

EASTERN CABLES LIMITED

FACTORY & REGISTERED OFFICE : NORTH PATENGA, CHITTAGONG.

Notes to the financial position for Half Yearly Ended 31st December 2018.

1.00 Selected explanatory notes:-

The financial statement have been prepared in line with accounting policies as adopted in the preparation of financial statements for the period ended 31st December, 2018. This interim financial report includes those selected explanatory notes as were demanded appropriate for the better understanding of the said un-audited financial

2.00 Presentation of financial statement and basis of accounting:-

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles under Historical cost convention and after compliance with Bangladesh Financial Reporting standard (BFRS) and Bangladesh Accounting Standard (BAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the companies act 1994, the Securities and Exchange Rule 1987 and other applicable laws and regulations.

3.00 Property, Plant & Equipment:

3.01 Recognition and Measurement:

Property, Plant & Equipment are capitalized at cost less accumulated depreciation in compliance with the requirements of BAS 16, Property, Plant & Equipment. The cost of acquisition of an assets comprises its purchase price and any directly attributable cost of bringing the assets in its working condition for its intended use inclusive of inward freight, duties and non-funded taxes.

| | Tk In Lac |
|---|------------------------|
| Fixed assets as on 01.07.2018 | 1,627.80 |
| Addition during the year | <u>7.60</u> |
| Balance as on 31.12.2018 | 1,635.40 |
| Accumulated Depreciation as on 31.12.2018 | <u>(50.40)</u> |
| Written Down Value as on 31.12.2018 | <u>1,585.00</u> |

4.00 Inventories:

Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 2. Inventories cost determined on weighted average cost basis. The cost of inventories comprises of expenditure in the normal course of business in bringing the inventories to their present location and condition. Net realizable value in based on estimated selling price less any further costs expected to be incurred to the make sale.

| | Tk In Lac |
|--------------------------|------------------------|
| 4.01 Closing Stock | |
| Stock of Raw Materials | 1,733.17 |
| Stores & Spares | 419.24 |
| Work in Progress | 1,550.98 |
| Stock of Finished Goods | <u>628.22</u> |
| Balance as on 31.12.2018 | <u>4,331.61</u> |

5.00 Cash & Cash Equivalent:

Cash & Cash Equivalent includes cash in hand and with Bank on current & deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

5.01 Cash & Cash Equivalents:

| | Tk In Lac |
|--|---------------------|
| Cash in hand | 11.10 |
| Cash at Bank | <u>19.15</u> |
| Total Cash & Cash Equivalents as on 31.12.2018 | <u>30.25</u> |

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6.00 Long -term Loan

| | |
|---|---------------|
| A.D.P Loan | 14.68 |
| Quasi-Equity Loan(Interest Free) | 672.52 |
| Govt. Loan for Manpower equalization(Interest Free) | 86.61 |
| | <u>773.81</u> |

7.00 Workers Profit Participation Fund:

| | |
|--|--------------|
| Opening Balance(01.07.2018) | 63.62 |
| Add: Provision made during the period | - |
| Less:(Paid)/Adjusted during the period | - |
| Closing Balance 31.12.2018 | <u>63.62</u> |

8.00 Administrative, Selling & Financial Expenses:

| | |
|---|---------------|
| Administrative Salary, Allowance & Expenses | 278.02 |
| Selling Salary, Allowance & Expenses | 131.70 |
| Managing Director's Salaries & Allowances | 10.86 |
| Director's Fee & Expenses | 3.44 |
| Financial Expenses | 62.18 |
| | <u>486.20</u> |

9.00 a) Losses have incurred due to following reason:

1. During 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.
2. 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.
3. Production has reduced due to regular repair & maintenance of machinery.

b) EPS (Negative):

Due to loss as the 2nd quarter of 2018-2019 fiscal year. As a result Earning Per Share has been negative.

10.00 Related Party Transaction:

During the year, the company carried out a number of transaction with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transaction and balance as 31.12.2018 in accordance with the provision of BAS-24 are presented below.

| Name of the Related Parties | Relationship | Nature of the Transaction | Transaction during the year | Blanco as at 31-12-2018 | | Balance as at 30-06-2018 | |
|--------------------------------|----------------------------|---------------------------|-----------------------------|-------------------------|------|--------------------------|------|
| Chittagong steel Mills Limited | Subsidiary Company of BSEC | Multiple Business | - | 11,435,199 | (Dr) | 11,435,199 | (Dr) |
| G.E.M Company Limited | Subsidiary Company of BSEC | Multiple Business | 634,641 | 7,257,013 | (Dr) | 6,622,372 | (Dr) |
| Chittagong Dry Dock Ltd. | Subsidiary Company of BSEC | Multiple Business | 8,407 | 704,869 | (Dr) | 696,462 | (Dr) |
| Eastern Tubes Ltd. | Subsidiary Company of BSEC | Multiple Business | - | 256,848 | (Dr) | 256,848 | (Dr) |
| Bangladesh Can Co.Ltd. | Subsidiary Company of BSEC | Multiple Business | (390,293) | 0 | (Dr) | 390,293 | (Dr) |
| Bangladesh Blade Factory Ltd. | Subsidiary Company of BSEC | Multiple Business | - | 902,045 | (Dr) | 902,045 | (Dr) |
| Prantik Traders | Subsidiary Company of BSEC | Multiple Business | - | 2,170 | (Dr) | 2,170 | (Dr) |
| Gazi Wires Ltd. | Subsidiary Company of BSEC | Multiple Business | - | 57,342 | (Cr) | 57,342 | (Cr) |
| Pragati Industries Ltd. | Subsidiary Company of BSEC | Multiple Business | - | 260,059 | (Cr) | 260,059 | (Cr) |
| National Tube Ltd | Subsidiary Company of BSEC | Multiple Business | - | 36,188 | (Cr) | 36,188 | (Cr) |
| Bangladesh Diesel plant Ltd. | Subsidiary Company of BSEC | Multiple Business | - | 1,615 | (Cr) | 1,615 | (Cr) |
| Atlas (BD) Ltd. | Subsidiary Company of BSEC | Multiple Business | - | 13,690 | (Cr) | 13,690 | (Cr) |
| Dhaka Steel Works Ltd. | Subsidiary Company of BSEC | Multiple Business | - | 6,457 | (Cr) | 6,457 | (Cr) |
| BSEC Current | Parent Concern | Multiple Business | 1,190,000 | 16,486,664 | (Cr) | 15,296,664 | (Cr) |
| REB Dhaka Export | Common Director | Sales | - | 705,106 | (Dr) | 705,106 | (Dr) |
| REB Dhaka Local | Common Director | Sales | - | 20,557,736 | (Dr) | 20,557,736 | (Dr) |

11.00 Reserve & Surplus:

Reserve on Assets Revaluation
Reserve for XLPE (High Voltage Insulated Cables)
Redemption Reserve
Reserve for Replacement of Machinery
Dividend Equalisation Reserve
Retained Earnings

Tk In Lac

180.43
420.00
225.00
2,158.00
1,677.47
(467.47)
4,193.43



Company Secretary



Managing Director.





EASTERN CABLES LIMITED

FACTORY & REGISTERED OFFICE : NORTH PATENGA, CHITTAGONG.

We forward herewith the un-audited Financial Statement of the Company for the half year ended July 2018 to December 2018.

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2018

| Particulars | Notes | As at 31.12.2018 TK.IN LAC | As at 30.06.2018 TK.IN LAC |
|--|-------|-------------------------------|-------------------------------|
| PROPERTIES & ASSETS: | | | |
| Non-Current Assets: | | | |
| Property, Plant & Equipments | 3.01 | 1,585.00 | 1,627.80 |
| Capital Work in progress | | 59.81 | 54.80 |
| Total Non-Current Assets | | 1,644.81 | 1,682.60 |
| Current Assets: | | | |
| Inventories | 4.01 | 4,331.61 | 2,626.48 |
| Current A/c with Enterprise/Head Office | | 82.02 | 69.49 |
| Trade Debtors | | 771.89 | 1,101.17 |
| Advance, Deposits, Pre-payments & Advance Income Tax | | 9,136.27 | 9,169.26 |
| BSEC Dis-investment by Govt. | | 161.04 | 161.04 |
| Deferred Tax | | 77.65 | 77.65 |
| Cash & Bank | 5.01 | 30.25 | 81.69 |
| Total Current Assets | | 14,590.73 | 13,286.78 |
| Total Properties & Assets | | 16,235.54 | 14,969.38 |
| SHAREHOLDER'S EQUITY & LIABILITIES: | | | |
| SHAREHOLDER'S EQUITY: | | | |
| Issued & Paid up Capital | | 2,400.00 | 2,400.00 |
| Reserve & Surplus | 11.00 | 4,193.43 | 4,911.64 |
| Total Shareholder's Equity | | 6,593.43 | 7,311.64 |
| Non- Current Liabilities: | | | |
| Long Term Loans | 6.00 | 773.81 | 773.81 |
| Current Liabilities: | | | |
| Cash Credit | | 2,719.61 | 1,046.61 |
| BSEC Accounts | | 202.64 | 190.81 |
| Liabilities for Goods | | 194.22 | 137.17 |
| Advance from the Parties | | 138.54 | 119.60 |
| Workers Profit Participation Fund | 7.00 | 63.62 | 63.62 |
| Provision for Income Tax | | 3,186.67 | 3,179.03 |
| Others Liabilities | | 2,363.00 | 2,147.09 |
| Total Current Liabilities | | 8,868.30 | 6,883.93 |
| Total Shareholder's Equity & Liabilities | | 16,235.54 | 14,969.38 |
| Net Asset Value (NAV) Per Share | | 27.47 | 30.47 |

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31st DECEMBER 2018.

| PARTICULARS | Notes | 01.07.2018 - 31.12.2018 TK.IN LAC | 01.07.2017- 31.12.2017 TK.IN LAC | 01.10.2018 - 31.12.2018 TK.IN LAC | 01.10.2017- 31.12.2017 TK.IN LAC |
|---|---------|---|--|---|--|
| Net Sale | | 1,267.80 | 4,582.51 | 760.21 | 3,304.50 |
| Less: Cost of Goods sold | | (1,497.85) | (3,726.78) | (834.95) | (2,738.75) |
| Gross Profit/(loss) | | (230.05) | 855.73 | (74.74) | 565.75 |
| Less: Adm., Selling & Financial Expenses | 8.00 | (486.20) | (849.39) | (246.81) | (561.23) |
| Net Operating Profit /(loss) | | (716.25) | 6.34 | (321.55) | 4.52 |
| Add: Non Operating Income | | 5.68 | 11.05 | 2.99 | 4.36 |
| Net Profit before Provision for WPPF & I. Tax | | (710.57) | 17.39 | (318.56) | 8.88 |
| Less: Provision for WPPF | | - | (0.87) | - | (0.44) |
| Net Profit Before Income Tax | | (710.57) | 16.52 | (318.56) | 8.44 |
| Less: Provision for Income Tax | | (7.64) | (4.13) | (4.59) | (2.11) |
| Net Profit/(loss) after Income Tax | 9.00(a) | (718.21) | 12.39 | (323.15) | 6.33 |
| Earning Per Share(EPS) | 9.00(b) | (2.99) | 0.05 | (1.34) | 0.02 |

STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED 31ST DECEMBER 2018.

| PARTICULARS | July'18 to Dec'18 TAKA IN LAC | July'17 to Dec'17 TAKA IN LAC |
|---|----------------------------------|----------------------------------|
| A) CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Collection From turnover & others | 2,105.94 | 2,837.81 |
| Cash Payment for cost & expenses | (3,723.62) | (6,847.23) |
| | (1,617.68) | (4,009.42) |
| WPPF Paid | - | (14.19) |
| Income Tax Paid | (36.98) | (162.71) |
| NET CASH FLOW FROM OPERATING ACTIVITIES | (1,654.66) | (4,186.32) |
| B) CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Acquisition of Fixed Assets | (7.60) | (4.79) |
| NET CASH FLOW FROM INVESTING ACTIVITIES | (7.60) | (4.79) |
| C) CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Cash Credit | 1,673.00 | 4,465.02 |
| Financial Expenses | (62.18) | (174.91) |
| NET CASH FLOW FROM FINANCING ACTIVITIES | 1,610.82 | 4,290.11 |
| NET (DECREASE) /INCREASE IN CASH & CASH EQUIVALENT (A+B+C) | (51.44) | 99.00 |
| CASH & BANK BALANCE AT BEGINNING OF THE YEAR | 81.69 | 47.92 |
| CASH & BANK BALANCE AT THE END OF THE HALF YEAR | 30.25 | 146.92 |
| Net Operating Cash Flow Per Share(NOCFPS) | (6.89) | (17.44) |

STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER 2018.

| Particulars | Share Capital | Bonus Share | Revenue Reserves | Un appropriated Profit | Total Amount Tk IN LAC |
|-----------------------------------|-----------------|---------------|------------------|------------------------|------------------------|
| Opening Balance (01.07.2018) | 2,000.00 | 400.00 | 4,660.91 | 250.73 | 7,311.64 |
| Net Profit after Income Tax | - | - | - | (718.21) | (718.21) |
| Closing Balance 31.12.2018 | 2,000.00 | 400.00 | 4,660.91 | (467.48) | 6,593.43 |
| Opening Balance (1.07.2017) | 2,000.00 | 400.00 | 4,660.91 | 286.48 | 7,347.39 |
| Net Profit after Income Tax | - | - | - | 12.39 | 12.39 |
| Closing Balance 31.12.2017 | 2,000.00 | 400.00 | 4,660.91 | 298.87 | 7,359.78 |
| | | | | 31.12.2018 | 31.12.2017 |
| Number of Ordinary share | | | | 20,000,000 | 20,000,000 |
| Number of Bonus Share | | | | 4,000,000 | 4,000,000 |
| Total | | | | 24,000,000 | 24,000,000 |
| Value per Share | | | | TK 10.00 | 10.00 |
| Net Asset Value (NAV) per Share | | | | TK 27.47 | 30.67 |

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

Sd/
(ABDUL JABBAR)
COMPANY SECRETARY

Sd/
(ENGR. USHAMOY CHAKMA)
MANAGING DIRECTOR

Sd/
(A K M SHAMSUL AREEFIN)
INDEPENDENT DIRECTOR

Sd/
(MIZANUR RAHMAN)
CHAIRMAN

"The detail of the published half yearly financial statements is available in the website of the issuer of securities. The address of the website is www.easterncables.gov.bd"