

EASTERN CABLES LIMITED

FACTORY & REGISTERED OFFICE: NORTH PATENGA, CHITTAGONG.

We forward herewith the un-audited & Provisional Financial Statements of the Company for the first quarter ended,
30 September, 2021.

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER, 2021

PARTICULARS	Note	TK.IN LAC As at 30.09.2021	TK.IN LAC As at 30.06.2021
ASSETS:			
Non-Current Assets		1,771.91	1,788.15
Property, Plant & Equipments	5.00	1,619.12	1,641.62
Deferred Tax	6.00	152.79	146.53
Current Assets		13,910.01	13,944.15
Inventories	7.00	2,052.02	2,107.37
Trade and other Receivable	8.00	911.92	771.91
Current A/c with Enterprise/Head Office	9.00	93.44	93.57
BSEC Dis-investment by Govt.	10.00	161.04	161.04
Advance, Deposits & Pre-payments	11.00	10,656.40	10,740.27
Cash & Cash Equivalents	12.00	35.19	69.99
Total Assets		<u>15,681.92</u>	<u>15,732.30</u>
SHAREHOLDER'S EQUITY & LIABILITIES:			
SHAREHOLDER'S EQUITY			
Share Capital	13.00	2,640.00	2,640.00
Assets Revaluation Reserve	14.00	180.44	180.44
Reserve & Surplus	15.00	3,049.18	3,049.18
Retaining Earning		(3,384.64)	(3,117.85)
Liabilities:			
Non- Current Liabilities			
Long Term Loans	16.00	774.37	774.37
Defined Benefit Obligations-Gratuity	17.00	1,180.26	1,145.78
Current Liabilities			
Short Term Loans	18.00	4,526.50	4,394.10
Creditors and Accruals	19.00	2,497.88	2,435.07
Current Account with BSEC	20.00	445.40	431.65
Dividend Payable	21.00	377.03	377.03
Advances from the Parties	22.00	109.08	140.82
Provision for Income Tax	23.00	3,286.42	3,281.71
Total Shareholders' Equity & Liabilities		<u>15,681.92</u>	<u>15,732.30</u>
Net Asset Value(NAV) per share in Taka	28.00	9.41	10.42

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2021.

PARTICULARS	Note no.	TK.IN LAC 01.07.21-30.09.21	TK.IN LAC 01.07.20-30.09.20
Net Sales	24.00	782.73	643.70
Less: Cost of Goods sold	25.00	(825.25)	(668.57)
Gross Profit/(loss)		(42.52)	(24.87)
Less: Adm., Selling & Financial Expenses	26.00	(228.03)	(302.22)
Net Operating Profit /(loss)		(270.55)	(327.09)
Add: Non Operating Income	27.00	2.21	1.67
Net Profit Before Provision for WPPF & Tax		(268.34)	(325.42)
Less: Contribution to WPPF and WWF	19.04	-	-
Net Profit Before Tax		(268.34)	(325.42)
Less: Corporate Tax	23.00	(4.71)	(3.87)
Add/(Less): Deferred Tax	Annex'B'	6.26	5.86
Net Profit /(loss) after Tax		(266.79)	(323.43)
Basic Earning Per Share(EPS) in Taka	29.00	(1.01)	(1.23)

(GANASH CHANDRA BISWAS)
CHIEF FINANCIAL OFFICER

(MD. GOLAM MAWLA)
COMPANY SECRETARY

(MD ABUL KALAM AZAD)
MANAGING DIRECTOR

(MD. MOFIZUR RAHMAN)
DIRECTOR

(Dr. MD AI AMIN SARKER)
DIRECTOR

STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2021.

PARTICULARS	TAKA IN LAC July-'21 to Sep-'21	TAKA IN LAC July-'20 to Sep-'20
A) Cash Flows From Operating Activities:		
Cash Received from Customers	610.98	1,135.94
Cash Received from other Income	2.21	1.67
Cash payment to Suppliers, Employees and others	(672.48)	(848.64)
Cash Generate from/(used in) Operations	(59.29)	288.97
Income tax paid	(12.85)	0.06
Net Cash from/(used in) Operations Activities:	(72.14)	289.03
B) Cash Flows From Investing Activities:		
Acquisition of Fixed Assets	-	-
Net Cash from/(used in) Investing Activities:	-	-
C) Cash Flows From Financing Activities:		
Cash Credit	132.40	(223.82)
Financial Expenses/Others	(95.06)	(137.60)
Dividend Paid	-	-
Net Cash from/(used in) Financing Activities:	37.34	(361.42)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(34.80)	(72.39)
Cash & Cash Equivalents at Beginning of the period	69.99	96.43
Effect of Movements in Exchange Rate on Cash Held	-	-
Cash & Cash Equivalents at end of the period	35.19	24.04
Cash & Cash Equivalents		
Cash in Hand	7.73	4.88
Cash at Bank	27.46	19.16
	35.19	24.04
Net operating cash flows Per Share(NOCFPS) in Taka (Note-30.00)	(0.27)	1.09

STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER, 2021.

(TK. IN LAK)

PARTICULARS	Share Capital	Asset Revaluation Reserve	Reserve & Surplus	Retained Earnings	Total Equity
Opening Balance(01.07.2021)	2,640.00	180.44	3,049.18	(3,117.85)	2,751.77
Net Profit/Loss after Income Tax	-	-	-	(266.79)	(266.79)
Closing Balance (30.09.2021)	2,640.00	180.44	3,049.18	(3,384.64)	2,484.98


STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER, 2020.

(TK. IN LAK)


Opening Balance(01.07.2020)	2,640.00	180.44	4,108.47	(2,940.63)	3,988.28
Net Profit/Loss after Income Tax	-	-	-	(323.43)	(323.43)
Closing Balance (30.09.2020)	2,640.00	180.44	4,108.47	(3,264.06)	3,664.85

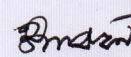
	30.09.2021	30.09.2020
Number of Ordinary shares	20,000,000	20,000,000
Number of Bonus shares	4,000,000	4,000,000
Number of Bonus shares(2017-2018)	2,400,000	2,400,000
Total	26,400,000	26,400,000
Value per share (Taka)	10.00	10.00
Shareholder's equity per share (Taka)	9.41	13.88


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(Dr. MD. AI AMIN SARKER)
DIRECTOR

EASTERN CABLES LIMITED

NOTE TO THE FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 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 (IAS) 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 September, 2021;
- A statement of profit or loss for the first quarter ended 30th September, 2021;
- A statement of changes in equity for the first quarter ended 30th September, 2021;
- A statement of cash flows for the first quarter ended 30th September, 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 alongwith 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.

3.4 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka In Lac (BDT) which is the company's functional currency. All the financial information presented in Bangladesh Taka In Lac except when otherwise indicated.

3.5 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.

3.6 Reporting Period

The financial statements cover first quarter from 01st July, 2021 to 30th September, 2021.

4 Significant accounting policies:

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

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 the date of operation.

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	10%
7	Appreciated Assets (P&M)	6%
8	Furniture & Fixture	6%
9	Office Equipment	15%
10	Refrigerators	20%
11	Intercom Telephones	20%
12	Colour Television	20%
13	Crockeries & Cutleries	20%
14	Appreciated Assets (F&F)	20%
15	Transport & Vehicles	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:

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.

②



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 Labour 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 - 31 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 (25%) that have been enacted or substantively enacted by Finance Act 2019 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 30 september 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.



Company Secretary



Managing Director

Note No.	Particulars	Amounts TAKA IN LAC	
		30-Sep-21	30-Jun-21
5.00	Property, Plant and Equipment		
	(A) Historical Cost		
	Opening Balance	5,245.39	5,180.48
	Addition/(Disposal) during the year	-	64.91
	Closing Balance	5,245.39	5,245.39
	(B) Accumulated Depreciation		
	Opening Balance	3,603.77	3,510.22
	Charged during the year	22.50	93.55
	Closing Balance	3,626.27	3,603.77
	Carrying Amount (A-B)	1,619.12	1,641.62
	*** Details shown in Annexure-A		
6.00	Deferred Tax (Assets)/ Liabilities:		
	Opening Balance	(146.53)	(122.30)
	(Increase)/Decrease of Deferred Tax Assets	(6.26)	(24.23)
	Closing Balance	(152.79)	(146.53)
	*** Details shown in Annexure(B&C)		
7.00	Inventories		
	Stock of Raw Materials	874.49	1,085.39
	Sectional Stock of Raw Materials	24.24	-
	Work-In-Progress	195.59	63.09
	Intermediate Products	257.30	257.76
	Stock of Finished Goods	376.02	304.33
	Stores & Sundry Stock	316.15	343.77
	Goods in Transit	19.07	63.87
		2,062.86	2,118.21
	Less: Amount considered obsolete/damaged	(10.84)	(10.84)
		2,052.02	2,107.37
8.00	Trade & Others receivables		
	Trade Receivables	898.58	758.57
	Other Receivables	13.34	13.34
		911.92	771.91
	Note		
	8.01		
	8.02		
8.01	Trade Receivables	1,069.32	929.31
	Less: Amount considered Bad & Doubtful	(170.74)	(170.74)
		898.58	758.57
8.02	Other Receivable	18.05	18.05
	Less: Amount considered Bad & Doubtful	(4.71)	(4.71)
		13.34	13.34
9.00	Current Account With Project Under BSEC:		
	G. E. M. Co. Ltd.	71.40	72.96
	Chittagong Dry Dock Ltd.	9.85	9.01
	Gazi Wires Ltd.	3.05	2.68
	National Tubes Ltd.	0.63	0.62
	Eastern Tubes Ltd.	3.95	3.85
	Bangladesh Blade Factory Ltd.	10.12	10.03
	Dhaka steel Works ltd	0.12	0.12
	Atlas (BD) Ltd.	4.31	4.29
	Prantik Traders	0.02	0.02
		103.45	103.58
	Less: Amount considered Bad & Doubtful	(10.01)	(10.01)
		93.44	93.57
10.00	Current Accounts With Projects Under BSEC Dis-Invested by Govt.:		
	Chittagong Steel Mills Ltd.	114.35	114.35
	Dock Yard & Eng. Works Ltd.	9.85	9.85
	Bangladesh Cycle Industries Ltd.	23.75	23.75
	Metalex Corporation Ltd.	3.14	3.14
	Ispahani Marshal Ltd.	9.95	9.95
		161.04	161.04
11.00	Advances, Deposits & Pre- payments:		
	Advances	183.52	139.41
	Advance Income Tax	9,933.68	9,920.83
	Deposit	66.15	66.15
	Pre-payments (Prepaid VAT)	473.05	613.88
		10,656.40	10,740.27
11.01	Advances	184.76	140.65
	Less: Amount considered Bad & Doubtful	(1.24)	(1.24)
		183.52	139.41

12.00	Cash and Cash Equivalents:				
	Cash in Hand		7.73		0.49
	Cash at Bank		27.44		69.48
	Stamp		0.02		0.02
			35.19		69.99
13.00	Issued, Subscribed and Paid-up Capital				
	The made up as follows:				
	10,200,000 Ordinary shares of Tk 10 each		1,020.00		1,020.00
	<i>(Fully Paid-up for consideration otherwise than in cash.)</i>				
	9,800,000 Ordinary shares of Tk 10 each		980.00		980.00
	<i>(Fully Paid-up for consideration in cash.)</i>				
	4,000,000 Ordinary shares of Tk 10 each		400.00		400.00
	<i>(Fully Paid-up as Bonus Share (For the year 1996-1997.)</i>				
	2,400,000 Ordinary shares of Tk 10 each		240.00		240.00
	<i>(Fully Paid-up as Bonus Share (For the year 2017-2018.)</i>				
			2,640.00		2,640.00
14.00	Assets Revaluation Reserve				
	Opening Balance		180.44		180.44
	Revaluated During the year		-		-
	Transferred During the year		180.44		180.44
	Closing Balance		180.44		180.44
15.00	Reserve & Surplus:				
	Reserve for XLPE (High Voltage Insulated Cables)		420.00		420.00
	Redemption Reserve		225.00		225.00
	Reserve for Replacement of Machinery		1,098.71		1,098.71
	Dividend Equalisation Reserve		1,305.47		1,305.47
			3,049.18		3,049.18
16.00	Long Term Loans:				
	A.D. P Loan		14.68		14.68
	Quasi-Equity Loan (Interest. free)		672.52		672.52
	Govt. Loan for Manpower Equalization (Interest. free)		87.17		87.17
			774.37		774.37
	There is no current portion of long-term loan.				
17.00	Defined Benefit Obligations - Gratuity				
	Opening Balance		1,145.78		1,068.86
	Provision made during the year		34.48		154.70
	Paid during the year		1,180.26		1,223.56
	Closing Balance		-		(77.78)
			1,180.26		1,145.78
18.00	Short Term Loan:				
	Sonali Bank North patenga, Ctg.		2,593.27		2,464.32
	UCBL Agrabad Br. Ctg.		839.31		839.31
	Basic Bank Ltd, Agrabad, Ctg., CC A/c		736.09		736.09
	Deffered Liability		357.83		354.38
			4,526.50		4,394.10
19.00	Creditors and Accruals	Note			
	Accounts Payable to BSEC	19.01	2.78		2.78
	Liabilities for Goods Supplied	19.02	1,226.51		1,250.58
	Liabilities for Expenses	19.03	365.87		242.48
	Other Financial Liabilities and Provisions		876.40		912.91
	Workers' Profit Participation Fund and WWF	19.04	26.32		26.32
			2,497.88		2,435.07
19.01	Accounts Payable to BSEC	Note			
	Projects under BSEC:	19.01A	2.72		2.72
	Projects under BSEC Dis-Invested by Govt.	19.01B	0.06		0.06
			2.78		2.78
19.01A	Projects under BSEC:				
	Pragati Industries Ltd.		2.70		2.70
	Bangladesh Diesel plant Ltd.		0.02		0.02
			2.72		2.72
19.01B	Projects under BSEC Dis-Invested by Govt.				
	General Iron & Steel Industries Ltd.		0.03		0.03
	Khulna Industrial & Trading Co. Ltd.		0.01		0.01
	Petro Synthetic Products Ltd.		0.02		0.02
			0.06		0.06
19.02	Liabilities for Goods Supplied:				
	Present Liability (Local)		111.92		130.74
	Present Liability (Import)		1,114.59		1,119.84
			1,226.51		1,250.58

②

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19.03	Liabilities for Expenses			
	Sundry outstanding Expenses			89.49
	Accoured Expenses	365.87		132.99
		365.87		242.48
19.04	Workers Profit Participation Fund & Workers Welfare Fund:			
	Opening Balance			
	Add: Provision made during the period	26.32		26.32
	Paid during the period	-		-
	Adjusted during the period	-		-
	Closing Balance	26.32		26.32
20.00	Current Account with BSEC		Note	
	Bangladesh Steel & Engineering Corporation (BSEC)		20.01	
		(445.40)		(431.65)
		(445.40)		(431.65)
20.01	Bangladesh Steel & Engineering Corporation (BSEC)			
	Opening Balance	(431.65)		(311.97)
	Addition during the year	5.00		10.24
		(426.65)		(301.73)
	Adjustment during the year	(18.75)		(129.92)
	Closing Balance	(445.40)		(431.65)
21.00	Unclaimed Dividend Account			
	Opening Balance	377.03		431.05
	Dividend declared for the year	-		-
		377.03		431.05
	Paid during the year	-		(54.02)
	Closing Balance	377.03		377.03
22.00	Advances from the Parties:			
		109.08		140.82
		109.08		140.82
23.00	Provision for Income TAX:			
	Opening Balance	3,281.71		3,240.91
	Add: Provision for the year	4.71		40.80
		3,286.42		3,281.71
	Less: Adjustment during the year	-		-
	Closing Balance	3,286.42		3,281.71
	During the period the Company has made provision for income tax @ 0.6% on gross receipts u/s 82 (c) 4(a) as per Income Tax Ordinance,1984.			

Note No.	Particulars	Amounts TAKA IN LAC	
		01.07.2021- 30.09.2021	01.07.2020- 30.09.2020
24.00	Net Sales:		
	Gross Sales	931.29	742.30
	Less: VAT	(148.56)	(98.60)
	Net Sales	782.73	643.70
25.00	Cost of Goods Sold:	825.25	668.57
26.00	Administrative, Selling & Financial Expenses:		
	Administrative Salary, Allowance & Expenses	90.24	123.98
	Selling Salary, Allowance & Expenses	39.09	38.54
	Managing Director's Salaries & Allowances	3.02	1.45
	Director's Fee & Expenses	0.62	0.65
	Financial Expenses	95.06	137.60
		228.03	302.22
27.00	MISC. Income:		
	Lease of Land, Pond etc.	-	0.19
	Recovery from House Rent	1.78	1.36
	Sales of Schedules & Tender Forms	0.37	0.04
	Received from Furniture & Vehicle facilities	0.06	0.08
		2.21	1.67
28.00	Net Assets Value Per Share (NAV)	30-Sep-21	30-Jun-21
	i) Net Assets Value (NAV) (Note - 28.01)	2,484.98	2,751.77
	ii) Number of Ordinary Shares Outstanding	26,400,000	26,400,000
	iii) Net Assets Value per Share (NAV)(TK)	9.41	10.42

28.01 Net Assets Value (NAV)

- i) Total Assets
ii) Total Liabilities
iii) Net Assets Value

15,681.92	15,732.30
(13,196.94)	(12,980.53)
2,484.98	2,751.77

29.00 Basic Earning Per Share

- 1) Net Profit/(Loss) After Tax
2) Weighted Average Number of Ordinary Shares Outstanding(Note - 29.01)
3) Number of Ordinary Shares Outstanding
4) Basic Earning Per Share (EPS)(TK)

01.07.2021- 30.09.2021	01.07.2020- 30.09.2020
---------------------------	---------------------------

(266.79)	(323.43)
26,400,000	26,400,000
26,400,000	26,400,000
(1.01)	(1.23)

01.07.2021- 30.09.2021	01.07.2020- 30.09.2020
---------------------------	---------------------------

29.01 Calculation of Weighted Average Number of Ordinary Shares

Particulars	Number of Share	Day Outstanding	Weighted Average No. of Shares as at 30 September,2021	Weighted Average No. of Shares as at 30 September,2020
Opening Ordinary Share	26,400,000	92/92	26,400,000	26,400,000
	26,400,000		26,400,000	26,400,000

30.00 Net Operating Cash Flows Per Share (NOCFPS):

- 1) Net Operating Cash Flows
2) Weighted Average Number of Ordinary Shares Outstanding(Note - 29.01)
Net Operating Cash Flows Per Share (NOCFPS)(TK)

(72.14)	289.03
26,400,000	26,400,000
(0.27)	1.09

***Net Operating Cash Flows of comparative period has been decreased because of the company cash out more than comparative period as a result Net Operating Cash Flows Per Share (NOCFPS) of comparative period has been decreased.

30.01 Reconciliation of Net Income with Cash Flows from Operating Activities

Net Profit/(Loss) Before Tax

01.07.2021- 30.09.2021	01.07.2020- 30.09.2020
(268.34)	(325.42)

Adjustments for:

Depreciation Expense
Financial Expenses

22.50	24.15
95.06	137.60
(150.78)	(163.67)

Changes In Working Capital:

Inventories
Trade and Other Receivable
Current Account with Projects under BSEC
Advances, Deposits & Pre-payments
Defined Benefit Obligations - Gratuity
Creditors and Accruals
Current Account With BSEC
Advances from the Parties
Cash Generated from/(used in) Operations

55.35	(191.08)
(140.01)	465.08
0.13	(8.08)
96.72	56.42
34.48	40.96
62.81	43.43
13.75	18.75
(31.74)	27.16
(59.29)	288.97

Income Tax Paid

(12.85)	0.06
(72.14)	289.03

Net Cash from/(used in) Operating Activities


Company Secretary


Managing Director

31.00 Related Party Transaction

i) Transactions with key management personnel

Key management personnel compensation comprised the following:

Particulars	01.07.2021- 30.09.2021	01.07.2020- 30.09.2020
Meeting Attendance Fee	0.62	0.52
Meeting Expense	-	0.13
Retirement Benefit Scheme	0.59	0.24
	1.21	0.89

ii) Related party transaction

During the 1st Quarter ended , 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 30.09.2021 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 30-09-2021		Balance as at 30-06-2021	
Chittagong steel Mills Limited	Subsidiary Company of BSEC	Multiple Business	-	-	114.35	(Dr)	114.35	(Dr)
G.E.M Company Limited	Subsidiary Company of BSEC	Multiple Business	3.17	4.72	78.93	(Dr)	80.48	(Dr)
Eastern Tubes Ltd.	Subsidiary Company of BSEC	Multiple Business	0.10	-	5.72	(Dr)	5.62	(Dr)
Bangladesh Blade Factory Ltd.	Subsidiary Company of BSEC	Multiple Business	0.09	-	10.12	(Dr)	10.03	(Dr)
Prantik Traders	Subsidiary Company of BSEC	Multiple Business	-	-	0.02	(Dr)	0.02	(Dr)
Gazi Wires Ltd.	Subsidiary Company of BSEC	Multiple Business	0.37	-	3.05	(Dr)	2.68	(Dr)
Pragati Industries Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	2.71	(Cr)	2.71	(Cr)
National Tube Ltd	Subsidiary Company of BSEC	Multiple Business	4.52	4.54	0.44	(Dr)	0.46	(Dr)
Bangladesh Diesel plant Ltd.	Subsidiary Company of BSEC	Multiple Business	-	-	0.02	(Cr)	0.02	(Cr)
Atlas (BD) Ltd.	Subsidiary Company of BSEC	Multiple Business	0.02	-	4.30	(Dr)	4.28	(Dr)
Dhaka Steel Works Ltd.	Subsidiary Company of BSEC	Multiple Business	0.01	-	0.13	(Dr)	0.12	(Dr)
BSEC Current	Parnet Concern	Multiple Business	5.23	18.75	447.13	(Cr)	433.61	(Cr)
REB Dhaka Export	Common Director	Sales	-	-	7.05	(Dr)	7.05	(Dr)
REB Dhaka Local	Common Director	Sales	-	-	306.47	(Dr)	306.47	(Dr)


Company Secretary


Managing Director

EASTERN CABLES LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

Annexure - A

Particulars	Historical Cost			Rate of Depreciation (%)	Accumulated Depreciation			Carrying Amount As On 30th Sep, 2021
	Opening Balance As On 01st July, 2021	Addition During the Period	Closing Balance As On 30th Sep, 2021		Opening Balance As On 01st July, 2021	Charged During the Period	Closing Balance As On 30th Sep, 2021	
Land & Land Development	381.74	-	381.74	-	-	-	-	381.74
Roads	34.45	-	34.45	-	-	-	-	34.45
Communication	2.92	-	2.92	5%	0.44	0.04	0.48	2.44
Building & Other Constructions	1,113.34	-	1,113.34	2.5 - 7.5%	674.08	2.91	676.99	436.35
Sub-Total (A)	1,532.45	-	1,532.45	-	674.52	2.95	677.47	854.98
Expansions including installation	1,180.68	-	1,180.68	6%	1,180.68	-	1,180.68	-
Plant & Machineries (B.M.R)	178.99	-	178.99	6%	178.99	-	178.99	-
Plant & Machineries	2,049.25	-	2,049.25	6-7.5%	1,292.20	18.62	1,310.82	738.43
Loose Tools	4.86	-	4.86	10%	4.86	-	4.86	-
Appreciated Assets (P&M)	68.86	-	68.86	6%	68.86	-	68.86	-
Sub-Total (B)	3,482.64	-	3,482.64	-	2,725.59	18.62	2,744.21	738.43
Furniture & Fixture	29.93	-	29.93	6%	18.31	0.26	18.57	11.36
Office Equipments	82.02	-	82.02	15%	67.00	0.67	67.67	14.35
Refrigerators	0.26	-	0.26	20%	0.26	-	0.26	-
Intercom Telephones	4.28	-	4.28	20%	4.28	-	4.28	-
Colour Television	0.55	-	0.55	20%	0.55	-	0.55	-
Crockeries & Cutleries	0.55	-	0.55	20%	0.55	-	0.55	-
Appreciated Assets (F&F)	1.36	-	1.36	20%	1.36	-	1.36	-
Sub-Total(C)	118.95	-	118.95	-	92.31	0.93	93.24	25.71
Vehicles	110.39	-	110.39	20%	110.39	-	110.39	-
Appreciated Assets (Vehicles)	0.96	-	0.96	20%	0.96	-	0.96	-
Sub-Total (D)	111.35	-	111.35	-	111.35	-	111.35	-
Balance as on 30th, Sep 2021	5,245.39	-	5,245.39	-	3,603.77	22.50	3,626.27	1,619.12
Balance as on 30th, Sep 2020	5,180.47	-	5,180.47	-	3,511.22	24.15	3,534.37	1,646.10


Company Secretary


Managing Director

EASTERN CABLES LIMITED
DEFERRED TAX
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

Annexure - B

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

Particulars	Amount In LAC	
	30.09.2021	30.06.2021
Opening Balance	(146.52)	(122.29)
(Increase)/Decrease of Deferred Tax Assets	(6.26)	(24.23)
Closing Balance	<u>(152.78)</u>	<u>(146.52)</u>

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

Deferred Tax Liability/(Assets)	Carrying Amount at Reporting Date	Tax Base	Temporary Differences
As At 30 Sep, 2021			
Property, Plant & Equipment (Except land)	22.50	50.31	(27.81)
Net Temporary Differences	<u>22.50</u>	<u>50.31</u>	<u>(27.81)</u>
Applicable Tax Rate			22.50%
Deferred Tax Liability/(Assets)			<u>(6.26)</u>


 Company Secretary


 Managing Director.


EASTERN CABLES LIMITED
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021.

Depreciation allowance as per 3rd Schedule of ITO 1984

Annexure - C

Particulars	Historical Cost			Dep. Rate	Depreciation			Carrying Amount As On 30 Sep, 2021
	Opening Balance As On 01st July, 2021	Addition During the period	Closing Balance As On 30 Sep, 2021		Opening Balance As On 01st July, 2021	Depreciation	Closing Balance As On 30 Sep, 2021	
Land & Land Development								
Building & Other Constructions	237.91	-	237.91	20%	142.75	11.90	154.65	83.26
Communication	2.92	-	2.92	5%	0.44	0.04	0.48	2.44
Sub-Total (A)	240.83	-	240.83	-	143.19	11.93	155.12	85.71
Plant & Machineries								
Plant & Machineries	698.56	-	698.56	20%	390.39	34.93	425.32	273.24
Sub-Total (B)	698.56	-	698.56	-	390.39	34.93	425.32	273.24
Furniture & Fixture								
Furniture, Fixture & Office Equipments	52.62	-	52.62	10%	18.23	1.32	19.55	33.07
Sub-Total (C)	52.62	-	52.62	-	18.23	1.32	19.55	33.07
Vehicles								
Vehicles	42.71	-	42.71	20%	25.62	2.14	27.76	14.95
Sub-Total (D)	42.71	-	42.71	-	25.62	2.14	27.76	14.95
Total	1,034.72	-	1,034.72	-	577.43	50.31	627.74	406.98


Company Secretary


Managing Director.