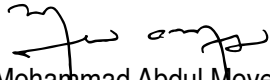


Dear Shareholders

We forward herewith the un-audited financial statements of H.R. Textile Mills Limited for the Second Quarter (Q2) 6 (six) months period from 1st July 2016 to 31st December 2016 as per Regulation of the Stock Exchange (Listing) Regulations, 2015 under LR 17(2).



Mohammad Abdul Moyeed  
Managing Director



Second Quarter (Q2) Report 2016 (Un-Audited)  
for the Second Quarter (Q2) 6 (six) months period ended 31st December 2016

H.R. Textile Mills Limited  
Mirandel (2nd Floor), House # 3  
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Ext: 101 Share Department  
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**H.R. TEXTILE MILLS LIMITED**  
**Statement of Financial Position (Un-Audited)**  
**As on 31st December 2016**

	Second Quarter (Q2) ended December 31, 2016 Taka	Year ended 30-June-16 (Audited) Taka
<b>CAPITAL EMPLOYED IN:</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Property, Plant and Equipment</b>	675,584,854	622,435,333
<b>Total Non-Current Assets</b>	675,584,854	622,435,333
<b>Currents Assets:</b>		
Stocks and Stores	874,866,123	919,542,059
Trade and Other Debtors	300,579,647	268,897,227
Export Incentive Receivables	369,852,940	441,549,311
Advances, Deposits and Prepayments	121,243,271	125,066,201
Cash and Bank Balances	30,246,265	43,394,886
	62,944,000	40,634,434
<b>Total Assets</b>	1,550,250,977	1,541,977,392
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>		
<b>Shareholders' Equity:</b>		
Share Capital	354,588,983	359,928,639
General Reserve	253,000,000	253,000,000
Tax Holiday Reserve	6,956,752	6,956,752
Dividend Equalisation Reserve	22,378,988	22,378,988
Unappropriated Profit	10,000,000	10,000,000
	62,253,243	67,592,899
<b>Long-Term Liabilities:</b>		
Long-term Loans - Secured Future Maturity	288,664,390	230,352,781
Provision for Gratuity	257,252,298	199,048,499
	31,139,092	31,304,282
<b>Non-Current Liabilities:</b>		
Deferred Tax Liabilities	32,552,444	31,973,737
	32,552,444	31,973,737
<b>Current Liabilities:</b>		
Bank Overdrafts - Secured	874,445,160	919,722,235
Trade Creditors	66,239,421	77,811,475
Accrued Expenses	637,958,040	570,393,047
Provision for Taxation	22,589,852	23,380,222
Bills Receivable Discounted	16,318,483	13,673,421
Workers' Participation/Welfare Funds	43,853,470	144,817,615
Current Maturity of Long-term Loans	36,878,253	35,996,566
	50,807,841	53,649,889
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	1,550,250,977	1,541,977,392
<b>Net Assets Value (NAV) per value of Tk.10</b>	14.02	14.23

*Mushtaqur Rahman*  
Chairman of the IISB/BDM

*Mushtaqur Rahman*  
Managing Director

*Rubina Faruq*  
Director

*Abul Hafiz*  
Chief Financial Officer

*Abul Hafiz*  
Company Secretary



**H.R. TEXTILE MILLS LIMITED**

**Statement of Profit or Loss and Comprehensive Income (Un-Audited)  
Second Quarter (Q2) for the 6 (six) months period ended December 31, 2016**

Particulars	Half Year ended	Half Year ended	1 Oct. 16 to 31 Dec. 16	1 Oct 15 to 31 Dec. 15
	1 July to 31 Dec. 16	1 July 15 to 31 Dec. 15	Taka	Taka
Sales	709,231,473	677,881,715	410,557,395	366,838,434
Export Incentives	8,532,307	35,714,774	3,102,744	8,170,961
Turnover	717,763,780	713,596,489	413,660,139	375,009,395
Less: Cost of Goods Sold	609,025,632	603,774,950	353,541,069	322,256,365
<b>Gross Profit</b>	108,738,148	109,821,539	60,119,070	52,753,030
Less: Administrative and General Expenses	84,263,952	82,653,785	42,700,696	43,259,862
<b>Operating Profit</b>	24,474,196	27,167,754	17,418,374	9,493,168
Add: Other Income	182,700	409,641	91,350	-
<b>Net Profit before WPP &amp; WF</b>	24,656,896	27,577,395	17,509,724	9,493,168
Less: Provision Contribution to WPP & WF	1,174,138	1,313,209	833,796	452,056
<b>Net Profit before Tax</b>	23,482,758	26,264,186	16,675,928	9,041,112
Provision for Income-tax	3,522,414	3,939,628	2,501,389	1,356,167
Current Tax	2,943,706	5,817,201	2,201,336	-
Deferred Tax	578,707	(1,877,573)	300,053	-
<b>Net Profit after Tax</b>	19,960,344	22,324,558	14,174,538	7,684,946
(Transferred to the Statement of Changes in Equity)				
Earnings Per Share (EPS) of Tk.10	0.79	0.88	0.56	0.30

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

**Second Quarter (Q2) for the 6 (six) months period ended December 31, 2016**

Particulars	Second Quarter (Q2)	Second Quarter (Q2)
	ended 31 Dec 2016	ended 31 Dec 2015
	Taka	Taka
<b>Cash flows from Operating Activities:</b>		
Cash received from customers and export incentives	803,665,781	649,270,847
Cash paid for goods and services	(619,152,463)	(544,716,519)
Cash from operation	184,513,318	104,554,328
Interest paid	(15,992,535)	(18,951,690)
Income tax paid/deducted at sources	(6,346,255)	(6,626,178)
Cash inflows from operating activities	162,174,528	78,976,460
<b>Cash flows from Investing Activities:</b>		
Purchase of Fixed Assets	(85,165,182)	(53,961,236)
<b>Cash flows from Financing Activities:</b>		
Bank Overdraft received/(Paid)	(11,572,054)	(25,997,264)
Long Term loan received/(Paid)	58,476,799	(38,683,767)
Bills Receivable Discounted Paid/(Received)	(101,164,145)	49,150,046
Dividend paid	(440,380)	(2,784,480)
Cash inflow (outflow) from financing activities	(54,699,780)	(18,315,465)
Net increase/(decrease) in cash and bank balances	22,309,566	6,699,759
Cash and bank balances on opening	40,634,434	88,624,559
Net increase/(decrease) in cash and bank balances	22,309,566	6,699,759
Cash and bank balances at closing	62,944,000	95,324,318
Net operating cash flow per share (NOCFPS)	6.41	3.12

*Mushtaq*  
Chairman of the 118th BDM

*Mushtaq*  
Managing Director

*Rubina Khan*  
Director

*CFD*  
CFO/HR&A

*Shahid*  
Company Secretary



H.R. TEXTILE MILLS LIMITED

Statement of Changes in Shareholders' Equity (Un-Audited)

For the Second Quarter (Q2) 6 (six) months period ended December 31, 2016

Particulars	Share Capital	General Reserve	Tax Holiday Reserve	Dividend Equalisation Reserve	Retained Earnings	Total Taka
Balance as at 30th June 2016	253,000,000	6,956,752	22,378,988	10,000,000	67,592,899	359,928,639
Net profit after tax	-	-	-	-	19,960,344	19,960,344
Cash Dividend declared	-	-	-	-	(25,300,000)	(25,300,000)
<b>Balance as at 31th December 2016</b>	<b>253,000,000</b>	<b>6,956,752</b>	<b>22,378,988</b>	<b>10,000,000</b>	<b>62,253,243</b>	<b>354,588,983</b>

*Munshi*  
Chairman of the 118th BDM

*M. A. Hossain*  
Managing Director

*R. B. Khan*  
Director

*S. M. M. Hossain*  
CPD/HF&A

*M. A. Hossain*  
Company Secretary



**H.R Textile Mills Limited**  
**Selected explanatory notes on the Un-Audited Financial Statements**  
**For the 6 (six) months period from July 01, 2016 to December 31, 2016**

1. Accounting policies and Methods used for preparation and presentation of Financial Statements:

- i. H.R. Textile Mills Limited has been following the same accounting policies and methods for preparation and presentation of Half yearly 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 December 31, 2016 stood at Tk. 0.79 & 6.41 respectively, compared (last year EPS Tk. 0.88 & NOCFPS Tk. 3.12). The decline was mainly due to increase in Cost of Goods Sold and operating Expenses. The rise in Net Operating Cash Flows was due to rise in Collections from Customers. The Net Assets Value (NAV) per share in current period stood at Tk. 14.02 as against Tk. 14.23 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:

Our Company is a fabric and Readymade Garments (RMG) exporter and our business is knitting, dyeing of fabric for making RMG for export. There is no significant seasonality /Cyclicity affect in export Knit fabrics and readymade garments at presents in the country.

3. Changes in Non-Currents Assets:

During the period from July 01, 2016 to December 31, 2016 a sum of Tk. 53.15 million was added to Non- Current Assets mainly for addition to Plant & Machinery, Furniture and Fixture and Office equipment.

4. Changes in Current Assets:

The total Current Assets was decreased by Tk. 8.27 million during the period of July 01, 2016 from December 31, 2016 mainly due to decrease in Trade and Other Debtors, Advance, Deposits and Prepayments with June 30, 2016 and changed in Stock and Stores, Export incentive receivables and Cash and Bank Balances.

5. Changes in Shareholder's Equity:

Shareholder's Equity has decreased by Tk. 5.34 million due to payment of 10% cash dividend.

6. Changes in Current Liabilities:

The total Current liabilities have decreased by Tk. 45.28 million mainly due to settlement of Bank overdrafts payment and repayments of bills discounted.

7. Changes in Long term Liabilities:

The total amount of long-term liabilities has increased by Tk. 58.31 million due to increase in bank loan against purchase of Plant and Machinery.

8. Changes in Operating Income and Expenses:

- i. The turnover for the period July 01, 2016 to December 31, 2016 has increased by Tk. 4.17 million compared to previous period July 01, 2015 to December 31, 2015. The overall cost of goods sold has increased by Tk. 5.25 million from previous period. Turnover has increased by 0.58% and the gross profit rate has decreased by 1%. As a result gross profit amount has decreased.
- ii. The operating expense has increased by 1.91% for previous period. As a result operating profit stood at Tk.24.47 million during the current period as against Tk. 27.17 million compared with the previous period.
- iii. During this period Net Profit after tax stood at Tk. 19.96 million compared to Tk. 22.32 million against the previous period of July 01, 2015 to December 31, 2015.



  
Md. Wali Ullah  
Company Secretary  
H.R. Textile Mills Limited