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**Mahfel Huq & Co.**

**Chartered Accountants**

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**PRIVATE & CONFIDENTIAL**

**AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
of**

**National Polymer Limited**

**As at and for the year ended June 30, 2019**

**UDAY TOWER**

**Plot No- 57 & 57/A (2nd Floor),  
Gulshan Avenue, Circle-1, Gulshan,**

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**Independent Auditor's Report  
To the Shareholders of  
National Polymer Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of National Polymer Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2019 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June 2019, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended 30 June 2019 in accordance with International Financial Reporting Standards (IFRSs) as explained in note no 1 to 3.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<b>Legal and regulatory matters</b>	
<p>We focused on this area because the company operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested</p>





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company's best estimate for existing legal matters that have a probable and estimable impact on the company's financial position.

the completeness and accuracy of the underlying information.

We also assessed the company's provisions and contingent liabilities disclosure

## Revenue recognition

At year end the company reported total revenue of BDT [3,000,007,744].

Revenue is measured net of discounts, incentives and rebates earned by customers on the company's sales. Within a number of the company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.

There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Calculation of discounts, incentives and rebates;
- Segregation of duties in invoice creation and modification; and
- Timing of revenue recognition.

Our substantive procedures in relation to the revenue recognition comprises the following:

- Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;
- Within a number of the company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing.
- Agreeing a sample of claims and rebate accruals to supporting documentation;
- Critically assessing manual journals posted to revenue to identify unusual or irregular items; and
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

## Valuation of Inventory

The company had inventory of BDT [837,361,404] at [1<sup>st</sup> July 2018], held in distribution centers, warehouses and numerous branches, and across multiple product lines.

Inventory value is measured at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for value in use and working progress.

Closing Inventory is net of a provision of BDT [1,081,447,816] which is primarily driven by comparing the level of inventory held to future

We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

- evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches;
- comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory





projected sales.

The provision is calculated within the company's accounting systems using an automated process. Where local systems require manual interfaces and inputs, there is a risk that inappropriate management override and/or error may occur.

provisions are complete; and

- challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.

**Reporting on other information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 1 to 3 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

**Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, we also report that:

- (i) 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;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Place: Dhaka  
Dated: August 29, 2019

*Mahfel Huq & Co.*  
**Mahfel Huq & Co.**  
Chartered Accountants


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**National Polymer Industries Limited**  
**Statement of Financial Position**  
As at 30 June, 2019

Particulars	Notes	30-06-2019	30-06-2018
		Taka	Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment - Carrying Value	4	1,629,394,214	1,435,347,205
Investment	5	117,577,625	106,700,000
Capital Work in Progress (CWIP)	6	79,886,389	87,696,389
<b>Total Non-Current Assets</b>		<b>1,826,858,228</b>	<b>1,629,743,594</b>
<b>Current Assets</b>			
Inventories	7	1,081,447,816	837,361,404
Accounts Receivables	8	510,673,198	321,303,128
Accrued Interest Receivable on FDR	9	936,612	-
Advance, Deposit & Pre-payments	10	191,552,211	184,672,078
Advance Income Tax	11	368,995,204	279,650,597
Cash & Cash Equivalents	12	200,317,476	209,542,207
<b>Total Current Assets</b>		<b>2,353,922,517</b>	<b>1,832,529,414</b>
<b>TOTAL ASSETS</b>		<b>4,180,780,745</b>	<b>3,462,273,008</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders Equity &amp; Reserves</b>			
Share Capital	13	299,113,400	245,174,920
Share Premium	14	134,000,000	134,000,000
Revaluation Reserve	15	496,260,922	496,260,922
Retained Earnings	16	236,533,669	186,659,074
<b>Total Shareholders Equity &amp; Reserves</b>		<b>1,165,907,991</b>	<b>1,062,094,916</b>
<b>Non-Current Liabilities</b>			
Long Term Loan - (Non-Current Maturity)	17	682,449,686	401,487,510
Deferred Tax Liability	18	79,485,014	79,485,014
<b>Total Non-Current Liabilities</b>		<b>761,934,700</b>	<b>480,972,524</b>
<b>Current Liabilities</b>			
Short Term Loan	19	1,572,712,365	1,446,935,448
Long Term Loan- (Current Maturity)	17	261,370,924	160,329,658
Bank Overdraft	20	215,199,482	236,354,732
Accounts Payable	21	9,656,741	7,636,841
Inter-Company Loan	22	80,019,004	-
Provision for Expenses	23	36,199,993	13,843,792
WPPF & Welfare Fund	24	8,926,826	5,568,483
Provision for Taxation	25	68,852,719	48,536,613
<b>Total Current Liabilities</b>		<b>2,252,938,054</b>	<b>1,919,205,568</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,180,780,745</b>	<b>3,462,273,008</b>
<b>Net Asset Value (NAV) Per Share</b>	33	<b>38.98</b>	<b>35.51</b>

The annexed notes from 1 to 41 are integral part of these Financial Statements

  
Chairman

  
Managing Director  
Signed as per our report of same date

  
Company Secretary

Dhaka,  
Dated: August 29, 2019

  
**Mahfel Huq & Co.**  
Chartered Accountants



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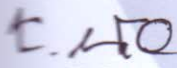
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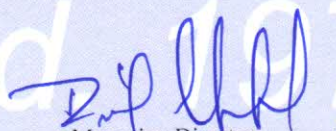
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## National Polymer Industries Limited Statement of Profit or Loss and Others Comprehensive Income For the year ended 30 June 2019

Particulars	Notes	2018-2019	2017-2018
		Taka	Taka
<b>Revenue</b>	26	3,000,007,744	2,366,380,577
<b>Cost of Goods Sold</b>	27	(2,442,220,045)	(1,978,920,627)
<b>Gross Profit</b>		557,787,699	387,459,951
<b>Administrative, Selling and Distribution Expenses:</b>	28		
Administrative Expenses		133,008,798	103,388,467
Selling and Distribution Expenses		73,261,010	63,507,057
		(206,269,808)	(166,895,524)
<b>Profit from Operations</b>		351,517,891	220,564,427
Other Income	29	10,288,736	8,139,272
Financial Expenses	30	(183,270,108)	(117,334,035)
<b>Profit before Taxation &amp; WPPF</b>		178,536,519	111,369,664
WPPF and Welfare Fund	31	(8,926,826)	(5,568,483)
Provision for Taxation	32	(42,402,423)	(26,450,295)
<b>Net Profit for the year</b>		127,207,270	79,350,886
<b>Other Comprehensive Income/ (Loss):</b>		-	-
<b>Total Comprehensive Income for the year</b>		127,207,270	79,350,886
<b>Basic Earnings Per Share (EPS)</b>	33	4.25	2.65

The annexed notes from 1 to 41 are integral part of these Financial Statements

  
Chairman

  
Managing Director

  
Company Secretary

Signed as per our report of same date

Dhaka,  
Dated: August 29, 2019

  
Mahfel Huq & Co.  
Chartered Accountants



**National Polymer Industries Limited**  
**Statement of Changes in Equity**  
For the year ended 30 June 2019

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 1 July 2018	245,174,920	134,000,000	496,260,922	186,659,074	1,062,094,916
Payment of Stock Dividend (2017-2018 FY, Note -13)	53,938,480	-	-	(53,938,480)	-
Tax Adjustment against assessment (2016-2017 FY, Note -16)	-	-	-	(23,394,195)	(23,394,195)
Profit Earned during the year	-	-	-	127,207,270	127,207,270
<b>Total</b>	<b>299,113,400</b>	<b>134,000,000</b>	<b>496,260,922</b>	<b>236,533,669</b>	<b>1,165,907,991</b>

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

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 1 July 2017	204,312,440	134,000,000	496,260,922	193,624,151	1,030,197,513
Payment of Stock Dividend (2016-2017 FY, Note -13)	40,862,480	-	-	(40,862,480)	-
Tax Adjustment against assessment (2014-2015 FY and 2015-2016 FY, Note -16)	-	-	-	(47,453,484)	(47,453,484)
Profit Earned during the year	-	-	-	79,350,886	79,350,886
<b>Total</b>	<b>245,174,920</b>	<b>134,000,000</b>	<b>496,260,922</b>	<b>186,659,074</b>	<b>1,062,094,916</b>

The annexed notes from 1 to 41 are integral part of these Financial Statements

**T. H. C.**  
Chairman

*[Signature]*  
Managing Director

**M. A. H.**  
Company Secretary

Dhaka,  
Da.sd: August 29, 2019

*[Signature]*  
**Mahfel Huq & Co.**  
Chartered Accountants

**National Polymer Industries Limited**  
**Statement of Cash Flows**

For the year ended 30 June 2019

Particulars	Notes	2018-2019	2017-2018
		Taka	Taka
<b>Cash Flows from Operating Activities</b>			
Collection from Sales and Others		2,822,607,807	2,289,884,086
Payment to Suppliers, Employees and Others		(2,595,281,623)	(1,881,556,814)
		227,326,184	408,327,272
Income Tax Paid		(117,939,325)	(96,329,049)
Foreign Exchange Gain/(Loss)		(1,681,397)	-
Financial Expenses		(101,223,311)	(78,907,543)
<b>Net Cash Flows from Operating Activities</b>	34	<b>6,482,151</b>	<b>233,090,681</b>
<b>Cash Flows from Investing Activities</b>			
Payment for acquisition of Property, Plant & Equipment	4, 6	(337,594,906)	(415,857,288)
Investment in FDR		(10,877,625)	(6,700,000)
Capital Work in Progress (CWIP)	6	(47,210,000)	(92,089,962)
<b>Net Cash used in Investing Activities</b>		<b>(395,682,531)</b>	<b>(514,647,249)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Long Term Loan		591,211,813	440,693,670
Payment of Term Loan		(209,208,371)	(82,474,505)
Intercompany Loan		80,019,004	-
Interest Paid on Long Term Loan		(82,046,797)	(38,426,492)
<b>Net Cash Flows/ (used) from Financing Activities</b>		<b>379,975,649</b>	<b>319,792,673</b>
<b>Net Increase/(Decrease) in Cash during the year</b>		<b>(9,224,731)</b>	<b>38,236,105</b>
Opening Cash & Cash Equivalents	12	209,542,207	171,306,103
Closing Cash & Cash Equivalents	12	<b>200,317,476</b>	<b>209,542,207</b>
<b>Net Operating Cash Flow per Share</b>	33	<b>0.22</b>	<b>7.79</b>

The annexed notes from 1 to 41 are integral part of these Financial Statements

*t. h. q.*  
Chairman

*[Signature]*  
Managing Director

*[Signature]*  
Company Secretary

Signed as per our report of same date

Dhaka,  
Dated: August 29, 2019

*[Signature]*  
**Mahfel Huq & Co.**  
Chartered Accountants

**National Polymer Industries Limited**

**Notes to the Financial Statements**

For the year ended 30 June, 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 30 June 2019;
- (ii) Statement of Profit or Loss and Others Comprehensive Income for the year ended 30 June 2019;
- (iii) Statement of Changes in Equity for the year ended 30 June 2019;
- (iv) Statement of Cash Flows for the year ended 30 June 2019; and
- (v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 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 2018 to 30 June, 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

The following IASs are applicable for the Financial Statements 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.

**(a) 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.

**(ii) 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.

**(iii) 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.

**3.14 Revaluation Reserve**

Revaluation reserve arose from the revaluation of land and land development which were revalued on 25th June 2006 by M/C. 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 revalued (under 'Fair Value' method) its own land in the year of 2015 located at Squib Road, Tongi Industrial Area, Gampar by independent valuer Mahfel Huq & Co. The area of the land is 311.10 Decimals. Book value of the land was Taka 574,01,905. 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>
<b>Revaluation Reserve</b>	<b><u>496,260,922</u></b>

**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 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 IFRS 15 "Revenue Recognition";

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

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

**3.20 Borrowing Cost:**

Borrowing cost is recognized as expense in the period in which they are incurred unless capitalization of such is allowed under 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 other 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:**

The 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.

The Board of Directors recommended to raise the paid-up capital through issuance of rights share at a ratio of 01(One)[R] : 01(One), i.e. 01(One) rights share for every 01(One) existing share held on the record date for entitlement of rights share at Tk. 20.00 (Twenty) each including premium of Tk.10.00 (Ten) per share after considering 22% Stock Dividend for the year ended on June 30, 2019, subject to approval of Shareholders in the Extraordinary General Meeting (EGM), Bangladesh Securities and Exchange Commission (BSEC) and complying with the requirements embodied in relevant laws and Regulatory Authorities concerned.

**3.28 Human Resources**

Particulars	2018-19	2017-18
Officers	340	362
Staff	172	178
Skilled and unskilled workers	300	310
<b>Total</b>	<b>812</b>	<b>850</b>

**3.29 Employee Benefit**

**i. Defined Contribution Plan**

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

**ii. Defined Benefit Plan**

The Company maintains an unfunded gratuity scheme and deduct when retirement benefits are paid by the company. The employees are entitled 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 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.

**iii. 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 29 August, 2019.

**3.33 Segment Reporting:**

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

**3.34 Comparative Information:**

Figures of the year 2017-2018 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 Statement**

The Board of Directors is responsible for the preparation and presentation of the 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 (IASC).

**3.39 Risk Management**

The issue is discussed in details under "Management Discussion and Analysis"

**3.40 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.
- iii. 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.

**Estd. 1974**

Note 4: Property, Plant and Equipment

Assets Category	COST (Taka)		As on 30.06.19	Dep. Rate	DEPRECIATION (Taka)			Written Down Value as on 30.06.2019	Written Down Value as on 30.06.2018
	As on 01.07.2018	Additions during the period			Adjustment/ Sales during the period	Charged during the Period	Adjustment/ Sales during the period		
<b>Land &amp; Land Dev.</b>									
Cost	26,901,064	1,850,000	28,751,064	-	-	-	-	28,751,064	26,901,064
Revaluation	575,745,936	-	575,745,936	-	-	-	-	575,745,936	575,745,936
Factory Buildings	116,915,738	73,150,608	190,066,346	20.0%	16,307,211	-	-	110,514,013	53,670,616
Godown Sheds	30,524,820	-	30,524,820	10.0%	873,464	-	-	7,861,178	8,734,642
Plant & Machinery	1,314,725,549	292,192,192	1,606,917,741	20.0%	165,760,975	-	-	819,905,357	693,474,140
Local Machinery	32,135,174	-	32,135,174	20.0%	1,323,753	-	-	5,295,013	6,618,766
Office Sheds	1,637,007	-	1,637,007	10.0%	48,304	-	-	434,734	483,038
Machine Shed	194,754	-	194,754	10.0%	5,899	-	-	53,094	58,993
Steel Rack	459,095	-	459,095	10.0%	15,369	-	-	138,322	153,692
Factory Laboratory	179,420	-	179,420	20.0%	2,002	-	-	8,009	10,011
Administrative Shed	2,359,169	-	2,359,169	10.0%	52,298	-	-	470,684	522,982
Factory Boundary Wall	4,045,053	-	4,045,053	10.0%	111,880	-	-	1,006,923	1,118,803
Gas Generator	55,544,726	-	55,544,726	20.0%	2,170,456	-	-	8,681,826	10,852,282
Diesel Generator	26,974,764	-	26,974,764	20.0%	1,272,276	-	-	5,089,105	6,361,381
Titus Gas Installation	2,288,132	-	2,288,132	10.0%	76,037	-	-	684,333	760,370
Furniture & Fixtures	7,030,368	100,605	7,130,973	10.0%	375,858	-	-	3,433,102	3,708,355
Vehicles	90,392,123	18,562,490	108,954,613	20.0%	6,400,517	-	-	42,595,238	30,433,265
Office Equipment	36,345,061	6,759,011	43,104,072	20.0%	3,771,597	-	-	18,726,283	15,738,869
<b>Total</b>	<b>2,324,397,953</b>	<b>392,614,906</b>	<b>2,717,012,859</b>		<b>198,567,897</b>			<b>1,629,394,214</b>	<b>1,435,347,205</b>
<b>As at 30 June 2018</b>	<b>1,790,984,160</b>	<b>533,413,793</b>	<b>2,324,397,953</b>		<b>131,631,261</b>			<b>1,435,347,205</b>	<b>1,033,564,673</b>

Depreciation allocated to :

Cost of Goods Sold 188,019,926  
Administrative and Selling Expenses 10,547,971

**198,567,897**

Addition in Factory Buildings includes amount Tk. 55,020,000 transferred from CWIP (Note-06).



	30 June 2019 Amount (TK)	30 June 2018 Amount (TK)
<b>4.01 Property, Plant &amp; Equipment</b>		
Opening Balance	2,324,397,953	1,790,984,160
Addition during the year including transferred from CWIP	392,614,906	533,413,793
Cost as at 30 June 2019	2,717,012,859	2,324,397,953
Accumulated Depreciation	(1,087,618,645)	(889,050,748)
<b>Closing Balance</b>	<b>1,629,394,214</b>	<b>1,435,347,205</b>

(Details in Note - 3.7, 4)

Depreciation is charged on all Fixed Assets except Land and Land Development on reducing balance method.

<b>5.00 Investment</b>		
FDR in Uttara Finance & Investment Ltd.	106,700,000	100,000,000
Add: Addition During the year	8,377,625	6,700,000
FDR in IPDC	2,500,000	-
	<b>117,577,625</b>	<b>106,700,000</b>

Name of Institute	FDR No.	Interest Rate	Branch	Maturity Date
Uttara Finance & Investment Ltd.	10224/17	10.25%	Gulshan	31 May 2020
IPDC Finance Limited	06748	11.00%	Gulshan	28 May 2020

<b>6.00 Capital Work In Progress (CWIP)</b>		
Opening Capital Machinery in Transit	-	90,479,747
Less: Addition to Plant and Machinery during the year	-	(90,479,747)
Opening Civil Construction	87,696,389	22,683,186
Add: Civil Construction in progress during the year	47,210,000	92,089,962
Less: Transferred to Factory Buildings during the year	(55,020,000)	(27,076,758)
	79,886,389	87,696,389
	<b>79,886,389</b>	<b>87,696,389</b>

	30 June 2019		30 June 2018	
	Quantity	Taka	Quantity	Taka
<b>7.00 Inventories</b>				
Raw Materials	8,930	483,070,824	7,860	422,936,250
Work in Process		35,501,254		34,863,520
Finished Goods	5,425	392,510,625	4,922	352,726,548
Stores and Spares		9,904,350		8,253,625
Stock in Transit		158,142,673		14,662,510
Packing Materials		2,318,090		3,918,951
		<b>1,081,447,816</b>		<b>837,361,404</b>

<b>8.00 Accounts Receivables</b>		
Receivables Against Sales	510,673,198	321,303,128
	<b>510,673,198</b>	<b>321,303,128</b>

Day Range	Amount in Taka	Amount in Taka
Below 30 days	209,376,011	136,553,829
Below 90 days	211,929,377	125,308,220
Below 180 days	66,387,516	48,195,469
Above 180 Below 1 Year	22,980,294	11,245,609
<b>Total</b>	<b>510,673,198</b>	<b>321,303,128</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>9.00 Accrued Interest Receivable on FDR</b>	<b>Interest Rate</b>	<b>Maturity Date</b>		
Uttara Finance & Investment Ltd.	10.25%	31 May 2020	911,400	-
IPDC Finance Limited	11.00%	28 May 2020	25,212	-
			<b>936,612</b>	<b>-</b>

<b>10.00 Advance, Deposit &amp; Pre-payments</b>		
<b>Advances:</b>		
<b>Advance to Suppliers</b>		
Opening Balance	58,748,999	65,047,195
Add: During the Year	17,760,196	1,226,540
Less: Bill Adjustment	(18,462,000)	(7,524,736)
	58,047,195	58,748,999
Advance to Employee	10,626,804	9,925,000
Advance against Brand Development	5,214,900	5,240,000
Other Advances	3,396,282	3,251,182
	<b>77,285,181</b>	<b>77,165,181</b>



	30 June 2019	30 June 2018
	Amount (TK)	Amount (TK)
<b>Deposits:</b>		
Security Deposit	3,216,500	3,296,500
Margin, Tender Earnest Money & other Deposits	31,576,818	31,496,818
Deposit for Utilities	22,947,622	23,067,622
	<u>57,740,940</u>	<u>57,860,940</u>
<b>Prepayments:</b>		
Prepaid Rent	24,373,374	22,278,958
Value Added Tax (VAT)	32,152,716	27,366,999
	<u>56,526,090</u>	<u>49,645,957</u>
	<u><b>191,552,211</b></u>	<u><b>184,672,078</b></u>

a) Employees advance of Tk. 10,626,804 includes advance to officers mostly for official purpose.

b) No amount is due by the Directors, including Managing Director or officer of the company and any of them severally or jointly with any other person except as stated in (a) above.

c) 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.

**11.00 Advance Income Tax**

Opening balance	279,650,597	246,626,020
AIT Paid at Port (Import Stage)	117,382,090	96,135,604
AIT Paid at Port (Export Stage)	247,735	193,445
AIT on Vehicles	309,500	234,000
TDS Against Sales	15,901,252	14,767,073
TDS on Bangladesh Bank Cash Assistance	50,918	19,178
TDS on FDR interest	933,625	750,000
Prior Year Adjustment on Income Tax Assessment (Income Year 2014-2015 and 2015-2016)	-	(79,074,723)
Prior Year Adjustment on Income Tax Assessment (Income Year 2016-2017)	(45,480,513)	-
	<u>368,995,204</u>	<u>279,650,597</u>

Prior Year Adjustment on Income Tax Assessment has been made for the Income Year 2016-2017 total Tk. 45,480,513 (against Retained Earnings Tk. 23,394,195 and Provision for tax Tk. 22,086,318 under Note - 16 & 24).

**12.00 Cash & Cash Equivalents**

Cash in Hand		2,787,261	3,748,398
Cash at Bank	Note- 12.01	197,530,215	205,793,809
		<u>200,317,476</u>	<u>209,542,207</u>

**12.01 Cash at Bank**

	Branch	A/C No.		
AB Bank Limited	Gulshan Circle-2	CD-88500	2,802,911	8,535,131
Agrani Bank Limited	Amin Court Corp. Br.	COR-03583	1,530	4,425
Agrani Bank Limited	Nawabpur Corp. Br.	COR-06621	8,826,057	3,641
Bank Asia Limited	Gulshan	CD-10829	3,086,493	4,767,680
BRAC Bank Limited	Satmosjeed Road	CD-51001	33,326,314	32,712,544
City Bank Limited	Dhanmondi	CD-28001	813,543	1,070,378
Dhaka Bank Limited	Gulshan Circle-2	OD-17574	4,433,884	9,919,918
Dutch Bangla Bank Limited	Bashundhara	CD-10144	6,517,827	12,455,149
IFIC Bank Limited	Moulavi Bazar	CD-21001	1,185,646	3,102,193
Islami Bank Bangladesh Limited	Kawran Bazar	CD-12804	18,638,475	19,720,200
Jamuna Bank Limited	Gulshan	CD-13615	36,917,494	2,773,096
Janata Bank Limited	Alu Bazar	CD-16125	312,390	3,596,503
Janata Bank Limited	Gulshan-1	CD-71210	1,248,558	-
Modhumati Bank Limited	Gulshan	CD-00070	204,132	753,501
Mutual Trust Bank Limited	MTB Center Corp. Br.	CD-05604	478,715	797,777
Mutual Trust Bank Limited	Banani	CD-07295	170,556	1,171,942
National Bank Limited	Gulshan	CD-69629	30,226,183	14,738,886
NCC Bank Ltd.	Dhanmondi	CD-00320	(43,141)	-
One Bank Limited	Dhanmondi	CD-87001	(33,344)	6,627,519
Premier Bank Limited	Gulshan Circle-2	CD-00033	1,974,797	2,575,017
Prime Bank Limited	Motijheel	CD-80705	2,339,176	1,723,095
Pubali Bank Limited	Gulshan M.T Corp. Br.	CD-28344	9,437,395	14,476,171
Shahjalal Islami Bank Limited	Satmosjeed Road	CD-01639	5,830,566	5,712,566
Sonali Bank Limited	Lalmatia	CD-08067	3,581,494	4,392,130
Standard Bank Limited	Gulshan-1	CD-03814	5,268,280	3,747,876
Standard Chartered Bank Limited	Motijheel	OD-25801	-	27,894,282
Trust Bank Ltd.	Gulshan Corp. Br.	CD-16474	321,484	-
United Commercial Bank Limited	Tongi	CD-03100	14,268,355	13,310,242
Uttara Bank Limited	Kalabagan	CD-11672	5,384,326	8,611,830
Uttara Bank Limited	Tongi	CD-13775	10,121	600,117
			<u>197,530,215</u>	<u>205,793,809</u>





**13.00 Share Capital**

**Authorized:**

50,000,000 Ordinary Shares of Taka 10 each

**Issued, Subscribed and Paid-up:**

- I) 134,000 Ordinary Shares of Taka 10 each
- II) 134,000 Rights Shares of Taka 10 each (1:1)
- III) 536,000 Rights 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
- VIII) 5,393,848 Bonus Shares of Taka 10 each

30 June 2019	30 June 2018
Amount (TK)	Amount (TK)
<b>500,000,000</b>	<b>500,000,000</b>
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	40,862,480
53,938,480	-
<b>299,113,400</b>	<b>245,174,920</b>

**Composition of Shareholding:**

	30 June 2019		30 June 2018	
	Number	%	Number	%
Sponsors/Directors	13,590,066	45.43	14,107,509	57.54
Financial Institutions	2,368,424	7.92	2,476,072	10.10
General	13,952,850	46.65	7,933,911	32.36
	<b>29,911,340</b>	<b>100</b>	<b>24,517,492</b>	<b>100</b>

**Name wise shreholding position of Sponors/ Directors:**

Name	Position	Shareholding Qty.	%
Mr. Golam Murshed	Chairman	2,247,066	7.51%
Mr. Riad Mahmud	Managing Director	1,175,616	3.93%
Mr. Rohel Mahmud	Sponsor	595,248	1.99%
Mrs. Razia Sultana	Sponsor	124,624	0.42%
Mrs. Khaleda Akhand	Sponsor	7,434	0.03%
Late Shamsul Abedin Akhand and Mrs. Khaleda Akhand (Joint Account)	Sponsor	2,648,862	8.86%
Mr. Nuruzzaman Khan	Nominated Director (Nominated by ICB)	6,791,216	22.70%
<b>Total</b>			<b>45.43%</b>

**Classification of Shareholders by holding:**

Holdings	Number of Holders		Total Holding (%)	
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
1 to 500	1,427	1,711	51.13	49.94
501 to 1,000	339	582	12.15	16.99
1,001 to 5,000	665	832	23.83	24.28
5,001 to 50,000	299	259	10.71	7.56
50,001 to above	61	42	2.19	1.23
	<b>2,791</b>	<b>3,426</b>	<b>100.00</b>	<b>100.00</b>

**13.01 Share Premium**

Total 536,000 Shares of Taka 250 each

30 June 2019	30 June 2018
Amount (TK)	Amount (TK)
134,000,000	134,000,000
<b>134,000,000</b>	<b>134,000,000</b>

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

**13.02 Revaluation Reserve**

Opening Balance

Land Revalued during this year

Deferred Tax on Land Revaluation

496,260,922	496,260,922
-	-
496,260,922	496,260,922
<b>496,260,922</b>	<b>496,260,922</b>

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)

**13.03 Retained Earnings**

Opening Balance

Payment of Stock Dividend

Tax Adjustment against assessment (2014-2015 and 2015-2016 FY)

Tax Adjustment against assessment (2016-2017 FY)

Profit during the year end

186,659,074	195,624,152
(53,938,480)	(40,862,480)
132,720,594	154,761,672
-	(47,453,484)
(23,394,195)	-
127,207,270	79,350,886
<b>236,533,669</b>	<b>186,659,074</b>





**17.00 Long Term Loan**

**Standard Chartered Bank**

	30 June 2019 Amount (TK)	30 June 2018 Amount (TK)
Opening Balance	420,195,181	166,824,391
Add : Received during the year	-	313,035,000
Paid during the year	(126,743,140)	(59,664,210)
	293,452,041	420,195,181
Current Maturity within one year	(128,789,533)	(126,743,138)
	<b>164,662,508</b>	<b>293,452,043</b>

**Eastern Bank Ltd**

Opening Balance	97,944,233	36,773,612
Add : Received during the year	181,296,811	82,025,670
Paid during the year	(31,999,699)	(20,855,049)
	247,241,345	97,944,233
Current Maturity within one year	(55,126,359)	(26,151,397)
	<b>192,114,986</b>	<b>71,792,836</b>

**Jamuna Bank Ltd.**

Opening balance	15,097,186	-
Received during the year	109,915,002	15,933,000
Paid during the year	(10,163,100)	(835,814)
	114,849,088	15,097,186
Current Maturity within one year	(20,736,854)	(2,626,172)
	<b>94,112,234</b>	<b>12,471,014</b>

**Mutual Trust Bank Ltd.**

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

**Uttara Finance & Investment Limited**

Opening balance	-	-
Received during the year	300,000,000	-
Paid during this year	(11,721,864)	-
	288,278,136	-
Current Maturity within one year	(56,718,178)	-
	<b>231,559,958</b>	-

**Long Term Loan - (Current Maturity)**

Standard Chartered Bank	128,789,533	126,743,138
Eastern Bank Ltd	55,126,359	26,151,397
Jamuna Bank Ltd.	20,736,854	2,626,172
Mutual Trust Bank Ltd.	-	4,808,951
Uttara Finance & Investment Limited	56,718,178	-
	<b>261,370,924</b>	<b>160,329,658</b>

**Long Term Loan - (Non-current Maturity)**

Standard Chartered Bank	164,662,508	293,452,043
Eastern Bank Ltd	192,114,986	71,792,836
Jamuna Bank Ltd.	94,112,234	12,471,014
Mutual Trust Bank Ltd.	-	23,771,617
Uttara Finance & Investment Limited	231,559,958	-
	<b>682,449,686</b>	<b>401,487,510</b>

Name of Institute	Branch	Sanction No.	Maturity Date
Standard Chartered Bank	Motijheel	A14/10593993/BD3KU9Q5, etc.	07.10.2019
Eastern Bank Ltd	Principal	Cr.Admn.(Dhaka 0100628) -RAJ/0280/2019	31.01.2020
Jamuna Bank Ltd.	Gulshan	JBL/HO/CRMD/2018/2384, etc.	30.09.2019
Uttara Finance & Investment Limited	Gulshan	UFIL/N-35/2018/G-366	15.11.2023

**Security against Facilities**

- Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank, 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, Eastern Bank Ltd and Jamuna Bank Limited.
- Registered Hypothecation over Plant & Machinery on Pari-Passu basis between Standard Chartered Bank, Eastern Bank Limited and Jamuna Bank Limited.
- Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
- Personal Guarantee of the Sponsor Directors.



**18.00 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. 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  
Deferred Tax Liability @ 15%.

30 June 2019 Amount (TK)	30 June 2018 Amount (TK)
529,900,095	529,900,095
<b>79,485,014</b>	<b>79,485,014</b>

**19.00 Short Term Loan**

**LTR**

Standard Chartered Bank	233,780,846	82,369,170
Eastern Bank Limited	223,172,865	164,351,478
Jamuna Bank Limited	346,451,642	190,086,065
BRAC Bank Limited	62,534,910	38,170,548
Mutual Trust Bank Limited	-	202,136,200
One Bank Limited	-	42,563,961
	<b>865,940,263</b>	<b>719,677,422</b>

**STF**

Standard Chartered Bank Limited	45,577,701	11,277,176
Eastern Bank Limited	134,097,908	126,547,528
IPDC Finance Limited	151,310,019	50,000,000
IDLC Finance Limited	50,854,390	-
Jamuna Bank Limited	253,991,826	162,604,015
BRAC Bank Limited	70,940,258	71,324,588
Mutual Trust Bank Limited	-	54,593,859
One Bank Limited	-	250,910,860
	<b>706,772,102</b>	<b>727,258,026</b>
	<b>1,572,712,365</b>	<b>1,446,935,448</b>

Name of Institute	Branch	Sanction No.	Maturity Date
Standard Chartered Bank Limited	Motijheel	A14/10593993/BD3KU9Q5, etc.	07.10.2019
Eastern Bank Limited	Principal	Cr. Admn (Dhaka 0100628)-RAJ/0280/2019	31.01.2020
IPDC Finance Limited	Gulshan	IPDC/NPIL/2018/10835,10899	06.06.2019
IDLC Finance Limited	Gulshan	IDLC/CAD/CORP/GUL/2018/1727	12.09.2019
Jamuna Bank Limited	Gulshan	JBL/HO/CRMD/2018/2384, etc.	30.09.2019
BRAC Bank Limited	Shatmosjeed Road	CAD/Dhaka/SH/01161151/2019/0245	29.04.2020

**Security against Facilities**

- Registered Mortgage over Factory Land and Building on pari-passu basis between Standard Chartered Bank, 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, Eastern Bank Ltd and Jamuna Bank Limited.
- Registered Hypothecation over Plant & Machinery on Pari-Passu basis between Standard Chartered Bank, Eastern Bank Limited and Jamuna Bank Limited.
- Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
- Personal Guarantee of the Sponsor Directors.

**20.00 Bank Overdraft**

Standard Chartered Bank	13,028,114	-
Eastern Bank Limited	18,951,664	13,477,522
Jamuna Bank Limited	183,219,704	93,281,385
Mutual Trust Bank Limited	-	37,097,543
One Bank Limited	-	92,498,282
	<b>215,199,482</b>	<b>236,354,732</b>

Name of Institute	Branch	Account No.	Sanction No.	Expiry Date
Standard Chartered Bank	Motijheel	1124925801	A14/10593993/BD3KU9Q5	26.11.2019
Eastern Bank Limited	Principal	1012040000477	Cr. Admn. (Dhaka 0100628)-RAJ/0280/2019	31.01.2020
Jamuna Bank Limited	Gulshan	00100133005600	JBL/HO/CRMD/2018	30.09.2019

	30 June 2019 Amount (TK)	30 June 2018 Amount (TK)
<b>21.00 Accounts Payable</b>		
Payable against Carriage Outwards	1,564,063	1,251,250
Gratuity Payable	1,823,200	2,485,690
Gas Bill Payable	4,513,304	2,376,148
Employees Provident Fund	957,936	788,590
Mobile Bill Payable	397,492	356,009
Directors Remuneration Payable	120,000	195,000
Godown Rent	42,000	24,000
AGM Venue Charge	30,000	-
Electricity Bill	48,592	-
Unclaimed Dividend	160,154	160,154
	<b>9,656,741</b>	<b>7,636,841</b>
<b>22.00 Inter-Company Loan</b>		
<b>Npolymer Construction Limited (Note-39)</b>		
Opening Balance	-	-
Received during the year	100,241,004	-
Paid during the year	(20,222,000)	-
	<b>80,019,004</b>	<b>-</b>
<b>23.00 Provision for Expenses</b>		
Accrued Interest on STL & LTL	14,782,860	-
Staff Salary Payable	13,882,592	12,693,672
Audit Fees	118,750	112,500
Interest payable on Inter-Company Loan	3,584,550	-
VDS payable	2,895,314	832,433
TDS Payable	935,927	205,187
	<b>36,199,993</b>	<b>13,843,792</b>
Interest on Inter-Company Loan to be paid at prevailing market rate in according with deed of agreement.		
<b>24.00 WPPF &amp; Welfare Fund</b>		
<b>Opening Balance</b>		
WPPF Disburse to Beneficiary	5,568,483	4,675,155
Provision for the year (Note-31)	(5,568,483)	(4,675,155)
	<b>8,926,826</b>	<b>5,568,483</b>
Govt. portion has been paid through Pay Order No. 3900904 Dated: 27.08.19		
<b>25.00 Provision for Taxation</b>		
Opening Balance	48,536,613	53,707,557
Provision for the year @ 25% (Note- 32)	42,402,423	26,450,295
Tax Adjustment against assessment (2016-2017 FY)	(22,086,318)	(31,621,239)
	<b>68,852,719</b>	<b>48,536,613</b>
Prior Year Adjustment on Income Tax Assessment has been made for the Income Year 2016-2017 total Tk. 45,480,513 (against Retained Earnings Tk. 23,394,195 and Provision for tax Tk. 22,086,318, Note - 11).		





**26.00 Revenue**

	2018-2019 Amount (TK)	2017-2018 Amount (TK)
Net Local Sales, Net off VAT	2,938,447,957	2,345,058,901
Export Sales	61,559,787	21,321,676
	<b>3,000,007,744</b>	<b>2,366,380,577</b>

Supplementary duty is not applicable, VAT on export are zero rated, VAT on local sales are 15% for manufacturer (Section 3 & 7 of VAT Act, 1991)

**Quantity (MT)**

	2018-2019	2017-2018
Opening Stock	4,922	4,438
Production during the year	34,362	28,162
Goods available for Sale	39,284	32,600
Closing Stock of Finished Goods	(5,425)	(4,922)
Sale during the year	<b>33,859</b>	<b>27,678</b>

**27.00 Cost of Goods Sold**

**Note**

Opening Stock of Raw Materials		422,936,250	392,437,175
Purchase during the year		2,093,835,597	1,697,016,323
Closing Stock of Raw Materials		(483,070,824)	(422,936,250)
<b>Raw Materials Used in Production</b>	<b>27.01</b>	2,033,701,023	1,666,517,248
Manufacturing Overhead	<b>27.03</b>	414,657,490	304,320,825
Consumption of Packing Materials		34,283,344	21,075,665
<b>Total Production Costs</b>		2,482,641,856	1,991,913,738
Opening Work in Process		34,863,520	35,877,540
Closing Work in Process		(35,501,254)	(34,863,520)
<b>Costs of Goods Manufactured</b>		2,482,004,122	1,992,927,758
Opening Stock of Finished Goods		352,726,548	338,719,417
<b>Goods Available for Sales</b>		2,834,730,670	2,331,647,175
Closing Stock of Finished Goods	<b>27.02</b>	(392,510,625)	(352,726,548)
<b>Cost of Goods Sold</b>		<b>2,442,220,045</b>	<b>1,978,920,627</b>

**27.01 Raw Material Used in Production**

	2018-2019		2017-2018	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Opening Stock	7,860	422,936,250	6,776	392,437,175
Purchase during the year	37,950	2,093,835,597	31,950	1,697,016,323
	45,810	2,516,771,847	38,726	2,089,453,498
Closing Stock	(8,930)	(483,070,824)	(7,860)	(422,936,250)
	<b>36,880</b>	<b>2,033,701,023</b>	<b>30,866</b>	<b>1,666,517,248</b>

**27.02 Closing Stock of Finished Goods (Quantity and Value of each Category) are as follows:**

Category	30 June 2019		30 June 2018	
	Quantity	Value (TK)	Quantity	Value (TK)
PVC Pipe	2,340	179,665,200	3,450	263,300,184
PVC Fittings	1,968	98,914,525	1,094	52,636,946
PVC Door	785	77,228,300	378	36,789,418
Water Tank & Tap	332	36,702,600	-	-
Total	<b>5,425</b>	<b>392,510,625</b>	<b>4,922</b>	<b>352,726,548</b>

**27.03 Manufacturing Overhead**

Salary & Wages	46,086,741	38,405,618
Power & Fuel	150,570,704	120,155,061
Conveyance	253,181	230,132
Entertainment & Staff Food	2,218,272	1,848,560
C & F Commission Expenses	5,101,919	4,940,823
House Rent (Engineers & Officers)	1,170,453	783,897
Insurance Premium (Fire)	4,030,176	3,358,480
Labour Charges	5,195,802	4,329,835
Land Rent	5,062,000	6,849,900
Warehouse Rent	260,000	-
Medical Expenses	787,542	656,285
Papers & Periodicals	28,120	22,920
Postage & Stamps	14,436	12,030



Printing Expenses  
 Repair and Maintenance  
 Stationery  
 Stores and Spares  
 Telephone & Mobile Bill  
 Uniform Expenses  
 Depreciation  
 TDS Expenses  
 VDS Expenses

Notes- 4

2018-2019	2017-2018
Amount (TK)	Amount (TK)
279,307	299,328
1,316,132	1,096,766
16,895	203,490
376,220	48,793
679,548	595,644
232,024	235,614
188,019,926	120,247,649
1,011,975	-
1,946,117	-
<b>414,657,490</b>	<b>304,320,825</b>

**28.00 Administrative, Selling and Distribution Expenses**

**Administrative Expenses:**

Salary & Allowances  
 Managing Directors' Remuneration & Perquisites  
 Directors' Board Meeting Fees  
 AGM Venue Charge  
 Audit Fees  
 Depreciation  
 Electric, WASA Bills, GAS Bills & Maintenance  
 Employer's Contribution Recognized Provident Fund  
 Fees & Professional Charges  
 Group Insurance  
 License Renewal Fee, Rates & Taxes  
 Medical Expenses  
 Office Renovation  
 Office Rent  
 Papers & Periodicals  
 Office Equipment Maintenance  
 Office Maintenance  
 Training & Development  
 Credit Rating Service  
 Annual Listing Fees of DSE & CSE  
 Fuel bills for Vehicle  
 Entertainment  
 Conveyance  
 Postage, Stamp & Courier  
 Printing Expenses  
 Stationery Expenses  
 Telephone & Mobile Bill  
 Vehicle Maintenance  
 TDS Expenses  
 VDS Expenses

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Notes- 4

73,563,729	56,625,496
1,440,000	2,120,000
218,000	256,875
25,000	130,000
95,000	112,500
10,547,971	11,383,612
1,241,991	993,593
10,255,122	8,398,388
688,000	106,250
794,594	787,044
1,593,453	984,356
689,691	1,111,753
-	435,778
13,727,880	14,717,700
13,125	9,893
46,800	52,000
1,666,827	1,483,416
90,814	72,651
90,000	-
567,620	-
1,173,263	1,047,458
212,093	161,811
289,730	157,035
168,662	249,071
540,602	485,954
264,823	336,096
1,434,582	1,000,536
1,075,284	169,201
2,854,849	-
7,639,292	-
<b>133,008,798</b>	<b>103,388,467</b>

**Selling and Distribution Expenses:**

Fuel bills for Vehicle  
 Entertainment  
 Conveyance  
 Postage, Stamp & Courier  
 Printing Expenses  
 Stationery Expenses  
 Telephone & Mobile Bill  
 Vehicle Maintenance  
 Advertisement & Publicity  
 Sales Conference/ Meeting  
 Godown Rent  
 Incentive  
 Labour Charges (Unload)  
 Tender & Testing Expenses  
 Transport / Carriage Outwards  
 Traveling Expenses

1,759,895	1,571,188
318,139	242,717
434,594	235,553
252,994	373,607
810,903	728,931
397,235	504,143
2,151,872	1,500,803
1,612,926	253,801
1,484,939	7,719,457
5,775,937	5,406,277
420,000	288,000
2,085,659	-
5,802,121	3,680,212
520,956	496,765
32,745,899	24,800,365
16,686,941	15,705,238
<b>73,261,010</b>	<b>63,507,057</b>
<b>206,269,808</b>	<b>166,895,524</b>



	2018-2019 Amount (TK)	2017-2018 Amount (TK)
<b>Director's Remuneration and Perquisites</b>		
Mr. Riad Mahmud	1,440,000	1,320,000
Mr. Golam Murshed	-	800,000
	<b>1,440,000</b>	<b>2,120,000</b>
<b>29.00 Other Income</b>		
Bangladesh Bank Cash Assistance on Export	1,697,271	639,272
Interest on Investment	9,336,250	7,500,000
Accrued Interest Receivable on FDR	936,612	-
Foreign Exchange Gain/(Loss)	(1,681,397)	-
	<b>10,288,736</b>	<b>8,139,272</b>
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".		
<b>30.00 Financial Expenses :</b>		
Bank Charges	2,291,240	2,899,381
Accrued Interest on Inter-Company Loan	3,584,550	-
<b>Interest on Short Term Loan :</b>		
Interest on OD	23,660,493	24,223,400
Interest on LTR & STF Loan	56,904,168	51,784,762
	<b>86,440,451</b>	<b>78,907,543</b>
<b>Interest on Long term Loan :</b>		
Interest on Long Term Loan	82,046,797	38,426,492
	<b>82,046,797</b>	<b>38,426,492</b>
Accrued Interest on STL & LTL	14,782,860	-
	<b>183,270,108</b>	<b>117,334,035</b>
<b>31.00 WPPF and Welfare Fund</b>		
Profit before WPPF and Tax	178,536,519	111,369,664
Allocation for WPPF and WF @ 5%	<b>8,926,826</b>	<b>5,568,483</b>
<b>32.00 Provision for Taxation</b>		
Net Profit Before Tax	169,609,693	105,801,181
Provision for Taxation @ 25%	<b>42,402,423</b>	<b>26,450,295</b>
<b>33.00 EPS, NAV and NOCFPS</b>		
<b>Earnings Per Share (EPS)</b>		
Net Profit After Tax	127,207,270	79,350,886
Number of Ordinary Shares Outstanding	29,911,340	29,911,340
	<b>4.25</b>	<b>2.65</b>
<b>Diluted Earnings Per Share (DEPS)</b>		
No DEPS is required to be calculated since there was no scope for dilution of share during the period under review.		
<b>Net Asset Value Per Share (NAV)</b>		
Net Asset Value	1,165,907,991	1,062,094,916
Number of Ordinary Shares Outstanding	29,911,340	29,911,340
	<b>38.98</b>	<b>35.51</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>		
Net Operating Cash Flow	6,482,151	233,090,681
Number of Ordinary Shares Outstanding	29,911,340	29,911,340
	<b>0.22</b>	<b>7.79</b>
<b>34.00 Net Operating Cash Flow</b>		
<b>Under Direct method:</b>		
<b>Revenue</b>	3,000,007,744	2,366,380,577
Add: Opening Trade Debtors	321,303,128	236,667,364
	<b>3,321,310,872</b>	<b>2,603,047,941</b>
Less: Closing Trade Debtors	(510,673,198)	(321,303,127)
	<b>2,810,637,674</b>	<b>2,281,744,814</b>
Interest on FDR	9,336,250	7,500,000
Other Income excluding investment	1,697,271	639,272
<b>Collection from Sales and Others</b>	<b>2,821,671,195</b>	<b>2,289,884,086</b>

	2018-2019	Jan-00
	Amount (TK)	Amount (TK)
Cost of Goods Sold	(2,442,220,045)	(1,978,920,627)
Administrative & Selling Expenses	(206,269,808)	(166,895,524)
Depreciation	198,567,897	131,631,261
Short Term Loan Increased	104,621,668	235,599,586
Interest on LTR & STF Loan	(101,223,311)	(78,907,543)
AIT Paid at Port (Import / export Stage)	(117,939,325)	(96,329,049)
Tax Deduction at Source (TDS)	(16,885,795)	(15,770,251)
WPPF Disburse to Beneficiary	(5,568,483)	(4,675,155)
Foreign Exchange Gain/(Loss)	(1,681,397)	-
Provision for Expenses	22,356,201	-
(Increase)/Decrease in Inventories	(244,086,412)	(43,492,186)
Increase/(Decrease) in Other Current Liabilities	2,019,900	(3,839,223)
(Increase)/Decrease in Other Current Assets	(6,880,133)	(35,194,695)
<b>Payment to Suppliers, Employees and Others</b>	<b>(2,815,189,043)</b>	<b>(2,056,793,405)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>6,482,151</b>	<b>233,090,681</b>

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. Collection from sales has increased 23.18% but Payment to suppliers and others increased 27.49%.

**35.00 Director's Remuneration and Perquisites**

Mr. Riad Mahmud	1,440,000	1,320,000
Mr. Golam Murshed	-	800,000
	<b>1,440,000</b>	<b>2,120,000</b>

**36.00 Capacity Utilization**

Capacity of Production in M. Ton per year	Utilization (MT)		Rate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
(Installed Capacity 38,000 Current year, Last year 29,562 M.Ton)	34,362	28,162	90.43%	86.65%

**37.00 Capital Expenditure Commitment:**

There was no Capital Expenditure commitment as on 30 June, 2019.

**38.00 Contingent Liability:**

- (I) There was no contingent liability as on 30 June, 2019.  
 (II) There was no claim against the company, not acknowledged as debt as on 30 June, 2019.  
 (III) There was no credit facility available to the company under any contract.  
 (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 cases 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. 3217 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

All of these caeses are staved till disposal.

**39.00 Related Party Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decision and include associated companies with or without common directors and key management personnel. The Company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per IAS 24: Related Party Disclosures.

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

Related Party	Relationship	Nature of Transactions	Outstanding Balance		
			2018-2019	2017-2018	
Mr. Riad Mahmud	Managing Director	Remuneration	120,000	195,000	
Mr. Golam Murshed	Chairman	Board Meeting Fees	14,000	256,875	
Mr. Riad Mahmud	Managing Director	Board Meeting Fees	14,000		
Mr. Nuruzzaman Khan	Nominated Director	Board Meeting Fees	80,000		
Mr. Rafiqul Islam	Nominated Director	Board Meeting Fees	20,000		
Mr. Mustafizur Rahman Shazid	Independent Director	Board Meeting Fees	30,000		
Mr. Jamal Uddin Ahmed	Independent Director	Board Meeting Fees	36,000		
Mr. Raquibul Alam	Independent Director	Board Meeting Fees	24,000		
Board Meeting Fees	Director's	Board Meeting Fees	-		
Npolymer Construction Limited	Common Management	Inter-Company Loan	80,019,004		-
			<b>80,357,004</b>		<b>451,875</b>

**40.00 Number of Employees Engaged**

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000/- per annum or Taka 3,000/- per month were Nil at the end of June 2019 as against Nil in 2018

The number of Employees Engaged for the whole year  
The number of Board of Directors

812 Person	850 Person
6 Person	5 Person
<b>818 Person</b>	<b>855 Person</b>

**41.00 Events after the Balance Sheet Date:**

The Board of Directors of the Company in its' 158th meeting held on 29 August 2019 recommended 22% Stock dividend.

**Reason for declaration of Bonus shares:**

Retained amount of bonus shares to be used as a) capital for further investment, b) Bonus share is declared out of accumulated profit and c) Bonus share is not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the Company or through reducing paid up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

**26.00 Revenue**

Net Local Sales, Net off VAT  
Export Sales

2018-2019 Amount (TK)	2017-2018 Amount (TK)
2,938,447,957	2,345,058,901
61,559,787	21,321,676
<b>3,000,007,744</b>	<b>2,366,380,577</b>

Supplementary duty is not applicable, VAT on export are zero rated, VAT on local sales are 15% for manufacturer (Section 3 & 7 of VAT Act, 1991)

**Quantity (MT)**

Opening Stock  
Production during the year  
Goods available for Sale  
Closing Stock of Finished Goods  
Sale during the year

4,922	4,438
34,362	28,162
39,284	32,600
(5,425)	(4,922)
<b>33,859</b>	<b>27,678</b>

**27.00 Cost of Goods Sold**

**Note**

Opening Stock of Raw Materials  
Purchase during the year  
Closing Stock of Raw Materials

**Raw Materials Used in Production**

Manufacturing Overhead  
Consumption of Packing Materials

**Total Production Costs**

Opening Work in Process  
Closing Work in Process

**Costs of Goods Manufactured**

Opening Stock of Finished Goods

**Goods Available for Sales**

Closing Stock of Finished Goods

**Cost of Goods Sold**

27.01

27.03

27.02

422,936,250	392,437,175
2,093,835,597	1,697,016,323
(483,070,824)	(422,936,250)
2,033,701,023	1,666,517,248
414,657,490	304,320,825
34,283,344	21,075,665
2,482,641,856	1,991,913,738
34,863,520	35,877,540
(35,501,254)	(34,863,520)
2,482,004,122	1,992,927,758
352,726,548	338,719,417
2,834,730,670	2,331,647,175
(392,510,625)	(352,726,548)
<b>2,442,220,045</b>	<b>1,978,920,627</b>

**27.01 Raw Material Used in Production**

	2018-2019		2017-2018	
	Quantity (MT)	Taka	Quantity (MT)	Taka
Opening Stock	7,860	422,936,250	6,776	392,437,175
Purchase during the year	37,950	2,093,835,597	31,950	1,697,016,323
Closing Stock	45,810	2,516,771,847	38,726	2,089,453,498
	(8,930)	(483,070,824)	(7,860)	(422,936,250)
	<b>36,880</b>	<b>2,033,701,023</b>	<b>30,866</b>	<b>1,666,517,248</b>

**27.02 Closing Stock of Finished Goods (Quantity and Value of each Category) are as follows:**

Category	30 June 2019		30 June 2018	
	Quantity	Value (TK)	Quantity	Value (TK)
PVC Pipe	2,340	179,665,200	3,450	263,300,184
PVC Fittings	1,968	98,914,525	1,094	52,636,946
PVC Door	785	77,228,300	378	36,789,418
Water Tank & Tap	332	36,702,600	-	-
Total	<b>5,425</b>	<b>392,510,625</b>	<b>4,922</b>	<b>352,726,548</b>

**27.03 Manufacturing Overhead**

Salary & Wages	46,086,741	38,405,618
Power & Fuel	150,570,704	120,155,061
Conveyance	253,181	230,132
Entertainment & Staff Food	2,218,272	1,848,560
C & F Commission Expenses	5,101,919	4,940,823
House Rent (Engineers & Officers)	1,170,453	783,897
Insurance Premium (Fire)	4,030,176	3,358,480
Labour Charges	5,195,802	4,329,835
Land Rent	5,062,000	6,849,900
Warehouse Rent	260,000	-
Medical Expenses	787,542	656,285
Papers & Periodicals	28,120	22,920
Postage & Stamps	14,436	12,030

	2018-2019 Amount (TK)	2017-2018 Amount (TK)
Printing Expenses	279,307	299,328
Repair and Maintenance	1,316,132	1,096,766
Stationery	16,895	203,490
Stores and Spares	376,220	48,793
Telephone & Mobile Bill	679,548	595,644
Uniform Expenses	232,024	235,614
Depreciation	188,019,926	120,247,649
TDS Expenses	1,011,975	-
VDS Expenses	1,946,117	-
	<b>414,657,490</b>	<b>304,320,825</b>

**28.00 Administrative, Selling and Distribution Expenses**

**Administrative Expenses:**

Salary & Allowances	73,563,729	56,625,496
Managing Directors' Remuneration & Perquisites	1,440,000	2,120,000
Directors' Board Meeting Fees	218,000	256,875
AGM Venue Charge	25,000	130,000
Audit Fees	95,000	112,500
Depreciation	10,547,971	11,383,612
Electric, WASA Bills, GAS Bills & Maintenance	1,241,991	993,593
Employer's Contribution Recognized Provident Fund	10,255,122	8,398,388
Fees & Professional Charges	688,000	106,250
Group Insurance	794,594	787,044
License Renewal Fee, Rates & Taxes	1,593,453	984,356
Medical Expenses	689,691	1,111,753
Office Renovation	-	435,778
Office Rent	13,727,880	14,717,700
Papers & Periodicals	13,125	9,893
Office Equipment Maintenance	46,800	52,000
Office Maintenance	1,666,827	1,483,416
Training & Development	90,814	72,651
Credit Rating Service	90,000	-
Annual Listing Fees of DSE & CSE	567,620	-
Fuel bills for Vehicle	1,173,263	1,047,458
Entertainment	212,093	161,811
Conveyance	289,730	157,035
Postage, Stamp & Courier	168,662	249,071
Printing Expenses	540,602	485,954
Stationery Expenses	264,823	336,096
Telephone & Mobile Bill	1,434,582	1,000,536
Vehicle Maintenance	1,075,284	169,201
TDS Expenses	2,854,849	-
VDS Expenses	7,639,292	-
	<b>133,008,798</b>	<b>103,388,467</b>

**Selling and Distribution Expenses:**

Fuel bills for Vehicle	1,759,895	1,571,188
Entertainment	318,139	242,717
Conveyance	434,594	235,553
Postage, Stamp & Courier	252,994	373,607
Printing Expenses	810,903	728,931
Stationery Expenses	397,235	504,143
Telephone & Mobile Bill	2,151,872	1,500,803
Vehicle Maintenance	1,612,926	253,801
Advertisement & Publicity	1,484,939	7,719,457
Sales Conference/ Meeting	5,775,937	5,406,277
Godown Rent	420,000	288,000
Incentive	2,085,659	-
Labour Charges (Unload)	5,802,121	3,680,212
Tender & Testing Expenses	520,956	496,765
Transport / Carriage Outwards	32,745,899	24,800,365
Traveling Expenses	16,686,941	15,705,238
	<b>73,261,010</b>	<b>63,507,057</b>
	<b>206,269,808</b>	<b>166,895,524</b>



	2018-2019 Amount (TK)	2017-2018 Amount (TK)
<b>Director's Remuneration and Perquisites</b>		
Mr. Riad Mahmud	1,440,000	1,320,000
Mr. Golam Murshed	-	800,000
	<b>1,440,000</b>	<b>2,120,000</b>
<b>29.00 Other Income</b>		
Bangladesh Bank Cash Assistance on Export	1,697,271	639,272
Interest on Investment	9,336,250	7,500,000
Accrued Interest Receivable on FDR	936,612	-
Foreign Exchange Gain/(Loss)	(1,681,397)	-
	<b>10,288,736</b>	<b>8,139,272</b>
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".		
<b>30.00 Financial Expenses :</b>		
Bank Charges	2,291,240	2,899,381
Accrued Interest on Inter-Company Loan	3,584,550	-
<b>Interest on Short Term Loan :</b>		
Interest on OD	23,660,493	24,223,400
Interest on LTR & STF Loan	56,904,168	51,784,762
	86,440,451	78,907,543
<b>Interest on Long term Loan :</b>		
Interest on Long Term Loan	82,046,797	38,426,492
	82,046,797	38,426,492
Accrued Interest on STL & LTL	14,782,860	-
	<b>183,270,108</b>	<b>117,334,035</b>
<b>31.00 WPPF and Welfare Fund</b>		
Profit before WPPF and Tax	178,536,519	111,369,664
Allocation for WPPF and WF @ 5%	<b>8,926,826</b>	<b>5,568,483</b>
<b>32.00 Provision for Taxation</b>		
Net Profit Before Tax	169,609,693	105,801,181
Provision for Taxation @ 25%	<b>42,402,423</b>	<b>26,450,295</b>
<b>33.00 EPS, NAV and NOCFPS</b>		
<b>Earnings Per Share (EPS)</b>		
Net Profit After Tax	127,207,270	79,350,886
Number of Ordinary Shares Outstanding	29,911,340	29,911,340
	<b>4.25</b>	<b>2.65</b>
<b>Diluted Earnings Per Share (DEPS)</b>		
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<b>Net Asset Value Per Share (NAV)</b>		
Net Asset Value	1,165,907,991	1,062,094,916
Number of Ordinary Shares Outstanding	29,911,340	29,911,340
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Net Operating Cash Flow	6,482,151	233,090,681
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<b>34.00 Net Operating Cash Flow</b>		
<b>Under Direct method:</b>		
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Other Income excluding investment	1,697,271	639,272
<b>Collection from Sales and Others</b>	<b>2,821,671,195</b>	<b>2,289,884,086</b>





	2018-2019	Jan-00
	Amount (TK)	Amount (TK)
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<b>Payment to Suppliers, Employees and Others</b>	<b>(2,815,189,043)</b>	<b>(2,056,793,405)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>6,482,151</b>	<b>233,090,681</b>

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Mr. Golam Murshed	-	800,000
	<b>1,440,000</b>	<b>2,120,000</b>

**36.00 Capacity Utilization**

Capacity of Production in M. Ton per year	Utilization (MT)		Rate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
(Installed Capacity 38,000 Current year, Last year 29,562 M.Ton)	34,362	28,162	90.43%	86.65%

**37.00 Capital Expenditure Commitment:**

There was no Capital Expenditure commitment as on 30 June, 2019.

**38.00 Contingent Liability:**

(I) There was no contingent liability as on 30 June, 2019.

(II) There was no claim against the company, not acknowledged as debt as on 30 June, 2019.

(III) There was no credit facility available to the company under any contract.

(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 cases have been filed in Tribunal and Court. It is probable that the judgment will be in favour of the company.

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

Related Party	Relationship	Nature of Transactions	Outstanding Balance		
			2018-2019	2017-2018	
Mr. Raaf/Wahidul	Managing Director	Remuneration	120,000	195,000	
Mr. Golden Wahidul	Chairman	Board Meeting Fees	14,000	256,875	
Mr. Raaf/Wahidul	Managing Director	Board Meeting Fees	14,000		
Mr. Nazimuddin Khan	Nominated Director	Board Meeting Fees	80,000		
Mr. Rafiqul Islam	Nominated Director	Board Meeting Fees	20,000		
Mr. Mustafaqul Kabir Shamsi	Independent Director	Board Meeting Fees	30,000		
Mr. Jamal Uddin Wahid	Independent Director	Board Meeting Fees	36,000		
Mr. Raqibul Islam	Independent Director	Board Meeting Fees	24,000		
Board Meeting Fees	Director's	Board Meeting Fees	-		
Nephyon Construction Limited	Common Management	Inter-Company Loan	80,019,004		-
			<b>80,357,004</b>		<b>45,875</b>

**40.00 Number of Employees Engaged**

As per the Schedule III of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000/- per annum or Taka 3,000/-per month were Nil at the end of year 2019 as against Nil in 2018.

The number of Employees Engaged for the whole year  
The number of Board of Directors

812 Person	851 Person
6 Person	5 Person
<b>818 Person</b>	<b>856 Person</b>

**41.00 Events after the Balance Sheet Date**

The Board of Directors of the Company in its 158th meeting held on 29 August 2019 recommended 22% Stock dividend.

Reason for declaration of Bonus shares:

Retained amount of Bonus shares to be used as a) capital for further investment, b) Bonus share is declared out of accumulated profit and c) Bonus share is not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the Company or through reducing paid up capital or through doing anything so that the post-dividend retained amount becomes negative or a debit balance.