

APEX FOODS LIMITED

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

UN-AUDITED NINE MONTHS (Q3) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST MARCH, 2020

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST MARCH, 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2020

Value in Taka '000'				Value in Taka '000'							
Notes	As on		Growth %	Notes	01.07.2019 to		Growth %	01.01.2020 to		Growth %	
	31.03.2020	30.06.2019			31.03.2020	31.03.2019		31.03.2020	31.03.2019		
ASSETS				REVENUE							
Non-Current Assets:				Cost of goods sold							
Current Assets:				GROSS PROFIT							
TOTAL ASSETS				PROFIT/(LOSS) BEFORE PPF & WF							
EQUITY AND LIABILITIES				PROFIT/(LOSS) BEFORE TAX							
Shareholders' Equity:				Tax Expenses:							
Non-Current Liabilities:				NET PROFIT/(LOSS) AFTER TAX							
Current Liabilities:				Other comprehensive income							
Total Liabilities				TOTAL COMPREHENSIVE INCOME							
TOTAL EQUITY & LIABILITIES				Basic Earnings Per Share (EPS)							
Net Assets Value (NAV) Per Share											

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2020

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	Total
As at 1st July 2019	57,024	209,088	51,163	133,083	607	257,845	708,811
Net Profit/(Loss) for the nine months ended on 31st March 2020	-	-	-	(26,139)	-	-	(26,139)
Dividend for the year 2018-19	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(20,634)	(20,634)
As at 31st March 2020	57,024	209,088	51,163	95,540	607	237,211	650,633

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2020

Value in Taka '000'

Notes	01.07.2019 to		Growth %
	31.03.2020	31.03.2019	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash generated from operating activities (a)			
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash used in investing activities (b)			
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used in financing activities (c)			
Net increase/(decrease) in cash & cash equivalents (a+b+c)			
Cash & cash equivalents on opening			
The effect of foreign currency translation gain / (loss)			
Cash & cash equivalents on closing			
Net Operating Cash Flows Per Share (NOCFPS) 39			

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2019

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	Total
As at 1st July 2018	57,024	209,088	51,163	137,464	607	328,224	783,570
Prior Year adjustment	-	-	-	(4,787)	-	-	(4,787)
Restated Opening Balance	57,024	209,088	51,163	132,677	607	328,224	778,783
Net Profit/(Loss) for the nine months ended on 31st March 2019	-	-	-	9,958	-	-	9,958
Dividend for the year 2017-18	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(86,158)	(86,158)
As at 31st March 2019	57,024	209,088	51,163	131,230	607	242,066	691,178

Note: Published interim 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/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS (Q3) ENDED ON 31ST MARCH, 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.

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.

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 are 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-15	Revenue from contracts with customers
IAS-23	Borrowing Costs		

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 Act 2012, VAT Rule 2012 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:

- These interim financial statements have been prepared under the historical cost convention and going concern basis.
- No interim dividend paid during the interim period ended on 31st March 2020.
- No diluted EPS is required to be calculated as there was no dilution during this period.
- Last year's nine months figures have been re-arranged where considered necessary to conform to current nine months presentation.
- Figures were rounded-off to the nearest thousand Taka.
- Reporting Period: These interim financial statements cover the period from 01st July 2019 to 31st March 2020.
- Comparative Figure: Comparative information has been disclosed in respect of same period of the year 2018-2019 for income statement & financial position with 30th June 2019.

4. PROPERTY, PLANT & EQUIPMENT:

Details of Property, plant & equipment and depreciation as at 31 March, 2020 are as follows:

Fixed assets at cost:

	As on 31.03.2020	As on 30.06.2019
Opening Balance	710,997	705,057
Addition during the period	13,406	5,940
Closing Balance (cost)	724,403	710,997

Accumulated Depreciation:

	As on 31.03.2020	As on 30.06.2019
Opening Balance	622,009	601,852
Charged during the period	14,118	20,157
Closing Balance (Depreciation)	636,127	622,009

Written Down Value (WDV) as at 31.03.2020

	As on 31.03.2020	As on 30.06.2019
	88,276	88,988

Depreciation has been charged (reducing balance method) on additions made during the period from the month in which that assets are ready to use as per IAS 16.

5. INVESTMENTS:

	As on 31.03.2020	As on 30.06.2019
	308,818	331,745

During the period, investments have been changed due to fair valuation of share.

6. SECURITY DEPOSITS:

	As on 31.03.2020	As on 30.06.2019
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	4,097
Opening Balance	4,097	4,097
Less: Adjusted during the period	158	-
Add: Increase of Gas tariff	747	-
	6,003	5,414

Security deposits are made to statutory bodies and hence secured.

7. INVENTORIES:

	As on 31.03.2020	As on 30.06.2019
Shrimps (Finished Goods)	889,875	885,375
Packing Materials	4,092	2,175
Chemicals & Ingredients	2,798	1,599
	896,765	889,149

8. TRADE RECEIVABLES:

	As on 31.03.2020	As on 30.06.2019
	-	-

9. ADVANCES, DEPOSITS & PREPAYMENTS:

Advance against Expenses
Pre-payments
Advance Income Tax 9.(a)
Bank Guarantee Margin
L/C margin with Agrani Bank Limited

	As on 31.03.2020	As on 30.06.2019
	1,520	873
	4,020	4,243
	55,653	40,461
	429	429
	-	2,055
	61,622	48,061

9. (a) Advance Income Tax:

Opening Balance
Add: Paid during the period

	As on 31.03.2020	As on 30.06.2019
	40,461	40,929
	15,192	18,310
	55,653	59,239
	-	18,778
	55,653	40,461

Less: Adjustment during the period

The growth of 28% in Advances, deposits & pre-payments mainly due to tax deduction at source on export.

10. OTHER RECEIVABLES:

Insurance Claim Receivable
Cash Incentive Receivable
FDR's Interest Receivable

	As on 31.03.2020	As on 30.06.2019
	16,255	16,255
	114,716	97,190
	10,467	8,952
	141,438	122,397

Cash incentive receivable from the Bank which will be received through Agrani Bank Limited time to time depending on their availability of fund from Bangladesh Bank.

11. INVESTMENT IN FINANCIAL ASSETS:

FDRs with Dhaka Bank Limited
FDRs with Agrani Bank Limited

	As on 31.03.2020	As on 30.06.2019
	175,911	165,891
	55,100	22,100
	231,011	187,991

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

12. CASH & CASH EQUIVALENTS:

Cash in Hand:

Head Office
Factory Office

	As on 31.03.2020	As on 30.06.2019
	74	36
	3	20
	71	16

Cash at Bank with:

Agrani Bank Limited, Agrabad Corporate Br., Chattogram
Eastern Bank Limited, Principal Branch, Dhaka
The Hongkong & Shanghai Banking Corporation Ltd., Dhaka
Dhaka Bank Limited, Foreign Exchange Branch, Dhaka

	As on 31.03.2020	As on 30.06.2019
	196	3,979
	29	30
	1,881	4,287
	13	7
	2,119	8,303
	2,193	8,339

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

	Value in Taka '000'	
	As on 31.03.2020	As on 30.06.2019
13. SHARE CAPITAL:		
Authorized Capital:		
15,000,000 Ordinary Shares of Tk. 10/- each	150,000	150,000
Issued, Subscribed & Paid up Capital:		
5,702,400 Ordinary Shares of Tk. 10/- each	57,024	57,024
COMPOSITION OF SHARE HOLDINGS:		
	As at 31.03.2020	As at 31.06.2019
Sponsors & Directors	38.96%	38.96%
Institutions	5.21%	4.63%
Public - Local	55.83%	56.41%
	100.00%	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	95,540	133,083
Capital Gain	607	607
	147,310	184,853

16. FAIR VALUATION SURPLUS OF INVESTMENTS:		
Opening Balance	257,845	328,224
Adjustment for fair valuation surplus/(deficit) in this period	(22,927)	(78,199)
Less: Deferred tax @10%	2,293	7,820
Fair valuation surplus/(deficit) during this period	(20,634)	(70,379)
	237,211	257,845

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

17. DEFERRED TAX LIABILITIES:		
a) Book Value of Depreciable Assets:		
Tax base of Depreciable Assets	88,276	88,988
Net Taxable Temporary Difference	85,048	85,719
Effective Tax Rate	3,228	3,269
Closing Deferred Tax (Assets)/Liabilities arising from assets	12.50%	12.50%
Opening Deferred Tax Balance	404	409
Deferred Tax Income/(Expense)	409	421
	5	12
b) Foreign currency translation gain/(loss) -Unrealized:		
Effective Tax Rate	0	0
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized translation gain/(loss)	25.00%	25.00%
Opening Deferred Tax Balance	0	0
Deferred Tax Income/(Expense)	0	0
c) Dividend Receivable:		
Effective Tax Rate	-	-
Closing Deferred Tax (Assets)/Liabilities arising from Dividend Receivable	20.00%	20.00%
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	-	-
d) Unrealized Interest on FDRs:		
Effective Tax Rate	10,467	8,952
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized FDRs Interest	25.00%	25.00%
Opening Deferred Tax Balance	2,617	2,238
Deferred Tax Income/(Expense)	2,238	1,862
	(379)	(376)
e) Cash Incentive Receivable:		
Effective Tax Rate	114,716	97,190
Closing Deferred Tax (Assets)/Liabilities arising from Cash Incentive Receivable	5.00%	10.00%
Opening Deferred Tax Balance	5,736	9,719
Deferred Tax Income/(Expense)	9,719	4,787
	3,983	(4,932)
Deferred Tax Income/(Expense)- (a+b+c+d+e)	3,609	(5,296)
f) Deferred Tax (Assets)/Liabilities arising from Other Comprehensive Income:		
Tax for (Losses)/gains on available for sale of investments	26,356	28,649
Closing Deferred Tax (Assets)/Liabilities arising from investments	26,356	28,649
Opening Deferred Tax Balance	28,649	36,469
Deferred Tax income/(expense) arising from investments	2,293	7,820
Total Deferred Tax (Assets)/Liabilities (a+b+c+d+e+f)	35,113	41,015

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

18. LONG TERM LOAN:		
Opening Balance	2,363	2,975
Less: Paid during the period	495	612
	1,868	2,363
Less: Transferred to current maturity to next twelve months installment	753	671
	1,115	1,692

This represents the term loan was taken from Dhaka Bank Limited for purchase of machinery.

	Value in Taka '000'	
	As on 31.03.2020	As on 30.06.2019
19. WORKING CAPITAL LOAN (SECURED):		
Against Hypothecation	101,882	132,440
Against Pledge of Finished Goods	610,694	611,853
	712,576	744,293

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

20. LONG TERM LOAN-CURRENT MATURITY:	753	671
---	-----	-----

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

21. SHORT TERM LOAN:		
Dhaka Bank Limited	65,387	69,610
Loan against cash incentive	55,400	-
	120,787	69,610

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:	114,580	31,651
----------------------------	---------	--------

Trade Payables represents the amount payable to the gher owners of Shrimps from whom we procure the shrimps.

23. OTHER PAYABLES:		
Advance against export	-	1,525
Audit Fees including VAT	302	230
Chemicals	552	53
Cleaning & Forwarding	285	183
Consumable Stores & Spares	109	91
Contribution to PPF & WF	1,920	1,920
Contribution to Provident Fund	-	35
Directors' Remuneration	325	775
Electricity & WASA Charges	-	63
Entertainment	-	9
Factory Building	49	7
Factory Equipments	22	-
Office Equipment	54	-
Ice	489	1,399
Interest Payable on Cash Incentive Loan	1,063	-
Interest Payable on CC Hypo & Pledge A/c	-	112
Legal & Professionals Fees	102	201
Newspaper & Periodicals	-	4
Office Maintenance	-	111
Packing Materials	12,106	13,524
Plant & Machinery	120	55
Printing & Stationery	9	45
Rent, Rates & Taxes	-	206
Repairs (Factory Building)	915	-
Repairs (Machinery & Equipment)	-	1,270
Salaries & Allowances	1,139	2,347
Sales Promotion Expenses	34	715
Staff income tax	-	124
Staff Welfare	-	104
Survey Fees & Inspection	6	56
Telephone, Telex & Fax	15	24
Uniform & Liveries	153	195
Wages & Salaries	2,144	3,046
Vehicles Maintenance	45	47
	21,958	28,479

The decrease of 23% mainly due to more payment during this period.

24. CURRENT TAX LIABILITIES:	44,703	42,181
Opening Balance	16,714	21,299
Add: Current period tax (Note-37)	-	(18,778)
Less: Adjustment against completion of tax assessment	61,417	44,703

During the period, more revenue earned and the increase of 37% in provision due to tax deduction at source on export.

25. OTHER LIABILITIES:		
Opening Balance	11,159	8,945
Add: Dividend approved at AGM 2018-2019	11,405	11,405
	22,564	20,350
Less: Paid during the period up to 31.03.2020	5,370	9,191
Unclaimed Dividend	17,194	11,159

This represents the dividend warrants not presented to the Bank by the Shareholders within March 31, 2020.

26. NET ASSETS VALUE (NAV) PER SHARE :		
Equity Attributable to the Owners of the Company	650,633	708,811
Number of Ordinary Shares	5,702	5,702
Net Assets Value (NAV) Per Share	114.10	124.30

Net assets value per share has decreased for reducing of fair value of share and retained earnings during the period.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

Value in Taka '000'
01.07.2019 to 31.03.2020
01.07.2018 to 31.03.2019

Value in Taka '000'
01.07.2019 to 31.03.2020
01.07.2018 to 31.03.2019

27. REVENUE: 1,796,968 1,368,288

Revenue has been increased 31% (i.e. From 1,368.29 million to 1,796.97 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 885,375 868,083
Add: Cost of Production - Note 29 1,697,072 1,271,279
2,582,448 **2,139,362**
Less: Closing Stock of Finished Goods 889,875 912,306
1,692,573 1,227,056

29. COST OF PRODUCTION:
Raw Materials 1,574,496 1,150,907
Packing Materials, Chemicals & Ice Consumed - Note 30 40,787 45,987
Direct Labour 20,259 19,458
Factory Overhead - Note 31 61,530 54,927
1,697,072 1,271,279

30. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:
Opening balance (Packing Materials) 2,175 9,124
Add: Packing Materials Purchase 32,404 30,122
34,579 **39,246**
Less: Packing Materials in hand 4,092 4,404
30,487 **34,842**
Opening balance (Chemicals & Ingredients) 1,599 3,202
Add: Chemicals, Ingredients & Ice Purchase 11,499 10,261
43,585 **48,305**
Less: Chemicals & Ingredients in hand 2,798 2,318
40,787 45,987

31. FACTORY OVERHEAD:
Wages & Salaries 17,994 16,499
Bonus to Workers' 155 186
Power, Fuel & Water 19,833 17,247
Consumable Stores & Spares 786 724
Insurance Premium 3,959 2,076
Repair & Maintenance 5,383 3,980
Carriage Inward 17 18
Depreciation 13,403 14,197
61,530 54,927

32. OTHER OPERATING INCOME / (LOSS):
Foreign Currency Translation Gain / (Loss) 0 (0)

Foreign Currency Translation gain was Tk. 17/- . As the figures have been shown in thousand Taka in this 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:
Advertisement 160 159
AGM Expenses 117 152
Audit Fees including VAT 302 -
Board meeting fees 8 18
Bonus to Staff 944 1,188
Contribution to Provident Fund 1,034 1,176
Depreciation 715 808
Directors' Remuneration 6,975 6,975
Donation & Subscription 18 7
Electricity & WASA Charges 305 240
Entertainment 453 357
Freight & Forwarding 27,280 24,283
General Fees & Charges 50 30
Guest House Expenses 479 474
Laboratory Expenses 274 109
Laboratory Testing Fees 5,264 3,998
Legal & Professional Fees 48 57
License & renewals 796 764
Medical Expenses 5 6
Membership Subscription 11 10
Newspaper & Periodicals 43 40
Office Maintenance 417 459
Postage & Stamp 328 297
Printing & Stationery 666 687
Rent, Rates & Taxes 2,318 2,551
Salaries & Allowances 19,803 19,183
Sales Commission 3,397 -
Sales Promotion Expenses 4,458 6,617
Sanitation Expenses 134 106
Staff fooding 606 465
Staff Welfare Expenses 641 656
T.A & Conveyance 1,035 811
Telephone, Telex & Fax 355 371
Uniform & Liveries 450 316
Vehicles Maintenance 1,228 1,086
81,117 74,456

The increase of 9% in administrative & selling overhead mainly due to increase revenue during this period. Sales commission has been paid as per terms of the Contacts / L/C.

34. FINANCE INCOME:
Dividend Income 5,954 5,954
Interest Earned 12,911 11,420
18,865 17,374

35. FINANCIAL EXPENSES:
Interest 48,301 54,470
Charges 6,876 4,515
55,177 58,985

36. PROVISION FOR CONTRIBUTION TO PPF & WF: - (1,258)

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 interest income.

Calculation of current tax:
a) Minimum Tax U/S-82c(4)
Tax deduction on export: 9,556 6,764
b) Regular Tax:
Profit/(Loss) before tax (13,034) 23,907
Add: Accounting Depreciation 14,118 15,005
Less: Capital Allowance (14,077) (14,859)
Less: Finance Income (18,865) (17,374)
Less: Other Operating Income/(loss) 0 (0)
Business Income / (Loss) **(31,858)** **6,679**
Tax on Business Income @ 12.50% (applicable tax rate i.e. 50% rebate of @ 25%) - 835

c) Tax on gross receipt: %
Realized from revenue 0.30 5,391 4,105
Realized from Finance Income 0.60 104 104
Realized from Other Operating Income/(loss) 0.60 0 (0)
Gross Receipt **5,495** **4,209**

So, Current Tax:
Business tax- Higher of a, b & c (Minimum Tax U/S -82 c) 9,556 6,764
Tax on Dividend Income @ 20% 1,191 1,191
Tax on Cash Incentive @ 5% on realization amount 3,118 4,884
Tax on Interest Income @ 25% 2,849 2,839
Tax on Other Operating Income/(loss) @ 25% 0 (0)
16,714 15,678

37. (B) DEFERRED TAX (EXPENSES) / INCOME: 3,609 1,729
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, 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 (26,139) 9,958
Number of Ordinary Shares 5,702 5,702
Basic Earnings Per Share (EPS) **(4.58)** **1.75**

EPS for Interim 2018-2019 has been restated to Tk. 1.75 from Tk. 1.44 due to accounted for deferred tax on cash incentive receivable as on 31.03.19 by Tk.1,727/-.

39. NET OPERATING CASH FLOWS (NOCF) PER SHARE:
Net Cash generated from/(used in)operating activities 66,502 93,794
Number of Ordinary Shares 5,702 5,702
Net Operating Cash Flows (NOCF) Per Share **11.66** **16.45**

Net operating cash flow is Tk. 11.66 per share for the nine months ended on 31st March 2020 but it was Tk.16.45 for the same period of last year. However the scenario is changeable time to time depending on different issues.

40. DISCLOSURE REGARDING RESTATED:
Retained earnings as on 30th June 2018 has been restated due to accounted for deferred tax on cash incentive receivable by Tk. 4,787/-.

41. CONTINGENT LIABILITY:
There is Tk. 1.72 million as Bank guarantee for which the Company is contingently liable as on 31st March 2020.

42. EVENTS AFTER REPORTING PERIOD:
a. Affect 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.
b. There is no other significant event that has occurred between the Statement of interim Financial Position date and the date when the financial statements were authorized for issuance by the Board of Directors of the Company.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing 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 period 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 administrated 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. 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'	
	01.07.2019	01.07.2018
	to	to
	31.03.2020	31.03.2019
Cash flows from operating activities:		
Profit/(Loss) before tax	(13,034)	23,907
Add: Depreciation	14,118	15,005
Less: Effect of Foreign currency translation gain / (loss)	0	(0)
Less: Finance income during the period	(18,865)	(17,374)
Add: Interest paid during the period	48,301	54,470
(Increase)/Decrease in Inventories	(7,616)	(38,619)
(Increase)/Decrease in Trade Receivables	-	642
(Increase)/Decrease in Advances, Deposits & Pre-payments	1,631	(2,386)
(Increase)/Decrease in Other Receivables	(17,527)	57,565
Income tax paid during the period	(15,192)	(15,902)
(Increase)/Decrease in Security deposits	(588)	5
Increase/(Decrease) in Trade Payables	82,929	17,278
Increase/(Decrease) in Other Payables	(7,655)	(797)
Net cash flows generated from/(Used in) operating activities	66,502	93,794
RECONCILIATION:		
Net cash flows generated from/(Used in) operating activities		
Indirect Method:	66,502	93,794
Net cash flows generated from/(Used in) operating activities		
Direct Method:	66,502	93,794
Differences	-	-

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary