



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS



INDEPENDENT MEMBER OF
ABACUS
WORLDWIDE

PRIVATE & CONFIDENTIAL

EASTERN CABLES LIMITED
NORTH PATENGA,
CHATTOGRAM.
REPORT & ACCOUNTS
FOR THE YEAR ENDED
JUNE 30, 2021.

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শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

Partners:

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Md. Enayet Ullah, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

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Ref. No-SB-CTG-1-29/1924/2021

Dated: November 10, 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EASTERN CABLES LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Eastern Cables Limited** ("the Company"), which comprise the statement of financial position as at 30 June, 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Company Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- i. Advance tax discloses Tk. 992,083,231 as of balance sheet date against which provision for tax is Tk. 328,171,227. Advance and provision are not adjusted in accordance with completed assessment. Consequently, resultant short/excess provision is also not accounted for. Further, provision for current tax for the year ended June 30, 2021 & 2020 has been understated by Tk. 63,865,545.
- ii. The company has recognised gratuity in the financial statements which falls under the category of "Defined benefits plan" of IAS 19, *Employee Benefits*. The company has recognised a liability for the amount of Tk. 114,578,476 as of balance sheet date but required balance, calculated by management, is Tk. 213,507,020 resulting a shortfall of provision Tk.98,928,544 which is to be charged in the income statement during the year in line with para 14 of IAS 37, *Provisions, Contingent Liabilities and Assets*. As such net loss during the year has been understated to that extent as well as EPS. Moreover, the defined benefit plans have not been measured and accounted for in accordance with para 57 of IAS 19.



INDEPENDENT MEMBER OF
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- iii. Deferred tax calculated and recognised by the company has not been properly calculated in accordance with 17 of IAS 12, *Income Tax*, and details of calculation of income tax has not been disclosed in notes to the financial statements in accordance with para 46, 81 (g) of IAS 12 Income Tax.
- iv. Trade receivable includes an amount of Tk. 13,174,600 & Tk. 1,333,990 which are carried forward for long time without any movement. It indicates doubtful of recovery against which no provision has been made by the company during the year. Moreover, no provision for trade receivable (Tk. 77,191,371), being financial asset to be measured and disclosed under the IFRS 9 *financial instrument*, considering expected credit losses in line with para 5.5 of the said reporting standard has been considered in the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

<i>Key Audit Matter (KAM)</i>	<i>How our Audit Addressed the Key Audit Matter</i>
Appropriateness of Revenue Recognition and Disclosures on the Impact of the Initial Application of IFRS 15	
Revenue of BDT 678,699,457 is recognized in the statement of profit or loss and other comprehensive income for the year ended 30 June 2021 by the company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the complexity of the standard on revenue recognition, International Financial Reporting Standard 15 " <i>Revenue from Contracts with Customers</i> ". Therefore, there is a risk of revenue being misstated as a result of faulty recognitions.	<p>In light of the fact that the high degree of complexity and estimates and assumptions give rise to and increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> • Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue. • Assessing controls for systems and procedures supporting revenue recognition. • Assessing the invoicing and measurement system up to entries in the general ledger. • Examining customer invoices and receipts of payment on a test basis in accordance with contract. • Testing the revenue recognition in line with contract and reporting standard. <p>Furthermore, we assessed the accounting effects of new business and price models. We assured ourselves of the appropriateness of the systems, Processes, and Controls in place and that the estimates and assumptions made by management are sufficiently documented and substantiated to ensure that revenue is properly recognized.</p>
See note # 4(I) and 25.00 to the financial statements.	
Valuation of Inventory	
The company had inventory of BDT 210,737,440 as at June 30, 2021, held in distribution centers, warehouses	We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:



<p>and numerous branches.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgement in determining the appropriate values for slow-moving or obsolete items.</p> <p>The provision is calculated within the company's accounting systems using an automated process.</p>	<ul style="list-style-type: none"> ▪ Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches; ▪ Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data; ▪ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; ▪ Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete inventories are valid and complete.
<p>See note # 4(B) and 8.00 to the financial statements</p>	

Other Information included in the Company's 2021 Annual Report

Other information consists of the information included in the Company's 2021 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of issue of this auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Company Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Company Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the company business.

Place of Issue: Chattogram, Bangladesh

Date of Issue: November 10, 2021

S.K. Basak
S.K. BASAK, FCA
Enrolment No. 625
Partner
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS
DVC: 211110625AS621321



EASTERN CABLES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Notes	Amount in BDT	
		30.06.2021	30.06.2020
ASSETS			
Non-current Assets		178,814,500	184,035,768
Property, Plant and Equipment	5.00	164,161,897	167,025,415
Capital Work in Progress	6.00	-	4,780,888
Deferred Tax	7.00	14,652,603	12,229,465
		1,394,415,859	1,660,027,804
Current Assets			
Inventories	8.00	210,737,440	546,614,076
Trade and Other Receivable	9.00	77,191,371	105,250,692
Current Account with Projects under BSEC	10.00	9,356,941	10,205,585
Current Account with Projects under BSEC Dis-invested By Government	11.00	16,103,953	16,103,953
Advances, Deposits and Pre-payments	12.00	1,074,026,325	972,210,168
Cash and Cash Equivalents	13.00	6,999,830	9,643,330
Total Assets		1,573,230,359	1,844,063,572
EQUITY & LIABILITIES:			
Shareholders' Equity		275,176,037	398,827,476
Share Capital	14.00	264,000,000	264,000,000
Assets Revaluation Reserve	15.00	18,043,823	18,043,823
Reserve and Surplus	16.00	304,917,809	410,847,070
Retained Earnings		(311,785,595)	(294,063,417)
Liabilities			
Non-current Liabilities		192,015,211	184,322,680
Long Term Loans	17.00	77,436,735	77,436,735
Defined Benefit Obligations - Gratuity	18.00	114,578,476	106,885,945
Current Liabilities		1,106,039,110	1,260,913,416
Short Term Loan	19.00	439,410,238	600,718,150
Creditors and Accruals	20.00	243,508,387	250,758,744
Current Account With BSEC	21.00	43,164,646	31,197,255
Dividend Payable (Unclaimed Dividend)	22.00	37,702,575	43,104,989
Advances from the Parties	23.00	14,082,037	11,042,991
Provision for Income Tax	24.00	328,171,227	324,091,287
Total Equity and Liabilities		1,573,230,359	1,844,063,572
Net Asset Value (NAV) Per Share	33.00	10.42	15.11

The annexed notes 1 to 44 form an integral part of these financial statements.


Md. Golam Mawla

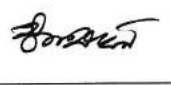
Company Secretary
Signed as per annexed report on even date.


Md. Abul Kalam Azad

Managing Director


Md. Mofizur Rahman

Director


Dr. Md. Al Amin Sarker

Director




S. K. BASAK, FCA

Enrolment No. 625

Partner

SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

DVC: ২১১১০৬২৫৫৪৬১৩২১

Date of Issue: November 10, 2021


Place of Issue: Chattogram, Bangladesh


These financial statements have been authorised by the Board of Directors on 10th November, 2021.

EASTERN CABLES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2021

	Notes	Amount in (BDT)	
		2020-2021	2019-2020
Revenue (Net of VAT)	25.00	678,699,457	577,015,710
Cost of Goods Sold	26.00	(674,912,748)	(603,002,706)
Gross Profit/(Loss)		3,786,709	(25,986,996)
Operating Expenses			
Administrative Expenses	27.00	(49,806,427)	(55,543,101)
Selling and Distribution Expenses	28.00	(27,957,758)	(31,142,410)
Professional Fee	29.00	(131,675)	(132,250)
Operating Profit/(Loss)		(74,109,152)	(112,804,757)
Other Income	30.00	1,290,622	1,960,271
Financial Expenses	31.00	(49,176,107)	(58,408,194)
Profit/(Loss) Before WPPF and Tax		(121,994,637)	(169,252,680)
Contribution to WPPF and Workers Welfare Fund		-	-
Net Profit/(Loss) Before Tax		(121,994,637)	(169,252,680)
Income Tax Expenses			
Corporate Tax	32.00	(4,079,940)	(3,473,856)
Deferred Tax	32.00	2,423,138	2,160,830
Net Profit/(Loss) After Tax		(123,651,439)	(170,565,706)
Total Comprehensive Income for the Year		(123,651,439)	(170,565,706)
Basic Earning Per Share (EPS)	34.00	(4.68)	(6.46)

The annexed notes 1 to 44 form an integral part of these financial statements.


 Md. Golam Mawla
 Company Secretary
 Signed as per annexed report on even date.


 Md. Abul Kalam Azad
 Managing Director


 Md. Mofizur Rahman
 Director


 Dr. Md. Al Amin Sarker
 Director




 S. K. BASAK, FCA
 Enrolment No. 625
 Partner
 SHAFIQ BASAK & CO.
 CHARTERED ACCOUNTANTS
 DVC: ২১১১১০৬ ২৫ AS691321

Date of Issue: November 10, 2021
 Place of Issue: Chattogram, Bangladesh

These financial statements have been authorised by the Board of Directors on 10th November, 2021.

EASTERN CABLES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Share Capital	Assets Revaluation Reserve	Reserve and Surplus	Retained Earnings	Total Equity
Balance as at 01st July, 2020	264,000,000	18,043,823	410,847,070	(294,063,417)	398,827,476
Net Profit/(Loss) After Tax	-	-	-	(123,651,439)	(123,651,439)
Adjustments Replacement of Machinery with Reserve & Surplus	-	-	(105,929,261)	105,929,261	(0)
Balance as at 30th June, 2021	264,000,000	18,043,823	304,917,809	(311,785,595)	275,176,037

FOR THE YEAR ENDED JUNE 30, 2020

	Share Capital	Assets Revaluation Reserve	Reserve and Surplus	Retained Earnings	Total Equity
Balance as at 01st July, 2019	264,000,000	18,043,823	424,047,070	(123,497,711)	582,593,182
Net Profit/(Loss) After Tax	-	-	-	(170,565,706)	(170,565,706)
Bonus Dividend for the Year 2018-2019	-	-	(13,200,000)	-	(13,200,000)
Balance as at 30th June, 2020	264,000,000	18,043,823	410,847,070	(294,063,417)	398,827,476

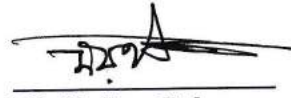
The annexed notes 1 to 44 form an integral part of the financial statements.



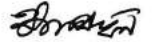
Md. Golam Mawla
Company Secretary



Md. Abul Kalam Azad
Managing Director



Md. Mofizur Rahman
Director



Dr. Md. Al Amin Sarker
Director

Place of Issue: Chattogram, Bangladesh

These financial statements have been authorised by the Board of Directors on 10th November, 2021.

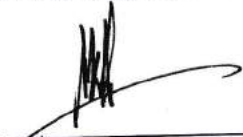


EASTERN CABLES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2021


	Amount in (BDT)	
	2020-2021	2019-2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	709,797,825	622,336,578
Cash Received from Other Income	1,290,622	1,960,271
Cash Payment to Suppliers, Employees and Others	(458,947,747)	(684,774,165)
Cash Generated from/(used in) Operations	252,140,700	(60,477,316)
Income Tax Paid	(37,125,594)	(34,293,747)
Net Cash from/(used in) Operating Activities	215,015,106	(94,771,063)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(1,772,172)	(2,470,587)
Net Cash from/(Used in) Investing Activities	(1,772,172)	(2,470,587)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Short Term Loan	(161,307,912)	166,884,772
Financial Charge Paid	(49,176,107)	(58,408,194)
Dividend Paid	(5,402,415)	(6,540,246)
Net Cash from/(Used in) Financing Activities	(215,886,434)	101,936,332
Net Increase/ (Decrease) in Cash & Cash Equivalents	(2,643,500)	4,694,682
Cash and Cash Equivalents at the Beginning of the Year	9,643,330	4,948,648
Effect of Movements In Exchange Rates on Cash Held	-	-
Cash and Cash Equivalents at the End of the Year	6,999,830	9,643,330
Cash and Cash Equivalents		
Cash in Hand	51,054	63,070
Cash at Bank	6,948,776	9,580,260
	6,999,830	9,643,330
Net Operating Cash Flows Per Share (Note - 34)	8.14	(3.59)

The annexed notes 1 to 44 form an integral part of the financial statements.


Md. Golam Mawla
Company Secretary


Md. Abul Kalam Azad
Managing Director


Md. Mofizur Rahman
Director


Dr. Md. Al Amin Sarker
Director

Place of Issue: Chattogram, Bangladesh

These financial statements have been authorised by the Board of Directors on 10th November, 2021.



EASTERN CABLES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2021

1 Reporting Entity

1.1 Legal Form of Company

Eastern cable was an enterprise of Bangladesh Steel & Engineering Company. It was incorporated on 18th December, 1986 under the then companies Act, as a Public Limited company & took over all assets and liabilities of eastern cable 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.

1.2 Address of Registered Office

The Registered office of the Company is situated at North Patenga, Chattogram.

1.3 Principal activities of the Company

The Company is primarily engaged in production and sales of electrical cables.

2 Going Concern

The Directors have a reasonable expectation, through internal and external assessment, that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to be on going concern basis in preparing the Financial Statements based on the current revenue generation and resources of the company provide sufficient fund to meet the present requirement of its existing business and operation. A long-term planning has been undertaken for business expansion and diversification.

3 Basis of Preparation

3.1 Statement of Compliance

The financial statements of the company under reporting have been prepared on a going concern Basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

3.2 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 - "Presentation of Financial Statements". The financial statements comprise of:

- A statement of financial position as at 30th June, 2021;
- A statement of profit or loss and other comprehensive income for the year ended 30th June, 2021;
- A statement of changes in equity for the year ended 30th June, 2021;
- A statement of cash flows for the year ended 30th June, 2021; and
- Notes, comprising summary of significant accounting policies and explanatory information.



3.3 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994.

- The Income Tax Ordinance 1984;
- The Income Tax Rules 1984;
- The Value Added Tax Act 1991;
- The Value Added Tax Rules 1991;
- The Securities and Exchange Rules 1987;
- The Securities and Exchange Ordinance 1969;
- The Customs Act, 1969; and
- The Labor Act, 2006.

3.4 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT) which is the company's functional currency. All the financial information presented in Bangladesh Taka has been rounded off to the nearest Taka except when otherwise indicated.

3.5 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance With IAS 7 - "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method. A reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals as per requirement of Securities and Exchange Rules 1987.

3.6 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are on an ongoing Basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, in the year of revision and future years if the revision affects both current and future years.

Estimates and assumptions

Key estimates and assumptions used in preparation of these financial statements are:

- Applicable tax rate for Income Year 2020-2021 will be declared by Finance Act 2021-2022. For the purpose of these financial statements, management has assumed that the existing corporate tax rate (22.5%) will be applicable for Income Year 2020-2021 as well.
- Appropriate financial and demographic assumptions have been used in consultation with a certified actuary to measure defined benefit obligation as at 30th June, 2021.
- Key assumptions about the likelihood and magnitude of outflow of resources have been used to recognize and measure provisions and contingencies.

3.7 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended on 30th June, 2021 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended on 30th June, 2020.



3.8 Comparative Information

Comparative information has been disclosed in respect of the year ended 30th June, 2020 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year presentation. Figures for the year ended 30th June, 2020 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

3.9 Reporting Period

The financial statements cover one financial year from 01st July, 2020 to 30th June, 2021.

4 Significant accounting policies:

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

Section	Description	Page
A.	Property, plant and equipment	13
B.	Inventories	14
C.	Financial Assets	14
D.	Impairment of Assets	15
E.	Employee benefits	15
F.	Creditors and Accruals	17
G.	Provisions	17
H.	Related Party Disclosure	17
I.	Revenue from contract with customers	17
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K.	Borrowing Costs	18
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N.	Contingencies	19
O.	Financial Risk Management	19



A. Property, plant and equipment

Recognition and measurement

In accordance with "IAS 16: Property, Plant and Equipment" items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. The cost of self-constructed asset includes the cost of material, direct labor and any other cost directly attributable to bringing the assets to a working condition for their intended use. It also includes any costs directly attributable to the asset to the location and condition necessary.

Any gain or loss on disposal of an item or property, plant and equipment are recognized in profit or loss, if any.

Subsequent costs

The costs of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its costs can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

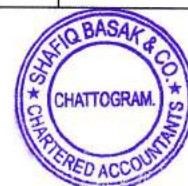
Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment over their estimated useful lives and is generally recognized in profit or loss.

Items of property, plant and equipment are depreciated using the straight-line method over the estimated useful lives. Depreciation on addition of property, plant and equipment are charged from available for use.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

SL No.	Nature	Depreciation rate
1	Building & Other Constructions	2.5 - 7.5%
2	Communication	5%
3	Expansions including installation	6%
4	Plant & Machineries (B.M.R)	6%
5	Plant & Machineries	6 - 7.5%
6	Loose Tools	6 - 10%
7	Appreciated Assets (P&M)	6%
8	Furniture & Fixture	6%
9	Office Equipment	6 - 20%
10	Refrigerators	20%
11	Intercom Telephones	15%
12	Color Television	15%



13	Crockeries & Cutleries	20%
14	Appreciated Assets (F&F)	15%
15	Transport & Vehicles	5% - 20%

Retirement and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined by the difference between the net disposal proceeds and the carrying amount of an asset and is recognized in profit or loss.

Capital work in progress

Property, plant and equipment that is in the process of acquisition/import is accounted for as capital work in progress until acquisition/import is completed and measured at cost.

Revaluation of Property, Plant and Equipment

Since Inception, the company revalued its property, plant and equipment for the first time on 31st March, 1987. As a public limited company, it took over all assets and liabilities of Eastern Cables Limited as per vendor's agreement.

B. Inventories

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

<u>Category of Stocks</u>		<u>Basis of Valuation</u>
Stocks of Raw Materials	:	Weighted Average Cost
Work-In-Process	:	Weighted Average Cost
Intermediate Products	:	Net Realizable Value
Stock of Finished Goods	:	Net Realizable Value
Stores and Sundry Stock	:	Weighted Average Cost
Goods in Transit	:	Cost Value i.e. cost so far incurred

C. Financial Assets

The Company initially recognizes receivables and deposits on the date that they are originated. All Other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held to maturity, loans and receivables and available-for-sale financial assets.

At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the company manages



such investment and makes purchase or sale decisions based on their fair value in accordance with the company's documented risk management or investment Strategy. Attributable transactions costs are recognized in profit and loss as incurred.

(a) Trade and Other Receivable

Trade receivable are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized. There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case Basis.

(b) Advances, Deposits and Prepayments

Advances are initially measured at Cost. After initial recognition, advances are carried at Cost less deductions, adjustments or charges to other account heads Such as Property, Plant and Equipment, Inventory or Expenses. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant rise of changes in value.

Financial Liabilities

The company initially recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The company classifies non-derivative financial liabilities into the other financial liability's category, such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost: Other financial liabilities comprise loans and borrowings, bank overdrafts and creditors and accruals.

(a) Creditors and Accruals

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

D. Impairment of Assets

The carrying amount of the company's assets are revalued at each reporting date to determine whether there is any indication of impairment's any such indication exists then the assets recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceed its recoverable amount. The management has made assessment of impairment and found no impairment.

Trade and Other Receivable

Company policy is to provide for impairment loss on debtors, except Government Organizations, if any receivables are not realized within three years from due date.

E. Employee benefits

(i) Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. Following benefits are provided as short-term benefits



- Absences: Paid annual leave and sick leave, recreation leave.
- Basic Pay: Salary as per national pay scale.
- Non-monetary Benefit: Car facilities, telephone.
- Performance Pay: Profit Bonus.

(ii) Defined contributions plan

a) Employee Gratuity Scheme

i) Management Gratuity Scheme

The Company operates a funded gratuity scheme for the management employees. The Company contributes 35% of basic salary as contribution to the fund for the management employees from the date of joining. The fund is managed by a Board of Trustees. Members of this fund become eligible to receive gratuity on completion of 5 years of continuous services with the Company.

b) Employee Gratuity Scheme

The Company operates funded gratuity scheme for the non-management employees whereby the Company contributes 25% of basic salary as contribution to the fund for the non-management employees from the date of joining. The Fund is managed by a Board of Trustees. Members of this fund become eligible to receive gratuity on completion of 5 years of continuous services with the Company.

b) Provident Fund

The company operates two types of provident funds:

i) Contributory provident fund

Contributory provident fund for its all staff, workers and junior officers which were recognized on 30th June, 1967 under the Income Tax Ordinance 1984. Contribution to the fund is made equally by employee and employer @ 10% of basic pay for eligible permanent employees. The said fund is managed by a duly constituted four-member board of trustees. Assets of provident fund are held in a separate trustee fund as per the relevant rules and is funded by payments from employee and by the company. The company's contributions to the provident fund is charged as revenue expenditure in the period to which the contributions relate.

ii) General provident funds

Included all branch officer and above who bear national pay scale 2015 grade nine and above. It is constituted under general provident fund rules 1979.

c) Workers' Profit Participation Fund

The Company operates fund for workers as "Workers' Profit Participation Fund" and 5% of the profit before charging such expense has been transferred to this fund as per section 234 of Bangladesh Labor Act 2006 (amended in 2013).

The Company recognizes a contribution to the defined contribution plan as an expense when an employee has rendered services in exchange for the contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

d) Share Based Payment

No Share based payment has been made during the year.



F. Creditors and Accruals

Creditors

The company has recognized creditors as expenses that have already been incurred by the company for goods and services received and which are going to be due for payment in the future.

Accruals

Accruals are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

G. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

H. 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 - 36 in notes to the financial statements.

I. Revenue from contract with customers

Eastern Cables Limited has applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognizes revenue when it satisfies a performance obligation by transferring control over services/goods to a customer.

The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue was recognized when good or services rendered, to the extent it was probable that the economic benefits from the transactions would flow to the company and the revenue could be reliably measured.

Nature of Services

The following is a description of the principal activities from which the company generates its revenue.



Local Sales of Wire

Sales are recognized at the time of actual delivery to the users and dealers from factory godown, Chittagong and Dhaka Sales Center.

J. Finance income and finance costs

The Eastern Cables Limited finance income and finance costs include:

- Interest income;
- Interest expense;

Interest income or expense is recognized using the effective interest method.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross Basis.

K. Borrowing Costs

Interest and other costs incurred by the company in with the borrowing of funds are recognized as expense in the year in which they are incurred, unless such borrowing cost relates to acquisition/construction of assets in progress that are capitalized as per IAS 23 "Borrowing Costs". Borrowing Cost incurred against short term loan has been capitalized under effective interest rate method.

L. Income taxes

The income tax expense represents the sum of the tax currently payable and deferred tax.

Corporate tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for corporate tax is calculated using tax rates (22.5%) that have been enacted or substantively enacted by Finance Act 2021 and applicable at the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgment of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is



accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Corporate tax and deferred tax for the year

Corporate and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the corporate and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where corporate tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

M. Earnings Per Share (EPS)

The company calculates Earning/ (Loss) per share (EPS) in accordance with IAS-33 "Earning per Share".

Basic Earning

The company calculates earning for the year attributable of the ordinary shareholders. As there is no preference dividend, Minority interest or extra ordinary items. The net profit after tax for the year has been considered or fully attributable to ordinary.

Basic Earnings Per Share

This has been calculated by divided the basic earning by the weighted average number of ordinary share outstanding during the year.

Diluted Earnings Per Share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

N. Contingencies

Contingent assets

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

O. Financial Risk Management

Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk



a) Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligation and arise principally from the company's debtors. Management has a credit policy in place and exposure to credit risk is monitoring ongoing basis. Risk exposure from financial assets, i.e., cash at bank and other external receivables are nominal.

b) Liquidity Risk

Liquidity risk is the risk at the company will not be able to meet the financial obligation as they fall due. The company approach to management liquidity (Cash & Cash Equivalent) is to ensure as per as possible, that it will always has sufficient liquidity to meets its liabilities when, due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company reputation. Typically, the company ensure that it has sufficient cash & cash equivalents to meet the expected operational expenses, including financial obligation through preparation of cash flow. Forecast, prepared base on timeline of payment of the financial obligations and accordingly arranged for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short-term financing.

c) Market Risk

Market risk is the risk that change in market prices such as foreign exchange rates and interest that affect the company income or values of its holding of financial instrument. The objectives of the market risk management are to manage and control market risk exposures within acceptable parameters.

i) Currency Risk:

As on 30th June, 2021 there was no exposure to currency risk as there were no foreign currency transactions made during year under review.

ii) Interest rate risk:

Interest rate risk is the risk that arises due to change in interest rate on borrowing. There was no loan which to subject floating rates of interest. The company has not entered into any type of derivate instruments in order to hedge interest rate as at the reporting date.



		Amount in (BDT)	
		2020-2021	2019-2020
5.00	<u>Property, Plant and Equipment:</u>		
	(A) Historical Cost		
	Opening Balance	518,047,593	515,577,006
	Addition/(Disposal) during the year	6,491,328	2,470,587
	Closing Balance	524,538,921	518,047,593
	(B) Accumulated Depreciation		
	Opening Balance	351,022,178	340,627,906
	Charged during the year	9,354,846	10,394,272
	Closing Balance	360,377,024	351,022,178
	Carrying Amount (A-B)	164,161,897	167,025,415
	***For Details Please See Annexure - A		
6.00	<u>Capital Work -In Progress:</u>		
	XLPE (Note - 6.01)	-	4,780,888
		-	4,780,888
6.01	<u>XLPE:</u>		
	Opening Balance	4,780,888	4,780,888
	Transfer to Repairs & Maintanances	(61,732)	-
	Transfer to Property, Plant & Equipment	(4,719,157)	-
	Closing Balance	-	4,780,888
7.00	<u>Deferred Tax:</u>		
	Opening Balance	(12,229,465)	(10,068,635)
	(Increase)/Decrease of Deferred Tax Assets	(2,423,138)	(2,160,830)
	Closing Balance	(14,652,603)	(12,229,465)
	***Details shown in Annexure - B		
8.00	<u>Inventories:</u>		
	Stocks of Raw Materials (Note - 8.01)	108,538,545	328,600,903
	Sectional Stock of Raw Materials	-	-
	Work-In-Process	6,309,183	99,827,684
	Intermediate Products	25,776,260	30,783,753
	Stock of Finished Goods	30,433,037	44,913,033
	Stores and Sundry Stock (Note - 8.02)	34,377,470	36,803,168
	Goods in Transit	6,386,994	6,769,583
		211,821,488	547,698,124
	Amount considered obsolete/damaged	(1,084,048)	(1,084,048)
		210,737,440	546,614,076

***Physical Inventories as on 30th June, 2021 has been taken by the Inventory Committee of the Company.



8.01 Stocks of Raw Materials:

	Amount in (BDT)			
	2020-2021		2019-2020	
	Quantity (MT)	BDT	Quantity (MT)	BDT
Aluminum Rod	221.442	47,397,446	1,124.39	240,664,292
Chalk Powder	76.300	1,356,004	107	1,906,936
Stabilizer	14.000	3,376,198	18	4,360,734
PVC Resin	28.875	2,481,806	103	8,842,106
DOP	80.600	13,068,806	119.00	19,295,136
Soot Paste	5.385	1,352,373	1.43	309,969
Titan Di Oxide	3.550	735,766	3.80	787,580
Cablec	1.175	994,683	2.60	2,201,002
Paraffin wax	3.550	594,114	4.45	744,734
Steel Flat Wire/Steel Strips	26.047	2,919,315	9.70	925,167
ACSR Core wire	270.866	25,404,870	461.17	40,444,809
Gum Cotton tape	-	-	0	847,134
Calsind Clay N-501	4.800	970,800	5	1,013,221
Chlora Paraffin N-40	3.740	175,705	4	296,046
Soft PVC Tape	8.929	1,473,027	9	1,473,053
Copper Tape	0.876	1,136,116	1	1,523,011
Tapes	0.736	630,318	0.83	712,533
Pigment	0.455	583,461	0.61	775,810
Others	16.497	3,071,615	4.02	798,922
	767.823	107,722,423	1,979.65	327,922,195
Packing Materials	-	589,497	-	452,083
Scrap Materials	-	226,625	-	226,625
	767.82	108,538,545	1,979.65	328,600,903

8.02 Stores and Sundry Stocks:

	Amount in (BDT)	
	2020-2021	2019-2020
Construction Materials	-	93,359
Iron, Steel & Others Metal	195,759	191,799
Pipe, Tubes & Fittings	33,175	70,694
Fuel, Oil & Lubricants	12,591	391,013
Process Materials	-	1,752,762
General Hardware	370,085	340,052
Loose Tools	21,899	61,050
Domestic Equipments	-	283,391
Cord, Rope & Chains	15,518	35,495
Prints & Varnishes	-	80,828
Packing Gasket & Ins. Materials	12,737	16,930
Stationery	489,667	374,823
Mechanical Spares	23,315,325	23,280,030
Electrical Spares	9,846,458	9,816,256
Office Equipment	39,561	-
Medicine	14,686	14,686
Miscellaneous	10,009	-
	34,377,470	36,803,168

9.00 Trade and Other Receivable:

Trade Receivable (Note - 9.01)	75,857,380	103,916,702
Other Receivable (Note - 9.02)	1,333,990	1,333,990
	77,191,370	105,250,692



9.01 Trade Receivable:

	Amount in (BDT)	
	2020-2021	2019-2020
Adex Corporation Ltd., Dhaka	92,731	92,731
Admjee EPZ (BEPZA) Narayangonj	365,823	365,823
Admjee Jute Mills Ltd. Narayangonj	2,345	2,345
Ashugong Electric Supply	883,595	883,595
Ashugong Fertilizer & Chemical	414,054	414,054
Bakhrabad Gas System Ltd., Comilla	2,131	2,131
Bangladesh Cable Industries Limited, Khulna	586	586
Bangladesh Forest Research Institute, Chittagong	2,419	2,419
Bangladesh Forest Devalopment Corporation	3,064	-
Bangladesh Jute Mills	127,596	127,596
Bangladesh Palli Unnoyon Academy	19,036	6,872
Bangladesh Railways, Chittagong	1,285,533	1,285,533
Bangladesh Standard & Testing Institution	19,739	19,739
Bangladesh Textile Mills Ltd.	498	498
Bangladesh University Of Engineering & Technology (B.U.E.T)	2,830	2,831
Barind Multipurpose Dev. Project, Rajshahi	197,957	197,957
BD Petroleum Exploration & Pord Co.(Bapex)	330,155	330,155
Bd Sugar & Food Mills Corp.Dhaka	507,752	507,752
BD. Atomic Energee Corp., Dhaka	87,120	87,120
Bd.Gas Fields Company Ltd.	19,545	-
BITAC	5,357	5,357
BSEC Head Office, Dhaka	278,342	278,342
Carpetting Jute Mills, Jessore	1,002	1,002
Cemex Cement (BD) Ltd.	204	204
Chittagong Engineering University	7,740	7,740
Chittagong Port Authority	4,594,933	4,594,933
Chittagong Power Station, Rowjan	263,985	263,985
Chittagong University	16,923	16,924
Chittagong WASA	945	945
Comilla Export Proccesing Zone,Comilla.	293	293
Commanding Officer (Navy), Chittagong	195,662	195,662
Concred Engr. & Construction (WTC)	3,847	3,847
Ctg City Corporation	56,708	56,708
CUET	21,961	34,400
Derms Electric Island	983	983
Dhaka City Corporation, Dhaka	12,132	12,132
Dhaka Electric Supply Authority	2,082,671	2,082,671
Dhaka Electric Supply Co. (Local)	615,415	556,455
Dhaka North City Corporation	3,206,121	1,858,161
Dhaka South City Corporation	-	2,546,789
DUET	17,772	17,772
Eastern Electric	1,177	1,177
Eastern Enterprise	1,010	1,010
Eastern Refinery Limited, Ctg	665,911	651,496
Eastern Tubes Ltd	177,091	177,091
Evergeen Enterprise, Dhaka	72,986	-
Electricity Generation Co. Bangladesh	729	729
Essential Drugs Co.Ltd.	142,804	142,804



	Amount in (BDT)	
	2020-2021	2019-2020
Export Processing Zone Authority, Ctg	27,118	27,118
Export sales	234,306	234,306
Faridpur Sugar Mills Ltd.	232	232
G. E. M. Co. Ltd.	752,874	743,693
Galfa Habib Ltd. Ctg.	12,769	3,117
GR PDP, Rajshahi (Local)	33,483	33,483
Habib Brothers, Chittagong	3,500	3,500
Hajigonj Pourashava, Chandpur	6,808	6,808
Jamuna Fertilizer Co. Ltd.	170,927	-
Karnaphully Gas Distribution Co. Ltd.	1,219	1,219
KEPZ, Chittagong	5,651	5,651
Kustia Electric, Dhaka	148,557	148,866
Latif Bawany Jute Mills	1,192	1,192
Maddy Pada Granite Minning Co. Ltd.	1	-
M/S Ahmedia Traders	958	958
M/S. Amin Enterprise	185,994	-
M/s. Gas Transmission Co. Ltd.	16,457	16,457
Meghna Petroleum Ltd., Chittagong	28,917	28,917
Mishuk Electric Co., Chittagong	2,444	2,444
Mubarakgonj Sugar Mills Ltd., Jhenidha	1,897	1,897
National Poet Kazi Najmul Islam University, Mymensing	954,647	-
Mymensingh Polli Biddut Shamiti-2	583,684	583,684
Nurani Traders, Chittagong	40,683	-
New Moon Light, Chittagong	700	700
New Somonbag Cha Bagan Molovibazar, Sylhet	2,217	2,217
Noakhali Palli Bidyut	282,612	246,944
Noakhali Science & Technology	22,015	22,015
North Bengal Sugar Mill	1,367	1,367
Osmania Glass Sheet Factory Ltd.	6,793	6,793
Pabna Sugar Mills	247	247
Palash Urea Fertilizer	3,601	3,601
Palli Bidut Shamity-3, Dhaka	205,804	205,804
PDB Central Purchase	4,809,145	9,907,427
PDB, (Insulated, WASP), Dhaka	99,492	99,492
PDB, 09-Town Power Dist. Project	292,036	292,036
PDB, 18-Town Power Dist. Project	37,619	37,619
PDB, Chittagong	1,211,186	1,211,186
PDB, Chittagong Hill Tract Electrification Project	997,654	997,654
PDB, Dhaka (11 KVA-Cables)	2,940,122	2,940,122
PDB, Dhaka (AAC/ACSR)	5,062,204	5,062,204
Postal Department of Bangladesh, Directorate of Postal, Dhaka	26,517	26,517
Power Grid Co. of Bangladesh Ltd., Dhaka	6,401	3,112
Progati Industries Ltd.	272,094	272,106
Public Private Partnership Authority	1,815	1,815
Purbanchol Electric, Dhaka	76,466	76,466
Rajshahi Jute Mills	2,235	2,236
Rajshahi Sugar Mill Ltd. Rajshahi	494	494
Rangamati Power Distribution Project-II	608	608
REB, Dhaka Export	705,106	705,106
REB, Dhaka Local	30,646,873	66,964,744
Sales & Display Centre, BSEC Bhavan	443,318	-



	Amount in (BDT)	
	2020-2021	2019-2020
S. K. Electric Engineers, Dhaka	325,545	323,138
Sales Center at Nababpur, Dhaka	2,347,901	-
Sales Center at Tongi, Dhaka	117,841	-
Sattar Electrical & Abonite	1,203	1,203
Sharanarti Tran O Pratabashon Commission, Cox's Bazar	373	373
210, Megawatt shiddirgonj biddut kendro, Shirajgonj	128,333	-
Standard Asiatic Oil Co. Ltd., Guptakhlal	54,116	54,116
Star Jute Mills	10,091	10,091
Suveccha Engineering, Pahartali Chittagong.	2,782	2,782
Sylhet Gas Fields	449,900	449,900
T.F.C Electric center	6,774	7,215
Tangail Palli Bidyut Samity	574,407	574,407
Telephone Shilpa Sangsta Ltd., Gazipur	42,237	42,237
Teletalk Bangladesh	49,050	49,050
The Cresnet Jute Mills Company Limited, Khulna	59,156	59,156
The Light House, Chittagong	99,868	99,868
The New Electric Co. Dhaka	9,978	9,978
The Security Printing Corporation	78,773	78,867
Toya Eng. Works	73,864	73,864
UMC, Jute mills Ltd.	47,089	47,089
Urea Fertilizer Factory Ltd., Gorashal	171,752	171,752
WASA, Dhaka	19,492,854	9,554,878
West Zone Power Dist. Khulna	606,807	606,807
	92,930,972	120,990,294
Amount Considered Bad & Doubtful	(17,073,592)	(17,073,592)
	75,857,380	103,916,702

***The above receivable balances are unsecured but considered good. The Company has no receivable either from any of the Directors or Officers of the company. Out of the above balance receivable from Cemex Cement (BD) Ltd., Bangladesh Textiles Mills Ltd., Narayangonj, Chittagong Port Authority, M/S. Purbanchal Electric Dhaka, Faridpur Sugar Mills Ltd., are negligible.

9.02 Other Receivable:

Custom Rebate / Duty Draw back on Export (Note - 9.02A)	1,372,707	1,372,707
Insurance Claim Receivable (Note - 9.02B)	432,436	432,436
Survey Fee (Note - 9.02C)	277	277
	1,805,420	1,805,420
Amount Considered Bad & Doubtful	(471,430)	(471,430)
	1,333,990	1,333,990

***The above balances are unsecured but considered good. The Company has no receivable either from any of the director or officer of the company. The aforesaid balance of bad & doubtful consist of duty draw back BDT 252,702.00, Unclaimed Insurance BDT 218,521.00 and survey fee BDT 277.



		Amount in (BDT)	
		2020-2021	2019-2020
9.02A Custom Rebate/Duty Draw Back On Export:			
Year	Amount in (BDT)		
	2020-2021	2019-2020	
M/S Andrew Missa, Switzerland	1976-77	198,163	198,163
M/S Con Intex, U A E	1978-79	21,381	21,381
Palli Bidyutayan Board, Dhaka	1987-88	33,157	33,157
Thakurgaon Tube-Well Project (PWDB)	1991-92	233,851	233,851
International Trade & Exchange Incorporated, Ctg.	1991-92	13,747	13,747
Palli Bidyutayan Board, Dhaka	1991-92	157,520	157,520
Palli Bidyutayan Board, Dhaka	95-96 & 96-97	714,888	714,888
		1,372,707	1,372,707
9.02B Insurance Claim Receivable:			
Opening Balance		432,436	432,436
Addition During the year		-	-
		432,436	432,436
Realized During the year		-	-
Closing Balance		432,436	432,436
9.02C Survey Fee:			
Opening Balance		277	277
Addition During the year		-	-
		277	277
Realized During the year		-	-
Closing Balance		277	277
10.00 Current Account With Project Under BSEC:			
G. E. M. Co. Ltd.		7,295,427	8,500,956
Chittagong Dry Dock Ltd.		901,160	828,257
Eastern Tubes Ltd.		384,784	355,459
National Tube Ltd.		62,307	78,799
Bangladesh Blade Factory Ltd.		1,002,912	966,989
Gazi Wires Ltd.		268,206	-
Dhaka Steel Workshop		11,940	18,537
Atlas (BD) Ltd.		428,903	455,288
Prantik Traders		2,170	2,170
		10,357,811	11,206,455
Amount Considered Bad & Doubtful		(1,000,870)	(1,000,870)
		9,356,941	10,205,585
11.00 Current Accounts With Projects Under BSEC Dis-Invested by Government:			
Ispahani Marshal Ltd.		995,084	995,084
Bangladesh Cycle Industries Ltd.		2,374,931	2,374,931
Metalex Corporation Ltd.		313,802	313,802
Dock Yard & Eng. Works Ltd.		984,936	984,936
Chittagong Steel Mills Ltd.		11,435,198	11,435,199
		16,103,953	16,103,953

***Debts are not secured. No Interest has been charged on Total Receivable from Chittagong Steel Mills Ltd. in current year.



	Amount in (BDT)	
	2020-2021	2019-2020
12.00 <u>Advances, Deposits and Pre- payments:</u>		
Advances (Note - 12.01)	1,006,023,202	965,073,955
Deposit (Note - 12.02)	6,615,213	7,136,213
Pre-payments (Prepaid VAT) (Note - 12.03)	61,387,909	-
	1,074,026,325	972,210,168

12.01 <u>Advances:</u>		
Advance against Expenses	8,514,846	5,269,377
Advance against T.A./D.A.	1,108,292	1,082,665
Washing Allowances	90,567	90,567
Advances against wages Commission	20,336	20,336
Advance to Supplies	1,063,537	888,537
Officers Mess.	66,525	41,825
Advance to Cement Clinker against Housing Colony	821,469	559,349
Eid Advance	33,943	33,942
Advance against Flood & Cyclone	231,972	233,284
Advance to T.S.P. against Housing Colony	1,288,283	1,200,324
Advance to Railway	122,978	122,977
North Bangel Papers Mill	1,394	1,394
Advance to BOC	37,646	37,646
Advance against Pre-Liberation (BTOB advertising Ltd.)	11,000	11,000
RAB-7	647,467	647,466
EKECHIS	4,089	-
Advance Income Tax (Note - 12.01A)	992,083,231	954,957,637
	1,006,147,574	965,198,327
Amount Considered Bad & Doubtful	(124,372)	(124,372)
	1,006,023,202	965,073,955

***All advances except advance to Railway & North Bengal Paper Mills are considered good. No amount was due by the directors (including managing director) of the company.

12.01A <u>Advance Income Tax:</u>		
Opening Balance	954,957,637	920,663,890
Deducted at source during the year	37,125,594	34,293,747
	992,083,231	954,957,637
Adjusted during the year	-	-
Closing Balance	992,083,231	954,957,637

Details break-up as follows:

Cash	35,112,356	35,112,356
Bill of Entry	351,741,792	328,746,459
TDS -Govt. Organization	598,049,747	583,984,432
TDS-Bank interest	7,120,944	7,055,998
TDS- Bank L/C	58,392	58,392
	992,083,231	954,957,637

*** Year wise break-up shown in Note no. - 24.00



		Amount in (BDT)	
		2020-2021	2019-2020
12.02	Deposits:		
	Margin against Bank Guarantee	10,000	510,000
	Security Deposits	6,605,213	6,626,213
		6,615,213	7,136,213
12.03	Pre-payments (Pre-paid VAT):		
	Opening Balance	(3,597,547)	15,842,537
	Deposit during the year	166,755,378	68,279,288
		163,157,831	84,121,825
	Adjusted during the year	(101,769,921)	(87,719,372)
	Closing Balance	61,387,909	(3,597,547)
13.00	Cash and Cash Equivalents:		
	Cash in Hand	49,054	61,070
	Cash at Bank (Note - 13.01)	6,948,776	9,580,260
	Stamp	2,000	2,000
		6,999,830	9,643,330

13.01 Cash at Bank:

Bank & Branch Name	Account Type & No	Amount in (BDT)	
		2020-2021	2019-2020
Sonali Bank, North Patenga Br., Ctg.	STD 08022004000021	164,444	78,729
Sonali Bank, North Patenga Br., Ctg.	Current A/C No. 001003129	3,617,253	3,451,840
Sonali Bank, Baitul Mokarram Br.	STD 0104240000247	145,976	695,342
AB Bank, Kawran Bazar Br., Dhaka	Current A/C-4002538388000	355,348	423,175
AB Bank Ltd., Kawran Bazar Br.	Current A/C-4002776270-430	881,582	902,086
AB Bank Ltd. Anderkilla Branch Ctg	C/D 4125-796698-000	285	285
UCBL . Agrabad Branch Ctg	SND 41301000000682	100,514	98,844
UCBL . Agrabad Branch Ctg	CD 41101000002062	20,123	-
Agrani Bank, Steel Mill Br, Ctg.	STD -0230006329747	1,011,432	54,464
Agrani Bank, WASA Br. Dhaka	Current A/C-0200000797623	41,417	42,107
Agrani Bank, Thatari Bazar Br. Dhaka	STD-0200002599847	67,141	3,094,822
Janata Bank, Patenga Road Br., Ctg	STD-0100021100794	63,060	62,183
Janata Bank, Kawran Bazar Br., Dhaka	Current A/C No.-200020463	18,599	19,289
The City Bank Limited, Jubilee Road Br.	STD 3101066054001	461,603	657,093
		6,948,776	9,580,260



14.00 Share Capital:**14.01 Authorised Capital:**

60,000,000 Ordinary Shares @ 10/- each

***Pursuant to the order No-SEC/CMRRCD/2009-193/109 Dated 15th September, 2011 of Securities Exchange Commission (SEC) to change the denomination of Share (face value) of Eastern Cables Limited from existing Tk.100.00 to Tk.10.00. Decision has been taken in an Extra Ordinary General Meeting (EGM) of the Company held on 24th November, 2011.

14.02 Issued, Subscribed and Paid-up Capital:

Details break-up are as follows:

10,200,000 Ordinary shares of Tk 10 each
(Fully Paid-up for consideration otherwise than in cash.)
9,800,000 Ordinary shares of Tk 10 each
(Fully Paid-up for consideration in cash.)
4,000,000 Ordinary shares of Tk 10 each
(Fully Paid-up as Bonus Share (For the year 1996-1997.)
2,400,000 Ordinary shares of Tk 10 each
(Fully Paid-up as Bonus Share (For the year 2017-2018).)

Amount in (BDT)	
2020-2021	2019-2020
600,000,000	600,000,000
102,000,000	102,000,000
98,000,000	98,000,000
40,000,000	40,000,000
24,000,000	24,000,000
264,000,000	264,000,000

14.02A Issued, Subscribed and Paid-up Capital:

***20,000,000 Nos. Ordinary Shares @10/- each have been issued. Out of which 10,200,000 Ordinary Shares worth Tk. 102,000,000/- have been allotted and allocated to the Govt. of the Peoples Republic of Bangladesh being 51 %, which have subsequently been handed over to Bangladesh Steel & Engineering Corporation. 6,800,000 Ordinary Shares worth Tk. 68,000,000/- have been issued to the General Public and Other Organizations being 34 % of total Issued Capital. The balance 3,000,000 Ordinary Shares worth Tk. 30,000,000/- being 15 % of Issued Capital have been kept reserve for the Employees of ECL but the said shares have been allotted to Bangladesh Steel & Engineering Corporation in 1990 as per Rules B of 8-A of the Articles of Association of the Company as the Employees of ECL have failed to purchase the said shares in due course. In 1996 these 15 % shares i.e. (3,000,000 Shares) have been sold to the general public through ICB as per advice by the Government of Bangladesh.

14.02B Bonus Share:

As per decision taken in the 97th meeting of the Board of Directors and unanimously accepted in the 10th Annual General meeting, the Company issued 20 % Bonus Share i.e. 4,000,000 Ordinary Shares @10/- each amounting to Tk. 40,000,000 on issued and Paid Up Capital during the financial year 1996-97 and subsequently decision taken in the 393th meeting of the Board of Directors and unanimously accepted in the 32th Annual General meeting, the Company issued 10 % Bonus Share i.e. 2,400,000 Shares.

14.03 Classification of Shareholders by Holding:

Range of Holdings	2020-2021		
	Number of Holders	Number of Shares	% of Share Holding
Less than or equal 500 shares	11,676	1,141,512	4.32
501 to 5,000 shares	1,200	1,597,740	6.05
5,001 to 10,000 shares	40	319,000	1.21
10,001 to 20,000 shares	7	355,000	1.34
20,001 to 30,000 shares	4	168,000	0.64
30,001 to 40,000 shares	6	207,395	0.79
40,001 to 50,000 shares	3	139,899	0.53
50,001 to 100,000 shares	10	707,820	2.68
100,001 to 1000,000 shares	3	749,222	2.84
Over 1000,001 shares	7	21,014,412	79.60
	12,956	26,400,000	100



		Amount in (BDT)	
		2020-2021	2019-2020
14.04 Position of Shareholdings:			
Name of Shareholders	2020-2021		
	Number of Holders	Number of Shares	% of Share Holding
Bangladesh Steel & Engineering Corporation	1	13,464,000	51
General Public (Institution and Individual)	12,955	12,936,000	49
	12,956	26,400,000	100

14.05 Market Price of Ordinary Shares:

The shares are listed with Dhaka and Chittagong Stock Exchange Limited. On 30 June 2021, each share was quoted at Tk. 133.90 in the Dhaka Stock Exchange Ltd., Tk. 131.20 in the Chittagong Stock Exchange Ltd.

15.00 Assets Revaluation Reserve:

Opening Balance	18,043,823	18,043,823
Revaluated During the year	-	-
	18,043,823	18,043,823
Transferred During the year	-	-
Closing Balance	18,043,823	18,043,823

***This has been carried forward since 1986-87 on revaluation of Assets.

16.00 Reserve and Surplus:

Reserve for XLPE (High Voltage Insulated Cables)	42,000,000	42,000,000
Redemption Reserve	22,500,000	22,500,000
Reserve for Replacement of Machinery	109,870,739	215,800,000
Dividend Equalization Reserve	130,547,070	130,547,070
	304,917,809	410,847,070

***Amount of Tk. 105,929,261.00 has been adjusted against reserve for replacement of machinery in order to installation of new machinery during the years.

17.00 Long Term Loans:

A.D.P Loan (Note - 17.01)	1,467,614	1,467,614
Quasi-Equity Loan (Interest. free) (Not - 17.02)	67,252,000	67,252,000
Govt. Loan for Manpower Equalization (Note - 17.03)	8,717,121	8,717,121
	77,436,735	77,436,735

17.01 A.D. P Loan:

Opening Balance	1,467,614	1,467,614
Addition During the Year	-	-
	1,467,614	1,467,614
Paid/Adjusted during the year	-	-
Closing Balance	1,467,614	1,467,614



17.02 Quasi-Equity Loan (Interest Free):

Closing Balance	67,252,000	67,252,000
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***This is an Interest Free Loan and is payable to the Vendors in 20 Half Yearly Equal Installments after 6th years from the date of share issued, i.e. 01st July, 1993. During the year no amount was paid against this loan.

17.03 Govt. Loan for Manpower Equalization (Interest Free):

Closing Balance	8,717,121	8,717,121
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***The above amount has been received under Mostafiz Commission through BSEC on account of voluntary retirement. It is an interest free Loan. During the year no amount has been paid from this account.

		Amount in (BDT)	
		2020-2021	2019-2020
18.00	<u>Defined Benefit Obligations - Gratuity:</u>		
	Opening Balance	106,885,945	100,877,108
	Provision made during the year	15,470,900	18,494,795
		122,356,845	119,371,903
	Paid during the year	(7,778,369)	(12,485,958)
	Closing Balance	114,578,476	106,885,945
	***To make provision of BDT 213,507,020 with implementation of National Pay Scale 2015 for officer & other employees Leave pay & Gratuity, the Board of directors of the company took decision on 378th board meeting to account for taka 106,800,000 in 2016-2017 and balance taka 106,707,020 in the year 2017-2018. But due to fund crisis we could not adjust this amount from 2018-2019 to 2020-2021 financial year.		
19.00	<u>Short Term Loan:</u>		
	Sonali Bank North patenga, Ctg. A/C No.# 201000017	246,432,123	297,530,996
	UCBL Agrabad Br. Ctg. A/C No. # 0041749000000/354	83,931,372	107,230,863
	Force Loan (UCBL-Agrabad Branch)	-	8,677,367
	Security Over Draft Loan	-	101,625,000
	Basic Bank Ltd.,Agrabad, Ctg., CC A/C No. # 0850-05-0000381	73,609,244	85,653,924
	Deffered LC Liability	35,437,500	-
		439,410,238	600,718,150
20.00	<u>Creditors and Accruals:</u>		
	Accounts Payable to BSEC (Note - 20.01)	278,803	10,164,188
	Liabilities for Goods Supplied (Note - 20.02)	125,058,293	133,680,481
	Liabilities for Expenses (Note - 20.03)	24,247,527	26,232,957
	Other Financial Liabilities and Provisions (Note - 20.04)	91,291,468	78,048,821
	Workers' Profit Participation Fund and Workers' Welfare Fund (Note - 20.05)	2,632,298	2,632,298
		243,508,387	250,758,744
20.01	<u>Accounts Payable to BSEC:</u>		
	Projects under BSEC (Note - 20.01A)	272,177	10,157,563
	Projects under BSEC Dis-Invested by Govt. (Note - 20.01B)	6,625	6,625
		278,803	10,164,188
20.01A	<u>Projects under BSEC:</u>		
	Gazi Wires Ltd.	-	9,885,385
	Pragati Industries Ltd.	270,563	270,563
	Bangladesh Diesel Plant Ltd.	1,615	1,615
		272,177	10,157,563
20.01B	<u>Projects under BSEC Dis-Invested by Government:</u>		
	Petro Synthetic Products Ltd.	1,894	1,894
	General Iron & Steel Industries Ltd.	3,096	3,096
	National Iron & Steel Industries Ltd.	300	300
	Khulna Industrial & Trading Co. Ltd.	1,335	1,335
		6,625	6,625



20.02 Liabilities for Goods Supplied:

Present Liability (Local)
Liabilities against Custom Duty

13,073,960	15,130,103
111,984,333	118,550,378
125,058,293	133,680,481

20.03 Liabilities for Expenses:

Liabilities against Sundry outstanding Expenses
Accrued Expenses

8,948,177	9,090,389
15,299,350	17,142,568
24,247,527	26,232,957

20.04 Other Financial Liabilities & Provisions:**Details break-up are as follows:**

Security Money
Earnest Money
Salary & Wages Commission
Power Development Board
Bakhrabad Gas Systems Ltd.
ECL Welfare Fund
ECL Co-operative Society
D.A with bonus
Freedom fighters benefit
Payable to Provident Fund (ECL)
Provident fund Loan(ECL)
Workers Union(97)
Workers Union(841)
BSEC Accounts Forum
Officers Forum
Interest on CSM
Amount against Canteen contractor
Amount against audit objection
Interest on TA/DA
Insurance Group Term
Loan of KEPZ
Source Tax
Revenue Stamp
Income Tax Payable (Customers Payable)
Diploma Association
BSEC PF Loan
BSEC Provident Fund
Salary Income Tax
House Rent
VAT Payable on Party
Outstanding Wages of Labour
Advance against salary
Loan with Interest
Interest Free Loan
VAT Payable against Sales
Construction Materials
Prints & Varnishes
CDDL PF Contribution
Domestic Equipments
Furniture & Fixture
Laboratory Chemical
Stores Issues in Loan
Ecechis
Process Materials
Progati PF Contribution
BSEC Loan (Moto cycle, Computer, House)

5,655,645	5,818,459
398,730	398,730
53,609	53,609
170,690	170,690
174,470	259,364
668,328	423,493
225	225
245,972	245,972
731,772	731,772
13,576,100	6,722,155
20,982,535	10,906,226
9,448	2,373
2,614	2,614
700	700
47,475	63,575
13,756,519	13,756,519
590	590
27,999,452	28,335,038
14,420	14,420
7,860	7,860
292	292
518,970	1,410,560
21,601	19,111
669,493	669,493
33,271	38,871
699,073	601,336
162,000	193,000
431,350	634,949
2,000	2,000
1,108,476	2,403,779
191,981	191,981
19,596	9,296
1,487	1,487
202,134	202,134
-	3,597,547
151,353	-
153,195	-
11,206	11,206
67,356	-
164,476	-
600	-
28,554	-
-	18,836
1,999,532	-
52,318	24,559
104,000	104,000
91,291,468	78,048,821



20.05 Workers' Profit Participation Fund & Workers' Welfare Fund:

Net profit of the company (including the adjustment of last year) as per the Bangladesh Gazette published on 11th October, 2006 is based on the calculation @ 5%. Workers profit participation Fund & Workers welfare Fund is in the proportion of 80 : 10 : 10.

Details are given below:

Workers Profit Participation Fund (Note - 20.05A)
Workers Welfare Fund (Note - 20.05B)
Workers Welfare Fund (Government) (Note - 20.05C)

69,270	69,270
1,997,120	1,997,120
565,908	565,908
2,632,298	2,632,298

20.05A Workers' Profit Participation Fund:

Opening Balance
Provision made during the year

69,270	69,270
-	-
69,270	69,270

Paid during the year
Adjustment during the year
Closing Balance

-	-
-	-
69,270	69,270

20.05B Workers' Welfare Fund:

Opening Balance
Provision made during the year

1,997,120	1,997,120
-	-
1,997,120	1,997,120

Paid during the year
Closing Balance

-	-
1,997,120	1,997,120

20.05C Workers' Welfare Fund (Government):

Opening Balance
Provision made during the year

565,908	4,092,243
-	-
565,908	4,092,243

Paid during the year
Closing Balance

-	(3,526,335)
565,908	565,908

21.00 Current Account with BSEC:

Bangladesh Steel & Engineering Corporation (BSEC) (Note- 21.01)

(43,164,646)	(31,197,255)
(43,164,646)	(31,197,255)

21.01 Bangladesh Steel & Engineering Corporation (BSEC):

Opening Balance
Addition during the year

(31,197,255)	(22,882,554)
1,024,300	-
(30,172,955)	(22,882,554)

Adjustment during the year
Closing Balance

(12,991,692)	(8,314,701)
(43,164,646)	(31,197,255)

22.00 Dividend Payable:

Opening Balance
Dividend for the year (2019-2020)

43,104,989	36,445,236
-	13,200,000
43,104,989	49,645,236

Dividend transferred to Bangladesh Steel & Engineering Corporation (BSEC) & paid other shareholders.

Closing Balance

(5,402,415)	(6,540,247)
37,702,575	43,104,989

23.00 Advances from the Parties:

Closing Balance

14,082,037	11,042,991
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24.00 Provision for Income Tax:

Opening Balance	324,091,287	320,617,431
Provision made during the year	4,079,940	3,473,856
	328,171,227	324,091,287
Paid/Adjusted during the year	-	-
Closing Balance	328,171,227	324,091,287

During the year the Company has made provision for income tax @ 0.60% on gross receipts u/s 82(c) 4(a) 3 as per Income Tax Ordinance, 1984. Assessment of Income Tax has been completed up to 2005-2006 financial year.

Year wise analysis of income tax is given below:

	Amount in BDT	
	Advance Income Tax	Provision for Income Tax
Financial Year - 2020-2021	37,125,594	4,079,940
Financial Year - 2019-2020	34,293,747	3,473,856
Financial Year - 2018-2019	30,934,257	2,714,046
Financial Year - 2017-2018	102,933,052	7,421,689
Financial Year - 2016-2017	82,721,988	8,414,923
Financial Year - 2015-2016	73,093,070	9,896,818
Financial Year - 2014-2015	90,612,308	26,901,999
Financial Year - 2013-2014	80,218,547	45,039,141
Financial Year - 2012-2013	79,023,001	56,565,667
Financial Year - 2011-2012	92,124,760	18,575,005
Financial Year - 2010-2011	73,770,142	27,383,510
Financial Year - 2009-2010	14,289,337	4,641,926
Financial Year - 2008-2009	26,307,117	2,000,058
Financial Year - 2007-2008	36,057,857	12,603,426
Financial Year - 2006-2007	22,869,545	10,789,526
Financial Year - 2005-2006	17,606,531	8,936,285
Financial Year - 2004-2005	23,535,991	9,739,111
Financial Year - 2003-2004	13,371,817	12,233,182
Financial Year - 2002-2003	18,042,503	11,849,549
Financial Year - 2001-2002	34,202,141	21,129,881
Financial Year - 2000-2001	16,990,267	25,968,577
Financial Year - 1999-2000	12,605,347	10,119,459
Before	20,154,672	5,393,653
	1,032,883,591	345,871,227
Adjustment made from time to time	(40,800,360)	(17,700,000)
	992,083,231	328,171,227



25.00 Revenue (Net of VAT):

	Sales Quantity (in M. Ton)		Amount in (BDT)	
	2020-2021	2019-2020	2020-2021	2019-2020
Local Sales	2,072.83	2,051.16	780,469,378	664,735,082
Value Added Tax	-	-	(101,769,921)	(87,719,372)
	2,072.83	2,051.16	678,699,457	577,015,710

***During the year Value Added Tax (VAT) has been paid on total sales at applicable rate.

25.01 Production and Sales (Quantity):

	Quantity (in MT)			
	Opening Stock	Production	Sales	Closing Stock
Domestic Cables	169.87	93.96	171.13	92.70
H.T./ L.T. Power Cables	212.57	197.48	251.63	158.42
A.C.S.R. Conductor	2.35	1,636.90	1,637.39	1.86
A. AC. Insulated Wasp Ant	24.10	12.66	12.68	24.08
	408.89	1,941.00	2,072.83	277.06

26.00 Cost of Goods Sold:

	Amount in (BDT)	
	2020-2021	2019-2020
Raw Materials Used	484,006,683	537,212,433
Raw Materials Consumption (Actual) (Note - 26.01)	408,306,458	451,174,009
Overhead	75,700,225	86,038,424
Opening Stock of Work-in-Process	95,876,227	66,808,471
Raw Materials	80,523,229	66,030,271
Overhead	15,352,998	778,200
	579,882,910	604,020,904
Closing Stock of Work-in-Process	(6,309,183)	(95,876,227)
Raw Materials	(4,766,605)	(80,523,229)
Overhead	(1,542,578)	(15,352,998)
	573,573,727	508,144,677
Under/(Over) Absorbed Production Overhead (Note - 26.02)	41,669,071	55,929,847
Cost of Cables Manufactured	615,242,798	564,074,524
Cost of Drums	45,189,954	35,841,603
Raw Materials	41,341,229	32,030,927
Overhead	3,848,725	3,810,676
Production Cost with Drums	660,432,752	599,916,127
Opening Stock of Finished Goods	44,913,033	47,999,612
Raw Materials	42,709,468	47,172,296
Overhead	2,203,565	827,316
	705,345,785	647,915,739
Closing Stock of Finished Goods	(30,433,037)	(44,913,033)
Raw Materials	(22,995,203)	(42,709,468)
Overhead	(7,437,834)	(2,203,565)
Cost of Goods Sold	674,912,748	603,002,706



26.01 Raw Materials Consumption:

Opening Stock of Raw Materials	328,600,903	139,256,019
Purchase During the Year (Note - 26.01A)	224,003,856	674,417,023
Raw Material Available for Use	552,604,759	813,673,042
Stock adjustment of Intermediate, Sectional and Work-in-process	5,581,472	(1,867,203)
Closing Stock of Raw Materials	(108,538,545)	(328,600,903)
Raw Material Consumed	449,647,687	483,204,936
Raw Material Consumption (Actual)	408,306,458	451,174,009
Packing Materials used	41,341,229	32,030,927
	449,647,687	483,204,936

26.01A Raw Materials Purchase/Adjustment:

	Material (Quantity in MT)		Amount in (BDT)	
	2020-2021	2019-2020	2020-2021	2019-2020
Aluminum Rod		1,996.25	30,884,724	425,545,457
Copper Rod	150.00	200	114,376,356	119,614,150
Chalk powder	-	100	-	1,777,287
Stabilizer	0.30	20	52,448	4,845,276
DOP	-	100	-	16,157,096
PVC Resin	-	150	-	12,881,421
Soot Paste	5.00	-	1,303,589	-
Steel FlatWire & Strips	29.98	9.45	2,926,347	900,386
ACSR Core wire	370.46	678.47	42,172,177	61,404,038
Calsind Clay N-501	0.20	-	19,719	-
Others	12.48	8.880	2,272,693	1,516,389
	568.419	3,263.05	194,008,051	644,641,500.00
Packing Materials	-	-	29,995,805	29,775,523
	568.42	3,263.05	224,003,856	674,417,023.00



26.01B Raw Materials Consumption (Actual):

	Material (Quantity in MT)		Amount in (BDT)	
	2020-2021	2019-2020	2020-2021	2019-2020
Copper Rod	150.00	200.00	106,028,818	119,614,150
Aluminum Rod	902.94	1,291.13	224,151,590	256,228,295
PVC Resin	74.00	51.13	6,360,300	4,394,235
DOP	38.40	24.20	6,226,330	3,923,897
ACSR Core Wire	560.77	535.17	57,212,115	59,985,867
Others	-	9.44		1,881,114
Calsind Clay N-501	0.55	0.73	62,140	142,640
Chlora Paraffin N-40			120,341	
Chalk Powder	31.00	17.70	550,932	970,351
Stabilizer	4.30	2.00	1,036,984	484,541
Soot Paste	1.05	0.59	2,707,357	127,251
Tetandioxide	0.25	0.33	51,814	67,363
Cablec	1.43	1.33	1,206,319	1,121,665
Paraffin Wax	0.90	0.50	150,620	83,681
Gum Cotton Tape	0.49	0.14	847,140	235,610
Soft PVC Tape	-	-		-
Copper Tape	0.28	0.06	386,895	78,507
Steel Flat, Wire & Steel Strip	13.64	21.69	932,198	1,531,996
Conducting Tape	0.09	0.14	82,215	118,185
Pigment	0.16	0.14	192,349	179,527
	1,780.23	2,156.42	408,306,458	451,168,875
Packing Materials			41,341,229	33,903,265
	1,780.23	2,156.42	449,647,687	485,072,140

26.01C Comparative analysis of Raw Materials Consumption:

	Copper Rod (%)	P.V.C. & Other (%)	Aluminum Rod (%)	Core Wire (%)
Domestic Cables	62.60	37.40	-	-
LT Power Cables	71.75	28.25	-	-
HT Power Cables	28.20	71.80	-	-
ACSR	-	-	67.90	32.10

26.02 Under/(Over) Absorbed Production Overhead:

	Amount in (BDT)	
	2020-2021	2019-2020
Salary, Wages and Allowances (Note - 26.02A)	75,656,546	93,988,738
Other Service Benefits (Note -26.02B)	6,872,774	10,849,623
Daily Basis Employee	8,088,288	7,019,097
Electricity expenses	6,783,830	7,769,611
Gas, Fuel etc.	779,323	654,280
Consumable Stores & Tools	442,291	3,536,906
Repair & Maintenance	2,309,775	4,649,069
Insurance Premium	2,420,224	1,773,749
Depreciation (Annexure - A)	7,670,973	8,523,303
Advertisement & Publicity	349,589	690,076
Travelling & Conveyance	224,816	361,023



		Amount in (BDT)	
		2020-2021	2019-2020
Stationeries		9,765	141,020
Uniform and kits		964,987	855,724
Medical Expenses		331,741	344,415
Canteen		3,260,090	3,476,490
Telephone		6,143	12,563
Testing Expenses (BSTI & ISO)		968,650	225,000
Milk Expenses		105,000	108,870
Factory Clearing & Sanitation		66,987	117,184
License & Renewal		298,668	326,891
Training Expenses		-	163,902
Entertainment Expenses		77,115	51,470
Books & newspaper		1,400	5,860
Scholarship & Award		-	73,400
Carrying Charge		-	21,320
Washing expenses		-	1,300
Honarium of Tender Valuation Committee		147,320	145,520
Water Supplier Bill (Fact.)		4,250	-
		117,840,543	145,886,404
Over Applied of Overhead		(76,171,472)	(89,956,557)
		41,669,071	55,929,847
26.02A Salary, Wages and Allowances:			
Basic Salary & Wages		38,925,963	48,139,628
House Rent allowances		17,677,575	21,890,653
Leave Pay & Gratuity		10,643,674	13,016,294
Bonus		6,523,750	8,316,315
Boishakhi Allowance		623,084	814,898
Education Allowance		1,262,500	1,810,950
		75,656,546	93,988,738
26.02B Other Service Benefits:			
Provident Fund		2,532,827	3,237,055
Conveyance allowance		327,545	436,407
Night shift Allowance		130,647	518,198
Washing Allowance		135,617	168,228
Over time Allowance		573,551	480,269
Shifting Entertainment allowance		153,601	195,867
Recreation Allowances		375,790	1,876,300
Medical allowance		2,471,597	3,466,978
Workers' Risk Allowance		171,599	470,322
		6,872,774	10,849,623
27.00 Administrative Expenses:			
Administrative Salary and Allowance (Note - 27.01)		19,624,676	23,344,406
Other Administrative Expenses (Note - 27.02)		27,785,473	29,741,628
Managing Director's Remuneration & Allowances (Note - 27.03)		1,791,574	1,912,901
Directors' Remuneration & Allowances		436,804	490,236
Legal Expenses (Note - 27.04)		167,900	53,930
		49,806,427	55,543,101



27.01 Administrative Salary and Allowance:

Basic Salary
 Gratuity
 Provident fund
 Conveyance allowance
 House Rent allowance
 Washing Allowance
 Over time Allowance
 Bonus
 Night shift Allowance
 Charge Allowance
 Boishakhi Allowance
 Education Allowance
 Recreation Allowances
 Medical allowance

Amount in (BDT)	
2020-2021	2019-2020
9,350,885	10,388,924
2,670,779	3,046,651
393,064	398,539
104,090	109,250
4,232,747	4,818,966
20,997	21,917
153,230	441,162
1,455,974	1,725,150
13,180	10,525
51,020	68,927
138,222	164,590
310,900	339,500
65,520	1,064,360
664,067	745,945
19,624,676	23,344,406

27.02 Other Administrative Expenses:

Expenses for Housing Colony
 Maintenance Expenses
 Tax Expenses(Municipal & Other Revenue)
 Insurance Premium (Fidelity, Group Term & Vehicles etc.)
 Medical Expenses
 Canteen Expenses
 Postage & Telegram
 Oil, Fuel & Lubricants
 Travelling Allowances
 Transport Rent
 Telephone
 BSEC Overhead
 Advertisement & Publicity
 Stationeries
 Consumable Stores
 Uniform and kits
 Recreation & Sports
 Social Eminities (Picnic, Eid-E-Miladunnabi & Other)
 Company Board Meeting Expenses
 Annual General Meeting Expenses
 Share Office Expenses
 Subscription(Dhaka Stock Exchange)
 Subscription(Chittagong Stock Exchange)
 Contract Labour
 Daily Basis Employee
 Licenses & Renewal
 Training expenses
 Entertainment Expenses
 Book/Newspaper
 Stipend/Reward
 Washing expenses
 Audit Fee (WPPF & PF)

1,876,599	2,103,810
80,969	271,727
2,858,083	2,858,083
361,362	257,366
91,166	122,633
863,310	873,100
95,812	123,853
1,488,098	349,147
555,811	1,317,925
1,236,158	2,264,764
102,658	155,391
7,500,000	7,500,000
356,031	440,957
28,455	263,145
41,157	156,046
98,450	76,350
195,560	202,910
748,910	1,053,100
156,085	144,885
1,560,110	958,215
684,316	536,107
120,000	170,000
120,000	190,225
2,609,819	2,666,816
1,302,256	1,418,270
617,435	318,269
-	226,433
235,369	470,623
11,782	16,075
-	24,600
1,330	2,440
-	12,000



		Amount in (BDT)	
		2020-2021	2019-2020
	Computer Software Expenses	338,797	368,537
	Depreciation (Annexure - A)	1,403,227	1,559,141
	Committee Meeting Expenses	22,186	216,393
	Gardening Expenses	18,500	4,000
	Photocopy Expenses	5,672	48,292
		27,785,473	29,741,628
27.03	<u>Managing Director's Remuneration & Allowances:</u>		
	Basic Salary	830,881	915,242
	House Rent Allowance	332,352	366,097
	Bonus	136,920	152,540
	Provident fund	83,088	58,291
	Gratuity	290,808	320,334
	Education Allowance	11,552	-
	Honorarium	63,336	66,000
	Felicitation Allowance	10,268	1,195
	Boishakhi Allowance	13,692	15,254
	Medical Allowance	18,677	17,948
		1,791,574	1,912,901
27.04	<u>Legal Expenses:</u>		
	15% Share Case	10,000	46,198
	Recruitment Case	42,900	-
	Income Tax	115,000	-
	Sue against Raw material shortage delivery	-	3,532
	ECL Matter no. 214/2108 sue operating	-	4,200
		167,900	53,930
28.00	<u>Selling and Distribution Expenses:</u>		
	Selling Salary & allowance (Note - 28.01)	12,299,256	13,651,385
	Distribution Expenses (Note - 28.02)	15,658,502	17,491,025
		27,957,758	31,142,410
28.01	<u>Selling Salary and allowance:</u>		
	Basic Salary	5,776,200	6,486,430
	Gratuity	1,865,639	2,111,516
	Provident fund	175,182	201,521
	Conveyance allowance	27,300	34,000
	House rent Allowance	2,732,052	2,965,565
	Washing Allowance	6,400	7,600
	Overtime	6,217	43,533
	Bonus	1,087,056	1,062,020
	Boishakhi Allowance	98,630	102,220
	Education Allowance	85,000	103,500
	Recreation Allowances	125,780	199,680
	Medical allowance	309,000	327,000
	Workers' Risk allowance	4,800	6,800
		12,299,256	13,651,385



28.02 Distribution Expenses:

	Amount in (BDT)	
	2020-2021	2019-2020
Sales Promotion	2,560,824	2,797,128
Advertisement & Publicity	33,182	1,147,331
Travelling Expenses	119,333	338,027
Entertainment	72,502	45,050
Transportation Expenses	7,705,167	7,126,950
Medical Expenses	43,050	78,276
Scholarship	-	5,200
Stationeries	1,380	37,300
License & Renewal	22,400	66,600
Telephone	24,906	21,577
Insurance Premium	1,749,527	2,402,784
Canteen Expenses	416,360	348,740
Dhaka Sales Centre Expenses	458,788	202,665
Daily Basis Employee	620,465	510,174
Chittagong Sales Center Expenses	248,047	259,014
Washing Expenses	-	1,200
Book/Newspaper	5,070	1,320
Training Expenses	3,200	179,854
Postage & Parcel	22,500	3,150
Photostat Expenses	440	-
Depreciation (Annexure - A)	280,645	311,828
Sales Centre B.S.E.C. Dhaka Expenses	427,073	302,958
Sales center expenses (Main Gate, ECL)	20,120	26,482
Sales Center Expenses (Nobabpur Road, Dhaka)	185,500	402,435
Dressing	18,565	22,186
Sales Center Expenses (Sundarbon Square Market, Dhaka)	-	16,500
Sales Center Expenses (Tongi)	395,230	244,430
Sales Center Expenses (Maymansingh)	121,608	341,100
Sales Center Expenses (Rangpur)	102,620	69,165
Sales Center Expenses (Rajshahi)	-	181,600
	15,658,502	17,491,025

29.00 Professional Fee:

Statutory Audit - Shafiq Basak & Co.	103,500	103,500
Compliance Audit - Saifur Enayet & Associates	28,175	28,750
	131,675	132,250

30.00 Other Income:

Lease of Land, Pond etc.	18,867	150,484
Recovery from House Rent	748,480	1,077,016
Sales of Schedules & Tender Forms	41,800	152,000
Sale of Scrap & Empty Drums	-	134,915
Bank Interest on Short Term Deposits	405,874	95,215
Forfeiture (Security money encashment)	-	156,500
Miscellaneous Received	31,500	148,300
Received from Furniture & Vehicle facilities	44,101	45,841
	1,290,622	1,960,271



		Amount in (BDT)	
		2020-2021	2019-2020
31.00	<u>Financial Expenses:</u>		
	Interest on Bank Overdraft / CC Loan	48,484,779	57,861,483
	Bank Charges	691,329	546,711
		49,176,107	58,408,194
32.00	<u>Income Tax Expenses:</u>		
	Corporate Tax (Note - 24.00)	4,079,940	3,473,856
	Deferred Tax (Note - 7.00)	(2,423,138)	(2,160,830)
		1,656,802	1,313,026
33.00	<u>Net Assets Value Per Share (NAV)PS:</u>		
	i) Net Assets Value (NAV) (Note - 33.01)	275,176,038	398,827,476
	ii) Number of Ordinary Shares Outstanding	26,400,000	26,400,000
	iii) Net Assets Value per Share (NAV)PS	10.42	15.11
33.01	<u>Net Assets Value (NAV):</u>		
	i) Total Assets	1,573,230,359	1,844,063,572
	ii) Total Liabilities	(1,298,054,321)	(1,445,236,096)
	iii) Net Assets Value	275,176,038	398,827,476



	Amount in (BDT)	
	2020-2021	2019-2020
34.00 Basic Earning Per Share:		
i) Net Profit/(Loss) After Tax	(123,651,439)	(170,565,706)
ii) Weighted Average Number of Ordinary Shares Outstanding (Note - 34.01)	26,400,000	26,400,000
iii) Number of Ordinary Shares Outstanding	26,400,000	26,400,000
iv) Basic Earnings Per Share (EPS)	(4.68)	(6.46)

*** Basic Earning Per Share (EPS) has been computed by dividing net profit/(loss) after tax by the weighted average number of share outstanding as on 30th June, 2021 as per IAS - 33: "Earning Per Share".

34.01 Calculation of Weighted Average Number of Ordinary Shares:

Particulars	Number of Share	Days Outstanding	Weighted average no. of Shares at June 30, 2021	Weighted average no. of Shares at June 30, 2020
Opening Ordinary Share	26,400,000	365/365	26,400,000	26,400,000
	26,400,000		26,400,000	26,400,000

35.00 Net Operating Cash Flows Per Share (NOCF)PS:

i) Net Operating Cash Flows	215,015,103	(94,771,063)
ii) Weighted Average Number of Ordinary Shares Outstanding (Note - 34.01)	26,400,000	26,400,000
Net Operating Cash Flows per Share (NOCF)PS	8.14	(3.59)

36.00 Reconciliation of Net Income with Cash Flows from Operating Activities:

Net Profit/(Loss) Before Tax	(121,994,637)	(169,252,680)
Adjustments for:		
Depreciation Expense	9,354,846	10,394,272
Financial Expenses	49,176,107	58,408,194
	(63,463,685)	(100,450,214)
Changes In Working Capital:		
Inventories	335,876,636	(194,135,392)
Trade and Other Receivable	28,059,322	44,470,542
Current Account with Projects under BSEC	848,644	(1,553,262)
Advances, Deposits & Pre-payments	(64,690,563)	17,527,541
Defined Benefit Obligations - Gratuity	7,692,531	6,008,837
Creditors and Accruals	(7,188,625)	158,489,605
Current Account With BSEC	11,967,391	8,314,701
Advances from the Parties	3,039,046	850,326
Cash Generated from/(used in) Operations	252,140,697	(60,477,316)
Income Tax Paid	(37,125,594)	(34,293,747)
Net Cash from/(used in) Operating Activities	215,015,103	(94,771,063)



37.00 Related Party Transaction:

i) Transactions with key management personnel

Key management personnel compensation comprised the following:

	Amount in (BDT)	
	2020-2021	2019-2020
Meeting Attendance Fee	500,140	543,636
Meeting Expense	178,271	373,878
Retirement Benefit Scheme	290,808	320,334
Medical and Welfare	18,677	17,948
Housing	332,352	366,097
	1,320,248	1,621,893

ii) Other 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 at 30th June, 2021 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 30 June, 2021	Balance as at 30 June, 2020
			DR.	CR.		
Chittagong Steel Mills Limited	Subsidiary Company of BSEC	Multiple Business	-	-	11,435,198	(Dr)
G. E. M Company Limited	Subsidiary Company of BSEC	Multiple Business	1,931,327	3,127,676	8,048,300	(Dr)
Eastern Tubes Ltd.	Subsidiary Company of BSEC	Multiple Business	48,326	19,000	561,876	(Dr)
Bangladesh Blade Factory Ltd.	Subsidiary Company of BSEC	Multiple Business	45,523	9,500	1,003,012	(Dr)
Prantik Traders	Subsidiary Company of BSEC	Multiple Business	-	-	2,170	(Dr)
Gazi Wires Ltd.	Subsidiary Company of BSEC	Multiple Business	10,177,341	23,750	268,206	(Dr)
Pragati Industries Ltd.	Subsidiary Company of BSEC	Multiple Business	1,578	1,590	270,575	(Cr)
National Tubes Limited	Subsidiary Company of BSEC	Multiple Business	7,259	23,750	46,236	(Dr)
Bangladesh Diesel Plant Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	1,615	(Cr)
Atlas (BD) Ltd.	Subsidiary Company of BSEC	Multiple Business	11,615	38,000	428,903	(Dr)
Dhaka Steel Works Ltd.	Subsidiary Company of BSEC	Multiple Business	2,904	9,500	11,941	(Dr)
BSEC Current	Parents Concern	Multiple Business	1,000,000	12,885,600	43,361,196	(Cr)
REB Dhaka Export	Common Director	Sales	-	-	705,106	(Dr)
REB Dhaka Local	Common Director	Sales	416,300,958	452,618,829	30,646,873	(Dr)
Total			429,526,831	468,757,195	96,791,206	
					132,021,117	



38.00 Debt and Claim:

There was no other debt of the company except ADP Loan, Quasi Equity Loan and Govt. Loan for Manpower Equalization (Interest Free).

39.00 Production and Sales:

	Quantity (in MT)	
	2020-2021	2019-2020
Production capacity	4,500.00	4,500.00
Production target	4,500.00	4,500.00
Actual production	1,941.00	2,023.05
Sales target	4,500.00	4,500.00
Actual sales	2,072.83	2,051.16

40.00 Going Concern Basis of Accounting:

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of the banking facilities as disclosed in Note 17 & 19.

The Companies retained earning stand at Tk. (311,785,595) as on June 30, 2021 which includes BDT. (123,651,439) net loss after tax of for the year and, as at that date, current assets exceed current liabilities. Besides that the company has sustainable products, debts with excellent repayment records, positive key financial ratios, reliability in payment of obligations, excellent corporate environment and employee satisfaction.

The Companies sales position compared with previous year has been increasing due to getting adequate orders from government organization and not able sustain in Direct Purchase Method (DPM) and Open Tender Method (OTM) sales with other competitor in case of price of product.

Management acknowledges that uncertainty remains over the Company's ability to meet its funding requirements and to refinance or repay its banking facilities as they fall due. In that particular circumstance, management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

41.00 National Exchequer Payment:

Import Duty	66,054,125	7,381,954
Advance Payment of Vat	166,755,378	68,279,288
Advance Payment of Income Tax	37,125,594	34,293,747
	269,935,098	109,954,989

***During the year the company paid amounting BDT 269,935,098 to the government treasury as various Duty.

42.00 Salary & Allowances of Staff & Officers (Para-3 Schedule XI, Part II):**Number of Employee**

Salary Range (Monthly)	Head office/ Factory			Dhaka Share Office and Sales Center		
	Officer	Staff	Worker	Officer	Staff	Worker
Bellow - BDT 3000	-	-	-	-	-	-
Above - BDT 3000	43	21	105	4	6	-
30th June, 2021	43	21	105	4	6	-
30th June, 2020	46	25	123	4	5	-

43.00 Payment Information to Director: Para-4 of Schedule XI, Part II of Companies Act 1994:**i) Aggregate Amount Of Remuneration Paid to all Directors**

Particulars	Payment Type	Amount in (BDT)	
		2020-2021	2019-2020
Directors	Board Meeting	500,140	477,636
Directors	Conveyance & Other Expenses	21,580	12,600
		521,720	490,236



ii) Attendance Status of Director in Board Meetings

During the year ended 30th June, 2021, six (6) board meetings were held. The attended status of all meetings are as follows :

Name of the Director	Position	Meeting Held	Attendance
Mr. Md. Rois Uddin	Chairman	6	6
Mr. A.K.M Shamsul Areefin	Independent Director	1	1
Mr. Md. Yousuf Ali	Independent Director	3	3
Dr. Md. Al- Amin Sarker	Independent Director	2	2
Mrs. Shanaj Parven (Rani)	Director	4	4
Tania Khan	Director	2	2
SK. Md. Zakir Hossain	Director	5	5
Md. Abul Kalam Azad	Director	1	1
Mr. Md. Shamsur Rahman	Director	6	5
Mr. Md. Zohirul Islam	Independent Director	6	6
Mr. Md. Mozibar Rahman	Director	4	3
Mr. Md. Habibur Rahman	Director	2	2
Mr. Md. Mofizur Rahman	Director	6	6
Mr. Md. Emdadul Haque	Director	6	6

44.00 Other Disclosure:

44.01 Number of Employees:

Number of Employees

Balance (in No.)	
2020-2021	2019-2020
179	203
179	203

44.02 Credit Facilities:

The following maximum credit facilities are availed by the company (in Crore)

	Sonali Bank	UCBL, Agrabad	BASIC Bank Ltd. Agrabad
Cash Credit	30	10	10
LC	30	30	30
Bank Guarantee	20	20	20
LTR	-	20	20
Total	80	80	80

44.03 Capital Expenditure Commitment:

There was no capital expenditure commitment as on 30th June, 2021 of the company.

44.04 Contingent Liabilities and Contingent Assets:

i) Contingent Liabilities and Commitments

Claim of income tax against the company

37,125,594	34,293,747
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ii) Contingent Assets

There were no contingent Assets as on 30th June, 2021.

44.05 Claim/Liabilities:

There was no claim against the Company acknowledge as debt as on 30th June, 2021.

44.06 Foreign Currency Earning:

No income or expenses was incurred during the year as Royalty, Technical Assistance, Professional Advisory fee, Interest and Dividend was earned or received in foreign currencies by the company.

44.07 Budget:

Budget has been prepared during the year.



44.08 Event After the Reporting Period:

The Board of Directors in their 413th meeting held on 10th November, 2021 have not recommended any dividend for the year ended 30th June, 2021 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 12 February, 2022. The Financial Statements for the year ended 30th June, 2021 do not include the effect of the dividend which will be accounted for in the period when the shareholders right to receive the payment is established.

44.09 GENERAL:

- i) Figures appearing in these accounts have been rounded off to the nearest taka.
- ii) Previous year's phrases and amounts have been re-arranged, wherever considered necessary, to conform to the presentation for the year under review.



EASTERN CABLES LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Historical Cost			Rate of Depreciation (%)	Accumulated Depreciation			Carrying Amount As On 30th June, 2021
	Opening Balance As On 01st July, 2020	Addition During the Year	Closing Balance As On 30th June, 2021		Opening Balance As On 01st July, 2020	Charged During the Year	Closing Balance As On 30th June, 2021	
Land & Land Development	38,174,180	-	38,174,180	-	-	-	38,174,180	
Roads	3,445,132	-	3,445,132	-	-	-	3,445,132	
Communication	292,090	-	292,090	5%	14,605	43,814	248,277	
Building & Other Constructions	111,333,159	-	111,333,159	2.5 - 7.5%	2,660,638	67,408,362	43,974,796	
Sub-Total (A)	153,244,561	-	153,244,561	-	2,675,242	67,452,176	85,792,385	
Expansions including installation	118,068,350	-	118,068,350	6%	-	118,068,310	40	
Plant & Machineries (B.M.R)	17,898,632	-	17,898,632	6%	-	17,898,612	20	
Plant & Machineries	198,657,630	6,267,579	204,925,210	6 - 7.5%	6,012,257	129,219,240	75,705,969	
Loose Tools	486,644	-	486,644	6 - 10%	-	486,616	28	
Appreciated Assets (P&M)	6,886,000	-	6,886,000	6%	-	6,885,988	12	
Sub-Total (B)	341,997,256	6,267,579	348,264,836	-	6,012,257	272,558,766	75,706,069	
Furniture & Fixture	2,769,268	223,749	2,993,017	6%	-	1,831,475	1,161,542	
Office Equipments	8,201,988	-	8,201,988	6 - 20%	98,056	6,700,116	1,501,872	
Refrigerators	25,643	-	25,643	20%	-	25,641	2	
Intercom Telephones	428,229	-	428,229	15%	-	428,227	2	
Colour Television	55,324	-	55,324	15%	-	55,322	2	
Crockeries & Cutleries	54,504	-	54,504	20%	-	54,492	12	
Appreciated Assets (F&F)	136,000	-	136,000	15%	-	135,994	6	
Sub-Total (C)	11,670,956	223,749	11,894,704	-	667,346	9,231,267	2,663,437	
Vehicles	11,038,821	-	11,038,821	20%	-	11,038,817	4	
Appreciated Assets (Vehicles)	96,000	-	96,000	5 - 20%	-	95,998	2	
Sub-Total (D)	11,134,821	-	11,134,821	-	-	11,134,815	6	
Balance as on 30th, June 2021	518,047,594	6,491,328	524,538,921	-	9,354,846	360,377,023	164,161,897	
Balance as on 30th, June 2020	515,577,006	2,470,587	518,047,593	-	10,394,272	351,022,178	167,025,415	

Notes	Amount in (BDT)	
	2020-2021	2019-2020
Manufacturing Expenses	7,670,973	8,523,303
Administrative Expenses	1,403,227	1,559,141
Selling Expenses	280,645	311,828
Total	9,354,846	10,394,272

***Expansions including installation amounting Tk. 83,950,137 has transferred to Plant & Machineries. Depreciation charge has allocated also.



EASTERN CABLES LIMITED
DEFERRED TAX

FOR THE YEAR ENDED JUNE 30, 2021

Annexure - B

Deferred tax (Assets)/Liability recognized in accordance with the provision of IAS-12, is arrived as follows:

	Amount in (BDT)	
	2020-2021	2019-2020
Opening Balance	(12,229,464)	(10,068,634)
(Increase)/Decrease of Deferred Tax Assets	(2,423,138)	(2,160,830)
Closing Balance	(14,652,602)	(12,229,464)

Reconciliation of Deferred Tax Liabilities/(Assets) are as follows:

Deferred Tax Liability/(Assets)			
At 30 June, 2021			
Property, Plant & Equipment (Except land)	9,354,846		
Net Temporary Differences	9,354,846		
Applicable Tax Rate			22.5%
Deferred Tax Liability/(Assets)			(2,423,138)
Deferred Tax Liability/(Assets)			
At 30 June, 2020			
Property, Plant & Equipment (Except land)	10,394,272		
Net Temporary Differences	10,394,272		
Applicable Tax Rate			25%
Deferred Tax Liability/(Assets)			(2,160,830.46)
	Tax Base	Tax Base	Temporary Differences
	20,124,346	19,037,594	(8,643,322)
	20,124,346	19,037,594	(8,643,322)
			25%
			(2,160,830.46)



EASTERN CABLES LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED 30 JUNE, 2021

Depreciation allowance as per 3rd Schedule of ITO 1984:
Income Year 2020 - 2021

Annexure - C

Particulars	Historical Cost			Depreciation Rate	Depreciation		Carrying Amount as on 30th June, 2021
	Opening Balance As On 01st July, 2020	Addition During the year	Closing Balance As On 30th June, 2021		Opening Balance As On 01st July, 2020	Depreciation As On 30th June, 2021	
Land & Land Development							
Building & Other Constructions	23,790,905	-	23,790,905	20%	9,516,362	4,758,181	9,516,362
Communication	292,090	-	292,090	5%	29,210	14,605	248,276
Sub-Total (A)	24,082,995	-	24,082,995	-	9,545,572	4,772,785	9,764,638
Plant & Machineries							
Plant & Machineries	63,588,189	6,267,579	69,855,768	20%	25,067,505	13,971,154	30,817,110
Sub-Total (B)	63,588,189	6,267,579	69,855,768	-	25,067,505	13,971,154	30,817,110
Furniture & Fixture							
Furniture & Fixture	5,038,037	223,749	5,261,786	10%	1,297,239	526,179	3,438,369
Sub-Total (C)	5,038,037	223,749	5,261,786	-	1,297,239	526,179	3,438,369
Vehicles							
Vehicles	4,271,149	-	4,271,149	20%	1,708,460	854,230	1,708,459
Sub-Total (D)	4,271,149	-	4,271,149	-	1,708,460	854,230	1,708,459
Total	96,980,370	6,491,328	103,471,698	-	37,618,775	20,124,346	45,728,576

