

APEX FOODS LIMITED

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

UN-AUDITED HALF YEARLY (Q2) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DECEMBER 2019

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST DECEMBER, 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2019

Value in Taka '000'				Value in Taka '000'											
Notes	As on	As on	Growth %	Notes	01.07.2019	01.07.2018	Growth %	01.10.2019	01.10.2018	Growth %					
	31.12.2019	30.06.2019			to 31.12.2019	to 31.12.2018		to 31.12.2019	to 31.12.2018						
ASSETS				REVENUE											
Non-Current Assets:				Cost of goods sold											
Property, Plant and Equipment	4	90,723	88,988	2	27	1,273,997	961,014	33	673,504	516,967	30				
Investments	5	225,132	331,745	(32)	28	(1,183,816)	(866,589)	37	(636,043)	(470,230)	35				
Security Deposits	6	5,256	5,414	(3)	33	(57,031)	(50,313)	13	(26,722)	(27,357)	(2)				
Current Assets:				OPERATING PROFIT/(LOSS)											
Inventories	7	911,147	889,149	2	34	33,150	44,112	(25)	10,739	19,380	(45)				
Trade Receivables	8	53,868	-	0	35	14,751	14,186	4	10,455	9,963	5				
Advances, Deposits & Prepayments	9	57,509	48,061	20	36	(34,375)	(40,098)	(14)	(17,858)	(19,427)	(8)				
Other Receivables	10	129,919	122,397	6	36	13,526	18,200	(26)	3,336	9,917	(66)				
Investment in Financial Assets	11	228,605	187,991	22	36	(644)	(910)	(29)	(159)	(496)	(68)				
Cash & Cash Equivalents	12	4,536	8,339	(46)	PROFIT/(LOSS) BEFORE TAX		12,882	17,290	(25)	3,177	9,421	(66)			
TOTAL ASSETS				TOTAL ASSETS		TOTAL ASSETS		TOTAL ASSETS		TOTAL ASSETS					
EQUITY AND LIABILITIES				EQUITY AND LIABILITIES		EQUITY AND LIABILITIES		EQUITY AND LIABILITIES		EQUITY AND LIABILITIES					
Shareholders' Equity:				Shareholders' Equity:				Shareholders' Equity:							
Share Capital	13	57,024	57,024	0	NET PROFIT/(LOSS) AFTER TAX				3,727	6,268	(41)	1,719	6,597	(74)	
Share Premium	14	209,088	209,088	0	Other comprehensive income				(95,951)	(86,432)	11	(41,254)	18,756	(320)	
Reserve and Surplus	15	177,176	184,853	(4)	Fair valuation surplus/(deficit) of investments				(106,612)	(96,036)	11	(45,838)	20,840	(320)	
Fair Valuation Surplus of Investments	16	161,894	257,845	(37)	Deferred tax income/(expenses) on share valuation surplus				10,661	9,604	11	4,584	(2,084)	(320)	
Non-Current Liabilities:				Non-Current Liabilities:				Non-Current Liabilities:							
Deferred Tax Liabilities	17	27,624	42,707	(36)	TOTAL COMPREHENSIVE INCOME				(92,224)	(80,164)	15	(39,535)	25,353	(256)	
Long Term Loan	18	26,298	41,015	(22)	Basic Earnings Per Share (EPS)				0.65	1.10	(41)	0.30	1.16	(74)	
Current Liabilities:				Current Liabilities:				Current Liabilities:							
Working Capital Loan (Secured)	19	1,073,889	930,566	(8)	STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)				STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)						
Long Term Loan-Current Maturity	20	687,172	744,293	(6)	FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2019				FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2018						
Short Term Loan	21	713	671	129	Value in Taka '000'				Value in Taka '000'						
Trade Payables	22	159,141	69,610	247	Particulars				Particulars						
Other Payables	23	109,723	31,651	29	Share Capital				Share Capital						
Current Tax Liability	24	36,750	28,479	30	Share Premium				Share Premium						
Other Liabilities	25	57,913	44,703	101	Tax Holiday Reserve				Tax Holiday Reserve						
TOTAL LIABILITIES				TOTAL LIABILITIES				TOTAL LIABILITIES				TOTAL LIABILITIES			
TOTAL EQUITY & LIABILITIES				TOTAL EQUITY & LIABILITIES				TOTAL EQUITY & LIABILITIES				TOTAL EQUITY & LIABILITIES			
Net Assets Value Per Share				Net Assets Value Per Share				Net Assets Value Per Share				Net Assets Value Per Share			
Net Assets Value Per Share				Net Assets Value Per Share				Net Assets Value Per Share				Net Assets Value Per Share			

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2019

Value in Taka '000'			
Notes	01.07.2019 to 31.12.2019	01.07.2018 to 31.12.2018	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,220,130	904,235	35
Bank Charges & Commission	(4,036)	(3,217)	25
Income tax paid	(11,675)	(12,705)	(8)
Payment for costs and expenses	(1,169,264)	(878,557)	33
Net cash generated from operating activities (a)	35,155	9,756	260
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant & Equipment acquired	(11,032)	(3,726)	196
Finance income	11,029	10,857	2
Investment in Financial Assets	(40,614)	15,724	(358)
Net cash used in investing activities (b)	(40,617)	22,855	(278)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(57,121)	30,068	(290)
Long Term loan received/(repaid)	(324)	(294)	(10)
Short Term loan received/(repaid)	89,531	(22,557)	(497)
Interest paid	(30,339)	(39,504)	(23)
Dividend paid	(87)	(63)	39
Net cash generated from financing activities (c)	1,659	(32,350)	(105)
Net increase/(decrease) in cash & cash equivalents (a+b+c)	(3,803)	261	
Cash & cash equivalents on opening	8,339	7,413	12
The effect of foreign currency translation gain / (loss)	0	0	0
Cash & cash equivalents on closing	4,536	7,674	(41)
Net Operating Cash Flows Per Share (NOCFPS) 39	6.16	1.71	

Please refer to Note no. 44 for reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS (Q2) ENDED ON 31ST DECEMBER, 2019
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 compiled 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 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:

- (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 31st December 2019.
 (c) No diluted EPS is required to be calculated as there was no dilution during this period.
 (d) Last year's half yearly figures have been re-arranged where considered necessary to conform to current half year's presentation.
 (e) Figures were rounded-off to the nearest thousand Taka.
 (f) Reporting Period: These financial statements cover the period from 01st July 2019 to 31st December 2019.
 (g) 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.

	Value in Taka '000'	
	As on	As on
	31.12.2019	30.06.2019
4. PROPERTY, PLANT & EQUIPMENT:	90,723	88,988

During the period Fixed Assets addition has been made for Tk. 11,041/- 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:	225,132	331,745
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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 BGSU/ Kamaphuli Gas Distribution Co.Ltd.	3,939	4,097
Opening Balance	4,097	4,097
Less: Adjusted during the period	158	-
	5,256	5,414

Security deposits are made to statutory bodies and hence secured.

7. INVENTORIES:

Shrimps (Finished Goods)	902,111	885,375
Packing Materials	5,010	2,175
Chemical & Ingredients	4,026	1,599
	911,147	889,149

8. TRADE RECEIVABLES:

	53,868	-
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Trade receivables are stated at invoice value and considered good.

9. ADVANCES, DEPOSITS & PREPAYMENTS:

Advance against Expenses	872	873
Pre-payments	4,072	4,243
Advance Income Tax 9.(a)	52,136	40,461
Bank Guarantee Margin	429	429
L/C margin with Agrani Bank Limited	-	2,055
	57,509	48,061

9. (a) Advance Income Tax:

Opening Balance	40,461	40,929
Add: Paid during the period	11,675	18,310
	52,136	59,239
Less: Adjustment during the period	-	18,778
	52,136	40,461

The growth of 20% in Advances, deposits & pre-payments mainly due to tax deduction at source on export.

10. OTHER RECEIVABLES:

Insurance Claim Receivable	16,255	16,255
Dividend Receivable-CDBL	1,428	-
Dividend Receivable-ASKML	4,526	-
Cash Incentive Receivable	100,990	97,190
FDR's Interest Receivable	6,720	8,952
	129,919	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	175,005	165,891
FDRs with Agrani Bank Limited	53,600	22,100
	228,605	187,991

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

12. CASH & CASH EQUIVALENTS:

Cash in Hand:	75	36
Head Office	2	20
Factory Office	73	16
Cash at Bank with:		
Agrani Bank Limited, Agrabad Corporate Br., Chattogram	250	3,979
Eastern Bank Limited, Principal Branch, Dhaka	29	30
The Hongkong & Shanghai Banking Corporation, Dhaka	4,178	4,287
Dhaka Bank Limited, Foreign Exchange Branch, Dhaka	4	7
	4,461	8,303
	4,536	8,339

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'	
	As on 31.12.2019	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	As at
	31.12.2019	31.06.2019
Sponsors & Directors	38.96%	38.96%
Institutions	5.21%	4.63%
Public - Local	55.83%	56.41%
	<u>100.00%</u>	<u>100.00%</u>

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:	51,163	51,163
Reserve for re-investment	125,406	133,083
Retained Earnings	607	607
Capital Gain	<u>177,176</u>	<u>184,853</u>

16. FAIR VALUATION SURPLUS OF INVESTMENTS:	257,845	328,224
Opening Balance	(106,612)	(78,199)
Adjustment for fair valuation surplus/(deficit) in this period	10,661	7,820
Less: Deferred tax @10%	(95,951)	(70,379)
Fair valuation surplus/(deficit) during this period	<u>161,894</u>	<u>257,845</u>

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

17. DEFERRED TAX LIABILITIES:	90,723	88,988
a) Book Value of Depreciable Assets:	87,611	85,719
Tax base of Depreciable Assets	3,112	3,269
Net Taxable Temporary Difference	12.50%	12.50%
Effective Tax Rate	<u>389</u>	<u>409</u>
Closing Deferred Tax (Assets)/Liabilities arising from assets		
Opening Deferred Tax Balance	409	421
Deferred Tax Income/(Expense)	<u>20</u>	<u>12</u>

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)	<u>0</u>	<u>0</u>
Opening Deferred Tax Balance	0	0
Deferred Tax Income/(Expense)	<u>0</u>	<u>0</u>

c) Dividend Receivable	5,954	-
Effective Tax Rate	20.00%	20.00%
Closing Deferred Tax (Assets)/Liability arising from Dividend Receivable	<u>1,191</u>	<u>0</u>
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	<u>(1,191)</u>	<u>0</u>

d) Unrealized Interest on FDRs:	6,720	8,952
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized FDRs Interest	<u>1,680</u>	<u>2,238</u>
Opening Deferred Tax Balance	2,238	1,862
Deferred Tax Income/(Expense)	<u>558</u>	<u>(376)</u>

e) Cash Incentive Receivable:	100,990	97,190
Effective Tax Rate	5.00%	10.00%
Closing Deferred Tax (Assets)/Liabilities arising from Cash Incentive Receivable	<u>5,050</u>	<u>9,719</u>
Opening Deferred Tax Balance	9,719	4,787
Deferred Tax Income/(Expense)	<u>4,670</u>	<u>(4,932)</u>
Deferred Tax Income/(Expense)- (a+b+c+d+e)	<u>4,056</u>	<u>(5,296)</u>

f) Deferred Tax (Assets)/Liabilities arising from Other Comprehensive Income:	17,988	28,649
Tax for (Losses)/gains on available for sale of investments	<u>17,988</u>	<u>28,649</u>
Closing Deferred Tax (Assets)/Liabilities arising from investments		
Opening Deferred Tax Balance	28,649	36,469
Deferred Tax income/(expense) arising from investments	10,661	7,820
Total Deferred Tax (Assets)/Liabilities (a+b+c+d+e+f)	<u>26,298</u>	<u>41,015</u>

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

18. LONG TERM LOAN:	2,363	2,975
Opening Balance	324	612
Less: Paid during the period	2,039	2,363
Less: Transferred to current maturity to next twelve months installment	713	671
	<u>1,326</u>	<u>1,692</u>

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

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

19. WORKING CAPITAL LOAN (SECURED):	Value in Taka '000'	
	As on 31.12.2019	As on 30.06.2019
Against Hypothecation	76,408	132,440
Against Pledge of Finished Goods	610,764	611,853
	<u>687,172</u>	<u>744,293</u>

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

20. LONG TERM LOAN-CURRENT MATURITY:	713	671
This represents the term loan payable in next twelve months as per schedule of re-payment.		

21. SHORT TERM LOAN:	89,741	69,610
Dhaka Bank Limited	69,400	-
Loan against cash incentive	<u>159,141</u>	<u>69,610</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.

22. TRADE PAYABLES:	109,723	31,651
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Trade Payables represents the amount payable to the gher owners of Shrimps from whom we procure the shrimps.

23. OTHER PAYABLES:	13,295	1,525
Advance against export	201	230
Audit Fees including VAT	883	53
Chemicals	217	183
Clearing & Forwarding	31	91
Consumable Stores & Spares	2,564	1,920
Contribution to PPF & WF	36	35
Contribution to Provident Fund	775	775
Directors' Remuneration	32	63
Electricity & WASA Charges	7	9
Entertainment	7	7
Factory Building	54	-
Factory Equipments	681	1,399
Ice	-	112
Interest Payable on CC Hypo & Pledge A/c	5	201
Legal & Professionals Fees	4	4
Newspaper & Periodicals	184	111
Office Maintenance	11,504	13,524
Packing Materials	10	55
Plant & Machinery	174	45
Printing & Stationery	241	206
Rent, Rates & Taxes	12	-
Repairs (Factory Building)	1,170	1,270
Repairs (Machinery & Equipment)	3,757	2,347
Salaries & Allowances	65	715
Sales Promotion Expenses	63	124
Staff income tax	-	104
Staff Welfare	40	56
Survey Fees & Inspection	15	24
Telephone, Telex & Fax	104	195
Uniform & Liveries	573	3,046
Wages & Salaries	47	47
Vehicles Maintenance	<u>36,750</u>	<u>28,479</u>

The increase of 29% mainly due to advance taken against export.

24. CURRENT TAX LIABILITIES:	44,703	42,181
Opening Balance	13,211	21,299
Add: Current period tax (Note-37)	-	(18,778)
Less: Adjustment against completion of tax assessment	<u>57,913</u>	<u>44,703</u>

During the period, more revenue earned and the increase of 30% in provision due to tax deduction at source on export.

25. OTHER LIABILITIES:	11,159	8,945
Opening Balance	11,405	11,405
Add: Dividend approved at AGM 2018-2019	22,564	20,350
Less: Paid during the period up to 31.12.2019	87	9,191
Unclaimed Dividend	<u>22,477</u>	<u>11,159</u>

This represents the dividend warrants not presented to the Bank by the Shareholders within December 31, 2019.

26. NET ASSETS VALUE (NAV) PER SHARE :	605,182	708,811
Equity Attributable to the Owners of the Company	5,702	5,702
Number of Ordinary Shares	<u>106.13</u>	<u>124.30</u>
Net Assets Value (NAV) Per Share		

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Assistant Company Secretary

	Value in Taka '000'	
	01.07.2019	01.07.2018
	to	to
	31.12.2019	31.12.2018
27. REVENUE:	1,273,997	961,014

Revenue has been increased 33% (i.e. From 961,014 million to 1,273,997 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	1,200,552	1,031,342
	2,085,927	1,899,425
Less: Closing Stock of Finished Goods	902,111	1,032,836
	1,183,816	866,589

29. COST OF PRODUCTION:

Raw Materials	1,119,307	940,512
Packing Materials, Chemicals & Ice Consumed - Note 30	24,407	36,314
Direct Labour	14,858	15,048
Factory Overhead - Note 31	41,980	39,468
	1,200,552	1,031,342

30. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:

Opening balance (Packing Materials)	2,174	9,124
Add: Packing Materials Purchase	19,592	23,391
	21,766	32,515
Less: Packing Materials in hand	5,010	4,790
	16,756	27,725
Opening balance (Chemicals & Ingredients)	1,599	3,202
Add: Chemicals, Ingredients & Ice Purchase	10,078	7,977
	28,433	38,904
Less: Chemicals & Ingredients in hand	4,026	2,590
	24,407	36,314

31. FACTORY OVERHEAD:

Wages & Salaries	11,255	11,197
Bonus to Workers'	155	186
Power, Fuel & Water	13,713	13,199
Consumable Stores & Spares	542	583
Insurance Premium	3,954	2,077
Repair & Maintenance	3,506	2,831
Carriage Inward	15	15
Depreciation	8,839	9,380
	41,980	39,468

32. OTHER OPERATING INCOME / (LOSS):

Foreign Currency Translation Gain / (Loss)	0	0
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Foreign Currency Translation gain was Tk. 38/- . As the figures have been shown in thousand Taka in 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	104	90
AGM Expenses	117	152
Audit Fees including VAT	201	-
Board meeting fees	5	13
Bonus to Staff	944	1,188
Contribution to Provident Fund	681	773
Depreciation	467	534
Directors' Remuneration	4,650	4,650
Donation & Subscription	9	4
Electricity & WASA Charges	251	187
Entertainment	266	299
Freight & Forwarding	18,409	17,214
General Fees & Charges	42	19
Guest House Expenses	324	319
Laboratory Expenses	82	76
Laboratory Testing Fees	3,967	3,063
Legal & Professional Fees	32	37
License & renewals	200	248
Medical Expenses	2	4
Membership Subscription	1	-
Newspaper & Periodicals	31	29
Office Maintenance	328	293
Postage & Stamp	236	204
Printing & Stationery	463	508
Rent, Rates & Taxes	1,837	1,997
Salary & Allowances	12,917	12,880
Sales Commission	3,397	-
Sales Promotion Expenses	3,969	3,119
Sanitation Expenses	95	62
Staff fooding	475	317
Staff Welfare Expenses	436	460
T.A & Conveyance	709	504
Telephone, Telex & Fax	239	258
Uniform & Liveries	309	251
Vehicles Maintenance	836	561
	57,031	50,313

The increase of 13% in administrative and selling overhead mainly due to increase revenue during this period. Sales commission has been paid as per terms of the L/C.

34. FINANCE INCOME:

Dividend Income	5,954	5,954
Interest Earned	8,797	8,232
	14,751	14,186

35. FINANCIAL EXPENSES:

Interest	30,339	36,881
Charges	4,036	3,217
	34,375	40,098

36. PROVISION FOR CONTRIBUTION TO PPF & WF:

	(644)	(910)
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This represents 5% of the net profit after charging such contribution provided as per provisions of the Bangladesh cash incentive 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) Tax deduction on export:	8,142	5,598
b) Regular Tax:		
Profit before tax	12,882	17,290
Add: Accounting Depreciation	9,306	9,914
Less: Capital Allowance	(9,149)	(9,762)
Less: Finance Income	(14,751)	(14,186)
Less: Other Operating Income/(loss)	0	0
Business Income	(1,712)	3,256
Tax on Business Income @ 12.50% (applicable tax rate ie 50% rebate of @ 25%)	-	407

c) Tax on gross receipt:

	%		
Collection from revenue	0.30	3,660	2,713
Finance Income	0.60	66	65
		3,726	2,778

Gross Receipt

So, Current Tax:

Business tax- Higher of a, b & c (Minimum Tax U/S -82 c)

Tax on dividend income @ 20%	-	-
Tax on Cash Incentive @ 10% on realization amount	2,311	4,730
Tax on Interest Income @ 25%	2,757	2,714
Tax on Other Operating Income/(loss) @ 25%	0	0
	13,211	13,043

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

	4,056	2,021
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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, Dividend 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	3,727	6,268
Number of Ordinary Shares	5,702	5,702
Basic Earnings Per Share (EPS)	0.65	1.10

EPS for Interim 2018-2019 has been restated from Tk. 0.65 to Tk. 1.10 due to accounted for deferred tax on cash incentive receivable as on 31.12.18 by Tk.2,537/-

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

Net Cash generated from/(used) in operating activities	35,155	9,756
Number of Ordinary Shares	5,702	5,702
Net Operating Cash Flows (NOCF) Per Share	6.16	1.71

Net operating cash flow is Tk. 6.16 per share for the six months ended on 31st December 2019 but it was Tk.1.71 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. 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 December 2019.

42. EVENTS AFTER REPORTING PERIOD:

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

Zafar Ahmed
Chairman

Shahriar Ahmed
Managing Director

Ashim Kumar Barua
Director

Sheuli Rani Dey
Chief Financial Officer

Kamrul Islam
Assistant 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 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/CMRCD/2006-158/208/Admin/81 dated 20 June,2018.

	Value in Taka '000'	
	01.07.2019	01.07.2018
	to	to
	31.12.2019	31.12.2018
Cash flows from operating activities:		
Profit before tax	12,882	17,290
Add: Depreciation	9,306	9,914
Less: Effect of Foreign currency translation gain / (loss)	0	0
Less: Finance income during the period	(14,751)	(8,232)
Add: Interest paid during the period	30,339	36,881
(Increase)/Decrease in Inventories	(21,998)	(159,807)
(Increase)/Decrease in Trade Receivables	(53,868)	(56,779)
(Increase)/Decrease in Advances, Deposits & Pre-payments	2,228	1,061
(Increase)/Decrease in Other Receivables	(3,800)	78,600
Income tax paid during the period	(11,675)	(12,705)
(Increase)/Decrease in Security deposits	158	5
Increase/(Decrease) in Trade Payables	78,072	98,167
Increase/(Decrease) in Other Payables	8,262	5,361
Net cash flows generated from/(Used in) operating activities	35,155	9,756
RECONCILIATION:		
Net cash flows generated from/(Used in) operating activities Indirect Method:	35,155	9,756
Net cash flows generated from/(Used in) operating activities Direct Method:	35,155	9,756
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
Assistant Company Secretary