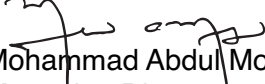


Dear Shareholders
Assalamu Alaikum Wa Rahmatullah!

We forward herewith of the First Quarter (Q1) Financial Statements (Un-audited) performances of the company, for the 3 (three) months period (July to September 2020) ended 30th September 2020 of H.R. Textile Mills Limited as per Regulation of the Stock Exchange (Listing) Regulations, 2015 under LR 17(1).


Mohammad Abdul Moyeed
Managing Director



First Quarter (Q1) Financial Statements (Un-Audited)
for the 3 (three) months period ended 30th September 2020

H.R. Textile Mills Limited
Mirandel (2nd Floor), House # 3
Road # 5, Block # J, Baridhara
Dhaka-1212, Bangladesh
Cell: 01990409190 (Share Department)
Fax: (8802) 9899147
E-mail: hrtex_cs@pride-grp.com
www.pride-grp.com/hrt

H.R Textile Mills Limited
Statement of Financial Position
As at September 30, 2020

Assets	Notes	Amount in Taka	
		As at September 30, 2020	As at June 30, 2020
Non-Current Assets			
Property, Plant and Equipment	4	1,537,217,453	1,556,043,229
Capital Works in Progress	5	624,584,118	593,132,526
Total Non-Current Assets		2,161,801,571	2,149,175,755
Current Assets			
Stocks and Stores	6	610,260,443	606,834,155
Trade and Other Debtors	7	562,238,950	610,274,903
Export Incentive Receivables	8	23,904,950	40,353,566
Advances, Deposits and Prepayments	9	93,065,672	88,020,582
Cash and Bank Balances	10	169,059,157	30,511,100
Total Current Assets		1,458,529,172	1,375,994,306
Total Assets		3,620,330,743	3,525,170,061
Shareholders' Equity & Liabilities			
Shareholders' Equity			
Share Capital	11	253,000,000	253,000,000
General Reserve	12	6,956,752	6,956,752
Tax Holiday Reserve	13	22,378,988	22,378,988
Dividend Equalisation Reserve	14	10,000,000	10,000,000
Revaluation Surplus	15	652,539,953	652,764,006
Retained earnings	16	147,217,389	137,216,290
Total Shareholders' Equity		1,092,093,082	1,082,316,036
Long-term Liabilities			
Long-term Loans-Secured, Future Maturity	17	1,311,116,338	1,208,061,584
Provision for Gratuity	18	26,823,268	27,218,882
Provision for Deferred Taxation	19	79,073,783	78,583,298
Total long-term Liabilities		1,417,013,389	1,313,863,764
Current Liabilities			
Bank Overdrafts- Secured	20	71,722,329	103,070,844
Time Loan- Secured	21	373,277,067	367,249,038
Trade Creditors	22	505,083,166	499,176,489
Accrued Expenses	23	38,640,609	44,352,811
Provision for Current Taxation	24	49,067,785	44,069,406
Bills Receivable Discounted	25	25,890,272	25,558,605
Workers' Participation /Welfare Funds	26	13,747,302	14,491,236
Current Maturity of Long-term Loans	27	33,795,742	31,021,832
Total Current Liabilities		1,111,224,272	1,128,990,261
Total Liabilities		2,528,237,661	2,442,854,025
Total Shareholders' Equity & Liabilities		3,620,330,743	3,525,170,061
Net Assets Value (NAV) per share	28	43.17	42.78

The annexed notes from 1 to 39 form an integral part of these financial statements.


Chairman


Managing Director


Director


CFO/H&A


Company Secretary

H.R Textile Mills Limited
Statement of Profit or Loss and other Comprehensive Income
For the period from July 1, 2020 to September 30, 2020

Particulars	Notes	First Qtr Ended July '20 to Sept. '20 Taka	First Qtr Ended July '19 to Sept. '19 Taka
Sales Revenue	29	593,027,598	476,029,461
Export Incentive Turnover	30	9,595,684	7,548,542
Cost of Goods Sold	31	602,623,282	483,578,003
Gross Profit		(508,856,585)	(409,784,654)
Administrative, Selling and General Expenses	32	93,766,697	73,793,349
Financial Expenses	33	(27,504,733)	(26,474,048)
Operating Profit		(50,691,223)	(32,613,493)
Other income	34	15,570,741	14,705,808
Profit Before contribution to WPPF		458,465	298,454
Contribution to WPPF	26	16,029,206	15,004,262
Net Profit before Tax		(763,296)	(714,488)
Income Tax Expenses		15,265,910	14,289,774
Current Tax	36	(5,528,403)	(3,842,448)
Deferred Tax	19	(4,998,379)	(4,466,429)
Net Profit after tax		(530,024)	623,981
		9,737,507	10,447,326
Earnings Per Share (EPS)	36	0.38	0.41

The annexed notes from 1 to 39 form an integral part of these financial statements.


Chairman


Managing Director


Director


CFO/HIA&C


Company Secretary

H.R Textile Mills Limited
Statement of Cash Flows
For the period from July 1, 2020 to September 30, 2020

Particulars	Notes	First Qtr Ended July '20 to Sept. '20 Taka	First Qtr Ended July '19 to Sept. '19 Taka
Cash flows from Operating Activities:			
Cash received from Sales and Export incentives		667,107,851	525,456,822
Exchange Fluctuation Gain/ (Loss)		367,115	207,104
Receipts from Other Income		91,350	91,350
Cash paid for goods and services		(526,302,081)	(463,163,591)
Cash from operation		141,264,235	62,591,685
Interest paid		(43,022,508)	(44,116,414)
Income tax paid/deducted at sources		(4,982,393)	(4,450,443)
Net Cash inflows from operating activities		93,259,334	14,024,828
Cash flows from Investing Activities:			
Acquisition of property, plant and equipment	4 & 5	(35,537,392)	(53,627,879)
Net Cash outflows from investing activities		(35,537,392)	(53,627,879)
Cash flows from Financing Activities:			
Bank Overdraft Received/(Repaid)		(31,348,515)	22,526,586
Long Term Loans Received/(Repaid)		103,054,754	81,048,154
Time Loan Received/(Repaid)		6,028,029	-
Bills Receivable Discounted Received/(Repaid)		331,667	(1,116,562)
Current Maturity of Long-term Loans		2,773,910	(18,282,988)
Cash Dividend Paid		(13,730)	(325,600)
Net Cash inflow from financing activities		80,826,115	83,849,590
Net increase/(decrease) in cash and bank balances		138,548,057	44,246,539
Cash and bank balances on opening		30,511,100	24,770,312
Net increase/(decrease) in cash and bank balances		138,548,057	44,246,539
Cash and bank balances at closing - Note 10		169,059,157	69,016,851
Net operating cash flows per share (NOCFPS)	37	3.69	0.55

The annexed notes from 1 to 39 form an integral part of these financial statements.


Chairman


Managing Director


Director


CFO/MA&C


Company Secretary

H.R Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the first Quarter ended September 30, 2020

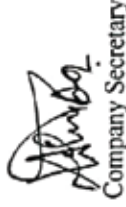
Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2020	253,000,000	6,956,752	22,378,988	652,764,006	10,000,000	137,216,290	1,082,316,036
Revaluation reserve realised	-	-	-	(224,053)	-	263,592	39,539
Net profit after Tax	-	-	-	-	-	9,737,507	9,737,507
Balance as on September 30, 2020	253,000,000	6,956,752	22,378,988	652,539,953	10,000,000	147,217,389	1,092,093,082

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
Revaluation reserve realised	-	-	-	(263,592)	-	263,592	-
Net profit after Tax	-	-	-	-	-	10,447,326	10,447,326
Balance as on September 30, 2019	253,000,000	6,956,752	22,378,988	685,404,584	10,000,000	130,653,393	1,108,393,717


Chairman


Managing Director


CFO/H&A&C


Company Secretary

H.R TEXTILE MILLS LIMITED
Notes to the financial statements
For the 1st Quarter ended 30 September 2020
Forming an integral Part of the Financial Statements

1. Notes-General

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 a ongoing basis.

2.5 Reporting period

The financial reporting period of the company covers three months from 01 July 2020 to 30 September 2020.

2.6 Comparative Information and Rearrangement Thereof

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

2.7 Corporate Accounting Standards Practiced

IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventories	Complied
IAS 7	Cash Flows Statement	Complied
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors	Complied

IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 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 27	Separate Financial Statements	Complied
IAS 28	Investments in Associates and Joint Ventures	Not Applicable
IAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings Per Share	Complied
IAS 34	Interim Financial Reporting	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
IAS 40	Investment Property	Not Applicable

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

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

2.8 Component of Financial Statements

- (i) Statement of Financial Position as at 30 September 2020;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period ended 30 September 2020;
- (iii) Statements of Changes in Shareholders' Equity for the period ended 30 September 2020;
- (iv) Statement of Cash Flows for the period ended 30 September 2020; and
- (v) Notes to the Financial Statements for the period ended 30 September 2020.

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 realizable value. The cost of inventories is valued at weighted average cost method and includes costs for acquiring the inventories and bringing them to their existing locations and conditions.

3.3 Provisions

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

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

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

3.4 Earnings per share (EPS)

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

*This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the period.

Diluted Earnings per share

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

3.5 Revenue

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

3.6 Trade receivables

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

3.7 Finance income and expenses

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

3.8 Cash and cash equivalents

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

3.9 Taxation

Current tax

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

Deferred tax

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

3.10 Foreign Currency Transaction

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

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

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

3.11 Employee Benefits:

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

Retrial Benefits (Gratuity):

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

3.12 Related party disclosure

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

3.13 Statement of Cash Flows

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

3.14 Events after the Reporting Period

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

3.15 Risk Exposure

Interest Rate Risk

Interest rate risk is the risk that company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The company has mostly fixed rate loans; and accordingly, adverse, impact of interest rate fluctuation is insignificant.

Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate increases against locale currency, opportunity arises for generating more profit.

Management Perception

The company's exports exceed imports; therefore, volatility of exchange rates has limited impact on profitability of the company.

Industry Risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

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

Market risks

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

Management Perception

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

Operational Risks

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

Management Perception

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

Liquidity Risk

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

Management Perception

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

Financial risk management (IFRS 7)

Introduction

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors (Treasury Policy). Company Treasury identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Treasury Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

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

Credit risks:

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

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

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

Market risks

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

Interest rate risk

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

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

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

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

Liquidity risk

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

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

3.16 COVID-19 disclosure in the financial statements

On 30 January 2020, the World Health Organization declared the outbreak of Novel Corona Virus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh and stock Exchange of Bangladesh declared general holiday from 26 March 2020. Since then the Company temporarily closed its office and branches stopping all of its operations due to health concerns associated with COVID-19. While the disruption is currently expected to be temporary, there is uncertainty around the duration as well as the recovery timeline. Therefore, while the Company expects this matter to negatively impact its business. The Company has considered key accounting considerations related to conditions that may result from the COVID-19.

4. Property, Plant and Equipment

	Amount in Taka	
	Sept. 30, 2020	June 30, 2020
Opening Balance	2,664,361,072	2,494,358,742
Add: Addition this period	4,085,800	170,002,330
Less: Accumulated Depreciation	(1,131,229,419)	(1,108,317,843)
Closing Balance	1,537,217,453	1,556,043,229

4.1. Depreciation for the year is charged as below:

	Amount in Taka	
	Sept. 30, 2020	Sept. 30, 2019
Cost of Goods Sold-Note 31.1	18,329,261	22,573,356
Administrative, Selling and General Expenses-Note 32.1	4,582,315	5,643,339
	22,911,576	28,216,695

5. Capital Works in Progress

Opening Balance	593,132,526	180,902,592
Add: Addition this period	31,451,592	412,229,934
Closing Balance	624,584,118	593,132,526

6. Stocks and stores

6.1 The make-up is as below:

	September 30, 2020		June 30, 2020		
	In Kg	Taka	In Kg	Taka	
Stock of Yarn	6.2	1,079,698	308,587,458	1,096,298	305,195,048
Stock of Dyes and Chemicals	6.3	442,353	80,300,635	438,527	78,071,491
Stock of Work-in-Process	6.4		89,183,055		93,354,996
Stock of Finished Goods	6.5		95,762,394		84,784,030
Stock of Accessories			10,259,874		10,893,146
Goods in Transit			15,598,547		21,485,623
			599,691,963		593,784,334
Stock of Spares			10,568,480		13,049,821
			610,260,443		606,834,155

6.2 Stock of Yarn

Stock of Yarn	1,079,698	308,587,458	1,096,298	305,195,048
	1,079,698	308,587,458	1,096,298	305,195,048

6.3 Stock of Dyes and Chemicals

Dyes	39,805	40,431,694	39,827	40,432,279
Chemicals	402,548	39,868,941	398,700	37,639,212
	442,353	80,300,635	438,527	78,071,491

6.4 Stock in Work in Process

Cost of Materials	52,584,598	57,328,297
Costs of Conversion	36,598,457	36,026,699
	89,183,055	93,354,996

6.5 Stock of Finished Products

Finished Garments	35,896,547	26,158,748		
Knitted Fabrics	138,697	59,865,847	135,979	58,625,282
	138,697	95,762,394	135,979	84,784,030

7. Trade and Others Debtors

	September 30, 2020		June 30, 2020	
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 Days)	6,635,454	556,714,554	6,206,165	519,766,306
Other Debtors	65,845	5,524,396	1,080,700	90,508,597
	6,701,299	562,238,950	7,286,865	610,274,903

These are unsecured but considered good.

8. Export Incentives Receivable

	Amount in Taka	
	Sept. 30, 2020	June 30, 2020
Opening Balance	40,353,566	55,458,792
Received during the period	(26,044,300)	(46,360,100)
	14,309,266	9,098,692
For the period	9,595,684	31,254,874
Closing Balance	23,904,950	40,353,566

The receivables are unsecured but considered good.

9. Advances, Deposits and Prepayments

Advances :

Salary Advance	1,436,633	1,126,209
Advance Tax	556,000	460,000
Factory Insurance Advance	199,797	998,986
Operational Advance	8,358,308	7,902,846
Eltech Engineering Co. Ltd	6,600,000	6,600,000
Tax deducted at source	45,359,183	40,376,790
	<u>62,509,921</u>	<u>57,464,831</u>

Deposits :

Security Deposits	20,571,731	20,571,731
Bank Guarantee Margin	9,984,020	9,984,020
	<u>30,555,751</u>	<u>30,555,751</u>
	<u>93,065,672</u>	<u>88,020,582</u>

The advances are unsecured but considered good.

10. Cash and Bank Balances

Cash at Banks with Banks on Current Account:

Brac Bank Ltd, Dhanmondi Branch, CD A/c	125,631	13,916
Mutual Trust Bank Ltd., Gulshan Branch, CD A/c	3,540	563,161
Mutual Trust Bank Ltd., Gulshan Branch, Dollar A/c	3,403,545	5,900,861
Mutual Trust Bank Ltd., Gulshan Branch, ERQ A/c	342,152	342,152
Mutual Trust Bank Ltd., Gulshan Branch, SND A/c	3,863,951	1,189,241
HSBC, Anchor Tower Branch, MDA Margin A/c	27,745,864	99
HSBC, Anchor Tower Branch, FCY A/c	4,167,375	3,242,894
Trust Bank Ltd, SKB Branch, Dollar A/c	104,640,808	1,100,349
Trust Bank Ltd, SKB Branch, FCAD A/c	500,309	18,003
Trust Bank Ltd, SKB Branch, CD A/c	85,930	3,183
IPDC Finance	15,000,000	10,000,000
United Commercial Bank Ltd, CD A/c	-	2,325,680
Dutch Bangla Bank Ltd., Gulshan Branch, CD A/c	85,465	36,872
AB Bank Ltd, Motijheel Branch, CD A/c	303,458	330,692
AB Bank Ltd, Motijheel Branch, Notice A/c	922,282	936,012
	<u>161,190,310</u>	<u>26,003,115</u>

With Bank on Short Term Deposit Account:

Trust Bank Ltd., SKB Branch, SND A/c	4,662,655	180,141
Southeast Bank Ltd, Principal Branch, STD A/c	1,070,512	1,039,104
	<u>5,733,167</u>	<u>1,219,245</u>
Cash at Banks	166,923,477	27,222,360
Cash in Hand	2,135,680	3,288,740
	<u>169,059,157</u>	<u>30,511,100</u>

11. Share Capital**11.1 Authorized:**

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

Amount in Taka	
Sept. 30, 2020	June 30, 2020
1,000,000,000	1,000,000,000

11.2 Issued, Subscribed and Paid-up:

25,300,000 Ordinary Shares of Tk.10 each fully paid-up

14,000,000 Ordinary Shares of Tk.10 each fully paid-up in cash

11,300,000 Ordinary Shares of Tk.10 each issued as fully paid-up bonus shares

253,000,000	253,000,000
140,000,000	140,000,000
113,000,000	113,000,000
253,000,000	253,000,000

11.3 Composition of Shareholdings:**Classes of Holdings**

Sponsors

Financial Institutions

Investment Corporation of Bangladesh

7th ICB Unit Fund

ICB Investors A/c

ICB Mutual Fund

ICB Unit Fund

ICBMS

General Public

September 30, 2020		June 30, 2020	
No. of Shares	%	No. of Shares	%
12,808,619	50.63	12,808,619	50.63
1,760,838	6.96	1,760,838	6.96
378,874	1.50	378,874	1.50
5,000	0.02	5,000	0.02
27,690	0.11	27,690	0.11
3,000	0.01	3,000	0.01
378,187	1.49	378,187	1.49
191,188	0.76	191,188	0.76
9,746,604	38.52	9,746,604	38.52
25,300,000	100	25,300,000	100.00

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

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

Shareholdings range in number of shares	September 30, 2020			June 30, 2020		
	No. of shareholders	No. of Shares	Holdings %	No. of Shareholders	No. of Shares	Holdings %
0000001-0000499	6,932	1,938,961	7.66	6,932	1,938,961	7.66
0000500-0000500	3,754	1,877,000	7.42	3,754	1,877,000	7.42
0000501-0002000	915	2,025,543	8.00	915	2,025,543	8.00
0002001-0005000	520	1,664,000	6.58	520	1,664,000	6.58
0005001-0010000	118	832,136	3.29	118	832,136	3.29
0010001-0050000	46	1,518,000	6.00	46	1,518,000	6.00
0050001-0100000	4	352,000	1.39	4	352,000	1.39
0100001-0250000	6	1,272,000	5.03	6	1,272,000	5.03
0250001-0500000	2	1,011,741	4.00	2	1,011,741	4.00
050001 and above	6	12,808,619	50.63	6	12,808,619	50.63
Total	12,303	25,300,000	100.00	12,303	25,300,000	100

11.4 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 the issuance of new shares.

12. General Reserve

Opening and Closing Balance

Amount in Taka	
Sept. 30, 2020	June 30, 2020
6,956,752	6,956,752
6,956,752	6,956,752

13. Tax Holiday Reserve

Opening and Closing Balance

22,378,988	22,378,988
22,378,988	22,378,988

14. Dividend Equalisation Reserve

Opening and Closing Balance

10,000,000	10,000,000
10,000,000	10,000,000

15. Revaluation Surplus

Revaluation Surplus

Revaluation reserve realised

Closing Balance

Amount in Taka	
Sept. 30, 2020	June 30, 2020
652,764,006	653,660,218
(224,053)	(896,212)
652,539,953	652,764,006

M/S. Ahmad and Akhtar & Co. Chartered Accountants, Dhaka, Bangladesh (the valuer) revalued the Factory Lands & Building as of December 31, 2018 at "Current Cost Accounting Method (CCA)". Due to the revaluation, a net revaluation surplus amounting to Tk.686,195,360.00 arose and accounted for.

16. Retained earnings

Balance as on June 30,2020	137,216,290	120,496,018
Total Comprehensive income for the period:		
Profit for the period	9,737,507	28,156,514
Revaluation reserve realised	263,592	1,054,368
	147,217,389	149,706,900
Dividend during the year:		
Final dividend for previous year	-	(12,490,610)
Balance as on September 30, 2020	147,217,389	137,216,290

17. Long-term Loan -Secured Future Maturity

9% Loan - Note 17.1	1,134,449,145	981,018,475
5% Loan - Note 17.2	1,271,587	8,577,655
15% Loan - Note 17.3	162,321,477	156,548,999
Deferred L/C Liabilities -Note 17.4	13,074,129	61,916,455
	1,311,116,338	1,208,061,584

17.1 The movement of loan is as follows:

Opening Balance	981,018,475	530,485,517
Loan received this period	153,430,670	450,532,958
Closing Balance	1,134,449,145	981,018,475

The loan has been taken from Mutual Trust Bank Ltd, Gulshan Branch for import of Plant and machinery. The loan carries interest at 9% and is repayable in 16 Quarterly installments, starting from 11 June, 2021. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

17.2 The movement of loan is as follows:

Opening Balance	8,577,655	39,178,786
Current Maturity	(7,306,068)	(31,021,832)
Unrealised loss	-	420,701
Closing Balance	1,271,587	8,577,655

The offshore has been taken from The Honkong and Shanghai Banking Corporation Plc , Anchor Tower Branch ,108 Bir Uttam CR 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 1 January 2014.

17.3 The movement of loan is as follows:

Opening Balance	156,548,999	150,000,000
Interest	5,772,478	6,548,999
Closing Balance	162,321,477	156,548,999

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 installments, starting from 25 November 2019.

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

Opening Balance	61,916,455	136,166,165
Addition this period	-	61,916,455
Paid this period	(48,842,326)	(136,166,165)
Closing Balance	13,074,129	61,916,455

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.

18. Provision for Gratuity

	Amount in Taka	
	Sept. 30, 2020	June 30, 2020
Opening Balance	27,218,882	28,392,064
Contribution during this Period	956,845	3,822,463
	28,175,727	32,214,527
Paid during this period	(1,352,459)	(4,995,645)
Closing Balance	26,823,268	27,218,882

19. Provision for Deferred Taxation

Opening Balance	78,583,298	75,814,244
Provision during the period	530,024	2,927,209
Adjustment for depreciation of revalued assets	(39,539)	(158,155)
Closing balance	79,073,783	78,583,298

A. Property, Plant and Equipment

	Amount in Taka	
	Sept. 30, 2020	Sept. 30, 2019
WDV of Accounting Base	852,867,237	762,341,488
WDV of Tax Base	510,953,842	446,914,858
Texable temporary difference	341,913,395	315,426,630
Tax Rate	15%	15%
Deferred tax liability / (asset)	51,287,009	47,313,995

B. Deferred Tax on Gratuity Provision

Opening Balance of deferred tax liability for gratuity provision	(4,082,832)	(4,258,810)
Add: Addition during the period	59,342	(33,630)
	(4,023,490)	(4,292,440)

C. Calculation of deferred Tax

Revalued value of Land	644,020,625	644,020,625
Revalued value of other than land	40,329,591	41,647,551

Tax Rate

On land	4%	4%
On other than land	15%	15%

Deferred tax liabilities

On land	25,760,825	25,760,825
On other than land	6,049,439	6,247,133
Deferred tax liability / (asset)	31,810,264	32,007,958

Total (A+B+C)

79,073,783	75,029,512
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Calculation of deferred tax charges on Profit or Loss Account

Deferred tax liability other than revalued asset as on June 30,2020	46,733,495	42,397,574
Deferred tax liability other than revalued asset as on September 30,2020	47,263,519	43,021,555
	530,024	623,981

20. Bank Overdrafts

Trust Bank Ltd, SKB Branch	50,575,653	53,535,858
HSBC Bank, Plc,Anchor Tower Branch,Kawranbazar	21,146,676	49,534,986
	71,722,329	103,070,844

These are secured.

21. Time Loan Bank

	Amount in Taka	
	Sept. 30, 2020	June 30, 2020
Opening Balance	367,249,038	-
Loan received this period	-	350,000,000
Add: Interest	6,028,029	17,249,038
Closing Balance	373,277,067	367,249,038

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

22. Creditors

	As at September 30, 2020		As at June 30, 2020	
	US\$	Taka	US\$	Taka
For Import Purchases	5,824,044	489,103,253	5,680,649	482,003,067
For Local Purchases		7,598,654		8,843,614
For Dividend Payable		7,383,945		7,397,675
For Staff Income Tax		625,845		560,664
For Refund Warrant		371,469		371,469
		505,083,166		499,176,489

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

23 Accrued Expenses

Gas Expenses (Factory)	25,363,491	31,782,536
Electricity Bill	166,053	18,430
Telephone	135,500	129,577
Salaries, Wages and Allowances	12,758,940	11,843,768
Security Bill	96,000	96,000
Legal Fee	15,000	60,000
Auditors' Fee (including Vat)	43,125	172,500
AGM Expenses	62,500	250,000
	38,640,609	44,352,811

24. Provision for Current Taxation

	Amount in Taka	
	Sept. 30, 2020	June 30, 2020
Opening balance	44,069,406	30,415,148
Addition during the period	4,998,379	13,654,258
	<u>49,067,785</u>	<u>44,069,406</u>
Paid during the period	-	-
Closing Balance	<u>49,067,785</u>	<u>44,069,406</u>

25. Bills Receivable Discounted

Opening Balance	25,558,605	38,658,707
Discounted during the period	32,586,542	235,845,740
	<u>58,145,147</u>	<u>274,504,447</u>
Collected during the period	(32,254,875)	(248,945,842)
Closing Balance	<u>25,890,272</u>	<u>25,558,605</u>

26. Workers' Participation/Welfare Funds

Opening Balance	14,491,236	18,386,925
Payment during this period	(1,752,684)	(6,987,542)
	<u>12,738,552</u>	<u>11,399,383</u>
Contributions for the period	763,296	2,236,899
Interest during the period	245,454	854,954
Closing Balance	<u>13,747,302</u>	<u>14,491,236</u>

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

27. Current Maturity of long-term loans

Opening Balance	31,021,832	70,342,008
Current Maturity this period	7,306,068	31,021,832
	<u>38,327,900</u>	<u>101,363,840</u>
Paid during this period	(4,532,158)	(70,342,008)
Closing Balance	<u>33,795,742</u>	<u>31,021,832</u>

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

28. Net Assets Value (NAV) per Share

Total Assets	3,620,330,743	3,525,170,061
Total Liabilities	(2,528,237,661)	(2,442,854,025)
A. Net Assets	<u>1,092,093,082</u>	<u>1,082,316,036</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>43.17</u>	<u>42.78</u>

The NAV per share increased mainly due to revaluation surplus detailed in note 15.

29. Sales	July 1, 2020 to September 30, 2020			July 1, 2019 to September 30, 2019		
	Quantity	USD	Taka	Quantity	USD	Taka
Export sales:						
Knit Fabrics (Kgs)	333,028	1,735,078	145,399,574	359,805	1,852,997	154,262,000
Garments (pcs)	2,216,441	5,341,623	447,628,024	1,781,140	3,865,075	321,767,461
Total		<u>7,076,701</u>	<u>593,027,598</u>		<u>5,718,072</u>	<u>476,029,461</u>

30. Export Incentives

	Amount in Taka	
	Sept. 30, 2020	Sept. 30, 2019
Cash Incentive	9,595,684	7,548,542
	<u>9,595,684</u>	<u>7,548,542</u>

31. Cost of Goods Sold

31.1 The break-up is as follows:-

Materials Consumed - Note 31.2	414,614,314	370,876,584
Salary, Wages and Allowances	50,965,853	49,065,845
Tiffin & Entertainment Expenses	235,985	237,584
Depreciation - Note 4.1	18,329,261	22,573,356
Stores and Spares Consumed	402,568	354,598
Factory Conveyance	235,698	235,642
Power and Gas	25,363,491	23,394,347
Gratuity	685,632	612,546
Vehicle expenses	452,698	465,324
Repairs and Maintenance	362,562	372,564
Packing & Loading Expenses	359,685	275,692
Import Landing, Clearing and Insurance	382,522	382,569
Factory Stationery Expenses	302,659	289,573
Carriage Inward and Outward	675,825	523,598
Knitting, Sewing & Processing Charge	1,235,642	1,302,568
Factory Insurance	799,189	831,764
Sewing Machine Rental	202,564	195,684
Miscellaneous	56,860	56,200
Total Manufacturing Costs for the year	515,663,008	472,046,038
Add Opening Work in Process	93,354,996	44,367,516
Total Manufacturing Costs	609,018,004	516,413,554
Less Closing Work in Process	89,183,055	70,256,845
Cost of Goods Manufactured	519,834,949	446,156,709
Add Opening Finished Goods	84,784,030	41,029,893
Cost of Goods available for use	604,618,979	487,186,602
Less Closing Finished Goods	95,762,394	77,401,948
Cost of Goods Sold	<u>508,856,585</u>	<u>409,784,654</u>

31.2 Materials Consumed

	July 1, 2020 to September 30, 2020		July 1, 2019 to September 30, 2019	
	Quantity (Kg.)	Taka	Quantity (Kg.)	Taka
Yarn	978,076	276,130,292	925,761	258,768,711
Dyes	70,347	45,635,684	57,546	37,269,487
Chemicals	377,193	44,689,871	308,456	36,578,541
Accessories		48,158,467		38,259,845
Total Materials Consumption		<u>414,614,314</u>		<u>370,876,584</u>

32. Administrative, Selling and General Expenses

32.1 The break-up is as below:

	Amount in Taka	
	Sept. 30, 2020	Sept. 30, 2019
Directors' Remuneration	700,000	700,000
Salaries and Allowances	13,863,468	12,226,985
Security Service charges	288,000	288,000
Depreciation - Note 4.1	4,582,315	5,643,339
Electricity Expenses	459,339	846,828
Postage, Courier, Telephone and Fax	492,654	379,585
Form & Stamp	425,648	259,857
Gratuity	271,213	285,697
Travelling and Conveyance	363,542	228,653
Legal and Professional Expenses	15,000	15,000
Auditors' Fee-Note 32.2	37,500	37,500
A.G.M Expenses	75,623	125,658
Registration and Fees	411,926	235,684
Staff welfare	346,542	275,698
Stationery Expenses	356,241	242,365
Office Repairs and Maintenance	465,345	202,941

Vehicle Expenses	565,324	525,842
Entertainment Expenses	463,251	309,654
Central fund for RMG	141,424	76,301
Buying House Commission	956,200	875,500
Freight Charges & Freight out	1,458,456	1,678,905
Garments Testing & Inspection Charges	640,080	878,456
Miscellaneous	125,642	135,600
	<u>27,504,733</u>	<u>26,474,048</u>

33. Financial Expenses

Interest Expenses	43,267,962	26,940,068
Bank Charges	7,423,261	5,673,425
	<u>50,691,223</u>	<u>32,613,493</u>

33.1 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	245,454	334,920
Interest on Long Term Loans	24,678,403	16,517,894
Interest on Bills Discounted	4,597,291	6,056,252
Interest on Bank Overdraft	1,946,307	2,428,200
Interest on Time Loan	6,028,029	1,602,802
Interest on Lease Finance	5,772,478	-
	<u>43,267,962</u>	<u>26,940,068</u>

34. Other Income

Rental income	91,350	91,350
Exchange Fluctuation Gain/(Loss) { see below}	367,115	207,104
	<u>458,465</u>	<u>298,454</u>

35. Current Tax

	Amount in Taka	
	Sept. 30, 2020	Sept. 30, 2019
Profit before tax	15,265,910	14,289,774
Depreciation as per Accounting base	22,911,576	28,216,695
	38,177,486	42,506,469
Depreciation as per Tax base	(25,785,873)	(24,281,022)
	12,391,613	18,225,447
Provision for Gratuity for the Year	956,845	898,243
	13,348,458	19,123,690
Other income (Separate calculation)	(91,350)	(91,350)
	13,257,108	19,032,340
Payment for Grauity	(1,352,459)	(2,071,425)
	11,904,649	16,960,915
Tax Rate @ 15%	1,785,697	2,544,137
Minimum tax	4,982,393	4,450,443
Add: Other income tax		
Rental income	91,350	91,350
Maintenance @ 30%	(27,405)	(27,405)
	63,945	63,945
Tax Rate @ 25%	15,986	15,986
Current tax	4,998,379	4,466,429
Additional Tax for the Prior Years finally determined	-	-
	<u>4,998,379</u>	<u>4,466,429</u>

36. Earnings per share

36.1. Basic earnings per share

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

A. Earnings attributable to the Ordinary Shareholders (net Profit after tax)	9,737,507	10,447,326
B. Number of ordinary of shares outstanding during the year	25,300,000	25,300,000
Earning Per Share (A/B)	<u>0.38</u>	<u>0.41</u>

36.2. Diluted earnings per share

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

37. Net Operating Cash Flows per Share (NOCFPS):**Cash flows from Operating Activities:**

Cash received from Sales , Export incentives and Others	667,107,851	525,456,822
Exchange Fluctuation Gain/ (Loss)	367,115	207,104
Receipts from Other Income	91,350	91,350
Cash paid for goods and services	(526,302,081)	(463,163,591)
Cash from operation	141,264,235	62,591,685
Interest paid	(43,022,508)	(44,116,414)
Income tax paid/deducted at sources	(4,982,393)	(4,450,443)
Net Cash inflows from operating activities	93,259,334	14,024,828
Divided by number of ordinary of shares	25,300,000	25,300,000
Net operating cash flows per share (NOCFPS)	3.69	0.55

NOCFPS became negative mainly due to adverse credit terms.

38. Reconciliation of net operating cash flow

	Amount in Taka	
	Sept. 30, 2020	Sept. 30, 2019
Profit after tax	9,737,507	10,447,326
Depreciation	22,911,576	28,216,695
Changes in:		
Stock and Stores	(3,426,288)	(22,407,337)
Trade and other Debtors	64,484,569	41,878,819
Advance Deposit and Prepayments	(5,045,090)	(265,893)
Trade Creditors	5,959,946	(49,989,223)
Accrued Expenses	(5,712,202)	1,887,819
Provision for Current Taxation	4,998,379	4,466,429
Provision for Gratitude	(395,614)	224,207
Workers' Participation /Welfare Funds	(743,934)	189,967
Provision for Deferred Taxation	490,485	(623,981)
Net cash provided (used) by operating activities	93,259,334	14,024,828

39. Related Parties Disclosures

A. The Company in normal course of business carried out a number of transactions with other entities that fall within the definition of "related Party" contained in Bangladesh Accounting Standard-24: "Related party Disclosures". Total exposure with the related parties during the year ended as at, September 30, 2020 is as under:

Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			Sept. 30, 2020	Sept. 30, 2019
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	145,399,574	154,262,000
		Receivable	5,524,396	32,584,850
Pride Limited	Common Director	No Transaction	-	-
Dacca Textiles Limited	Common Director	No Transaction	-	-
Pride Spinning Limited	Common Director	No Transaction	-	-

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

Name of Directors	Designation	Monthly Remuneration	Bonus during the period	Sept. 30, 2020	Sept. 30, 2019
Prof. Dr. Muhammad Abdul Moyeen	Chairman	-	-	-	-
Mr. Mohammad Abdul Moyeed	Managing Director	200,000	100,000	700,000	700,000
Prof. Mohamamd Abdul Momen	Director	-	-	-	-
Ms. Ruhey Rawa	Director	-	-	-	-
Ms. Sumbal Azad Momen	Director	-	-	-	-
Ms. Sana Kainat Moyeen	Director	-	-	-	-
Prof. Dr. A.H.M Habibur Rahman	Independent Director	-	-	-	-
Prof. Dr. Md. Zakir Hossain Bhuiyan	Independent Director	-	-	-	-
Total		200,000	100,000	700,000	700,000

H.R Textile Mills Limited
Schedule of Property, Plant and Equipment

Annexure-A
(Amount in Taka)

Particulars	Cost or valuation		Rate %	Depreciation			W.D.V. As on September 30, 2020
	As on July 01, 2020	Addition/ (Deletion)		As on September 30, 2020	As on September, 2020	During the Year	
Factory Land and Development	8,479,375	-	-	8,479,375	-	-	8,479,375
Factory Building	336,957,885	-	2.50	336,957,885	2,105,987	84,741,150	252,216,735
Factory Shed	6,823,475	-	7.50	6,823,475	-	6,823,470	5
Plant and Machinery	1,464,038,732	3,196,800	7.00	1,467,235,532	17,026,450	902,935,737	564,299,795
Electric Installation	34,280,804	-	10.00	34,280,804	857,020	24,478,068	9,802,736
Gas Installation	7,826,035	-	10.00	7,826,035	195,651	6,806,676	1,019,359
Water Installation	8,990,520	-	10.00	8,990,520	224,763	7,877,102	1,113,418
Steam Installation	2,563,352	-	10.00	2,563,352	-	2,563,342	10
Furniture and Fixtures	10,166,727	-	10.00	10,166,727	190,445	10,166,722	5
Telephone Installation	1,027,861	-	10.00	1,027,861	-	1,027,851	10
Motor Vehicles	46,192,122	-	15.00	46,192,122	1,732,205	36,088,874	10,103,248
Office Equipment	38,016,447	889,000	10.00	38,905,447	-	35,321,261	3,584,186
Loose Tools	183,875	-	10.00	183,875	-	183,865	10
Factory Equipment	12,618,502	-	10.00	12,618,502	315,463	10,370,157	2,248,345
A. Total	1,978,165,712	4,085,800		1,982,251,512	22,647,984	1,129,384,275	852,867,237

B. Revaluation

Factory Land and Development	644,020,625	-	-	644,020,625	-	-	644,020,625
Factory Building	42,174,735	-	2.50	42,174,735	263,592	1,845,144	40,329,591
Total	686,195,360	-		686,195,360	263,592	1,845,144	684,350,216
Total (A+B) as on September 30, 2020	2,664,361,072	4,085,800		2,668,446,872	22,911,576	1,131,229,419	1,537,217,453
Total Taka as on June 30, 2020	2,494,358,742	170,002,330		2,664,361,072	89,359,268	1,108,317,843	1,556,043,229