

National Polymer Industries Limited  
 Statement of Financial Position (Un-audited)  
 As at 31 December 2019

Particulars	Notes	31.12.2019	31.12.2018
		Taka	Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment - Carrying Value	4	1,022,454,228	1,029,294,214
Investment	5	88,247,403	117,377,403
Capital Work in Progress (CWIP)		79,956,389	79,286,149
<b>Total Non-Current Assets</b>		<b>1,190,657,920</b>	<b>1,226,057,766</b>
<b>Current Assets</b>			
Investment	6	1,071,511,000	1,041,647,816
Accounts Receivable	7	250,672,496	216,273,198
Prepaid Income Tax	8	2,000,000	514,812
Advance, Deposit & Prepayments	9	289,214,341	181,097,211
Advanced Income Tax	10	286,788,000	286,788,000
Cash & Cash Equivalents	11	1,000,000,000	1,000,000,000
<b>Total Current Assets</b>		<b>3,691,195,837</b>	<b>3,767,599,043</b>
<b>TOTAL ASSETS</b>		<b>4,881,853,757</b>	<b>5,003,656,809</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity &amp; Reserves</b>			
Share Capital	12	1,000,000,000	1,000,000,000
Statutory Reserve	13	134,000,000	134,000,000
Reserve for Contingencies	14	1,000,000,000	1,000,000,000
Retained Earnings	15	2,666,853,757	2,866,000,000
<b>Total Shareholders' Equity &amp; Reserves</b>		<b>5,000,853,757</b>	<b>5,000,000,000</b>
<b>Non-Current Liabilities</b>			
Long Term Loan	16	70,463,811	70,463,811
Deferred Tax Liability	17	772,344,845	761,514,339
<b>Total Non-Current Liabilities</b>		<b>842,808,656</b>	<b>831,978,150</b>
<b>Current Liabilities</b>			
Short Term Loan	18	1,038,946,751	1,373,712,365
Long Term Loan - Current Maturity	19	299,069,148	261,130,924
Bank Overdraft	20	134,884,282	212,199,442
Accounts Payable	21	16,426,220	4,751,341
Bank Guarantee Loan	22	67,278,904	66,709,998
Provision for Expenses	23	30,007,999	24,176,093
WPP & Welfare Fund	24	6,426,220	1,759,424
Provision for Taxation	25	78,197,249	78,197,249
<b>Total Current Liabilities</b>		<b>2,171,703,474</b>	<b>2,777,136,397</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,881,853,757</b>	<b>5,003,656,809</b>
Net Asset Value (NAV) Per Share	26	14.82	14.84

**Un-Audited**  
**2<sup>nd</sup> quarter financial statements**  
**31 December 2019**

**National Polymer Industries Limited**

The attached returns are the management part of these financial statements

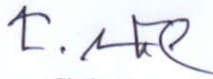
*[Signature]* Chairman  
*[Signature]* Managing Director  
*[Signature]* Director  
*[Signature]* Company Secretary  
*[Signature]* Chief Financial Officer

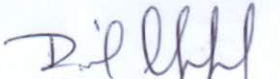
Date: 24 January 2020  
 Dhaka

**National Polymer Industries Limited**  
**Statement of Financial Position (Un-audited)**  
As at 31 December 2019

Particulars	Notes	31-12-2019	30-06-2019
		Taka	Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment - Carrying Value	4	1,653,455,228	1,629,394,214
Investment	5	132,577,625	117,577,625
Capital Work in Progress (CWIP)		79,886,389	79,886,389
<b>Total Non-Current Assets</b>		<b>1,865,919,242</b>	<b>1,826,858,228</b>
<b>Current Assets</b>			
Inventories	6	1,073,520,806	1,081,447,816
Accounts Receivables	7	756,812,398	510,673,198
Accrued Interest Receivable on FDR	8	7,041,100	936,612
Advance, Deposit & Pre-payments	9	199,214,299	191,552,211
Advance Income Tax	10	206,705,108	368,995,204
Cash & Cash Equivalents	11	242,384,146	200,317,476
<b>Total Current Assets</b>		<b>2,485,677,856</b>	<b>2,353,922,517</b>
<b>TOTAL ASSETS</b>		<b>4,351,597,098</b>	<b>4,180,780,745</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders Equity &amp; Reserves</b>			
Share Capital	12	364,918,340	299,113,400
Share Premium	13	134,000,000	134,000,000
Revaluation Reserve	14	496,260,922	496,260,922
Retained Earnings	15	260,865,215	236,533,669
<b>Total Shareholders Equity &amp; Reserves</b>		<b>1,256,044,477</b>	<b>1,165,907,991</b>
<b>Non-Current Liabilities</b>			
Long Term Loan - (Non-Current Maturity)	16	693,359,631	682,449,686
Deferred Tax Liability	17	79,485,014	79,485,014
<b>Total Non-Current Liabilities</b>		<b>772,844,645</b>	<b>761,934,700</b>
<b>Current Liabilities</b>			
Short Term Loan	18	1,638,989,753	1,572,712,365
Long Term Loan- (Current Maturity)	16	259,085,348	261,370,924
Bank Overdraft		234,886,282	215,199,482
Accounts Payable		10,429,280	9,656,741
Inter-Company Loan	19	67,279,105	80,019,004
Provision for Expenses		30,407,994	36,199,993
WPPF & Welfare Fund	20	6,822,224	8,926,826
Provision for Taxation	21	74,807,989	68,852,719
<b>Total Current Liabilities</b>		<b>2,322,707,976</b>	<b>2,252,938,054</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,351,597,098</b>	<b>4,180,780,745</b>
<b>Net Asset Value (NAV) Per Share</b>	22	<b>34.42</b>	<b>31.95</b>

The annexed notes from 1 to 24 are integral part of these Financial Statements

  
Chairman

  
Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

Date: 25 January 2020  
Dhaka,



**National Polymer Industries Limited**  
**Statement of Comprehensive Income (Un-audited)**  
for the 2nd quarter ended 31 December 2019

Particulars	01 July 19 to 31 Dec 19 Taka	01 July 18 to 31 Dec 18 Taka	01 Oct to 31 Dec 19 Taka	01 Oct to 31 Dec 18 Taka
<b>Revenue</b>	1,964,846,034	1,384,855,000	1,072,252,696	724,714,000
Cost of Goods Sold	<u>(1,603,682,410)</u>	<u>(1,150,049,313)</u>	<u>(873,438,024)</u>	<u>(599,504,000)</u>
<b>Gross Profit</b>	361,163,624	234,805,687	198,814,672	125,210,000
<b>Administrative, Selling and Distribution Expenses:</b>				
Administrative Expenses	(81,090,674)	(64,300,211)	(41,188,035)	(32,985,300)
Selling and Distribution Expenses	<u>(42,714,870)</u>	<u>(35,390,039)</u>	<u>(20,736,567)</u>	<u>(18,154,700)</u>
<b>Profit from Operations</b>	237,358,080	135,115,437	136,890,070	74,070,000
Other Income	10,060,140	979,481	9,485,836	979,481
Finance Expense	<u>(110,973,735)</u>	<u>(69,460,150)</u>	<u>(72,028,837)</u>	<u>(41,210,000)</u>
<b>Profit before WPPF and Taxation</b>	136,444,485	66,634,768	74,347,069	33,839,481
WPPF and Welfare Fund	(6,822,224)	(3,331,738)	(3,717,353)	(1,691,974)
Provision for Tax	<u>(32,405,565)</u>	<u>(15,825,757)</u>	<u>(17,657,429)</u>	<u>(8,036,877)</u>
<b>Net Profit for the Period</b>	<u>97,216,695</u>	<u>47,477,272</u>	<u>52,972,286</u>	<u>24,110,630</u>
<b>Other Comprehensive Income/(Loss) for the Period</b>				
Actuarial Loss on Defined Benefit Plan	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<u>97,216,695</u>	<u>47,477,272</u>	<u>52,972,286</u>	<u>24,110,630</u>
<b>Earnings per share (EPS) (Note-23)</b>	2.66	1.30	1.45	0.66
<b>Total Number of shares used to compare EPS</b>	<u>36,491,834</u>	<u>36,491,834</u>	<u>36,491,834</u>	<u>36,491,834</u>

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Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

Date: 25 January 2020  
Dhaka,

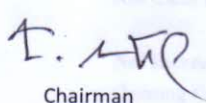


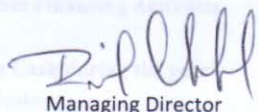
**National Polymer Industries Limited**  
**Statement of Changes in Equity**  
for the 2nd quarter ended 31 December 2019  
Un-Audited

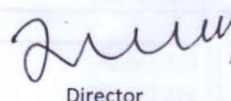
Particulars	Amount in Taka				
	Share Capital	Share premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 30 June 2019	299,113,400	134,000,000	496,260,922	236,533,669	1,165,907,991
Profit earned during the period	-	-	-	97,216,695	97,216,695
Payment of Stock Dividend (2018-2019 FY)	65,804,940			(65,804,940)	-
Tax Adjustment against assessment (2017-2018 FY)				(7,080,209)	(7,080,209)
<b>Balance as at 31 December 2019</b>	<b>364,918,340</b>	<b>134,000,000</b>	<b>496,260,922</b>	<b>260,865,215</b>	<b>1,256,044,477</b>

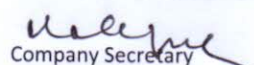
Particulars	Amount in Taka				
	Share Capital	Share premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 30 June 2018	245,174,920	134,000,000	496,260,922	186,659,073	1,062,094,915
Profit earned during the period	-	-	-	47,477,272	47,477,272
<b>Balance as at 31 December 2018</b>	<b>245,174,920</b>	<b>134,000,000</b>	<b>496,260,922</b>	<b>234,136,345</b>	<b>1,109,572,187</b>

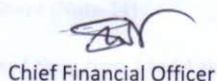
The annexed notes from 1 to 24 are integral part of these Financial Statements

  
Chairman

  
Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

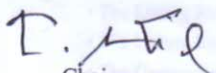
Date: 25 January 2020  
Dhaka,

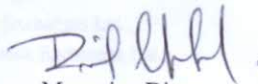


**National Polymer Industries Limited**  
**Statement of Cash Flows (Un-audited)**  
for the 2nd quarter ended 31 December 2019

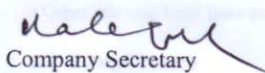
Particulars	01 July 19 to 31 Dec 19	01 July 18 to 31 Dec 18
	Taka	Taka
<b>Cash Flows from Operating Activities</b>		
Collection from Sales and Others	1,718,706,835	1,293,838,127
Payment to Suppliers, Employees and Others	(1,388,868,922)	(1,074,713,980)
Income Tax Paid	329,837,913	219,124,147
Foreign Exchange Gain/(Loss)	(63,516,118)	(41,260,300)
Financial Expenses	(61,035,554)	(38,203,083)
<b>Net Cash Flows from Operating Activities</b>	<b>205,286,240</b>	<b>139,660,765</b>
<b>Cash Flows from Investing Activities</b>		
Payment for acquisition of Property, Plant & Equipment	(132,470,123)	(176,777,948)
Investment in FDR	-	-
Capital Work in Progress (CWIP)	-	(12,210,000)
<b>Net Cash used in Investing Activities</b>	<b>(132,470,123)</b>	<b>(188,987,948)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Long Term Loan	399,791,077	160,757,000
Payment of Term Loan	(367,862,444)	(70,442,000)
Intercompany Loan	(12,739,899)	(26,576,000)
Interest Paid on Long Term Loan	(49,938,181)	(38,203,083)
<b>Net Cash Flows/ (used) from Financing Activities</b>	<b>(30,749,447)</b>	<b>25,535,918</b>
<b>Net Increase/(Decrease) in Cash during the year</b>	<b>42,066,670</b>	<b>(16,845,251)</b>
Opening Cash & Cash Equivalents	200,317,476	209,542,207
Closing Cash & Cash Equivalents	<b>242,384,147</b>	<b>192,696,956</b>
<b>Net Operating Cash Flow per Share (Note-24)</b>	<b>5.63</b>	<b>3.83</b>

The annexed notes from 1 to 24 are integral part of these Financial Statements

  
Chairman

  
Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

Date: 25 January 2020  
Dhaka,



**National Polymer Industries Limited**  
**Notes to the Financial Statements (Un-audited)**  
for the 2nd quarter ended 31 December 2019

**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 812 and Board of Directors 06.

**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 31 December 2019;
- (ii) Statement of Profit or Loss and Others Comprehensive Income for the period ended 31 December 2019;
- (iii) Statement of Changes in Equity for the period ended 31 December 2019;
- (iv) Statement of Cash Flows for the period ended 31 December 2019; and
- (v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the period ended 31 December 2019.

**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 July 2019 to 31 December 2019.

**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;
- Financial Reporting Act, 2015;
- 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;
- VAT Act 1991;
- Other relevant local laws and rules.

**3.4 Going Concern**

As per IAS-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 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

Status of application of IASs and IFRSs is presented below of the company for the period under audit:

Name of the Accounting Standards	Ref.	Status
First-time adoption of International Financial Reporting Standards	IFRS-1	Not applicable
Share Based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied
Operating Segments	IFRS-8	Not applicable
Financial Instruments	IFRS-9	Applied
Consolidated Financial Statements	IFRS-10	Not applicable
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interest in other Entities	IFRS-12	Not applicable
Fair Value Measurement	IFRS-13	Not applicable
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue from Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	Not applicable
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied
Inventories	IAS-2	Applied
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied



Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Applied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Investments in Associates	IAS-28	Not applicable
Financial instruments: Presentation	IAS-32	Applied
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Intangible Assets	IAS-38	Not Applicable
Financial instruments: Recognition and Measurement	IAS-39	Applied
Investment Property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

### 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 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 does not require to compute deferred tax on PPE, because it charges depreciation as per method, conditions and rate/s as specified in the 3<sup>rd</sup> Schedule of the Income Tax Ordinance, 1984. Depreciation has been charged on all items of Fixed Assets except for Land and Land Development on **Reducing Balance Method**. During the period, there were no temporary difference/s between Tax Base and Carrying Amount of an Asset or Liability.

#### Deferred Tax Calculation:

Book value as per company book	1,048,958,228
Book value as per 3rd schedule	<u>1,048,958,228</u>
Temporary difference	<u>-</u>

### 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 (under 'Fair Value' method) 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.

Revalued Amount as on 4 May 2015	597,312,000
Less: Book Value as on Revaluation date	<u>(67,411,905)</u>
Revaluation Reserve without Charging Capital Gain	529,900,095
Less: Deferred Tax Liability @15% on Tk. 529,900,095	<u>(79,485,014)</u>
	450,415,081
Add: Opening Balance of Revaluation reserve	<u>45,845,841</u>
Revaluation Reserve	<u><u>496,260,922</u></u>

### 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 Holiday 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 Exchange 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 IFRS 15 "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 33. Earning per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on 30 June 2019 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 Deviation of Revenue & EPS:

Due to significant incremental sales and cost control (COGS decreased from 83.04% to 81.62%, and Operating Expenses decrease from 7.35% to 6.93%, EPS is affected/deviated positively than comparative 2nd quarter.

#### 3.26 Deviation of NOCF:

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

Net Operating Cash Flows has been decreased because of Cash Outflows for the reported period was higher than Cash Inflows and the main reasons are –

Payment to Suppliers, Employees and Others has been increased significantly than Comparative period.

#### 3.27 Exchange Gain loss:

There was no foreign currency cash in hand or at bank balance as at 31 December 2019, for that reason no effect of Exchange Rate shown on Cash and Cash Equivalents.

#### 3.28 Impairment of Investment:

The reported amount is being invested in FDR with Uttara Finance & Investment Ltd. There was no indication of impairment.

#### 3.28 General

- Figures have been rounded off to the nearest taka.
- Previous period's/year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.
- The Company publishes its quarterly accounts as per IAS 34 "Interim Financial Reporting" and the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018.



	31 Dec 2019	30 June 2019
	Amount (TK)	Amount (TK)
<b>4.01 Property, Plant &amp; Equipment</b>		
Opening Balance	2,717,012,859	2,324,397,953
Addition during the year including transferred from CWIP	132,470,123	392,614,906
Cost as at 30 June 2019	2,849,482,982	2,717,012,859
Accumulated Depreciation	(1,196,027,754)	(1,087,618,645)
<b>Closing Balance</b>	<b>1,653,455,228</b>	<b>1,629,394,214</b>
(Details in Note - 3.7, 4)		
Depreciation is charged on all Fixed Assets except for Land and Land Development on reducing balance method.		
<b>5.00 Investment</b>		
FDR in Uttara Finance & Investment Ltd.	115,077,625	106,700,000
Add: Addition During the year	-	8,377,625
FDR in IPDC	17,500,000	2,500,000
	<b>132,577,625</b>	<b>117,577,625</b>
<b>6.00 Inventories</b>		
Raw Materials	437,928,724	483,070,824
Work in Process	35,856,267	35,501,254
Finished Goods	349,856,525	392,510,625
Stores and Spares	9,904,350	9,904,350
Stock in Transit	237,214,010	158,142,673
Packing Materials	2,760,931	2,318,090
	<b>1,073,520,806</b>	<b>1,081,447,816</b>
<b>7.00 Accounts Receivables</b>		
Receivables Against Sales	756,812,398	510,673,198
	<b>756,812,398</b>	<b>510,673,198</b>
Day Range	Amount in Taka	Amount in Taka
Below 30 days	310,293,083	209,376,011
Below 90 days	321,645,269	211,929,377
Below 180 days	98,385,612	66,387,516
Above 180 Below 1 Year	26,488,434	22,980,294
Total	<b>756,812,398</b>	<b>510,673,198</b>
a) This is unsecured, considered good and is falling due within one year.		
b) No amount is considered doubtful or bad and therefore no provision is made in the Financial Statements.		
c) No amount is due by any Director or other Officer of the company and any of them severally or jointly with any other person.		
<b>8.00 Accrued Interest Receivable on FDR</b>		
	Interest Rate	Maturity Date
Uttara Finance & Investment Ltd.	10.25%	31 May 2020
	6,880,683	911,400
IPDC Finance Limited	11.00%	28 May 2020
	160,417	25,212
IPDC Finance Limited	10.50%	26 Non 2020
	65,625	-
IPDC Finance Limited	11.00%	08 Jul 2020
	137,500	-
IPDC Finance Limited	11.00%	01 Aug 2020
	229,167	-
	<b>7,041,100</b>	<b>936,612</b>
<b>9.00 Advance, Deposit &amp; Pre-payments</b>		
Opening balance	191,552,211	184,672,078
During this period	7,662,088	6,880,133
	<b>199,214,299</b>	<b>191,552,211</b>
<b>10.00 Advance Income Tax</b>		
Opening balance	368,995,204	279,650,597
AIT Paid at Port (Import Stage)	62,947,866	117,382,090
AIT Paid at Port (Export Stage)	341,752	247,735
AIT on Vehicles	226,500	309,500
TDS Against Sales	2,545,041	15,901,252
TDS on Bangladesh Bank Cash Assistance	301,904	50,918
TDS on FDR interest	-	933,625
AIT Refund up to 2018 FY	(195,122,655)	-
Prior Year Adjustment on Income Tax Assessment (Income Year 2016-2017)	-	(45,480,513)
Prior Year Adjustment on Income Tax Assessment (Income Year 2017-2018)	(33,530,504)	-
	<b>206,705,108</b>	<b>368,995,204</b>
<b>11.00 Cash &amp; Cash Equivalents</b>		
Cash in Hand	2,843,006	2,787,261
Cash at Bank	239,541,140	197,530,215
	<b>242,384,146</b>	<b>200,317,476</b>



	31 Dec 2019 Amount (TK)	30 June 2019 Amount (TK)
<b>12.00 Share Capital</b>		
<b>Authorized:</b>		
300,000,000 Ordinary Shares of Taka 10 each	<u>3,000,000,000</u>	<u>500,000,000</u>
<b>Issued, Subscribed and Paid-up:</b>		
I) 134,0000 Ordinary Shares of Taka 10 each	13,400,000	13,400,000
II) 134,0000 Rights Shares of Taka 10 each (1:1)	13,400,000	13,400,000
III) 536,0000 Rights Shares of Taka 10 each (1:2)	53,600,000	53,600,000
IV) 6,388,845 Bonus Shares of Taka 10 each	63,888,450	63,888,450
V) 2,597,192 Bonus Shares of Taka 10 each	25,971,920	25,971,920
VI) 3,405,207 Bonus Shares of Taka 10 each	34,052,070	34,052,070
VII) 4,086,248 Bonus Shares of Taka 10 each	40,862,480	40,862,480
VIII) 5,393,848 Bonus Shares of Taka 10 each	53,938,480	53,938,480
IX) 5,393,848 Bonus Shares of Taka 10 each	65,804,940	-
	<u>364,918,340</u>	<u>299,113,400</u>
<b>13.00 Share Premium</b>		
Total 536,000 Shares of Taka 250 each	134,000,000	134,000,000
	<u>134,000,000</u>	<u>134,000,000</u>
Taka 134,000,000 represents issue of 5,36,000 Ordinary Shares in January 2009 for Tk. 250 each.		
<b>14.00 Revaluation Reserve</b>		
Opening Balance	496,260,922	496,260,922
Land Revalued during this year	-	-
	496,260,922	496,260,922
Deferred Tax on Land Revaluation	-	-
	<u>496,260,922</u>	<u>496,260,922</u>
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. The area of the land is 311.10 Decimals. (Details in Note- 3.14)		
<b>15.00 Retained Earnings</b>		
Opening Balance	236,533,669	186,659,074
Payment of Stock Dividend	(65,804,940)	(53,938,480)
	170,728,729	132,720,594
Tax Adjustment against assessment (2014-2015 and 2015-2016 FY)	-	-
Tax Adjustment against assessment (2016-2017 FY)	-	(23,394,195)
Tax Adjustment against assessment (2017-2018 FY)	(7,080,209)	-
Profit during the year end	97,216,695	127,207,270
	<u>260,865,215</u>	<u>236,533,669</u>
<b>16.00 Long Term Loan</b>		
<b>Long Term Loan - (Current Maturity)</b>	259,085,348	261,370,924
<b>Long Term Loan - (Non-current Maturity)</b>	693,359,631	682,449,686
	<u>952,444,979</u>	<u>943,820,610</u>
<b>17.00 Deferred Tax Liability</b>		
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. 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.		
The company does not require to compute deferred tax on PPE, because it charges depreciation as per method, conditions and rate/s as specified in the 3rd Schedule of the Income Tax Ordinance, 1984. Depreciation has been charged on all items of Fixed Assets except for Land and Land Development on Reducing Balance Method. During the period, there were no temporary difference/s between Tax Base and Carrying Amount of an Asset or Liability.		
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>
<b>18.00 Short Term Loan</b>		
LTR	641,600,167	865,940,263
STF	997,389,586	706,772,102
	<u>1,638,989,753</u>	<u>1,572,712,365</u>



	31 Dec 2019	30 June 2019
	Amount (TK)	Amount (TK)
<b>19.00 Inter-Company Loan</b>		
<b>Npolymer Construction Limited</b>		
Opening Balance	80,019,004	-
Received during the year	-	100,241,004
Paid during the year	(12,739,899)	(20,222,000)
	<u>67,279,105</u>	<u>80,019,004</u>
<b>20.00 WPPF &amp; Welfare Fund</b>		
<b>Opening Balance</b>	8,926,826	5,568,483
WPPF Disbursed to Beneficiary	(8,926,826)	(5,568,483)
Allocation for the year	6,822,224	8,926,826
	<u>6,822,224</u>	<u>8,926,826</u>
<b>21.00 Provision for Taxation</b>		
Opening Balance	68,852,719	48,536,613
Provision for the year @ 25%	32,405,565	42,402,423
Tax Adjustment against assessment (2016-2017 FY)	-	(22,086,318)
Tax Adjustment against assessment (2017-2018 FY)	(26,450,295)	-
	<u>74,807,989</u>	<u>68,852,719</u>
<b>22.00 Net Assets Value per Share (NAV)</b>		
Net Assets Value	1,256,044,477	1,165,907,991
Number of Ordinary Shares outstanding during the period	36,491,834	36,491,834
	<u>34.42</u>	<u>31.95</u>
<b>23.00 Disclosure Under IAS 33 "EPS, NAV and NOCFPS"</b>		
<b>Earnings per Share (EPS)</b>		
Net Profit After Tax	97,216,695	47,477,272
Number of Ordinary Shares outstanding during the period	36,491,834	36,491,834
	<u>2.66</u>	<u>1.30</u>
<b>24.00 Net Operating Cash Flow per Share (NOCFPS)</b>		
Net Operating Cash Flow	205,286,240	139,660,765
Number of Ordinary Shares outstanding during the period	36,491,834	36,491,834
	<u>5.63</u>	<u>3.83</u>

*T. M. R.*  
Chairman

*D. H. H. Z. M.*  
Managing Director

*[Signature]*  
Director

*[Signature]*  
Company Secretary

*[Signature]*  
Chief Financial Officer

