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Mahfel Huq & Co. **Chartered Accountants**

The first registered accounting firm in independent Bangladesh

PRIVATE & CONFIDENTIAL

**National Polymer Industries Limited
57 & 57/A Gulshan Avenue (2nd Floor)
Gulshan-1, Dhaka-1212, Bangladesh**

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
As at and for the period ended 30 June 2018**



**National Polymer Industries Limited
57 & 57/A Gulshan Avenue (2nd Floor)
Gulshan-1, Dhaka-1212, Bangladesh**

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
As at and for the period ended 30 June 2018**

**MAHFEL HUQ & CO.
CHARTERED ACCOUNTANTS
BGIC Tower (4th Floor),
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INDEPENDENT AUDITORS' REPORT To the Shareholders' of National Polymer Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **National Polymer Industries Limited** which comprise the Statement of Financial Position as at 30 June 2018 and Statement of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the period then ended 30 June 2018, and all related notes of financial statements together with a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRSs), The Companies Act 1994, The Securities and Exchange Rules 1987 and other Applicable Rules & 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 errors; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 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.

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



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Opinion

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) give a true and fair view of the state of the affairs of the financial position of the **National Polymer Industries Limited** as at 30 June 2018 and of its financial performance and its cash flows for the year ended 30 June 2018 and comply with the requirements of the Companies Act 1994, The Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirement

We further report that:

- (a) our examination and checking of records, relevant books of accounts, registers, schedule 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 purpose of our audit and made due verification thereof;
- (c) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- (d) the company's statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of accounts; and
- (e) the expenditures incurred and payment made were for the purposes of the company's business for the period.

Place: Dhaka,

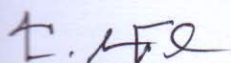
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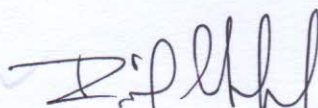
Mahfel Huq & Co.
Chartered Accountants

National Polymer Industries Limited
Statement of Financial Position
As at 30 June 2018

Particulars	Notes	30-06-2018	30-06-2017
		Taka	Taka
ASSETS			
Non-current Assets			
Property, Plant & Equipment - Carrying Value	4	1,435,347,205	1,033,564,673
Investment	5	106,700,000	100,000,000
Capital Work in Progress (CWIP)	6	87,696,389	113,162,933
		<u>1,629,743,594</u>	<u>1,246,727,606</u>
Current Assets			
Inventories	7	837,361,404	793,869,218
Accounts Receivables	8	321,303,127	236,667,364
Advance, Deposit & Prepayments	9	184,672,078	149,477,383
Advance Income Tax	10	279,650,597	246,626,020
Cash & Cash Equivalents	11	209,542,207	171,306,103
		<u>1,832,529,413</u>	<u>1,597,946,088</u>
TOTAL ASSETS		<u>3,462,273,008</u>	<u>2,844,673,693</u>
EQUITY & LIABILITIES			
Capital & Reserves			
Share Capital	12	245,174,920	204,312,440
Share Premium	13	134,000,000	134,000,000
Revaluation Reserve	14	496,260,922	496,260,922
General Reserve	15	186,659,073	195,624,151
		<u>1,062,094,915</u>	<u>1,030,197,514</u>
Non-Current Liabilities			
Long Term Loan Non-current Maturity	16	401,487,510	123,031,377
Deferred Tax Liability			
	17	79,485,014	79,485,014
Current Liabilities			
Short Term Loan	18	1,683,290,180	1,447,690,594
Long Term Loan-current Maturity	16	160,329,658	80,566,626
Accounts Payable	19	21,320,479	25,159,702
Provision for Tax	20	48,536,613	53,707,557
Creditors for Expenses & Accruals	21	5,728,637	4,835,309
		<u>1,919,205,568</u>	<u>1,611,959,788</u>
TOTAL EQUITY & LIABILITIES		<u>3,462,273,008</u>	<u>2,844,673,693</u>
Net Asset Value (NAV) Per Share- Restated	29	<u>43.32</u>	<u>42.02</u>

The annexed notes from an integral part of these Financial Statements


Chairman

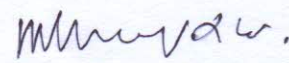

Managing Director


Company Secretary

Signed as per our annexed report of even date

Dhaka,
Dated: October 27, 2018

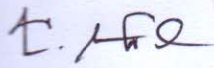


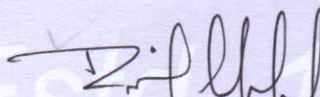

Mahfel Huq & Co.
Chartered Accountants

National Polymer Industries Limited
Statement of Profit or Loss and Others Comprehensive Income
For the year ended 30 June 2018

Particulars	Notes	2017-2018	2016-2017
		Taka	Taka
Revenue	22	2,366,380,577	1,866,687,057
Cost of Goods Sold	23	(1,978,920,627)	(1,559,393,196)
Gross Profit		387,459,951	307,293,861
Administrative and Selling Expenses	24	(166,895,524)	(126,164,512)
Profit from Operations		220,564,427	181,129,349
Other Income	25	8,139,272	2,041,000
Financial Expenses	26	(117,334,035)	(89,667,243)
Profit before Taxation		111,369,664	93,503,107
WPPF and Welfare Fund	27	(5,568,483)	(4,675,155)
Provision for Income Tax	28	(26,450,295)	(22,086,318)
Net Profit for the year		79,350,886	66,741,633
Other Comprehensive Income/ (Loss):		-	-
Total Comprehensive Income for the year		79,350,886	66,741,633
Basic Earnings Per Share (EPS) in Taka- Restated	29	3.24	2.72

The annexed notes from an integral part of these Financial Statements

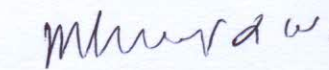

Chairman


Managing Director


Company Secretary

Signed as per our annexed report of even date

Dhaka,
Dated: October 27, 2018


Mahfel Huq & Co.
Chartered Accountants



National Polymer Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2018

Particulars	Amount in Taka				Total
	Share Capital	Share Premium	Revaluation Reserve	General Reserve	
Balance as at 1 July 2017	204,312,440	134,000,000	496,260,922	195,624,151	1,030,197,513
Payment of Stock Dividend (16-17 FY, Note -12)	40,862,480	-	-	(40,862,480)	-
Tax Adjustment against Assessment (14-15 FY and 15-16 FY, Note -15)	-	-	-	(47,453,484)	(47,453,484)
Profit Earned during the year	-	-	-	79,350,886	79,350,886
Total	245,174,920	134,000,000	496,260,922	186,659,073	1,062,094,915

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

Particulars	Amount in Taka				Total
	Share Capital	Share Premium	Revaluation Reserve	General Reserve	
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	34,052,070	-	-	(34,052,070)	-
VAT, VDS and Interest Paid for the periods of July 11 to June 14	-	-	-	(6,415,511)	(6,415,511)
Tax Adjustment against Assessment (10-11 FY to 13-14 FY)	-	-	-	(15,332,624)	(15,332,624)
Profit Earned during the year	-	-	-	66,741,633	66,741,633
Total	204,312,440	134,000,000	496,260,922	195,624,151	1,030,197,513

The annexed notes from an integral part of these Financial Statements

A. H. R.
Chairman

[Signature]
Managing Director

[Signature]
Company Secretary

Signed as per our annexed report of even date

Dhaka,
Dated: October 27, 2018

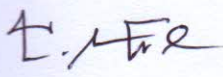
M. H. U. Q.
Mahfel Huq & Co.
Chartered Accountants

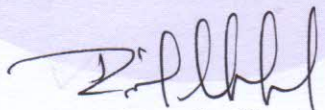


National Polymer Industries Limited
Statement of Cash Flows
For the year ended 30 June 2018

Particulars	Notes	2017-2018	2016-2017
		Taka	Taka
Cash Flows from Operating Activities			
Collection from Sales and Others		2,281,744,813	1,806,891,802
Payment to Suppliers, Employees and Others		(2,056,154,133)	(1,304,785,879)
Net Cash Flows from Operating Activities	29.01	225,590,681	502,105,923
Cash Flows from Investing Activities			
Payment for acquisition of Property, Plant & Equipment	4	(415,857,288)	(62,119,675)
Interest received on investment (FDR)		7,500,000	-
Investment in FDR		(6,700,000)	(100,000,000)
Capital Work in Progress (CWIP)	6	(92,089,962)	(113,162,933)
Net Cash used in Investing Activities		(507,147,249)	(275,282,608)
Cash Flows from Financing Activities			
Proceeds from Long Term Loan		440,693,670	-
Payment of Term Loan		(82,474,505)	(83,365,774)
Payment of Financial Lease Loan		-	(1,358,155)
Interest paid on Long Term Loan		(38,426,492)	(14,662,504)
Net Cash Flows/ (used) from Financing Activities		319,792,673	(99,386,433)
Net Increase in Cash during the year			
Opening Cash & Cash Equivalents	11	171,306,103	43,869,220
Closing Cash & Cash Equivalents	11	209,542,207	171,306,103
Net Operating Cash Flow per Share- Restated	29	9.20	20.48

The annexed notes from an integral part of these Financial Statements

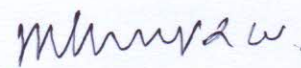

Chairman


Managing Director


Company Secretary

Signed as per our annexed report of even date

Dhaka,
Dated: October 27, 2018


Mahfel Huq & Co.
Chartered Accountants



National Polymer Industries Limited
Notes to the Financial Statements
For the year ended 30 June 2018

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 year 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.

1.1.4 Number of Employees:

The number of employees at year-end were 850 and Board of Directors 05.

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 IAS 1: “Presentation of Financial Statements”. A complete set of Financial Statements comprise:

- (i) Statement of Financial Position as at 30 June 2018;
- (ii) Statement of Comprehensive Income for the year ended 30 June 2018;
- (iii) Statement of Changes in Equity for the year ended 30 June 2018;
- (iv) Statement of Cash Flows for the year ended 30 June 2018; and
- (v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2018.

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 taken 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.

3.2 Reporting Period

The Financial Statements covers the year from 1 June 2017 to 30 June, 2018.

3.3 Statement on compliance with local laws

The Financial Statements have been prepared in compliance with disclosure and presentational requirements:

- The Securities & Exchange Rules, 1987;
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh;
- The Listing Rules of Dhaka Stock Exchanges Ltd.;
- The Listing Rules of Chittagong Stock Exchanges Ltd.;
- The Companies Act 1994;
- Income Tax Ordinance 1984 and Rules;
- Other relevant local laws and rules.

3.4 Going Concern

As per BAS-1, a company is required to assess 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.

3.5 Accrual Basis

The Financial Statements have been prepared, except for Cash Flow Statements, using the accrual basis of accounting.

3.6 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) requires the 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

The cost of replacing part of an item of Property, Plant and Equipment's is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in the Statement of Comprehensive Income as incurred.

Depreciation

Depreciation is provided on the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 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:

Particular of Assets	Rate of Depreciation
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%
Machine Shed & Steel Rack	10%

Retirements and Disposals

When fixed assets are sold, the cost and accumulated depreciation are eliminated and revenue gain or loss (if any) is reflected in the Statement of Comprehensive Income 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 Standards

The following IASs are applicable for the Financial Statements of the company for the period under audit:

Name of the Accounting Standards	IAS 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
Revenue	18
Employee Benefits	19
Borrowing Costs	23
Related Party Disclosures	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 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 IAS 12: Income Tax.

i. Current Tax

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 Tax

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., Chartered Accountants. 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 International Accounting Standard (IAS) 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";

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company;
- 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 IAS 23-Borrowing cost.

3.21 Earnings per Share:

The Company calculates Earnings Per Shares (EPS) in accordance with IAS 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 2018 as per IAS-33 "Earnings per Shares".

3.22 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.

3.23 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.

3.24 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".

3.25 Dividend for the year:

After the reporting period, the Board of Directors recommended 22% stock dividend per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

3.26 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.

3.27 Post Closing Events

After the reporting period, the Board of Directors recommended 22% 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.

3.28 Human Resources

Particulars	2017-18	2016-17
Officers	362	365
Staff	178	174
Skilled and unskilled workers	310	305
Total	850	844

3.29 Employee Benefits

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 Comprehensive Income annually as per the insurance policy.

3.30 Advertisement, Publicity & Promotional Expenses:

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

3.31 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 (IAS) 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.

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

The Financial Statements have been prepared in compliance with the requirements of the IAS and IFRS as applicable in Bangladesh. The title and format of these Financial Statements follow the requirements of IFRS / IAS 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, IFRS / IAS titles and format give better presentation to the shareholders.

3.32 Authorization for issue:

These Financial Statements have been authorized for issue by the Board of Directors of the Company on 27 October, 2018.

3.33 Segment Reporting:

As there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.

3.34 Comparative Information:

Comparative information has been disclosed in respect of the year 2017-2018 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 2016-2017 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 (IAS).

3.35 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.

3.36 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.

3.37 Reporting currency

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

3.38 Directors' responsibility Statements

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements.

3.39 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 2018

Note 4: Property, Plant and Equipment

Assets Category	COST (Taka)			DEPRECIATION (Taka)					Written Down Value as on 30.06.17
	As on 01.07.2017	Additions during the period	Adjustment/Sales during the period	As on 30.06.18	Dep. Rate	Cumulative as on 01.07.17	Charged during the Period	Adjustment/Sales during the period	
Land & Land Dev.									
Cost	21,566,064	5,335,000	-	26,901,064	-	-	-	-	-
Revaluation	575,745,936	-	-	575,745,936	-	-	-	-	-
Factory Buildings	89,838,980	27,076,758	-	116,915,738	20.0%	55,465,369	7,779,753	-	63,245,122
Godown Sheds	30,524,820	-	-	30,524,820	10.0%	20,819,662	970,516	-	21,790,178
Plant & Machinery	818,885,944	495,839,605	-	1,314,725,549	20.0%	516,058,847	105,192,562	-	621,251,409
Local Machinery	32,135,174	-	-	32,135,174	20.0%	23,861,717	1,654,691	-	25,516,408
Office Sheds	1,637,007	-	-	1,637,007	10.0%	1,100,298	53,671	-	1,153,969
Machine Shed	194,754	-	-	194,754	10.0%	129,206	6,555	-	135,761
Steel Raek	459,095	-	-	459,095	10.0%	288,326	17,077	-	305,403
Factory Laboratory	179,420	-	-	179,420	20.0%	166,906	2,503	-	169,409
Administrative Shed	2,359,169	-	-	2,359,169	10.0%	1,778,078	58,109	-	1,836,187
Boundary Wall	4,045,053	-	-	4,045,053	20.0%	2,801,939	124,311	-	2,926,250
Gas Generator	55,544,726	-	-	55,544,726	20.0%	41,979,374	2,713,070	-	44,692,444
Diesel Generator	26,974,764	-	-	26,974,764	20.0%	19,023,038	1,590,345	-	20,613,383
Titas Gas Installation	2,288,132	-	-	2,288,132	10.0%	1,443,276	84,486	-	1,527,762
Furniture & Fixtures	6,605,630	424,738	-	7,030,368	10.0%	2,937,223	384,790	-	3,322,013
Vehicles	90,164,123	228,000	-	90,392,123	20.0%	52,364,909	7,593,949	-	59,958,858
Office Equipment	31,855,369	4,509,692	-	36,365,061	20.0%	17,201,319	3,404,873	-	20,606,192
Total	1,790,984,160	533,413,793	-	2,324,397,953		757,419,487	131,631,261	-	889,050,748
As at 30 June 2017	1,728,864,485	62,119,675	-	1,790,984,160	-	654,715,706	102,703,781	-	757,419,487
As at 30 June 2018	1,728,864,485	62,119,675	-	1,790,984,160	-	654,715,706	102,703,781	-	757,419,487
As at 30 June 2017	1,728,864,485	62,119,675	-	1,790,984,160	-	654,715,706	102,703,781	-	757,419,487
As at 30 June 2018	1,728,864,485	62,119,675	-	1,790,984,160	-	654,715,706	102,703,781	-	757,419,487

As at 30 June 2017

1,728,864,485

62,119,675

1,790,984,160

-

654,715,706

102,703,781

-

757,419,487

Depreciation allocated to :

Cost of Goods Sold
Administrative and Selling Expenses

120,247,649
11,383,612
131,631,261



	30 June 2018	30 June 2017		
	Amount (TK)	Amount (TK)		
4.01 Property, Plant & Equipment				
Opening Balance	1,790,984,160	1,728,864,485		
Addition during the year	533,413,793	62,119,675		
Cost as at 30 June 2018	2,324,397,953	1,790,984,160		
Accumulated Depreciation	(889,050,748)	(757,419,487)		
Closing Balance	1,435,347,205	1,033,564,673		
5.00 Investment				
FDR in Uttara Finance & Investment Ltd.	100,000,000	100,000,000		
Interest income Re-investment	6,700,000	-		
	106,700,000	100,000,000		
6.00 Capital Work-in-progress (CWIP)				
Opening Capital Machinery in Transit	90,479,747	90,479,747		
Less: Addition to Plant and machinery during the year	(90,479,747)	-		
	-	90,479,747		
Opening Civil Construction	22,683,186	-		
Add: Civil Construction in progress during the year	92,089,962	-		
Less: Addition to Building during the year	(27,076,758)	22,683,186		
	87,696,389	22,683,186		
	87,696,389	113,162,933		
7.00 Inventories	30 June 2018	30 June 2017		
	Quantity	Taka	Quantity	Taka
Raw Materials	7,860 MT	422,936,250	6,776 MT	392,437,175
Work in Process		34,863,520		35,877,540
Finished Goods	4,922 MT	352,726,548	4,438 MT	338,719,417
Stores and Spares		8,253,625		8,251,200
Stock in Transit		14,662,510		14,685,473
Packing Materials		3,918,951		3,898,413
		837,361,404		793,869,218
8.00 Accounts Receivables				
Receivables Against Sales		321,303,127		236,667,364
		321,303,127		236,667,364

- 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:

Advances to Suppliers	58,748,999	65,047,195
Advance to Employee	9,925,000	11,552,088
Advance against Brand Development	5,240,000	3,965,000
Other Advances	3,251,182	3,854,202
	<u>77,165,181</u>	<u>84,418,485</u>

Deposits:

Security Deposit	3,296,500	9,411,865
Margin, Tender E/M & other Deposit	31,496,818	29,486,221
Deposit for Utilities	23,067,622	1,852,400
	<u>57,860,940</u>	<u>40,750,486</u>

Prepayments:

Prepaid Rent	22,278,958	20,215,421
Value Added Tax (VAT)	27,366,999	4,092,991
	<u>49,645,957</u>	<u>24,308,412</u>
	<u>184,672,078</u>	<u>149,477,383</u>

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 Advance Income Tax

	30 June 2018	30 June 2017
	Amount (TK)	Amount (TK)
Opening Balance	246,626,020	175,335,530
AIT Paid at Port (Import Stage)	96,135,604	68,363,898
AIT Paid at Port (Export Stage)	193,445	142,007
TDS against Sales	14,767,073	17,860,709
TDS on Bangladesh Bank Cash Assistance	19,178	-
TDS on FDR Interest	750,000	-
TDS on Vehicle	234,000	256,500
Prior Year Adjustment on Income Tax Assessment (Income year 2010-2011 to 2013-2014)	-	(15,332,624)
Prior Year Adjustment on Income Tax Assessment (Income Year 2014-2015 and 2015-2016)	(79,074,723)	-
	<u>279,650,597</u>	<u>246,626,020</u>

To ensure better disclosure, AIT is separately presented as a line item, where it was reported under Advance , Deposit & Prepayments in previous year. Prior Year Adjustment on income Tax assessment has been made for the Income Year 2014-2015 and 2015-2016 total Tk. 79,074,723 (against General Reserve Tk. 47,453,484 and Provision for tax Tk. 31,621,239).

11.00 Cash & Cash Equivalents

Cash in Hand	3,748,398	20,391,293
Cash at Bank	205,793,809	150,914,809
	<u>209,542,207</u>	<u>171,306,103</u>

Notes-11.01

11.01 Cash at Bank	A/C No.		
AB Bank Limited	CD-88500	8,535,131	4,322,733
Agrani Bank Limited	COR-06621	3,641	-
Agrani Bank Limited	CD-03583	4,425	-
Bank Asia Limited	CD-10829	4,767,680	1,911,050
BRAC Bank Limited	CD-51001	32,712,544	10,275,906
City Bank Limited	CD-28001	1,070,378	3,225,328
Dhaka Bank Limited	OD-17574	9,919,918	8,590,511
Dutch Bangla Bank Limited	CD-10144	12,455,149	4,841,527
Eastern Bank Limited	OD-00477	-	167,373
IFIC Bank Limited	CD-21001	3,102,193	3,130,246
Islami Bank Bangladesh Limited	CD-12804	19,720,200	11,807,905
Jamuna Bank Limited	CD-13615	2,773,096	1,960,270
Janata Bank Limited	CD-16125	3,596,503	3,400,009
Modhumati bank Limited	CD-00070	753,501	289,364
Mutual Trust Bank Limited	CD-05604	797,777	2,731,473
Mutual Trust Bank Limited	CD-07295	1,171,942	2,643,264
National Bank Limited	CD-69629	14,738,886	4,405,911
One Bank Limited	CD-87001	6,627,519	469,904
Premier Bank Limited	CD-00033	2,575,017	904,284
Prime Bank Limited	CD-80705	1,723,095	3,259,719
Pubali Bank Limited	CD-28344	14,476,171	6,326,457
Shahajalal Islami Bank Limited	CD-01639	5,712,566	3,179,076
Sonali Bank Limited	CD-08067	4,392,130	12,041,677
Standard Bank Limited	CD-03814	3,747,876	4,339,480
Standard Chartered Bank Limited	OD-25801	27,894,282	37,961,654
United Commercial Bank Limited	CD-03100	13,310,242	7,458,433
Uttara Bank Limited	CD-13797	600,117	1,124,472
Uttara Bank Limited	CD-11673	8,611,830	10,146,785
		205,793,809	150,914,809

30 June 2018	30 June 2017
Amount (TK)	Amount (TK)

12.00 Share Capital

Authorized:

50,000,000 Ordinary Shares of Taka 10 each

500,000,000 **500,000,000**

Issued, Subscribed and Paid-up:

- I) 134,0000 Ordinary Shares of Taka 10 each
- II) 134,0000 Right Shares of Taka 10 each (1:1)
- III) 536,0000 Right Shares of Taka 10 each (1:2)
- IV) 6,388,845 Bonus Shares of Taka 10 each
- V) 2,597,192 Bonus Shares of Taka 10 each
- VI) 3,405,207 Bonus Shares of Taka 10 each
- VII) 4,086,248 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
34,052,070 34,052,070
40,862,480 -
245,174,920 **204,312,440**



Composition of Shareholding:

	30 June 2018		30 June 2017	
	Number	%	Number	%
Sponsors/Directors	14,107,509	57.54	12,205,996	59.74
Financial Institutions	2,476,072	10.10	2,047,150	10.02
General	7,933,911	32.36	6,178,098	30.24
	24,517,492	100	20,431,244	100

Classification of Shareholders by Holding:

Holdings	Number of Holders		Total Holding (%)	
	30-06-2018	30-06-2017	30-06-2017	30-06-2017
1 to 500	1,711	1,452	49.94	56.83
501 to 1,000	582	393	16.99	15.38
1,001 to 5,000	832	509	24.28	19.92
5,001 to 50,000	259	166	7.56	6.50
50,001 to above	42	35	1.23	1.37
	3,426	2,555	100.00	100.00

13.00 Share Premium

Total 536,000 Shares of Taka 250 each

	30 June 2018	30 June 2017
	Amount (TK)	Amount (TK)
	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.

14.00 Revaluation Reserve

Opening Balance	496,260,922	496,260,922
Land Revalued during this year	-	-
	496,260,922	496,260,922
Deferred Tax on Land Revaluation	-	-
	496,260,922	496,260,922

15.00 General Reserve

Opening Balance	195,624,151	184,682,723
Payment of Stock Dividend	(40,862,480)	(34,052,070)
	154,761,671	150,630,653
VAT, VDS and Interest Paid for the period of July 11 to June 14	-	(6,415,511)
Tax Adjustment against Assessment (10-11 to 13-14 FY)	-	(15,332,624)
Tax Adjustment against Assessment (14-15 and 15-16 FY)	(47,453,484)	-
Profit during the year ended	79,350,886	66,741,633
	186,659,073	195,624,151

16.00 Long Term Loan

Standard Chartered Bank

Opening Balance	166,824,391	226,488,600
Add : Received during the year	313,035,000	-
Paid during the year	(59,664,210)	(59,664,209)
	420,195,181	166,824,391
Current Maturity within one year	(126,743,138)	(59,664,209)
	293,452,043	107,160,182

30 June 2018	30 June 2017
Amount (TK)	Amount (TK)

Eastern Bank Ltd

Opening Balance	36,773,612	60,475,177
Add : Received during the year	82,025,670	-
Paid during the year	(20,855,049)	(23,701,565)
	97,944,233	36,773,612
Current Maturity within one year	(26,151,397)	(20,902,417)
	71,792,836	15,871,195

Jamuna Bank Ltd.

Opening balance	-	-
Received during the year	15,933,000	-
Paid during the year	(835,814)	-
	15,097,186	-
Current Maturity within one year	(2,626,172)	-
	12,471,014	-

Mutual Trust Bank Ltd.

Opening balance	-	-
Received during the year	29,700,000	-
Paid during this year	(1,119,432)	-
	28,580,568	-
Current Maturity within one year	(4,808,951)	-
	23,771,617	-

Long Term Loan Current Maturity

Standard Chartered Bank	126,743,138	59,664,209
Eastern Bank Ltd	26,151,397	20,902,417
Jamuna Bank Ltd.	2,626,172	-
Mutual Trust Bank Ltd.	4,808,951	-
	160,329,658	80,566,626

Long Term Loan Non-current Maturity

Standard Chartered Bank	293,452,043	107,160,182
Eastern Bank Ltd	71,792,836	15,871,195
Jamuna Bank Ltd.	12,471,014	-
Mutual Trust Bank Ltd.	23,771,617	-
	401,487,510	123,031,377

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 Mahfel Huq & Co., Chartered Accountants. 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.

Revaluation Surplus on Land & Land Development	529,900,095	529,900,095
Deferred Tax Liability @ 15%.	<u>79,485,014</u>	<u>79,485,014</u>

18.00 Short Term Loan

Overdraft

Standard Chartered Bank (A/c # 01124925801)	-	-
Eastern Bank Limited (A/c #1012040000477)	13,477,522	-
Mutual Trust Bank Limited (A/c #00340134000178)	37,097,543	28,021,987
One Bank Limited (A/c # 0181020003524)	92,498,282	27,378,358
Jamuna Bank Limited (A/c # 00100133005600)	93,281,385	139,128,168
	<u>236,354,732</u>	<u>194,528,513</u>

LTR

Standard Chartered Bank	82,369,170	143,700,711
Eastern Bank Limited	164,351,478	109,433,938
Jamuna Bank Limited	190,086,065	235,712,902
BRAC Bank Limited	38,170,548	18,336,500
Mutual Trust Bank Limited	202,136,200	56,974,918
One Bank Limited	42,563,961	47,671,025
	<u>719,677,422</u>	<u>611,829,994</u>

STF

Standard Chartered Bank Limited	11,277,176	315,872,699
Eastern Bank Limited	126,547,528	125,008,244
Uttara Finance & Investment Limited	-	100,000,000
IPDC Finance Limited	50,000,000	-
Jamuna Bank Limited	162,604,015	67,585,466
BRAC Bank Limited	71,324,588	4,903,255
One Bank Limited	250,910,860	12,772,094
Mutual Trust Bank Limited	54,593,859	15,190,329
	<u>727,258,026</u>	<u>641,332,087</u>
	<u>1,683,290,180</u>	<u>1,447,690,594</u>

Security against Facilities

- 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.
- Demand Promissory Note & Letter of Continuation.
- Registered Hypothecation over Stocks and Books Debtors on Pari-Passu basis between Standard Chartered Bank Ltd. Eastern Bank Ltd and Jamuna Bank Limited.
- Registered Hypothecation over Plant & Machinery on Pari-Passu basis between Standard Chartered Bank Ltd. Eastern Bank Limited and Jamuna Bank Limited.
- Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
- Personal Guarantee of the separate Directors.

	30 June 2018	30 June 2017
	Amount (TK)	Amount (TK)
19.00 Accounts Payable		
Staff Salary Payable	12,693,672	10,837,168
Payable against Carriage Outwards	1,251,250	2,037,900
Gratuity Payable	2,485,690	1,953,680
Gas Bill Payable	2,376,148	1,524,934
Employees Provident Fund	788,590	616,496
Mobile Bill Payable	356,009	358,155
Directors Remuneration Payable	195,000	140,000
Audit Fees	112,500	140,625
Godown Rent	24,000	-
Courier Bills	-	46,595
Electricity Bill	-	7,080,174
VDS payable	832,433	127,750
TDS Payable	205,187	296,225
	21,320,479	25,159,702
20.00 Provision for Tax		
Opening Balance	53,707,557	31,621,239
Provision for the year	26,450,295	22,086,318
Tax Adjustment against assessment (14-15 FY & 15-16 FY)	(31,621,239)	-
	48,536,613	53,707,557
21.00 Creditors for Expenses & Accruals		
Unclaimed Dividend	160,154	160,154
WPPF and Welfare Fund	5,568,483	4,675,155
	5,728,637	4,835,309

	2017-2018	2016-2017
	Amount (TK)	Amount (TK)
22.00 Revenue		
Net Local Sales	2,345,058,901	1,846,400,400
Export Sales	21,321,676	20,286,657
	<u>2,366,380,577</u>	<u>1,866,687,057</u>
Quantity (MT)		
Opening Stock	4,438	2,354
Production during the year	28,162	22,478
Goods available for Sale	32,600	24,832
Closing Stock of Finished Goods	(4,922)	(4,438)
Sale during the year	<u>27,678</u>	<u>20,394</u>

23.00 Cost of Goods Sold		
Opening Stock of Raw Materials	392,437,175	325,298,732
Purchase during the year	1,697,016,323	1,437,361,396
Closing Stock of Raw Materials	(422,936,250)	(392,437,175)
Raw Materials Used in Production	Notes-23.01 1,666,517,248	1,370,222,953
Manufacturing Overhead	Notes-23.03 304,320,825	229,803,507
Consumption of Packing Materials	21,075,665	13,971,334
Total Production Costs	1,991,913,738	1,613,997,794
Opening Work in Process	35,877,540	23,787,581
Closing Work in Process	(34,863,520)	(35,877,540)
Costs of Goods Manufactured	1,992,927,758	1,601,907,835
Opening Stock of Finished Goods	338,719,417	296,204,778
Goods Available for Sales	2,331,647,175	1,898,112,613
Closing Stock of Finished Goods	Notes-23.02 (352,726,548)	(338,719,417)
Cost of Goods Sold	<u>1,978,920,627</u>	<u>1,559,393,196</u>

	Jun-18		Jun-17	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Opening Stock	6,776	392,437,175	5,547	325,298,732
Purchase during the year	31,950	1,697,016,323	24,890	1,437,361,396
	38,726	2,089,453,498	30,437	1,762,660,128
Closing Stock	(7,860)	(422,936,250)	(6,776)	(392,437,175)
	<u>30,866</u>	<u>1,666,517,248</u>	<u>23,661</u>	<u>1,370,222,953</u>

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

Category	Jun-18		Jun-17	
	Quantity	Value (TK)	Quantity	Value (TK)
PVC Pipe	3,450	263,300,184	3,178	253,244,654
PVC Fittings	1,094	52,636,946	385	34,862,315
PVC Door	378	36,789,418	875	50,612,448
Total	<u>4,922</u>	<u>352,726,548</u>	<u>4,438</u>	<u>338,719,417</u>

	2017-2018	2016-2017
	Amount (TK)	Amount (TK)
23.03 Manufacturing Overhead		
Salary & Wages	38,405,618	30,724,494
Power & Fuel	120,155,061	90,000,604
Conveyance	230,132	257,234
Entertainment & Staff Food	1,848,560	1,051,973
C & F Commission Expenses	4,940,823	4,776,740
House Rent (Engineers & Officers)	783,897	312,569
Insurance Premium (Fire)	3,358,480	1,959,762
Labour Charges	4,329,835	2,215,234
Land Rent & Pourashova Tax	6,849,900	5,929,900
Medical Expenses	656,285	474,365
Papers & Periodicals	22,920	10,080
Postage & Stamps	12,030	14,165
Printing Expenses	299,328	268,526
Repair and Maintenance	1,096,766	150,500
Stationery	203,490	88,250
Stores and Spares	48,793	908,372
Telephone & Mobile Bill	595,644	266,252
Uniform Expenses	235,614	223,240
Depreciation	120,247,649	90,171,247
	Notes- 4	
	304,320,825	229,803,507
24.00 Administrative and Selling Expenses		
Salary & Allowances	56,625,496	47,187,913
Directors' Remuneration & Perquisites	2,120,000	1,680,000
Directors' Board meeting fee	256,875	207,500
Advertisement, Publicity & Promotional Expenses	7,719,457	4,656,204
AGM & EGM Expenses	130,000	30,000
Architect & Plumber Conference	-	-
Audit Fees	112,500	159,375
Conveyance	392,588	359,401
Sales Conference	5,406,277	4,498,663
Depreciation	11,383,612	12,532,534
Electric, WASA Bills, GAS Bills & Maintenance	993,593	872,054
Contribution to Employer's Recognized Provident Fund	8,398,388	6,414,980
Entertainment	404,528	345,287
Fees & Professional Charges	106,250	418,000
Fuel bills for Vehicle	2,618,646	2,017,060
Godown Rent	288,000	302,950
Gratuity Fund	-	-
Group Insurance	787,044	551,086
Labour Charges (Unload)	3,680,212	558,445
License Renewal Fee, Rates & taxes	984,356	969,859
Medical Expenses	1,111,753	379,779
Office Equipment Maintenance	52,000	-
Office Maintenance	1,483,416	276,000
Office Renovation	435,778	371,950
Office Rent	14,717,700	11,923,200
Papers & Periodicals	9,893	8,810
Postage & Stamps	622,678	510,150
Printing Expenses	1,214,885	1,022,055
Stationery Expenses	840,239	420,680
Telephone & Mobile Bill	2,501,339	1,582,690
Tender & Testing Expenses	496,765	177,675
Training & Development	72,651	40,756
Transport / Carriage Outwards	24,800,365	22,480,855
Traveling Expenses	15,705,238	2,869,049
Vehicle Maintenance	423,002	339,552
	166,895,524	126,164,512

	2017-2018 Amount (TK)	2016-2017 Amount (TK)
25.00 Other Income		
Bangladesh Bank cash assistance on export	639,272	-
Interest on investment	7,500,000	-
Sale of Paper, Wastage and others	-	2,041,000
	8,139,272	2,041,000
26.00 Financial Expenses :		
Bank Charges	2,899,381	1,778,020
Interest on Short Term Loan :		
Interest on CC Loan	-	669,884
Interest on OD	24,223,400	7,271,600
Interest on LTR & STF Loan	51,784,762	65,285,235
	78,907,543	75,004,739
Interest on Long term Loan :		
Interest on IPDC	-	81,814
Interest on ULC	11,872,917	-
Interest on Term Finance Loan (Eastern Bank Ltd)	7,158,636	4,674,630
Interest on Long Term Loan (Standard Chartered Bank)	19,394,939	9,906,060
	38,426,492	14,662,504
	117,334,035	89,667,243
27.00 Allocation for Workers' Profit Participation Fund (WPPF) and Welfare Fund		
Profit before WPPF and Tax	111,369,664	93,503,107
Allocation for WPPF and WF @ 5%	5,568,483	4,675,155
28.00 Provision for Income Tax		
Net Profit Before Tax	105,801,181	88,827,951
Provision for Income Tax	26,450,295	22,086,318
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, Tax on interest, Tax on cash incentive etc.		
29.00 Disclosure Under IAS 33 "EPS, NAV and NOCFPS"		
Earnings per Share (EPS)		
Net Profit After Tax	79,350,886	66,741,633
Number of Ordinary Share outstanding during the year	24,517,492	24,517,492
	3.24	2.72
Net Asset Value per Share (NAV)		
Net Asset Value	1,062,094,915	1,030,197,514
Number of Ordinary Share outstanding during the year	24,517,492	24,517,492
	43.32	42.02
Net Operating Cash Flow per Share (NOCFPS)		
Net Operating Cash Flow	225,590,681	502,105,923
Number of Ordinary Share outstanding during the year	24,517,492	24,517,492
	9.20	20.48

Note-29.01



29.01 Net Operating Cash Flow per Share (NOCFPS)

Revenue	2,366,380,577
Add: Opening Trade Debtors	236,667,364
	<u>2,603,047,941</u>
Less: Closing Trade Debtors	(321,303,127)
Collection from Sales and Others	2,281,744,813
Cost of Goods Sold	(1,978,920,627)
Administrative & Selling Expenses	(166,895,524)
Depreciation	131,631,261
Other Income Excluding Investment	639,272
Short Term Loan Increased	235,599,586
Interest on LTR & STF Loan	(78,907,543)
AIT Paid at Port (Import / export Stage)	(96,329,049)
Tax Deduction at Source (TDS)	(15,770,251)
(Increase)/Decrease in Inventories	(43,492,186)
Increase/(Decrease) in Other Current Liabilities	(8,514,378)
(Increase)/Decrease in Other Current Assets	(35,194,695)
Payment to Suppliers, Employees and Others	(2,056,154,133)
Net Cash Flows from Operating Activities	225,590,681

Net Operating Cash Flows is just the resultant figure of Cash Inflows and Outflows from Operating Activities. Therefore, Net Operating Cash Flows decrease, if only Cash Outflows is higher than Cash Inflows in a particular period and vice versa.

	2017-2018	2016-2017
	Amount (TK)	Amount (TK)
30.00 Director's Remuneration and Perquisites		
Mr. Riad Mahmud	1,320,000	1,080,000
Mr. Golam Murshed	800,000	600,000
	<u>2,120,000</u>	<u>1,680,000</u>

31.00 Capacity Utilization

Capacity of Production in M. Ton per year	Utilization (MT)		Rate	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
(Installed Capacity 32,500 Current year, Last year 29,562 M.Ton)	28,162	22,478	86.65%	76.04%

32.00 Capital Expenditure Commitment:

There was no Capital Expenditure commitment as on 30 June 2018.



33.00 Contingent Liability:

- (I) There was no contingent liability as on 30 June 2018.
 (II) There was no claim against the company not acknowledged as debt as on 30 June 2018.
 (III) There was no credit facility available to the company under any contract but not availed as at 30 June 2018 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 favour 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 2018	30 June 2017
	Amount (TK)	Amount (TK)
Directors Remuneration	2,120,000	1,680,000

35.00 Number of Employees Engaged

The number of employees engaged for the whole year
 The number of Board of Directors

850 Person	844 Person
5 Person	5 Person
855 Person	849 Person

