

Dear Shareholders

We forward herewith the un-audited first quarter (Q1) financial statements of the company for the first quarter period from 1st July to 30th September 2017 as per Regulation of the Stock Exchange (Listing) Regulations, 2015 under LR 16(2).

  
Mohammad Abdul Moyeed  
Managing Director



First Quarter (Q1) Report 2017 (Un-Audited)  
for the first quarter ended 30th September 2017

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**H.R TEXTILE MILLS LIMITED**  
**Statement of Financial Position (Q1) Un-Audited**  
**As at September 30, 2017**

Particulars	As at 30th Sept. 2017 Taka	As at 30th June 2017 Taka
<b>NON-CURRENT ASSETS:</b>		
Property, Plant and Equipment	635,151,006	654,955,516
<b>Total Non-Current Assets</b>	<b>635,151,006</b>	<b>654,955,516</b>
<b>CURRENT ASSETS:</b>		
Stocks and Stores	327,564,231	318,011,364
Trade and others Debtors	386,274,910	308,746,156
Export Incentive Receivables	88,984,118	95,177,576
Advance, Deposits and Prepayments	51,569,423	49,288,275
Cash and Bank Balances	42,854,361	82,080,927
<b>Total Current Assets</b>	<b>897,247,043</b>	<b>853,304,298</b>
<b>TOTAL ASSETS</b>	<b>1,532,398,049</b>	<b>1,508,259,814</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
Un-appropriated Profit	86,138,381	78,579,347
<b>Total Shareholders' Equity</b>	<b>378,474,121</b>	<b>370,915,087</b>
<b>LONG -TERM LIABILITIES:</b>		
Long Term Loan-Secured Future Maturity	154,950,817	181,745,275
Provision for Gratuity	28,063,082	29,166,174
Deferred Tax Liabilities	35,395,680	35,773,545
	<b>218,409,579</b>	<b>246,684,994</b>
<b>CURRENT LIABILITIES:</b>		
Bank Overdraft -Secured	81,991,254	89,658,237
Term loan	-	14,483,306
Trade Creditors	658,414,611	588,826,909
Accrued Expenses	30,168,452	27,324,749
Provision for Taxation	29,073,482	27,755,655
Bills Receivable Discounted	32,881,694	33,424,991
Workers' Participation /Welfare Funds	25,122,737	27,678,894
Current Maturity of Long -term Loans	77,862,119	81,506,992
<b>Total Current Liabilities</b>	<b>935,514,349</b>	<b>890,659,733</b>
<b>Total Liabilities</b>	<b>1,153,923,928</b>	<b>1,137,344,727</b>
<b>Total Equity and Liabilities</b>	<b>1,532,398,049</b>	<b>1,508,259,814</b>
<b>Net Assets Value (NAV) per share of Tk.10</b>	<b>14.96</b>	<b>14.66</b>

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 other Comprehensive Income (Q1) Un-Audited**  
**For the period from July 01, 2017 to September 30, 2017**

Particulars	First Qtr ended July '17 to Sept '17 Taka	First Qtr ended July '16 to Sept '16 Taka
Sales	378,292,110	298,674,078
Export Incentives	4,836,542	5,429,563
Turnover	<u>383,128,652</u>	<u>304,103,641</u>
Less: Cost of Goods Sold	<u>324,810,542</u>	<u>255,484,563</u>
<b>Gross Profit</b>	<b>58,318,110</b>	<b>48,619,078</b>
Less: Administrative, Selling and General Expenses	<u>49,088,756</u>	<u>41,563,256</u>
<b>Operating Profit</b>	<b>9,229,354</b>	<b>7,055,822</b>
Add: Other Income	91,350	91,350
<b>Net Profit before WPP &amp; WF</b>	<b>9,320,704</b>	<b>7,147,172</b>
Less: Provision Contribution to WPP & WF	<u>443,843</u>	<u>340,342</u>
<b>Net Profit/(Loss) before Tax</b>	<b>8,876,861</b>	<b>6,806,830</b>
Income Tax Expenses	1,317,827	1,021,024
Provision for Income Tax (Current)	1,695,692	742,370
Provision for Income Tax (Deferred)	<u>(377,865)</u>	<u>278,654</u>
<b>Net Profit/(loss) after tax</b>	<b>7,559,034</b>	<b>5,785,806</b>
(Transferred to the Statement of Changes in Equity)	-	-
<b>Earning Per Share (EPS) of Tk. 10</b>	<b>0.30</b>	<b>0.23</b>

**Cash Flows Statement (Q1) Un-Audited**  
**For the period from July 01, 2017 to September 30, 2017**

Particulars	First Qtr ended July '17 to Sept '17 Taka	First Qtr ended July '16 to Sept '16 Taka
<b>Cash flows from Operating Activities:</b>		
Cash received from customers and export incentives	311,884,706	367,151,567
Cash paid for goods and services	<u>(276,376,176)</u>	<u>(293,710,436)</u>
Cash from operation	35,508,530	73,441,131
Interest paid	(12,493,669)	(5,116,038)
Income tax paid/deducted at sources	<u>(2,989,016)</u>	<u>(2,497,491)</u>
<b>Net Cash inflows from operating activities</b>	<b>20,025,845</b>	<b>65,827,602</b>
<b>Cash flows from Investing Activities:</b>		
Acquisition of fixed assets	<u>(2,903,860)</u>	<u>(8,227,934)</u>
<b>Net Cash Outflows from Investing Activities</b>	<b>(2,903,860)</b>	<b>(8,227,934)</b>
<b>Cash flows from Financing Activities:</b>		
Bank Overdraft Received/(Paid)	(7,666,983)	(10,928,612)
Long Term Loan Received/(paid)	(30,439,331)	(14,898,078)
Term Loan	(14,483,306)	-
Bill Receivable Discounted Paid/(Received)	(543,297)	(12,494,279)
Dividend paid	<u>(3,215,634)</u>	<u>(419,253)</u>
<b>Net Cash inflow (outflow) from financing activities</b>	<b>(56,348,551)</b>	<b>(38,740,222)</b>
Net increase/(decrease) in cash and bank balances	<u>(39,226,566)</u>	<u>18,859,446</u>
Cash and bank balances on opening	82,080,927	40,634,434
Net increase/(decrease) in cash and bank balances	<u>(39,226,566)</u>	<u>18,859,446</u>
Cash and bank balances at closing	<b>42,854,361</b>	<b>59,493,880</b>
<b>Net operating cash flow per share (NOCFPS) of Tk.10</b>	<b>0.79</b>	<b>2.60</b>

Sd/-  
Chairman

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Managing Director

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CFO/HF&A

Sd/-  
Company Secretary

**H.R. TEXTILE MILLS LIMITED**  
**Statement of Changes in Equity (Un-Audited)**  
**For the 1st Quarter (Q1) ended 30th September 2017**

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Dividend Equalisation Reserve	Retained Earnings	Total Taka
Balance as at June 30, 2017	253,000,000	6,956,752	22,378,988	10,000,000	78,579,347	370,915,087
Net profit after tax					7,559,034	7,559,034
<b>Balance as at September 30, 2017</b>	<b>253,000,000</b>	<b>6,956,752</b>	<b>22,378,988</b>	<b>10,000,000</b>	<b>86,138,381</b>	<b>378,474,121</b>

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Company Secretary

**H.R. Textile Mills Limited**  
**Notes to the Interim Financial Statements (Un-audited)**  
**For the 1<sup>st</sup> Quarter (Q1) from July 1, 2017 to September 30, 2017**

1. Accounting policies and methods used for preparation and presentation of Financial Statements:
  - i) These Financial Statements are the unaudited Interim Financial Statements of H.R. Textile Mills Limited, for the 1st Quarter (Q1) ended 30 September, 2017 (hereinafter 'the Interim Period'). These 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 1st quarter 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, 2017 stood at Tk. 0.30 and Tk. 0.79 respectively, compared to last year EPS Tk. 0.23 and NOCFPS Tk. 2.60.  
The rise in EPS was mainly due to increase in Sales which has impact on NOCFPS supported by collection from customers
  - iii) The Net Assets Value (NAV) per share in current period stood at Tk. 14.96 against Tk. 14.66 of the corresponding previous period.
  - iv) There was no exceptional item to be disclosed under the head related party transaction.
2. Seasonality/ 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. 2.90 million was added to Non-Current Assets mainly in the Plant & Machinery and Furniture & Fixture.
4. Changes in Current Assets:  
The total Current Assets has increased by Tk. 43.94 million during the period due to increase in Trade and Other Debtors and Stock and Stores with September 30, 2017 and changed in Export Incentive Receivables, Advance, Deposits and Prepayments and Cash and Bank Balances.
5. Changes in Shareholder's Equity:  
Shareholder's Equity has increased by Tk. 7.56 million due to retained earning.
6. Changes in Current Liabilities:  
The total Current liabilities have increased by Tk. 44.85 million mainly due to increase in Import of raw materials for Back to Back L/C.
7. Changes in Long term Liabilities:  
The total amounts of long-term liabilities have decreased by Tk. 28.28 million due to repayment of bank loan against purchase of Plant and Machinery.
8. Changes in Operating Income and Expenses:
  - i) The turnover for the period has increased by Tk. 79.03 million compared to same period in the previous year the overall cost of goods sold has increased by Tk. 69.33 million from previous period. Turnover has increased by 25.99 % and the gross profit rate has increased by 19.95% due to increase in gross profit.
  - ii) The operating expense has increased by 15.33% for previous period. As a result operating profit stood at Tk. 9.23 million during the current period against Tk. 7.06 million compared with the previous period.
  - iii) During this period Net Profit after tax stood at Tk. 7.56 million compared to Tk. 5.79 million against the previous period of July 01, 2017 to September 30, 2017.