

First Quarter Accounts

Wata Chemicals Ltd.

**Unaudited Financial Statements
For the First Quarter (Q-1)
Ended on 30 September, 2020**



Wata Chemicals Ltd.

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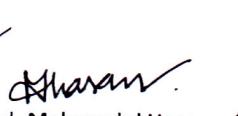
WATA CHEMICALS LIMITED
Statement of Financial Position (Un-audited)
As at 30 September, 2020

Particulars	Notes	Amount in Taka		
		30-Sep-20	30-Jun-20	
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment (PPE)	2.00	1,330,082,617	1,323,048,203	
Capital Work-in-Progress (CWIP)-BMRE	3.00	983,920,538	997,117,967	
Right-of-Use (ROU) Asset	4.00	339,423,540	318,999,166	
		6,738,540	6,931,070	
CURRENT ASSETS				
Inventories	5.00	1,146,070,262	1,159,038,945	
Trade Receivables	6.00	57,269,750	141,127,471	
Advance Income Tax	7.00	341,866,245	353,867,470	
Advances, Prepayments & Deposits	8.00	27,575,505	23,766,599	
Cash & Cash Equivalents	9.00	710,208,256	632,445,096	
		9,150,507	7,832,309	
TOTAL ASSETS		2,476,152,880	2,482,087,148	
SHAREHOLDER'S EQUITY & LIABILITIES				
SHAREHOLDER'S EQUITY				
Share Capital	10.00	905,296,943	874,882,666	
Share Premium	11.00	148,226,180	148,226,180	
Revaluation Reserve	12.00	32,400,000	32,400,000	
Retained Earnings	13.00	402,203,154	404,064,937	
		322,467,610	290,191,549	
LIABILITIES				
NON-CURRENT LIABILITIES				
Long Term Loan	14.00	501,478,882	538,589,488	
Deferred Tax Liability	15.00	470,726,759	508,028,074	
Lease Liability	16.00	24,260,900	23,919,632	
		6,491,223	6,641,782	
CURRENT LIABILITIES				
Bank Overdraft & Loans	17.00	1,069,377,054	1,068,614,995	
Current Portion of Long Term Loan	18.00	875,654,597	927,343,869	
Short term Loan (Unsecured)	19.00	48,985,960	-	
Lease Liability	16.00	331,603	331,603	
Trade Payables	20.00	1,764,945	1,452,513	
Deposit against Sales	21.00	917,163	2,615,050	
Liabilities for Expenses	22.00	2,710,816	1,256,965	
Workers Profit Participation Fund & Welfare Fund	23.00	29,226,906	38,095,463	
Provision for Taxation	24.00	37,221,782	35,171,413	
Dividend Payable	25.00	68,521,421	58,269,573	
		4,041,860	4,078,547	
TOTAL LIABILITIES		1,570,855,936	1,607,204,482	
TOTAL SHAREHOLDER'S EQUITY & LIABILITIES		2,476,152,880	2,482,087,148	
Net Assets Value (NAV) Per Share in Taka		26.00	61.08	
			59.02	

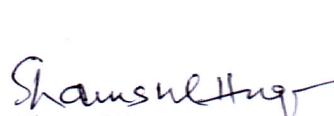
The annexed notes 1 to 53 and schedule 1 to 10 form an integral part of these financial statements.


 Md. Amzad Hossain Kibria
 Chairman


 Md. Nazrul Islam
 Managing Director


 Md. Mahmudul Hasan
 Director


 Md. Ali Ahsan
 Chief Finance Officer


 Shamsul Huq
 Company Secretary

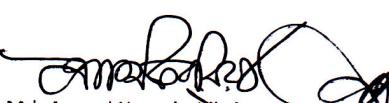
Dated; Dhaka
 November 15, 2020



WATA CHEMICALS LIMITED
Statement of Profit or Loss & Other Comprehensive Income (Unaudited)
For the First Quarter from 1st July'2020 to 30th September'2020

Particulars	Notes	Amount in Taka	
		Jul'20 - Sept'20	Jul'19 - Sept'19
		03 Months	03 Months
Revenue	27.00	191,692,588	252,293,483
Cost of Sales	28.00	(116,780,412)	(154,923,328)
Gross Profit		74,912,176	97,370,155
Administrative, Selling and Distribution Expenses	29.00	(14,388,845)	(11,789,067)
Operating Profit		60,523,330	85,581,088
Finance Expenses	30.00	(17,465,567)	(16,422,590)
Non Operating Income	31.00	-	-
Profit before contribution to WPPF & Welfare Fund		43,057,763	69,158,497
Contribution to WPPF & Welfare Fund		(2,050,370)	(3,293,262)
Profit before Tax		41,007,393	65,865,236
Income Tax Expenses		(10,220,760)	(17,088,872)
Current Tax		(10,251,848)	(16,466,309)
Deferred Tax income/(expense)	32.00	31,089	(622,563)
Profit after Tax		30,786,634	48,776,364
Other Comprehensive Income / Expenses			
Deferred Tax on Revaluation of PPE		(372,357)	(407,268)
Total Comprehensive Income		30,414,277	48,369,096
Earning Per Share (EPS) in Taka	33.00	2.08	3.29

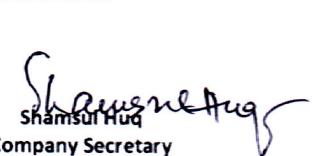
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Dated; Dhaka
 November 15, 2020



WATA CHEMICALS LIMITED
Statement of Changes in Equity (Unaudited)
For the First Quarter from 1st July'2020 to 30th September'2020

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earning	Amount in Taka
					Total
Balance as at 01 July 2020	148,226,180	32,400,000	404,064,937	290,191,549	874,882,666
Profit after Tax during the period	-	-	-	30,786,634	30,786,634
Cash dividend for the year 19-20	-	-	-	-	-
Stock dividend for the year 19-20	-	-	-	-	-
Adj. of Realized Depreciation on Revaluation		-	(1,489,427)	1,489,427	-
Deferred Tax on Revaluation transferred to Revaluation Reserve	-	-	(372,357)	-	(372,357)
Balance as at 30 September, 2020	148,226,180	32,400,000	402,203,154	322,467,609	905,296,943

For the First Quarter from 1st July'2019 to 30th September'2019

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earning	Amount in Taka
					Total
Balance as at 01 July 2019	118,580,950	32,400,000	412,210,297	229,571,317	792,762,565
Profit after Tax during the period	-	-	-	48,776,364	48,776,364
Cash dividend for the year 18-19	-	-	-	-	-
Stock dividend for the year 18-19	-	-	-	-	-
Adj. of Realized Depreciation on Revaluation		-	(1,629,072)	1,629,072	-
Deferred Tax on Revaluation transferred to Revaluation Reserve	-	-	(407,268)	-	(407,268)
Balance as at 30 September 2019	118,580,950	32,400,000	410,173,957	279,976,755	841,131,662

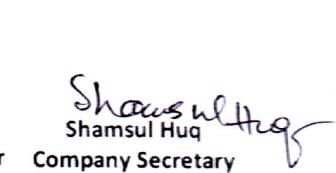
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Md. Mahmudul Hasan
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Dated; Dhaka
November 15, 2020



WATA CHEMICALS LIMITED
Statement of Cash Flows (Unaudited)
For the First Quarter from 1st July'2020 to 30th September'2020

Particulars	Notes	Amount in Taka	
		Jul'20 - Sept'20	Jul'19 - Sept'19
Cash Flows from Operating Activities:			
Cash receipts from Customers and others	34.00	144,232,077	150,627,186
Cash paid to Suppliers and others	35.00	(6,090,910)	(59,423,365)
Cash paid to employees and for expenses	36.00	(53,260,540)	(35,171,132)
Cash paid for VAT & Tax	37.00	(20,669,666)	(20,459,954)
Net Cash (used in)/generated from operating activities (A)		64,210,962	35,572,734
Cash Flows from Investing Activities:			
Acquisition of Fixed Assets	38.00	(20,662,874)	(59,781,768)
Net Cash (used in)/generated from investing activities (B)		(20,662,874)	(59,781,768)
Cash Flows from Financing Activities:			
Loan Received	39.00	143,741,308	82,664,752
Loan Repaid	40.00	(183,745,934)	(39,657,000)
Dividend Paid	41.00	(36,687)	
Net Cash (used in)/generated from financing activities (C)		(40,041,312)	43,007,752
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		3,506,776	18,798,718
Effect of movements in exchange rate on cash held		(2,188,578)	
Opening Cash & Cash Equivalents		7,832,309	1,013,429
Closing Cash & Cash Equivalent at Reporting Date		9,150,507	19,812,147
Net Operating Cash Flow Per Share (NOCFPS) in Taka	42.00	4.33	2.40
(Previous year's NOCFPS has been restated based on 14,822,618 shares)			

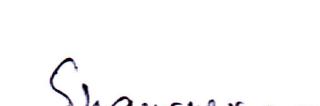
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Dated; Dhaka
November 15, 2020



WATA CHEMICALS LIMITED
Notes to the Financial Statements
As at and for the period ended 30 September'2020

1.0 Reporting Entity

1.1 Company Profile

"WATA CHEMICALS LIMITED" hereinafter referred as to the Company was incorporated in Bangladesh on August 19, 1981 under Companies Act, 1913 (Subsequently amended in 1994). Its shares are listed with Dhaka Stock Exchange Limited since 1992 & Chittagong Stock Exchange Limited since 1997.

The registered office of the company is at 17/B, Monipuripara (3rd Floor), Sangshad Avenue, Dhaka-1215. Its factory is situated at Murapara, Rupgonj, Narayangonj, Bangladesh.

1.2 Nature of Business

The Company produces Alum, Zinc Sulphate, Magnesium Sulphate, Sulphuric Acid, Basic Chrome Powder (BCP) and Linear Alkyl Benzene Sulphonic Acid (LABSA) for 100% local consumption.

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. However, presentation of the financial statements has been changed/rearranged during this year to comply with the requirement of IAS-1 "Presentation of Financial Statements" fully and 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. In previous years the financial statements presented under traditional formats.

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 September 2020
- ii. Statement of Profit or Loss & Other Comprehensive Income for the period ended 30 Sept'20
- iii. Statement of Changes in Equity for the period ended 30 September 2020
- iv. Statement of Cash Flows for the period ended 30 September 2020 and
- v. Notes to the financial statements and other explanatory information.



ii. Revenue

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework as follows;

- 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 contract
- v. Recognise revenue when (or as) the entity satisfies a performance obligation. However, the company has complied with the applicable requirements of IFRS 15 in recognizing revenue.

Moreover, the entity assesses whether it transfers control over time by following prescribed criteria for satisfying performance obligation. If none of the criteria is met then the entity recognizes revenue at point of time at which it transfers control of the goods to the customer.

Revenue is measured net of value added tax, trade discount, returns and allowances (if any). In case of cash delivery, revenue is recognised when delivery is made and cash is received by the Company

1.4 Measurement of Elements in the Financial Statements

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

1.5 Use of Estimates and Judgments

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

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

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

1.6 Comparative Information and Rearrangement thereof

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



1.7 Going Concern

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

1.8 Accrual Basis of Accounting

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

1.9 Materiality and Aggregation

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

1.10 Reporting Period

These financial statements of the Company has covered from 01 July 2020 to 30 September 2020.

1.11 Authorization of the Financial Statements for Issue

The financial statements were authorized by the Board of Directors on 15 November 2020 after completion of review by the Audit Committee.

1.12 Statement of Cash Flows

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 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.

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 IFRS 8: "Operating Segments" as the company operates in a single industry segment and within a single geographical territory.

1.18 Reporting Currency and Level of Precision

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

1.19 Foreign Currency Transaction

Transaction in foreign currencies are converted into Bangladesh Taka at the Exchange rate prevailing on the date of transaction in accordance with provisions of IAS 21 "The Effects of changes in foreign currency Rate".

1.20 Summary of Significant Accounting Policies

Accounting policies are determined by applying the relevant IFRS. Where there is no available guidelines of 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.

1.21 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 Balance Sheet and Cash Flow Statement, 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.

1.22 Non-current Assets [Property, Plant & Equipment and Intangibles]

1.22.1 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.



1.22.2 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.

1.22.3 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.

1.22.4 Measurement of Property, Plant & Equipment after Recognition

Cost model

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

Revaluation model

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

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

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

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

1.22.5 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.



1.22.6 Impairment of Assets

Entity applies periodic review to ensure that its assets are carried at no more than their recoverable amount. Which is hunger of an asset's or Cash generating unit's fair value less costs to sell and its value in use as prescribed in IAS36 "Impairment of Assets". However, the company has measured the carrying amount of non-financial assets considering possible impairment of assets and performed the impairment testing of assets under the scope of International Accounting Standards (IAS) 36 at the reporting date as on 30 June 2020. In conducting asset impairment testing, the company has considered all the non-current assets under the scope of Impairment as single cash generating unit and Value in Use has been considered as its recoverable value. However, no impairment loss has been made on such assets in its financial statements for the year ended 30 June 2020 as the carrying amount of assets or its cash-generating unit did not exceed its recoverable amount.

1.22.7 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 Reducing Balance Method (RBM) on additions from the date of acquisition, when the related assets are put into use and no depreciation is charged on assets disposed of during the year. Expenditure for maintenance and repairs are expensed, major replacements, renewals and betterment are capitalized.

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

Particulars	Rate
Plant & Machinery	10%
Factory Building	5%
Boundary Wall	15%
Motor Vehicles and Bi-cycle	10%
Furniture & Fixtures	10%
Office Equipments	10%
Laboratory Equipments	15%
Computer	10%
Generator	10%

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



1.23 Valuation of Inventories

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

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

1.24 Other Provisions, Accruals and Contingencies

1.24.1 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.

1.24.2 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.

1.25 Workers' Profit Participation Fund (WPPF) & Welfare Fund

As per Bangladesh Labour Law, 2006 as amended in 2013 all companies fall within the scope of WPPF (which includes Company) are required to provide 5% of its profit after 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.

1.26 Taxation

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

1.26.1 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 .60%.

Type of Income	2020-2021	2019-20
Business income	25%	25%
Capital gain	10% to 15%	10% to 15%
Minimum Tax Section 16BBB+82C(4)	0.60%	0.60%



1.26.2 Deferred Tax

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

Principles 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.

1.27 Share Capital and Reserves

1.27.1 Capital

Authorized Capital

Authorized Capital is the maximum amount of share capital that the Company 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.

1.27.2 Share Premium

Premium received amounting of Tk. 32,400,000 as against 162,000 ordinary share of Tk. 200 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.

1.27.3 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 2008. The reserve is not distributable.



1.28 Expenses

1.28.1 Management and Other Expenses

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

1.29 Earnings Per Share (EPS)

Measurement

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

Presentation

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

1.30 Employee Benefits

According to para-05 of IAS 19, employee benefits are given below :

a) Short-term Employee Benefits

- i) Paid Wages, Salaries and no Social Security Contributions;
- ii) Paid 20 (Twenty) days Annual (Casual Leave), 14 (Fourteen) days Medical (Sick Leave), 06 (Six) days Earn Leave, 120 (One Hundred Twenty) days Maternity Leave and General Holidays as per Govt declaration;
- iii) Paid Festival Bonuses and 05 (Five) percent WPPF(Workers Profit Participation Fund) as profit-sharing; and
- iv) No non-monetary benefit for current employees except lunch facility and accidental medical facilities at work station.

b) Post-employment Benefits

- i) No retirement benefit; and
- ii) No other post employment benefits such as post-employment life insurance and post-employment medical care.

c) Other Long-term Employee Benefits, such as the followings

- i) No long-term paid absences such as long-service leave or sabbatical leave;
- ii) No jubilee or other long-service benefits; and
- iii) No long-term disability benefits; and

d) Termination Benefits

No termination benefits but paid onetime financial benefit due to death of any employee on the basis of financial condition of employee but not less than 06 (six) months salary avail in the last month.



1.31 Leases

Implementation of IFRS 16 and its relevant assumptions and disclosures IFRS 16: "Leases" has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Wata Chemicals Limited applied IFRS 16 where the Company measured the lease liability at the present value of the remaining lease payments, discounted it using incremental borrowing rate at the date of initial application, and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

Right-of-use assets

The Company recognises right-of-use assets at the date of initial application of IFRS 16. Right-of-use assets are measured at cost, less any accumulated depreciation. Right-of-use asset is depreciated on a straight-line basis over the lease term. The right-of-use asset is presented under property, plant and equipment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liability measured at the present value of lease payments to be made over the lease term using incremental borrowing rate of 9% at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

However, the Company has only lease agreement for rental its Head Office with the Landlord for 10 years with effect from 01 July 2019 has been considered for lease as IFRS 16 and recognized in the financial statements accordingly.

1.32 Compliance with Financial Reporting Standards as Applicable in Bangladesh

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

SN	Standard Number	Title of Standards	Compliance Status
01	IAS 01	Presentation of Financial Statements	Complied
02	IAS 02	Inventories	Complied
03	IAS 07	Statement of Cash Flows	Complied
04	IAS 08	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
05	IAS 10	Events after the Reporting Period	Complied
06	IAS 12	Income Taxes	Complied
07	IAS 16	Property, Plant & Equipment	Complied
08	IAS 19	Employee Benefits	Complied
09	IAS 23	Borrowing Costs	Complied
10	IAS 24	Related Party Disclosures	Complied
11	IAS 33	Earnings per Share	Complied
12	IAS 36	Impairment of Assets	Complied
13	IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
14	IFRS 9	Financial Instruments	Complied
15	IFRS 15	Revenue from Contracts with Customers	Complied
16	IFRS 16	Leases	Complied



2.00 Property, Plant & Equipment (PPE)

At Cost / Revalued:

Opening Balance
Add: Addition during the year
Less: Disposal during the year

Amount in Taka	
30-Sep-20	30-Jun-20
1,398,013,176	1,390,976,245
238,500	7,036,931
1,398,251,676	1,398,013,176
400,895,209	341,884,514
13,435,930	59,010,695
414,331,138	400,895,209
983,920,538	997,117,967

Depreciation:

Opening Balance
Add: Depreciation charged during the year
Less: Disposal during the year

Written Down Value as at 30 September'20

The details has been shown in "Schedule-01".

3.00 Capital Work-In-Progress (CWIP)-BMRE

Opening Balance

Add: Addition during the year

Less: Adjustment / Transfer to Non-current Assets

Closing Balance

Amount in Taka	
30-Sep-20	30-Jun-20
318,999,166	148,788,783
20,424,374	170,210,383
339,423,540	318,999,166
339,423,540	318,999,166

N.B. It is to be noted that BMRE Project cost will be capitalized after successfully completion of test Production in compliance with the relevant IAS/IFRS.

4.00 Right-of-Use (ROU) Asset

Cost

Opening Balance

Add: Addition during the year

Depreciation

Opening Balance

Add: Depreciation charged during the year

Written Down Value as at 30 September 2020

Amount in Taka	
30-Sep-20	30-Jun-20
7,701,189	-
-	7,701,189
7,701,189	7,701,189
770,119	-
192,530	770,119
962,649	770,119
6,738,540	6,931,070

5.00 Inventories

Raw Materials Stock

Finished Goods Stock

Materials-In-Transit

Stores & Spares

Raw Materials (M. Ton)

Finished Goods (M. Ton)

Total (M. Tons)

Amount in Taka	
30-Sep-20	30-Jun-20
17,486,779	91,351,422
17,893,237	21,474,961
20,676,658	26,645,007
1,213,076	1,656,082
57,269,750	141,127,471
593,423	5,926,103
1,991,662	2,461,962
2,585,085	8,388,065

a) Raw materials stock with quantity and value are shown in "Schedule-02".

b) Finished goods stock with quantity and value are shown in "Schedule-03".

5.01 Materials-In-Transit

LC Margin Account

Lc No - 120020241 (2000 MT Sulphur)

Lc No - 120020242 (1000 MT Sulphur)

Lc No - 120020275 (2000 MT Sulphur)

Lc No - 120020277 (1000 MT Sulphur)

Amount in Taka	
30-Sep-20	30-Jun-20
10,412,738	26,645,007
240,427	-
9,651,483	-
247,271	-
124,739	-
20,676,658	26,645,007



5.02 LC Margin Account

	Amount in Taka	
	30-Sep-20	30-Jun-20
Lc No - 120020241 (2000 MT Sulphur)	1,953,850	-
Lc No - 120020242 (1000 MT Sulphur)	976,925	-
Lc No - 120020275 (2000 MT Sulphur)	2,051,543	-
Lc No - 120020277 (1000 MT Sulphur)	1,025,771	-
Lc No - 119020144 (1000 MT Hydrate)	-	2,339,119
Lc No - 120020041 (LABSA Capital Machinery)	1,271,447	1,271,447
Lc No - 119020273 (2000 MT Sulphur)	-	2,251,417
Lc No - 119020108 (2000 MT)	71,765	1,617,077
Lc No - 119020130 (1000 MT Sulphur)	1,107,148	1,107,148
Lc No - 119020297 (2000 MT Sulphur)	-	2,333,266
Lc No - 119020321 (2000 MT Sulphur)	-	2,069,598
Lc No - 119020322 (192 MT Hydrate)	-	504,432
Lc No - 119020338 (2000 MT Sulphur)	-	1,817,602
Lc No - 119020371 (2000 MT Sulphur)	-	1,764,880
Lc No - 119020373 (2000 MT Sulphur)	21,755	1,764,880
Lc No - 119020380 (2016 MT Hydrate)	1,820,314	5,473,843
Lc No - 119020382 (1000 MT Sulphur)	81,663	890,925
Lc No - 119020199 (1020 MT Sulphur)	30,558	1,439,373
	10,412,738	26,645,007

6.00 Trade Receivables

Opening Balance

Add: Sales during the year

Less: Received during the year

Closing Balance

	Amount in Taka	
	30-Sep-20	30-Jun-20
	353,867,470	90,765,720
	214,264,189	839,354,734
	568,131,659	930,120,454
	(226,265,415)	(576,252,983)
	341,866,245	353,867,470

(a) Name wise Accounts receivable as on **30 September 2020** are shown in **Schedule-05**.
 (b) Classification schedule as required by schedule XI of Companies Act 1994 is as follows:

Ageing of the above debtors' balances is as follows:

Below 180 days	340,961,733	352,962,958
Above 180 days	904,512	904,512
	341,866,245	353,867,470

I. Accounts Receivable considered good in respect of which the company is fully secured.	340,961,733	352,962,958
II. Accounts Receivable considered doubtful or bad.	904,512	904,512
Total	341,866,245	353,867,470

The company has also assessed whether there is any significant credit risk involved as per IFRS 9 and the requirement of providing Expected Credit Loss as per the IFRS. However, no such allowance has been provided as more than 99% of the Trade Receivable is recoverable in time and below 180 days aged.

7.00 Advance Income Tax (AIT)

Opening Balance

Add : Tax Deduction at Import

Add : Tax Deduction from Sale

Add : Income Tax Paid in Cash

Less : Adjustment during this period

Closing Balance

	Amount in Taka	
	30-Sep-20	30-Jun-20
	23,766,599	86,698,797
	-	19,586,879
	3,822,094	4,179,719
	-	28,767,959
	27,588,693	139,233,355
	13,188	115,466,756
	27,575,505	23,766,599



8.00 Advances, Prepayments & Deposits

Advance against Salary
 Advance against Capital Expenditures
 Bank Guarantee Margin with Agrani Bank
 Security & Earnest Money Deposit
 VAT Deduction at Import (Not Adjusted)
 VAT Deposit Against (10% of Claim)
 VAT Deposit

Amount in Taka	
30-Sep-20	30-Jun-20
835,508	851,294
701,022,688	617,111,494
1,655,568	1,818,786
3,862,855	4,107,855
3,623,230	3,623,230
4,142,790	4,142,790
(4,934,383)	789,647
710,208,256	632,445,096

8.01 Advance against Salary

Advance against Salary
 Advance against Expenses

Amount in Taka	
30-Sep-20	30-Jun-20
346,083	382,083
489,425	469,211
835,508	851,294

8.02 Advance against Capital Expenditure

Advance payment to suppliers
 Asset in Transit
 LC No 0120020041 (LABSA Capital Machinery)
 LC No 119010157 (Capital Machi & Equipment)
 LC No 119010107 (Acid Resistance Bricks)
 LC No 118020228 (Spare Parts)
 LC No 119010132 (Acid Pump & Blower)
 LC No 119010410 (Adbestor Cement Sheet)

Amount in Taka	
30-Sep-20	30-Jun-20
593,702,008	519,017,082
107,320,680	98,094,412
9,357,530	131,262
79,401,901	79,401,901
1,125,096	1,125,096
7,323,768	7,323,768
9,080,233	9,080,233
1,032,152	1,032,152
701,022,688	617,111,494

The details of Advance Payment to Suppliers has been shown in "Schedule-08".

8.03 Bank Guarantee Margin

Titas Gas /L/2632/17
 Chittagong WASA
 Dhaka WASA

Amount in Taka	
30-Sep-20	30-Jun-20
114,360	114,360
423,128	436,386
1,118,080	1,268,040
1,655,568	1,818,786

8.04 Security & Earnest Money Deposit

Titas Gas
 Narayanganj PBS-2
 Dhaka WASA
 Ashuganj Fertilizer & Chemical Co. Ltd.
 Ashugonj Power Station
 Chittagong WASA
 Jamuna Fertilizer Factory Ltd.
 Ghorasal Urea Fertilizer Factory Ltd.

Amount in Taka	
30-Sep-20	30-Jun-20
863,600	863,600
480,000	480,000
-	600,000
-	150,000
50,000	-
2,165,000	1,760,000
254,255	254,255
50,000	-
3,862,855	4,107,855

8.05 VAT Deposit

Opening Balance
 Add: Deposit during the year
 VAT Cash Deposit
 VAT Deduction at Import
 AT Deduction at Import
 VAT on (Gas & Electricity Bill)

Amount in Taka	
30-Sep-20	30-Jun-20
789,647	769,616
16,400,000	34,300,000
-	13,813,951
-	18,774,584
447,571	672,352
16,847,571	67,560,887
17,637,218	68,330,503
(22,571,602)	(67,540,857)
(4,934,383)	789,647

Total Deposit

Less: Adjustment during the year
 Closing Balance



9.00 Cash & Cash Equivalents

Cash in hand

Cash (Head Office)

Cash (Factory)-Current

Cash at Bank

Agrani Bank, Principal Branch, CD A/c No 0200000982200
 BD Krishi Bank CD A/c No. 1001 0210040946
 Prime Bank A/c No.2127115015947
 Basic Bank, A/c-01010069
 BDBL Account, CD-001133003901
 BDBL CD A/c 6521111019973
 Brac Bank Ltd. Asad Gate Br. CD A/c
 Dutch-Bangla Bank, CD-10123000271
 Janata Bank Limited-Dilkusha Corporate Br.
 Uttara Bank, CD-21303

Amount in Taka	
30-Sep-20	30-Jun-20
5,531,254	1,612,556
222,042	47,254
5,309,212	1,565,302
3,619,253	6,219,753
3,471,239	6,071,312
10,740	11,167
62,295	62,295
20,213	20,213
13,947	13,947
3,014	3,014
6,000	6,000
2,434	2,434
24,533	24,533
4,838	4,838
9,150,507	7,832,309

(a) Few Bank accounts are inoperative and carried on accounts for number of years without movement.

10.00 Share Capital

Paid-up Capital (1,620,000 Ordinary Shares of Tk. 10 each)
 Add: Issue of Right Share in year 1995
 Add: Issue of Bonus Share in year 1997
 Add: Issue of Bonus Share in year 2012
 Add: Issue of Bonus Share for year 2013
 Add: Issue of Bonus Share for year 2014
 Add: Issue of Bonus Share for year 2015-2016
 Add: Issue of Bonus Share for year 2016-2017
 Add: Issue of Bonus Share for year 2017-2018
 Add: Issue of Bonus Share for year 2018-2019

Amount in Taka	
30-Sep-20	30-Jun-20
16,200,000	16,200,000
16,200,000	16,200,000
8,100,000	8,100,000
8,100,000	8,100,000
14,580,000	14,580,000
15,795,000	15,795,000
7,897,500	7,897,500
4,343,620	4,343,620
27,364,830	27,364,830
29,645,230	29,645,230
148,226,180	148,226,180
32,400,000	32,400,000

11.00 Share Premium

The above share premium has been carried forward in the financial statements since 1995. This represents premium @ Tk. 200 per share collected on issue of right shares of 162,000.

12.00 Revaluation Reserves

Opening Balance

Less: Depreciation on Revaluation Increase / Decrease

Less: Deferred Tax on Revaluation Depreciation

Closing Balance

Amount in Taka	
30-Sep-20	30-Jun-20
404,064,937	412,210,297
(1,489,427)	(6,516,288)
(372,357)	(1,629,072)
402,203,154	404,064,937

(a) One consultant, namely, Dr. Engg. Khurshad-ul-Islam Phd. in Industrial & Process Engineering (Germany) of Bangladesh. Bangladesh Resources Management and Development Company revalued company's Plant & Machinery and Equipment in the Middle of year 2008 on replacement cost basis.

Another civil Engineering Consultant revalued Land at present market price and Building including other civil construction at replacement cost basis in the year 2008.

(b) **Revaluation reserve was taken into accounts as per Board's decision:**

Details of Revaluation Reserve are as under:

Machinery and Equipment	483,200,000	483,200,000
Land	89,266,750	89,266,750
Building & Other Civil Construction	80,200,149	80,200,149
Revaluation Value (Net of Depreciation)	652,666,899	652,666,899
Other Assets	4,205,463	4,205,463
Total Revaluation at replacement cost	656,872,362	656,872,362
Less: Written down value as on 31.12.2008	165,442,789	165,442,789
Revaluation Reserve	491,429,573	491,429,573

Less: Depreciation Adjustment

For the year 2012	12,978,569	12,978,569
For the year 2013	11,817,372	11,817,372
For the year 2014	10,765,461	10,765,461
For the year 2015	9,812,209	9,812,209



For the period 2016 (6 months)	4,474,096	4,474,096
For the year 2016-2017	8,556,441	8,556,441
For the year 2017-2018	7,809,323	7,809,323
For the year 2018-2019	7,131,491	7,131,491
For the year 2019-2020	6,516,288	6,516,288
For the year 2020-2021	1,489,427	-
Less: Deferred Tax Adjustment on Depreciation on Revaluation	(7,875,743)	(7,503,386)
Balance as on 30.09.2020	402,203,154	404,064,937

(c) Details of depreciation calculation on revalued assets have been shown in Schedule-10
 (d) Depreciation on Revalued assets had been recognised in statement of profit or loss and other Comprehensive Income in line with Para-41 of IAS-16 and transfer has been made between revaluation reserve and retained earning in compliance with the requirement of the IAS 16 since 2012

13.00 Retained Earnings

Accumulated Profit (Opening Balance)	
Net Profit/(Loss) after tax for the period	
Stock Dividend for the year 2019-2020	
Cash Dividend for the year 2019-2020	
Adjustment of Realized Depreciation on Revaluation	

Amount in Taka	
30-Sep-20	30-Jun-20
290,191,549	229,571,318
30,786,634	119,323,458
-	(29,645,230)
-	(35,574,285)
1,489,427	6,516,288
322,467,610	290,191,549

14.00 Long Term Loan

Opening Balance	
Agrani Bank Term Loan	

Add: Received during the year	
Agrani Bank Term Loan (Interest on IDCP)	

Amount in Taka	
30-Sep-20	30-Jun-20
508,028,074	395,420,985
508,028,074	395,420,985
-	-
11,684,646	112,607,089
11,684,646	112,607,089
-	-
48,985,960	-
48,985,960	-
-	-
470,726,759	508,028,074
470,726,759	508,028,074
-	-

a) Agani Bank sanctioned Project Loan of Tk. 50.91 crore vide letter no. প্রশ/ঘন/প্রকর/গুরুত কেমিক্যালস /11/2018 dated 18 December 2018 for financing BMRE project cost at 70:30 debt equity ratio. This loan is repayable in 30 (Thirty) quarterly installment (each amounting Tk. 2,44,92,980/-) with interest @ of 9% p.a (as per MOU) with 12 (Twelve) months implementation period and grace period of 06 (six) months. This Loan was sanctioned against Mortgage of company's Land, Building, Plant & Machinery as well as personal guarantee of Directors. However, due to Corona Virus (Covid - 19) Pandemic effect foreign experts involved in the project are unable to get VISA and thus an application has been submitted to the Bank by Wata Chemicals Limited to increase the implementation period of this project for additional 12 (Twelve) months from previously sanctioned implementation period.

15.00 Deferred Tax Liability

Deferred tax liability on taxable temporary differences between carrying amount as per accounts and tax base amounts as on 30 June 2020 has been calculated into accounts in line with IAS-12.

a) Deferred Tax Recognised on Taxable Temporary Difference	23,888,543	22,290,560
b) Deferred Tax Recognised on Depreciation of Revaluation Increases	372,357	1,629,072
Closing Balance of Deferred Tax Liability	24,260,900	23,919,632

Computation of deferred tax liability on taxable temporary differences and deferred on revaluation increase are shown at Schedule-09

16.00 Lease Liability

Opening Balance

Add: Addition during the period
Interest Expense

Less: Paid during the period

Closing Balance

Lease Liability-Long Term
Lease Liability-Current

Amount in Taka	
30-Sep-20	30-Jun-20
8,094,296	7,701,189
161,872	693,107
8,256,168	8,394,296
-	300,000
8,256,168	8,094,296
6,491,223	6,641,782
1,764,945	1,452,513
8,256,168	8,094,296

17.00 Bank Overdraft and Loans

Agrani Bank CC Hypo, Principal Branch
Agrani Bank Incentive Loan, Principal Branch
UPAS Loan Liability

Note:-17.01	665,099,128	664,725,739
Note:-17.02	191,670,695	59,987,421
	18,884,774	202,630,708
	875,654,597	927,343,869

17.01 Agrani Bank Incentive Loan under Stimulus Package

During Pandemic Corona Virus (COVID 19) crisis, the Government has declared various Stimulus Packages as working capital loan for industries, SME and other who are affected by COVID 19. Under this package, Agrani Bank has sanctioned working capital loan of Taka 19.00 crore in favor of the Company on 15 June 2020 according to BRPD Circular 08 dated 12 April 2020. This loan carries interest at rate of 9%, half to be borne by borrower and half by Government as a subsidy. BB has published a circular detailing about eligibility, application, management and other terms of the package on 12 April 2020. The Company has received partial loan from Agrani Bank under this package amount in Taka 18.97 crore out of Taka 18.97 crore as of 30 September 2020.

17.02 Agrani Bank UPAS loan was Tk.18,884,774/- for 360 days & 180 days deferred to make payment to the consignor against each invoice value with interest & HandlIling cost for materials arriving at factory till 30 June 2021.

18.00 Current Portion of Long Term Loan

Opening Balance

Add: Transferred from Long Term Loan
Less : Loan paid during the year

Amount in Taka	
30-Sep-20	30-Jun-20
-	-
48,985,960	-
-	-
48,985,960	-

19.00 Short Term Loan (Unsecured)

Loan from Managing Director :

Opening Balance

331,603

868,603

Add: Loan received during the year

-

40,200,000

Less : Loan paid during the year

-

(40,737,000)

331,603

331,603

20.00 Trade Payables

Opening Balance

Add: Purchase/addition during the year (local)

Amount in Taka	
30-Sep-20	30-Jun-20
2,615,050	2,446,607
4,900,266	193,432,745
7,515,316	195,879,352
(6,598,153)	(193,264,302)
917,163	2,615,050

Less: Payment/adjustment during the year

Closing Balance

The details has been shown in "Schedule-08".



21.00 Deposit against Sales

Dohar Chemicals
 Afil Paper Mills Ltd.
 Dhaka Chemicals
 Green Dot.Com Ltd.
 M/s. Jaman Enterprise.
 Zharna Traders
 M/s Munshi Chemicals

Amount in Taka	
30-Sep-20	30-Jun-20
186,322	198,723
27,726	11,242
1,156,493	73,663
22,613	-
362,303	-
939,150	973,338
16,210	-
2,710,816	1,256,965

22.00 Liabilities for Expenses

Audit Fee Payable
 Welfare Expenses Payable
 Directors Remuneration Payable
 Festival Bonus Payable
 Salaries & Wages Payable (Head Office & Factory)
 Utilities Bill Payable
 Party Bill Payable
 Tax Deduction at Source
 VAT Deduction at Source

Amount in Taka	
30-Sep-20	30-Jun-20
481,558	382,372
461,645	461,645
666,000	1,026,000
	2,058,267
3,190,912	3,116,496
4,310,537	2,101,298
14,135,892	23,475,291
(6,964,107)	(7,182,569)
12,944,469	12,656,664
29,226,906	38,095,463

22.01 Directors Remuneration Payable

Md. Nazrul Islam (Managing Director)
 Subrata Pal (Finance Consultant)
 Md. Iftikhar -uz- Zaman (Consultant)
 A H M Abdullah
 Mahamudul Hasan (Director)
 Sikender Ali (Tax Consultant)

Amount in Taka	
30-Sep-20	30-Jun-20
360,000	360,000
30,000	30,000
-	360,000
180,000	180,000
81,000	81,000
15,000	15,000
666,000	1,026,000

22.02 Tax Deduction at Source

TDS on Party Bill
 TDS on Salary & Remuneration

Amount in Taka	
30-Sep-20	30-Jun-20
(7,004,665)	(7,358,683)
40,558	176,114
(6,964,107)	(7,182,569)

22.03 VAT Deduction at Source

VAT Payable on Party Bill

Amount in Taka	
30-Sep-20	30-Jun-20
12,944,469	12,656,664
12,944,469	12,656,664

23.00 Workers Profit Participation Fund & Welfare Fund

Opening Balance
 Add: Addition during this period
 Less: Paid during this period

Amount in Taka	
30-Sep-20	30-Jun-20
35,171,413	26,662,839
2,050,370	8,508,574
37,221,782	35,171,413
37,221,782	35,171,413

24.00 Provision for Taxation

Opening Balance
 Add: Provision made during the period
 Less: Adjustment during this period
 Closing Balance

Amount in Taka	
30-Sep-20	30-Jun-20
58,269,573	62,564,836
10,251,848	42,542,869
68,521,421	105,107,705
	46,838,132
68,521,421	58,269,573



25.00 Dividend Payable

Opening Balance

Add: Addition during the year

Cash Dividend for the year

Sale of Fraction Share

Stock Dividend for the year

Dividend Return (From Bank Payment)

Amount in Taka	
30-Sep-20	30-Jun-20
4,078,547	3,038,117
9,611	66,373,862
-	35,574,285
-	305,000
-	29,645,230
9,611	849,348
4,088,158	69,411,979
46,297	65,333,432
-	29,645,230
46,297	35,688,202
4,041,860	4,078,547

Less: Paid / Transferred during the year

Transferred to Share Capital

Paid through Bank

Closing Balance

26.00 Net Assets Value (NAV) Per Share

Net Assets Value

Note:-26.01

Number of shares outstanding

NAV Per Share

(Previous year's NAV restated on the basis of 14,822,618 shares)

Amount in Taka	
30-Sep-20	30-Jun-20
905,296,943	874,882,666
14,822,618	14,822,618
61.08	59.02

26.01 Net Assets Value (NAV)

Total Assets

Less: Non-Current Liabilities

Less: Current Liabilities

Amount in Taka	
30-Sep-20	30-Jun-20
2,476,152,880	2,482,087,148
(501,478,882)	(538,589,488)
(1,069,377,054)	(1,068,614,995)
905,296,943	874,882,666

27.00 Revenue

Gross Sales

Less: VAT on Sales

Note:-27.01

Note:-27.03

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
214,264,189	268,909,930
(22,571,602)	(16,616,447)
191,692,588	252,293,483

27.01 Gross Sales

Sulphuric Acid

Alum Sulphate

Zinc Sulphate

Magnesium Sulphate

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
136,352,587	88,147,452
36,691,602	62,982,478
24,750,000	64,779,000
16,470,000	53,001,000
214,264,189	268,909,930

(a) Product wise sales with quantity, rate, value and VAT thereon during the years have been shown in "Schedule-04".

27.02 Per Share Gross Sales

Gross Sales

Number of Shares

Per Share Sales

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
214,264,189	268,909,930
14,822,618	14,822,618
14.46	18.14

During Pandemic Corona Virus (COVID - 19) crisis and General Holiday declared by Government upto May'2020, production and sales became totally frustrated. But comparatively the last Quarter of 2019-2020 with the first Quarter of 2020-2021, sales have increased gradually. Sulphuric Acid were increased by Tk. 4.82.05.135/- against the same period of the previous year though sale of Alum Sulphate, Zinc Sulphate & Magnesium Sulphate were decreased by Tk. 2,62,90,876/-, Tk. 4,00,29,000/- & 3,65,31,000/- respectively. But due to pandemic Corona Virus (COVID - 19) digester which is unavoidable & beyond our control, the company unable to continue consistency in sales & production process. Since value of gross sales has been decreased and per share sale has also been decreased.

27.03 VAT on Sales

VAT on Sulphuric Acid Sale

VAT on Alum Sulphate Sale

VAT on Zinc Sulphate Sale (Exempted)

VAT on Magnesium Sulphate Sale (Exempted)

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
17,785,195	11,497,569
4,786,407	5,118,878
22,571,602	16,616,447



(a) Product wise Sales with quantity, rate, value and VAT thereon during the period have been shown in "Schedule-04".

28.00 Cost of Sales

Raw Materials Consumed	Note:-28.01
Carriage Inward	
Store & Spares used	Note:-28.02
Factory Overheads	Note:-28.03
Cost of goods manufactured	
Opening Stock of Finished Goods	
Cost of goods available for sales	
Closing Stock of Finished Goods	

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
83,456,643	119,571,996
72,210	7,200
527,535	820,750
29,142,301	26,069,394
113,198,689	146,469,340
21,474,961	32,554,741
134,673,649	179,024,081
(17,893,237)	(24,100,753)
116,780,412	154,923,328

28.01 Raw Materials Consumed

Rock Sulphur
Alum Hydrate
Zinc Ash
Magnesium Powder

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
55,774,562	75,793,861
13,445,881	15,046,907
9,781,200	19,697,162
4,455,000	9,034,066
83,456,643	119,571,996

(a) Movement of raw materials stock showing opening stock, purchased and consumed during the year and closing stock with quantity and value have been shown in "Schedule-02".
 (b) Raw materials stock had been valued at weighted average purchase price.

28.02 Store & Spares Used

Opening Balance
Add: Purchase During the year
Store & Spares available for Used
Less: Used during the year
For Production
For BMRE (Capital WIP).

Closing Balance

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
1,656,082	8,717,757
1,317,786	1,516,967
2,973,868	10,234,724
1,760,792	2,368,250
527,535	820,750
1,233,257	1,547,500
1,213,076	7,866,474

28.03 Factory Overheads

Air & Water Test Fee
Gas Bill
Electric Bill
Packing Materials
Wages & Salaries including Overtime & Bonus
Chemical Purchase for ETP/ATP/LAB
Daily Labor & Wages (Misc. Work)
Fork Lift Expenses
Oxygen & L.P Gas Purchase
Labor Bill for Alum Breaking
Loading & Unloading charges (Inward & Outward)
Medical Expenses (Factory)
Oil & Lubricants
Product Testing Expenses
Repairs & Maintenance (General -Factory)
Repairs & Maintenance (Plant & Machinery)
Transport License Fee
Factory Depreciation

Note:-28.04

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
7,600	8,740
1,953,850	732,076
2,316,490	258,885
385,600	409,500
9,574,824	9,155,232
317,160	122,500
37,900	1,250
93,410	112,590
50,850	63,550
630,204	575,666
357,080	243,089
214,625	2,415
-	50,340
273,375	74,775
52,000	14,000
87,360	184,105
20,000	40,000
12,769,973	14,020,681
29,142,301	26,069,394

28.04 Factory Depreciation

Depreciation on Plant & Machinery
Depreciation on Factory Building
Depreciation on Factory Boundary Wall
Depreciation on Laboratory Equipment



29.00 Administrative, Selling and Distribution Expenses

	Amount in Taka	
	Jul'20 - Sept'20	Jul'19 - Sept'19
Salaries & Allowances including Eid Bonus (Office)	3,063,524	2,755,291
Annual Subscription to Listed Companies	148,266	-
Director Remuneration	2,484,000	1,152,000
Bank Charges and Commission	1,304,224	1,991,121
Business Development Expenses	120,000	3,250
Car Repairs & Maintenance	544,145	309,153
CDBL Line Charges	9,450	6,849
Charity & Donation (Factory & Office)	4,500	4,000
Computer Operating Expenses	47,080	37,015
Consultant Remuneration	175,500	166,500
Conveyance (Office & Factory)	37,518	44,527
Credit Rating Expenses	-	80,250
Crokeres & Cutleries	3,340	-
Dish Bill (Factory & Office)	3,900	3,900
Electric Bill (Office)	150,226	134,014
Entertainment & Lunch Exp. (Office & Factory)	438,576	337,519
Exchange Loss	2,188,578	-
Gas Bill (Office)	6,149	7,725
Internet Expenses (Factory & Office)	38,700	56,509
Land Survey Expenses	-	60,000
License Renewal Expenses	34,000	36,140
Loan Processing Expenses	145,000	-
Medical Expenses	177,390	699,595
Mobile Expenses (Office & Factory)	55,650	41,600
News Paper & Periodicals (Factory & Office)	2,300	2,625
Notary Charges	-	500
Office Expenses (Factory & Office)	188,562	82,589
Office Rent	-	300,000
Audit Fee	99,186	90,564
Annual General Meeting & Board Meeting Expenses	25,000	-
Office Stationery (Factory & Office)	54,956	50,194
Oil & Fuel Expenses	408,314	284,540
Parking & Toll Charge	18,575	18,564
Photocopy Charge (Factory & Office)	13,398	14,840
Postage & Courier and Fax Exp.	1,500	2,785
Rates & Taxes	-	20,000
Repair & Maintenance-Office Equipment	16,960	19,830
Stamp Purchase	18,932	14,720
Telephone Bill (Office)	1,557	2,845
Travelling Expenses	-	1,092,420
Water Bill (Office & Factory)	7,456	6,608
Fish & Deer Upkeep (Factory)	177,620	22,305
Tree Plantation	7,200	4,100
Carriage Outward	800,000	841,200
Tender Documentation Charges	20,625	40,645
Advertisement & Publicity	206,054	10,000
Fine & Penalty	13,188	230
Loading & Unloading (Outward)	269,260	230,321
Depreciation (Office)	858,486	709,684
Note:-29.02	14,388,845	11,789,067

29.01 Director Remuneration

- (i) Md. Nazrul Islam, Managing Director
- (ii) Mr. A.H.M Abdullah, Director
- (iii) Mr. Mahmudul Hasan, Director
- (v) EID Bonus (For Director'S)

	Amount in Taka	
	Jul'20 - Sept'20	Jul'19 - Sept'19
	1,200,000	450,000
	600,000	330,000
	270,000	180,000
	414,000	192,000
	2,484,000	1,152,000



29.02 Depreciation (Office)

Depreciation on Motor Vehicles
 Depreciation on Bi-Cycle
 Depreciation on Furniture & Fixture
 Depreciation on Office Equipment
 Depreciation on Computer
 Depreciation on Generator
 Depreciation on ROU Asset

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
432,568	480,631
66	73
100,206	109,095
110,368	94,608
11,554	12,838
11,194	12,438
192,530	
858,486	709,683

30.00 Finance Expenses

Interest on Agrani Bank C.C (Hypo)
 Interest on Stimulus Package Loan
 Interest & Handling Exp. Of Materials Import (UPAS)
 Interest on Lease Liability

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
15,105,097	14,727,939
1,865,596	-
333,003	1,694,651
161,872	-
17,465,567	16,422,590

31.00 Non-operating Income

Fish Sale
 Misc. Sales Income

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
-	-
-	-

32.00 Deferred Tax Expense/(Income)

Carrying Value at Balance Sheet Date
 Carrying Value of Fixed Assets (WDV)
 Less: Revaluation Increase
Net carrying Cost
 Less: Land Value
Net Carrying cost (Net of Land & Land Development) (A)
Right-of-Use (ROU) Asset (B)
Lease Liability (C)
Total Carrying Value at Balance Sheet Date (A+B-C)
 Less: Tax Based WDV (Estimated)
Temporary Taxable Differences
Deferred Tax on Depreciation on Revaluation-Increase
 Deferred Tax Liability on Temporary Taxable @ 25%
 Deferred Tax on Depreciation on Revaluation Increase through OCI
Deferred Tax Liability on 30 September 2020
 Less: Opening Deferred Tax Liability
 Less: Deferred Tax on Revaluation Transferred to Revaluation Reserve
Deferred Tax Expenses (Income) Recognised during the period

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
983,920,537	1,039,831,257
407,814,137	407,814,137
576,106,400	632,017,120
106,402,620	106,402,620
469,703,780	525,614,500
6,738,540	-
(4,726,278)	-
471,716,043	525,614,500
376,161,869	467,182,606
95,554,174	58,431,895
23,888,543	14,607,974
372,357	407,268
24,260,900	15,015,242
(23,919,632)	(13,985,411)
(372,357)	(407,268)
(31,089)	622,563

33.00 Earning per share (EPS)

Basic Earning Per Share , as per IAS - 33 , is calculated as below:

$$\text{EPS} = \frac{\text{Net Profit After Tax}}{\text{Number of Share}} =$$

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
30,786,634	48,776,364
14,822,618	14,822,618
2.08	3.29

During Pandemic Corona Virus (COVID - 19) crisis and General Holiday declared by Government, production and sales became totally frustrated. But comparatively the last Quarter of 2019-2020 with the First Quarter of 2020-2021, sales have increased gradually. As a result, EPS of the Last Quarter of 2019-2020 was Tk. (0.59) whereas the First Quarter EPS of 2020-2021 is Tk. 2.08 though the same period of the previous year the restated EPS was Tk. 3.29/- Sulphuric Acid were increased by Tk. 4.82,05,135/- against the same period of the previous year though sale of Alum Sulphate, Zinc Sulphate & Magnesium Sulphate were decreased by Tk. 2,62,90,876/-, Tk. 4,00,29,000/- & 3,65,31,000/- respectively. But due to pandemic Corona Virus (COVID - 19) digester which is unavoidable & beyond our control, the company unable to continue consistency in sales & production process. COGS thus decreased by Tk. 2,24,57,979/- As a result Net income after deduction of tax decreased by Tk.1,79,89,730/- which causes the significant deviation in EPS.



34.00 Cash Receipts From Customers and Others

Gross Sales
 Non Operating Income
 Trade Receivables: Decrease (Increase)
 Loan & Advance - Net of VAT & Tax (Increase)
 Deposit against Sales Increase / (Decrease)

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
214,264,189	268,909,930
12,001,226	(116,688,662)
(83,487,190)	12,770,635
1,453,852	(14,364,718)
144,232,077	150,627,185

35.00 Cash paid to Suppliers and Others

Raw Materials Purchase
 Stores & Spares Purchase
 Packing Materials
 Material in Transit: Increase / (Decrease)
 Trade Payables-(Increase) / Decrease

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
9,592,000	84,829,539
1,317,786	(30,533)
385,600	409,500
(5,968,349)	(27,296,239)
763,873	1,511,098
6,090,910	59,423,365

36.00 Cash paid to Employees and for Other Expenses

Salaries & Allowances including Eid Bonus (Office)
 Carriage Inward
 Factory Overheads (Excl. Depreciation)
 Administrative & Marketing Exp. (Excl. Salaries, Depr. & Exch. Loss)
 Finance costs
 Liabilities for Expenses: Decrease (Increase)

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
3,063,524	11,910,523
72,210	7,200
15,986,728	2,483,981
8,278,257	8,324,092
17,303,695	16,422,590
8,556,125	(3,977,254)
53,260,540	35,171,132

37.00 Cash paid for VAT & Tax

(a) **Payment of VAT**
 VAT Deposit in Cash
 VAT Paid at Import
 AT Paid at Import
 VAT on Utility Bill

(b) **Payment of Tax**
 AIT on Import
 AIT Deduction from Sale Bill
 Payment of Tax in Cash

Total (A+B)

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
16,847,571	16,675,631
16,400,000	10,600,000
-	3,243,559
-	2,642,016
447,571	190,056
3,822,094	3,784,323
-	3,454,311
3,822,094	330,012
-	-
20,669,666	20,459,954

38.00 Acquisition of Non-current Assets

Addition to Fixed Assets (Net of Adjustment)
 Addition for Capital Work in Progress
 Advance for Capital Expenditure
 Payment of Lease Liability

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
238,500	5,469,891
20,424,374	54,311,877
-	-
-	-
20,662,874	59,781,768

39.00 Loan Received

Loan from Agrani Bank
 Project Loan from Agrani Bank (IDCP Interest)
 Loan from Managing Director

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
132,056,662	43,464,752
11,684,646	-
-	39,200,000
143,741,308	82,664,752

40.00 Loan Repaid

Loan Payment to Agrani Bank
 Loan from Managing Director

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
183,745,934	-
-	39,657,000
183,745,934	39,657,000

41.00 Dividend Paid

Dividend Paid
 Less : Sale of Fraction Share
 Less : Dividend refund to Bank

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
46,297	-
-	-
(9,611)	-
<u>36,687</u>	<u>-</u>

42.00 Net Operating Cash Flow Per Share (NOCFPS)

Net Operating Cash Flows
 Weighted average number of shares

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
64,210,962	35,572,734
14,822,618	14,822,618
<u>4.33</u>	<u>2.40</u>

Collection from Sales and Trade Debtors and Payment for Raw Materials & Trade Creditors were decreased by Tk. 63,95,109/- & Tk. 5,33,32,465/- respectively but Payment for Salaries & Wages & Others Expenses and Payment of VAT and Tax was increased by Tk. 1,80,89,407/- & Tk. 2,09,711/- against the same period of the previous period. As a result Cash Flow from Operating Activities stand at TK.6,42,10,962/- which causes the significant deviation in NOCFPS.

43.00 Reconciliation of Net Profit with Cash Flows from Operating Activities

Profit before Tax

Adjustment for:

	Amount in Taka	
	Jul'20 - Sept'20	Jul'19 - Sept'19
Add: Depr. on Property, Plant and Equipment	13,435,930	14,730,366
Add: Depreciation of ROU Assets	192,530	-
Add: Exchange Loss	2,188,578	-
Add / (Less): (Incr.) / Decr. in Inventory	83,857,721	71,343,967
Add / (Less): (Incr.) / Decr. in Trade Receivables	12,001,226	(116,688,662)
Add / (Less): (Incr.) / Decr. in Loans, Adv. & Deposits (Excl. VAT)	(60,915,588)	29,387,082
Add / (Less): Incr. / (Decr.) in Trade Payables	(1,697,887)	(1,511,098)
Add / (Less): Incr. / (Decr.) in Deposits against Sales	1,453,852	-
Add / (Less): Incr. / (Decr.) in Liabilities for Expenses	(8,693,496)	(10,387,464)
Add / (Less): Incr. / (Decr.) in Liability for Contribution to WPPF	2,050,370	3,293,261
Cash Generated from Operations	84,880,627	56,032,688
Less: VAT & Income Tax Paid	(20,669,666)	(20,459,954)
Net Cash (used in) / generated from operating activities	64,210,962	35,572,734
	(0.00)	

44.00 Provision of tax liability between accounts and Final Assessment

Assessment Year	Accounting Year	Tax Provision as per Accounts	Tax Liability as per Final Assessment (with interest)	Difference of Tax Provision as per Final Assessment	Adjustment of Advance of Tax	Tax Liability Provision
Opening Balance						
2017-2018	2016-2017	11,633,292	11,633,292	U/s 82BB	-	15,726,704
2018-2019	2017-2018	15,697,637	15,697,637	U/s 82BB	-	
2019-2020	2018-2019	46,838,132	46,838,132	U/s 82BB	-	
2020-2021	2019-2020	42,542,869				42,542,869
2021-2022	2020-2021	10,251,848				10,251,848
Total		126,963,778	74,169,061			68,521,421

45.00 Depreciation of Revaluation Adjustment

Depreciation on Revaluation adjustment

Amount in Taka	
Jul'20 - Sept'20	Jul'19 - Sept'19
1,489,427	1,629,072
1,489,427	1,629,072

(a) Depreciation on partial revaluation increase of Plant & Machinery as well as Building had been charged during the period 2020-2021 amounting to Tk. 59,57,708/- and adjusted in statement of Changes in Equity. Details has been shown in "Schedule-10".

46.00 Appropriation of Dividend

(a) Appropriation of cash dividend Tk. 35,574,285/-
 Cash dividend has been appropriated on paid-up capital of Tk. 11,858,095/- @ 30% as per approval in the AGM held on 26 December 2019.

(b) Appropriation of Stock Dividend of 29,64,523/- shares.
 Stock dividend has been appropriated on paid-up capital of Tk. 11,858,095/- @ 25% as per approval in the AGM held on 26 December 2019



47.00 Additional Information as per Requirement of the Companies Act, 1994

(a) Total number of factory staffs (each received annual salaries & wages Tk. 16,000 & above) was 84 nos.
 (b) Total number of H/O staffs (each received annual salaries & wages Tk. 16,000 & above) was 17 nos.
 (C) Payment to Directors as Remuneration & Perquisite in the Period has been shown in Note-29.01.

48.00 Plant Capacity & Utilization

Name of Products	Annual Attainable Capacity (Qty.M.Ton)	Actual Production	
		(Qty M.Ton)	% of Capacity
Sulphuric Acid	48,000	13,490	28.10%
Alum Sulphate	18,000	1,542	8.57%
Zinc Sulphate	6,000	900	15.00%
Magnesium Sulphate	6,000	900	15.00%

49.00 Payment in Foreign Currency & Foreign Currency Earned

(a) No payment in foreign currency (except import cost of materials) was made in the Period.
 (b) No foreign currency was earned in the Period.

50.00 Commission, Brokerage & Discount to the Selling Agent

Company had no selling agent as such no payment of commission, brokerage and discount was made.

51.00 Contingent Liability

Commissioner of Customs, Excise and VAT Directorate, Dhaka has raised claim amounting to Tk. 41,427,896 based on their audit objection vide letter dated 11.08.2014. Against this claim, company has filed appeal with Appellate Commissioner on deposit of amount Tk. 4,142,790. The case is still pending with appellate Tribunal. No additional liability had been accounted.

52.00 Related Parties & Transactions

Related parties and transactions are considered in line with IAS-24 as under:

Related parties disclosure , details of which are as follows

a) Short Term Employee Benefit:

i) Remuneration

Name	Designation	Amount in taka	
		Jul'20 - Jun'19	
		Total	Payable
Md. Nazrul Islam	Managing Director	1,200,000	360,000
Mr. A.H.M. Abdullah	Director	600,000	180,000
Mr. Mahmudul Hasan	Director	270,000	81,000
Festival Bonus		414,000	-

ii) Top Five Salaried Officers

Name	Designation	Amount in taka	
		Jul'19 - Jun'20	
		Total	Payable
Shamsul Huq	Company Secretary	271,172	72,053
Md. Ali Hasan	Chief Financial Officer	387,376	99,581
Md. Abu Taher Bhuyan	General Manager (Factory)	353,188	92,749
Md. Ashraful Alam	General Manager (F & A)	346,159	94,000
A S M Farhan Reza	Maintenance Eng. (Civil)	248,325	65,891

b) Post Employees Benefits : Nil

c) Others Long-Term Benefits: Nil

d) Termination Benefits: Nil

e) Share -Based Payment : Nil

f) Short Term Loan with Managing Director:

Short Term loan to Managing Director (Mr. Nazrul Islam) was free of interest.

g) Apart from the above, the company didn't made any transaction with related parties in normal course of business and or a arm's length basis.



53.00 Impact of COVID 19

As the COVID-19 pandemic is complex and rapidly evolving, the Company's plans as described below may change. At this point, the company cannot reasonably estimate the duration and severity of this pandemic, which have or could have a material adverse impact on the company's business, results of operations, financial position and cash flows.

Risk Factors

The company's business has financially affected by the ongoing COVID-19 pandemic.

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting government and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus during March 2020. After close monitoring and taking into consideration the guidance from the government of Bangladesh, in an effort to mitigate the spread of COVID-19, effective March 19, 2020, the Company closed its Head Office for at least 1.5 Months and operated its factory activities with very minimum level just to keep its machineries active or running and to ensure continue support at public necessity to Dhaka and Chittagong WASA. However, the company continues to monitor developments, including government requirements and recommendations to evaluate possible extensions to all or part of such closures.

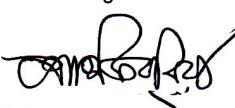
We depend upon strong cash flows from our operations to supply capital to fund our operations, growth, and interest and debt repayment.

Our business depends upon our operations to continue to generate strong cash flow to supply capital to support our general operating activities, to fund our growth and our return of cash to stockholders through dividends, and to pay our interest and debt repayments. For example, as a result of the ongoing COVID-19 pandemic, we temporarily closed our business beginning in March 2020. Our inability to continue to generate sufficient cash flows to support these activities or to repatriate cash from our operations in a manner that is cost effective have adversely affect our growth plans, capital expenditures, operating expenses, and financial performance including our earnings per share. Changes in the capital and credit markets, including market disruptions, limited liquidity, and interest rate fluctuations may increase the cost of financing or restrict our access to these potential sources of liquidity.

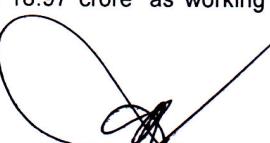
Recent Events and Trends

The Company continues to monitor developments, including government requirements and recommendations to evaluate possible extensions to all or part of such closures. The temporary closure of our business has an adverse impact on our results of operations, financial position and liquidity.

In addition, we have taken several steps to further strengthen our financial position and maintain financial liquidity and flexibility, including reviewing operating expenses, evaluating material purchases, reducing capital expenditures and received Taka 18.97 crore as working capital loan under Stimulus Package declared by the government of Bangladesh.



Md. Amzad Hossain Kibria
Chairman



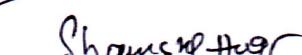
Md. Nazrul Islam
Managing Director



Md. Mahmudul Hasan
Director



Md. Ahsan
Chief Finance Officer



Shamsul Huq
Company Secretary

Dated: Dhaka
November 15, 2020



WATA CHEMICALS LIMITED
Schedule of Property, Plant & Equipment (PPE)
As at 30 September, 2020

Schedule-01

Sl No.	Name of Assets	Cost / Revaluation			Rate	As on 01.07.2020	Depreciation	As on 30.09.2020	Written Down Value 30.09.2020
		As at 01.07.2020	Addition this period	Adjustment this period			As on 01.07.2020	Addition this year	
01	Land & Land Development	106,402,620	-	-	-	106,402,620	-	-	-
02	Plant & Machinery & Equip.	980,843,829	75,000	-	-	980,918,829	10%	322,723,606	10,184,364
03	Factory Building	263,310,331	-	-	-	263,310,331	5%	57,594,661	2,571,446
04	Boundary Wall	784,468	-	-	-	784,468	15%	624,429	6,001
04	Laboratory Equipment	526,744	-	-	-	526,744	15%	309,089	8,162
05	Motor Vehicles	31,761,109	-	-	-	31,761,109	10%	14,458,375	432,568
06	Bi-Cycle	5,200	-	-	-	5,200	10%	2,575	66
07	Furniture & Fixture	6,030,914	60,000	-	-	6,090,914	10%	2,062,682	100,206
08	Office Equipment	6,582,968	103,500	-	-	6,686,468	10%	2,264,747	110,368
09	Computer & Software	775,158	-	-	-	775,158	10%	312,989	11,554
10	Generator	989,835	-	-	-	989,835	10%	542,056	11,194
	Total	1,398,013,176	238,500	-	-	1,398,251,676	-	400,895,209	13,435,930
									414,331,139
									983,920,537

NB: (a) Depreciation for 03 months ending 30th September'2020 has been charged following reducing balance method.
(b) Depreciation on addition has been charged for the period from the date of acquisition.
(c) Depreciation has been charged on Plant & Machinery which were in use as under:

Particulars	WDV	Addition	Depreciable Value	Rate	Depreciation
Depreciation on Sulfuric Acid Plant Unit-1	58,917,839	-	58,917,839	10%	1,472,946
Depreciation on Sulfuric Acid Plant Unit-2	257,684,604	-	257,684,604	10%	6,442,115
Depreciation on Alum Sulphate Plant Unit-1	21,401,509	-	21,401,509	10%	535,038
Depreciation on Zinc Plant	19,176,037	-	19,176,037	10%	479,401
Depreciation on Magnesium Plant	33,637,937	-	33,637,937	10%	840,948
Depreciation on Utilities Plant	16,502,298	75,000	16,577,298	10%	413,916
Total	407,320,224	75,000.00	407,395,224		10,184,364

WATA CHEMICALS LIMITED
Movement of Raw Materials Stock
For the First Quarter from 1st July'2020 to 30th September'2020

Schedule-02

Particulars	Opening Stock		Purchased during the period		Adjustment during the period		Consumed during the period		Closing Stock	
	01-Jul-20	Jul'20-Sept'20	Qty. (M.Ton)	Amount in Taka	Qty. (M.Ton)	Amount in Taka	Qty. (M.Ton)	Amount in Taka	Qty. (M.Ton)	Amount in Taka
Rock Sulphur	4,738.451	55,974,802	-	-	-	-	4,721.500	55,774,562	16,951	200,240
Alumina Hydrate	1,002.538	30,144,476	220.000	6,292,000	-	-	447.180	13,445,881	555.358	16,698,595
Zinc Ash	128.644	3,679,219	-	-	-	-	342.000	9,781,200	6,644	190,019
Magnesium Powder	56.470	1,552,925	120.000	3,300,000	-	-	162.000	4,455,000	14,470	397,925
Total	5,926.103	91,351,422	340.000	9,592,000	-	-	5,672.680	83,456,643	593.423	17,486,779

Raw Materials consumption in relation with production (Input Ratio)
For the First Quarter from 1st July'2020 to 30th September'2020

Product Name	Raw Materials Used	Consumption of Raw Materials			Value of Consumed Materials		
		Qty. (M.Ton)	Production	Input Ratio (Per Ton)	Purchased Materials	Own Product Internal used	Average rate (Per M.Ton)
					Purchased Materials		
Sulphuric Acid	Rock Sulphur	13,490.000	0.350	4,721.500	-	55,774,562	11,812.89
	Alumina Hydrate	1,542.000	0.290	447.180	-	13,445,881	30,068.16
	Sulphuric Acid	1,542.000	0.600	925.200	-	6,655,100	7,193.15
Zinc Sulphate	Zinc Ash	900.000	0.380	342.000	9,781,200	-	28,600.00
	Sulphuric Acid	900.000	0.620	558.000	-	4,013,776	7,193.15
Do	Magnesium Powder	900.000	0.180	162.000	4,455,000	-	27,500.00
Magnesium Sulphate	Sulphuric Acid	900.000	0.820	738.000	-	5,308,543	7,193.15
Do	Total	20,174.000	5,672.680	2,221.200	83,456,643	15,977,418	



WATA CHEMICALS LIMITED
Movement of Finished Goods Stock
For the First Quarter from 1st July 2020 to 30th September '2020

Schedule-03

Particulars	Opening Stock		Production during the period	Internal Used during the period	Sale during the period	Closing Stock	
	Qty. M.Ton	Amount in Taka				Qty. M.Ton	30-Sep-20
Sulphuric Acid	1,956.822	15,200,779	13,490.000	-	11,993.600	1,232.022	8,862,116
Alumina Sulphate	361.000	4,505,280	1,542.000	925.200	1,287.500	615.500	7,293,675
Zinc Sulphate	66.720	985,721	900.000	558.000	900.000	66.720	973,311
Magnesium Sulphate	77.420	783,181	900.000	738.000	900.000	77.420	764,135
Total	2,461.962	21,474,961	16,832.000	2,221.200	15,081.100	1,991.662	17,893,237



WATA CHEMICALS LIMITED
Sales (Net of VAT)
For the First Quarter from 1st July'2020 to 30th September'2020

Schedule-04

Particulars	Jul'20-Sept'20			
	Quantity	Gross Sale Value (Including VAT)	VAT on Sale	Sale Value (Net of VAT)
	(M. Ton)	In Taka	In Taka	In Taka
Sulphuric Acid	11,993.60	136,352,587	17,785,195	118,567,393
Alumina Sulphate	1,287.50	36,691,602	4,786,407	31,905,195
Zinc Sulphate (VAT Exempted)	900.00	24,750,000	-	24,750,000
Magnesium Sulphate (VAT Exempted)	900.00	16,470,000	-	16,470,000
Total	15,081.10	214,264,189	22,571,602	191,692,588



WATA CHEMICALS LIMITED

Trade Receivables

As at 30 September, 2020

Schedule-05

Sl. No	Name of Customers	Amount in Taka	
		30-Sep-20	30-Jun-20
1	M/S Asad Trading	56,988,715	49,197,981
2	Basundhara Paper Mills	384,512	384,512
3	BSK Chemical Industries Ltd.	782,775	3,295,575
4	Green Dot.Com Ltd.		37,316
5	Leather Net BD	67,137	67,137
6	Modunaghat Water Treatment Plant	656,339	656,339
7	Mohara Division (CWASA)	16,563,390	5,086,620
8	M/s. Asad Trading Unit-2	117,339,498	114,336,006
9	M/s. Jaman Enterprise.		60,016
10	M/S Masud Auto Parts & Chemicals	51,375	99,825
11	M/s. M.R. Chemicals	4,073,412	4,149,550
12	M/s Munshi Chemicals		38,274
13	M/s Tarek Enterprise	1,256,545	350,345
14	M/s. Zharna Chemical Supply Co.	193,726	58,489
15	N.M. Corporation	11,999,390	17,499,390
16	Refa Chemicals	520,000	520,000
17	Rone Chemical/Trading House	49,685	65,290
18	Saidabad Water Treatment Plant.	24,520,001	66,288,000
19	Sheik Russel Pani Sodhonagar	9,308,393	3,324,510
20	SIM Fabrics	447,276	447,276
21	SM Chemicals	88,602,921	82,132,921
22	Sonali Chemicals	90,250	90,250
23	SS Chemicals Industries Ltd	167,580	167,580
24	Traigon International	19,464	19,464
25	Uttara Chemicals	7,675,508	5,386,452
26	Waste Chem International	108,353	108,353
Total		341,866,245	353,867,470

Deposit against Sales
As at 30 September, 2020

Schedule-06

SL. No	Name of Customers	Amount in Taka	
		30-Sep-20	30-Jun-20
1	Dohar Chemicals	186,322	198,723
2	Afil Paper Mills Ltd.	27,726	11,242
3	Dhaka Chemicals	1,156,493	73,663
4	Green Dot.Com Ltd.	22,613	-
5	M/s. Jaman Enterprise.	362,303	-
6	Zharna Traders	939,150	973,338
7	M/s Munshi Chemicals	16,210	-
Total		2,710,816	1,256,965



WATA CHEMICALS LIMITED

Trade Payables

As at 30 September, 2020

Schedule-07

Sl. No	Particulars	Amount in Taka	
		30-Sep-20	30-Jun-20
1	Adarsh Furnace & Refractory Works	26,250	26,250
2	Arthosuchak.com	5,000	5,000
3	Amber IT	76	76
4	Bismillah Engineering Workshop	64,725	64,725
5	Care Consultant	20,000	20,000
6	Expert Engineering Survey Consultants	20,000	-
7	Harun & Ashik Rong Bitan	19,185	89,185
8	Mozid Engineering Workshop	10,105	10,105
9	M/s. Amzad & Brothers	-	439,280
10	M/s Faiza Thai Glass Center	8,412	8,412
11	M/s. Shawon Engineering	346,961	346,961
12	M/s Moklesur Rahman & Brothers	-	174,300
13	Sha Ali Metal	-	39,848
14	Rongdhonu Industrial Engineering	48,000	48,000
15	Sobuj Enterprise (Tiles Works)	11,339	11,339
16	Bismillah Enterprise	-	962,907
17	Tara Beebi International	285,409	320,963
18	Water Ion Exchange	51,700	47,700
Total		917,162	2,615,051



WATA CHEMICALS LIMITED

Advance to Suppliers

As at 30 September, 2020

Schedule-08

Sl. No	Particulars	Amount in Taka	
		30-Sep-20	30-Jun-20
1	Abhishek Engineering & Chemicals	29,000	29,000
2	Abir Shiping Ltd.	136,991,112	113,115,195
3	Achol Enterprise	53,680	53,680
4	Daily Share Bazar	12,000	12,000
5	Bengal Interiors	450,488	300,488
6	BinaryKraft	2,951,488	2,951,488
7	Bismillah Enterprise	2,200,093	-
8	BSRM Steel Ltd.	1,302,400	-
9	Dhaka Engineering Works	49,380,064	47,530,064
10	Didar Construction	404,500	404,500
11	Electromach Engineering	702,772	602,772
12	Executive Technology Solution	387,100	-
13	F. Rahman Construction	16,231,566	4,381,566
14	Jahangir Stone Corporation Ltd.	520,000	520,000
15	Jamuna Trading Corporation	1,067,556	1,067,556
16	Kazi Engineering	196,625	146,625
17	Md. Manwar Eha Hashem (Beautification Works)	50,000	50,000
18	Md. Monju (Tree Plantation Works)	211,700	211,700
19	Md. Najmul (Sanitary engr.)	18,000	18,000
20	Md. Rezaul Karim Hawlader (Turbine Consultant)	150,000	150,000
21	MM Corporation -1	90,731,365	87,581,365
22	M/s. Amzad & Brothers	938,470	-
23	M/s. Shawan Enterprise	410,000	410,000
24	M/s Moklesur Rahman & Brothers	1,825,700	-
25	M/s. New Progoti Iron Traders	779,618	779,618
26	M/s. Joynal & Sons	487,750	487,750
27	National Trading	333,300	333,300
28	Nis Chemicals Trading Co.	235,308,796	235,308,796
29	Nitol Motors Limited.	300,000	300,000
30	Omad International	200,000	-
31	Rooftec Trade	17,747,725	7,877,625
32	M/s. LRD Enterprise	15,364,000	4,964,000
33	Rudro International	225,000	225,000
34	Ruhul Amin Construction	8,956,800	2,956,800
35	SA Marine Collection	430,000	-
36	Serve & Solve Corporation	269,554	269,554
37	New Boiler Museum	645,300	-
38	Shorifuddin (Pond Digging)	201,000	201,000
39	SINO WELL SAILING CHEMICAL CO (BD) LTD	4,144,140	4,144,140
40	Soudi Radiator Engineering Works	170,000	170,000
41	Turbo Technology Ltd.	711,500	711,500
42	Technomax Engineering	159,846	700,000
43	Uttara Creadoor	52,000	52,000
Total		593,702,008	519,017,082



WATA CHEMICALS LIMITED
Calculation of Deferred Tax Liability
For the First Quarter from 1st July'2020 to 30th September'2020

Schedule-09

(a) Carrying amount at Balance Sheet date

i) Carrying Cost of Fixed Assets-WDV (Net of Land Value & Revaluation increase):

Particulars	Amount in Taka			
	30-Sep-20	30-Jun-20	30-Jun-19	30-Jun-18
Written Down Value (As per Schedule-1)	983,920,537	997,117,967	1,049,091,731	590,325,375
Less: Revaluation Increase	407,814,137	407,814,137	407,814,137	407,814,137
Plant & Machinery Increase	353,253,863	353,253,863	353,253,863	353,253,863
Factory Building Increase	54,663,662	54,663,662	54,663,662	54,663,662
Other Assets Value (Decrease)	(103,388)	(103,388)	(103,388)	(103,388)
	576,106,400	589,303,830	641,277,594	182,511,238
Less: Land Value	(106,402,620)	(106,402,620)	(106,402,620)	(103,852,620)
Net Written Down Value (Except Land Value & Revaluation)	469,703,780	482,901,210	534,874,974	78,658,618
ii) Carrying value of Right-of-use (ROU) asset	6,738,540	6,931,070	-	-
iii) Carrying value of Lease Obligation	(4,726,278)	(5,189,269)	-	-
Total Carrying value at Balance Sheet date (i+ii+iii)	471,716,043	484,643,011	534,874,974	78,658,618

(b) Carring amount as Tax Base

Tax Based Fixed Assets-WDV as on 30 September 2020

As per Tax Depreciation Schedule as shown below (Including addition during year):

Particulars	Amount in Taka			
	30-Sep-20	30-Jun-20	30-Jun-19	30-Jun-18
Plant & Machinery	239,040,656	251,546,743	313,624,364	30,382,773
Factory Building	116,478,254	122,608,689	153,141,811	2,377,038
Motor Vehicle & Bi-cycle	11,453,539	12,056,357	12,309,082	10,157,475
Furniture & Fixture	3,863,070	3,902,123	2,080,180	1,113,952
Office Equipment (including computer)	4,796,262	4,815,743	4,258,885	3,113,537
Laboratory Equipment	502,616	522,198	614,350	664,162
Generator	27,473	28,919	36,149	40,166
	376,161,869	395,480,771	486,064,821	47,849,102
(c) Temporary Taxable Difference (a-b)	95,554,174	89,162,240	48,810,153	30,809,516
(d) Deferred Tax Liability on Temporary Taxable Difference (C*25%)	23,888,543	22,290,560	12,202,538	7,702,379
(e) Deferred Tax Recognised on Depreciation of Revaluation Charged for the Period @25% (Schedule-10)	372,357	1,629,072	1,782,873	1,952,331
(f) Deferred Tax Liability as on 30 Sept' 2020 (d+e)	24,260,900	23,919,632	13,985,411	9,654,710

Computation of Tax Based WDV of Fixed Assets
As on 30 September 2020 (As per 3rd Schedule of ITO, 1984)
Assessment Year-2021-2022

Description of Assets	Opening WDV as on 01-Jul-20	Addition during the year	Total	Rate of Dep.	Depreciation for the period	Closing WDV
						30-Sep-20
Plant & Machinery	251,546,743	75,000	251,621,743	20%	12,581,087	239,040,656
Factory Building	122,608,689	-	122,608,689	20%	6,130,434	116,478,254
Motor Vehicles & Bi-Cycle	12,056,357	-	12,056,357	20%	602,818	11,453,539
Furniture & Fixture	3,902,123	60,000	3,962,123	10%	99,053	3,863,070
Office Equipment (Including Cor	4,815,743	103,500	4,919,243	10%	122,981	4,796,262
Laboratory Equipment	522,198	-	522,198	15%	19,582	502,616
Generator	28,919	-	28,919	20%	1,446	27,473
Total	395,480,771	238,500	395,719,271		19,557,402	376,161,869

WATA CHEMICALS LIMITED
Depreciation Adjustment with Revaluation Reserve

Schedule-10

Particulars	Plant & Machinery	Factory Building	Total
Revaluation Increase	353,253,863	54,663,662	407,917,525
Depreciation Charged on Revaluation Increase	102,453,863	54,663,662	157,117,525
Rate of Depreciation	10%	5%	
For the Year 31.12.2012	10,245,386	2,733,183	12,978,569
For the Year 31.12.2013	9,220,848	2,596,524	11,817,372
For the Year 31.12.2014	8,298,763	2,466,698	10,765,461
For the Year 31.12.2015	7,468,887	2,343,323	9,812,209
For the Period 30.06.2016 (6 Months)	3,360,999	1,113,097	4,474,096
For the Year 30.06.2017	6,385,899	2,170,542	8,556,441
For the Year 30.06.2018	5,747,308	2,062,015	7,809,323
For the Year 30.06.2019	5,172,577	1,958,914	7,131,491
For the Year 30.06.2020	4,655,320	1,860,968	6,516,288
For the Year 30.06.2021	4,189,788	1,767,920	5,957,708

(a) Depreciation on Plant & Machinery had been charged on partial revaluation increase amounting to Tk. 102,453,863 against total revaluation increase of Tk. 353,253,863 which is equal to 29% of total revaluation increase on Plant & Machinery value.

(b) Adjustment in respect of depreciation on revaluation increase for the year 2020-2021 for total amount of Tk.5,957,708/- had been made through "Change in Equity Statement".

