

Dear Shareholders,
Assalamualaikum!

We forward herewith the financial statements of H.R. Textile Mills Limited for the Half-yearly/Second Quarter (Q2) period ended 31st December 2019 as per the Stock Exchange (Listing) Regulations, 2015 under LR 17(2).


Mohammad Abdul Moyeed
Managing Director & CEO



Half-yearly/Second Quarter (Q2) Financial Statements
period ended 31st December 2019

H.R. Textile Mills Limited
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H.R Textile Mills Limited
Statement of Financial Position (Un-Audited)
As at December 31, 2019

ASSETS	Notes	Half yearly ended December 31, 2019	Year ended 30 June 2019
		Taka	Taka
Non-Current Assets			
Property, Plant and Equipment	2	1,812,888,382	1,656,302,759
Total Non-Current Assets		1,812,888,382	1,656,302,759
Current Assets			
Stocks and Stores	3	425,349,397	393,277,250
Trade and Other Debtors	4	585,513,871	574,533,283
Export Incentive Receivables	5	47,567,149	55,458,792
Advances, Deposits and Prepayments	6	66,315,294	67,318,628
Cash and Bank Balances	7	107,216,266	24,770,312
Total Current Assets		1,231,961,977	1,115,358,265
TOTAL ASSETS		3,044,850,359	2,771,661,024
<u>Shareholders' Equity & Liabilities</u>			
Shareholders' Equity			
Share Capital	8	253,000,000	253,000,000
General Reserve	9	6,956,752	6,956,752
Tax Holiday Reserve	10	22,378,988	22,378,988
Dividend Equalisation Reserve	11	10,000,000	10,000,000
Revaluation Surplus	12	685,140,992	685,668,176
Retained earnings	13	130,146,720	119,942,475
Total Shareholders' Equity		1,107,623,452	1,097,946,391
Long-term Liabilities			
Long-term Loans-Secured, Future Maturity	14	969,200,183	705,830,468
Provision for Gratuity	15	28,198,482	28,392,064
Provision for Deferred Taxation	16	43,498,025	44,359,829
Total long-term Liabilities		1,040,896,690	778,582,361
Current Liabilities			
Bank Overdrafts- Secured	17	101,751,234	79,251,108
Time Loan- Secured	18	150,133,361	-
Trade Creditors	19	513,474,040	630,941,433
Accrued Expenses	20	26,861,032	27,136,943
Provision for Current Taxation	21	20,203,004	30,415,148
Bills Receivable Discounted	22	18,763,543	38,658,707
Workers' Participation /Welfare Funds	23	17,083,336	18,386,925
Current Maturity of Long-term Loans	24	48,060,667	70,342,008
Total Current Liabilities		896,330,217	895,132,272
Total Liabilities		1,937,226,907	1,673,714,633
Total Shareholders' Equity & Liabilities		3,044,850,359	2,771,661,024
Net Assets Value (NAV) per share	34	43.78	43.40

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
CFO/HF&A

Sd/-
Company Secretary

H.R. TEXTILE MILLS LIMITED
Statement of Profit or Loss and Comprehensive Income (Un-Audited)
Half-yearly/Second Quarter (Q2) period ended December 31, 2019

Particulars	Notes	Half-Year Ended		Second Quarter Ended	
		July '19 to December '19	July '18 to December '18	October '19 to December '19	October '18 to December '18
Sales	25	1,153,318,998	1,135,733,091	677,289,537	669,798,673
Export Incentives	26	15,258,457	13,833,608	7,709,915	8,487,976
Turnover		1,168,577,455	1,149,566,699	684,999,452	678,286,649
Less:Cost of Goods Sold	27	1,003,463,049	987,491,079	593,678,395	586,028,729
Gross Profit		165,114,406	162,075,620	91,321,057	92,257,920
Less :Administrative and General Expenses	28	133,874,965	128,246,495	74,787,424	69,991,841
Operating Profit		31,239,441	33,829,125	16,533,633	22,266,079
Add: Other Income	29	672,458	979,285	374,004	619,190
Net Profit before WPP & WF		31,911,899	34,808,410	16,907,637	22,885,269
Less: Provision Contribution to WPP & WF	23	1,519,614	1,657,543	805,126	1,089,774
Net Profit before Tax		30,392,285	33,150,867	16,102,511	21,795,495
Provision for Income-tax		8,224,614	12,106,960	4,382,166	10,403,654
Current Tax	30	9,086,418	10,937,210	4,619,989	9,268,521
Deferred Tax	16	(861,804)	1,169,750	(237,823)	1,135,133
Net Profit after Tax		22,167,671	21,043,907	11,720,345	11,391,841
(Transferred to the Statement of Changes in Equity)					
Earning Per Share (EPS) of Tk.10	31	0.88	0.83	0.46	0.45

Statement of Cash Flows (Un-Audited)
Half-yearly period ended December 31, 2019

Particulars	Notes	Half-yearly period ended 31 Dec 2019 Taka	Half-yearly period ended 31 Dec 2018 Taka
Cash flows from Operating Activities:			
Cash received from Sales and Export incentives		1,165,488,510	1,128,622,650
Exchange Fluctuation Gain/ (Loss)		489,758	796,585
Receipts from Other Income		182,700	182,700
Cash paid for goods and services		(1,179,774,706)	(1,160,267,460)
Cash from operation		(13,613,738)	(30,665,525)
Interest paid		(67,072,023)	(55,602,525)
Income tax paid/deducted at sources		(9,054,446)	(8,650,614)
Net Cash inflows from operating activities		(89,740,207)	(94,918,664)
Cash flows from Investing Activities:			
Acquisition of property, plant and equipment	2.1	(213,983,659)	(84,695,822)
Net Cash outflows from investing activities		(213,983,659)	(84,695,822)
Cash flows from Financing Activities:			
Bank Overdraft Received/(Repaid)		22,500,126	1,428,724
Long Term Loans Received/(Repaid)		263,369,715	46,936,476
Time Loan Received/(Repaid)		150,133,361	130,143,375
Bills Receivable Discounted Received/(Repaid)		(19,895,164)	(8,324,914)
Current Maturity of Long-term Loans		(22,281,341)	3,185,752
Cash Dividend Paid		(7,656,877)	(8,694,628)
Net Cash inflow from financing activities		386,169,820	164,674,785
Net increase/(decrease) in cash and bank balances		82,445,954	(14,939,701)
Cash and bank balances on opening		24,770,312	48,281,991
Net increase/(decrease) in cash and bank balances		82,445,954	(14,939,701)
Cash and bank balances at closing - Note 7		107,216,266	33,342,290
Net operating cash flows per share (NOCFPS)	32	(3.55)	(3.75)

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
CFO/HF&A

Sd/-
Company Secretary

H.R Textile Mills Limited
Statement of Changes in Shareholders' Equity (Un-Audited)
For the Half year (Q2) ended December 31, 2019

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2019	253,000,000	6,956,752	22,378,988	685,668,176	10,000,000	119,942,475	1,097,946,391
Net profit after Tax	-	-	-	-	-	22,167,671	22,167,671
Revaluation Surplus realised	-	-	-	(527,184)	-	527,184	-
Cash Dividend declared 2019	-	-	-	-	-	(12,490,610)	(12,490,610)
Balance as at December 31, 2019	253,000,000	6,956,752	22,378,988	685,140,992	10,000,000	130,146,720	1,107,623,452

H.R Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the Half year (Q2) ended December 31, 2018

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2018	253,000,000	6,956,752	22,378,988	686,195,360	10,000,000	96,374,242	388,709,982
Revaluation Surplus as on 31 December, 2018	-	-	-	-	-	21,043,907	686,195,360
Net profit after Tax	-	-	-	-	-	(25,300,000)	21,043,907
Cash Dividend declared 2018	-	-	-	-	-	92,118,149	(25,300,000)
Balance as on June 30, 2019	253,000,000	6,956,752	22,378,988	686,195,360	10,000,000	92,118,149	1,070,649,249

Sd/-
Chairman

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Managing Director

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Director

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CFO/HF&A

Sd/-
Company Secretary

H.R TEXTILE MILLS LIMITED
Notes to the financial statements
For the six month (Q2) period ended 31 December 2019

Forming an Integral Part of the Financial Statements

1. Notes-General

(a) Status and Activities:

This is a public limited company incorporated in Bangladesh under the Companies Act, 1913 on 3 December 1984 under the entrepreneurship of the Pride Group. The other shareholders are the general public and local financial institutions. The shares of the Company are listed with both the Dhaka and Chittagong Stock Exchanges in Bangladesh. The address of the registered office is B-87, Mailbag Chowdhury Para, Dhaka and the mills are located at Karnapara, Savar, Dhaka. The Company owns textile mills and its principal activities are knitting, processing and finishing of textile products and making garments.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax Act 1991 and the Value Added Tax Rules 1991, Bangladesh Securities and Exchange Rules 1987 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

2.2 Basis of measurement

The financial statements have been prepared on historical cost basis except financial assets and liabilities which are stated at "fair value".

2.3 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka, which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IAS/IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.5 Reporting period

These financial statements cover one financial year from 01 July 2019 to 31 December 2019 for all reported periods.

2.6 Comparative Information and Rearrangement Thereof

In accordance with the provisions of IAS-1: Presentation of Financial Statements, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

2.7 Corporate Accounting Standards Practiced

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	Complied
IAS 2	Inventories	Complied
IAS 7	Statements of Cash Flows	Complied
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 17	Leases	Complied
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings Per Share	Complied
IAS 34	Interim Financial Reporting	Not Applicable
IAS 36	Impairment of Assets	Complied
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Not Applicable
IAS 39	Financial Instruments: Recognition and Measurement	Complied

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

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards	Complied
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 7	Financial Instruments: Disclosures	Complied
IFRS 9	Financial Instruments	Complied
IFRS 15	Revenue from contracts with customers	Complied

2.8 Component of Financial Statements

- (i) Statement of Financial Position as at 31 December 2019;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period ended 31 December 2019;
- (iii) Statements of Changes in Shareholders' Equity for the period ended 31 December 2019;
- (iv) Statement of Cash Flows for the period ended 31 December 2019; and
- (v) Notes to the Financial Statements for the period ended 31 December 2019.

3.00 Significant accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

3.01 Property, plant and equipment

3.01.1 Recognition and measurement

Property, plant, and equipment are measured at cost and valuation (only land) less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. It is carried at the lower of its carrying amount and fair value less cost. Any write-down is shown as an impairment loss. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3.01.2 Subsequent costs

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

3.01.3 Depreciation on property, plant and equipment

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

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

3.01.4 Impairment of assets

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use.

Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the year no impaired loss occurred to recognize in the Financial Statements.

3.2 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is valued at weighted average cost method and includes costs for acquiring the inventories and bringing them to their existing locations and conditions.

3.3 Provisions

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

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

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

3.4 Earnings per share (EPS)

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

*This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

Diluted Earnings per share

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

3.5 Revenue

In compliance with the requirements of IFRS 15 "Revenue from Contracts with Customers" revenue represents the sales proceeds which are recognized when the parties to the contract have approved the contract and are committed to perform their respective obligations; delivery are made from factory godown to carriers that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

3.6 Trade receivables

Trade receivables at the balance sheet date are stated at amounts which are considered realizable.

3.7 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues. Finance expenses comprise interest expense on borrowings, bank charges and guarantee costs. All borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate.

3.8 Cash and cash equivalents

It includes cash in hand and other deposits with banks which were held and available for use by the company without any restriction.

3.9 Taxation

Current tax

Provision for current income tax has been made during the year under review in respect of net profit at the rate of 15%

Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

3.10 Foreign Currency Transaction

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates are determined as under:

- a) Foreign currency monetary items are translated using the closing rate.
- b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.
- d) Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the year or in previous financial statements is recognized in profit or loss in the year in which they arise.

3.11 Employee Benefits:

The Company is operating Workers Profit Participation Fund (WPPF) and Welfare Fund according to Bangladesh Labour Law 2006 and Bangladesh labour (Amendments) Act 2013 are accounted for securing benefits to the employees in accordance with the provision of International Accounting Standard (IAS)-19, "Employee Benefit".

Retrial Benefits (Gratuity):

The retrial benefits (gratuity) liability for the permanent employees of the Company is accrued at one months' basic pay for each completed year of service of each employee who has completed service for six months or more.

3.12 Related party disclosure

As per IAS 24: Related Party Disclosure, parties are considered to be related if one has the ability to control or exercise significant influence over other in making financial and operating decisions.

3.13 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with the requirements of IAS 7 "Statement of Cash Flows". The cash generating from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.14 Events after the Reporting Period

In compliance with the requirements of IAS 10 "Events after the Reporting Period" events after the reporting period that provided additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

2. Property, Plant and Equipment

2.1 The make-up of Fixed Assets is as below:

(Amount in Taka)

Particulars	Cost or valuation		Depreciation		W.D.V. As on December 31, 2019	
	As on July 01, 2019	Addition/ (Deletion)	As on December 31 2019	As on July 01, 2019		During the Period
Factory Land and Development	8,479,375	-	8,479,375	-	-	8,479,375
Factory Building	336,957,885	-	336,957,885	74,211,216	4,211,974	78,423,190
Factory Shed	6,823,475	-	6,823,475	6,823,470	-	6,823,470
Plant and Machinery	1,296,955,367	59,729,914	1,356,685,281	818,027,261	46,351,211	864,378,472
Electric Installation	33,799,439	490,866	34,290,305	20,192,968	1,702,244	21,895,212
Gas Installation	6,476,035	-	6,476,035	6,476,025	-	6,476,025
Water Installation	8,465,520	135,000	8,600,520	6,753,287	426,651	7,179,938
Steam Installation	2,563,352	-	2,563,352	2,563,342	-	2,563,342
Furniture and Fixtures	9,955,127	211,600	10,166,727	9,955,117	10,580	9,965,697
Telephone Installation	1,027,861	-	1,027,861	1,027,851	-	1,027,851
Motor Vehicles	46,192,122	-	46,192,122	31,066,229	1,645,220	32,711,449
Office Equipment	37,957,447	59,000	38,016,447	32,357,916	1,899,347	34,257,263
Loose Tools	183,875	-	183,875	183,865	-	183,865
Factory Equipment	12,326,502	292,000	12,618,502	8,792,844	623,625	9,416,469
Capital Works in Progress	180,902,592	153,065,279	333,967,871	-	-	-
A. Total	1,989,065,974	213,983,659	2,203,049,633	1,018,431,391	56,870,852	1,075,302,243

Revaluation

Factory Land and Development	644,020,625	-	644,020,625	-	-	644,020,625
Factory Building	42,174,735	-	42,174,735	527,184	527,184	41,120,367
B. Total	686,195,360	-	686,195,360	527,184	527,184	685,140,992
Total (A+B) as on December 31, 2019	2,675,261,334	213,983,659	2,889,244,993	1,018,958,575	57,398,036	1,812,888,382
Total Taka as on June 30, 2019	2,367,610,882	307,650,452	2,675,261,334	938,607,881	80,350,694	1,656,302,759

2.2. Depreciation for the year is charged as below:	December 31,2019	June 30,2019
<u>Particulars</u>	<u>Taka</u>	<u>Taka</u>
Cost of Goods Sold-Note 27.1	48,788,331	64,280,555
Administrative, Selling and General Expenses-Note 28.1	8,609,705	16,070,139
	<u>57,398,036</u>	<u>80,350,694</u>

3. Stocks and stores

3.1 The make-up is as below:

	December 31,2019		June 30,2019	
	In Kg	Taka	In Kg	Taka
Stock of Yarn	3.2 890,747	246,731,359	823,473	211,701,754
Stock of Dyes and Chemicals	3.3 375,631	67,507,229	375,288	65,547,814
Stock of Work-in-Process	3.4	46,319,591		44,367,516
Stock of Finished Goods	3.5	43,802,898		41,029,893
Stock of Accessories		7,548,746		9,456,443
Goods in Transit		7,584,777		12,062,410
		419,494,600		384,165,830
Stock of Spares		5,854,797		9,111,420
		<u>425,349,397</u>		<u>393,277,250</u>

3.2 Stock of Yarn

Stock of Yarn	890,747	246,731,359	823,473	211,701,754
	<u>890,747</u>	<u>246,731,359</u>	<u>823,473</u>	<u>211,701,754</u>

3.3 Stock of Dyes and Chemicals

Dyes	36,417	31,958,487	36,488	29,750,874
Chemicals	339,214	35,548,742	338,800	35,796,940
	<u>375,631</u>	<u>67,507,229</u>	<u>375,288</u>	<u>65,547,814</u>

3.4 Stock in Work in Process

Cost of Materials		23,441,135		23,556,383
Costs of Conversion		22,878,456		20,811,133
		<u>46,319,591</u>		<u>44,367,516</u>

3.5 Stock of Finished Products

Finished Garments		22,548,744		22,073,256
Knitted Fabrics	134,584	21,254,154	125,487	18,956,637
	<u>134,584</u>	<u>43,802,898</u>	<u>125,487</u>	<u>41,029,893</u>

4. Trade and Others Debtors

	December 31,2019		June 30,2019	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days)	6,313,447	530,013,871	6,234,634	519,033,283
Other Debtors	-	55,500,000	-	55,500,000
	<u>6,313,447</u>	<u>585,513,871</u>	<u>6,234,634</u>	<u>574,533,283</u>

These include a sum of Tk.55,500,000 (2019; Tk.55,500,000) due from Associates Companies expected to be realized/adjusted within a year from the financial statement end date.

These are unsecured but considered good.

5. Export Incentives Receivable

	December 31,2019	June 30,2019
	Taka	Taka
Opening Balance	55,458,792	75,406,776
Received during the period	(23,150,100)	(49,832,562)
	32,308,692	25,574,214
For the period	15,258,457	29,884,578
Closing Balance	<u>47,567,149</u>	<u>55,458,792</u>

The receivables are unsecured but considered good.

6. Advances, Deposits and Prepayments	December 31,2019	June 30,2019
	Taka	Taka
Advances :		
Salary Advance	1,496,135	1,131,166
Advance Tax	215,000	210,000
Factory Insurance Advance	2,555,149	1,039,705
Operational Advance	7,558,821	7,185,690
Eltech Engineering Co. Ltd	3,600,000	3,600,000
Tax deducted at source	20,334,438	26,786,476
	<u>35,759,543</u>	<u>39,953,037</u>
Deposits :		
Security Deposits	20,571,731	17,381,571
Bank Guarantee Margin	9,984,020	9,984,020
	<u>30,555,751</u>	<u>27,365,591</u>
	<u>66,315,294</u>	<u>67,318,628</u>

The advances are unsecured but considered good.

7. Cash and Bank Balances

Cash at Banks with Banks on Current Account:

Brac Bank Ltd, Dhanmondi Branch,CD A/c	218,773	211,760
Mutual Trust Bank Ltd.,Gulshan Branch, CD A/c	2,053,564	118,752
Mutual Trust Bank Ltd.,Gulshan Branch, Dollar A/c	79,205	807,270
Mutual Trust Bank Ltd.,Gulshan Branch, ERQ A/c	339,278	337,615
Mutual Trust Bank Ltd.,Gulshan Branch, SND A/c	41,467	569,135
HSBC,Anchor Tower Branch, MDA Margin A/c	-	259,082
HSBC,Anchor Tower Branch, FCY A/c	528,842	192,318
Trust Bank Ltd,SKB Branch, Dollar A/c	26,600,508	10,117,969
Trust Bank Ltd,SKB Branch,FCAD A/c	3,760,611	672,191
Trust Bank Ltd,SKB Branch, CD A/c	93,867	114,169
IPDC Finance Ltd.	10,000,000	
United Commercial Bank Ltd, Corporate Branch	50,009,238	-
Dutch Bangla Bank Ltd.,Gulsgan Branch ,CD A/c	37,367	3,737
AB Bank Ltd,Motijheel Branch, CD A/c	8,009,154	7,301,646
AB Bank Ltd,Motijheel Branch, Notice A/c	802,684	918,064
	<u>102,574,558</u>	<u>21,623,708</u>

With Bank on Short Term Deposit Account:

Trust Bank Ltd.,SKB Branch, SND A/c	21,202	21,401
Southeast Bank Ltd, Principal Branch, STD A/c	1,035,928	1,020,619
	<u>1,057,130</u>	<u>1,042,020</u>
Cash at Banks	103,631,688	22,665,728
Cash in Hand	3,584,578	2,104,584
	<u>107,216,266</u>	<u>24,770,312</u>

8. Share Capital

8.1 Authorized:

100,000,000 Ordinary Shares of Tk.10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
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8.2 Issued, Subscribed and Paid-up:

25,300,000 Ordinary Shares of Tk.10 each fully paid-up	<u>253,000,000</u>	<u>253,000,000</u>
14,000,000 Ordinary Shares of Tk.10 each fully paid-up in cash	<u>140,000,000</u>	<u>140,000,000</u>
11,300,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares	<u>113,000,000</u>	<u>113,000,000</u>
	<u>253,000,000</u>	<u>253,000,000</u>

8.3 Composition of Shareholdings:

Classes of Holdings	December 31,2019		June 30,2019	
	No. of Shares	%	No. of Shares	%
Sponsors	12,808,619	50.63	12,808,619	50.63
Financial Institutions	1,467,400	5.80	3,277,612	12.96
ICB Securities Trading Co.	244,956	0.97	38,400	0.15
ICB Investors A/c	-	-	28,190	0.11
ICB Mutual Fund	-	-	3,000	0.01
ICB Unit Fund	196,035	0.77	3,500	0.01
General Public	10,582,990	41.83	9,140,679	36.13
	<u>25,300,000</u>	<u>100.00</u>	<u>25,300,000</u>	<u>100.00</u>

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

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

Shareholdings range in number of shares	December 31,2019			June 30,2019		
	No. of shareholders	No. of Shares	Holdings %	No. of Shareholders	No. of Shares	Holdings %
0000001-0000499	7,212	1,989,205	7.95	7,203	1,986,649	7.85
0000500-0000500	3,720	1,860,000	7.40	3,704	1,852,000	7.32
0000501-0002000	920	2,036,543	8.05	1,063	2,351,143	9.29
0002001-0005000	518	1,657,600	6.36	527	1,686,400	6.67
0005001-0010000	121	853,292	3.38	124	874,448	3.45
0010001-0050000	43	1,419,000	5.62	41	1,353,000	5.35
0050001-0100000	3	264,000	1.04	6	528,000	2.09
0100001-0250000	4	848,000	3.36	4	848,000	3.35
0250001-0500000	2	1,011,741	4.00	1	1,011,741	4.00
050001 and above	7	13,360,619	52.84	6	12,808,619	50.63
Total	12,550	25,300,000	100.00	12,679	25,300,000	100.00

8.4 Option on unissued shares:

There is no option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid up capital through issuance of new shares.

9. General Reserve	December 31,2019	June 30,2019
	Taka	Taka
Opening and Closing Balar	<u>6,956,752</u>	<u>6,956,752</u>
	<u>6,956,752</u>	<u>6,956,752</u>
10. Tax Holiday Reserve		
Opening and Closing Balar	<u>22,378,988</u>	<u>22,378,988</u>
	<u>22,378,988</u>	<u>22,378,988</u>
11. Dividend Equalisation Reserve		
Opening and Closing Balar	<u>10,000,000</u>	<u>10,000,000</u>
	<u>10,000,000</u>	<u>10,000,000</u>
12. Revaluation Surplus		
Revaluation Surplus	685,668,176	686,195,360
Transferred to retained earnings	(527,184)	(527,184)
Closing Balance	<u>685,140,992</u>	<u>685,668,176</u>
13. Retained earnings		
Balance as on June 30,2019	119,942,475	96,374,242
Total Comprehensive income for the period:		
Profit for the period	22,167,671	48,341,049
Revaluation reserve realised	<u>527,184</u>	<u>527,184</u>
	<u>142,637,330</u>	<u>145,242,475</u>
Dividend during the year:		
Final dividend for previous year	<u>(12,490,610)</u>	<u>(25,300,000)</u>
Balance as on December 31,2019	<u>130,146,720</u>	<u>119,942,475</u>

14. Long-term Loan -Secured Future Maturity	December 31,2019	June 30,2019
	Taka	Taka
12% Loan - Note 14.1	687,833,845	530,485,517
5% Loan - Note 14.2	24,864,898	39,178,786
Deferred L/C Liabilities -Note 14.3	108,376,440	136,166,165
15% Loan - Note 14.4	148,125,000	-
	<u>969,200,183</u>	<u>705,830,468</u>

14.1 The movement of loan is as follows:

Opening Balance	530,485,517	2,516,705
Loan received this period	157,348,328	527,968,812
Closing Balance	<u>687,833,845</u>	<u>530,485,517</u>

The loan has been taken from Mutual Trust Bank Ltd,GulshanI Branch for import of Plant and machinery.The loan carries interest at 12% repayable in 16 Quartly installments,starting from 11 June, 2018.The loan is secured by hypothecation of stock, machinery, equipment :

14.2 The movement of loan is as follows:

Opening Balance	39,178,786	102,892,400
Current Maturity	(14,313,888)	(63,713,614)
Closing Balance	<u>24,864,898</u>	<u>39,178,786</u>

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

14.3 The movement of Deferred L/C liabilities is as follows:

Opening Balance	136,166,165	22,632,920
Addition this period	34,141,440	136,166,165
Paid this period	(61,931,165)	(22,632,920)
Closing Balance	<u>108,376,440</u>	<u>136,166,165</u>

The offshore facility has been taken from Mutual Trust Bank Limited, Gulshan Branch, 120 Gulshan Avenue, Gulshan, Dhaka-1212, Bangladesh for import of Plant and machinery at 360 days deferred L/C payment.

14.4 The movement of loan is as follows:

Opening Balance	-	-
Loan received this period	150,000,000	-
Paid this period	(1,875,000)	-
Closing Balance	<u>148,125,000</u>	<u>136,166,165</u>

The term loan facility has been taken from IPDC Finance Limited, Head office : Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka-1212, Bangladesh, for construction of effluent treatment plant.. The loan carries interest at 15% and is repayable in 72 equal monthly instalments from 25 November 2019.

15. Provision for Gratuity

Opening Balance	28,392,064	27,852,964
Contribution during this period	2,354,872	4,797,845
	30,746,936	32,650,809
Paid during this period	(2,548,454)	(4,258,745)
Closing Balance	<u>28,198,482</u>	<u>28,392,064</u>

16. Provision for Deferred Taxation

Opening Balance	44,359,829	39,128,378
Provision during the period	(861,804)	5,231,451
Closing balance	<u>43,498,025</u>	<u>44,359,829</u>

16.1 Details of deferred tax calculation

The tax effects of temporary difference arising from tax base and accounting base of revenue assets and liabilities	As per Accounting base W.D.V	As per Tax base W.D.V	Temporary Difference	Tax @ 15%	Tax @ 15%
Deferred tax liabilities					
Property, Plant and Equipments	<u>1,812,888,382</u>	<u>1,491,536,403</u>	<u>321,351,979</u>	<u>48,202,797</u>	<u>48,618,639</u>
Deferred tax assets					
Gratuity provision		<u>28,198,482</u>	<u>28,198,482</u>	<u>4,229,772</u>	<u>4,258,810</u>
Net deferred tax liabilities				<u>43,973,025</u>	<u>44,359,829</u>

17. Bank Overdrafts	December 31,2019	June 30,2019
	Taka	Taka
Trust Bank Ltd, SKB Branch	51,572,949	51,519,908
HSBC Bank, Plc,Anchor Tower Branch,Kawranbazar	50,178,285	18,201,386
Mutual Trust bank Ltd.Gulshan Branch	-	9,529,814
	<u>101,751,234</u>	<u>79,251,108</u>

These are secured.

18. Time Loan Bank

Opening Balance	-	-
Loan received this period	150,133,361	-
Closing Balance	<u>150,133,361</u>	<u>-</u>

The loan has been taken from United Commercial Bank Ltd, Corporate Branch ,Plot CWS(A)1, Road 34, Gulshan Avenue , Dhaka-1212 for Capital requirement.The loan carries interest at 12% and is repayable in 9 months .

19. Creditors

	As at December 31,2019		As at June 30,2019	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>5,205,992</u>	438,448,653	<u>6,678,196</u>	558,096,871
For Local Purchases		8,548,798		11,187,416
For Dividend Payable		65,789,706		60,955,973
For Staff Income Tax		315,414		329,704
For Refund Warrant		<u>371,469</u>		<u>371,469</u>
		<u>513,474,040</u>		<u>630,941,433</u>

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

20. Accrued Expenses

Gas Expenses (Factory)	13,711,599	12,494,102
Electricity Bill	112,806	290,262
Telephone	75,629	75,629
Salaries, Wages and Allowances	12,548,748	13,548,450
Security Bill	96,000	96,000
Legal Fee	30,000	60,000
Auditors' Fee (including Vat)	86,250	172,500
AGM Expenses	200,000	400,000
	<u>26,861,032</u>	<u>27,136,943</u>

21. Provision for Current Taxation

Opening balance	30,415,148	32,518,992
Addition during the period	<u>8,224,614</u>	<u>11,978,390</u>
	38,639,762	44,497,382
Paid during the period	<u>(18,436,758)</u>	<u>(14,082,234)</u>
Closing Balance	<u>20,203,004</u>	<u>30,415,148</u>

22. Bills Receivable Discounted

Opening Balance	38,658,707	37,667,941
Discounted during the period	<u>245,854,784</u>	<u>245,845,640</u>
	284,513,491	283,513,581
Collected during the period	<u>(265,749,948)</u>	<u>(244,854,874)</u>
Closing Balance	<u>18,763,543</u>	<u>38,658,707</u>

23. Workers' Participation/Welfare Funds

Opening Balance	18,386,925	20,910,081
Payment during this period	<u>(3,385,747)</u>	<u>(6,854,844)</u>
	15,001,178	14,055,237
Contributions for the period	1,519,614	3,277,545
Interest during the period	<u>562,544</u>	<u>1,054,143</u>
Closing Balance	<u>17,083,336</u>	<u>18,386,925</u>

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

24. Current Maturity of long-term loans

	December 31,2019	June 30,2019
	Taka	Taka
Opening Balance	70,342,008	79,147,685
Current Maturity this period	14,313,888	63,713,614
	84,655,896	142,861,299
Paid during this period	(36,595,229)	(72,519,291)
Closing Balance	48,060,667	70,342,008

The offshore facility has been taken from The Honkong and Shanghai Banking Corporation Plc, Anchor Tower, 108 Bir Uttara Road, Dhaka-1205, Bangladesh, for import of Plant and machinery .

25. Sales	1 July,2019 to 31 December ,2019			1 July,2018 to 31 December ,2018		
	Quantity	USD	Taka	Quantity	USD	Taka
<u>Export sales:</u>						
Knit Fabrics (Kgs)	938,815	5,435,676	456,324,985	1,413,970	7,815,074	645,134,396
Garments (pcs)	3,376,278	8,302,490	696,994,013	2,595,195	5,943,049	490,598,695
Total		13,738,166	1,153,318,998		13,758,123	1,135,733,091

26. Export Incentives

Cash Incentive	15,258,457	13,833,608
	15,258,457	13,833,608

27. Cost of Goods Sold

	1 July,2019 to 31 December ,2019	1 July,2018 to 31 December ,2018
	Taka	Taka

27.1 The break-up is as follows:-

Materials Consumed - Note 27.2	794,723,421	789,084,157
Salary, Wages and Allowances	102,987,458	102,762,341
Tiffin & Entertainment Expenses	485,788	475,842
Depreciation - Note 2.1	48,788,331	29,575,835
Stores and Spares Consumed	754,789	846,848
Factory Conveyance	548,478	525,125
Power and Gas	48,711,933	59,666,985
Gratuity	1,415,923	1,134,140
Vehicle expenses	965,487	878,456
Repairs and Maintenance	754,268	898,494
Packing & Loading Expenses	895,486	832,657
Import Landing, Clearing and Insurance	848,758	894,668
Factory Stationery Expenses	658,345	556,942
Carriage Inward and Outward	1,369,457	1,223,540
Knitting, Sewing & Processing Charge	2,084,658	2,975,423
Factory Insurance	1,280,287	1,715,682
Sewing Machine Rental	658,421	625,420
Miscellaneous	256,841	225,870
Total Manufacturing Costs for the year	1,008,188,129	994,898,425
Add Opening Work in Process	44,367,516	43,464,295
Total Manufacturing Costs	1,052,555,645	1,038,362,720
Less Closing Work in Process	46,319,591	48,265,554
Cost of Goods Manufactured	1,006,236,054	990,097,166
Add Opening Finished Goods	41,029,893	48,948,923
Cost of Goods available for use	1,047,265,947	1,039,046,089
Less Closing Finished Goods	43,802,898	51,555,010
Cost of Goods Sold	1,003,463,049	987,491,079

27.2 Materials Consume	1 July,2019 to 31 December, 2019		1 July,2018 to 31 December ,2018	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	2,125,878	561,079,541	1,962,118	554,984,997
Dyes	137,254	87,499,590	136,188	88,794,562
Chemicals	737,847	87,198,450	732,850	87,209,136
Accessories		58,945,840		58,095,462
Total Materials Consumption		794,723,421		789,084,157

28. Administrative, Selling and General Expenses

28.1 The break-up is as below:

	1 July,2019 to 31	1 July,2018 to 31
	December ,2019	December ,2018
	Taka	Taka
Directors' Remuneration	1,300,000	1,300,000
Salaries and Allowances	31,448,547	31,756,622
Security Service charges	576,000	504,000
Depreciation - Note 2.1	8,609,705	7,393,959
Elelectricity Expenses	1,412,798	2,006,241
Postage, Courier, Telephone and Fax	758,421	754,654
Form & Stamp	554,237	575,421
Gratuity	938,949	486,060
Travelling and Conveyance	447,258	456,241
Legal and Professional Expenses	30,000	60,000
Auditors' Fee	86,250	172,500
A.G.M Expenses	337,748	342,510
Registration and Fees	537,472	547,120
Staff welfare	807,658	818,754
Stationery Expenses	538,573	545,541
Office Repairs and Maintenance	610,876	601,562
Vehicle Expenses	1,053,274	1,365,457
Entertainment Expenses	625,247	658,745
Central fund for RMG	181,067	209,729
Buying House Commissi	2,254,000	3,312,000
Freight Charges & Freight out	1,048,574	6,208,348
Garments Testing & Inspection Charges	2,156,410	2,569,480
Interest Expense -Note-28.2	67,072,023	55,602,525
Bank Charges	10,168,378	9,673,606
Miscellaneous	321,500	325,420
	133,874,965	128,246,495

28.2 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	562,544	1,163,825
Interest on Long Term Loans	27,482,738	12,698,564
Interest on Bills Discounted	32,500,174	27,718,454
Interest on Bank Overdraft	4,518,206	5,575,103
Interest on Time Loan	2,008,361	8,446,579
	67,072,023	55,602,525

29. Other Income

Rental income	182,700	182,700
Exchange Fluctuation Gain/(Loss)	489,758	796,585
	672,458	979,285

	1 July,2019 to 31 December ,2019	1 July,2018 to 31 December ,2018
	Taka	Taka
30. Current Tax		
Profit before tax	30,392,285	33,150,867
Depreciation as per Accounting base	57,398,036	36,969,794
	87,790,321	70,120,661
Depreciation as per Tax base	(54,625,752)	(43,731,479)
	33,164,569	26,389,182
Provision for Gratuity for the period	2,354,872	1,620,200
	35,519,441	28,009,382
Other income (Separate calculation)	(182,700)	(182,700)
	35,336,741	27,826,682
Payment for Grauity	(2,548,454)	(2,656,842)
	32,788,287	25,169,840
Tax Rate @ 15%	4,918,243	3,775,476
Minimum tax	9,054,446	8,650,614
Add: Other income tax		
Rental income	182,700	182,700
Maintenance @ 30%	(54,810)	(54,810)
	127,890	127,890
Tax Rate @ 25%	31,972	31,972
Current tax	9,086,418	8,682,586
Additional Tax for the Prior Years finally deter	-	2,254,624
	9,086,418	10,937,210

31. Earnings per share

31.1. Basic earnings per share

Earnings Per Share (EPS) is calculated in accordance with Bangladesh Accounting Standard (BAS) 33 : Earnings Per Share. The calculation of EPS is given below:

A. Earnings attributable to the Ordinary Shareholders (net Profit after tax)	22,167,671	21,043,907
B. Number of ordinary of shares outstanding during the period	25,300,000	25,300,000
Earning Per Share (A/B)	0.88	0.83

31.2. Diluted earnings per share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the period.

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

Cash flows from Operating Activities:

Cash received from Sales , Export incentives and Others	1,165,488,510	1,128,622,650
Exchange Fluctuation Gain/ (Loss)	489,758	796,585
Receipts from Other Income	182,700	182,700
Cash paid for goods and services	(1,179,774,706)	(1,160,267,460)
Cash from operation	(13,613,738)	(30,665,525)
Interest paid	(67,072,023)	(55,602,525)
Income tax paid/deducted at sources	(9,054,446)	(8,650,614)
Net Cash inflows from operating activities	(89,740,207)	(94,918,664)
Divided by number of ordinary of shares	25,300,000	25,300,000
Net operating cash flows per share (NOCFPS)	(3.55)	(3.75)

NOCFPS became negative mainly due to adverse credit terms.

33. Reconciliation of net operating cash flow	1 July,2019 to 31 December ,2019	1 July,2018 to 31 December ,2018
Profit after tax	22,167,671	21,043,907
Depreciation	57,398,036	36,969,794
Changes in:		
Stock and Stores	(32,072,147)	(59,697,912)
Trade and other Debtors	(10,980,588)	(43,118,703)
Export Incentive Receivable	7,891,643	22,174,654
Advance Deposit and Prepayments	1,003,334	1,460,852
Trade Creditors	(122,301,126)	(77,389,737)
Accrued Expenses	(275,911)	9,581,449
Provision for Current Taxation	(10,212,144)	(3,145,024)
Workers' Participation /Welfare Funds	(1,303,589)	(2,931,052)
Provision for Gratitude	(193,582)	(1,036,642)
Provision for Deferred Taxation	(861,804)	1,169,750
Net cash provided (used) by operating activities	<u>(89,740,207)</u>	<u>(94,918,664)</u>

34. Net Assets Value (NAV) per Share	December 31,2019	June 30,2019
	Taka	Taka
Total Assets	3,044,850,359	2,771,661,024
Total Liabilities	(1,937,226,907)	(1,673,714,633)
A. Net Assets	<u>1,107,623,452</u>	<u>1,097,946,391</u>
B. Number of ordinary of shares	<u>25,300,000</u>	<u>25,300,000</u>
Net Assets Value (NAV) per Share (A/B)	<u>43.78</u>	<u>43.40</u>

The NAV per share increased mainly due to revaluation surplus detailed in note 12.