



AZIZ PIPES LIMITED

Head Office : 93, Motiheel C/A (3rd floor), Dhaka-1000.
SECOND QUARTER(Q2) Un-Audited FINANCIAL STATEMENT 2020-2021

Statement of Financial Position (Un-audited) As at 31st December, 2020					Statement of Cash Flows(Un-audited) For the period from 1st July-2020 to 31st December-2020						
		31-Dec-20 Taka'000s	30-Jun-20 Taka'000s			1 July to 31-Dec-20	1 July to 31-Dec-19				
Property & Assets											
Non-Current Assets		2,51,067	2,54,598								
Fixed Assets		2,51,067	2,54,598								
Current Assets		1,21,541	1,82,265								
Inventories		77,498	1,14,337								
Accounts Receivable-Trade		20,003	41,271								
Advances, Deposits & Prepayments		18,132	22,295								
Cash & Bank Balances		5,908	4,363								
Total Assets		3,72,609	4,36,863								
EQUITY & LIABILITIES											
Shareholders' Equity		(76,502)	(76,043)								
Share Capital		53,471	53,471								
Share Premium		1,06,700	1,06,700								
Revenue Reserves & Surplus		23,872	23,872								
Revaluation Reserves		1,92,811	1,93,481								
Retained Earnings		(4,53,356)	(4,53,567)								
Loan Liabilities		58,220	58,220								
Term Loan		57,200	57,200								
Short Term Loan		1,020	1,020								
Deferred Tax Liabilities		12,586	13,283								
Suspenses Account		2,70,988	2,70,988								
Lease Liabilities		6,114	7,875								
Current Liabilities		1,01,203	1,62,540								
Creditors & Accruals		95,915	1,57,738								
Provision for Income Tax		5,288	4,802								
Total Equity & Liabilities		3,72,609	4,36,863								
Net Asset Value (NAV) Per Share		(14.31)	(14.22)								
Statement of Comprehensive Income (Un-audited) For the period from 1st July, 2020 to 31st December, 2020					Statement of Changes in Shareholders' Equity (Un-audited) For the period from 1st July, 2020 to 31st December, 2020						
Particulars	July-20 to Dec.'20	July-19 to Dec.'19	Octo.-20 to Dec.'20	Octo.-19 to Dec.'19	Particulars	Share Capital	Share Premium	Revenue Reserve & Surplus	Revaluation Surplus	Retained Loss	Total Taka
	Taka'000s	Taka'000s	Taka'000s	Taka'000s							
Turnover	1,10,066	1,29,379	58,821	61,448	Balance as at 1st July-2020	53,471	1,06,700	23,872	1,93,481	(4,53,567)	(76,042)
Cost of Goods Sold	99,115	1,14,772	52,068	54,082	Net Profit for the period					(578)	(578)
Gross Profit	10,951	14,607	6,753	7,366	Revaluation Reserve Adjusted				(670)	788	118
Operating Expenses	11,449	13,327	6,753	7,418	Balance as at 31st Dec.-2020	53,471	1,06,700	23,872	1,92,811	(4,53,357)	(76,502)
Operating Profit	(499)	1,280	(1)	(52)	Particulars	Share Capital	Share Premium	Revenue Reserve & Surplus	Revaluation Surplus	Retained Loss	Total Taka
Interest Received	3	3	3	3	Balance as at 1st July-2019	53,471	1,06,700	23,872	1,94,371	(4,67,912)	(89,498)
Net Profit before WPPF	(496)	1,283	2	(49)	Net Profit for the period 01.07.2019 to 31.12.2019					1,116	1,116
Workers Profit Participation Fund	-	64	-	(2)	Revaluation Reserve Adjusted				(876)	876	-
Net Profit before Tax	(496)	1,219	2	(51)	Cash Dividend Transferred					(3,743)	(3,743)
Income Tax Expenses	82	103	195	16	Balance as at 31st Dec.-2019	53,471	1,06,700	23,872	1,93,495	(4,69,663)	(92,125)
Current Tax	660	776	353	368							
Deferred Tax	(578)	(673)	(158)	(352)							
Net Profit After Tax	(578)	1,116	(193)	(67)							
Earning Per Share (EPS)	(0.11)	0.21	(0.04)	(0.01)							
<p>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.</p> <p>ii. EPS Decreased due to Decrease in Turnover and also increase COGS as compared to the same period of last year.</p> <p>iii. NOCFPS Decreased due to increase in Suppliers Payment as compared to the same period of last year.</p>											
A.T.M. Ahmedur Rahman Chairman		Mohd. Abdul Halim Director		Md. Nurul Absar Managing Director		A.H.M. Zakaria Company Secretary		Md. Rashidul Hassan Manager(F & A) & CFO(C.C)			
The details of the published 2nd quarter 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, 2020

Particulars	Notes	As on 31st, December 2020	As on 30th, June 2020
Property & Assets			
Non-Current Assets		25,10,67,134	25,45,97,933
Fixed Assets	3	25,10,67,134	25,45,97,933
Current Assets		12,15,41,258	18,22,65,034
Inventories	4	7,74,97,966	11,43,36,835
Accounts Receivable-Trade	5	2,00,02,837	4,12,70,839
Advances, Deposits & Prepayments	6	1,81,32,349	2,22,94,722
Cash & Cash Equivalent	7	59,08,105	43,62,639
Total Property & Assets		37,26,08,392	43,68,62,967
Shareholders' Equity & Liabilities			
Shareholders' Equity		(7,65,02,371)	(7,60,42,918)
Share Capital	8	5,34,71,250	5,34,71,250
Share Premium	9	10,67,00,000	10,67,00,000
Revenue Reserves & Surplus	10	2,38,71,918	2,38,71,918
Revaluation Reserve	11	19,28,10,714	19,34,80,907
Retained Earnings	12	(45,33,56,253)	(45,35,66,993)
Loan Fund		5,82,19,842	5,82,19,842
Term Loan	13	5,72,00,000	5,72,00,000
Short Term Loan	14	10,19,842	10,19,842
Deferred Tax	15	1,25,85,985	1,32,82,609
Suspense Account	16	27,09,88,422	27,09,88,422
Lease Liabilities		61,13,802	78,75,000
Current Liabilities		10,12,02,712	16,25,40,012
Accounts Payable	17	9,03,11,564	15,14,20,381
Creditors & Accruals	18	32,35,285	38,69,665
Workers profit participation fund	19	7,18,824	7,18,824
Staff Gratuity	20	9,98,719	10,78,435
Provision for Income Tax	21	52,87,738	48,02,126
Unclaimed Dividend	22	6,50,581	6,50,581
Total Shareholders' Equity & Liabilities		37,26,08,392	43,68,62,967
Net Asset Value (NAV) per Share	28	(14.31)	(14.22)

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, 2020

Particulars	Notes	Amount (In Taka)	
		2020-2021	2019-2020
		July to Decem.	July to Decem.
Turnover	23	11,00,65,897	12,93,78,489
Less: Cost of Goods Sold	24	9,91,15,487	11,47,72,080
Gross Profit		1,09,50,410	1,46,06,409
Less: Operating Expenses		1,14,48,965	1,33,26,544
Administrative & General Expenses	25	1,00,77,658	1,22,34,387
Selling & Distribution Expenses	26	8,91,883	10,09,273
Financial Expenses	27	4,79,424	82,884
Operating Profit		(4,98,555)	12,79,865
Add: Interest Received from STD Account		2,890	3,421
Net Profit before WPPF		(4,95,665)	12,83,286
Less: Workers Profit Participation Fund	19	-	64,164
Net Profit before Income Tax		(4,95,665)	12,19,121
Less: Income Tax expenses/ Income		82,058	1,02,900
Current Tax		6,60,413	7,76,271
Deferred Tax	15	(5,78,355)	(6,73,371)
Net Profit after Income Tax		(5,77,723)	11,16,221
Basic Earning per Share (EPS)	28.01	(0.11)	0.21

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, 2020

Particulars	Share Capital	Share Premium	Revenue Reserves	Revaluation Surplus	Retained Earnings	Total Taka
Balance as on 01.07.2020	5,34,71,250	10,67,00,000	2,38,71,918	19,34,80,907	(45,35,66,993)	(7,60,42,918)
Net Profit /(Loss) during the year	-	-			(5,77,723)	(5,77,723)
Adjustment of Revaluation reserve on depreciable Assets				(6,70,193)	7,88,462	1,18,269
Cash Dividend for the year 2019-2020				-	-	-
Balance as on 31.12.2020	5,34,71,250	10,67,00,000	2,38,71,918	19,28,10,714	(45,33,56,253)	(7,65,02,371)
Particulars	Share Capital	Share Premium	Revenue Reserves & Surplus	Revaluation Surplus	Retained Earnings	Total Taka
Balance as on 01.07.2019	5,34,71,250	10,67,00,000	2,38,71,918	19,43,70,605	(46,79,11,672)	(8,94,97,899)
Net Profit /(Loss) during the year	-	-			11,16,221	11,16,221
Adjustment of Revaluation reserve on depreciable Assets				(8,76,069)	8,76,069	-
Cash Dividend for the year 2018-2019					(37,42,988)	(37,42,988)
Balance as on 31.12.2019	5,34,71,250	10,67,00,000	2,38,71,918	19,34,94,536	(46,96,62,370)	(9,21,24,666)

Aziz Pipes Limited
Statement of Cash Flows
For the period ended 31st December, 2020

Particulars	Notes	Amount (In Taka)	
		2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Cash Flow from Operating Activities:			
Collection from Sales & Others		13,13,33,899	13,92,44,937
Payment to Suppliers & Expenses		(12,77,41,548)	(10,06,33,697)
Income Tax Paid / Adjustment during the year		(1,74,800)	-
Net Cash Generated from Operating Activities		34,17,551	3,86,11,240
Cash Flow from Investing activities:			
Acquisition of Fixed Assets		(45,568)	(12,678)
Net Cash used in Investing Activities		(45,568)	(12,678)
Cash Flow from Financing Activities:			
Payment of Dutch Bangla Bank Block Account		-	(1,83,00,000)
Payment of Uttara Bank Block Account		-	(1,47,00,000)
Dividend paid to ordinary shareholders		-	(33,03,050)
Payment of Lease Finance		(17,61,198)	(17,61,198)
Interest Received		2,890	3,421
Financial Expense(Bank charges)		(68,208)	(82,884)
Net Cash Generated from Financing Activities		(18,26,516)	(3,81,43,711)
Net Cash Inflow/(Outflow)		15,45,467	4,54,851
Opening Cash & Bank Balances		43,62,639	30,76,121
Closing Cash & Bank Balances		59,08,106	35,30,972
Net Operating Cash Flow per Share	28.02	0.64	7.22

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, 2020

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 December, 2020
- ii. Statement of Profit or Loss & Other Comprehensive Income for the year ended 31st December, 2020
- iii. Statement of Changes in Equity for the year ended 31st December, 2020
- iv. Statement of Cash Flows for the year ended 31st December, 2020 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 reliably, 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 2020 to 31st December, 2020.

1.11 Authorization of the financial statements for issue:

The financial statements were authorized by the Board of Directors on 27th January, 2021 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 & Cutleries	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
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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 2020 to 31st December, 2020.

Type of income	2020-2021	2019-2020
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.

Risk Exposure

2.13 Interest Rate Risk

Interest rate risk is the risk that company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demande for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The company maintains low debt / equity ratio; and accordingly, adverse, impact of interest rate fluctuation is insignificant

2.14 Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate increases against locale currency, opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate has negligible impact on profitability of the company.

2.15 Industry Risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

Management is optimistic about growth opportunity in infusion sector in Bangladesh. Furthermore there is untapped international market.

2.16 Market risks

Market risks refers to the risks of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception

Management is fully aware of the market risk and act accordingly. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

2.17 Operational Risks

Non-availabilities of materials/ equipments/ services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

2.18 Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle its obligations on time or reasonable price.

Management Perception

The company's approach to managing liquidity is to ensure, as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within due date.

2.19 The Companies complied, as per Para 12 of Securities & Exchange Rule 1987, with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements of the Company.

Aziz Pipes Ltd.

Computation of Accounting Based WDV of Fixed Assets

As on 31.12.2020

A. On Cost

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31-12-2020	Written down value as at 30-06-2020
	Opening balance as at 01.07.2020	Addition during the year	Adjustment during the year	Balance as at 31-12-2020		Opening balance as at 01.07.2020	Charged during the year	Adjustment during the year	Accumulated Dep. as at 31-12-2020		
Land & Land Development	36,03,990	-	-	36,03,990	-	-	-	-	-	36,03,990	36,03,990
Building & Other Construction	2,15,49,361	-	-	2,15,49,361	10%	1,91,81,345	1,18,401	-	1,92,99,746	22,49,615	23,68,016
Roads & Sewerage	6,04,229	-	-	6,04,229	10%	5,45,543	2,934	-	5,48,477	55,752	58,686
Electrical Installation	43,13,755	-	-	43,13,755	15%	41,24,489	14,195	-	41,38,684	1,75,071	1,89,266
Plant & Machineries	23,52,57,456	-	-	23,52,57,456	10%	18,94,58,483	22,89,949	-	19,17,48,432	4,35,09,024	4,57,98,973
Furniture & Fixtures	22,01,497	-	-	22,01,497	10%	17,70,211	21,564	-	17,91,775	4,09,722	4,31,286
Fittings	11,942	-	-	11,942	10%	10,961	49	-	11,010	932	981
Office Equipments	80,25,802	42,000	-	80,67,802	15%	73,99,654	50,111	-	74,49,765	6,18,037	6,26,148
Loose Tools	4,13,666	-	-	4,13,666	15%	3,99,449	1,066	-	4,00,515	13,151	14,217
Motor Vehicles	23,28,037	-	-	23,28,037	20%	23,04,076	2,396	-	23,06,472	21,565	23,961
Weight Bridge Equipments	1,29,558	-	-	1,29,558	15%	1,25,063	337	-	1,25,400	4,158	4,495
Factory Equipments	1,91,18,940	-	-	1,91,18,940	15%	1,54,52,619	2,74,974	-	1,57,27,593	33,91,347	36,66,321
Pump House	1,73,639	-	-	1,73,639	15%	1,67,756	441	-	1,68,197	5,442	5,883
Crockeries & Cutleries	4,24,032	3,568	-	4,27,600	20%	3,70,616	5,698	-	3,76,314	51,286	53,416
Gas Line Installation	3,02,398	-	-	3,02,398	10%	2,72,798	1,480	-	2,74,278	28,120	29,600
Sundry Assets	7,90,361	-	-	7,90,361	15%	7,32,922	4,308	-	7,37,230	53,131	57,439
Total	29,92,48,663	45,568	-	29,92,94,231		24,23,15,985	27,87,904	-	24,51,03,889	5,41,90,342	5,69,32,678

B. Revalued Assets:

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31-12-2020	Written down value as at 30-06-2020
	Opening balance as at 01.07.2020	Addition during the year	Adjustment during the year	Balance as at 31-12-2020		Opening balance as at 01.07.2020	Charged during the year	Adjustment during the year	Accumulated Dep. as at 31-12-2020		
Land & Land Development	18,18,96,010	-	-	18,18,96,010		-	-	-	-	18,18,96,010	18,18,96,010
Building & Other Construction	59,24,471	-	-	59,24,471	10%	16,05,529	2,15,947	-	18,21,476	41,02,995	43,18,942
Plant & Machineries	1,57,06,861	-	-	1,57,06,861	10%	42,56,558	5,72,515	-	48,29,073	1,08,77,788	1,14,50,303
Sub Total	20,35,27,342	-	-	20,35,27,342		58,62,087	7,88,462	-	66,50,549	19,68,76,793	19,76,65,255
Grand Total	50,27,76,005	45,568	-	50,28,21,573		24,81,78,072	35,76,367	-	25,17,54,439	25,10,67,134	25,45,97,933

Depreciation Charged

Amount

Factory Overhead

34,98,993

Admin. Overhead

77,374

Total

35,76,367

04.00 Inventories:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Raw Materials	2,73,65,349	4,10,32,407
Finished Goods	4,93,39,373	6,82,99,432
Work-in-Process	7,93,245	50,04,995
Total	7,74,97,966	11,43,36,835

5.00 Accounts Receivable- Trade:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Accounts Receivable-Trade	2,00,02,837	4,12,70,839
Total	2,00,02,837	4,12,70,839

06.00 Advances, Deposits & Prepayments:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Advances:		
General Advance	27,21,287	19,95,865
Staff Advance	15,37,882	20,06,487
Advance Income Tax	1,15,50,457	1,15,50,457
Sub-Total	1,58,09,626	1,55,52,809
Deposits:		
Security Deposits	4,52,070	4,52,070
Advance VAT Charges	18,70,653	62,89,843
Sub-Total	23,22,723	67,41,913
Total	1,81,32,349	2,22,94,722

07.00 Cash & Cash Equivalent:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Cash in Hand	19,49,120	12,89,930
Cash in Bank	39,58,985	30,72,709
Total	59,08,105	43,62,639

07.01 Cash in Hand:

Head Office	4,60,840	4,97,468
Factory	14,88,280	7,92,462
Total	19,49,120	12,89,930

07.02 Cash in Bank:

Agrani Bank Ltd	44,307	17,256
Southeast Bank Ltd.	2,35,927	1,26,658
National Bank Ltd.	3,61,972	9,28,805
Islami Bank Bangladesh Ltd.	9,83,229	1,58,906
Exim Bank Ltd.	1,34,772	65,184
Janata Bank	864	864
Mutual Trust Bank Ltd.	6,18,503	5,46,978
Marcantile Bank Ltd	2,09,638	3,938
Dutch Bangla Bank Ltd	5,01,320	87,685
Al-Arafah Islami Bank Ltd	1,18,700	3,64,878
Jamuna Bank Ltd.	90,166	3,00,272
National Bank Ltd.(Factory)	6,59,587	4,71,285
Total	39,58,985	30,72,709

08.00 Share Capital:

	Amount (In Taka)	
	2020-21	2019-20
Authorized Capital		
50,000,000 Ordinary Shares of Tk. 10/- each	50,00,00,000	50,00,00,000
Issued, Subscribed & Paid-up Capital		
53,47,125 Ordinary Shares of Tk. 10/- each paid-up in full	5,34,71,250	5,34,71,250

(a) Composition of Shareholding:

	31st December-2020		30th June-2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Directors/Sponsors	18,09,196	33.83	18,09,196	33.83
General Public	32,67,500	61.11	33,26,941	62.22
Financial Institutions	1,49,266	2.79	86,193	1.61
ICB & Other Investors	1,21,163	2.27	1,24,795	2.34
Total	53,47,125	100.00	53,47,125	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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Less than 500	3,296	3,618	4,52,522	5,03,066	8.46	9.41
500 to 5,000	1,110	1,050	16,14,257	15,37,216	30.19	28.75
5,001 to 10,000	64	57	4,42,825	4,06,644	8.28	7.60
10,001 to 20,000	36	30	4,83,059	4,13,689	9.03	7.74
20,001 to 30,000	4	6	98,186	1,49,657	1.84	2.80
30,001 to 40,000	3	4	1,04,980	1,35,088	1.96	2.53
40,001 to 50,000	1	-	45,993	-	0.86	-
50,001 to 100,000	3	5	2,50,906	3,47,368	4.69	6.50
Over 100,000	5	5	18,54,397	18,54,397	34.68	34.68
Total	4,522	4,775	53,47,125	53,47,125	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. 99.50 per share and Tk. 98.90 per share in the Dhaka and Chittagong Stock Exchange Limited respectively on 31st December, 2020.

09.00 Share Premium:

Share Premium	10,67,00,000	10,67,00,000
	<u>10,67,00,000</u>	<u>10,67,00,000</u>

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:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Tax Holiday Reserve	10.01	2,30,16,918
General Reserve		2,30,16,918
Dividend Equalization Fund		2,80,000
Total	2,38,71,918	2,38,71,918

10.01 Tax Holiday Reserve:

	<u>2,30,16,918</u>	<u>2,30,16,918</u>
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11.00 Revaluation Reserve:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Revaluation Reserve	19,34,80,907	19,49,70,225
Add: Addition of Revaluation of Land	-	-
Less: Adjustment during the year		
On depreciable Assets	6,70,193	14,89,318
On non depreciable Assets		
Total	19,28,10,714	19,34,80,907

First revaluation of the 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	1,72,73,661	18,55,00,000	16,82,26,339

12.00 Retained Earnings:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Opening balance	(45,35,66,993)	(45,29,67,460)
Add: Profit during the year	(5,77,723)	13,91,318
Add: Adjustment of Re-valuation	7,88,462	17,52,138
Less: Cash Dividend for the year 2018-2019	-	(37,42,988)
Total	(45,33,56,253)	(45,35,66,993)

13.00 Term Loan:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Long Term Loan	5,72,00,000	5,72,00,000
Total	5,72,00,000	5,72,00,000

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:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Uttara Bank Ltd.	15,99,64,454	15,99,64,454
Dutch Bangla Bank Ltd	10,86,50,768	10,86,50,768
Total	26,86,15,222	26,86,15,222
Less: Balance Transferred to Loan suspenses Account	26,75,95,380	26,75,95,380
Loan Suspense Account	10,19,842	10,19,842

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 companies 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 companys 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 verdict 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:

This amount comprises as follows:

	As on 31st December 2020	As on 30th June 2020
Opening balance	1,32,82,609	1,41,80,326
Less: Adjustment during the year on depreciable Assets	5,78,355	6,34,896
Less: Adjustment for deferred tax on depreciation of revalued assets	1,18,269	2,62,821
Closing balance	1,25,85,985	1,32,82,609

A. Property, plant and equipment (PPE)

WDV of Accounting Base	5,05,86,352	5,69,32,678
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WDV of Tax Base	1,54,28,287	1,94,61,195
Taxable temporary difference	3,51,58,065	3,74,71,483
Tax rate	25%	25%
Deferred tax liability on PPE	87,89,516	93,67,871

B. Deferred Tax on Gratuity Provision

Opening balance of deferred tax liability for gratuity provision	(2,69,609)	(2,69,609)
Addition during the year	-	-
Deferred tax liability/(asset)	(2,69,609)	(2,69,609)

C. Calculation of deferred tax on revaluation of property, plant and equipment:

Revalued value of land	18,18,96,010	18,18,96,010
Revalued value of other than land	1,49,80,783	1,57,69,245

Tax Rate

On land	1%	1%
On other than land	15%	15%

Deferred tax liabilities

For land	18,18,960	18,18,960
For other than land	22,47,117	23,65,387
	40,66,078	41,84,347

Total (A+B+C)

	1,25,85,985	1,32,82,609
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Calculation of deferred tax charged on Profit or Loss Account:

Deferred tax liability other than revalued asset as on June 30, 2020	90,98,262	97,33,158
Deferred tax liability other than revalued asset as on Decem. 31, 2020	85,19,907	90,98,262
Deferred tax expense/(income) during the year	(5,78,355)	(6,34,896)

16.00 Suspense Account:

This amount comprises as follows:

As on 31st December 2020	As on 30th June 2020
--------------------------------	----------------------------

Suspense Account 16.01	23,45,95,380	23,45,95,380
Interest Suspense Account 16.02	3,63,93,042	3,63,93,042
	27,09,88,422	27,09,88,422

16.01 Loan Suspense Account:

This amount comprises as follows:

Utara Bank

As on 31st December 2020	As on 30th June 2020
--------------------------------	----------------------------

a) Amount as per Company's Accounts	15,95,64,454	15,95,64,454
b) Amount as Per Bank Statement	66,88,500	66,88,500
Suspense Account (a-b)	15,28,75,954	15,28,75,954

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

Dutch Bangla Bank

As on 31st December 2020	As on 30th June 2020
--------------------------------	----------------------------

a) Amount as per Company's Accounts	9,71,50,768	9,71,50,768
b) Amount as Per Bank Statement	1,54,31,342	1,54,31,342
Loan Suspense Account (a-b)	8,17,19,426	8,17,19,426

Total

23,45,95,380	23,45,95,380
---------------------	---------------------

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

16.02 Interest Suspense Account:

This amount comprises as follows:

As on 31st December 2020	As on 30th June 2020
--------------------------------	----------------------------

Interest Suspense Account	3,63,93,042	3,63,93,042
Total	3,63,93,042	3,63,93,042

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:

This amount comprises as follows:

As on 31st December 2020	As on 30th June 2020
--------------------------------	----------------------------

Accounts Payable	9,03,11,564	15,14,20,381
Total	9,03,11,564	15,14,20,381

The balance represents against the parties for goods supplies of the Company.

18.00 Creditors & Accruals:

This amount comprises as follows:

As on 31st December 2020	As on 30th June 2020
--------------------------------	----------------------------

Salary & Allowances	4,70,000	5,40,500
Electricity Charges (Head Office)	22,500	34,250
Electricity Charges (Factory)	9,45,000	12,40,000
Telephone Charges	22,600	24,500
Water Supply & Sewerage	9,620	8,600
Canteen Charges	85,500	96,250
Audit Fees	87,500	1,43,000
Provident Fund	3,32,565	3,32,565
Wages & Allowances	12,60,000	14,50,000
Total	32,35,285	38,69,665

19.00 Workers profit Participation Fund:

This amount comprises as follows:

As on 31st December 2020	As on 30th June 2020
--------------------------------	----------------------------

Opening balance	7,18,824	6,12,878
Add: Addition during the period	-	1,05,946
Less: Adjustment during the period	-	-
Closing balance	7,18,824	7,18,824

20.00 Staff Gratuity:

This amount comprises as follows:

As on 31st December 2020	As on 30th June 2020
--------------------------------	----------------------------

Opening balance	10,78,435	10,78,435
Add: Addition during the year	-	-
Less: Paid during the year	79,716	-
Closing balance	9,98,719	10,78,435

21.00 Provision for Income Tax:

This amount comprises as follows:

As on 31st December 2020	As on 30th June 2020
48,02,126	68,27,785
6,60,413	13,62,493
1,74,800	33,88,152
52,87,738	48,02,126

Opening balance
Add: Addition during the year
Less: Tax Paid / Adjustment during the year
Closing balance

22.00 Unclaimed Dividend :

This amount comprises as follows:

As on 31st December 2020	As on 30th June 2020
6,50,581	6,50,581
6,50,581	6,50,581

Previous Year Outstanding Final Cash Dividend

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

23.00 Turnover: Tk.

This amount comprises as follows:

Quantity M.Ton	Amount	
	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
942	11,00,65,897	12,93,78,489
942	11,00,65,897	12,93,78,489

24.00 Cost of Goods Sold:

This amount comprises as follows:

	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Opening Stock of Finished Goods	6,82,99,432	6,70,64,394
Cost of Goods Manufactured 23.01	8,01,55,427	10,64,87,147
Cost of Goods available for Sales	14,84,54,859	17,35,51,541
Add: Lease Rental Charges	-	17,61,198
	14,84,54,859	17,53,12,739
Less: Closing Stock of Finished Goods	4,93,39,373	6,05,40,659
Cost of Goods Sold	9,91,15,487	11,47,72,080

24.01 Cost of Goods Manufactured:

This amount comprises as follows:

	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Cost of Materials Consumed 24.02	5,64,84,817	8,75,52,808
Add: Electricity & Power	57,12,578	52,05,349
	6,21,97,395	9,27,58,157
Add: Opening Work-In-Process	50,04,995	50,73,307
	6,72,02,390	9,78,31,464
Less: Closing Work-In-Process	7,93,245	65,25,764
	6,64,09,145	9,13,05,700
Add: Factory Overhead 24.03	1,37,46,282	1,51,81,447
Cost of Goods Manufactured	8,01,55,427	10,64,87,147

24.02 Cost of materials Consumed:

This amount comprises as follows:

	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Opening Stock of Raw Materials	4,10,32,407	5,84,47,892
Add: Materials Purchase	4,28,17,759	9,28,17,313
Materials Available for Consumption	8,38,50,166	15,12,65,205
Less: Closing Stock of Raw Materials	2,73,65,349	6,37,12,397
Cost of Materials Consumed	5,64,84,817	8,75,52,808

24.03 Factory Overhead:

This amount comprises as follows:

	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Wages & Salaries	90,98,258	1,03,13,418
Repairs & Maintenance	8,45,462	10,41,413
Factory Maintenance	3,03,569	6,23,071
Depreciation	34,98,993	32,03,545
Total	1,37,46,282	1,51,81,447

25.00 Administrative & General Expenses:

This amount comprises as follows:

	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Salary & Allowances	48,21,403	54,13,019
Board Meeting Fees	95,000	1,80,000
Stationery Expenses	1,96,141	2,58,729
Telephone Charges	1,57,208	1,37,254
Travelling & Conveyance	2,48,179	6,96,318
Entertainment Expenses	1,24,234	1,34,572
Canteen Charges	6,93,439	6,87,654
Rent & Rates	6,03,000	10,98,000
Legal, Renewal, Listing & Other Expenses	5,34,866	4,85,935
Electricity Charges	1,22,507	1,40,742
Fuel & Lubricants	4,99,748	5,01,212
Water Supply & Sewerage	48,691	44,905
Donation (Mosque Maintenances)	46,000	64,400
Postage & Telegram	23,936	26,830
Gardening Expenses	740	276
CSR (Plantation)	-	98,621
Medical Expenses	86,557	14,941
Office Maintenances	1,50,965	1,86,537
Pipes Testing Fees	48,356	-
Uniform Expenses	13,612	-
Transport Maintenances	3,44,899	5,62,475
Guest House Expenses	36,864	10,188
Advertisement & Publicity	1,40,220	5,16,152
A.G.M. Expenses	1,82,899	2,44,078
Audit Fees	87,500	68,500
Miscellaneous	54,383	30,227
Carrying Charges	52,152	1,73,224
Newspaper & Periodicals	15,712	19,721
Insurance Premium	38,273	9,869
Internet Bill Expenses	2,20,800	1,89,400
CDBL Expenses	80,000	24,000
Vat/Tax deduction at Source	2,32,000	1,32,743
Depreciation	77,374	83,865
Total	1,00,77,658	1,22,34,387

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	2,12,400
House Rent	1,48,680
Others	54,000

Bonus	35,400
	<u>4,50,480</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.

26.00 Selling & Distribution Expenses:

This amount comprises as follows:

	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Selling & Distribution Expenses	8,91,883	10,09,273
Total	8,91,883	10,09,273

27.00 Financial Expenses :

This amount comprises as follows:

	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Bank Charges	68,208	82,884
On Leases	4,11,216	-
Total	4,79,424	82,884

28.00 Net Asset Value (NAV) per Share :

This ratio comprises as follows:

	Amount (in Taka)	
	2020-2021 (July to Dec.)	2019-2020 (July to June)
Shareholders' Equity	(7,65,02,371)	(7,60,42,918)
Weighted average number of ordinary shares in issue	53,47,125	53,47,125
Net Asset Value (NAV) per Share	(14.31)	(14.22)

28.01 Basic Earning Per Share (EPS):

This ratio comprises as follows:

	Amount (in Taka)	
	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Net Profit	(5,77,723)	11,78,073
Weighted average number of ordinary shares in issue	53,47,125	53,47,125
Basic Earning Per Share	(0.11)	0.22

28.02 Net Operating Cash Flow Per Share:

This ratio comprises as follows:

	Amount (in Taka)	
	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Net Cash Inflows from Operating Activities	34,17,551	2,83,49,623
Weighted average number of ordinary shares in issue	53,47,125	53,47,125
Net Operating Cash Flow per Share	0.64	5.30

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

	2020-2021 (July to Dec.)	2019-2020 (July to Dec.)
Net Profit After Tax (after considering prior period adjustment)	(5,77,723)	11,16,221
Adjustment for:		
Depreciation on Property,Plant & Equipment	35,76,367	32,87,409
Payment of Lease Rental (Separate consideration in financing activities)	-	17,61,198
Financial Expenses (Separate consideration in financing activities)	68,208	82,884
Interest Received (Separate consideration in financing activities)	(2,890)	(3,421)
Increase/ Decrease in Inventory	3,68,38,868	(1,93,226)
Increase/ Decrease in Accounts Receivable	2,12,68,002	98,66,448
Increase/ Decrease in Advance, Deposit & Prepayments	41,82,374	(21,33,779)
Increase/ Decrease in Accounts Payable	(6,11,08,816)	2,46,77,449
Increase/ Decrease in Creditors & Accruals	(6,34,380)	(17,030)
Increase/ Decrease in Staff Gratuity	(79,716)	-
Increase/ Decrease in Provisions For Current Tax	4,85,613	7,76,291
Increase/ Decrease in Deferred Tax Liability	(5,78,355)	(6,73,369)
Increase/ Decrease in Workers profit participation fund	-	64,164
	39,95,273	3,74,95,019
Cash Flows from Operating activities	34,17,551	3,86,11,240

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 01.07.2020	Addition during the 2nd Quarter 31st December 2020	Adjustment during the 2nd Quarter 31st December 2020	Closing Balance as on 31.12.2020
-	-	-	-	-	-	-
-	-	-	-	-	-	-
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	2,12,400
House Rent	1,48,680
Others	54,000
Bonus	35,400
Total	4,50,480

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 2020.

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Head Office	Factory		
Below Tk. 3,000	-	-	-	-
Above Tk. 3,000	28	25	88	141
Total	28	25	88	141

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

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

Period of payment to Directors is from 01 July 2020 to 31st December 2020.

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 Provident 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)	Actual Production (In MT)	Capacity Utilization
Annual Production capacity in MT	12,750	3,000	834	27.80%

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		4,28,17,759	4,28,17,759	5,64,84,817	131.92%
Spare parts	-	8,45,462	8,45,462	8,03,189	95.00%
Packing materials	-	-	-	-	-
Total	-	4,36,63,221	4,36,63,221	5,72,88,006	

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 2020 to 31st December 2020 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 2020 to 31st December, 2020.

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
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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)	
	31.12.2020	30.06.2020
Advances, Deposits and Pre-payments exceeding 6 months	1,20,02,527	1,20,02,527
Advances, Deposits and Pre-payments not exceeding 6 months	45,91,940	82,85,708
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)	15,37,882	20,06,487
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 31.12.2020.
- 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 year ended on 31st December, 2020.
- There was no contingent liabilities as on close of the business as on 30.09.2020 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 2020.
- No expenses including Royalty, Technical Experts & Professional Advisory Fees and Interest etc. were incurred or paid in foreign currencies during the year ended on 31st December 2020.
- 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.