



**REGENT TEXTILE**

Annual | 2020  
Report | 2021



[www.regentex.com](http://www.regentex.com)

**REGENT TEXTILE**  
**ANNUAL REPORT**

# CONTENTS

Transmittal Letter	03
Notice of the 26 <sup>th</sup> Annual General Meeting	04
Mission, Vision, Objectives and Business Ethics	05
A Brief about Principal Products & Services of the Company	07
Habib Group Overview	08
Financial Highlights	09
Graphical Presentation of Financial Performance	10
Message from the Chairperson	12
Message from the Managing Director	13
Corporate Information	14
Board of Directors'	15
Key & Senior Management	16
Short Profile of Directors'	17
Directors' Report	18
Divident Distribution Policy	26
Annexure- A Statement of CEO/MD and CFO on Financial Statements	30
Annexure- B Shareholding Patterns	31
Annexure- C Management Discussions and Analysis	32
Annexure- D Director's Attendance & Remuneration	35
Annexure- E Related Party Transactions	35
Annexure- F Corporate Governance Statement	36
Annexure- G Directors' Responsibility Reporting on Financial Statements	42
Annexure- H Certificate of Corporate Governance Compliance	43
Annexure- I Corporate Governance Compliance status Report	44
Annexure- J Report of the Audit Committee	52
Annexure- K Report of the Nomination & Remuneration Committee	53
Annexure- L Directors Involvement with other Organization	54
Annexure- M Risks and Concerns	57
Annexure- N Certificate of Membership of BAPLC	61
Financial Statements 2020-2021	62
Statement of Financial Position	72
Statement of Profit or Loss and Other Comprehensive Income	73
Statement of Cash Flows	74
Statement of Changes in Equity	75
Notes to the Financial Statements	76
Proxy Form and Attendance Slip	

# TRANSMITTAL LETTER

Date: 05 December 2021

To  
All honorable Shareholders  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Registrar of Joint Stock Companies & Firms  
Central Depository Bangladesh Limited

Subject: Annual Report for the year ended June 30, 2021.

Dear Sir/Madam (s),

We are pleased to enclose a copy of the Annual Report 2020-2021 together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit and Loss and other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended June 30, 2021 along with notes thereon of Regent Textile Mills Limited for your information and record.

Thank you so much.

Yours Sincerely



(Md. Riajul Hoque Sikder FCS)  
Company Secretary

## NOTICE OF THE 26<sup>th</sup> ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the shareholders of Regent Textile Mills Limited will be held on Thursday, December 30, 2021, at 04:00 p.m. virtually by using Digital Platform as per BSEC order SEC/SRMRC/04/231/91 dated March 31, 2021 through the link <https://regenttex.bdvirtualagm.com>, to transact the following businesses:

- Agenda # 1 To receive, consider and adopt the financial statements of the Company for the year ended 30 June 2021 together with Directors' Report and Auditors' Report thereon.
- Agenda # 2 To declare Dividend for the year ended 30 June 2021
- Agenda # 3 To elect/re-elect Directors
- Agenda # 4 To appoint the Statutory Auditors for the year ending June 30, 2022 and to fix their remuneration
- Agenda # 5 To appoint the Corporate Governance Compliance Auditors for the year ending June 30, 2022 and to fix their remuneration
- Agenda # 6 To approve the related party/inter Company business transactions for the year ended 30th June, 2021

All the honorable shareholders are kindly requested to attend/join the meeting on the scheduled date and time.

By order of the Board of Directors'



(Md. Riajul Hoque Sikder FCS)  
Company Secretary

Date: 08 December, 2021

### NOTES:

1. December 12, 2021, is scheduled as Record Date. Shareholders whose names would appear in the Register of Members/CDS record on the record date would be entitled to attend the AGM and vote thereat;
2. Any member of the Company entitled to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf. The proxy form, with duly affixed revenue stamps of Tk.20.00, should be submitted at the Share Office of the Company at HG Tower, 1182, Jubilee Road (Nur Ahmed Road), Chattogram 4000, Email-[cs@regenttex.com](mailto:cs@regenttex.com), not less than 48 (forty eight) hours before the time fixed for the AGM;
3. The Shareholders will join the virtual AGM through the above link prior to 24 (twenty four) hours of the meeting. The Shareholders will be able to registration, comments and vote before commencement of the AGM and during the AGM;
4. No gift or benefit in cash or kind shall be paid/offered to the shareholders in the AGM as per BSEC Circular No.SEC/CMRRCD/2006-193/154 dated 24.10.2013

## MISSION, VISION AND CORPORATE VALUES

### MISSION:

To be a pioneer in the sector by investing in technology and human resources and by producing quality products at low cost. To ensure the highest level of customer satisfaction, to be at peace with nature by creating and promoting the environmental awareness.

Merging the artistic skills and efficiency of manufacturing in the midst of topnotch technology for possible best quality products and services which will built the confidence level of our valued customers, other stakeholders and the shareholders of the Company.

Regent Textiles Mills Limited uses the best customary tools to win and maintain the satisfaction, trust and loyalty of its valued customers. Quality, Delivery and Innovation are the core elements of our philosophy. In order to provide uninterrupted services to the valued customers, a progressive and professional management team and a dedicated team of employees are set up to run the merchandising, commercial operations and production. Our Continuous effort with commitment is the key to accomplish this MISSION.

### VISION:

To be the market leader in all of our products, our foremost aim is to think big, be the pace setter and modernizer. Since 1995, Regent Textile Mills Limited is trying best and concrete plans to replicate its best practices in every of its offerings to customers. It is the VISION that every employee of the organization is clear about.

- Strive for attaining a leadership position in our business sector.
- Provide products and services of high and consistent quality, ensuring value for money to our customer.
- Attain a high level of productivity in all our operations through effective utilization of time and adoption of appropriate technology.
- Ensure superior return on investment through judicious use of resources and efficient operations, utilizing our core competencies.

### OUR OBJECTIVES

- To achieve highest standards in quality, delivery and compliance.
- To achieve high efficiency measures in production units.
- To protect the interests of all shareholders.
- To work hard to optimize profit through conduction of transparent business operations.

### OUR COMMITMENTS

- Making perfect quality product ensuring fully compliant environment.
- Ensuring appropriate utilization of shareholders capital, in view of promising growth with highest return.



- Ensuring well remuneration and motivation to our all valued employees whereas their hard work ensuring the growth of the company.
- Precise conducting with Buyers, Suppliers, Financial Assistants who extended their assistance in due course to achieve triumph of the company.
- Implement the Corporate and Social responsibilities towards the Government of Bangladesh by Tax Deduction at Source, Payment of Corporate Tax & Duties and prompt response to public agencies demand on account of public interest.
- Avoid malpractice through anti-environmental behaviors, corruption dealings, unethical and immoral activities in any circumstance that a responsible citizen as an entity.
- Practicing corporate governance in every aspects of activities.
- Ensure equality in all races, religion and gender in terms of operation in the industry.
- Achieve a millennium development goal for the human Civilization existing and for our future generation at the same time.



## BUSINESS ETHICS

MORALITY

RELATIONSHIP

RESPONSIBILITY

COMPLIANT

TRUST

PRINCIPLES

RELIABILITY

QUALITY

## CORPORATE VALUES

- Create a quality benchmark in every aspect of its business.
- Maintain and further enhance customer satisfaction in terms of quality and price.
- Ensure a happy, motivated and skilled workforce.
- Work towards green production.
- Create employment and retain with steady, controlled and focused company growth.
- Contribute to the country's economic sustainability with our exports and business practices.

## A BRIEF ABOUT YOUR COMPANY

The company was established in 1994 and started commercial operation in 1999. It was incorporated on November 30, 1994 as a Public Limited Company vide Reg. No. CHC-1780. Registered office and Factory is located at East Kalurghat, Charkhidirpur, Bandar, Chittagong. On March 01, 2005 the present sponsors acquired Regent Textile Mills Limited turned around the performance of the company through the sponsor's prudent management skills. From the very beginning of the company the management established strong MIS through IT infrastructure and installed customized software to increase efficiency and skill of the employees as well as production quality and capacity. To be an innovative, vertically-integrated textile company with diverse and high quality textile products and be a company led by a culture of operational excellence RTML has recently completed BMRE by installing and erecting modern and sophisticated machinereis, it makes capable us to work with enough flexibility with designs and collections.

Regent Textile Mills Limited is a 100% export oriented textile mill for high quality woven fabrics and home furnishing items having dyeing, printing, sewing, finishing and packing process. Constant quality control keeps it in touch with each specific process of production and its fully equipped laboratory and quality control monitor output on a full time basis. At present The company is running with 12.00 million meters weaving and 14.00 million meter dying and printing capacity per year. The Textile mill holds a capacity to produce approximately 40,000-50,000 meters fabrics per day. The company exports its products to number of world renowned buyers, such as Wall Mart (worldwide) Heimtex AB (Sweden), Red Cats Asia Limited, Princess Groppen AS (Norway), New wave Group SA (Switzerland), BonPrix (Germany), Silex Vyvoz A Dovož SRO (Czech Republic), Lidl (France) and Siplec. The Company's products variety ranges from 50 gsm to 450 gsm. Finished home textile products are exported to international market especially to EU market.

## PRINCIPAL PRODUCTS AND SERVICES

Regent Textile exports a wide variety of full package products with high value added, such as:

### Home Textile:

Kitchen Attire	Pillowcase
Quilt cover Set	Cushion/Covers
Napkin	Table Clothes
Bed Sheets and Bed Clothes	Cretonne
Hospital Sheet	Fitted Sheet
Curtains	Other home textile products
Sheet Set	Flat Sheet
Aprons	Etc.

### Dyed & Printed Fabrics:

Cotton Sheeting	Cotton Rib Stop
Cotton Twill	Cotton Bedford Cord
Cotton Canvas	Cotton Herringbone Twill
Cotton Panama Canvas	Cotton Doby Horizontal
Cotton Ottoman	Cotton Baby Canvas
Cotton Fine Twill	Cotton Calico Canvas
Cotton Flannel	Cotton Seersucker
Cotton Spandex Twill, Sateen	Poplin, Etc.

Products are made from 100% cotton fabrics with poplin and spandex. For these products we offer different types of fabrics (solid, striped and printed) produced in various single and twisted yarn sizes ranging from 20/1 to 80/2 in Jersey, Pique, Rib, Interlock, Jacquard, French Terry, Jersey-Pique, Pique Oxford, among other weaving styles.



## HABIB GROUP OVERVIEW

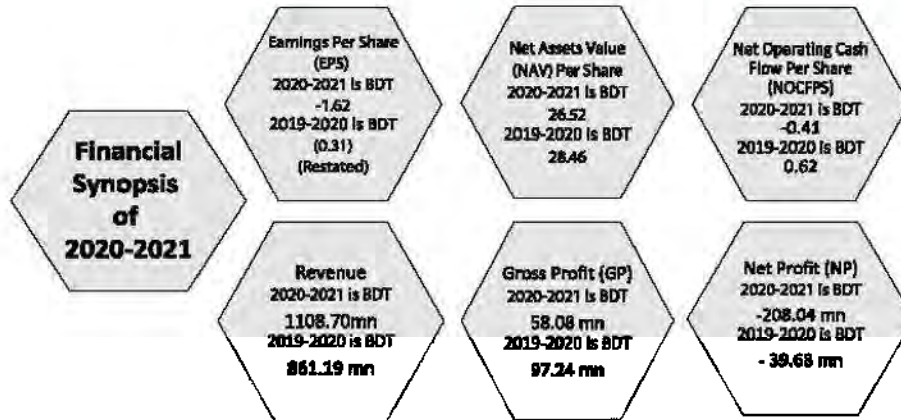
The Group was founded in the year 1947 as a trading company formed by the late Habib Ullah Meah. He was the son of late Naju Meah, a prominent businessperson of undivided India. Late Naju Meah was the first President of Assam Bengal Chamber of Commerce. After the demise of Habib Ullah Meah in 1981, his three sons Mr. Md. Yakub Ali, Mr. Md. Mahabub Ali and Mr. Md. Yasin Ali took over the Habib Group. Over the years, the Group has invested in various business sectors of Bangladesh. Employing more than 20,000 people and having investments in various businesses the Habib Group has established itself as one of the largest and prominent business houses of Bangladesh. Habib Group, being a renowned group of the country is still expanding its wings and diversifying its business interests in Bangladesh. Their commitment and financial strength has given them the reputation of being one of the finest in the business industry of Bangladesh.

The business sectors where Habib Group has its exposure include - Textile, Apparel, Spinning, Cement, Paper, Steel, Fertilizer, Share & Securities, Real Estate, Power, Aviation, Ship Breaking, and Trading having annual turnover around \$500 million. Eventually, the sponsors of the group have many more investment planning in the near future. The effective succession planning is running on with a strong commitment of the sponsors, corporate culture and practices of Good Governance are implementing in different sectors of the Group.

Since 1947, Habib Group has maintained an unwavering commitment to provide products and services of Superior quality and improve the lives of the world's consumers, now and for the generation to come. With extensive expertise and experience spanning more than five decades, Habib Group is uniquely positioned to be at the forefront of all businesses for decades to come. Habib Group epitomizes prospect and prosperity.



## FINANCIAL HIGHLIGHTS



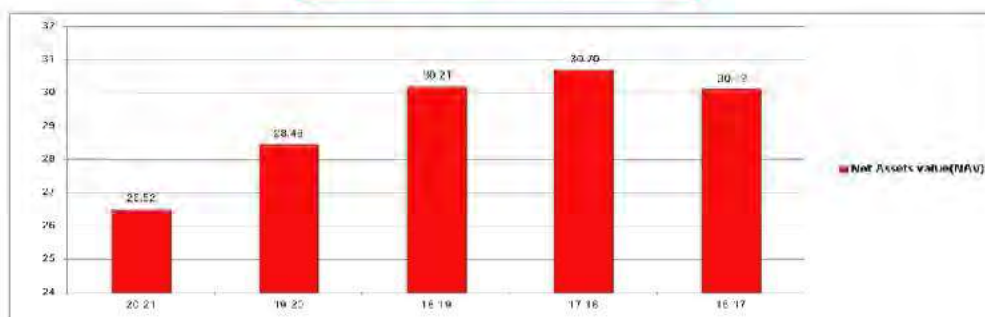
Particulars	2020 - 2021 (Tk.)	2019 - 2020 (Tk.)	2018 - 2019 (Tk.)	2017 - 2018 (Tk.)	2016-2017 (Tk.)
<b>Assets Employed</b>					
Non-Current Assets	3,278,519,933	3,414,713,282	3,353,051,917	3,146,034,181	2,222,538,689
Net Current Assets	1,951,481,629	1,830,736,704	1,808,629,247	1,295,073,969	2,111,562,257
<b>Total Assets Employed</b>	<b>5,230,000,562</b>	<b>5,245,449,986</b>	<b>5,161,681,164</b>	<b>4,441,108,150</b>	<b>4,334,100,946</b>
<b>Financed By</b>					
Share Capital	1,286,121,370	1,273,387,500	1,212,750,000	1,155,000,000	1,155,000,000
Share Premium	724,782,034	724,782,034	724,782,034	724,782,034	724,782,034
Revaluation Reserve	973,608,818	976,489,018	978,842,410	982,609,733	986,342,088
Retained Earnings	426,862,958	650,214,357	747,156,933	683,418,910	612,341,920
<b>Shareholders' Equity</b>	<b>3,411,375,180</b>	<b>3,624,872,909</b>	<b>3,663,531,377</b>	<b>3,545,830,677</b>	<b>3,478,466,042</b>
Long Term Borrowings	1,709,915,392	1,560,882,816	1,442,921,614	841,541,876	785,745,277
Deferred Tax Liability	77,486,141	59,694,261	55,228,173	53,755,597	69,899,627
<b>Total Capital Employed</b>	<b>5,196,776,713</b>	<b>5,245,449,986</b>	<b>5,161,681,164</b>	<b>4,441,108,150</b>	<b>4,334,100,947</b>
<b>Operational Result</b>					
Sales	1,108,700,182	861,189,770	1,454,002,554	1,215,257,968	1,058,204,192
Gross Profit	58,083,644	97,236,133	265,232,117	241,327,952	217,625,948
Profit from Operations	-26,533,244	15,811,565	163,407,219	156,112,132	138,703,183
Profit before Income Tax & Reserve	-183,420,735	-21,492,438	128,831,315	141,192,412	161,454,583
Profit After Income Tax	-208,040,884	-39,681,545	117,938,068	129,702,126	137,000,682
<b>Total Comprehensive Income</b>	<b>-208,080,723</b>	<b>-39,156,767</b>	<b>127,599,349</b>	<b>119,944,639</b>	<b>137,746,304</b>

## FINANCIAL RATIOS

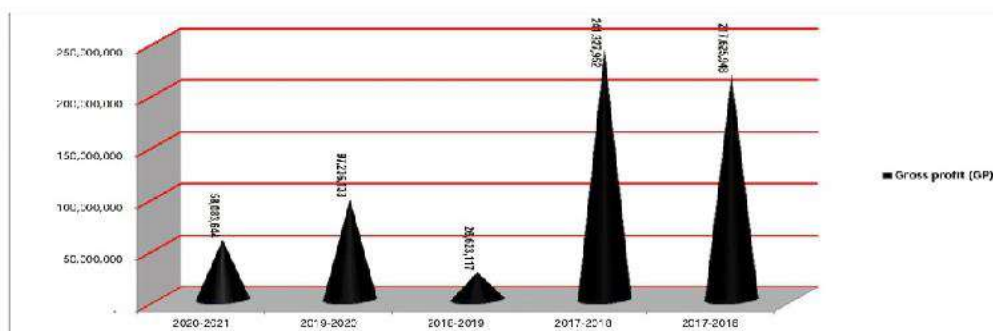
Particulars	2020-2021 (Tk.)	2019-2020 (Tk.)	2018-2019 (Tk.)	2017-2018 (Tk.)	2016-2017 (Tk.)
Gross Profit Ratio %	5.24	11.29	18.31	19.86	20.57
Net Profit Ratio %	-18.76	-4.61	8.11	10.67	12.95
Return on Shareholders' Equity %	-6.65	-1.09	3.22	3.66	3.94
Return on Capital Employed %	-50.73	-0.76	2.28	2.92	3.16
Current Ratio – Times	2.92	2.93	3.03	1.59	2.92
Quick Ratio – Times	2.03	2.07	2.24	1.3	1.62
Inventory Turnover Ratio – Times	1.22	1.01	1.77	1.87	2.65
Assets Turnover Ratio – Times	0.18	0.14	0.23	0.2	0.19
Debt Equity Ratio – Times	0.83	0.71	0.65	0.87	0.56

## GRAPHICAL PRESENTATION OF FINANCIAL PERFORMANCE

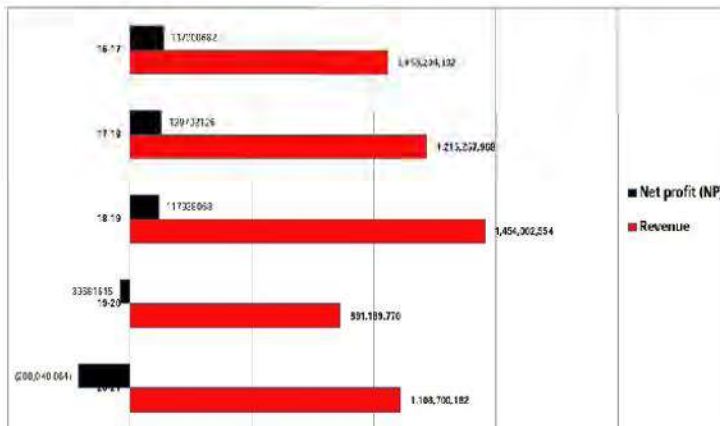
**Net Assets Value (NAV) Per Share**



**Gross Profit (GP)**

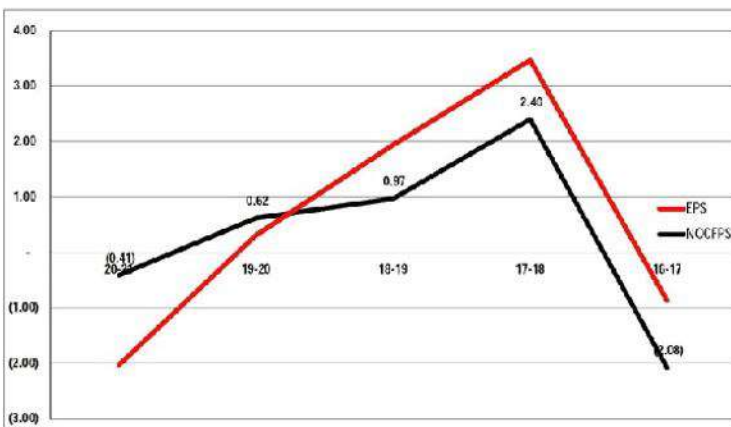
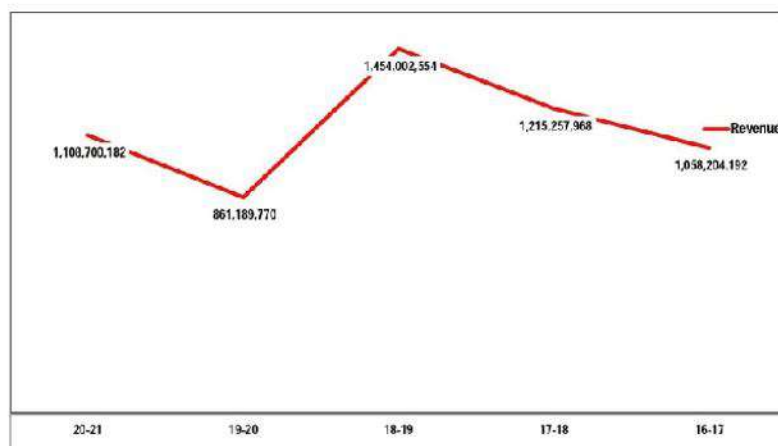


## GRAPHICAL PRESENTATION OF FINANCIAL PERFORMANCE



Revenue Versus Profit

Revenue



NOCFPS Versus EPS



## MESSAGE FROM THE CHAIRPERSON

Dear Shareholders,

Assalamu Alaikum

I am happy to be able to welcome you on this occasion of the 26th Annual General Meeting of the Company, despite the devastating impact of the corona virus pandemic on almost in all the segment of the society. I hope you have gone through the Annual Report and have had seen how the Company Management could get out of the woods & thorns of business throughout the FY 2020-2021 when the COVID 19 had appeared so ugly and violently to destroy the economic superstructure of the country. The Management Team shares the larger tranche of the success for developing appropriate strategy for escaping from the grasp of the COVID 19. We all welcome the team and its allied forces.

During this pandemic situation, RTML was closed several time complying the restriction and lockdown imposed by the Government. and the period of opening and functioning operation it was not also possible normal production as the employees were infecting randomly in different departments/sections. Whatsoever, we pray to almighty for keeping all of our colleagues and shareholders safe from COVID 19 and keep the departed souls in peace that passed away from the last AGM to till date. At the same time, our efforts were not only to keep patronage of our existing customers but also open the way to discover new market and buyers from all around the globe in future. The demand for the products is expected to increase as one of our prime competitors, China is now moving towards heavy industries replacing labor intensive industries. In such a situation some of our old buyers committed to return to your company. On the other hand to compete with others your company is diverting buyers from other countries for receiving bulk orders of value added products as we have completing BMRE to the Company.

Finally, I hope the crises emanating from COVID 19 would soon be overcome as the vaccination program by the Government is gradually extended to cover the entire population (following the regulations of WHO) as well as the awareness for following the health measures is growing among the people. I believe the Company's result in the coming years will show still better as the "Bangladesh Brand" is gaining ground with the socioeconomic growing indices, especially in the increase in GDP, Trade Volume, Trade Diversification, Foreign Exchange Reserve, poverty-reduction, social- support to landless/houseless poor/ethnic and ever ignored segments including, but not being limited to, widows, handicapped, third-sex etc. The Role of the Government, non-the-less, is also a critical factor as "Brand" creator through its emphasis on Mega-Projects that generate not only job but also eases the obstacles to the growth of FDI and road to development.

With best wishes to you all for the coming year and a COVID 19 free nation.

Thanking You.

  
Md. Yakub Ali  
Chairperson

## MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders, Colleagues, Ladies and Gentleman

It is a great pleasure for me to submit the Report of the Directors' containing Financial and others aspects of statutory Annual Report for the FY 2020-2021 of the Company at this 26th Annual General Meeting. The operational reports, as contained in the Annual Report, would indicate, inter alia, both short and long term stability in all the spheres of corporate operations and give a positive indication to the share-owners, lenders, suppliers, creditors, customers and other allied/related parties.

An examination of the operating performance would reveal that though the Company's operating assets/Capacity had remained same as was in the previous year, the output had increased by 14.86% over 2019-2020. This reflects an increase in efficiency/productivity rate by the operating human forces at all the levels of production. On the other hand sales have increased during the year under review over that of the prior year. Though The Net Profit has decreased significantly due to increase in cost of cotton, raw materials, dyes, chemical, other materials and increased overhead over the previous year, the net profit (AT) had decreased over the previous year.

While on the subject, I would like to request the Shareholders to critically review the international business situation with caution and matured understanding keeping in mind the possibility of continuing effect of COVID 19 and its allied facets, the uncertainty of the trade-war, geo-political conflicts in almost every corner of the world which threaten the success of doing business. Despite the present situation of business, we should engage ourselves in any longterm commitment keeping in mind the above major factors as a caution.

We as well as our dedicated employees are working hard for continuous betterment in your business that will generate funds in helping us to grow your business, deliver higher returns for the shareholders and contribute more to the society at large. However as we proceed, we see newer challenges in coming years. But we are confident to overcome the challenges by the combination of our commitment, portfolio diversification, and new investment in BMRE etc.

In conclusion, I would like to express my thanks to the members of the Board of Directors for their support, guidance and advice while formulating business strategies and action plans. On behalf of the Board of Directors, I would like to again thank the management team and all our employees for their tremendous efforts, dedication and resilience in maintaining our market leadership and delivering greater value to our stakeholders, despite this year being the most challenging year yet. I would also like to express my gratitude to the Government and our regulators for their guidance and support.

With best wishes



**Salman Habib**

Managing Director

## CORPORATE INFORMATION

Name of the Company	Regent Textile Mills Limited
Incorporation No. and Date	CH-C1780, 11 November 1994.
Status of the Company	Public Limited Company
Registered Office and Factory	East Kalurghat, Char Khidirpur, Bandar, Chattogram
Corporate Office	1182 Jubilee Road (Nur Ahmed Road), Chattogram-4000
Phone, Fax, e-mail and Website	Phone: 88-031-2868241-3 (Corporate Office), 031-671170, 031-671439 (Reg. & Factory Office), Fax: 88-031-2868207, e-mail: <a href="mailto:cs@regenttex.com">cs@regenttex.com</a> ; Website: <a href="http://www.regenttex.com">www.regenttex.com</a>
Statutory Auditor	Shafiq Basak & Co. Chartered Accountants National House (1 <sup>st</sup> Floor) 109, Agrabad C/A, Chattogram-4100
Corporate Governance Compliance Auditor	Khan Wahab Shafique Rahman & Co. Chartered Accountants Shabbir Chamber (3 <sup>rd</sup> Floor) 60, Agrabad C/A, Chattogram-4100
Insurers	Green Delta Insurance Company Limited Continental Insurance Limited
Bank/NBFIs	Shahjalal Islami Bank Limited Standard Chartered Bank Mercantile Bank Limited Dutch Bangla Bank Limited National Bank Limited IDLC Finance Limited Langkabangla Finance Limited
Credit Rating Agency	Credit Rating Information and Services Limited (CRISL)
Listing with	Dhaka Stock Exchange Limited Chittagong Stock Exchange Limited
Chairman	Md. Yakub Ali
Managing Director	Salman Habib
Chief Financial Officer (CFO)	Anjan Kumar Bhattacharyya
Company Secretary (CS)	Md. Rijajul Hoque Sikder FCS
Head of Internal Audit and Compliance (HIAC)	Zonaid Hossen Talukder
Authorized Capital	BDT 1,500,000,000.00
Paid Up Capital	BDT 1,286,121,370
Shareholders	16,843

## BOARD OF DIRECTORS'



**Md. Yakub Ali**  
Chairperson



**Md. Yasir Ali**  
Director



**Mashruf Habib**  
Director



**Salman Habib**  
Managing Director



**Tanvir Habib**  
Director



**Eng. Md. Abul Quasem**  
Independent Director



**Md. Mohasin Siddiquee**  
Independent Director



**Md. Riajul Hoque Sikder FCS**  
Company Secretary



## BOARD OF DIRECTORS'

Mr. Md. Yakub Ali	Chairman
Mr. Salman Habib	Managing Director
Mr. Md. Yasin Ali	Director
Mr. Mashruf Habib	Director
Mr. Tanvir Habib	Director
Eng. Md. Abul Quasem	Independent Director
Mr. Md. Mohasin Siddiquee	Independent Director
Mr. Md. Riajul Hoque Sikder FCS	Company Secretary

## AUDIT COMMITTEE

Mr. Md. Mohasin Siddiquee	Chairman
Mr. Md. Yasin Ali	Member
Mr. Mashruf Habib	Member
Mr. Md. Riajul Hoque Sikder FCS	Secretary

## NOMINATION AND REMUNERATION COMMITTEE

Eng. Md. Abul Quasem	Chairman
Mr. Md. Yakub Ali	Member
Mr. Mashruf Habib	Member
Mr. Tanvir Habib	Member
Mr. Md. Riajul Hoque Sikder FCS	Secretary

## KEY & SENIOR MANAGEMENT

Mr. Salman Habib	Managing Director
Mr. Akhtarul Islam	Executive Director, Admin & Operations
Mr. Mohammed Abdur Rashid	Director, Finance & Operations
Mr. Mohammad Masud Hossain	Director, Marketing
Mr. Anjan Kumar Bhattacharyya	Chief Financial Officer
Mr. Md. Riajul Hoque Sikder FCS	Company Secretary
Mr. Zonaid Hossen Talukder	Head of Internal Audit & Compliance
Mr. Md. Saiful Islam	G.M., Marketing (RMG)
Mr. Joydip Das Gupta	G.M., Marketing (Home Textile)
Mr. Rajib Saha	G.M., Operations
Mr. Ahmed Rafique Imtiaz	D.G.M. Admin, HR
Mr. Zahid Uddin Ahmed Chowdhury	Head of SCM

## SHORT PROFILE OF DIRECTORS

**Mr. Md. Yakub Ali**, honorable Chairperson of Regent Textile Mills Limited completed his graduation from University of Chittagong. He is a well-known person in the business community having investment in various businesses. He is a visionary entrepreneur and widely experienced in Textile, Apparel, Steel, Bank, Paper, Power and Cement sector. He started his business career in 1973 and established Habib Group where around 20,000 people are being employed. At present Habib Group is one of the largest and prominent business conglomerates of Bangladesh. Under his strong leadership and guidance, all the business units of Habib Group accomplished the leading position in the industrial sector of the country.

**Mr. Salman Habib**, is the Managing Director of Regent Textile Mills Ltd. Prior to his present position he was serving as Deputy Managing Director of RTML. He graduated in Business Management B.Sc. (Hons) from Queen Mary University, UK. He is the son of Mr. Md. Yasin Ali and Mrs. Salma Yasin. As a Managing Director, he is successfully looking after all the functions and responsibility given on him by the Board of the Company.

**Mr. Md. Yasin Ali**, a post graduate in Marketing from the Chittagong University, is the Director of Regent Textile Mills Limited. He is a dynamic business professional. In the year 1983, he started his business career and progressively became an icon in the business arena and corporate community. He has been recognized as one of the pre-eminent and distinguished personality in Textile, Apparel, Steel, Paper, Power, cement etc. sector. He aims with a vision to make valuable contribution in the economy of Bangladesh and so provides employment as part of Corporate Social Responsibility. His passion for excellence and cultivating innovations has roped in professionals from different fields to join in the organizations running under his control and explore their hidden talents.

**Mr. Mashruf Habib**, a Director of Regent Textile Mills Limited, obtained graduation degree in Business Administration from California State University, USA. He is the only son of Mr. Md. Yakub Ali and Mrs. Anjumanara Begum, is the Managing Director of H G Aviation (Regent Airways). By this time he proved himself to be a dynamic business personality in the business community both nationally and internationally. He started his business career in 2008. He is successfully leading the Regent Airways, the brand name of H G Aviation with his excellent leadership capability. He joined as Director in the Board of Regent Textile Mills Ltd on 14 October 2010. He is the member of Bhatlary Golf & Country Club and Seniors' Club, Chittagong.

**Mr. Tanvir Habib**, is the Director of Regent Textile Mills Ltd. He is a Bachelor of Business Administration from University of Westminster, UK. He is the son of legendary business idol and personality Late Mr. Md. Mahabub Ali, Ex Director of Regent Textile Mills Limited and Mrs. Amina Mahabub. He has a business career of 8 years.

**Eng. Md. Abul Quasem**, an Independent Director of Regent Textile Mills Ltd., is a renowned corporate professional and a worthy person in the field of engineering. He obtained graduation degree from CUET and did his MSc. Engineering from Loughborough University. He served as Chief Engineer and different other capacities for Chittagong WASA for long time. He also portrays his excellence by serving and sharing experience in the capacity of Executive Director in Banglacet, a leading and exclusive dealer of CAT® Branded products in Bangladesh, which one is the largest provider of independent power generation solutions in Bangladesh and are also one of the largest Gas Engine dealers globally. Mr. Quasem is known and popular face in the civil society of Chattogram. He is the member of different social clubs and societies. He visited many countries for professional purposes. He is the Chairperson of the NRC of the Board.

**Mr. Md. Mohasin Siddiquee**, an Independent Director of Regent Textile Mills Ltd., is the son of Late Nurul Islam Chowdhury and Hasina Begum who came from a reputed muslim family. He is one of the Independent Directors of Regent Textile Mills Limited and Chairperson of the Audit Committee of the Board.

**Mr. Siddiquee** graduated in commerce major Management and post graduation in Marketing in 1986 from University of Chittagong. He is a renowned and popular corporate professional who has long exposure and experience in building businesses in general insurance in Bangladesh. Currently, he is serving for Agrani Insurance Co. Ltd. as Additional Managing Director. Prior this he had been serving in different top level positions for Agrani Insurance Co. Ltd. and other organizations for long. Besides, he has many other social involvements such as president of Lion club of Chittagong dream valley, Founding member of Jahanara Islam Girls High School etc. Mr. Siddiquee has received training on different subject such as risk management in insurance and many other subjects. He has also visited many countries like Turkey, Malaysia, Egypt, Saudi Arabia etc.

## DIRECTORS' REPORT

Year Ended June 30, 2021

Bismillahir Rahmanir Rahim

The Directors have the pleasure in presenting to the shareholders their Report together with the audited financial statements of the Company for the year ended June 30, 2021. This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. SEC/ CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

### TEXTILES SECTOR

Bengal was one of the most prominent textile manufacturing centers from the 16th through the 18th century, while it was under Mughal rule. Since 1971, after the liberation war, Bangladesh's economy was primarily agriculture oriented. At that time, Bangladesh, though initially had adopted industrialization on the "Import-substitution" concept, but it gradually changed to "Export" oriented industrialization by focusing on the textile sector. And at present, Bangladesh has become the world's second largest RMG exporter.

Bangladesh textile sector registered a doubledigit growth in demand for inspections (increasing work orders) for textile and garment items from international retailers and brands in the first quarter of 2021 compared to Q1 of 2020 and 2019, indicating sustained expansion over pre-pandemic levels rather than a simple rebound. Bangladesh's modern textile industry is now one of the most significant sectors of the Bangladeshi economy. This industry employs around 20 million people in the country. Most of the workforce in the textile industry is made up of women, and is a key driving force in the country's economy.

Bangladesh has become the 2nd largest RMG exporter in the world and it contributes 20% to Bangladesh's GDP. With robust demand in the garment sector, Bangladesh's textile industry has a very bright future. However, there are several hurdles that Bangladesh must overcome in order to survive and grow in this field. We all know that plentiful natural gas, cheap labor, and energy are the backbone of this sector. In recent years, this issue has become antagonistic, though policy-makers are consciously formulating the necessary adjustments to protect this vital sector. However, infrastructure like as ports, highways, technical institutions, and unions expanded, and soon a slew of Asian countries will become home to the world's finest seamstresses.

### FINANCIAL PERFORMANCE

During the financial year 2020-2021 the production of Fabrics/Products was totally disrupted round the year due to appearance of CORONA pandemic and disorderly situation amongst the workers, Management and the Government Directives. As a result, Textiles Sector experienced a very low demand and erosion in price of all types of exportable products from the importing countries who themselves also were fighting under the dust of COVID-19.

The Financials of Regent Textile Mills Limited during the year 2020-2021 depicts the devastating effect of CORONA on sales revenue and profitability in comparison the previous year.

During the year, raw material price in the international market was higher than regular price. But yarn price and demand in the national & international market was lower as against higher raw material prices. On the other hand, China and USA trade war had also material negative impact on the garments sectors. Indian subsidized low price yarn dumping strategy also had a contribution to the volatility in the yarn price.

In view of the above, profitability of Regent Textiles during financial year 2020-2021 had fallen drastically over that of the previous years. The Revenue from operations stood at BDT 1108.70 million compared to BDT 861.19 million in the Previous Year. The Operating Profit stood lower at BDT (26.53) million than BDT 15.81 million in the Previous Year. The Net Profit arises to BDT -208.04 million against BDT -39.68 million earned in the previous year.

We hope that the government's timely decisions and support to give opportunity for the maintaining sustainable existence, lowering interest rates, export incentives will help the industry to survive from the worse situation ever in the coming future.

Review of Business: We are searching new market for our merchandise in spite of Corona pandemic and negotiation is going on with some prospective buyers for developing and expanding our textile products. We are very much hopeful and optimistic about the shiny days coming ahead once pandemic is over as we are ready to deliver more quality products by running its newly installed state-of-the-art-machineries under BMRE.

### COMPANY'S OPERATIONS

Although the pandemic caused by the novel Coronavirus has been going on for more than a year and a half, which has caused disruption for the millers as well as for the whole apparel supply chain and the textile companies were adversely affected at one point during the COVID-19 pandemic in 2020.

Regent Textile has over 26 years of experience and competency in composite arena. The industry is one of the largest producers of textile products in Bangladesh. Today it has one of the most sophisticated vertically integrated set-ups. Regent Textiles focus on more sustainable and eco-friendly products namely Organic, BCI, Tencel, Re-cycle (cotton and Polyester) etc. We are developing more value added product i.e. Galaxy, Flutter, Lurex, Mozaik Neppy, Snow, Siro etc. that are more fashion trendy and higher valued export earner. Regent Textile products are internationally recognized by our valued customers for their extraordinary quality and committed services.

### DIRECTORS' RESPONSIBILITY REPORTING ON FINANCIAL STATEMENTS

Directors' responsibility reporting on financial statements is shown in Annexure-G



## CAPACITY/PRODUCTION

Regent Textile has restated the production capacity installation criterion and actual production quantity to make them (The production data) equivalent & comparable. Despite the pandemic disorders in the highest Foreign Currency earning sector, the installation capacity, production equivalence, actual production efficiency in each category had attained higher level during the year as against the previous year as presented and enclosed below:

### PRODUCTION CAPACITY

A comparative statement of production position is given below:

Sl.	Particulars	2020 - 2021 (Tk.)	2019 - 2020 (Tk.)	2018 - 2019 (Tk.)	2017 - 2018 (Tk.)	2016 - 2017 (Tk.)
01.	<b>Production Capacity (Mtr.):</b>					
	a) Weaving	12.00	12.00	12.00	12.00	18.00
	b) Dyeing & Printing	14.00	14.00	14.00	14.00	21.00
02.	<b>Actual Production (Mtr.):</b>					
	a) Weaving	7.48	6.89	7.97	84.54	131.32
	b) Dyeing & Printing	7.26	5.87	11.51	87.65	158.42
03.	<b>Capacity Utilization(%):</b>					
	a) Weaving	62.34%	57.45%	66.42%	70.45%	72.96%
	b) Dyeing & Printing	51.83%	41.95%	82.21%	69.75%	75.44%

Figure shown in the table in million

### Cost of Production

The cost of production varied during the past years primarily due to wide fluctuations in the price of raw cotton, packing materials, fuel & power and spare parts most of which were beyond the control of the Management.

The level of costs & their incidences are given below:

Cost of Major Items	2020 - 2021 (Tk.)	2019 - 2020 (Tk.)	2018 - 2019 (Tk.)	2017 - 2018 (Tk.)	2016 - 2017 (Tk.)
Raw Materials Consumed	602,099,233	423,636,193	781,807,776	694,015,224	473,848,934
Stores & Spares	6,462,516	7,789,935	12,274,116	13,202,724	18,462,793
Indirect Raw Materials	803,252	1,057,744	1,920,167	1,591,357	1,662,752
Gas Charges	88,717,158	82,058,368	80,061,404	77,584,582	80,594,329
Fuel & Lubricants	2,345,000	3,029,279	2,886,248	3,091,154	3,548,989
Other Overhead	411,183,729	302,976,678	336,230,876	324,630,674	296,115,771
<b>Total</b>	<b>1,109,610,888</b>	<b>820,548,197</b>	<b>1,215,180,585</b>	<b>1,114,115,615</b>	<b>844,233,568</b>

### Financial Results and Appropriation of Profit:

Particulars	2020 - 2021 (Tk.)	2019 - 2020 (Tk.)	2018 - 2019 (Tk.)	2017 - 2018 (Tk.)	2016 - 2017 (Tk.)
Profit before Tax	-183,420,735	-21,492,438	128,831,315	141,192,412	161,454,583
Less: Provision for Tax	-24,620,129	18,189,107	10,893,248	11,490,288	24,453,901
<b>Profit after Tax</b>	<b>-208,040,864</b>	<b>-39,681,545</b>	<b>117,938,067</b>	<b>129,702,124</b>	<b>137,000,682</b>
Add:					
Un-Appropriated Profit b/d	650,214,357	747,156,933	683,418,910	612,341,920	635,671,489
<b>Profit available for Appropriation</b>	<b>442,173,493</b>	<b>707,475,388</b>	<b>801,356,978</b>	<b>742,044,044</b>	<b>772,672,171</b>
Less:					
Proposed Dividend	-	18,522,001	60,637,500	57,750,000	52,500,004
Tax Holiday Reserve	-	-	-	-	-
<b>Un-Appropriated Profit</b>	<b>442,173,493</b>	<b>688,953,387</b>	<b>740,719,478</b>	<b>684,294,044</b>	<b>720,172,167</b>

### Sales

The overall sales performance in 2020-21 is showing a negative growth. During the reporting period sales was increased by 24.74% comparing to 2019-20. Due to CORONA pandemic, price hike of materials, gas charge etc we were not in a position to attain desired turnover. Though during this period we were able to start the commercial operation of BMRE project.

Revenue from operations is given below:

Sales Revenue	2020 - 2021 (Tk.)	2019 - 2020 (Tk.)	2018 - 2019 (Tk.)	2017 - 2018 (Tk.)	2016 - 2017 (Tk.)
RMG (Woven Fabrics)	407,107,142	377,994,976	523,877,729	411,748,661	349,759,198
Homatex (Home Furnishings)	647,088,161	382,782,007	825,680,145	681,359,251	435,749,055
RMG (Woven Fabrics)	Mtr 2,936,550	Mtr 2,810,470	Mtr 5,292,435	Mtr 5,552,243	Mtr 4,335,732
Homatex (Woven Fabrics)	Mtr 4,226,170	Mtr 2,765,370	Mtr 6,206,150	Mtr 4,456,693	Mtr 5,325,830



During 2020-2021 the Company has exported 2.94 million meters RMG Fabrics to different buyers' and 4.23 million meters home-textile products.

#### CAPITAL EXPENDITURES:

In order to continuously upgrading the products of Regent Textile Mills Ltd., the Company has made additional net capital expenditures of Tk. 45.15 million during the financial year 2019-20 as follows:

Particulars	2020 - 2021 (Tk.)	2019 - 2020 (Tk.)	2018 - 2019 (Tk.)	2017 - 2018 (Tk.)	2016 - 2017 (Tk.)
Land and Civil Works	13,274,022	108,904,903	781,041	14,375,854	111,387,173
Plant & Machinery	15,279,960	1,425,316,847	33,085,805	55,689,084	6,722,021
Other Fixed Assets	16,800,845	3,922,997	19,875,559	31,681,787	17,834,241
Capital WIP	-	-	220,839,928	889,235,773	267,926,833

#### INDUSTRY OUTLOOK

In the wake of changing world demand structure Bangladesh is on the track of progressive higher demand for garments of mid to higher quality brands due to fiscal war between the large economics such as USA, China, EU etc.

The sector offers great scope of expansion and double the foreign exchange earnings provided Government rationalizes fiscal/monetary policies and provide necessary monetary support/incentives to Local as well as strategic investors.

#### Risk and Concerns:

Risk assessment and mitigation is the integral part of any business. The Board of Directors is regularly assessing and identifying potential risks and threats to our profitability and business growth. Risks can have material adverse impact on the Company's reputation, operations, human resources and financial performance. Besides, changes of govt. policies may have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability.

It is however, heartening to note that the Government recognizing the above mentioned factors is now taking various measures as a result of which Bangladesh has begun to step up its position in the "Doing Business" Index of the World Bank Ranking Hall of Progress. Detailed about Risks factors are given in Annexure-M.

#### Management Discussion and Analysis:

Board of Directors periodically and as and when required sits and discusses on the increase/decrease of sales, cost of goods sold, gross and net profit and takes necessary steps as required. A detailed report on discussion is included in Annexure-C

#### Extraordinary Gain or Loss:

No events of extra ordinary gain or loss occurred during the reporting period requiring adjustment or disclosure in the financial statements.

#### Related party transactions:

The company carried out number of transactions with related parties in the normal course of business which are under the same management and has been disclosed in related party transaction in note no. 34 of the notes to the financial statements. Annexure-E

#### PO Proceeds Utilization:

Initial Public Offering (IPO) of Regent Textile Mills Limited was made in 2015 and the fund raised thereby has already been utilized as reported to the Regulators. No further issue of any instrument was made during the year.

#### Subsidiary Company

Regent Textile Mills Limited has invested Tk. 758.905 million as Equity holder (91.70%) in the capital of Legacy Fashion Limited. The process of acquiring is about to complete. The Authorized and Paid up Capital of the Company is Tk. 30,000,000. Two Directors, including one Independent Director, have been appointed in the board of Legacy Fashion Ltd. from Regent Textile Mills Ltd.

#### Consolidation of Accounts

As Audited Financial report of Legacy Fashion Limited for the year ended 30th June 2021 is yet to be obtained, so Regent Textile Mills Limited could not comply with IFRS 10, which subsequently been consolidated

#### Financial Results after Utilization of IPO Proceeds:

This is applicable for Regent Textile Mills Limited as no such event of collecting fund from public issues took place after the Initial Public Offering (IPO) in 2015. Financial Result Deterioration after the Public Issue Consequently RTML did not go for any sort of offering since then. Variance within the Quarterly Financial Statement and Annual Financial Statements There was no event of significant variance between quarterly financial performances and annual financial statements during the year under review.

#### Significant variance of financial statements:

During the reporting period the turnover decreased significantly because of following reasons: Corona pandemic, trade war between China and USA, pricing of products reduction in international market, ACCORD and ALLIANCE compliance issue Strong competitions in getting buyer's order, price fluctuation etc.

**Fairness of Financial Statements:**

The financial statements together with the notes thereon 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 Company's state of affairs, the results of its operations, cash flow and changes in equity

**Proper Books of Accounts:**

Proper books of accounts of the Company have been maintained. Adaptation of Proper Accounting Policies and Estimates Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

**IAS/BAS/IFRS/BFRS Application:**

International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefore has been adequately disclosed. The list of BAS/ BFRS complied is listed on Note 3 of the audited accounts.

**Internal Control:**

The company maintains a sound Internal control system which gives reasonable assurance against any material misstatement. The internal control system is regularly monitored by the Audit Committee in each meeting and by the company Executive committee on quarterly basis.

**Minority Shareholders Protection:**

Minority shareholders interest always looked after by the Board.

**Going Concern:**

Based on the available information on the future, the directors consider that the company has the plans and resources to manage its business risks successfully, as it has a diverse range of businesses and remains financially strong. After making enquiries, the directors have a reasonable expectation that the Company have adequate resources to continue their operations for the foreseeable future

**Significant deviation from last year's operating result:**

During the year under review, our total sales Increased to Tk. 247.51 million from previous year sales registering a positive growth. As a consequence of COVID-19 pandemic the whole country was under lockdown situation and we have experienced a considerable fall in getting orders and the sales of textile products during the last quarter of the financial year. But the global situation is changing and order from Our buyers increasing steadily and we are quite hopeful that the trend of recurring orders will increase more in the coming years and sales as well. Net Operating Cash Flow per Share (NOCFPS) was Tk. (0.41) during the year under review as compared to Tk. 0.62 in last year.

**Key Operating and Financial Data of last 5 Years:**

Key operating and financial data of preceding 5 years are shown in Page No. 9-11 & 19-20

**Dividend:**

Present year financial performance is below the satisfactory level so that we are not such in a position to declare any dividend for the reporting year considering this year's negative profit and EPS. Dividend Distribution Policy of the Company is shown in Page No. 26-29

#### **UNCLAIMED/UNSETTLED DIVIDEND 2015 TO 2020**

The unclaimed/unsettled cash dividend of Regent Textile Mills Limited for the year from 2015 to 2020 has shown below:

Unclaimed Dividend : TK. 77,747,429/-

#### **Interim Dividend:**

No stock/cash dividend was declared during the period under review as interim dividend.

#### **Board and Committee Meetings and Attendance:**

During the year 2020-2021 total ten board meetings, five Audit Committee meetings and one Nomination and Remuneration Committee (NRC) meeting were held. Detail of the Board meetings, Audit Committee meetings and Nomination and Remuneration Committee meeting are shown in annexure-D of the Annual Report. The Managing Director, Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit and Compliance (HIAC) were present in all board meetings

#### **Pattern of Shareholding and Name wise details:**

The shareholding information as at June 30, 2021 and other related information are provided in Annexure B of the Annual Report.

#### **Contribution to National Exchequer:**

Regent Textile Mills Limited is one of the largest corporate taxpayer in textile sector of the Country. Every year the Company contributes a good amount to the national exchequer in the form of duties and taxes. During the year the Company contributed to the government exchequer a sum of Tk. 11.35 million.

#### **Foreign Exchange Earned**

Regent Textile has contributed substantial amount to the Foreign Exchange Reserve of the Country. During the year 2020-2021 an amount of \$12.14 million earned/saved and contributed through its export marketing operation.

#### **Directors Election/Re-election:**

As per Article 138 of the Articles of Association of the Company one third of the Directors for the time being shall retire at the every Annual General Meeting (AGM) of the company. In pursuance of Article 139 of the Articles of Association of the Company those who have been longest in the office since their last reelection are to retire by rotation. Accordingly, Director Mr. Md. Yakub Ali and Director Mr. Tanvir Habib will retire at the 26<sup>th</sup> Annual General Meeting (AGM) being longest in the office. As per Article 140, being they are eligible offered themselves for reelection in the 26<sup>th</sup> AGM. The brief profile of the Directors is given below:

*Mr. Md. Yakub Ali, honorable Chairperson of Regent Textile Mills Limited completed his graduation from University of Chittagong. He is a well-known person in the business community having investment in various businesses. He is a visionary entrepreneur and widely experienced in Textile, Apparel, Steel, Bank, Paper, Power and Cement sector. He started his business career in 1973 and established Habib Group where around 20,000 people are being employed. At present Habib Group is one of the largest and prominent business conglomerates of Bangladesh. Under his strong leadership and guidance, all the business units of Habib Group accomplished the leading position in the industrial sector of the country.*

*Mr. Tanvir Habib, is the Director of Regent Textile Mills Ltd. He is a Bachelor of Business Administration from University of Westminster, UK. He is the son of legendary business idol and personality Late Mr. Md. Mahabub Ali, Ex Director of Regent Textile Mills Limited and Mrs. Amina Mahabub. He has a business career of 8 years.*

**Declaration by the CEO/MD and the CFO:**

Declaration by the Managing Director and CFO has been given on Annexure-A

**Corporate Governance Compliance Report:**

Regent Textile Mills Limited adheres to appropriate good Corporate Governance practices, as described on pages 30 to 36 of this Annual Report. The Company also complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission (BSEC). In accordance with the BSEC Notification, **Corporate Governance Compliance Report is shown in Annexure-H of this Report.** Further in compliance with the BSEC notification dated June 3, 2018, M/s Khan Wahab Shafiq Rahman & Co., Chartered Accountants Issued the Corporate Governance Compliance Certificate which is shown in Annexure- F, H & I of this report.

**Appointment of Statutory Auditors:**

The existing Statutory Auditors of the Company M/s Shafiq Basak & Co., Chartered Accountants retires at this 26th Annual General Meeting and being not eligible pursuant to Corporate Governance Code. M/s Ahmed Zaker & Co. Chartered Accountants have offered themselves for appointment as Statutory Auditors of the Company for the year 2021-2022. The Board of Directors In Its meeting held on 21st November, 2021 has recommended for their appointment.

**Appointment of a Professional (Chartered Accountants/ Chartered Secretaries) Firm for the certificate on compliance with the Corporate Governance Code of BSEC:**

As per notification no. BSEC/CMRRCD/2006-158/207/ Admin/80: dated June 03, 2018, the Company shall obtain a certificate from Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance with the condition of Corporate Governance Code of the commission and such certificate shall be disclosed in the Annual Report. And the professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting. In this regard, M/S. Khan Wahab Shafiq Rahman & Co., Chartered Accountants, Faruk Chamber (9th Floor), 1403 SK. Mujib Road. Chattogram. offered themselves for appointment to issue "Corporate Governance Compliance Certificate" . The Board recommended the proposal for appointment of M/S. Khan Wahab Shafiq Rahman & Co., Chartered Accountants to issue "Corporate Governance Compliance Certificate" of Regent Textile Mills Limited for the year 2021-2022 at a fee of Tk. 30,000/- only for approval of the shareholders of the company in the 26<sup>th</sup> Annual General Meeting.

**Employees:**

The total strength of RTML employees stood 1,671 at the end of the year. RTML believes that a strong, skilled and dedicated workforce is the key ingredient to success. RTML provides equal opportunity in workplace irrespective of race, religion, gender and colour. The relationship between the management and the employees in the Company was excellent throughout the year.

**Remuneration to Directors including Independent Director:**

Directors draw attendance fees for attending the Board meeting, Audit Committee meetings and the Nomination &



Remuneration Committee meeting. The details are given in Annexure-D of this report.

**Health and Safety:**

RTML 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.

**Ethical Code of Conduct:**

Performance with integrity is central to operating at RTML. The Board of Directors of the company has adopted a statement of ethical code of conduct which was circulated among the employees. All employees are required to abide by the ethical code of conduct in relation to business and regulations.

**Compliance with Laws and Regulations:**

The Company was not involved in any activities contravening the laws and regulations of the Country. The Company ensures compliance with the provisions of all concerned regulatory authorities.

**Environmental Protection:**

The Company is committed to protect the environmental issues. To the best of the Board's knowledge, the Company was not involved in any activity which might be harmful to environment.

**Corporate Social Responsibilities:**

Habib Group invests money in human resources and people in favor of concerns running under the Group. Here, we feel whole heartedly that we have the responsibility to do many things for the people and the society at large. We have a glorious history of Corporate Social Responsibilities that helped us to grow and engrave the name and fame of Habib Group in common people's mind.

**Awards & Recognitions:**

The Institute of Chartered Secretaries of Bangladesh (ICSB) awarded your Company the ICSB National Award -2018 for Corporate Governance Excellence Award in the Services Companies Category.

**Credit Ratings:**

Credit Ratings Information and Services Limited (CRISL) has rated the Company and assigned A- (Pronounced as single A minus) rating in the long term and ST-4 rating in the short term based on its both financials and other relevant quantitative and qualitative information up-to the date of rating. The above ratings have been reassigned due to consistent maintenance of some fundamentals such as equity based capital structure, good infrastructural arrangement, forward linkage within the Group, good funding flexibility etc.

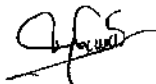
**Acknowledgement:**

The Company and its Board of Directors would like to extend its foremost regard and appreciation to the valued Shareholders and other stakeholders of the Company for their persistent support and guidance to the company that led to the cumulative achievements. The Board also expresses their gratitude to the Government of Peoples Republic of Bangladesh, National Board of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), the Company's bankers, and other business partners for their cooperation, positive support, and guidance. The Company also wishes to express its sincere appreciation to all employees of RTML for their contribution towards the development of the Company. We promise that we will

continue our journey towards a bright future. We look forward to your continued support in 2020-21 and the days ahead. For and on behalf of the Board of Directors of Regent Textile Mills Limited

The Board of Directors records with deep appreciation the performance of the management, the officers, staff and workers whose relentless efforts helped to increase productivity as well as the turnover despite the natural and unnatural adverse factors of production and marketing throughout the country and the world. It is expected the employees and management will continue to improve the results in the interest of shareholders, whose unswerving trust in management has always been an inspiration to the Board of Directors.

The Directors humbly express their gratitude and acknowledge with keen interest the cooperation and unflinching support they have received from various agencies, including the Bangladesh Securities and Exchange Commission, the Stock Exchanges, the National Board of Revenue and other agencies of the public and private sector. We look forward to a brighter future for all of us.



**Md. Yakub Ali**  
Chairperson

## **DIVIDEND Distribution Policy of REGENT TEXTILE MILLS LIMITED**

### **1.0 Introduction**

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance. The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

### **2.00 Definitions**

"the Act" means Companies Act 1994 "the Company" means Square Textiles Limited

"AGM" means Annual General Meeting

"Board" means Board of Directors of Regent Textiles Mills Limited

"Shareholders" means Members whose name is registered in the Member Register of the Company. "Shares" means Ordinary Equity Shares.

"Dividend" is the share of the profit that a Company

"Interim dividend" is the dividend declared by the Board between two AGMs

"Final dividend" is recommended for the financial year at the time of approval of the annual financial statements

### **3.00 Concept of Dividend**

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paidup on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

### **4.00 Types of Dividend**

The Act deals with two types of dividend - Interim and Final.

- Interim dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

- Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

## **5.00 Declaration of Dividend**

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

## **6.00 Factors Governing Declaration of Dividend**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstance for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

### **6.01 External Factors:**

The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.

The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.

The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.

Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.

Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration

### **6.02 Internal Factors:**

Profitability

Availability and Liquidity of Funds



- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

### **7.00 Financial Parameters for Declaring Dividend**

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

### **8.00 Utilization of Retained Earnings**

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

### **9.00 Parameters for Various Classes of Shares**

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

## **10.00 Circumstances Impacting Dividend Payment**

The Company has been paying dividend to its shareholders around three decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend payout:

### **10.01 May Expect Dividend:**

Adequate profits and liquidity  
Accumulated profits not warranted for immediate business needs.

### **10.02 May Not Expect Dividend:**

Non availability of profits for dividend distribution  
Funds available for dividend but need to be conserved due to:  
Business needs;  
Adverse economic /market scenario expected in near future;  
Augmenting Internal resources.

## **11.00 Disclosure**

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website [www.textile.squaregroup.com](http://www.textile.squaregroup.com) If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

## **12.00 Effective Date**

This Policy has been approved by the Board of Directors of the Company and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

## **13.00 Review/Amendment**

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

## DECLARATION BY MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO)

November 20, 2021

To  
The Board of Directors  
Regent Textile Mills Limited  
East Kalurghat  
Charkhidirpur  
Bandar, Chattogram

Subject: Declaration on Financial Statements for the year ended June 30, 2021

Dear Sir,

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

- (1) The Financial Statements of Regent Textile Mills Limited (RTML) for the year ended on June 30, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom 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 of 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 accounting 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 June 30, 2021 and 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 standards 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

  
**Salman Habib**  
Managing Director

  
**Anjan Kumar Bhattacharyya**  
Chief Financial Officer

Annexure-B

# SHAREHOLDING PATTERN

## A) Parent/Subsidiary/Associated companies and other related parties

### Shareholding Pattern of the Subsidiary Company Legacy Fashion Ltd.

Sl.	Name of Shareholder	Position	Number of Shares	Percentage
1	Mr. Md. Yakub Ali	Chairman	5,300	1.77%
2	Mr. Md. Yasin Ali	Managing Director	5,300	1.77%
3	Mrs. Anjuman Ara Begum	Director	3,000	1.00%
4	Mrs. Amina Mahabub	Director	3,662	1.22%
5	Mrs. Salma Yasin	Director	3,000	1.00%
6	Regent Textile Mills Ltd.	Public Limited Company	275,100	91.70%
7	Mrs. Tanima Mahabub	Sponsor	1,160	0.39%
8	Mr. Tanvir Habib	Sponsor	2,318	0.77%
9	Mrs. Sarfinez Mahabub	Sponsor	1,160	0.39%
10	Mr. Salman Habib	Nominee Director	Nil	Nil
11	Mr. Md. Mohasin Siddiquee	Independent Director & Nominee Director	Nil	Nil

## B) Directors/CEO/CS/CFO/HIAC and their spouses and minor children

Sl.	Name of Shareholder	Position	Number of Shares	Percentage
1	Mr. Md. Yakub Ali	Chairman <small>Father of Mashruf Habib &amp; elder brother of Md. Yasin Ali</small>	155,072,960	12.06%
2	Mr. Md. Yasin Ali	Director <small>Father of Salman Habib &amp; younger brother of Md. Yakub Ali</small>	155,894,030	12.12%
3	Mr. Mashruf Habib	Director <small>Son of Mr. Md. Yakub Ali &amp; nephew of Mr. Md. Yasin Ali</small>	37,180,590	2.89%
4	Mr. Salman Habib	Managing Director <small>Son of Mr. Md. Yasin Ali &amp; nephew of Mr. Md. Yakub Ali</small>	37,180,590	2.89%
5	Mr. Tanvir Habib	Director <small>Son of Mr. Late Md. Mahabub Ali (Ex. Director of RTML &amp; nephew of Mr. Md. Yakub Ali &amp; Mr. Md. Yasin Ali)</small>	68,203,650	5.30%
6	Mr. Md. Mohasin Siddiquee	Independent Director	Nil	0%
7	Eng. Md. Abul Quasem	Independent Director	Nil	0%
8	Mr. A. K. Bhattacharyya	Chief Financial Officer	Nil	0%
9	Mr. Md. Rajul Hoque Sikder FCS	Company Secretary	Nil	0%
10	Mr. Zonaid Hossen Talukder	Head of Internal Audit & Compliance	54	0%

## C) Shareholders, who hold 10% or more

Sl.	Name of Shareholder	Position	Number of Shares	Percentage
1	Mr. Md. Yakub Ali	Chairman <small>Father of Mashruf Habib &amp; Elder brother of Md. Yasin Ali</small>	155,072,960	12.06%
2	Mr. Md. Yasin Ali	Director <small>Father of Salman Habib &amp; younger brother of Md. Yakub Ali</small>	155,894,030	12.12%

## D) Shareholding status of top 5 salaried employees other than CFO, CS & HIAC

Sl.	Name of Shareholder	Position	Number of Shares	Percentage
1	Mr. Akhtarul Islam	Executive Director, Admin & Operations	Nil	0%
2	Mr. Mohammed Abdur Rashid	Director Finance & Operations	Nil	0%
3	Mr. Mohammad Masud Hosain	Director, Marketing	Nil	0%
4	Mr. Md. Saiful Islam	GM, Marketing	Nil	0%
5	Mr. Rajib Saha	GM, Production	Nil	0%



## MANAGEMENT DISCUSSIONS

As condition No.1.5(xxv) of Corporate Governance Code dated 3rd June 2018, a Managements Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements among others are given below:

### (a) Accounting Policies

Accounting policies have been consistently followed in formulating the financial statements and accounting estimates are reasonable and prudent. The specific accounting policies selected and applied by company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods. For a proper understanding, these accounting policies are set out in a detailed statement in Note No.3

(b) During the year under review there were no changes in accounting policies and estimation in financial statements for the year 2020-2021.

### (c) Analysis of Cost of Goods Sold, Gross Profit Margin & Net Profit Margin

Particulars	2020-2021 (Tk.)	2019-2020 (Tk.)	2018-2019 (Tk.)	2017-2018 (Tk.)	2016-2015 (Tk.)
Cost of Goods Sold	1,050,616,538	763,953,637	1,187,770,437	979,990,016	840,578,244
Gross Profit	58,085,644	97,256,133	266,252,117	241,327,952	217,625,946
Net Profit	(208,040,864)	(39,681,541)	117,936,068	129,702,126	137,000,682

#### Cost of Goods Sold (COGS)

Cost of goods sold (COGS) is the expenses a company incurred in order to manufacture, create or to sell a product. It includes the purchase price in the raw materials as well as the expenses of turning it into a finished product. During this period under consideration Revenue of the company has been grown by 28.74% compared with previous period that is consistently followed by cost of goods sold. Due to increased volume of new buyers that company has already developing new design and pattern of product portfolio to grab more orders in future. However, overall consumption pattern was identical as previous periods.

#### Gross Profit Margin Ratio

Gross profit is the difference between sales and cost of goods sold.

**Gross profit = (Sales - Cost of Goods Sold)**

The gross profit margin is one indicator to diagnose the financial health of a business. Largest gross profit margins are better for a business- The higher the %, the more the business retains its taka of each taka of sales for other expenses and net profit.

**Gross Profit Margin % = (Gross profit/Sales) x 100**

During the reporting period of 12 months from 1 July 2020 to 30 June 2021, gross profit margin was 5.24% against 11.29% from 1 July 2019 to 30 June 2020. Gross profit has decreased as the price of raw materials specifically raw yarn was higher in the period. Moreover increment of workers salary by 10%-12% causes marginal fall in Gross Profit margin.

#### Net Profit Margin Ratio

Net profit is calculated by subtracting expenses including tax and WPP and WF from the gross profit, showing what the business has earned (or lost) in a given period of time.

**Net Profit = Gross Profit - Expenses with Tax and WPP and WF**

The net profit margin ratio is -18.76% against -4.61% in the previous 12 months. The fall in net profit was mainly due to increase in financial cost after scarcity of available fund in financial market, which continues till the end of the considered financial year.

(D) Details of analysis are given in below:

#### Net Profit Margin Ratio:

Net profit is calculated by subtracting expenses including tax and WPP and WF from the gross profit, showing what the business has earned (or lost) in a given period of time.

Particulars	2020-2021 (Tk.)	2019-2020 (Tk.)	2018-2019 (Tk.)	2017-2018 (Tk.)	2016-2015 (Tk.)
Paid-up-Capital	1,286,121,370	1,273,387,500	1,212,750,000	1,155,000,000	1,155,000,000
Shareholder's Equity	3,411,375,180	3,624,872,909	3,663,531,377	3,545,810,677	3,478,466,042
Total Assets	6,248,879,530	6,193,430,069	6,051,201,934	6,638,145,918	5,433,835,547
Non-Current Assets	3,278,519,333	3,414,713,282	3,353,051,917	3,146,034,181	2,222,538,689
Current Assets	2,970,360,197	2,778,716,787	2,698,150,017	3,492,111,737	3,211,296,858
Non-Current Liabilities	1,818,625,782	1,620,577,077	1,498,149,787	895,297,473	855,634,904
Current Liabilities	1,018,875,568	947,980,083	889,520,770	2,197,037,768	1,099,734,601
Reserve & Surpluses	973,608,818	976,489,018	978,842,410	982,609,733	986,342,088
Earnings Per Share (EPS)	-1.62	-0.31**	0.93**	1.07**	1.21
Net Operating Cash Flow Per Share	-0.41	-0.62**	0.97**	2.40**	-2.08
NAV Per Share	26.52	28.46	30.21	30.7	30.12

#### E) Comparison of Financial Performance with Peer Industry

Operational Results	Regent Textile Mills Ltd. as on June 30, 2021	Hamid Fabrics limited. September 30, 2021 (9 Months)	Evince Textile Ltd. June 30, 2021	Paramount Textile Ltd. as on June 30, 2021	Square Textile Ltd. as on June 30, 2021
Turnover	1108.70	900.78	1603.87	5020.71	11924.70
Gross Profit	58.08	140.07	223.76	773.74	1335.72
Operating Expenses	84.62	177.56	107.40	239.16	241.27
Financial Expenses	200.32	63.28	122.79	214.43	344.17
Net Profit before Tax	-183.42	99.13	1.92	754.08	733.10
Net Profit in %	-18.74%	11.00%	0.12%	15.02%	6.15%
Net Profit after Tax	-208.04	119.39	-1.09	661.89	621.63
Earnings Per Share (EPS)	-1.62	-1.31	0.001	4.27	3.15
Net Operating Cash Flow Per Share	-0.41	-0.06	1.46	5.14	5.64
NAV Per Share	26.52	38.24	12.25	27.26	37.04

\* Figure in million

#### Financial & Economic Scenerio of the country and Globe

##### Bangladesh

Bangladesh is a developing market economy and 35th largest in the world in nominal terms, and 30th largest by purchasing power parity, it is classified among the Next Eleven emerging market middle income economies and a frontier market.

The Bangladesh economy has been consistently performing well, with above 6% GDP growth since FY 2010-11, up until the COVID-19 outbreak. In fiscal year 2018-19, the growth rate was increased to 8.15%. Unfortunately, the country's economic growth slowed due to the negative impact of the COVID-19 situation.

According to the provisional estimates of the Bangladesh Bureau of Statistics, the growth rate achieved in FY 2019-20 is 3.51% and estimated a GDP growth target of 5.47% in FY 2020-21.

The per capita income of Bangladesh grew by 10% year-on-year to \$2,227 USD in the fiscal year 2020-2021 as per statistics of the Bangladesh Bureau of Statistics (BBS), which was \$2,024 USD in the previous year.

Bangladesh's economy increased by 3.51% in 2019-20, the lowest rate in three decades, as the COVID-19 pandemic caused difficulties in all sectors of the economy. Following the end of the more than 2 month long national closure, economic activity gradually began to revive in the following 2020-21 fiscal year, and recovery efforts by people continued until the start of the Annual Report 2020-21.

second wave of coronavirus in March 2021. However, a growth of 5.47% is expected for fiscal year 2020-2021 based on data from March and April, according to BBS. Bangladesh, one of the world's most densely populated countries, has made significant progress in fulfilling social development targets for its 166.82 million inhabitants. The country's economy's tenacity is admirable. However, good financial and economic policy is necessary to offset the financial sector's underperformance, diversify exports, and generate more job opportunities through increased private investment. It also necessitates the elimination of infrastructure bottlenecks, insufficient electricity and gas supply, bureaucratic corruption, political instability, natural disasters, and a skilled labor shortage.

#### **The Global:**

The world economy is recovering invincibly from the COVID-19 pandemic, although the process varies and is unequal between nations. According to the World Bank's released study titled "Global Economic Prospect, June 2021", economic growth in 2021 is predicted to be 5.6 percent, up from 3.5 percent in 2020. The major determinants of this unstable growth are substantial fiscal support for the economy, policy support, and vaccine access. Global growth will be 4.3 percent in 2022 and 3.1 percent in 2023, according to the study. According to the research, developed economies would expand at a rate of 5.4 percent in 2021, with the United States potentially growing at a rate of 6.8 percent. More infectious coronavirus strains that have lately expanded to nations with rising markets and developing economies, as well as a lack of vaccine availability, are likely to impede the country's recovery process. In 2021, emerging markets and developing economies are anticipated to expand at a 6.0 percent annual rate, with China rising at an 8.5 percent annual rate and India increasing at an 8.3 percent annual rate.

The International Monetary Fund (IMF) forecast global economic growth of 6.0 percent in 2021 in the World Economic Outlook (WEO) for April 2021, which is 0.8 percent higher than the projection in the October 2020 WEO.

#### **(F) Risks and Concerns Issues and Mitigation Plan of the Company Related to the Financial Statements**

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation, reporting of key risks etc. while trying to achieve its business objectives. A detailed report on Risk & Concerns is given in Annexure-M.

#### **(G) Future Plan or Projection or Forecasts for Company's Operation, Performance and Financial Position with Justification there of**

Regent Textile Mills Ltd.'s management is highly concerned in implementing the essential, achievable plans and strategy in terms of sustainability in its performance and financial position, and promises to continue operations

for the foreseeable future. For and on behalf of the Company



**Salman Habib**  
Managing Director

## DIRECTOR'S ATTENDANCE AND REMUNERATION DURING 2020-2021

The statement of remuneration paid to the Directors for attending meeting of the Board of Directors and Audit Committee and Nomination and Remuneration Committee during the financial year under reporting are noted below:

Sl. No.	Name of Director	Board Meeting		Audit Committee		Nomination and Remuneration Committee		Total Fees (Tk.)
		Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	
01.	Mr. Md. Yakub Ali	6	30,000	-	-	-	-	30,000
02.	Mr. Md. Yasin Ali	10	50,000	5	25,000	1	5,000	80,000
03.	Mr. Mashruf Habib	2	10,000	-	-	-	-	10,000
04.	Mr. Salman Habib	10	50,000	-	-	-	-	50,000
05.	Mr. Tanvir Habib	9	45,000	-	-	2	10,000	55,000
06.	Eng. Md. Abul Quasem	1	5,000	-	-	1	5,000	10,000
08.	Mr. Md. Mohasin Siddiquee	9	45,000	5	25,000	-	-	70,000
	<b>Total</b>		<b>230,000</b>		<b>50,000</b>		<b>20,000</b>	<b>300,000</b>

## RELATED PARTY DISCLOSURES

## Annexure- E

### i) Related party transactions

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis.

Amount in Taka

SL No.	Name of the Related Parties	Name of the Person Involved	Relationship	Nature of Transactions	Transaction during the year	Balance as at 30-June-2021	Balance as at 30-June-2020
1	Regent Fabrics Limited	Mr. Md. Yakub Ali	Do	Due To/From	Dr. 2,347,132	42,927,275	109,690,143
		Mr. Md. Yasin Ali			Cr. (69,110,000)		
2	Regent Weaving Limited	Mr. Md. Yakub Ali	Do	Due To/From	Dr. 27,966,190	1,579,030	2,412,840
		Mr. Md. Yasin Ali			Cr. (28,800,000)		
3	H.G. Aviation Ltd.	Mr. Md. Yakub Ali	Do	Due To/From	Dr. 6,985,000	76,835,000	69,850,000
		Mr. Md. Yasin Ali					
		Mr. Mashruf Habib					
		Mr. Salman Habib					
		Mr. Tanvir Habib			Cr. -		
4	Anowara Fashions Limited	Mr. Md. Yakub Ali	Do	Readymade Garments	Dr. -	-	7,051,805
		Mr. Md. Yasin Ali			Cr. (7,051,805)		
5	Habib Sons	Mr. Md. Yakub Ali	Do	Supply of Chemical	Dr. -	(240,540)	(240,540)
					Cr. -		
6	Directors	Mr. Md. Yakub Ali	Key Management Personnel	Remuneration, Board Meeting Fees and Office Rent	Dr. 2,700,000	-	-
		Mr. Md. Yasin Ali					
		Mr. Mashruf Habib					
		Mr. Salman Habib					
		Mr. Tanvir Habib					
		Engr. Md. Abul Quasem					
		Mr. Md. Javed Iqbal			Cr. (2,700,000)		
		Mr. Md. Mohasin Siddiquee					



## CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Regent Textile Mills Limited is responsible for proper governance which includes setting out Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to the shareholders on their stewardships. Regent Textile Mills Limited 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.

The maintenance of effective corporate governance remains a key priority of the Board of Regent Textile Mills Limited. To exercise clarity about directors' responsibilities towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the Company and create a culture of openness and accountability. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of the Company's management have been instituted.

### Statement of Compliance

Bangladesh Securities and Exchange Commission's notification on Corporate Governance Code

As Regent Textile Mills Limited is listed with the Stock Exchanges in Bangladesh, we comply with the BSEC's notification No. BSEC/CMRRCD/2006- 158/207/Admin/80 dated 3 June 2018. For the year ended 30th June 2021, we have complied with the relevant provisions set out in Annexure - I of the Directors' Report.

### Corporate Governance Framework

Good corporate governance practices are not just a matter for the Board but are at the heart of everything that we do within the Company. The Company operates within a comprehensive governance framework.

The Board continuously reviews its corporate governance framework to ensure its relevance, effectiveness and sustainability in addressing the future business challenges.

### Board Practices

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

The Directors of the Board keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensures that RTML Policies & 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.

### Roles and Responsibilities of the Board

The Board of Directors is responsible for protecting the rights and interests of all shareholders and also accountable for the overall management of the entity. Besides its usual legal and statutory responsibilities, the Board is responsible for the following:

01. Reviewing and adopting a strategic plan for the company;
02. Overseeing the conduct of the company's business to evaluate whether the business is being properly managed;
03. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
04. Succession planning, including appointing, training, fixing the compensation and where appropriate, replacing senior management;
05. Developing and implementing an investor relations program or shareholder communications policy for the company;
06. Reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, and regulations, rules, directives and guidelines;
07. Approving the financial statements and accounting policies of the company;
08. Approving changes in the policy;
09. Recommending dividend for declaration in AGM;
10. Establishing committees including the Audit Committee, Nomination and Remuneration Committee & Executive Committee
11. Receiving and reviewing reports from committees of the Board;
12. Establishing and monitoring compliance with the company's standards of business conduct and other policies of the company;
13. Establishing appropriate systems of corporate governance in the company;
14. Considering and approving other matters specially reserved for the attention of the Board; and
15. Constantly guide and assist the company in external stakeholder management.

### Board Composition

The Board in RTML is comprised of Seven Directors, including the Chairman who is elected from amongst the members, including two Independent Directors.

In compliance with the BSEC's Corporate Governance Code, the Board of Directors has appointed two Independent Directors. We believe that our Board has the optimum level of knowledge, composure and technical understanding about Company's business which, combined with its diversity of culture and background stands as the perfect platform to perform and deliver.

Please refer to pages 15 to 17 for details of the Board of Directors, their profile and their respective membership.

### Retirement and Re-election of Directors

As per the Article of Association of the company, one-third of the directors to retire in every year shall be those who have been longest in

office since their last election, but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree themselves) be determined by lot, but remains eligible for re-election.

#### **Independent Director**

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to appointment of independent Director to the Board. Regent Textile Mills Ltd. has two independent directors namely Eng. Md. Abul Quasem & Mr. Md. Mohasin Siddiquee.

#### **Board Committees**

The Board has established three Board Committees to which it has delegated some of its responsibilities. They are the Audit Committee, Nomination and Remuneration Committee and the Executive Committee.

##### **a) Audit Committee**

The Audit Committee of Regent Textile Mills Limited is a sub-committee of the Board of Directors and is appointed and authorized by the Board in pursuance of BSEC Circular to review the activities of business. 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 business risks, internal controls, governance issues and compliance. The committee satisfies itself by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the company's business is conducted in a proper and prudent manner. Audit Committee Report in Annexure-J

The Audit Committee comprises of Three members and out of them, One is Independent director. The Chairman of the Audit Committee is an Independent Director.

##### **b) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of Four Directors including one Independent Director. Independent Director is the Chairman of the Nomination and Remuneration Committee. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC. NRC Report in Annexure-K

##### **c) Executive Committee**

The Executive Committee of Regent Textile Mills Ltd. manages and runs the affairs of the Company on behalf of the board. The Managing Director is the leader of the team. Executive Committee endeavors to achieve the strategic goals & mission of the Company set by the Board of Directors.

#### **Board Meetings**

The meetings of the Board of Directors of Regent Textile Mills Ltd. are generally held at the Registered /Corporate Office of the Company. The meetings are held frequently, at least once in a quarter, to discharge its responsibilities and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board meeting is given, in writing to each director by the Company Secretary. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention.

The details of Board Meeting and attendance are given in Annexure-D of the Directors' Report.

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

The role of the Board and Managing Director are separate and delegation of responsibilities is clearly established, set out in writing and agreed by the Board to ensure transparency and better corporate governance. To that end, RTML has also adopted "Governance Guidelines for Managing Director". The Managing Director is the authoritative head for day-to-day management in RTML. He acts to reasonably ensure that RTML operates business as per the Articles of Association (AoA), decisions made by the Board and Shareholders, as well as according to RTML Policies and Procedures and applicable regulatory legislations.

#### **Role of the Chairman**

The Chairman leads the Board in determination of its strategy and achievement of its objectives. The Chairman is responsible for organizing the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The Chairman facilitates the effective contribution of independent Directors and ensures that constructive relations exist amongst the Directors. Minutes of Board meeting are signed by the Chairman.

#### **Role of the Managing Director**

The Managing Director is responsible for running the business and for formulating and implementing Board strategy and policy. He also has direct charge and overall control of the Company on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Company. He is to certify to the board regarding financial statements and financial transactions of the company according to the corporate governance guidelines as issued by Bangladesh Securities and Exchange Commission (BSEC).

#### **Role of Company Secretary**

The Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) also require a listed company to appoint a Company Secretary, as distinct from other managers of the Company. In pursuance of the same, the Board of Directors has appointed a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB) as Company Secretary and defined his roles & responsibilities. In RTML, among other functions, the Company Secretary;

- i. Advises and assists the members of the Board with respect to their duties and responsibilities as Directors and compliance with their obligations under the Companies Act, Stock Exchange requirements, Laws & Regulations of Capital Market and Issues on corporate governance.
- ii. Acts as a channel of communication and information.
- iii. Ensures that the Board's decisions are properly implemented and communicated by assisting in the implementation of corporate strategies and policies.
- iv. Ensures proper compliance with all relevant statutory and regulatory requirements.
- v. Communicates with the stakeholders of the company etc.

#### **Role of Chief Financial Officer (CFO)**

The Chief Financial Officer is a versatile individual with the talent to meet a continually changing set of circumstances. He is responsible for accounts and treasury functions of the company. In addition he attends all board meetings and presents quarterly and periodical results.

He is to certify to the board regarding financial statements and financial transactions of the company according to the corporate governance guidelines as issued by Bangladesh Securities and Exchange Commission (BSEC).

#### **Role of the Head of Internal Audit and Compliance**

The Head of Internal Control and Compliance is responsible for reporting to the Board/ Audit Committee regarding any deviation from accounting and internal control systems of the Company. He is also responsible for ensuring regulatory compliance of the Company.

#### **Secretarial Standards**

The Company has complied with all the Secretarial Standards (BSS) as adopted by The Institute of Chartered Secretaries of Bangladesh (ICSB).

#### **Price Sensitive Information**

The Board of Regent Textile Mills Limited through the company secretary always ensures to inform all price sensitive information within 30 minutes of the decision or immediately upon getting such information to the BSEC and the Stock Exchanges and also ensure 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. The communication is done through E-mail/Fax and by special messenger, and through courier service in special cases.

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

Regent Textile Mills Ltd. attaches high priority on timely publication of quarterly, half-yearly and annual report with comprehensive details in excess of regulatory requirements. Mediums of publication include printed materials, newspapers and the website of the Company. Price Sensitive Information is released to the regulators within half an hour of the decision. The Financial Statements are prepared in accordance with IAS and IFRS as adopted by Bangladesh Accounting Standards.

#### **Dividend Policy**

The Board of Directors has a Dividend Policy which is based on company's performance and company's long term objectives. Dividend Distribution Policy is narrated in page-26-29

#### **Standard of Business Conduct**

Regent Textile Mills Limited is committed to achieving high standard of integrity in public life and in all of its business practices. This commitment is set out in the standards of business conduct adopted by the company in order to conduct the company's business with honesty, integrity and transparently.

Standard of Business Conduct is a fundamental policy of the company that everyone working in Regent Textile Mills Limited must follow, whilst also providing support and guidance to assist the people to ensure that their conduct meets the high standards expected to them and comply with the laws and regulations applicable to the company's business and that they act with high standards of business integrity. The standards are an integral part of the principles of corporate governance in Regent Textile Mills Limited and are designed to:

- i. Ensure that decision and judgments made by the employees are lawful and comply with the ethical standards expected of a leading public limited company;
- ii. Set a tone and culture for the organization which will enable it to be regarded as a good corporate citizen;
- iii. Help employees who are faced with making relevant judgments in the course of doing their work;
- iv. Assist managers in considering disciplinary matters where appropriate, give reassurance to Regent Textile Mills Limited's shareholders, customers and suppliers, to government and to other third parties with whom Regent Textile Mills Limited comes into business contact and;
- v. Seek to protect Regent Textile Mills Limited from being subject to loss as a consequence of extortion, fraud, theft, bribery and corruption, insider dealing and antiterrorism or other dishonesty.

The Standard of Business Conduct are reviewed from time to time and updated to reflect what we see as developments and issues affecting corporate conduct and values, and the standards expected.

#### **Whistleblower Policy**

This policy is formulated to provide an opportunity to the employees of the Company to report to the management instances of



unethical behavior, actual or suspected fraud, corruption, improper governmental activity, health and safety concerns within the company or violation of the company's Code of Conduct.

This Policy establishes a vigil mechanism for all employees to report genuine concerns regarding the above mentioned activities. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the authority. We confirm that during the financial year 2020- 2021, no employee of the Company was denied access to the reporting authority. The Whistleblower Policy is applicable to all employees and all other stakeholders of Regent Textile Mills Limited.

#### **Statement of Internal Control**

The Internal control system of Regent Textile Mills Limited is designed to manage risks that may impede the achievement of the company's business objectives rather than eliminates these risks. The ultimate facilitator of the internal control system is the Board of Directors in order to ensure that the importance of internal controls is understood across the company and that adequate resource allocations are available.

Internal control is the process by which the company's directors, management and staff obtain reasonable assurance as to the achievement of specified objectives including:-

1. Efficiency and effectiveness of operations,
2. Maintenance of assets,
3. Reliability of financial and other management information,
4. The prevention of fraud,
5. Compliance with relevant national laws and Companies Act, BSEC Rules, Stock Exchanges Rules and Regulations.

Regent Textile Mills Limited continues to ensure the presence of the following components that would create an effective internal control system.

#### **Control Environment**

The Board of Directors sets the tone for an effective control environment through regular exchange views and reviews of the processes for identifying, evaluating and managing the significant risks. An effective control environment is set by top management that cascades across all business functions. Before selecting a site for land or apartment projects utmost attention and arrangements is ensured for environment. The company has an ongoing risk management process to identify key business risks.

Process risks are also assessed at the planning stages whereby objectives are reviewed along with the associated risks that may potentially affect the achievement of objectives. Appropriate risk responses are articulated to enable the company to achieve its objectives effectively.

In Regent Textile Mills Ltd. risks can come from uncertainty in form of project failures (at any phase in design, development, material cost), legal liabilities, credit risk, accidents, natural causes and disasters as well as deliberate attack from an adversary, or events of uncertain or unpredictable rootcause.

#### **Control Activities**

Control activities are the policies and the procedure to help ensure that management directives are carried out, and the necessary actions are taken to minimize the risks of failing to meet objectives. Policies and procedures are effectively established within the company and continuously reviewed for compliance, adequacy and improvement.

#### **Information and Communication**

The company ensures the effective flow of information on internal activities and external factors across the management levels. All individuals receive a clear message from senior management that control responsibilities must be taken seriously.

#### **Monitoring**

The system of internal control is monitored regularly through both ongoing activities and separate evaluations. Ongoing monitoring activities are conducted through regular management activities. An Internal Audit Team has been setup with required members during the year under review. The internal audit function is responsible for providing an objective and independent view of the effectiveness of operational and financial controls and procedures, as well as management action in dealing with issues of control. The internal audit function monitors the presence of the components of internal control system and reports to the audit committee.

#### **Accountability and Audit**

In implementing and ensuring the right Governance in RTML, the Board and Executive Committee ensure the following:

#### **Financial Reporting**

RTML has strong financial reporting procedures in line with the requirements of Bangladesh Financial Reporting Standard (BFRS), Bangladesh Accounting Standard (BAS) and other related local legislations.

#### **Financial Review**

Financial Review is conducted quarterly. Financial Review provides the internal quarterly results follow-up for the Company. The purpose is to provide an analysis of the economic and financial situations, which will then form the basis for external reporting and presentations, and to provide quality assurance for the financial reporting. In addition, internal review on monthly financial results is conducted by Managing Director on a monthly basis.



#### Statutory Audit

Statutory Audit 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 structure is in place as per corporate governance best practices to ensure independence of statutory auditors.

#### Corporate Governance Compliance

Audit as per the BSEC's notification no. BSEC/ CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 the compliance auditors are appointed at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM.

#### Internal Audit

The Internal Audit department is independent of business operations. It undertakes a programme to address internal control and risk management processes with particular reference to the RTML Audit Charter.

It operates a risk-based methodology, ensuring that the Company's key risks receive appropriate regular examination. Its responsibilities include reviewing and reporting on the effectiveness of risk management systems and internal control with the Executive Committee, the Audit Committee and ultimately to the Board. Internal Audit facilitates oversight of risk and control systems across the company.

#### Supply Chain Management Policy

RTML has adopted a comprehensive Supply Chain Management Policy. The main objective of Supply Chain management is to improve the overall organization performance and customer satisfaction by improving product or service delivery to the consumers. Supply Chain Management involves initiation of procurement planning process to delivery of finished goods to the concerned stakeholders.

Supply Chain Management consists of all business partners, manufacturer, marketer, suppliers, transporters, warehouses, retailers and even customers. Their involvement may be direct or indirect.

#### Compliance with Rules and Regulations

In this context, the Company provides complete set of financial statements and relevant documents to the Bangladesh Securities and Exchange Commission (BSEC), CDBL, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RISC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE). The CFO and Company Secretary always accommodate any queries that are raised by regulators.

#### Going Concern

The company has adequate resources to continue its operational existence in the foreseeable future. For this reason, the financial statements are prepared based on the going concern concept.

#### Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in 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-34 to the Financial Statements and in Annexure-E

#### Employees' remuneration Policy

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality staff. The Board ensures that the remuneration policies are in line with the strategic objectives 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.

The total compensation package for employees comprises salary, contributory provident fund, gratuity scheme, and other benefits plans such as maternity benefits etc.

In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. To ensure that its remuneration package is competitive, the Company regularly reviews its base salary ranges and benefits package based on market data.

#### Policy on Employee's Participation in Management

RTML believes that employee's participation in management's decision making process gives employees the mental and psychological satisfaction and thereby increases their involvement in the affairs of the organization which contributed overall development of the Company. The objectives of employee participation in management are:

- i. To prevent the employees from being exploited by the superiors within the organization.
- ii. To have democracy in the organization.
- iii. To lead to effective growth and development of the workforce.
- iv. To encourage the employees to express their ideas and suggestions.
- v. To make improvements in the overall working environmental conditions.
- vi. To make provision of opportunities among the employees for self-expression leading to institutional peace, good relations and increased co-operation.

#### **Code of Conduct**

In accordance with approved and agreed Code of Conduct, Regent Textile employees are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company. Regent Textile employees must not seek gain for themselves or others through misuse of their positions.

#### **Workers' Profit Participation Fund (WPPF)**

RTML has also implemented Workers' Profit Participation Fund (WPPF) for their employees. The company provides 5% of profit before charging such expense to employees as Workers' Profit Participation Fund (WPPF) in accordance with Bangladesh Labour Act 2006 (amended in 2013).

#### **Compliance with Bangladesh Labour Act**

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

#### **Corporate Social Responsibility (CSR)**

Regent Textile Mills Limited is determined to carry out its business to achieve sustainable growth and ensure satisfaction of the customers, the employees, the vendors, the shareholders and every group of its stakeholders, in parallel with the company's corporate social responsible business approach. RTML focuses to support the social causes like Education and Youth development, Social and Environment, Religion and Art culture etc. Through the years, the company has continuously organized activities to pay back the society, hoping that everyone in the society will continue to co-inhabit with happiness and sustainable prosperity.

#### **Company's CSR Policy**

The Company will support programs and activities in the following areas.

- a. To contribute to poverty alleviation and to reduce inequalities faced by socially and economically backward sections of society.
- b. To support women empowerment, financial literacy, health, sanitation and hygiene and public awareness on various pertinent social and environmental topics.
- c. To promote environmental sustainability and ecological balance through sustainable livelihood initiatives focused on natural resource, afforestation and plantation programs, and awareness programs.
- d. To promote education and skills development through initiatives on vocational and livelihood enhancing skills development programs, and programs aimed to nurture the talent of children and students in various fields.
- e. To support victims of natural calamities and other disasters through relief and rehabilitation programs.

#### **Restriction on dealings in RTML Shares by Insiders**

The Company has established policy relating to trading of RTML shares by Directors, Employees and other Insiders. The securities laws also impose restrictions on similar transactions. All the Insiders are prohibited from trading in the RTML shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading period. Directors and Employees are also required to notify their intention to trade in the RTML shares prior to initiating the same.

#### **Communications with Shareholders**

RTML is continuously striving to improve relations with its shareholders. The Company encourages communications with shareholders throughout the year and welcomes their participation at the shareholders' meeting. The quarterly financial results and all other information are published in widely circulated dailies in both Bengali and English newspaper and one in On-line newspaper. The information is also made available in the company website.

The soft copy of the Annual Report is also made available in the company's website.

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

#### **General Meeting**

Annual General Meeting (AGM) normally takes place within the first six months of completing each fiscal year. The members of the Board of Directors, Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee and the Auditors remain present at the Annual General Meeting (AGM) so as to be available to answer Shareholders queries, if any, on the results of the Company.

#### **Website**

The Company has an official website linked with the website of the stock exchanges. All financial results are posted on the Investor Relations section of the Company's website: [www.regenttex.com](http://www.regenttex.com)

#### **Shareholders Queries**

RTML has set up a separate share division in ground floor of the Corporate office of RTML. In addition we have special queries telephone lines and an email address. Shareholders can contact +(88031) 2868841-3 or mail to RTML Share Office: [cs@regenttex.com](mailto:cs@regenttex.com) for any queries and/or grievances.

## **DIRECTORS' RESPONSIBILITY REPORTING ON FINANCIAL STATEMENTS**

Pursuant to Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, issued by Bangladesh Securities and Exchange Commission (BSEC), the Directors' confirms that:-

- i. The financial statements, prepared by the management of Regent Textile Mills Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity;
- ii. Proper books of accounts of the Company have been maintained;
- iii. 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;
- iv. International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- v. The system of internal control is sound in design and has been effectively implemented and monitored;
- vi. There is no doubt upon the Company's ability to continue as a going concern and the accounts have been prepared on going concern basis;
- vii. The significant deviations from previous period in the operating results of the Company have been highlighted in the report and the reasons thereof have been explained;
- viii. The key operating and financial data of last 5 years are disclosed in Page- 9-11, & 19-20;
- ix. The number of Board meeting held during the reporting period and the attendance by each director is disclosed in this report in Annexure- D;
- x. The pattern of shareholding is disclosed in Annexure- B;
- xi. A compliance status report with requirements of corporate governance as required by Bangladesh Securities and Exchange Commission is disclosed in Corporate Governance Report and is disclosed in Annexure- F, H & I;
- xii. Directors profile is attached in Page- 17 and their Directorship and business interest in other organizations have been disclosed in Annexure- L;

<p>A member of mgiworldwide</p>	<p><b>KHAN WAHAB SHAFIQUE RAHMAN &amp; CO.</b></p>	<p>Chattogram Branch Office : Faruk Chamber (9<sup>th</sup> Floor) 1403 Sk. Mujib Road, Agrabad C/A, Double Mooring, Chattogram, Bangladesh. Tel : +88-031-2520056 E-mail : kwsrctg@gmail.com Web : www.kwsrbd.com</p>
<p>Dhaka Office : Rupali Bima Bhavan (5<sup>th</sup> &amp; 6<sup>th</sup> Floor) 7, Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh. Tel : +88-02-955136, 9551663, 9551821 Fax : +88-02-9551821 E-mail : kwsr@dhaka.net Web : www.kwsrbd.com</p>	<p>CHARTERED ACCOUNTANTS</p> <p><b>Khan Wahab Shafique Rahman &amp; Co.</b></p> <p><b>KWSR</b></p> <p>CHARTERED ACCOUNTANTS SINCE 1968</p>	

**Report to the Shareholders  
of  
Regent Textile Mills Limited  
on Compliance of the Corporate Governance Code**

We have examined the compliance status of the Corporate Governance Code by **Regent Textile Mills Limited** for the year ended on June 30, 2021. This code relates to the Notification No. BSFC/CMRRCID/2006-158/207/Admin/80 dated 3<sup>rd</sup> June 2018 of the Bangladesh Security 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 by ensuring compliance to the conditions of the Corporate Governance 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 provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by 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,


- (a) 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 with attention to the code no. 2(a) and 2(e) to 2(e) in the statement of compliance status.
- (b) The company has complied with provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code.
- (c) 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
- (d) The governance of the company is satisfactory.

Dated: 15<sup>th</sup> December, 2021  
Chattogram

  
**Mohammad Shaheed FCA (F-1016)**  
Senior Partner  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants



In Practice since 1968



[As per condition No. 1(5) (xxvii)]

### Corporate Governance Compliance Status Report

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1.-</b>	<b>Board of Directors :-</b>			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board is consisted of 7 (seven) members.
1(2)	<b>Independent Directors</b> All companies shall have effective representation of independent directors on their Board, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following :-			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are 2 (two) Independent Director in the Board.
1(2)(b)	For the purpose of this clause "independent director" means a director-			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	-	-	Not Applicable
1(2)(b)(viii)	who is not an independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 3 (one) tenure only; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures (i.e. six years); Provided further that the independent director shall not be subject to retirement by rotation as per the condition No. 18 of Companies Act, 1994.	✓		



1(3)	<b>Qualification of Independent Director:-</b>		
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓	
1(3)(b)	Independent director shall have following qualifications:-		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓	
1(3)(b)(ii)	Corporate leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	✓	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	-	Not Applicable
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-	Not Applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	Not Applicable
1(3)(i)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	Not Applicable
3(4)	<b>Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-</b>		
3(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer of the Company shall be filled by different individuals;	✓	
3(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	
3(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	
3(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓	
3(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence	✓	
	of the regular Chairperson shall be duly recorded in a minute.		
5(5)	<b>The Directors' Report to Shareholders</b> The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. 18/94 of 1994):-		
5(5)(i)	An industry outlook and possible future developments in the industry;	✓	
5(5)(ii)	The segment wise or product wise performance;	✓	
5(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	
5(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	
5(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓	
5(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	



1(5)(vi)	A statement of utilization of proceeds raised through public issues, right issues and/or any other instruments;	✓		
1(5)(vii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Right Share Offer, Direct Listing, etc.;	✓		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that 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;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-</b>			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		Mr. Md Yakub Ali and Mr. Md. Yasin Ali are holding more than 10% share of the company.
1(5)(xxiv)	<b>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: -</b>			
1(5)(xxiv)(a)	a brief resume of the director;	✓		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	<b>A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:-</b>			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		





1(5)(xiv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	Not applicable as no such changes during the year.
1(5)(xiv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xiv)(d)	compare each financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xiv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xiv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xiv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with jurisdiction thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xiv)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xiv)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	<b>Meetings of the Board of Directors</b> The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the 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 Code.	✓		
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading, relationship with environment, employees, customers and suppliers; and independency.	✓		
2.	<b>Governance of Board of Directors of Subsidiary Company: -</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		✓	With reference to the Statutory Auditor's report and note no. 3.6 of the FSs of the company.
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		As per Form - XII of RJSC dated 8 <sup>th</sup> December, 2021 of the Legacy Fashion Limited, the subsidiary company of RIML.
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;		✓	With reference to the Statutory Auditor's report and note no. 3.6 of the FSs of the company.
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;		✓	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.		✓	





<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	-		No such removal has been occurred.
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings</b> The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board; Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that 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 or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4.</b>	<b>Board of Directors' Committee: -</b>			
	<b>For ensuring good governance in the company, the Board shall have at least following sub-committees:</b>			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
<b>5.</b>	<b>Audit Committee: -</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		



5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	-	-	Not applicable as during the financial year no such vacancy has been occurred.
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓	✓	Mr. Md. Mohadn Siddiquee is the Chairman of the Audit Committee.
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	Not applicable as the regular chairman of the committee has presided all the meetings.
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	<b>Role of Audit Committee</b> The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		



5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission; Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital etc.), on a quarterly basis, as a part of their quarterly declaration of financial results; Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓	+	
5(6)	<b>Reporting of the Audit Committee</b>			
5(6)(a)	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	<b>The Audit Committee shall immediately report to the Board on the following findings, if any:-</b>			
5(6)(a)(i)(a)	report on conflicts of interests;	-	-	Not Applicable
5(6)(a)(i)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	Not Applicable
5(6)(a)(i)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	Not Applicable
5(6)(a)(i)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	-	-	Not Applicable
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	Not Applicable
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6.	<b>Nomination and Remuneration Committee (NRC):-</b>			
6(1)	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	<b>Composition of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director.	✓		
6(2)(b)	All members of the Committee shall be non-executive directors.	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee.	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.	-	-	Not applicable as no such incident has been occurred.
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member. If the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.	-	-	Not applicable as no such incident has been occurred.
6(2)(g)	The company secretary 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 independent director.	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall elect 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	+	Not applicable as no such incident has been occurred.





6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6(4)	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	Not applicable as no such incident has been occurred.
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:-			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7.	<b>External or Statutory Auditors: -</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		MS Sharif Basak & Co., Chartered Accountants are the Statutory Auditor for the Financial Year
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book keeping or other services related to the accounting records or financial statements;	✓		
7(2)(a)	broker dealer services;	✓		2019-2021, and have declared that they are not engaged in such services in their auditing tenure.
7(2)(b)	actuarial services;	✓		
7(2)(c)	internal audit services or special audit services;	✓		
7(2)(d)	any service that the Audit Committee determines;	✓		
7(2)(e)	audit or certification services on compliance of corporate governance as required under condition No. 3(c); and	✓		
7(2)(f)	any other service that creates conflict of interest.	✓		
7(3)	No partner or employee of the external audit firm shall possess any share of the company they audit at least during the tenure of their audit assignment of that company. He or his family members also shall not hold any shares in the said company;	✓		
7(3)	Representatives of external or statutory auditors shall remain present in the 'Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the Shareholders.	✓		
8.	<b>Maintaining a website by the Company: -</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange;	✓		BSE, NSE and CSE are the company's functional website linked with stock exchange.
8(2)	The company shall keep the website functional from the date of listing;	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange;	✓		
9.	<b>Reporting and Compliance of Corporate Governance: -</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant) or Chartered Secretary other than its statutory auditors or audit firm on year's basis regarding compliance of contents of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report;	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with their conditions or not.	✓		





**AUDIT COMMITTEE REPORT FOR THE YEAR ENDED JUNE 30, 2021**

The terms of reference of the Audit Committee has been determined by the Board of Directors of the Company in accordance with the conditions of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC).

The Committee is appointed by and responsible to the Board of Directors. At present the Audit Committee consists of 3 members of the Board and one of them is independent director. They are Mr. Md. Mohasin Siddiquee, Independent Director and Chairman of the Audit Committee, Mr. Md. Yasin Ali (Director) Member and Mr. Mashruf Habib (Director) Member Mr. Md. Rijajul Hoque Sikder FCS, Company Secretary acts as Secretary of the Committee.

During the financial year ended on June 30, 2020 four meetings of the Audit Committee were held. The details of attendance of the members have been shown in the Annexure-D of Directors' Report. The Chief Financial Officer (CFO), the Head of Internal Audit and Compliance (HIAC) attended the meeting by invitation.

**Activities carried out during the year:**

The following activities were carried out by the Audit Committee:

1. Reviewed the Quarterly, Half yearly and Annual Financial Statements of the Company before submission to the Board for their approval.
2. Reviewed the effectiveness of internal control and also reviewed audit objection of Head of Internal Audit and also reviewed points or suggestions and amendments by the Internal Auditor.
3. Met with the members of the external auditors and had discussion on the audit of financial statements of the Company.
4. 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.
5. Reviewed statement of all related party transactions submitted by the management.
6. Recommended the appointment of M/s. Shafiq Basak & Co., Chartered Accountants, as External Auditors of the Company for the year 2020-2021.
7. Recommended to the Board regarding the appointment of M/s. Khan Wahab Shafique Rahaman & Co, Chartered Accountants as Compliance Auditors of the Company for the year 2020-2021.

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.

On behalf of the Audit Committee,



**Md. Mohasin Siddiquee**  
Chairman, Audit Committee

Dated: 15 November, 2021

## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC) FOR THE YEAR ENDED JUNE 30, 2021

As per the requirements of the BSEC Code of Corporate Governance the Board of Directors of Regent Textile Mills Limited has constituted a Nomination and Remuneration Committee (NRC) In July, 2018. The NRC is a Sub - Committee of the Board.

### Composition of the Committee:

The Nomination and Remuneration Committee (NRC) consist of four Directors including one Independent Director. Independent Director is the Chairman of the Committee. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC.

### The Committee members are:

1. Eng. Md. Abul Quasem	Chairperson
2. Mr. Md. Yakub Ali	Member
3. Mr. Mashruf Habib	Member
4. Mr. Tanvir Habib	Member

Company Secretary Mr. Md. Riajul Hoque Sikder FCS acts as the Secretary of the Committee.

The Managing Director, CFO & Head of HR Admin & Compliance attend the meeting, as and when required by invitation.

### Major Role and Responsibilities of the Committee

- i. The Committee is an independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders of the Company.
- ii. 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:

- i. During the year under review the Committee met once. The Managing Director and the Chief Financial Officer & Head of Human Resources attended the meeting by invitation of the Committee. The attendance record of the members is shown in Admin & Compliance of the Directors' Report.
- ii. Reviewed the management's proposals for the annual increment/ promotion/ enhancement of salary and renewal of contract appointments of Senior Management of the Company.
- iii. Reviewed the performance & remuneration of Directors including Independent Directors & Key Management.

On behalf of the Committee



Eng. Md. Abul Quasem

Chairperson

Nomination and Remuneration Committee (NRC)

November 15, 2021

### Director's involvement with other Organizations

Name	Position in RTML	Entities where they have Interest	Position in the Entities
Md. Yakub Ali	Chairman	Ali Fashion Limited	Chairman
		Anowara Apparels Limited	
		Anowara Fashion Limited	
		Anowara Paper Mills Limited	
		Bangladesh Fertilizer & Agro Chemicals Limited	
		Diamond Cement Limited	
		Habib Shares & Securities Limited	Chairman and Managing Director
		Habib Sons	Managing Partner
		Habib Steels Limited	Chairman
		HG Aviation Limited	Director
		Legacy Fashion Limited	Chairman
		Maam Textile Mills Limited	
		MTS Re-Rolling Mills Limited	
		Noor Garments Limited	
		Regent Energy and Power Limited	
		Regent Fabrics Limited	
		Regent Power Limited	
		Regent Spinning Mills Limited	
		Regent Weaving Limited	
		Siam's Superior Limited	
		Valiant Fashion Wear Limited	
		Valiant Garments Limited	

<b>Md. Yasin Ali</b>	<b>Director</b>	<b>Anowara Apparels Limited</b>	<b>Managing Director</b>
		<b>Anowara Fashion Limited</b>	
		<b>Anowara Paper Mills Limited</b>	
		<b>Bangladesh Fertilizer &amp; Agro Chemicals Limited</b>	
		<b>Diamond Cement Limited</b>	
		<b>ANZ Properties Ltd.</b>	<b>Chairman</b>
		<b>Continental Insurance Limited</b>	<b>Director</b>
		<b>Diamond Pack Limited</b>	<b>Managing Director</b>
		<b>Habib Shares &amp; Securities Limited</b>	<b>Director</b>
		<b>Habib Steels Limited</b>	<b>Managing Director</b>
		<b>HG Aviation Limited</b>	<b>Chairman</b>
		<b>Legacy Fashion Limited</b>	<b>Managing Director</b>
		<b>Maam Textile Mills Limited</b>	
		<b>Meghna Bank Limited</b>	<b>Director</b>
		<b>MTS Re-Rolling Mills Limited</b>	<b>Managing Director</b>
		<b>Noor Garments Limited</b>	
		<b>Regent Energy and Power Limited</b>	
		<b>Regent Fabrics Limited</b>	
		<b>Regent Power Limited</b>	
		<b>Regent Spinning Mills Limited</b>	
		<b>Regent Weaving Limited</b>	
		<b>Siam's Superior Limited</b>	
		<b>Ali Fashion Limited</b>	



		Southern Medical College & Hospital	Chairman
		Valiant Fashion Wear Limited	Managing Director
		Union Cement Mills Limited	
		Union Fertilizer Complex Limited	
		Valiant Garments Limited	
Salman Habib	Managing Director	H G Aviation Limited	Director
		Valiant Fashion Wear Limited	
		Continental Insurance Limited	
		Valiant Garments Limited	
		Regent Spinning Mills Limited	
		Hela Clothing Bangladesh Limited	
Mashruf Habib	Director	Hela Clothing Bangladesh Limited	Chairman
		H G Aviation Limited	Managing Director
		Valiant Fashion Wear Limited	Director
		Valiant Garments Limited	
Tanvir Habib	Director	Hela Clothing Bangladesh Limited	Managing Director
		H G Aviation Limited	Director
		Valiant Fashion Wear Limited	
		Valiant Garments Limited	
		Regent Spinning Mills Limited	
		Siam's Superior Limited	
Md. Abul Quasem	Independent Director	-	-
Md. Mohasin Siddiquee	Independent Director	-	-

## RISKS AND CONCERNS

The factors described below may conceivably materially affect investors' decisions as investment in equity shares involved a high degree of risk. The company is operating in a globally competitive industry involving both external and internal factors having direct as well as indirect effects on the investments.

Any of the following risks as well as other risks and uncertainties discussed in the Annual Report 2018-2019 could have a material adverse effect on business of the Company and could cause the trading price of Equity shares to decline, which could result in the loss of all or part of one's investment.

Furthermore, the risks set out may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein:

### Industry risks:

Textile industry is highly competitive but the largest industrial sub sector in Bangladesh. The company faces numbers of aggressive competitors within and outside of the country. Textile industry depends on available power, raw materials, global textile market and economic policy of the Government. The world economy plays a major role on textile market and the industry. RTML import and procure the main raw materials yarn from local market which completely depends on global cotton market. Textile sector is competing with well-established manufacturing countries like China, India and Pakistan in term of pricing, quality and costing.

The company has successfully entered into the market by offering better quality products at competitive terms. The force, which is helping the company for its strong existences, is emergence of back-ward linkage industry. Back-ward linkage industry is supporting for minimizing the lead time and cost of production. Textile industry of Bangladesh is enjoying comparative advantage over other countries despite some threats from local & foreign economic conditions. The global recessions could not affect the company as the earnings were increased in that time and thus RTML is going ahead which proves a strong position of the company against such risk.

Today's ever changing fashion world, style and trends are rapidly moving and textile manufacturer have to cope with the change. Regent Textile Mills Limited is an efficient woven textile manufacturer who can produce both of Fashion Fabrics (Twill, Canvas, Sheeting) and Home textile products (Bed sheet, quilt cover, flat sheet, pillow case etc.). Now across the world, Home Textile became matter of attention for fashion concerned people. RTML firmly ensures quality in production and integration in supply chain with appropriate branding which increases Index of its products demand in world market. Its principal buyers are from Europe and North America who are enjoying GSP facility. Demand of textile product is growing at a rapid pace and support from Government through declaring special financial packages as well as continuation of GSP facility (EU market) will enhance the industry growth.

Besides, in the field of textile, the management of RTML is aware of the changes which take place all most routinely at customer's choice. The factory of RTML is fully equipped to meet the wide-ranging demands of quality conscious customers worldwide. BMRE is a continuous job in RTML. After completion and starting of commercial production of BMRE, Regent Textile will be one of the best Textile Companies in the region to challenge others with its enhanced finest quality products.

**Interest Rate risks:**

Changes in interest rates and policy on banking sector resulting in an increase in financial expenses that may have an adverse impact in Company's profitability. At present the Company has borrowed loan from different financial institutes with fixed interest rate, hence has little exposure to the short term volatility of money market rate. However, the Company has to re-fix the interest rate if significant changes occur in money market interest rate according to bank policy. Thus the fluctuation in interest rate increases the earnings volatility of the Company. Management of the Company strongly believes that fluctuation of interest rate would have a little impact upon the performance of the Company as they are always aware of the interest rates at which the debts are being financed. Management finances both short and long-term funds at competitive rates.

**Exchange Rate risks:**

Exchange rate risk is a vital factor of the company which mainly depends on overseas sale directly or indirectly and raw materials supply, through importing and/or from locally (yarn, packing materials, accessories), subsequently on import of dyes chemical, accessories and spares of machinery. If exchange rate is increased against local currency opportunity is created for getting more revenues against same in local currency.

Regent Textile Mills Limited earns foreign currency from export proceeds by Home Textile and Fashion Fabrics items and release back to back L/C on foreign currency. The proceeds of the export come after L/C maturity. RTML faces some fluctuation of foreign currency which extends from 1.5% to 2% in perspective of foreign currency reserve in Bangladesh Bank which is insignificant amount. It is expected that the value of taka against USD and EURO may remain stable in future due to increasing foreign reserve in BB. So in case of exchange rate increase the Company will be in a position to enhance its profitability. Besides, being a 100% export oriented Company, the Company can mitigate foreign currency risk exposure by trade off between import and export.

**Liquidity risks:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash & cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed situations, without incurring undesirable losses or risking damage to Company's reputation. Though, due to implementation of BMRE, presently the Company is facing a bit liquidity crisis to smoothen its activity and operations. In spite of this situation, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time in line of payment of the financial outstanding and accordingly arrange sufficient liquidity/fund to make the expected payment within due date.

**Business risks:**

Business risk is the risk which may result from significant conditions, events, circumstances, actions or inactions that could adversely affect an entity's ability to achieve its objectives and execute its strategies, or from the setting of inappropriate objectives and strategies. Senior management of RTML has a vast experience in this sector. They are well informed about the usual business risk. Therefore, RTML's already known business process and expertise will help to control business risk greatly.

**Risk of volatility of raw materials costs:**

The management of RTML is aware of the ongoing market situation of its raw materials. They believe that long term planning for raw material management, exploring number of global markets and truthful

relations with the suppliers will mitigate the risk of rising of material cost.

**Labour Unrest:**

Any incident of labour unrest would adversely affect the operation of the company, more importantly the company's reputation in the industry and among its buyers will be affected. This may affect Company's business and financial performance as well. Due to current skilled labour crisis, there may be a possibility of temporary shutdown of operation, which can affect the shareholder's interest. Different types of employee benefits including Group insurance, medical benefit etc. reduce the risk of labour unrest within the company.

**Market and technology-related risks:**

Modern technology is a vital supplementary for the continuation of any export oriented industry. These are the risks allied with the use of technology in manufacturing with an efficient manner. RTML is a technology based manufacturing industry operating with state-of-the art textile machinery and continuous technological perfection and modernization is an integral part in such a competitive industry.

*Regent Textile Mills Limited now established with brand new, most modern and state-of-the art machineries operating with modern technological assistance with more value added functions. The management of the company is very much keen to adopt new technologies. For the BMRE, the installed new machineries are most modern and procured from renowned and brand supplier of Italy, Europe, China etc countries which would be lessen the technological risk to a great extent.*

**Risks related to potential or existing government regulations:**

The Company operates under the Company's Act 1994 and other related regulations such as Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. Any abrupt Changes of the policies made by the regulatory authorities may affect the business of the Company.

Textile sector is the largest contributor to GDP and provides mass employment to a certain extent than others. Government is well aware of these issues and functioning to emphasize the growth of Textile sector. RTML is looking forward to find easiest and investment friendly regulations to regularize activities of this backed process sector. However, the promoters' will endeavor to convince the policy makers for adopting favorable terms and conditions which will eventually help the yarn manufacturers of Bangladesh to compete with the firms in low cost locations in the global arena.

**Risks related to potential changes in global or national policies:**

The Company is dependent on imported raw materials. Any scarcity due to changes in policy in the international market might dent the production level and profitability and the performance of the company may be affected due to that unavoidable circumstances both in Bangladesh and worldwide. Textile sector is heavily dependent on potential changes in political situation, both nationally and globally. Local situation as political turmoil and annoyance and failure of state relations with buyer's country may affect this sector. Continuation of GSP facilities is also another concern factor. RTML is aware of these issues and maintain close relationship with various pressure groups to sustain its growth.

**Credit Risk**

Credit risk is the risk of a financial loss to the Company if a customer / buyer to a financial instrument fails to meet its contractual obligations. The Management has a credit policy in place and the exposure to credit risk is monitored on a regular basis. At present, all the receivables of the Company are good in



nature and Credit risk does not arise in respect any other receivables.

**Price fluctuation Risk**

All the Companies in this industry face price fluctuation risk because of volatility of yarn price in the market emanating from fluctuation of raw cotton price in international market. Over recent times, the price of yarn has fluctuated in local and global market and continuation of this situation may put pressure on the cost of production thus pricing of finished goods and profitability. The Management is well aware about the situation and took appropriate measures to minimize the price fluctuation risk.

**Sustainability & Environment Impact**

The Management is committed to manage & protect environment and it's an integral part of Company's business. They emphasized on the matter and decided to make the Company as an environment friendly organization by addressing and efficient of the below target areas:

- ✓ Water use
- ✓ Wastage Water
- ✓ Waste Management
- ✓ Chemical Management
- ✓ Carbon Emission (Air Emission)
- ✓ Energy Savings etc.

The Coompany is efficiently addressing above issues to ensure sustainable business and to reduce environment impact. The management has undertaken multi tasks like energy saving, set up a Biological ETP, water and waste management to make the factory eco-friendly and to ensure sustainable development. To reduce the Air Emission, it has planned aforestation program whereby trees are being planted all over factory premises.





### সরাসরি সম্প্রচার / Live Streaming



zoom





শেয়ারহোল্ডারগণের মোট উপস্থিতি  
Total Attendance of Shareholders

উপস্থিত শেয়ারহোল্ডারগণের মোট শেয়ার সংখ্যা  
Total Shares of Attended Shareholders





রিজেন্ট টেক্সটাইল মিলস্ লিমিটেড  
২৪তম বার্ষিক সাধারণ সভা ২০১৯

**REGENT TEXTILE MILLS LIMITED**  
**24<sup>TH</sup> ANNUAL GENERAL MEETING**

Date & Time : Sunday, 29 December 2019 -11.00 AM  
Venue: RIMA Convention Center, 80, S. S. Khaled Road, Chattogram.



রিজেন্ট টেক্সটাইল মিলস্ লিমিটেড  
২৪তম বার্ষিক সাধারণ সভা ২০১৯

**REGENT TEXTILE MILLS LIMITED**  
**24<sup>TH</sup> ANNUAL GENERAL MEETING**

Date & Time : Sunday, 29 December 2019 -11.00 AM  
Venue: RIMA Convention Center, 80, S. S. Khaled Road, Chattogram.



**AUDITORS' REPORT  
&  
FINANCIALS 2020-2021**

**REGENT TEXTILE MILLS LIMITED**

**AS ON 30 JUNE 2021**





শফিক বসাক এন্ড কোং  
SHAFIQ BASAK & CO.  
CHARTERED ACCOUNTANTS

**CHATTOGRAM OFFICE:**  
National House (1st Floor),  
109, Agrabad Commercial Area,  
Chattoogram - 4100, Bangladesh.  
Phone : 880-31-711156  
Pbx/Fax : 88-031-723680  
Web : www.shafiqbasak.com  
E-mail : basak\_sbc@yahoo.com  
basak@shafiqbasak.com

**Partners:**  
Md. Shafiqul Islam, FCA  
Sampad Kumar Basak, FCA  
Sarwar Mahmood, FCA  
Sheikh Zahidul Islam, MBA, FCA

**DHAKA OFFICE - (1):**  
Shatabdi Centre (6th & 4th Floor),  
292, Inner Circular Road,  
Fakirapost, Motijheel, Dhaka.  
Phone : 88-02-7194870  
Pbx/Fax : 88-02-7192098  
Web : www.shafiqbasak.com  
E-mail : shafiq\_basak@yahoo.com  
shafiq@shafiqbasak.com

**Independent Auditor's Report**  
**To the Shareholders of**  
**Regent Textile Mills Limited**

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

**Opinion**

We have audited the financial statements of Regent Textile Mills Limited (the "Company"), which comprise the statement of financial position as at 30 June 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as of 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to the note # 3.6 & 9.1.4 to the financial statements, which describes management's explanation regarding limitation in the implementation of IFRS 10 and recognition of cash incentive receivable respectively.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended 30 June 2021. 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.





We have fulfilled the responsibilities described in the Auditors' Responsibilities of the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our Response to the key audit matters
<p><b>1. Appropriateness of revenue recognition</b> Revenue of BDT 1,108,700,182 is recognized in the statement of profit or loss and other comprehensive income of the Company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of International Financial Reporting Standard 15 "Revenue from Contracts with Customers". Therefore, there is a risk of revenue being misstated as a result of faulty recognition and measurement.</p>	<p>In light of the fact that the high degree of complexity and estimates and assumptions give rise to and increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> <li>• Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>• Assessing controls for systems and procedures supporting revenue recognition.</li> <li>• Assessing the invoicing and measurement system up to entries in the general ledger.</li> <li>• Examining letters of credit and proceed realization certificate against export on a test basis.</li> </ul> <p>We assured ourselves of the appropriateness of the systems, Processes, and Controls in place and that the estimates and assumptions made by management are sufficiently documented and substantiated to ensure that revenue is properly recognized.</p> <p>Please refer to the note # 23 to the financial statements.</p>



<p><b>2. Impairment of property, plant and equipment</b></p> <p>Property, plant and equipment (PPE) represents about 55% of total assets of the Company which is thus a material items to the financial statements. PPE includes plant and machinery being of total PPE which are sophisticated in nature and most of them are custom made assets. Being different in nature, there is a risk whether market value of those assets could materially fall because of non-marketability and arise risk of impairment.</p> <p>Management's review regarding determination of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.</p>	<p>We have applied the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Reviewed the internal control system implemented by management for safeguarding of those assets.</li> <li>• Tested the operating effectiveness of key controls over assets, including observing the process of management's year-end physical count.</li> <li>• Tested on sample basis the physical condition of the assets whether the assets become idle, obsolesces, damage and there is a plant to discontinue or restructure the operation to which the assets belong.</li> </ul> <p>Please refer to note # 4 to the financial statements.</p>
---	---

#### Other Information included in the Company's June 30, 2021 Annual Report

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 Annual Report is expected to be made available to us after the date of this auditor's report.

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 of the Company, our responsibility is to read the other information identified above when it becomes available 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 appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### 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 of the Company in accordance with IFRSs as explained in note # 1, 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 of the Company, 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 judgement 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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 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, the Securities and Exchange Rules 1987, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, *proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;*
- c) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns except consolidation of financial statements of subsidiary; and
- d) the expenditures incurred were for the purpose of the Company's business for the year.

*S.K. Basak*  
**SHAFIQ BASAK & CO.**  
 Chartered Accountants  
 Signed by: S.K Basak, FCA, Partner  
 Enrolment # 625  
 DVC: 2112020625 AS 292238

Date of Issue : November 21, 2021  
 Place of issue: Chattogram, Bangladesh





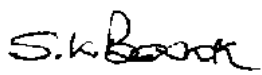
**REGENT TEXTILE MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note(s)	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	4	3,278,519,333	3,414,713,282
Right of Use Assets	6	3,247,285,367	3,414,713,282
		31,233,966	-
<b>CURRENT ASSETS</b>			
Investment	7	2,970,360,197	2,778,716,787
Inventories	8	861,144,197	884,299,170
Accounts & Other Receivable	9	904,317,084	813,050,700
Advances, Deposits and Prepayments	10	588,981,657	546,682,465
Due from Affiliated Companies	11	489,640,919	343,622,733
Cash and Cash Equivalents	12	121,341,305	181,952,983
		4,935,034	9,108,735
<b>TOTAL ASSETS</b>		<b>6,248,879,530</b>	<b>6,193,430,069</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	13	3,411,375,180	3,624,872,909
Reserve and Surplus	14	1,286,121,370	1,273,387,500
Share Premium Account	15	973,608,818	976,489,018
Retained Earnings	16	724,782,034	724,782,034
		426,862,958	650,214,357
<b>NON CURRENT LIABILITIES</b>			
Non-current Portion of Long Term Loan	17.1	1,818,625,782	1,620,577,077
Lease Liability	18	1,709,915,392	1,560,882,816
Deferred Tax Liabilities	22.2	31,222,249	-
		77,488,141	59,694,261
<b>CURRENT LIABILITIES</b>			
Current Portion of Long Term Loan	17.1	1,018,878,568	947,980,083
Current Portion of Lease Liability	18	141,865,434	197,302,279
Accounts Payable	19	1,124,975	-
Other Payables	20	383,088,799	281,377,676
Short Term Loan	21	77,747,429	123,008,193
Provision for Current Tax	22.1	389,673,056	327,651,732
		25,378,875	18,640,203
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>6,248,879,530</b>	<b>6,193,430,069</b>
<b>NAV Per Share</b>	31.2	<b>26.52</b>	<b>26.46</b>
<b>Contingent Liabilities and Commitments</b>	32		

These financial statements should be read in conjunction with the annexed notes  
and were approved by the Board of Directors on 21 November, 2021  
and were signed on its behalf by:

		
COMPANY SECRETARY	DIRECTOR	MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

  
**SHAFIQ BASAK & CO.**  
**(CHARTERED ACCOUNTANTS)**  
Signed by: S.K Basak, FCA, Partner  
Enrolment No: 625  
DVC No:

Date of Issue: November 21, 2021  
Place of Issue: Chattogram, Bangladesh

**REGENT TEXTILE MILLS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note(s)	1-Jul-2020 to 30-Jun-2021 Taka	1-Jul-2019 to 30-Jun-2020 Taka
Revenue	23	1,108,700,182	861,189,770
Cost of Goods Sold	24	(1,050,616,538)	(763,953,637)
<b>Gross Profit</b>		<b>58,083,644</b>	<b>97,236,133</b>
Operating Expenses:			
Administrative Expenses	25	(55,138,821)	(53,788,247)
Selling and Distribution Expenses	26	(29,478,067)	(27,636,321)
		(84,616,888)	(81,424,567)
<b>Operating Profit/(Loss)</b>		<b>(26,533,244)</b>	<b>15,811,565</b>
Financial Expenses	27	(200,319,232)	(111,864,816)
<b>Profit/(Loss) before Other Non-operating Income</b>		<b>(226,852,476)</b>	<b>(96,053,251)</b>
Other Non-operating Income	28	43,431,741	74,560,813
<b>Profit/(Loss) before Distribution of WPP &amp; WF</b>		<b>(183,420,735)</b>	<b>(21,492,438)</b>
Contribution to WPP & WF	20.2	-	-
<b>Profit/(Loss) before Income Tax</b>		<b>(183,420,735)</b>	<b>(21,492,438)</b>
Income Tax Expenses:			
Current	22.1.1	(6,738,672)	(13,432,129)
Deferred	22.2	(17,881,457)	(4,756,979)
		(24,620,129)	(18,189,107)
<b>Profit/(Loss) after Income Tax</b>		<b>(208,040,864)</b>	<b>(39,681,545)</b>
Other Comprehensive Income			
Realized/Unrealized Gain/(Loss) on Available-for-sale Financial Assets		205,480	(152,857)
Realized/Unrealized Gain/(Loss) on Foreign Currency Fluctuation		(259,593)	770,759
Related Tax		14,254	(93,124)
		(39,859)	524,778
<b>Total Comprehensive Income for the Year</b>		<b>(208,080,723)</b>	<b>(39,156,767)</b>
<b>Earnings Per Share (Basic)</b>	31.1.1	<b>(1.62)</b>	<b>(0.31)</b>
<b>Earnings Per Share (Restated)</b>	31.1.2		<b>(0.31)</b>

These financial statements should be read in conjunction with the annexed notes  
and were approved by the Board of Directors on 21 November, 2021  
and were signed on its behalf by:

  
**COMPANY SECRETARY**

  
**DIRECTOR**

  
**MANAGING DIRECTOR**

Signed in terms of our separate report of even date annexed

  
**SHAFIQ BASAK & CO.**  
(CHARTERED ACCOUNTANTS)  
Signed by: S.K Basak, FCA, Partner  
Enrolment No: 625  
DVC No:

**Date of Issue:** November 21, 2021  
**Place of Issue:** Chattogram, Bangladesh

**REGENT TEXTILE MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note(s)	1-Jul-2020 to 30-Jun-2021 Taka	1-Jul-2019 to 30-Jun-2020 Taka
<b>Cash flows from operating activities</b>			
Cash received from customers	29.1	1,066,810,917	794,500,347
Cash paid to suppliers	29.2	(664,118,210)	(585,248,920)
Cash paid to employees	29.3	(238,579,771)	(240,624,941)
Cash paid for operating expenses	29.4	(195,087,311)	123,683,105
Payment of income tax	29.6	(11,351,772)	(13,102,023)
Payment for WPP & WF	20.2	(10,017,828)	-
<b>Net cash inflow/(outflow) from operating activities (A)</b>	30	<b>(52,343,975)</b>	<b>79,207,568</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	4	(31,218,976)	(45,676,195)
Right of Use Assets	6	(31,233,966)	-
Investment in fixed deposit receipt	7.1	792,287,784	(61,667,335)
Investment in Legacy Fashion Ltd.	7	(768,904,500)	-
Interest received	29.7	43,431,741	74,560,813
<b>Net cash inflow/(outflow) from investing activities (B)</b>		<b>4,362,083</b>	<b>(32,782,717)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term loan	17	40,000	2,776,719
Proceeds from short term loan	21	62,021,325	34,522,867
Lease Liability	18	32,347,224	-
Cash paid to affiliated companies	29.5	60,611,678	27,946,404
Dividend paid		(5,641,453)	(98,692)
Cash payment for financial expenses	29.8	(106,763,499)	(109,088,097)
<b>Net cash inflow/(outflow) from financing activities (C)</b>		<b>42,615,273</b>	<b>(43,940,798)</b>
<b>Net increase of cash and cash equivalents for the year (A+B+C)</b>		<b>(5,366,619)</b>	<b>2,484,053</b>
Cash and cash equivalents at the beginning of the year	12	9,108,735	7,397,869
Changes in foreign currency fluctuation		1,192,918	(773,187)
<b>Cash and cash equivalents at the end of the year</b>	12	<b>4,935,034</b>	<b>9,108,735</b>
<b>Net Operating Cash Flow Per Share (Basic)</b>	31.3.1	<b>(0.41)</b>	<b>0.62</b>
<b>Net Operating Cash Flow Per Share (Restated)</b>	31.3.2		<b>0.62</b>

These financial statements should be read in conjunction with the annexed notes  
and were approved by the Board of Directors on 21 November, 2021  
and were signed on its behalf by:

  
**COMPANY SECRETARY**

  
**DIRECTOR**

  
**MANAGING DIRECTOR**

REGENT TEXTILE MILLS LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Amount in Taka						
	Share Capital	Share Premium	Reserve for foreign currency fluctuation gain/(loss)	Reserve for available for sale Financial Assets	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 01 July 2020	1,273,387,500	724,782,034	864,980	(464,445)	976,088,483	650,214,357	3,624,872,909
Dividend for the period from 01 July 2019 to 30 June 2020							
Profit/(Loss) after Income Tax	12,733,870	-	-	-	-	(18,521,996)	(5,788,126)
Revaluation Surplus Realized	-	-	-	-	(3,211,462)	3,211,462	(208,040,864)
Deferred Tax on revaluation surplus as per IAS-12 "Income Taxes"	-	-	(259,593)	205,480	385,375	-	385,375
Others Comprehensive Income/(Loss)	12,733,870	-	(259,593)	205,480	(2,626,086)	(223,351,398)	(213,487,728)
Balance as at 30 June 2021	1,286,121,370	724,782,034	605,387	(258,965)	973,282,397	426,862,858	3,411,375,181
Balance as at 01 July 2019	1,212,750,000	724,782,034	94,221	(311,588)	979,059,777	747,156,933	3,663,531,377
Dividend for the period from 01 July 2018 to 30 June 2019							
Profit/(Loss) after Income Tax	60,637,500	-	-	-	-	(60,637,500)	-
Revaluation Surplus Realized	-	-	-	-	(3,376,469)	3,376,469	(39,681,545)
Deferred Tax on revaluation surplus as per IAS-12 "Income Taxes"	-	-	770,759	(152,857)	405,176	-	405,176
Others Comprehensive Income/(Loss)	60,637,500	-	770,759	(152,857)	(2,971,293)	(96,942,576)	(38,658,467)
Balance as at 30 June 2020	1,273,387,500	724,782,034	864,980	(464,445)	976,088,483	650,214,357	3,624,872,909

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 21 November, 2021 and were signed on its behalf by:

  
COMPANY SECRETARY

  
DIRECTOR

  
MANAGING DIRECTOR



**REGENT TEXTILE MILLS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1 BACKGROUND AND INFORMATION**

**1.1 Formation and Legal Status**

Regent Textile Mills Limited (hereinafter referred to as "the Company") was incorporated as public company limited by shares on 30 November 1994, vide registration no. CH-C-1780 under the Companies Act, 1994. The Company started its commercial operation on 01 April 1999. The Company is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a Public quoted Company. Trading of the share of the company started in two stock exchanges from 14 December 2015.

The registered office of the company is located at 1182 Jubilee Road, Chattogram, Bangladesh and the factory is located at Kalurghat, Charkhidpur, Bandar, Chattogram.

**1.2 Nature of Business**

Regent Textile Mills Limited is a 100% export oriented textile mill for high quality woven fabrics and home furnishing items. The Company's product variety ranges from 50 gsm to 450 gsm. Finished home textile products are exported to international market especially to EU market.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

The financial statements of the company under reporting have been prepared in accordance with IAS 1 "Presentation of Financial Statements" under historical cost convention (except for investment in quoted securities which is measured at fair value) in a going concern concept and on accrual basis. The preparation and disclosures have been made to the Financial Statements in accordance with Generally Accepted Accounting Principles and Practice in Bangladesh in compliance with The Companies Act 1994, The Securities and Exchange Rules 1987, The Listing Regulations of Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws and regulations.

In addition, the Company complies with the Income Tax Ordinance 1984, the Income Tax Rules 1984, the Value Added Tax Act 1991 and the Value Added Tax Rules 1991.

**2.2 Accounting convention and assumption**

The financial statements are prepared under the historical cost convention method (except for investment in quoted securities which is measured at fair value).

**2.3 Functional and Presentation Currency**

The financial statements are expressed in Bangladeshi Taka(BDT) which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

**2.4 Use of Estimates and Judgments**

The preparation of the financial statements 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 and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods it affect.

**2.5 Reporting Period**

These financial statements cover one financial year from 01 July 2020 to 30 June 2021 for all reported periods.

**2.6 Preparation and Presentation of Financial Statements of the Company**

The Board of Directors of Regent Textile Mills Limited is responsible for the preparation and presentation of financial statements of the Company.

**2.7 Comparative Information**

Comparative information has been disclosed in respect of the period from 01 July 2019 to 30 June 2020, as per BSEC directive no. SEC/SRMIC/2011/1240/445 dated 27 April 2015 in connection with uniform year end of all listed companies pursuant to the provisions of section 2 clause (35) of ITO 1984 Finance Act-2015.

**2.7.1 Re-arrangement**

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

**2.8 Going Concern**

The company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

## 2.9 COVID 19 Issue:

Subsequent to year-end, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the company as well. Management considered COVID 19 as subsequent event and in accordance with IAS 10 has concluded that this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition that arise after the end of the reporting period) because the significant changes in business activities and economic conditions as a result of COVID 19 events took place well after the reporting date of 30 June 2021. Although the business operation and profitability of the company are impacted due to COVID 19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID 19 related matters on the company's operation and financial results cannot be reasonably assessed."

## 3 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in compliance with requirement of IASs (International Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IASs are applicable for the financial statements for the year under audit:

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee benefits
IAS-21	The effects of Changes in Foreign Exchange Rates
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-26	Accounting and Reporting by Retirement Benefit Plans
IAS-32	Financial Instrument: Presentation
IAS-33	Earnings per share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-5	Non-current Assets Held for Sale and Discontinued Operations
IFRS-7	Financial Instrument: Disclosure
IFRS-9	Financial Instruments
IFRS-10	Consolidated Financial Statements
IFRS- 15	Revenue from Contracts with Customers
IFRS- 16	Leases

### 3.1 Property, Plant and Equipment (PPE)

#### i) Recognition of Property, Plant & Equipment

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with the IAS 16 "Property, plant and equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost inclusive of inward freight, duties and non-refundable taxes for bringing the asset to its operating condition for its intended use.

Expenditure on repairs and maintenance of Property, Plant and Equipment is treated as expense when incurred. Subsequent expenditure on Property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

#### ii) Depreciation

Depreciation is charged on property, plant and equipment on reducing balance method at the annual rate(s) shown below.

<u>Name of Assets</u>	<u>Rates</u>
Building & Other Construction	5%
Plant & Machinery	10%
Office Equipment	10%
Electrical Installation	10%
Tools & Equipment	15%
Effluent Treatment Plant	10%
Water Pump & Tube Well	10%
Motor Vehicles	15%
Furniture & Fixtures	10%
Gas Line Installation	10%
Other Assets	10%

Depreciation is charged on the month when the assets are available for use and ceased on disposal/deletion of the assets.

Allocation of total depreciation is as follows:

Factory Overhead	90%
Administrative Expenses	5%
Selling & Distribution Expenses	5%

#### iii) Revaluation of Property, Plant and Equipment

Since inception, the company revalued its Property, Plant and Equipment for the 1st time in the year 2010-2011. Reserve is created by the sum of revaluation surplus and depreciation is charged on the revalued assets except Land and Land Development as per the respective rate of depreciation and transferred the equal amount of depreciation to the equity as per the provision of IAS 16 "Property, plant and equipment".

#### iv) Retirement and Disposals

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the Statement of Profit or Loss & Other Comprehensive Income.

#### v) Impairment of Assets

The company reviews the recoverable amount of its assets at each reporting date. If there exist any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with IAS-36 "Impairment of Assets".

### 3.2 Implementation of IFRS 16 "Lease":

"In the current year, the Company has applied IFRS 16 (as issued by the IASB in January 2016 that is effective for annual periods that begin on or after 1 January 2019) for Regent Textile Mills Limited".

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short term leases and leases of low value assets. In contrast to lease accounting, the requirements for lessors accounting have remained largely unchanged. The impacts of the adoption of IFRS 16 on the Company are described below.

#### i) As a lessee

As a lessee, the Company recognized leases land as Right-of-Use (ROU) assets. Due to the transition methods chosen by the Company in applying the standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard i.e. it is presented as previously reported under IAS 17. The details of the changes in accounting policies are described below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

#### ii) Impact on lease accounting

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. Under IFRS 16, the Company

- (a) Recognizes right-of-use assets and lease liabilities in the company statement of financial position, initially measured at the present value of the future lease payments; i.e. these leases are on-balance sheet.
- (b) Recognizes depreciation of right-of-use assets and interest on lease liabilities in profit or loss of the company statement of profit and loss account.

© Separate the total amount of cash paid into a principal portion and interest in the company statement of cash flow.

On transition, for these leases, lease liabilities and Right-of-use assets were measured at the present value of the remaining lease payments, discounted at the Company incremental borrowing rate as at 1 July 2020. Under IFRS 16, right-use-of-assets are tested for impairment in accordance with IAS 36.

### 3.3 Inventories & Consumables

Inventories comprise of raw materials, work-in-process, finished goods, spare parts & accessories which are valued in accordance with Para 21 & 25 of IAS-2 "Inventories" after making due allowance for any obsolete or slow moving item and details of valuation are as follows:

i) Raw materials	at weighted average cost
ii) Finished goods	at cost or net realizable value whichever is lower
iii) Work-in-process	at material cost plus conversion cost
iv) Spare parts & accessories	at cost



### 3.4 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. In compliance with the requirements of IFRS 15 "Revenue from Contracts with Customers", revenue is recognized only when:

- i) The products are invoiced and dispatched to the customers i.e. Ex-factory.
- ii) Interest income is cash basis by reference to the principal outstanding at the effective interest applicable.
- iii) Cash Incentive
- iv) Servicing Charges

### 3.5 Available-for-Sale Financial Assets

In accordance with IFRS 9 "Financial Instruments" Available-for-Sale Financial Assets are recognized initially at fair value plus transaction costs that are directly attributable to acquisition of the Financial Asset. After initial recognition, these are measured without any deduction for transaction costs that may incur on sale.

Unrealized gain or loss arising from change in the fair value on Available-for-Sale Financial Assets is recognized in Other Comprehensive Income.

### 3.6 Consolidation of Subsidiary Company

As Audited Financial report of Legacy Fashion Limited for the year ended 30th June 2021 is yet to obtained, so Regent Textile Mills Ltd. (RTML) could not comply with IFRS 10, which subsequently been consolidated.

### 3.7 Taxation

Income tax expenses comprise of current and deferred tax. Income tax expenses is recognized in Statement of Profit or Loss & Other Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### i) Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted at the reporting date.

In accordance with the section 53BBBB of the Income Tax Ordinance 1984, taxes were deducted from export proceeds at the realization stage by banks during the year at the rate of 0.50% . Taxes thus deducted are to be treated as the final discharge of the Company's tax liabilities u/s 82C of the Income Tax Ordinance 1984.

#### ii) Deferred Tax

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted at the reporting date. Deferred tax asset or liability does not create a legal recovery/liability from or to the income tax authority.

### 3.8 Loans and Borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the end of the reporting period are classified as current liabilities whereas borrowings repayable after twelve months from the end of the reporting period are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

### 3.9 Foreign Currency Transaction / Translation

Transactions in foreign currencies are translated into Bangladeshi Taka(BDT) at the Exchange rate prevailing on the date of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rate." Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into Bangladeshi Taka at the rate of exchange prevailing at the end of the reporting period. All exchange differences are recognized in the Statement of Profit or Loss & Other Comprehensive Income.

### 3.10 Provision

In accordance with the guidelines as prescribed by IAS 37, provisions are recognized when all of the following criteria are met

- i) When the company has a present obligation as a result of past event;
- ii) When it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and
- iii) Reliable estimate can be made of the amount of the obligation.

Provisions are shown in the Statement of Financial Position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation at the end of the reporting period.



**3.11 Contingent Liabilities and Assets**

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. In accordance with IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" are disclosed in note-30 of the financial statements.

**3.12 Statement of Cash flows**

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.

**3.13 Events after the Reporting Period**

Events after the Reporting Period that provide additional information about the Company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the Reporting Period that are not adjusting events are disclosed in Note 31 when they are material.

**3.14 Advertisement and Promotional Expenses**

All cost associated with advertising and promotional activities are charged out in the year incurred.

**3.15 Trade Receivable**

**i) Recognition and Measurement**

Trade receivable consists of due proceeds against sales through L/C with a tenure of 60 days to 180 days and realizable at the maturity date.

**ii) Bad and Doubtful Debts**

The Company does not make any provision for bad and doubtful debts because its sales/export are based on 100% confirm letter of credit with fixed maturity date.

**3.16 Creditors and Accruals**

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

**3.17 Cash and Cash Equivalents**

According to IAS 7 "Statement of Cash Flows" cash comprises cash in hand and bank deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

**3.18 Components of the Financial Statements**

According to the International Accounting Standards IAS 1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position As At 30 June 2021.
- ii) Statement of Profit or Loss & Other Comprehensive Income For The Year Ended 30 June 2021.
- iii) Statement of Cash Flows For The Year Ended 30 June 2021.
- iv) Statement of Changes in Equity For The Year Ended 30 June 2021.
- v) Notes, comprising a summary of significant accounting policies and other explanatory notes.

**3.19 Earnings Per Share**

Earnings Per Share (EPS) is calculated in accordance with the International Accounting Standards (IAS) 33 "Earnings Per Share".

**i) Basic Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

**ii) Earnings Per Share (Restated)**

As the Company declared 1% stock dividend for all Shareholders & 1% Cash Dividend for General Shareholders for the period ended 30 June 2020, EPS of that period was restated by dividing net profit or loss attributable to ordinary shareholders for the period ended 30 June 2020 by current year's weighted average number of shares outstanding.

**iii) Diluted Earnings Per Share**

As per IAS 33, there is no prospective dilutive securities, so there was no scope for dilution during the period under audit.

**3.20 Related Party Transactions**

The objective of IAS 24 'Related Party Disclosures' is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

A party is related to an entity if: [IAS 24] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity.

The Company transacts with related parties and recognize as per IAS 24 'Related Party Disclosures'. Related party transactions have been disclosed under Note - 32.

**3.21 Financial Expenses**

Financial expenses comprise the interest on external borrowings and bank charges and are recognized as they accrue.

**3.22 Employee Benefits****i) Workers' Profit Participation & Welfare Fund**

The Company had created a provision for workers as "Workers' Profit Participation & Welfare Fund" by 5% of the net profit in accordance with the requirement of Chapter 15 Section 234 (Kha) of Labour Act 2006.

**ii) Employee Provident Fund**

Employees Provident Fund yet to be introduced by the Company.

#### 4 PROPERTY, PLANT AND EQUIPMENT

Detailed breakup of Property, Plant & Equipment is shown in note 4.1 & 4.2

	30-Jun-2021 Taka	30-Jun-2020 Taka
Opening Balance	4,520,178,563	2,982,033,715
Add: Addition during the year - note 4.1	30,214,827	1,538,144,847
	<u>4,550,393,390</u>	<u>4,520,178,563</u>
Less: Deletion during the year - note 4.1	-	-
<b>Closing Balance</b>	<u><b>4,550,393,390</b></u>	<u><b>4,520,178,563</b></u>
<b>B. Accumulated Depreciation</b>		
Opening Balance	1,105,465,281	1,006,984,133
Add: Charged during the year - note 4.1 & 4.2	197,642,742	98,481,148
	<u>1,303,108,023</u>	<u>1,105,465,281</u>
Less: Adjustments during the year - note 4.1	-	-
<b>Closing Balance</b>	<u><b>1,303,108,023</b></u>	<u><b>1,105,465,281</b></u>
<b>Written Down Value (WDV) [A-B]</b>	<u><b>3,247,285,367</b></u>	<u><b>3,414,713,282</b></u>

4.1 Property, Plant and Equipment - at Cost Less Accumulated Depreciation - note 4

(a) Cost:

Particulars	Cost (Amount in Taka)				Dep. Rate (%)	Acc. Depreciation (Amount in Taka)				Written Down Value as on 30-Jun-2021 (Taka)
	Opening Balance as on 01-Jul-2020	Addition During the year	Deletion During the year	Closing Balance as on 30-Jun-2021		Opening Balance as on 01-Jul-2020	Charged During the year	Adjusted During the year	Closing Balance as on 30-Jun-2021	
<b>Land and Land Development:</b>										
Free Hold Land	268,869,933	-	-	268,869,933	-	-	-	-	-	268,869,933
Building & Other Construction	472,636,825	13,274,022	-	485,910,847	5%	144,180,712	16,270,994	-	160,451,706	325,449,141
<b>Plant &amp; Machinery:</b>										
Plant & Machinery	2,436,932,822	15,279,960	-	2,452,212,782	10%	735,563,352	163,421,534	-	898,984,886	1,553,221,896
Effluent Treatment Plant	53,686,471	-	-	53,686,471	10%	34,711,659	1,812,864	-	36,524,544	17,161,927
	2,490,619,293	15,279,960	-	2,505,899,253		770,275,011	165,240,419	-	935,515,430	1,570,383,823
<b>Equipment &amp; Appliance:</b>										
Office Equipment	13,258,725	390,410	-	13,649,135	10%	4,623,782	850,484	-	5,474,266	8,174,869
Electrical Installation	86,868,637	1,258,435	-	88,117,272	10%	42,841,771	4,274,394	-	47,122,165	40,995,107
Tools & Equipment	28,955,349	-	-	28,955,349	15%	25,001,439	553,964	-	25,555,403	3,389,946
Water Pump & Tube Well	12,042,000	-	-	12,042,000	10%	6,545,854	525,130	-	7,070,783	4,971,217
Gas Line Installation	39,523,600	-	-	39,523,600	10%	14,188,095	2,420,595	-	16,608,691	22,914,909
	180,638,511	1,648,845	-	182,287,356		93,206,741	8,624,567	-	101,831,308	80,456,047
<b>Motor Vehicles:</b>										
Motor Vehicles	71,873,305	-	-	71,873,305	15%	48,263,572	3,307,850	-	51,571,421	20,301,884
<b>Furniture &amp; Fixtures:</b>										
Furniture & Fixtures	16,766,634	-	-	16,766,634	10%	9,592,558	685,423	-	10,277,981	6,488,653
	7,720,163	12,000	-	7,732,163	10%	4,566,096	302,027	-	4,868,123	2,864,040
<b>Other Assets</b>										
As on 30-June-2021	3,509,124,664	30,214,627	-	3,539,339,491		1,070,094,668	194,431,281	-	1,264,525,970	2,274,813,521
As on 30-June-2020	1,970,979,815	1,338,144,847	-	3,309,124,664		974,590,071	95,104,678	-	1,070,094,668	2,239,029,974

(b) Revaluation:

Particulars	Revaluation (Amount in Taka)				Dep. Rate (%)	Acc. Depreciation (Amount in Taka)				Written Down Value as on 30-Jun-2021 (Taka)
	Opening Balance as on 01-Jul-2020	Addition During the year	Deletion During the year	Closing Balance as on 30-Jun-2021		Opening Balance as on 01-Jul-2020	Charged During the year	Adjusted During the year	Closing Balance as on 30-Jun-2021	
<b>Land and Land Development:</b>										
Free Hold Land	909,968,841	-	-	909,968,841	-	-	-	-	-	909,968,841
<b>Building:</b>										
Building & Other Construction	101,085,058	-	-	101,085,058	5%	35,370,591	3,211,462	-	38,582,053	62,503,005
As on 30-June-2021	1,011,053,899	-	-	1,011,053,899		35,370,591	3,211,462	-	38,582,053	972,471,846
As on 30-June-2020	1,011,053,899	-	-	1,011,053,899		31,994,122	3,376,469	-	35,370,591	975,683,308



(c) Cost with Revaluation (a+b)

Particulars	Cost with Revaluation (Amount in Taka)				Dep. Rate (%)	Acc. Depreciation (Amount in Taka)				Written Down Value as on 30-Jun-2021 (Taka)
	Opening Balance as on 01-Jul-2020	Addition During this year	Deletion During the year	Closing Balance as on 30-Jun-2021		Opening Balance as on 01-Jul-2020	Charged During the year	Adjusted During the year	Closing Balance as on 30-Jun-2021	
Land and Land Development:										
Free Hold Land	1,178,838,774	-	-	1,178,838,774	-	-	-	-	1,178,838,774	
Building:										
Building & Other Construction	573,721,883	13,274,022	-	586,995,905	5%	179,561,303	19,482,456	-	199,043,759	
Plant & Machinery:										
Plant & Machinery	2,436,932,822	15,279,960	-	2,452,212,782	10%	736,563,352	163,427,534	-	899,990,886	
Effluent Treatment Plant	53,686,471	-	-	53,686,471	10%	34,711,659	1,812,884	-	36,524,544	
	2,490,619,293	15,279,960	-	2,505,899,253		770,275,011	165,240,419	-	935,515,430	
Equipment & Appliance:										
Office Equipment	13,258,725	390,410	-	13,649,135	10%	4,623,782	850,484	-	5,474,266	
Electrical Installation	86,858,837	1,258,435	-	88,117,272	10%	42,847,771	4,274,394	-	47,122,165	
Tools & Equipment	28,955,349	-	-	28,955,349	15%	25,001,439	553,964	-	25,555,403	
Water Pump & Tube Well	12,042,000	-	-	12,042,000	10%	6,545,654	525,130	-	7,070,783	
Gas Line Installation	39,523,600	-	-	39,523,600	10%	14,188,095	2,420,395	-	16,608,491	
	180,638,511	1,648,845	-	182,287,356		93,206,741	8,624,567	-	101,831,308	
Motor Vehicles:										
Motor Vehicles	71,873,305	-	-	71,873,305	15%	48,263,572	3,307,860	-	51,571,421	
Furniture & Fixtures:										
Furniture & Fixtures	16,766,634	-	-	16,766,634	10%	9,592,558	685,423	-	10,277,981	
Other Assets	7,720,163	12,000	-	7,732,163	10%	4,586,096	302,027	-	4,888,123	
	As on 30-June-2021	4,520,178,563	30,214,827	-	4,550,393,390	1,105,465,281	197,642,742	-	1,303,108,023	
	As on 30-June-2020	2,982,033,715	1,536,144,847	-	4,520,178,563	1,006,984,133	39,481,148	-	1,105,465,281	
						3,414,713,282				

4.2 Depreciation Allocated to:

Factory Overhead - note 24.2  
Administrative Expenses - note 25  
Selling and Distribution Expenses - note 26

1-Jul-2020 to 30-Jun-2021	1-Jul-2019 to 30-Jun-2020	Basis
Taka	Taka	
177,878,468	88,633,033	90%
9,882,137	4,924,057	5%
9,882,137	4,924,057	5%
197,642,742	98,481,148	100%

**5 CAPITAL WORK IN PROGRESS**

Opening Balance	
Addition during the year	
Transfer to Non-Current Assets during the year	
Closing Balance	

**6 RIGHT OF USE ASSETS**

Opening Balance	
Add: Addition during the year	
Less: Accumulated Depreciation	
Closing Balance	

**7 INVESTMENT**

Fixed Deposit Receipt - note 7.1	
Available-for-sale Financial Assets - note 7.2	
Investment in Legacy Fashion Ltd.	

**7.1 Fixed Deposit Receipt - note 7**

National Bank Ltd., Jubilee Road Branch - note 7.1.1	
Mercantile Bank Ltd., Agrabad Branch - note 7.1.2	
South Bangla Agriculture Bank Ltd., Agrabad Branch - note 7.1.3	

**7.1.1 National Bank Ltd. - note 7.1**

FDR 1016002495344	
FDR 1016002577317	
FDR 1016002686313	
FDR 1016002895497	
FDR 1016003060000	
FDR 1016004220559	

**7.1.2 Mercantile Bank Ltd. - note 7.1**

MBL FDR 110441224674987	
MBL FDR 110441125031608	
MBL FDR 110441126344513	
MBL FDR 110441127839133	
MBL FDR 110441130086928	
MBL FDR 110441332466293	
MBL FDR 3410000007118	
MBL FDR 3410000007181	

**7.1.3 South Bangla Agriculture Bank Ltd. - note 7.1**

SBAC # 3652/0044668/36/18	
SBAC # 3689/0044573/41/18	
SBAC # 3698/0044579/47/18	
SBAC # 3714/0044588/54/18	
SBAC # 03821/0044625/93/18	
SBAC # 3830/0044628/96/18	
SBAC # 3849/0044631/99/18	
SBAC # 3858/0044635/103/18	
SBAC # 3867/0044637/105/18	
SBAC # 3876/0044646/114/18	

7.1.4 The maturity period of all FDRs is maximum one (1) year with term of auto renewal after maturity.

**7.2 Available-for-sale Financial Assets - note 7**

Dhaka Bank Ltd. - note 7.2.1	
------------------------------	--

30-Jun-2021 Taka	30-Jun-2020 Taka
-	1,378,002,334
-	152,486,317
-	1,530,488,652
-	(1,530,488,652)
-	-
33,375,723	-
33,375,723	-
(2,141,758)	-
31,233,966	-
91,521,274	883,809,058
718,423	490,113
768,904,500	-
861,144,197	884,299,170
65,643,014	59,692,302
25,878,260	21,660,904
-	802,455,852
91,521,274	883,809,058
62,680,092	57,541,363
359,425	341,556
11,811	11,207
722,184	674,838
1,181,752	1,123,338
687,749	-
65,643,014	59,692,302
18,819,999	17,863,013
835,361	796,148
1,038,230	989,494
1,526,202	1,449,712
590,243	562,536
2,200,000	-
726,867	-
141,358	-
25,878,260	21,660,904
-	298,835,961
-	117,158,825
-	58,553,430
-	58,553,430
-	58,553,430
-	46,859,405
-	58,553,430
-	64,413,979
-	29,277,756
-	11,696,107
-	802,455,852
718,423	490,113
718,423	490,113

7.2.1 The Details are stated below: - note 7.2

						30-Jun-2021 Taka	30-Jun-2020 Taka
Particulars	No. of Shares	Face Value Per Share (Taka)	Average Cost (Taka)	Total Cost Value of Share (Taka)	Quoted Rate Per Share as on (Taka)	Total Market Value of Share (Taka)	Unrealized Gain/(Loss) [Taka]
<b>30-Jun-2021</b>							
Dhaka Bank Ltd.	50,952	10	19.75	1,006,163	14.10	718,423	(287,739)
<b>30-Jun-2020</b>							
Dhaka Bank Ltd.	48,526	10	20.73	1,006,163	10.10	490,113	(516,050)

8 INVENTORIES

Raw Materials - note 24.1 & 36.1(a)	242,219,796	224,258,250
Work-in-Process - note 24 & 36.1(b)	418,658,650	395,746,210
Finished Goods - note 24 & 36.1(c)	121,562,150	85,480,240
Spare Parts & Accessories - note 24.2, 36.1(d)	121,876,488	107,566,000
	<b>904,317,084</b>	<b>813,050,700</b>

8.1 All carrying amount of inventories are pledged as security for different short term loan facilities with Shahjalal Islami Bank Limited and National Bank Limited.

Note: Quantity wise schedule of Inventories as required under Schedule XI, Part II of The Companies Act 1994 is shown in note 36.1

9 ACCOUNTS & OTHER RECEIVABLE

Accounts Receivable - note 9.1	585,322,059	543,022,867
Other Receivable - note 9.2	3,659,598	3,659,598
	<b>588,981,657</b>	<b>546,682,465</b>

9.1 Accounts Receivable - note 8

For Sale of RMG - note 9.1.1, Annexure A(a)	205,268,883	161,537,092
For Sale of Hometex - note 9.1.2, Annexure A(b)	101,627,389	111,335,236
For Servicing Job - note 9.1.3	57,358,145	67,047,280
For Cash Incentive - note 9.1.4	217,370,097	199,815,641
Add: Foreign Currency fluctuation gain/(loss) due to translation of Trade Receivables during the year with reference to IAS 21.	3,697,545	3,287,618
	<b>585,322,059</b>	<b>543,022,867</b>

9.1.1 For Sale of RMG - note 9.1

Opening Balance	161,537,092	121,704,568
Add: Sales during the year- note 23	407,107,142	377,994,976
	<b>568,644,234</b>	<b>499,699,544</b>
Less: Realized during the year	363,375,351	338,162,452
	<b>205,268,883</b>	<b>161,537,092</b>

9.1.2 For Sale of Hometex - note 9.1

Opening Balance	111,335,236	83,550,949
Add: Sales during the year- note 23	647,098,161	382,782,007
	<b>758,433,397</b>	<b>476,332,956</b>
Less: Realized during the year	656,806,008	364,997,720
	<b>101,627,389</b>	<b>111,335,236</b>

**9.1.3 For Servicing Job - note 9.1**

Opening Balance	
Add: Servicing during the year - note 23	
Less: Realized during the year	

30-Jun-2021 Taka	30-Jun-2020 Taka
67,047,280	72,396,704
17,597,694	63,435,592
<b>84,644,974</b>	<b>135,832,296</b>
27,286,829	68,785,016
<b>57,358,145</b>	<b>67,047,280</b>

**9.1.4 For Cash Incentive - note 9.1**

Opening Balance	
Add: Provision made during the year - note 23	
Less: Realized during the year	

199,815,641	195,383,606
36,897,185	26,977,194
<b>236,712,826</b>	<b>222,370,800</b>
19,342,729	22,555,159
<b>217,370,097</b>	<b>199,815,641</b>

Note: Cash Incentive has been calculated on deemed export assuming that the amount will be realized, but being the process is lengthy we are yet to realize the full amount.

**9.1.5 Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994**

Debts considered good & secured	
Debts considered good without security	
Debts considered doubtful or bad	
Debts due by directors or other officers	
Debts due from companies under same management	
Maximum debt due by directors or officers at any time	

364,254,417	339,919,608
217,370,097	199,815,641
-	-
-	-
-	-
-	-
<b>581,624,514</b>	<b>539,735,249</b>

There is no related party transaction including in Accounts Receivable except the following:-

i) Anowara Fashion Limited

-	7,051,805
-	<b>7,051,805</b>

**9.2 Other Receivable - note 9**

Opening Balance	
Closing Balance	

3,659,598	3,659,598
<b>3,659,598</b>	<b>3,659,598</b>

**10 ADVANCES, DEPOSITS AND PREPAYMENTS**

Advances - note 10.1

Deposits - note 10.2

Prepayments - note 10.3

406,525,054	278,040,150
82,827,764	65,283,927
288,101	298,656
<b>489,640,919</b>	<b>343,622,733</b>

**10.1 Advances - note -10**

L/C Margin	
For Supply of Yarn - note 10.1.1	
For Supply of Chemicals & Accessories - note 10.1.2	
For Supply of Stores & Spares - note 10.1.3	
For Capital Expenditure - note 10.1.4	
For Revenue Expenditure - note 10.1.5	
Advance to Employees	
Advance Income Tax (Deducted at source) - note 22.1.2	
Other Advances - note 10.1.6	

2,825,088	42,557
76,110,865	2,394,983
15,706,974	27,167,244
1,975,000	1,975,000
1,187,056	1,138,186
243,552,351	221,014,555
2,145,476	2,071,953
24,453,795	13,102,023
38,568,449	9,133,669
<b>406,525,054</b>	<b>278,040,150</b>

**10.1.1 For Supply of Yarn/Grey Fabrics - note 10.1**

Bonafide Knitting Ltd.	
Changing Haochao Textile Co. Ltd.	
Dalsey Cotton Spinning Mills Ltd./Naheed Composite Textile Mills Ltd.	
How Are You Textile Ind. Ltd.	
Indigo Spinning Ltd.	
Kasim Textile Mills Ltd.	
Kohinoor Mills Ltd.	
Zabir Zubair Spinning Mills Ltd.	
M.H. Textile	
Zabir Zubair Fabrics Ltd.	
Nahar Industrial Enterprises Ltd.	
Naheed Fine Text Ltd.	
Sonargaon Textile Ltd.	
Sudiva Spinners Private Ltd.	
Thermax Textile Mills Limited	
Square Spinning Mills Ltd.	
Mahmood Textile Mills Ltd.	
Momin Textile Mills Ltd.	
Unilliance Fabrics Ltd.	

1,183,061	-
3,776,500	-
17,320,281	-
1,684,485	-
-	1,302,420
17,510,510	-
12,172,653	-
567,450	567,450
2,308,043	-
-	90,400
44,136	-
2,075,000	-
7,561,300	-
94,755	-
772,829	-
6,571,632	-
103,263	-
1,864,967	434,713
500,000	-
<b>76,110,865</b>	<b>2,394,983</b>



**10.1.2 For Supply of Chemicals & Accessories - note 10.1**

	30-Jun-2021 Taka	30-Jun-2020 Taka
Agrana Stareke Gesellschaft MBH	60,405	-
Ahmed & Sons	-	199,977
Argon Kimyo Sanayi Ve Ticaret	-	3,460,054
Archroma Singapore PTE Ltd	-	46,284
Bersa Tekstil Ve Kimya Sanayi	-	473,100
Best Chem General Trading LLC	2,688,453	4,193,957
Bil Logistics	-	53,623
Debonair Padding Quilting Solution Ltd.	584,212	-
Decyphe A. K. Co. Ltd.	-	1,444,200
Dystar Singapore Pte. Ltd	-	1,674,852
Fabian Zip Fastener Ind. Ltd.	-	282,283
Formosa Organic Chemical Industry	2,913,300	-
H.M. Hero Chemical	438,336	-
Huntsman (Singapore) Pte. Ltd.	4,863,468	1,533,010
Igcar Chemicals S.L. Poligono Ind.	-	1,012,536
J.B. Enterprise	386,584	386,584
Kimia International Pte Ltd.	730,566	555,758
Korino Kimya Tekst	18,598	1,191,886
Molikule Technologies	-	1,925,600
Neochem Technologies Pvt. Ltd.	456,500	-
New Look Chem Singapore Pte	-	93,600
Padma Weaving Ltd.	-	307,596
Prakash Chemical Int. Limited	-	1,602,588
Prochem Tekstil Kimya San Tic AS	-	18,661
Rupali Textile Mills Ltd.	780,000	780,000
Samuda Chemical Complex Ltd	813,120	1,604,300
Seven Colour Intnl Ltd.	-	1,618,500
Taiwan Persotex Corporation	-	1,964,361
Tradeasia International Pte. Ltd.	855,232	460,152
Textilechemie DR. Prety GMBH	-	19,070
United Trade Center	118,200	152,200
Yunusco T & A (BD) Ltd.	-	112,512
	<b>15,706,974</b>	<b>27,167,244</b>

**10.1.3 For Supply of Stones & Spares - note 10.1**

Atlas Corpcio	1,975,000	1,975,000
	<b>1,975,000</b>	<b>1,975,000</b>

**10.1.4 For Capital Expenditure - note 10.1**

Abdul Kader-Contractor	-	55,000
HATIL Furniture	-	40,000
LNB Motors	500,000	500,000
Lucky Enterprise	204,640	204,640
Monteks Tekstil Baski Sis. San. Ve Tic Ltd.	482,416	-
M Power International Ltd.	-	303,526
Sarker Machinery	-	35,000
	<b>1,187,056</b>	<b>1,138,166</b>

**10.1.5 For Revenue Expenditure - note 10.1**

Ideal Printing House	
Bangla Trac Ltd.	
Vehicle Care Pvt. Ltd.	
Advance against servicing charges for Dyeing & Printing	
Advance against servicing charges for Weaving	

30-Jun-2021 Taka	30-Jun-2020 Taka
-	188,390
-	206,174
140,000	-
113,914,014	101,264,221
129,498,337	119,355,770
<b>243,552,351</b>	<b>221,014,555</b>

**10.1.6 Other Advances - note 10.1**

Advance Design Concept	
AAA Engineering	
Food Accommodation Co. Ltd.	
Kalurghat Cold Storage	
Laboni Enterprise	
Safety First Pvt. Ltd.	
Anowara Fashion Ltd.	
Tex Pro Tech International	
IT Configure Systems Ltd.	
Sharmin Freight System Ltd.	
S.A. Logistic	
1st Choice	

750,000	750,000
-	40,000
-	38,115
6,000,000	7,200,000
-	514,240
100,000	100,000
31,095,500	-
175,000	175,000
247,949	197,949
200,000	-
-	63,365
-	55,000
<b>38,568,449</b>	<b>9,133,669</b>

**10.2 Deposits - note 10**

Commissioner of Customs	
In Cash	
In FDR	

FDR 1016002686294	
FDR 1016002686242	
FDR 1016002686302	
FDR 1016002686255	
FDR 110441133879309	

1,365,815	909,314
330,000	-
1,035,815	909,314
15,354	14,569
276,319	283,374
48,484	51,550
545,658	559,821
150,000	-

BG Margin - Bangladesh General Insurance Company Ltd.	
Central Depository of Bangladesh Limited(CDBL)	
Bangladesh Telecommunications Company Ltd. (BTCL)	
Kamaphuli Gas Distribution Company Ltd. (KGDCL)	
In Pay Order	
In Cash	
In FDR	

FDR 3003 533-2821	
FDR 3003 533-2950	

Bangladesh Power Development Board (BPDB)	
G4S Secure Solutions Bangladesh Ltd.	
Foreign Bill Awaiting Remittance - note- 10.2.1	

10,000	10,000
500,000	500,000
38,150	38,150
<b>10,349,447</b>	<b>8,350,952</b>
7,418,820	6,274,324
1,453,564	1,411,000
<b>1,477,063</b>	<b>665,628</b>
707,063	665,628
770,000	-
155,200	155,200
-	-
70,409,152	55,320,311
<b>82,827,764</b>	<b>65,283,927</b>

**10.2.1 Foreign Bill Awaiting Remittance- note 10.2**

Mercantile Bank Limited	
Shahjalal Islami Bank Limited	

4,908,842	13,380,188
65,500,310	41,940,123
<b>70,409,152</b>	<b>55,320,311</b>

**10.3 Prepayments - note 10**

Prepaid Insurance	
-------------------	--

288,101	298,656
<b>288,101</b>	<b>298,656</b>

**11 DUE FROM AFFILIATED COMPANIES**

Regent Fabrics Limited - note 11.1  
Regent Weaving Limited - note 11.2  
HG Aviation Limited - note 11.3

**11.1 Regent Fabrics Limited - note 11**

Opening Balance  
Fund extended during the year  
  
Repaid/ Adjusted during the year  
Closing Balance

**11.2 Regent Weaving Limited - note 11**

Opening Balance  
Fund extended during the year  
  
Repaid/ Adjusted during the year  
Closing Balance

**11.3 HG Aviation Limited - note 11**

Opening Balance  
Fund extended during the year  
Add: Interest charged during the year  
  
Repaid/ Adjusted during the year  
Closing Balance

**12 CASH AND CASH EQUIVALENTS**

Cash in Hand - note 12.1  
Cash at Bank and NBFI - note 12.2

**12.1 Cash in Hand - note 12**

Head Office  
Dhaka Office  
Factory Office

**12.2 Cash at Bank: Balances with Schedule Banks - note 12**

Bank	Branch	A/c No.
AB Bank Limited	Agrabad Branch	CD A/C - 410785880000
Brac Bank Limited	Agrabad Branch	CD A/C-1101202834712001
Brac Bank Limited	Agrabad Branch	FC (\$) -1101202834712002
Brac Bank Limited	Agrabad Branch	FC (€) -1101202834712004
Dutch Bangla Bank Limited	Agrabad Branch	CD A/C - 102-110-19532
Lanka Bangla Securities	Motijheel Branch	BO ID-1201840015658944
Mercantile Bank Limited	Agrabad Branch	FDR
Mercantile Bank Limited	Agrabad Branch	CD A/C - 010411100011529
Mercantile Bank Limited	Agrabad Branch	FC/ERQ A/C
Mercantile Bank Limited	Agrabad Branch	CD A/C# 110411123263387
Mutual Trust Bank Ltd.	Jubilee Road Branch	CD A/C - 0018-0210008650
National Bank Limited	Jubilee Road Branch	CD A/C - 33332
National Bank Limited	Jubilee Road Branch	FC A/C (\$)
National Bank Limited	Jubilee Road Branch	FC A/C (€)
National Bank Limited	Jubilee Road Branch	FDR
NCC Bank Limited	Majhirhat Branch	CD A/C -0023-0210012166
NRB Bank Limited	Chittagong Main Branch	CD A/C - 2012050019413
SBAC Bank Limited	Agrabad Branch	CD A/C- 0004111002947
Shahjalal Islami Bank Ltd.	Jubilee Road Branch	CD A/C- 3003-1110002816
Shahjalal Islami Bank Ltd.	Jubilee Road Branch	FC A/C (\$) 3003-1810000001
Social Islami Bank Limited	Jubilee Road Branch	CD A/C - 0231330010611
Sonali Bank Limited	Agrabad Branch	FC A/C- 207031100
Sonali Bank Limited	Agrabad Branch	CD A/C- 33010123
Standard Chartered Bank Ltd.	Chittagong Main Branch	CD A/C - 01-2854139-01

30-Jun-2021 Taka	30-Jun-2020 Taka
42,927,275	109,690,143
1,579,030	2,412,840
76,835,000	69,850,000
<b>121,341,305</b>	<b>181,952,983</b>
109,690,143	136,319,643
2,347,132	61,860,500
112,037,275	198,180,143
(69,110,000)	(88,490,000)
<b>42,927,275</b>	<b>109,690,143</b>
2,412,840	3,729,744
27,966,190	21,763,096
30,379,030	25,492,840
(28,800,000)	(23,080,000)
<b>1,578,030</b>	<b>2,412,840</b>
69,850,000	69,850,000
-	7,000,000
6,985,000	-
76,835,000	76,850,000
-	(7,000,000)
<b>76,835,000</b>	<b>69,850,000</b>
1,024,945	720,563
3,910,089	8,388,172
<b>4,935,034</b>	<b>9,108,735</b>
463,934	56,422
20,173	85,980
540,838	578,161
<b>1,024,945</b>	<b>720,563</b>
3,472	4,162
22,829	23,519
145,077	145,217
4,786	4,786
3,661	232,604
691	1,141
689,200	904,006
172,816	2,425
319,393	1,292,387
184,061	8,304
2,414	3,104
848	13,391
-	1,195,823
-	425,041
-	688,249
5,723	6,298
41,090	40,664
20,019	-
41,262	53,281
2,220,395	3,310,518
1,415	2,105
17,829	17,829
10,903	10,903
2,203	2,419
<b>3,910,089</b>	<b>8,388,172</b>

13 SHARE CAPITAL

13.1 Authorized Capital

150,000,000 Ordinary Shares of Tk 10 each

30-Jun-2021  
Taka

30-Jun-2020  
Taka

1,500,000,000

1,500,000,000

1,500,000,000

1,500,000,000

13.2 Issued, subscribed and paid-up Capital

12,86,12,137 Ordinary Shares of Tk 10 each

1,286,121,370

1,273,387,500

1,286,121,370

1,273,387,500

13.3 A. Position of Shareholding as at 30 June 2021

Name of the Shareholders	Nature of Shareholding	Nationality	30/Jun/2021		30/Jun/2020
			%		Taka
Mr. Md. Yakub Ali	Individual	Bangladeshi	12.06	155,072,960	153,537,590
Mr. Md. Yasin Ali	Individual	Bangladeshi	12.12	155,894,030	154,350,530
Mrs. Anjumanara Begum	Individual	Bangladeshi	3.23	41,586,690	41,174,950
Mrs. Amina Mahabub	Individual	Bangladeshi	7.58	97,432,500	96,467,830
Mrs. Salma Yasin	Individual	Bangladeshi	3.17	40,765,770	40,362,150
Mr. Mashruf Habib	Individual	Bangladeshi	2.89	37,180,590	36,812,470
Mr. Tanvir Habib	Individual	Bangladeshi	5.30	68,203,650	67,528,370
Mrs. Tanima Mahabub	Individual	Bangladeshi	2.65	34,101,890	33,764,250
Ms. Sarfinaz Mahabub	Individual	Bangladeshi	2.65	34,101,890	33,764,250
Mr. Salman Habib	Individual	Bangladeshi	2.89	37,180,590	36,812,470
General Shareholders	Individual	Bangladeshi	45.45	584,600,810	578,812,640
Total			100	1,286,121,370	1,273,387,500

B. The details of the above shareholdings are as follows:

Name of the shareholders	Nature of Shareholding	No. of Shares held		Amount in Taka	
		30-Jun-2021	30-Jun-2020	30-Jun-2021	30-Jun-2020
Mr. Md. Yakub Ali	Individual	15,507,296	15,353,759	155,072,960	153,537,590
Mr. Md. Yasin Ali	Individual	15,589,403	15,435,053	155,894,030	154,350,530
Mrs. Anjumanara Begum	Individual	4,158,669	4,117,495	41,586,690	41,174,950
Mrs. Amina Mahabub	Individual	9,743,250	9,646,783	97,432,500	96,467,830
Mrs. Salma Yasin	Individual	4,076,577	4,036,215	40,765,770	40,362,150
Mr. Mashruf Habib	Individual	3,718,059	3,681,247	37,180,590	36,812,470
Mr. Tanvir Habib	Individual	6,820,365	6,752,837	68,203,650	67,528,370
Mrs. Tanima Mahabub	Individual	3,410,189	3,376,425	34,101,890	33,764,250
Ms. Sarfinaz Mahabub	Individual	3,410,189	3,376,425	34,101,890	33,764,250
Mr. Salman Habib	Individual	3,718,059	3,681,247	37,180,590	36,812,470
General Shareholders	Individual	58,460,081	57,881,264	584,600,810	578,812,640
Total		128,612,137	127,338,750	1,286,121,370	1,273,387,500

C. Distribution schedule of the shares as at 30 June 2021 is given below as required by listing regulations:

Slabs by number of shares	Number of Shareholders	No. of Shares	Holding (%)
Less than 500	13,401	2,212,600	1.72
From 500 to 5,000	2,742	5,315,442	4.13
From 5,001 to 10,000	658	4,843,663	3.77
From 10,001 to 20,000	405	5,751,980	4.47
From 20,001 to 30,000	184	4,595,971	3.57
From 30,001 to 40,000	81	2,919,099	2.27
From 40,001 to 50,000	62	2,868,444	2.23
From 50,001 to 100,000	100	7,336,747	5.70
From 100,001 to 1,000,000	65	15,763,600	12.26
Above 1,000,000	13	77,004,591	59.87
Total	17,711	128,612,137	100.00



**14 RESERVE AND SURPLUS**

Revaluation Surplus note 14.1  
Reserve for available of Financial Assets note 14.2  
Reserve for foreign currency fluctuation gain/(loss) note 14.3

30-Jun-2021 Taka	30-Jun-2020 Taka
973,262,396	976,088,483
(258,965)	(464,445)
605,387	864,980
<b>973,608,818</b>	<b>976,489,018</b>

**14 Revaluation Surplus note 14**

Opening Balance  
Less: Realized during the year- Note 4.1(b)  
Deferred tax (provision) / write back on revaluation surplus  
Closing Balance

976,088,483	979,059,777
(3,211,462)	(3,376,469)
385,375	405,176
<b>973,262,396</b>	<b>976,088,483</b>

**14 Reserve for available of Financial Assets note 14**

Opening Balance  
Add: Realized/Unrealized during the year  
**Closing Balance**  
Income Tax  
**Closing Balance net of Tax**

(516,050)	(346,209)
228,311	(169,841)
<b>(287,739)</b>	<b>(516,050)</b>
(28,774)	(51,605)
<b>(258,965)</b>	<b>(464,445)</b>

**14 Reserve for foreign currency fluctuation gain/(loss) note 14**

Opening Balance  
Add: Realized/Unrealized during the year  
Closing Balance  
Income Tax  
**Closing Balance net of Tax**

988,549	107,681
(296,678)	880,868
<b>691,871</b>	<b>988,549</b>
86,484	123,569
<b>605,387</b>	<b>864,980</b>

**15 SHARE PREMIUM ACCOUNT**

Opening Balance  
Add: Addition during the year  
  
Less : Adjusted  
Closing Balance

724,782,034	724,782,034
-	-
<b>724,782,034</b>	<b>724,782,034</b>
-	-
<b>724,782,034</b>	<b>724,782,034</b>

**16 RETAINED EARNINGS**

	30-Jun-2021 Taka	30-Jun-2020 Taka
Opening balance	650,214,357	747,156,933
Add: Profit after income tax	(208,040,864)	(39,681,545)
Add: Revaluation surplus realized - note 14	3,211,462	3,376,469
Less: Dividend for the period	(18,521,996)	(60,637,500)
Closing Balance	<b>426,862,958</b>	<b>650,214,357</b>

**17 LONG TERM LOAN**

Shahjalal Islami Bank Ltd., Jubilee Road Branch- note 17.2	1,038,340,214	1,043,938,221
Lanka Bangla Finance Limited - note 17.3	438,496,137	383,147,290
IDLC Finance Ltd. - note 17.4	374,944,476	331,099,584
	<b>1,851,780,827</b>	<b>1,758,185,094</b>

17 Current Portion of Long Term Loan - note 17	141,865,434	197,302,279
Non-current Portion of Long Term Loan - note 17	1,709,915,392	1,560,882,816
	<b>1,851,780,826</b>	<b>1,758,185,094</b>

**17.2 Shahjalal Islami Bank Ltd. - note 16**

**17.2.1 Hire Purchase under Shirkatul Mulk (HPSM) - (Industrial) - note 17**

Opening Balance	1,043,938,221	994,966,667
Add: Loan received during the year	-	-
Add: Interest charged during the year	72,057,893	94,355,554
	<b>1,115,996,214</b>	<b>1,089,322,221</b>
Less: Payment during the year	(77,656,000)	(45,384,000)
Closing Balance	<b>1,038,340,214</b>	<b>1,043,938,221</b>
Less: Current portion of long term loan	(89,564,201)	(90,144,122)
Non-current portion of long term loan	<b>948,776,012</b>	<b>953,794,099</b>

**Hire Purchase under Shirkatul Mulk (HPSM) - Industrial**

Limit amount	: Tk. 80,00,00,000/-
Purpose	: To implement new textile project.
Sanction date	: 28-Mar-17
Grace Period	: 24 months
Interest rate	: 9.00%
Security	: Hypothecation of machineries & other fixed assets under bank's mortgage.
Installment size	: Tk. 1,39,25,160 on EMI Basis
No. of Installments	: 108 Nos
Tenure	: 11 Years with 24 months moratorium

**17.3 Lanka Bangla Finance Limited - note 17**

Opening Balance	383,147,290	345,791,237
Add: Loan received during the period	-	-
Add: Interest charged during the period	55,308,847	50,450,482
Add: Charges during the period	40,000	-
	<b>438,496,137</b>	<b>396,241,719</b>
Less: Payment during the period	-	(13,094,429)
Closing Balance	<b>438,496,137</b>	<b>383,147,290</b>
Less: Current portion of long term loan	(2,671,887)	(19,933,158)
Non-current portion of long term loan	<b>435,824,250</b>	<b>363,214,132</b>

Reschedule amount	: Tk 40,96,05,376/-
Purpose	: To implement new textile project.
Interest rate	: 13.00%
Security	: Hypothecation of all fixed and floating assets, Personal Guarantee of all the Directors and Corporate Guarantee of Habib Steels Ltd.
Tenure	: 10 Years 07 Months

**17.4 IDLC Finance Ltd. - note 17**

Opening Balance  
Add: Loan received during the year  
Add: Interest charged during the year

Less: Payment during the year  
Closing Balance  
Less: Current portion of long term loan  
Non-current portion of long term loan

Reschedule amount : Tk 33,10,99,584/-  
Purpose : To implement new textile project.  
Interest rate : 12.00%  
Security : Personal Guarantee of all the Directors  
Tenure : 06 Years

30-Jun-2021 Taka	30-Jun-2020 Taka
331,099,584	300,184,154
-	-
43,844,892	44,915,430
<b>374,944,476</b>	<b>345,099,584</b>
-	(14,000,000)
<b>374,944,476</b>	<b>331,099,584</b>
(49,629,348)	(87,224,999)
<b>325,315,130</b>	<b>243,874,585</b>

**18 LEASE LIABILITY**

Opening Balance  
Add: Addition during the year  
Add: Interest charged during the year

Less: Lease Liability payment  
Closing Balance  
Less: Current portion of Lease Liability  
Non-current portion of Lease Liability

-	-
33,375,723	-
2,962,076	-
<b>36,337,800</b>	<b>-</b>
(3,990,576)	-
<b>32,347,224</b>	<b>-</b>
(1,124,975)	-
<b>31,222,249</b>	<b>-</b>

**19 ACCOUNTS PAYABLE**

Trade Payable - note 19.1

383,088,799	281,377,676
<b>383,088,799</b>	<b>281,377,676</b>

**19.1 Trade Payable - note 19**

For Supply of Raw Materials - note 19.1.1  
For Revenue Expenditure - Annexure B(b)  
Add: Foreign currency fluctuation loss/(gain) due to translation of  
Trade Payable during the year with reference to IAS 21.

331,520,567	199,760,300
47,574,009	79,210,626
3,994,223	2,406,750
<b>383,088,799</b>	<b>281,377,676</b>

**19.1.1 For Supply of Raw Materials - note 19.1**

Back to Back L/C - Mercantile Bank Ltd. - Annexure B(a)(i)  
Back to Back L/C - Shahjalal Islami Bank Ltd. - Annexure B(a)(iii)

119,204,390	71,791,833
212,316,177	127,968,467
<b>331,520,567</b>	<b>199,760,300</b>

**20 OTHER PAYABLES**

Liabilities for Expenses - note 20.1  
Liabilities for Refund of IPO Application Money  
For Capital Expenditure - Annexure C  
Workers' Profit Participation & Welfare Fund (WPP & WF) - note 20.2  
Unclaimed Dividend

48,558,308	83,919,454
170,333	170,333
6,285,470	7,289,619
16,293,575	25,335,716
6,439,743	6,293,070
<b>77,747,429</b>	<b>123,008,193</b>

**20.1 Liabilities for Expenses - note 20**

Wages & Salary  
Overtime  
Deduction of Tax at Sources  
Kamaphuli Gas Distribution Company Limited  
Audit fee  
Electricity Bill  
Telephone Bill

17,233,137	17,513,637
627,439	265,360
10,835,946	10,045,876
19,368,126	55,563,919
350,000	350,000
30,721	26,702
112,939	153,960
<b>48,558,308</b>	<b>83,919,454</b>

	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>20.2 Workers' Profit Participation &amp; Welfare Fund - note 3.20 &amp; 20</b>		
Opening Balance	25,335,716	24,175,302
Add: Addition during the year - note 20.2.1	-	-
Add: Interest incurred during the year - note 25	975,687	1,160,414
	<u>26,311,403</u>	<u>25,335,716</u>
Less: Paid during the year	(10,017,828)	-
Closing Balance	<u>16,293,575</u>	<u>25,335,716</u>
<b>20.2.1 Break up of WPP &amp; WF - Note 20.2</b>		
Profit Before WPP & WF	(183,420,735)	(21,492,438)
	<u>(183,420,735)</u>	<u>(21,492,438)</u>
Addition during the year	-	-
<b>21 SHORT TERM LOAN</b>		
Packing Credit Loan - note 21.1	81,927,001	65,630,619
EDF Loan -note 21.2	45,190,182	11,358,435
FDBP Loan-note 21.3	12,631,283	267,456
Cash Credit (CC) Hypo - note 21.4	249,924,590	250,395,222
	<u>389,673,056</u>	<u>327,651,732</u>
<b>21.1 Packing Credit Loan - note 21</b>		
Mercantile Bank Ltd., Agrabad Branch	19,654,288	17,919,536
Shahjalal Islami Bank Ltd. (Bai-Salam), Jubilee Road Branch	62,272,714	47,711,083
	<u>81,927,001</u>	<u>65,630,619</u>
<b>(a) Mercantile Bank Ltd, Agrabad Branch</b>		
Limit amount	: Tk 20,000,000	
Purpose	: For payment of factory wages, utility bills, freight charges and other factory expenses.	
Interest rate	: 7%	
Security	: Lien on Master Export L/C	
Tenure	: 120 Days	



	30-Jun-2021 Taka	30-Jun-2020 Taka
<b>(b) Shahjalal Islami Bank Ltd., Jubilee Road Branch</b>		
Limit amount	: Tk 80,000,000	
Purpose	: For payment of pre-shipment expenses	
Interest rate	: 7%	
Security	: Lien on Master Export L/C, Trust Receipt, Hypothecation of all stock, Irrevocable power of Attorney.	
Tenure	: 120 days	
<b>21.2 EDF Loan - note 21</b>		
Shahjalal Islami Bank Ltd., Jubilee Road Branch	45,190,182	11,358,435
	<b>45,190,182</b>	<b>11,358,435</b>
<b>21.3 FDBP Loan - note 21</b>		
Mercantile Bank Ltd., Agrabad Branch	2,966,345	-
Shahjalal Islami Bank Ltd., Jubilee Road Branch	9,664,939	267,456
	<b>12,631,283</b>	<b>267,456</b>
<b>21.4 Cash Credit (Hypo) - note 21</b>		
National Bank Ltd., Jubilee Road Branch, Account No. - 001637002234	33,635,791	30,733,322
Mercantile Bank Ltd., Agrabad Branch, Account No. - 7200000618	20,483,769	15,824,158
Shahjalal Islami Bank Ltd. (Bai-Muajjal), Jubilee Road Branch	195,805,030	203,837,743
	<b>249,924,590</b>	<b>250,395,222</b>
<b>(a) National Bank Ltd., Jubilee Road Branch</b>		
Limit amount	: Tk 30,000,000	
Purpose	: To meet working capital requirement	
Interest rate	: 9.00%	
Security	: Lien on Master Export L/C, Import Documents, Raw Materials, WIP, Finished Goods, Lien of FDR, Personal & Corporate Guarantee.	
Tenure	: 90 days to 1 year	
<b>(b) Mercantile Bank Ltd., Agrabad Branch</b>		
Limit amount	: Tk 20,000,000	
Purpose	: To meet operating expenses	
Interest rate	: 9.00%	
Security	: Lien on Master Export L/C, Import Documents, Raw Materials, WIP, Finished Goods, Lien of FDR, Personal & Corporate Guarantee.	
Tenure	: 1 year	
<b>(c) Shahjalal Islami Bank Ltd., Jubilee Road Branch</b>		
Limit amount	: Tk 200,000,000	
Purpose	: To make local procurements	
Interest rate	: 9.00%	
Security	: Lien on Master Export L/C, Trust Receipt, Hypothecation of all stock, Irrevocable power of Attorney.	
Tenure	: 180 days	
<b>22 PROVISION FOR INCOME TAX</b>		
For Current Tax - note 22.1	25,378,875	18,640,203
For Deferred Tax - note 22.2	77,488,141	59,601,137
	<b>102,867,016</b>	<b>78,241,340</b>
<b>22.1 Provision for Current Tax - note 22</b>		
Opening Balance	18,640,203	22,292,148
Add: Provision made during the year - note 22.1.1	6,738,672	13,432,129
	25,378,875	35,724,277
Less: Adjusted during the year - note 22.1.2	-	(17,084,074)
Closing Balance	<b>25,378,875</b>	<b>18,640,203</b>

22.1.1 Provision made during the year - note 22.1

	30-Jun-2021 Taka	30-Jun-2020 Taka
Profit Before Tax	(183,420,735)	(21,492,438)
<b>Less: Items for Separate Consideration:</b>		
Other Non-Operating Income	(43,431,741)	(74,560,813)
Cash Incentive (Subsidy)	(36,897,185)	-
	(263,749,661)	(96,053,251)
<b>Add: Other Inadmissible Allowances:</b>		
Accounting Depreciation	197,642,742	98,481,148
Entertainment Expenses as per Financial Statements	826,184	-
	(65,280,735)	2,427,897
<b>Less: Admissible Allowances(not consider and carry forward for next year):</b>		
Tax Depreciation u/s 29 (1) (iiv) of ITO, 1984	-	138,122,636
Entertainment Expenses as per ITO, 1984	-	-
<b>Taxable Business Income/(Loss) from Operation</b>	<b>(65,280,735)</b>	<b>(135,694,740)</b>

**Current Tax Liability (higher one among i, ii and iii)**

(i) Regular Tax Liability	Tax Rate		
Tax on Other Non-Operating Income	22.50%	9,772,142	18,640,203
Tax on Cash Incentive (Subsidy)	10%	3,689,719	-
Tax on Operational Income	12%	(7,833,688)	-
Tax on Total Taxable Income		5,628,172	18,640,203
(Over Provision)/Under Provision of Prior Year		-	(5,208,074)
<b>Total Regular Tax Liability</b>		<b>5,628,172</b>	<b>13,432,129</b>

(ii) Minimum Tax U/S-82C(2)

Tax deducted at source on Export Proceeds-U/S 53BBB	4,800,232	-
Tax deducted at source on Cash Incentive(Subsidy)-U/S 53DDD	1,938,440	-
	<b>6,738,672</b>	-

(iii) Minimum Tax U/S-82C(4)

	Amount in BDT	Applicable Tax Rate	Tax Amount in BDT	
Sales Revenue	1,071,802,997	0.32%	3,429,770	-
Other Non-Operating Income	43,431,741	0.60%	260,590	-
Cash Incentive (Subsidy)	36,897,185	0.60%	221,383	-
			<b>3,911,743</b>	-
<b>Current Tax Liability</b>			<b>6,738,672</b>	-

22.1.2 Adjusted during the year - note 22.1

Tax Paid in Cash	-	-
Adjusted with Advance Income Tax - note 10.1	-	17,084,074
	-	<b>17,084,074</b>

22.2 Provision for Deferred Tax \_ On WDV of Fixed Assets- note 22.2.2

Opening Balance	60,006,313	55,249,334
Add: Provision made during the year	17,881,457	4,756,979
	77,887,770	60,006,313
Less: Provision realized during the year (revaluation surplus)	385,375	405,176
	<b>77,502,394</b>	<b>59,601,137</b>

22.2.1 Provision for Deferred Tax \_ On OCI Items\_22.2.3

Closing Balance	(14,254)	93,124
	<b>77,488,141</b>	<b>59,694,261</b>

22.2.2 Calculation of Deferred Tax:

**As on 30 June 2021:**

	30-Jun-2021 Taka	30-Jun-2020 Taka
Property, Plant and Equipment (Except Land)	2,068,446,593	649,064,748
Applicable Tax Rate		12%
Deferred Tax Liability		<u>77,887,770</u>

**As on 30 June 2020:**

Property, Plant and Equipment (Except Land)	2,235,874,508	500,052,605
Applicable Tax Rate		12%
Deferred Tax Liability		<u>60,006,313</u>

22.2.3 Deferred Tax on OCI Items:

Deferred Tax (Assets)/Liabilities on Financial Assets	22,831	(16,984)
Deferred Tax (Assets)/Liabilities on Foreign Exchange	(37,085)	110,109
<b>Total Deferred Tax Asset</b>	<u>(14,254)</u>	<u>93,124</u>

**23 REVENUE**

i) Sales Revenue:

RMG - note 36.1(c)

Home Tex - note 36.1(c)

ii) Service Revenue

iii) Cash Incentive

1-Jul-2020 to 30-Jun-2021	1-Jul-2019 to 30-Jun-2020
Taka	Taka

407,107,142	377,994,976
647,098,161	392,782,007
17,597,694	63,435,592
36,897,185	26,977,194
<b>1,108,700,182</b>	<b>861,189,770</b>

**24 COST OF GOODS SOLD**

Raw materials consumed - note 24.1

Factory overhead - note 24.2

**Cost of Production**

Opening work-in-process

Closing work-in-process - note 8, 36.1(b)

**Cost of goods manufactured**

Opening finished goods

**Cost of goods available for sale**

Closing finished goods - note 8, 36.1(c)

602,099,233	423,636,193
507,511,655	396,912,004
<b>1,109,610,888</b>	<b>820,548,197</b>
395,746,210	375,856,240
(418,658,650)	(395,746,210)
<b>1,086,698,448</b>	<b>800,658,227</b>
85,480,240	48,775,650
<b>1,172,178,688</b>	<b>849,433,877</b>
(121,562,150)	(85,480,240)
<b>1,050,616,538</b>	<b>763,953,637</b>

**24.1 Raw materials consumed - note 24**

Opening inventory

Add: Purchase during the year - note 24.1.1

Total materials available

Closing inventory - note 8, 36.1(a,d)

290,491,460	233,450,570
631,460,019	480,677,083
921,951,479	714,127,653
(319,852,246)	(290,491,460)
<b>602,099,233</b>	<b>423,636,193</b>

**24.1.1 Purchase during the year - note 24.1, 36.1**

Yarn

Grey Fabrics (P & S)

Dyes & Chemical

Accessories & Trims

406,402,660	303,702,495
84,759,473	68,735,615
78,760,519	73,082,545
61,537,367	35,156,429
<b>631,460,019</b>	<b>480,677,083</b>

**24.2 Factory overhead - note 24**

Salaries & Wages

Festival Bonus

Design Charges

Electricity Charges

Clearing Charges

Stores & Spares - note 36.1(d)

Fuel & Lubricants

Gas Charges

Indirect Raw Materials

Insurance Premium

Indirect Labor Charges

Medical Expenses

Repairs & Maintenance

Servicing Charges

Depreciation -ROU

Depreciation - note 4.2

185,741,028	185,835,032
14,021,566	12,951,683
247,000	420,879
385,631	385,853
3,198,165	2,221,018
6,462,516	7,789,935
2,345,000	3,029,279
86,717,158	82,058,368
803,252	1,057,744
3,655,229	3,670,330
1,248,156	968,938
48,236	52,227
1,974,482	915,413
20,644,011	6,922,272
2,141,758	-
177,878,468	88,633,033
<b>507,511,655</b>	<b>396,912,004</b>

Note: Details of quantity wise schedule of purchase and consumption are shown in note 36.1



**25 ADMINISTRATIVE EXPENSES**

	1-Jul-2020 to 30-Jun-2021	1-Jul-2019 to 30-Jun-2020
	Taka	Taka
Salary & Allowances	25,723,779	24,809,502
Director Remuneration - note 36.3(b)	2,400,000	2,400,000
Board Meeting Allowance - note 36.3(a)	300,000	235,000
General Meeting Expenses	793,237	1,151,143
Annual Fee DSE, CSE, CDBL & Others	1,377,462	1,610,132
Audit Fee - note 34.4	350,000	350,000
Legal and Professional Fees	568,388	817,952
License & Renewal	1,650,106	1,789,714
Documentation Expenses	616,341	446,400
Dress and Uniform	-	71,390
Electricity Bill	722,417	1,182,027
Entertainment	826,184	821,025
Internet Charges	270,904	270,904
Fooding Expenses	926,585	624,924
Itfer Expenses	202,680	193,126
Office Maintenance	844,367	716,190
Rent & Rates	-	3,990,576
Paper and Periodicals	70	5,432
Postage & Courier Service	127,745	105,732
Printing & Stationery	891,916	665,854
Telephone Charges	1,056,398	1,238,868
Interest on WPP & WF - note 20.2	975,687	1,160,414
Transportation Expenses	450,730	170,520
Travelling and Others	1,918,312	2,127,429
Training Expenses	-	7,000
Advertisement Expense	246,390	236,250
Vehicle Maintenance	2,016,987	1,666,685
Depreciation - note 4.2	9,882,137	4,924,057
	<b>55,138,821</b>	<b>53,788,247</b>

**26 SELLING AND DISTRIBUTION EXPENSES**

Salary & Allowances	13,101,454	15,237,609
Carriage Outward	1,679,000	677,600
Forwarding Expenses	2,052,273	1,075,986
Freight Charges	712,926	995,303
L/C Charges -Export	618,856	556,152
Sample Clearing Expenses	1,206,932	1,387,619
Testing Expenses	165,266	253,274
Trade Fair Expenses	59,223	2,528,720
Depreciation - note 4.2	9,882,137	4,924,057
	<b>29,478,067</b>	<b>27,636,321</b>

## 27 FINANCIAL EXPENSES

Interest Expense - note 27.1  
Bank Charges & Commission

1-Jul-2020 to 30-Jun-2021	1-Jul-2019 to 30-Jun-2020
Taka	Taka

195,924,518	107,502,398
4,394,714	4,362,418
<b>200,319,232</b>	<b>111,864,816</b>

### 27.1 Interest Expense - note 27

National Bank Limited - note 27.1.1  
Mercantile Bank Limited - note 27.1.2  
Shahjalal Islami Bank Ltd. - note 27.1.3  
Lanka Bangla Finance Limited - note 27.1.4  
IDLC Finance Ltd. - note 27.1.5  
Lease Liability-note 27.1.6  
Interest of affiliated company

2,887,469	4,018,124
2,847,239	2,808,037
95,058,994	43,643,310
55,308,847	12,117,497
43,844,892	44,915,430
2,962,076	-
(6,985,000)	-
<b>195,924,518</b>	<b>107,502,398</b>

#### 27.1.1 National Bank Limited - note 27.1

Interest on C.C Hypo  
Interest on LTR  
Interest on P.C Loan

2,887,469	3,252,991
-	659,878
-	105,255
<b>2,887,469</b>	<b>4,018,124</b>

#### 27.1.2 Mercantile Bank Limited - note 27.1

Interest on LTR  
Interest on P.C Loan  
Interest on FDBP / LDBP  
Interest on EDF Loan  
Interest on SOD

-	27,652
887,812	770,459
106,567	384,074
8,062	-
1,844,799	1,625,851
<b>2,847,239</b>	<b>2,808,037</b>

#### 27.1.3 Shahjalal Islami Bank Ltd. - note 27.1

Interest on Bai-Muajjal  
Interest on Bai-Salam  
Interest on FDBP / LDBP  
Interest on EDF Loan  
Interest on HPSP (Industrial)

16,895,866	22,177,930
5,146,641	2,475,193
465,226	283,759
493,267	484,206
72,057,993	18,222,221
<b>95,058,994</b>	<b>43,643,310</b>

#### 27.1.4 Lanka Bangla Finance Limited - note 27.1

Interest on Term Loan

55,308,847	12,117,497
<b>55,308,847</b>	<b>12,117,497</b>

#### 27.1.5 IDLC Finance Ltd. - note 27.1

Interest on Term Loan

43,844,892	44,915,430
<b>43,844,892</b>	<b>44,915,430</b>

#### 27.1.6 Lease Liability - note 27.1

Interest on Lease Liability

2,962,076	-
<b>2,962,076</b>	<b>-</b>

**Note:** Interest on Term Loan charges in fully during the year as the Company started its commercial operation of New BMRE Project on March, 2020.

## 28 OTHER NON-OPERATING INCOME

Interest on FDR  
Dividend Income  
Interest on Savings Account

43,406,234	74,559,081
24,267	-
1,240	1,732
<b>43,431,741</b>	<b>74,560,813</b>

**29 RELATED NOTES FOR STATEMENT OF CASH FLOWS**

**29.1 Cash Received From Customers**

Revenue	23	1,108,700,182	861,189,770
Change of Accounts Receivable Without Currency Fluctuation	9.1	(41,889,265)	(66,689,423)
		<u>1,066,810,917</u>	<u>794,500,347</u>

**29.2 Cash Paid to Suppliers**

Cost of Goods Sold Without Employee Cost	24	(850,853,944)	(565,166,922)
Change of Inventories	8	(91,266,384)	(108,832,396)
Change of Trade Payable Without Currency Fluctuation	19.1	100,123,650	117,365
Depreciation (FOH)	24.2	177,878,468	88,633,033
		<u>(664,118,210)</u>	<u>(585,248,920)</u>

**29.3 Cash Paid to Employees**

Employee Cost (FOH, Admin, Selling)	24.2, 25 & 26	(238,587,827)	(238,833,826)
Changes In Salary Payable	20.1	81,579	(2,736,882)
Changes In Advance Employee Cost	10.1	(73,523)	945,767
		<u>(238,579,771)</u>	<u>(240,624,941)</u>

**29.4 Cash Paid For Other Operating Expenses**

Administrative Expenses Without Employee Cost	25	(29,415,042)	(28,978,745)
Selling & Distribution Expenses Without Employee Cost	26	(16,376,613)	(12,398,712)
Changes In Other Payable	20	(35,442,726)	33,172,308
Interest On WPP & WF	25	975,687	1,160,414
Changes In Advances, Deposits & Prepayments (Except AIT)	10	(134,592,891)	120,879,724
Depreciation (Admin & Selling)	25 & 26	19,764,274	9,848,115
		<u>(195,087,311)</u>	<u>123,683,105</u>

**29.5 Cash Paid to Affiliated Company**

Regent Fabrics Limited	11.1	66,762,868	26,629,500
Regent Weaving Limited	11.2	833,810	1,316,904
HG Aviation Ltd.	11.3	(6,985,000)	-
		<u>60,611,678</u>	<u>27,946,404</u>

**29.6 Payment of Income Tax**

Income Tax Expenses (Statement of Profit or Loss)		(6,738,672)	(18,189,107)
Changes In Income Tax Provision	22	8,738,672	1,105,034
Changes in Advance Income Tax	10.1	(11,351,772)	3,982,051
		<u>(11,351,772)</u>	<u>(13,102,023)</u>

**29.7 Interest Received**

Interest Income From FDR	28	43,406,234	74,559,081
Interest Income From Savings Account	28	1,240	1,732
Dividend Received	28	24,267	-
		<u>43,431,741</u>	<u>74,560,813</u>

**29.8 Cash Payment For Financial Expenses**

Financial Expense	27	(200,319,232)	(111,864,816)
Interest Accrued		93,555,733	2,776,719
		<u>(106,763,499)</u>	<u>(109,088,097)</u>

1-Jul-2020 to 30-Jun-2021	1-Jul-2019 to 30-Jun-2020
Taka	Taka

**30 RECONCILIATION OF NET INCOME WITH CASHFLOWS FROM OPERATING ACTIVITIES**

Net Profit/(Loss) for the year before Tax	(183,420,735)	(21,492,438)
<b>Adjustment for:</b>		
Depreciation on property, plant and equipment	197,642,742	98,481,148
Other Income	(43,431,741)	(74,560,813)
Financial Expenses	200,319,232	111,864,816
(Increase)/Decrease in Inventories	(91,266,384)	(108,832,396)
(Increase)/Decrease in Accounts & Other Receivable	(41,889,265)	(66,689,423)
(Increase)/Decrease in Advances, Deposits and Prepayments	(134,666,414)	121,825,491
Increase/(Decrease) in Accounts Payable	100,123,650	117,365
Increase/(Decrease) in Others Payable	(35,361,147)	30,435,426
Increase in provision of WPPF & WF	(9,042,141)	1,160,414
Payment of Income Tax	(11,351,772)	(13,102,023)
<b>Net Cash Flows from Operating Activities</b>	<b>(52,343,975)</b>	<b>79,207,568</b>

**31 INFORMATION BASED ON PER SHARE**

**31.1 Earnings Per Share (EPS)**

**31.1.1 Earnings Per Share (EPS) [Basic]**

The computation of EPS is given below:

Earnings attributable to the ordinary shareholders	(208,040,864)	(39,681,545)
Weighted average number of ordinary shares outstanding during the year	128,612,137	127,338,750
<b>Earnings Per Share (Basic)</b>	<b>(1.62)</b>	<b>(0.31)</b>

**31.1.2 Earnings Per Share (EPS) [Restated]**

The computation of EPS is given below:

Earnings attributable to the ordinary shareholders	(39,681,545)
Weighted average number of ordinary shares outstanding during the year	128,612,137
<b>Earnings Per Share (Restated)</b>	<b>(0.31)</b>

**31.2 Net Asset Value Per Share (NAV)**

Total Assets	6,248,879,530	6,193,430,069
Less: Liabilities	2,837,504,350	2,568,557,160
<b>Net Asset Value (NAV)</b>	<b>3,411,375,180</b>	<b>3,624,872,909</b>
Weighted average number of ordinary shares outstanding during the year	128,612,137	127,338,750
<b>Net Assets Value (NAV) Per Share</b>	<b>26.52</b>	<b>28.46</b>

**31.3 Net Operating Cash Flow Per share**

**31.3.1 Net Operating Cash Flow Per Share (Basic)**

Net Operating Cash Flows (from statement of cash flows)	(52,343,975)	79,207,568
Weighted average number of ordinary shares outstanding during the year	128,612,137	127,338,750
<b>Net Operating Cash Flow Per Share (Basic)</b>	<b>(0.41)</b>	<b>0.62</b>

**31.3.2 Net Operating Cash Flow Per Share (Restated)**

Net Operating Cash Flows (from statement of cash flows)	79,207,568
Weighted average number of ordinary shares outstanding during the year	128,612,137
<b>Net Operating Cash Flow Per Share (Restated)</b>	<b>0.62</b>



## 32 CONTINGENT LIABILITIES, COMMITMENTS AND OTHER INFORMATION

### 32.1 Contingencies

(a) Bank Guarantees lies with National Bank Limited, Jubilee Road Branch, Chattogram.

(i) Commissioner of Customs - Tk 78,88,992/=

(ii) Bangladesh General Insurance Company Ltd. - Tk 1,00,000/=

(b) Bank Guarantees lies with Shahjalal Islami Bank Ltd., Jubilee Road Branch, Chattogram.

(i) Karnaphuli Gas Distribution Company Limited - Tk 1,48,37,642/=

(c) Bank Guarantees lies with Mercantile Bank Limited, Agrabad Branch, Chattogram.

(i) Karnaphuli Gas Distribution Company Limited - Tk 1,40,99,146/=

(ii) Commissioner of Customs - Tk. 47,67,104/=

(d) The Company had the following pending litigations against them as of the end of the reporting year:

Sl.	Case No.	Case filed by	Claim amount (Tk)
(i)	CEVT/CASE(CUS)/317/2015	Customs Bond Commisionerate, Chattogram	2,559,918
(ii)	2004-2005/13	Do	234,304
Total			2,794,222

### 32.2 Segment Reporting

As there is a single business and no geographic segment within which the company operates, no segment reporting is felt necessary.

## 33 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on ..... **November, 2021** recommended ..... for all Shareholders for the year ended on **30 June 2021**. This will be considered for approval by the shareholders at the Annual General Meeting (AGM).

No other material events had occurred from the end of the reporting period to the date of issue of this Financial Statements, which could materially affect the values stated in the Financial Statements.

34 RELATED PARTY DISCLOSURES

i) Related party transactions

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis.

Amount in Taka

SL No.	Name of the Related Parties	Name of the Person Involved	Relationship	Nature of Transactions	Transaction during the year	Balance as at 30-June-2021	Balance as at 30-June-2020
1	Regent Fabrics Limited	Mr. Md. Yakub Ali Mr. Md. Yasin Ali	Do	Due To/From	Dr. 2,347,132 Cr. (69,110,000)	42,927,275	109,690,143
2	Regent Weaving Limited	Mr. Md. Yakub Ali Mr. Md. Yasin Ali	Do	Due To/From	Dr. 27,966,190 Cr. (28,800,000)	1,579,030	2,412,840
3	H.G. Aviation Ltd.	Mr. Md. Yakub Ali Mr. Md. Yasin Ali Mr. Mashruf Habib Mr. Salman Habib Mr. Tanvir Habib	Do	Due To/From	Dr. 6,985,000 Cr. -	76,835,000	69,850,000
4	Anowara Fashions Limited	Mr. Md. Yakub Ali Mr. Md. Yasin Ali	Do	Readymade Garments	Dr. - Cr. (7,051,805)	-	7,061,805
5	Habib Sons	Mr. Md. Yakub Ali	Do	Supply of Chemical	Dr. - Cr. -	(240,540)	(240,540)
6	Directors	Mr. Md. Yakub Ali Mr. Md. Yasin Ali Mr. Mashruf Habib Mr. Salman Habib Mr. Tanvir Habib Engr. Md. Abul Quasem Mr. Md. Jabed Iqbal Mr. Md. Mohasin Siddiquee	Key Management Personnel	Remuneration, Board Meeting Fees and Office Rent	Dr. 2,700,000 Cr. (2,700,000)	-	-

ii) Particulars of Directors of Regent Textile Mills Limited as at 30 June 2021

SL	Name of Directors	BOD of RTML	Entities where they have interests	Position
1	Mr. Md. Yakub Ali	Chairman	Ali Fashion Limited	Chairman
			Anowara Apparels Limited	
			Anowara Fashions Limited	
			Anowara Paper Mills Limited	
			Diamond Pack Limited	
			Habib Steels Limited	
			Legacy Fashion Limited	
			Maam Textile Mills Limited	
			MTS Re-Rolling Mills Limited	
			Noor Garments Limited	
			Regent Fabrics Limited	
			Regent Power Limited	
			Regent Spinning Mills Limited	
			Regent Weaving Limited	
			Regent Energy & Power Limited	
			Siam's Superiors Limited	
			Union Cement Mills Limited	
			Union Fertilizer Complex Limited	
			Valiant Fashion Wear Limited	
			Valiant Garments Limited	
2	Mr. Md. Yasin Ali	Director	Habib Share & Securities Limited	Managing Director
			Diamond Cement Limited	Shareholder
			Bangladesh Fertilizer & Agro Chemicals Limited	Director
			HG Aviation Limited	Chairman
			Habib Sons	
			ANZ Properties Limited	
			HG Aviation Limited	
			Habib Share & Securities Limited	
			Ali Fashion Limited	
			Anowara Apparels Limited	
			Anowara Fashions Limited	
			Anowara Paper Mills Limited	
			Bangladesh Fertilizer & Agro Chemicals Limited	
			Diamond Pack Limited	
			Habib Steels Limited	
			Legacy Fashion Limited	
			Maam Textile Mills Limited	
			MTS Re-Rolling Mills Limited	
			Noor Garments Limited	
			Regent Fabrics Limited	
			Regent Power Limited	
			Regent Spinning Mills Limited	
			Regent Weaving Limited	
			Regent Energy & Power Limited	
			Siam's Superiors Limited	
			Union Cement Mills Limited	
			Union Fertilizer Complex Limited	
			Valiant Fashion Wear Limited	
			Valiant Garments Limited	
			Hela Clothings Ltd.	Director
			Southern Medical College & Hospital	Shareholder
			Diamond Cement Limited	
			Continental Insurance Limited	

SL	Name of Directors	BOD of RTML	Entities where they have interests	Position
3	Mr. Mashruf Habib	Director	HG Aviation Limited	Managing Director
			Hela Clothings Ltd.	Chairman
			Regent Spinning mills Limited	Director
			Regent Energy & Power Limited	
			DCL Auto Bricks Limited	
			Valiant Fashion Wear Limited	
			Valiant Garments Limited	
4	Mr. Salman Habib	Managing Director	HG Aviation Limited	Director
			Regent Spinning Mills Limited	
			Regent Energy & Power Limited	
			DCL Auto Bricks Limited	
			Hela Clothings Ltd.	
			Continental Insurance Limited	
			Valiant Fashion Wear Limited	
5	Mr. Tanvir Habib	Director	Valiant Garments Limited	Director
			Valiant Fashion Wear Limited	
			Valiant Garments Limited	
			Siam's Superiors Limited	
			Hela Clothings Ltd.	Managing Director
			Regent Spinning Mills Limited	Shareholder
			HG Aviation Limited	
			Regent Energy & Power Limited	
			Ali Fashion Limited	
			Anowara Apparels Limited	
			Anowara Fashions Limited	
			Anowara Paper Mills Limited	
			Bangladesh Fertilizer & Agro Chemicals Limited	
			Diamond Cement Limited	
			Diamond Pack Limited	
			Habib Steels Limited	
			Legacy Fashion Limited	
			Maam Textile Mills Limited	
			MTS Re-Rolling Mills Limited	
			Noor Garments Limited	
			Regent Fabrics Limited	
			Regent Power Limited	
			Regent Weaving Limited	
			Union Cement Mills Limited	
			Union Fertilizer Complex Limited	
			Habib Share & Securities Limited	

### 35 ATTENDANCE STATUS OF BOARD MEETING OF DIRECTORS

During the year from 01 July 2020 to 30 June 2021, 10 (Ten) Board Meetings, 05 (Five) Audit Committee Meetings and 01 (One) NRC Meeting in total 16 (Sixteen) Meetings were held. The attendance status of all the Meetings are as follows:

SL	Name of the Directors	Position	Meetings held	Attendance
1	Mr. Md. Yakub Ali	Chairman	16	6
2	Mr. Md. Yasin Ali	Director	16	16
3	Mr. Mashruf Habib	Director	16	2
4	Mr. Salman Habib	Managing Director	16	10
5	Mr. Tanvir Habib	Director	16	11
6	Mr. Eng. Md. Abul Quasem	Independent Director	16	1
7	Mr. Md. Mohsin Siddiquee	Independent Director	16	14



36 DISCLOSURE AS PER REQUIREMENT OF SCHEDULE XI, PART II OF THE COMPANIES ACT 1994

36.1 Quantity wise schedule of Inventory - Para 3 of Schedule XI, Part II

Qty Unit	30/Jun/2021		30/Jun/2020	
	Qty	Taka	Qty	Taka

(a) Movement of Raw Materials - note 8 & 24:

Opening Inventory

Yarn	Kg	505,170	116,461,830	379,550	86,299,290
Dyes & Chemical	N/A	-	107,796,420	-	95,426,580
Accessories & Trims	N/A	-	66,233,210	-	51,724,700
<b>Total</b>		-	<b>290,491,460</b>	-	<b>233,450,570</b>

Purchase

Yarn	Kg	1,756,540	406,402,660	1,364,780	303,702,495
Dyes & Chemical	N/A	-	78,760,519	-	73,082,545
Grey Fabrics	Mtr.	778,650	84,759,473	676,569	68,735,615
Accessories & Trims	N/A	-	61,537,367	-	35,156,429
<b>Total</b>			<b>631,460,019</b>		<b>480,677,083</b>

Consumption

Yarn	Kg	1,713,850	392,800,810	1,239,160	273,539,955
Dyes & Chemical	N/A	-	74,400,823	-	60,712,705
Grey Fabrics	Mtr.	778,650	84,759,473	676,569	68,735,615
Accessories & Trims	N/A	-	50,138,127	-	20,647,919
<b>Total</b>			<b>602,099,233</b>		<b>423,636,193</b>

Closing Inventory

Yarn	Kg	547,860	130,063,680	505,170	116,461,830
Dyes & Chemical	N/A	-	112,156,116	-	107,796,420
Accessories & Trims	N/A	-	77,632,450	-	66,233,210
<b>Total</b>			<b>319,852,246</b>		<b>290,491,460</b>

(b) Work-in-Process - note 8 & 24:

Opening Inventory

Yarn	Kg	808,650	188,233,180	782,420	178,526,354
Dyes & Chemicals	N/A	-	1,815,340	-	1,125,460
Grey Fabrics (Weaving)	Mtr.	1,192,530	124,585,350	1,350,268	130,165,820
Dyeing, Printing & Finishing	Mtr.	450,820	58,367,030	418,510	48,128,535
Home Tex (Stitching)	N/A	-	22,745,310	-	17,910,071
<b>Total</b>			<b>395,746,210</b>		<b>375,856,240</b>

Closing Inventory

Yarn	Kg	872,575	206,465,240	808,650	188,233,180
Dyes & Chemicals	N/A	-	3,115,650	-	1,815,340
Grey Fabrics (Weaving)	Mtr.	1,005,450	108,465,730	1,192,530	124,585,350
Dyeing, Printing & Finishing	Mtr.	520,875	71,482,320	450,820	58,367,030
Home Tex (Stitching)	N/A	-	29,129,710	-	22,745,310
<b>Total</b>			<b>418,658,650</b>		<b>395,746,210</b>

Qty Unit	30/Jun/2021		30/Jun/2020	
	Qty	Taka	Qty	Taka

(c) Movement of Finished Goods - note 8 & 24:

**Opening Inventory**

Finished Fabrics (RMG)	Mtr.	485,280	58,767,810	285,150	35,929,998
Finished Fabrics & Finished Goods (Home Text)	Mtr.	189,540	26,712,430	92,590	12,845,652
<b>Total</b>	<b>Mtr.</b>	<b>674,820</b>	<b>85,480,240</b>	<b>377,740</b>	<b>48,775,650</b>

**Production**

Finished Fabrics (RMG)	Mtr.	2,993,020	416,886,142	3,010,600	400,832,788
Finished Fabrics & Finished Goods (Home Text)	Mtr.	4,262,860	673,401,071	2,862,320	406,648,785
<b>Total</b>	<b>Mtr.</b>	<b>7,255,880</b>	<b>1,090,287,213</b>	<b>5,872,920</b>	<b>807,481,574</b>

**Delivery**

Finished Fabrics (RMG)	Mtr.	2,936,550	407,107,142	2,810,470	377,994,976
Finished Fabrics & Finished Goods (Home Text)	Mtr.	4,226,170	647,098,161	2,765,370	392,782,007
<b>Total</b>	<b>Mtr.</b>	<b>7,162,720</b>	<b>1,054,205,303</b>	<b>5,575,840</b>	<b>770,776,984</b>

**Closing Inventory**

Finished Fabrics (RMG)	Mtr.	541,750	68,546,810	485,280	58,767,810
Finished Fabrics & Finished Goods (Home Text)	Mtr.	226,230	53,015,340	189,540	26,712,430
<b>Total</b>	<b>Mtr.</b>	<b>767,980</b>	<b>121,562,150</b>	<b>674,820</b>	<b>85,480,240</b>

(d) Movement of Spare Parts- note 8 & 24:

**Opening Inventory**

Stores & Spares	N/A	-	41,332,790	-	46,135,844
<b>Total</b>		-	<b>41,332,790</b>	-	<b>46,135,844</b>

**Purchase**

Stores & Spares	N/A	-	9,373,764	-	2,986,881
<b>Total</b>		-	<b>9,373,764</b>	-	<b>2,986,881</b>

**Consumption**

Stores & Spares	N/A	-	6,462,516	-	7,789,935
<b>Total</b>		-	<b>6,462,516</b>	-	<b>7,789,935</b>

**Closing Inventory**

Stores & Spares	N/A	-	44,244,038	-	41,332,790
<b>Total</b>		-	<b>44,244,038</b>	-	<b>41,332,790</b>

**Note:** Due to diverse and innumerable units of measurement it is not practicable to provide quantities for Home Text items, Dyes & Chemicals and Spare Parts & Accessories.

36.2 Number of Employees - Para 3 of Schedule XI, Part II

Salary Range (Monthly)	Head Office		Factory			Total Employees
	Officer	Staff	Officer	Staff	Worker	
Below 6,061	-	-	-	-	-	-
Above 6,061	43	18	140	102	1,368	1,671
As on 30-June-2021	43	18	140	102	1,368	1,671
As on 30-June-2020	44	19	148	104	1,432	1,747

36.3 Payment information to Directors - Para 4 of Schedule XI, Part II

(a) Aggregate Amount of Remuneration Paid to all Directors

**Payment Type**

Board Meeting Fees - note 25  
Remuneration - note 25  
Salary & Allowances

1-Jul-2020 to 30-Jun-2021	1-Jul-2019 to 30-Jun-2020
Taka	Taka
300,000	235,000
2,400,000	2,400,000
6,360,000	6,780,000
<b>9,060,000</b>	<b>9,415,000</b>

(b) Directors' Remuneration - note 25

Name of the Director(s)	Designation	Monthly Remuneration		
Mr. Salman Habib	Managing Director	Tk. 200,900	2,400,000	2,400,000
			<b>2,400,000</b>	<b>2,400,000</b>

36.4 Auditor's Remuneration - Para 6 of Schedule XI, Part II - note 25

Statutory Audit Fee - Shafiq Basak & Co - note 25

350,000	350,000
<b>350,000</b>	<b>350,000</b>

36.5 Installed Capacity & Utilization of Capacity - Para 7 of Schedule XI, Part II

(a) **Weaving**

Installed Capacity (In Meter)  
Actual Production  
Capacity Utilization (%)

12,000,000	12,000,000
7,480,282	6,894,225
<b>62.34%</b>	<b>57.45%</b>

(b) **Dyeing and Printing**

Installed Capacity (In Meter)  
Actual Production  
Capacity Utilization (%)

14,000,000	14,000,000
7,255,880	5,872,920
<b>51.83%</b>	<b>41.95%</b>

37 GENERAL

37.1 The amounts in these financial statements have been rounded off to the nearest Taka.

37.2 Figures in bracket denotes negative/payment/outflow.

These financial statements should be read in conjunction with the annexed notes  
and were approved by the Board of Directors on 21 November, 2021  
and were signed on its behalf by:

  
COMPANY SECRETARY

  
DIRECTOR

  
MANAGING DIRECTOR









## **Regent Textile Mills Limited**

### **Corporate Office**

**HG Tower, 1182 Jubilee Road (Nur Ahmed Road)**

**Chattogram 4000, Bangladesh.**

**T +88 031 2868841-3**

**F +88 031 2868207**

**cs@regenttex.com**

### **Registered & Factory Office**

**East Kalurghat, Charkhidirpur, Bandar**

**Chattogram, Bangladesh.**

**[www.regenttex.com](http://www.regenttex.com)**