

**AUDITORS' REPORTS
&
FINANCIAL STATEMENTS
OF**

NATIONAL POLYMER INDUSTRIES LIMITED

For the year ended 30 June 2017

PRIVATE & CONFIDENTIAL



সিরাজ খান বসাক এন্ড কোং
SHIRAZ KHAN BASAK & CO.
Chartered Accountants
Dhaka, Bangladesh

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For the year ended 30 June 2017

**সিরাজ খান বসাক এন্ড কোং
SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
R K Tower (Level-10)
86 Bir Uttam C R Datta Road
Dhaka-1205**

A associate Firm of D N Gupta & Associates



SHIRAZ KHAN BASAK & CO.

CHARTERED ACCOUNTANTS

(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)

**86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205**

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF NATIONAL POLYMER INDUSTRIES LIMITED

We have audited the accompanying financial statements of **National Polymer Industries Limited**, which comprise the Statement of Financial Position as at 30 June 2017, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2017 and all related notes of financial statements together with a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management, represented by the Board of Directors, is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Securities and Exchange Rules 1987 and Applicable Laws and Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the company. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements of the Company, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements of the Company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above give a true and fair view of the financial position of **National Polymer Industries Limited** as of 30 June 2017 and of its financial performance and cash flows for the year ended 30 June 2017 in according with Bangladesh Financial Reporting Standards, Bangladesh Accounting Standards and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) our examination and checking of records, relevant books of accounts, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the financial statements;
- (b) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (c) the company's management has followed relevant provisions of laws and rules in managing the affairs of the company. Proper books of accounts, records and other statutory books have been properly maintained;
- (d) the statement of financial position and the statements of comprehensive income are in agreement with the said books of account maintained by the company and examined by us; and
- (e) the expenditure incurred and payments made were for the purpose of the company's business for the period.

Dated: Dhaka;
October 28, 2017




Shiraz Khan Basak & Co.
Chartered Accountants

National Polymer Industries Limited

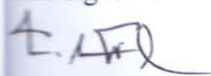
Statement of Financial Position

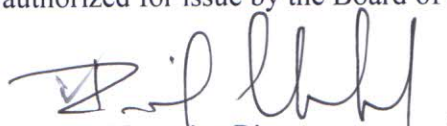
As at 30 June, 2017

Particulars	Notes	30-06-2017 Taka	30-06-2016 Taka
ASSETS			
Non-Current Assets			
Property, Plant & Equipment - Carrying Value	4	1,033,564,673	1,074,148,779
		1,033,564,673	1,074,148,779
Investment	5	100,000,000	-
Capita Work in Progress (CWIP)	6	113,162,933	-
Current Assets			
Inventories	7	793,869,218	702,529,744
Accounts Receivables	8	236,667,364	176,872,109
Advance, Deposit & Prepayments	9	396,103,403	322,600,284
Cash & Cash Equivalents	10	171,306,103	43,869,220
		1,597,946,088	1,245,871,358
TOTAL ASSETS		2,844,673,694	2,320,020,137
EQUITY & LIABILITIES			
Capital & Reserves			
Share Capital	11	204,312,444	170,260,370
Share Premium	12	134,000,000	134,000,000
Revaluation Reserve	13	496,260,922	496,260,922
General Reserve	14	195,624,148	184,682,723
		1,030,197,514	985,204,015
Non-Current Liabilities			
Long Term Loan Non-Current Maturity	15	123,031,377	205,422,787
Finance Lease Obligation Non-Current Maturity	16	-	-
		123,031,377	205,422,787
Deferred Tax Liability			
	17	79,485,014	79,485,014
Current Liabilities			
Short Term Loan	18	1,447,690,594	917,435,353
Long Term Loan-Current Maturity	15	80,566,626	81,540,990
Finance Lease Obligation-Current Maturity	16	-	1,358,155
Accounts Payable	19	25,159,702	12,809,330
Provision for Tax	20	53,707,557	31,621,239
Creditors for Expenses & Accruals	21	4,835,309	5,143,254
		1,611,959,788	1,049,908,321
TOTAL EQUITY & LIABILITIES		2,844,673,694	2,320,020,137
Net Asset Value (NAV) Per Share	29	50.42	48.22

The annexed notes from an integral part of these financial statements

The financial statements approved and authorized for issue by the Board of Directors on October 28, 2017 and signed on behalf of the Board:


Chairman


Managing Director


Company Secretary

Signed as per our annexed report of even date

Dhaka.

Dated: October 28, 2017




Shiraz Khan Basak & Co.
Chartered Accountants

National Polymer Industries Limited
Statement of Comprehensive Income
For the year ended 30 June 2017

Particulars	Notes	30-06-2017 Taka	30-06-2016 Taka
Revenue	22	1,866,687,057	1,759,312,097
Cost of Goods Sold	23	(1,559,393,196)	(1,467,748,484)
Gross Profit		307,293,861	291,563,613 *
Administrative and Selling Expenses	24	(126,164,512)	(120,846,419)
Profit from Operations		181,129,350	170,717,194
Other Income	25	2,041,000	-
Financial Expenses	26	(89,667,243)	(102,192,993)
Profit before Taxation		93,503,107	68,524,201
Provision for WPPF and Welfare Fund	27	(4,675,155)	(3,263,057)
Provision for income Tax	28	(22,086,318)	(16,315,286)
Net Profit for the year		66,741,634	48,945,858
Other Comprehensive Income/ (Loss):			
Actuarial Loss on defined Benefit Plan		-	-
Total Comprehensive Income for the year		66,741,634	48,945,858
Earnings per Share:	29		
Basic earnings per share (par value Tk 10) in Taka- Restated		3.27	2.40

The annexed notes from an integral part of these financial statements

The financial statements approved and authorized for issue by the Board of Directors on October 28, 2017 and signed on behalf of the Board:


Chairman


Managing Director


Company Secretary

Signed as per our annexed report of even date

Dhaka,
Dated: October 28, 2017




Shiraz Khan Basak & Co.
Chartered Accountants

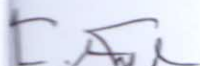
National Polymer Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2017

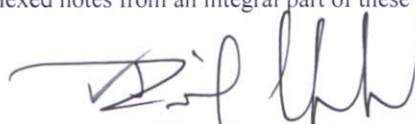
Particulars	Amount in Taka				
	Share Capital	Share premium	Revaluation Reserve	General Reserve	Total
Balance as at 1 July 2016	170,260,370	134,000,000	496,260,922	184,682,723	985,204,015
Payment of Stock Dividend	34,052,074	-	-	(34,052,074)	-
VAT, VDS and Interest Paid for the period July 11 to June 14	-	-	-	(6,415,511)	(6,415,511)
Tax Adjustment on assessment (10-11 to 13-14)	-	-	-	(15,332,624)	(15,332,624)
Profit Earned during the year	-	-	-	66,741,634	66,741,634
Total	204,312,444	134,000,000	496,260,922	195,624,148	1,030,197,514

National Polymer Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2016

Particulars	Amount in Taka				
	Share Capital	Share premium	Revaluation Reserve	General Reserve	Total
Balance as at 1 July 2015	144,288,450	134,000,000	45,845,841	161,708,785	485,843,076
Payment of Stock Dividend	25,971,920	-	-	(25,971,920)	-
Revaluation of land	-	-	529,900,095	-	529,900,095
Deferred Tax on Revaluation	-	-	(79,485,014)	-	(79,485,014)
Profit Earned during the year	-	-	-	48,945,858	48,945,858
Total	170,260,370	134,000,000	496,260,922	184,682,723	985,204,015

The annexed notes from an integral part of these financial statements


Chairman


Managing Director


Company Secretary

Signed as per our annexed report of even date

Dhaka,
Dated: October 28, 2017




Shiraz Khan Basak & Co.
Chartered Accountants

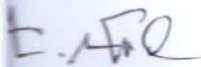
National Polymer Industries Limited

Statement of Cash Flows

For the year ended 30 June 2017

Particulars	Notes	30-06-2017 Taka	30-06-2016 Taka
Cash Flows from Operating Activities			
Collection from Sales and Others		1,806,891,802	1,774,928,403
Payment to Suppliers, Employees and Others		(1,304,785,879)	(1,575,335,125)
Net Cash Flows from Operating Activities		502,105,923	199,593,279
Cash Flows from Investing Activities			
Payment for acquisition of Property, Plant & Equipment	4	(62,119,675)	(90,620,569)
Investment in FDR		(100,000,000)	-
Capital Work in Process (CWIP)		(113,162,933)	-
Net Cash Increase from Investing Activities		<u>(275,282,608)</u>	<u>(90,620,569)</u>
Cash Flows from Financing Activities			
Proceeds from Long Term Loan		-	254,946,822
Payment of Term Loan		(83,365,774)	(515,220,202)
Payment of Financial Lease Loan		(1,358,155)	(1,655,374)
Interest paid on Long Term Loan		(14,662,504)	(16,358,189)
Net Cash Flows used from Financing Activities		<u>(99,386,433)</u>	<u>(278,286,943)</u>
Net Increase in Cash during the year		127,436,883	(169,314,233)
Opening Cash & Cash Equivalents	10	43,869,220	213,183,454
Closing Cash & Cash Equivalents	10	<u>171,306,103</u>	<u>43,869,220</u>
Net Operating Cash Flow per Share	29	<u>24.58</u>	<u>9.77</u>

The annexed notes from an integral part of these financial statements


Chairman


Managing Director


Company Secretary

Dhaka,

Dated: October 28, 2017



National Polymer Industries Limited

Notes to the Financial Statements

For the year ended 30 June, 2017

1. Reporting Entity

1.1 Profile of the Company

1.1.1 Legal status of the Company

National Polymer Industries Limited (the "Company") was incorporated under the Companies Act 1994 as a Public Company Limited by shares on June 26, 1987 and its shares are listed in the Stock Exchange (both in Dhaka and Chittagong Stock Exchange Ltd.) in Bangladesh during the 1991 and 1995 respectively.

1.1.2 Address of registered office and principal place of business

The Company's registered office is located at Squib Road, Nishatnagar, Tongi, Gazipur.

1.1.3 Nature of Business

The company owns and operates PVC Pipes, PVC Doors and Bottle grade PVC Compound Manufacturing Plant, produces and markets the same in the local and foreign markets.

1.4. Number of employees:

The number of employees at year-end were 844.

2. Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- (i) Statement of Financial Position as at 30 June 2017;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017;
- (iii) Statement of Changes in Equity for the year ended 30 June 2017;
- (iv) Statement of Cash Flows for the year ended 30 June 2017; and
- (v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2017.

3. Significant Accounting Policies

3.1 Basis of measurement of elements of financial statements

The financial statements have been prepared in the historical cost basis, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of previous years.

3.01 Reporting period

The accounting period of the company covers year ended 01 July to 30 June.

3.2 Statement on compliance with local laws

The financial statements have been prepared in accordance with the Bangladesh Accounting Standard (BAS), the Companies Act 1994, The Security and Exchanges Rules 1987, the listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other related rules & regulations as applicable and in accordance with the applicable of Bangladesh Financial Reporting Standards (BFRSs) include Bangladesh Accounting Standards (BASS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).



3.3 Going concern

As per BAS-1, a company is required to make assessment at the end of each year to make assessment of its capability to continue as going concern. Management of the Company makes such assessment each year. The company has adequate resources to continue its' operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

3.4 Accrual basis

The financial statements have been prepared, except for cash flow information, using the accrual basis of accounting.

3.5 Reporting Period

The Financial Statements covers the period from 1 June 2016 to 30 June, 2017.

3.6 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standard (BAS) requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income/(loss) that are reported in the Financial Statements and accompanying disclosures.

These estimates are based on management's best knowledge of current events, historical experience, actions that the company may undertake in future and on various other assumptions that are believed to be reasonable under circumstances.

3.7 Property, Plant & Equipment (PPE)

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the company and the cost of the assets can be reliably measured. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

Subsequent Costs

Depreciation on Fixed Assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property Plant and Equipment. Depreciation is charged on addition during the period when it is available for use. Depreciation of an asset begins when it is available for use. Depreciation is charged on all fixed assets except land and land development on reducing balance method at the following rates:

<u>Particular of Assets</u>	<u>Rate of</u>
Factory Building, Factory Laboratory	20%
Office, Administrative & Godown Shed	10%
Factory Boundary Wall	10%
Plant and Machinery & Local Machinery	20%
Furniture and Fixtures	10%
Office Equipment	20%
Vehicles	20%
Titas Gas Installation	10%
Gas Generator & Diesel Generator	20%
Coap. Machine Shed & Steel Rack	10%



Retirements and Disposals

When fixed assets are sold, the cost and accumulated depreciation are eliminated and gain or loss (if any) is reflected in the income statement that is determined on the basis of net book value of the assets and net sales proceeds or realized amount.

3.8 Accrual basis Capital work in progress:

Capital work in progress consists of acquisition costs of plant and machinery, capital components and related installation cost until the date placed in service. In case of import of components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the company, that is, at the time of shipment is confirmed by the supplier.

3.9 Application of Accounting Standards

The following BASs are applicable for the financial statements of the company for the period under audit:

Name of the Accounting Standards	BAS No.
Presentation of Financial Statements	1
Inventories	2
Statement of Cash Flows	7
Accounting Policies, Changes in Accounting Estimates and Errors	8
Events After the Reporting Period	10
Income Taxes	12
Property, Plant and Equipment	16
Leases	17
Revenue	18
Employee Benefits	19
Borrowing Costs	23
Related Party Disclosure	24
Earnings Per Share (EPS)	33
Provisions, Contingent Liabilities and Contingent Assets	37

3.10 Inventory

Inventories are measured at lower of cost and net realizable value in accordance with BAS/IAS-2 (Inventories). The cost of inventories includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Raw materials in transit are valued at cost. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. The weighted average cost method has been used to determine the value of inventory.

3.11 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset to one party and a financial liability or equity instrument to another party.

i) Financial Assets::

Financial assets of the company include cash and cash equivalent, trade and other receivables, other long term receivables and deposits. The company initially recognizes the financial assets when and only when the company becomes a party to the contractual provisions of the transaction. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transactions. The company derecognizes the financial asset when and only when the contractual rights or probabilities of receiving the flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

i.(a) Accounts Receivables:

These are carried at original invoice amount. This considered good and collectable, and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for.

i.(b) Cash and Cash Equivalents:

According to IAS 7 “Statement of Cash Flows”, cash comprises cash in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 “Presentation of Financial Statements” provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS 7 and IAS 1 cash in hand and bank balances have been considered as cash and cash equivalents.

Other current assets:

Other current assets have a value on realization in the ordinary course of business that is at least equal to the amount at which they are stated in the statement of financial position.

ii) Financial Liabilities:

The company initially recognizes the financial liabilities when and only when the company becomes a party to the contractual provisions of the transaction. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities include payable for expenses, liability for capital expenditures, Finance lease obligation, loans and borrowings and other current liabilities.

ii.(a) Finance lease obligation:

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

ii.(b) Loans and borrowings:

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

ii.(c) Accounts payables:

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

3.12 Impairment:

i. Financial Assets

Trade receivable is assessed at each reporting date to determine whether there is objective evidence that it is impaired. Trade receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the assets and that the loss had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

ii. Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.13 Taxation

Income tax expense comprises of current and deferred taxes. It is recognized in the Statement of Comprehensive Income and accounted for in accordance with the requirements of BAS 12: Income Tax.

i. Current Taxation

The tax currently payable is based on the Taxable profit for the year and any adjustment to tax payable in respect of previous year. The company is a Publicly Traded Company. As per the Income Tax Ordinance, 1984 the rate of taxation applied at the rate of 25.00%.

ii. Deferred Taxation

The company doesn't require to compute deferred tax on PPE because the company charges depreciation as per the depreciation rate and conditions mentioned in the third schedule of the ITO, 1984. So, there is no temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements.

3.14 Revaluation Reserve

Revaluation reserve arose from the revaluation of land and land development which were revalued on 25th June 2006 by M/S. GEOTECH Survey company (pvt) Ltd, a firm of professional valuers on the basis of market price prevailing in the country. The difference between revaluation and actual book value has been reported in accounts under the head Revaluation Reserve.

The company has revaluated its own land in the year of 2015 located at Squib Road, Tongi Industrial Area, Gazipur by independent valuer Mahfel Huq & Co. The area of the land is 311.10 Decimals. Book value of the land was Taka 67,411,905. After valuation, this is increased to 597,312,000. Revalued amount is Taka 529,900,095.

3.15 Tax Holiday Reserve:

The company enjoyed five years Tax Holiday for unit-I up to February 28, 1995 while for unit –II for a period of five years ended on April 30, 2000, Unit III for a period of five years ended on June 30, 2003 and Unit IV for a period of five years ended on December 31, 2005. Currently not enjoying Tax Holyday Benefit.

3.16 Foreign Currency Translation:

Transactions denominated in foreign currencies are translated into Bangladeshi Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 "The Effects of Changes in Foreign Currency Rates".

3.17 Provisions, Accrued Expenses and Other Payables

Provisions and accrued expenses are recognized in the Financial Statements in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- the company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

3.18 Contingent Liabilities

The Company does not have any contingent liabilities as on the reporting date.

3.19 Revenue (Turnover) from Sales

Net sale comprises the invoiced value of goods supplied by the company and consists of Sales of manufactured goods excluding Value Added Tax (VAT).



Revenue recognition

The revenue is recognized after satisfying all the following conditions for revenue recognition as provided in IAS 18 "Revenue Recognition";

- a. The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b. The Company retains neither continuing managerial involvement to the degree usually associated ownership nor effective control over the goods sold;
- c. The amount of revenue can be measured reliably;
- d. It is probable that the economic benefits associated with the transaction will flow to the company;
- e. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Other non-operating income has been recognized on accrual basis.

3.20 Borrowing cost:

Borrowing cost is recognized as expense in the period in which they are incurred unless capitalization of such is allowed under BAS 23-Borrowing cost.

3.21 Leases

i. Finance Lease

As per requirement of IAS-17 and Income Tax Ordinance 1984, The third schedule paragraph (3) sub-paragraph-4: The assets (recognized as Property, Plant and Equipment) and a corresponding liability for future leased payments are recognized at the same amounts. Depreciation and impairment of the leased assets is recognized in terms of IAS 16 and IAS 36.

ii. Operating Lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are not recognized in the Statement of Financial Position. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

3.22 Earnings Per Share:

The Company calculates Earnings Per Shares (EPS) in accordance with BAS 33 "Earnings per Shares" which has been shown on the face of Statement of Comprehensive Income and, the computation of EPS is stated in Note 29. Earning per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 30 June 2017 as per BAS-33 "Earnings per Shares".

3.23 Basic Earnings / Loss:

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

3.24 Diluted Earnings Per Share:

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

3.25 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules 1987 and considering the provision of Paragraph 19 of IAS 7 which provides that "Enterprise are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

3.26 Dividend for the year:

After the reporting period, the Board of Directors recommended 20% stock dividend per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.



3.27 Events after reporting period:

Events after the reporting period that provide additional information about the company's position at the date of statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting that are not adjusting events are disclosed in the notes when material.

3.28 Post closing events

After the reporting period, the Board of Directors recommended 20% stock dividend per share. The proposed dividend is subject to shareholders' approval in the forthcoming annual general meeting. Except the fact as stated above, no circumstances have arisen after the reporting period which would require adjustments to or disclosure in the financial statements or in the notes.

3.29 Human Resources

Particulars	2016-17	2015-16
Board of Directors	5	5
Officers	365	363
Staff	174	172
Skilled and unskilled workers	305	296
Total	849	836

3.30 Employee Benefit

i. Defined Contribution Plan

The Company maintains a recognized provident fund @ 10% of basic pay (equally contributed by employee and employer) for all eligible permanent employees. The said fund is managed by a board of trustees.

ii. Defined Benefit Plan

The Company maintains an unfunded gratuity scheme and deduct when retirement benefits are paid by the company. The employees are entitle to gratuity benefit after completion of minimum 5 years service in the company.

iii. Employee's Group Insurance

The company has also a group insurance scheme for its permanent employees, premium for which is being charged to Statement of Profit or Loss and Other Comprehensive Income annually as per the insurance policy.

3.31 Advertisement, Publicity & Promotional Expenses:

All costs associated with advertising and promoting products are expensed in the year it incurred.

3.32 Additional Information on Financial Statements:

i. Responsibilities for Preparation and Presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per the provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards Committee (IASB).

ii. Risk and Uncertainties for use of Estimates in Preparation of Financial Statements:

The preparation of financial statements is in conformity with the International Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as long term contract, depreciation and amortization, taxes, reserves, employee benefits and contingencies.



iii. Compliance with Local Laws:

The financial statements have been prepared in compliance with disclosure and presentational requirements:

- The Companies Act 1994;
- The Securities and Exchange Ordinance, 1969 and Securities & Exchange Rules 1987;
- The Listing Rules of Dhaka Stock Exchange Ltd.
- Income Tax Ordinance 1984 and Rules;
- Other relevant local laws and rules.

iv. Compliance with the International Accounting Standards (IASs):

The Financial Statements have been prepared in compliance with the requirements of the IAS and IFRS adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The title and format of these Financial Statements follow the requirements of BFRS/BAS which are to some extent different from the requirements of the Companies Act 1994. However, such differences are not material and in the view of Management BFRS / BAS titles and format give better presentation to the shareholders.

3.33 Authorization for Issue:

These Financial Statements have been authorized for issue by the Board of Directors of the Company on 28 October, 2017.

3.34 Comparative Information:

Comparative information has been disclosed in respect of the year 2016-2017 for all numerical information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Figures of the year 2015-2016 have been rearranged and regrouped whenever considered necessary to ensure comparability with the current period. The disclosures in the financial statements, in all materials respects, are in accordance with International Accounting Standards, as adopted in Bangladesh.

3.34a Offsetting:

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.35 Materiality and Aggregation:

Each material item has been presented separately in company's financial statements. Immaterial amounts have been aggregated with the amounts of similar nature or function.

3.36 Reporting Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka) which is the company's functional currency.

3.37 Directors' responsibility for Financial Statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

3.38 General

- i. Figures have been rounded off to the nearest taka.
- ii. Previous period's/year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.



National Polymer Industries Limited
For the year ended 30 June 2017

Note 4: Property, Plant and Equipment

Amounts in Taka

Assets Category	COST				Rate	DEPRECIATION				Written Down Value as on 30.06.2017	Written Down Value as on 30.06.2016
	As on 01.07.2016	Additions during the period	Adjustment/Sales during the period	As on 30.06.2017		As on 30.06.2016	Charged during the year	Adjustment/ during the year	Cumulative as on 30.06.2017		
Land & Land Development-			-								
Cost	21,566,064	-	-	21,566,064		-	-	-		21,566,064	21,566,064
Revaluation	575,745,936	-	-	575,745,936		-	-	-		575,745,936	575,745,936
Factory Building	89,450,098	388,882	-	89,838,980	20%	46,880,696	8,584,673	-	55,465,369	34,373,611	42,569,402
Godown Shed	30,524,820	-	-	30,524,820	10%	19,741,311	1,078,351	-	20,819,662	9,705,158	10,783,509
Plant & Machinery	774,055,091	44,830,853	-	818,885,944	20%	443,401,294	72,657,553	-	516,058,847	302,827,097	330,653,797
Local Machinery	32,135,174	-	-	32,135,174	20%	21,775,900	2,085,817	-	23,861,717	8,273,457	10,359,274
Office Shed	1,637,007	-	-	1,637,007	10%	1,040,664	59,634	-	1,100,298	536,709	596,343
Coap. Machine Shed	194,754	-	-	194,754	10%	121,923	7,283	-	129,206	65,548	72,831
Steel Rack	459,095	-	-	459,095	10%	269,352	18,974	-	288,326	170,769	189,743
Factory Laboratory	179,420	-	-	179,420	20%	163,777	3,129	-	166,906	12,514	15,643
Administrative Shed	2,359,169	-	-	2,359,169	10%	1,713,512	64,566	-	1,778,078	581,091	645,657
Boundary Wall	4,045,053	-	-	4,045,053	10%	2,663,815	138,124	-	2,801,939	1,243,114	1,381,238
Gas Generator	55,544,726	-	-	55,544,726	20%	38,588,036	3,391,338	-	41,979,374	13,565,352	16,956,690
Diesel Generator	26,974,764	-	-	26,974,764	20%	17,035,106	1,987,932	-	19,023,038	7,951,726	9,939,658
Titas Gas Installation	2,288,132	-	-	2,288,132	10%	1,349,403	93,873	-	1,443,276	844,856	938,729
Furniture & Fixtures	5,549,346	1,056,284	-	6,605,630	10%	2,579,435	357,788	-	2,937,223	3,668,407	2,969,911
Vehicles	84,174,217	5,989,906	-	90,164,123	20%	43,236,594	9,128,315	-	52,364,909	37,799,214	40,937,623
Office Equipment	21,981,619	9,853,750	-	31,835,369	20%	14,154,888	3,046,431	-	17,201,319	14,634,050	7,826,731
Total	1,728,864,485	62,119,675	-	1,790,984,160		654,715,706	102,703,781	-	757,419,487	1,033,564,673	1,074,148,779
As at 30 June 2016	1,638,243,916	90,620,569	-	1,728,864,485		547,014,655	107,701,051	-	654,715,706	1,074,148,779	1,091,229,261

Depreciation allocated to :

Cost of Goods Sold (Note # 23.03)
Administrative and Selling Expenses (Note # 24.00)

90,171,247
12,532,534
102,703,781



	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
04.00 Property, Plant & Equipment		
Opening Balance	1,728,864,485	1,638,243,916
Addition during the year	62,119,675	90,620,569
Cost as at 30 June 2017	1,790,984,160	1,728,864,485
Accumulated Depreciation	(757,419,487)	(654,715,706)
Closing Balance	1,033,564,673	1,074,148,779
5.00 Investment		
FDR in Uttara Finance & Investment Ltd.	100,000,000	-
	100,000,000	-
6.00 Capital Work In Progress (CWIP)		
Capital Machinery in Transit	90,479,747	-
Civil Construction	22,683,186	-
	113,162,933	-
7.00 Inventories	30 June 2017	30 June 2016
	Quantity	Quantity
	Taka	Taka
Raw Materials	6,776 MT	5,547 MT
	392,437,175	325,298,732
Work in Process		23,787,581
	35,877,540	
Finished Goods	4,438 MT	2,354 MT
	338,719,417	296,204,778
Stores and Spares		10,266,342
	8,251,200	
Stock in Transit		46,972,311
	14,685,473	
Packing Materials		-
	3,898,413	
	793,869,218	702,529,744
8.00 Accounts Receivables		
Receivables Against Sales	236,667,364	176,872,109
	236,667,364	176,872,109
a) This is unsecured, considered good and is falling due within one year.		
b) No provision for doubtful has been made in the financial statements.		
c) No amount was due by associated undertaking.		
9.00 Advance, Deposit & Prepayments		
Advances:		
Advance Income Tax	Notes-9.01	246,626,020
		175,335,530
Advances to Suppliers		65,047,195
		71,548,532
Advance to Employee		11,552,088
		11,695,369
Advance against Brand Development		3,965,000
		3,408,226
Other Advances		3,854,202
		3,037,509
		331,044,505
		265,025,166
Deposits:		
Security and Lease Deposit		9,411,865
		1,757,500
Margin, Tender E/M & other Deposit		29,486,221
		29,486,221
Deposit for Utilities		1,852,400
		2,265,828
		40,750,486
		33,509,549
Prepayments:		
Prepaid Rent		20,215,421
		23,135,916
Value Added Tax (VAT)		4,092,991
		929,653
		24,308,412
		24,065,569
		396,103,403
		322,600,284

9.01 Advance Income Tax

	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
Opening Balance	175,335,530	99,048,933
Paid at Port (Import / Export Stage)	68,505,905	53,431,111
AIT deducted against sales	17,860,709	5,537,908
AIT on FDR	-	1,613,125
AIT on Vehicle	256,500	398,500
Provision for Tax Rearranged (Note-20)	-	15,305,953
Prior Year Adjustment on income Tax assessment (Income year 2010-2011 to 2013-2014)	(15,332,624)	-
	246,626,020	175,335,530

a) No amount is due by the directors (including managing director), managing agent, managers and other officers of the company and any of them severally or jointly with any other person, except as stated above.

b) Filed a writ petition no. 3685 of 2008 under section : 406/420 B.P.C in the Honorable supreme court of Bangladesh : High court division against .Automan Steel Building system Limited (ASBS) for Taka 42,75,000/- which is included Advance to supplier for proper judgment which is under jurisdiction, and It is probable that the amount will be recovered.

10.00 Cash & Cash Equivalents

Cash in Hand		20,391,293	13,630,954
Cash at Bank	Notes-10.01	150,914,809	30,238,266
		171,306,103	43,869,220

10.01 Cash at Bank

Name of Bank	A/c #		
AB Bank Limited	CD-8850	4,322,733	1,635,885
Bank Asia Limited	CD-10829	1,911,050	1,326,075
BRAC Bank Limited	CD-51001	10,275,906	-
City Bank Limited	CD-28001	3,225,328	737,900
Dhaka Bank Limited	OD-17574	8,590,511	260,866
Dutch Bangla Bank Limited	CD-10144	4,841,527	5,373,393
Eastern Bank Limited	OD-00477	167,373	-
IFIC Bank Limited	CD-21001	3,130,246	1,640,254
Islami Bank Bangladesh Limited	CD-12804	11,807,905	3,759,649
Jamuna Bank Limited	CD-13615	1,960,270	174,116
Janata Bank Limited	CD-16125	3,400,009	693,136
Modhumati bank Limited	CD-00070	289,364	16,733
Mutual Trust Bank Limited	CD-05604	2,731,473	765,574
Mutual Trust Bank Limited	CD-07295	2,643,264	-
National Bank Limited	CD-69629	4,405,911	535,968
One Bank Limited	CD-87001	469,904	233,400
Premier Bank Limited	CD-00033	904,284	719,023
Prime Bank Limited	CD-80705	3,259,719	361,228
Pubali Bank Limited	CD-28344	6,326,457	1,588,354
Shahajalal Islami Bank Limited	CD-01639	3,179,076	847,404
Sonali Bank Limited	CD-08067	12,041,677	203,471
Standard Bank Limited	CD-03814	4,339,480	-
Standard Chartered Bank Limited	OD-25801	37,961,654	-
United Commercial Bank Limited	CD-03100	7,458,433	4,864,471
Uttara Bank Limited	CD-13797	1,124,472	-
Uttara Bank Limited	CD-11673	10,146,785	4,501,368
		150,914,809	30,238,266



11.00 Share Capital

Authorized:

50,000,000 Ordinary Shares of Taka 10 each

30 June 2017	30 June 2016
Amount (TK)	Amount (TK)
500,000,000	500,000,000

Issued, Subscribed and Paid-up:

I) 134,000 Ordinary Shares of Taka 10 each

II) 134,000 Right Shares of Taka 10 each (1:1)

III) 536,000 Right Shares of Taka 10 each (1:2)

IV) 6,388,845 Bonus Shares of Taka 10

V) 2,597,192 Bonus Shares of Taka 10 each

VI) 3,405,207 Bonus Shares of Taka 10 each

13,400,000	13,400,000
13,400,000	13,400,000
53,600,000	53,600,000
63,888,450	63,888,450
25,971,920	25,971,920
34,052,074	-
204,312,444	170,260,370

a) The Authorized Capital of the Company increased from 10 (Ten) core to Tk. 50 (fifty) core in the 6th Extraordinary General Meeting (EGM) which was held on 22nd November 2011 at 10.30 a.m. at Spectra Convention Centre, Gulshan-1, Dhaka

Composition of Shareholding:

	30 June 2017		30 June 2016	
	Number	%	Number	%
Sponsors/Directors	12,205,996	59.74	9,056,337	53.19
Financial Institutions	2,047,150	10.02	974,280	5.72
General	6,178,098	30.24	6,995,420	41.09
	20,431,244	100	17,026,037	100

Classification of Shareholders by holding:

Holdings	Number of Holders		Total Holding (%)	
	30-06-2017	30-06-2016	30-06-2017	30-06-2016
1 to 500	1,452	1,827	56.83	61.47
501 to 1,000	393	418	15.38	14.06
1,001 to 5,000	509	548	19.92	18.44
5,001 to 50,000	166	156	6.50	5.25
50,001 to above	35	23	1.37	0.78
	2,555	2,972	100	100

12.00 Share Premium

Total 536,000 Shares of Taka 250 each

134,000,000	134,000,000
134,000,000	134,000,000

Taka 134,000,000 represents issue of 5,36,000 Ordinary Shares in January 2009 for Tk. 250 each.

13.00 Revaluation Reserve

Opening Balance

Land Revalued during this year

Deferred Tax on Land Revaluation

496,260,922	496,260,922
-	-
496,260,922	496,260,922
-	-
496,260,922	496,260,922



	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
14.00 General Reserve		
Opening Balance	184,682,723	161,708,785
Payment of Stock Dividend	(34,052,074)	(25,971,920)
	<u>150,630,649</u>	<u>135,736,865</u>
VAT, VDS and Interest paid for the period July 2011 to June 2014	(6,415,511)	-
Tax Adjustment on assessment (2010-2011 to 2013-2014)	(15,332,624)	-
Profit during the year	66,741,634	48,945,858
	<u>195,624,148</u>	<u>184,682,723</u>
15.00 Long Term Loan		
Standard Chartered Bank		
Opening Balance	226,488,600	114,233,887
Add : Received during the year	-	254,946,822
Paid during this year	(59,664,209)	(142,692,109)
	<u>166,824,391</u>	<u>226,488,600</u>
Current Maturity within one year	(59,664,209)	(59,664,209)
	<u>107,160,182</u>	<u>166,824,391</u>
Eastern Bank Ltd.		
Opening Balance	60,475,177	83,003,270
Add : Received during the year	-	-
Paid during this year	(23,701,565)	(22,528,093)
	<u>36,773,612</u>	<u>60,475,177</u>
Current Maturity within one year	(20,902,417)	(21,876,781)
	<u>15,871,195</u>	<u>38,598,396</u>
	<u>123,031,377</u>	<u>205,422,787</u>
Long Term Loan Current Maturity		
Standard Chartered Bank	59,664,209	59,664,209
Eastern Bank Ltd	20,902,417	21,876,781
	<u>80,566,626</u>	<u>81,540,990</u>
Long Term Loan Non-current Maturity		
Standard Chartered Bank	107,160,182	166,824,391
Eastern Bank Ltd	15,871,195	38,598,396
	<u>123,031,377</u>	<u>205,422,787</u>
16.00 Finance Lease Obligation		
IPDC (A/c # 61000000244)		
Opening Balance	1,358,155	2,678,990
Paid during the year	(1,358,155)	(1,320,835)
	<u>-</u>	<u>1,358,155</u>
Finance Lease-current Maturity	-	1,358,155
Finance Lease Non-current Portion	-	-
	<u>-</u>	<u>1,358,155</u>
17.00 Deferred Tax Liability		
Deferred tax liability has been calculated on the revaluation surplus of land. On 4th May 2015, the company has revaluated its own land located at Squib Road, Tongi Industrial Area, Gazipur by independent valuer named Mahfel Huq & Co. The area of the land is 311.10 Decimals. Book value of the land was Taka 67,411,905. After valuation, this is increased to Taka 597,312,000. Revalued amount is Taka 529,900,095.		
Revaluation Surplus on Land & Land Development	<u>529,900,095</u>	<u>529,900,095</u>
Deferred Tax Liability @ 15%.	<u>79,485,014</u>	<u>79,485,014</u>



18.00 Short Term Loan**Overdraft**

	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
Standard Chartered Bank (A/c # 01124925801)	-	9,251,594
Eastern Bank Limited (A/c #1012040000477)	-	3,772,372
Mutual Trust Bank Limited (A/c #00340134000178)	28,021,987	-
One Bank Limited (A/c # 0181020003524)	27,378,358	-
Jamuna Bank Limited (A/c # 00100133005600)	139,128,168	79,311,518
	<u>194,528,513</u>	<u>92,335,484</u>

LTR

Standard Chartered Bank	143,700,711	65,636,498
Eastern Bank Limited	109,433,938	43,209,768
Jamuna Bank Limited	235,712,902	172,155,139
BRAC Bank Limited	18,336,500	24,350,256
Mutual Trust Bank Limited	56,974,918	-
One Bank Limited	47,671,025	-
	<u>611,829,994</u>	<u>305,351,661</u>

STF

Standard Chartered Bank Limited	315,872,699	391,956,100
Eastern Bank Limited	125,008,244	44,380,759
Uttara Finance & Investment Limited	100,000,000	-
Jamuna Bank Limited	67,585,466	45,541,782
BRAC Bank Limited	4,903,255	37,869,566
One Bank Limited	12,772,094	-
Mutual Trust Bank Limited	15,190,329	-
	<u>641,332,087</u>	<u>519,748,207</u>
	<u>1,447,690,594</u>	<u>917,435,353</u>

Security against Facilities

a) Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank Ltd. Eastern Bank Limited and Jamuna Bank Limited of which area of Land is 147.70 decimals located at Kathaldia, Tongi, Gazipur where Standard Chartered Bank's share will not less than BDT 163,320,000.

b) Demand Promissory Note & Letter of Continuation.

Registered Hypothecation over Stocks and Books Debtors on Pari-Passu basis Standard Chartered Bank Ltd. Eastern Bank Ltd and Jamuna Bank Limited.

d) Registered Hypothecation over Plant & Machinery on Pari-Passu basis Standard Chartered Bank Ltd. Eastern Bank Limited and Jamuna Bank Limited.

e) Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposits.

f) Personal Guarantee of the Directors.



	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
19.00 Accounts Payable		
Paradise Corporation	-	4,481,324
Staff Salary Payable	10,837,168	-
Payable against Carriage Outwards	2,037,900	1,141,352
Gratuity Payable	1,953,680	2,741,803
N.K Brothers	-	1,267,401
Gas Bill Payable	1,524,934	2,136,664
Employees Provident Fund	616,496	467,582
Mobile Bill Payable	358,155	243,923
Directors Remuneration Payable	140,000	140,000
Audit Fees	140,625	112,500
Telephone Bill Payable	-	5,213
Godown Rent	-	13,000
Courier Bills	46,595	-
Electricity Bill	7,080,174	-
Fuel Bills for vehicle	-	58,568
VAT Detraction Source payable	127,750	-
TAX Detraction Source payable	296,225	-
	<u>25,159,702</u>	<u>12,809,330</u>

20.00 Provision for Tax		
Opening Balance	31,621,239	15,305,953
Provision for the year	22,086,318	16,315,286
	<u>53,707,557</u>	<u>31,621,239</u>

It represents Tax on NPBT @ 25% considering Tax exemption on export sales as per Para 28 of Sch-6 (part-A) of the Income Tax Ordinance 1984.

21.00 Creditors for Expenses & Accruals		
Unclaimed Dividend	160,154	1,716,797
Unclaimed Right Share Money	-	163,400
Provision for WPPF	4,675,155	3,263,057
	<u>4,835,309</u>	<u>5,143,254</u>



	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
22.00 Revenue		
Local Sales	1,846,400,400	1,746,485,473
Export Sales	20,286,657	12,826,624
	1,866,687,057	1,759,312,097
Quantity (MT)		
Opening Stock	2,354	3,916
Production during the year	22,478	19,708
Goods available for Sale	24,832	23,624
Closing Stock of Finished Goods	(4,438)	(2,354)
Sale during the year	20,394	21,270
23.00 Cost of Goods Sold		
Opening Stock of Raw Materials	325,298,732	370,456,424
Purchase during the year	1,437,361,396	1,156,917,128
Closing Stock of Raw Materials	(392,437,175)	(325,298,732)
Materials used in Production	1,370,222,953	1,202,074,821
Manufacturing Overhead	229,803,507	188,255,274
Consumption of Packing Materials	13,971,334	12,165,387
Total Production Costs	1,613,997,794	1,402,495,481
Opening Work in Process	23,787,581	63,896,387
Closing Work in Process	(35,877,540)	(23,787,581)
Costs of Goods Manufactured	1,601,907,835	1,442,604,288
Opening Stock of Finished Goods	296,204,778	321,348,975
Goods available for Sales	1,898,112,613	1,763,953,262
Closing Stock of Finished Goods	(338,719,417)	(296,204,778)
Cost of Goods Sold	1,559,393,196	1,467,748,484

23.01 Raw Material Used in Production

	Jun-17		Jun-16	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Opening Stock	5,547	325,298,732	5,774	370,456,424
Purchase during the year	24,890	1,437,361,396	22,171	1,156,917,128
	30,437	1,762,660,128	27,945	1,527,373,553
Closing Stock	(6,776)	(392,437,175)	(5,547)	(325,298,732)
	23,661	1,370,222,953	22,398	1,202,074,821

Notes: C & F expenses TK. 3,814,567 has been segregation from the head " Purchase" in comparative and reported under manufacturing overhead.

23.02 Quantity of Finished Goods and Value of each Category are as follows:

Category	Jun-17		Jun-16	
	Quantity	Value (TK)	Quantity	Value (TK)
PVC Pipe	3,178	253,244,654	1,957	228,960,461
PVC Fittings	385	34,862,315	128	21,216,807
PVC Door	875	50,612,448	269	46,027,510
Total	4,438	338,719,417	2,354	296,204,778



	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
23.03 Manufacturing Overhead		
Salary & Wages	30,724,494	29,556,204
Power & Fuel	90,000,604	53,434,434
Conveyance	257,234	209,472
Entertainment & Staff Food	1,051,973	937,041
C & F Expenses	4,776,740	3,814,567
House Rent (Engineers & Officers)	312,569	312,569
Insurance Premium (Fire)	1,959,762	1,234,874
Labour Charges	2,215,234	2,153,709
Land Rent & Pourashova Tax	5,929,900	5,921,665
Medical Expenses	474,365	417,862
Papers & Periodicals	10,080	1,074
Postage & Stamps	14,165	1,748
Printing Expenses	268,526	271,740
Repair and Maintenance	150,500	302,433
Stationery	88,250	147,572
Stores and Spares	908,372	1,821,756
Telephone & Mobile Bill	266,252	277,653
Uniform Expenses	223,240	281,394
Depreciation	90,171,247	87,157,507
	Notes- 4	
	229,803,507	188,255,274
24.00 Administrative and Selling Expenses		
Salary & Allowances	47,187,913	42,000,852
Directors' Remuneration & Perquisites	1,680,000	1,680,000
Directors' Honorarium	207,500	152,500
Advertisement, Publicity & Promotional Expenses	4,656,204	2,620,537
AGM & EGM Expenses	30,000	96,000
Architect & Plumber Conference	-	172,589
Audit Fees	159,375	325,000
Conveyance	359,401	176,528
Sales Conference	4,498,663	703,263
Depreciation	12,532,534	20,543,545
Electric, WASA Bills, GAS Bills & Maintenance	872,054	357,234
Contribution to Employer's Recognized Provident Fund	6,414,980	4,878,730
Entertainment	345,287	356,173
Fees & Professional Charges	418,000	687,500
Fuel bills for Vehicle	2,017,060	2,374,904
Godown Rent	302,950	178,620
Gratuity Fund	-	405,711
Group Insurance	551,086	277,779
Labour Charges (Unload)	558,445	531,852
License Renewal Fee, Rates & taxes	969,859	371,523
Medical Expenses	379,779	512,763
Office Equipment Maintenance	-	107,458
Office Maintenance	276,000	253,791
Office Renovation	371,950	107,342
Office Rent	11,923,200	10,545,750
Papers & Periodicals	8,810	3,702

	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
Postage & Stamps	510,150	259,341
Printing Expenses	1,022,055	845,301
Stationery Expenses	420,680	309,387
Telephone & Mobile Bill	1,582,690	1,751,308
Tender & Testing Expenses	177,675	209,384
Training & Development	40,756	31,250
Transport / Carriage Outwards	22,480,855	24,489,571
Traveling Expenses	2,869,049	2,390,874
Vehicle Maintenance	339,552	138,357
	126,164,512	120,846,419
25.00 Other Income		
Sale of Paper, Wastage and others	2,041,000	-
	2,041,000	-
26.00 Financial Expenses :		
Bank Charges	1,778,020	1,698,204
Interest on Short Term Loan :		
Interest on CC Loan (Eastern Bank Ltd)	669,884	1,102,290
Interest on OD	7,271,600	7,534,173
Interest on LTR & STF Loan (EBL, SCB, One & Jamuna Bank)	65,285,235	75,500,137
	75,004,739	85,834,804
Interest on Long term Loan :		
Interest on IPDC	81,814	251,440
Interest on Term Finance Loan (Eastern Bank Ltd)	4,674,630	6,437,568
Interest on Long Term Loan (Standard Chartered Bank)	9,906,060	9,669,181
	14,662,504	16,358,189
	89,667,243	102,192,993
27.00 Provision for Workers' Profit Participation Fund (WPPF) and Welfare Fund		
Profit before WPPF and Tax	93,503,107	68,524,201
Provision for WPPF and WF @5%	4,675,155	3,263,057
28.00 Provision for Income Tax		
Net Profit Before Tax	88,827,952	65,261,144
Provision for Income Tax	22,086,318	16,315,286
It represents Tax on NPBT @25% considering Tax exemption on export sales as per Para 28 of Sch-6 (part-A) of the ITO, 1984.		
29.00 Earnings Per Share (EPS)- Disclosure Under BAS 33 "Earnings Per Share"		
Net Profit After Tax	66,741,634	48,945,858
Number of Ordinary Share outstanding during the year	20,431,244	20,431,244
	3.27	2.40
Net Asset Value Per Share (NAV)		
Net Asset Value	1,030,197,514	985,204,015
Number of Ordinary Share outstanding during the year	20,431,244	20,431,244
	50.42	48.22

	30 June 2017	30 June 2016
	Amount (TK)	Amount (TK)
Net Operating Cash Flow Per Share		
Net Operating Cash Flow	502,105,923	199,593,279
Number of Ordinary Share outstanding during the year	20,431,244	20,431,244
	<u>24.58</u>	<u>9.77</u>

30.00 Director's Remuneration and Perquisites

Mr. Riad Mahmud	1,080,000	1,080,000
Mr. Golam Murshed	600,000	600,000
	<u>1,680,000</u>	<u>1,680,000</u>

31.00 Capacity Utilization

Capacity of Production in M. Ton per year	Utilization (MT)		Rate	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
(Installed Capacity 29,562 Current year, Last year 27,700 M.Ton)	22,478	19,708	76.04%	71.15%

32.00 Capital Expenditure Commitment:

There was no Capital Expenditure commitment as on 30 June, 2017.

33.00 Contingent Liability:

(I) There was no contingent liability as on 30 June, 2017.

(II) There was no claim against the company not acknowledged as debt as on 30 June, 2017.

(III) There was no credit facility available to the company under any contract but not availed as at 30 June, 2017 other than trade creditors.

(IV) There was no bank guarantee issued by the company on behalf of their directors or the company itself except bank loan.

The following amounts has been demanded by VAT Authority as per their departmental audit objection against which case have been filed in tribunal and court. It is probable that the judgment will be in favor of the company.

Period	Amount	Status
July' 1998 to April' 2000	5,148,712	Writ petition no. 7442 of 2003 in the Honorable Supreme Court of Bangladesh : High Court Division
January' 2006 to June' 2008	11,646,222	Writ petition no. 1755 of 2009 in the Honorable Supreme Court of Bangladesh : High Court Division
January' 2006 to June' 2008	4,545,225	Filed a case with Honorable Appellate Tribunal for proper judgment which is under jurisdiction. Writ petition no. 3210 of 2010 in the Honorable Supreme Court of Bangladesh : High Court Division
July' 2008 to December' 2008	7,534,439	Writ petition no. 3288 of 2009 in the Honorable Supreme Court of Bangladesh : High Court division



34.00 Related Party Transactions

During the year, the company has the following related party transactions.

<u>Nature of Transactions</u>	30 June 2017	30 June 2016
	<u>Amount (TK)</u>	<u>Amount (TK)</u>
Directors Remuneration	1,680,000	1,680,000

35.00 Number of Employees engaged

The number of employees engaged for the whole year :

Officers	365	363
Staff	174	172
Skilled and unskilled workers	305	296
Total	844	831

