

Usmania Glass Sheet Factory Limited

Kalurghat I/A, Chittagong.

Notes to the financial position

For the Half Year ended December 31, 2016(Un-Audited)

1. Selected explanatory notes:

These financial statements have been prepared in line with Accounting Policies as adopted in the preparation of financial statements for the period ended 31 December, 2016. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of un-audited financial statements.

2. Presentation of financial statements and basis of accounting:

The financial statements have been prepared in accordance with generally accepted accounting principles(GAAP) under "Historical cost convention" and after compliance with Bangladesh Financial Reporting Standards(BFRS) & Bangladesh Accounting Standards(BAS) adopted by the institute of Chartered Accountants of Bangladesh(ICAB),The Companies Act 1994, the Bangladesh security and Exchanges Rules 1987 and other applicable laws and regulations.

3. Valuation of Stock & Stores:

| <u>Particulars</u> | <u>Mode of Valuation</u> |
|---|---|
| Raw Materials, Chemical & Packing Materials | At periodical Weighted Average Cost. |
| Stores, Accessories & Spares | At Weighted Average Cost. |
| Finished Goods | At Cost or Net realizable value whichever is lower. |
| Work-In-Process | Cost of Raw Materials, Fuel & Power and Labour Charges. |

4. Property, Plant & equipments:

| | Lac Tk. |
|---|----------------|
| Fixed Assets at cost/revaluation as at 01.07.2016 | 7817.25 |
| Addition interim period | 0.37 |
| Accumulated depreciation | (5425.24) |
| | <u>2392.38</u> |

5. Inventories:

| | |
|-----------------------------------|---------------|
| Raw Materials & Packing Materials | 279.65 |
| Spares, Accessories & Tools | 417.82 |
| Store-In-Transit | 18.22 |
| Work-In-Process | 48.87 |
| Finished Goods | 212.34 |
| | <u>976.90</u> |

6. Advances, Deposit & Prepayments:

| | |
|---------------------------------------|---------------|
| Advances | 211.80 |
| Deposits | 4.85 |
| Prepayments | 48.48 |
| BCIC Current Accounts | 83.78 |
| Current Accounts with BCIC Enterprise | 3.24 |
| | <u>352.15</u> |

7. Share Capital:

| | |
|---|-------------------|
| 1,30,81,068 ordinary shares of Tk 10 each fully paid | 1438.92 (Lac tk.) |
| 13,08,106 ordinary shares of Tk 10 each fully paid | 1308.11 |
| Stock Dividend (2015-16) | |
| 13,08,106 ordinary shares of Tk 10 each fully paid | <u>130.81</u> |
| Total 1,43,89,174 ordinary shares of Tk 10 each fully paid | 1438.92 |

Calculation of Diluted Earnings per share does not arise, as there is no possibility of converting dilutive potential ordinary shares i.e .Bonds, Debentures into Ordinary Shares.

8. Reserve & Surplus:

| | |
|-------------------------------|---------------|
| Capital Reserve | 241.46 |
| General Reserve | 1301.35 |
| Dividend Equalization Reserve | 385.77 |
| Retained Earnings | (1593.73) |
| | <u>334.85</u> |

9. 1) The Furnace-1 and Furnace-2 of this Factory are very old. At present Furnace-2 requires urgent re-construction. It is not capable to produce expected production due to severe corrosion of the Refractory materials. As a result, production cost has increased.
 2) The management was under pressure to reduce the selling price of the Sheet Glass time to time in order to sustain in competitive market among with the other producers of the same products manufactured by new and modern technology.
 3) It may be mentioned that the Re-construction work of Furnace no.1 has been completed. Now the Re-construction work of Furnace no.2 may be started tentatively from 15th March'2017. After completion of Re-construction work of Furnace no.2, the production will be increased as such as the production cost will be minimized. Consequently, the factory may be run with profitable.

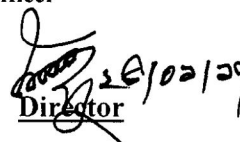
Note:

The Half Yearly Financial Statement (un-audited) as on 31 December, 2016 are available in the company website www.ugsfbd.com.


Accounts Officer


Asstt. Chief Accountant & CFO


Managing Director & CEO


Director


Chairman