

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS (Q2) ENDED ON 31.12.2018

	Value in Taka '000'	
	As on <u>31.12.2018</u>	As on <u>30.06.2018</u>
1. PROPERTY, PLANT & EQUIPMENT:	<u>96,534</u>	<u>103,205</u>
During the period addition has been made for Tk. 3,243,204/- and depreciation has been calculated as per BAS 16.		
2. SECURITY DEPOSITS:	<u>5,409</u>	<u>5,414</u>
Security deposits are made to statutory bodies and hence secured.		
3. INVENTORIES:		
Shrimps	1,032,836	868,083
Packing Materials	4,790	9,124
Chemical & Ingredients	<u>2,590</u>	<u>3,202</u>
	<u>1,040,216</u>	<u>880,409</u>

18% increase mainly for increase in stock of shrimps due to decrease in revenue.

4. TRADE RECEIVABLES:	<u>81,356</u>	<u>24,577</u>
------------------------------	---------------	---------------

Trade receivables are stated at Invoice value and considered good.

5. ADVANCES, DEPOSITS AND PREPAYMENTS:

Advance against expenses	-	490
Staff Advance	3	-
Prepayments	3,382	3,956
Bank Guarantee margin	429	429
Advance Income Tax	<u>53,635</u>	<u>40,930</u>
	<u>57,449</u>	<u>45,805</u>

The growth of 25% in Advances, deposits and pre-payments mainly due to tax deduction at Source on Cash incentive and value of export.

6. OTHER RECEIVABLES:

Insurance Claim Receivable	16,255	16,255
Dividend Receivable-CDBL	1,428	-
Dividend Receivable-ASKML	4,526	-
Cash incentive Receivable	75,007	159,559
FDR's Interest Receivable	<u>4,824</u>	<u>7,449</u>
	<u>102,040</u>	<u>183,263</u>

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.

7. INVESTMENT IN FINANCIAL ASSETS:

FDR's with Dhaka Bank Ltd.	174,329	190,053
FDR's with Agrani Bank Limited	<u>22,100</u>	<u>22,100</u>
	<u>196,429</u>	<u>212,153</u>

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

8. CASH AND CASH EQUIVALENTS:

Cash in Hand:

Head Office	2	28
Factory Office	82	22
	<u>84</u>	<u>50</u>

Cash at Bank with:

Agrani Bank Ltd., Agrabad Corporate Br. Chattogram	520	136
Arab Bangladesh Bank Ltd., Principal Br., Dhaka	-	610
Eastern Bank Ltd., Principal Branch, Dhaka	30	30
The Hongkong & Shanghai Banking Corporation, Dhaka	<u>7,040</u>	<u>6,587</u>
	<u>7,590</u>	<u>7,363</u>
	<u>7,674</u>	<u>7,413</u>

9. FAIR VALUATION SURPLUS OF INVESTMENTS:

Opening Balance	<u>328,224</u>	<u>199,879</u>
Adjustment for fair valuation surplus/(deficit) in this period	(96,036)	142,606
Less: Deferred tax @10%	<u>9,604</u>	<u>(14,261)</u>
Fair valuation surplus/(deficit) during this period	<u>(86,432)</u>	<u>128,345</u>
	<u>241,792</u>	<u>328,224</u>

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

10. DEFERRED TAX LIABILITIES:

a) Book Value of Depreciable Assets:	96,534	103,205
Tax base of Depreciable Assets	<u>93,319</u>	<u>99,838</u>
Net Taxable Temporary Difference	3,215	3,367
Effective Tax Rate	12.50%	12.50%
Closing Deferred Tax (Assets)/Liabilities arising from assets	402	421
Opening Deferred Tax Balance	<u>421</u>	<u>362</u>
Deferred Tax Income/(Expense)	19	(59)

b) Foreign currency translation gain/(loss) -Unrealized

Effective tax rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized translation gain/(loss)	0	0
Opening Deferred Tax Balance	<u>0</u>	<u>-</u>
Deferred Tax Income/(Expense)	(0)	(0)

c) Unrealized Dividend Receivable

Effective Tax Rate	20.00%	-
Closing Deferred Tax (Assets)/Liability arising from Dividend Receivable	1,191	-
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	(1,191)	-

d) Unrealized Interest on FDRs:

Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized FDRs Interest	1,206	1,862
Opening Deferred Tax Balance	<u>1,862</u>	<u>1,702</u>
Deferred Tax Income/(Expense)	656	(160)
Deferred Tax Income/(Expense) - (a+b+c+d)	(516)	(219)

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

Tax for (Losses)/gains on available for sale investments @10%	<u>26,866</u>	<u>36,470</u>
Closing Deferred Tax (Assets)/Liabilities arising from investments	26,866	36,470
Opening Deferred Tax Balance	36,470	22,209
Deferred Tax (Income)/expense arising from investments	(9,604)	14,261
Total Deferred Tax (Assets)/Liabilities (a+b+c+d+e)	29,665	38,753

This decreased due to implementation of BAS 12.

11. LONG TERM LOAN:

	<u>2,032</u>	<u>2,381</u>
--	--------------	--------------

This represents the term loan from Dhaka Bank Limited for procurement of machinery.

12. WORKING CAPITAL LOAN (SECURED):

Against Hypothecation	181,647	147,516
Against Pledge of Finished Goods	<u>611,205</u>	<u>615,267</u>
	<u>792,852</u>	<u>762,783</u>

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

13. LONG TERM LOAN-CURRENT MATURITY:

	<u>649</u>	<u>594</u>
--	------------	------------

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

14. SHORT TERM LOAN:

Dhaka Bank Limited	95,086	89,134
Loan against cash incentive	<u>27,700</u>	<u>56,209</u>
	<u>122,786</u>	<u>145,343</u>

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.

15. TRADE PAYABLES:

	<u>162,876</u>	<u>64,709</u>
--	----------------	---------------

Trade Payables represents the amount payable to the gher owners of Shrimps from whom we procure the shrimps. The increase represents less payments made to the suppliers of shrimps during the period.

16. OTHER PAYABLES:

	<u>25,179</u>	<u>22,924</u>
--	---------------	---------------

The Increase of 10% mainly due to less payments to the parties during this period.

17. OTHER LIABILITIES:

Unclaimed Dividend	<u>20,287</u>	<u>8,945</u>
---------------------------	---------------	--------------

This represents the dividend warrants not presented to the Bank by the Shareholders within December 31, 2018 and the dividend payable for 2017-18 which has been approved in AGM by the Shareholders but not distributed with in 31.12.2018.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Assistant Company Secretary

	Value in Taka '000'	
	01.07.2018	01.07.2017
	to 31.12.2018	to 31.12.2017
18. REVENUE:	961,014	1,264,005
Revenue has been decreased 24% as compared to the revenue of same period of last year. as the demand of international market was less and the price was also down.		
19. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	868,083	864,730
Add: Cost of Production - Note 20	<u>1,031,342</u>	<u>1,207,105</u>
	1,899,425	2,071,835
Less: Closing Stock of Finished Goods	<u>1,032,836</u>	<u>912,013</u>
	866,589	1,159,822

20. COST OF PRODUCTION:

Raw Materials	940,512	1,115,730
Packing Materials, Chemicals & Ice Consumed - Note 21	36,314	32,076
Direct Labour	15,048	18,284
Factory Overhead - Note 22	<u>39,468</u>	<u>41,015</u>
	1,031,342	1,207,105

The decrease of 15% in Cost of production mainly due to less procurement of shrimps as compared to same period of last year as the export was less during the period as compared to same period of last year.

21. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:

Opening balance (Packing Materials)	9,124	10,135
Add: Packing Materials Purchase	<u>23,391</u>	<u>23,504</u>
	32,515	33,639
Less: Packing Materials in hand	<u>4,790</u>	<u>10,424</u>
	27,725	23,215
Opening balance (Chemicals & Ingredients)	3,202	4,565
Add: Chemicals, Ingredients & Ice Purchase	<u>7,977</u>	<u>8,516</u>
	38,904	36,296
Less: Chemicals & Ingredients in hand	<u>2,590</u>	<u>4,220</u>
	36,314	32,076

22. FACTORY OVERHEAD:

Wages & Salaries	11,197	12,005
Bonus to Workers'	186	255
Power, Fuel & Water	13,199	10,626
Consumable Stores & Spares	583	831
Insurance Premium	2,077	2,076
Repair & Maintenance	2,831	4,529
Carriage Inward	15	24
Depreciation	<u>9,380</u>	<u>10,669</u>
	39,468	41,015

23. ADMINISTRATIVE AND SELLING OVERHEAD:

Advertisement	90	96
AGM Expenses	152	132
Board meeting fees	13	10
Bonus to Staff	1,188	1,119
Contribution to Provident Fund	773	718
Depreciation	534	559
Directors' Remuneration	4,650	4,500
Donation & Subscription	4	12
Electricity & WASA Charges	187	175
Entertainment	299	305
Freight & Forwarding	17,214	21,001
General Fees & Charges	19	100
Guest House Expenses	319	330
Laboratory Expenses	76	57
Laboratory Testing Fees	3,063	3,651
Legal & Professional Fees	37	121
License & renewals	248	844
Medical Expenses	4	157
Membership Subscription	-	2
Newspaper & Periodicals	29	28
Office Maintenance	293	194
Postage & Stamp	204	202
Printing & Stationery	508	514
Rejection Insurance Premium	-	87
Rent, Rates & Taxes	1,997	1,596
Salary & Allowances	12,880	13,193
Sales Commission	-	737
Sales Promotion Expenses	3,119	4,775
Sanitation Expenses	62	104
Staff fooding	317	399
Staff Welfare Expenses	460	565
T.A & Conveyance	504	712
Telephone, Telex & Fax	258	266
Uniform & Liveries	251	349
Vehicles Maintenance	<u>561</u>	<u>841</u>
	50,313	58,451

Directors' remuneration increased as the remuneration of Mr. Ashim Kumar Barua, Director has been increased from Tk. 3.00 lac to Tk. 3.25 lac per month.

The decrease of 14% in administrative and selling overhead mainly due to less turnover and minimization of cost during this period.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Shehli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Assistant Company Secretary

	Value in Taka '000'	
	01.07.2018	01.07.2017
	to 31.12.2018	to 31.12.2017
24. OTHER OPERATING INCOME:		
Foreign Exchange gain	<u>0</u>	<u>0</u>
	0	0

Foreign exchange gain was Tk. 185/-. As the figures have been shown in thousand Taka in financial statements so the figure is showing "0" Taka in other operating income as well as in statement of cash flows and deferred tax.

25. FINANCE INCOME:

Dividend Income	5,954	5,954
Interest Earned	<u>8,232</u>	<u>6,180</u>
	14,186	12,134

Interest earned increased mainly for increase of interest rate.

26. FINANCIAL EXPENSES:

Interest	36,881	31,693
Charges	<u>3,217</u>	<u>4,035</u>
	40,098	35,728

27. CURRENT TAX:

	13,043	15,926
--	---------------	---------------

The decrease of 18% is mainly due to less turnover during the period as compared to the same period of last year.

28. 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. 23).
 (c) The Company also operates a contributory provident fund which is administered by the Board of Trustee, the Company pays its monthly contribution for the key management (Senior Employees) to the Provident Fund Trust and the Company has no further liability. The Company has also a Group Insurance Scheme. 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 (Senior Employees) and the Company has no liability. In addition to that there is nothing paid to them except salaries and allowances.

29. DEFERRED TAX INCOME/(EXPENSES):

	<u>(516)</u>	<u>(462)</u>
--	--------------	--------------

The provision for deferred tax (expenses)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary difference of interest and dividend income receivable and WDV of fixed assets.

30. BASIC EARNINGS PER SHARE (EPS):

	<u>0.65</u>	<u>0.81</u>
--	-------------	-------------

20% EPS during the period decreased as the revenue has been decreased 24% during the period as a result the earning per share is Tk. 0.65 but it was Tk. 0.81 in the same period of last year.

31. NET OPERATING CASH FLOWS PER SHARE:

	<u>1.71</u>	<u>3.48</u>
--	-------------	-------------

Net operating cash flow is Tk.1.71 per share for the six months ended on 31st December 2018 but it was Tk. 3.48 for the same period of last year, this is mainly due to more trade receivable, however the scenario is changeable time to time depending on different issues.

32. DISCLOSURE REGARDING RE-ARRANGEMENT:

Other operating income and finance income have been shown separately in statement of profit and loss and other comprehensive income and statement of cash flows for the last period to conform current period's presentation.

33. 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 BSEC/CMRRCDD/2006-158/208/Admin/81 dated 20 June,2018.

	Value in Taka '000'	
	01.07.2018	01.07.2017
	to 31.12.2018	to 31.12.2017
Cash flows from operating activities:		
Profit before tax	17,290	21,031
Add: Depreciation	9,914	11,227
Less: Effect of Foreign exchange Translation gain	0	0
Less: Finance income during the period	(8,232)	(9,150)
Add: Interest paid during the period	36,881	31,693
(Increase)/Decrease in Inventories	(159,807)	(47,227)
(Increase)/Decrease in Trade Receivables	(56,779)	35,292
(Increase)/Decrease in Advances, Deposits & Pre-payments	1,061	(201)
(Increase)/Decrease in other Receivables	78,600	8,764
Income tax paid during the period	(12,705)	(14,629)
(Increase)/Decrease in Security deposits	5	-
Increase/(Decrease) in Trade Payables	98,167	(13,667)
Increase/(Decrease) in Other Payables	5,361	(3,301)
Net Cash flows generated from/(Used in) operating activities	9,756	19,833
RECONCILIATION:		
Net Cash flows Generated from/(Used in) operating activities-Indirect method	9,756	19,833
Net Cash flows generated from/(Used in) operating activities-Direct Method	9,756	19,833
Difference	(0)	0