



KDS Accessories Ltd.

BANGLADESH | CHINA | HONG KONG | UK

Financial Statements (Un-audited) As at and for the period ended 31 March 2020

CHITTAGONG OFFICE : 191-192 BAZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG 4210, BANGLADESH
T + 880 31 681701-3 | 685207 - 9 F + 880 31 682137

DHAKA OFFICE : ROAD 4, HOUSE 63, BLOCK C, BANANI, DHAKA 1213, BANGLADESH
T + 880 2 9821665, 9821667 F + 880 2 9821682

E ACCESSORIES@KDSGROUP.NET W KDSACCESSORIES.COM





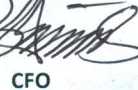
KDS ACCESSORIES LIMITED
Statement of Financial Position (Un-audited)
As at 31 March 2020

	Note(s)	31 Mar 2020 Taka	30 June 2019 Taka
ASSETS			
Non-current Assets			
Property, plant and equipment	11	1,240,210,700	1,303,884,221
Intangible assets	12	1,017,372	952,397
Capital work-in-progress	13	12,847,598	12,847,598
Investment in associate	14	48,386,001	48,327,650
Other investment	15	5,532,274	5,315,852
Total Non-current Assets		1,307,993,945	1,371,327,718
Current Assets			
Inventories	16	587,707,428	469,273,711
Trade receivables	17	1,071,498,833	1,098,372,683
Other receivables	18	1,500,642	391,548
Advances, deposits and prepayments	19	36,760,658	46,499,788
Due from affiliated company	20	348,067,056	273,722,099
Short term investment	21	9,817,404	9,327,332
Cash and cash equivalents	22	196,013,804	9,248,096
Total Current Assets		2,251,365,825	1,906,835,257
Total Assets		3,559,359,770	3,278,162,975
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	23	662,161,500	630,630,000
Share premium		120,000,000	120,000,000
Revaluation reserve		214,391,703	214,391,703
Retained earnings		639,105,251	607,889,066
Total Shareholders' Equity		1,635,658,454	1,572,910,769
Non-current Liabilities			
Long term borrowings	24	14,423,490	167,829,216
Defined benefit obligation- gratuity	25	88,801,597	76,083,015
Deferred tax liability	26	41,639,433	44,014,741
Total Non-current Liabilities		144,864,520	287,926,972
Current Liabilities			
Trade and other payables	27	698,654,360	558,458,901
Current portion of long term borrowings	24	59,024,885	150,891,654
Due to affiliated company	28	23,756,415	-
Current tax liability	29	38,779,107	43,446,375
Short term bank loan	30	870,226,021	590,432,585
Provision for WPPF and Welfare Fund	31	88,396,008	74,095,719
Total Current Liabilities		1,778,836,796	1,417,325,234
Total Equity and Liabilities		3,559,359,770	3,278,162,975
Net Assets Value (NAV) Per Share	32	24.70	24.94


Chairman


Managing Director


Director



CFO



Company Secretary



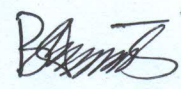
KDS ACCESSORIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
For the period from 01 July 2019 to 31 March 2020

Note(s)	Nine Months Results		Quarterly Results	
	01 July 2019 to 31 Mar 2020	01 July 2018 to 31 Mar 2019	01 Jan 2020 to 31 Mar 2020	01 Jan 2019 to 31 Mar 2019
	Taka	Taka	Taka	Taka
Revenue	1,609,806,893	1,719,875,882	483,428,055	536,297,234
Cost of goods sold	(1,265,322,149)	(1,399,697,477)	(378,376,345)	(430,166,322)
Gross Profit	344,484,744	320,178,405	105,051,710	106,130,911
Operating expenses	(103,753,072)	(106,337,795)	(33,491,795)	(33,227,506)
Selling and distribution expenses	(36,651,630)	(38,794,049)	(10,009,674)	(10,447,144)
Operating Profit	204,080,041	175,046,561	61,550,241	62,456,261
Finance cost	(80,025,859)	(94,632,103)	(23,929,838)	(32,340,295)
Finance income	31,092,822	58,564,991	16,524,194	20,074,672
Profit before other income	155,147,004	138,979,449	54,144,597	50,190,639
Other income	3,448,401	4,436,435	975,395	2,005,475
Profit/(loss) from investment in associates	58,351	171,253	5,647	32,252
Profit before income tax and distribution of WPPF and Welfare Fund	158,653,757	143,587,136	55,125,639	52,228,366
Workers' Profit Participation and Welfare Fund	(7,932,688)	(7,179,357)	(2,756,282)	(2,611,418)
Profit before income tax	150,721,069	136,407,779	52,369,357	49,616,948
Provision for income tax:				
-Current tax	(27,285,692)	(26,680,590)	(9,772,421)	(9,141,833)
-Deferred tax	2,375,308	321,298	443,562	(124,081)
Profit after Income Tax	125,810,685	110,048,487	43,040,498	40,351,034
Other Comprehensive Income - net of tax	-	-	-	-
Total Comprehensive Income	125,810,685	110,048,487	43,040,498	40,351,034
Basic Earnings Per Share (EPS)	33	1.90	1.66	0.65
			0.61	


Chairman


Managing Director


Director


CFO

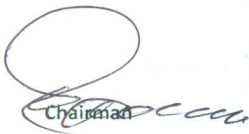

Company Secretary





KDS ACCESSORIES LIMITED
Statement of Changes in Equity (Un-audited)
For the period from 01 July 2019 to 31 March 2020

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2018	600,600,000	120,000,000	214,391,703	559,538,849	1,494,530,552
Bonus share for the year 2017-2018	30,030,000	-	-	(30,030,000)	-
Cash dividend for the year 2017-2018	-	-	-	(60,060,000)	(60,060,000)
Net Profit after tax for the period	-	-	-	110,048,487	110,048,487
Balance as at 31 March 2019	Taka: 630,630,000	120,000,000	214,391,703	579,497,336	1,544,519,039
Balance as on 01 July 2019	630,630,000	120,000,000	214,391,703	607,889,066	1,572,910,769
Bonus share for the year 2018-2019	31,531,500	-	-	(31,531,500)	-
Cash dividend for the year 2018-2019	-	-	-	(63,063,000)	(63,063,000)
Net Profit after tax for the period	-	-	-	125,810,685	125,810,685
Balance as at 31 March 2020	Taka: 662,161,500	120,000,000	214,391,703	639,105,251	1,635,658,454


Chairman


Managing Director


Director



CFO


Company Secretary



KDS ACCESSORIES LIMITED
Statement of Cash Flows (Un-audited)
For the period from 01 July 2019 to 31 March 2020

	Note(s)	01 July 2019 to 31 Mar 2020 Taka	01 July 2018 to 31 Mar 2019 Taka
A. Operating activities			
Received from customers		1,647,587,809	1,651,345,110
Received from other sources		1,666,395	1,615,475
Paid to suppliers		(1,220,699,057)	(1,619,362,896)
Paid for operating, selling & distribution expenses		(86,361,917)	(114,577,842)
Cash generated by operations		342,193,230	(80,980,152)
Interest paid (net)		(45,400,967)	(60,934,204)
Income Tax Paid		(17,358,936)	(16,676,351)
Net cash flows from operating activities		279,433,327	(158,590,708)
B. Investing activities			
Acquisition of property, plant and equipment		(13,425,112)	(8,643,884)
Acquisition of intangible assets		(379,500)	-
Proceed from sale of non-current assets		612,008	1,734,000
Increase in investments		(706,494)	(838,228)
Net cash flows from investing activities		(13,899,098)	(7,748,112)
C. Financing activities			
Receipt / (Repayment) of long term loans		(245,272,495)	143,463,665
Receipt of short term borrowings		279,793,436	229,124,044
Short term loan received from /(paid to) affiliated companies		(50,588,542)	(139,350,709)
Dividend paid		(62,895,304)	(59,925,555)
Net cash flows from financing activities		(78,962,904)	173,311,445
D. Net changes of cash and cash equivalents (A+B+C)		186,571,324	6,972,626
E. Cash and cash equivalents at the beginning of the year		9,248,096	6,082,955
F. Effect of foreign exchange rate changes on cash and cash equivalents		194,384	98,411
G. Cash and cash equivalents at the end of the year (D+E+F)		196,013,804	13,153,992
Net Operating Cash Flows Per Share (NOCFPS)	34	4.22	(2.51)


Chairman


Managing Director


Director


CFO


Company Secretary



**Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 March 2020**

1 Legal Form of Company

KDS Accessories Limited was incorporated on 21 April 1991 as a private limited company by shares (Registration no- C-H-C-862/154 of 1991) under Companies Act 1913 (since replaced and substituted by the Companies Act 1994) with the Registrar of Joint Stock Companies & Firms. The company was converted from Private Limited Company to Public Limited Company through an Extra-Ordinary General Meeting held on 17 April 2012 and was subsequently approved by RJSC on 26 November 2012. The Company commenced its commercial production on 01 July 1991. Its Registered Office is located at 255, Nasirabad I/A, Chittagong and factory & corporate office is located at 191-192 Baizid Bostami Road, Nasirabad I/A, Chittagong and the Company established its 2nd unit at Mirzapur, Gazipur at Dhaka in the year 2009.

The company refixed the face value of its shares from Tk 100 to Tk 10 each and enhanced its Authorized Share Capital from Tk 200,000,000 to Tk 2,000,000,000 with approval of the shareholders through an Extra-Ordinary General Meeting held on 10 August 2010.

2 Nature of Business

The principal activities of the Company are producing different types of standard cartons & display cartons, woven & smart labels, hanger, offset, silk screen, web, thermal printing, button and cold peel, hot peel, puff, glitter, image & sublimation transfers and marketing thereof.

3 Reporting

The nine months ended financial report has been prepared based on International Accounting Standard (IAS) - 34 "Interim Financial Reporting". This interim financial statements should be read in conjunction with the audited financial statement for the year ended 30 June 2019, as they provide an update to previously reported information.

4 Accounting policies and method of computations

The accounting policies and presentation used are consistent with those used in the Audited Financial Statements for the period ended 30 June 2019.

5 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) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh.

6 Application of Accounting Standards

The financial statements have been prepared in compliance with requirement of IASs (International Accounting Standards) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IASs and IFRSs are applied to preparation of the financial statements for the year under report:

Accounting Standards

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS -19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rate





IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-26	Accounting and Reporting by Retirement Benefit Plans
IAS-28	Investments in Associates and Joint Ventures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contract with Customers

7 Basic Earnings Per Share

Earnings Per Share (EPS) has been calculated based on number of shares outstanding for the period ended 31 March 2020 and profit for the same period. The number of shares outstanding for the period was 66,216,150. Earnings per share for the same period of preceding year has been calculated based on same number of shares.

8 Subsequent events

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

9 Impairment of assets

With reference to the paragraph 9 of BAS-36, there was no such indication of impairment observed relating to capital-work-in-progress till the end of 31 March 2020.

10 General

10.01 Wherever considered necessary, prior period's figures and phrases have been re-arranged to conform to this period's presentation.

10.02 The amounts in these financial statements have been rounded off to the nearest taka.

10.03 Bracket figures denotes negative balance.





Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 March 2020

	31 Mar 2020	30 June 2019
	Taka	Taka
11.00 Property, plant & equipment (at cost less accumulated depreciation)		
Land and Land Development	431,214,704	431,214,704
Plant and Machineries	447,873,186	481,103,509
Administrative Building	31,225,872	32,476,825
Factory Building	269,919,044	285,977,037
Office Equipment	6,542,786	7,492,571
Electric Installation	39,418,804	46,311,566
Furniture & Fixture	1,848,586	2,319,402
Computer Equipment	2,279,654	2,657,907
Motor Vehicle	9,888,063	14,330,700
	1,240,210,700	1,303,884,221
12.00 Intangible assets (at cost less accumulated amortization)		
Software	1,017,372	952,397
	1,017,372	952,397
13.00 Capital work-in-progress		
Land and land development	12,847,598	12,847,598
	12,847,598	12,847,598
14.00 Investment in associate		
SKYS Securities Limited	48,386,001	48,327,650
	48,386,001	48,327,650
15.00 Other investment		
Investment in Fixed Deposit (1 to 3 years)	5,532,274	5,315,852
	5,532,274	5,315,852
16.00 Inventories		
Raw materials	459,467,061	341,571,661
Work-in-process	23,407,457	26,269,317
Finished goods	6,906,809	11,564,987
Stores & spares	62,654,395	47,798,637
Goods in transit	35,271,706	42,069,109
	587,707,428	469,273,711
17.00 Trade receivables	1,071,498,833	1,098,372,683
18.00 Other receivables		
Rent receivable	1,170,000	-
Accrued interest income on FDR	330,642	391,548
	1,500,642	391,548
19.00 Advances, deposits and prepayments		
Advances	19,657,258	31,619,647
Security deposits	11,989,449	11,989,449
Prepayments	5,113,951	2,890,692
	36,760,658	46,499,788
20.00 Due from affiliated companies		
KDS Poly Industries Limited	-	245,393,333
KDS Thread Limited	348,067,056	28,328,766
	348,067,056	273,722,099
21.00 Short term investment		
Investment in Fixed Deposit (less than 1 year)	9,817,404	9,327,332
	9,817,404	9,327,332
22.00 Cash and cash equivalents		
Cash in hand	7,597,036	1,104,586
Cash at bank	188,416,768	8,143,510
	196,013,804	9,248,096





**Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 March 2020**

	31 Mar 2020	30 June 2019
	Taka	Taka
23.00 Share capital		
Authorized Capital		
200,000,000 Ordinary Shares of Tk. 10 each	2,000,000,000	2,000,000,000
	2,000,000,000	2,000,000,000
Issued, subscribed and paid-up Capital		
1,000 Ordinary Shares of Tk. 10 each as at 21 April 1991	10,000	10,000
2,100,000 Ordinary Shares of Tk. 10 each as at 17 June 2004	21,000,000	21,000,000
10,505,000 Ordinary Shares of Tk. 10 each as at 30 June 2010	105,050,000	105,050,000
17,522,340 Ordinary Shares of Tk. 10 each as at 6 March 2012	175,223,400	175,223,400
9,871,660 Ordinary Shares of Tk. 10 each as at 8 June 2013	98,716,600	98,716,600
12,000,000 Ordinary Shares of Tk.10 each issued through IPO 10 September 2015	120,000,000	120,000,000
5,200,000 Ordinary Shares of Tk. 10 each as at 01 September 2016 (Bonus share)	52,000,000	52,000,000
2,860,000 Ordinary Shares of Tk. 10 each as at 07 November 2017 (Bonus share)	28,600,000	28,600,000
3,003,000 Ordinary Shares of Tk. 10 each as at 04 November 2018 (Bonus share)	30,030,000	30,030,000
3,153,150 Ordinary Shares of Tk. 10 each as at 13 November 2019 (Bonus share)	31,531,500	-
66,216,150 Ordinary Shares of Tk. 10 each	662,161,500	630,630,000
24.00 Long term borrowings		
Due within one year	59,024,885	150,891,654
Due after one year	14,423,490	167,829,216
	73,448,375	318,720,870
25.00 Defined benefit obligation- gratuity	88,801,597	76,083,015

26.00 Deferred tax liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment and intangible assets as per financial statements and tax written down value and financial position method for gratuity obligation and investment in associates.

	31 Mar 2020	30 June 2019
	Taka	Taka
Opening balance	44,014,741	43,999,854
Provided during the year		
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(797,155)	1,203,140
Provision for Gratuity	(1,589,823)	(1,200,622)
Investments in associates	11,670	12,369
	(2,375,308)	14,887
Adjusted during the period	-	-
Closing balance	41,639,433	44,014,741

Reconciliation of deferred tax liabilities /(assets) are as follows :

	Carrying Amount	Tax Base	Tax Rate	Taxable /(Deductible) Temporary Difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment	810,013,368	420,990,082	12.50%	389,023,286	48,627,911
Gratuity	(88,801,597)	-	12.50%	(88,801,597)	(11,100,200)
Investment in associates	48,386,001	23,405,000	15% - 20%	24,981,001	4,111,722
Net taxable temporary difference				325,202,690	41,639,433





Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 March 2020

	<u>31 Mar 2020</u>	<u>30 June 2019</u>
	Taka	Taka
27.00 Trade and other payables		
Trade payable	534,823,271	418,872,754
For revenue expenses	159,822,972	137,094,202
For other finance	4,008,117	2,491,945
	<u>698,654,360</u>	<u>558,458,901</u>
28.00 Due to affiliated companies		
KDS Poly Industries Limited	23,756,415	-
	<u>23,756,415</u>	<u>-</u>
29.00 Current tax liability		
Opening balance	43,446,375	36,859,697
Add: Provision made during the year	27,285,692	33,120,479
	70,732,067	69,980,176
Less: Paid/adjusted during the year	(31,952,960)	(26,533,801)
	<u>38,779,107</u>	<u>43,446,375</u>
30.00 Short term bank loan		
Bank Overdraft	110,015,978	14,945,579
Loan Against Trust Receipt (LATR)	979,135	24,850,614
Local Documentary Bill Purchase (LDBP)	382,420,634	351,688,492
Demand and Time Loan	376,810,274	198,947,900
	<u>870,226,021</u>	<u>590,432,585</u>
31.00 Provision for WPPF and Welfare Fund		
Opening balance	74,095,719	64,895,319
Add: Provision made during the year	7,932,688	9,030,294
Add: Interest during the year	6,367,601	8,319,440
Less: Paid during the year	-	(8,149,334)
	<u>88,396,008</u>	<u>74,095,719</u>
32.00 Calculation of Net Asset Value (NAV) per ordinary share of Tk 10 each:		
A. Total equity of the company	1,635,658,454	1,572,910,769
B. Total number of outstanding ordinary shares at the end of the period	66,216,150	63,063,000
C. Net Asset Value (NAV) per ordinary share (A/B) rounded off upto two decimal places	<u>24.70</u>	<u>24.94</u>





**Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 March 2020**

	01 July 2019 to 31 Mar 2020 Taka	01 July 2018 to 31 Mar 2019 Taka
33.00 i) Calculation of nine months Basic Earnings Per Share (EPS) per ordinary share of Tk 10 each:		
A. Net profit after tax	125,810,685	110,048,487
B. Total number of outstanding ordinary shares at the end of the period	66,216,150	66,216,150
C. Basic Earnings Per Share (EPS)	1.90	1.66
	01 Jan 2020 to 31 Mar 2020 Taka	01 Jan 2019 to 31 Mar 2019 Taka
ii) Calculation of third quarterly Basic Earnings Per Share (EPS) per ordinary share of Tk 10 each:		
A. Net profit after tax	43,040,498	40,351,034
B. Total number of outstanding ordinary shares at the end of the period	66,216,150	66,216,150
C. Basic Earnings Per Share (EPS)	0.65	0.61
	01 July 2019 to 31 Mar 2020 Taka	01 July 2018 to 31 Mar 2019 Taka
34.00 Calculation of Net Operating Cash Flows Per Share (NOCFPS) per ordinary share of Tk 10 each:		
A. Net cash (used in)/generated from operating activities	279,433,327	(158,590,708)
B. Total number of outstanding ordinary shares at the end of the period	66,216,150	63,063,000
C. Net Operating Cash Flows Per Share (NOCFPS)	4.22	(2.51)
35.00 Reconciliation of cash (used in)/generated from operations-Indirect Method		
Profit before income tax	150,721,069	136,407,779
Depreciation charged	77,098,631	78,307,050
Amortization charged	314,525	605,266
(Gain)/loss on sale of property, plant and equipment	(612,006)	(1,650,960)
Profit/(loss) from investment in associates	(58,351)	(171,253)
Finance Income	(31,092,822)	(58,564,991)
Finance Cost	80,025,859	94,632,103
Increase in Inventory	(118,433,717)	58,935,620
(Increase)/ Decrease in Trade Receivables (after adjusting foreign currency fluctuation gain)	37,780,916	(68,530,771)
(Increase)/ Decrease in other receivables	(1,170,000)	(1,170,000)
(Increase) / Decrease in Advances, Deposits and Pre-payments	(4,854,894)	(14,189,893)
Increase/ (Decrease) in Trade and Other payables (after adjusting foreign currency fluctuation loss)	125,455,150	(326,861,431)
Increase in provision of WPPF and WF	14,300,289	13,590,689
Increase in provision of gratuity	12,718,582	7,680,640
Cash (used in)/generated from operations	342,193,230	(80,980,152)
Interest paid (net)	(45,400,967)	(60,934,204)
Income tax paid (net)	(17,358,936)	(16,676,351)
Reconciled net income	279,433,327	(158,590,708)
Net cash (used in)/generated from operating activities as per direct method	279,433,327	(158,590,708)
Difference		





**Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 March 2020**

36.00 Reconciliation of effective tax rate

	01 Jul 2019 to 31 Mar 2020		01 Jul 2018 to 31 Mar 2019	
Profit before tax	150,721,069		136,407,779	
Total income tax expense	(27,285,692)		(26,680,590)	
	<u>Rate</u>	<u>Taka</u>	<u>Rate</u>	<u>Taka</u>
Factors affecting the tax charge:				
Tax using the applicable rate	25%	37,680,267	25%	34,101,945
Difference between accounting and fiscal depreciation	1.01%	1,515,680	-0.89%	(1,209,064)
Inadmissible expenses	1.06%	1,591,900	1.18%	1,602,833
Difference between WPPF & WF provision and payment	1.32%	1,983,172	1.32%	1,794,839
Difference between gratuity provision and payment	2.11%	3,179,646	1.29%	1,756,622
Rebate on income generated from export sales	-12.37%	(18,650,386)	-8.22%	(11,208,772)
Adjustment for reduced rated taxable income	0.00%	-	-0.08%	(115,000)
Unrealised profit/(loss) from investment in associates	-0.01%	(14,588)	-0.03%	(42,813)
	18.10%	27,285,692	19.56%	26,680,590

37.00 Note on increase of Basic Earnings Per Share (EPS):

- 1) Gross profitability has been increased due to decrease of basic raw material price in international market than last year.
- 2) Operating, selling & distribution expenses has been decreased than last year.
- 3) Total financial cost has also been decreased by 15.43% in amount due to decrease of interest rate than last year.

38.00 Note on increase of Net Operating Cash Flows Per Share (NOCFPS):

The reasons of increase of Net Operating Cash Flows Per Share (NOCFPS) are as follows:

- 1) Due to decrease of payment to suppliers than last year .
- 2) Due to decrease of payments in relevant operating, selling & distribution expenses than last year.
- 3) Due to decrease of payments in financial expenses than last year.

39.00 Note on reduction of Net Asset Value (NAV):

- 1) Number of outstanding shares for calculation of NAV has been increased than last year by 5% which has contributed to declining NAV.
- 2) Declaration and disbursement of 10% cash dividend for the income year 2018-2019 and thus reduced net worth .

40.00 Note on reduction of revenue:

During the reporting period total revenue was decreased as compare to same period of the last year due to decrease in sales volume and slowdown of order.

