

**AZIZ PIPES LIMITED**

Head Office : 93, Motijheel C/A (3rd Floor), Dhaka-1000.

Un-Audited Second Quarter (Six Months) Financial Statement for the Year 2019-2020

Balance Sheet (Un-audited) as at 31st December, 2019					Cash Flow Statement (Un-audited) For the period from 1st July-2019 to 31st December-2019							
Property & Assets	31-Dec-19 Taka'000s		30-Jun-19 Taka'000s		1 July to 31-Dec-19 Taka '000s		1 July to 31-Dec-18 Taka '000s					
	Non-Current Assets	245,861	249,136			CASH FLOW FROM OPERATING ACTIVITIES:						
Fixed Assets	245,861	249,136			Collection from Sales & Others		139,245		154,624			
					Payment for Cost & Expenses		(100,634)		(87,881)			
Current Assets	206,974	214,059			Net Cash Generated from Operating Activities							
Inventories	130,779	130,586					38,611		66,743			
Accounts Receivable-Trade	46,296	56,162			CASH FLOW FROM INVESTING ACTIVITIES:							
Advances, Deposits & Prepayments	26,368	24,235			Acquisition of Fixed Assets		(13)		(103)			
Cash & Bank Balances	3,531	3,076			Net Cash Used in Investing Activities		(13)		(103)			
Total Assets	452,835	463,195			CASH FLOW FROM FINANCING ACTIVITIES:							
EQUITY & LIABILITIES					Payment of SEBL Term Loan		-		(6,720)			
Shareholders' Equity	(92,125)	(89,498)			Payment of NBBL Term Loan		-		(10,275)			
Share Capital	53,471	53,471			Payment of Uttara Bank Ltd. Loan A/C		(14,700)		(14,300)			
Share Premium	106,700	106,700			Payment of Dutch Bangla Bank Ltd. Loan A/C		(18,300)		(6,800)			
Revenue Reserves & Surplus	23,872	23,872			Dividend paid to ordinary shareholders		(3,303)					
Revaluation Reserve	193,495	194,371			Interest Received		3		6			
Retained Earnings	(469,663)	(467,912)			Payment of Lease Rental		(1,761)		(2,521)			
					Financial Exp.(Bank Charge)		(83)		(62)			
Loan liabilities	58,220	58,220			Net Cash Generated from Financing Activities							
Term Loan	57,200	57,200					(38,143)		(40,672)			
Short Term Loan	1,020	1,020			Net Cash Inflow / (Outflow)							
							455		25,968			
Deferred Tax Liabilities	27,577	28,250			Opening Cash & Bank Balances							
							3,076		2,773			
Suspenses Account	270,989	303,989			Closing Cash & Bank Balances							
							3,531		28,741			
Current Liabilities	188,174	162,234			Net Operating Cash Flow Per Share							
Creditors & Accruals	180,570	155,406					7.22		12.48			
Provision for Income Tax	7,604	6,828										
Total Equity & Liabilities	452,835	463,195										
Net Asset Value (NAV) Per Share	(17.23)	(16.74)										

**Statement of Changes in Shareholders' Equity (Un-audited)
For the period from 1st July-2019 to 31st December-2019**

Particulars	Share	Share	Revenue	Revaluation	Retained	Total
	Capital	Premium	Reserve	Reserve	Loss	Taka'000s
Balance as at 1st July-2019	53,471	106,700	23,872	194,371	(467,912)	(89,498)
Net Profit for the period 01.07.2019 to 31.12.2019					1,116	1,116
Revaluation Reserve Adjusted				(876)	876	-
Cash Dividend Transferred					(3,743)	(3,743)
Balance as at 31st Decem.-2019	53,471	106,700	23,872	193,495	(469,663)	(92,125)
Balance as at 1st July-2018	50,925	106,700	23,872	196,317	(471,563)	(93,749)
Net Profit for the period 01.07.2018 to 31.12.2018					1,565	1,565
Revaluation Reserve Adjusted				(973)	973	
Stock Dividend Transferred	2,546				(2,546)	
Balance as at 31st Decem.-2018	53,471	106,700	23,872	195,344	(471,571)	(92,184)

**Income Statement (Un-audited)
For the period from 1st July to 31st December, 2019**

Particulars	Half Yearly July-19 to Decem'19 Taka'000s	Half Yearly July-18 to Decem'18 Taka'000s	Octo-19 to Decem'19 Taka'000s	Octo-18 to Decem'18 Taka'000s
	Turnover	129,379	151,568	61,448
Cost of Goods Sold	114,772	134,545	54,082	77,662
Gross Profit	14,607	17,023	7,366	9,217
Operating Expenses	13,327	15,155	7,418	7,930
Operating Profit	1,280	1,868	(52)	1,287
Interest Received	3	6	3	6
Net Profit before WPPF	1,283	1,874	(49)	1,293
Workers Profit Participation Fund	64	94	2	65
Net Profit before Tax	1,219	1,780	(51)	1,228
Income Tax Expenses	103	215	16	290
Current Tax	776	909	368	521
Deferred Tax	(673)	(694)	(352)	(231)
Net Profit After Tax	1,116	1,565	(67)	938
Earning Per Share (EPS)	0.21	0.29	(0.01)	0.18

Note:- i. The Company and Banks have gone to mitigate their respective grievances. As such no interest has been charged during the period against those loans. Previous year 's figures have been re-arranged where necessary.
ii. EPS decreased due to reduced Turnover compared to same last year.
iii. NOCFPS Decreased due to reduced Collection & Increase of payment to supplier compared to same last year.

Sd/-
Md. Refat Hasan
ChairmanSd/-
Mohd. Abdul Halim
DirectorSd/-
A.H.M. Zakaria
Asst. Company SecretarySd/-
Md. Nurul Absar
CFO & Managing Director (C.C)

The details of the published quarterly (Q-2) financial statements is available in the website of the Company. The address of the website is www.azizpipes.com

Aziz Pipes Limited
Statement of Financial Position
As at 31st December, 2019

Particulars	Notes	As on 31st, December 2019	As on 30th June 2019
Property & Assets			
Non-Current Assets		245,860,849	249,135,582
Fixed Assets	3	245,860,849	249,135,582
Current Assets		206,974,525	214,059,117
Inventories	4	130,778,819	130,585,593
Accounts Receivable-Trade	5	46,296,066	56,162,514
Advances, Deposits & Prepayments	6	26,368,668	24,234,889
Cash & Cash Equivalent	7	3,530,972	3,076,121
Total Property & Assets		452,835,375	463,194,699
Shareholders' Equity & Liabilities			
Shareholders' Equity		(92,124,666)	(89,497,897)
Share Capital	8	53,471,250	53,471,250
Share Premium	9	106,700,000	106,700,000
Revenue Reserves & Surplus	10	23,871,918	23,871,918
Revaluation Reserve	11	193,494,536	194,370,605
Retained Earnings	12	(469,662,369)	(467,911,670)
Loan Fund		58,219,842	58,219,842
Term Loan	13	57,200,000	57,200,000
Short Term Loan	14	1,019,842	1,019,842
Deferred Tax	15	27,577,037	28,250,406
Suspense Account	16	270,988,422	303,988,422
Current Liabilities		188,174,740	162,233,926
Accounts Payable	17	174,054,688	149,377,239
Creditors & Accruals	18	3,669,978	3,687,008
Workers profit participation fund	19	677,042	612,878
Staff Gratuity		1,078,435	1,078,435
Provision for Income Tax	20	7,604,076	6,827,785
Unclaimed Dividend	21	1,090,519	650,581
Total Shareholders' Equity & Liabilities		452,835,375	463,194,699
Net Asset Value (NAV) per Share		(17.23)	(16.74)

The accounting policies and other notes are the integral part of the financial statements.

Aziz Pipes Limited
Statement of Profit or Loss and other Comprehensive Income
For the period ended 31st December, 2019

Particulars	Notes	Amount (In Taka)	
		2019-2020	2018-2019
		July to Decem.	July to Decem.
Turnover	22	129,378,489	151,567,638
Less: Cost of Goods Sold	23	114,772,080	134,544,720
Gross Profit		14,606,409	17,022,918
Less: Operating Expenses		13,326,544	15,155,356
Administrative & General Expenses	24	12,234,387	13,099,883
Selling & Distribution Expenses	25	1,009,273	1,993,763
Financial Expenses (Bank Charges)	26	82,884	61,710
Operating Profit		1,279,865	1,867,562
Add: Interest received from STD Account		3,421	6,322
Net Profit before WPPF		1,283,286	1,873,884
Less: Workers Profit Participation Fund	19	64,164	93,694
Net Profit before Income Tax		1,219,121	1,780,190
Less: Income Tax expenses		102,900	215,534
Current Tax		776,271	909,443
Deferred Tax	15	(673,371)	(693,909)
Net Profit after Income Tax		<u>1,116,221</u>	<u>1,564,656</u>
Basic Earning per Share (EPS) Restated	27	0.21	0.29

The accounting policies and other notes are the integral part of the financial statements.

Aziz Pipes Limited
Statement of Changes in Equity
For the period ended 31st December, 2019

Particulars	Share Capital	Share Premium	Revenue Reserves	Revaluation Reserves	Retained Earnings	Total Taka
Balance as on 01.07.2019	53,471,250	106,700,000	23,871,918	194,370,605	(467,911,672)	(89,497,899)
Net Profit /(Loss) during the year	-	-			1,116,221	1,116,221
Adjustment of Revaluation reserve on depreciable Assets				(876,069)	876,069	-
Cash Dividend for the year 2018-2019					(3,742,988)	(3,742,988)
Balance as on 31.12.2019	53,471,250	106,700,000	23,871,918	193,494,536	(469,662,370)	(92,124,666)
Particulars	Share Capital	Share Premium	Revenue Reserves	Revaluation Reserves	Retained Earnings	Total Taka
Balance as on 01.07.2018	50,925,000	106,700,000	23,871,918	196,317,421	(471,563,204)	(93,748,865)
Net Profit/(Loss) during the year	-	-		-	1,564,656	1,564,656
Adjustment of Revaluation reserve on depreciable Assets	-	-		(973,408)	973,408	-
Transferred for Stock Dividend @ 5%	2,546,250				(2,546,250)	-
Balance as on 31.12.2018	53,471,250	106,700,000	23,871,918	195,344,013	(471,571,390)	(92,184,209)

The accounting policies and other notes are the integral part of the financial statements.

Aziz Pipes Limited
Statement of Cash Flows
For the period ended 31st December, 2019

Particulars	Notes	Amount (In Taka)	
		2019 (July to Decem.)	2018 (July to Decem.)
Cash Flow from Operating Activities:			
Collection from Sales & Others		139,244,937	154,624,403
Payment to Suppliers & Expenses		(100,633,697)	(87,880,902)
Net Cash Generated from Operating Activities		38,611,240	66,743,501
Cash Flow from Investing activities:			
Acquisition of Fixed Assets		(12,678)	(102,821)
Net Cash used in Investing Activities		(12,678)	(102,821)
Cash Flow from Financing Activities:			
Payment of SEBL Block Account		-	(6,720,000)
Payment of NBL Block Account		-	(10,275,318)
Payment of Dutch Bangla Bank Block Account		(18,300,000)	(6,800,000)
Payment of Uttara Bank Block Account		(14,700,000)	(14,300,000)
Dividend paid to ordinary shareholders		(3,303,050)	-
Payment of Lease Rental		(1,761,198)	(2,520,801)
Interest Received		3,421	6,322
Financial Expense(Bank charges)		(82,884)	(61,710)
Net Cash Generated from Financing Activities		(38,143,711)	(40,671,507)
Net Cash Inflow/(Outflow)		454,851	25,969,173
Opening Cash & Bank Balances		3,076,121	2,772,840
Closing Cash & Bank Balances		3,530,972	28,742,013
Net Operating Cash Flow per Share	28	7.22	12.48

The accounting policies and other notes form an integral part of the financial statements.

Aziz Pipes Limited

Notes to the financial statements and other explanatory information For the year and then ended 31st December, 2019

1.0 The Company and its activities:

1.1 Introduction:

The organization was incorporated on 02 May, 1981 as a Private Limited Company under the Companies Act, 1913 and now 1994. It was converted into a Public Limited Company under the same statute. Its shares are listed in both the Dhaka and Chittagong Stock Exchange Limited.

The Registered Office of the Company is located at 93, Motijheel C/A, (3rd Floor), Dhaka-1000 and the Factory is located at Amirabad (Shibrampur), Faridpur.

1.2 Nature of business/ Principal activities of the Organization:

The Company is manufacturer of high quality PVC Rigid Pipes & PVC Profiles products. Currently due to working capital shortage, PVC plastic wood and PVC flexible corrugated conduit pipes production has been temporarily closed.

1.3 Presentation of financial statements:

As per BAS-1 "Presentation of Financial Statements", financial statements shall comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements comprising summary of accounting policies and other explanatory information. Furthermore, IAS-1 states that, an entity shall present its current and non-current assets and liabilities, as separate classifications in its statement of financial position.

i. Components of the Financial Statements:

According to the International Accounting Standards (IAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components":

- i. Statement of Financial Position as at 31st Decembar, 2019
- ii. Statement of Profit or Loss & Other Comprehensive Income for the year ended 31st December 2019
- iii. Statement of Changes in Equity for the year ended 31st December, 2019
- iv. Statement of Cash Flows for the year ended 31st December, 2019 and
- v. Notes to the financial statements and other explanatory information.

ii. Revenue:

As per IAS 18 "Revenue", revenue should be recognized on accrual basis and recognized when significant risk and rewards of ownership are transferred, the entity has not ownership or control over the goods, revenue can be recognized reliables, economic benefits flow to the entity and the cost incurred to generate revenue can be measured reliably.

1.4 Measurement of elements in the financial statements:

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the financial statements. The measurement basis adopted by the Company is historical cost except for land and building which are stated in accordance with the policies mentioned in the respective notes.

1.5 Use of estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, post employment benefits liabilities, accruals, taxation and provision.

1.6 Comparative information and rearrangement thereof:

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

1.7 Going concern:

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. The Company prepares financial statements on a going concern basis. In spite of working capital constant, the Company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements.

1.8 Accrual basis of accounting:

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the Company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

1.9 Materiality and aggregation:

The Company presents separately each material class of similar items. The Company presents separately items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

1.10 Reporting period:

These financial statements of the Company covers one financial year from 01 July 2019 to 30 Sep 2019.

1.11 Authorization of the financial statements for issue:

The financial statements were authorized by the Board of Directors on 28 October 2019 for issue after completion of review.

1.12 Cash flow statement

Cash Flow Statement is prepared in accordance with IAS 7-"Statement of Cash Flows". The Statement shows the structure of changes in cash and cash equivalents during the financial year. Statement of Cash Flows is prepared principally in accordance with IAS-7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method, paragraph 19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

1.13 Statement of changes in equity:

Statement of Changes in Equity has been prepared in accordance with IAS 1 -"Presentation of Financial Statements"

1.14 Changes in accounting policies:

The company changes its accounting policy only if the change is required by a IFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the company financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

1.15 Changes in accounting estimates:

Estimates arise because of uncertainties inherent within them, judgement is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account. The preparation of the financial statements are in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Previously Company Maintained Unitwise Accounts for Tax Holiday benefits Purpose but Tax Holiday period now Expired So, the Company's Board of Directors decided to Maintain only consolidated Financial Statement from this year.

1.16 Correction of error in prior period financial statements:

The company corrects material prior period errors retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

1.17 Segment Reporting:

No segmental reporting is applicable for the company as required by IAS-14: "Segment Reporting" as the company operates in a single industry segment and within a single geographical territory.

1.18 General:

Wherever consideration is necessary, previous period's figures have been rearranged for the purpose of comparison;

Figures appearing in the financial statements have been rounded off to the nearest Taka.

2.0 Summary of significant accounting policies:

Accounting policies are determined by applying the relevant IFRS. Where there is no available guidelines of IFRS, management uses its judgment in developing and applying an accounting policy that results in information that is relevant and reliable. The company selects and applies its accounting policies for a period consistently for similar transactions, other events and conditions, unless a IFRS or specifically requires or permits categorization of items for which different policies may be appropriate. The accounting policies set out below have been applied consistently in all material respects to all periods presented in these financial statements.

2.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand and at bank, which are not ordinarily susceptible to change in value. For the purpose of Statement of Financial Position and Statement Cash Flows, Cash in Hand and Bank balances represent cash and cash equivalents considering the IAS-1 "Presentation of Financial Statements" and IAS-7 "Cash Flow Statement", which provide that Cash and Cash equivalents are readily convertible to known amounts of Cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

2.2 Fixed assets [Property, plant & equipment and intangibles]

2.2.1 Recognition:

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits will flow to the Company and the cost of the item can be measured reliably.

2.2.2 Measurement at recognition:

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. The cost of a self-constructed asset is determined using the same principles as for an acquired asset.

2.2.3 Elements of costs and subsequent costs:

Cost includes purchase price (including import duties and non-refundable purchase taxes), directly attributable costs to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Costs of day to day servicing (repairs and maintenance) are recognized as expenditure as incurred. Replacement parts are capitalized, provided the original cost of the items they replace is derecognized.

2.2.4 Measurement of property, plant & equipment after recognition:

Cost model

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation.

Revaluation model

The revaluation model requires an asset, after initial recognition, to be measured at a revalued amount, which is its fair value less subsequent accumulated depreciation.

Where an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Where an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in equity to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognized in equity reduces the amount accumulated under the heading of revaluation reserve.

The revaluation reserve included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognized. However, some of the surplus is transferred as the asset is used by the Company. In such a case, the amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

2.2.5 Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included as other income in profit or loss when the item is derecognized.

2.2.6 Depreciation

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset. Depreciation of an asset begins when it is installed and available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation has been charged using Diminishing Balance Method (DBM). Full years depreciation is charged on addition irrespective of date when the related assets are ready to use and no depreciation is charged on assets disposed off during the year. Expenditure for maintenance and repair are expensed, major replacements, renewals and betterment are capitalized. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate.

Depreciation is calculated based on the cost/revalued amount of items of fixed assets [property, plant & equipment] less their estimated residual values using reducing balance method (RBM) over their useful lives and recognized in profit and loss. Land is not depreciated. Rates of depreciation considering the useful life of respective assets are as follows:

Particulars	Rate of Dep.
Building & Other Constructions	10%
Road & Sewerage	10%
Electrical Installation	15%
Plant & Machinery	10%
Furniture & Fixture	10%
Fittings	10%
Office Equipment	15%
Loose & Tools	15%
Motor Vehicles	20%
Weight Bridge Equipment	15%
Factory Equipment	15%
Pump House	15%
Crockeries & Cutlery	20%
Sundry Assets	15%
Gas Line Installation	10%

Depreciation has been charged to Statement of Profit or Loss and other Comprehensive Income consistently.

2.2.7 Impairment of Assets

An entity shall at the end of each reporting period whether there is an indication that asset may be impaired (if any) such indication exists the entity shall estimate the recoverable amount of the assets and compute impairment and reports to the statements of profit or loss and other comprehensive income as impairment loss.

2.3 Valuation of Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or net realizable value in compliance to the requirements of Para 10 of IAS-2. Costs including an appropriate portion of fixed and variable overhead expenses are assigned inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale. Item wise valuation is as follows:

Category of Inventories	Basis of Valuation
Raw & Packing Materials	At Weighted average cost
Work-in Progress	At Weighted average cost
Finished Goods	At Weighted average cost

2.4 Other provisions, accruals and contingencies:

2.4.1 Recognition of provisions, accruals and contingencies:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; a reliable estimate can be made of the amount of the obligation. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

2.4.2 Measurement of provision:

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.5 Employee Benefits:

2.5.1 Workers' Profit Participation Fund (WPPF):

As per Bangladesh Labour Act, 2006 as amended in 2013 all companies fall within the scope of WPPF (which includes Company) are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. As required by Law, the Company has maintained WPPF and kept sufficient provision against profit participation fund.

2.5.2 Staff Provident Fund:

The company provides sufficient fund for staff provident fund each period for all eligible permanent employees but the staff provident fund is yet to recognize. Now, staff provident fund benefits temporarily stop.

2.5.3 Staff Gratuity Fund:

The company provides sufficient fund for staff gratuity fund each period for all eligible permanent employees but the staff gratuity fund is yet to recognize. Now, staff gratuity fund benefits temporarily stop.

2.6 Taxation:

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the statement of profit or loss and other comprehensive income, except in the case it relates to items recognized directly in equity.

2.6.1 Current tax:

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years. Provision for current income tax has been made on taxable income of the company as per following rates: The Company is "Publicly Traded Company" as per the Finance Act, 2018 and the rate of Minimum tax applicable is 0.60% from 01 July 2019 to 30th September, 2019.

Type of income	2019-2020	2018-2019
Business income	25%	25%
Capital gain	10% to 15%	10% to 15%
Minimum Tax Section 16BBB+82C(4)	0.60%	0.60%

2.6.2 Deferred tax:

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Statement of Financial Position as liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. APL recognized deferred tax liabilities for all taxable temporary differences.

Principle of recognition:

Deferred tax is recognized as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with directly in equity is recognized directly in equity.

2.7 Share capital and reserves:

2.7.1 Capital:

Authorized Capital:

Authorized Capital is the maximum amount of share capital that the Bank is authorized to raise as per its Memorandum and Articles of Association.

Paid-up Capital:

Paid-up Capital represents total amount of shareholders' capital that has been paid in full by the shareholders. Shareholders are entitled to receive dividend as approved from time to time in the Annual General Meeting.

2.7.2 Share Premium:

Premium received amounting of Tk. 106,700,000 as against 194,000 ordinary share of Tk. 550 each of the share in the year 1997.

The Share Premium shall be utilized in accordance with provisions of the Companies Act, 1994 and as directed by the Securities and Exchange Commission in this respect. The section 57 of the Companies Act, 1994 provides that the Company may apply the Share Premium Account as follows:

- i. in paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- ii. in amortized off the preliminary expenses of the Company;
- iii. in amortized off the expenses or the commission paid or discount allowed on any issue of shares or debentures of the Company; and
- iv. in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.

2.8 Assets revaluation reserve:

This represents the difference between the book value and the re-valued amount of Building and other Construction and Plant & Machineries of the Company as assessed by professional valuers in the year 1996. Further in 2018, The Company engaged an Independent valuer named "Rahman Mostafa Alam & Co" Chartered Accountants has revalued the inspection and examination of the project land & land developments located at the factory premises. The reserve is not distributable.

2.9 Expenses:

2.9.1 Management and other expenses:

Expenses incurred by the Company are recognized on an accrual basis.

2.10 Dividend

The amount of proposed dividend is not accounted for but disclosed in the notes to the account along with dividend per share in accordance with the requirements of the para 125 of International Accounting Standards (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as 'Liability' in accordance with the requirements of the para 12 & 13 of International Accounting Standards (IAS) 10: Events after the Reporting Period, because no obligation existed at the time of approval of the accounts and recommendation of dividend by the Board of Directors.

2.11 Earnings per share (EPS):

Measurement:

Basic EPS:

The Company calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Diluted EPS:

The Bank calculates diluted earnings per share amounts for profit or loss attributable to ordinary equity holders of the entity. For the purpose of calculating diluted earnings per share, the Company adjusts profit or loss attributable to ordinary equity holders of the entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods. Hence no Diluted EPS has been calculated. Basic EPS has been calculated and presented in the same manner.

Presentation:

The Company presents in the statement of profit or loss and other comprehensive income basic and diluted earnings per share. The Company presents basic and diluted earnings per share with equal prominence for all periods presented. The Company presents basic and diluted earnings per share, even if the amounts are negative (i.e. a loss per share).

2.12 Events after the reporting period

All material events after the reporting period that provide additional information about the Companies position at the balance sheet date are reflected in the financial statements as per BAS 10 "Events after the Reporting Period". Events after the reporting period that are not adjusting events are disclosed in the notes when material.

2.13 The Companies complied, as per Para 12 of Securities & Exchange Rule 1987, with the following International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements of the Company subject to departure where we have followed :

Sl. No.	IAS No.	IFRS / IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	17	Leases	Complied
9	19	Employee Benefits	Complied
10	23	Borrowing Costs	Complied
11	24	Related Party Disclosures	Complied
12	33	Earnings per Share	Complied
13	36	Impairment of Assets	Complied
14	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
15	IFRS 15	Revenue from contracts with customers	Complied

Aziz Pipes Ltd.

Computation of Accounting Based WDV of Fixed Assets

As on 31.12.2019

3.00 A. On Cost

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31-12-2019
	Opening balance as at 01.07.2019	Addition during the year	Adjustment during the year	Balance as at 31-12-2019		Opening balance as at 01.07.2019	Charged during the year	Adjustment during the year	Accumulated Dep. as at 31-12-2019	
Land & Land Development	3,603,990	-	-	3,603,990	-	-	-	-	-	3,603,990
Building & Other Construction	21,549,361	-	-	21,549,361	10%	18,918,233	131,556	-	19,049,789	2,499,572
Roads & Sewerage	604,229	-	-	604,229	10%	539,022	3,260	-	542,283	61,946
Electrical Installation	4,313,755	-	-	4,313,755	15%	4,091,089	16,700	-	4,107,789	205,966
Plant & Machineries	221,757,456	-	-	221,757,456	10%	182,918,458	1,941,950	-	184,860,408	36,897,048
Furniture & Fixtures	2,171,497	-	-	2,171,497	10%	1,722,290	22,460	-	1,744,750	426,747
Fittings	11,942	-	-	11,942	10%	10,852	54	-	10,907	1,035
Office Equipments	8,025,802	-	-	8,025,802	15%	7,289,157	55,248	-	7,344,405	681,397
Loose Tools	413,666	-	-	413,666	15%	396,941	1,254	-	398,195	15,471
Motor Vehicles	2,328,037	-	-	2,328,037	20%	2,298,086	2,995	-	2,301,081	26,956
Weight Bridge Equipments	129,558	-	-	129,558	15%	124,269	397	-	124,666	4,892
Factory Equipments	17,953,332	1,608	-	17,954,940	15%	14,993,915	222,077	-	15,215,992	2,738,948
Pump House	173,639	-	-	173,639	15%	166,718	519	-	167,237	6,402
Crockeries & Cutleries	407,752	11,070	-	418,822	20%	357,262	6,156	-	363,418	55,404
Gas Line Installation	302,398	-	-	302,398	10%	269,509	1,644	-	271,154	31,244
Sundry Assets	790,361	-	-	790,361	15%	722,786	5,068	-	727,854	62,507
Total	284,536,775	12,678	-	284,549,453		234,818,587	2,411,341	-	237,229,927	47,319,526

B. Revalued Assets:

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31-12-2019
	Opening balance as at 01.07.2019	Addition during the year	Adjustment during the year	Balance as at 31-12-2019		Opening balance as at 01.07.2019	Charged during the year	Adjustment during the year	Accumulated Dep. as at 31-12-2019	
Land & Land Development	181,896,010	-	-	181,896,010		-	-	-	-	181,896,010
Building & Other Construction	5,924,471	-	-	5,924,471	10%	1,125,647	239,941	-	1,365,588	4,558,883
Plant & Machineries	15,706,861	-	-	15,706,861	10%	2,984,302	636,128	-	3,620,430	12,086,431
Sub Total	203,527,342	-	-	203,527,342		4,109,949	876,069	-	4,986,018	198,541,324
Grand Total	488,064,117	12,678	-	488,076,795		238,928,536	3,287,410	-	242,215,946	245,860,849

Depreciation Charged

Amount

Factory Overhead	3,203,545
Admin. Overhead	83,865
Total	3,287,410

04.00 Inventories: Tk. 13,07,78,819.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Raw Materials	63,712,397	58,447,892
Finished Goods	60,540,659	67,064,394
Work-in-Process	6,525,764	5,073,307
Total	130,778,819	130,585,593

05.00 Accounts receivable: Tk. 4,62,96,066.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Accounts Receivable	46,296,066	56,162,514
Total	46,296,066	56,162,514

06.00 Advances, Deposits & Prepayments: Tk. 2,63,68,668.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Advances:		
General Advance	4,978,065	3,649,236
Staff Advance	2,986,831	2,745,324
Advance Income Tax	14,824,487	14,821,487
Sub-Total	22,789,383	21,216,047

Deposits:		
Security Deposits	452,070	452,070
Margin on Bank Guarantee	459,754	459,754
Earnest Money	395,600	395,600
Advance VAT Charges	2,271,861	1,711,418
Sub-Total	3,579,285	3,018,842
Total	26,368,668	24,234,889

07.00 Cash & Cash Equivalent: Tk. 35,30,972.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Cash:		
Head Office	584,665	239,106
Factory (Cash & Bank)	1,237,754	564,527
Sub-Total	1,822,419	803,633
Bank:		
Agrani Bank Ltd	4,851	5,561
Southeast Bank Ltd.	127,118	160,840
National Bank Ltd.	195,711	948,476
Islami Bank Bangladesh Ltd.	1,018,092	181,082
Exim Bank Ltd.	33,312	98,145
Janata Bank	1,669	1,669
Mutual Trust Bank Ltd.	44,275	190,548
Marcantile Bank Ltd	13,633	57,659
Al-Arafah Islami Bank Ltd	48,176	139,858
Jamuna Bank Ltd.	221,716	488,650
Sub-Total	1,708,553	2,272,488
Total	3,530,972	3,076,121

08.00 Share Capital: Tk. 5,34,71,250.00**Authorized Capital**

50,000,000 Ordinary Shares of Tk. 10/- each

Amount (In Taka)	
2019-20	2018-19
500,000,000	500,000,000

Issued, Subscribed & Paid-up Capital

53,47,125 Ordinary Shares of Tk. 10/- each paid-up in full

53,471,250	53,471,250
------------	------------

(a) Composition of Shareholding:

	31st December-2019		30th June-2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Directors/Sponsors	1,809,196	33.83	1,809,196	33.83
General Public	3,314,131	61.98	3,319,185	62.07
Financial Institutions	98,927	1.85	92,937	1.74
ICB & Other Investors	124,871	2.34	125,807	2.35
Total	5,347,125	100.00	5,347,125	100.00

Total**(b) Details of the Shareholding is given below:**

The distribution schedule showing the number of Shareholders and their shareholding in percentage has been disclosed below as requirement of the "Listing Regulation" of Dhaka and Chittagong Stock Exchange Limited.

Range of holdings In number of Shares	No. of Shareholders		No. of Shares		% of Holding	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Less than 500	3,467	3,548	459,324	477,667	8.59	8.93
500 to 5,000	970	1,017	1,377,753	1,379,442	25.77	25.80
5,001 to 10,000	50	50	348,527	349,395	6.52	6.53
10,001 to 20,000	27	32	370,430	437,269	6.93	8.18
20,001 to 30,000	5	3	121,775	79,470	2.28	1.49
30,001 to 40,000	3	2	100,625	67,141	1.88	1.26
40,001 to 50,000	3	4	138,808	183,294	2.60	3.43
50,001 to 100,000	7	6	457,456	401,310	8.56	7.51
Over 100,000	6	6	1,972,427	1,972,137	36.89	36.88
Total	4,538	4,668	5,347,125	5,347,125	100.00	100.00

(c) Option on Un-Issued Shares:

There is no option regarding the authorized capital not yet issued but can be used to increase the paid-up capital through the issuance of new shares against cash contribution and bonus.

(d) Market Price:

The shares of the Company are listed with both the Dhaka and Chittagong Stock Exchange Limited and quoted at Tk. 137.00 per share and Tk. 140.00 per share in the Dhaka and Chittagong Stock Exchange Limited respectively on 30th September, 2019.

09.00 Share Premium: Tk. 106,700,000

Premium received amounting of Tk. 106,700,000 as against 194,000 ordinary share of Tk. 550 each of the share in the year 1997.

10.00 Revenue Reserves & Surplus: Tk. 2,38,71,918.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Tax Holiday Reserve 10.01	23,016,918	23,016,918
General Reserve	280,000	280,000
Dividend Equalization Fund	575,000	575,000
Total	23,871,918	23,871,918

10.01 Tax Holyday Reserve: Tk. 2,30,16,918.00

23,016,918 23,016,918

11.00 Revaluation Reserve: Tk. 19,34,94,536.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Revaluation Reserve	194,370,605	196,317,421
Add: Addition of Revaluation of Land	-	-
Less: Adjustment during the year		
On depreciable Assets	876,069	1,946,816
On non depreciable Assets		-
Total	193,494,536	194,370,605

First revaluation of the at factory office of the Company carried out on 1996 by the Independent valuer named "M/S Golum Mostofa & Associates" Islam Chamber, (14th floor) 125-A Motijheel C/A. Further in 2018, the Company in its 219th Board Meeting dated 25 January 2018 decided to revaluation of its project land to reflect true picture in the Financial Statements of the Company as on 30 June 2018. The Company engaged an Independent valuer named "Rahman Mostafa Alam & Co" Chartered Accountants to carry out the inspection and examination of the project land located at the factory premises. Subsequently the company appointed "Rahman Mostafa Alam & Co" Chartered Accountants for the purpose of valuation of the Company's land situated at the factory premises, Shibrampur, Faridpur as on 30 June 2018. The management of the Company in its 221st Board meeting held on 31 May 2018 approved the valuation report.

Methodology Adopted for Revaluation of Factory Land in 2018:

The Methodology adopted for revaluation of the land has involved two steps. The first step was adopted for physical verification of the land and second step was for ascertainment of current realizable values, at which the assets should appear in the Statement of Financial Position as at 30 June 2018. For the purpose of revaluation of land the valuer consulted with local sub-register office and different level of local people in the above area where the land is located.

The revalued amount of the land stands at Tk.18,55,00,000 as on 30th June,2018

Location of the Land	Land Area (Decimals)	Book value as 30 June 2018 (Tk.)	Market value as 30 June 2018 as per revaluation (Tk.)	Revaluation Surplus (Tk.)
Shibrampur, Faridpur	927.50	17,273,661	185,500,000	168,226,339

12.00 Retained Earnings: Tk. (46,96,62,369.00)

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Opening balance	(467,911,670)	(471,563,204)
Add: Profit during the year	1,116,221	4,250,968
Add: Adjustment of Re-valuation	876,069	1,946,816
Less: Stock Dividend	-	(2,546,250)
Less: Cash Dividend for the year 2018-2019	(3,742,988)	-
Total	(469,662,369)	(467,911,670)

13.00 Term Loan: Tk. 5,72,00,000.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Long Term Loan	57,200,000	57,200,000
Total	57,200,000	57,200,000

Notes: The Company Tabled an objection against the statements of Uttara Bank Ltd. Term Loan and which is matter of consideration of Sub-Judice Court.

14.00 Short Term Loan: Tk. 10,19,842.00

As on As on

This amount comprises as follows:

	31st, December 2019	30th June 2019
Uttara Bank Ltd.	174,264,454	159,964,454
Dutch Bangla Bank Ltd	115,450,768	108,650,768
Total	289,715,222	268,615,222
Less: Balance Transferred to Loan suspenses Account	267,595,380	267,595,380
Loan Suspense Account	1,019,842	1,019,842

Since filling of the cases against the company, the Banks neither charged any interest nor sent any demand from note/statement of interest from the period 01 July 2016 to 30 June 2017 to the company. In view of the above, interest has not been shown in the company's accounts for the said period. and the expression of the Company about the Loan Suspense Account are as follows:

Uttara Bank

The Management of the company decided on the basis of the verdict/pronouncement of the 4th Artha Rin Adalat that was suited by Uttara Bank Limited no. 219/05. At the time of hearing of the lower court the company had tabled a objection against the bank statement that were submitted by the Bank and then a petition was submitted by the company to the High Court no. 9724/2014. After the prolong time hearing on 14 March 2017, Uttara Bank Limited were required to submit the actual statement of the accounts of Aziz Pipes Limited. After that the Bank had submitted a revised statement where the Bank stated the company's CC (Hypo.) account no. 21 and Tk. 6,688,500. On the basis of the submitted the statement of the Bank the company has decided to state Tk. 6,688,500 as Short Term Loan from Uttara Bank Limited and the rest amount will be transferred to Loan Suspense Account Tk. 167,575,954. Now this suit is under litigation on the Judge Court and after the litigation of the court this liability would be adjusted from the suspense account.

Dutch Bangla Bank

Dutch Bangla Bank Limited had submitted a suit against Aziz Pipes Limited no. 16/2007 to the 3rd Artha Rin Adalat in 2007. After a prolong period hearing the Court had Verdicted/Pronounced on 29 November 2012 to repay the amount of Tk. 15,431,341 to the Bank and the company has decided to state Tk. 15,431,342 as the Short Term Loan from Dutch Bangla Bank Limited and the rest amount Tk. 100,019,426 will be transferred to Loan Suspense Account . Against the verdicted of the lower court the Bank had submitted a Appeal to the High Court. Now the appeal is under litigation in the High Court. After the litigation of High Court, the favour/disfavour of the company the amount would be adjusted from the Loan Suspense Account.

15.00 Deferred Tax: Tk. 2,75,77,037.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Opening balance	28,250,406	24,598,431
Add: Addition during the year non depreciable Assets	-	5,046,790
Less: Adjustment during the year on depreciable Assets	673,369	1,394,815
Closing balance	27,577,037	28,250,406

16.00 Suspense Account: Tk. 27,09,88,422.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Suspense Account 16.01	234,595,380	267,595,380
Interest Suspense Account 16.02	36,393,042	36,393,042
	270,988,422	303,988,422

16.01 Loan Suspense Account: Tk. 23,45,95,380.00

This amount comprises as follows:

	As on 31st, December 2019	As on 30th June 2019
Uttara Bank		
a) Amount as per Company,s Accounts	159,564,454	174,264,454
b) Amount as Per Bank Statement	6,688,500	6,688,500
Suspense Account (a-b)	152,875,954	167,575,954

Note: Uttara Bank Ltd Loan suspenses amount reduce due to repayment of 1.47 crore tk as downpayment for Uttara Bank Ltd loan re-scheduling purpose.

Dutch Bangla Bank

	As on 31st, December 2019	As on 30th June 2019
a) Amount as per Company,s Accounts	97,150,768	115,450,768
b) Amount as Per Bank Statement	15,431,342	15,431,342
Loan Suspense Account (a-b)	81,719,426	100,019,426
Total	234,595,380	267,595,380

Note: Dutch Bangla Bank suspenses loan reduce due to repayment of 1.83 Crore tk as downpayment for Dutch Bangla Bank Ltd loan srcheduling purpose.

16.02 Interest Suspense Account: Tk. 36,393,042.00

As on	As on
-------	-------

This amount comprises as follows:

31st, December 2019	30th June 2019
36,393,042	36,393,042
36,393,042	36,393,042

Interest Suspense Account

Total

Total interest amounting Tk. 36,393,042 has been transferred to interest block which was provision against short term loan before classify period.

17.00 Accounts Payable: Tk. 17,40,54,688.00

This amount comprises as follows:

As on 31st, December 2019	As on 30th June 2019
174,054,688	149,377,239
174,054,688	149,377,239

Accounts Payable

Total

18.00 Creditors & Accruals: Tk. 36,69,978.00

This amount comprises as follows:

As on 31st, December 2019	As on 30th June 2019
612,233	572,117
25,450	27,579
950,000	983,159
24,500	22,188
8,250	7,644
108,250	83,970
68,500	125,000
332,565	332,565
1,540,230	1,532,786
3,669,978	3,687,008

Salary & Allowances

Electricity Charges (Head Office)

Electricity Charges (Factory)

Telephone Charges

Water Supply & Sewerage

Canteen Charges

Audit Fees

Provident Fund

Wages & Allowances

Total

19.00 Workers profit Participation Fund: Tk. 6,77,887.00

This amount comprises as follows:

As on 31st, December 2019	As on 30th June 2019
612,878	350,758
64,164	262,120
-	-
677,042	612,878

Opening balance

Add: Addition during the year

Less: Adjustment during the year

Closing balance

20.00 Provision for Income Tax: Tk. 76,04,076.00

This amount comprises as follows:

As on 31st, December 2019	As on 30th June 2019
6,827,785	6,406,519
776,291	1,866,807
-	1,445,541
7,604,076	6,827,785

Opening balance

Add: Addition during the year

Less: Cash paid during the year

Closing balance

21.00 Unclaimed Dividend : Tk. 10,90,519.00

This amount comprises as follows:

Amount	
2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
439,938	-
650,581	650,581
1,090,519	650,581

Final Cash Dividend for the year 2018-2019(Tax)

Previous Year Outstanding Final Cash Dividend

Note: Warrant issued but not placed by the shareholders, Which is deposited in dedicated bank accounts.

22.00 Turnover: Tk. 12,93,78,489.00

This amount comprises as follows:

Amount	
2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
129,378,489	151,567,638
129,378,489	151,567,638

23.00 Cost of Goods Sold: Tk. 11,47,72,080.00

This amount comprises as follows:

Amount	
2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
67,064,394	65,995,494
106,487,147	140,423,403
173,551,541	206,418,897
1,761,198	1,761,198
175,312,739	208,180,095
60,540,659	73,635,375
114,772,080	134,544,720

Opening Stock of Finished Goods

Cost of Goods Manufactured 23.01

Cost of Goods available for Sales

Add: Lease Rental Charges

Less: Closing Stock of Finished Goods

Cost of Goods Sold

23.01 Cost of Goods Manufactured: Tk. 10,64,87,147.00

This amount comprises as follows:

	2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
Cost of Materials Consumed 23.02	87,552,808	118,774,132
Add: Electricity & Power	5,205,349	6,787,111
	92,758,157	125,561,243
Add: Opening Work-In-Process	5,073,307	4,537,354
	97,831,464	130,098,597
Less: Closing Work-In-Process	6,525,764	4,627,374
	91,305,701	125,471,223
Add: Factory Overhead 23.03	15,181,447	14,952,180
Cost of Goods Manufactured	106,487,147	140,423,403

23.02 Cost of materials Consumed: Tk. 8,75,52,808.00

This amount comprises as follows:

	2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
Opening Stock of Raw Materials	58,447,892	50,711,019
Add: Materials Purchase	92,817,313	125,003,480
	151,265,205	175,714,499
Less: Closing Stock of Raw Materials	63,712,397	56,940,367
Cost of Materials Consumed	87,552,808	118,774,132

23.03 Factory Overhead: Tk. 1,51,81,447.00

This amount comprises as follows:

	2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
Wages & Salaries	10,313,418	10,350,713
Repairs & Maintenance	1,041,413	944,213
Factory Maintenance	623,071	95,333
Depreciation	3,203,545	3,561,921
Total	15,181,447	14,952,180

24.00 Administrative & General Expenses: Tk. 1,22,34,387.00

This amount comprises as follows:

	2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
Salary & Allowances	5,413,019	5,348,017
Board Meeting Fees	180,000	190,000
Stationery Expenses	258,729	316,397
Telephone Charges	137,254	213,318
Travelling & Conveyance	696,318	519,114
Entertainment Expenses	134,572	89,652
Canteen Charges	687,654	672,290
Rent & Rates	1,098,000	1,084,200
Legal, Renewal, Listing & Other Expenses	485,935	591,480
Electricity Charges	140,742	177,954
Fuel & Lubricants	501,212	1,126,102
Water Supply & Sewerage	44,905	27,892
Donation (Mosque Maintenances)	64,400	30,000
Uniform Expenses	-	58,830
Postage & Telegram	26,830	29,717
Gardening Expenses	276	15,094
CSR (Plantation)	98,621	-
Medical Expenses	14,941	1,794
Office Maintenances	186,537	268,473
Transport Maintenances	562,475	503,668
Guest House Expenses	10,188	21,453
Advertisement & Publicity	516,152	827,964
A.G.M. Expenses	244,078	233,593
Audit Fees	68,500	-
Miscellaneous	30,227	41,900
Carrying Charges	173,224	214,075
Newspaper & Periodicals	19,721	10,946
Research & Training	-	5,000
Insurance Premium	9,869	15,060
Internet Bill Expenses	189,400	205,143
CDBL Expenses	24,000	24,000
Vat/Tax deduction at Source	132,743	144,431
Depreciation	83,865	92,326
Total	12,234,387	13,099,883

Paid to the Managing Director (C.C) of the Company Tk. 4,50,480/= as Salary and Bonus during the year that included above Salary and Allowance.

The break-up of above amount is given below:-

Basic	212,400
House Rent	148,680
Others	54,000
Bonus	35,400
	<u>450,480</u>

In Addition to above Managing Director is provided Car maintenance expenses subject to limit.
Managing Director is also provided Telephone bill for business communication ,subject to limit.

The Chairman provided TK 10,000/=as monthly honourium
The Other,s Director are not provided any remuneration expect board meeting fees
with attending Company,s Board Meeting.

25.00 Selling & Distribution Expenses: Tk. 10,09,273.00

This amount comprises as follows:

	2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
Selling & Distribution Expenses	1,009,273	1,993,763
Total	1,009,273	1,993,763

26.00 Financial Expenses : Tk. 82,884.00

This amount comprises as follows:

	2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
Bank Charges	82,884	61,710
Total	82,884	61,710

27.00 Basic Earning Per Share (EPS): Tk. 0.21

This ratio comprises as follows:

	Amount (In Taka)	
	2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
Net Profit	1,116,221	1,564,656
Weighted average number of ordinary shares in issue	5,347,125	5,347,125
Basic Earning Per Share(Restated)	0.21	0.29

28.00 Net Operating Cash Flow Per Share: Tk. 7.22

This ratio comprises as follows:

	Amount (In Taka)	
	2019-2020 (July to Decem.)	2018-2019 (July to Decem.)
Net Cash Inflows from Operating Activities	38,611,240	66,743,501
Weighted average number of ordinary shares in issue	5,347,125	5,347,125
Net Operating Cash Flow per Share	7.22	12.48

29.00 Reconciliation of Net Profit with Cash Flows From Operating Activities:

	2019-2020 (July to Decem.)
Net Profit After Tax (after considering prior period adjustment)	1,116,221
Adjustment for:	
Depreciation on Property,Plant & Equipment	3,287,409
Payment of Lease Rental (Separate consideration in financing activities)	1,761,198
Financial Expenses (Separate consideration in financing activities)	82,884
Interest Received (Separate consideration in financing activities)	(3,421)
Increase/ Decrease in Inventory	(193,226)
Increase/ Decrease in Accounts Receivable	9,866,448
Increase/ Decrease in Advance, Deposit & Prepayments	(2,133,779)
Increase/ Decrease in Accounts Payable	24,677,449
Increase/ Decrease in Creditors & Accruals	(17,030)
Increase/ Decrease in Provisions For Current Tax	776,291
Increase/ Decrease in Deferred Tax Liability	(673,369)
Increase/ Decrease in Workers profit participation fund	64,164
	<u>37,495,019</u>
Cash Flows from Operating activities	38,611,240

30.00 Related Party Disclosures:**30.01 Transactions with Related Parties**

The Company has no transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures".

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.07.2019	Addition during the 2nd Quarter 31st December 2019	Adjustment during the 2nd Quarter 31st December 2019
-	-	-	-	-	-
-	-	-	-	-	-
Total			-	-	-

30.02 Payments/ Perquisites to Managing Director and above

Payments and perquisites given to the Managing Director during the year are disclosed below:

Particulars	Amount (In Taka)
Basic	212,400
House Rent	148,680
Others	54,000
Bonus	35,400
Total	450,480

In Addition to above Managing Director is provided Car maintenance expenses subject to limit.
Managing Director is also provided Telephone bill for business communication ,subject to limit.

- i) The Chairman provided TK 10,000/=as monthly honourium
- ii) The Other,s Director are not provided any remuneration expect board meeting fees with attending Company,s Board Meeting.

31.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994:**A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3:**

Employee position of the company as at 31st December 2019.

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Factory	Head Office		
Below Tk. 3,000	-	-	-	-
Above Tk. 3,000	39	28	118	185
Total	39	28	118	185

B. Disclosure as per requirement of Schedule XI, Part II, Para 4:

Name of Directors	Designation	Remuneration	Festival Bonus	Total Payment
Md.Refat Hasan	Chairman	-	-	-
Md. Abdul Halim	Director	-	-	-
Md. Ahsan Ullah	Director	-	-	-
Md. Asad Ullah	Director	-	-	-
Md. Aminul Quader Khan	Director	-	-	-
Abu Taher Md. Ahmedur Rahman	Director	-	-	-
Md. Nurul Hoque	Independent Director	-	-	-
Khondoker Nuruzzaman	Independent Director	-	-	-
Total		-	-	-

Period of payment to Directors is from 01 July 2019 to 31st December 2019.

The above Directors of the company did not take any benefit from the company except attendance fees for Board Meeting and others are as follows:

a. Expenses reimbursed to the managing agent	Nil
b. Commission or other remuneration payable separately to a managing agent or his associate	Nil
c. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company	Nil
d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, enter into by the company with the managing agent or his associate during the financial year	Nil

e. Any other perquisites or benefits in cash or in kind stating	Nil
f. Other allowances and commission including guarantee commission	Nil
Pensions, etc.	
1) Pensions	Nil
2) Gratuities	Nil
3) Payment from Provided Fund	Nil
4) Compensation for loss of office	Nil
5) Consideration in connection with retirement from office	Nil

C. Disclosure as per requirement of Schedule XI, Part II, Para 7:

Details of production capacity utilization:

Particulars	License Capacity (In MT)	Attainable Capacity (In MT) Six month	Actual Production (In MT) Six month	Capacity Utilization
Annual Production capacity in MT	12,570	3,250	1,060	32.62%

D. Disclosure as per requirement of Schedule XI, Part II, Para 8:

Raw materials, spare parts, packing materials and capital machinery:

Items	Purchase (BDT)			Consumption (BDT)	% of consumption of total purchase
	Import	Local	Total		
Raw materials		92,817,313	92,817,313	87,552,808	94.33%
Spare parts	-	1,041,413	1,041,413	916,443	88.00%
Packing materials	-	-	-	-	
Total	-	93,858,726	93,858,726	88,469,251	

Value of export:

Particulars	In foreign currencies (US\$)	In BDT
Export	-	-
Total	-	-

i) The company has not incurred any expenditure in foreign currencies for the period from 01 July 2019 to 31st December 2019 on account of royalty, know-how, professional fees, consultancy fees and interest;

ii) The company has not earned any foreign exchanges for loyalty, know-how, professional fees, consultancy fees and interest;

iii) The value of export represents for the period 01 July 2019 to 31st December 2019.

E. Disclosure as per requirement of Schedule XI, Part II, Para 3:

Requirements under Condition No.	Compliance status of disclosure of Schedule XI, Part II, Para 3
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to the selling agent	Not Applicable
3(i)(c) Brokerage and discount on sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item wise as possible	Complied
3(i)(d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	Complied
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and Manager	Not Applicable
3(i)(l) Charge of income tax and other taxation on profits	Complied
3(i)(m) Revised for repayment of share capital and repayment of loans	Complied
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up	Not Applicable

3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve	Complied

F. Disclosure of Advances, Deposits and Pre-payments of Schedule XI of the Companies Act, 1994:

The details break-up of Advances, Deposits and Pre-payments as per requirement of Schedule XI of the Companies Act, 1994 as stated below:

Particulars	Amount In (Taka)	
	31.12.2019	30.06.2019
Advances, Deposits and Pre-payments exceeding 6 months	16,131,911	16,128,911
Advances, Deposits and Pre-payments not exceeding 6 months	7,249,926	5,360,654
Other Advances, Deposits & Pre-payments less provision	Nil	Nil
Advances, Deposits and Pre-payments considered good and secured	Nil	Nil
Advances, Deposits and Pre-payments considered goods without security	Nil	Nil
Advances, Deposits and Pre-payments considered doubtful or bad	Nil	Nil
Advances, Deposits and Pre-payments due by Directors	Nil	Nil
Advances, Deposits and Pre-payments due by other officers (against salary)	2,986,831	2,745,324
Advances, Deposits and Pre-payments due from companies under same management	Nil	Nil
Maximum Advances, Deposits & Pre-payments due by Directors	Nil	Nil
Maximum Advances, Deposits & Pre-payments due by Officers at any time	Nil	Nil

Additional Disclosure as per SEC Rules 1987 [Rule-12(2)1] & Companies Act 1994, part 2 section XI:

- There was no claim against the Company not acknowledged as debts as on 31.12.2019.
- All shares have been fully allotted and paid-up.
- There was no preference shares issued by the Company.
- The Company has no aggregated amount of contract for the capital expenditure to be executed and not provided for the 2nd quarter 31st December 2019.
- There was no contingent liabilities as on close of the business as on 31.12.2019 except the sub-judice matters relating to bank loan.
- Aggregate amount due by Directors and other Officers of the Company or associated undertaking:

Director	None
Associated Undertaking	None
Officers	None
- The general advance is the amount disbursed/ advanced against expenses for goods & service and also the amount considered good by the management and no collateral security is held against such advances.
- The Company did not pay Brokerage and discount on sales other than the usual trade discount. Further, there is no commission on sale paid by the Company.
- Auditors are paid for only statutory audit fees approved by the shareholders in the last A.G.M.
- No money was expended by the Company for compensating any member of the Board of Directors for special service rendered.
- There was no Bank Guarantee issued by the company on behalf of their Directors of the Company itself except bank loan.
- There are no Non-resident shareholders as on 31st December 2019.
- No expenses including Royalty, Technical Experts & Professional Advisory Fees and Interest etc. were incurred or paid in foreign currencies during the 2nd quarter 31st December 2019.
- The Company has no related party transactions as per IAS-24 "Related Party Disclosures".
- No Director received any remuneration from Company except Board Meeting attendance Fees.

Events after reporting period:

No material events occurring after Statement of Financial Position date came to our notice which could be considered after the valuation made in the financial statements.