SALVO CHEMICAL INDUSTRY LIMITED

1st Quarter Financial Statements (Q1)

of

SALVO CHEMICAL INDUSTRY LIMITED

for the period ended 30 September 2017

AMARSTOCK

Salvo Chemical Industry Limited

Statement of Financial Position (Un-audited)

As at 30 September 2017

	Notes	Amount in Taka	
		30.Sep.17	30-Jun-17
SOURCES OF FUND:			
Shareholders' Fund:		**716,185,991**	**702,314,198**
Share Capital	**03**	589,775,910	589,775,910
Reserve & Surplus	**04**	126,410,081	112,538,288
Loan Fund:	**05**	**46,993,684**	**49,836,718**
Long Term Loan - Secured		59,452,863	62,295,897
Less : Current Maturity		12,459,179	12,459,179
		763,179,675	**752,150,916**
APPLICATION OF FUND:			
Non- Current Assets:			
Property, Plant & Equipment	**06**	**545,227,518**	**553,662,827**
Capital Work In-progress	**07**	**271,767,003**	**260,311,764**
Current Assets :		**182,212,245**	**166,000,568**
Advance, Deposits & Pre-payments	**08**	47,836,518	46,264,029
Inventories	**09**	42,641,678	34,878,389
Spare Parts	**10**	8,694,199	8,484,283
Accounts Receivable	**11**	47,229,232	35,733,770
Others Receivable	**12**	18,158,645	23,565,108
Cash and Cash Equivalents	**13**	17,651,973	17,074,989
Current Liabilities :		**236,027,092**	**227,824,244**
Short Term Loan	**14**	109,727,220	97,484,385
Accounts Payable	**15**	6,652,042	12,791,264
Others Payable	**16**	14,100,644	16,659,050
Current Maturity- Term Loan		12,459,179	12,459,179
Provision for Employee Benefits	**17**	8,254,650	7,910,170
Profit Participation Fund	**18**	3,829,293	3,644,626
Provision for Income Tax	**19**	77,864,879	73,882,272
Provision for Expenses	**20**	3,139,185	2,993,298
Net Current Assets:		**(53,814,847)**	**(61,823,676)**
		763,179,674	**752,150,916**
Discloser:			
NAV per Share		**12.14**	**11.91**
Number of Shares used to compute NAV		58,977,591	58,977,591
Contingent Liability:		**N/A**	**N/A**

Sd/-	Sd/-	Sd/-	Sd/-
Company Secretary	**Managing Director**	**Chief Financial Officer**	**Chairman**

Dated, Dhaka;
15 November 2017

Salvo Chemical Industry Limited

Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

For the Period Ended 30 June 2017

Particulars	Notes	Amount in Taka	
		01-07-2017 to 30-09-2017	01-07-2016 to 30-09-2016
Operating Income:			
Sales- Net of VAT	**21**	78,782,403	62,593,043
Less : Cost of goods sold	**22**	45,049,976	32,877,897
Gross Profit (a)		**33,732,428**	**29,715,146**
Operating Expenses:			
Administrative Expenses	**23**	7,214,240	5,431,568
Selling & Distribution Expenses	**24**	1,262,562	1,021,469
Total Operating Expenses (b)		**8,476,802**	**6,453,037**
Total Operating Profit (c)=(a-b)		**25,255,626**	**23,262,109**
Non-operating Income (d)		**-**	**-**
Non-operating Expenses:			
Financial Charges		4,587,836	3,111,843
Total Non-operating Expenses (e)		**4,587,836**	**3,111,843**
Net Profit/(Loss) Before Tax (f)=(c+d - e)		**20,667,790**	**20,150,266**
Less: Profit Participation Fund	**18**	1,033,390	1,007,513
Less: Income Tax Expenses	**19**	5,762,607	5,683,219
Net Profit/(Loss) After Tax		**13,871,793**	**13,459,534**
Basic Earning Per Share (EPS):		**0.24**	**0.23**
Number of Shares used to compute EPS		58,977,591	58,977,591

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*
Company Secretary	**Managing Director**	**Chief Financial Officer**	**Chairman**

Dated, Dhaka;
15 November 2017

Salvo Chemical Industry Limited

Statement of Changes in Equity (Un-audited)

For the Period Ended 30 September 2017

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Proposed Dividend	Retained Earnings	Total Equity
Balance as on 01 July, 2017	**589,775,910**	**3,996,257**	**-**	**108,542,031**	**702,314,198**
Payment Dividend:					
Stock Dividend	-	-	-	-	**-**
Current year's Profit after Tax	-	-	-	13,871,793	**13,871,793**
Balance as on 30 September, 2017	**589,775,910**	**3,996,257**	**-**	**122,413,824**	**716,185,991**

For the Period Ended 30 September 2016

Particulars	Share Capital	Tax Holiday Reserve	Proposed Dividend	Retained Earnings	Total Equity
Balance as on 01 July, 2016	**561,691,350**	**3,996,257**	**-**	**89,850,380**	**655,537,987**
Payment Dividend:					
Stock Dividend	-	-	-	-	**-**
Current period's Profit after Tax	-	-	-	13,459,533	**13,459,533**
Balance as on 30 September, 2016	**561,691,350**	**3,996,257**	**-**	**103,309,913**	**668,997,520**

Sd/-	Sd/-	Sd/-	Sd/-
Company Secretary	**Managing Director**	**Chief Financial Officer**	**Chairman**

Dated, Dhaka;
15 November 2017

Salvo Chemical Industry Limited

Statement of Cash Flows (Un-audited)

For the Period Ended 30 September 2017

	Amount in Taka	
	01-07-2017 to 30-09-2017	**01-07-2016 to 30-09-2016**
A. Cash from Operating Activities:		
Cash received from Customer	72,693,404	60,267,648
Cash received from other than Operating Income	-	-
Cash paid to Suppliers, Expenses & Others	(61,339,533)	(65,590,872)
Finance Charges	(4,587,836)	(3,111,843)
Income Tax Paid	(1,780,000)	(2,650,000)
Net Cash used by Operating Activities (Total of "A"):	**4,986,035**	**(11,085,067)**
B. Cash from Investing Activities:		
Fixed Assets	(2,353,614)	(10,330,223)
Capital Work In-progress	(11,455,239)	(14,780,000)
Net Cash used by Investing Activities (Total of "B"):	**(13,808,853)**	**(25,110,223)**
C. Cash from Financing Activities (Increase/ Decrease):		
Long Term Loan- Secured	(2,843,034)	(1,058,520)
Short Term Loan	12,242,835	33,197,424
Net Cash used by Financing Activities (Total of "C"):	**9,399,801**	**32,138,904**
Net Increase/ Decrease in Cash & Cash Equivalents (A+B+C)	**576,983**	**(4,056,386)**
Opening Cash & Cash Equivalents	**17,074,989**	**37,668,630**
Closing Cash & Cash Equivalents	**17,651,972**	**33,612,244**
Net Operating Cash Flow per Share (NOCFPS)	**0.08**	**(0.19)**
Number of Shares used to compute NOCFPS	58,977,591	58,977,591

Sd/-	Sd/-	Sd/-	Sd/-
Company Secretary	**Managing Director**	**Chief Financial Officer**	**Chairman**

Dated, Dhaka;
15 November 2017

Salvo Chemical Industry Limited

Notes to the Financial Statements

For the period ended 30 September, 2017

01. BACKGROUND AND OBJECTIVES OF THE COMPANY:

01.01 Introduction and Legal Status:

The company was incorporated as a private limited company in Bangladesh in the name & style of ***Salvo Chemical Industry Limited*** under the Companies Act, 1994, vide Reg. No. "C-44978(1446) 2002" dated 29 January, 2002 with the Registrar of Joint Stock Companies & Firms (RJSCF), Dhaka. Subsequently the Company was converted to a Public Limited Company by registration on 04 August 2008 from the Registrar of Joint Stock Companies & Firms (RJSCF). Corporate office of the company is situated at "Suite No.# 401, (3rd Floor), 210-211, Nawabpur Road, Dhaka-1100" and the factory located at "South Dhonua, Sripur, Gazipur. The Company went for public issue in 2011 and its shares are listed in both Dhaka Stock Exchange and Chittagong Stock Exchange on 18.04.2011 and 20.04.2011 respectively. Consequently the company has acquired the following licenses and legal Approvals:

Sl. No.	Name of License	Registration of license	Date of License	Renewed up to
1.	Trade License (Factory)	38	24/06/2007	2017-2018
2.	Trade License (Head Office)	089967/Ward No.32	16/03/2005	2017-2018
3.	Tax Identification Number	440684599827	05/03/2002	N/A
4.	Assessment completion	-	-	Up to 2015-2016
5.	VAT Identification Number	18061002294	01/10/2002	N/A
6.	Import Registration Certificate	BA-135303	13/07/2003	2017-2018
7.	DCCI Membership Certificate	11138	27/12/2007	31.12.2017
8.	Board of Investment	L-28010204010-H	01/04/2002	N/A
9.	Environment Clearance Certificate	PARIBESH/DA-B/4701/Re 950	24/07/2004	2018
10.	Fire License	DHAKA/17582/2003	27/04/2003	2018
11.	Production Clearance Certificate from Department of Explosives	9/(40)/1-2/3441	7/5/2003	N/A
12.	Factory License from chief inspector of Factories	11911/Gazipur	31/12/2003	2017
13.	Boiler Certificate	3030	27/10/2003	2017
14.	Sulphar Stock License For Production of H2So4	Gazipur D.C Office No. 134-01/2003	22/08/2003	2017
15.	Trade Mark Registration	App. No. 81276-01	22/07/2003	N/A

01.02 Nature of Business:

The company has been established with a view to producing and supply of different chemicals for local consumption. Some of the chemicals are, interalia:

a) Sulphuric Acid ;
b) Battery Grade Water
c) Magnesium Sulphate & Zinc Sulphate;
d) Liquid Glucose;
e) Starch etc.

The company is now producing Sulphuric Acid as "Main Product" & Battery Grade Water as "By-product".

02. SIGNIFICANT ACCOUNTING POLICIES:

02.01 Accounting Basis:

The financial statements have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with, BAS, BFRS and Generally Accepted Accounting Principles (GAAP). The accounting polices have been consistently followed.

02.02 Basis of Preparation and Presentation of the Financial Statements:

The financial statements have been prepared and the disclosure of information thereof have been made in accordance with the requirements of the Bangladesh Accounting Standards (BASs) and the Bangladesh Financial Reporting Standards (BFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) and the companies Act- 1994 and other the applicable laws, rules and regulations.

02.03 Recognition of Tangible Property, Plant & Equipment:

Recognition:

Assets having a useful life for more than a year are generally capitalized. Fixed Assets are stated at cost less accumulated depreciation. Cost of assets represents cost of acquisition plus construction, erection and other relevant expenditure etc.

Lease assets in case acquired, for transfer of ownership, as a Finance Lease shall be recognized in accordance with Bangladesh Accounting Standard (BAS)-17.

Depreciation:

No depreciation has been charged on land & land development. Depreciation has been charged on all other fixed assets, acquired either purchase or lease, applying diminishing balance method. All the assets acquired during the year have been depreciated considering month of Acquisition and available for use. The rates of depreciation are as follows:

Category	Rate
Factory Building & Construction	5%
Plant & Machinery	10%
Electric Installation	10%
Office Equipments	10%
Furniture	10%
Vehicles	10%

02.04 Inventories:

In compliance with the requirement of BAS-2 “Inventories”, Raw Materials and Stores are valued at the lower of average cost and the net realizable value. The costs of inventories are valued at weighted average price.

02.05 Cash and Cash Equivalents:

Cash and Cash Equivalents include cash in hand, cash at bank and cash at BO Account which are held and available for use by the company without any restriction and in support of the Articles of Association of the company.

02.06 Cash Flow Statement:

Cash Flow Statement is prepared in accordance with the requirements of BAS- 7 ("Cash Flow Statement") under direct method.

02.07 Revenue Recognition:

Revenue from the sale of chemical is recognized when:

i) Significant risk and rewards of ownership is transferred to the customers,
ii) The company has no managerial involvement of ownership to the goods,
iii) The amount of revenue and cost of the transaction can be measured reliably, and
iv) Invoice and delivery challan are issued to the customers.

02.08 Provision for expenses:

While the provision for certain charges and known liabilities is made at the balance sheet date based on estimate, the difference arising there from on receipts of bills/ demands and/ or actual payments is adjusted in the subsequent year when such liabilities are settled.

02.09 Taxation:

Provision for income tax has been made in the accounts @ 25% as applicable for a public limited company considering Finance Act, 2017 and accounted for in accordance with IAS 12: Income Taxes.

02.10 Earning Per Share:

"Basic Earning per Share (EPS)" & "Earning per Share (EPS)- Restated" have been calculated under weighted average method as per BAS-33: Earning per share.

02.11 Integral Components of the Financial Statements:

In compliance with the Bangladesh Accounting Standard (BAS)-1 "Presentation of Financial Statements," the following components are annexed with this component (**Notes to the Financial Statements**):

i) Statement of Financial Position as at 30 September, 2017;
ii) Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 September, 2017;
iii) Statement of Changes in Equity for the period ended 30 September, 2017;
iv) Statement of Cash Flows for the period ended 30 September, 2017.

		Amount in Taka	
		30.Sep.17	30.Jun.17
03.	**SHARE CAPITAL:**	**589,775,910**	**589,775,910**
	Authorised Capital:		
	150,000,000 Ordinary Shares of Tk. 10 each.	**1,500,000,000**	**1,500,000,000**
	Issued, Subscribed & Paid- up Capital:		
	40,100,010 Ordinary Shares of Tk. 10 each.	401,000,100	401,000,100
	2,005,000 Bonus Shares of Tk. 10 each (Issued on 08/08/2011)	20,050,000	20,050,000
	2,105,250 Bonus Shares of Tk 10 each (Issued on 15/07/2012)	21,052,500	21,052,500
	2,210,513 Bonus Shares of Tk 10 each (Issued on 23/06/2013)	22,105,130	22,105,130
	4,642,077 Bonus Shares of Tk 10 each (Issued on 04/09/2014)	46,420,770	46,420,770
	5,106,285 Bonus Shares of Tk 10 each (Issued on 19/08/2015)	51,062,850	51,062,850
	2,808,456 Bonus Shares of Tk 10 each (Issued on 28/12/2016)	28,084,560	28,084,560
		589,775,910	**589,775,910**

The stocks of the company were listed with the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. on 18.04.2011 and 20.04.2011 respectively. Trading of stocks was started in the both houses since 21 April 2011.

04.	**RESERVE & SURPLUS:**	**126,410,081**	**112,538,288**
	Retained Earning **(Note-04.01)**	122,413,824	108,542,031
	Tax Holiday Reserve	3,996,257	3,996,257
	Total:	**126,410,081**	**112,538,288**

04.01	**Retained Earning:**	**122,413,824**	**108,542,031**
	Opening Balance	108,542,031	89,850,380
	Less. Stock Dividend	-	28,084,560
	Add. Profit during the year	13,871,793	46,776,211
	Total:	**122,413,824**	**108,542,031**

05.	**LONG TERM LOAN- SECURED:**	**59,452,863**	**62,295,897**
	Social Islami Bank Ltd.		
	Opening Balance	62,295,897	33,260,993
	Addition during the year	-	36,434,585
	Add: Interest charged during the year	1,458,966	5,188,844
		63,754,863	74,884,422
	Less: Payment made during the year	4,302,000	12,588,525
	Total:	**59,452,863**	**62,295,897**

The above loan has been availed from **Social Islami Bank Ltd.** as Term Finance Facilities.

06. PROPERTY, PLANT & EQUIPMENT:Tk. 545,227,518 (30.06.2017: Tk. 553,662,827)

Amount in Taka

SL. No.	Particulars	Cost				Rate of Dep. (%)	Depreciation				Written Down Value as on 30.09.2017	Written Down Value as on 30.06.2017
		Balance as on 01.07.2017	Addition during the year	Adjustment during the year	Total as on 30.09.2017		Balance as on 01.07.2016	Charged during the year	Adjustment during the year	Total as on 30.09.2017		
Manufacturing Components:												
1.	Land & Land Development	93,708,635	348,604	-	94,057,239		-	-	-	-	94,057,239	93,708,635
2.	Factory Building & Construction	75,586,243	458,145	-	76,044,388	5%	15,369,993	756,521	-	16,126,514	59,917,874	60,216,250
3.	Plant & Machinery	632,454,170	790,400	-	633,244,570	10%	248,383,978	9,628,101	-	258,012,079	375,232,491	384,070,192
4.	Electric Installation	7,936,835	312,815	-	8,249,650	10%	3,651,308	112,352	-	3,763,660	4,485,990	4,285,527
5.	Vehicle	851,080	-	-	851,080	10%	409,461	11,040	-	420,501	430,579	441,619
Administrative Components:												
6.	Office Equipments	4,558,147	308,280	-	4,866,427	10%	1,876,965	72,168	-	1,949,133	2,917,294	2,681,182
7.	Furniture & Fixture	4,095,105	135,370	-	4,230,475	10%	1,127,693	76,441	-	1,204,134	3,026,341	2,967,412
8.	Vehicle	6,210,544	-	-	6,210,544	10%	918,534	132,300	-	1,050,834	5,159,710	5,292,010
	Total: AS on 30.09.2017	**825,400,759**	**2,353,614**	**-**	**827,754,373**		**271,737,932**	**10,788,923**	**-**	**282,526,855**	**545,227,518**	**553,662,827**
	Total : As on 30.06.2017	**774,682,351**	**50,718,408**	**-**	**825,400,759**		**225,370,736**	**46,367,196**	**-**	**271,737,932**	**553,662,827**	**-**

Allocation of Depreciation:

	Notes	30 Sep 2017	30 Sep 2016
Manufacturing overhead	22.01.02	10,508,014	11,061,550
Administrative expenses	23	280,909	241,966
	Total:	**10,788,923**	**11,303,516**

		Amount in Taka	
		30.Sep.17	30.Jun.17
07.	**CAPITAL WORK IN PROGRESS (CWIP):**	**271,767,003**	**260,311,764**
	Opening Balance	260,311,764	148,927,056
	Add: Addition during the period	11,455,239	111,384,708
		271,767,003	260,311,764
	Less: Transfer to Fixed Assets	-	-
	Total:	**271,767,003**	**260,311,764**

The above amount has been spent to erect and install new Plant & Machinery and essential Infrastructure for new product. Amount transferred to Fixed Assets subject to completion of particular construction and in accordance with the decision of the Board.

08.	**ADVANCE, DEPOSIT & PRE-PAYMENTS:**	**47,836,518**	**46,264,029**
	Advance against Tax	23,865,531	21,368,789
	Advance against VAT	197,440	2,454,089
	Advance against Rent -Factory	40,000	40,000
	Advance against L/C- Margin & Purchase	6,741,188	5,745,644
	Advance against Construction	10,500,000	9,500,000
	Advance against Salary	284,600	536,489
	Security Deposit- Telephone (3 Nos.)	30,000	30,000
	Security Deposit- Electric Connection (Mymansing PBS-2)	4,884,606	4,884,606
	Advance for Expenses	1,293,153	1,704,412
	Total:	**47,836,518**	**46,264,029**

09.	**INVENTORIES:**	**42,641,678**	**34,878,389**
	Raw Materials **(Note-09.01)**	15,978,785	8,094,363
	Finished Goods **(Note-09.02)**	26,662,893	26,784,026
	Total:	**42,641,678**	**34,878,389**

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		Amount in Taka	
		30.Sep.17	30.Jun.17
09.01	**Raw Materials:**	**15,978,785**	**8,094,363**
	Opening Balance	8,094,363	27,369,400
	Add: Purchase during the period	28,490,217	45,701,022
		36,584,580	73,070,422
	Less: Issued during the period	20,605,795	64,976,059
	Total:	**15,978,785**	**8,094,363**

The main Raw Material is Sulpher. Its use is large in volume. Other complementary materials are Custic Soda, Lime and Soda Ash.

09.02	**Finished Goods:**	**26,662,893**	**26,784,026**
	Opening Balance	26,784,026	19,402,479
	Add: Cost of Production during the year **(Note- 22.01)**	44,928,843	148,882,838
		71,712,869	168,285,317
	Less: Cost of Goods Sold	45,049,976	141,501,291
	Total:	**26,662,893**	**26,784,026**

10.	**SPARE PARTS:**	**8,694,199**	**8,484,283**
	Opening Balance	8,484,283	8,356,302
	Addition during the period:	1,412,448	4,348,918
	Local	1,412,448	3,486,637
	Foreign	-	862,281
	Spare Parts Available	9,896,731	12,705,220
	Less: Issued during the period	1,202,532	4,220,937
	Total:	**8,694,199**	**8,484,283**

The significant items of Spare Parts are presented below:

Acid proof Breaks	Belcher		Gate Bulbe
Acid proof Pumps	Acid Proff Gasket		Acide Proof
Pipe- MS & SS	Cement		Nut-bolt- MS & SS
Pipe- PVS	P. H. Paper		G. I. Hook/ Clam
Welding Rod- MS & SS	Paint, Thinner and Brush		Scale
Plane Sheet- MS & SS	Pop Poly		Cable
Eangle Channel- MS	Rope		E. Bulb
VIM- MS	Gumboot		Hand Globs
Geskate- Robber	Emery Papers		Motors
Cutting Dish	Cap		Bearing
Drill Beat	Filter		Tape
Capacitor	Circuit Bracker		Grinding Lihue
Hacks Blade	Dress		Tube Light
Magnetic Contact	Generator & Spare Parts		Potacium Cilicate

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		Amount in Taka	
		30.Sep.17	30.Jun.17
11.	**ACCOUNTS RECEIVABLE:**	**47,229,232**	**35,733,770**
	Asad Trading	-	65,561
	Friends Chemical	7,677,071	368,578
	Hassan Chemical (Kustia)	9,781,530	14,693,469
	Hasan Chemical Supply & Pharmaceutical Ind.	862,257	1,145,041
	Zaman Enterprise	6,741,532	3,318,013
	Jharna Chemical	5,710,970	8,238,710
	Mita Chemical & Scientific Store	3,185,598	-
	N P Chemical	5,906,086	6,756,087
	Shahjahan Chemical Industry	1,852,013	407,987
	Tareque Enterprise	5,512,175	740,324
	Total:	**47,229,232**	**35,733,770**
12.	**OTHERS RECEIVABLE:**	**18,158,645**	**23,565,108**
	M/s. A.A. Enterprise	956,677	804,028
	Global Quick Service Ltd.	680,567	1,245,841
	Mayer Doya Enterprise	3,695,000	2,885,000
	Kazi Traders	-	65,000
	Khan Business Network	7,500	7,500
	PF Fund Loan	2,081,856	1,973,052
	Kalco Corporation	438,250	238,000
	Shahjalal Engineering	1,872,657	2,572,657
	Shahin Enterprise	2,396,280	1,376,280
	Runner Motors Ltd.	-	202,500
	Institute of Diploma Engineers	-	20,000
	AccessTelecom BD Ltd.	20,348	2,348
	Asia Hotel & Resorts	-	13,613
	Azmir Interior & Architech	1,144,000	784,000
	Bandar Steel Industries Ltd.	249,136	1,014,136
	Electromech Automation & Engineering Ltd.	451,686	451,686
	Eco Developers Ltd.	-	1,000,000
	Hawlader Enterprise	-	100,000
	Heidelberg Cement	-	332,000
	Link3 Technologies Ltd.	-	30,639
	MA Electric Eng. Power	250,000	550,000
	Mariom Printing & Products	-	14,000
	Meghna Insurance Co.	-	26,265
	Mensen Services	-	266,563
	Mukta Carrying Center	136,520	800,000
	New Age	-	8,250
	Porbo International	164,912	610,979
	Ratan Enterprise	-	10,000
	Reverie Power & Automation Engineering Ltd.	1,200,000	1,200,000
	Satcom Enginering Company	1,850,000	3,170,771
	Satcom IT Ltd.	-	70,000
	Saudia Enterprise	-	90,000
	SIS Inspection Services Ltd.	-	20,000
	SM Enterprise	563,256	1,610,000
	Total:	**18,158,645**	**23,565,108**

AMARSTOCK

		Amount in Taka	
		30.Sep.17	30.Jun.17
13.	**CASH & CASH EQUIVALENTS:**	**17,651,973**	**17,074,989**
	Cash in Hand:	**330,792**	**546,092**
	Head Office	244,818	260,587
	Factory	85,974	285,505
	Cash at Bank:	**16,909,564**	**16,117,280**
	NCC Bank, A/C # 0210014874	5,623	6,198
	NCC Bank, A/C # 0325000813	13,325,564	13,325,564
	NCC Bank, A/C # 00280210017915	129,962	129,962
	Dutch Bangla Bank,A/C # 10511015936	19,819	19,819
	MTBL, C/A # 2032003267	4,325	4,325
	Soial Investment Bank, A/C # 133300000121	10,689	10,689
	SIBL, C/A # 0211330009134 Dhanmondi Br.	17,893	17,893
	SIBL, C/A # 0221330009875, Nawabpur Road Br.	3,270,093	2,250,441
	SIBL, C/A # 1011330000019, Mawna Br.	111,621	338,414
	Bank Asia, C/A # 03533000949, Shantinagar Br.	7,440	7,440
	Basic Bank Ltd, C/A # 0210010007825	6,535	6,535
	B.O. A/C-19573, Shyamol Equity Management Ltd.	**411,617**	**411,617**
	Total:	**17,651,973**	**17,074,989**

i) Cash & Cash Equivalents includes Cash in Hand and at Bank in different Accounts.

ii) Cash in Hand as on 30.09.17 was shown as per books of the company.

iii) Cash & Cash Equivalents includes balance shown in B.O. A/C No.-19573 as on 30.09.17.

14.	**SHORT TERM LOAN:**	**109,727,220**	**97,484,385**
	Loan Trust Receipts (LTR)	40,670,581	29,191,070
	HPSM (Commercial)	14,339,332	7,521,385
	Cash Credit	54,717,307	60,771,930
	Total:	**109,727,220**	**97,484,385**

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		Amount in Taka	
		30.Sep.17	30.Jun.17
15.	**ACCOUNTS PAYABLE:**	**6,652,042**	**12,791,264**
	Mita Chemical & Scientific Store	-	1,736,599
	Munshi Enterprise	1,377,668	6,118,668
	Yeasmin Welding	253,254	653,254
	S. K. Enterprise	1,113,661	432,274
	Goodluck Transport & Trading Ltd.	1,422,740	497,740
	Unique Business Center	155,000	-
	Ibrahim & Sons	1,394,545	1,211,100
	Pacific Chemitrade Co.	42,250	21,250
	BBS Cable Ltd.	489,924	489,924
	Farhanagar Machineries & Servicing Centre	315,000	367,000
	NDE Ready Mix Concret Ltd.	-	1,230,005
	Team Star Trading International	88,000	-
	Rumi Enterprise	-	33,450
	Total:	**6,652,042**	**12,791,264**
16.	**OTHERS PAYABLE:**	**14,100,644**	**16,659,050**
	Share Subscription Money	12,193,758	12,193,758
	Tax Deducted at Sources (TDS)- TAX	644,442	858,210
	Dividend Payable	794,537	794,537
	BizBangla Media Ltd.	-	7,500
	Chittagong Stock Exchange	382,907	382,907
	Car Rent	85,000	25,000
	PPF Payable		2,397,138
	Total:	**14,100,644**	**16,659,050**

		Amount in Taka	
		30.Sep.17	30.Jun.17
17.	**PROVISION FOR EMPLOYEE BENEFITS:**	**8,254,650**	**7,910,170**
	Opening Balance	7,910,170	6,232,716
	Add. Charged for the period	518,126	1,772,222
		8,428,296	8,004,938
	Less. Payment made during the period	173,646	94,768
	Total:	**8,254,650**	**7,910,170**

This includes provision made for employer's subscription & employees' contribution to provident fund and gratuity which is payable within the service life of each employee and/ or after his/ her retirement as per terms of emlpoyment of service.

18.	**PROFIT PARTICIPATION FUND:**	**3,829,293**	**3,644,626**
	Opening Balance	3,644,626	3,006,006
	Add. Charged for the period	1,033,390	3,511,651
		4,678,016	6,517,657
	Less. Payment made during the period	848,723	2,873,031
	Total:	**3,829,293**	**3,644,626**

This includes provision made for Worker's Profit Participation Fund as per the provisions of the Bangladesh Labour Act, 2006 and the Bangladesh Labour (Amendment) Act, 2013.

19.	**PROVISION FOR INCOME TAX:**	**77,864,879**	**73,882,272**
	Opening Balance	73,882,272	61,308,718
	Income Tax Expenses	5,762,607	19,945,155
	Provision during the period @25% on net profit	4,908,600	16,680,342
	Deferred Tax Expenses (Note- 19.01)	854,007	3,264,813
	Less. Payment/ Adjustment made during the period	1,780,000	7,371,601
	Total:	**77,864,879**	**73,882,272**

The agrigated amount of Deferred Tax Liability for the earlier years has been included in the opening balance of the "Provision for Income Tax".

	Amount in Taka	
	30.Sep.17	30.Jun.17

19.01 DEFERRED TAX:

	Account Base	Tax Base	Taxable Temporary Difference
Carrying Amount	545,227,518	358,659,746	186,567,772
Tax Rate			25%
Deferred Tax			46,641,943
Opening Deferred Tax			45,787,936
Deferred Tax Expenses for the period			**854,007**

20.	**PROVISION FOR EXPENSES:**	**3,139,185**	**2,993,298**
	Audit Fees	-	90,000
	Electricity Bill- Factory	432,519	144,400
	Electricity Bill Head Office	-	-
	Office Rent	85,000	275,680
	Remunerations	577,000	509,311
	Salary (Admin. & Selling)	1,116,111	1,214,450
	Telephone Bill	1,325	-
	Wages	927,230	759,457
	Total:	**3,139,185**	**2,993,298**

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			Amount in Taka	
			01-07-2017 to 30-09-2017	01-07-2016 to 30-09-2016
21.	**SALES-NET OF VAT:**		**78,782,403**	**62,593,043**
	Gross Sales		90,599,764	71,981,999
	Less : VAT		11,817,361	9,388,956
		Total:	**78,782,403**	**62,593,043**
21.01	**Gross Sales:**		**90,599,764**	**71,981,999**
	Sulphuric Acid		76,045,502	63,102,424
	Battery Grade Water		14,554,262	8,879,575
		Total:	**90,599,764**	**71,981,999**
22.	**COST OF GOODS SOLD:**		**45,049,976**	**32,877,897**
	Opening Stock of Finished Goods **(Note-09.02)**		26,784,026	19,402,479
	Add: Cost of Production **(Note-22.01)**		44,928,843	38,938,735
			71,712,869	58,341,214
	Less: Closing Stock of Finished Goods **(Note-09.02)**		26,662,893	25,463,317
		Total:	**45,049,976**	**32,877,897**
22.01	**Cost of Production:**		**44,928,843**	**38,938,735**
	Opening Stock Available		8,094,363	27,369,400
	Add: Purchase of Raw Material		28,490,217	44,154,939
			36,584,580	71,524,339
	Less: Closing Stock of Raw Material **(Note-22.01.01)**		15,978,785	54,571,690
	Raw Material Consumed		20,605,795	16,952,649
	Add: Manufacturing Overhead **(Note-22.01.02)**		24,323,048	21,986,086
		Total:	**44,928,843**	**38,938,735**
22.01.01	**Closing Stock of Raw Material:**		**15,978,785**	**54,571,690**
	Sulphar		15,238,368	53,400,777
	Custic Soda		584,760	979,403
	Lime		70,269	29,537
	Soda ash		85,388	161,973
		Total:	**15,978,785**	**54,571,690**

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		Amount in Taka	
		01-07-2017 to 30-09-2017	01-07-2016 to 30-09-2016
22.01.02	**Manufacturing Overhead:**	**24,323,048**	**21,986,086**
	Wages & Allowances	2,823,568	2,266,996
	Bonus	422,485	368,920
	Carrying & Transport	4,456,950	3,126,873
	Conveyance	6,610	14,248
	Cell phone-Factory	10,319	11,620
	Cooker Bill	3,000	3,000
	Electricity Bill	1,378,228	1,181,950
	Entertainment	122,514	118,769
	Foof & Tiffen	86,200	-
	Fuel for Generator	2,535,000	2,357,000
	Loading & Unloading	347,998	260,250
	Medical Expenses	7,573	12,498
	Office Maintenance Factory	164,848	88,823
	Paper & Periodicals	930	620
	Insurance Premium	219,122	301,406
	Stationery	11,557	9,201
	Spare Parts	1,202,532	752,362
	Testing Fees	15,600	50,000
	Depreciation (**Note- 06**)	10,508,014	11,061,550
	Total:	**24,323,048**	**21,986,086**

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		Amount in Taka	
		01-07-2017 to 30-09-2017	01-07-2016 to 30-09-2016
23.	**ADMINISTRATIVE EXPENSES:**	**7,214,240**	**5,431,568**
	Salary & Allowances	2,231,945	1,610,891
	Bonus	843,982	517,964
	Remuneration	1,731,000	1,287,000
	Bank Charge and Other Charges	54,351	5,310
	Conveyance	26,161	29,125
	Cell phone	29,032	29,650
	Computer Maintenance	22,450	21,480
	Car Rent	226,000	216,000
	Car Maintenance	462,668	393,907
	Carrying & Transport- Admin	3,610	5,780
	Credit Rating Fees	20,700	-
	Dish Line Bill	11,400	14,900
	Electric Bill	42,068	14,311
	Entertainment	85,864	66,159
	Garage Rent	32,400	32,400
	Internet Bill	63,556	44,226
	Medical Expenses	2,455	16,900
	Office Rent	262,600	449,280
	Office Maintenance	51,065	27,570
	Printing & Stationery	66,855	30,785
	Postage & Telegram	6,515	5,175
	Paper & Periodicals	3,960	2,343
	Registration & Renewal	186,603	32,450
	Telephone Bill	3,577	3,238
	Traveling Expenses	437,237	323,853
	WASA Bill	25,277	5,845
	Web Page & Software Maintenance	-	3,060
	Depreciation (**Note- 06**)	280,909	241,966
	Total:	**7,214,240**	**5,431,568**
24.	**SELLING & DISTRIBUTION EXPENSES:**	**1,262,562**	**1,021,469**
	Salary & Allowances	920,388	775,459
	Bonus	180,626	129,497
	Cellphone	23,400	18,700
	Entertainment	31,538	18,114
	Traveling & Conveyance	106,610	79,699
	Total:	**1,262,562**	**1,021,469**

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25. PRODUCTION CAPACITY:

The production capacity & actual production of the company are as follows:

Particulars	
Installed Capacity Kg. (Per Year)	25,550,000 Kg.
Installed Capacity Kg. (for 03 months)	6,387,500 Kg.
Actual Production Kg. (during the period 03 months)	5,522,880 Kg.
Capacity Utilized	86.46%

26. REMUNERATION:

Detail of remuneration paid during the period is as follows:

Name	Remuneration	Tax at Source	Net Payment
Mrs. Khondoker Afia Sultana- Managing Director	939,000	90,000	849,000
Mr. Salam Obaidul Karim- Chairman	792,000	63,000	729,000
Total:	**1,731,000**	**153,000**	**1,578,000**

Currently the directors are not enjoying any other benefits from the company.

27. NUMBER OF EMPLOYEES:

The numbers of employees of the company at the period then ended were as follows:

Category	Number of Employees
Manufacturing Workers (including one foreign employee)	84
Sales & Distribution Officers and Staff	6
Management, Administrative Officers and Staff	23
Total Employees:	**113**

The above employees of the company have been employed with a compensation of more than Tk. 5,000 and TDS was considered under Section-50 of the Income Tax Ordinance, 1984, where applicable.

28. PROFIT PARTICIPATION FUND:

The company provides 5% of its net profit before tax after charging such expenses as Profit Participation Fund in accordance with Section- 234 and 235 of the Bangladesh Labour Act, 2006 and Section-65 of the Bangladesh Labour (Amendment) Act, 2013.

29. DEFERRED TAX:

Deferred tax has been recognized in accordance with Bangladesh Accounting Standard (BAS)-12 "Income Tax". Deferred Tax is provided using the liability method for temporary difference between Financial Statements and Tax-base. Deferred tax has been determined at the effective income tax rate prevailing at the reporting date.

30. RELATED PARTY TRANSACTION:

The company in normal course of business has not entered into any transaction with any individual/ entity that fall within definition of related party contained in Bangladesh Accounting Standards-24 (BAS-24).

31. OTHERS:

a) Changes in Non Current Assets:

Property, Plant & Equipment during the period decreased by 8.43 million due to effect depreciation on fixed assets.

Capital Work In-progress during the period increased by 11.45 million due to invest for erect and install new Plant & Machinery and essential Infrastructure. Amount transferred to Fixed Assets subject to completion of particular construction.

b) Changes in Current Assets:

Total Current Assets during the period increased by 16.21 million mainly increase in Accounts receivable for credit sales .

c) Changes in Non-Current Liabilities:

Total Non-Current Liabilities during the period increased by 8.20 million mainly increase in Short term loan.

d) Changes in Operating Income:

Sales Revenue during the period increased by 16.18 million compared to same period of last year.

e) Changes in Cost of Goods Sold:

Cost of Goods Sold during the period increased by 12.17 million compared to same period of last year due to increase in Wages & Allowances, Carrying & Transport & utility cost.

f) Deviation in Net Operating Cash Flow:

Net Operating Cash Flow during the period increased to 0.08 from (0.19) compared to same period of last year due to increase in collection from customer.

32. GENERAL:

i) Figures shown in the accounts have been rounded-off to the nearest Taka;
ii) Previous period figures have been re-arranged where necessary to confirm to current period's presentation;
iii) All shares have been fully called-up and paid-up;
iv) There was no Contingent Liability.
v) Bank Balance shown in the accounts were duly reconciled.

vi) The Board of Directors in its 138th meeting held on 29 October, 2017 recommended stock dividend @ 5% for the year ended 30 June 2017 which would be placed in the 15th AGM of the company for approval.

33. EVENTS AFTER THE REPORTING PERIOD:

There was no significant event that has been occurred between the statement of financial position date and the date on which the financial statements are authorised for issue.

Sd/-	Sd/-	Sd/-	Sd/-
Company Secretary	**Managing Director**	**Chief Financial Officer**	**Chairman**

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