relevant accounting standards</p>

## Long-term & Short-term loan

<p>At the end of the financial year, the position of loans remained amounting to Tk. 3,494,356,251 for the company. In other words, approximately 90.34% of total liabilities for the company.</p> <p>Evidently, the company is using loans to operate the business and also, to acquire non-current assets.</p> <p>Therefore, it has been considered a key audit area.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the loans. Our audit procedures included, among others, the followings:</p> <ul style="list-style-type: none"> <li>• Understanding and reviewing the nature and types of loans;</li> <li>• Reviewing the board minutes for arrangements of the loans;</li> <li>• Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans;</li> <li>• Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans;</li> <li>• Recalculating the interest related to loans;</li> <li>• Checking the adjustments or repayments of loans through bank statements as per repayment schedule;</li> <li>• Checking whether there are any overdue payments and penal interests; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our procedures above did not identify any issues with regard to the loans.</p>
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<b>Carrying value (CV) of Property, plant and equipment (PPE) and its impairment</b>	
<p>PPE includes the company's long-term assets, which flow economic benefits to the entities for more than one year. PPE is measured at cost less accumulated depreciation.</p> <p>The carrying value of PPE represents a significant portion of total assets, which is amounting to Tk. 2,656,075,849 for the company at the reporting date.</p> <p>The carrying value of PPE is the function of depreciation charges on cost/ revaluated amount that involved estimation. Therefore, it has been considered as a significant area of auditor's judgment and requires special attention. It is a matter of consideration that the carrying value of PPE may be higher than the recoverable amount and the impairment charges thereon may not have been recognized.</p>	<p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets. Followings are our audit procedures on the carrying value and impairment risk of PPE:</p> <p>Reviewing basis of recognition, measurement and valuation of assets;</p> <ul style="list-style-type: none"> <li>▶ Observing procedures of assets acquisition, depreciation and disposal;</li> <li>▶ Checking ownership of the major assets;</li> <li>▶ Checking estimated rates of depreciation being used and assessing its fairness;</li> <li>▶ Discussing with the management about the fair value of the assets and assessing independently whether the carrying value approximates the fair value at the reporting date;</li> </ul> <p>Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</p>
<b>Measurement of Deferred Tax Liability</b>	
<p>Deferred tax liability has been recognized due to taxable temporary difference in compliance with IAS 12.</p> <p>The Company has reported deferred tax liability amounting to BDT 94,239,450 as at June 30, 2024.</p> <p>A significant judgment is required in relation to deferred tax liabilities as this is related to taxable profit(loss) of future periods.</p>	<p>In order to obtain the completeness and correctness of the deferred tax, we have tested the following key control activities;</p> <ul style="list-style-type: none"> <li>⇒ Assessed the key assumptions, recognition, controls and measurement of deferred tax.</li> <li>⇒ We have tested the calculation of tax-based depreciation and accounting-based depreciation.</li> <li>⇒ Assessed the appropriateness of presentation and disclosure against IAS 12.</li> <li>⇒ Verify the procedure of deferred tax calculation and recognition.</li> </ul>
<b>Valuation of inventory</b>	
<p>Inventories should be measured at the lower of cost and net realizable value.</p> <p>The amount of BDT 372,930,831 has been reported as stock and stores as on 30 June 2024 in the financial statements.</p> <p>Inventories are maintained by manual interfaces and inputs, there is a risk that inappropriate management override and/ or error may occur.</p> <p>See note no. 3.2 &amp; 07 to the financial statements.</p>	<p>We challenged the appropriateness of managements assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and Implementation of key inventory controls operating across the company;</li> <li>• Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li> <li>• Verified cost price of a sample of inventories and compared with the associated provision to assess whether inventory provisions are complete;</li> <li>• Review the historical accuracy of inventory provisioning and the level of inventory write-off during the year.</li> </ul> <p>Our testing identified issues regarding existence of inventories which have been reported in the basis for qualified opinion section of our report.</p>

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appeared to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Companies Act 1994, IFRSs, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

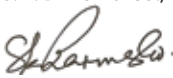
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

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

Firms' Name : S. K. BARUA & CO., Chartered Accountants

Signature : 

Auditor's Name : Mohammad Anwarul Hoque FCA, Engagement Partner/Enr No: 1458

Date : December 29, 2024

Place : Dhaka

DVC : 2412291458AS549605

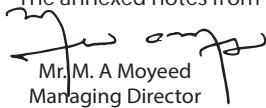
## H.R. Textile Mills Limited

### Statement of Financial Position

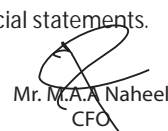
#### As at 30th June 2024

Particulars	Notes	As at 30/06/2024 Taka	As at 30/06/2023 Taka
<b>ASSETS</b>			
Non-Current Assets		2,925,977,190	2,731,177,023
Property, Plant and Equipment	4	2,656,075,849	2,458,698,974
Capital Work in Progress	5	184,646,812	184,646,812
Investment in FDR	6	85,254,529	87,831,237
Current Assets		1,568,195,080	1,946,808,109
Stocks and Stores	7	372,930,831	763,853,167
Trade and Other Debtors	8	589,873,127	702,905,122
Export Incentive Receivable	9	47,845,516	-
Deferred Revenue Expenditure	10	153,180,675	-
Advances, Deposits and Pre-payments	11	351,960,066	378,589,239
Cash and Cash Equivalents	12	52,404,865	101,460,581
<b>Total Assets</b>		<b>4,494,172,270</b>	<b>4,677,985,132</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>626,350,485</b>	<b>1,207,596,650</b>
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	649,179,158	650,075,370
Retained Earnings	18	(354,379,413)	225,970,540
Non-Current Liabilities		3,016,683,548	2,647,804,507
Long-term Loans - Secured, Future Maturity	19	2,881,032,296	2,510,819,755
Non-Convertible Callable Zero-coupon Bond	20	25,453,504	24,254,358
Provision for Gratuity	21	15,958,298	22,008,828
Deferred Tax Liability	22	94,239,450	90,721,566
Current Liabilities		851,138,237	822,583,975
Short-term Loans	23	613,323,955	364,041,452
Trade and Other Creditors	24	168,270,225	337,744,483
Unclaimed Dividend Account	25	3,412,517	6,785,277
Accrued Expenses	26	25,415,763	26,136,042
Provision for Current Taxation	27	37,573,632	67,079,066
Bills Receivable Discounted	28	-	15,328,209
Workers' Participation/ Welfare Funds	29	3,142,145	5,469,446
<b>Total Shareholders' Equity &amp; Liabilities</b>		<b>4,494,172,270</b>	<b>4,677,985,132</b>
<b>Net Assets Value (NAV) per share</b>	30	<b>21.43</b>	<b>41.33</b>

The annexed notes from 1 to 47 from an integral part of these financial statements.

  
Mr. M. A Moyeed  
Managing Director

  
Dr. M. A Moyeen  
Director

  
Mr. M.A.A Naheel  
CFO

  
Mr. Md. Wali Ullah  
Company Secretary

Dated: Dhaka  
Meeting: December 23, 2024  
Signed in terms of our annexed report of even date .  
Dated: Dhaka: December 23, 2024  
DVC : 2412291458AS549605

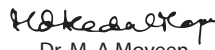
  
S.K. BARUA & CO.  
Chartered Accountants

**H.R. Textile Mills Limited**  
**Statement of Profit or Loss and**  
**other Comprehensive Income**  
**For the year ended 30th June 2024**

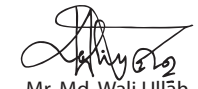
<u>Particulars</u>	<u>Notes</u>	30/06/2024 Taka	30/06/2023 Taka
Sales Revenue	31	610,042,538	2,282,079,427
Export Incentive	32	51,823,512	47,799,560
<b>Turnover</b>		<b>661,866,050</b>	<b>2,329,878,987</b>
Cost of Goods Sold	33	(949,202,854)	(1,964,985,595)
Gross Profit		(287,336,804)	364,893,392
Administrative, Selling and General Expenses	34	(79,509,963)	(85,356,970)
Financial Expenses	35	(201,444,577)	(241,755,003)
Operating Profit		(568,291,344)	37,781,419
Other Income	36	7,800,494	6,637,637
Profit before contribution to WPPF		(560,490,850)	44,419,056
Contribution to WPPF	29	-	(2,115,193)
<b>Net Profit before Tax</b>		<b>(560,490,850)</b>	<b>42,303,864</b>
Income Tax Expenses		(14,317,910)	(26,393,644)
Current Tax	38	(10,641,870)	(24,098,508)
Deferred Tax	22	(3,676,040)	(2,295,136)
Prior year Tax		-	-
<b>Net Profit/(Loss) after Tax</b>		<b>(574,808,760)</b>	<b>15,910,220</b>
<b>Earning Per Share (EPS)</b>	40	<b>(19.67)</b>	<b>0.54</b>

The annexed notes from 1 to 47 form an integral part of these financial statements.

  
Mr. M. A Moyeed  
Managing Director

  
Dr. M. A Moyeen  
Director

  
Mr. M. A. Naheel  
CFO

  
Mr. Md. Wali Ullāh  
Company Secretary

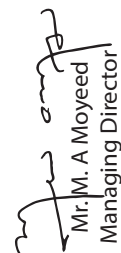
Dated: Dhaka  
Meeting: December 23, 2024

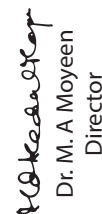
Signed in terms of our annexed report of even date.  
Dated: Dhaka: December 23, 2024  
DVC : 2412291458A549605

  
S.K. BARUA & CO.  
Chartered Accountants

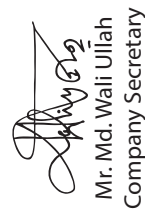
**H.R. Textile Mills Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended 30th June 2024**

Particulars	Share Capital	General Reserve	Tax holiday Reserve	Revaluation Surplus	Dividend Equalisation 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	-	-	-	(896,212)	-	1,054,368	158,156
Cash Dividend declared 2023	-	-	-	-	-	(7,563,985)	(7,563,985)
Prior adjustment of non-Convertible Callable Zero-coupon Bond	-	-	-	-	-	968,424	968,424
Net profit/(Loss) after tax	-	-	-	-	-	(574,808,760)	(574,808,760)
Balance as at 30th June 2024	292,215,000	6,956,752	22,378,988	649,179,158	10,000,000	(354,379,413)	626,350,485
Balance as at June 30, 2022	265,650,000	6,956,752	22,378,988	650,971,582	10,000,000	248,853,452	1,204,810,774
Revaluation reserve realised	-	-	-	(896,212)	-	1,054,368	158,156
Cash Dividend declared 2022	-	-	-	-	-	(13,282,500)	(13,282,500)
Bonus Shares issued 2022	26,565,000	-	-	-	-	(26,565,000)	-
Net profit after tax	-	-	-	-	-	15,910,220	15,910,220
Balance as on 30th June 2023	292,215,000	6,956,752	22,378,988	650,075,370	10,000,000	225,970,540	1,207,596,650

  
 Mr. M. A. Moyeed  
 Managing Director

  
 Dr. M. A. Moyeed  
 Director

  
 Mr. M. A. Naheel  
 CFO

  
 Mr. Md. Wali Ullah  
 Company Secretary

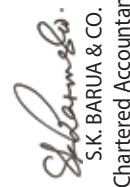
Dated: Dhaka

Meeting: December 23, 2024

Signed in terms of our annexed report of even date.

Dated: Dhaka: December 23, 2024

DVC : 2412291458A549605

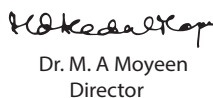
  
 S.K. BARUA & CO.  
 Chartered Accountants



## H.R. Textile Mills Limited Statement of Cash Flows For the year ended 30th June 2024

<u>Particulars</u>	<u>Notes</u>	30/06/2024 Taka	30/06/2023 Taka
<b>Cash Flows from Operating Activities:</b>			
Cash received from Sales and export incentives		727,052,529	2,309,023,218
Receipts from Other Income		7,762,027	6,596,432
Cash paid for goods and services		(858,110,046)	(2,483,330,303)
Cash from operation		(123,295,490)	(167,710,653)
Interest paid		(184,459,404)	(221,888,983)
Income tax paid/deducted at sources		(10,883,370)	(24,519,008)
<b>Net Cash inflows from operating activities</b>		<b>(318,638,264)</b>	<b>(414,118,644)</b>
<b>Cash Flows from Investing Activities:</b>			
Acquisition of property, plant and equipment	4	(332,735,250)	(411,090,031)
Investment in FDR	6	2,576,708	(8,434,733)
<b>Net Cash outflows from investing activities</b>		<b>(330,158,542)</b>	<b>(419,524,764)</b>
<b>Cash Flows from Financing Activities:</b>			
Long Term Loans Received/(Repaid)		370,212,541	894,892,821
Non-Convertible Callable Zero-coupon Bond		1,199,146	2,944,714
Short-term Loans Received/(Repaid)		249,282,503	(4,475,035)
Cash Dividend Paid		(6,631,781)	(12,196,004)
Bills Receivable Discounted Received/(Repaid)		(15,328,209)	(1,570,649)
<b>Net Cash inflow from financing activities</b>		<b>598,734,200</b>	<b>879,595,847</b>
Net increase/(decrease) in cash and bank balances		(50,062,606)	45,952,439
Cash and Bank balances on opening		101,460,581	55,466,936
Effects of exchange rate changes on cash and cash equivalents		38,467	41,205
Cash and Bank balances at closing - Note 12		52,404,865	101,460,581
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	41	<b>(10.90)</b>	<b>(14.17)</b>

  
Mr. M. A Moyeed  
Managing Director

  
Dr. M. A Moyeed  
Director

  
Mr. M.A.A Naheel  
CFO

  
Mr. Md. Wali Ullah  
Company Secretary

Dated: Dhaka  
Meeting: Deceember 23, 2024

Signed in terms of our annexed report of even date .  
Dated: Dhaka: Deceember 23, 2024  
DVC : 2412291458AS549605

  
S.K. BARUA & CO.  
Chartered Accountants

## H.R. Textile Mills Limited

### Notes to the Financial Statements

#### For the year ended June 30, 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 2023 to June 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 24 Related Party Disclosures	Complied
IAS 2 Inventories	Complied	IAS 26 Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 7 Cash Flows Statement	Complied	IAS 27 Separate Financial Statements	Complied
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors	Complied	IAS 28 Investments in Associates and Joint Ventures	Not Applicable
IAS 10 Events after the Reporting Period	Complied	IAS 29 Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 12 Income Taxes	Complied	IAS 32 Financial Instruments: Presentation	Complied
IAS 16 Property, Plant and Equipment	Complied	IAS 33 Earnings Per Share	Complied
IAS 19 Employee Benefits	Complied	IAS 34 Interim Financial Reporting	Complied
IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	Complied	IAS 36 Impairment of Assets	Complied
IAS 21 The Effects of Changes in Foreign Exchange Rates	Complied	IAS 37 Provision, Contingent Liabilities and Contingent Assets	Complied
IAS 23 Borrowing Costs	Complied	IAS 38 Intangible Assets	Complied
		IAS 40 Investment Property	Not Applicable

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

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

**2.8 Component of Financial Statements**

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

**3.01.2 Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

**3.01.3 Depreciation on property, plant and equipment**

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

SL No.	Particular	Rate of Depreciation
01	Factory Building	2.50%
02	Plant & Machinery	7.00%
03	Factory Shed	7.50%
04	Electric, Gas, Water, Steam and Telephone Installation, Furniture & Fixture, Office Equipment, Factory Equipment and Tools & Apparatus.	10%
05	Motor Vehicle	15%

### 3.01.4 Impairment of assets

#### 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.

### 3.01.5 Intangible assets:

#### i) Software:

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

### 3.01.6 Amortization:

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

### 3.2 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is valued at weighted average cost method and includes costs for acquiring the inventories and bringing them to their existing locations and conditions. No inventories have been written off and kept as mortgage during the year.

### 3.3 Provisions

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

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

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

### 3.4 Earnings Per Share (EPS)

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

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

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the period.

#### **Diluted Earnings per share**

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

#### 3.5.1 Recognition of Cash Incentives

During the financial year, the Company has recognized cash incentive on accrual basis of accounting in compliance of IAS 1. As a result, cash incentives are recognized as revenue when the Company has reasonable assurance of entitlement and fulfillment of the relevant conditions, regardless of when the actual cash is received. Since it was recognized on cash basis in the earlier years, so some incentives are recognized during the year related to earlier years export and applications. 85 % of total claimed export incentives has been recognized on conservative approach.

### 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 expenses 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. During the year, interest expense of Al Arafah Islami Bank loan which will be paid after the expiry of grace period has been presented as deferred revenue expense as per the decision of Board of Directors.

### 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 considering net profit at the rate of 15%, gross receipts and tax deducted at source on export proceeds which has been presented in note 38.

#### 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 June 30, 2023.

#### Maturity analysis

Particulars	Current	>30 days	> 90 days	> 1 year	Total
Loans and Receivables	52,404,865	-	-	-	52,404,865
Cash and Cash Equivalents					
Accounts Receivable	-	-	589,873,127	-	589,873,127
Balance at June 30, 2024	52,404,865	-	589,873,127	-	642,277,992

#### Financial liabilities measured at amortized Cost:

Bank Loan	613,323,955	-	2,881,032,296	-	3,494,356,251
Sundry Creditors	-	-	168,270,225	-	168,270,226
Balance at June 30, 2024	613,323,955	-	3,049,302,521	-	3,662,626,477

#### 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	-	-	-	-	3,494,356,251
Sundry Creditors	-	-	-	-	168,270,226
Balance at June 30, 2024	-	-	-	-	3,662,626,477

#### 3.16 Going Concern:

At each year end management of the Company makes assessment of going concern as required by IAS-1. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. The Board of Directors continues to adopt going concern assumption while preparing the financial statements.

Although the Company has incurred significant loss during the year and negative operating cash flows, excess current liabilities compared to its current assets as of 30 June, 2024. It happened due to labor dispute, shortage of gas and cancellation of order. But the company has adequate production capacity and got new orders from Norp Kint, OVS Spa, ITX Trading, A Mixed Fzco, Dongyi Sourcing, Fashion Knit Garments LTD where aggregated value is 3,052,873.80 USD. Timely realization of payments from these buyers is essential for meeting the Company's financial obligations and sustaining operations. Besides, the company acquired automatic digital cutting machine during the year which will reduce production cost along with quality

#### 3.17 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

#### 3.18 Capital Work-In-Progress:

Property, Plant and Equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

#### 3.19 Capitalized Borrowing Cost:

Borrowing cost relating to acquisition of fixed asset, is capitalized as per International Accounting Standard (IAS-23) - Borrowing Cost at the weighted average cost of borrowing. However, capitalization of borrowing costs is ceased when acquisition of relevant asset is completed. The borrowing costs for the Right Use of Assets are not capitalized as per IFRS-16.

#### 3.20 Other Income

Other income is recognized when the company's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

#### 3.21 Sources of Information:

During our course of preparation and presentation of the financial statements it has been considered the relevant financial documents and collected information throughout the accounting period ended 2022-2023 after overlooking of the head of accounts.

#### 3.22 Wastage/leftover

The company is enjoying bond facilities for imported fabrics. As a result, the company is not able to sale its wastage. Moreover, there is a restriction on the sale of some buyers' wastage and leftovers.

#### 3.23 Restatement/rearrangement:

Comparative figures have been rearranged/restated wherever considered necessary to ensure better comparability with the current period.



**4. Property, Plant and Equipment**

## a) Cost:

Opening balance

Add: Addition during the year

Less: Adjustmet during the year

Sub Total (a)

b) Accumulated depreciation

Opening balance

Add: Charged during the year

Less: Adjustment during the year

Sub Total (b)

Written down value (a - b)

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

	2024 Taka	2023 Taka
Opening balance	3,884,439,086	3,657,995,867
Add: Addition during the year	332,735,250	226,443,219
	<u>4,217,174,336</u>	<u>3,884,439,086</u>
Less: Adjustmet during the year	-	-
Sub Total (a)	<u>4,217,174,336</u>	<u>3,884,439,086</u>
b) Accumulated depreciation		
Opening balance	1,425,740,112	1,305,652,899
Add: Charged during the year	135,358,375	120,087,213
	<u>1,561,098,487</u>	<u>1,425,740,112</u>
Less: Adjustment during the year	-	-
Sub Total (b)	<u>1,561,098,487</u>	<u>1,425,740,112</u>
Written down value (a - b)	<u>2,656,075,849</u>	<u>2,458,698,974</u>
Opening balance	-	-
Add: Addition during the year	184,646,812	184,646,812
Closing balance	<u>184,646,812</u>	<u>184,646,812</u>
Opening balance	87,831,237	79,396,504
Add: Addition this year	1,100,029	4,500,000
Add Interest charges during the year	6,333,080	3,934,733
Less: Realised	(10,009,817)	-
Closing balance	<u>85,254,529</u>	<u>87,831,237</u>

These above mentioned amount of the FDR's are liened against Five years IPDC Finance Ltd, Guarantees amounting Tk. 85,254,529 which have been issued by IPDC Finance Limited in favor of IPDC Finance Limited. Hence, the same have been shown as non-current asset.

**7. Stocks and Stores**

## 7.1 The make-up is as below:

	2024		2023	
	Quantity (Kg.)	Amount (Taka)	Quantity (Kg.)	Amount (Taka)
Stock of Yarn - Note 7.2	<u>149,382</u>	<u>68,674,473</u>	<u>737,802</u>	<u>283,611,964</u>
Stock of Dyes and Chemicals - Note 7.3	<u>177,942</u>	<u>42,263,973</u>	<u>231,808</u>	<u>68,945,328</u>
Stock of Work-in-Process - Note 7.4		162,385,379		193,481,154
Stock of Finished Goods - Note 7.5		60,518,261		155,150,760
Stock of Accessories		10,560,217		22,509,057
Goods in Transit		15,684,754		24,856,452
		<u>360,087,057</u>		<u>748,554,715</u>
Stock of Spares		12,843,774		15,298,452
		<u>372,930,831</u>		<u>763,853,167</u>
7.2 Stock of Yarn				
Stock of Yarn	<u>149,382</u>	<u>68,674,473</u>	<u>737,802</u>	<u>283,611,964</u>
	<u>149,382</u>	<u>68,674,473</u>	<u>737,802</u>	<u>283,611,964</u>
7.3 Stock of Dyes and Chemicals				
Dyes	16,915	14,999,779	46,478	38,308,866
Chemicals	<u>161,026</u>	<u>27,264,194</u>	<u>185,330</u>	<u>30,636,462</u>
	<u>177,942</u>	<u>42,263,973</u>	<u>231,808</u>	<u>68,945,328</u>
7.4 Stock in Work in Process		<u>162,385,379</u>		<u>193,481,154</u>
7.5 Stock of Finished Products				
Finished Garments	143,236	42,545,240	143,236	48,847,239
Knitted Fabrics	-	17,973,021	176,312	106,303,521
	<u>143,236</u>	<u>60,518,261</u>	<u>319,548</u>	<u>155,150,760</u>

**8. Trade and Others Debtors**

	2024		2023	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 days)	4,502,549	535,353,127	6,058,422	648,385,122
Others Debtors	509,533	54,520,000	509,533	54,520,000
	<u>5,012,082</u>	<u>589,873,127</u>	<u>6,567,955</u>	<u>702,905,122</u>

These include a sum of Tk. 54,520,000 (2023: Tk. 54,520,000) due from Associates Companies, expected to be realised/ adjusted within a year from the financial statement end date.

These are unsecured but considered good.

**9. Export Incentive Receivable**

	2024 Taka	2023 Taka
Opening Balance	-	-
This year	51,823,512	-
Less: Received this year	(3,977,996)	-
Closing Balance	<u>47,845,516</u>	<u>-</u>

**10. Deferred Revenue Expenditure**

	2024 Taka	2023 Taka
Opening Balance	-	-
Interest during the year	153,180,675	-
Closing Balance	<u>153,180,675</u>	<u>-</u>

This amount is incurred for acquisition of assets, which represent of the bank interest of Al-Arafah Islami Bank PLC

**11. Advances, Deposits and Prepayments**

	2024 Taka	2023 Taka
Advances:		
Salary Advance	1,737,000	2,592,000
Advance Tax	1,585,000	1,343,500
LC Margin	8,465,000	-
Factory Insurance Advance	397,923	2,933,520
Advance against land	248,000,000	248,000,000
IPDC Finance Ltd.	8,709,484	8,709,484
Operational Advance	6,545,810	8,985,452
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	34,740,378	64,245,812
	<u>316,780,595</u>	<u>343,409,768</u>
Deposits :		
Security deposits	17,381,571	17,381,571
Bank Guarantee Margin	17,797,900	17,797,900
	<u>35,179,471</u>	<u>35,179,471</u>
	<u>351,960,066</u>	<u>378,589,239</u>

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	27,579	13,923
Mutual Trust Bank Ltd, Gulshan Branch, CD A/c	673,239	127,280
Mutual Trust Bank Ltd, Gulshan Branch, Fund builup A/c	6,377,514	4,049,943
Mutual Trust Bank Ltd, Gulshan Branch, Dollar A/c	-	13,359,991
Mutual Trust Bank Ltd, Gulshan Branch, Dollar A/c	1,980,792	2,113,095
Mutual Trust Bank Ltd, Gulshan Branch, ERQ A/c	26,378	50,537
HSBC, Anchor Tower Branch, MDA Margin A/c	22,716,753	5,366,192
HSBC, Anchor Tower Branch, FCY A/c	2,477,522	1,487,978
HSBC, Anchor Tower Branch, CD A/c	1,942,618	782,244
Trust Bank Ltd, SKB Branch, Dollar A/c	281,025	422,995
Trust Bank Ltd, SKB Branch, FCAD A/c	453	411
Trust Bank Ltd, SKB Branch, CD A/c	365,143	72,929
Meghna Bank PLC, Principal Branch, CD A/c	9,425	-
AL-Arafah Islami Bank PLC, H/O Corporate Br., CD A/c	564,702	250,375
AL-Arafah Islami Bank PLC, H/O Corporate Br., ERQ A/c	8,680,769	287,794
AL-Arafah Islami Bank PLC, H/O Corporate Br., FC Held A/c	2,941,156	10,465,997
Dutch-Bangla Bank Ltd., Gulshan Branch, CD A/c	227,629	129,938
AB Bank Ltd, Motijheel Branch, CD A/c	25,202	7,891
AB Bank Ltd, Motijheel Branch, Notice A/c	624,016	362,200
	<u>49,941,915</u>	<u>39,351,713</u>

With Bank on Short-term Deposit Account:

Trust Bank Ltd, SKB Branch, SND A/c	38,208	55,701,037
Southeast Bank Ltd, Principal Branch, STD A/c	53,987	54,671
	<u>92,195</u>	<u>55,755,708</u>
Cash at Banks	50,034,110	95,107,421
Cash in Hand	2,370,755	6,353,160
	<u>52,404,865</u>	<u>101,460,581</u>

**13. Share Capital**

	2024 Taka	2023 Taka		
13.1 Authorized: <u>100,000,000</u> Ordinary Shares of Tk. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>		
13.2 Issued, Subscribed and Paid-up: <u>29,221,500</u> Ordinary Shares of Tk. 10 each fully paid-up	<u>292,215,000</u>	<u>292,215,000</u>		
13.3 Composition of Shareholdings:				
	June 30, 2024		June 30, 2023	
Classes of Holdings	No. of Shares	%	No. of Shares	%
Sponsor/Directors	14,093,947	48.23	14,093,947	48.23
Financials Institutions	2,137,911	7.32	2,981,177	10.20
General Public	12,989,642	44.45	12,146,376	41.57
Total	<u>29,221,500</u>	<u>100.00</u>	<u>29,221,500</u>	<u>100.00</u>

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

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

Shareholdings range in number of shares	2024			2023		
	No. of Shareholders	No. of Shares	Holdings (%)	No. of Shareholders	No. of Shares	Holdings (%)
0000000001 - 00000000499	6,658	1,876,611	6.42	6,858	1,918,611	6.57
00000000500 - 00000000500	3,620	1,831,000	6.27	3,682	1,841,000	6.30
00000000501 - 00000002000	758	1,703,600	5.83	763	1,678,600	5.74
00000002001 - 00000005000	313	905,948	3.10	324	915,948	3.14
00000005001 - 00000010000	104	834,424	2.86	112	823,424	2.82
00000010001 - 00000050000	34	1,239,000	4.24	35	1,260,000	4.31
00000050001 - 00000100000	19	1,466,163	5.02	21	1,455,163	4.98
00000100001 - 00000250000	13	2,286,548	7.82	14	2,250,548	7.70
00000250001 - 00000500000	5	1,905,857	6.52	5	1,905,857	6.52
00000500001 and above	8	15,172,349	51.92	8	15,172,349	51.92
Total	<u>11,532</u>	<u>29,221,500</u>	<u>100.00</u>	<u>11,822</u>	<u>29,221,500</u>	<u>100.00</u>

13.4 Year wise break-up of the issue:

Date	Particulars	Shares	2024 (Taka)	2023 (Taka)
03/12/1984	Subscribed capital as per Memorandum and Articles of Association at the time of 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
10/02/1995	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
06/04/1995	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 (1,000,000 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	26,565,000	26,565,000
	Total (Taka 10 per share)	<u>29,221,500</u>	<u>292,215,000</u>	<u>292,215,000</u>

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.

	2024 Taka	2023 Taka
<b>14. General Reserve</b>		
Opening & Closing balance	6,956,752	6,956,752
<b>15. Tax Holiday Reserve</b>		
Opening & Closing balance	22,378,988	22,378,988
<b>16. Dividend Equalisation Reserve</b>		
Opening & Closing balance	10,000,000	10,000,000
<b>17. Revaluation Surplus</b>		
Revaluation Surplus	650,075,370	650,971,582
Transferred to retained earnings	(896,212)	(896,212)
Closing balance	649,179,158	650,075,370

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.

	2024 Taka	2023 Taka
<b>18. Retained earnings</b>		
Balance as on June 30, 2023	225,970,540	248,853,452
Prior adjustment of interest on non-Convertible Callable Zero-coupon Bond	968,424	-
Total Comprehensive income for the year:		
Profit for the year	(574,808,760)	15,910,220
Revaluation reserve realized	1,054,368	1,054,368
	(346,815,428)	265,818,040
Dividend during the year:		
Final dividend for previous year (Bonus share)	-	(26,565,000)
Final dividend for previous year (Cash)	(7,563,985)	(13,282,500)
Balance as on June 30, 2024	(354,379,413)	225,970,540
<b>19. Long-term Loans - Secured Future Maturity</b>		
Mutual Trust Bank Ltd, Gulshan Branch, Dhaka	19.1 666,386,399	602,567,269
IPDC Finance Ltd, Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka	19.2 207,790,547	343,210,208
United Commercial Bank Ltd., Gulshan Corporate Branch, Dhaka	19.3 276,961,425	328,722,028
Al-Arafa Islami Bank Ltd, H/Office Corporate Branch, Dhaka	19.4 1,729,893,925	1,236,320,250
	2,881,032,296	2,510,819,755
19.1 The movement of loans is as follows:		
Opening balance	602,567,269	956,293,060
Received this year	-	559,888,693
Add: Interest during the year	72,337,618	77,503,079
Total	674,904,887	1,593,684,832
Paid during the year	(8,518,488)	(991,117,563)
Closing balance	666,386,399	602,567,269
19.2 The movement of loans is as follows:		
Opening balance	343,210,208	343,541,632
Received this year	-	50,789,635
Add: Interest	45,299,930	20,006,024
Total	388,510,138	414,337,291
Current Maturity	(180,719,591)	(71,127,083)
Closing balance	207,790,547	343,210,208

The loan has been taken from Mutual Trust Bank PLC, 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.

	2024 Taka	2023 Taka
19.2 The movement of loans is as follows:		
Opening balance	343,210,208	343,541,632
Received this year	-	50,789,635
Add: Interest	45,299,930	20,006,024
Total	388,510,138	414,337,291
Current Maturity	(180,719,591)	(71,127,083)
Closing balance	207,790,547	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 14.50% and is repayable in 72 equal monthly installments, starting from 25th November 2019.

19.3 The movement of loan is as follows:

	2024 Taka	2023 Taka
Opening balance	328,722,028	316,092,242
Paid this year	-	-
Accrued Interest	52,286,792	38,095,386
Total	381,008,820	354,187,628
Current Maturity	(104,047,395)	(25,465,600)
Closing balance	276,961,425	328,722,028

The lone has been taken from United Commercial Bank PLC, 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 12 months. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

19.4 The movement of loan is as follows:

	2024 Taka	2023 Taka
Opening balance	1,236,320,250	-
Loan received this period	341,700,000	1,169,000,000
Add: Interest	153,180,675	67,320,250
Less: Paid this year	(1,307,000)	-
Closing balance	1,729,893,925	1,236,320,250

The lone has been taken from Al-Arafa Islami Bank PLC, Head Office, Corporate Branch, 63 Purana Paltan, Dhaka, to pay-off the term loan of Mutual Trust Bank Ltd. The loan carries interest at 14.50% and is repayable for a period of 7 years (Without 1 year grace period). The loan is secured by hypothecation of stock, machinery, land & factory building, equipment and book debts.

#### 20. Non-Convertible Callable Zero-coupon Bond

	2024 Taka	2023 Taka
Received this year	24,254,358	21,309,644
Prior year adjustment of Interest	(968,424)	-
Add: Interest during the year	2,167,570	2,944,714
Closing balance	25,453,504	24,254,358

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

#### 21. Provision for Gratuity

	2024 Taka	2023 Taka
Opening balance	22,008,828	24,395,687
Contribution during this year	1,610,904	2,267,461
Total	23,619,732	26,663,148
Less: Paid during this year	(7,661,434)	(4,654,320)
Closing balance	15,958,298	22,008,828

#### 22. Deferred Tax Liability

	2024 Taka	2023 Taka
Opening balance	90,721,566	88,584,586
Charged to profit or loss account during the year	3,676,040	2,295,136
Adjustment for depreciation of revalued assets	(158,156)	(158,156)
Closing balance	94,239,450	90,721,566

	2024 Taka	2023 Taka
A. Property, Plant and Equipment (PPE)		
WDV of Accounting Base	1,975,679,513	1,777,248,270
WDV of Tax Base	1,539,572,761	1,359,597,911
Taxable temporary difference	436,106,752	417,650,359
Tax rate	15%	15%
Deferred tax liability/(asset)	65,416,014	62,647,554
B. Deferred Tax on Gratuity Provision		
Opening balance of deferred tax liability for gratuity provision	(3,301,324)	(3,659,353)
Addition during the year	907,580	358,029
Deferred tax liability/(asset)	(2,393,744)	(3,301,324)
C. Calculation of deferred Tax		
Revalued value of land	644,020,625	644,020,625
Revalued value of other than land	36,375,711	37,430,079
<b>Tax Rate</b>		
On land	4%	4%
On other than land	15%	15%
<b>Deferred tax liabilities</b>		
For land	25,760,825	25,760,825
For other than land	5,456,355	5,614,512
Deferred tax liability/(asset)	31,217,180	31,375,337
Total (A+B+C)	94,239,450	90,721,567
Calculation of deferred tax charged on Profit and Loss Account:		
Deferred tax liability other than revalued asset as on June 30, 2023	59,346,230	57,051,094
Deferred tax liability other than revalued asset as on June 30, 2024	63,022,270	59,346,230
	3,676,040	2,295,136
<b>23. Short-term Loans</b>		
Bank Overdrafts - Note 23.01	52,514,653	105,727,629
Time Loan - Note 23.02	80,753,300	25,169,353
Loan against Trust Receipts - Note 23.03	-	-
Current Maturity of long-term loans - Note 23.04	480,056,002	233,144,470
	613,323,955	364,041,452
23.01. Bank Overdraft		
Trust Bank Ltd, SKB Branch	-	51,152,629
Al-Arafa Islami Bank Ltd, Head Office Corporate Branch	52,514,653	54,575,000
	52,514,653	105,727,629
These are secured.		
23.02. Time Loan Bank: The movement of loan is as follows		
Opening Balance	25,169,353	25,586,681
Add: Received this year	51,592,644	-
Total	76,761,997	25,586,681
Add: Interest during the year	6,033,903	2,382,672
Total	82,795,900	27,969,353
Less: Paid this year	(2,042,600)	(2,800,000)
Closing Balance	80,753,300	25,169,353

The lone 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 Loan against Trust receipts

	2024 Taka	2023 Taka
Opening balance	-	27,848,526
Add: Interest during the year	-	1,089,193
Add: Received during the year	-	2,694,882
Total	-	31,632,601
Less: Paid this year	-	(31,632,601)
Closing balance	-	-

## 23.04 Current Maturity of long-term loans

Mutual Trust Bank Ltd, Gulshan Branch, Dhaka	23.04.01	-	27,845,637
IPDC Finance Ltd, Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka	23.04.02	271,961,212	101,251,438
United Commercial Bank Ltd., Gulshan Corporate Branch, Dhaka	23.04.03	208,094,790	104,047,395
		480,056,002	233,144,470

## 23.04.01 The movement of loan is as follows:

Opening balance	27,845,637	133,380,745
Current Maturity this year	-	15,658,008
Total	27,845,637	149,038,753
Paid during this year	(27,845,637)	(121,193,116)
Closing balance	-	27,845,637

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

## 23.04.02 The movement of loan is as follows:

Opening balance	101,251,438	51,958,058
Current Maturity this year	180,719,591	71,127,083
Total	281,971,029	123,085,141
Paid during this year	(10,009,817)	(21,833,703)
Closing balance	271,961,212	101,251,438

The Term-loan facility has been taken from IPDC Finance Ltd, Head Office, Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka-1212, Bangladesh for Construction of Effluent Treatment Plant. The loan carries interest at 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	104,047,395	78,581,795
Current Maturity	104,047,395	25,465,600
Closing balance	208,094,790	104,047,395

The loan has been taken from United Commercial Bank PLC, 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 12 months The loan is secured by hypotiecation of stock, machinery, equipment and book debts.

**24. Trade and Other Creditors**

	2024		2023	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>1,317,507</u>	157,832,535	<u>3,078,263</u>	329,374,174
For Local Purchases		10,009,150		8,049,323
For Staff Income Tax		428,540		320,986
		<u>168,270,225</u>		<u>337,744,483</u>

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

**25. Unclaimed Dividend Account**

	2024 Taka	2023 Taka
Opening balance	6,785,277	5,698,781
Addition during this year	<u>7,563,777</u>	<u>13,282,500</u>
Total	14,349,054	18,981,281
Less: Transfer to Capital Market Stabilization Fund (CMSF)	<u>(4,304,756)</u>	-
Total	10,044,298	18,981,281
Payment during this year	<u>(6,631,781)</u>	<u>(12,196,004)</u>
Closing Balance	<u>3,412,517</u>	<u>6,785,277</u>

As per direction of BSEC the company subsequently deposit the mentioned amount on September 28, 2021 for the purpose of transferring the amounts held against unclaimed or undistributed or unsettled dividend in cash to the Capital Market Stabilization Fund (CMSF).

**26. Accrued Expenses**

	2024 Taka	2023 Taka
Gas Expenses (Factory)	5,318,720	8,934,378
Electricity bill	328,037	191,737
Salaries, Wages and Allowances	19,029,006	16,557,427
Legal Fee	60,000	60,000
Auditors' Fee (Including Vat)	460,000	172,500
AGM Expense	220,000	220,000
	<u>25,415,763</u>	<u>26,136,042</u>

**27. Provision for Current Taxation**

	2024 Taka	2023 Taka
Opening balance	67,079,066	42,980,558
Addition during the year	<u>10,641,870</u>	<u>24,098,508</u>
Total	77,720,936	67,079,066
Less: Adjustment during the year	<u>(40,147,304)</u>	-
Closing balance	<u>37,573,632</u>	<u>67,079,066</u>

**28. Bills Receivable Discounted**

	2024 Taka	2023 Taka
Opening balance	15,328,209	16,898,858
Discounted during the year	-	<u>90,461,272</u>
Total	15,328,209	107,360,130
Collected during the year	<u>(15,328,209)</u>	<u>(92,031,921)</u>
Closing balance	-	<u>15,328,209</u>

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

	2024 Taka	2023 Taka
Opening balance	5,469,446	11,373,770
Less: Payment during this year	<u>(2,546,520)</u>	<u>(8,253,535)</u>
Total	2,922,926	3,120,235
Add: Contributions for the year	-	2,115,193
Add: Interest during the year	219,219	234,018
Closing balance	<u>3,142,145</u>	<u>5,469,446</u>

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

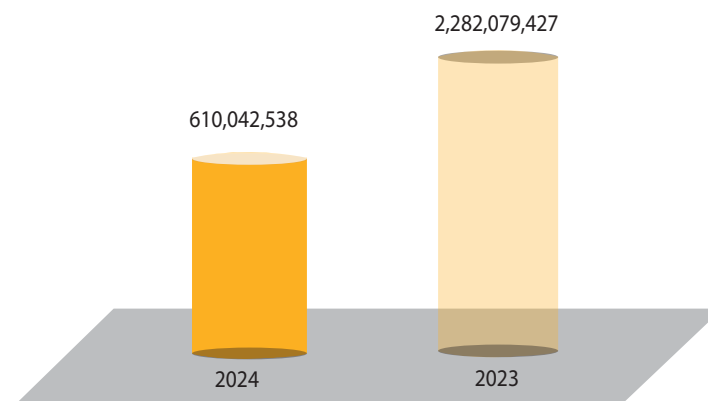


**30. Net Assets Value (NAV) Per Share**

	2024 Taka	2023 Taka
Total Assets	4,494,172,270	4,677,985,132
Total Liabilities	(3,867,821,785)	(3,470,388,482)
A. Net Assets	<u>626,350,485</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>21.43</u>	<u>41.33</u>

**31. Sales**

Item	2024			2023		
	Quantity	Amount (in US\$)	Amount (In Taka)	Quantity	Amount (In US\$)	Amount (In Taka)
Export sales:						
Knit Fabrics (Kgs)	<u>418,286</u>	<u>2,948,773</u>	<u>324,599,339</u>	<u>1,805,167</u>	<u>12,076,568</u>	<u>1,229,050,415</u>
Garments (Pcs)	<u>725,470</u>	<u>2,589,928</u>	<u>285,443,199</u>	<u>3,296,612</u>	<u>10,120,599</u>	<u>1,053,029,012</u>
Total		<u>5,538,701</u>	<u>610,042,538</u>		<u>22,197,167</u>	<u>2,282,079,427</u>

**Export Sales in Taka**

**32. Export Incentives**

Cash Incentive

2024  
Taka

51,823,512

51,823,5122023  
Taka

47,799,560

47,799,560**33. Cost of Goods Sold**

33.1 The break-up is as follows:

Materials Consumed - Note-33.2

504,357,378

1,529,020,135

Salary, Wages and Allowances - Note 33.3

151,956,308

253,346,360

Tiffin &amp; Entertainment expenses

262,172

692,889

Depreciation - Annexure-A

108,286,700

96,069,770

Stores and Spares Consumed

464,363

726,172

Factory Conveyance

269,209

619,040

Power and Gas

48,318,645

105,800,480

Gratuity

1,085,452

1,545,874

Vehicle expenses

1,016,294

1,192,233

Repairs and Maintenance

2,120,189

1,308,821

Packing &amp; Loading expenses

472,094

723,963

Import Landing, Clearing and Insurance

63,927

818,842

Factory Stationery expenses

465,271

826,556

Carriage Inward &amp; Outward

457,000

1,584,440

Knitting, Sewing &amp; Processing charge

381,353

2,123,705

Factory Insurance

3,378,905

3,268,826

Sewing Machine Rental

-

-

Miscellaneous

119,320

119,320

Total Manufacturing Costs for the year

823,474,580

1,999,787,426

Add: Opening Work in Process

193,481,154

184,171,796

Total Manufacturing Costs

1,016,955,734

2,183,959,222

Less: Closing Work in Process

162,385,379

193,481,154

Cost of Goods Manufactured

854,570,355

1,990,478,068

Unclaimed Dividend Account

155,150,760

129,658,287

Cost of Goods available for use

1,009,721,115

2,120,136,355

Less: Closing Finished Goods

60,518,261

155,150,760

Cost of Goods Sold

949,202,854

1,964,985,595

33.2 Materials Consumed

2024

Quantity (Kg) Taka

Yarn

1,044,760 415,553,361

Dyes

49,055 35,711,941

Chemicals

134,775 26,246,089

Accessories

26,845,987

Total Materials Consumption

504,357,378

2023

Quantity (Kg) Taka

2,881,126 1,145,967,679

201,574 146,745,606

728,088 141,787,887

94,518,963

1,529,020,135

33.3 Salaries, Wages and Allowances

No. of Employee Taka

Employees drawing Tk. 12,500 or more per month

1,083 151,956,308

Employees drawing less than Tk. 12,500 per month

- -

Total

1,083 151,956,308

No. of Employee Taka

1,802 253,346,360

- -

1,802 253,346,360

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

34.1 The break-up is as below:

	2024 (Taka)	2023 (Taka)
Directors' Remuneration - Note 34.2	2,600,000	2,600,000
Salaries and Allowances - Note 34.3	37,989,077	45,902,386
Depreciation - Annexure-A	27,071,675	24,017,443
Electricity expenses	3,254,790	2,422,441
Postage, Courier, Telephone and Fax	576,825	1,147,931
Form & Stamp	101,002	451,105
Gratuity	525,452	721,587
Traveling and Conveyance	217,983	579,235
Legal and Professional expenses	60,000	60,000
Auditors' Fee - Note 34.2	460,000	172,500
A.G.M expenses	220,000	330,000
Registration and Fees	2,532,091	954,290
Staff welfare	162,275	118,413
Stationery expenses	336,715	576,228
Office Repairs and Maintenance	300,100	157,551
Vehicle expenses	647,904	1,085,321
Entertainment expenses	225,298	478,584
Central fund for RMG	158,733	267,157
Buying House Commission	-	500,000
Export document Charges & Freight out	1,539,512	1,355,168
Garments Testing & Inspection Charges	478,031	1,274,569
Miscellaneous	52,500	185,061
<b>Total</b>	<b>79,509,963</b>	<b>85,356,970</b>

34.2 No remuneration or fee, other than that specified in note 34.1 was paid to directors and auditors.

34.3 Salaries and Allowances:

	2024		2023	
	No. of Employee	Taka	No. of Employee	Taka
Employees drawing Tk. 12,500 or more p/m	125	37,989,077	147	45,902,386
Employees drawing less than Tk. 12,500 p/m	-	-	-	-
	<u>125</u>	<u>37,989,077</u>	<u>147</u>	<u>45,902,386</u>

**35. Financial Expenses**

Interest Expenses- Note-35.1  
Bank Charges

2024 Taka	2023 Taka
184,459,404	221,888,983
16,985,173	19,866,020
<u>201,444,577</u>	<u>241,755,003</u>

35.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	219,219	234,018
Interest on Long-term Loans	124,624,410	182,457,928
Interest on Non-Convertible Callable Zero-coupon Bond	2,167,570	2,944,714
Interest on Bills Discounted	585,704	1,457,355
Interest on Bank Overdraft	5,528,668	9,216,947
Interest on Time Loan	6,033,903	2,583,318
Interest on Trust Receipts	-	1,645,339
Interest on Lease Finance	45,299,930	21,349,364
	<u>184,459,404</u>	<u>221,888,983</u>

**36. Others Income**

Interest in FDR  
Interest on STD A/c  
Rental Income  
Exchange Fluctuation Gain/(Loss)- Note-36.1

6,333,080	5,007,166
86,289	577,228
1,044,000	-
337,125	1,053,243
<u>7,800,494</u>	<u>6,637,637</u>

36.1 Exchange Fluctuation Gain/(Loss)

Unrealised gain/(loss) on receivables	864,502	1,968,452
Unrealised gain/(loss) on payables	(565,844)	(956,414)
Unrealised gain/(loss) FC accounts balances	38,467	41,205
	<u>337,125</u>	<u>1,053,243</u>

**37. 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: November 11, 2023 ) recommended 0% cash dividend i.e. Tk. 0.00 per share of Tk. 10.00 each (2023: 5% cash dividend for general shareholders) for all shareholders of the company subject to their approval in the AGM.

**38. Current Tax**

	2024 (Taka)	2023 (Taka)
A. Regular Tax		
Profit before tax	(560,490,850)	42,303,864
Depreciation as per accounting base	135,358,375	120,087,213
	(425,132,475)	162,391,077
Depreciation as per Tax base	(152,760,400)	(131,946,895)
	(577,892,875)	30,444,182
Provision for Gratuity for the year	1,610,904	2,267,461
	(576,281,971)	32,711,643
Other income (Separate calculation)	7,800,494	6,637,637
	(568,481,477)	39,349,280
Payment for Gratuity	(7,661,434)	(4,654,320)
	(576,142,911)	34,694,960
Tax Rate @ 15%	-	5,204,244
B. Minimum Tax on gross receipt @ 0.60%	4,408,887	7,009,550
C. Tax Deducted at source U/S-52	10,641,870	24,098,508
Current tax expenses (Higher of A, B & C)	10,641,870	24,098,508

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

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

Particulars	2024		2023	
	Directors	Officers	Directors	Officers
Remuneration	2,600,000	-	2,600,000	-
Basic salary		22,698,745		27,098,548
House rent allowance		11,295,852		13,804,560
Other benefits and perquisites		3,994,480		4,999,278
	2,600,000	37,989,077	2,600,000	45,902,386

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

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

39.4 Transaction with Key Management Personals

No.	Particulars	June 30,2024	June 30,2023
(a)	Managerial remuneration paid or payable during the year to Directors including Managing Director/CEO and Director.	2,600,000	2,600,000
(b)	Any other perquisite or benefits in cash or in kind of stating approximate money value where applicable.	-	-
(c)	Other allowances and commission including guarantee commission	-	-
(d)	Others:		
	(i) Pensions	-	-
	(ii) Gratuities	-	-
	(iii) Payment from a provident funds in excess of own subscription and interest thereon	-	-
(e)	Share Based payments	-	-

**40. Earnings Per Share**

40.1 Basic Earnings Per Share

Earnings Per Share (EPS) is calculated in accordance with International Accounting Standard (IAS) 33: Earnings Per Share. The composition of EPS is given below:

	2024 (Taka)	2023 (Taka)
A. Earnings attributable to the Ordinary Shareholders (Net Profit after tax)	(574,808,760)	15,910,220
B. Number of ordinary shares outstanding during the year	29,221,500	29,221,500
Earnings Per Share (EPS) (A/B)	(19.67)	0.54

## 40.2 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.

**41. Net Operating Cash Flows Per Share (NOCFPS)**

Cash flows from Operating Activities:

Cash received from Sales, Export incentive and Others

Receipts from Other Income

Cash paid for goods and services

Cash from operation

Interest paid

Income tax paid/deducted at sources

Net Cash inflows from operating activities

Divided by number of ordinary of shares

Net operating Cash Flows Per Share (NOCFPS)

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

	2024 (Taka)	2023 (Taka)
	727,052,529	2,309,023,218
	7,762,027	6,596,432
	(858,110,046)	(2,483,330,303)
	(123,295,490)	(167,710,653)
	(184,459,404)	(221,888,983)
	(10,883,370)	(24,519,008)
	(318,638,264)	(414,118,644)
	29,221,500	29,221,500
	(10.90)	(14.17)

**42. The capacity and actual production of the Company are as below:**

Item	Capacity	Actual	Percentage (%)
		Production	of achievement
Finished Garments (Lac Pcs.)	108	7.25 (2023: 32.96)	6.67 (2023: 30.52%)
Knit Fabrics ( MTs.)	6,000	418 (2023: 1,805)	6.97 (2023: 30.09%)

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

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised	
				2024 Taka	2023 Taka
Trust Bank Ltd. SKB Branch, Dhaka	B to B L/C, EDF & Sight	650,000,000	-	650,000,000	490,480,036
	IBP (Inner Limit B to BL/C, EDF & Sight)	70,000,000	-	70,000,000	70,000,000
	Trust receipt (B to B L/C, EDF & Sight)	40,500,000	-	40,500,000	40,500,000
	Overdraft	50,000,000	-	50,000,000	(1,152,629)
	Bank Guarantee	20,000,000	2,728,300	17,271,700	17,271,700
	Time Loan	80,000,000	80,753,300	(753,300)	4,830,647
		910,500,000	83,481,600	827,018,400	621,929,754
Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	B to B L/C, EDF & Sight	1,000,000,000	-	1,000,000,000	1,000,000,000
	Secured Overdraft	150,000,000	-	150,000,000	150,000,000
	FDBP/IDBP	100,000,000	-	100,000,000	100,000,000
	Term Loan	791,610,000	666,386,399	125,223,601	161,197,094
		2,041,610,000	666,386,399	1,375,223,601	1,411,197,094
HSBC Export Cash Limit Anchor Tower, 108 Bir Uttam C.R. Datta Road, Dhaka-1205		147,000,000	-	147,000,000	147,000,000
	Import Line	716,000,000	-	716,000,000	716,000,000
	Overdraft	50,000,000	-	50,000,000	50,000,000
	Bank Guarantee	18,000,000	15,069,600	2,930,400	2,930,400
	Loan Line	54,540,000	-	54,540,000	54,540,000
		985,540,000	15,069,600	970,470,400	970,470,400
Al-Arafa Islami Bank PLC Head Office, Corporate Br.	LC/BBLC/Bills	1,000,000,000	157,832,535	842,167,465	830,145,790
	FBP/MDBP	150,000,000	-	150,000,000	134,671,791
	Bai-Mujjal	50,000,000	52,514,653	(2,514,653)	(4,575,000)
	Bank Guarantee	18,000,000	-	18,000,000	18,000,000
Purana Paltan, Dhaka	HPSM	1,800,000,000	1,729,893,925	70,106,075	(67,320,250)
		3,018,000,000	1,940,241,113	1,077,758,887	910,922,331

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

	2024		2023	
	Taka	%	Taka	%
Imported	110,200,311	21.83	364,420,895	23.82
Local	394,621,430	78.17	1,165,325,412	76.18
	<u>504,821,741</u>	<u>100.00</u>	<u>1,529,746,307</u>	<u>100.00</u>

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

	2024 (Taka)	2023 (Taka)
Profit after tax	(574,808,760)	15,910,220
Depreciation	135,358,375	120,087,213
Unrealised Loss	-	-
Changes in:		
Stock and Stores	390,922,336	(56,107,987)
Trade and other Debtors	113,031,995	(20,855,769)
Export Incentive Receivable	(47,845,516)	-
Deferred Revenue Expenditure	(153,180,675)	-
Advance Deposit and Prepayments	26,712,870	(276,054,654)
Trade Creditors	(169,474,258)	(205,893,402)
Unclaimed Dividend Account	(3,372,760)	1,086,496
Accrued Expenses	(720,279)	(9,338,853)
Provision for Current Taxation	(29,505,434)	24,098,508
Provision for Gratuity	(6,050,530)	(2,386,859)
Workers' Participation/Welfare Funds	(2,327,301)	(5,904,324)
Decrease Revaluation Surplus	(896,212)	(896,212)
Provision for Deferred Taxation	3,517,884	2,136,980
Net cash provided (used) by operating activities	<u>(318,638,265)</u>	<u>(414,118,643)</u>

**46. Related Parties Disclosures**

A. During the year the Company carried out a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of International Accounting Standard-24: "Related Party Disclosures".

Name of the related party	Relationship	Nature of Transaction	2024 Taka	2023 Taka
Fashion Knit Garments Ltd.	Common Director	Sale of Finished Fabrics	324,599,339	1,229,050,415
		Receivable	54,520,000	54,520,000
Pride Limited	Common Director	No Transaction	-	-
Dacca Textiles Limited	Common Director	No Transaction	-	-
Pride Spinning Ltd	Common Director	No Transaction	-	-

Approval for Related Party Transaction in Fashion Knit Garments Limited will be taken in next Annual General Meeting interns of BSEC Notification No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021.

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

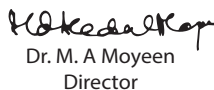
Name of Directors	Designation	Monthly Remuneration	Bonus during the year	June 30, 2024	June 30, 2023
Professor Dr. Muhammad Abdul Moyeen	Chairman	-	-	-	-
Mr. Mohammad Abdul Moyeed	Managing Director	200,000	200,000	2,600,000	2,600,000
Professor Mohammad Abdul Momen	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azwad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Professor Dr. A.H.M Habibur Rahman	Independent Director	-	-	-	-
Mr. Mohammad Kabiruzzaman	Independent Director	-	-	-	-
Total		200,000	200,000	2,600,000	2,600,000

**47. General**

- 47.1 There was no sum for which the Company was contingently liable as at 30th June 2024 and 30th June 2023.
- 47.2 There was no claim, except an aggregate amount of Tk 28,979,884 (2023: 28,868,145) claimed by the Tax Authority but appealed against by the Company, not acknowledged as debt as at 30th June 2024 and 30th June 2023. Such claim, being contingent liability, needs not be provided for.
- 47.3 There was no credit facilities available to the Company, except trade credits and back to back L/C facilities, during the years ended as on 30th June 2024 and 30th June 2023.
- 47.4 There was no foreign shareholder of the Company as on 30th June 2024 and 30th June 2023 and no dividend was remitted to any foreign shareholders during the years ended 30th June 2024 and 30th June 2023.
- 47.5 There was no capital expenditure contracted but not incurred or provided for the year ended 30th June 2024 and 30th June 2023.
- 47.6 There was no capital expenditure authorised by the Board but not contracted for the year ended 30th June 2024 and 30th June 2023.



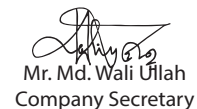
Mr. M. A Moyeed  
Managing Director



Dr. M. A Moyeen  
Director



Mr. M.A.A Naheel  
CFO



Mr. Md. Wali Ullah  
Company Secretary

## Annexure-A

**H.R. Textile Mills Limited**  
**Schedule of Property, Plant and Equipment**  
**As on 30th June 2024**

Particulars	Cost or valuation		As on 1 July 2023	As on 30 June 2024	Depreciation		(Amount in Taka)	
	As on 1 July 2023	Additions/ (Deletions)			As on 1 July 2023	During the year	As on 30 June 2024	Written down value
Factory Land and Development	8,479,375	-	-	8,479,375	-	-	8,479,375	
Factory Building	1,008,563,010	-	142,113,245	1,008,563,010	25,214,075	167,327,320	841,235,690	
Factory Shed	6,823,475	-	6,823,470	6,823,475	-	6,823,470	5	
Plant and Machinery	1,931,488,527	332,735,250	1,107,203,399	2,264,223,777	97,597,535	1,204,800,934	1,059,422,843	
Electric Installation	36,482,818	-	34,298,126	36,482,818	2,184,682	36,482,808	10	
Gas Installation	7,826,035	-	7,093,892	7,826,035	732,133	7,826,025	10	
Water Installation	9,753,520	-	9,753,510	9,753,520	-	9,753,510	10	
Steam Installation	2,563,352	-	2,563,342	2,563,352	-	2,563,342	10	
Furniture and Fixtures	11,174,967	-	11,045,077	11,174,967	129,880	11,174,957	10	
Telephone Installation	1,027,861	-	1,027,851	1,027,861	-	1,027,851	10	
Motor Vehicles	46,192,122	-	44,227,989	46,192,122	1,964,123	46,192,112	10	
Office Equipment	41,317,547	-	40,393,247	41,317,547	924,290	41,317,537	10	
Loose Tools	183,875	-	183,865	183,875	-	183,865	10	
Factory Equipment	14,817,242	-	14,268,443	14,817,242	548,789	14,817,232	10	
<b>A. Total</b>	<b>3,126,693,726</b>	<b>332,735,250</b>	<b>1,420,995,456</b>	<b>3,459,428,976</b>	<b>129,295,507</b>	<b>1,550,290,963</b>	<b>1,909,138,013</b>	
Intangible assets								
Software Installation	71,550,000	-	-	71,550,000	5,008,500	5,008,500	66,541,500	
<b>B. Total</b>	<b>71,550,000</b>	<b>-</b>	<b>-</b>	<b>71,550,000</b>	<b>5,008,500</b>	<b>5,008,500</b>	<b>66,541,500</b>	
Revaluation								
Factory Land and Development	644,020,625	-	-	644,020,625	-	-	644,020,625	
Factory Building	42,174,735	-	4,744,65	42,174,735	1,054,368	5,799,024	36,375,711	
<b>C. Total</b>	<b>686,195,360</b>	<b>-</b>	<b>4,744,65</b>	<b>686,195,360</b>	<b>1,054,368</b>	<b>5,799,024</b>	<b>680,396,336</b>	
<b>Total (A+B+C) as on June 30, 2024</b>	<b>3,884,439,086</b>	<b>332,735,250</b>	<b>1,425,740,112</b>	<b>4,217,174,336</b>	<b>135,358,375</b>	<b>1,561,098,487</b>	<b>2,656,075,849</b>	

## Allocation of Depreciation

## Particulars

Cost of Goods Sold &amp; Services

Administrative

Total

## Notes

2023-24

108,286,700

27,071,675

135,358,375

2022-23

96,069,770

24,017,443

120,087,213



H.R. Textile Mills Limited  
Schedule of Property, Plant and Equipment  
As on 30th June 2023

Particulars	Cost or valuation		As on 1 July 2022	Additions/ (Deletions)	As on 30 June 2023	Depreciation		As on 30 June 2023	(Amount in Taka) Written down value As on 30 June 2023
	As on 1 July 2022	During the year				As on 30 June 2023			
Factory Land and Development	8,479,375	-	8,479,375	-	-	-	-	8,479,375	
Factory Building	984,450,532	24,112,478	1,008,563,010	24,912,669	142,113,245	24,912,669	142,113,245	866,449,765	
Factory Shed	6,823,475	-	6,823,475	-	6,823,470	-	6,823,470	5	
Plant and Machinery	1,801,757,486	129,731,041	1,931,488,527	84,263,285	1,107,203,399	84,263,285	1,107,203,399	824,285,128	
Electric Installation	36,482,818	-	36,482,818	3,648,282	34,298,126	3,648,282	34,298,126	2,184,692	
Gas Installation	7,826,035	-	7,826,035	212,867	7,093,892	212,867	7,093,892	732,143	
Water Installation	9,753,520	-	9,753,520	2,563,342	9,753,510	2,563,342	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	42,000	11,174,967	13,083	11,045,077	13,083	11,045,077	129,890	
Telephone Installation	1,027,861	-	1,027,861	-	1,027,851	-	1,027,851	10	
Loose Tools	183,875	-	183,875	-	183,865	-	183,865	10	
Factory Equipment	14,817,242	-	14,817,242	1,481,725	14,268,443	1,481,725	14,268,443	548,799	
<b>A. Total</b>	<b>2,885,298,538</b>	<b>153,885,519</b>	<b>3,039,184,057</b>	<b>114,755,237</b>	<b>1,336,374,220</b>	<b>114,755,237</b>	<b>1,336,374,220</b>	<b>1,702,809,837</b>	
Intangible assets	-	-	-	-	-	-	-	-	
Software Installation	-	71,550,000	71,550,000	-	-	-	-	71,550,000	
<b>B. Total</b>	<b>-</b>	<b>71,550,000</b>	<b>71,550,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,550,000</b>	
Revaluation	644,020,625	-	644,020,625	-	-	-	-	644,020,625	
Factory Land and Development	42,174,735	-	42,174,735	1,054,368	4,744,656	1,054,368	4,744,656	37,430,079	
Factory Building	686,195,360	-	686,195,360	1,054,368	4,744,656	1,054,368	4,744,656	681,450,704	
<b>C. Total</b>	<b>3,571,493,898</b>	<b>225,435,519</b>	<b>3,796,929,417</b>	<b>115,809,605</b>	<b>1,341,118,876</b>	<b>115,809,605</b>	<b>1,341,118,876</b>	<b>2,455,810,541</b>	
<b>Total (A+B+C) as on June 30, 2023</b>									

Particulars	2022-23	2021-22
Allocation of Depreciation		
Particulars		
Cost of Goods Sold & Services	96,069,770	84,639,221
Administrative	24,017,443	21,159,805
Total	120,087,213	105,799,026

Notes

2022-23	2021-22
96,069,770	84,639,221
24,017,443	21,159,805
120,087,213	105,799,026

**H.R. Textile Mills Limited**  
**Schedule of Property, Plant and Equipment**  
**Tax Based Depreciation Calculation for the Assessment year 2024-25**

Particulars of Assets	WDV	Addition	Total	Rate	Depreciation	WDV
	01.07.23		30.06.2024			30.06.2024
Land & Development	8,479,375	-	8,479,375	-	-	8,479,375
Factory Shed and Building	591,484,149	-	591,484,149	10	59,148,415	532,335,734
Plant and Machinery	652,317,954	332,735,250	985,053,204	10	77,720,762	907,332,442
Furniture and Fixture	3,040,492	-	3,040,492	15	456,074	2,584,418
Software Installation	69,761,250	-	69,761,250	15	10,464,188	59,297,062
Gas Installation	577,950	-	577,950	20	115,590	462,360
Electrical Installation	7,845,438	-	7,845,438	20	1,569,088	6,276,350
Vehicles	5,104,682	-	5,104,682	20	1,020,935	4,083,747
Water Installation	1,656,416	-	1,656,416	20	331,283	1,325,133
Steam Installation	3,270	-	3,270	20	654	2,616
Telephone Installation	1,579	-	1,579	20	316	1,263
Office Equipment	19,319,767	-	19,319,767	10	1,931,977	17,387,790
Loose Tools	5,589	-	5,589	20	1,118	4,471
	<u>1,359,597,911</u>	<u>332,735,250</u>	<u>1,692,333,161</u>	<u>200</u>	<u>152,760,400</u>	<u>1,539,572,761</u>

**H.R. Textile Mills Limited**  
**Schedule of Property, Plant and Equipment**  
**Tax Based Depreciation Calculation for the Assessment year 2023-24**

Particulars of Assets	WDV	Addition	Total	Rate	Depreciation	WDV
	01.07.22		30.06.2023			30.06.2023
Land & Development	8,479,375	-	8,479,375	-	-	8,479,375
Factory Shed and Building	630,636,232	24,112,478	654,748,710	10	63,264,560.52	591,484,149
Plant and Machinery	583,054,552	129,731,041	712,785,593	10	60,467,639.22	652,317,954
Furniture and Fixture	3,535,049	42,000	3,577,049	15	536,557	3,040,492
Software Installation	-	71,550,000	71,550,000	15	1,788,750	69,761,250
Gas Installation	722,437	-	722,437	20	144,487	577,950
Electrical Installation	9,806,798	-	9,806,798	20	1,961,360	7,845,438
Vehicles	6,380,852	-	6,380,852	20	1,276,170	5,104,682
Water Installation	2,070,520	-	2,070,520	20	414,104	1,656,416
Steam Installation	4,088	-	4,088	20	818	3,270
Telephone Installation	1,974	-	1,974	20	395	1,579
Office Equipment	20,402,724	1,007,700	21,410,424	10	2,090,657	19,319,767
Loose Tools	6,986	-	6,986	20	1,397	5,589
	<u>1,265,101,587</u>	<u>226,443,219</u>	<u>1,491,544,806</u>	<u>200</u>	<u>131,946,895</u>	<u>1,359,597,911</u>

H.R. Textile Mills Limited  
Pride Hamza (5th Floor), House # 54, Road # 1  
Sector # 6, Uttara, Dhaka-1230

PROXY FORM

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

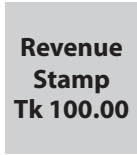
.....  
as my proxy to attend and vote for me on my behalf at the 40th Annual General Meeting of the company to  
be held on Wednesday, 19th March 2025 at 11:30 am at the Hybrid System and at any adjournment  
thereof.

As witness my hands this ..... day of March 2025

Signature of Proxy .....

Signature of Shareholder.....

Registered Folio / BO No. ....



Importants:

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

ATTENDANCE SLIP

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

I hereby record my presence of the 40th Annual General Meeting of H.R. Textile Mills Limited to be held on Wednesday, 19th March 2025 at 11:30 am at the Hybrid System.

Signature Verified By .....  
Authorized Signature of the Company

.....  
Signature of Shareholder / Proxy

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be sent by email to hrtext\_cs@pride-grp.com not later than 48 hours before the commencement of the AGM.

