



Mahfel Huq & Co. Chartered Accountants

The first registered accounting firm in independent Bangladesh

PRIVATE & CONFIDENTIAL

NATIONAL POLYMER INDUSTRIES LIMITED
AUDITED FINANCIAL STATEMENTS
As at and for the year ended 30 June 2020

TABLE OF CONTENTS

| SL. NO. | DESCRIPTION | PAGE NO. |
|---------|---|----------|
| 01. | Independent Auditors' Report | 1-5 |
| 02. | Statement of Financial Position | 6 |
| 03. | Statement of Profit or Loss and Others Comprehensive Income | 7 |
| 04. | Statement of Changes in Equity | 8 |
| 05 | Statement of Cash Flows | 9 |
| 06 | Notes to the Financial Statements | 10-29 |



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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Polymer Industries Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2020, and along with the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements is present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 *Auditors' 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.

| 1. Revenue Recognition | |
|---|---|
| Risks | Our Response to the Risks |
| <p>At year end the company reported total revenue of BDT 3,43,29,56,238.</p> <p>Revenue is generated from both Local and export sales. In which, VAT is applicable only on local sales. Therefore, calculation of VAT return is required for identifying local sales.</p> <p>Sales recognized based on export 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.</p> | <p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of discounts, incentives and rebates; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • 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 |



| | |
|--|---|
| <p>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.</p> <p><i>[See note 26.00 to the financial statements]</i></p> | <p>whether revenue was recognized in the correct period;</p> <ul style="list-style-type: none"> • 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. |
| 2. Existence and Valuation of Inventories | |
| Risks | Our Response to the Risks |
| <p>The company had inventories of BDT 1,23,41,67,895 at 30 June 2020, held in warehouses.</p> <p>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.</p> <p>The provision of Work in Progress 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.</p> <p><i>[See note 7.00 to the financial statements]</i></p> | <p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • 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 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. |
| 3. Management's consideration of the potential impact of COVID-19 | |
| Risks | Our Response to the Risks |
| <p>Management has made estimates and judgments that there was basically no adverse impact of COVID-19 on the company.</p> <p>In doing so, management have made estimates and judgments that are critical to the outcomes of these considerations with particular focus on the group's ability to continue as a going concern for a period of at least 12 months from the date of the signing of the financial statements.</p> | <ul style="list-style-type: none"> • We obtained management's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy. • We challenged management on the key assumptions included in the scenarios and we subjected management's most recent forecasts to additional stress testing to confirm that both management and the Board have considered a balanced range of outcomes in their assessment of the potential impact |



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com



An independent member firm of AGN International

| | |
|--|---|
| <p>As a result of the impact of COVID-19 on the wider financial markets we have determined management's consideration of the potential impact of COVID-19 (including their associated estimates and judgments) to be a key audit matter.</p> | <p>of COVID-19. Based on our procedures, we have not identified any matters to report with respect to both management's and the Board's considerations of the potential impact of COVID-19 on the current and future operations of the company.</p> |
|--|---|

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:



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com

- 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.

Estd. 1974



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail: info@mahfelhuq.com
Web: www.mahfelhuq.com

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, 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 Company's 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; and
- (iv) The expenditure incurred, except as noted above, were to the purpose of company business.

Dhaka, 29 October 2020

Md. Abdus Satter Sarkar, *FCA*
For and on behalf of,
Mahfel Huq & Co.
Chartered Accountants

mh
Estd. 1974

National Polymer Industries Limited

Statement of Financial Position

As at 30 June 2020

| Particulars | Notes | Amount in Taka | |
|---|-------|----------------------|----------------------|
| | | 30 June 2020 | 30 June 2019 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 4 | 1,569,552,476 | 1,629,394,214 |
| Investment | 5 | 250,913,536 | 117,577,625 |
| Capital Work in Progress (CWIP) | 6 | 53,257,593 | 79,886,389 |
| Total Non-Current Assets | | 1,873,723,605 | 1,826,858,228 |
| Current Assets | | | |
| Inventories | 7 | 1,234,167,895 | 1,081,447,816 |
| Accounts Receivables | 8 | 731,489,986 | 510,673,198 |
| Accrued Interest Receivable on FDR | 9 | 3,127,865 | 936,612 |
| Advance, Deposit & Pre-payments | 10 | 131,080,152 | 191,552,211 |
| Advance Income Tax | 11 | 269,275,136 | 368,995,204 |
| Cash & Cash Equivalents | 12 | 261,638,140 | 200,317,476 |
| Total Current Assets | | 2,630,779,173 | 2,353,922,517 |
| TOTAL ASSETS | | 4,504,502,778 | 4,180,780,745 |
| EQUITY & LIABILITIES | | | |
| Shareholders Equity & Reserves | | | |
| Share Capital | 13 | 364,918,340 | 299,113,400 |
| Share Premium | 14 | 134,000,000 | 134,000,000 |
| Revaluation Reserve | 15 | 496,260,922 | 496,260,922 |
| Retained Earnings | 16 | 313,904,444 | 236,533,669 |
| Total Shareholders Equity & Reserves | | 1,309,083,706 | 1,165,907,991 |
| Non-Current Liabilities | | | |
| Long Term Loan - (Non-Current Maturity) | 17 | 548,895,210 | 682,449,686 |
| Deferred Tax Liability | 18 | 79,485,014 | 79,485,014 |
| Total Non-Current Liabilities | | 628,380,224 | 761,934,700 |
| Current Liabilities | | | |
| Short Term Loan | 19 | 1,735,882,726 | 1,572,712,365 |
| Long Term Loan- (Current Maturity) | 17 | 302,996,089 | 261,370,924 |
| Bank Overdraft | 20 | 311,260,225 | 215,199,482 |
| Accounts Payable | 21 | 34,532,631 | 9,656,741 |
| Inter-Company Loan | 22 | 51,900,313 | 80,019,004 |
| Provision for Expenses | 23 | 27,962,071 | 36,199,993 |
| WPPF & Welfare Fund | 24 | 10,017,062 | 8,926,826 |
| Provision for Taxation | 25 | 92,487,731 | 68,852,719 |
| Total Current Liabilities | | 2,567,038,848 | 2,252,938,054 |
| TOTAL EQUITY & LIABILITIES | | 4,504,502,778 | 4,180,780,745 |
| Net Asset Value (NAV) Per Share | 34 | 35.87 | 31.95 |

The annexed notes form an integral part of these Financial Statements

L. H. H.

Chairman

[Signature]

Managing Director

[Signature]

Company Secretary

Signed in terms of our separate report of even date annexed

[Signature]

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 29 October 2020



National Polymer Industries Limited
Statement of Profit or Loss and Others Comprehensive Income
For the year ended 30 June 2020

| Particulars | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | 30 June 2020 | 30 June 2019 |
| Revenue | 26 | 3,432,956,238 | 3,000,007,744 |
| Cost of Goods Sold | 27 | (2,830,771,919) | (2,442,220,045) |
| Gross Profit | | 602,184,320 | 557,787,699 |
| Administrative, Selling and Distribution Expenses: | 28 | | |
| Administrative Expenses | | 142,046,676 | 133,008,798 |
| Selling and Distribution Expenses | | 59,951,958 | 73,261,010 |
| | | (201,998,634) | (206,269,808) |
| Profit from Operations | | 400,185,686 | 351,517,891 |
| Other Income | 29 | 20,726,731 | 11,970,133 |
| Foreign Exchange Gain/(Loss) | 30 | (2,053,928) | (1,681,397) |
| Financial Expenses | 31 | (208,500,195) | (183,270,108) |
| Profit before WPPF & Taxation | | 210,358,293 | 178,536,519 |
| WPPF and Welfare Fund | 32 | (10,017,062) | (8,926,826) |
| Provision for Taxation | 33 | (50,085,308) | (42,402,423) |
| Net Profit for the year | | 150,255,924 | 127,207,270 |
| Other Comprehensive Income/ (Loss): | | - | - |
| Total Comprehensive Income for the year | | 150,255,924 | 127,207,270 |
| Basic Earnings Per Share (EPS) | 34 | 4.12 | 3.49 |

The annexed notes form an integral part of these Financial Statements


Chairman


Managing Director


Company Secretary

Signed in terms of our separate report of even date annexed

Dhaka, 29 October 2020


Mahfel Huq & Co.
Chartered Accountants



National Polymer Industries Limited

Statement of Changes in Equity
For the year ended 30 June 2020

| Particulars | Amount in Taka | | | | Total |
|--|--------------------|--------------------|---------------------|--------------------|----------------------|
| | Share Capital | Share Premium | Revaluation Reserve | Retained Earnings | |
| Balance as at 1 July 2019 | 299,113,400 | 134,000,000 | 496,260,922 | 236,533,669 | 1,165,907,991 |
| Payment of Stock Dividend (2018-2019 FY, Note -13) | 65,804,940 | - | - | (65,804,940) | - |
| Tax Adjustment against assessment (2017-2018 FY, Note -16) | - | - | - | (7,080,209) | (7,080,209) |
| Profit Earned during the year | - | - | - | 150,255,924 | 150,255,924 |
| Total | 364,918,340 | 134,000,000 | 496,260,922 | 313,904,444 | 1,309,083,706 |
| For the year ended 30 June 2019 | | | | | |
| | 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 |
| Total | 299,113,400 | 134,000,000 | 496,260,922 | 236,533,669 | 1,165,907,991 |

The annexed notes form an integral part of these Financial Statements

E. R. R.
Chairman

R. P. D. H.
Managing Director

M. A. M.
Company Secretary

Dhaka, 29 October 2020



National Polymer Industries Limited

Statement of Cash Flows
For the year ended 30 June 2020

| Particulars | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | 30 June 2020 | 30 June 2019 |
| Cash Flows from Operating Activities | | | |
| Collection from Sales and Others | | 3,229,696,135 | 2,821,671,195 |
| Payment to Suppliers, Employees and Others | | (2,703,677,856) | (2,683,065,427) |
| | | 526,018,279 | 138,605,768 |
| Income Tax Paid | | (127,253,950) | (133,840,577) |
| Foreign Exchange Gain/(Loss) | | (2,053,928) | (1,681,397) |
| Financial Expenses | | (153,685,130) | (101,223,311) |
| Net Cash Flows from Operating Activities | 35 | 243,025,271 | (98,139,516) |
| Cash Flows from Investing Activities | | | |
| Payment for acquisition of Property, Plant & Equipment | 4, 6 | (133,206,734) | (337,594,906) |
| Sale of Fixed Assets | | 470,000 | - |
| Investment in FDR | | (133,335,911) | (10,877,625) |
| Capital Work in Progress (CWIP) | 6 | - | (47,210,000) |
| Net Cash used in Investing Activities | | (266,072,645) | (395,682,531) |
| Cash Flows from Financing Activities | | | |
| Proceeds from Long Term Loan | | 376,592,777 | 591,211,813 |
| Payment of Long Term Loan | | (468,522,088) | (209,208,371) |
| Short Term Loan- Increase/(Decrease) | | 259,231,104 | 104,621,668 |
| Intercompany Loan | | (28,118,691) | 80,019,004 |
| Interest Paid on Long Term Loan | | (54,815,065) | (82,046,797) |
| Net Cash Flows/ (used) from Financing Activities | | 84,368,037 | 484,597,316 |
| Net Increase/(Decrease) in Cash during the year | | 61,320,663 | (9,224,731) |
| Opening Cash & Cash Equivalents | 12 | 200,317,476 | 209,542,207 |
| Closing Cash & Cash Equivalents | 12 | 261,638,140 | 200,317,476 |
| Net Operating Cash Flow per Share | 34 | 6.66 | (2.69) |

The annexed notes form an integral part of these Financial Statements

T. A. Re
Chairman

[Signature]
Managing Director

[Signature]
Company Secretary

Dhaka, 29 October 2020



National Polymer Industries Limited

Notes to the Financial Statements
As at and for the year ended 30 June 2020

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 833 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;
- (ii) Statement of Profit or Loss and Others Comprehensive Income;
- (iii) Statement of Changes in Equity;
- (iv) Statement of Cash Flows; and
- (v) Notes to the Financial Statements.

3. Significant Accounting Policies

3.1 Basis of Measurement of Elements of Financial Statements

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

3.2 Reporting Period

The Financial Statements covers the year from 1 July 2019 to 30 June 2020.

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:**

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

Retirements and Disposals

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

3.8 Accrual basis Capital work in progress:

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

3.9 Application of Standards

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

| <u>Name of the Accounting Standards</u> | <u>Ref.</u> | <u>Status</u> |
|--|-------------|----------------|
| 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 |
| Earnings per Share | IAS-33 | Applied |
| Interim Financial Reporting | IAS-34 | Applied |
| Intangible Assets | IAS-38 | Not Applicable |
| Financial Instruments: Recognition and Measurement | IAS-39 | Applied |
| Investment Property | IAS-40 | Not applicable |
| Agriculture | IAS-41 | Not applicable |

3.10 Inventory

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

3.11 Financial Instruments:

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

i) Financial Assets:

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

i.(a) Accounts Receivables:

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

i.(b) Cash and Cash Equivalents:

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

Other Current Assets:

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



ii) Financial Liabilities:

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

ii.(a) Finance Lease Obligation:

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

ii.(b) Loans and Borrowings:

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

ii.(c) Accounts Payables:

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

3.12 Impairment:

i. Financial Assets

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

ii. Non-Financial Assets

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

3.13 Taxation

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

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 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.

3.14 Revaluation Reserve

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

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

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



3.15 Tax Holiday Reserve:

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

3.16 Foreign Currency Translation:

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

3.17 Provisions, Accrued Expenses and Other Payables

Provisions and accrued expenses are recognized in the Financial Statements in line with the International Accounting Standard (IAS) 37 “Provisions, Contingent Liabilities and Contingent Assets” when

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

3.18 Contingent Liabilities

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

3.19 Revenue (Turnover) From Sales

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

Revenue Recognition

The revenue is recognized after satisfying all the following conditions for revenue recognition as provided in IFRS 15 “Revenue Recognition”:

- 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 34. 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 2020 as per IAS-33 “Earnings per Shares”.

3.22 Basic Earnings / Loss:

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

3.23 Diluted Earnings Per Share:

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

3.24 Statement of Cash Flows:

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

3.25 Dividend for the Year:

After the reporting period, the Board of Directors recommended 15% Cash 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 the 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 15% Cash dividend per share. The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

3.28 Human Resources

| Particulars | 2019-20 | 2018-19 |
|-------------------------------|------------|------------|
| Officers | 338 | 340 |
| Staff | 183 | 172 |
| Skilled and unskilled workers | 312 | 300 |
| Total | 833 | 812 |

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 (IASC).

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 October, 2020.

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 2018-2019 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.



National Polymer Industries Limited
As at and for the year ended 30 June 2020

Note 4: Property, Plant and Equipment

| Assets Category | COST (Taka) | | | DEPRECIATION (Taka) | | | | | Written Down Value as on 30.06.2020 | Written Down Value as on 30.06.2019 |
|-----------------------------|----------------------|---------------------------|-----------------------------------|----------------------|-----------|---------------------------|-------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| | As on 01.07.2019 | Additions during the Year | Adjustment/ Sales during the Year | As on 30.06.20 | Dep. Rate | Cumulative as on 01.07.19 | Charged during the Year | Adjustment/ Sales during the Year | Cumulative as on 30.06.20 | |
| Land & Land Dev. | | | | | | | | | | |
| Cost | 28,751,064 | - | - | 28,751,064 | - | - | - | - | - | 28,751,064 |
| Revaluation | 575,745,936 | - | - | 575,745,936 | - | - | - | - | - | 575,745,936 |
| Factory Buildings | 190,066,346 | 26,628,796 | - | 216,695,142 | 20.0% | 79,552,333 | 22,102,803 | - | 101,655,136 | 110,514,013 |
| Godown Sheds | 30,524,820 | - | - | 30,524,820 | 10.0% | 22,663,642 | 786,118 | - | 23,449,760 | 7,861,178 |
| Plant & Machinery | 1,606,917,741 | 131,952,907 | - | 1,738,870,648 | 20.0% | 787,012,384 | 181,808,643 | - | 968,821,028 | 819,905,357 |
| Local Machinery | 32,135,174 | - | - | 32,135,174 | 20.0% | 26,840,161 | 1,059,003 | - | 27,899,164 | 5,295,013 |
| Office Sheds | 1,637,007 | - | - | 1,637,007 | 10.0% | 1,202,273 | 43,473 | - | 1,245,746 | 434,734 |
| Machine Shed | 194,754 | - | - | 194,754 | 10.0% | 141,660 | 5,309 | - | 146,970 | 47,784 |
| Steel Rack | 459,095 | - | - | 459,095 | 10.0% | 320,773 | 13,832 | - | 334,605 | 124,490 |
| Factory Laboratory | 179,420 | - | - | 179,420 | 20.0% | 171,411 | 1,602 | - | 173,013 | 8,009 |
| Administrative Shed | 2,359,169 | - | - | 2,359,169 | 10.0% | 1,888,485 | 47,068 | - | 1,935,553 | 470,684 |
| Factory Boundary Wall | 4,045,053 | - | - | 4,045,053 | 10.0% | 3,038,130 | 100,692 | - | 3,138,822 | 1,006,923 |
| Gas Generator | 55,544,726 | - | - | 55,544,726 | 20.0% | 46,862,900 | 1,736,365 | - | 48,599,265 | 6,945,461 |
| Diesel Generator | 26,974,764 | - | - | 26,974,764 | 20.0% | 21,885,659 | 1,017,821 | - | 22,903,480 | 4,071,284 |
| Titras Gas Installation | 2,288,132 | - | - | 2,288,132 | 10.0% | 1,603,799 | 68,433 | - | 1,672,232 | 684,333 |
| Furniture & Fixtures | 7,130,973 | 19,100 | - | 7,150,073 | 10.0% | 3,697,871 | 344,234 | - | 4,042,105 | 3,107,968 |
| Vehicles | 108,954,613 | - | 2,040,000 | 106,914,613 | 20.0% | 66,359,375 | 8,111,048 | 1,612,181 | 72,858,241 | 34,056,372 |
| Office Equipment | 43,104,072 | 1,234,727 | - | 44,338,799 | 10.0% | 24,377,789 | 2,003,003 | - | 26,380,792 | 17,958,007 |
| As at 30 June 2020 | 2,717,012,859 | 159,835,530 | 2,040,000 | 2,874,808,389 | | 1,087,618,645 | 219,249,449 | 1,612,181 | 1,305,255,912 | 1,569,552,476 |
| As at 30 June 2019 | 2,324,397,953 | 392,614,906 | - | 2,717,012,859 | | 889,050,748 | 198,567,897 | - | 1,087,618,645 | 1,629,394,214 |

Depreciation allocated to :

| | |
|-------------------------|--------------------|
| Cost of Goods Sold | 208,791,163 |
| Administrative Expenses | 10,458,285 |
| Total | 219,249,449 |

Addition in Factory Buildings includes amount Tk. 26,628,796 transferred from CWIP (Note-06).



| | Amount in Taka | |
|--|----------------------|----------------------|
| | 30 June 2020 | 30 June 2019 |
| 4.01 Property, Plant & Equipment | | |
| Opening Balance | 2,717,012,859 | 2,324,397,953 |
| Addition during the year including transferred from CWIP | 159,835,530 | 392,614,906 |
| | (2,040,000) | - |
| Cost as at 30 June 2019 | 2,874,808,389 | 2,717,012,859 |
| Accumulated Depreciation | (1,305,255,912) | (1,087,618,645) |
| Closing Balance | 1,569,552,476 | 1,629,394,214 |

(Details in Note - 3.7 & 4)

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

5.00 Investment

| | | |
|---|--------------------|--------------------|
| FDR in Uttara Finance & Investment Ltd. | 115,077,625 | 106,700,000 |
| Add: Addition During the year | 10,590,911 | 8,377,625 |
| FDR in IPDC | 2,500,000 | 2,500,000 |
| Add: Addition During the year | 72,745,000 | - |
| FDR in SCB | 50,000,000 | - |
| | 250,913,536 | 117,577,625 |

| Name of Institute | FDR No. | Interest Rate | Branch | Maturity Date |
|----------------------------------|----------|---------------|---------|---------------|
| Uttara Finance & Investment Ltd. | 10224/17 | 10.25% | Gulshan | 31 May 2021 |
| IPDC Finance Limited | 06748 | 6.50% | Gulshan | 28 May 2021 |
| IPDC Finance Limited | 06748 | 6.50% | Gulshan | 08 July 2021 |
| IPDC Finance Limited | 06748 | 11.00% | Gulshan | 01 Aug 2020 |
| IPDC Finance Limited | 06748 | 10.50% | Gulshan | 26 Nov 2020 |
| IPDC Finance Limited | 06748 | 10.50% | Gulshan | 13 Jan 2021 |

6.00 Capital Work In Progress (CWIP)

| | | |
|--|-------------------|-------------------|
| Opening Civil Construction | 79,886,389 | 87,696,389 |
| Add: Civil Construction in progress during the year | - | 47,210,000 |
| Less: Transferred to Factory Buildings during the year | (26,628,796) | (55,020,000) |
| | 53,257,593 | 79,886,389 |
| | 53,257,593 | 79,886,389 |

7.00 Inventories

| | 30 June 2020 | | 30 June 2019 | |
|-------------------|--------------|----------------------|--------------|----------------------|
| | Quantity | Taka | Quantity | Taka |
| Raw Materials | 9,980 | 567,342,309 | 8,930 | 483,070,824 |
| Work in Process | | 41,518,125 | | 35,501,254 |
| Finished Goods | 5,725 | 420,293,876 | 5,425 | 392,510,625 |
| Stores and Spares | | 11,885,220 | | 9,904,350 |
| Stock in Transit | | 189,535,326 | | 158,142,673 |
| Packing Materials | | 3,593,040 | | 2,318,090 |
| | | 1,234,167,895 | | 1,081,447,816 |

8.00 Accounts Receivables

| | | |
|---------------------------|--------------------|--------------------|
| Receivables Against Sales | 731,489,986 | 510,673,198 |
| | 731,489,986 | 510,673,198 |

| Day Range | Amount in Taka | Amount in Taka |
|------------------------|--------------------|--------------------|
| Below 30 days | 359,107,328 | 209,376,011 |
| Below 90 days | 284,763,209 | 211,929,377 |
| Below 180 days | 65,714,587 | 66,387,516 |
| Above 180 Below 1 Year | 21,904,862 | 22,980,294 |
| Total | 731,489,986 | 510,673,198 |

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.



| | | Amount in Taka | |
|-------------|---|------------------|----------------|
| | | 30 June 2020 | 30 June 2019 |
| 9.00 | Accrued Interest Receivable on FDR | | |
| | Uttara Finance & Investment Ltd. | 1,073,419 | 911,400 |
| | IPDC Finance Limited | - | 25,212 |
| | IPDC Finance Limited | 16,356 | - |
| | IPDC Finance Limited | 315,000 | - |
| | IPDC Finance Limited | 470,313 | - |
| | IPDC Finance Limited | 504,167 | - |
| | IPDC Finance Limited | 697,569 | - |
| | Standard Chartered Bank Ltd | 51,042 | - |
| | | 3,127,865 | 936,612 |

10.00 Advance, Deposit & Pre-payments

Advances:

Advance to Suppliers

| | | |
|-----------------------------------|-------------------|-------------------|
| Opening Balance | 58,047,195 | 58,748,999 |
| Add: During the Year | 27,528,304 | 17,760,196 |
| Less: Bill Adjustment | (69,938,960) | (18,462,000) |
| | 15,636,539 | 58,047,195 |
| Advance to Employee | 7,408,866 | 10,626,804 |
| Advance against Brand Development | 4,954,155 | 5,214,900 |
| Other Advances | 1,396,282 | 3,396,282 |
| | 29,395,842 | 77,285,181 |

Deposits:

| | | |
|---|-------------------|-------------------|
| Security Deposit | 3,859,800 | 3,216,500 |
| Margin, Tender Earnest Money & other Deposits | 15,786,386 | 31,576,818 |
| Deposit for Utilities | 11,800,241 | 13,041,111 |
| | 31,446,427 | 47,834,429 |

Prepayments:

| | | |
|-----------------------|--------------------|--------------------|
| Prepaid Rent | 29,137,902 | 34,279,885 |
| Value Added Tax (VAT) | 41,099,982 | 32,152,716 |
| | 70,237,884 | 66,432,601 |
| | 131,080,152 | 191,552,211 |

a) Employees advance of Tk. 7,408,866 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.

11.00 Advance Income Tax

| | | |
|--|--------------------|--------------------|
| Opening balance | 368,995,204 | 279,650,597 |
| AIT Paid at Port (Import Stage) | 110,248,869 | 117,382,090 |
| AIT Paid at Port (Export, Local & Others) | 16,668,081 | 16,148,987 |
| AIT on Vehicles | 337,000 | 309,500 |
| TDS on Bangladesh Bank Cash Assistance | 472,094 | 50,918 |
| TDS on FDR interest | 1,207,046 | 933,625 |
| AIT Refund up to 2018 FY | (195,122,655) | - |
| Prior Year Adjustment on Income Tax Assessment (Income Year 2016-2017) | - | (45,480,513) |
| Prior Year Adjustment on Income Tax Assessment (Income Year 2017-2018) | (33,530,504) | - |
| | 269,275,136 | 368,995,204 |

Prior Year Adjustment on Income Tax Assessment has been made for the Income Year 2017-2018 total Tk. 33,530,504 (against Retained Earnings Tk. 7,080,209 and Provision for tax Tk. 26,450,295 under Note - 16 & 25).



12.00 Cash & Cash Equivalents

Cash in Hand
Cash at Bank

Note- 12.01

| Amount in Taka | |
|--------------------|--------------------|
| 30 June 2020 | 30 June 2019 |
| 2,761,344 | 2,787,261 |
| 258,876,796 | 197,530,215 |
| 261,638,140 | 200,317,476 |

12.01 Cash at Bank

AB Bank Limited
Agrani Bank Limited
Agrani Bank Limited
Bank Asia Limited
BRAC Bank Limited
City Bank Limited
Dhaka Bank Limited
Dutch Bangla Bank Limited
Eastern Bank Ltd.
IFIC Bank Limited
Islami Bank Bangladesh Limited
Jamuna Bank Limited
Janata Bank Limited
Janata Bank Limited
Modhumati Bank Limited
Mutual Trust Bank Limited
Mutual Trust Bank Limited
National Bank Limited
NCC Bank Ltd.
One Bank Limited
Premier Bank Limited
Prime Bank Limited
Prime Bank Limited
Pubali Bank Limited
Shahjalal Islami Bank Limited
Sonali Bank Limited
Standard Bank Limited
Trust Bank Ltd.
United Commercial Bank Limited
Utara Bank Limited
Utara Bank Limited

| Branch | A/C No. | | |
|-----------------------|-----------|--------------------|--------------------|
| Gulshan Circle-2 | CD-88500 | 903,624 | 2,802,911 |
| Amin Court Corp. Br. | COR-03583 | 45,468 | 1,530 |
| Nawabpur Corp. Br. | COR-06621 | 919,220 | 8,826,057 |
| Gulshan | CD-10829 | 2,910,566 | 3,086,493 |
| Satmosjeed Road | CD-51001 | 58,205,581 | 33,326,314 |
| Dhanmondi | CD-28001 | 285,800 | 813,543 |
| Gulshan Circle-2 | OD-17574 | 1,921,102 | 4,433,884 |
| Bashundhara | CD-10144 | 4,028,617 | 6,517,827 |
| Gulshan Circle-2 | CD-22731 | 597,522 | - |
| Moulavi Bazar | CD-21001 | 715,197 | 1,185,646 |
| Kawran Bazar | CD-12804 | 5,301,822 | 18,638,475 |
| Gulshan | CD-13615 | 64,527,959 | 36,917,494 |
| Alu Bazar | CD-16125 | 157,770 | 312,390 |
| Gulshan-1 | CD-71210 | 569,551 | 1,248,558 |
| Gulshan | CD-00070 | 6,189,396 | 204,132 |
| MTB Center Corp. Br. | CD-05604 | 369,590 | 478,715 |
| Banani | CD-07295 | 157,015 | 170,556 |
| Gulshan | CD-69629 | 59,351,502 | 30,226,183 |
| Dhanmondi | CD-00320 | 189,713 | (43,141) |
| Dhanmondi | CD-87001 | 297,932 | (33,344) |
| Gulshan Circle-2 | CD-00033 | 196,377 | 1,974,797 |
| Motijheel | CD-80705 | 154,706 | 2,339,176 |
| Gulshan Circle-2 | CD-22889 | 6,322,663 | - |
| Gulshan M.T Corp. Br. | CD-28344 | 1,780,465 | 9,437,395 |
| Satmosjeed Road | CD-01639 | 252,984 | 5,830,566 |
| Lalmatia | CD-08067 | 244,543 | 3,581,494 |
| Gulshan-1 | CD-03814 | 366,031 | 5,268,280 |
| Gulshan Corp. Br. | CD-16474 | 450,762 | 321,484 |
| Tongi | CD-03100 | 40,268,203 | 14,268,355 |
| Kalabagan | CD-11673 | 840,598 | 5,384,326 |
| Tongi | CD-13797 | 354,517 | 10,121 |
| | | 258,876,796 | 197,530,215 |

12.02 Share Capital

Authorized:
300,000,000 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
IX) 6,580,494 Bonus Shares of Taka 10 each

| | 3,000,000,000 | 500,000,000 |
|--|--------------------|--------------------|
| | 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 | 53,938,480 |
| | 65,804,940 | - |
| | 364,918,340 | 299,113,400 |

Composition of Shareholding:

Sponsors/Directors
Financial Institutions
General

| | 30 June 2020 | | 30 June 2019 | |
|------------------------|-------------------|------------|-------------------|------------|
| | Number | % | Number | % |
| Sponsors/Directors | 15,729,877 | 43.11 | 13,590,066 | 45.43 |
| Financial Institutions | 4,631,601 | 12.69 | 2,368,424 | 7.92 |
| General | 16,130,356 | 44.20 | 13,952,850 | 46.65 |
| | 36,491,834 | 100 | 29,911,340 | 100 |



Name wise shreholding position of Sponpors/ Directors:

| Name | Position | Shareholding Qty. | % |
|---|--------------------|-------------------|---------------|
| Mr. Golam Murshed | Chairman | 1,891,420 | 5.18% |
| Mr. Riad Mahmud | Managing Director | 1,434,251 | 3.93% |
| Mr. Rohel Mahmud | Sponsor | 726,202 | 1.99% |
| Mrs. Razia Sultana | Sponsor | 152,041 | 0.42% |
| Mrs. Khaleda Akhand | Sponsor | 9,069 | 0.02% |
| Late Shamsul Abedin Akhand and Mrs. Khaleda Akhand (Joint Account) | Sponsor | 3,231,611 | 8.86% |
| Mr. Nuruzzaman Khan | Nominated Director | 8,285,283 | 22.70% |
| Total | | | 43.11% |

Classification of Shareholders by holding:

| Holdings | Number of Holders | | Total Holding (%) | |
|-----------------|-------------------|--------------|-------------------|---------------|
| | 30-06-2020 | 30-06-2019 | 30-06-2020 | 30-06-2019 |
| 1 to 500 | 2,210 | 1,427 | 47.12 | 51.13 |
| 501 to 1,000 | 664 | 339 | 14.16 | 12.15 |
| 1,001 to 5,000 | 1,280 | 665 | 27.29 | 23.83 |
| 5,001 to 50,000 | 466 | 299 | 9.94 | 10.71 |
| 50,001 to above | 70 | 61 | 1.49 | 2.19 |
| | 4,690 | 2,791 | 100.00 | 100.00 |

Amount in Taka

| 30 June 2020 | 30 June 2019 |
|--------------|--------------|
|--------------|--------------|

14.00 Share Premium

Total 536,000 Shares of Taka 250 each

| | |
|--------------------|--------------------|
| 134,000,000 | 134,000,000 |
| 134,000,000 | 134,000,000 |

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

15.00 Revaluation Reserve

Opening Balance

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

Land Revalued during this year

| | |
|---|---|
| - | - |
|---|---|

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

Deferred Tax on Land Revaluation

| | |
|---|---|
| - | - |
|---|---|

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

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)

16.00 Retained Earnings

Opening Balance

| | |
|-------------|-------------|
| 236,533,669 | 186,659,074 |
|-------------|-------------|

Payment of Stock Dividend

| | |
|--------------|--------------|
| (65,804,940) | (53,938,480) |
|--------------|--------------|

| | |
|-------------|-------------|
| 170,728,729 | 132,720,594 |
|-------------|-------------|

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

| | |
|---|---|
| - | - |
|---|---|

Tax Adjustment against assessment (2016-2017 FY)

| | |
|---|--------------|
| - | (23,394,195) |
|---|--------------|

Tax Adjustment against assessment (2017-2018 FY)

| | |
|-------------|---|
| (7,080,209) | - |
|-------------|---|

Profit during the year end

| | |
|-------------|-------------|
| 150,255,924 | 127,207,270 |
|-------------|-------------|

| | |
|--------------------|--------------------|
| 313,904,444 | 236,533,669 |
|--------------------|--------------------|

17.00 Long Term Loan

Standard Chartered Bank

Opening Balance

| | |
|-------------|-------------|
| 293,452,041 | 420,195,181 |
|-------------|-------------|

Add: Received during the year

| | |
|---|---|
| - | - |
|---|---|

Paid during the year

| | |
|---------------|---------------|
| (128,789,566) | (126,743,140) |
|---------------|---------------|

| | |
|-------------|-------------|
| 164,662,475 | 293,452,041 |
|-------------|-------------|

Current Maturity within one year

| | |
|--------------|---------------|
| (97,583,547) | (128,789,533) |
|--------------|---------------|

| | |
|-------------------|--------------------|
| 67,078,928 | 164,662,508 |
|-------------------|--------------------|

Eastern Bank Ltd

Opening Balance

| | |
|-------------|------------|
| 247,241,345 | 97,944,233 |
|-------------|------------|

Add: Received during the year

| | |
|---|-------------|
| - | 181,296,811 |
|---|-------------|

Paid during the year

| | |
|---------------|--------------|
| (247,241,345) | (31,999,699) |
|---------------|--------------|

| | |
|---|-------------|
| - | 247,241,345 |
|---|-------------|

Current Maturity within one year

| | |
|---|--------------|
| - | (55,126,359) |
|---|--------------|

| | |
|----------|--------------------|
| - | 192,114,986 |
|----------|--------------------|



| | Amount in Taka | |
|--|--------------------|--------------------|
| | 30 June 2020 | 30 June 2019 |
| Jamuna Bank Ltd. | | |
| Opening balance | 114,849,088 | 15,097,186 |
| Received during the year | 79,669,900 | 109,915,002 |
| Paid during the year | (22,566,210) | (10,163,100) |
| | 171,952,778 | 114,849,088 |
| Current Maturity within one year | (45,264,217) | (20,736,854) |
| | 126,688,561 | 94,112,234 |
| Mutual Trust Bank Ltd. | | |
| Opening balance | - | 28,580,568 |
| Received during the year | 23,771,617 | - |
| Paid during this year | (2,616,830) | (28,580,568) |
| | 21,154,787 | - |
| Current Maturity within one year | (8,802,402) | - |
| | 12,352,385 | - |
| Prime Bank Ltd. | | |
| Opening balance | - | - |
| Received during the year | 273,151,260 | - |
| Paid during this year | (30,977,327) | - |
| | 242,173,933 | - |
| Current Maturity within one year | (70,307,434) | - |
| | 171,866,499 | - |
| Uttara Finance & Investment Limited | | |
| Opening balance | 288,278,136 | - |
| Received during the year | - | 300,000,000 |
| Paid during this year | (36,330,810) | (11,721,864) |
| | 251,947,326 | 288,278,136 |
| Current Maturity within one year | (81,038,489) | (56,718,178) |
| | 170,908,837 | 231,559,958 |
| Long Term Loan - (Current Maturity) | | |
| Standard Chartered Bank | 97,583,547 | 128,789,533 |
| Eastern Bank Ltd | - | 55,126,359 |
| Jamuna Bank Ltd. | 45,264,217 | 20,736,854 |
| Mutual Trust Bank Ltd. | 8,802,402 | - |
| Prime Bank Ltd. | 70,307,434 | - |
| Uttara Finance & Investment Limited | 81,038,489 | 56,718,178 |
| | 302,996,089 | 261,370,924 |
| Long Term Loan - (Non-current Maturity) | | |
| Standard Chartered Bank | 67,078,928 | 164,662,508 |
| Eastern Bank Ltd | - | 192,114,986 |
| Jamuna Bank Ltd. | 126,688,561 | 94,112,234 |
| Mutual Trust Bank Ltd. | 12,352,385 | - |
| Prime Bank Ltd. | 171,866,499 | - |
| Uttara Finance & Investment Limited | 170,908,837 | 231,559,958 |
| | 548,895,210 | 682,449,686 |

| 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.



- d) Registered Hypothecation over Plant & Machinery on Pari-Passu basis between Standard Chartered Bank, Eastern Bank Limited and Jamuna Bank Limited.
 e) Un-dated Cheque(s) supported by Irrevocable Letter of Authority & Memorandum of Deposit.
 f) 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 revalued 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%.

| Amount in Taka | |
|-------------------|-------------------|
| 30 June 2020 | 30 June 2019 |
| 529,900,095 | 529,900,095 |
| 79,485,014 | 79,485,014 |

19.00 Short Term Loan

LTR

| | | |
|-------------------------|--------------------|--------------------|
| Standard Chartered Bank | 85,477,822 | 233,780,846 |
| Eastern Bank Limited | - | 223,172,865 |
| Jamuna Bank Limited | 34,965,090 | 346,451,642 |
| BRAC Bank Limited | 13,033,777 | 62,534,910 |
| One Bank Limited | 25,977,650 | - |
| | <u>159,454,339</u> | <u>865,940,263</u> |

STF

| | | |
|-------------------------------------|-----------------------------|-----------------------------|
| Standard Chartered Bank Limited | 70,345,879 | 45,577,701 |
| Eastern Bank Limited | - | 134,097,908 |
| IPDC Finance Limited | 100,000,000 | 151,310,019 |
| IDLC Finance Limited | 92,231,967 | 50,854,390 |
| Jamuna Bank Limited | 288,725,663 | 253,991,826 |
| BRAC Bank Limited | 27,497,347 | 70,940,258 |
| Mutual Trust Bank Limited | 413,603,193 | - |
| Uttara Finance & Investment Limited | 564,234,266 | - |
| Unitef Finance Limited | 19,790,073 | - |
| | <u>1,576,428,388</u> | <u>706,772,102</u> |
| | <u>1,735,882,726</u> | <u>1,572,712,365</u> |

| 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

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



20.00 Bank Overdraft

| | Amount in Taka | |
|-------------------------|--------------------|--------------------|
| | 30 June 2020 | 30 June 2019 |
| Standard Chartered Bank | 6,056,002 | 13,028,114 |
| Eastern Bank Limited | - | 18,951,664 |
| Jamuna Bank Limited | 302,136,016 | 183,219,704 |
| BRAC Bank Limited | 3,068,207 | - |
| | 311,260,225 | 215,199,482 |

| Name of Institute | Branch | Account No. | Sanction No. | Expiry Date |
|-------------------------|-----------|----------------|--|-------------|
| Standard Chartered Bank | Motijheel | 1124925801 | A14/10593993/BD3K U9Q5 | 26.11.2020 |
| Eastern Bank Limited | Principal | 1012040000477 | Cr. Admn. (Dhaka 0100628) -RAJ/0280/2019 | 31.01.2021 |
| Jamuna Bank Limited | Gulshan | 00100133005600 | JBL/HO/CRMD/2018/ 2384 | 30.09.2020 |

21.00 Accounts Payable

| | | |
|--|-------------------|------------------|
| Payable against Carriage Outwards | 1,123,101 | 1,564,063 |
| Gratuity Payable | 2,096,680 | 1,823,200 |
| Gas Bill Payable | 8,851,346 | 4,513,304 |
| Employees Provident Fund | 923,899 | 957,936 |
| Mobile Bill Payable | 495,163 | 397,492 |
| Directors Remuneration Payable | 120,000 | 120,000 |
| Godown Rent | 42,000 | 42,000 |
| AGM Venue Charge | 30,000 | 30,000 |
| Electricity Bill | 2,349,270 | 48,592 |
| House Rent (Engineers & Officers) | 80,000 | - |
| Employer's Contribution Provident Fund | 18,261,018 | - |
| Unclaimed Dividend | 160,154 | 160,154 |
| | 34,532,631 | 9,656,741 |

22.00 Inter-Company Loan**Npolymer Construction Limited (Note-40)**

| | | |
|--------------------------|-------------------|-------------------|
| Opening Balance | 80,019,004 | - |
| Received during the year | - | 100,241,004 |
| Paid during the year | (28,118,691) | (20,222,000) |
| | 51,900,313 | 80,019,004 |

23.00 Provision for Expenses

| | | |
|--|-------------------|-------------------|
| Accrued Interest on STL & LTL | 4,048,489 | 14,782,860 |
| Staff Salary Payable | 14,240,431 | 13,882,592 |
| Audit Fees | 125,000 | 118,750 |
| Interest payable on Inter-Company Loan | 7,344,421 | 3,584,550 |
| VDS payable | 1,386,340 | 2,895,314 |
| TDS Payable | 817,390 | 935,927 |
| | 27,962,071 | 36,199,993 |

Interest on Inter-Company Loan to be paid at prevailing market rate in according with deed of agreement.

24.00 WPPF & Welfare Fund

| | | |
|-----------------------------------|-------------------|------------------|
| Opening Balance | 8,926,826 | 5,568,483 |
| WPPF Disbursed to Beneficiary | (8,926,826) | (5,568,483) |
| Allocation for the year (Note-32) | 10,017,062 | 8,926,826 |
| | 10,017,062 | 8,926,826 |

Govt. portion has been paid through Pay Order No. 4283855 Dated: 16.02.2020



| | Amount in Taka | |
|--|-------------------|-------------------|
| | 30 June 2020 | 30 June 2019 |
| 25.00 Provision for Taxation | | |
| Opening Balance | 68,852,719 | 48,536,613 |
| Provision for the year @ 25% (Note- 33) | 50,085,308 | 42,402,423 |
| Tax Adjustment against assessment (2016-2017 FY) | - | (22,086,318) |
| Tax Adjustment against assessment (2017-2018 FY) | (26,450,295) | - |
| | 92,487,731 | 68,852,719 |

Prior Year Adjustment on Income Tax Assessment has been made for the Income Year 2017-2018 total Tk. 33,530,504 (against Retained Earnings Tk. 7,080,209 and Provision for tax Tk. 26,450,295 under Note - 11 & 16).

| | | |
|------------------------------|----------------------|----------------------|
| 26.00 Revenue | | |
| Net Local Sales, Net off VAT | 3,372,572,379 | 2,938,447,957 |
| Export Sales | 60,383,860 | 61,559,787 |
| | 3,432,956,238 | 3,000,007,744 |

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)- Finished Goods

| | | |
|---------------------------------|---------------|---------------|
| Opening Stock | 5,425 | 4,922 |
| Production during the year | 38,922 | 34,362 |
| Goods available for Sale | 44,347 | 39,284 |
| Closing Stock of Finished Goods | (5,725) | (5,425) |
| Sale during the year | 38,622 | 33,859 |

| | | | |
|---|--------------|----------------------|----------------------|
| 27.00 Cost of Goods Sold | Note | | |
| Opening Stock of Raw Materials | | 483,070,824 | 422,936,250 |
| Purchase during the year | | 2,481,876,064 | 2,093,835,597 |
| Closing Stock of Raw Materials | | (567,342,309) | (483,070,824) |
| Raw Materials Used in Production | 27.01 | 2,397,604,579 | 2,033,701,023 |
| Manufacturing Overhead | 27.03 | 447,441,874 | 414,657,490 |
| Consumption of Packing Materials | | 19,525,588 | 34,283,344 |
| Total Production Costs | | 2,864,572,040 | 2,482,641,856 |
| Opening Work in Process | | 35,501,254 | 34,863,520 |
| Closing Work in Process | | (41,518,125) | (35,501,254) |
| Costs of Goods Manufactured | | 2,858,555,169 | 2,482,004,122 |
| Opening Stock of Finished Goods | | 392,510,625 | 352,726,548 |
| Goods Available for Sales | | 3,251,065,794 | 2,834,730,670 |
| Closing Stock of Finished Goods | 27.02 | (420,293,876) | (392,510,625) |
| Cost of Goods Sold | | 2,830,771,919 | 2,442,220,045 |

27.01 Raw Material Used in Production

| | 2019-2020 | | 2018-2019 | |
|--------------------------|---------------|----------------------|---------------|----------------------|
| | Quantity (MT) | Taka | Quantity (MT) | Taka |
| Opening Stock | 8,930 | 483,070,824 | 7,860 | 422,936,250 |
| Purchase during the year | 43,210 | 2,481,876,064 | 37,950 | 2,093,835,597 |
| | 52,140 | 2,964,946,888 | 45,810 | 2,516,771,847 |
| Closing Stock | (9,980) | (567,342,309) | (8,930) | (483,070,824) |
| | 42,160 | 2,397,604,579 | 36,880 | 2,033,701,023 |

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

| Category | 30 June 2020 | | 30 June 2019 | |
|------------------|--------------|--------------------|--------------|--------------------|
| | Quantity | Value (TK) | Quantity | Value (TK) |
| PVC Pipe | - | - | 2,340 | 179,665,200 |
| PVC Fittings | - | - | 1,968 | 98,914,525 |
| PVC Door | - | - | 785 | 77,228,300 |
| Water Tank & Tap | - | - | 332 | 36,702,600 |
| Total | 5,725 | 420,293,876 | 5,425 | 392,510,625 |



27.03 Manufacturing Overhead

| |
|-----------------------------------|
| Salary & Wages |
| C & F Commission Expenses |
| Conveyance |
| Entertainment & Staff Food |
| House Rent (Engineers & Officers) |
| Insurance Premium (Fire) |
| Labour Charges (Loading & Unload) |
| Land Rent |
| Medical Expenses |
| Papers & Periodicals |
| Postage & Stamps |
| Power & Fuel |
| Printing Expenses |
| Repair and Maintenance |
| Stationery |
| Stores and Spares |
| Telephone & Mobile Bill |
| Warehouse Rent |
| Uniform Expenses |
| Depreciation |
| TDS Expenses |
| VDS Expenses |

Notes- 4

| Amount in Taka | |
|--------------------|--------------------|
| 30 June 2020 | 30 June 2019 |
| 57,608,426 | 46,086,741 |
| 4,426,080 | 5,101,919 |
| 93,477 | 253,181 |
| 5,210,807 | 2,218,272 |
| 1,638,175 | 1,170,453 |
| 7,790,022 | 4,030,176 |
| 16,273,599 | 5,195,802 |
| 9,657,402 | 5,062,000 |
| 254,240 | 787,542 |
| 18,650 | 28,120 |
| 22,976 | 14,436 |
| 133,489,922 | 150,570,704 |
| 223,676 | 279,307 |
| 813,796 | 1,316,132 |
| 3,570 | 16,895 |
| 136,178 | 376,220 |
| 632,714 | 679,548 |
| 345,000 | 260,000 |
| 12,000 | 232,024 |
| 208,791,163 | 188,019,926 |
| - | 1,011,975 |
| - | 1,946,117 |
| 447,441,874 | 414,657,490 |

28.00 Administrative, Selling and Distribution Expenses**Administrative Expenses:**

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

Notes- 35

Notes- 4

| | |
|--------------------|--------------------|
| 78,388,092 | 73,563,729 |
| 1,440,000 | 1,440,000 |
| 34,500 | 25,000 |
| 813,168 | 567,620 |
| 125,000 | 95,000 |
| 79,569 | - |
| 249,397 | 289,730 |
| 103,500 | 90,000 |
| 158,700 | 218,000 |
| 1,340,000 | - |
| 10,458,285 | 10,547,971 |
| 1,240,870 | 1,241,991 |
| 21,944,398 | 10,255,122 |
| 605,467 | 212,093 |
| 546,250 | 688,000 |
| 2,585,423 | 1,173,263 |
| 799,500 | 794,594 |
| 2,430,678 | 1,593,453 |
| 11,450 | 689,691 |
| 72,565 | 46,800 |
| 1,066,771 | 1,666,827 |
| 14,229,180 | 13,727,880 |
| 7,351 | 13,125 |
| 198,259 | 168,662 |
| 655,532 | 540,602 |
| 19,806 | 264,823 |
| 998,131 | 1,434,582 |
| 96,175 | 90,814 |
| 1,348,659 | 1,075,284 |
| - | 2,854,849 |
| - | 7,639,292 |
| 142,046,676 | 133,008,798 |

Selling and Distribution Expenses:

| |
|---------------------------|
| Advertisement & Publicity |
| Conveyance |
| Entertainment |
| Fuel bills for Vehicle |

| | |
|-----------|-----------|
| 1,884,943 | 1,484,939 |
| 68,060 | 434,594 |
| 199,446 | 318,139 |
| 679,849 | 1,759,895 |



| | | |
|---|-----------------------|---------------------|
| Godown Rent | 462,000 | 420,000 |
| Incentive | 2,719,993 | 2,085,659 |
| Labour Charges (Unload) | - | 5,802,121 |
| Postage, Stamp & Courier | 450,240 | 252,994 |
| Printing Expenses | 703,808 | 810,903 |
| Promotional Expenses | 1,640,457 | - |
| Sales Conference/ Meeting | 1,316,767 | 5,775,937 |
| Stationery Expenses | 683,228 | 397,235 |
| Telephone & Mobile Bill | 3,373,310 | 2,151,872 |
| Tender & Testing Expenses | 1,061,163 | 520,956 |
| Transport / Carriage Outwards | 27,606,096 | 32,745,899 |
| Traveling Expenses | 15,291,547 | 16,686,941 |
| Vehicle Maintenance | 1,811,051 | 1,612,926 |
| | 59,951,958 | 73,261,010 |
| | 201,998,634 | 206,269,808 |
| | Amount in Taka | |
| | 30 June 2020 | 30 June 2019 |
| Director's Remuneration and Perquisites | | |
| Mr. Riad Mahmud | 1,440,000 | 1,440,000 |
| Mr. Golam Murshed | - | - |
| | 1,440,000 | 1,440,000 |
| 29.00 Other Income | | |
| Bangladesh Bank Cash Assistance on Export | 6,422,840 | 1,697,271 |
| Interest on Investment | 11,133,845 | 9,336,250 |
| Accrued Interest Receivable on FDR | 3,127,865 | 936,612 |
| Gain on Sale of Fixed Assets | 42,181 | - |
| | 20,726,731 | 11,970,133 |
| Transactions denominated in foreign currencies are translated into Bangladeshi Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". | | |
| 30.00 Foreign Exchange Gain/(Loss) | | |
| Foreign Exchange Gain/(Loss) | (2,053,928) | (1,681,397) |
| | (2,053,928) | (1,681,397) |
| 31.00 Financial Expenses : | | |
| Bank Charges | 3,280,662 | 2,291,240 |
| Accrued Interest on Inter-Company Loan | 7,344,421 | 3,584,550 |
| Interest on Short Term Loan : | | |
| Interest on OD | 39,797,156 | 23,660,493 |
| Interest on LTR & STF Loan | 99,214,403 | 56,904,168 |
| | 149,636,641 | 86,440,451 |
| Interest on Long term Loan : | | |
| Interest on Long Term Loan | 54,815,065 | 82,046,797 |
| | 54,815,065 | 82,046,797 |
| Accrued Interest on STL & LTL | 4,048,489 | 14,782,860 |
| | 208,500,195 | 183,270,108 |
| 32.00 WPPF and Welfare Fund | | |
| Profit before WPPF and Tax | 210,358,293 | 178,536,519 |
| Allocation for WPPF and WF @ 5% | 10,017,062 | 8,926,826 |
| 33.00 Provision for Taxation | | |
| Net Profit Before Tax | 200,341,232 | 169,609,693 |
| Provision for Taxation @ 25% | 50,085,308 | 42,402,423 |



| | | Amount in Taka | |
|--------------|---|----------------|---------------|
| | | 30 June 2020 | 30 June 2019 |
| 34.00 | EPS, NAV and NOCFPS | | |
| | Earnings Per Share (EPS) | | |
| | Net Profit After Tax | 150,255,924 | 127,207,270 |
| | Number of Ordinary Shares Outstanding | 36,491,834 | 36,491,834 |
| | | 4.12 | 3.49 |
| | Diluted Earnings Per Share (DEPS) | | |
| | No DEPS is required to be calculated since there was no scope for dilution of share during the period under review. | | |
| | Net Asset Value Per Share (NAV) | | |
| | Net Asset Value | 1,309,083,706 | 1,165,907,991 |
| | Number of Ordinary Shares Outstanding | 36,491,834 | 36,491,834 |
| | | 35.87 | 31.95 |
| | Net Operating Cash Flow Per Share (NOCFPS) | | |
| | Net Operating Cash Flow | 243,025,271 | (98,139,516) |
| | Number of Ordinary Shares Outstanding | 36,491,834 | 36,491,834 |
| | | 6.66 | (2.69) |

Note-34.00

35.00 Net Operating Cash Flow

Under Direct method:

| | | |
|---|------------------------|------------------------|
| Revenue | 3,432,956,238 | 3,000,007,744 |
| Add: Opening Trade Debtors | 510,673,198 | 321,303,128 |
| | 3,943,629,436 | 3,321,310,872 |
| Less: Closing Trade Debtors | (731,489,986) | (510,673,198) |
| | 3,212,139,450 | 2,810,637,674 |
| Interest on FDR | 11,133,845 | 9,336,250 |
| Bangladesh Bank Cash Assistance on Export | 6,422,840 | 1,697,271 |
| Collection from Sales and Others | 3,229,696,135 | 2,821,671,195 |
| Cost of Goods Sold | (2,830,771,919) | (2,442,220,045) |
| Administrative & Selling Expenses | (201,998,634) | (206,269,808) |
| Depreciation | 219,249,449 | 198,567,897 |
| Interest on LTR & STF Loan | (153,685,130) | (101,223,311) |
| AIT Paid at Port (Import / export Stage & Vehicles) | (127,253,950) | (133,840,577) |
| Tax Deduction at Source (TDS) | (1,679,140) | (984,543) |
| AIT Refund | 195,122,655 | - |
| WPPF Disbursed to Beneficiary | (8,926,826) | (5,568,483) |
| Foreign Exchange Gain/(Loss) | (2,053,928) | (1,681,397) |
| Provision for Expenses | (8,237,922) | 22,356,201 |
| (Increase)/Decrease in Inventories | (152,720,079) | (244,086,412) |
| Increase/(Decrease) in Other Current Liabilities | 25,812,502 | 2,019,900 |
| (Increase)/Decrease in Other Current Assets | 60,472,058 | (6,880,133) |
| Payment to Suppliers, Employees and Others | (2,986,670,865) | (2,919,810,711) |
| Net Cash Flows from Operating Activities | 243,025,271 | (98,139,516) |

Net Operating Cash Flows is just the resultant figure of Cash Inflows and Outflows from Operating Activities. Therefore, the main reason for significant deviation in NOCFPS is rearrangement of presentation in the Statement of Cash Flows in terms of previous year's Short Term Loan and also the cash inflow of Tk. 19.51 crore AIT refund which was nil during the previous year.

36.00 Director's Remuneration and Perquisites

| | | |
|-----------------|------------------|------------------|
| Mr. Riad Mahmud | 1,440,000 | 1,440,000 |
| | 1,440,000 | 1,440,000 |

37.00 Capacity Utilization

| Capacity of Production in M. Ton per year | Utilization (MT) | | Rate | |
|--|------------------|--------------|--------------|--------------|
| | 30 June 2020 | 30 June 2019 | 30 June 2019 | 30 June 2019 |
| (Installed Capacity 45,000 Current year, Last year 38,000 M.Ton) | 38,922 | 34,362 | 86.49% | 90.43% |

38.00 Capital Expenditure Commitment:

There was no Capital Expenditure commitment as on 30 June, 2020.



39.00 Contingent Liability:

(I) There was no contingent liability as on 30 June, 2020.

(II) There was no claim against the company, not acknowledged as debt as on 30 June, 2020.

(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 stayed till disposal of Rule.

40.00 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 | Total Transaction 2019-2020 | Outstanding Balance | |
|--|-----------------------------------|--------------------------------|---------------------|-------------------|
| | | | 2019-2020 | 2018-2019 |
| Mr. Riad Mahmud, Managing Director (Note- 35) | Remuneration | 1,440,000 | 120,000 | 120,000 |
| Directors Board Meeting Fees | | 158,700 | - | - |
| Npolymer Construction Limited, Common Management (Note- 22) | Inter-Company Loan Payable | Movement | - | - |
| | Opening Balance | 80,139,004 | - | - |
| | Received during the year | - | - | - |
| | Paid during the year | (28,238,691) | 51,900,313 | 80,019,004 |
| | | | 52,020,313 | 80,139,004 |

41.00 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 2020 as against Nil in 2019

The number of Employees Engaged for the whole year

833 Person

The number of Board of Directors

6 Person

839 Person

