



Ref: GHAIL/Fin/BSEC/2020-260

November 17, 2020

The Chairman
Bangladesh Securities and Exchange Commission (BSEC)
Securities Commission Bhaban
E-6/C, Agargaon, Sher-e-Bangla Nagar Administrative Area,
Dhaka-1207, Bangladesh.

Subject: Submission of Un-audited Quarterly Consolidated Financial Statements for the 1st Quarter ended 30 September, 2020 of Golden Harvest Agro Industries Ltd (GHAIL)

Dear Sir,

The board of directors of Golden Harvest Agro Industries Limited in its board meeting held on 17th November, 2020 at 6:30 pm and ends at 9.15 pm at its head office, has adopted un-audited Quarterly Consolidated Financial Statements for the 1st Quarter ended 30 September, 2020 of the company. The NAV, EPS and NOCFPS are as follows:

Particulars	1 st Quarter _FY 2020-2021	1 st Quarter _FY 2019-20 (Restated)	1 st Quarter _FY 2019-20 (Reported)
NAV	14.66	11.45	20.61
EPS	(0.34)	0.33	0.60
NOCFPS	(0.08)	0.55	2.31

Thanking you

Sincerely yours

Nirmal Chandra Sardar
Company Secretary
Golden Harvest Agro Industries limited

Copy to:

01. The Managing Director
Dhaka Stock Exchange Limited (DSE)
02. The Managing Director
Chittagong Stock Exchange Limited (CSE)

Enclosure: 1st Quarter Report of GHAIL





Golden Harvest Agro Industries Limited

**Consolidated Un-Audited & Provisional Financial Statements
For the period Ended 30 September 2020**

Golden Harvest Agro Industries Limited
Consolidated Statement of Financial Position
(Un-Audited & Provisionals)
As at 30 September 2020

	Amount in BDT	
	30-Sep-20	30-Jun-20
ASSETS		
Non-Current Assets	3,120,169,937	3,114,285,263
Property, Plant & Equipment	1,710,577,432	1,722,216,242
Leased Assets	27,236,712	27,935,089
Intangible Asset	70,833,063	59,792,120
Biological Asset	93,456,256	93,015,304
Capital Work in Progress	529,352,477	487,654,465
Investment in Associates Company	688,713,997	723,672,043
Current Assets	2,090,301,013	2,267,880,397
Inventories	510,795,883	502,198,548
Advances, Deposits and Prepayments	319,154,252	324,364,384
Trade & Other Receivables	699,783,182	1,036,082,679
Cash & Bank Balances	560,567,696	405,234,786
TOTAL ASSETS	5,210,470,950	5,382,165,660
EQUITY AND LIABILITIES		
Shareholders' Equity	3,163,540,746	3,240,034,179
Share Capital	2,158,376,210	2,158,376,210
Share Premium	-	-
Revaluation Surplus	215,536,736	216,395,928
Retained Earnings	789,627,800	865,262,041
Non Controlling Interest	4,112,021	5,032,270
Total Equity	3,167,652,767	3,245,066,449
Non-Current Liabilities	985,487,618	1,063,206,769
Long Term Loan	900,117,722	973,745,509
Deferred Tax Liability	85,369,896	89,461,260
Lease Obligation	-	-
Current Liabilities	1,057,330,565	1,073,892,442
Accounts & Other Payables	51,345,199	59,247,932
Accruals and Provisions	159,119,697	158,437,027
Short Term Loan	587,820,350	599,641,243
Current portion of Long Term Loan against Machinery	258,494,222	255,887,449
Current portion of Lease Obligation	551,097	678,791
TOTAL EQUITY AND LIABILITIES	5,210,470,950	5,382,165,660
Number of Shares used to compute NAV	215,837,621	215,837,621
Net Asset Value per Share	14.66	15.01


Director


Chief Financial Officer




Managing Director


Company Secretary

Golden Harvest Agro Industries Limited
Consolidated Statement of Profit or Loss and other Comprehensive Income
Un-Audited & Provisional
For the period ended September 30, 2020

Particulars	Amount in BDT	
	30-Sep-20	30-Sep-19
Revenue	117,662,953	268,385,149
Cost of Goods Sold	(86,406,491)	(140,767,172)
Gross Profit	31,256,462	127,617,977
Operating Expenses	(50,083,127)	(31,686,576)
Administrative Expenses	(14,289,328)	(10,826,895)
Selling & Distribution Expenses	(35,793,798)	(20,859,681)
Fair value gain from biological assets	3,916,267	5,148,914
Other Operating Income	701,313	10,881,768
Profit from Operation	(14,209,084)	111,962,083
Finance Income	5,241,153	1,315,731
Finance Cost	(33,247,682)	(53,130,823)
Net Profit from Operation	(42,215,613)	60,146,990
Contribution to WPPF	-	(2,848,279)
Net Profit	(42,215,613)	57,298,711
Share of profit from associates	(34,958,047)	19,976,132
Net Profit before Tax	(77,173,660)	77,274,843
Income Tax Expenses	3,064,844	(5,670,574)
Net Profit after Tax	(74,108,816)	71,604,269
Non Controlling Interest	920,249	(46,160)
Profit after tax attributable to Ordinary Shareholders of the Company	(73,188,566)	71,558,109
Other Comprehensive Income		
Total Comprehensive Income	(73,188,566)	71,558,109
Number of Shares used to compute EPS	215,837,621	215,837,621
Earnings Per Share	(0.34)	0.33
Earnings Per Share from operating income	(0.36)	0.33
Earnings Per Share from finance income	0.02	0.01


Director


Managing Director


Chief Financial Officer


Company Secretary



Golden Harvest Agro Industries Limited
Consolidated Statement of Changes in Equity (Un-audited)
Un-Audited & Provisional
For the period ended September 30, 2020

Amount in BDT

Particulars	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Non-Controlling Interest	Share Money Deposit-Subsidiary	Total
Balance as at 01.07.2019	1,199,097,900	28,668,154	219,946,668	951,631,139	844,138,981	-	3,243,482,842
Deferred tax Adjustment on Revaluation Surplus	-	-	-	351,016	67,369	-	418,385
Depreciation adjustment on revaluation surplus	-	-	(1,115,166)	1,115,166	-	-	-
Issuance of Bonus Shares-Subsidiary Company	-	-	-	-	-	-	-
Net Profit after Tax	-	-	-	71,558,109	-	-	71,558,109
Share of non controlling Interest	-	-	-	-	24,461,434	-	24,461,434
Balance as at 30.09.2019	1,199,097,900	28,668,154	218,831,502	1,024,655,430	868,667,785	-	3,339,920,771
Balance as at 01.07.2020	2,158,376,210	-	216,395,928	865,262,041	5,032,270	-	3,245,066,449
Deferred tax Adjustment on Revaluation Surplus	-	-	-	286,397	-	-	286,397
Depreciation adjustment on revaluation surplus	-	-	(859,192)	859,192	-	-	-
Right Share Issue Cost	-	-	-	(3,591,264)	-	-	(3,591,264)
Net Profit after Tax	-	-	-	(73,188,566)	-	-	(73,188,566)
Share of non controlling interest	-	-	-	-	(920,249)	-	(920,249)
Balance as at 30.09.2020	2,158,376,210	-	215,536,736	789,627,800	4,112,021	-	3,167,652,767


Director


Managing Director


Chief Financial Officer


Company Secretary



Golden Harvest Agro Industries Limited
Consolidated Statement of Cash Flows (Un-Audited)
Un-Audited & Provisional
For the period ended September 30, 2020

	Amount in BDT	
	01 July 2020 to 30 September 2020	01 July 2019 to 30 September 2019
Cash Flows from Operating Activities		
Collection from Customers	118,473,619	279,181,559
Payments for Operating Costs & Other Expenses	(132,839,533)	(156,524,010)
Tax paid	(2,087,513)	(5,000,000)
Net Cash generated from Operating Activities	(16,453,426)	117,657,549
Cash Flows from Investing Activities		
Acquisitions of Property, Plant and Equipment	(6,211,358)	(10,390,622)
Acquisition of Intangible Assets	(12,535,746)	-
Acquisition of Biological Assets	3,475,316	3,458,550
Capital Work in progress	(41,698,012)	(85,526,520)
Investment in Associates	-	(13,344,858)
Advance Finance to Contract Farmers, sister concern & others	9,996,463	(21,086,918)
Net Cash used in Investing Activities	(46,973,337)	(126,890,368)
Cash Flows from Financing Activities		
Payment against Finance Lease	(127,694)	(2,732,420)
Borrowings from Banks/Financial Institutions	255,319,035	(151,475,437)
Issuance of Ordinary Share	(3,591,264)	-
Finance Cost	(32,840,400)	(52,767,336)
Share Money Deposit-Subsidiary Company	-	-
Net cash provided by financing activities	218,759,677	(206,975,193)
Net changes in cash and cash equivalents	155,332,900	(216,208,012)
Cash and cash equivalents at the beginning of the period	405,234,796	233,419,940
Cash and cash equivalents at the end of the period	560,567,696	17,211,928
Net Operating Cash flows Per Share (NOCFPS)	(0.08)	0.55


Director


Chief Financial Officer


Managing Director


Company Secretary

Golden Harvest Agro Industries Limited

Selected explanatory notes to the financial Statements
as at and for the 1st Quarter Ended 30 September 2020

Accounting policies and method of computations :

This financial statements are consistent with those used in the annual financial statements, prepared and published for the year ended 30 June 2020 and there have no changes in accounting policy within the interim reporting period.

	Amount in BDT	
	01 July 2020 to 30 September, 2020	01 July 2019 to 30 June, 2020
1.00 Net Assets Value Per Share(NAV)		
Total Assets	5,210,470,950	5,382,165,660
Less: Total Liabilities	2,046,930,204	2,142,131,481
Net Assets Value	3,163,540,746	3,240,034,179
Number of ordinary shares outstanding during the period ended	215,837,621	215,837,621
Net Assets Value Per Share (NAV)	14.66	15.01
	Amount in BDT	
	01 July 2020 to 30 September, 2020	01 July 2019 to 30 September, 2019
2.00 Earning Per Share		
Basic earning per share (EPS)		
Profit attributable to the ordinary shareholders	(73,188,566)	71,558,109
Number of ordinary shareholders in the period end	215,837,621	215,837,621
Basic earning per share (EPS)	(0.34)	0.33
3.00 Net operation cash flow per share		
Net operation cash flow from statement of cash flow	(16,453,426)	117,657,549
Number of ordinary shares outstanding during the period	215,837,621	215,837,621
Net operation cash flow per share	(0.08)	0.55
4.00 Reconciliation of operating cash flows with net profit		
Profit before tax	(77,173,660)	118,179,023
Adjustment for non cash items		
Depreciation	17,850,169	51,476,018
Amortization	2,193,180	3,685,510
Contribution to WPPF	-	5,892,295
Fair value adjustments of biological assets	(3,916,267)	(5,148,914)
Share of profit/loss from associates	34,958,047	-
Adjustment for separate consideration		
Finance cost	33,247,682	123,813,341
Changes in current assets and liabilities		
Inventories	(8,597,335)	(3,482,333)
Advances, deposits and prepayments	(0.00)	(456,000)
Trade & other receivables	(5,131,800)	(7,971,708)
Accounts and other payables	(7,902,727)	(139,993)
Accruals and provisions	106,799	1,624,609
Payment against WPPF fund	-	-
Tax paid	(2,087,513)	(10,697,500)
Net cash flows from operating activities	(16,453,426)	276,774,348

5.00 Impact of COVID-19:

As the COVID-19 pandemic is complex and rapidly growing, the Company's plans as described below may change. At this point, the company cannot reasonably estimate the duration and severity of this pandemic, which have or could have a material adverse impact on the company's business, results of operations, financial position and cash flow.

Risk Factors:

The company's business had been financially affected by the ongoing COVID-19 pandemic. In December 2019, COVID-19 emerged and had subsequently spread worldwide. The World Health Organization declared COVID-19 a pandemic resulting government of Bangladesh and private entities in the country assigning various restrictions. Following measures were commonly applied: travel restrictions, restrictions on public gatherings, stay at home orders and directions, isolating people who might have been exposed to the virus. In an effort to mitigate the spread of COVID-19, and taking into consideration the guidelines from the government of Bangladesh, effective March 19, 2020, the Company closed its Head Office for at least 2.5 Months and operated its factory activities at a minimum level.

Golden Harvest Agro Industries and its subsidiary, associate companies and business segments has been affected adversely due the spread of COVID-19. After adverse impact on operating results for the year end 30 June 2020 again sales declined by 56% during 1st quarter, as a result company incurred net loss and EPS also reduced negatively by 204% during the reporting period compared to corresponding period of previous year.

From the very beginning of the lockdown condition, demand of certain products have been decreasing. On the top of this, because schools are closed from middle of March, majority of products do not have any demand as they are largely used as school tiffin. Hotel, Restaurant, Café/Catering (HORECA) channel were our major consumers. All hotels, restaurants, café and catering across the country were closed from the day of lock down and sales from that channel-category reduced to zero. Even though, retail shops, which sold our products, used to remain open for limited time of the day. Again, due to Govt. decision these shops could allow only limited number of customers at a time as health safety measure.

Effect of COVID-19 on ice cream industry in Bangladesh, is not comparable with any other industry, nor with any other country. Golden Harvest Ice Cream Limited, an associate company of Golden Harvest Agro Industries Ltd. also suffered immensely. A vested interest group in Bangladesh raised false alarm against consumption of ice cream, circulating that ice cream consumption triggers the risk of COVID-19. The group had been using loudspeakers, social-media, hand-leaflets and word of mouth to spread these unfounded rumors. Our cold distribution vans also faced resistance from the rumor mongers and even delivery men were assaulted in some places by them. As a result, in the current state of confusion and uncertainty, general public started believing in those rumors and ice cream consumption fell drastically. Parents, out of fear, literally not buying ice creams for their children, the main consumers being school going children.

Supply chain broke down, rendering our product distribution difficult and expensive. On the other hand, sourcing of raw material became very hard. Because of shortage of raw material for certain items, we were bound to stop production of such items. We fell short of packaging materials since March 2020 and stopped production of some SKUs.

Also, in April & May 2020 country was fully locked down. As a result huge amount of raw materials, packing materials and finished goods lost their shelf life. Due to restricted movement of international maritime vessels it was not possible to import prime raw materials for Ice cream.

Despite very low sales, the company has been paying salaries, utilities, rentals and other operational expenses from the scanty reserve. Receivables remained uncollectable as well.

Operation of our business very largely depends on consistent cash flow. During the COVID-19 period cash flow had been erratic and unreliable. As a result general operating activities were hampered.



Mention should be made here that sustainability in frozen food processing business is ensured through regular manufacturing activities. During the lockdown period manufacturing activities were hampered. This resulted in reduced cash flow and lack of capital investment. Due to these factors company's debt servicing also became irregular. Overall financial result was unsatisfactory and the dividend payment was also not possible. Earnings per share also negative.

As a prudential move and in order to augment growth and profitability the company has been reviewing its future financial position in perspective. The company is reducing the expenses and applying financial austerity. It is expected that these corrective measures would ensure growth and profitability and the company will regain its position to resume dividend payment.

