

Aziz Pipes Limited
Statement of Financial Position
As at 30 June 2019

Particulars	Notes	Amount (In Taka)	
		30.06.2019	30.06.2018
Property & Assets			
Non-Current Assets		249,135,582	256,125,848
Fixed Assets	3	249,135,582	249,062,768
Machinery In Transit		-	7,063,080
Current Assets		214,059,117	211,202,929
Inventories	4	130,585,593	121,243,867
Accounts Receivable-Trade	5	56,162,514	62,675,964
Advances, Deposits & Prepayments	6	24,234,889	24,510,258
Cash & Cash Equivalent	7	3,076,121	2,772,840
Total Property & Assets		463,194,699	467,328,777
Shareholders' Equity & Liabilities			
Shareholders' Equity		(89,497,897)	(93,748,865)
Share Capital	8	53,471,250	50,925,000
Share Premium	9	106,700,000	106,700,000
Revaluation Reserve	10	194,370,605	196,317,421
Other Reserves & Surplus	11	23,871,918	23,871,918
Retained Earnings	12	(467,911,670)	(471,563,204)
Loan Fund		58,219,842	79,319,842
Term Loan	13	57,200,000	57,200,000
Short Term Loan	14	1,019,842	22,119,842
Deferred Tax	15	28,250,406	29,645,221
Suspense Account	16	303,988,422	303,988,422
Current Liabilities		162,233,926	148,124,157
Long Term Loan Current Portion	17	-	30,749,377
Accounts Payable	18	149,377,239	106,532,270
Creditors & Accruals	19	3,687,008	2,356,217
Workers Profit Participation Fund (WPPF)	20	612,878	350,758
Staff Gratuity		1,078,435	1,078,435
Provision for Income Tax	21	6,827,785	6,406,519
Unclaimed Dividend		650,581	650,581
Total Shareholders' Equity & Liabilities		463,194,699	467,328,777
Net Asset Value per Share (NAVPS)		(16.74)	(17.53)
Number of Shares used to compute NAVPS		5,347,125	5,347,125

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

Chairman Md.Refat Hasan	Director Md. Abdul Halim	CFO & Managing Director (C.C) Md. Nurul Absar	Assistant Company Secretary A. H. M Zakaria
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Subject to our separate report of even date.

Date: Dhaka
28 October 2019

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 2019

Particulars	Notes	Amount (In Taka)	
		2018-2019	2017-2018
Sales and Turnover	22	311,130,942	252,473,856
Less: Cost of Goods Sold	23	276,917,583	221,932,357
Gross Profit/ (Loss)		34,213,359	30,541,499
Less: Operating Expenses		28,764,887	26,590,381
Administrative & General Expenses	24	25,215,393	24,334,058
Selling & Distribution Expenses	25	3,549,494	2,256,323
Operating Profit/ (Loss)		5,448,472	3,951,118
Add: Interest Received from STD Account		3,543	104,430
Less: Financial Expenses	26	209,370	103,536
Net Profit/ (Loss) before WPPF		5,242,645	3,952,012
Less: Workers Profit Participation Fund (WPPF)	20	262,120	197,601
Net Profit/ (Loss) before Income Tax		4,980,525	3,754,411
Less: Income Tax expenses		471,992	209,478
Current Tax	21	1,866,807	1,515,470
Deferred Tax	15	(1,394,815)	(1,305,992)
Net Profit/ (Loss) after Income Tax		4,508,533	3,544,933
Less: Previous Years Adjustment		257,564	-
Net Profit/ (Loss) after Income Tax		4,250,968	3,544,933
Add: Other Comprehensive Income			
Revaluation Reserve		-	168,226,339
Less: Deferred Tax income / (expense) on revaluation surplus on Land & Land development		-	(5,046,790)
Total Comprehensive Income		4,250,968	163,179,549
Basic Earning per Share (EPS)	27	0.80	0.66
Number of Shares used to compute EPS		5,347,125	5,347,125

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. Refat Hasan	Md. Abdul Halim	Md. Nurul Absar	A. H. M Zakaria

Subject to our separate report of even date.

Date: Dhaka
28 October, 2019

Khan Wahab Shafique Rahman & Co
Chartered Accountants

Aziz Pipes Limited
Statement of Changes in Equity
For the year ended 30 June 2019

Particulars	Share Capital	Share Premium	Revaluation Surplus	Other Reserve & Surplus	Retained Earnings	Total Taka
Balance as on 01.07.2018	50,925,000	106,700,000	196,317,421	23,871,918	(471,563,206)	(93,748,865)
Net Profit/(Loss) during the year	-	-	-	-	4,250,968	4,250,968
Adjustment of Revaluation reserve on depreciable assets.	-	-	(1,946,816)	-	1,946,816	-
Transferred for Stock Dividend @5%	2,546,250	-	-	-	(2,546,250)	-
Balance as on 30.06.2019	53,471,250	106,700,000	194,370,605	23,871,918	(467,911,672)	(89,497,897)

Particulars	Share Capital	Share Premium	Revaluation Surplus	Other Reserve & Surplus	Retained Earnings	Total Taka
Balance as on 01.07.2017	48,500,000	106,700,000	35,301,003	23,871,918	(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.	-	-	(2,163,131)	-	2,163,131	-
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	196,317,421	23,871,918	(471,563,206)	(93,748,865)

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

Chairman
Md. Refat Hasan

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 2019

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Aziz Pipes Limited
Statement of Cash Flows
For the year ended 30 June 2019

Particulars	Notes	Amount (In Taka)	
		2018-2019	2017-2018
Cash Flow from Operating Activities:			
Collection from Sales & Others		317,644,392	253,707,133
Payment to Suppliers & Expenses		(261,471,503)	(214,986,146)
Income Tax Expenses		-	-
Net Cash Generated from Operating Activities		<u>56,172,889</u>	<u>38,720,987</u>
Cash Flow from Investing activities:			
Acquisition of Fixed Assets		(292,007)	(23,153,178)
Net Cash used in Investing Activities		<u>(292,007)</u>	<u>(23,153,178)</u>
Cash Flow from Financing Activities:			
Payment of SEBL Block Account		(10,198,741)	(13,440,000)
Payment of NBL Block Account		(20,550,636)	(20,550,636)
Payment of Uttara Bank Ltd. Loan Account		(14,300,000)	-
Payment of Dutch Bangla Bank Ltd. Loan Account		(6,800,000)	-
Payment of Lease Rental		(3,522,396)	(1,079,558)
Lease Loan from Hajj Finance		-	13,500,000
Interest received		3,543	104,430
Financial Expense (Bank Charges)		(209,370)	(103,536)
Net Cash Generated from Financing Activities		<u>(55,577,600)</u>	<u>(21,569,300)</u>
Net Cash Inflow/(Outflow)		303,282	(6,001,491)
Opening Cash & Bank Balances		<u>2,772,840</u>	<u>8,774,331</u>
Closing Cash & Bank Balances		<u>3,076,121</u>	<u>2,772,840</u>
Net Operating Cash Flow per Share	28	<u>10.51</u>	<u>7.24</u>
Number of Shares used to compute (NOCFPS)		<u>5,347,125</u>	<u>5,347,125</u>

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

Chairman
Md.Refat Hasan

Director
Md. Abdul Halim

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

Assistant Company Secreta
A. H. M Zakaria

Subject to our separate report of even date.

Date: Dhaka
28 October 2019

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 2019

1.0 The Company and its activities:

1.1 Introduction:

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

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

1.2 Nature of business/ Principal activities of the Organization:

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

1.3 Presentation of financial statements:

As per IAS-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 2019
- ii. Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2019
- iii. Statement of Changes in Equity for the year ended 30 June 2019
- iv. Statement of Cash Flows for the year ended 30 June 2019 and
- v. Notes to the financial statements and other explanatory information.

ii. Revenue:

An entity shall account for a contract with a customer that is within the scope of IFRS - 15 only when all of the following criteria are met:

- i) Identify the contract (s) with a customer.
- ii) Identify the performance obligations in the contract.

- iii) Determine the transaction price.
- iv) Allocate the transaction price to the performance obligations in the contracts.
- v) Recognize revenue when (or as) the entity satisfies a performance obligation.

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 IASs 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 IASs. 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 IAS. 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 IAS in preparing the financial statements.

Aggregated Loss of the company was reached by Tk. (471,563,204) as on 30.06.2018 and at cutoff date of this financial year it stood Tk. (467,963,177). A profit amounting to Tk. 4,199,461 has earned during the year as well as recent years. For this reasons, the directors continue to adopt going concern IAS in preparing the financial statements inspite of aggregated loss shown in the financial statements.

1.8 Accrual IASs of accounting:

The Company prepares its financial statements, except for cash flow information, using the accrual IAS of accounting. Since the accrual IAS 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 2018 to 30 June 2019.

1.11 Authorization of the financial statements for issue:

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

1.12 Cash flow statement

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

1.13 Statement of changes in equity:

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

1.14 Changes in accounting policies:

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

1.15 Changes in accounting estimates:

Estimates arise because of uncertainties inherent within them, judgment 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 Unit wise 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 tl

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 IASed on the revalued carrying amount of the asset and depreciation IASed 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 IAS 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.

Entity applies periodic review to ensure that its assets are carried at no more than their recoverable amount, which is higher of an assets or cash generating units fair value less costs of disposal and its value in use as prescribed in IAS-36."Impairment of Assets". There is no indication that assets may be impairment. Moreover, the company has no intangible assets for which impairment test is required.

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	IASis 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, 2019 and the rate of Minimum tax applicable is 0.60% from 01 July 2018 to 30 June 2019.

Type of income	2018-19	2017-18
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 IAS 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 IASis.

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 (ISA) 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 @ 7% cash for the year ended 30 June 2019.

2.11 Earnings per share (EPS):

Measurement:

IAS EPS:

The Company calculates IASic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. IASic 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 Company 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. IAS EPS has been calculated and presented in the same manner.

Presentation:

The Company presents IAS and diluted earnings per share with in statement of profit or loss and other comprehensive income equal prominence for all periods presented. The Company presents IAS 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 IAS 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 following International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements of the Company subject to departure where we have followed :

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

3.00 Property, Plant & Equipments:

Cost :

	AMOUNT (IN TAKA)	
	30.06.2019	30.06.2018
Opening balance	480,709,030	273,012,504
Addition during the year	7,355,087	4,169,184
Revaluation made during the year	-	203,527,342
Less : Disposal of Assets	-	-
Closing Balance(A)	488,064,117	480,709,030

Accumulated Depreciation :

Opening balance	231,646,265	224,280,416
Charges for the year	7,282,272	7,365,849
Less: Disposal/Adjustment	-	-
Closing Balance(B)	238,928,537	231,646,265

Written Down Value (A-B)

249,135,582	249,062,768
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Details have been shown in **Schedule - A**.

4.00 Inventories:

This amount comprises as follows:

Raw Materials	Note No:4.01	58,447,892	50,711,019
Finished Goods	Note No:4.02	67,064,394	65,995,494
Work-in-Process	Note No:4.03	5,073,307	4,537,354
Total		130,585,593	121,243,867

4.01 Raw materials:

This amount comprises as follows:

Items	Qty.2019		
Resin	44,725	4,248,875	3,921,750
Powder (Dust)	69,000	7,194,627	-
Stabilizer SMS-318	5,280	844,800	2,766,400
Titanium	383	105,325	141,440
Calcium Carbonate	98,700	1,974,000	1,500,810
Parafin Wax	466	74,560	1,900,220
Static Acid	684	71,820	73,295
Naftomix GWN 1050	1,210	435,600	878,400
Liastab 51	1,000	800,000	1,200,000
Pigment-Black	20	10,500	1,200
Hoechst Wax E Powder G-3	2,876	719,000	739,000
AC 316A (Oxyd.pe wax) G-7	471	70,650	70,950
Hoechst Wax PE-190 Powder G-8a	135	27,000	40,000
Barolub PA -C (PE WAX) G-8b	175	52,500	52,500
Barolub L-OH (Cetyl Alcohol) G-19	2,375	950,000	950,000
Barolub LS-100 G-70s	2,779	694,750	702,250
Indofil KM 323B/Cell builder-Mod.2c	3,673	2,056,880	4,003,800
Plastistrength P-530/Akdenizpro-45	131	65,500	120,000
KANE ACE PA-60 Mod.3b	200	60,000	60,000
Pigment-Yellow	400	320,000	520,000
Pigment-Green	100	225,600	225,600

Pigment-Blue	349	174,500	175,000
Pigment-Brown	71	42,600	42,600
Pigment-Peach	150	120,000	680,800
Pigment-Grey	995	796,000	597,600
AMOUNT (IN TAKA)			
		30.06.2019	30.06.2018
Pigment-Red	200	160,000	240,000
DOP	131	17,685	34,730
Luvopor 865/50 DB Tr-1	7,350	4,116,000	2,830,950
Other Materials (Mixture & re-cycle)	285,885	32,019,120	26,241,724
Total	529,914	58,447,892	50,711,019

4.02 Finished goods:

This amount comprises as follows:

Items	Qty. (Ton)2019		
PVC Rigid Pipes	315	36,013,685	35,512,360
Thread Pipes	118	13,034,880	12,722,350
ASTD Pipes / Profile	145	18,015,829	17,760,784
Total	578	67,064,394	65,995,494

4.03 Work-in-process:

This amount comprises as follows:

Items	Qty. (Ton)2019		
Rigid, Pipes	27	3,712,350	3,125,460
PVC Profile	9	1,360,957	1,411,894
Total	36	5,073,307	4,537,354

5.00 Accounts Receivable- Trade:

This amount comprises as follows:

Opening Balance	62,675,964	63,909,241
Add: Addition during the year	311,130,942	252,473,856
Total Receivable	373,806,906	316,383,097
Less: Received during the year	317,644,392	253,707,133
Closing Balance	56,162,514	62,675,964

Classification schedule as required by schedule XI of companies Act 1994 is as follows:

Ageing of the above debtor's balances is as follows:

Below 180 days	50,495,891	55,390,639
Above 180 days	5,666,623	7,285,325
	56,162,514	62,675,964

I. Accounts Receivable considered good in respect of which the company is fully secured	-	-
II. Accounts Receivable considered good in respect of which the company holds no security other than the debtors personal security	56,162,514	62,675,964
III. Accounts Receivable Considered doubtful or bad.	-	-
IV. Accounts Receivable due by any director or other officer of the company.	-	-
V. Accounts Receivable due by common management.	-	-
VI. The maximum amount of receivable due by any director or other officer of the company.	-	-
Total	56,162,514	62,675,964

(i) The Company did not make a provision against Accounts Receivable as Accounts Receivable are good and the amount is not a materials item.

(ii) There was no amount due by the directors(including Managing), Managing Agent of the company and any of them severally or jointly with any other person.

(iii) There was also no other amount due by associate undertaking.

	AMOUNT (IN TAKA)	
	30.06.2019	30.06.2018
6.00 Advances, Deposits & Prepayments:		
This amount comprises as follows:		
Advances:		
General Advance	3,649,236	3,755,649
Staff Advance	2,745,324	2,868,226
Advance Income Tax	14,821,487	14,461,465
Sub-Total	21,216,047	21,085,340
Deposits:		
Security Deposits	452,070	452,070
Margin on Bank Guarantee	459,754	459,754
Earnest Money	395,600	395,600
Advance VAT Charges	1,711,418	2,117,494
Sub-Total	3,018,842	3,424,918
Total	24,234,889	24,510,258

Classification schedule as required by schedule XI of companies Act 1994 is as follows:

Ageing of the above Advances, Deposits & Prepayments balances is as follows:

Below 180 days	22,927,465	23,202,834
Above 180 days	1,307,424	1,307,424
	24,234,889	24,510,258

I. Advances, Deposits & Prepayments considered good in respect of which the company is fully secured	-	-
II. Advances, Deposits & Prepayments considered good in respect of which the company holds no security other than the debtors personal security	24,234,889	24,510,258
III. Advances, Deposits & Prepayments Considered doubtful or bad.	-	-
IV. Advances, Deposits & Prepayments due by any director or other officer of the company.	-	-
V. Advances, Deposits & Prepayments due by common management.	-	-
VI. The maximum amount of Advances, Deposits & Prepayments due by any director or other officer of the company.	-	-
Total	24,234,889	24,510,258

All advances are un-secured but considered good. In the opinion of the Management of the company, all current :

7.00 Cash & Cash Equivalent:

This amount comprises as follows:

Cash:

Head Office	239,106	131,817
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Factory (Cash & Bank)	564,527	274,833
Sub-Total	803,633	406,650
Bank:		
Agrani Bank-Principal Br.	5,561	160,177
Southeast Bank Ltd.	160,840	225,731
National Bank Ltd.	948,476	910,803
Mercantile Bank	57,659	28,390
Islami Bank Bangladesh Ltd.	181,082	840,604
Exim Bank Ltd.	98,145	75,795
Janata Bank	1,669	2,934
Mutual Trust Bank Ltd.	190,548	101,616
	AMOUNT (IN TAKA)	
	30.06.2019	30.06.2018
Al-Arahfa Islami Bank Ltd.	139,858	-
Jamuna Bank Ltd.	488,650	20,140
Sub-Total	2,272,488	2,366,190
Total	3,076,121	2,772,840

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	500,000,000	500,000,000
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Issued, Subscribed & Paid-up Capital

5,347,125 Ordinary Shares of Tk. 10 each paid-up in full	53,471,250	50,925,000
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(a) Composition of Shareholding:

	30.06.2019		30.06.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Directors/Sponsors	1,809,196	33.83	1,723,046	33.83
General	3,319,185	62.07	2,722,985	53.47
Financial Institutions	92,937	1.74	515,375	10.12
ICB Investors Account	125,807	2.35	131,094	2.57
Total	5,347,125	100.00	5,092,500	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 disc

Range of holdings In number of Shares	No. of Shareholders		No. of Shares		% of Holding	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Less than 500	3,548	2,251	477,667	335,765	8.93	6.59
500 to 5,000	1,017	684	1,397,442	992,706	25.80	19.49
5,001 to 10,000	50	46	349,395	317,589	6.53	6.24
10,001 to 20,000	32	30	437,269	412,454	8.18	8.10
20,001 to 30,000	3	8	79,470	176,495	1.49	3.47
30,001 to 40,000	2	7	67,141	246,212	1.26	4.83

40,001 to 50,000	4	3	183,294	141,555	3.43	2.78
50,001 to 100,000	6	9	401,310	581,265	7.51	11.41
Over 100,000	6	6	1,972,137	1,888,459	36.88	37.09
Total			5,365,125	5,092,500	100	100

(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 t

(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. 162.10 per share and Tk. 161.50 per share in the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited respectively on 30 June 2019.

AMOUNT (IN TAKA)	
30.06.2019	30.06.2018

09.00 Share Premium:

Share Premium	106,700,000	106,700,000
	106,700,000	106,700,000

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

10.00 Revaluation Reserve:

This amount comprises as follows:

Revaluation Reserve	196,317,421	35,301,003
Add: Addition of Revaluation Reseve-Land	-	168,226,339
Less: Adjustment during the year		
On depreciable assets	1,946,816	2,163,131
On non-depreciable assets	-	5,046,790
Total	194,370,605	196,317,421

First revaluation of the at factory office of the Company carried out on 1996 by the Independet 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, 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	Revaluation Surplus (TK.)
Shibrampur Faridpur	927.5	17,273,661	185,500,000	168,226,339

11.00 Other Reserves & Surplus:

This amount comprises as follows:

Tax Holiday Reserve	Note No:11.01	23,016,918	23,016,918
General Reserve		280,000	280,000
Dividend Equalization Fund		575,000	575,000
Total		23,871,918	23,871,918

11.01 Tax Holiday Reserve:

	23,016,918	23,016,918
	23,016,918	23,016,918

AMOUNT (IN TAKA)	
30.06.2019	30.06.2018

12.00 Retained Earnings:

This amount comprises as follows:

Opening balance	(471,563,204)	(474,846,268)
Add: Profit/ (Loss) during the year	4,250,968	3,544,933
Add: Adjustment of Re-valuation	1,946,816	2,163,131
Less: Adjustment of Stock Dividend	(2,546,250)	(2,425,000)
Total	(467,911,670)	(471,563,204)

13.00 Term Loan:

This amount comprises as follows:

Long Term Loan	57,200,000	57,200,000
Total	57,200,000	57,200,000

Notes: A litigation is pending against the company in term of the term loan with Uttara Bank Ltd. Please refer to

14.00 Short Term Loan:

This amount comprises as follows:

Uttara Bank Ltd.	159,964,454	174,264,454
Dutch Bangla Bank Ltd.	108,650,768	115,450,768
Total	268,615,222	289,715,222
Less: Transferred to Suspense Account	Note No:16.01 267,595,380	267,595,380
Balance as per Bank Statement	1,019,842	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 2018 to 30 June 2019 to the company. In view of the above, interest has not been shown in the company's accounts for the said period and the expression of the Company about the Loan Suspense Account are as follows:

Uttara Bank

The Management of the company decided on the basis of the verdict/pronouncement of the 4th Artha Rin Adalat that was suited by Uttara Bank Limited no. 219/05. At the time of hearing of the lower court the company had tabled a objection against the bank statement that were submitted by the Bank and then a petition was submitted by the company to the High Court no. 9724/2014. After the prolong time hearing on 14 March 2017, Uttara Bank Limited were required to submit the actual statement of the accounts of Aziz Pipes Limited. After that the Bank had submitted a revised statement where the Bank stated the 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 transfered 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

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 transfered to Loan Suspense Account . Against the verdicted of the lower court the Bank had submitted a Appeal to the High Court. Now the appeal is under litigation in the High Court. After the litigation of High Court, the favour/disfavour of the company the amount would be adjusted from the Loan Suspense Account.

		AMOUNT (IN TAKA)	
		30.06.2019	30.06.2018
15.00	Deferred Tax:		
	This amount comprises as follows:		
	<u>A. On depreciable assets:</u>		
	Opening balance	24,598,431	25,904,423
	Add: Addition during the year	-	-
	Less: Adjustment during the year	1,394,815	1,305,992
	Closing balance	23,203,616	24,598,431
	<u>B. On non-depreciable assets:</u>		
	Opening balance	5,046,790	-
	Add: Addition during the year	-	5,046,790
	Less: Adjustment during the year	-	-
	Closing balance	5,046,790	5,046,790
	Grand Total: (A+B)	28,250,406	29,645,221
16.00	Suspense Account:		
	This amount comprises as follows:		
	Loan Suspense Account (UBL)	Note No:16.01 267,595,380	267,595,380
	Interest Suspense Account (DBBL)	Note No:16.02 36,393,042	36,393,042
	Total	303,988,422	303,988,422
16.01	Loan Suspense Account:		
	This amount comprises as follows:		

a) Uttara Bank**Short Term**

1. Amount as per Company Accounts	174,264,454	174,264,454
2. Amount as Per Bank Statement	<u>6,688,500</u>	<u>6,688,500</u>
Loan Suspense Account (1-2)	<u>167,575,954</u>	<u>167,575,954</u>

b) Dutch Bangla Bank

1. Amount as per Company Accounts	115,450,768	115,450,768
2. Amount as Per Bank Statement	<u>15,431,342</u>	<u>15,431,342</u>
Loan Suspense Account (1-2)	<u>100,019,426</u>	<u>100,019,426</u>
Total (a+b)	<u>267,595,380</u>	<u>267,595,380</u>

16.02 Interest Suspense Account:

This amount comprises as follows:

Interest Suspense Account	<u>36,393,042</u>	<u>36,393,042</u>
Total	<u>36,393,042</u>	<u>36,393,042</u>

Total interest amounting Tk. 36,393,042 has been transferred to interest block which was provision against short

17.00 Long Term Loan Current Portion:

This amount comprises as follows:

Long Term Loan (SEBL)	-	10,198,741
Long Term Loan (NBL)	<u>-</u>	<u>20,550,636</u>
Total	<u>-</u>	<u>30,749,377</u>

Southeast Bank

South East Bank Ltd. Long Term Loan fully adjusted by the Company. South East Bank Ltd given a Non Objection Certificate(NOC) vide letter no- SEBL/PB/CR/L&R/2019/9994.

National Bank

National Bank Ltd. Long Term Loan fully adjusted by the Company. National Bank Ltd. given a Non Objection Certificate(NOC) vide letter no- MRI/MNI/APL/NOC/2019.

AMOUNT (IN TAKA)	
30.06.2019	30.06.2018

18.00 Accounts Payable:

This amount comprises as follows:

Accounts Payable	<u>149,377,239</u>	<u>106,532,270</u>
Total	<u>149,377,239</u>	<u>106,532,270</u>

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

19.00 Creditors & Accruals:

This amount comprises as follows:

Salary & Allowances	572,117	-
Electricity Charges (Head Office)	27,579	19,856
Electricity Charges (Factory)	983,159	800,000
Telephone Charges	22,188	49,740
Water Supply & Sewerage	7,644	8,879
Canteen Charges	83,970	67,177
Audit Fees	125,000	128,000
Provident Fund	332,565	332,565
Wages & Allowances	<u>1,532,786</u>	<u>950,000</u>
Total	<u>3,687,008</u>	<u>2,356,217</u>

20.00 Workers Profit Participation Fund:

This amount comprises as follows:

Opening balance	350,758	153,157
Add: Addition during the year	262,120	197,601
Less: Adjustment during the year	-	-
Closing balance	612,878	350,758

21.00 Provision for Income Tax:

This amount comprises as follows:

Opening balance	6,406,519	4,891,049
Add: Addition during the year	1,866,807	1,515,470
Less: Cash paid during the year	1,445,541	-
Closing balance	6,827,785	6,406,519

Qty.M.Ton
2018-2019

Amount	
2018-2019	2017-2018

22.00 Sales and Turnover:

This amount comprises as follows:

Sales / Turnover	2,750	311,130,942	252,473,856
Total	2,750	311,130,942	252,473,856

23.00 Cost of Goods Sold:

This amount comprises as follows:

Opening Stock of Finished Goods		65,995,494	81,312,272
Cost of Goods Manufactured	Note No:23.01	274,464,087	205,536,021
Filter Making Cost		-	-
		274,464,087	205,536,021
Cost of Goods available for Sales		340,459,581	286,848,293
Add: Lease Rental Charges		3,522,396	1,079,558
Less: Closing Stock of Finished Goods		67,064,394	65,995,494
Cost of Goods Sold		276,917,583	221,932,357

Note: The Cost of Goods Sold Represents 89.01% of the total turnover, Which is the higher side and it was also 87.90% in the last year. COGS increase due to company purchase maximum materials from local market.

Amount	
2018-2019	2017-2018

23.01 Cost of Goods Manufactured:

This amount comprises as follows:

Cost of Materials Consumed	Note No:23.01.01	230,892,502	168,930,295
Add: Electricity & Power		14,765,798	10,887,025
		245,658,300	179,817,320
Add: Opening Work-In-Process		4,537,354	3,787,693
		250,195,654	183,605,013
Less: Closing Work-In-Process		5,073,307	4,537,354
		245,122,347	179,067,659
Add: Factory Overhead	Note No:23.01.02	29,341,740	26,468,364
Cost of Goods Manufactured		274,464,087	205,536,021

23.01.01 Cost of Materials Consumed:

This amount comprises as follows:

Opening Stock of Raw Materials	50,711,019	48,903,160
Add: Materials Purchase	238,629,375	170,738,154

Materials Available for Consumption	289,340,394	219,641,314
Less: Closing Stock of Raw Materials	58,447,892	50,711,019
Cost of Materials Consumed	230,892,502	168,930,295

Raw Materials Consumption are given below:

Particulars	Quantity (Kg.)		
Opening Stock of Raw Material	409,639	50,711,019	48,903,160
Add: Purchase of Raw Materials	2,838,214	238,629,375	170,738,154
	3,247,853	289,340,394	219,641,314
Less: Closing stock of Raw Materials	529,914	58,447,892	50,711,019
Consumption of Raw Materials	2,717,939	230,892,502	168,930,295

23.01.02 Factory Overhead:

This amount comprises as follows:

Wages & Salaries	19,173,453	17,565,067
Repairs & Maintenance	2,734,586	1,416,800
Factory Maintenance	339,382	332,894
Depreciation	7,094,319	7,153,603
Total	29,341,740	26,468,364

24.00 Administrative & General Expenses:

This amount comprises as follows:

Salary & Allowances	10,937,345	8,721,915
Board Meeting Fees	315,000	275,000
Stationery Expenses	546,698	353,170
Telephone Charges	349,039	302,934
Travelling & Conveyance	971,711	1,184,592
Entertainment Expenses	225,311	180,541
Canteen Charges	1,354,080	1,365,413
Rent & Rates	2,153,600	2,036,000
Renewal, Listing & Other Expenses	668,870	628,635
Tax, Legal and Professional Fees	385,428	325,000
Electricity Charges	288,281	228,043
Fuel & Lubricants	2,263,749	3,087,904
Water Supply & Sewerage	68,078	56,402
Donation (Mosque Maintenances)	128,200	108,267
Uniform Expenses	58,830	16,085
Postage & Telegram	68,092	64,736
Gardening Expenses	17,690	4,490

Amount (In Taka)	
2018-2019	2017-2018

Medical Expenses	19,941	9,271
Office Maintenances	364,617	338,175
Transport Maintenances	826,031	941,084
Guest House Expenses	48,828	41,820
Advertisement & Publicity	512,882	1,269,675
A.G.M Expenses	483,693	434,627
Audit fees	125,000	125,000
Miscellaneous	120,409	98,706
Carrying Charges	454,737	353,886
Newspaper & Periodicals	21,757	22,822
Insurance Premium	108,256	155,885
Research & training ex	5,000	16,000
Internet Bill Expenses	402,093	297,810

CDBL Expenses	79,000	79,000
Vat/Tax deduction at Source	655,194	998,924
Depreciation	187,953	212,246
Total	25,215,393	24,334,058

Paid to the Managing Director (C.C) of the Company Tk. 809,600 as Salary and Bonus during the year that inclu

The break-up of above amount is given below:

Particulars	Amount (TK.)
Basic	408,000
House Rent	285,600
Others	48,000
Bonus	68,000
Total	809,600

In addition to above Managing Director is provided car maintenance expenses, subject to limit. Managing Direct

25.00 Selling & Distribution Expenses:

This amount comprises as follows:

Selling & Distribution Expenses	3,549,494	2,256,323
Total	3,549,494	2,256,323

26.00 Financial Expenses:

This amount comprises as follows:

Bank Charges	209,370	103,536
Total	209,370	103,536

27.00 Basic Earning Per Share (EPS):

This ratio comprises as follows:

Net Profit /(Loss)	4,250,968	3,544,933
Weighted average number of ordinary shares in issue	5,347,125	5,347,125
Basic Earning Per Share	0.80	0.66

28.00 Net Operating Cash Flow Per Share:

This ratio comprises as follows:

Net Cash Inflows from Operating Activities	56,172,889	38,720,987
Weighted average number of ordinary shares in issue	5,347,125	5,347,125
Net Operating Cash Flow per Share	10.51	7.24

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

	Amount (In Taka)
	2018-2019
Net Profit after Tax (after considering prior period adjustment)	4,199,461
Adjustment for:	
Depreciation on Property, Plant & Equipment	7,336,477
Payment of Lease Rental (Separate consideration in financing activities)	3,522,396
Financial Expenses (Separate consideration in financing activities)	209,370

Interest Received (Separate consideration in financing activities)	(3,543)
(Increase) / Decrease in Inventory	(9,341,726)
(Increase) / Decrease in Accounts Receivable	6,513,450
(Increase) / Decrease in Advance, Deposit & Prepayments	275,369
Increase / (Decrease) in Accounts Payable	42,844,969
Increase / (Decrease) in Creditors & Accruals	1,330,791
Increase / (Decrease) in Provision for Current Tax	421,266
Increase / (Decrease) in Deffered Tax Liability	(1,394,815)
Increase / (Decrease) in Workers profit participation fund	259,422
	<u>51,973,426</u>
Cash Flows from Operating Activities	<u><u>56,172,889</u></u>

Aziz Pipes Ltd
Schedule of Fixed Asset
As at June 30, 2019

SCHEDULE-A

A. On Cost

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 30.06.2019
	Opening balance as at 01.07.2018	Addition during the year	Adjustment during the year	Balance as at 30.06.2019		Opening balance as at 01.07.2018	Charged during the year	Adjustment during the year	Accumulated Dep. as at 30.06.2019	
Land & Land Development	3,603,990	-	-	3,603,990		-	-	-	-	3,603,990
Building & Other Construction	21,549,361	-	-	21,549,361	10%	18,625,886	292,348	-	18,918,233	2,631,129
Roads & Sewerage	604,229	-	-	604,229	10%	531,777	7,245	-	539,022	65,207
Electrical Installation	4,313,755	-	-	4,313,755	15%	4,051,795	39,294	-	4,091,089	222,666
Plant & Machineries	214,667,376	7,090,080	-	221,757,456	10%	178,634,279	4,284,180	-	182,918,458	38,838,998
Furniture & Fixtures	2,154,697	16,800	-	2,171,497	10%	1,673,958	48,332	-	1,722,290	449,207
Fittings	11,942	-	-	11,942	10%	10,731	121	-	10,852	1,090
Office Equipments	7,995,302	30,500	-	8,025,802	15%	7,160,267	128,890	-	7,289,157	736,645
Loose Tools	413,666	-	-	413,666	15%	393,989	2,952	-	396,941	16,725
Motor Vehicles	2,328,037	-	-	2,328,037	20%	2,290,598	7,488	-	2,298,086	29,951
Weight Bridge Equipments	129,558	-	-	129,558	15%	123,336	933	-	124,269	5,289
Factory Equipments	17,750,959	202,373	-	17,953,332	15%	14,497,773	496,142	-	14,993,915	2,959,417
Pump House	173,639	-	-	173,639	15%	165,497	1,221	-	166,718	6,921
Crockeries & Cutleries	392,418	15,334	-	407,752	20%	346,531	10,731	-	357,262	50,490
Gas Line Installation	302,398	-	-	302,398	10%	265,855	3,654	-	269,509	32,889
Sundry Assets	790,361	-	-	790,361	15%	710,861	11,925	-	722,786	67,575
Sub Total : (A)	277,181,688	7,355,087	-	284,536,775		229,483,132	5,335,456	-	234,818,586	49,718,189

B. Revalued Assets:

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 30.06.2019
	Opening balance as at 01.07.2018	Addition during the year	Adjustment during the year	Balance as at 30.06.2019		Opening balance as at 01.07.2018	Charged during the year	Adjustment during the year	Accumulated Dep. as at 30.06.2019	
Land & Land Development	181,896,010	-	-	181,896,010		-	-	-	-	181,896,010
Building & Other Construction	5,924,471	-	-	5,924,471	10%	592,447	533,200	-	1,125,647	4,798,824

Plant & Machineries	15,706,861	-	-	15,706,861	10%	1,570,686	1,413,616	-	2,984,302	12,722,559
Sub Total : (B)	203,527,342	-	-	203,527,342		2,163,133	1,946,816	-	4,109,949	199,417,393
Grand Total (A+B)	480,709,030	7,355,087	-	488,064,117		231,646,265	7,282,272	-	238,928,535	249,135,582

Depreciation Charged	Amount
Factory Overhead	7094319
Admin. Overhead	187953
Total	<u>7,282,272</u>

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 the Companies Act, 1994.

of Related	Relationship	Nature of Transaction	Opening Balance as on 01.07.2018	Addition during the year Ended 30th June 2019	Adjustment during the year ended 30th June 2019	Closing Balance as on 30.06.2019
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Total			-	-	-	-

30.02 Payments/ Perquisites to Managing Director and above

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

Particulars	Amount (In Taka)
Basic	408,000
House Rent	285,600
Others	48,000
Bonus	68,000
Total	809,600

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 30th June 2019.

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Factory	Head Office		
Below Tk. 3,000	-	-	-	-
Above Tk. 3,000	40	27	122	189
Total	40	27	122	189

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

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

Period of payment to Directors is from 01 July 2018 to 30th June 2019.

The above Directors of the company did not take any benefit from the company except

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	Nil
d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, enter into by the company with the managing agent or his associate during the financial year.	Nil
e. Any other perquisites or benefits in cash or in kind stating	Nil
f. Other allowances and commission including guarantee commission	Nil

Pensions, etc.

1) Pensions	Nil
2) Gratuities	Nil
3) Payment from Provided Fund	Nil
4) Compensation for loss of office	Nil
5) Consideration in connection with retirement from office	Nil

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

Details of production capacity utilization:

Particulars	License Capacity (In MT)	Attainable Capacity (In MT)	Actual Production (In MT)	Capacity Utilization
Annual Production	12,570	6,500	2,750	42.31%

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
	Import	Local	Total		
Raw materials	35,941,737	202,707,443	238,649,180	#REF!	96.75%
Spare parts	-	2,730,294	2,730,294	2,402,659	88.00%
Packing materials	-	-	-	-	0.00%
Total	35,941,737	205,437,737	241,379,474	#REF!	

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 2018 to 30th June 2019.
- ii) The company has not earned any foreign exchanges for loyalty, know-how, professional fees, consultancy
- iii) The value of export represents for the period 01 July 2018 to 30th June 2019.

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

Requirements under Condition No.	Compliance status of disclosure of Schedule XI, Part II, Para 3
3(i)(a) The turnover	Complied
3 (i)(b) Commission paid to the selling agent	Not Applicable
3(i)(c) Brokerage and discount on sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item wise as per schedule	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) Worksmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve	Complied

F. Disclosure of Advances, Deposits and Pre-payments of Schedule XI of the

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)	
	30.06.2019	30.06.2018
Advances, Deposits and Pre-payments exceeding	16,128,911	12,565,379
Advances, Deposits and Pre-payments not exceeding	5,360,654	9,076,653
Other Advances, Deposits & Pre-payments less provision	Nil	Nil
Advances, Deposits and Pre-payments considered good a	Nil	Nil
Advances, Deposits and Pre-payments considered	Nil	Nil
Advances, Deposits and Pre-payments considered doubtful	Nil	Nil
Advances, Deposits and Pre-payments due by Directors	Nil	Nil
Advances, Deposits and Pre-payments due by other officers (against salary)	2,745,324	2,868,226
Advances, Deposits and Pre-payments due from compan	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

1. There was no claim against the Company not acknowledged as debts as on 30.06.2019.

2. All shares have been fully allotted and paid-up.
3. There was no preference shares issued by the Company.
4. The Company has no aggregated amount of contract for the capital expenditure to be executed and not provided for the year ended on 30th June, 2019.
5. There was no contingent liabilities as on close of the business as on 30.06.2019 except the sub-judice matters relating to bank loan.
6. Aggregate amount due by Directors and other Officers of the Company or associated undertaking:

Director	None
Associated Undertaking	None
Officers	None
7. 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.
8. 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.
9. Auditors are paid for only statutory audit fees approved by the shareholders in the last A.G.M.
10. No money was expended by the Company for compensating any member of the Board of Directors for special service rendered.
11. There was no Bank Guarantee issued by the company on behalf of their Directors of the Company itself except bank loan.
12. There are no Non-resident shareholders as on 30th June 2019.
13. No expenses including Royalty, Technical Experts & Professional Advisory Fees and Interest etc. were incurred or paid in foreign currencies during the year ended on 30th June 2019.
14. The Company has no related party transactions as per IAS-24 "Related Party Disclosures".
15. 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

INDEPENDENT AUDITOR'S REPORT
TO THE SHARE HOLDERS OF AZIZ PIPES LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

Qualified Opinion

We have audited the financial statements of **Aziz Pipes Limited** which comprise the statement of financial position as at 30 June, 2019, and statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion section* of our report, the accompanying financial statements present fairly, in all material respects of the statement of financial position of Aziz Pipes Limited as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

The Company has not provided required disclosure regarding Deferred Tax Assets/ Liabilities as per the **paragraph 81(g) of IAS 12**. Moreover, depreciation on revaluation reserve of Tk. 1,946,816 has transferred from Revaluation Reserve to Retained Earnings without adjusting deferred tax on depreciation on revaluation reserve as required in accordance with the **Paragraph 20 of IAS-12**.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Without further qualifying our opinion, we draw attention to the following issue:

Matters of Emphasis:

The company has been run its operation through six (06) units. Out of these, One (01) unit has been remained discontinued operation permanently since long and another One (01) unit temporary remained discontinued.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion section*, we have determined the matters described below to be the key audit matters to be communicated in our report.

Property, Plant and Equipment

The key Audit Matter

The company has Tk. 249,135,582 as Written Down Value (WDV) at Property, Plant and Equipment which stands at 53.78 % of its total assets with new acquisitions of Tk. 7,355,087 made during the year. The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually. It usually the company policy to charge depreciation when property, plant and equipment become available for use as described in note 3.00 of the notes to the financial statements. The management is used judgment to ascertain the timing of depreciation of the property, plant and equipment in few cases.

Property, plant and equipment have been identified as a key audit matter because it requires the management to exercise significant judgment in relation to the estimate of depreciable lives of the assets considering the nature, timing and likelihood of changes to the technical factors which may affect the useful life expectancy of the assets and therefore it could have a material impact on the depreciation expense for the year.

Please refer to **Note 3.00 “Property Plant and Equipment”** of the notes to the financial statements for relevant details.

How the scope of our audit responded to the key audit matter:

Our procedures in relation to the property, plant and equipment included:

- Testing the key controls over the management’s judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment.
- Assessing the management’s estimates on the useful lives of property, plant and equipment with reference to: (1) the consistency with the company’s expected consumption pattern of economic benefits embodied in the respective assets and future operating plans including acquisitions and retirements of property, plant and equipment; (2) the comparison to the policies adopted by other comparable entities operating in this area; and (3) consideration of the company’s historical experience.

Taxation

The key Audit Matter

The Statement of Profit & Loss and Other Comprehensive Income shows the income and expenditure derived from operations in a cumulative manner on which the company has charged Tk 471,992 in respect of Income Tax expenses.

Given the company's exposure to complex tax issues, the high level of management judgment in estimating the amounts of reserve and provision for tax and involvement with regulatory authorities, taxation was considered to be a key audit matter.

Please refer to **Note 15.00 "Deferred Tax Liability"** and **Note 21.00 "Provision for Current Income Tax"** to the financial statements for relevant disclosures regarding calculation and disclosure of taxation.

How the scope of our audit responded to the key audit matter:

We particularly focused on the impact of whether the tax provision was appropriately recognized; we conducted interviews with the company's tax personnel in order to assess the taxable income of the company. We re-performed the calculations made by the management regarding tax liabilities to ensure compliance with the provisions of Income Tax Ordinance, 1984 and checked the arithmetical accuracy of the calculations.

We also obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used thereon. We assessed key assumptions, controls, recognition and measurement of deferred tax assets. We also assessed the appropriateness of presentation of disclosures against **"Income Tax"**.

Other Matter

The financial statements comprise company's the financial position and financial performance for the period ended on 30 June, 2019 in a accumulative manner, whereas the company has presented it financial statements in prior years in both accumulative and segment wise manners.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred and payments made were for the purposes of the company's business.

Dated, Dhaka
October 28, 2019

Khan Wahab Shafique Rahman & Co.
Chartered Accountants