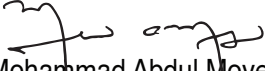


Dear Shareholders

We forward herewith the financial statements of H.R. Textile Mills Limited for the Half-yearly/Second Quarter (Q2) for the period ended 31st December 2018 (Audited) as per the Stock Exchange (Listing) Regulations, 2015 under LR 17(2).

  
Mohammad Abdul Moyeed  
Managing Director & CEO



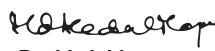
Half-yearly/Second Quarter (Q2) Financial Statements  
for the period ended 31st December 2018 (Audited)

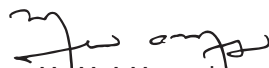
H.R. Textile Mills Limited  
Mirandel (2nd Floor), House # 3  
Road # 5, Block # J, Baridhara  
Dhaka-1212, Bangladesh  
Tel: 9899147 (Share Department)  
Fax: (8802) 9899147  
E-mail: [hrtex\\_cs@pride-grp.com](mailto:hrtex_cs@pride-grp.com)  
[www.pride-grp.com/hrt](http://www.pride-grp.com/hrt)

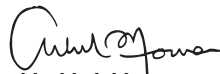
**H.R Textile Mills Limited**  
**Statement of Financial Position**  
**As at December 31, 2018**

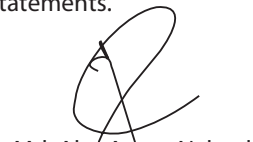
ASSETS	Notes	Amount in Taka	
		As at December 31, 2018	As at June 30, 2018
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	1,476,729,029	742,807,641
Total Non-Current Assets		1,476,729,029	742,807,641
<b>Current Assets</b>			
Stocks and Stores	3	392,954,333	333,256,421
Trade and Other Debtors	4	414,341,617	371,222,914
Export Incentive Receivables	5	53,232,122	75,406,776
Advances, Deposits and Prepayments	6	51,768,679	53,229,531
Cash and Bank Balances	7	33,342,290	48,281,991
Total Current Assets		945,639,041	881,397,633
<b>TOTAL ASSETS</b>		<b>2,422,368,070</b>	<b>1,624,205,274</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity</b>			
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 Equalization Reserve	11	10,000,000	10,000,000
Revaluation Surplus	12	686,195,360	-
Unappropriated Profit		92,118,149	96,374,242
Total Shareholders' Equity		1,070,649,249	388,709,982
<b>Long-term Liabilities</b>			
Long-term Loans-Secured, Future Maturity	13	174,978,501	128,042,025
Provision for Gratuity	14	26,816,322	27,852,964
Deferred Tax Liabilities	15	40,298,128	39,128,378
Total long-term Liabilities		242,092,951	195,023,367
<b>Current Liabilities</b>			
Bank Overdrafts- Secured	16	82,007,246	80,578,522
Time Loan- Secured	17	253,877,362	123,733,987
Trade Creditors	18	582,596,545	643,380,910
Accrued Expenses	19	32,115,256	22,533,807
Provision for Current Taxation	20	29,373,968	32,518,992
Bills Receivable Discounted	21	29,343,027	37,667,941
Workers' Participation /Welfare Funds	22	17,979,029	20,910,081
Current Maturity of Long-term Loans	23	82,333,437	79,147,685
Total Current Liabilities		1,109,625,870	1,040,471,925
Total Liabilities		1,351,718,821	1,235,495,292
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>2,422,368,070</b>	<b>1,624,205,274</b>
Net Assets Value (NAV) per share of Tk.10		42.32	15.36

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
Dr. M. A Moyeen  
Chairman

  
Mr. M. A Moyeed  
Managing Director

  
Mr. M. A Momen  
Director

  
Md. Abu Amur Naheel  
CFO

  
Mr. Md. Wali Ullah  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
30th January 2019


  
ATA KHAN & CO.  
Chartered Accountants

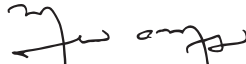
**H.R Textile Mills Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
**For the half-year/second quarter (Q2) period ended December 31,2018**


(Amount in Taka)

Particulars	Notes	Half-Year Ended		Second Quarter Ended	
		July'18 to December'18	July'17 to December'17	October '18 to December'18	October '17 to December'17
Sales Revenue	24	1,135,733,091	898,945,839	669,798,673	520,653,729
Export Incentive	25	13,833,608	9,705,028	8,487,976	4,868,486
Turnover		1,149,566,699	908,650,867	678,286,649	525,522,215
Less: Cost of Goods Sold	26	987,491,079	770,442,563	586,028,729	445,632,021
Gross Profit		162,075,620	138,208,304	92,257,920	79,890,194
Less: Administrative, Selling and General Expenses	27	128,246,495	112,061,520	69,991,841	62,972,764
Operating Profit		33,829,125	26,146,784	22,266,079	16,917,430
Add: Other income	28	979,285	182,700	619,190	91,350
Profit Before Workers' Participation/Welfare Funds		34,808,410	26,329,484	22,885,269	17,008,780
Less: Contribution to Workers' Participation/Welfare Funds		1,657,543	1,253,785	1,089,774	809,942
Net Profit before Tax		33,150,867	25,075,699	21,795,495	16,198,838
Provision for Income Tax		12,106,960	4,467,742	10,403,654	3,149,915
Provision for Tax (Current)	29	10,937,210	5,710,182	9,268,521	4,014,490
Provision for Tax (Deferred)	15	1,169,750	(1,242,440)	1,135,133	(864,575)
Net Profit after tax		21,043,907	20,607,957	11,391,841	13,048,923
(Transferred to the Statement of Changes in Equity)					
Earning Per Share (EPS) of Tk. 10		0.83	0.81	0.45	0.52


The annexed notes from 1 to 36 form an integral part of these financial statements.

  
Dr. M. A Moyeen  
Chairman

  
Mr. M. A Moyeed  
Managing Director

  
Mr. M. A Momen  
Director

  
Md. Abu Amur Naheel  
CFO

  
Mr. Md. Wali Ullah  
Company Secretary


Signed in terms of our separate report of even date.

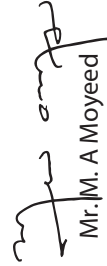
Dated : Dhaka  
30th January 2019

  
ATA KHAN & CO.  
Chartered Accountants

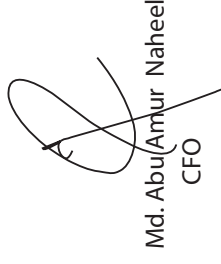
**H.R Textile Mills Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the half-year ended 31st December 2018**


Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Revaluation Surplus	Dividend Equalization 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	-	-	-	-	-	43,094,895	43,094,895
Cash Dividend declared 2017	-	-	-	-	-	(25,300,000)	(25,300,000)
Balance as at June 30,2018	253,000,000	6,956,752	22,378,988	-	10,000,000	96,374,242	388,709,982
Balance as at June 30,2018	253,000,000	6,956,752	22,378,988	-	10,000,000	96,374,242	388,709,982
Revaluation Surplus as on 31st December 2018	-	-	-	686,195,360	-	-	686,195,360
Net profit after Tax	-	-	-	-	-	21,043,907	21,043,907
Cash Dividend declared 2018	-	-	-	-	-	(25,300,000)	(25,300,000)
Balance as at December 31,2018	253,000,000	6,956,752	22,378,988	686,195,360	10,000,000	92,118,149	1,070,649,249
Balance as at December 31,2017	253,000,000	6,956,752	22,378,988	-	10,000,000	73,887,304	366,223,044

  
Dr. M. A Moyeen  
Chairman

  
Mr. M. A Moyeed  
Managing Director

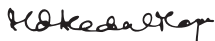
  
Mr. M. A Momen  
Director

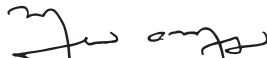
  
Md. Abu Amur Naheel  
CFO

  
Mr. Md. Wali Ullah  
Company Secretary

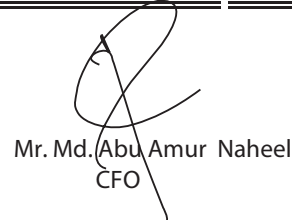
**H.R Textile Mills Limited**  
**Statement of Cash Flows**  
**For the half-year period ended 31st December 2018**


Particulars	Notes	Amount in Taka	
		July'18 to December'18	July'17 to December'17
<b>Cash flows from Operating Activities:</b>			
Cash received from Sales , Export incentives and Others		1,129,601,935	785,607,696
Cash paid for goods and services		(1,160,267,460)	(726,493,727)
Cash from operation		(30,665,525)	59,113,969
Interest paid		(55,602,525)	(30,341,316)
Income tax paid/deducted at sources		(8,650,614)	(7,319,041)
Net Cash inflows from operating activities		(94,918,664)	21,453,612
<b>Cash flows from Investing Activities:</b>			
Acquisition of property, plant and equipment	2.1	(84,695,822)	(41,256,571)
Net Cash outflows from investing activities		(84,695,822)	(41,256,571)
<b>Cash flows from Financing Activities:</b>			
Bank Overdraft Received/(Repaid)		1,428,724	(4,567,830)
Long Term Loans Received/(Repaid)		50,122,228	(43,459,224)
Time Loan Received/(Repaid)		130,143,375	(1,983,306)
Bills Receivable Discounted Received/( Repaid)		(8,324,914)	30,228,479
Cash Dividend Paid		(8,694,628)	(3,373,176)
Net Cash inflow from financing activities		164,674,785	(23,155,057)
Net increase/(decrease) in cash and bank balances		(14,939,701)	(42,958,016)
Cash and bank balances on opening		48,281,991	82,080,927
Net increase/(decrease) in cash and bank balances		(14,939,701)	(42,958,016)
Cash and bank balances at closing - Note 7		33,342,290	39,122,911
Net operating cash flows per share (NOCFPS) of Tk. 10		(3.75)	0.85

  
Dr. M. A Moyeen  
Chairman

  
Mr. M. A Moyeed  
Managing Director

  
Mr. M. A Momen  
Director

  
Mr. Md. Abu Amur Naheel  
CFO

  
Mr. Md. Wali Ullah  
Company Secretary

2. Property, Plant and Equipment

The make-up of Fixed Assets is as below:

(Amount in Taka)

Particulars	Cost or valuation		Depreciation		W.D.V. As on December 31, 2018	Revaluation Surplus	Cost or Valuation as on December 31,2018
	As on July 01, 2018	Addition/ (Deletion) As on December 31, 2018	As on July 01, 2018	During the Period As on December 31, 2018			
Factory Land and Development	8,479,375	-	-	-	8,479,375	644,020,625	652,500,000
Factory Building	234,905,753	-	66,303,453	2,936,322	165,665,978	42,174,735	207,840,713
Factory Shed	6,823,475	-	6,823,470	-	5	-	5
Plant and Machinery	1,226,834,823	62,912,414	758,780,949	28,340,224	502,626,064	-	502,626,064
Electric Installation	19,667,718	3,524,390	17,567,647	867,386	4,757,075	-	4,757,075
Gas Installation	6,476,035	-	6,476,025	-	10	-	10
Water Installation	8,465,520	-	5,906,735	364,834	2,193,951	-	2,193,951
Steam Installation	2,563,352	-	2,563,342	-	10	-	10
Furniture and Fixtures	9,955,127	-	8,974,548	461,822	518,757	-	518,757
Telephone Installation	1,027,861	-	1,027,851	-	10	-	10
Motor Vehicles	46,192,122	-	27,775,789	1,737,628	16,678,705	-	16,678,705
Office Equipment	36,756,547	65,400	28,664,013	1,652,947	6,504,987	-	6,504,987
Loose Tools	183,875	-	183,865	-	10	-	10
Factory Equipment	12,326,502	-	7,560,194	608,631	4,157,677	-	4,157,677
Capital Works in Progress	60,757,437	18,193,618	-	-	78,951,055	-	78,951,055
<b>Total Taka as on December 31,18</b>	<b>1,681,415,522</b>	<b>84,695,822</b>	<b>938,607,881</b>	<b>36,969,794</b>	<b>790,533,669</b>	<b>686,195,360</b>	<b>1,476,729,029</b>
<b>Total Taka as on June 30,18</b>	<b>1,522,293,860</b>	<b>159,121,662</b>	<b>867,338,344</b>	<b>71,269,537</b>	<b>742,807,641</b>	<b>-</b>	<b>742,807,641</b>

2.2. Depreciation for the half-year is charged as below:

Particulars	As at December 31,2018 Taka	As at June 30,2017 Taka
Cost of Goods Sold-Note 26.1	29,575,835	29,998,554
Administrative Selling and General Expenses-Note 27.1	7,393,959	7,499,638
	36,969,794	37,498,192

3. Stocks and stores

3.1 The make-up is as below:

	As at December 31,2018		As at June 30,2018	
	In Kg	Taka	In Kg	Taka
Stock of Yarn	3.2 693,226	199,564,231	603,895	170,810,558
Stock of Dyes and Chemicals	3.3 444,833	65,804,668	281,124	52,941,206
Stock of Work-in-Process	3.4	48,265,554		43,464,295
Stock of Finished Goods	3.5	51,555,010		48,948,923
Stock of Accessories		9,233,313		5,683,320
Goods in Transit		10,895,462		5,699,504
		385,318,238		327,547,806
Stock of Spares		7,636,095		5,708,615
		392,954,333		333,256,421

3.2 Stock of Yarn

Stock of Yarn	693,226	199,564,231	603,895	170,810,558
	693,226	199,564,231	603,895	170,810,558

3.3 Stock of Dyes and Chemicals

Dyes	38,069	31,556,999	38,550	27,458,636
Chemicals	406,764	34,247,669	242,574	25,482,570
	444,833	65,804,668	281,124	52,941,206

3.4 Stock in Work in Process

Cost of Materials		26,413,276		18,502,289
Costs of Conversion		21,852,278		24,962,006
		48,265,554		43,464,295

3.5 Stock of Finished Products

Finished Garments		26,957,158		26,728,412
Knitted Fabrics	123,433	24,597,852	110,348	22,220,511
	123,433	51,555,010	110,348	48,948,923

4. Trade and Others Debtors

	As at December 31,2018		As at June 30,2018	
	US\$	Taka	US\$	Taka
Export Sales Receivable(Below 180 Days)	4,368,193	362,341,617	3,941,468	325,722,914
Other Debtors	-	52,000,000	-	45,500,000
	4,368,193	414,341,617	3,941,468	371,222,914

These include a sum of Tk.52,000,000(2017;Tk.45,500,000) due from Associates Companies expected to be realized/adjusted within a year from the financial statement end date.

These are unsecured but considered goods.

5. Export Incentives Receivable

	As at December 31,2018 Taka	As at June 30,2018 Taka
	Opening Balance	75,406,776
Less : Received	36,008,262	41,859,700
	39,398,514	53,317,876
For the Period	13,833,608	22,088,900
Closing Balance	53,232,122	75,406,776

The receivables are unsecured but considered goods.

	As at December 31,2018	As at June 30,2018
	Taka	Taka
6. Advances, Deposits and Prepayments		
Advances :		
Salary Advance	1,466,452	1,324,504
Advance Tax	30,000	210,000
Factory Insurance Advance	2,839,192	905,912
Operational Advance	7,945,525	5,933,929
Tax deducted at source	24,777,269	30,144,945
	<u>37,058,438</u>	<u>38,519,290</u>
Deposits :		
Security Deposits	10,151,571	10,151,571
Bank Guarantee Margin	4,558,670	4,558,670
	<u>14,710,241</u>	<u>14,710,241</u>
	<u>51,768,679</u>	<u>53,229,531</u>

The advances are unsecured but considered goods.

#### 7. Cash and Bank Balances

Cash at Banks with Banks on Current Account:

Brac Bank Ltd, Dhanmondi Branch,CD A/c	220,353	16,506
Mutual Trust Bank Ltd.,Gulshan Branch, CD A/c	637,374	2,122
Mutual Trust Bank Ltd.,Gulshan Branch, Dollar A/c	9,218,127	31,357,734
Mutual Trust Bank Ltd.,Gulshan Branch, ERQ A/c	358,711	401,854
Mutual Trust Bank Ltd.,Gulshan Branch, SND A/c	77,681	389,238
HSBC,Anchor Tower Branch, MDA Margin A/c	9,096,478	5,797,972
HSBC,Anchor Tower Branch, FCY A/c	827,997	795,271
Trust Bank Ltd,SKB Branch, Dollar A/c	9,116,087	1,127,877
Trust Bank Ltd,SKB Branch,FCAD A/c	647,266	850,588
Trust Bank Ltd,SKB Branch, CD A/c	4,700	6,267
Dutch Bangla Bank Ltd.,Gulsgan Branch ,CD A/c	227,436	1,103,754
AB Bank Ltd,Motijheel Branch, CD A/c	21,432	25,039
AB Bank Ltd,Motijheel Branch, Notice A/c	77,766	3,814,731
	<u>30,531,408</u>	<u>45,688,953</u>

With Bank on Short Term Deposit Account:

Trust Bank Ltd.,SKB Branch, SND A/c	21,829	23,030
Southeast Bank Ltd, Principal Branch, STD A/c	1,010,399	1,002,585
	<u>1,032,228</u>	<u>1,025,615</u>
Cash at Banks	31,563,636	46,714,568
Cash in Hand	1,778,654	1,567,423
	<u>33,342,290</u>	<u>48,281,991</u>

#### 8. Share Capital

##### 8.1 Authorized:

100,000,000 Ordinary Shares of Tk.10 each	1,000,000,000	1,000,000,000
---	---------------	---------------

##### 8.2 Issued, Subscribed and Paid-up:

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



### 8.3 Composition of Shareholdings:

Classes of Holdings	As at December 31,2018		As at June 30,2018	
	No. of Shares	%	No. of Shares	%
Sponsors	12,911,855	51.04	12,911,855	51.04
Financial Institutions	3,576,706	14.14	2,955,545	11.68
ICB Capital Management Ltd.	159,724	0.63	170,977	0.68
ICB Securities Ltd.	10,965	0.04	12,253	0.05
General Public	8,640,750	34.15	9,249,370	36.55
	<u>25,300,000</u>	<u>100</u>	<u>25,300,000</u>	<u>100</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 "Listing Regulations of Dhaka and Chittagong Stock Exchange".

Range of Holdings	As at December 31,2018			As at June 30,2018		
	No. of shareholders	No. of Shares	Holdings %	No. of Shareholders	No. of Shares	Holdings %
0000001-0000499	7,058	2,010,768	7.95	7,211	1,990,236	7.87
0000500-0000500	3,071	1,535,500	6.07	3,729	1,864,500	7.37
0000501-0002000	1,116	2,032,236	8.03	1,068	2,362,143	9.34
0002001-0005000	639	1,932,975	7.64	530	1,696,000	6.70
0005001-0010000	143	896,500	3.54	125	881,500	3.48
0010001-0050000	61	1,791,658	7.08	57	1,881,000	7.43
0050001-0100000	14	1,054,400	4.17	11	968,000	3.83
0100001-0250000	2	225,354	0.89	4	848,000	3.35
0250001-0500000	-	-	-	-	-	-
050001 and above	7	13,820,609	54.63	6	12,808,621	50.63
<b>Total</b>	<b>12,111</b>	<b>25,300,000</b>	<b>100.00</b>	<b>12,741</b>	<b>25,300,000</b>	<b>100</b>

### 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 t shares.

	As at December 31,2018 Taka	As at June 30,2018 Taka
9. General Reserve	<u>6,956,752</u>	<u>6,956,752</u>
Opening and Closing Balance	<u>6,956,752</u>	<u>6,956,752</u>
10. Tax Holiday Reserve		
Opening and Closing Balance	<u>22,378,988</u>	<u>22,378,988</u>
11. Dividend Equalisation Reserve		
Opening and Closing Balance	<u>10,000,000</u>	<u>10,000,000</u>
12. Revaluation Surplus		

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

### 13. Long-term Loan -Secured Future Maturity

10.50% Loan - Note 13.1	44,689,016	2,516,705
5% Loan - Note 13.2	61,725,557	102,892,400
Deferred L/C Liabilities -Note 13.3	68,563,928	22,632,920
	<u>174,978,501</u>	<u>128,042,025</u>

#### 13.1 The movement of loan is as follows:

	As at December 31,2018 Taka	As at June 30,2018 Taka
Opening Balance	2,516,705	-
Add: Loan received during this period	42,172,311	2,516,705
Closing Balance	<u>44,689,016</u>	<u>2,516,705</u>

The loan has been taken from Mutual Trust Bank Ltd,Gulshanl Branch for import of Plant and machinery.The loan carries interest at 10.50% an 16 Quartly installments,starting from 11 June, 2018.The loan is secured by hypothecation of stock, machinery, equipment and book debts.

#### 13.2 The movement of loan is as follows:

	As at December 31,2018 Taka	As at June 30,2018 Taka
Opening Balance	102,892,400	168,657,945
Add:Loan received during this period	-	13,382,140
	102,892,400	182,040,085
Less: Current Maturity	(41,166,843)	(79,147,685)
Closing Balance	<u>61,725,557</u>	<u>102,892,400</u>

The offshor&termloanhas beentakenfromThe Honkong&ShanghaBankingCorporatioPlc, AnchořowerBranch,108 Bir UttamC R DuttaRoad,Dhaka

1205,Bangladesh, for import of Plant and machinery.The loan carries interest at 5% and is repayable in 16 quartly installments,starting from 1st

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

Opening Balance	22,632,920	-
Add: Addition during this period	52,915,788	22,632,920
Less: Paid during this period	(6,984,780)	-
Closing Balance	<u>68,563,928</u>	<u>22,632,920</u>

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

14. Provision for Gratuity	As at December 31,2018 Taka	As at June 30,2018 Taka
Opening Balance	27,852,964	29,166,174
Add: Contribution during this period	1,620,200	3,470,387
	29,473,164	32,636,561
Less: Paid during this period	2,656,842	4,783,597
Closing Balance	<u>26,816,322</u>	<u>27,852,964</u>

15. Deferred tax Liabilities

Opening Balance	39,128,378	35,773,545
Add: Provision during the period	1,169,750	3,354,833
Closing balance	<u>40,298,128</u>	<u>39,128,378</u>

Deferred tax liabilities for December 31, 2018

	As per Accounting base W.D.V	As per Tax base W.D.V	Temporary Difference Taxable/ (Deductable)
Property, Plant and Equipments	790,533,669	495,063,161	295,470,508
Tax rate			15%
Deferred tax liabilities			44,320,576
Gratuity provision		26,816,322	-
Deferred tax assets 15%			4,022,448
Net deferred tax liabilities			<u>40,298,128</u>

16. Bank Overdrafts

	As at December 31,2018 Taka	As at June 30,2018 Taka
Trust Bank Ltd, SKB Branch	51,536,193	51,350,460
HSBC Bank, Plc, Anchor Tower Branch, Kawranbazar	20,190,544	19,188,123
Mutual Trust bank Ltd, Gulshan Branch	10,280,509	10,039,939
	<u>82,007,246</u>	<u>80,578,522</u>

These are secured.

17. Time Loan Bank

	As at December 31,2018 Taka	As at June 30,2018 Taka
11.50% Loan - Note 17.1	-	7,437,916
11.50% Loan - Note 17.2	253,877,362	116,296,071
	<u>253,877,362</u>	<u>123,733,987</u>

These are secured.

17.1 The movement of loan is as follows:

Opening Balance	7,437,916	14,483,306
Add: Loan received this period	14,500,000	7,437,916
Less: Loan re-paid this period	(21,937,916)	(14,483,306)
Closing Balance	<u>-</u>	<u>7,437,916</u>

The loan has been taken from Trust Bank Ltd, Motijheel Branch for Working Capital requirement. The loan carries interest at 11.50% and is repaid in 12 months. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

17.2 The movement of loan is as follows:

Opening Balance	116,296,071	-
Add: Loan received this period	137,581,291	116,296,071
Less: Loan re-paid this period	-	-
Closing Balance	<u>253,877,362</u>	<u>116,296,071</u>

The loan has been taken from Mutual Trust Bank Ltd, Gulshan Branch for retrofitting, factory building expansion & Construction purpose. The loan carries interest at 11.50% and is repayable in 12 months. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

18. Creditors	As at December 31,2018		As at June 30,2018	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>6,149,159</u>	510,872,163	<u>7,054,770</u>	584,981,488
For Local Purchases		6,962,293		10,242,705
For Dividend Payable		64,157,471		47,552,099
For Staff Income Tax		233,149		233,149
For Refund Warrant		<u>371,469</u>		<u>371,469</u>
		<u>582,596,545</u>		<u>643,380,910</u>

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

19. Accrued Expenses				
Gas Expenses (Factory)			18,775,052	12,197,954
Electricity Bill			225,309	364,049
Telephone			84,500	81,459
Salaries, Wages and Allowances			12,531,895	9,065,845
Security Bill			96,000	192,000
Legal Fee			30,000	60,000
Auditors' Fee (including Vat)			172,500	172,500
AGM Expenses			<u>200,000</u>	<u>400,000</u>
			<u>32,115,256</u>	<u>22,533,807</u>

20. Provision for Taxation				
Opening balance			32,518,992	27,755,655
Add: Addition during the period			<u>10,937,210</u>	<u>18,436,758</u>
			43,456,202	46,192,413
Less: Paid during the period			<u>(14,082,234)</u>	<u>(13,673,421)</u>
Closing Balance			<u>29,373,968</u>	<u>32,518,992</u>

21. Bills Receivable Discounted				
Opening Balance			37,667,941	33,424,991
Add: Discounted during the period			<u>211,708,504</u>	<u>222,798,531</u>
			249,376,445	256,223,522
Less: Collected during the period			<u>220,033,418</u>	<u>218,555,581</u>
Closing Balance			<u>29,343,027</u>	<u>37,667,941</u>

22. Workers' Participation/Welfare Funds				
Opening Balance			20,910,081	27,678,894
Less: Payment during this period			<u>5,752,420</u>	<u>11,245,632</u>
			15,157,661	16,433,262
Add: Contributions for the period			1,657,543	3,244,324
Add: Interest during the period			1,163,825	1,232,495
Closing Balance			<u>17,979,029</u>	<u>20,910,081</u>

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

23. Current Maturity of long-term loans				
Opening Balance			79,147,685	81,506,992
Add: Current Maturity			<u>41,166,843</u>	<u>79,147,685</u>
			120,314,528	160,654,677
Less: Paid during this Period			<u>37,981,091</u>	<u>81,506,992</u>
Closing Balance			<u>82,333,437</u>	<u>79,147,685</u>

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

24. Sales	July'2018 to December'2018			July'2017 to December'2017		
	Quantity	USD	Taka	Quantity	USD	Taka
<b>Export sales:</b>						
Knit Fabrics (Kgs)	1,262,013	7,743,626	644,080,141	865,935	5,325,528	424,338,080
Garments (pcs)	2,577,324	5,939,435	491,652,950	2,578,524	5,956,423	474,607,759
<b>Total</b>		<b>13,683,061</b>	<b>1,135,733,091</b>		<b>11,281,951</b>	<b>898,945,839</b>

25. Export Incentives	Amount in Taka	
	July'18 to December'18	July'17 to December'17
Cash Incentive	13,833,608	9,705,028
	<b>13,833,608</b>	<b>9,705,028</b>

#### 26. Cost of Goods Sold

26.1 The break-up is as follows:-

Materials Consumed - Note 26.2	789,084,157	601,505,949
Salary, Wages and Allowances - Note 26.3	102,762,341	78,096,550
Tiffin & Entertainment Expenses	475,842	298,435
Depreciation - Note 2.1	29,575,835	29,998,554
Stores and Spares Consumed	846,848	689,640
Factory Conveyance	525,125	352,412
Power and Gas	59,666,985	43,883,807
Gratuity	1,134,140	1,256,342
Vehicle expenses	878,456	686,543
Repairs and Maintenance	898,494	452,412
Packing & Loading Expenses	832,657	458,523
Import Landing, Clearing and Insurance	894,668	512,014
Factory Stationery Expenses	556,942	325,412
Carriage Inward and Outward	1,223,540	654,782
Knitting, Sewing & Processing Charge	2,975,423	514,236
Factory Insurance	1,715,682	2,047,584
Sewing Machine Rental	625,420	225,421
Miscellaneous	225,870	135,750
<b>Total Manufacturing Costs for the year</b>	<b>994,898,425</b>	<b>762,094,366</b>
Add Opening Work in Process	43,464,295	57,568,320
<b>Total Manufacturing Costs</b>	<b>1,038,362,720</b>	<b>819,662,686</b>
Less Closing Work in Process	48,265,554	48,564,521
<b>Cost of Goods Manufactured</b>	<b>990,097,166</b>	<b>771,098,165</b>
Add Opening Finished Goods	48,948,923	52,089,632
<b>Cost of Goods available for use</b>	<b>1,039,046,089</b>	<b>823,187,797</b>
Less Closing Finished Goods	51,555,010	52,745,234
<b>Cost of Goods Sold</b>	<b>987,491,079</b>	<b>770,442,563</b>

#### 26.2 Materials Consumed

	July'18 to December'18		July'17 to December'17	
	Quantity (Kg.)	Taka	Quantity (Kg)	Taka
Yarn	1,962,118	554,984,997	1,495,125	422,612,035
Dyes	136,188	88,794,562	104,396	68,064,231
Chemicals	732,850	87,209,136	556,215	66,745,123
Accessories		58,095,462		44,084,560
<b>Total Materials Consumption</b>		<b>789,084,157</b>		<b>601,505,949</b>

#### 26.3 Salaries, Wages and Allowances

	No. of Employees		Taka	
	No. of Employees	Taka	No. of Employees	Taka
Employees drawing Tk.8,000 or more or month	1,885	102,762,341	1,878	78,096,550
Employees drawing less than Tk.8,000 per month	-	-	-	-
<b>Total</b>	<b>1,885</b>	<b>102,762,341</b>	<b>1,878</b>	<b>78,096,550</b>

Employees drawing Tk.8,000 or more oer month

#### 27. Administrative, Selling and General Expenses

27.1 The break-up is as below:

	Amount in Taka	
	July'18 to December'18	July'17 to December'17
Directors' Remuneration-Note 27.2	1,300,000	1,300,000
Salaries and Allowances Note 27.3	31,756,622	29,842,365
Security Service charges	504,000	576,000

Depreciation - Note 2.1	7,393,959	7,499,638
Electricity Expenses	2,006,241	1,778,622
Postage, Courier, Telephone and Fax	754,654	856,241
Form & Stamp	575,421	766,805
Gratuity	486,060	529,342
Travelling and Conveyance	456,241	695,123
Legal and Professional Expenses	60,000	30,000
Auditors' Fee-Note 27.2	172,500	86,250
A.G.M Expenses	342,510	175,750
Registration and Fees	547,120	515,210
Staff welfare	818,754	912,550
Stationery Expenses	545,541	624,518
Office Repairs and Maintenance	601,562	758,721
Vehicle Expenses	1,365,457	1,345,320
Entertainment Expenses	658,745	725,612
Central fund for RMG	209,729	174,082
Buying House Commission	3,312,000	2,719,235
Freight Charges & Freight out	6,208,348	12,577,505
Garments Testing & Inspection Charges	2,569,480	4,551,075
Interest Expense -Note-27.4	55,602,525	30,341,316
Bank Charges	9,673,606	12,271,500
Miscellaneous	325,420	408,740
	<u>128,246,495</u>	<u>112,061,520</u>

27.2 No remuneration or fee, other than that specified in note 27.1, was paid to directors and auditors.

27.3 Salaries and Allowances:

	No of Employees	Taka	No of Employees	Taka
Employees drawing Tk.8,000 or more per month	151	31,756,622	146	29,842,365
Employees drawing less than Tk.8,000 per month	-	-	-	-
	<u>151</u>	<u>31,756,622</u>	<u>146</u>	<u>29,842,365</u>

27.4 Interest expense is as follows:

Interest on Workers' Participation/Welfare Funds	1,163,825	616,248
Interest on Long Term Loans	12,698,564	6,156,087
Interest on Bills Discounted	27,718,454	19,604,262
Interest on Bank Overdraft	5,575,103	3,866,191
Interest on Time Loan	8,446,579	98,528
	<u>55,602,525</u>	<u>30,341,316</u>

28. Other Income

Rental income	182,700	182,700
Exchange Gain/(Loss)	796,585	-
	<u>979,285</u>	<u>182,700</u>

29. Income tax (Current Tax)

	Amount in Taka	
	July'18 to December'18	July'17 to December'17
Profit before tax	33,150,867	25,075,699
Add: Depreciation as per Accounting base	36,969,794	37,498,192
	<u>70,120,661</u>	<u>62,573,891</u>
Less: Depreciation as per Tax base	43,731,479	38,316,955
	<u>26,389,182</u>	<u>24,256,936</u>
Add: Provision for Gratuity for the Year	1,620,200	1,702,540
	<u>28,009,382</u>	<u>25,959,476</u>
Less: Other income (Separate calculation)	182,700	182,700
	<u>27,826,682</u>	<u>25,776,776</u>
Less: Payment for Grauity	2,656,842	2,402,547
	<u>25,169,840</u>	<u>23,374,229</u>
Tax Rate @ 15%	3,775,476	3,506,134
Minimum tax	8,650,614	5,678,209

Add: Other income tax  
Rental income  
Less: Maintenance @ 30

182,700	182,700
54,810	54,810
127,890	127,890
31,972	31,973
8,682,586	5,710,182
2,254,624	-
10,937,210	5,710,182

30. Remuneration/Payments to Directors/Officers:

30.1 The aggregate amount paid/provided during the period in respect of directors and officers of the Company as defined in the Securities and Exchange Rules, 1987 are disclosed below :

Particulars	2018		2017	
	Directors	Officers	Directors	Officers
Remuneration	1,300,000	-	1,300,000	-
Basic salary		18,954,621		17,854,652
House Rent Allowance		9,458,742		8,945,984
Other benefits and perquisites		3,343,259		3,041,729
	1,300,000	31,756,622	1,300,000	29,842,365

30.2 No compensation was allowed by the Company to its Managing Director.

30.3 No amount of money was spent by the Company for compensating any member of the Board for services rendered except as :

31. The Company has obtained bank credit facilities from the following banks:

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised			
				As at December 31, 2018		As at June 30, 2018	
				Taka	Taka	Taka	Taka
Trust Bank Ltd	B to B L/C ,EDF & Sight	650,000,000	328,452,610	321,547,390	368,342,820		
SKB Branch, Dhaka	IBP	70,000,000	-	70,000,000	57,435,770		
	Trust receipt	40,500,000	-	40,500,000	40,500,000		
	Overdraft	50,000,000	51,536,193	(1,536,193)	(1,350,460)		
	Bank guranree	1,000,000	-	1,000,000	1,000,000		
	Tme Loan	25,000,000	-	25,000,000	17,562,084		
		836,500,000	379,988,803	456,511,197	483,490,214		
Mutual Trust Bank Ltd	B to B L/C ,EDF & Sight	490,000,000	215,463,210	274,536,790	350,484,470		
Gulshan Branch, Dhaka	Secured Overdraft	10,000,000	10,280,509	(280,509)	(39,939)		
	Term Loan	980,000,000	253,877,362	726,122,638	863,703,929		
	IDBP/FDBP	100,000,000	-	100,000,000	84,105,537		
		1,580,000,000	479,621,081	1,100,378,919	1,298,253,997		
HSBC	Export Cash Limit	246,000,000	45,845,324	200,154,676	160,354,368		
Anchor Tower, 108 Bir Uttam	Import Line (PRM)	395,000,000	154,875,630	240,124,370	247,010,187		
C R Dutta Road, Dhaka-1205	Import Line	600,000,000	526,485,423	73,514,577	198,066,381		
	Overdraft	50,000,000	20,190,544	29,809,456	30,811,877		
	Bank guarantee	30,000,000	4,558,670	25,441,330	25,441,330		
	Term Loan	182,040,085	37,981,091	144,058,994	150,627,498		
		1,503,040,085	789,936,682	713,103,403	812,311,641		

32. The analysis of consumption of materials and spares as to origin is as below:

	As at December 31, 2018		As at June 30, 2018	
	Taka	%	Taka	%
	Imported	272,570,685	34.51	210,542,350
Local	517,260,320	65.48	382,653,141	63.54
	789,931,005	99.99	602,195,589	98.51

33. The capacity and actual production of the Company are as below :

Item	Capacity	Actual Production	Percentage (%) of achievement
Finished Garments (Lac Pcs.)	84	25.77(2018:65.80)	61.36%(2018:78.33%)
Knit Fabrics ( MTs.)	4,500	1,842(2018:3,653)	81.87%(2018:81.18%)

34. Even after Balance Sheet Date:

The Board of Directors of the Company in its meeting held on October 24, 2018 (2017: 23 October 2017) recommended 10% cash dividend i.e. Tk. 1.00 per share of Tk. 10.00 each (2017: 10% cash dividend) for all shareholders of the company, subject to their approval in the AGM to be held on 23 January 2019.

35. Related Parties Disclosures

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 Balance Sheet exposure with the related parties as at December 31, 2018 is as under:

Name of the related party	Relationship	Nature of Transaction	Amount in Taka	
			July'18 to December'18	July'17 to June 30' 2018
Fashion Knit Garments Ltd	Common Director	Sale of Finished Fabrics	644,080,141	951,290,987
		Receivable	52,000,000	45,500,000

36. General

36.1

There was no sum for which the Company was contingently liable as at December 31, 2018 and June 30, 2018.

36.2

There was no claim, except an aggregate amount of Tk 23,042,449 (2018: 23,042,449) claimed by the Tax Authority but appealed a Company, not acknowledged as debt as at December, 2018 and June 30, 2018. Such claim, being contingent liability, needs not be pr

36.3

There was no credit facilities available to the Company, except trade credits and back to back L/c facilities, during the period ended December 31, 2018 and year ended June 30, 2018.

36.4

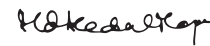
There was no foreign shareholder of the Company as at December 31, 2018 and June 30, 2018 and no dividend was remitted to any shareholders during the years ended December 31, 2018 and June 30, 2018.

36.5


There was no capital expenditure contracted but not incurred or provided for at December 31, 2018 and June 30, 2018.

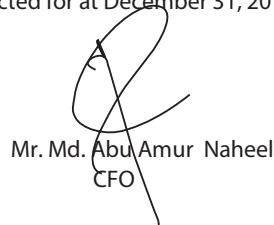
36.6


There was no capital expenditure authorised by the Board but not contracted for at December 31, 2018 and June 30, 2018.

  
Dr. M. A Moyeen  
Chairman

  
Mr. M. A Moyeed  
Managing Director

  
Mr. M. A Momen  
Director

  
Mr. Md. Abu Amur Naheel  
CFO

  
Mr. Md. Wali Ullah  
Company Secretary