

Taufika Foods and Agro Industries Ltd.
First Quarter
Financial Statement 2020-21
(Unaudited)

Taufika Foods and Agro Industries Limited
Statement of Financial Position (Un-audited)
As at 30 September 2020

PARTICULARS	NOTES	Amount in Taka	
		30-Sep-20	30-Jun-20
ASSETS:			
A. Non-current Assets		1,228,728,060	1,189,064,839
Property, Plant & Equipments	4.00	936,185,628	904,292,073
ROU Assets	4.01	264,068,997	271,982,626
Intangible Assets	5.00	674,435	738,640
Capital Work-in-progress	6.00	15,000,000	-
Investment	7.00	12,799,000	12,051,500
B. Current Assets		690,122,697	693,595,747
Inventories	8.00	289,904,884	264,612,631
Trade & Other Receivables	9.00	288,011,963	268,775,026
Advance, Deposits & Prepayments	10.00	78,749,540	55,633,223
Cash and Cash Equivalents	11.00	33,456,310	104,574,867
TOTAL ASSETS (A+B)		1,918,850,757	1,882,660,586
EQUITIES & LIABILITIES:			
C. Shareholders' Equity		721,520,144	701,050,672
Share Capital	12.00	550,000,000	550,000,000
Retained Earnings	13.00	171,520,144	151,050,672
D. Non-current Liabilities		739,161,625	746,056,418
Deferred Tax Liability	14.00	65,091,176	64,656,247
Long-term Loan	15.00	470,316,223	462,409,397
Lease Liability	16.00	203,754,226	218,990,774
E. Current Liabilities		458,168,988	435,553,496
Current Portion of Long-term Loan	15.00	134,376,064	132,116,971
Current Portion of Lease Loan	16.00	80,850,068	56,658,657
Short-Term Loan	17.00	102,276,912	83,709,500
Trade & Other Payables	18.00	53,447,260	91,224,736
Liabilities for Expenses	19.00	20,284,678	15,846,626
Provision for WPPF	20.00	10,291,806	8,775,549
Provision for Income Tax	21.00	56,642,200	47,221,457
Total Equity & Liabilities:		1,918,850,757	1,882,660,586
Net Asset Value Per Share		13.12	12.75

The annexed notes from 1 to 37 form an integral part of these Financial Statements

Chairman

Managing Director

Chairman

Chief Financial Officer

Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka

Dated: October 05, 2020

Taufika Foods and Agro Industries Limited
Statement of Profit or Loss and other Comprehensive Income (Un-audited)
For the 1st Quarter Ended 30 September 2020

PARTICULARS	NOTES	1st Quarter Results	
		July-Sep 2020	July-Sep 2019
		Taka	Taka
Sales	22.00	206,960,226	314,349,972
Less: Cost of Goods Sold	23.00	120,861,138	185,353,362
Gross Profit		86,099,087	128,996,610
Operating Expenses:		29,910,546	40,574,675
Administrative Expenses	24.00	3,525,258	8,616,420
Marketing Expenses	25.00	26,385,288	31,958,255
Operating income		56,188,541	88,421,935
Financial Expenses		26,010,429	40,693,839
Loan Interest	26.00	26,010,429	40,693,839
Profit before other income		30,178,113	47,728,096
Other Income	27.00	1,663,288	553,692
Net profit before WPPF		31,841,401	48,281,788
Provision for WPPF	20.00	1,516,257	2,299,133
Net Profit Before Tax		30,325,143	45,982,655
Income tax expense		9,855,672	16,093,929
Current Tax	21.00	9,420,743	15,304,007
Deferred Tax	14.00	434,928	789,922
Net Profit after Tax		20,469,472	29,888,726
Other Comprehensive Income			-
Total Comprehensive Income		20,469,472	29,888,726
Earnings per Share (Per value Tk. 100)	28.00	0.37	0.54

The annexed notes from 1 to 37 form an integral part of these Financial Statements

Chairman

Managing Director

Director

Chief Financial Officer

Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka

Dated: October 05, 2020

Taufika Foods and Agro Industries Limited
Statement of Changes in Equity (Un-audited)
For the 1st Quarter Ended 30 September 2020

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2020	550,000,000	-	151,050,672	701,050,672
Share Capital	-	-	-	-
Share Money Deposit	-	-	-	-
Net Income for the period	-	-	20,469,472	-
Balance as on September 30, 2020	550,000,000	-	171,520,144	701,050,672

Taufika Foods and Agro Industries Limited
Statement of Changes in Equity
For the period from 1 July 2019 to 30 June 2020

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2019	65,450,000	270,000,000	89,363,632	424,813,632
Share Capital	484,550,000	(270,000,000)	-	214,550,000
Prior year adjustments for IFRS 16				-
Prior year Office Rent adjustment			240,000	240,000
Prior year Interest Expence adjustment			(106,571)	(106,571)
Prior year depreciation adjustment			(181,618)	(181,618)
Prior year DT adjustment			(317,832)	(317,832)
Share Money Deposit	-	-	-	-
Net Income for the year	-	-	62,053,062	62,053,062
Balance as on June 30, 2020	550,000,000	-	151,050,672	701,050,672

The annexed notes from 1 to 37 form an integral part of these Financial Statements

Chairman

Managing Director

Director

Chief Financial Officer

Company Secretary

Place: Dhaka
Dated: October 05, 2020

Taufika Foods and Agro Industries Limited
Statement of Cash Flows (Un-audited)
For the 1st Quarter Ended 30 September 2020

PARTICULARS	Note	Amount in Taka	
		1 July 2020 to 30 September 2020	1 July 2019 to 30 September 2019
A. Cash Flows from Operating Activities :			
Cash Received from Customers		187,723,288	266,923,650
Cash Received from other Sources		1,663,288	553,692
Cash Paid to Suppliers and Creditors		(186,727,409)	(198,532,320)
Cash Paid for Operating Expenses		(3,202,132)	(11,015,801)
Cash paid for Income Taxes		(12,561,454)	(3,757,265)
Net cash inflow/(outflow) from operating activities		(13,104,418)	54,171,958
B. Cash flow from Investing Activities:			
Acquisition of Property, Pland & Equipment		(53,944,405)	(73,822,934)
Increase Investment		(747,500)	(12,000,000)
Capital Work in Progres		(15,000,000)	-
Net cash inflow/ (outflow) in Investing Activities		(69,691,905)	(85,822,934)
C. Cash flow from Financing Activities:			
Paid up capital		-	214,550,000
Share Money Deposit		-	-
Bank Loan		37,688,195	(37,269,523)
Lease Loan			
Inter Company Receivable		-	(2,310,000)
Finance Expense		(26,010,429)	(40,693,839)
Net cash inflow/(outflow) in financing activities		11,677,766	134,276,638
D. Increase(Decrease) in Cash and Cash Equivalent (A+B+C)		(71,118,557)	102,625,662
E. Opening of Cash and Cash Equivalent		104,574,867	58,831,003
F. Ending Cash and Cash Equivalent (D+E)		<u>33,456,310</u>	<u>161,456,665</u>
Net Operating Cash Flow Per Share (NOCFPS)		<u>(0.24)</u>	<u>0.98</u>

The annexed notes from 1 to 37 form an integral part of these Financial Statements

Chairman

Managing Director

Director

Chief Financial Officer

Company Secretary

Place: Dhaka

Dated: October 05, 2020

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

1.00 Corporate History of the Reporting Entity

1.01 Legal Status of the Entity

Taufika Foods and Agro Industries Limited (The Company) was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-94700/11 dated August 07, 2011. Subsequently, the Company was converted into a public limited Company dated 08 July 2019.

The Company started its commercial operation on January 02, 2016. Its Corporate Head Office located at Plot-80, Road-02, Banani, Dhaka-1213 and Factory is located at Bashil, Kathali, Valuka, Mymensingh.

1.02 Corporate Business

The Company is an Ice-cream manufacturer and supplier in Bangladesh.

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of Compliance

The financial statements have been prepared under historical cost convention on a going concern basis following accrual basis of accounting in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), The Companies Act 1994 and Securities and Exchange Rules 1987.

2.02 Regulatory Compliances

The financial statements of the company under reporting have been prepared in accordance with Generally Accepted Accounting Principles and Practice in Bangladesh in compliance with The Companies Act 1994, The Securities and Exchange Rules 1987, The Listing Regulations of Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), International Financial Reporting Standards (IFRS) as adopted by the The Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable rules and regulations.

2.03 Basis of measurement

These financial statements have been prepared under the 'historical cost' convention method.

2.04 Fundamental Accounting Concepts/ Assumption

The Financial Statements have been prepared based on Going Concern, Consistency and Accrual Concepts and such other convention as required by IAS-1 for Fair Presentation of Financial Statements.

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

2.05 Other regulatory compliances

In addition, the Company is also required to comply with the following major legal provisions:

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 1991
The Value Added Tax Rules, 1991
The Value Added Tax (Amendment) Act, 2012
The Value Added Tax (Amendment) Rules, 2012
The Customs Act 1969
The Company Act 1994
The Bangladesh Labour Act 2006, and
Bangladesh Labour (Amendment) Rules 2015

2.06 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1 'Presentation of Financial Statements'. The Financial Statement comprises

- a) a statement of financial position;
- b) a statement of profit or loss and other comprehensive income;
- c) a statement of changes in equity;
- d) a statement of cash flows; and
- e) notes, comprising a summary of significant accounting policies and explanatory information.

2.07 Preparation and Presentation of Financial Statements of the Company

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

2.08 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.09 Reporting Period

The period of the financial statements covers period from July 01, 2020 to September 30, 2020.

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

2.10 Provisions

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the
- c. reliable estimates can be made of the amount of the obligation.

2.11 Events after the Reporting Period

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period there are adjusting events those are disclosed as follows:

- i. The company did not declared any dividend in this period.

2.12 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Figures in brackets indicated negative balance.

2.13 Comparative Information and Rearrangement Thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

2.14 Principal Accounting Policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect in preparation and presentation of financial statements within the framework of IAS-1 "Presentation of Financial Statements", have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation:

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 & Equipment
IAS 19	Employee Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 37	Provisions, Contingent Liabilities and Contingent Assets,
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 01	First-time Adoption of International Financial Reporting Standards
IFRS 07	Financial Instruments: Disclosures
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

3.00 Summary of Significant Accounting Policies

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

3.01 Property, Plant & Equipment (PPE)

i) Recognition of Property, Plant & Equipment

These are capitalized at cost of acquisition and revalued amount and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the PPE, the expenditure is capitalized as an additional cost of the PPE.

On retirement or otherwise disposal of PPE, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of PPE and the net sales proceeds.

ii) Depreciation

Depreciation on all PPE other than Land & Land development has been charged when the PPE was available for use and is computed using the Reducing balance method so as to write off the assets over their expected useful life. Office space is depreciated as per lease contract.

After considering the useful life of PPE as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Particulars	30 Sep- 2020	30 June- 2020
Land & Land Development	0%	0%
Building & Civil Works	5%	5%
Plant and Machinery	10%	10%
Furniture and Fixtures	10%	10%
Freezer	10%	10%
Office Equipment	10%	10%
Motor Vehicles	20%	20%
Computer Softwere	50%	50%

3.02 Capital Work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of the period 30 September 2020 and these are stated at cost.

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

3.03 Impairment of assets

All Fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reasons, no provision has been made for impairment of assets.

3.04 Revenue Recognition

As per IFRS-15 “Revenue from Contracts with Customers”, Revenue is too recognized when it is probable that the economic benefits associated with the transaction will flow to the organization and the amount of revenue can be measured reliably. The Company recognizes revenue at the point of raising invoices to the customers/clients. Turnover is shown net of return and discount. Sales revenue is recognized on accrual basis as and when goods are delivered.

Other Income

All other income is recognized when the Company’s right to receive such income has been reasonably determined and all conditions precedent is satisfied.

3.05 Long Term Loan

Long Term loans are non-current liabilities arising from loans taken from different banks which are repayable within more than one year.

3.06 Short term loan and bank overdraft

Short term loans are current liabilities arising from loans taken from different banks which are repayable within one year. Bank overdrafts are repayable on demand which were taken to meet up the working capital requirement.

3.07 Liability for expenses

Liabilities are recognized for amounts to be paid in future for goods and services, whether or not billed by the suppliers.

3.08 Advances, deposits and pre-payments

Advances, Deposits & Pre-payments are unsecured but considered good.

i) Advances

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or changes to other accounts heads.

ii) Deposits

Deposits are measured at payment value.

Taufika Foods and Agro Industries Limited
 Explanatory Notes to the Financial Statements
 For the 1st Quarter Ended September 30, 2020

iii) Prepayments

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charge to profit and loss accounts.

3.09 Inventories

Inventories comprise Raw Materials, Packaging Material, Finished Goods and Work in process. They are stated at the lower of cost or net realizable value in accordance with IAS 2 “Inventories” after making due allowance for any obsolete or slow moving item. The costs of inventories are assigned by using weighted average cost method. Net realizable value of Work in Process is determined after deducting the estimated cost of completion and estimated cost necessary to make the sale from estimated selling price.

3.10 Basis of valuation of inventories

<u>Category</u>	<u>Basis of Valuation</u>
Finished products and work-in-process	At the lower of cost and net realizable value. The cost includes allocation of production overheads that relate to bringing the inventories to their present condition and location.
Raw and packaging materials	At the lower of cost and net realizable value.
Spares accessories & others	At the lower of cost and net realizable value.
Goods in transit	At cost including related charges.

3.11 Finance Costs:

Finance costs comprise interest expense on bank loan and other borrowings and are recognized in the income statement using effective interest method.

3.12 Finance Income:

Finance income comprise of interest income receivable from FDR from Trust Bank Ltd. and Shimanto Bank Ltd. And also interest received from bank current accounts.

3.13 Employees' benefit schemes

i) Defined contribution fund (Provident fund)

The Company maintains an equal contributory recognized provident fund @10% for its eligible permanent employees. The provident fund is being considered as defined contribution plan being managed by a separate Board of Trustees.

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

ii) Workers' profit participation and welfare fund

The Company recognizes a provision for workers' profit participation and welfare fund (WPPF) @ 5% of income before tax and it has been managing, disbursing and investing as per provisions of the Bangladesh Labour (Amendment) Act, 2013. The Company is making the payment within nine months at the end of the relevant financial year. 80% of the Fund is being paid to eligible employees, 10% to Government Workers Welfare Foundation and remaining 10% to Taufika Foods and Agro Industries Limited Employees Welfare Fund as per provision of Bangladesh Labour (Amendment) Act, 2013.

iii) Group insurance scheme

The Company operates a group insurance scheme for its permanent employees as per provision of the Bangladesh Labor (Amendment) Rules, 2015. The permanent employees include full time permanent employees and workers of the Company. Payment in this regard has been accounted for in the accompanying financial statements

3.14 Statement of Cash flows

Cash Flow Statement is prepared in accordance with IAS-7: Statement of Cash Flows under Direct Method as prescribed by Bangladesh Securities and Exchange (BSEC) rule 1987

3.15 Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances, cash in hand and cash equivalents like demand draft, pay orders etc in hand that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.16 Trade receivables

Trade receivables are recognized and stated at original invoiced amounts and carried at anticipated realizable values. Bad debts are written off when it is established that they are irrecoverable. No bad debt incurred in the period.

3.17 Trade payables

Trade payables are stated at cost which approximates the fair value of the consideration to be paid for goods and services received.

3.18 Provisions

All provision is recognized on the balance sheet date if, as a result of a past event. The company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

3.19 Borrowings Costs

Financial Expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with IAS-23 "Borrowings Costs". No borrowing cost incurred during the period.

3.20 Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

i) Current Tax

Necessary provision for tax has been made as per Income Tax Ordinance 1984. Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and in compliance with Finance Act on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes".

ii) Deferred Tax

Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities for the year ended June 30, 2020 has been recognized in the statement of Profit or Loss and other comprehensive income as per IAS-12 "Income Taxes".

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

3.21 Contingent Liabilities and Assets

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non- occurrence of one or more uncertain future events, which are not within the control of the company. In accordance with IAS 37 provisions, contingent liabilities and contingent assets, there were no contingent liabilities and assets.

- i. the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. the amount of revenue can be measured reliably;
- iv. it is probable that the economic benefits associated with the transaction will flow to the company; and
- v. the cost incurred or to be incurred in respect of the transaction can be measured reliably.

3.22 VAT

The Company's net sales is considered with 15% applicable VAT and 5% supplementary duty.

3.23 Statement of Changes in Equity

Statement of changes in equity is prepared in accordance with IAS-1 "Presentation of Financial Statements". This statement reflects information about the increase or decrease in net assets or wealth.

3.24 Related party disclosures

The Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The information as required by IAS-24: "Related Party Disclosures" has been disclosed in a separate note to the financial statements.

3.25 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.26 Segment information

The Company is primarily engaged in the manufacturing and selling of similar type of products. The Company's business is not organized in such a way which may identify different products/ geographical components structurally. Hence segmentation within a wide portfolio of products/ geographical location is not a part of the regular internally reported financial information to the operating decision makers. Therefore, it is not possible to segment the Company's results by products/ geographic location which might involve a high degree of estimation.

3.27 Earnings per Share

This has been calculated in compliance with the requirements of IAS 33: "Earnings Per share" by dividing the basic earnings by the number of ordinary shares outstanding during the year.

3.28 Basic Earning

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax has been considered as fully attributable to the ordinary shareholders.

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

3.29 Changes in significant accounting policies - IFRS 16 Leases

3.30.01 IFRS 16 Leases

Nature and effect of Changes

Previously, TFAIL determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, TFAIL assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, TFAIL evaluated all types of contracts to assess whether a contract is or contains, a lease at the date of initial application.

As a Lessee

As a lessee, TFAIL previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to TFAIL. Under IFRS 16, TFAIL recognises right-of-use assets and lease liabilities for all leases.

(i) Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at TFAIL's incremental borrowing rate as at 01 July 2020. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

		Amount in Taka	
		30-Sep-20	2019-20
4.00	Property, Plant & Equipment		
	At Cost:		
	Opening Balance	1,200,619,949	978,537,603
	Addition During the Year	53,914,405	222,082,346
	Closing balance	1,254,534,354	1,200,619,949
	Accumulated Depreciation:		
	Opening Balance	296,327,876	213,192,865
	Addition During the Year	22,020,851	83,135,011
	Closing Balance	318,348,726	296,327,876
	Written Down Value	936,185,628	904,292,073
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
4.01	ROU Assets		
	At Cost:		
	Opening Balance	407,384,234	396,487,133
	Addition During the Year	-	10,897,101
	Closing balance	407,384,234	407,384,234
	Accumulated Depreciation:		
	Opening Balance	135,401,609	99,602,521
	Addition During the Year	7,913,628	35,799,088
	Closing Balance	143,315,237	135,401,609
	Written Down Value	264,068,997	271,982,626
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
5.00	Intangible Assets		
	At Cost:		
	Opening Balance	2,696,433	2,385,996
	Addition During the Year	30,000	310,437
	Closing Balance	2,726,433	2,696,433
	Accumulated Depreciation:		
	Opening Balance	1,957,793	1,374,372
	Addition During the Year	94,205	583,422
	Closing Balance	2,051,998	1,957,793
	Written Down Value	674,435	738,640
	(Details Intangible Assets are provided in the Annexure-A)		

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

			Amount in Taka	
			30-Sep-20	2019-20
6.00	Capital Work in Progress			
	Plant & Machinery			
	Opening		-	
	Add: Addition During the period		15,000,000	
	Less: Transfer to Plant & Equipments		-	
			15,000,000	-
7.00	Investment			
	FDR Investment	7.01	12,799,000	12,051,500
			12,799,000	12,051,500
7.01	FDR Investment			
	Name of Bank	FDR No.		
	Trust Bank	0022-0330059006	10,747,500	10,000,000
	Shimanto Bank	1001-343000092	2,051,500	2,051,500
			12,799,000	12,051,500
8.00	Inventories			
	Raw Materials		181,287,162	165,471,075
	Work in Progress		17,030,622	15,544,814
	Finished Goods		91,587,100	83,596,742
			289,904,884	264,612,631
	At the end of the period physical verification of Inventories were carried out.			
9.00	Trade & Other Receivables			
	Trade Receivables	9.01	288,011,963	268,775,026
			288,011,963	268,775,026
9.01	Trade Receivables			
	Bogra Territory		21,144,540	19,728,817
	Khulna Territory		16,079,472	15,002,878
	Barisal Territory		15,626,954	14,580,658
	Rangpur Territory		19,833,258	18,505,332
	Chittagong Territory		27,453,244	25,615,125
	Cumilla Territory		27,272,900	25,446,856
	Uttara Territory		27,401,018	25,566,396
	Rampura Territory		34,898,411	32,561,804
	Jatrabari Territory		17,430,348	16,263,307
	Sylhet Territory		21,130,729	19,715,930
	Faridpur Territory		16,801,665	15,676,718
	Bosilla Territory		31,981,596	29,840,283
	Cox's Bazar Territory		10,957,829	10,270,923
			288,011,963	268,775,026

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

	Amount in Taka	
	30-Sep-20	2019-20
Ageing of Trade receivables		
Due for 3 months	177,578,334	72,396,711
Due for 3 to 6 months	96,953,131	183,798,209
Due for above 6 months	13,480,498	12,580,107
	288,011,963	268,775,026

Full information as per requirements of the Para 4 Part I, schedule XI, of the Companies Act, 1994 regarding Trade receivables as on Sept 2020 are as follows:

Sl.	Particulars	30 Sep, 2020	30 June, 2020
i.	Receivables considered good in respect of which the company is fully secured.		
ii.	Receivables considered good in respect of which the company holds no security other than the debtor personal security.	288,011,963	268,775,026
iii.	Receivable considered doubtful or bad.		
iv.	Accounts Receivable due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due firm or private companies respectively in which any director is a partner or a director or a member to be separately stated.		
v.	Receivables due by companies under the same management to be disclosed with the names of the companies;		
vi.	The maximum amount of receivable due by any director or other officer of the company at any time during the year to be shown by way of a note.		

- i) Debt considered good and in respect of which the company can realize it fully.
- ii) Debts considered good for which the company holds no security other than the debtors personal security
- iii) Management considered the trade receivables are collectible and thus no provision had been made.
- iv) There is no such trade receivables due by or to director or other officers of the company.

10.00 Advance, Deposits & Pre-payments

Advance	10.01	55,041,045	34,402,600
Deposit	10.02	22,212,896	19,882,424
Pre-payments	10.03	1,495,598	1,348,198
		78,749,540	55,633,223
10.01 Advance			
AIT & Source Tax	10.01.01	40,582,003	28,020,549
Advance to BSTI & Halal Sonod		478,856	760,567
Advance for Office Rent		1,150,000	1,150,000
Advance to Supplier		12,830,186	4,471,484
		55,041,045	34,402,600
10.02 Deposit			
L/C margin	10.02.01	22,212,896	19,882,424
		22,212,896	19,882,424

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

		Amount in Taka	
		30-Sep-20	2019-20
10.03	Pre-payments		
	Karnaphuli Insurance Co. Ltd.	646,019	896,891
	Metlife Insurance Co. Ltd.	696,268	115,499
	Eastern Insurance Co. Ltd.	63,621	180,106
	Sena Kalyan Insurance Co. Ltd.	89,690	155,702
		1,495,598	1,348,198
10.01.01	AIT & Source Tax		
	Opening Balance	28,020,549	17,384,698
	Addition During the Year	12,561,454	10,635,851
		40,582,003	28,020,549
	Adjustment During the Year	-	-
	Closing Balance	40,582,003	28,020,549
10.02.01	L/C margin		
	Opening Balance	19,882,424	18,750,747
	Addition during the year	18,424,640	19,882,424
	Net Adjustment During the Year	(16,094,168)	(18,750,747)
	Closing Balance	22,212,896	19,882,424
10.04	Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994		
	Advance, deposits & prepayments considered good & secured	78,749,540	55,633,223
	Advance, deposit & prepayments considered Good without security		
	Advance, deposit & prepayments considered doubtful & bad		
	Advance, deposit & prepayments due by directors or other officers & staffs		
	Advance, deposit & prepayments due from companies under same management		
	Maximum advance due by directors or officers & staffs at any time		
	Total	78,749,540	55,633,223

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

		Amount in Taka	
		30-Sep-20	2019-20
11.00	Cash and Cash Equivalents		
	Cash in Hand	11.01 23,899,998	1,104,603
	Cash at Bank	11.02 9,556,312	103,470,264
		33,456,310	104,574,867
11.01	Cash in Hand		
	Factory Office	2,227,181	231,817
	Corporate Office	1,414,442	278,897
	Depot Office	20,258,375	593,889
		23,899,998	1,104,603
11.02	Cash at Bank		
	Trust Bank Ltd	CD 0022-0210012550 50,439	5,470,517
	Pubali Bank Ltd	CD 0565901028140 1,147,982	20,608,400
	Premier Bank Ltd	CD 010411100078610 1,072,270	7,173,320
	Prime Bank Ltd	CD 2132113001637 857,376	17,231,344
	Brac Bank Ltd	CD 1507203439665001 454,563	16,254,007
	Islami Bank Ltd	CD 20501770100435601 1,639,587	16,922,410
	Dutch Bangla Bank Ltd	CD 1031100033118 206,639	10,083,742
	Union Bank Ltd	CD 0291010001239 1,614,748	1,507,926
	Mercantile Bank Ltd	CD 111311118966001 787,664	374,183
	UCBL	CD 541101000005430 342,598	43,948
	NRB Bank	CD 1022070063031 47,631	5,171,976
	Shimanto Bank Limited	CD 1001241000258 -	159,298
	City Bank Ltd	CD 1402538242001 9,450	9,450
	AB Bank Ltd	SND 4033-761383-430 315,607	327,108
	Shimanto Bank Limited	SND 1001441001020 210,694	1,756,996
	Trust Bank Ltd	SND 0022-0320000775 20,000	20,000
	National Bank Limited	CD 1106003604218 411,590	340,210
	Dutch Bangla Bank Ltd	CD 2811100002179 367,477	15,430
	Shimanto Bank Limited	SND 1003441000029 -	-
		9,556,312	103,470,264

All bank balances are reconciled with bank statements and bank book and reconciled balance extracted here.

Taufika Foods and Agro Industries Limited
 Explanatory Notes to the Financial Statements
 For the 1st Quarter Ended September 30, 2020

Amount in Taka	
30-Sep-20	2019-20

12.00 Share Capital

12.01 Authorized Capital

(100,000,000 Ordinary shares of Tk.10 each)

1,000,000,000	1,000,000,000
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12.02 Issued, Subscribed and Paid-up

55,000,000 shares of Tk.10 each

550,000,000	550,000,000
-------------	-------------

Shareholding Position is as follows:

Sl. No.	Name of shareholders	Percentage of Shareholdings		Number of Shares	
		30-Sep-20	2019-20	30-Sep-20	2019-20
1	Md. Ekramul Haque	60.00%	60.00%	33,000,000	33,000,000
2	Ms Shamima Nargis Haque	5.27%	5.27%	2,900,000	2,900,000
3	Taufika Engeneering Limited	21.00%	21.00%	11,550,000	11,550,000
4	Muhsinina Taufika Ekram	3.73%	3.73%	2,050,000	2,050,000
5	Abu Taher Muhammed Amanullah	1.82%	1.82%	1,000,000	1,000,000
6	Md. Abdus Sultan	1.32%	1.32%	725,000	725,000
7	Zakir Hossain	0.18%	0.18%	100,000	100,000
8	Kazi Amdadul Haque	1.93%	1.93%	1,060,000	1,060,000
9	Rizvi Kaiser	0.02%	0.02%	10,000	10,000
10	Md. Saiful Islam Helaly	1.90%	1.90%	1,045,000	1,045,000
11	Md. Mizanur Rahman	0.01%	0.01%	5,000	5,000
12	Tahmina Chowdhury	0.37%	0.37%	205,000	205,000
13	Masuma Khatun	0.46%	0.46%	255,000	255,000
14	Hosne Ara Begum	1.99%	1.99%	1,095,000	1,095,000
Total		100%	100%	55,000,000	55,000,000

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

	Amount in Taka	
	30-Sep-20	2019-20
13.00 Retained Earnings		
Opening Balance	151,050,672	89,363,632
Add: Profit During the Period	20,469,472	62,053,062
Add: Prior year Office Rent adjustment	-	240,000
Less: Prior year Interest Expence adjustment	-	(106,571)
Less: Prior year depreciation adjustment	-	(181,618)
Less: Prior year DT adjustment	-	(317,832)
Closing Balance	171,520,144	151,050,672
14.00 Deferred Tax Liability		
Opening Balance	64,656,247	62,882,919
Add: During the Year	434,928	1,455,496
Closing Balance	65,091,176	64,656,247
As on 30 June 2020		
WDV as per Accounts	1,116,567,570	1,092,651,849
WDV as per 3rd Schedule	916,287,030	893,709,550
Temporary Difference	200,280,541	198,942,299
Applicable Tax Rate	32.50%	32.50%
Deferred Tax Liability	65,091,176	64,656,247
Deferred Tax Liability	65,091,176	64,656,247
15.00 Long -term Loan		
Long-term Loan from AB Bank Limited	15.01 526,408,772	514,278,279
Long-term Loan from Shimanto Bank Limited	15.02 78,283,515	80,248,088
	604,692,287	594,526,368
Current Portion Classification		
Due within one year	134,376,064	132,116,971
Due after one year	470,316,223	462,409,397
	604,692,287	594,526,368

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

15.01 Loan from AB Bank Limited

A/C: 4005-788707-466

Amount in Taka	
30-Sep-20	2019-20
526,408,772	514,278,279
526,408,772	514,278,279

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	AB Bank Limited
Type of Facility	Long Term Loan
Limit	BDT 741,100,000
Repayment	Monthly
Interest Rate	9.00%
Period of Loan	54 months
Expiry Date	Wednesday, March 6, 2024
Renewal Status	Renewed
Securities	i. 271.50 decimal Project Land and Buildings ii. Personal guarantee of the directors
Purpose	To retire import documents of L/Cs to import brand new capital machinery

15.02 Long-term Loan from Shimanto Bank Limited

1001741000052	17,274,337	17,754,865
1001741000061	2,365,830	2,430,147
1001741000070	3,057,270	3,143,141
1001741000089	6,316,471	6,488,188
1001741000098	2,121,781	2,181,376
1001741000105	1,867,878	1,920,341
1001741000114	17,563,812	17,971,098
1001741000123	16,212,749	16,588,706
1001741000141	5,469,953	5,596,796
1001741000150	6,033,433	6,173,430
	78,283,515	80,248,088

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	Shimanto Bank Limited
Type of Facility	Long Term Loan
Limit	BDT TK 9.00 Crore
Repayment	Monthly
Interest Rate	09% p.a with monthly rest or as revised from time to time by SMBL
Period of Loan	60 months
Expiry Date	5 Years from the the date of 1st disbursement.
Renewal Status	Renewed
Securities	i. Joint Registration and comprehensive insurance of vehicles ii. Postdated Cheq
Purpose	To purchase glass top deep freezer, storage box for cold room, pick up, Refriger

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

		Amount in Taka	
		30-Sep-20	2019-20
16.00	Lease Liability		
	Lease Loan from Lankabangla	16.01 276,009,893	266,594,894
	Office Space	16.02 8,594,402	9,054,537
		284,604,295	275,649,431
	Current Portion Classification		
	Due within one year	80,850,068	56,658,657
	Due after one year	203,754,226	218,990,774
		284,604,295	275,649,431
16.01	Lease Loan from Lankabangla		
	0013 71400000004		-
	0013 71400000006		10,436,735
	0013 71400000007		1,230,357
	0013 71400000009		1,777,261
	0013 71400000010		-
	0013 71400000011		737,207
	0013 71400000013		-
	0013 71400000014		-
	0013 71400000015		355,819
	0013 71400000016		-
	0013 71400000018		3,641,058
	0013 71400000019		3,762,046
	0013 71400000020		1,025,273
	0013 71400000021		3,106,744
	0013 71400000022		2,502,362
	0013 71400000023		878,435
	0013 71400000024		16,788,518
	0011 71400000052		35,200,619
	0011 71400000054		8,028,060
	0011 71400000056		7,921,690
	0011 71400000059		1,706,610
	0011 71400000073		34,266,327
	0011 71400000086		42,329,756
	001172200000061		90,900,016
	0011 71400000131	134,156,032	-
	0013 71400000025	13,932,473	-
	0013 71400000026	33,564,575	-
	0011 72200000070	94,356,812	-
		276,009,893	266,594,894

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

Amount in Taka	
30-Sep-20	2019-20

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	Lanka Bangla Finance Limited
Type of Facility	Lease Finance
Limit	BDT 316,200,725
Repayment	Quarterly
Interest Rate	9.00%
Period of Loan	60 months
Expiry Date	June, 2022
Renewal Status	N/A
Securities	i. Subsequent Charges/Hypothecation on all the Fixed Assets of TFAIL ii. Ownership of Leased Assets iii. Personal Guarantee of Directors iv. Corporate Guarantee of Taufika Engineering Limited (TEL)
Purpose	To procure Glass Top Deep Freezer and Try Cycle, Ref. Van & Cold Store

16.02 Lease Liability (Office Space)

Office Space	9,054,537	10,897,101
Less: Repaid During the year	(460,135)	(133,429)
		(1,709,136)
	8,594,402	9,054,537
Current Portion Classification		
Due within one year	1,984,253	1,925,897
Due after one year	6,610,148	7,128,640
	8,594,402	9,054,537

17.00 Short-term Loan

Short-term Loan AB Bank	17.01	15,209,053	15,765,273
Short-term Loan Trust Bank	17.02	87,067,859	67,944,227
		102,276,912	83,709,500

These loans are taken to finance import materials value and L/C related expenses. The average tenure of these facilities are no with renewal option.

17.01 Short-term Loan AB Bank

SOD		15,209,053	15,765,273
		15,209,053	15,765,273

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

		Amount in Taka	
		30-Sep-20	2019-20
17.02	Short-term Loan Trust Bank		
	Loan Against Trust Receipt (LTR)	76,926,559	67,786,752
	Overdraft (Working Capital)	10,141,300	157,475
		87,067,859	67,944,227
18.00	Trade & Other Payables		
	Trade Payables	10,705,028	12,494,356
	Others Payables	42,742,232	78,730,381
		53,447,260	91,224,736
18.01	Trade Payables		
	Bengal Flexipak	939,963	957,020
	Bismillah Packaging & Printing	1,966,646	1,320,511
	Siam Chemical	1,082,876	1,274,796
	Noorani Agro & Food Complex Ltd	964,758	741,758
	R M Poly & Packaging	32,218	509,590
	Jahanara Plastics Product	363,499	429,812
	A K S Printing & Packaging	1,066,029	1,544,442
	Famous Iberchem	-	80,959
	MM Plastic	209,540	485,740
	Mais Industries Ltd	1,171,363	1,424,526
	PremiaFlex Plastic Ltd	840,890	840,890
	International Television Channel LTD.	145,826	1,478,226
	Maasranga Communications Ltd.	7,200	7,200
	MMX advertising communication	-	96,417
	Totalplus Industries Ltd	-	904,700
	RTR Traders	1,113,722	6,543
	Opus Sign	492,429	353,049
	Rivers Sign	308,070	38,179
		10,705,028	12,494,356

This represents amount payable to suppliers of raw materials, packing materials and finished goods. All suppliers were paid o

Ageing of Trade Payables

Due for 3 months	9,099,274	10,620,202
Due for 3 to 6 months	1,070,503	1,249,436
Due for above 6 months	535,251	624,718
	10,705,028	12,494,356

Taufika Foods and Agro Industries Limited

Explanatory Notes to the Financial Statements

For the 1st Quarter Ended September 30, 2020

		Amount in Taka	
		30-Sep-20	2019-20
18.02	Others Payables		
	Payable for Freezer	6,980,037	7,501,262
	Upas-EBL Payable	14,943,825	17,155,346
	VAT payable	20,818,370	54,073,773
		42,742,232	78,730,381
19.00	Liabilities for Expenses		
	Audit Fees	215,625	172,500
	Electricity Bill Payable	7,205,948	1,592,283
	Salary & Wages Payable	4,867,018	6,149,141
	Payable for PF	7,844,587	7,174,456
	Rent Payable	-	258,963
	TDS Payable	1,500	349,283
	Remuneration Payable	150,000	150,000
		20,284,678	15,846,626

All these payables are temporary in nature and repayable in demand. No interest/profit is charged for these payables. Its de different types of service.

20.00	Provision for WPPF :		
	Opening Balance	8,775,549	8,708,433
	Add: Addition During the period	1,516,257	4,262,128
		10,291,806	12,970,561
	Less: Paid During the period	-	(4,195,012)
	Closing Balance	10,291,806	8,775,549

The management of Taufika Foods and Agro Industries Limited have already taken all necessary steps to maintain complia decision to deposit all amounts within a short time.

21.00	Provision for Income Tax		
	Opening Balance	47,221,457	25,487,463
	Current Period Provision	9,420,743	21,733,994
	Total provision	56,642,200	47,221,457
	Adjustment During the year	-	-
	Closing Balance	56,642,200	47,221,457

Tax Computation		
Business Income	28,661,855	81,786,770
Other Income	1,663,288	3,455,781
Total Income	30,325,143	85,242,551
Acc. Dep	30,028,684	119,517,520
Tax Dep	(31,366,925)	(137,886,244)
Total Taxable Income	28,986,902	66,873,828
Applicable tax Rate	32.50%	32.50%
Current Year Tax	9,420,743	21,733,994

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

	Amount in Taka	
	30-Sep-20	30-Sep-19
22.00 Sales		
Gross Sales	249,904,473	379,577,591
Less: (VAT+SD) Expenses	42,944,247	65,227,619
Net Sales	206,960,226	314,349,972
23.00 Cost of Goods Sold		
Raw Materials Consumed: Note- 23.01	95,009,279	156,093,877
Add: Factory Overhead Charges Note- 23.02	35,328,026	33,526,620
Cost of Production	130,337,305	189,620,497
Add: Opening Work in Process	15,544,814	4,587,500
	145,882,119	194,207,997
Less: Closing Work in Process	(17,030,622)	(6,779,723)
Cost of Goods Manufactured	128,851,497	187,428,274
Add: Opening Stock of Finished Goods	83,596,742	69,163,731
Cost of Goods available for Sale	212,448,239	256,592,006
Less: Closing Stock of Finished Goods	(91,587,100)	(71,238,643)
Cost of Goods Sold	120,861,138	185,353,362
23.01 Raw Materials Consumed		
The break-up of the amount is given bellow:		
Opening Stock	165,471,075	145,175,926
Purchase During the period	110,825,365	174,624,132
Raw Materials available for Use	276,296,440	319,800,058
Less: Closing Stock	(181,287,162)	(163,706,180)
Raw Materials Consumed	95,009,279	156,093,877

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

	Amount in Taka	
	30-Sep-20	30-Sep-19
23.02 Manufacturing Overhead		
Electricity Bill	9,219,860	6,901,179
Fuel & Lubricants	3,105,711	3,605,309
Wages & Salary	9,282,870	9,126,543
Festival Bonus	1,207,310	2,211,967
Overtime and Other Allowance	521,813	529,421
Tour and Travles	355,142	470,688
Pool Car Expenses	47,935	58,959
Telecommunication Expenses(Tracking)		
Factory Supplies	334,423	360,111
Loading & Unloading Expenses	42,567	51,460
Postage & Courier	7,050	2,350
Printing & Stationary	154,854	471,435
Food and Entertainment	207,430	174,467
Repair & Maintenance	463,298	739,006
Spare Parts	921,425	1,029,803
Insurance and Licenses Fees	1,698,017	470,372
Depreciation	7,758,322	7,323,550
	35,328,026	33,526,620
24.00 Administrative Expenses		
Salary & Allowance	1,634,997	2,011,151
Festival Bonus	442,271	680,416
Meeting Allowance	30,000	30,000
Provident Fund Expenses	265,990	241,984
Service Charge	56,889	-
Office rent	-	2,052,750
Director Remuneration	450,000	1,500,000
Office Vehicles expense	100,932	735,025
Entertainment Expense	65,145	59,223
Audit Fees	43,125	115,000
Telephone, Mobile & Internet Bill	20,738	366,125
Postage & Couriers	33,740	139,130
Printing & Stationery	75,684	239,649
Legal & Statutory Expenses	69,400	138,467
Repair Maintenance of Head office	47,863	140,822
Depreciation	188,485	166,678
	3,525,258	8,616,420

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

	Amount in Taka	
	30-Sep-20	30-Sep-19
25.00 Marketing & Selling Expenses		
Salary & Allowance	2,310,997	3,301,425
Festival Bonus	474,630	949,259
Provident Fund Expenses	404,141	370,904
Fuel & Toll for Vehicles	273,332	1,071,890
TA/DA and Other Allowances	130,423	496,850
Repair Maintenance & Others Vehicles Exp	112,821	393,163
Tour and Travels	53,954	412,685
Postage & Couriers	41,813	83,839
Incentive and Commission	88,077	221,598
Event Management Expenses	30,533	235,921
Advertisement Expenses	382,691	4,474,201
Depreciation	22,081,876	19,946,520
	26,385,288	31,958,255
26.00 Bank Interest		
Bank Service Charges	135,374	233,500
Interest on Bank Loan	15,580,395	28,485,676
Interest on Lease Loan	10,294,660	11,974,663
	26,010,429	40,693,839
<p>Consistent with prior periods banks charges and others bank loan interest expenses are included as finance costs</p>		
27.00 Other Income		
Scrap Sale	272,063	362,751
Rent Received against Freezer	521,225	127,605
Rent income from Robi Tower	20,000	34,200
Interest	850,000	29,136
	1,663,288	553,692

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the 1st Quarter Ended September 30, 2020

		Amount in Taka	
		30-Sep-20	30-Sep-19
28.00 Earning per Share (EPS)			
The Computation of EPS is given below:			
Earning attributable to the Shareholders (net profit after tax)		20,469,472	29,888,726
Total number of Shares		55,000,000	55,000,000
Adjusted/Basic Earnings per Share (EPS)(Per value Tk. 10)		0.37	0.54
29.00 Net Asset Value (NAV) per Share			
The Computation of NAV is given below:			
Net Assets		721,520,144	669,252,358
Total number of Shares		55,000,000	55,000,000
Net Asset Value (NAV) per Share		13.12	12.17
Total number of shares			
Paid-up-capital		550,000,000	550,000,000
Share money deposit		-	-
Total		550,000,000	550,000,000
Number of shares (Per value Tk. 10)		55,000,000	55,000,000
30.00 Net Operating Cash Flows per Share (NOCFPS)			
The Computation of NOCFPS is given below:			
Net Cash Generated from Operating Activities		(13,104,418)	54,171,958
Total number of Shares		55,000,000	55,000,000
Net Operating Cash Flows per Share (NOCFPS)		(0.24)	0.98
31.00 Related Party Transactions:			
The company has related party transactions as per IAS-24 "Related Party Disclosures".			
Related party transactions are as follows:			

Sl.	Name of the Related Party	Relationship	Nature of transaction	Opening Balance	Transaction during the period	Payment/Received	Closing Balance
1	Ms. Shamima Nargis Haque	Chairman	Meeting Allowance	-	5,000	5,000	-
2	Md. Ekramul Haque	Managing Director	Remuneration and Meeting Allowance	150,000	460,000	460,000	150,000
3	Muhsinina Taufika Ekram	Director	Meeting Allowance	-	5,000	5,000	-
4	Imtiaz Lutful Baset FCMA, FCA	Independent Director	Meeting Allowance	-	10,000	10,000	-

32.00 Attendance Status of Board Meeting of Directors

During the period ended 30 September, 2020 there were two Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Designation	Meeting held	Attendance
Ms. Shamima Nargis Haque	Chairman	2	1
Md. Ekramul Haque	Managing Director	2	2
Kawsar Ahmed (Nominee Director of Taufika Engeeneering Limited)	Director	2	2
Muhsinina Taufika Ekram	Director	2	1
Imtiaz Lutful Baset FCMA, FCA	Independent Director	2	2

33.00 General:

All the figures in the financial statements represent Bangladeshi taka currency (BDT) rounded off to the nearest figure. The comparative information has been disclosed of 2019-2020 for all numerical information in the financial statements and also the narrative and descriptive information as found relevant for understanding of the current years financial statements. To facilitate comparison, certain relevance balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.

34.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994:**A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3:**

Employee position of the company as at 30 June, 2020:

Salary (Monthly)	Factory	Head Office	Sales & Marketing	Total Employees
Below BDT 6,000	-	-	-	-
Above BDT 6,000	203	20	20	243
Total	203	20	20	243

B. Disclosure as per requirement of Schedule XI, Part II, Para 4:

Name of Directors	Designation	Meeting allowance	Total Remuneration for the Period 1 July-2020 to 30 September-2020
Ms. Shamima Nargis Haque	Chairman	5,000	-
Md. Ekramul Haque	Managing Director	10,000	450,000
Kawsar Ahmed (Nominee Director of Taufika Engeneering Limited)	Director	-	-
Muhsinina Taufika Ekram	Director	5,000	-
Imtiaz Lutful Baset FCMA, FCA	Independent Director	10,000	

35.00 As per IAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the

- Short-term employee benefits
- Post-employee benefits
- Other long term benefits
- Termination benefits and
- Share- based payment

36.00 Events after Reporting Period:

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period there are adjusting events those are disclosed as follows:

- The company did not declared any dividend in this financial year.

37.00 Disclosure as per requirements of Schedule XI, Part-II., Para-3 of the Companies Act. 1994

Requirements under condition No.	Compliance status of Disclosures
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to selling agents	Not Applicable
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as as possible	Complied
3(i) (d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e)In the case of trading companies, the purchase made and the opening and closing stocks	Not Applicable
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	Complied
(i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings	

Taufika Foods and Agro Industries Limited
Schedule of Property, Plant & Equipment
As at 30 September 2020

Property, Plant & Equipment

Annexure - A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-2020
	Balance as on 01-07-2020	Addition during the Period	Balance as on 30-09-2020		Balance as on 01-07-2020	Charged during the period	Balance as on 30-09-2020	
Land & Land Development	84,361,490	-	84,361,490	0%	-	-	-	84,361,490
Building & Civil Works	91,694,977	-	91,694,977	5%	18,214,428	918,507	19,132,934	72,562,043
Plant and Machinery	371,972,040	27,903,054	399,875,094	10%	112,072,902	6,846,267	118,919,169	280,955,925
Furniture and Fixtures	6,738,763	2,323,500	9,062,263	10%	1,593,103	157,685	1,750,788	7,311,475
Freezer	506,733,380	19,151,653	525,885,033	10%	100,794,048	10,387,879	111,181,927	414,703,105
Office Equipment	7,062,732	2,130,700	9,193,432	10%	1,080,589	176,187	1,256,776	7,936,656
Motor Vehicles	132,056,568	2,405,498	134,462,066	20%	62,572,806	3,534,326	66,107,132	68,354,934
Total as on 30.09.2020	1,200,619,949	53,914,405	1,254,534,354		296,327,876	22,020,851	318,348,726	936,185,628

Total as on 30.06.2020	978,537,603	222,082,346	1,200,619,949		213,192,865	83,135,011	296,327,876	904,292,073
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Right of Use Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-2020
	Balance as on 01-07-2020	Addition during the Period	Balance as on 30-09-2020		Balance as on 01-07-2020	Charged during the period	Balance as on 30-09-2020	
Plant and Machinery	4,079,499	-	4,079,499	10%	940,325	78,479	1,018,804	3,060,695
Freezer	324,745,500	-	324,745,500	10%	95,742,470	5,725,076	101,467,546	223,277,954
Motor Vehicles	67,662,134	-	67,662,134	20%	36,357,776	1,565,218	37,922,993	29,739,141
Office Space	10,897,101	-	10,897,101	20%	2,361,039	544,855	2,905,894	7,991,208
Total as on 30.09.2020	407,384,234		407,384,234		135,401,609	7,913,628	143,315,237	264,068,997

Total as on 30.06.2020	396,487,133	10,897,101	407,384,234		99,602,521	35,799,088	135,401,609	271,982,626
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Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-2020
	Balance as on 01-07-2020	Addition during the Period	Balance as on 30-09-2020		Balance as on 01-07-2020	Charged during the period	Balance as on 30-09-2020	
Computer Software	2,696,433	30,000	2,726,433	50%	1,957,793	94,205	2,051,998	674,435
Total as on 30.09.2020	2,696,433	30,000	2,726,433		1,957,793	94,205	2,051,998	674,435

Total as on 30.06.2020	2,385,996	310,437	2,696,433		1,374,372	583,422	1,957,793	738,640
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Total as on 30.09.2020	1,610,700,616	53,944,405	1,664,645,021	-	433,687,278	30,028,684	463,715,961	1,200,929,060
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Allocation of depreciation	<u>Amount in Taka</u>	<u>Amount in Taka</u>
	<u>30.09.2020</u>	<u>30.06.2020</u>
Manufacturing Overhead	7,758,322	30,878,989
Administrative Expenses	188,485	750,193
Marketing & Selling Expenses	22,081,876	87,888,339
Total	30,028,684	119,517,520

Taufika Foods and Agro Industries Limited
Schedule of Property, Plant & Equipment
As at 30 June 2020

Property, Plant & Equipment **Annexure - A**

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2020
	Balance as on 01-07-2019	Addition during the year	Balance as on 30-06-2020		Balance as on 01-07-2019	Charged during the year	Balance as on 30-06-2020	
Land & Land Development	84,361,490	-	84,361,490	0%	-	-	-	84,361,490
Building & Civil Works	87,619,117	4,075,860	91,694,977	5%	14,454,290	3,760,138	18,214,428	73,480,549
Plant and Machinery	322,941,438	49,030,602	371,972,040	10%	85,919,143	26,153,760	112,072,902	259,899,138
Furniture and Fixtures	4,523,478	2,215,285	6,738,763	10%	1,144,434	448,669	1,593,103	5,145,660
Freezer	359,260,070	147,473,310	506,733,380	10%	63,882,640	36,911,408	100,794,048	405,939,331
Office Equipment	3,659,662	3,403,070	7,062,732	10%	604,966	475,623	1,080,589	5,982,143
Motor Vehicles	116,172,349	15,884,219	132,056,568	20%	47,187,393	15,385,413	62,572,806	69,483,762
Total as on 30.06.2020	978,537,603	222,082,346	1,200,619,949		213,192,865	83,135,011	296,327,876	904,292,073

Right of Use Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2020
	Balance as on 01-07-2019	Addition during the year	Balance as on 30-06-2020		Balance as on 01-07-2019	Charged during the year	Balance as on 30-06-2020	
Plant and Machinery	4,079,499		4,079,499	10%	591,527	348,797	940,325	3,139,174
Freezer	324,745,500		324,745,500	10%	70,297,689	25,444,781	95,742,470	229,003,030
Motor Vehicles	67,662,134		67,662,134	20%	28,531,686	7,826,090	36,357,776	31,304,358
Office Space		10,897,101	10,897,101	20%	181,618	2,179,420	2,361,039	8,536,063
Total as on 30.06.2020	396,487,133	10,897,101	407,384,234		99,602,521	35,799,088	135,401,609	271,982,626

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2020
	Balance as on 01-07-2019	Addition during the year	Balance as on 30-06-2020		Balance as on 01-07-2019	Charged during the year	Balance as on 30-06-2020	
Computer Softwere	2,385,996	310,437	2,696,433	50%	1,374,372	583,422	1,957,793	738,640
Total as on 30.06.2020	2,385,996	310,437	2,696,433		1,374,372	583,422	1,957,793	738,640
Grand Total as on 30.06.2020	1,377,410,732	233,289,884	1,610,700,616		314,169,757	119,517,520	433,687,278	1,177,013,339

