

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Aziz Pipes Limited (the company) which comprise of the Statement of Financial Position as at 30 June 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other relevant explanatory information thereon.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), and the Companies Act 1994, the Securities & Exchange Rules 1987 and the other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Other Matter: Opinion regarding revaluation of land & land development

In accordance with clause # 6 of Notification of BSEC dated August 18, 2013, revaluation report, as is disclosed in note # 10.01 has been prepared and treated as per International Accounting Standard (IAS) and International Financial Reporting Standard (IFRS) and other applicable laws, rules, regulations & guideline and related accounting treatments have been properly made in the financial statements based on the report.

Opinion

In our opinion, the financial position of Aziz Pipes Limited as at 30 June 2018 and its financial statement and its cash flows for the year then ended in accordance with International Accounting Standards (IAS's) and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

We also report that

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the statement of financial position and comprehensive income along with the annexed notes 01 to 29 dealt with by this report are in agreement with the books of account;
- d) The expenditure incurred and payments made were for the purposes of the company's business.

**Date: Dhaka
28 October 2018**

**Khan Wahab Shafique Rahman & Co.
Chartered Accountants**

Aziz Pipes Limited
Statement of Financial Position
As at 30 June 2018

Particulars	Notes	Amount (In Taka)	
		30.06.2018	30.06.2017
Property & Assets			
Non-Current Assets		256,125,848	85,612,179
Fixed Assets	3	249,062,768	84,033,092
Machinery In Transit		7,063,080	1,579,087
Current Assets		211,202,929	234,715,108
Inventories	4	121,243,867	135,486,583
Accounts Receivable-Trade	5	62,675,964	63,909,241
Advances, Deposits & Prepayments	6	24,510,258	26,544,953
Cash & Cash Equivalent	7	2,772,840	8,774,331
Total Property & Assets		467,328,777	320,327,287
Shareholders' Equity & Liabilities			
Shareholders' Equity		(93,748,865)	(260,473,347)
Share Capital	8	50,925,000	48,500,000
Share Premium	9	106,700,000	106,700,000
Reserves & Surplus	10	220,189,339	59,172,921
Retained Earnings	11	(471,563,204)	(474,846,268)
Loan Fund		79,319,842	110,057,040
Term Loan	12	57,200,000	87,937,198
Short Term Loan	13	22,119,842	22,119,842
Deferred Tax	14	29,645,221	25,904,423
Suspense Account	15	303,988,422	303,988,422
Current Liabilities		148,124,157	140,850,749
Long Term Loan Current Portion	16	30,749,377	33,990,636
Accounts Payable	17	106,532,270	98,783,674
Creditors & Accruals	18	2,356,217	1,303,217
Workers Profit Participation Fund (WPPF)	19	350,758	153,157
Staff Gratuity		1,078,435	1,078,435
Provision for Income Tax	20	6,406,519	4,891,049
Unclaimed Dividend		650,581	650,581
Total Shareholders' Equity & Liabilities		467,328,777	320,327,287
Net Asset Value (NAV) per Share		(18.41)	(53.71)

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

Chairman
Md. Kamal Hossain Gazi

Director
Md. Abdul Halim

CFO & Managing Director (C.C)
Md. Nurul Absar

Assistant Company Secretary
A. H. M Zakaria

Subject to our separate report of even date.

Date: Dhaka
28 October 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants.

Aziz Pipes Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2018

Particulars	Notes	Amount (In Taka)	
		2017-2018	2016-2017
Sales and Turnover	21	252,473,856	233,466,248
Less: Cost of Goods Sold	22	221,932,357	207,262,916
Gross Profit/ (Loss)		30,541,499	26,203,332
Less: Operating Expenses		26,693,917	23,226,557
Administrative & General Expenses	23	24,334,058	21,448,320
Selling & Distribution Expenses	24	2,256,323	1,639,800
Financial Expenses	25	103,536	138,437
Operating Profit/ (Loss)		3,847,582	2,976,775
Add: Interest Received from STD Account		104,430	87,074
Net Operating Profit/ (Loss)		3,952,012	3,063,849
Net Profit/ (Loss) before WPPF		3,952,012	3,063,849
Less: Workers Profit Participation Fund (WPPF)	19	197,601	153,157
Net Profit/ (Loss) before Income Tax		3,754,411	2,910,692
Less: Income Tax expenses		209,478	151,983
Current Tax	20	1,515,470	1,400,797
Deferred Tax	14	(1,305,992)	(1,248,814)
Net Profit/ (Loss) after Income Tax		3,544,933	2,758,709
Add: Other Comprehensive Income			
Revaluation surplus on Land & Land Development		168,226,339	-
Less: Deferred Tax Income/ (Expense) on revaluation surplus on Land & Land Development		(5,046,790)	-
Total Comprehensive Income		163,179,549	-
Basic Earning per Share (EPS)	26	0.70	0.57

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

Chairman	Director	CFO & Managing Director (C.C)	Assistant Company Secretary
Md. Kamal Hossain Gazi	Md. Abdul Halim	Md. Nurul Absar	A. H. M Zakaria

Subject to our separate report of even date.

Date: Dhaka
28 October 2018

Khan Wahab Shafique Rahman & Co
Chartered Accountants

Aziz Pipes Limited
Statement of Changes in Equity
For the year ended 30 June 2018

Particulars	Share Capital	Share Premium	Revenue Reserve	Retained Earnings	Total Taka
Balance as on 01.07.2016	48,500,000	106,700,000	61,576,420	(480,008,476)	(263,232,056)
Net Profit/(Loss) during the year	-	-	-	2,758,709	2,758,709
Revaluation reserve transferred to retained earning	-	-	(2,403,499)	2,403,499	-
Balance as on 30.06.2017	48,500,000	106,700,000	59,172,921	(474,846,268)	(260,473,347)

Particulars	Share Capital	Share Premium	Revenue Reserve	Retained Earnings	Total Taka
Balance as on 01.07.2017	48,500,000	106,700,000	59,172,921	(474,846,268)	(260,473,347)
Net Profit /(Loss) during the year	-	-	-	3,544,933	3,544,933
Addition of Revaluation Reserve	-	-	168,226,339	-	168,226,339
Adjustment of Revaluation reserve on depreciable assets.	-	-	(2,163,133)	2,163,133	-
Adjustment of Revaluation reserve on non-depreciable assets.	-	-	(5,046,790)	-	(5,046,790)
Adjustment of Stock Dividend	2,425,000	-	-	(2,425,000)	-
Balance as on 30.06.2018	50,925,000	106,700,000	220,189,337	(471,563,204)	(93,748,865)

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

Chairman
Md. Kamal Hossain Gazi

Director
Md. Abdul Halim

CFO & Managing Director (C.C)
Md. Nurul Absar

Assistant Company Secretary
A. H. M Zakaria

Subject to our separate report of even date.

Date: Dhaka
28 October 2018

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Chartered Accountants

Aziz Pipes Limited
Statement of Cash Flows
For the year ended 30 June 2018

Particulars	Notes	Amount (In Taka)	
		2017-18	2016-17
Cash Flow from Operating Activities:			
Collection from Sales & Others		253,707,133	235,456,740
Payment to Suppliers & Expenses		(214,986,146)	(187,681,438)
Income Tax Expenses		-	(1,997,188)
Net Cash Generated from Operating Activities		38,720,987	45,778,114
Cash Flow from Investing activities:			
Acquisition of Fixed Assets		(23,153,178)	(3,172,962)
Net Cash used in Investing Activities		(23,153,178)	(3,172,962)
Cash Flow from Financing Activities:			
Payment of SEBL Block Account		(13,440,000)	(13,440,000)
Payment of NBL Block Account		(20,550,636)	(28,850,636)
Gratuity Paid		-	(13,434)
Lease Loan from Hajj Finance		13,500,000	-
Interest Received		104,430	87,074
Financial Expense (Bank Charge)		(103,536)	(138,437)
Lease Rental Charges		(1,079,558)	-
Net Cash Generated from Financing Activities		(21,569,300)	(42,355,433)
Net Cash Inflow/(Outflow)		(6,001,491)	249,719
Opening Cash & Bank Balances		8,774,331	8,524,612
Closing Cash & Bank Balances		2,772,840	8,774,331
Net Operating Cash Flow per Share	27	7.60	9.44

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

Chairman	Director	CFO & Managing Director (C.C)	Assistant Company Secretary
Md. Kamal Hossain Gazi	Md. Abdul Halim	Md. Nurul Absar	A. H. M Zakaria

Aziz Pipes Limited
Unit Wise Statement of Financial Position
As at 30 June 2018

Particulars	Notes	Unit-1 Amount	Unit-2 Amount	Unit-3 Amount	Unit-4 Amount	Unit-5 Amount	Unit-6 Amount	30.06.18 Consolidated	30.06.17 Consolidated
Property & Assets									
Non-Current Assets									
Fixed Assets	3	75,351,396	1,685,738	6,481,751	118,758,172	41,225,075	5,560,634	249,062,768	84,033,092
Machinery In Transit		-	-	-	7,063,080	-	-	7,063,080	1,579,087
		110,346,172	36,063,755	50,099,904	376,868,616	200,101,154	17,213,692	790,693,293	477,411,756
Inventories	4	-	22,236,030	32,184,446	46,683,950	12,061,796	8,077,645	121,243,867	135,486,583
Inter-Unit Current Account		110,346,172	-	-	290,257,274	178,886,918	-	579,490,364	242,696,648
Accounts Receivable-Trade	5	-	9,812,350	12,725,360	29,102,302	4,523,602	6,512,350	62,675,964	63,909,241
Advances, Deposits & Prepayments	6	-	3,779,598	4,181,345	9,506,781	4,628,838	2,413,696	24,510,258	26,544,953
Cash & Bank Balances	7	-	235,777	1,008,753	1,318,309	-	210,001	2,772,840	8,774,331
Total Property & Assets		185,697,568	37,749,493	56,581,655	502,689,868	241,326,229	22,774,326	1,046,819,141	563,023,935
Shareholders' Equity & Liabilities									
Shareholders' Equity									
Share Capital	8	37,931,250	7,743,750	5,250,000	-	-	-	50,925,000	48,500,000
Share Premium	9	79,475,000	16,225,000	11,000,000	-	-	-	106,700,000	106,700,000
Reserve & Surplus	10	70,138,738	4,782,586	12,953,551	104,925,778	26,759,621	629,064	220,189,339	59,172,921
Retained Earnings	11	(370,837)	(64,544,508)	(67,564,647)	(90,408,251)	(155,665,751)	(93,009,210)	(471,563,204)	(474,846,268)
Loan Fund		-	-	-	63,888,500	15,431,342	-	79,319,842	110,057,040
Term Loan	12	-	-	-	57,200,000	-	-	57,200,000	87,937,198
Short Term Loan	13	-	-	-	6,688,500	15,431,342	-	22,119,842	22,119,842
Deferred Tax	14	(812,243)	4,595,250	3,909,707	8,215,700	8,742,082	4,994,726	29,645,221	25,904,423
Suspense Account	15	-	7,024,125	-	177,757,029	119,207,268	-	303,988,422	303,988,422
Current Liabilities		(664,340)	61,923,291	91,033,044	238,311,113	226,851,667	110,159,746	727,614,521	383,547,397
Inter-Unit Current Account		-	45,410,395	51,194,502	160,888,198	227,091,396	94,905,873	579,490,364	242,696,648
Long Term Loan Current Portion	16	-	-	20,550,636	-	-	10,198,741	30,749,377	33,990,636
Accounts Payable (Goods Supply)	17	-	12,536,240	17,201,350	72,013,500	-	4,781,180	106,532,270	98,783,674
Creditors & Accruals	18	-	437,854	491,707	1,237,402	-	189,254	2,356,217	1,303,217
Staff Gratuity		-	295,813	330,246	219,309	150,426	82,641	1,078,435	1,078,435
Workers Profit Participation Fund (WPPF)	19	(150,375)	167,959	182,416	261,872	(119,585)	8,471	350,758	153,157
Provision for Income Tax	20	(513,965)	2,741,080	805,681	3,650,707	(270,570)	(6,414)	6,406,519	4,891,049
Unclaimed Dividend		-	333,950	276,506	40,125	-	-	650,581	650,581
Total Shareholders' Equity & Liabilities		185,697,568	37,749,494	56,581,655	502,689,869	241,326,229	22,774,326	1,046,819,141	563,023,935

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

Chairman
Md. Kamal Hossain Gazi

Director
Md. Abdul Halim

CFO & Managing Director (C.C)
Md. Nurul Absar

Assistant Company Secretary
A. H. M Zakaria

Subject to our separate report of even date.

Date: Dhaka
28 October 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Aziz Pipes Limited
Unit Wise Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2018

Particulars	Notes	Unit-1 Amount	Unit-2 Amount	Unit-3 Amount	Unit-4 Amount	Unit-5 Amount	Unit-6 Amount	2017-2018 Consolidated	2016-2017 Consolidated
Sales and Turnover	21	-	53,241,996	73,700,830	118,867,975	-	6,663,055	252,473,856	233,466,248
Less: Cost of Goods Sold	22	1,354,746	46,704,439	65,148,407	103,321,359	-	5,403,406	221,932,357	(207,262,916)
Gross Profit/ (Loss)		(1,354,746)	6,537,557	8,552,423	15,546,616	-	1,259,649	30,541,499	26,203,332
Less: Operating Expenses		67,603	4,840,639	7,024,663	13,408,859	50,684	1,301,469	26,693,917	23,226,557
Administrative & General Expenses	23	67,603	4,500,259	6,539,053	11,930,114	50,684	1,246,345	24,334,058	21,448,320
Selling & Distribution Expenses	24	-	325,140	460,250	1,425,120	-	45,813	2,256,323	1,639,800
Financial Expenses	25	-	15,240	25,360	53,625	-	9,311	103,536	138,437
Operating Profit/ (Loss)		(1,422,349)	1,696,918	1,527,760	2,137,757	(50,684)	(41,820)	3,847,582	2,976,775
Interest received from STD A/C		-	-	-	-	-	104,430	104,430	87,074
Net Profit/ Loss before WPPF		(1,422,349)	1,696,918	1,527,760	2,137,757	(50,684)	62,610	3,952,012	3,063,849
Less: Workers Profit Participation Fund (WPPF)	19	(71,117)	84,846	76,388	106,888	(2,534)	3,130	197,601	153,157
Net Profit/ (Loss) before Income Tax		(1,351,232)	1,612,072	1,451,372	2,030,869	(48,150)	59,480	3,754,411	2,910,692
Less: Income Tax Expenses		(347,604)	267,827	265,995	373,986	(311,862)	(38,864)	209,478	151,983
Current Tax	20	-	313,452	442,206	713,207	-	46,605	1,515,470	1,400,797
Deferred Tax	14	347,604	45,625	176,211	339,221	311,862	85,469	1,305,992	1,248,814
Net Profit/ (Loss) after Income Tax		(1,003,628)	1,344,245	1,185,377	1,656,883	263,712	98,344	3,544,933	2,758,709
Net Profit/ (Loss)		(1,003,628)	1,344,245	1,185,377	1,656,883	263,712	98,344	3,544,933	2,758,709
Add: Other Comprehensive Income									
Revaluation surplus on Land & Land Development		56,308,190	-	-	89,045,061	22,224,568	648,520	168,226,339	-
Less: Deferred Tax Income/ (Expense) on revaluation surplus on Land & Land Development		1,689,246	-	-	2,671,352	666,737	19,456	5,046,790	-
Total Comprehensive Income		54,618,944	-	-	86,373,709	21,557,831	629,064	163,179,549	-
Basic Earning per Share (EPS)	26							0.70	0.57

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

Chairman
Md. Kamal Hossain Gazi

Director
Md. Abdul Halim

CFO & Managing Director (C.C)
Md. Nurul Absar

Assistant Company Secretary
A. H. M Zakaria

Subject to our separate report of even date.

Date: Dhaka
28 October 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Aziz Pipes Limited
Notes to the financial statements and other explanatory information
For the year and then ended 30 June 2018

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 temporally 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 30 June 2018
- ii. Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2018
- iii. Statement of Changes in Equity for the year ended 30 June 2018
- iv. Statement of Cash Flows for the year ended 30 June 2018 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 2017 to 30 June 2018.

1.11 Authorization of the financial statements for issue:

The financial statements were authorized by the Board of Directors on 28 October 2018 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.

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%
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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 2017 to 30 June 2018.

Type of income	2017-18	2016-17
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.

The Board of Directors proposed dividend @ 5% stock for the year ended 30 June 2018.

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 Compliance with Financial Reporting Standards as applicable in Bangladesh

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.	BAS 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	18	Revenue	Complied
10	19	Employee Benefits	Complied
11	23	Borrowing Costs	Complied
12	24	Related Party Disclosures	Complied
13	33	Earnings per Share	Complied
14	36	Impairment of Assets	Complied
15	37	Provisions, Contingent Liabilities and Contingent Assets	Complied

3.00 Fixed Assets:

This amount comprises as follows:

Particulars	Cost				Rate of Dep.	Depreciation				Revaluation Reserve	Dep. On Revaluation Assets	Written down value as at 30.06.2018
	Opening balance as at 01.07.2017	Addition during the year	Adjustment during the year	Balance as at 30.06.2018		Opening balance as at 01.07.2017	Charged during the year	Adjustment during the year	Accumulated Dep. as at 30.06.2018			
Unit-1	41,495,559	-	-	41,495,559		35,387,195	514,478	-	35,901,673	70,665,381	907,872	75,351,396
Land & Land Development	1,202,969	-	-	1,202,969	-	-	-	-	-	61,586,666	-	62,789,635
Building & Other Construction	8,350,250	-	-	8,350,250	10%	7,325,913	102,434	-	7,428,347	4,637,687	463,769	5,095,822
Roads & Sewerage	107,603	-	-	107,603	10%	94,555	1,305	-	95,860	-	-	11,743
Electrical Installation	514,668	-	-	514,668	15%	489,297	3,806	-	493,103	-	-	21,565
Plant & Machineries	25,760,959	-	-	25,760,959	10%	22,592,839	316,812	-	22,909,651	4,441,028	444,103	6,848,233
Furniture & Fixtures	1,013,373	-	-	1,013,373	10%	784,618	22,876	-	807,493	-	-	205,880
Fittings	6,584	-	-	6,584	10%	5,796	79	-	5,875	-	-	709
Office Equipments	2,590,837	-	-	2,590,837	15%	2,296,788	44,107	-	2,340,895	-	-	249,942
Loose Tools	121,958	-	-	121,958	15%	113,205	1,313	-	114,518	-	-	7,440
Motor Vehicles	465,000	-	-	465,000	20%	459,672	1,066	-	460,738	-	-	4,262
Weight Bridge Equipments	20,293	-	-	20,293	15%	18,821	221	-	19,041	-	-	1,252
Factory Equipments	308,066	-	-	308,066	15%	278,903	4,374	-	283,277	-	-	24,789
Pump House	173,639	-	-	173,639	15%	164,060	1,437	-	165,497	-	-	8,142
Crockeries & Cutleries	68,999	-	-	68,999	20%	65,897	620	-	66,517	-	-	2,482
Sundry Assets	790,361	-	-	790,361	15%	696,832	14,029	-	710,861	-	-	79,500
Unit-2	4,469,882	-	-	4,469,882		4,158,217	31,167	-	4,189,384	1,561,377	156,138	1,685,738
Building & Other Construction	341,600	-	-	341,600	10%	324,618	1,698	-	326,316	245,033	24,503	235,814
Plant & Machineries	4,128,282	-	-	4,128,282	10%	3,833,599	29,468	-	3,863,067	1,316,344	131,634	1,449,924
Unit-3	20,343,225	-	-	20,343,225		19,075,061	126,816	-	19,201,877	5,933,781	593,378	6,481,751
Building & Other Construction	212,350	-	-	212,350	10%	199,316	1,303	-	200,619	188,051	18,805	180,977
Plant & Machineries	20,130,875	-	-	20,130,875	10%	18,875,745	125,513	-	19,001,258	5,745,730	574,573	6,300,774
Unit-4	35,708,075	4,169,184	-	39,877,259		21,251,980	1,855,077	-	23,107,056	102,493,715	505,746	118,758,172
Land & Land Development	1,912,360	-	-	1,912,360	-	-	-	-	-	97,436,256	-	99,348,616
Building & Other Construction	936,153	-	-	936,153	10%	759,689	17,646	-	777,335	853,700	85,370	927,148
Furniture & Fixtures	416,206	20,000	-	436,206	10%	279,694	15,651	-	295,345	-	-	140,861
Fittings	5,358	-	-	5,358	10%	4,801	56	-	4,856	-	-	502
Office Equipments	1,735,460	-	-	1,735,460	15%	1,374,242	54,183	-	1,428,424	-	-	307,036
Factory Equipments	6,249,382	-	-	6,249,382	15%	3,168,143	462,186	-	3,630,329	-	-	2,619,053
Electrical Installation	744,526	-	-	744,526	15%	601,223	21,495	-	622,718	-	-	121,808
Plant & Machineries	23,579,498	4,139,851	-	27,719,349	10%	14,970,691	1,274,866	-	16,245,557	4,203,759	420,376	15,257,175
Crockeries & Cutleries	129,132	9,333	-	138,465	20%	93,498	8,993	-	102,491	-	-	35,974
Unit-5	130,048,659	-	-	130,048,659		108,948,131	2,100,021	-	111,048,151	22,224,568	-	41,225,075
Land & Land Development	474,806	-	-	474,806	-	-	-	-	-	22,224,568	-	22,699,374
Building & Other Construction	11,301,139	-	-	11,301,139	10%	9,366,005	193,513	-	9,559,518	-	-	1,741,621
Furniture & Fixtures	555,146	-	-	555,146	10%	439,569	11,558	-	451,127	-	-	104,019
Office Equipments	2,622,758	-	-	2,622,758	15%	2,372,991	37,465	-	2,410,456	-	-	212,302
Factory Equipments	2,887,025	-	-	2,887,025	15%	2,619,856	40,075	-	2,659,931	-	-	227,094
Electrical Installation	2,964,061	-	-	2,964,061	15%	2,829,830	20,135	-	2,849,965	-	-	114,096
Plant & Machineries	106,553,807	-	-	106,553,807	10%	88,795,889	1,775,792	-	90,571,681	-	-	15,982,126
Crockeries & Cutleries	155,847	-	-	155,847	20%	147,543	1,661	-	149,203	-	-	6,644
Weight Bridge Equipments	109,265	-	-	109,265	15%	103,417	877	-	104,294	-	-	4,971
Loose Tools	279,301	-	-	279,301	15%	266,102	1,980	-	268,082	-	-	11,219
Motor Vehicles	1,350,000	-	-	1,350,000	20%	1,318,926	6,215	-	1,325,141	-	-	24,859
Gas Line Installation	302,398	-	-	302,398	10%	261,795	4,060	-	265,855	-	-	36,543
Roads & Sewerage	493,106	-	-	493,106	10%	426,209	6,690	-	432,899	-	-	60,207
Unit-6	40,947,104	-	-	40,947,104		35,459,833	575,157	-	36,034,990	648,520	-	5,560,634
Land & Land Development	13,855	-	-	13,855	-	-	-	-	-	648,520	-	662,375
Building & Other Construction	407,869	-	-	407,869	10%	325,516	8,235	-	333,751	-	-	74,118
Office Equipments	1,046,247	-	-	1,046,247	15%	968,889	11,604	-	980,493	-	-	65,754
Factory Equipments	8,306,486	-	-	8,306,486	15%	7,856,779	67,456	-	7,924,235	-	-	382,251
Furniture & Fixtures	149,972	-	-	149,972	10%	116,662	3,331	-	119,993	-	-	29,979
Electrical Installation	90,500	-	-	90,500	15%	85,217	792	-	86,009	-	-	4,491
Plant & Machineries	30,374,104	-	-	30,374,104	10%	25,561,838	481,227	-	26,043,065	-	-	4,331,039
Crockeries & Cutleries	29,107	-	-	29,107	20%	28,121	197	-	28,318	-	-	789
Loose Tools	12,407	-	-	12,407	15%	11,209	180	-	11,388	-	-	1,019
Motor Vehicles	513,037	-	-	513,037	20%	502,640	2,079	-	504,719	-	-	8,318
Roads & Sewerage	3,520	-	-	3,520	10%	2,963	56	-	3,018	-	-	502
Total	273,012,504	4,169,184	-	277,181,688		224,280,416	5,202,716	-	229,483,132	203,527,342	2,163,133	249,062,768
Depreciation Charged	Amount											
Factory Overhead	7,153,603											
Admin. Overhead	212,246											
Total	7,365,849											

04.00 Inventories:

This amount comprises as follows:

		Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Raw Materials	04.01	-	7,612,580	15,642,310	22,546,130	-	4,909,999	50,711,019	48,903,160
Finished Goods	04.02	-	14,623,450	16,542,136	21,012,360	12,061,796	1,755,752	65,995,494	81,312,272
Raw Materials -in-Transit		-	-	-	-	-	-	-	1,483,458
Work-in-Process	04.03	-	-	-	3,125,460	-	1,411,894	4,537,354	3,787,693
Total		-	22,236,030	32,184,446	46,683,950	12,061,796	8,077,645	121,243,867	135,486,583

04.01 Raw materials:

This amount comprises as follows:

Items	Quantity (Kg.)	Amount (Tk.)
Resin	43,575	3,921,750
Stabilizer SMS-318	11,915	2,766,400
Titanium	544	141,440
Calcium Carbonate	78,990	1,500,810
Parafin Wax	13,573	1,900,220
Static Acid	685	73,295
Naftomix GWN 1050	2,928	878,400
Liastab 51	1,000	1,200,000
Pigment-Black	2	1,200
Hoechst Wax E Powder G-3	2,956	739,000
AC 316A (Oxyd.pe wax) G-7	473	70,950
Hoechst Wax PE-190 Powder G-8a	200	40,000
Barolub PA -C (PE WAX) G-8b	175	52,500
Barolub L-OH (Cetyl Alcohol) G-19	2,375	950,000
Barolub LS-100 G-70s	2,809	702,250
Indofil KM 323B/Cell builder-Mod.2c	6,673	4,003,800
Plastistrength P-530/Akdenizpro-45	600	120,000
KANE ACE PA-60 Mod.3b	200	60,000
Pigment-Yellow	650	520,000
Pigment-Green	188	225,600
Pigment-Blue	350	175,000
Pigment-Brown	71	42,600
Pigment-Peach	851	680,800
Pigment-Grey	996	597,600
Pigment-Red	300	240,000
DOP	151	34,730
Luvopor 865/50 DB Tr-1	6,291	2,830,950
Other Materials (Mixture & re-cycle)	230,118	26,241,724
Total	409,639	50,711,019

04.02 Finished goods:

This amount comprises as follows:

Items	Quantity (Ton)	Amount (Tk.)
PVC Rigid Pipes	312	35,512,360
Thread Pipes	110	12,722,350
ASTD Pipes / Profile	148	17,760,784
Total	570	65,995,494

04.03 Work-in-process:

This amount comprises as follows:

Items	Quantity (Ton)	Amount (Tk.)
Rigid Pipes	24	3,125,460
PVC Profile	10	1,411,894
Total	34	4,537,354

05.00 Accounts Receivable- Trade:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Accounts Receivable	-	9,812,350	12,725,360	29,102,302	4,523,602	6,512,350	62,675,964	63,909,241
Total	-	9,812,350	12,725,360	29,102,302	4,523,602	6,512,350	62,675,964	63,909,241

The above amount are not secured but considered good. No amount was due by the Directors (including Managing Director) or any other official of the Company.

06.00 Advances, Deposits & Prepayments:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Advances:								
General Advance	-	845,120	541,260	2,030,151	140,125	198,993	3,755,649	3,935,913
Staff Advance	-	325,124	612,542	1,225,250	245,120	460,190	2,868,226	2,605,679
Advance Income Tax	-	2,183,252	2,610,263	4,694,905	3,949,780	1,023,265	14,461,465	11,257,955
Sub-Total	-	3,353,496	3,764,065	7,950,306	4,335,025	1,682,448	21,085,340	17,799,547
Deposits:								
Security Deposits	-	45,315	51,785	229,751	100,216	25,003	452,070	452,070
Margin on Bank Guarantee	-	16,819	89,894	149,117	72,120	131,804	459,754	459,754
Earnest Money	-	51,426	65,281	145,482	81,352	52,059	395,600	395,600
Advance VAT Charges	-	312,542	210,320	1,032,125	40,125	522,382	2,117,494	7,437,982
Sub-Total	-	426,102	417,280	1,556,475	293,813	731,248	3,424,918	8,745,406
Total	-	3,779,598	4,181,345	9,506,781	4,628,838	2,413,696	24,510,258	26,544,953

All advances are un-secured but considered good. In the opinion of the Management of the company, all current assets, investments, loans and advances are realizable in the ordinary course of business, a value at least equal to the amounts at which they are stated in the Statement of Financial Position. There is no claim against the Company, which can be acknowledged as debt. No amount was due by the Directors (including Managing Director) and managing agents of the Company and any of them severally or jointly with any other person.

07.00 Cash & Cash Equivalent:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Cash:								
Head Office	-	20,500	35,800	70,260	-	5,257	131,817	139,192
Factory (Cash & Bank)	-	55,100	62,150	130,250	-	27,333	274,833	136,870
Sub-Total	-	75,600	97,950	200,510	-	32,590	406,650	276,062
Bank:								
Agrani Bank-Principal Br.	-	160,177	-	-	-	-	160,177	183,395
Southeast Bank Ltd.	-	-	-	225,731	-	-	225,731	429,879
National Bank Ltd.	-	-	910,803	-	-	-	910,803	7,667,261
Mercantile Bank	-	-	-	28,390	-	-	28,390	-
Islami Bank Bangladesh Ltd.	-	-	-	840,604	-	-	840,604	61,794
Exim Bank Ltd.	-	-	-	-	-	75,795	75,795	23,000
Janata Bank	-	-	-	2,934	-	-	2,934	4,199
Mutual Trust Bank Ltd.	-	-	-	-	-	101,616	101,616	105,596
Jamuna Bank Ltd.	-	-	-	20,140	-	-	20,140	23,145
Sub-Total	-	160,177	910,803	1,117,799	-	177,411	2,366,190	8,498,269
Total	-	235,777	1,008,753	1,318,309	-	210,001	2,772,840	8,774,331

The bank balances have been confirmed and reconciled with respective bank statements and Cash in hand has been verified by the Management at the close of the year and a cash custody certificate was furnished to the Auditors.

08.00 Share Capital:

Authorized Capital

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

Amount (In Taka)	
30.06.2018	30.06.2017
500,000,000	500,000,000

Issued, Subscribed & Paid-up Capital

5,092,500 Ordinary Shares of Tk. 10 each paid-up in full

50,925,000	48,500,000
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(a) Composition of Shareholding:

	30.06.2018		30.06.2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Directors/Sponsors	1,723,046	33.83	1,769,575	36.49
General Public	2,722,985	53.47	2,780,789	57.34
Financial Institutions	515,375	10.12	162,416	3.35
ICB Investors Account	131,094	2.57	137,220	2.83
Total	5,092,500	100.00	4,850,000	100.00

(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 Stock Exchange Limited and Chittagong Stock Exchange Limited.

Range of holdings In number of Shares	No. of Shareholders		No. of Shares		% of Holding	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Less than 500	2,521	2,191	335,765	292,095	6.59	6.02
500 to 5,000	684	389	992,706	613,129	19.49	12.64
5,001 to 10,000	46	37	317,589	281,269	6.24	5.80
10,001 to 20,000	30	34	412,454	494,195	8.10	10.19
20,001 to 30,000	8	5	176,495	117,867	3.47	2.43
30,001 to 40,000	7	6	246,212	204,227	4.83	4.21
40,001 to 50,000	3	3	141,555	133,969	2.78	2.76
50,001 to 100,000	9	18	581,265	1,686,749	11.41	34.78
Over 100,000	6	1	1,888,459	1,026,500	37.08	21.16
Total	3,314	2,684	5,092,500	4,850,000	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 Stock Exchange Limited and Chittagong Stock Exchange Limited and quoted at Tk. 196.50 (in 2017 Tk. 86.10) per share and Tk. 191.20 (in 2017 Tk. 82.80) per share in the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited respectively on 30 June 2018.

09.00 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.

10.00 Reserves & Surplus:

This amount comprises as follows:

		Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
		Revaluation Reserve	10.01	68,068,264	1,405,240	5,340,403	99,316,618	21,557,831	629,064
Tax Holiday Reserve		1,970,474	3,277,346	7,533,148	5,609,160	4,626,790	-	23,016,918	23,016,918
General Reserve		100,000	100,000	80,000	-	-	-	280,000	280,000
Dividend Equalization Fund		-	-	-	-	575,000	-	575,000	575,000
Total		70,138,738	4,782,586	12,953,551	104,925,778	26,759,621	629,064	220,189,339	59,172,921

10.01 Revaluation Reserve:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
	Revaluation Reserve	14,357,191	1,561,377	5,933,781	13,448,654	-	-	35,301,003
Add: Addition of Revaluation Reserve-Land	56,308,190	-	-	89,045,061	22,224,568	648,520	168,226,339	-
Less: Adjustment during the year								
On depreciable assets	907,871	156,137	593,378	505,745	-	-	2,163,131	2,403,499
On non-depreciable assets	1,689,246	-	-	2,671,352	666,737	19,456	5,046,790	-
Total	68,068,264	1,405,240	5,340,403	99,316,618	21,557,831	629,064	196,317,421	35,301,003

First revaluation of the at factory office of the Company carried out on 1996 by the Independent valuer named "M/S Golom 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, Shibrapur, 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 30 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.)
Shibrapur, Faridpur	927.50	17,273,661	185,500,000	168,226,339

11.00 Retained Earnings:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Opening balance	1,531,170	(65,676,140)	(69,093,402)	(92,570,879)	(155,929,463)	(93,107,554)	(474,846,268)	(480,008,476)
Add: Profit/ (Loss) during the year	(1,003,628)	1,344,245	1,185,377	1,656,883	263,712	98,344	3,544,933	2,758,709
Add: Adjustment of Re-valuation depreciable assets	907,871	156,137	593,378	505,745	-	-	2,163,131	2,403,499
Less: Adjustment of Stock Dividend	(1,806,250)	(368,750)	(250,000)	-	-	-	(2,425,000)	-
Total	(370,837)	(64,544,508)	(67,564,647)	(90,408,251)	(155,665,751)	(93,009,210)	(471,563,204)	(474,846,268)

12.00 Term Loan:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Long Term Loan	-	-	-	57,200,000	-	-	57,200,000	87,937,198
Total	-	-	-	57,200,000	-	-	57,200,000	87,937,198

12.01 Long Term Loan:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Long Term Loan (Southeast Bank Ltd.)	-	-	-	-	-	-	-	10,186,572
Long Term Loan (National Bank Ltd.)	-	-	-	-	-	-	-	20,550,626
Long Term Loan (Uttara Bank Ltd.)	-	-	-	57,200,000	-	-	57,200,000	57,200,000
Total	-	-	-	57,200,000	-	-	57,200,000	87,937,198

Notes: The company tabled an objection against the statements of Uttara Bank Ltd. Term Loan and which is matter of consideration of Sub- Judge Court.

13.00 Short Term Loan:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Uttara Bank Ltd.	-	-	-	174,264,454	-	-	174,264,454	174,264,454
Dutch Bangla Bank Ltd.	-	-	-	-	115,450,768	-	115,450,768	115,450,768
Total	-	-	-	174,264,454	115,450,768	-	289,715,222	289,715,222
Less: Transferred to Suspense Account (Uttara Bank Ltd. & Dutch Bangla Bank Ltd.)	-	-	-	167,575,954	100,019,426	-	267,595,380	267,595,380
Balance as per Bank Statement	-	-	-	6,688,500	15,431,342	-	22,119,842	22,119,842

Since filling of the cases against the company, the Banks neither charged any interest nor sent any demand note/statement of interest from the period 01 July 2017 to 30 June 2018 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 Ltd.

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 an 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 Long 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 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 High Court and after the litigation of the court this liability would be adjusted from the suspense account.

Dutch Bangla Bank Ltd.

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 long 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 verdiction 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.

14.00 Deferred Tax:

This amount comprises as follows:

A. On depreciable assets:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Opening balance	(2,153,885)	4,640,875	4,085,918	5,883,569	8,387,207	5,060,739	25,904,423	27,153,237
Add: Addition during the year	-	-	-	-	-	-	-	-
Less: Adjustment during the year	347,604	45,625	176,211	339,221	311,862	85,469	1,305,992	1,248,814
Closing balance	(2,501,489)	4,595,250	3,909,707	5,544,348	8,075,345	4,975,270	24,598,431	25,904,423

B. On non-depreciable assets:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Opening balance	-	-	-	-	-	-	-	-
Add: Addition during the year	1,689,246	-	-	2,671,352	666,737	19,456	5,046,790	-
Less: Adjustment during the year	-	-	-	-	-	-	-	-
Closing balance	1,689,246	-	-	2,671,352	666,737	19,456	5,046,790	-

Grand Total: (A+B)

	(812,243)	4,595,250	3,909,707	8,215,700	8,742,082	4,994,726	29,645,221	25,904,423
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15.00 Suspense Account:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Loan Suspense Account (Uttara Bank Ltd. & Dutch Bangla Bank Ltd.)	-	-	-	167,575,954	100,019,426	-	267,595,380	267,595,380
Interest Suspense Account	-	7,024,125	-	10,181,075	19,187,842	-	36,393,042	36,393,042
Total	-	7,024,125	-	177,757,029	119,207,268	-	303,988,422	303,988,422

15.01 Loan Suspense Account:

This amount comprises as follows:

a) Uttara Bank Ltd.**Short Term**

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
1. Amount as per Company Accounts	-	-	-	174,264,454	-	-	174,264,454	174,264,454
2. Amount as Per Bank Statement	-	-	-	6,688,500	-	-	6,688,500	6,688,500
Loan Suspense Account (1-2)	-	-	-	167,575,954	-	-	167,575,954	167,575,954

b) Dutch Bangla Bank Ltd.

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
1. Amount as per Company Accounts	-	-	-	-	115,450,768	-	115,450,768	115,450,768
2. Amount as Per Bank Statement	-	-	-	-	15,431,342	-	15,431,342	15,431,342
Loan Suspense Account (1-2)	-	-	-	-	100,019,426	-	100,019,426	100,019,426
Total (a+b)	-	-	-	167,575,954	100,019,426	-	267,595,380	267,595,380

15.02 Interest Suspense Account:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Interest Suspense Account	-	7,024,125	-	10,181,075	19,187,842	-	36,393,042	36,393,042
Total	-	7,024,125	-	10,181,075	19,187,842	-	36,393,042	36,393,042

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

16.00 Long Term Loan Current Portion:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Long Term Loan (Southeast Bank Ltd.)	-	-	-	-	-	10,198,741	10,198,741	13,440,000
Long Term Loan (National Bank Ltd.)	-	-	20,550,636	-	-	-	20,550,636	20,550,636
Total	-	-	20,550,636	-	-	10,198,741	30,749,377	33,990,636

Southeast Bank Ltd.

This amount represents conversion of overdraft loan into Block Term Loan A/C by Southeast Bank Limited, Principal Branch and National Bank Limited, Motijheel Branch. As per re-scheduling given by Bank, this Term Loan amount will not change any interest. As per re-scheduling arrangement vide their letter no HO/CAD/822/2007 dated: 30 December 2007, the terms and condition is given on this letter.

National Bank Ltd.

a) National Bank Limited re-scheduling of Aziz Pipes Ltd. loan vide MJ/NBL/Mati/2016 of Tk. 88,151,897 which including Tk. 2.65 crore as down payment and rest of amount would repaid in installment basis within next 3 years.

b) Ceasing of further charge of interest till full adjustment of the liability of Tk. 69,951,891.

17.00 Accounts Payable:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Accounts Payable	-	12,536,240	17,201,350	72,013,500	-	4,781,180	106,532,270	98,783,674
Total	-	12,536,240	17,201,350	72,013,500	-	4,781,180	106,532,270	98,783,674

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

18.00 Creditors & Accruals:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Salary & Allowances	-	-	-	-	-	-	-	-
Electricity Charges (Head Office)	-	-	-	19,856	-	-	19,856	17,356
Electricity Charges (Factory)	-	145,240	180,350	375,350	-	99,060	800,000	750,000
Telephone Charges	-	-	-	49,740	-	-	49,740	19,740
Water Supply & Sewerage	-	-	8,879	-	-	-	8,879	11,379
Canteen Charges	-	-	-	67,177	-	-	67,177	57,177
Audit Fees	-	20,000	25,000	65,000	-	18,000	128,000	115,000
Provident Fund	-	22,254	63,128	240,154	-	7,029	332,565	332,565
Wages & Allowances	-	250,360	214,350	420,125	-	65,165	950,000	-
Total	-	437,854	491,707	1,237,402	-	189,254	2,356,217	1,303,217

19.00 Workers Profit Participation Fund:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Opening balance	(79,258)	83,113	106,028	154,984	(117,051)	5,341	153,157	-
Add: Addition during the year	(71,117)	84,846	76,388	106,888	(2,534)	3,130	197,601	153,157
Less: Adjustment during the year	-	-	-	-	-	-	-	-
Closing balance	(150,375)	167,959	182,416	261,872	(119,585)	8,471	350,758	153,157

20.00 Provision for Income Tax:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	30.06.2018	30.06.2017
Opening balance	(513,965)	2,427,628	363,475	2,937,500	(270,570)	(53,019)	4,891,049	5,487,440
Add: Addition during the year	-	313,452	442,206	713,207	-	46,605	1,515,470	1,400,797
Less: Cash paid during the year	-	-	-	-	-	-	-	1,997,188
Closing balance	(513,965)	2,741,080	805,681	3,650,707	(270,570)	(6,414)	6,406,519	4,891,049

21.00 Sales and Turnover:

This amount comprises as follows:

	2017-2018		2016-2017	
	Qty. M. Ton	Amount	Qty. M. Ton	Amount
PVC Rigid Pipes	2015	200,112,369	1801	172,949,196
Thread/ PVC Profile	543	52,361,487	586	60,517,052
Total	2558	252,473,856	2387	233,466,248

22.00 Cost of Goods Sold:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	2017-2018	2016-2017
Opening Stock of Finished Goods	-	20,572,652	27,018,809	28,512,557	-	5,208,254	81,312,272	61,269,696
Cost of Goods Manufactured	1,354,746	40,755,237	54,671,734	94,741,604	12,061,796	1,950,904	205,536,021	227,305,492
Filter Making Cost	-	-	-	-	-	-	-	-
Total	1,354,746	40,755,237	54,671,734	94,741,604	12,061,796	1,950,904	205,536,021	227,305,492
Cost of Goods available for Sales	1,354,746	61,327,889	81,690,543	123,254,161	12,061,796	7,159,158	286,848,293	288,575,188
Add: Lease Rental Charges	-	-	-	1,079,558	-	-	1,079,558	-
Less: Closing Stock of Finished Goods	-	14,623,450	16,542,136	21,012,360	12,061,796	1,755,752	65,995,494	81,312,272
Cost of Goods Sold	1,354,746	46,704,439	65,148,407	103,321,359	-	5,403,406	221,932,357	207,262,916

22.01 Cost of Goods Manufactured:

This amount comprises as follows:

		Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	2017-2018	2016-2017
Cost of Materials Consumed	22.02	-	34,089,811	45,858,950	78,558,116	10,012,459	410,959	168,930,295	186,463,561
Add: Electricity & Power		-	2,315,460	3,012,540	4,663,118	-	895,907	10,887,025	12,608,826
		-	36,405,271	48,871,490	83,221,234	10,012,459	1,306,866	179,817,320	199,072,387
Add: Opening Work-In-Process		-	-	-	3,125,773	-	661,920	3,787,693	4,312,104
		-	36,405,271	48,871,490	86,347,007	10,012,459	1,968,786	183,605,013	203,384,491
Less: Closing Work-In-Process		-	-	-	3,125,460	-	1,411,894	4,537,354	3,787,693
		-	36,405,271	48,871,490	83,221,547	10,012,459	556,892	179,067,659	199,596,798
Add: Factory Overhead	22.03	1,354,746	4,349,966	5,800,244	11,520,057	2,049,337	1,394,012	26,468,364	27,708,694
Cost of Goods Manufactured		1,354,746	40,755,237	54,671,734	94,741,604	12,061,796	1,950,904	205,536,021	227,305,492

22.02 Cost of Materials Consumed:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	2017-2018	2016-2017
Opening Stock of Raw Materials	-	7,486,761	14,759,125	13,677,249	10,012,459	2,967,566	48,903,160	61,724,552
Add: Materials Purchase	-	34,215,630	46,742,135	87,426,997	-	2,353,392	170,738,154	173,642,169
Materials Available for Consumption	-	41,702,391	61,501,260	101,104,246	10,012,459	5,320,958	219,641,314	235,366,721
Less: Closing Stock of Raw Materials	-	7,612,580	15,642,310	22,546,130	-	4,909,999	50,711,019	48,903,160
Cost of Materials Consumed	-	34,089,811	45,858,950	78,558,116	10,012,459	410,959	168,930,295	186,463,561

Raw Materials Consumption are given below:

Particulars

	Quantity (Kg.)	Amount (Tk.)
Opening Stock of Raw Material	388,112	48,903,160
Add: Purchase of Raw Materials	2,255,029	170,738,154
	2,643,141	219,641,314
Less: Closing stock of Raw Materials	409,639	50,711,019
Consumption of Raw Materials	2,233,502	168,930,295

22.03 Factory Overhead:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	2017-2018	2016-2017
Wages & Salaries	-	3,842,130	4,612,540	8,512,502	-	597,895	17,565,067	17,082,051
Repairs & Maintenance	-	275,412	392,150	560,320	-	188,918	1,416,800	2,943,878
Factory Maintenance	-	45,120	75,360	165,240	-	47,174	332,894	315,725
Depreciation	1,354,746	187,304	720,194	2,281,995	2,049,337	560,025	7,153,603	7,367,040
Total	1,354,746	4,349,966	5,800,244	11,520,057	2,049,337	1,394,012	26,468,364	27,708,694

23.00 Administrative & General Expenses:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	2017-2018	2016-2017
Salary & Allowances	-	1,856,420	2,560,125	4,014,360	-	291,010	8,721,915	8,435,194
Board Meeting Fees	-	60,000	65,000	120,000	-	30,000	275,000	190,000
Stationery Expenses	-	78,360	90,125	136,450	-	48,235	353,170	337,683
Telephone Charges	-	69,452	94,360	116,325	-	22,797	302,934	277,919
Travelling & Conveyance	-	236,450	401,250	504,360	-	42,532	1,184,592	1,116,119
Entertainment Expenses	-	36,452	61,250	75,124	-	7,715	180,541	290,374
Canteen Charges	-	201,360	375,420	695,124	-	93,509	1,365,413	1,291,683
Rent & Rates	-	305,124	542,136	1,036,125	-	152,615	2,036,000	1,763,500
Renewal, Listing & Other Expenses	-	145,236	195,124	250,360	-	37,915	628,635	548,604
Tax, Legal and Professional Fees	-	75,000	120,000	125,000	-	5,000	325,000	464,995
Electricity Charges	-	38,124	45,124	112,625	-	32,170	228,043	262,494
Fuel & Lubricants	-	512,450	712,545	1,680,528	-	182,381	3,087,904	1,425,032
Water Supply & Sewerage	-	10,124	17,850	20,125	-	8,303	56,402	90,138
Donation (Mosque Maintenances)	-	20,000	25,000	50,000	-	13,267	108,267	233,310
Uniform Expenses	-	-	-	16,085	-	-	16,085	69,245
Postage & Telegram	-	12,350	18,365	28,365	-	5,656	64,736	89,206
Gardening Expenses	-	-	4,490	-	-	-	4,490	18,641
Medical Expenses	-	-	-	9,271	-	-	9,271	43,372
Office Maintenances	-	75,124	85,362	145,360	-	32,329	338,175	391,662
Transport Maintenances	-	175,124	236,452	485,360	-	44,148	941,084	738,352
Guest House Expenses	-	-	-	41,820	-	-	41,820	98,267
Advertisement & Publicity	-	175,230	275,140	750,126	-	69,179	1,269,675	678,196
A.G.M Expenses	-	87,125	125,430	198,235	-	23,837	434,627	375,730
Audit fees	-	15,000	25,000	75,000	-	10,000	125,000	115,000
Miscellaneous	-	12,350	25,460	52,134	-	8,762	98,706	117,620
Carrying Charges	-	75,124	124,360	145,230	-	9,172	353,886	232,466
Newspaper & Periodicals	-	5,420	6,325	8,250	-	2,827	22,822	18,161
Insurance Premium	-	-	-	155,885	-	-	155,885	86,943
Research & training ex	-	-	-	16,000	-	-	16,000	3,500
Internet Bill Expenses	-	21,500	42,000	224,310	-	10,000	297,810	225,000
CDBL Expenses	-	16,000	20,000	43,000	-	-	79,000	85,000
Vat/Tax deduction at Source	-	185,360	245,360	520,350	-	47,854	998,924	1,092,416
Depreciation	67,603	-	-	78,827	50,684	15,132	212,246	242,498
Total	67,603	4,500,259	6,539,053	11,930,114	50,684	1,246,345	24,334,058	21,448,320

Paid to the Managing Director (C.C) of the Company Tk. 793,768 as Salary and Bonus during the year that included above Salary and Allowance.

The break-up of above amount

Particulars	Amount (Tk.)
Basic	365,556
House Rent	255,888
Others	108,000
Bonus	64,324
	793,768

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 honorarium. The other Directors are not provided any remuneration except board meeting fees with attending Company's Board Meeting.

24.00 Selling & Distribution Expenses:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	2017-2018	2016-2017
Selling & Distribution Expenses	-	325,140	460,250	1,425,120	-	45,813	2,256,323	1,639,800
Total	-	325,140	460,250	1,425,120	-	45,813	2,256,323	1,639,800

25.00 Financial Expenses:

This amount comprises as follows:

	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	2017-2018	2016-2017
Bank Charges	-	15,240	25,360	53,625	-	9,311	103,536	138,437
Total	-	15,240	25,360	53,625	-	9,311	103,536	138,437

26.00 Basic Earning Per Share (EPS):

This ratio comprises as follows:

	Amount (In Taka)	
	2017-2018	2016-2017
Net Profit/ (Loss)	3,544,933	2,758,709
Weighted average number of ordinary shares in issue	5,092,500	4,850,000
Basic Earning Per Share	0.70	0.57

27.00 Net Operating Cash Flow Per Share:

This ratio comprises as follows:

	Amount (In Taka)	
	2017-2018	2016-2017
Net Cash Inflows from Operating Activities	38,720,987	45,778,114
Weighted average number of ordinary shares in issue	5,092,500	4,850,000
Net Operating Cash Flow per Share	7.60	9.44

28.00 Related Party Disclosures:**28.01 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 01.07.2017	Addition during the year	Adjustment during the year
-	-	-	-	#REF!	-
-	-	-	-	-	-
Total			-	#REF!	-

28.02 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	365,556
House Rent	255,888
Others	108,000
Bonus	64,324
Total	793,768

- i) During the year remuneration amount was paid to the chairman of the board Tk. 120,000 (Tk. 10,000 per month).
 ii) During the year payment to board meeting attendance fees was paid to the directors Tk. 275,000.

29.00 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 30 June 2018.

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Factory	Head Office		
Below Tk. 3,000	-	-	-	-
Above Tk. 3,000	36	28	117	181
Total	36	28	117	181

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

Name of Directors	Designation	Remuneration	Festival Bonus	Total Payment
Md. Kamal Hossain Gazi	Chairman	-	-	-
Md. Abdul Halim	Director	-	-	-
Md. Ahsan Ullah	Director	-	-	-
Md. Asad Ullah	Director	-	-	-
Abu Taher Md. Ahmedur Rahman	Director	-	-	-
Md. Sultan Jahangiri	Director	-	-	-
Khondoker Nuruzzaman	Director	-	-	-
Total		-	-	-

Period of payment to Directors is from 01 July 2017 to 30 June 2018.

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
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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) this year	Actual Production (In MT)	Capacity Utilization
Annual Production capacity in MT	11,820	6,000	2,202	36.70

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	71,798,093	98,940,061	170,738,154	168,930,295	98.94
Spare parts	1,416,800	-	1,416,800	1,325,324	93.54
Packing materials	-	-	-	-	0.00%
Total	73,214,893	98,940,061	172,154,954	170,255,619	

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 2017 to 30 June 2018 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 2017 to 30 June 2018.

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)	
	30.06.2018	30.06.2017
Advances, Deposits and Pre-payments exceeding 6 months	12,565,379	8,800,181
Advances, Deposits and Pre-payments not exceeding 6 months	9,076,653	22,431,850
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)	2,868,226	2,615,579
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 30.06.2018.
- 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.
- There was no contingent liabilities as on close of the business as on 30.06.2018 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 30 June 2018.
- No expenses including Royalty, Technical Experts & Professional Advisory Fees and Interest etc. were incurred or paid in foreign currencies during the financial year.
- 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.