



# EASTERN CABLES LIMITED

FACTORY & REGISTERED OFFICE: NORTH PATENGA, CHITTAGONG.

We forward herewith the un-audited Financial Statement of the Company for the third quarter ended 31 March 2019.

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

PARTICULARS	Notes	TK.IN LAC As at 31.03.2019	TK.IN LAC As at 30.06.2018
<b>PROPERTIES &amp; ASSETS:</b>			
<b>Non-Current Assets:</b>			
Property, Plant & Equipments	3.00	1566.96	1,627.80
Capital Work in progress	4.00	66.25	54.80
<b>Total Non-Current Assets</b>		<b>1,633.21</b>	<b>1,682.60</b>
<b>Current Assets:</b>			
Inventories	5.00	4986.15	2,626.48
Trade Debtors	6.00	836.68	1,101.17
Current A/c with Enterprise/Head Office	7.00	74.77	69.48
BSEC Dis-investment by Govt.	8.00	161.04	161.04
Advance, Deposits & Pre-payments	9.00	9,566.43	9,169.27
Cash & Bank	10.00	68.30	81.69
Deferred Tax	20.00	95.35	77.65
<b>Total Current Assets</b>		<b>15,788.72</b>	<b>13,286.78</b>
<b>Total Properties &amp; Assets</b>		<b>17,421.93</b>	<b>14,969.38</b>
<b>SHAREHOLDER'S EQUITY &amp; LIABILITIES:</b>			
<b>SHAREHOLDER'S EQUITY:</b>			
Issued & Paid up Capital		2,640.00	2,400.00
Reserve & Surplus	11.00	3,572.32	4,911.64
<b>Total Shareholder's Equity</b>		<b>6,212.32</b>	<b>7,311.64</b>
<b>Non- Current Liabilities:</b>			
Long Term Loans	12.00	773.81	773.81
<b>Current Liabilities:</b>			
Cash Credit	13.00	4,489.36	1,046.61
BSEC Accounts	14.00	221.46	190.81
Liabilities for Goods	15.00	0.52	137.17
Advance from the Parties	16.00	115.92	119.60
Workers Profit Participation Fund & WWF	17.00	63.34	63.62
Provision for Income Tax	18.00	3,194.24	3,179.03
Others Liabilities for Expenses	19.00	2350.96	2,147.09
<b>Total Current Liabilities</b>		<b>10,435.80</b>	<b>6,883.93</b>
<b>Total Shareholder's Equity &amp; Liabilities</b>		<b>17,421.93</b>	<b>14,969.38</b>
<b>Net Asset Value (NAV) per share</b>		<b>23.53</b>	<b>27.70</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MARCH 2019.

PARTICULARS	Notes	TK.IN LAC 01.07.18-31.03.19	TK.IN LAC 01.07.17-31.03.18	TK.IN LAC 01.01.19-31.03.19	TK.IN LAC 01.01.18-31.03.18
Net Sales	21.00	2,533.54	11,639.52	1,265.74	7,057.01
Less: Cost of Goods sold	22.00	2,685.65	10,259.75	1,187.80	6,532.97
<b>Gross Profit/(loss)</b>		<b>(152.11)</b>	<b>1,379.77</b>	<b>77.94</b>	<b>524.04</b>
Less: Adm., Selling & Financial Expenses	23.00	724.42	1,222.92	238.22	373.53
<b>Net Operating Profit/(loss)</b>		<b>(876.53)</b>	<b>156.85</b>	<b>(160.28)</b>	<b>150.51</b>
Add: Non Operating Income	24.00	14.71	14.20	9.03	3.15
<b>Net Profit Before Provision for WPPF &amp; I Tax</b>		<b>(861.82)</b>	<b>171.05</b>	<b>(151.25)</b>	<b>153.66</b>
Less: Provision for WPPF		8.55	-	-	7.68
<b>Net Profit Before Income Tax</b>		<b>(861.82)</b>	<b>162.50</b>	<b>(151.25)</b>	<b>145.98</b>
Less: Current Tax		15.20	40.62	7.56	36.49
<b>Net Profit/(loss) after Tax</b>		<b>(877.02)</b>	<b>121.88</b>	<b>(158.81)</b>	<b>109.49</b>
Add/(Less): Deferred Tax		17.70	-	17.70	-
<b>Net Profit/(loss) after Tax</b>		<b>(859.32)</b>	<b>121.88</b>	<b>(141.11)</b>	<b>109.49</b>
<b>Earning per Share (EPS)-Basic</b>		<b>(3.26)</b>	<b>0.51</b>	<b>(0.53)</b>	<b>0.46</b>
<b>Earning per Share (EPS)-Restated</b>		<b>(3.26)</b>	<b>0.46</b>	<b>(0.53)</b>	<b>0.41</b>

## STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 31 MARCH 2019.

PARTICULARS	TAKA IN LAC July-'18 to Mar-'19	TAKA IN LAC July-'17 to Mar-'18
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Collection From turnover & others	3,422.47	8,785.83
Cash Payment for cost & expenses	(6,466.77)	(11,205.79)
Interest Paid	-	(257.24)
WPPF Paid	(0.28)	-
Income Tax Paid	(169.22)	(339.27)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(3,213.80)</b>	<b>(3,016.47)</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of Fixed Assets	(14.76)	(19.21)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(14.76)</b>	<b>(19.21)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash Credit	3,442.75	3,057.16
Dividend Paid	(86.00)	-
Interest Paid	(141.58)	-
WPPF Paid	-	(14.20)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>3,215.17</b>	<b>3,042.96</b>
<b>NET (DECREASE) /INCREASE IN CASH &amp; EQUIVALENT (A+B+C)</b>	<b>(13.39)</b>	<b>7.28</b>
<b>CASH &amp; BANK BALANCE AT BEGINNING OF THE YEAR</b>	<b>81.69</b>	<b>47.92</b>
<b>CASH &amp; BANK BALANCE AT THE END OF THE THIRD QUARTER</b>	<b>68.30</b>	<b>55.20</b>
<b>NET OPERATING CASH FLOWS PER SHARE(NOCFPS)</b>	<b>(12.17)</b>	<b>(11.43)</b>

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2019.

PARTICULARS	Share Capital	Bonus Share	Revenue Reserves	Un appropriated Profit	Total TK in Lac
Opening Balance (01.07.2018)	2,000.00	400.00	4,660.91	250.73	7,311.64
Cash Dividend (2016-2017)				(240.00)	(240.00)
Bonus Share (2017-2018)		240.00	(240.00)		
Net Profit/(Loss) after Income Tax	-	-	-	(859.32)	(859.32)
<b>Closing Balance (31.03.2019)</b>	<b>2,000.00</b>	<b>640.00</b>	<b>4,420.91</b>	<b>(848.59)</b>	<b>6,212.32</b>
Opening Balance (01.07.2017)	2,000.00	400.00	4,660.91	286.48	7,347.39
Dividend Paid				-	-
Net Profit/ (Loss) after Income Tax	-	-	-	121.87	121.87
<b>Closing Balance (31.03.2018)</b>	<b>2000.00</b>	<b>4000.00</b>	<b>4660.91</b>	<b>408.35</b>	<b>7469.26</b>
			31.03.2019	31.03.2018	
Number of Ordinary shares			2,00,00,000	2,00,00,000	
Number of Bonus shares			64,00,000	40,00,000	
<b>Total</b>			<b>2,64,00,000</b>	<b>2,40,00,000</b>	
Value per share			10.00	10.00	
Shareholders' equity per share			23.53	28.29	

Sd/  
(DUKUL KUMAR BARUA)  
CHIEF FINANCIAL OFFICER (INCHARGE)

Sd/  
(MD. AMDADUL HAQUE)  
COMPANY SECRETARY

Sd/  
(MD. GOLAM MOWLLA)  
MANAGING DIRECTOR (ACTING)

Sd/  
(A.K.M SHAMSUL AREEFIN)  
INDEPENDENT DIRECTOR

Sd/  
(MIZANUR RAHMAN)  
CHAIRMAN

"The detail of the published third quarter financial statements is also available in the website. The address of the website is [www.easterncables.gov.bd](http://www.easterncables.gov.bd)"

**EASTERN CABLES LIMITED**  
**North Patenga, Chattogram.**

**Selected explanatory notes to the accounts for the period third quarter ended 31 March 2019**

**1.00 GENERAL:**

**1.01 Legal form of the company:**

Eastern cables was an enterprise of Bangladesh Steel & Engineering Corporation. It was incorporation on 18-12-1986 under the then companies Act, as a Public Limited company & took over all assets and liabilities of Eastern Cables Limited as per vendor's agreement. It offloaded its 49% share to the general public & employees of the company in 1987. The shares of the company were listed in the Dhaka Stock Exchange limited and Chittagong Stock Exchange limited respectively on 18-12-1987 and 19-06-1997.

**1.02 Registered Office & location of the Factory of the company:**

The Register office of the company & its factory is located at North Patenga, Chattogram.

**1.03 Nature of business:**

The company is engaged in production and sales of electrical cables.

**1.04 Currency:**

The figure in the financial statement and other statements and notes to the financial statement represent in Bangladesh taka, which have been rounded off to the nearest Taka in Lac.

**2.00 SIGNIFICANT ACCOUNTING POLICIES:**

**The accounting policies adopted by the company are as follows:**

**2.01 Statement of compliances:**

The financial statements have been prepared in compliance with International Accounting Standard (IAS) and International financial Reporting standard (IFRS) and in accordance with the relevant requirement of the schedule of the securities and exchange Rules 1987, in conformity with the compliance Act-1994. The financial statements were authorized for issue by the board of directors.

**2.02 Reporting Period:**

Third Quarter un-audited & provisional financial statements have been prepared covering third quarter from 01 July 2018 to 31 March 2019.

**2.03 Basis of Measurement:**

The financial Statements have been prepared on the historical cost basis.

**2.04 Property, Plant and Equipment:**

**Recognition and measurement:**

Items of property, plant and equipment excluding land and land development and roads are sated cost/revalued value less accumulated depreciation. Land and land development and roads are sated at cost. Cost includes expenditure that are directly attributable to the acquisition of the assets. The cost of self-constructed / installed assets includes the cost of material are direct labor and any other cost directly attributed by bringing the assets to the work condition for its installed use and the cost of dismantling and removing the items and restoring the site on which they are located. Subsequent expenditure on property, plant and equipment is only recognized when the expenditure improves the condition assets beyond its originally assessed standard of performance.

**2.06 Taxation:**

**2.06.01 Current Tax:**

The Company is a publicly traded Company. As per income tax law provision for taxation has been made during the year @ 0.60% on net sales.

**2.06.02 Deferred Tax:**

Deferred taxes have been considered in the third quarter un-audited financial statements.

**2.07 Transaction in Foreign Currencies:**

Foreign currencies are converted to Bangladeshi taka at the exchange rate prevailed on the date of transaction.

**2.08 Employees Benefit:**

Employees benefit is all forms of consideration given by the entity exchange for service rendered by an employee.

**2.08.01 Short -Term Employee Benefits:**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

**2.08.02 Post-Employment Benefits:**

Post-employment benefits are employee benefits which are payable after the completion of employment. The company maintains defined contribution plan for its eligible permanent employees.

**2.09 Transaction of foreign currency loan/ credit:**

No foreign currency loan/credit of the company.

**2.10 Workers Profit Participation Fund (WPPF) & Worker Welfare Fund (WWF):**

Provision has been made @ 5% for WPPF & Workers Welfare Fund in the ratio of 80:20 of Net Profit as per the Bangladesh gazette notification published on 11<sup>th</sup> October, 2006.

**2.11 Provision for Expenses:**

Recurring expenses are provided based on estimation if the bills are not received and are adjusted subsequently with actual bills received.

**2.12 Liabilities:**

All the Liabilities have been stated at their anticipated amount payable.

**2.13 Accounts and Other Payables:**

The company recognized a financial liability when it is contractual obligations arising from past events is certain and the settlement of which is expected to result in an outflow from the entry of resources embodying economic benefits.

**2.14 Cash & Cash Equivalent:**

Cash in hand, Cash at bank, FDR, STD A/C have been considered as cash and cash equivalents for the preparation of its account, because there is no risk of changes of value.

**2.15 Related Party Disclosure:**

Parties are considered to be related if one of the Parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related party disclosures have given in notes – 25 in notes to the financial statements.

**2.16 Going Concern:**

The company has adequate resource to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no materials uncertainties relate to events or conditions which may significant doubt upon the Company's ability continue as a going concern.

**2.17 Key Management Personnel Compensation:**

**2.17.01** Eastern Cables Limited is offloaded state own national organization and the companies compensation packages has been provide as per the National Pay Scale approved by the Government.

**2.17.02** no amount was spent by the company for compensation any member of the Board of Directors except Managing Director.

**2.17.03** management personnel's compensation included in the Admin, Selling & Distribution & Financial Expenses.

<b>3.00</b>	<b>Property, Plant and Equipment:</b> (At Cost/Revalued Value Less Accumulated Depreciation)	
	<b>A) Cost:</b>	
	Opening Balance	1,627.80
	Add: Addition/(Disposal) during the year	14.76
		<hr/>
		<b>1,642.56</b>
	Less: Accumulated Depreciation	(75.60)
	Closing Balance	<hr/>
		<b>1,566.96</b>
<b>4.00</b>	<b>Capital Work-In-Progress:</b>	
	XLPE	47.81
	Equipment Installation	18.44
		<hr/>
		<b>66.25</b>
<b>5.00</b>	<b>Stocks &amp; Stores:</b>	
	Stock of Raw Materials	1,146.97
	Sectional Stock of Raw Materials	55.64
	Work-In-Progress	1,771.51
	Intermediate Products	269.53
	Stock of Finished Goods	805.41
	Stores & Sundry Stock	476.85
	Goods in Transit	471.08
		<hr/>
		<b>4,996.99</b>
	Less: Amount considered Bad & Doubtful	10.84
		<hr/>
		<b>4,986.15</b>
<b>6.00</b>	<b>Debtors:</b>	
	Trade Debtors	1,007.42
	Less: Amount considered Bad & Doubtful	170.74
		<hr/>
		<b>836.68</b>
<b>7.00</b>	<b>Current Account With Project Under BSEC:</b>	
	G. E. M. Co. Ltd.	67.57
	Chittagong Dry Dock Ltd.	7.37
	Eastern Tubes Ltd.	0.80
	Bangladesh Blade Factory Ltd.	9.02
	Prantik Traders	0.02
		<hr/>
		<b>84.78</b>
	Less: Amount considered Bad & Doubtful	10.01
		<hr/>
		<b>74.77</b>
<b>8.00</b>	<b>Current Accounts With Projects Under BSEC Dis-Invested by Govt.:</b>	
	Ispahani Marshal Ltd.	9.95
	Bangladesh Cycle Industries Ltd.	23.75
	Metalex Corporation Ltd.	3.14
	Dock Yard & Eng. Works Ltd.	9.85
	Chittagong Steel Mills Ltd.	114.35
		<hr/>
		<b>161.04</b>
<b>9.00</b>	<b>Advances, Deposits &amp; Pre- payments:</b>	
	Advances	202.78
	Advance Against Income Tax	9,066.52
	Deposit	50.18
	Pre-payments (Prepaid VAT)	246.95
		<hr/>
		<b>9,566.43</b>
<b>10.00</b>	<b>Cash and Cash Equivalents:</b>	
	Cash at Bank	65.46
	Cash in Hand	2.82
	Stamp	0.02
		<hr/>
		<b>68.30</b>

<b>11.00 Reserve &amp; Surplus:</b>		
Reserve on Assets Revaluation		180.44
Reserve for XLPE (High Voltage Insulated Cables)		420.00
Redemption Reserve		225.00
Reserve for Replacement of Machinery		2,158.00
Dividend Equalisation Reserve		1,437.47
Retained Earnings		(848.59)
		<u><b>3,572.32</b></u>
<b>12.00 Long Term Loans:</b>		
A.D. P Loan		14.68
Quasi-Equity Loan (Interest. free)		672.52
Govt. Loan for Manpower Equalisation (Interest. free)		86.61
		<u><b>773.81</b></u>
There is no current portion of long-term loan.		
<b>13.00 Cash Credit:</b>		
Sonali Bank North patenga, Ctg.		1,136.36
UCBL Agrabad Br. Ctg.		297.66
Basic Bank Ltd.,Agrabad, Ctg., CC A/c		369.78
UPAS L/C Liability( UCBL Agrabad)		2,685.56
		<u><b>4,489.36</b></u>
<b>14.00 Accounts Payable to BSEC</b>		
BSEC Account		217.64
Projects under BSEC:	14.01	3.76
Projects under BSEC Dis-Invested by Govt.	14.02	0.06
		<u><b>221.46</b></u>
<b>14.01 Projects under BSEC:</b>		
Gazi Wires Ltd.		0.57
Pragati Industries Ltd.		2.60
National Tube		0.36
Bangladesh Diesel plant Ltd.		0.02
Atlas (BD) Ltd.		0.14
Dhaka Steel Works Ltd.		0.07
		<u><b>3.76</b></u>
<b>14.02 Projects under BSEC Dis-Invested by Govt.</b>		
Petro Synthetic Products Ltd.		0.02
General Iron & Steel Industries Ltd.		0.03
National Iron & Steel Industries Ltd.		-
Khulna Industrial & Trading Co. Ltd.		0.01
		<u><b>0.06</b></u>
<b>15.00 Liabilities for Goods Supplied:</b>		
Present Liability (Local)		0.52
		<u><b>0.52</b></u>
<b>16.00 Advances from the Parties:</b>		<u><b>115.92</b></u>
<b>17.00 Workers Profit Participation Fund &amp; Workers Welfare Fund:</b>		
<b>Opening Balance(01.07.2018)</b>		63.62
Add: Provision made during the period		-
Less:(Paid)/Adjusted during the period		(0.28)
<b>Closing Balance 31.03.2019</b>		<u><b>63.34</b></u>
<b>18.00 Provision for Income TAX:</b>		
Opening Balance		3,179.04
Add: Provision for the year		15.20
		<u><b>3,194.24</b></u>
Less: Adjustment during the year		-

	<b>Closing Balance</b>	<b>3,194.24</b>
<b>19.00</b>	<b>Other Liabilities</b>	
	Liabilities for Expenses:	314.54
	Liabilities for Leave pay & Gratuity:	1,011.51
	Other Liabilities	1,024.91
		<b>2,350.96</b>
<b>20.00</b>	<b>Provision for Deferred TAX:</b>	
	<b>Opening Balance 01.07.2018</b>	(77.65)
	Depreciation as per A/C	75.60
	Depreciation as per 3rd Schedule	146.40
	Excess/(Decrease) in A/C	<b>(70.80)</b>
	Deferred Tax @ 25%	(17.70)
	<b>Closing Balance 31.03.2019</b>	<b>(95.35)</b>
<b>21.00</b>	<b>Net Sales:</b>	
	Gross Sales	3,003.44
	Less: VAT	(469.90)
	Net Sales	<b>2,533.54</b>
<b>22.00</b>	<b>Cost of Goods Sold:</b>	<b>2,685.65</b>
<b>23.00</b>	<b>Administrative, Selling &amp; Financial Expenses:</b>	
	Administrative Salary, Allowance & Expenses	390.66
	Selling Salary, Allowance & Expenses	171.28
	Managing Director's Salaries & Allowances	12.88
	Director's Fee & Expenses	5.35
	Financial Expenses	144.25
		<b>724.42</b>
<b>24.00</b>	<b>MISC. Income:</b>	
	Lease of Land, Pond etc.	<b>0.75</b>
	Recovery from House Rent	6.96
	Sales of Schedules & Tender Forms	1.24
	Sale of Empty Drums & Bags etc	5.07
	Forfeiture (Security money encashment)	0.18
	Received from Furniture & Vehicle facilities	0.51
		<b>14.71</b>

**Related Party**

**25.00 Transaction:**

I) Related party transaction

:

During the year, the company carried out a number of transactions with related parties in the normal course of business and on an arms length basis. The name of these related parties, nature of transaction and balance as 31.03.2019 in accordance with the provision of IAS-24 are presented below.

Name of the Related Parties	Relationship	Nature of the Transaction	Transaction during the year		Balance as at 31-03-2019		Balance as at 30-06-2018	
			Dr	Cr				
Chittagong Steel Mills Limited	Subsidiary Company of BSEC	Multiple Business	-	-	114.35	(Dr)	114.35	(Dr)
G. E. M Company Limited	Subsidiary Company of BSEC	Multiple Business	8.78	-	75.00	(Dr)	66.22	(Dr)
Chittagong Dry Dock Ltd.	Subsidiary Company of	Multiple Business	4.39	3.98	7.37	(Dr)	6.96	(Dr)

	BSEC								
Eastern Tubes Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	2.57	(Dr)	2.57	(Dr)	
Bangladesh Can Co. Ltd.	Subsidiary Company of BSEC	Multiple Business	-	3.90	-	(Dr)	3.9	(Dr)	
Bangladesh Blade Factory Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	9.02	(Dr)	9.02	(Dr)	
Prantik Traders	Subsidiary Company of BSEC	Multiple Business	-	-	0.02	(Dr)	0.02	(Dr)	
Gazi Wires Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	0.57	(Cr)	0.57	(Cr)	
Pragati Industries Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	2.60	(Cr)	2.6	(Cr)	
National Tubes Limited	Subsidiary Company of BSEC	Multiple Business	-	-	0.36	(Cr)	0.36	(Cr)	
Bangladesh Diesel plant Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	0.02	(Cr)	0.02	(Cr)	
Atlas (BD) Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	0.13	(Cr)	0.13	(Cr)	
Dhaka Steel Works Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	0.06	(Cr)	0.06	(Cr)	
BSEC Current	Parents Concern	Multiple Business	25.60	56.25	221.46	(Cr)	190.81	(Cr)	
REB Dhaka Export	Common Director	Sales	-	-	7.05	(Dr)	7.05	(Dr)	
REB Dhaka Local	Common Director	Sales	-	-	205.57	(Dr)	205.57	(Dr)	

### Significant deviation

26.00

The EPS of Q-3 ended on 31 March 2019 is TK.(3.26) where as TK. 0.46 for the previous year same period. Because during

26.01

the period it was not possible to collect the work order from government organization by participating local & international tender with competitive private cable & conductor manufacturing Company. It was not possible to maintain production trend of domestic & power cables due to Complexity of main raw material (i.e. Copper wire) procurement process. As a result the company can not achieve production and sales targeted as well as increase factory overhead. For this reason increase gross loss as compared with the previous gross loss.

26.02

The NOCFPS of Q-3 ended on 31 March 2019 is Tk.(12.71) where as Tk.(11.43) for the previous year same period . Because the company can't achieve sales & production target but payment of service benefit of all employees. As a result the company's increase cost and expenses proportionate as compared with the previous period as well as NOCFPS more then less from the same period.

Sd/  
Company Secretary

Sd/  
Managing Director