

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 2020

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

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

Value in Taka '000'				Value in Taka '000'							
Notes	As on	As on	Growth %	Notes	01.07.2020 to	01.07.2019 to	Growth %	01.07.2020 to	01.10.2019 to	Growth %	
	31.12.2020	30.06.2020			31.12.2020	31.12.2019		31.12.2020	31.12.2019		
ASSETS											
Non-Current Assets:				REVENUE							
Property, Plant and Equipment	4	78,258	84,414	(7)	27	1,481,959	1,273,997	16	835,849	673,504	24
Investments	5	308,418	308,818	(0)	28	(1,376,087)	(1,183,816)	16	(778,164)	(636,043)	22
Security Deposits	6	6,003	6,003	-							
Current Assets:				GROSS PROFIT							
Inventories	7	851,047	901,079	(6)		105,872	90,181	17	57,685	37,461	54
Trade Receivables	8	75,550	104,923	(28)	32	0	0	0	0	0	0
Advances, Deposits & Prepayments	9	40,301	24,931	62	33	(58,889)	(57,031)	3	(30,793)	(26,722)	15
Other Receivables	10	126,259	80,395	57							
Investment in Financial Assets	11	212,773	201,672	6							
Cash & Cash Equivalents	12	2,574	2,229	15							
TOTAL ASSETS				OPERATING PROFIT/(LOSS)							
		1,701,183	1,714,463		34	46,983	33,150	42	26,892	10,739	150
EQUITY & LIABILITIES											
Shareholders' Equity:				Other comprehensive income							
Share Capital	13	57,024	57,024	-		(360)	(95,951)	(100)	-	(41,254)	(100)
Share Premium	14	209,088	209,088	-		(400)	(106,612)	(100)	-	(45,838)	(100)
Reserve and Surplus	15	180,024	184,581	(2)		40	10,661	(100)	-	4,584	(100)
Fair Valuation Surplus of Investments	16	236,851	237,211	(0)							
Non-Current Liabilities:				NET PROFIT/(LOSS) AFTER TAX							
Deferred Tax Liabilities	17	38,816	35,050	11		3,996	3,727	7	1,907	1,719	11
Long Term Loan	18	2,265	3,275	(31)							
Current Liabilities:				Other comprehensive income							
Working Capital Loan (Secured)	19	655,460	754,195	(13)							
Long Term Loan-Current Maturity	20	4,333	1,957	121							
Short Term Loan	21	43,662	29,565	48							
Trade Payables	22	172,898	123,794	40							
Other Payables	23	42,029	32,047	31							
Current Tax Liabilities	24	47,194	29,489	60							
Unclaimed Dividend Account	25	11,539	17,187	(33)							
TOTAL LIABILITIES				TOTAL COMPREHENSIVE INCOME							
		1,018,196	1,026,559	(1)		3,636	(92,224)	(104)	1,907	(39,535)	(105)
TOTAL EQUITY & LIABILITIES				Basic Earnings Per Share (EPS)							
		1,701,183	1,714,463		38	0.70	0.65	7	0.33	0.30	11
Net Assets Value (NAV) Per Share											
	26	119.78	120.63								

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 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	687,904
Net Profit/(Loss) for the six months ended on 31st December 2020	-	-	-	3,996	-	-	3,996
Dividend for the year 2019-20	-	-	-	(8,554)	-	-	(8,554)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(360)	(360)
As at 31st December 2020	57,024	209,088	51,163	128,253	607	236,851	687,987

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

Notes #	Value in Taka '000'		Growth %
	01.07.2020 to 31.12.2020	01.07.2019 to 31.12.2019	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,511,332	1,220,130	24
Bank Charges & Commission	(4,054)	(4,036)	0
Realised from P.F Lapse (employer's provision)	522	-	0
Income tax paid	(15,647)	(11,675)	34
Payment for costs and expenses	(1,375,844)	(1,169,264)	18
Net cash generated from operating activities (a)	116,309	35,155	231
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant & Equipment acquired	(2,071)	(11,032)	(81)
Income from FDR's	13,699	11,029	24
Investment in Financial Assets	(11,101)	(40,614)	(73)
Net cash generated from investing activities (b)	527	(40,617)	(101)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(98,736)	(57,121)	73
Long Term loan received/(repaid)	1,366	(324)	522
Short Term loan received/(repaid)	13,309	89,531	(85)
Interest paid	(26,783)	(30,339)	(12)
Dividend paid	(5,647)	(87)	6,391
Net cash used in financing activities (c)	(116,491)	1,659	(7,122)
Net increase/(decrease) in cash & cash equivalents (a+b+c)			
	345	(3,803)	(109)
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	2,574	4,536	(43)
Net Operating Cash Flows Per Share (NOCFPS)	20.40	6.16	

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 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 1st July 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 six months ended on 31st December 2019	-	-	-	3,727	-	-	3,727
Dividend for the year 2018-19	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(95,951)	(95,951)
As at 31st December 2019	57,024	209,088	51,163	125,800	607	161,894	605,577

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

Please refer to Note no. 45 for reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

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 HALF YEAR (Q2) ENDED ON 31ST DECEMBER, 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.

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-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 Rules 1984, The Value Added Tax & Supplementary Duty Act, 2012, The Value Added Tax & Supplementary Duty Rules, 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 31st December 2020.
 (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 interim financial statements cover the period from 1st July 2020 to 31st December 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
31.12.2020	30.06.2020

Value in Taka '000'	
As on	As on
31.12.2020	30.06.2020

4. PROPERTY, PLANT & EQUIPMENT:

Details of property, plant & equipment and depreciation at as December 31, 2020 are as follows:

Fixed assets at cost:	As on 31.12.2020	As on 30.06.2020
Opening Balance	725,427	710,997
Add: Addition during the period	1,876	14,430
Closing Balance (Cost)	727,303	725,427
Accumulated Depreciation:		
Opening Balance	641,012	622,009
Add: Addition during the period	8,033	19,004
Closing Balance (Depreciation)	649,045	641,013
Written Down Value (WDV)	78,258	84,414

During the period Fixed Assets addition has been made for Tk.1,876,261/- & depreciation has been charged (reducing 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 31.12.2020	As on 30.06.2020
308,418	308,818

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

6. SECURITY DEPOSITS:

	As on 31.12.2020	As on 30.06.2020
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	0	588
Closing Balance	6,003	6,003

Security deposits are made to statutory bodies and hence secured.

7. INVENTORIES:

	As on 31.12.2020	As on 30.06.2020
Shrimps (Finished Goods)	843,941	895,705
Packing Materials	4,525	4,028
Chemical & Ingredients	2,581	1,346
Closing Balance	851,047	901,079

8. TRADE RECEIVABLES:

As on 31.12.2020	As on 30.06.2020
75,550	104,923

Trade receivables are stated at invoice value and considered good.

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 31.12.2020	As on 30.06.2020
836	1,146
3,123	3,304
35,699	20,052
429	429
214	-
40,301	24,931

9. (a) Advance Income Tax:

Opening Balance
 Add: Paid during the period
 Less: Adjustment during the period

As on 31.12.2020	As on 30.06.2020
20,052	40,461
15,647	24,293
35,699	64,754
-	(44,703)
35,699	20,052

The growth of 62% in Advances, deposits & pre-payments is mainly for increase of advance income tax.

10. OTHER RECEIVABLES:

Insurance Claim Receivable
 Dividend Receivable-CDBL
 Dividend Receivable-ASKML
 Cash Incentive Receivable
 FDR's Interest Receivable
 P.F Lapse (employer's portion)

As on 31.12.2020	As on 30.06.2020
16,255	16,255
857	-
3,395	-
101,099	51,649
4,592	11,929
61	563
126,259	80,395

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 31.12.2020	As on 30.06.2020
189,173	178,072
23,600	23,600
212,773	201,672

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

12. CASH & CASH EQUIVALENTS:

Cash in Hand:

Head Office
 Factory Office

As on 31.12.2020	As on 30.06.2020
146	73
13	19
133	54

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 31.12.2020	As on 30.06.2020
556	234
28	29
1,827	1,873
17	20
2,428	2,156
2,574	2,229

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 31.12.2020	As on 30.06.2020
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:	No. of Share	%	No. of Share	%
Sponsors & Directors	2,221	38.96	2,221	38.96
Institutions	328	5.75	257	4.50
Public - Local	3,153	55.29	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	128,254	132,811
Capital Gain	607	607
	180,024	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:	78,258	84,414
Tax base of Depreciable Assets	75,254	81,174
Net Taxable Temporary Difference	3,004	3,240
Effective Tax Rate	12.50%	12.50%
Closing Deferred Tax (Assets)/Liabilities arising from depreciable assets	376	405
Opening Deferred Tax Balance	405	409
Deferred Tax Income/(Expense)	29	4
b) Unrealized Foreign currency translation gain/(loss)	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	61	563
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities Arising from PF Lapse Receivable	15	141
Opening Deferred Tax Balance	141	132
Deferred Tax Income/(Expense)	126	(9)
d) Dividend Receivable	4,252	-
Effective Tax Rate	20.00%	20.00%
Closing Deferred Tax (Assets)/Liabilities arising from Dividend Receivable	850	-
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	(850)	-
e) Unrealized Interest on FDRs:	4,592	11,929
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized FDRs Interest	1,148	2,982
Opening Deferred Tax Balance	2,982	2,238
Deferred Tax Income/(Expense)	1,834	(744)
f) Cash Incentive Receivable:	101,099	51,649
Effective Tax Rate	10.00%	10.00%
Closing Deferred Tax (Assets)/Liabilities arising from Cash Incentive Receivable	10,110	5,165
Opening Deferred Tax Balance	5,165	9,719
Deferred Tax Income/(Expense)	(4,945)	4,554
Deferred Tax Income/(Expense)- (a+b+c+d+e+f)	(3,806)	3,805

g) 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+g)	38,816	35,050

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

18. LONG TERM LOAN: (a+b)	2,265	3,275
a) Term Loan:		
Opening Balance	1,684	2,363
Less: Paid during the period	(371)	(679)
Less: Transferred to current maturity to next twelve months installment	(810)	(774)
	503	910

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Vice Chairman

b) Stimulus Salary Loan:
Opening Balance

Add: Loan taken during the year

Less: Transferred to current maturity to next twelve months installment

Value in Taka '000'	
As on 31.12.2020	As on 30.06.2020
3,548	-
1,737	3,548
5,285	3,548
(3,523)	(1,183)
1,762	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. Under BRPD Circular no. 07 dated 2nd April 2020 & subsequent Circular in this regards. Repayment to be made in 18 equal monthly installments including 6 months moratorium period.

19. WORKING CAPITAL LOAN (SECURED):

Against Hypothecation
Against Pledge of Finished Goods

44,718	131,618
610,742	622,577
655,460	754,195

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

20. LONG TERM LOAN-CURRENT MATURITY:

Term Loan
Stimulus Salary Loan

810	774
3,523	1,183
4,333	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

43,662	29,565
43,662	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:

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

172,898	123,794
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23. OTHER PAYABLES:

Advance against export
Audit Fees (Including VAT)
AGM Expenses
Board meeting fees (Including VAT)
Chemicals
Clearing & Forwarding
Consumable Stores & Spares
Contribution to PPF & WF
Contribution to Provident Fund
Directors Remuneration
Dividend Payable for the year 2019-2020
Electricity & WASA Charges
Entertainment
Factory Building
Factory Equipment
Ice
Interest Payable on Overdraft
Legal & Professional Fees
License & Renewals
Newspaper & Periodicals
Ocean Freight
Office Maintenance
Packing Materials
Plant & Machinery
Power, Fuel and Water
Postage & Stamp
Printing & Stationery
Rent. Rates & Taxes
Repairs (Factory Building)
Repairs (Machinery & Equipments)
Salaries & Allowances
Sanitation Expenses
Staff income tax
Staff Welfare
Survey Fees & Inspection
Telephone, Talex & Fax
Uniform & Liveries
Wages & Salaries
Vehicles Maintenance

10,933	-
604	403
5	-
1	-
104	547
305	655
77	62
3,096	1,821
33	56
775	775
8,554	-
30	66
8	6
7	36
7	28
418	732
-	788
5	9
83	30
0	0
-	566
30	45
8,298	17,108
8	153
-	65
-	13
88	46
620	250
51	44
392	991
2,381	2,186
47	85
59	124
-	70
14	40
37	18
105	162
4,842	4,000
12	68
42,029	32,047

The increase of 31% mainly due to advance taken against export & dividend payable for the year 2019-2020.

24. CURRENT TAX LIABILITIES:

Opening Balance
Add: Current period tax (Note-37 A)
Less: Adjustment against completion of tax assessment

29,489	44,703
17,705	29,489
-	(44,703)
47,194	29,489

During the period, more revenue earned and the increase of 60% in provision due to tax deduction at source on export.

25. UNCLAIMED DIVIDEND ACCOUNT:

According to the Directive (No. BSEC/CMRRCD/2021-386/03) dated January 14, 2021, of Bangladesh Securities and Exchange Commission (BSEC) para 3 (vii) regarding the details information of unpaid or unclaimed dividend shall report in the statement of financial position as separate line, so we have reported in the financial position as separate line item "Unclaimed Dividend Account". The details break up as on 31st December 2020 is as under:

Year of Dividend
1994-95 to 2015-2016
2016-2017
2017-2018
2018-2019
Unclaimed Dividend

7,276	7,288
1,489	1,490
2,285	2,289
489	6,120
11,539	17,187

26. NET ASSETS VALUE (NAV) PER SHARE:

Equity Attributable to the Owners of the Company
Number of Ordinary Shares
Net Assets Value (NAV) Per Share (Q2)

682,987	687,904
5,702	5,702
119.78	120.63

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

	Value in Taka '000'	
	01.07.2020	01.07.2019
	to	to
	31.12.2020	31.12.2019

27. REVENUE: 1,481,959 1,273,997

Revenue has been increased 16% (i.e. From 1,273.99 million to 1,481.96 million) as compared to the revenue of same period of 2019-20 due to increase of export during this period.

	895,705	885,375
Opening Stock of Finished Goods	1,324,323	1,200,552
Add: Cost of Production - Note 29	<u>2,220,028</u>	<u>2,085,927</u>
Less: Closing Stock of Finished Goods	(843,941)	(902,111)
	<u>1,376,087</u>	<u>1,183,816</u>

	1,234,781	1,119,307
Raw Materials	34,311	24,407
Packing Materials, Chemicals & Ice Consumed - Note 30	16,005	14,858
Direct Labour	39,226	41,980
Factory Overhead - Note 31	<u>1,324,323</u>	<u>1,200,552</u>

	4,028	2,174
Opening balance (Packing Materials)	30,884	19,592
Add: Packing Materials Purchase	<u>34,912</u>	<u>21,766</u>
Less: Packing Materials in hand	(4,525)	(5,010)
	<u>30,387</u>	<u>16,756</u>
Opening balance (Chemicals & Ingredients)	1,346	1,599
Add: Chemicals, Ingredients & Ice Purchase	<u>5,159</u>	<u>10,078</u>
	<u>36,892</u>	<u>28,433</u>
Less: Chemicals & Ingredients in hand	(2,581)	(4,026)
	<u>34,311</u>	<u>24,407</u>

	11,985	11,255
Wages & Salaries	208	155
Bonus to Workers'	13,658	13,713
Power, Fuel & Water	324	542
Consumable Stores & Spares	3,954	3,954
Insurance Premium	1,501	3,506
Repair & Maintenance	20	15
Carriage Inward	7,576	8,839
Depreciation	<u>39,226</u>	<u>41,980</u>

	0	0
Foreign Currency Translation Gain / (Loss)	<u>0</u>	<u>0</u>

Foreign Currency Translation gain was Tk. 292/- . 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.

	83	104
Advertisement	5	117
AGM Expenses	201	201
Audit Fee (Including VAT)	6	5
Board meeting fees (Including VAT)	1,106	944
Bonus to Staff	710	681
Contribution to Provident Fund	456	467
Depreciation	4,650	4,650
Directors Remuneration	13	9
Donation & Subscription	198	251
Electricity & WASA Charges	181	266
Entertainment	24,907	18,409
Freight & Forwarding	7	42
General Fees & Charges	290	324
Guest House Expenses	36	82
Laboratory Expenses	4,294	3,967
Laboratory Testing Fees	178	32
Legal & Professional Fees	182	200
License & renewals	2	2
Medical Expenses	1	1
Membership Subscription	3	31
Newspaper & Periodicals	334	328
Office Maintenance	156	236
Postage & Stamp	349	463
Printing & Stationery	1,217	1,837
Rent, Rates & Taxes	13,279	12,917
Salaries & Allowances	-	3,397
Sales Commission	3,902	3,969
Sales Promotion Expenses	68	95
Sanitation Expenses	0	475
Staff fooding	470	436
Staff Welfare Expenses	449	709
T.A & Conveyance	262	239
Telephone, Telex & Fax	313	309
Uniform & Liveries	581	836
Vehicles Maintenance	<u>58,889</u>	<u>57,031</u>

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Vice Chairman

	Value in Taka '000'	
	01.07.2020	01.07.2019
	to	to
	31.12.2020	31.12.2019

34. FINANCE & OTHER INCOME:

Interest Earned	6,363	8,797
Dividend Income	4,252	5,954
P.F Lapse (employer's prtion)	21	-
	<u>10,636</u>	<u>14,751</u>

35. FINANCIAL EXPENSES:

Interest	26,783	30,339
Charges & Commission	4,054	4,036
	<u>30,837</u>	<u>34,375</u>

36. PROVISION FOR CONTRIBUTION TO PPF & WF: (1,275) (644)

This represents 5% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labour Act, 2006 (Amended 2013 & 2017) and Bangladesh Labour Rules, 2015 & is payable to workers' as defined in the said Act.

37. TAX EXPENSES: (21,511) (9,155)

(A) CURRENT TAX

This represents the deduction of TDS on export proceeds, TDS on exchange gain/ (loss) from transaction, TDS on cash incentive realization and TDS on interest income.

Calculation of current tax:

a) Regular Tax:

Profit / (Loss) before tax	25,507	12,882
Less: Finance & Other Income	(10,636)	(14,751)
Less: Other Operating Income/(loss)	(0)	(0)
Adjusted Income/ (Loss) from Business	<u>14,871</u>	<u>(1,868)</u>
Tax on Business Income @ 12.50% (applicable tax rate ie 50% rebate of @ 25%)	<u>1,859</u>	<u>(234)</u>

b) Minimum Tax U/S-82c(2):

TDS on export proceeds	7,611	8,142
TDS on Dividend Income @ 20% on realized amount	0	0
TDS on Cash Incentive Income @ 10% on realized amount	6,538	2,311
	<u>14,149</u>	<u>10,453</u>

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

		%
Realized from Revenue	4,534	0.30
Realized from Finance Income	82	0.60
Realized from PF Lapse	3	0.60
Realized from Other Operating Income / (loss)	0	0.60
	<u>4,619</u>	<u>3,726</u>

So, Current Tax:

Business tax- Higher of a, b & c (Minimum Tax U/S -82 c)	14,149	10,453
Tax on Finance Income realised @ 25%	3,425	2,757
Tax on Other Operating Income/(loss) realised @ 25%	0	-
Tax on P.F Lapse (employer's prtion) realised @ 25%	131	-
	<u>17,705</u>	<u>13,211</u>

37. (B) DEFERRED TAX (EXPENSES) / INCOME: (3,806) 4,056

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, PF Lapse receivable and WDV of fixed assets. Detailed calculations are shown for above in Note - 17.

38. BASIC EARNINGS PER SHARE (EPS):

Earnings Attributable to Ordinary Shareholders	3,996	3,727
Number of Ordinary Shares	5,702	5,702
Basic Earnings Per Share (EPS)	<u>0.70</u>	<u>0.65</u>

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

Net Operating Cash Flows	116,309	35,155
Number of Ordinary Shares	5,702	5,702
Net Operating Cash Flows (NOCFPS) Per Share	<u>20.40</u>	<u>6.16</u>

Net operating cash flow is Tk. 20.40 per share for the six months ended on 31st December 2020 but it was Tk. 6.16 for the same period of last year, this is mainly due to more collection from revenue 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 31st December 2020.

41. 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.

42. PRIOR YEAR ADJUSTMENT:

As per Financial Reporting Council (FRC) notification no. 179/FRC/FRM/notification/2020/2 dated 7th July 2020 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).

43. 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 Financial Position & Statement of Profit or Loss and Other Comprehensive Income for better presentation.

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

44. 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.

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 31.12.2020	01.07.2019 to 31.12.2019
Cash flows from operating activities:		
Profit before tax	25,507	12,882
Add: Depreciation	8,032	9,306
Less: Effect of Foreign currency translation gain / (loss)	0	0
Less: Finance & Other income during the period	(10,614)	(14,751)
Add: Interest paid during the period	26,783	30,339
(Increase)/Decrease in Inventories	50,032	(21,998)
(Increase)/Decrease in Trade Receivables	29,373	(53,868)
(Increase)/Decrease in Advances, Deposits & Pre-payments	278	2,228
(Increase)/Decrease in Other Receivables	(48,950)	(3,800)
Income tax paid during the period	(15,647)	(11,675)
(Increase)/Decrease in Security deposits	-	158
Increase/(Decrease) in Trade Payables	49,103	78,072
Increase/(Decrease) in Other Payables	2,412	8,262
Net cash flows generated from/(Used in) operating activities	116,309	35,155
RECONCILIATION:		
Net cash flows generated from/(Used in) operating activities Indirect Method:	116,309	35,155
Net cash flows generated from/(Used in) operating activities Direct Method:	116,309	35,155
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