

APEX FOODS LIMITED

Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212.

UN-AUDITED FIRST QUARTER (Q1) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 30TH SEPTEMBER, 2020

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30TH SEPTEMBER, 2020

Value in Taka '000'

Notes	As on 30.09.2020	As on 30.06.2020	Growth %
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	4	80,802	84,414 (4)
Investments	5	308,418	308,818 (0)
Security Deposits	6	6,003	6,003 0
Current Assets:		1,276,514	1,315,229
Inventories	7	905,754	901,079 1
Trade Receivables	8	72,228	104,923 (31)
Advances, Deposits & Prepayments	9	33,615	24,931 35
Other Receivables	10	51,127	80,395 (36)
Investment in Financial Assets	11	211,258	201,672 5
Cash & Cash Equivalents	12	2,532	2,229 14
TOTAL ASSETS		1,671,737	1,714,463
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	13	689,634	687,904 0
Share Premium	14	57,024	57,024 0
Reserve and Surplus	15	209,088	209,088 0
Fair Valuation Surplus of Investments	16	186,670	184,581 1
		236,851	237,211 (0)
Non-Current Liabilities:		34,258	38,325
Deferred Tax Liabilities	17	30,902	35,050 (12)
Long Term Loan	18	3,356	3,275 2
Current Liabilities:		947,845	988,234
Working Capital Loan (Secured)	19	782,662	754,195 4
Long Term Loan-Current Maturity	20	3,434	1,957 75
Short Term Loan	21	10,314	29,565 (65)
Trade Payables	22	63,081	123,794 (49)
Other Payables	23	32,494	32,047 1
Current Tax Liabilities	24	39,406	29,489 34
Other Liabilities	25	16,454	17,187 (4)
Total Liabilities		982,103	1,026,559
TOTAL EQUITY & LIABILITIES		1,671,737	1,714,463
Net Assets Value Per Share	26	120.94	120.63

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2020

Value in Taka '000'

Notes	01.07.2020 to 30.09.2020	01.07.2019 to 30.09.2019	Growth %
REVENUE			
27	646,110	600,493	8
28	(597,923)	(547,773)	9
GROSS PROFIT	48,187	52,720	(9)
Other operating income/(loss)	32	(0)	(0)
Administrative & selling overhead	33	(28,096)	(30,309) (7)
OPERATING PROFIT/(LOSS)	20,091	22,411	(10)
Finance & Other Income	34	3,272	4,296 (24)
Financial expenses	35	(15,070)	(16,517) (9)
PROFIT BEFORE PPF & WF	8,293	10,190	(19)
Provision for contribution to PPF & WF	36	(395)	(485) (19)
PROFIT/(LOSS) BEFORE TAX	7,898	9,705	(19)
Tax Expenses:	37	(5,809)	(7,696)
Current tax	(A)	(9,917)	(7,881) 26
Deferred tax (expenses)/income	(B)	4,108	185 2,121
NET PROFIT/(LOSS) AFTER TAX	2,089	2,009	4
Other comprehensive income		(360)	(54,698)
Fair valuation surplus/(deficit) of investments	16	(400)	(60,775) (99)
Deferred tax income/(expenses) on share valuation surplus		40	6,077 (99)
TOTAL COMPREHENSIVE INCOME	1,729	(52,689)	(103)
Basic Earnings Per Share (EPS)	38	0.37	0.35

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2020

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investments	Total
As at 1st July 2020	57,024	209,088	51,163	132,811	607	237,211	687,905
Net Profit/(Loss) for the first quarter ended on 30th September 2020	-	-	-	2,089	-	-	2,089
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(360)	(360)
As at 30th September 2020	57,024	209,088	51,163	134,900	607	236,851	689,634

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2020

Value in Taka '000'

Notes	01.07.2020 to 30.09.2020	01.07.2019 to 30.09.2019	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	678,804	578,564	17
Bank Charges & Commission	(1,839)	(1,613)	14
Income tax paid	(8,267)	(6,572)	26
Payment for costs and expenses	(665,284)	(504,001)	32
Net cash generated from operating activities (a)	3,414	66,378	(95)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant & Equipment acquired	(563)	(9,949)	(94)
Income from FDR's	11,018	8,443	31
Investment in Financial Assets	(9,586)	(6,902)	39
Net cash generated from investing activities (b)	869	(8,408)	(110)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	28,466	(9,093)	(413)
Long Term loan received/(repaid)	1,557	(158)	1,086
Short Term loan received/(repaid)	(19,251)	(37,461)	(49)
Interest paid	(14,019)	(15,015)	(7)
Dividend paid	(732)	(40)	1,731
Net cash used in financing activities (c)	(3,980)	(61,767)	(94)
Net increase/(decrease) in cash & cash equivalents (a+b+c)	304	(3,797)	
Cash & cash equivalents on opening	2,229	8,339	(73)
The effect of foreign currency translation gain / (loss)	(0)	(0)	0
Cash & cash equivalents on closing	2,532	4,542	(44)
Net Operating Cash Flows Per Share (NOCFPS)	39	0.60	11.64

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2019

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investments	Total
As at 30th June 2019	57,024	209,088	51,163	133,083	607	257,845	708,811
Prior Year adjustment	-	-	-	395	-	-	395
Restated Opening Balance	57,024	209,088	51,163	133,478	607	257,845	709,206
Net Profit/(Loss) for the first quarter ended on 30th September 2019	-	-	-	2,009	-	-	2,009
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(54,698)	(54,698)
As at 30th September 2019	57,024	209,088	51,163	135,488	607	203,148	656,518

Note: Published first quarterly financial statements can be available in the web-site of the Company.
The address of the web-site is www.apexfoods.com

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Baru
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER (Q1) ENDED ON 30TH SEPTEMBER, 2020
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

1. The company and its operation:

1.01 Legal Form of the Enterprise:

Apex Foods Limited is a Public Limited Company registered under the Companies Act, 1913 (Repealed in 1994). The Company was incorporated in Bangladesh vide its RJSC registration No. C-6841(571) dated 21.03.1979. Shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in Bangladesh.

1.02 Address of Registered Office and Factory:

The Registered Office is located at Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212 and the Factory is located at 51-B Shagarika Road, Fouzderhat Industrial Estate, Pahartali, Chattogram, Bangladesh.

1.03 Nature of Business Activities:

The Company owns and operates a modern Shrimps Processing Plant and exports 100% of its products in the foreign markets.

2. Basis of the preparation of the Financial Statements:

2.01 Accounting Convention and Basis:

These interim Financial Statements have been prepared under the Historical Cost Convention, Accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) in Bangladesh which do not vary from the requirements of the Companies Act, 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules, 1987 and other laws and rules applicable in Bangladesh.

2.02 Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs):

We have complied the following IASs and IFRSs as applicable for the financial statements for the period under review:

IAS-1	Presentation of Financial Statements	IAS-24	Related Party Disclosures
IAS-2	Inventories	IAS-33	Earnings Per Share
IAS-7	Statement of Cash Flows	IAS-34	Interim Financial Reporting
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	IAS-36	Impairment of Assets
IAS-10	Events after the Reporting Period	IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-12	Income Taxes	IAS-39	Financial Instruments: Recognition and Measurement
IAS-16	Property, Plant and Equipment	IFRS-7	Financial Instruments: Disclosures
IAS-21	The Effects of Changes in Foreign Exchange Rates	IFRS-9	Financial Instruments
IAS-23	Borrowing Costs	IFRS-15	Revenue from contracts with customers
		IFRS-16	Leases

2.03 Compliance with local laws:

The Interim Financial Statements have been prepared in compliance with requirements of the Companies Act, 1994, The Securities & Exchange Rules, 1987, the Income Tax Ordinance 1984, Income Tax Rule 1984, The VAT & Supplementary Act 2012, VAT & Supplementary Rule 2016 and other relevant local laws and rules.

2.04 Compliance with International Financial Reporting Standards (IFRSs):

The Interim Financial Statements have been prepared in compliance with requirements of IFRS's.

3. Other Explanatory Notes:

- (a) These Interim financial statements have been prepared under the historical cost convention and going concern basis.
 (b) No interim dividend paid during the interim period ended on 30th September 2020.
 (c) No diluted EPS is required to be calculated as there was no dilution during this period.
 (d) Last year's first quarterly (Q1) figures have been re-arranged where considered necessary to conform to current year's first quarter (Q1) presentation.
 (e) Figures were rounded-off to the nearest thousand Taka.
 (f) Reporting Period: These financial statements cover the period from 01st July 2020 to 30th September 2020.
 (g) Comparative Figure: Comparative information has been disclosed in respect of same period of the year 2019-2020 for income statement & financial position with 30th June 2020.

	Value in Taka '000'	
	As on	As on
	30.09.2020	30.06.2020
4. PROPERTY, PLANT AND EQUIPMENT:	<u>80,802</u>	<u>84,414</u>

During the period Fixed Assets addition has been made for Tk. 364,958/- and depreciation has been charged on additions made during the period from the month in which that assets are ready to use as per IAS 16.

5. INVESTMENTS:	<u>308,418</u>	<u>308,818</u>
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During the period, investments have been changed due to fair valuation of share.

6. SECURITY DEPOSITS:

Security Deposits to Office Rent	405	405
Security Deposits to TNT & Mobile	9	9
Security Deposits to Bangladesh Power Development Board	903	903
Security Deposits to BGSL/ Karnaphuli Gas Distribution Co.Ltd.	4,686	4,686
Opening Balance	4,686	4,097
Add: Addition during the period	-	588
	<u>6,003</u>	<u>6,003</u>

Security deposits are made to statutory bodies and hence secured.

7. INVENTORIES:

Shrimps (Finished Goods)	902,375	895,705
Packing Materials	2,237	4,028
Chemical & Ingredients	1,141	1,346
	<u>905,754</u>	<u>901,079</u>

8. TRADE RECEIVABLES:

Export Bills Receivable	<u>72,228</u>	<u>104,923</u>
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Trade receivables are stated at invoice value and considered good.

9. ADVANCES, DEPOSITS & PREPAYMENTS:

Advance against Expenses	1,816	1,146
Pre-payments	3,051	3,304
Advance Income Tax 9.(a)	28,319	20,052
Bank Guarantee Margin	429	429
	<u>33,615</u>	<u>24,931</u>

The growth of 35% in Advances, deposits & pre-payments mainly due to tax deduction at source on export & cash incentive.

9. (a) Advance Income Tax:

Opening Balance	20,052	40,461
Add: Paid during the period	8,267	24,293
	<u>28,319</u>	<u>64,754</u>
Less: Adjustment during the period	-	(44,703)
	<u>28,319</u>	<u>20,052</u>

10. OTHER RECEIVABLES:

Insurance Claim Receivable	16,255	16,255
Cash Incentive Receivable	30,127	51,649
FDR's Interest Receivable	4,142	11,929
P.F Lapse (employers portion)	603	563
	<u>51,127</u>	<u>80,395</u>

11. INVESTMENT IN FINANCIAL ASSETS:

FDRs with Dhaka Bank Limited	187,658	178,072
FDRs with Agrani Bank Limited	23,600	23,600
	<u>211,258</u>	<u>201,672</u>

All FDRs are made for more than 3 (Three) months.

12. CASH & CASH EQUIVALENTS:

Cash in Hand:	112	73
Head Office	4	19
Factory Office	108	54

Cash at Bank with:

Agrani Bank Limited, Agrabad Corporate Br., Chattogram	502	234
Eastern Bank Limited, Principal Branch, Dhaka	29	29
The Hongkong & Shanghai Banking Corporation, Dhaka	1,869	1,873
Dhaka Bank Limited, Foreign Exchange Branch, Dhaka	20	20
	<u>2,420</u>	<u>2,156</u>
	<u>2,532</u>	<u>2,229</u>

13. SHARE CAPITAL:

Authorized Capital:		
15,000,000 Ordinary Shares of Tk. 10/= each	<u>150,000</u>	<u>150,000</u>

Issued, Subscribed & Paid up Capital:

5,702,400 Ordinary Shares of Tk. 10/= each	<u>57,024</u>	<u>57,024</u>
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- There was no preference share issued by the Company.

Zafar Ahmed
Chairman

Shahriar Ahmed
Managing Director

Ashim Kumar Barua
Director

Sheuli Rani Dey
Chief Financial Officer

Kamrul Islam
Company Secretary

	Value in Taka '000'			
	As on		As on	
	30.09.2020	30.06.2020	30.09.2020	30.06.2020
COMPOSITION OF SHARE HOLDINGS:	No. of Share	%	No. of Share	%
Sponsors & Directors	2,221	38.96%	2,221	38.96%
Institutions	322	5.65%	257	4.50%
Public - Local	3,159	55.39%	3,224	56.54%
	5,702	100.00%	5,702	100.00%

14. SHARE PREMIUM: 209,088 209,088

This represents premium of Tk. 1,100 per share of 190,080 Right Shares of Tk.100 each.

15. RESERVE AND SURPLUS:

Reserve for re-investment	51,163	51,163
Retained Earnings	134,900	132,811
Capital Gain	607	607
	186,670	184,581

16. FAIR VALUATION SURPLUS OF INVESTMENTS:

Opening Balance	237,211	257,845
Adjustment for fair valuation surplus/(deficit) in this period	(400)	(22,927)
Less: Deferred tax @10%	40	2,293
Fair valuation surplus/(deficit) during this period	(360)	(20,634)
	236,851	237,211

This represents the difference of market value and the cost of the investments.

17. DEFERRED TAX LIABILITIES:

a) Book Value of Depreciable Assets:	80,802	84,414
Tax base of Depreciable Assets	77,716	81,174
Net Taxable Temporary Difference	3,086	3,240
Effective Tax Rate	12.50%	12.50%
Closing Deferred Tax (Assets)/Liabilities arising from assets	386	405
Opening Deferred Tax Balance	405	409
Deferred Tax Income/(Expense)	19	4
b) Foreign currency translation gain/(loss) -Unrealized:	(0)	(0)
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized translation gain/(loss)	(0)	(0)
Opening Deferred Tax Balance	(0)	0
Deferred Tax Income/(Expense)	(0)	0
c) PF Lapse Receivable (employer's portion):	603	563
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liability Arising from PF Lapse	151	141
Opening Deferred Tax Balance	141	132
Deferred Tax Income/ (Expense)	(10)	(9)
d) Unrealized Interest on FDRs:	4,142	11,929
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized FDRs Interest	1,036	2,982
Opening Deferred Tax Balance	2,982	2,238
Deferred Tax Income/(Expense)	1,947	(744)
e) Cash Incentive Receivable:	30,127	51,649
Effective Tax Rate	10.00%	10.00%
Closing Deferred Tax (Assets)/Liabilities arising from Cash Incentive Receivable	3,013	5,165
Opening Deferred Tax Balance	5,165	9,719
Deferred Tax Income/(Expense)	2,152	4,554
Deferred Tax Income/(Expense)- (a+b+c+d+e)	4,108	3,805

f) Deferred Tax (Assets)/Liabilities arising from Other Comprehensive Income:

Tax for (Losses)/gains on available for sale of investments	26,317	26,357
Closing Deferred Tax (Assets)/Liabilities arising from investments	26,317	26,357
Opening Deferred Tax Balance	26,357	28,649
Deferred Tax income/(expense) arising from investments	40	2,293
Total Deferred Tax (Assets)/Liabilities (a+b+c+d+e+f)	30,902	35,050

Decrease in deferred tax liabilities arises due to implementation of IAS 12 "Income Taxes".

18. LONG TERM LOAN: (a+b)	3,356	3,275
a) Opening Balance	1,684	2,363
Less: Paid during the period	(179)	(679)
	1,505	1,684
Less: Transferred to current maturity to next twelve months installment	(792)	(774)
	713	910

b) Stimulus Salary Loan		
Opening Balance	3,548	-
Add: Loan Taken During the period	1,737	3,548
Less: Paid during the period	-	-
	5,285	3,548
Less: Transferred to current maturity	(2,642)	(1,183)
	2,643	2,365

This represents the term loan was taken from Dhaka Bank Limited for purchase of machinery and stimulus salary loan taken from Agrani Bank Ltd.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

19. WORKING CAPITAL LOAN (SECURED):

Against Hypothecation	171,781	131,618
Against Pledge of Finished Goods	610,881	622,577
	782,662	754,195

The Working Capital loan was taken from Agrani Bank Limited, Agrabad Corporate Branch, Chattogram.

20. LONG TERM LOAN-CURRENT MATURITY:

Term Loan	792	774
Stimulus Salary Loan	2,642	1,183
	3,434	1,957

This represents the term loan & stimulus salary loan payable in next twelve months as per schedule of re-payment.

21. SHORT TERM LOAN:

Dhaka Bank Limited	10,314	29,565
	10,314	29,565

Short term loan with Dhaka Bank Limited represents the utilization of limit for procurement of Raw Materials. The loan was taken against lien of FDRs and the Limit is 100 million.

22. TRADE PAYABLES:

	63,081	123,794
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Trade Payables represents the amount payable to the gher owners of Shrimps from whom we procure the shrimps. The decrease represents more payment to the gher owners of shrimps during the period.

23. OTHER PAYABLES:

Advance against export	10,933	-
Audit Fees including VAT	403	403
Chemicals	297	547
Clearing & Forwarding	361	655
Consumable Stores & Spares	122	62
Contribution to PPF & WF	2,216	1,821
Contribution to Provident Fund	33	56
Directors' Remuneration	775	775
Electricity & WASA Charges	-	66
Entertainment	9	6
Factory Building	9	36
Factory Equipment	-	28
Ice	684	732
Interest Payable on Overdraft	-	788
Legal & Professional Fees	5	9
License & Renewal Fees	-	30
Newspaper & Periodicals	0	0
Ocean Freight	-	566
Office Maintenance	76	45
Packing Materials	9,901	17,108
Plant & Machinery	10	153
Power, Fuel and Water	-	65
Postage & Stamp	-	13
Printing & Stationery	10	46
Rent, Rates & Taxes	142	250
Repairs (Factory Building)	70	44
Repairs (Machinery & Equipments)	656	991
Salaries & Allowances	2,105	2,186
Sanitation Expenses	47	85
Staff income tax	-	124
Staff Welfare	-	70
Survey Fees & Inspection	12	40
Telephoning, Telex & Fax	34	18
Uniform & Liveries	107	162
Wages & Salaries	3,435	4,000
Vehicles Maintenance	46	68
	32,494	32,407

24. CURRENT TAX LIABILITIES:

Opening Balance	29,489	44,703
Add: Current period tax (Note-37)	9,917	29,489
Less: Adjustment against completion of tax assessment	-	(44,703)
	39,406	29,489

During the period, more revenue earned and the increase of 34% in provision due to tax deduction at source on export & cash incentive respectively.

25. OTHER LIABILITIES:

Opening Balance	17,187	11,159
Add: Dividend approved at AGM 2018-2019	-	11,405
	17,187	22,564
Less: Paid during the period up to 30.09.2020	(733)	(5,378)
Unclaimed Dividend	16,454	17,187

This represents the dividend warrants not presented to the Bank by the Shareholders within September 30, 2020.

26. NET ASSETS VALUE (NAV) PER SHARE :

Equity Attributable to the Owners of the Company	689,634	687,904
Number of Ordinary Shares	5,702	5,702
Net Assets Value (NAV) Per Share (Q1)	120.94	120.63

	Value in Taka '000'	
	01.07.2020	01.07.2019
	to	to
	30.09.2020	30.09.2019
27. REVENUE:	646,110	600,493
Revenue has been increased 8% (i.e. From 600.49 million to 646.11 million) as compared to the revenue of same period of 2018-19 due to increase of export during this period.		
28. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	895,705	885,375
Add: Cost of Production - Note 29	604,593	484,134
	1,500,298	1,369,509
Less: Closing Stock of Finished Goods	(902,375)	(821,736)
	597,923	547,773
29. COST OF PRODUCTION:		
Raw Materials	562,825	443,469
Packing Materials, Chemicals & Ice Consumed - Note 30	17,173	16,437
Direct Labour	7,028	6,397
Factory Overhead - Note 31	17,567	17,831
	604,593	484,134
30. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:		
Opening balance (Packing Materials)	4,028	2,174
Add: Packing Materials Purchase	13,646	8,251
	17,674	10,425
Less: Packing Materials in hand	(2,237)	(2,676)
	15,437	7,749
Opening balance (Chemicals & Ingredients)	1,346	1,599
Add: Chemicals, Ingredients & Ice Purchase	1,531	8,104
	18,314	17,452
Less: Chemicals & Ingredients in hand	(1,141)	(1,015)
	17,173	16,437
31. FACTORY OVERHEAD:		
Wages & Salaries	5,570	5,214
Bonus to Workers'	208	155
Power, Fuel & Water	7,196	5,875
Consumable Stores & Spares	113	171
Repair & Maintenance	723	2,046
Carriage Inward	6	11
Depreciation	3,751	4,359
	17,567	17,831
32. OTHER OPERATING INCOME / (LOSS):		
Foreign Currency Translation Gain / (Loss)	(0)	(0)
Foreign Currency Translation loss was Tk. 87/- . As the figures have been shown in thousand Taka in interim financial statements. So the figure is showing "0" Taka in other operating income / (loss) as well as in statement of cash flows and deferred tax.		
33. ADMINISTRATIVE & SELLING OVERHEAD:		
Bonus to Staff	1,110	944
Contribution to Provident Fund	255	284
Depreciation	226	233
Directors' Remuneration	2,325	2,325
Donation & Subscription	10	4
Electricity & WASA Charges	26	106
Entertainment	35	126
Freight & Forwarding	11,227	9,593
General Fees & Charges	0	32
Guest House Expenses	143	167
Laboratory Expenses	14	44
Laboratory Testing Fees	2,433	2,073
Legal & Professional Fees	9	14
License & renewals	71	88
Membership Subscription	1	1
Newspaper & Periodicals	1	15
Office Maintenance	144	124
Postage & Stamp	79	127
Printing & Stationery	116	153
Rent, Rates & Taxes	533	873
Salaries & Allowances	6,544	6,513
Sales Commission	-	3,397
Sales Promotion Expenses	2,031	1,592
Sanitation Expenses	27	44
Staff fooding	-	206
Staff Welfare Expenses	132	131
T.A & Conveyance	143	383
Telephone, Telex & Fax	135	103
Uniform & Liveries	97	178
Vehicles Maintenance	229	436
	28,096	30,309

	Value in Taka '000'	
	01.07.2020	01.07.2019
	to	to
	30.09.2020	30.09.2019
34. FINANCE & OTHER INCOME:		
Interest Earned on FDR's	3,232	4,296
P.F Lapse (employer's portion)	40	-
	3,272	4,296

	Value in Taka '000'	
	01.07.2020	01.07.2019
	to	to
	30.09.2020	30.09.2019
35. FINANCIAL EXPENSES:		
Interest	13,231	14,904
Charges	1,839	1,613
	15,070	16,517

	Value in Taka '000'	
	01.07.2020	01.07.2019
	to	to
	30.09.2020	30.09.2019
36. PROVISION FOR CONTRIBUTION TO PPF & WF:	(395)	(485)

This represents 5% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labour Law, 2006 & Bangladesh Labour Rules, 2015 & is payable to workers' as defined in the said Act.

37. TAX EXPENSES:

(A) CURRENT TAX:

This represents the deduction of TDS on export proceeds, tax on exchange gain/ (loss) from translation, TDS on cash incentive realization and TDS on Finance & Other income received.

Calculation of current tax:

a) Regular Tax:

Profit / (Loss) before tax	7,898	9,705
Less: Finance Income	(3,272)	(4,296)
Less: Other Operating Income/(loss)	(0)	(0)
Adjusted Income/ (Loss) from Business	4,626	5,410
Tax on Business Income @ 12.50% (applicable tax rate ie 50% rebate of @ 25%)	578	676

b) Minimum Tax U/S-82c(4):

Tax deduction on export:	3,449	5,770
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c) Tax on gross receipt:

	%		
Realized from revenue	0.30	2,036	1,736
Realized from Finance Income	0.60	66	51
Realized from Other Operating Income / (loss)	0.60	-	-
Gross Receipt		2,102	1,786

So, Current Tax:

Business tax- Higher of a, b & c (Minimum Tax U/S -82 c)	3,449	5,770
Tax on dividend income @ 20%	-	-
Tax on Cash Incentive @ 10% on realization amount	3,713	-
Tax on Interest Income @ 25%	2,755	2,111
Tax on Other Operating Income/(loss) @ 25%	-	-
	9,917	7,881

37. (B) DEFERRED TAX (EXPENSES) / INCOME:

	4,108	185
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The provision for deferred tax (expenses)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest on FDRs receivable, PF lapse receivable (employer's portion), Cash Incentive receivable, foreign currency translation and WDV of fixed assets. Detailed calculations are shown for above in Note - 17.

38. BASIC EARNINGS PER SHARE (EPS):

Earnings after Attributable to the Owners of the Company	2,089	2,009
Number of Ordinary Shares	5,702	5,702
Basic Earnings Per Share (EPS) (Q1)	0.37	0.35

39. NET OPERATING CASH FLOWS (NOCF) PER SHARE:

Net Cash generated from/(used in) operating activities	3,414	66,378
Number of Ordinary Shares	5,702	5,702
Net Operating Cash Flows (NOCF) Per Share (Q1)	0.60	11.64

Net operating cash flow is Tk. 0.60 per share for the 1st quarter ended on 30th September 2020 but it was Tk.11.64 for the same period of last year, this is mainly due to increase in revenue income during the period, however the scenario is changeable time to time depending on different issues.

40. CONTINGENT LIABILITY:

There is Tk.1.72 million as Bank guarantee for which the Company is contingently liable as on 30th September 2020

41. PRIOR YEAR ADJUSTMENT:

As per Financial Reporting Council (FRC) notification no. 179/FRC/FRM/notification/2020/2 dated 7th July'20 regarding lapse amount of employer's subscription to provident fund have to return to Company from 2015 to June 30, 2020 & retained earnings as at July 01, 2019 has been adjusted accordingly by Tk.395,125/- (Net of Tax).

42. DISCLOSURE REGARDING RERANGEMENT:

Forfeiture amount of Provident Fund (Employer's Portion) has been accounted for as income under Finance & Other income (note:34) in the statement of Profit or Loss and Other Comprehensive Income and Statement of changes in equity. Also, few restructures have been made in the Statement of Profit or Loss and Other Comprehensive Income for better presentation.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

43. RELATED PARTY TRANSACTIONS:

(a) There was no related party transaction (Inter Company) during the quarter under review.

(b) The Company is paying remuneration to the Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them (Note No.33).

(c) The Company operates a contributory provident fund which is administered by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management to the Provident Fund Trust and the Company has no further liability. Group insurance premium is paid to the Insurance Company once in a year and if there is any claim that will be entertained by the Insurance Company for the Key Management and the Company has no liability. In addition to that there is nothing to them except salaries and allowances.

44. EVENTS AFTER REPORTING PERIOD:**a. Proposed Dividend:**

The Board of Directors has recommended cash Dividend of Tk. 1.50/- per Share for the year 2019-20 at the Board meeting held on October 28, 2020. The total amount of Dividend is Tk. 85,53,600/-.

b. Effect of COVID-19:

Due to Corona Virus (COVID-19) pandemic from January 2020 & worldwide lockdown, our industry has been badly affected. Foreign Buyers have cancelled contracts indiscriminately. As a result, to keep the factory running & not sack workers & employees, we have been / are being compelled to maintain production & export at even lower than our cost which has / is causing us financial loss. We are trying our best to overcome these extremely difficult situation. Such situation is being faced by all types of industries in our country & abroad.

c. Other Significant Event:

There is no other significant event that has occurred between the Statement of interim Financial Position of the date and the date when the interim financial statements were authorized for issuance by the Board of Directors of the Company.

45. RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:

Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification no.: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018.

	Value in Taka '000'	
	01.07.2020 to 30.09.2020	01.07.2019 to 30.09.2020
Cash flows from operating activities:		
Profit before tax	7,898	9,705
Add: Depreciation	3,977	4,592
Less: Effect of Foreign currency translation gain / (loss)	(0)	(0)
Less: Finance & Other income during the period	(3,272)	(4,296)
Add: Interest paid during the period	13,231	14,904
(Increase)/Decrease in Inventories	(4,675)	63,722
(Increase)/Decrease in Trade Receivables	32,694	(21,929)
(Increase)/Decrease in Advances, Deposits & Pre-payments	(417)	2,266
(Increase)/Decrease in Other Receivables	21,522	(8,616)
Income tax paid during the period	(8,267)	(6,572)
(Increase)/Decrease in Security deposits	-	158
Increase/(Decrease) in Trade Payables	(60,711)	19,051
Increase/(Decrease) in Other Payables	1,434	(6,607)
Net cash flows generated from/(Used in) operating activities	3,414	66,378
RECONCILIATION:		
Net cash flows generated from/(Used in) operating activities	3,414	66,378
Indirect Method:		
Net cash flows generated from/(Used in) operating activities	3,414	66,378
Direct Method:		
Differences	-	-

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary