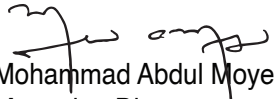


Dear Shareholders

We forward herewith the first quarter (Q1) financial statements un-audited of H.R. Textile Mills Limited for the first quarter period from 1st July to 30th September 2019 as per the Stock Exchange (Listing) Regulations, 2015 under LR 16(2).

  
Mohammad Abdul Moyeed  
Managing Director



First Quarter (Q1) Financial Report 2019 (Un-audited)  
for the first quarter period ended 30th September 2019


H.R. Textile Mills Limited  
Mirandel (2nd Floor), House # 3  
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**H.R TEXTILE MILLS LIMITED**  
**Statement of Finanacial Position (Un-Audited)**  
**As at September 30, 2019**

ASSETS	As at Sept. 30, 2019 Taka	As at June 30, 2019 Taka
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1,681,713,943	1,656,302,759
<b>Total Non-Current Assets</b>	<b>1,681,713,943</b>	<b>1,656,302,759</b>
<b>CURRENT ASSETS:</b>		
Stocks and Stores	415,684,587	393,277,250
Trade and others Debtors	548,256,022	574,533,283
Export Incentive Receivables	39,857,234	55,458,792
Advance, Deposits and Prepayments	67,584,521	67,318,628
Cash and Bank Balances	69,016,851	24,770,312
<b>Total Current Assets</b>	<b>1,140,399,215</b>	<b>1,115,358,265</b>
<b>TOTAL ASSETS</b>	<b>2,822,113,158</b>	<b>2,771,661,024</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	253,000,000	253,000,000
General Reserve	6,956,752	6,956,752
Tax Holiday Reserve	22,378,988	22,378,988
Dividend Equalisation Reserve	10,000,000	10,000,000
Revaluation Surplus	685,404,584	685,668,176
Unappropriated Profit	130,653,393	119,942,475
<b>Total Shareholders' Equity</b>	<b>1,108,393,717</b>	<b>1,097,946,391</b>
<b>LONG -TERM LIABILITIES:</b>		
Long Term Loans-Secured Future Maturity	786,878,622	705,830,468
Provision for Gratuity	28,616,271	28,392,064
Provision for Deferred Taxation	43,735,848	44,359,829
	<b>859,230,741</b>	<b>778,582,361</b>
<b>CURRENT LIABILITIES:</b>		
Bank Overdrafts -Secured	101,777,694	79,251,108
Trade Creditors	580,626,610	630,941,433
Accrued Expenses	29,024,762	27,136,943
Provision for Current Taxation	34,881,577	30,415,148
Bills Receivable Discounted	37,542,145	38,658,707
Workers' Participation /Welfare Funds	18,576,892	18,386,925
Current Maturity of Long -term Loans	52,059,020	70,342,008
<b>Total Current Liabilities</b>	<b>854,488,700</b>	<b>895,132,272</b>
<b>Total Liabilities</b>	<b>1,713,719,441</b>	<b>1,673,714,633</b>
<b>Total Equity and Liabilities</b>	<b>2,822,113,158</b>	<b>2,771,661,024</b>
<b>Net Assets Value (NAV) per share of Tk.10</b>	<b>43.81</b>	<b>43.40</b>



Chairman



Managing Director



Director



CFO/RF&A



Company Secretary



**H.R TEXTILE MILLS LIMITED**

**Statement of Profit or Loss and other Comprehensive Income (Un-Audited)**

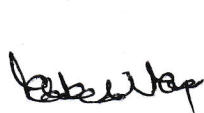
**For the period from July 01, 2019 to September 30, 2019**


Particulars	First Qtr Ended July,19 to Sept,19 Taka	First Qtr Ended July,18 to Sept,18 Taka
Sales	476,029,461	465,934,418
Export Incentives	7,548,542	5,345,632
<b>Turnover</b>	<b>483,578,003</b>	<b>471,280,050</b>
Less: Cost of Goods Sold	409,784,654	401,462,350
<b>Gross Profit</b>	<b>73,793,349</b>	<b>69,817,700</b>
Less: Administrative, Selling and General Expenses	59,087,541	58,254,654
<b>Operating Profit</b>	<b>14,705,808</b>	<b>11,563,046</b>
Add: Other Income	298,454	360,095
<b>Net Profit before WPP &amp; WF</b>	<b>15,004,262</b>	<b>11,923,141</b>
Less: Provision Contribution to WPP & WF	714,488	567,769
<b>Net Profit/before Tax</b>	<b>14,289,774</b>	<b>11,355,372</b>
Income Tax Expenses	3,842,448	1,703,306
Current Tax	4,466,429	1,668,689
Deferred Tax	(623,981)	34,617
<b>Net Profit after tax</b>	<b>10,447,326</b>	<b>9,652,066</b>
(Transferred to the Statement of Changes in Equity)	-	-
<b>Earning Per Share (EPS) of Tk.10 (basic and diluted)</b>	<b>0.41</b>	<b>0.38</b>

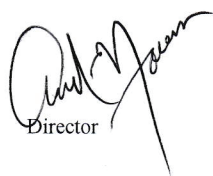
**Cash Flows Statement (Q1) Un-Audited**

**For the period from July 01, 2019 to September 30, 2019**

Particulars	First Qtr Ended July,19 to Sept,19 Taka	First Qtr Ended July,18 to Sept,18 Taka
<b>Cash flows from Operating Activities:</b>		
Cash received from Sales and Export incentives	525,456,822	444,767,928
Exchange Fluctuation Gain/ (Loss)	207,104	268,745
Receipts from Other Income	91,350	91,350
Cash paid for goods and services	(463,163,591)	(502,790,944)
<b>Cash from operation</b>	<b>62,591,685</b>	<b>(57,662,921)</b>
Interest paid	(44,116,414)	(31,792,973)
Income tax paid/deducted at sources	(4,450,443)	(4,311,312)
<b>Net Cash inflows from operating activities</b>	<b>14,024,828</b>	<b>(93,767,206)</b>
<b>Cash flows from Investing Activities:</b>		
Acquisition of property, plant and equipment	(53,627,879)	(60,769,902)
<b>Net Cash outflows from investing activities</b>	<b>(53,627,879)</b>	<b>(60,769,902)</b>
<b>Cash flows from Financing Activities:</b>		
Bank Overdraft Received/(Repaid)	22,526,586	17,230,577
Long Term Loans Received/(Repaid)	81,048,154	19,128,136
Time Loan Received/(Repaid)	-	94,276,471
Bills Receivable Discounted Received/( Repaid)	(1,116,562)	(3,921,399)
Current Maturity of Long-term Loans	(18,282,988)	16,886,958
Cash Dividend Paid	(325,600)	(127,660)
<b>Net Cash inflow from financing activities</b>	<b>83,849,590</b>	<b>143,473,083</b>
<b>Net increase/(decrease) in cash and bank balances</b>	<b>44,246,539</b>	<b>(11,064,025)</b>
Cash and bank balances on opening	24,770,312	48,281,991
Net increase/(decrease) in cash and bank balances	44,246,539	(11,064,025)
<b>Cash and bank balances at closing - Note 7</b>	<b>69,016,851</b>	<b>37,217,966</b>
<b>Net operating cash flows per share (NOCFPS)</b>	<b>0.55</b>	<b>(3.71)</b>

  
Chairman

  
Managing Director

  
Director

  
CFO/HF&A

  
Company Secretary



**H.R. TEXTILE MILLS LIMITED**  
**Statement of Changes in Equity (Un-Audited)**  
**For the 1st Quarter (Q1) ended 30th September 2019**

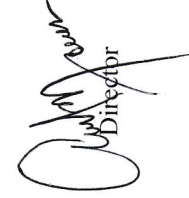
Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalisation Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2019	253,000,000	6,956,752	22,378,988	685,668,176	10,000,000	119,942,475	1,097,946,391
Revaluation surplus realised				(263,592)		263,592	-
Net profit after tax						10,447,326	10,447,326
Balance as at 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

**Statement of Changes in Equity (Un-Audited)**  
**For the 1st Quarter ended 30th September 2018**


Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Dividend Equalisation Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2018	253,000,000	6,956,752	22,378,988	10,000,000	96,374,242	388,709,982
Net profit after tax					9,652,066	9,652,066
Balance as at September 30, 2018	253,000,000	6,956,752	22,378,988	10,000,000	106,026,308	398,362,048

  
Chairman

  
Managing Director

  
Director

  
CFO/IF&A

  
Company Secretary





**H.R. Textile Mills Limited**  
**Notes to the Interim Financial Statements (Un-audited)**  
**For the 1<sup>st</sup> Quarter (Q1) 3 (Three) months from July 1, 2019 to September 30, 2019**

1. Accounting policies and methods used for preparation and presentation of Financial Statements:
  - i. These Financial Statements are the un-audited Interim Financial Statements of H.R. Textile Mills Limited, for the 1st Quarter (Q1) ended 30 September 2019 (here after 'the Interim Period') which are prepared in accordance with the Bangladesh Accounting Standard (BAS 34) 'Interim Financial Reporting'. H.R. Textile Mills Limited has been consistently following the same accounting policies and methods for the preparation and presentation of the 1<sup>st</sup> quarter (Q1) Financial Statements of the company as it was followed in the previous period.
  - ii. The Earning Per Share (EPS) and Net Operating Cash Flow Per Share (NOCFPS) as on September 30, 2019 stood at Tk. 0.41 and Tk. 0.55 respectively, compared to previous period EPS Tk. 0.38 & NOCFPS Tk. (3.71)  
The rise in EPS was mainly due to increase in a sale which has the same impact on NOCFPS along with collection from customers.  
The NAV per share in current period stood at Tk. 43.81 against Tk. 15.75 of the corresponding previous period.
  - iii. There was no exceptional item to be disclosed under the head related party transaction.
2. Seasonability/Cyclicity of Interim Operation:  
HRTM is a fabric and Readymade Garments (RMG) exporter and there was no significant seasonality /Cyclicity affect in operation during the period.
3. Changes in Non-Currents Assets:  
During the period, a sum of Tk. 53.63 million was added to Non-Current Assets mainly in the Plant & Machinery and Building retrofitting.
4. Changes in Current Assets:  
The total Current Assets has increased by Tk. 25.04 million during the period due to increase in Stock and Stores and Cash and Bank Balances with September 30, 2019 and changes in Export Incentive Receivables, Trade and Other Debtors and Advance Deposits and Prepayments.
5. Changes in Shareholder's Equity:  
Shareholder's Equity has increased by Tk. 1,108.39 million due to Revaluation surplus and additional retained earning arisen from net profit.
6. Changes in Current Liabilities:  
The total Current liabilities have decreased by Tk. 40.64 million mainly due to decreased in back to back L/c liabilities, bills discounted and current maturity of long-term loans payment.
7. Changes in Long Term Liabilities:  
The total amount of long-term liabilities has increased by Tk. 80.65 million due to additional machinery and equipment purchase and factory retrofitting purpose.
8. Change in Export Incentive:  
Export Incentive has increased by Tk. 2.20 million during the period from July 01, 2019 to September 30, 2019 compared with the previous period. Export Incentive mainly related to use of raw materials (local or foreign) hence not directly related to sales.
9. Change in Bill Discounting:  
Bill Discounting has increased by Tk. 3.80 million as on September 30, 2019 compared with September 30, 2018 this was mainly due to more bill discounting during the period to meet cash requirement.
10. Changes in Operating Income and Expenses:
  - i. The turnover for the period has increased by Tk. 12.30 million compared to same period in the previous years. The overall cost of goods sold has increased by Tk. 8.32 million from previous period. Turnover has increased by 2.61% and the gross profit has increased by 5.69%. As a result gross profit amount has increased.
  - ii. The operating expense has increased by 1.43% to the previous period. As a result operating profit stood at Tk. 15.00 million during the current period against Tk. 11.92 million compared with the previous period, i.e., an increase of 25.84%.
  - iii. During this period Net Profit after tax stood at Tk. 10.45 million compared to Tk. 9.65 million against the previous period of July 01, 2018 to September 30, 2018.



# 11. Calculation of Net Assets Value (NAV) per Share

Total Assets  
Total Liabilities  
**A. Net Assets**

**B. Number of ordinary of shares**

**Net Assets Value (NAV) per Share (A/B)**

Sept. 30,2019	Sept.30,2018
Taka	Taka
2,822,113,158	1,702,747,288
1,713,719,441	1,304,385,240
<b>1,108,393,717</b>	<b>398,362,048</b>
<b>25,300,000</b>	<b>25,300,000</b>
<b>43.81</b>	<b>15.75</b>

# 12. Calculation of 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)

B. Number of ordinary of shares outstanding during the year

**Earning Per Share (A/B)**

10,447,326	9,652,066
25,300,000	25,300,000
<b>0.41</b>	<b>0.38</b>

# 13. Calculation of Net Operating Cash Flows per Share (NOCFPS):

**Cash flows from Operating Activities:**

Cash received from Sales and Export incentives

Exchange Fluctuation Gain/ (Loss)

Receipts from Other Income

Cash paid for goods and services

**Cash from operation**

Interest paid

Income tax paid/deducted at sources

**Net Cash inflows from operating activities**

Divided by number of ordinary of shares

**Net operating cash flows per share (NOCFPS)**

525,456,822	444,767,928
207,104	268,745
91,350	91,350
(463,163,591)	(502,790,944)
<b>62,591,685</b>	<b>(57,662,921)</b>
(44,116,414)	(31,792,973)
(4,450,443)	(4,311,312)
<b>14,024,828</b>	<b>(93,767,206)</b>
25,300,000	25,300,000
<b>0.55</b>	<b>(3.71)</b>

NOCFPS became negative mainly due to adverse credit terms.

# 14. Reconciliation of Net operating cash flow

Net Income

Depreciation

Cash provided (used) by current assets and operating -related liabilities

Decrease/Increase, accounts receivable

Increase/ Decrease, inventories

Decrease/Increase, prepaid expenses

Decrease/Increase, Provision for Gratuity

Increase/ Decrease, Deferred Tax Liabilities

Decrease/Increase, Trade Creditors

Increase/Decrease, accrued expenses

Increase/Decrease, provision for taxation

Decrease/Increase, Workers' Participation/Welfare Funds,

Net cash provided (used) by operating activities

10,447,326	9,652,066
28,216,695	18,850,383
41,878,819	(26,512,122)
(22,407,337)	(21,489,204)
(265,893)	314,806
224,207	(464,102)
(623,981)	34,617
(49,989,223)	(82,592,753)
1,887,819	8,751,187
4,466,429	1,668,689
189,967	(1,980,773)
<b>14,024,828</b>	<b>(93,767,206)</b>

# 15. Details of deferred tax calculation

	Sept. 30,2019	June 30,2019
The tax effects of temporary difference arise from tax base and accounting base of revelent assets and liabilities	Tax @ 15%	Tax @ 15%
Deferred tax liabilities		
Property, Plant and Equipments	48,028,288	48,618,639
Deferred tax assets		
Gratuity provision	4,292,440	4,258,810
Net deferred tax liabilities	<b>43,735,848</b>	<b>44,359,829</b>

# 15.1 Provision for Deferred Taxation

Opening Balance

Provision during the year

Closing balance

44,359,829	39,128,378
(623,981)	5,231,451
<b>43,735,848</b>	<b>44,359,829</b>

