

AGRICULTURAL MARKETING CO LTD
105 Middle Badda, Pragoti Sharani, Dhaka-1212

Dear Shareholders

We forward herewith the Un- Audited Financial Statements of **Agricultural Marketing Co. Ltd** for the 2nd quarter ended on 31st December, 2019 as per Rule 13 of the Securities & Exchange Rules 1987.

Md. Eleash Mridha
Managing Director

AGRICULTURAL MARKETING CO LTD
2nd Quarter Un-Audited Results
Statement of Comprehensive Income
For The Period From July 01, 2019 to 31, December, 2019

Taka' 000

	July-Dec 2019	July-Dec 2018	Oct-Dec 2019	Oct-Dec 2018
TURNOVER	1,338,320	1,277,936	651,599	633,061
Cost & Expenses :	(1,234,349)	(1,179,852)	(595,511)	(587,025)
Cost of Goods Sold	1,081,415	1,036,315	526,744	515,916
Administrative Expenses	34,418	30,834	16,181	15,274
Marketing Expenses	46,944	46,200	20,184	22,988
Selling Expenses	21,963	20,489	11,187	10,419
Distribution Expenses	49,609	46,014	21,215	22,428
Operating Profit before Financial Expenses	103,971	98,084	56,088	46,036
Financial Expenses	(63,171)	(53,565)	(34,737)	(30,824)
Operating Profit after Financial Expenses	40,800	44,519	21,351	15,212
Other Income	1,832	1,309	772	1,124
Net Profit Before WPPF & Income Tax	42,632	45,828	22,123	16,336
Contribution to WPPF	(2,030)	(2,182)	(1,054)	(778)
NET PROFIT BEFORE TAX	40,602	43,646	21,069	15,558
Provision for Income Tax	8,530	10,122	4,409	2,985
Deferred Tax	(1,828)	(175)	(374)	(1,686)
	(6,702)	(9,947)	(4,035)	(1,299)
NET PROFIT AFTER TAX - Transferred to	33,900	33,699	17,034	14,259
Statement of Changes in Shareholders Equity				
Earning per Ordinary Share (EPS) - Basic	4.24	4.21	2.13	1.78

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

AGRICULTURAL MARKETING CO LTD
Statement of Financial Position (Un-Audited)
As at December 31, 2019

Particulars	Note	31-Dec-19	30-Jun-19
Non Current Assets			
Fixed Assets (WDV)	3	299,680	326,358
Current Assets :		1,113,071	1,075,439
Inventories	4	611,983	586,269
Debtors		119,545	119,033
Advances, Deposits & Prepayments		320,171	270,315
Cash & Bank Balances		61,372	99,822
Total Assets		1,412,751	1,401,797
Shareholders' Equity :			
		644,249	635,949
Share Capital		80,000	80,000
Share Premium		40,000	40,000
Retained Earnings	5.00	509,422	501,084
Revaluation Surplus	6.00	14,827	14,865
Non Current Liabilities :			
		25,843	34,294
Deferred Tax Liability	7.00	11,230	13,057
Long Term Debt		14,613	21,237
Current Liabilities :			
		742,659	731,554
Current Portion of Long Term Debt		-	25,762
Short Term Loan from Bank (Secured)		607,878	597,639
Accounts payable		1,551	3,881
Provision for expenses		21,339	29,994
Security deposit of distributors		28,510	27,003
Workers' Profit Participation Fund	8.00	6,316	4,286
Income Tax Payable	9.00	44,710	36,180
Other liabilities		32,355	6,809
Total Equity and Liabilities		1,412,751	1,401,797
Net Assets Value (NAV)		80.53	79.49

Sd/-
Managing Director

Sd/-
Chairman

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Chief Financial Officer

Sd/-
Company Secretary

Cash Flow Statement (Un-Audited)
For the 2nd Quarter ended December 31, 2019

	Taka' 000	
Particulars	July-Dec 2019	July-Dec 2018
Cash Flows from Operating Activities :		
Collection from Turnover & Other Income	1,486,551	1,482,445
Payment for Cost & Expenses	(1,418,432)	(1,280,594)
Income Tax paid	(24,821)	(17,903)
	43,298	183,948
Cash Flow from Investing Activities :		
Acquisition of Fixed Assets	-	-
Investment	-	-
	-	-
Cash Flows from Financing Activities :		
Term Loan Repaid	(32,386)	(15,252)
Short Term Bank Loan	10,239	(96,281)
Interest Paid	(62,185)	(52,399)
Liabilities for Other Finance	1,508	(2,137)
Dividend Paid	(55)	(44)
	(82,879)	(166,113)
Net Cash Inflows/(Outflows) for the period	(39,581)	17,835
Opening Cash & Bank Balances	99,822	60,716
Effect of Exchange rate fluctuations on Un-realised Gain/(Loss)	1,131	79
Closing Cash & Bank Balances	<u>61,372</u>	<u>78,630</u>
Net Operating Cash Flow Per Share (NOCFPS)	5.41	22.99

Sd/-
Managing Director

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Chairman

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Chief Financial Officer

Sd/-
Company Secretary

AGRICULTURAL MARKETING COMPANY LIMITED
Statement of Changes In Equity
for the period from July 2019 to December 2019

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
	1	2	3	4	5=(1+2+3+4)
Balance as on 30 June 2018	80,000	40,000	14,932	468,177	603,109
Net Profit after Tax	-	-	-	33,699	33,699
Depreciation on Revalued Assets	-	-	(45)	45	-
Transfer to Dividend Payable	-	-	-	(25,600)	(25,600)
Balance as on 31 Dec 2018	80,000	40,000	14,887	476,321	611,208
Balance as on 30 June 2019	80,000	40,000	14,865	501,084	635,949
Net Profit after Tax	-	-	-	33,900	33,900
Depreciation on Revalued Assets	-	-	(38)	38	-
Transfer to Dividend Payable	-	-	-	(25,600)	(25,600)
Balance as on 31 Dec 2019	80,000	40,000	14,827	509,422	644,249

INTERIM NOTES TO THE FINANCIAL STATEMENTS AS PER BAS-34

- a. There is no post balance sheet event occurred after the reporting date, which would significantly affect the financial position of the company as at the Balance sheet date.
- b. Figure have been rounded off to the nearest thousand taka and rearranged, where necessary to conform the current period presentation.
- c. Deferred Tax has been calculated up to 31st December 2019 in this accounts
- d. Tax has been provided @ 25.00% considering yearly tax rate.
- e. Exchange fluctuation on Foreign Currency transaction of quarters' has been adjusted in this accounts to comply BAS-21
- f. Depreciation on revaluation surplus has been given effect in accounts as per BAS-16
- g. Notes to Accounts attached are the integral part of this account.

Sd/-
Managing Director

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Chairman

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

AGRICULTURAL MARKETING COMPANY LIMITED
Notes to the Financial Statements(Un-Audited)
as at and for the period ended 31 December 2019

1.00 Reporting Entity

1.01 About The Company

The Agricultural Marketing Company Limited was incorporated in Bangladesh on 15th May 1985 as Company under the Companies Act, 1913 and subsequently on 22nd June, 1993 the company was Public Limited Company. The Shares of the Company are listed in the Dhaka and Chittagong Stock Exchange.

The registered office of the Company is located at PRAN-RFL Centre, Pragati Sarani, 105, Middle Road, Dhaka and Bangladesh.

The industrial Units are located at Ghorashal, Ghagra, and Narshingdi.

1.02 Nature of Operations and Principal Activities

The principal activities of the Company throughout the year continued to be trading, processing of fruit and other agro products .

2.00 Basis of preparation of Financial Statements

2.01 Statement of compliance

The financial statements have been prepared in compliance with the requirements of the Bangla Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, Exchange Ordinance 1969, Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange Ltd. and other applicable laws and regulations.

2.02 Other regulatory compliance

As required, Agricultural Marketing Company Limited also complies with the applicable provisions of the major laws/ statutes:

The Income Tax Ordinance 1984;

2.03 Components of financial statements

- (a) Statement of Financial Position(Un-Audited)
- (b) Statement of Profit or Loss and Other Comprehensive Income(Un-Audited)
- (c) Statement of Changes in Equity
- (d) Statement of Cash Flows
- (e) Notes to the Financial Statements

2.04 Basis of Measurement

These financial statements have been prepared under the historical cost convention applying accrual accounting in accordance with Bangladesh Financial Reporting Standards (BFRSs).

2.05 Going concern

The company has adequate resources to be in operation for a foreseeable future and the directors are on a going concern basis in preparing the accounts. The current resources of the company provide sufficient for the present requirements of its existing business.

2.06 Reporting Period:

The financial report covered the period from 01 July 2019 to 31 December 2019 and these have been based on Bangladesh Accounting Standard (BAS) 34: 'Interim Financial Reporting' and same accounting methods of computation were adopted for the financial statements for the year ended 30 June, 2020 followed for the same for the period under review.

3.00 Non-Current Assets

	31.12.2019
	Taka
Land & Land Development	35,724
Factory Building	45,098
Machinery & Equipment	210,336
Furniture & Fixture	173
Tools & Accessories	2
Vehicles	7,633
Office Equipment	231
Plastic Container	275
Other Fixed Assets	208
	<u>299,680</u>

4.00 Inventories

Raw materials	544,472
Work-in-process	29,975
Finished goods	37,536
	<u>611,983</u>

5.00 Retained Earnings

Opening Balance on 01.07.2019	501,084
Add: Addition during the period	33,900
Add : Depreciation on Revalued Assets	38
	<u>535,022</u>
Less : Dividend paid	25,600
Closing Balance on 31.12.2019	<u>509,422</u>

6.00 Revaluation Surplus

Opening Balance on 01.07.2019	14,865
Less : Depreciation Charges	38
Less: Transfer to deferred tax liability	-
Closing Balance on 31.12.2019	<u>14,827</u>

31.12.2019
Taka

7.00 Deferred Tax Liability

Opening Balance on 01.07.2019	13,058
Add: Addition during the Period	<u>(1,828)</u>
Closing Balance on 31.12.2019	<u><u>11,230</u></u>

8.00 Workers' Profit Participation Fund

Opening Balance on 01.07.2019	4,286
Add: Addition during the Period	2,030
Add: Interest during the period	<u>-</u>
	6,316
Less : Paid during the period	<u>-</u>
Closing Balance on 31.12.2019	<u><u>6,316</u></u>

9.00 Income Tax Payable

Opening Balance	36,180
Add: Addition during the year	<u>8,530</u>
	44,710
Less : Adjusted against Assessment year	<u>-</u>
Closing Balance	<u><u>44,710</u></u>

31.12.2019
Taka

10.00 Earnings Per Share (EPS) - Basic

The Computation of EPS shown below :

a) Earnings attributable to the Ordinary	33,900
b) Weighted average number of Ordinary	<u>8,000</u>
c) EPS - Basic	<u><u>4.24</u></u>

11.00 Net Assets Value (NAV)

The computation of NAV is given below :

a) Net assets value	644,249
b) Weighted average number of ordinary share outstanding during the year	<u>8,000</u>
c) Net assets value per share	<u><u>80.53</u></u>

12.00 Net Operating Cash Flow Per Share

The computation of net operating cash flows is given below :

a) Cash flows from operating activities as per statement of cash flows	43,298	#
b) Weighted average number of ordinary share outstanding during the year	<u>8,000</u>	
c) Net Operating Cash Flow- Per Share	<u><u>5.41</u></u>	

31.12.2019
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12.1 Reconciliation of Net Income or Net Profit with cash flows from operating activities :

Net Profit Before Tax	40,602
Adjustment to reconcile profit to net cash provided by operating activities :	
Depreciation	26,679
Inventories (Increase)/Decrease	(25,714)
Trade Receivables (Increase)/Decrease	(512)
Advance, Deposits and Prepayments(Increase)/Decrease	(49,856)
Trade Payables Increase/(Decrease)	(2,330)
Liabilities for Expenses Increase/(Decrease)	(8,655)
Effect of Exchange rate fluctuations on Un-realised Gain/(Loss)	(1,131)
Interest Payment	62,185
Workers profit participation fund (WPPF) & WF payable Increase/(Decrease)	2,030
	<u>43,298</u>

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Taka

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13.00 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

14.00 Currency risk

The Company is exposed to currency risk on purchases of raw materials and export sales receivable that are denominated in a currency other than the functional currency primarily in U. S. Dollar. The effects of foreign purchase are significant to the Company. The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 31 December 2019. The loss or gain arises from foreign currency transactions is adjusted as per IAS 21.

15.00 Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local currency loans are however not significantly affected by fluctuations in interest rates as the rate is below from market rate. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

16.00 Accounting classification and fair values

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	31 December 2019	
	Carrying amount	Fair Value
Loans and Receivables		
Accounts Receivables	119,545	119,545
Cash and Bank Balances	61,372	61,372
Liabilities carried at amortized costs		
Term loan-non current portion	14,613	14,613
Accounts Payable	1,551	1,551
Other Liabilities and Provision	133,230	133,230
	30 June 2019	
	Carrying amount	Fair Value
Loans and Receivables		
Accounts Receivables	119,033	119,033
Cash and Bank Balances	99,822	99,822
Liabilities carried at amortized costs		
Term loan-non current portion	21,237	21,237
Long term loan- current portion	25,762	25,762
Accounts Payable	3,881	3,881
Other Liabilities and Provision	104,272	104,272

17.00 Contingent liabilities/ Off balance sheet items

17.01 Commitments

There was no capital commitment as on 31 December 2019.

17.02 Claims not acknowledged

There was no claim against the company not acknowledged as debt as on 31 December 2019.

18.00 The Employee benefits for the reporting period have been as follows :

a) Short Term Employee benefits Include :

- Basic Salary
- Allowance includes as house rent, Conveyance & Medical
- Bonous (One month basic for each of 02 Eid Festivals)
- Transportation (Management Personnel)
- Besides, the employees get a portion of company's profit on account of WPPF.

b) **Post Employment benefits :**

There is no provision for post employment benefits.

c) **Other Long Term Benefits :**

There is no provision for long term benefit.

d) **Termination Benefits:**

Termination benefits have been given as per law of the land. There is no termination benefit during the reporting period.

e) **Share based benefits:**

There is no provision for Share based benefit.

19.00 Post Balance Sheet Events-Disclosure under BAS-10: Events after Reporting Perriod

Neither any "Non Adjusting Events" nor any "Adjusting Events" took place after the reporting period.

20.00 Reason for major variances of items in financial statements:

Decrease in Net Operating Cash Flow per Share for the period under review compared to that in the preceding period is due the fact that higher amounts as necessiated, have been paid to suppliers and employees.

21.00 i) Related party transactions

a) The company carried out number of transactions with related parties in the normal course of business as detailed below :

Name of the Company	Nature of Transactions	Value of Transaction in(July-Dec) 2019	Balance as on 31 December 2019
Property Development Ltd.	Transfer,Expenses	82	-
RFL Plastics Ltd.	Transfer,Expenses	224	-
Pran Dairy Ltd.	Transfer,Expenses	25,008	-
Pran Agro Ltd.	Transfer,Purchase,Expe	22,730	-
Pran Beverage Ltd.	Transfer,Expenses	236	-
Pran Exports Ltd.	Transfer,Expenses	2,320	-
Pran Foods Ltd.	Transfer,Expenses	10,675	-

Nature of Relationship

The company and the parties as stated above are under same management.

b) Corporate guarantee issued to related parties under the resolution of Board of Directors were as follows:

In favour of	On behalf of	Amount in million Tk.	Purpose
Hongkong & Shanghai Banking Corporation	Pran Foods Ltd.	108.50	Working capital
Hongkong & Shanghai Banking Corporation	Pran Exports Ltd.	87.50	
Hongkong & Shanghai Banking Corporation	Pran Dairy Ltd.	181.43	
Hongkong & Shanghai Banking Corporation	Pran Beverage Ltd	51.60	
Hongkong & Shanghai Banking Corporation	Mymensingh Agro Ltd.	108.50	

In favour of	On behalf of	Amount in million Tk.	Purpose
Hongkong & Shanghai Banking Corporation	Habiganj Agro Ltd	239.50	Working capital
Hongkong & Shanghai Banking Corporation	Natore agro Ltd.	58.50	
Standard Chartered Bank	Pran Foods Ltd.	387.50	
Mercantile bank Ltd.	Habiganj Agro Ltd	500.00	Term loan
Bangladesh Commerce Bank	Habiganj Agro Ltd	135.00	
Trust Bank Ltd.	Habiganj Agro Ltd	150.00	
Premier Bank Ltd.	Habiganj Agro Ltd	100.00	

c) Corporate guarantee received from related parties under the resolution of Board of Directors were as follows:

In favour of	On behalf of	Amount in million Tk.	Purpose
Hongkong & Shanghai Banking Corporation	Pran Foods Ltd.	155.00	Working capital
Hongkong & Shanghai Banking Corporation	Pran Dairy Ltd.	155.00	
Hongkong & Shanghai Banking Corporation	Packmat Industries	264.00	
Hongkong & Shanghai Banking Corporation	Pran Exports Ltd.	155.00	
Hongkong & Shanghai Banking Corporation	Pran Beverage Ltd.	51.60	
Hongkong & Shanghai Banking Corporation	Mymensingh Agro Ltd.	264.00	
Standard Chartered Bank	Pran Foods Ltd.	260.00	
Standard Chartered Bank	Pran Dairy Ltd.	260.00	
IFIC Bank Ltd.	Rangpur Foundry Ltd.	50.00	
IFIC Bank Ltd.	Property Development	50.00	
Bangladesh Krishi bank	Pran Foods Ltd.	150.00	
Citi Bank N A	Pran Foods Ltd.	112.00	
Commercial Bank of Ceylon	Rangpur Foundry Ltd.	580.00	

22.00 Deferred Tax Liability :

	<u>Export</u>	<u>Local</u>	<u>31.12.2019</u>	<u>30.06.2019</u>
a) Deferred tax liabilities are arrived at as follows :				
Book Value of Deprececiable Fixed Assets	101,527	162,428	263,955	305,470
Less : Tax Base	(80,139)	(128,210)	(208,349)	(230,954)
Taxable Temporary Difference	21,388	34,218	55,606	74,516
Book Value of Gratuity payable	-	-	-	-
Less : Tax Base	-	-	-	-
Deductible Temporary Difference	-	-	-	-
Net Taxable Temporary Difference	21,388	34,218	55,606	74,516
Effective Tax Rate	12.50%	25.00%		
Deferred Tax Liability	2,674	8,555	11,229	13,057
b) Deferred Tax Expenses/(Income) is arrived at as follows :				
Closing Deferred Tax Liabilities			11,229	13,057
Opening Deferred Tax Liabilities			13,057	13,300
Deferred Tax Expenses/(Income)			(1,828)	(243)