

ANNUAL REPORT 2010



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Corporate Information

Registered Office	<p>Amin Court, 6th Floor 62-63 Motijheel Commercial Area Dhaka – 1000, Bangladesh</p> <p>Tel: +880-2-9565228 Fax: +880-2-9567485</p> <p>Email: info@olympicbd.com Website: www.olympicbd.com</p>
Factories	<p>Battery, Ballpoint Pen, Edible Oil Kutubpur, Kanchpur, Bondar, Narayanganj</p> <p>Biscuit, Confectionery, Electric Bulb Madanpur, Keodhala, Bondar, Narayanganj</p>

Listings	<p>Dhaka Stock Exchange Ltd. – June 9, 1984 Chittagong Stock Exchange Ltd. – September 19, 1996</p>
Memberships	<p>Bangladesh Association of Publicly Listed Companies Metropolitan Chamber of Commerce & Industry Bangladesh-Malaysia Chamber of Commerce & Industry BD Auto Biscuit & Bread Manufacturers Association Bangladesh Agro Processors Association</p>
Share Structure	<p># of Shareholders – 8,840 Authorized Capital – Tk. 250,000,000.00 Paid-up Capital – Tk. 232,181,700.00 Face Value: Tk. 100.00 / Market Lot: 50 Shares Demat Trading Commenced – June 15, 2004</p>
Main Bankers	<p>Agrani Bank Ltd, Amin Court Corporate Branch The City Bank Ltd., Principal Branch National Bank of Pakistan, Motijheel Branch United Commercial Bank Ltd., Principal Branch</p>
Statutory Auditors	<p>M/s Howladar Yunus & Co, Chartered Accountants</p>

Board of Directors & Management

Board of Directors

	<p>Mohammad Bhai – Chairman</p> <p>A renowned industrialist and reputed businessman, Mohammad Bhai was born in Kanpur, India and migrated to Dhaka before independence. He has been doing business in Bangladesh since 1948; he was a pioneer of the Bangladesh steel industry, establishing the country's first steel mill in 1959. In addition to his vast industrial experience, Mohammad Bhai is a former president of the Dhaka Chamber of Commerce & Industry and has served as president of the Aga Khan Supreme Council for Bangladesh for more than two decades.</p>
	<p>Mubarak Ali – Managing Director</p> <p>Mubarak Ali is a truly dedicated business personality and has been an industrial entrepreneur for over 40 years. As managing director of Olympic since its inception, he is solely credited with its success to date. In addition to his business accomplishments, he is a former VP and treasurer of the Lions Club, an executive committee member of the Bangladesh Association of Publicly Listed Companies as well as the Bangladesh Auto Biscuits and Bread Manufacturers Association. Mubarak Ali is also a representative member of the FBCCI and also a former chairman of Aga Khan Foundation, Bangladesh.</p>
	<p>Aziz Mohammad Bhai – Director</p> <p>Aziz Mohammad Bhai is a charismatic personality and a successful industrial entrepreneur in Bangladesh. He was actively engaged in the management of a steel producer for more than three decades and has been an innovator in the local pharmaceutical manufacturing industry with Ambee Pharmaceuticals. In addition to his long list of business accomplishments, Aziz Mohammad Bhai is a life member of the SAARC Chamber of Commerce.</p>



Raja Mohammad Bhai - Director

Raja Mohammad Bhai has been an entrepreneur and industrialist since the beginning of his career. Having completed his MBA from the University of Western Ontario in Canada, he established his business career early on having founded Panther Textiles, Panther Steel, Panther International, Quantum Electronics, and RMB Fisheries. His vast business experience plays a strong role in the strategic development of Olympic Industries.



Munir Ali – Director

Munir Ali, educated in the US at Indiana University, has been involved in the development of the company's biscuit and confectionery businesses. Mr. Ali is the founding managing partner of Asia Commodity Ltd and a director of Interglobe Aviation (BD) Ltd. He has also served as a director of Aga Khan Education Services, Bangladesh for six years.

Management

Md. Nazimuddin – Company Secretary & Executive Director, Corporate Affairs

Laskar A. Hafiz – Executive Director, Marketing & Sales

Madad A. Virani – Executive Director, Operations

Harun-al-Rashid-General Manager, Accounts & Finance

SR Mondal – Accounts

Rasedul Hasan – Finance

Enamul Kabir – Internal Audit

Altaf Hamid – Admin & HR

Abdul Hakim – Commercial/Import

Summary of Key Operating & Financial Data

Condition No. 1.4(h) of Corporate Governance Guidelines issued by SEC (dated February 20, 2006)

	Year Ended June 30, 2010	Year Ended June 30, 2009	Year Ended June 30, 2008	Year Ended June 30, 2007	Year Ended June 30, 2006
Face Value Per Share	100.00	100.00	100.00	100.00	100.00
Number of Shares Subscribed & Paid-up	2,321,817	1,934,848	1,729,376	1,729,376	1,729,376
Average Market Price Per Share					
Dhaka Stock Exchange	1,816.00	631.65	400.95	146.67	107.25
Chittagong Stock Exchange	1,810.00	634.34	397.75	141.00	104.00

(Amounts except in Bold and Ratios are in Millions of Taka)

Operating Results					
Net Turnover	2,457.75	2,099.56	1,460.11	1,058.69	1,039.59
Gross Profit	698.10	519.13	287.73	190.65	202.41
Net Profit Before Tax	263.68	176.82	62.68	44.14	34.49
Net Profit After Tax	191.17	128.80	45.28	32.57	24.14
Earnings Per Share (EPS)	82.34	55.48*	23.41	18.84	13.96
Financial Position					
Total Assets	1,361.91	996.28	765.41	665.34	670.85
Total Current Assets	797.33	541.40	492.95	422.66	398.46
Total Current Liabilities & Provisions	651.07	490.10	324.37	261.91	280.15
Total Shareholders' Equity	526.19	354.37	322.65	296.38	291.86
Current Ratio	1.22 : 1	1.10 : 1	1.52 : 1	1.61 : 1	1.42 : 1
Capitalization					
Authorized Capital	250.00	250.00	250.00	250.00	250.00
Paid-up Capital	232.18	193.48	172.93	172.93	172.93
Shareholders' Equity Per Share	226.63	183.15	186.57	171.38	168.77

* EPS of Tk. 66.57 per share diluted to Tk. 55.48 after distribution of 20% stock dividend

Figure 1 - Comparison of Net Turnover & Gross Profit (in Millions of Taka)



Notice of Extra-Ordinary General Meeting

Notice is hereby given to all shareholders of Olympic Industries Limited that, to increase the authorized capital of the company from Tk.25.00 crore to Tk.100.00 crore; to change the face value of the shares of the company from Tk.100.00 each to Tk.10.00 each and to change the minimum market lot from existing 50 shares to proposed 100 shares, an Extra-Ordinary General Meeting of the shareholders of the company will be held on Thursday, December 30, 2010 at 9:45 AM at the battery factory premises of the company at Kutubpur, Kanchpur, Bondar, Narayanganj to pass, with or without modifications, the following resolutions as Special Resolutions, which will be effective subject to the approval of the Securities and Exchange Commission and stock exchanges:

Proposed Special Resolutions

- 1. Change of face value of shares from Tk. 100.00 each to Tk. 10.00 each and change the minimum market lot from 50 shares to 100 shares:**

"RESOLVED that the face value of shares of Olympic Industries Limited be and is hereby changed from existing Tk. 100.00 each to Tk. 10.0 each and the size of minimum market lot is changed from 50 shares to 100 shares."

- 2. Increase of Authorized Capital**

"RESOLVED that the authorized capital of Olympic Industries Limited be and is hereby increased from existing Tk. 25.00 crore to Tk. 100.00 crore, divided into 10.00 crore ordinary shares of Tk. 10.00 each."

- 3. Substitution of existing Clause-V of the Memorandum of Association**

"RESOLVED that the existing Clause-V of the Memorandum of Association of Olympic Industries Limited be and is hereby substituted with the following text:

Quote - V. The share capital of the company is Tk. 100.00 crore divided into 10.00 crore ordinary shares of Tk. 10.00 each with power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to append thereto respectively preferentially, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary the classifications and to modify or abrogate any such rights, privileges or conditions in such manner as may, for the time being, be provided by the regularions of the company and to consolidate or sub-divide the shares and issues shares of higher or lower denominations – Unquote."

4. Substitution of existing Article-4 of the Articles of Incorporation

"RESOLVED that the existing Article-4 of the Articles of Incorporation of Olympic Industries Limited be and is hereby substituted by the following text:

Quote – 4. The authorized capital of the company is Tk. 100.00 crore divided into 10.00 crore ordinary shares of Tk.10.00 each. – Unquote."

"FURTHER RESOLVED THAT:

1. The aforesaid changes in face value and minimum market lot of shares and increase of authorized capital of the company shall be effective after approval from the Securities and Exchange Commission and stock exchanges and, following approval, the existing Memorandum and Articles of Memorandum containing the aforesaid substitutions and the said new Memorandum and Articles of Incorporation shall be accepted and adopted as the Memorandum and Articles of Incorporation of Olympic Industries Limited.
2. A certified copy of the aforesaid Special Resolutions together with the copy of the new Memorandum and Articles of Incorporation containing the new texts as aforesaid be filed with me Registrar of Joint Stock Companies and Firms, Dhaka for their record"

By order of the Board
Sd/-
Md. Nazimuddin
Company Secretary
November 13, 2010

Notes

1. The Record Date for the Extra-Ordinary General Meeting will be November 25, 2010.
2. The proxy form, if used, is to be deposited bearing revenue stamp of Tk.10.00 at the Registered Office of the Company at least 48 hours before the Extra-Ordinary General Meeting. Proxy must be a shareholder of the company.
3. Admission to the meeting venue will be on production of the Attendance Slip, duly signed. Children and non-members are not allowed to attend the meeting. The Attendance Slip and Proxy Form will be sent with the Annual Report. The signature of Proxy is to be verified by the shareholder appointing the Proxy.

Notice of 31st Annual General Meeting

Notice is hereby given that the 31st Annual General Meeting of Olympic Industries Limited will be held on Thursday, December 30, 2010 at 10:30 AM at the battery factory premises of the company at Kutubpur, Kanchpur, Bondar, Narayanganj to transact the following business:

Agenda

1. To receive, consider and adopt the audited accounts for the year ended June 30, 2010 and the reports of the auditors and directors thereon.
2. To consider and approve the payment of 50% Stock Dividend i.e. 1 (one) ordinary share for every 2 (two) ordinary shares held and 10% Cash Dividend to the shareholders for year ended June 30, 2010, as recommended by the Board of Directors.
3. To consider the re-appointment of Mr. Mohammad Bhai, Chairman with revision of remuneration.
4. To consider revision of remuneration of Managing Director.
5. To consider reappointment of Mr. Munir Ali, Director.
6. To appoint new auditors for the year ending on June 30, 2011 and to fix up their remuneration.
7. To transact any other business with the permission of the Chairman.

By order of the Board
Sd/-
Md. Nazimuddin
Company Secretary
October 30, 2010

Notes

4. The Record Date for entitlement of above Stock and Cash Dividends will be on November 25, 2010.
5. The proxy form, if used, is to be deposited bearing revenue stamp of Tk.10.00 at the Registered Office of the Company at least 48 hours before the meeting. Proxy must be a shareholder of the company.
6. Admission to the meeting venue will be on production of the Attendance Slip, duly signed. Children and non-members are not allowed to attend the meeting. The Attendance Slip and Proxy Form will be sent with the Annual Report. The signature of Proxy is to be verified by the shareholder appointing the Proxy.
7. Change of address may please be informed in writing to the company.
8. If any shareholder has any questions on the accounts, and the auditors' and directors' reports thereon, this must be submitted at the Registered Office of the company at least 72 hours before the meeting to facilitate providing a proper response.

Chairman's Message to Shareholders

Dear Shareholders,

It is with great pleasure that I welcome you to the 31st Annual General Meeting of Olympic Industries Limited. We are immensely fortunate to have such loyal shareholders, many who have been with us for over 20 years; it is this support that has helped us accomplish our goals and objectives. As a result of this year's performance, we felt it necessary to reward our shareholders with what we feel is a substantial dividend declaration.

With much pride, I am pleased to report that Olympic has reported record-breaking results. As you will see from our increased turnover and overall profitability, demand for our products is continually increasing; we feel that we are now well positioned to take advantage of future growth as we have recently added additional capacity for almost all of our product ranges.

The fast-moving consumer-goods industry in Bangladesh is moving at an incredible pace as consumers' tastes are developing; consumers are demanding higher quality products that have typically only been available through import. We have equipped ourselves with the right tools and people to ensure that we understand and exceed the needs of our consumers. We strongly believe that we have positioned ourselves well to benefit from these changing needs while generating positive shareholder value along the way.

Two years have now passed since the amalgamation of Tripti with Olympic was approved and implemented; we can very clearly see the positive shareholder value creation that has resulted from this transaction. We have significantly improved our efficiencies and have also benefited from the amalgamated assets and resources acquired from Tripti.

Without the dedication of each and every employee, we would not be where we are today; it is this hard work, effort and perseverance that allows us to set our sights higher. We must not forget the loyalty of our distributors and, of course, our consumers. Finally, we are grateful for the support and co-operation of the SEC, the stock exchanges, our financial institutions and government offices and agencies.

We would not be where we are today without the unwavering commitment of our managing director, Mr. Mubarak Ali; our financial results are a demonstration of his tireless efforts and his vision has shown us where we want to be in ten years. His diligence and dedication have helped Olympic set itself apart from its competitors.

Sincerely Yours,
Sd/-
Mohammad Bhai
Chairman

Report of the Board of Directors

Dear Shareholders,

It is with great pleasure that we present to you the report of the board of directors of Olympic Industries Limited for the year ended June 30, 2010, together with the audited accounts as well as the report of the auditors.

During the last fiscal year, we are pleased to report that Olympic has experienced positive results and offer the following figures to illustrate year-over-year growth.

Net Turnover	+17%
Gross Profit	+34%
Net Profit After Tax	+48%

Figure 2 - Net Turnover (in Millions of Taka)

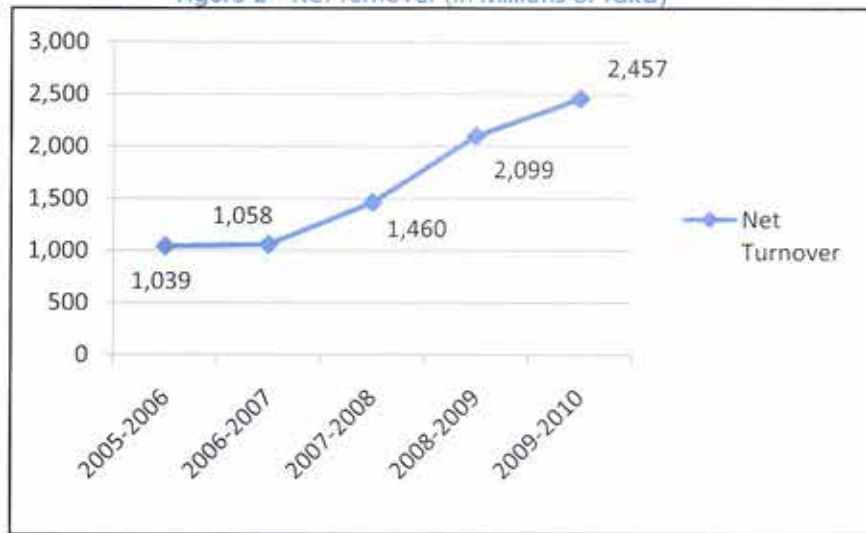
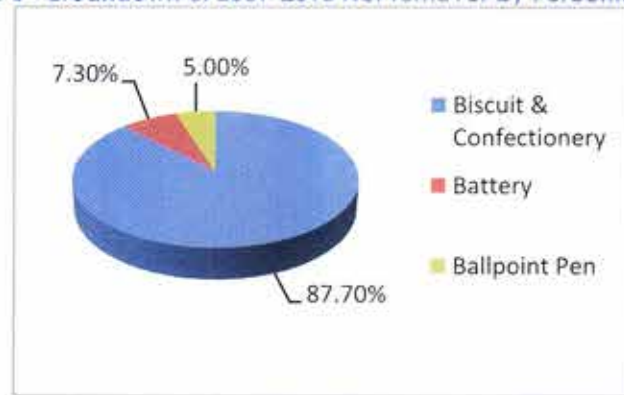


Figure 3 represents a breakdown of the company's net turnover over its three main units. A summary of activities for the fiscal year 2009-2010 follows.

Figure 3 - Breakdown of 2009-2010 Net Turnover by Percentage



Biscuit and Confectionery

Olympic commenced its biscuit and confectionery operations in December 1996 with a single biscuit line and hard-boiled candy line. Our flagship brands, Energy Plus and TIP, have become household names that are recognized across the country.

Due to heightened demand for quality products, we are pleased to report that we are currently operating three production lines round-the-clock; In October 2009, Olympic announced its decision to import a fourth line, dedicated for producing hard-dough biscuits. Installation and commissioning of this line is almost complete. Commercial operation is expected in December 2010 and we expect a majority of newly-added capacity to be utilized immediately.

Our biscuit and confectionery unit manufactured 22,822 MT of products for the year ended June 30, 2010 as compared to 12,854.03 MT for the previous year, representing a 28% increase in production year-over-year. Moreover, the value of the good produced by this unit surpassed Tk. 2.15 billion as compared to Tk. 1.80 billion year-over-year. Net turnover from this unit represented 87.7% of total company turnover this year as compared to 85.9% for the previous year.

In a drive to reduce our production costs and improve operational efficiency, Olympic has engaged consultants specializing in automation. Particularly in biscuit manufacturing, the implementation of our bulk handling systems has had a very positive effect in reducing our raw material wastage as well as improving product quality.

Through the use of innovative packing technologies, we have been able to increase our packaging competencies; a product that is packed quicker and in a more hygienic environment, in the end, means a better product for consumers.

Figure 4 - Annual Biscuit and Confectionery Production



With increased production capacities and optimized economies of scale, never has there been more incentive to capitalize on process automation. With intensive investment in research and development, we continue to implement new technologies to improve the efficiency of our capital resources.

Advanced packing machinery, raw materials bulk handling equipment and efficient inventory management systems are just three examples of our commitment towards complete automation. Benefits include reduced raw material costs and improvements in quality and hygiene.

Olympic has supplied fortified biscuits over the past few years to USA-based Land O' Lakes for its Bangladesh School Nutrition Program, funded by the United States Department of Agriculture, feeding over 100,000 school children per day. As this program has concluded in 2010, we would like to thank Land O' Lakes for their co-operation; we take immense pride in our close association with this program and are grateful for their capacity-building assistance and support.

We are pleased to update you on the construction of our 60,000 sqft building on the site of our biscuit and confectionery premises. The entire structure has been completed and we have placed the depositor candy, centre-filled gum and liquid chocolate lines, all of which are already in operation. We expect to utilize the additional space for our future products and expect that the entire space will be utilized in the next 12-18 months.

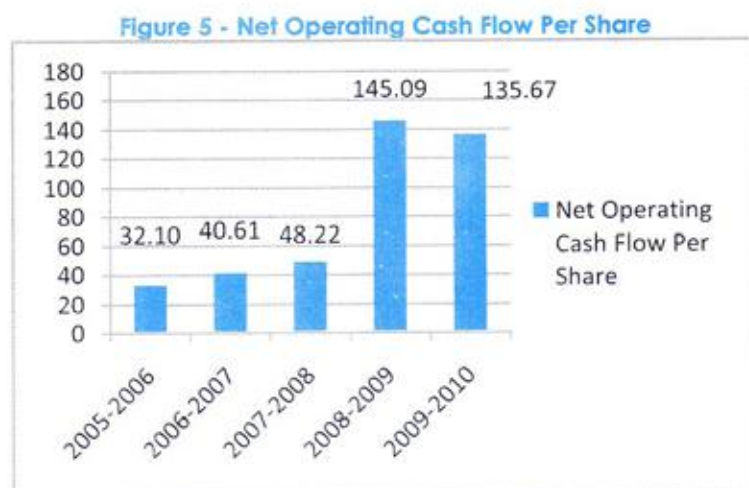
As you are aware, Olympic has been producing hard-boiled candy for a number of years; in order to better meet market demand, we have installed a brand-new depositor candy line which has been in operation since January 2010. This new line has significantly improved our product quality and allowed us to explore new confectionery opportunities in terms of products and flavours. As we expand this product range, we anticipate our confectionery products to significantly improve contribution to net turnover and overall profitability.

We are also pleased to report that we have imported the requisite machinery and launched Choco Funn, a liquid chocolate product for school children in the two taka segment. Thus far, market demand has been extremely positive as we are introducing the concept of chocolate to children at very affordable prices.

We have imported a centre-filled gum line production line commissioning is underway. It is expected that this product will be launched in January 2011. We are of the belief that demand for quality confectionery products in Bangladesh is growing at a very rapid rate and new, innovative ideas are needed to meet this demand. As such, we are and will continue to explore opportunities within the confectionery sphere to build shareholder value.

We have made a commitment to our consumers and our shareholders of our dedication to hygiene, safety and health. As such, we are pleased to inform our stakeholders that we have passed our surveillance audit and received revalidation of our HAACP certification from SGS. We are also in the final steps of obtaining our ISO 22000:2005 (Food Safety Management Systems) certification, which is expected to be completed by the end of Q1 2011. We are of the opinion, however, that there are no quick-fixes for hygiene, safety and health and these require constant attention; as such, we are pleased to report that we have established a health & safety committee at the

operations level that will report to management on a quarterly basis on pertinent matters.



Dry-cell Battery

Our dry-cell battery sales for the fiscal year ended June 30, 2010 generated net turnover of Tk. 178.5 million, which represents a 0.4% increase year-over-year; a total of 23.7 million pieces were sold as compared to 23.2 million pieces during the same period last year. Considering the declining trends we have witnessed within the dry-cell battery industry in the last few years, we are very satisfied with these results. Similar to the previous year, a heavy focus with placed on the marketing and promotion of our dry-cell batteries, resulting in high selling expenses.

While net turnover increased by only 0.4%, we are very delighted to report that net profit before tax for the battery unit was Tk. 17.1 million which is 67% higher than Tk. 10.25 million, as reported a year earlier.

Olympic has commenced production of UM-4/AAA-sized batteries to meet the demands of local consumers. The demand for these batteries is increasing due to increased requirements for use in remote controls and small toys, etc. We anticipate that demand will grow for this product. We have also engaged a foreign consultant for the production of a higher-end, longer life durable UM-3/AA-sized battery for use in electronics such as digital cameras.

We are still of the belief that though the market growth has drastically slowed down, nominal growth can still be expected particularly within the UM-3 and UM-4 markets. There is no doubt that rechargeable batteries and torch lights have stunted market demand for single-use batteries. We will continue to assess the market for dry-cell batteries in Bangladesh and make decisions that will deliver the best possible returns for our shareholders.

Ballpoint Pen

The ballpoint pen unit is an asset that was acquired during the amalgamation of Tripti Industries Limited with the company. The unit produced 38.86 million ballpoint pens this fiscal year, as compared to 34.51 million in the previous fiscal year under Tripti. It is expected that, through the introduction of new varieties of ballpoint and gel-type pens, Olympic can capture a larger share of the expanding ballpoint pen market in Bangladesh.

We will continue to closely monitor trends, especially those of school children and professional users, to develop and market our products accordingly. We are quite optimistic that, with hard work and dedication of our sales and marketing team to market these products, we can soon return to profitability in the near future.

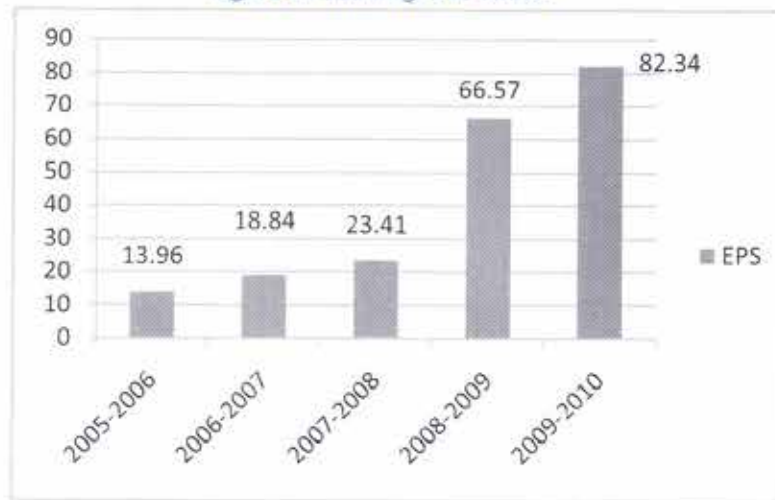
Our potato seed tissue cultivation project still has not reached the critical mass or carrying capacity that we had expected. The potato seed market continues to be very volatile and we are taking steps to reduce our exposure as much as possible through the control of our input costs. We will continue to monitor our yields and projected cash flows from this unit to allow us to make a better-informed decision in the coming months.

The oil refining and hydrogenation unit is an acquired asset from the amalgamation of Tripti Industries Limited two years ago. At the moment, there are still considerable risks and many unknown factors within the edible oil market. While we are still continuing our consideration of various options, it is important to understand that, in order to attain market viability, a very substantial investment must be made toward fractionation, storage and bottling.

As per discussions held during the 29th Annual General Meeting of the shareholders in 2008, we are seeking out interested parties who may desire to purchase the production unit, with or without the accompanying land. A decision would then be taken, considering the offered price from the prospective buyer and the best interests of the company. We will continue to update our shareholders on the status of this unit but, in the meanwhile, would like our shareholders to know that much caution and prudence shall be exercised to preserve and retain shareholder value.

Our electric bulb unit is currently non-operational due to a lack of allocation of space for the machinery, which was intended to be installed on the premises of the biscuit and confectionery unit. However, with the expansion and construction of a new building within the complex, it appears quite unfeasible to place an electric bulb production unit on the premises. We are seeking suitable alternatives for relocation however we are unable to confirm the strength of demand for these products at this juncture.

Figure 6 - Earnings Per Share



The instability of raw material prices, particularly in regards sugar, oil and wheat, have are a cause of serious concern for us; this is especially true for certain low-margin biscuit products. As prices continue to rise, we continue and will continue to assess the situation and take decisions as necessary to ensure cost certainty. Aside from cost control mechanisms, we are taking steps to understand the global markets of these raw materials and engage our local suppliers for price guarantees and supply contracts.

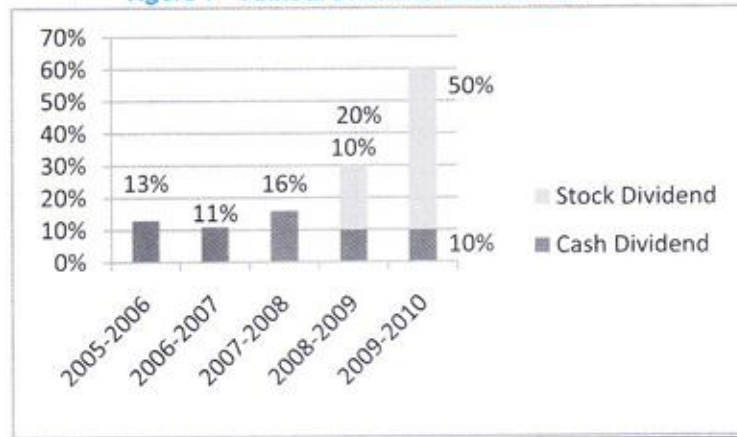
As we continue our expansion plans, we will need significant additional land area to accommodate future projects; as you are well aware, land prices have skyrocketed in the past few years and it has come extremely difficult to ascertain project costs with such erratic market pricing. We will continue to exercise caution and prudence when acquiring such fixed assets for the company. We will proceed with land acquisition based on our current and future space requirements, keeping in mind our infrastructure requirements, financial cost and of course shareholder value.

Dividend

The board of directors is pleased to recommend 10% cash dividend and 50% stock dividend for the year ended June 30, 2010. Of course, the distribution of this dividend shall be subject to the approval of the shareholders at the 31st annual general meeting.

Shareholders whose name appears on either the list of shareholders or the CDBL register on the record date of November 25, 2010 shall be entitled to the dividend.

Figure 7 - Annual Dividend Declaration



Contribution to the National Exchequer

During the fiscal year ended June 30, 2010, Olympic Industries Limited contributed Tk. 317,940,645 to the National Exchequer in the form of value added tax, income tax, customs, duties, and other levies which equate to 13% of the annual net turnover of the company.

Election & Remuneration of Directors

1. Mr. Mohammad Bhai, Chairman retires by rotation (as per article 119 of the Articles of Association of the company). Being eligible (as per article 121 of the Articles of Association of the company), he offers himself for re-election.

The board of directors hereby proposes to revise and fix the remuneration of Mr. Mohammad Bhai from Tk. 300,000.00 per month to Tk. 500,000.00 per month. Subject to approval at the 31st Annual General Meeting of the company, he shall continue to draw the following remuneration and benefits from January 1, 2011:

Remuneration:	Tk. 500,000.00 per month
Accommodation:	Free, furnished accommodation at a maximum rental of Tk. 150,000.00 per month
Transportation:	Full-time transportation with fuel and driver
Bonus:	As per the rules of the company
Tax:	To be borne by individual

2. In recognition of the tireless efforts of Mr. Mubarak Ali, Managing Director, the board of directors proposes to revise his remuneration and benefits in the following manner, subject to approval at the 31st Annual General Meeting of the company, from January 1, 2011:

Remuneration:	Tk. 1,000,000.00 per month
Accommodation:	Free, furnished accommodation at a maximum rental of Tk. 150,000.00 per month
Transportation:	Full-time transportation with fuel and driver

Bonus: As per the rules of the company
Tax: To be borne by individual

3. The board of directors hereby proposes to fix the remuneration of Mr. Raja Mohammad Bhai at Tk. 500,000.00 per month. Subject to approval at the 31st Annual General Meeting of the company, he shall continue to draw the following remuneration and benefits from January 1, 2011:

Remuneration: Tk. 500,000.00 per month
Bonus: As per the rules of the company
Tax: To be borne by individual

4. Mr. Munir Ali, Director, retires by rotation (as per article 119 of the Articles of Association of the company). Being eligible (as per article 121 of the Articles of Association of the company), he offers himself for re-election.

Appointment of Auditors

M/s Howlader Yunus & Co, chartered accountants, were appointed at the 28th Annual General Meeting of the company on December 27, 2007, completing their three consecutive years of services and retire. M/s M.J. Abedin & Co, chartered accountants, have offered their services for appointment as auditors of the company for the year ending June 30, 2011. The retiring auditors were paid Tk. 225,000.00 as remuneration.

Report of Audit Committee

The audit committee has reported to the board of directors that during its audit activities throughout the year, it did not find any concerns or irregularities.

Report on Corporate Governance Compliance

In compliance with Notification No. SEC/CMRRCD/2006-158/Admin/02-08 issued by the Securities and Exchange Commission on February 20, 2006, the board of directors of the company report the following:

A. Financial statements, books of accounts, accounting policies and standards, etc (Condition 1.4)

1. The financial statements prepared by the management of the company fairly present its state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimated are based on reasonable and prudent judgment.
4. International accounting standards, as applicable in Bangladesh, have been strictly adhered to in preparation of the financial statements and any departure from these standards have been adequately disclosed and documented.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts on the company's ability to continue as a going concern.
7. Significant deviations from last fiscal year's operating results, if any, have been highlighted and reasons thereof have been documented and explained.
8. Key operating and financial data of preceding five years have been summarized and furnished.

B. Board meetings held during the period of the report and attendance by directors (Condition 1.4(j))

During the year ended June 30, 2010, a total of 29 meetings of the board of directors of the company were held and attendance by each director (including fees) is as follows:

Director	Attended	Fees
Mohammad Bhai, Chairman	29 meetings	Tk. 21,750
Mubarak Ali, Managing Director	29 meetings	Tk. 21,750
Aziz Mohammad Bhai, Director	-	-
Raja Mohammad Bhai, Director	29 meetings	Tk. 21,750
Munir Ali, Director	-	-
	<i>Total</i>	Tk. 65,250

Two directors were unable to attend meetings on the basis of health grounds and leave of absence was granted to them.

C. Pattern of Shareholding as on June 30, 2010 (Condition 1.4(k))

(i) Associated Company M/s Ambee Limited	95,498 shares
(ii) Directors, Company Secretary, Head of Internal Audit Mohammad Bhai, Chairman Mubarak Ali, Managing Director Aziz Mohammad Bhai, Director Raja Mohammed Bhai, Director Munir Ali, Director Md. Nazimuddin, Company Secretary Md. Enamul Kabir, Head of Internal Audit	84,771 shares 139,291 shares 360,534 shares 15,340 shares 35,347 shares 954 shares 7 shares
(iii) Top 5 Salaried Executives Laskar Hafiz Madad Ali Virani Harun-al-Rashid Saibul Kumar Sengupta S. R. Mondal	0 shares 0 shares 3 shares 0 shares 10 shares
(iv) Shareholder holding 10% or more Voting Interest Aziz Mohammad Bhai, Director	360,534 shares

D. Status of compliance with conditions outlined in Corporate Governance Code (Condition 5)

	Title	Compliance Status		Reason for Non-Compliance
		Compliance	Non-Compliance	
1.1	Number of board members should not be less than 5 and more than 20	√		
1.2(i)	Number of independent directors (at least 1/10 th , minimum one)	√		
1.2(ii)	Appointment of independent director by elected directors	√		
1.3	Chairman and CEO should be different individuals and Chairman should be from amongst directors	√		
1.4(a)	Fair presentation of financial statements	√		
1.4(b)	Maintenance of proper books of accounts	√		
1.4(c)	Consistent application of appropriate accounting policies and accounting estimates	√		
1.4(d)	Adherence to international accounting standards as applicable in Bangladesh	√		
1.4(e)	Sound and effective internal control system	√		
1.4(f)	Ability to continue as a going concern	√		

1.4(g)	Highlight significant deviations from previous year's operating results, if any	√		
1.4(h)	Summary of key operating and financial data	√		
1.4(i)	Reasons for non-declaration of dividend	N/A		
1.4(j)	Breakdown of board meetings and attendance	√		
1.4(k)	Reporting of pattern of shareholding	√		
2.1	Appointment of Chief Financial Officer, Head of Internal Audit and Company Secretary	√ (Partial)		CFO to be appointed shortly
2.2	Attendance of CFO and Company Secretary at board meetings, as required	√ (Partial)		CFO will attend when appointed
3.0	Formation of audit committee	√		
3.1(i)	Audit committee to be composed of at least three members	√		
3.1(ii)	Audit committee members should be appointed by board of directors and should include one independent director	√		
3.1(iii)	Vacancy on audit committee should be filled within one month	√		
3.2(i)	Board of directors should select one member of the audit committee as its chairman	√		
3.2(ii)	Chairman of audit committee should have sufficient qualifications and knowledge in accounting or finance	√		
3.3.1(i)	Reporting of activities of the audit committee to board of directors	√		
3.3.1(ii) a	Report on conflicts of interest by audit committee to board of directors	√		
3.3.1(ii) b	Report on fraud or irregularity or material defects in internal control systems by audit committee to board of directors	√		
3.3.1(ii) c	Report on infringement of laws including securities-related laws, rules and regulations by the audit committee to the board of directors	√		
3.3.1(ii) d	Immediate report on any other matters which should be disclosed by the audit committee to the board of directors	√		
3.3.2	If the audit committee has reported to the board of directors any issue(s) of material impact on financial or operating conditions and it finds that the rectifications suggested have been	√		

	ignored, audit committee should directly report its findings to the Commission, upon reporting such matters to the board of directors three times or upon the completion of a nine month period from its initial report			
3.4	Report of activities carried out by the audit committee should be signed by the chairman and disclosed in the annual report	√		
4.00(i)	Statutory auditor shall not perform services related to appraisal, valuation or fairness	√		
4.00(ii)	Statutory auditor shall not perform services related to design and implementation of financial information systems	√		
4.00(iii)	Statutory auditor shall not perform services related to book-keeping or accounting	√		
4.00(iv)	Statutory auditor shall not perform broker-dealer services	√		
4.00(v)	Statutory auditor shall not perform actuarial services	√		
4.00(vi)	Statutory auditor shall not perform services related to internal audits	√		
4.00(vii)	Statutory auditor shall not perform any other service that audit committee determines	√		

Report of Auditors

We have audited the accompanying Balance Sheet of Olympic Industries Limited as of June 30, 2010 and the related Income Statement, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with Bangladesh Standards of Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of June 30, 2010 and the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of accounts as required by law have been kept by the company;
- c. the company's Balance Sheet and Income Statement dealt with by the report are in agreement with the books of account, and
- d. the expenditures incurred were for the purposes of the company's business.

Sd/-
HOWLADAR YUNUS & CO.
Chartered Accountants
October 30, 2010 / Dhaka

Financial Statements

OLYMPIC INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 TH JUNE, 2010

	NOTES	Amount	
		Taka	Taka
		2009-2010	2008-2009
NET ASSETS			
Non-current Assets		564,581,936	454,880,275
Property, Plant and Equipment (At cost less accumulated depreciation)	8	456,599,913	414,254,710
Capital Work in Progress		95,095,683	22,324,881
Deferred Expenses	9	12,886,340	18,300,684
Current Assets		797,331,808	541,403,007
Inventories	10	245,123,706	197,078,067
Sundry Debtors	11	13,543,286	35,110,821
Advances, Deposits & Prepayments	12	190,097,008	148,283,690
Cash and Cash Equivalents	13	348,567,808	160,930,429
Current Liabilities and Provisions		(651,071,767)	(490,101,413)
Loans	14	139,365,995	107,845,756
Interest Payable		-	28,464
Creditors for Goods		185,965,306	127,898,081
Creditors for Service		4,250,216	7,601,511
Accrued Expenses		31,293,770	50,594,199
Advance against sales		69,824,339	58,022,555
Liabilities for other Finance		29,208,558	23,993,744
Lease Finance - Current Portion	21	32,018,265	23,406,567
Provision for taxation	15	145,925,332	78,515,241
Unclaimed Dividend	16	13,219,986	12,195,295
Net Current Assets		146,260,041	51,301,594
Deferred Tax Liabilities		(18,444,598)	(13,341,858)
Deferred Liabilities	17	(61,758,055)	(46,779,106)
		630,639,324	446,060,905
FINANCED BY			
Shareholders' Equity		526,193,378	354,371,670
Share Capital	18	232,181,700	193,484,800
Share Premium	19	56,929,150	95,626,050
Retained Earnings			
- As per Statement of Changes in Shareholders' Equity		237,082,528	65,260,820
Non Current Liabilities			
Long Term Loan (Secured)	20	62,686,050	34,469,803
Lease Finance - Long Term	21	41,759,896	57,219,432
		630,639,324	446,060,905

The annexed notes form part of these financial statements.

Approved by the board on 30 October, 2010 and signed on its behalf by :

Mohammad Bhai
Chairman

Mubarak Ali
Managing Director

Md. Nazimuddin
Company Secretary

Subject to our separate report of even date annexed

HOWLADAR YUNUS & CO.
Chartered Accountants

Dated : Dhaka
30 October, 2010

OLYMPIC INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2010

	NOTES	Amount	
		Taka	Taka
		2009-2010	2008-2009
TURNOVER	22	2,457,753,100	2,099,562,491
Cost of Goods Sold	23	(1,759,648,080)	(1,580,428,293)
GROSS PROFIT		698,105,020	519,134,198
OPERATING EXPENSES:		(392,870,853)	(295,192,084)
Administrative Expenses	24	(85,262,041)	(68,952,586)
Selling Expenses	25	(307,608,812)	(226,239,498)
PROFIT FROM OPERATIONS		305,234,167	223,942,114
Finance Cost	26	(38,148,952)	(45,762,117)
		267,085,215	178,179,997
Non Operating Income	27	9,781,955	7,483,562
		276,867,170	185,663,559
Contribution to Worker's Profit Participation / Welfare Funds		(13,184,151)	(8,841,122)
NET PROFIT / (LOSS) - BEFORE TAX		263,683,019	176,822,437
Provision for Current tax		(67,410,091)	(41,743,989)
Deferred Tax Income / (Expenses)		(5,102,740)	(6,272,560)
		(72,512,831)	(48,016,549)
NET PROFIT / (LOSS) - After Tax Transferred to Statement of Changes in Shareholders'Equity		191,170,188	128,805,888
Basic Earning Per Share (Par value Tk.100/-)	28	82.34	55.48
Number of Shares used to Compute EPS		2,321,817	2,321,817

The annexed notes form part of these financial statements.

Approved by the board on 30 October, 2010 and signed on its behalf by :

Mohammad Bhai
Chairman

Mubarak Ali
Managing Director

Md. Nazimuddin
Company Secretary

Subject to our separate report of even date annexed

HOWLADAR YUNUS & CO.
Chartered Accountants

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OLYMPIC INDUSTRIES LIMITED – ANNUAL REPORT 2010

Dated : Dhaka
30 October, 2010

OLYMPIC INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2010

Cash Flows from Operating Activities :	Amount	
	Taka	Taka
	2009-2010	2008-2009
Cash receipts from customers & Others	2,491,124,269	2,111,076,434
Cash Paid to suppliers and employees	(2,086,359,324)	(1,757,118,602)
Cash generated from operations	404,764,945	353,957,832
Interest Paid	(38,177,416)	(45,733,653)
Income taxes paid	(51,593,766)	(27,496,003)
Net Cash from Operating Activities (A)	314,993,763	280,728,176
Deferred Expenses	-	-
Cash Flows from Investing Activities :		
Acquisition of Capital Assests	(174,774,070)	(96,177,410)
Proceeds from sale of fixed assets	-	2,597,500
Acquisition of net Assests on amalgamation, net of cash	-	1,409,313
Interest received	7,638,013	4,811,623
Net Cash Used in Investing Activities (B)	(167,136,057)	(87,358,974)
Cash Flows from Financing Activities:		
Loans	59,736,486	(65,024,501)
Current Accounts with related Parties	-	(3,290)
Lease Finance	(6,847,838)	8,962,844
Liabilities for other Finance	5,214,814	(6,836,634)
Dividend Paid	(18,323,789)	(27,415,547)
Net Cash from in Financing Activities (C)	39,779,673	(90,317,128)
Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	187,637,379	103,052,074
Cash & Cash Equivalents at Opening	160,930,429	57,878,355
Cash & Cash Equivalents at Closing	348,567,808	160,930,429

The annexed notes form part of these financial statements.

Approved by the board on 30 October, 2010 and signed on its behalf by :

Mohammad Bhai
Chairman

Mubarak Ali
Managing Director

Md. Nazimuddin
Company Secretary

Subject to our separate report of even date annexed

HOWLADAR YUNUS & CO.
Chartered Accountants

Dated : Dhaka
30 October, 2010

OLYMPIC INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
AS ON JUNE 30 , 2010

	Share Capital	Share Premium	Retained Earnings	Total
Balance as on July 01, 2009	193,484,800	95,626,050	65,260,820	354,371,670
Bonus Share issued -1 Bonus share against 5 Or.Shares of Tk.100/- each	38,696,900	(38,696,900)	-	-
Net Profit for the year ended June 30, 2010	-	-	191,170,188	191,170,188
Transferred to Dividend Payable A/C	-	-	(19,348,480)	(19,348,480)
Balance as on June 30, 2010	232,181,700	56,929,150	237,082,528	526,193,378

OLYMPIC INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
AS ON JUNE 30, 2009

	Share Capital	Share Premium	Retained Earnings	Total
Balance as on July 01, 2008	172,937,600	95,626,050	54,087,899	322,651,549
Share issued on amalgamation	20,547,200	-	-	20,547,200
Excess value of liability over assets on amalgamation	-	-	(80,244,352)	(80,244,352)
Net Profit for the year ended June 30, 2009	-	-	128,805,888	128,805,888
Transferred to Dividend Payable A/C	-	-	(30,957,568)	(30,957,568)
Short Provision of Income Tax in respect of earlier years	-	-	(6,431,047)	(6,431,047)
Balance as on June 30, 2009	193,484,800	95,626,050	65,260,820	354,371,670

The annexed notes form part of these financial statements.
Approved by the board on 30 October, 2010 and signed on its behalf by :

Mohammad Bhai
Chairman

Mubarak Ali
Managing Director

Md. Nazimuddin
Company Secretary

Subject to our separate report of even date annexed

HOWLADAR YUNUS & CO.
Chartered Accountants

Dated : Dhaka
30 October, 2010

Notes to Financial Statements (for the year ended June 30, 2010)

1. Statutory Background of the Company and Overview of its Operational Activities

- a) The Olympic Industries Ltd. (Formerly Bengal Carbide Limited) (the "Company"), is a company incorporated and domiciled in Bangladesh as a public limited company. It commenced commercial operation in 1982 and went for public issue of shares in 1984. The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges of Bangladesh.

The registered office of the Company is located at 62-63, Motijheel Commercial Area Dhaka - 1000, Bangladesh. The industrial Units are located at Kanchpur and Bondar of Narayangonj.

The principal activities of the Company throughout the year continued to be manufacturing and marketing of Dry Cell Battery, Biscuit & Candy and Ball Pen items. The item Ball Pen has been introduced on amalgamation of the erstwhile Tripti Industries Ltd with the company.

The products are sold in the local market.

- b) During the preceding year, based on a decision adopted by the shareholders of the company in a meeting of the shareholders and creditors of the company and with due permission from the Hon'ble High Court division of Supreme Court of Bangladesh, the erstwhile Tripti Industries Ltd (Transferor Company) amalgamated with the company (Transfree company) and all the assets and liabilities of the Transferor company as of 1st July 2008 were transferred to the company (Transferee company) in exchange of issuance of 1 ordinary share of Tk. 100 each of the company to the shareholders of the transferor company for each 5.79 Ordinary shares of Tk 100 each of that company.

2. Corporate Financial Statements And Reporting

These comprise Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Explanatory Notes covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and the International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of these financial statements.

The preparation of financial statements in conformity with International Accounting Standards requires Board of Directors to make estimates and assumptions that affect the

reported amounts of revenues and expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the date of and during the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

3. **Critical Corporate Accounting Policies in respect of Recognition and Valuation of Key Accounting Issues**

Following are the accounting policies relating to recognition and valuation of items in financial statements which are material and critical in determining the company's results of operations for the year and financial position as on the balance sheet date and are consistent with those adopted in the financial statements for the previous year:

a) **Recognition of Income**

Sales are accounted for on preparation of invoices along with delivery of goods.

Dividend income is recognized on approval of said dividend in the annual general meeting of relevant company, However, there was no dividend income during the year under review.

b) **Property, Plant and Equipment**

These are initially stated at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. Property, plant and equipment taken over on 1 July 2008 from the transferor company referred to in note 1 has been stated at carrying value of those assets as of 1 July 2008. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalized. Expenses capitalized also includes pre-operational borrowing cost. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Software and all up gradation/ enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the profit and loss account which is determined with reference to the net book value of the assets and the net sales proceeds.

c) **Depreciation**

Land is held on a freehold basis and is not depreciated considering the unlimited life. In

respect of all other fixed assets, depreciation is provided using the straight-line method. Full year's depreciation is charged on additions and no depreciation is provided on retirement, irrespective of date of addition or retirement respectively.

The annual depreciation rates applicable to the principal categories are :

Building and other Construction	5% - 25%
Plant and Machinery	10% - 15%
Furniture & Fixtures	10%
Transport & Vehicle	20%
Office Equipment	10% - 25%

d) Capital Work-In- Progress

Advances paid to acquire fixed assets and the cost of assets not put to use before the year-end are disclosed under work-in-progress.

e) Deferred Sales Promotion Expenses

The deferred sales promotion expenses are amortized in 5 (five) years period.

f) Borrowing Costs

Borrowing costs are charged as expenses for the year under review.

g) Leases

Assets acquired during the period under lease finance has been classified as finance Lease. Assets acquired prior to 2006 were classified as Operating lease.

h) Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined on an weighted average cost basis. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of conversion include all direct costs excluding interest expense. Net realizable value is the estimate of the selling price in the ordinary course of business less the cost of completion and selling expenses.

i) Sundry Debtors

These are carried at original invoice amount which represents net realizable value only. This is considered good and collectible, and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for.

j) Cash and Cash Equivalents

This comprises cash in hand and at banks.

k) Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the balance sheet.

l) Income Taxes

i) Current tax

Income taxes are accounted for on an accrual basis with respect to currently payable amounts. Being publicly traded company, income tax @ 27.5% on profit has been provided.

ii) Deferred tax

The company has recognized deferred tax using Balance Sheet Liability Method in Compliance with the provisions of Bangladesh Accounting Standards (BAS 12 : Income Taxes) The company's policy of recognition of deferred tax assets / liabilities is based on the following :

a) Deferred tax liabilities are the amounts of income tax payable in future periods in respect of taxable or deductible temporary differences between the carrying amount (Book Value) of assets and liabilities for financial reporting purposes and its tax base.

b) Deferred tax assets are the amounts of income tax assets recoverable in future periods.

Temporary difference are differences between the carrying amounts of an asset or a liability in the Balance Sheet and its tax base.

c) Accordingly deferred tax income/expenses has been considered to determine net profit (loss) after tax and Earnings Per Share.

d) Deferred Tax expenses of 2009 -Tk.6,272,560

This represents the increase of deferred tax liability in 2009 in comparison to 2008 .

e)Deferred Tax expenses of 2010 - Tk 5,102,740

This represents the increase of deferred tax liability in 2010 in comparison to 2009 which has been reflected in the Income Statement for the year under review.

m) Cost of post employment benefits

The Company has recognized contributory provident fund scheme as a post employment benefit plan to eligible employees. Assets of provident fund are held in a separate trustee fund as per the relevant rules and is funded by payments from employees and by the company at pre-determined rates. The company's contributions to the provident fund is

charged off as revenue expenditure in the period to which the contributions relate.

n) Other corporate debt, accounts payable, trade and other liabilities

These liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

o) Provisions

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

p) Share Premium

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 share premium account may be applied by the company:

- (a) in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares ;
- (b) in writing off the preliminary expenses of the company ;
- (c) in writing off the expenses or the commission paid or discount allowed on any issue of shares or debentures of the company ; and
- (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the company.

In this respect, a statutory notification was issued in 1992 by the Controller of Capital Issues (now the Securities and Exchange Commission), allowing the above stated utilization of share premium including one additional purpose in adjusting or amortizing of intangible assets, subject to prior approval. The said notification also provides that the fund of the premium account is to be utilized in order of priority.

q) Proposed Dividend

Dividend proposed by the board of directors for the year under review shall be accounted for after the approval of the shareholders in the annual general meeting.

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r) Earnings Per Share (EPS)

This has been calculated in compliance with the requirements of IAS 33 : Earning Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding During the year

Current Year (2010)

The Bonus Shares issued during the year 2010 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2010, the total no. of shares including the said bonus shares has been considered as the Weighted Average No. of ordinary Shares outstanding during the year 2010.

Earlier Year (2009)

The number of shares outstanding before the bonus issued has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported (2009), and accordingly, in calculating the adjusted EPS of 2009, the total number of shares including the subsequent bonus issue in 2010 has been considered as the Weighted Average Number of Share outstanding during the year 2009.

The basis of computation of number of shares as stated above is in line with the provisions of IAS 33 "Earnings per Share". The logic behind this basis, as stated in the said IAS is, that the bonus Shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

Diluted Earning per Share

No diluted EPS could be calculated for the year as there was no scope for dilution during the year under review.

s) Foreign Currencies

Foreign Currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

4. Concentrations

As of balance sheet date, the Company does not have any significant concentration of business transaction with a particular customer, supplier or lender that could, if suddenly eliminated, severely affect the company's operations. The company also does not have a

concentration of available sources of labour, services, or licenses or other rights that could, if suddenly eliminated, severely affect the operations of the company.

5. Reporting Currency

The amounts shown in these financial statements are presented in Bangladesh currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

6. Re - Classifications / Re-statements

Certain amounts for previous year have been re-classified / re-stated to conform with 2010 presentation.

7. Appropriation of Dividend for the period (2009)

On 17.12.2009, the 30th Annual General Meeting of the Company decided that a dividend of Tk. 10/= per share and 20% stock to the shareholders would be paid in respect of 2009 earnings. Accordingly, total dividend amount of Tk. 19,348,480 and bonus share of Tk. 38,696,900 in respect of 2009 have been provided in the accounts of 2010 and have been reflected in the Statement of Changes in Shareholders' Equity.

8. PROPERTY, PLANT & EQUIPMENT :

Particulars	Land and Land Development	Factory Building & Other const.	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicles	Total
Cost							
At 01.07.2009	67,831,753	128,334,610	501,106,840	7,016,046	8,998,879	24,381,556	757,667,664
Additions during the Year	2,843,171	-	76,400,173	402,000	210,924	22,147,000	102,003,268
Disposal/ Transfer during the year	-	-	-	-	-	-	-
Cost at 30 June, 2010	70,674,924	128,334,610	577,507,013	7,418,046	9,209,783	46,528,556	839,670,932
Accumulated depreciation							
At 01.07.2009	-	52,080,052	255,036,436	4,045,503	4,400,984	7,789,979	323,412,954
Depreciation for the Year	-	7,361,574	41,616,804	877,181	807,914	8,994,592	59,658,065
Adjustment for assets disposed off	-	-	-	-	-	-	-
Accumulated depreciation at 30th June, 2010	-	59,441,626	296,713,240	4,922,684	5,208,898	16,784,571	383,071,019
Carrying Value at 30th June, 2010	70,674,924	68,892,984	280,793,773	2,495,362	3,998,885	29,743,985	456,599,913
Carrying Value at 30th June, 2009	67,831,753	76,254,558	246,010,404	2,970,543	4,598,875	16,591,577	414,254,710

This includes lease hold assets of Tk.113,162,313 which is made up as follows:

Particulars	Land and Land Development	Factory Building &	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicles	Total
Gross carrying amounts as on 01.07.09	-	-	99,300,043	572,000	5,000,000	22,755,000	127,627,043
Additions during the Year	-	-	17,415,964	-	-	22,125,000	39,540,964
Transfer during the year	-	-	-	-	-	-	-
Gross carrying amounts as on 30.06.10	-	-	116,716,007	572,000	5,000,000	44,880,000	167,168,007
Accumulated depreciation as on 01.07.09	-	-	23,661,494	343,200	2,125,000	6,748,000	32,877,694
Depreciation for the year	-	-	11,671,600	114,400	500,000	8,842,000	21,128,000
Accumulated depreciation as on 30.06.10	-	-	35,333,094	457,600	2,625,000	15,590,000	54,005,694
Net carrying amounts as on 30.06.10	-	-	81,382,913	114,400	2,375,000	29,290,000	113,162,313
Net carrying amounts as on 30.06.09	-	-	75,638,549	228,800	2,875,000	16,007,000	94,749,349

After the expiry of lease period there is a purchase option.

	Amount	
	Taka	Taka
	2009-2010	2008-2009
9. DEFERRED EXPENSES :		
Lease Rent	12,886,340	18,085,028
Right Share Issue Expenses	-	215,656
	12,886,340	18,300,684
10. INVENTORIES :		
Materials	169,755,070	126,819,163
In-transits	27,968,699	20,025,513
Work-in-process	4,566,194	3,392,631
Finished Goods	15,269,301	9,389,528
Stores and Spares	27,564,442	37,451,232
	245,123,706	197,078,067
11. SUNDRY DEBTORS :		
(a) Sundry Debtors of Tk. 13,543,286 is considered good in respect of which the company holds no security other than the debtors personal security.		
(b) No amount was due to the Directors (including Managing Director) Managing Agents, Managers and other Officers of the Company and any of them severally or jointly with any other person.		
(c) This includes Tk. 668,059 due to associated undertaking.		
(d) Debtors outstanding for a period		
Exceeding six months	Tk. 7,006,887	Measures have been taken for realization of the dues.
Below six months	Tk. 6,536,399	
12. ADVANCES, DEPOSITS AND PREPAYMENTS :		
Advances	155,161,440	123,275,504
Deposits	31,509,808	22,451,013
Pre-payments	3,425,760	2,557,173
	190,097,008	148,283,690

Advances :

Bengal Steel Works Ltd.(associated company)	14,069,377	13,230,224
Panther Steel Mills Ltd. (associated company)	20,019,606	18,717,024
Bangladesh Agro Biotech Ltd	3,134,873	3,106,825
Income Tax	99,383,680	47,789,914
Employees	1,349,154	2,713,034
Suppliers and contractors	17,204,750	37,718,483
	<u>155,161,440</u>	<u>123,275,504</u>

- (a) This is considered good. There is no collateral security against advances.
- (b) Maximum amount due during the year under review from Associated undertaking was Tk.20,019,606 (2009-Tk.18,717,024)
- (c) Maximum amount due during the year under review from officers of the company was Tk.636,140 (2009-Tk 440,000).
- (d) No amount was due by the Directors (including Managing Director) and Managing Agents of the company and any of them severally or jointly with any other person.

Deposits:

Security Deposit	4,675,799	3,818,287
VAT Deposit	14,213,673	11,924,228
Lease Deposit	8,145,722	6,233,884
Guarantee Margin Deposit	4,474,614	474,614
	<u>31,509,808</u>	<u>22,451,013</u>

13. CASH AND CASH EQUIVALENTS :

(a) Cash in hand	709,058	1,934,211
(b) Cash at Banks		
In current Accounts	29,004,400	35,671,330
In STD Account	24,811,430	49,281,613
In FD Account	294,034,107	74,034,107
In FC Account	8,813	9,168
	<u>348,567,808</u>	<u>160,930,429</u>

14. LOANS :

Loan from banking companies (Secured)	108,905,756	64,324,058
Current Portion of long term loan (Note 20)	25,238,871	33,623,300
Loan from Directors (Unsecured and interest free)	2,672,892	6,136,642
Loan from others	2,548,476	3,761,756
	<u>139,365,995</u>	<u>107,845,756</u>

15. PROVISION FOR TAXATION

	<u>30.06.2010</u>	<u>30.06.2009</u>
Provision made for the assessment year 2006-2007.	19,324,355	19,324,355
Provision made for the assessment year 2008-2009.	17,446,897	17,446,897
Provision made for the assessment year 2009-2010.	41,743,989	41,743,989
Provision made for the assessment year 2010-2011.	67,410,091	-
	<u>145,925,332</u>	<u>78,515,241</u>

16. UNCLAIMED DIVIDEND:

Year wise break up of above is as follows:

1995	116,888	116,888
1997	905,210	922,510
2002	1,042,515	1,076,026
2003	949,970	987,015
2004	885,169	936,538
2005	830,563	881,958
2006	1,385,527	1,462,723
2007	662,709	736,333
2008	3,485,607	3,742,953
2009	1,624,622	-
	<u>11,888,780</u>	<u>10,862,944</u>

In respect of erstwhile Tripti Industries Ltd (1988 to 2002)

	<u>1,331,206</u>	<u>1,332,351</u>
	<u>13,219,986</u>	<u>12,195,295</u>

The above figures represent the dividends for which the warrants are either lying with the shareholders and have not been presented as yet by them to the bank for encashment or have been returned to the company undelivered due to change of address of those shareholders and their new address have not yet been communicated to the company. Under instruction from SFC , press advertisements were made to collect the past dividend warrants but many shareholders are yet to turn up to collect their respective warrants.

17. DEFERRED LIABILITIES :

Workers Profit Participation and Welfare Funds	57,009,543	41,349,697
Contributory Provident Fund	4,748,512	5,429,409
	<u>61,758,055</u>	<u>46,779,106</u>

18. SHARE CAPITAL : This represents :**AUTHORISED CAPITAL:**

2,500,000 Ordinary shares of Tk.100 each	<u>250,000,000</u>	<u>250,000,000</u>
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ISSUED CAPITAL:

2,478,278 Ordinary shares of Tk.100 each	<u>247,827,800</u>	<u>247,827,800</u>
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SUBSCRIBED AND PAID UP CAPITAL:

794,807 Ordinary shares of Tk.100 each fully paid up in cash	79,480,700	79,480,700
205,472 Ordinary shares of Tk.100 each issued on merger	20,547,200	20,547,200
1,321,538 Bonus shares of Tk.100 each	132,153,800	93,456,900
	<u>232,181,700</u>	<u>193,484,800</u>

ORDINARY SHARE CAPITAL

45,000 Ordinary Shares of Tk.100 each fully paid up in cash in 1979 & 1980	4,500,000	4,500,000
45,000 Ordinary Shares of Tk.100 each fully paid up in cash in 1984	4,500,000	4,500,000
135,000 Ordinary Shares of Tk.100 each right issue at 1 : 1 in 1994	13,500,000	13,500,000
79,570 Ordinary Shares of Tk.100 each right issue at 1 : 1 in 1995	7,957,000	7,957,000
490,237 Ordinary Shares of Tk.100 each right issue at 1 : 1 in 1998	49,023,700	49,023,700
	<u>79,480,700</u>	<u>79,480,700</u>
205,472 Ordinary Shares of Tk.100 each issued in 2008 to the shareholders of erstwhile Tripti Industries Ltd upon amalgamation with the company.	20,547,200	20,547,200
	<u>20,547,200</u>	<u>20,547,200</u>

BONUS SHARE CAPITAL

45,000 Bonus Shares of Tk.100 each Issued from retained earning at 2 : 1 in 1988.	4,500,000	4,500,000
270,000 Bonus Shares of Tk.100 each Issued from retained earning at 1 : 1 in 1994.	27,000,000	27,000,000
206,523 Bonus Shares of Tk.100 each Issued from share premium at 3 : 1 in 1996.	20,652,300	20,652,300
413,046 Bonus Shares of Tk.100 each Issued from share premium at 2 : 1 in 1997.	41,304,600	41,304,600
386,969 Bonus Shares of Tk.100 each Issued from share premium at 5 : 1 in 2009.	38,696,900	-
	132,153,800	93,456,900

a) Composition of share holdings :

Particulars	30.06.2010		30.06.2009	
	No. of shares	%	No. of shares	%
Directors and their family members	730,781	31.47	608,986	31.47
Institutions	395,672	17.04	373,045	19.28
Foreign Investors	558	0.02	497	0.03
General Public	1,194,806	51.47	952,320	49.22
	2,321,817	100.00	1,934,848	100.00

b) The distribution schedule showing the number of shareholders and their share-holdings in percentage has been disclosed below as a requirement of Listing Regulation of Dhaka and Chittagong Stock Exchange.

Range of Holdings	Shareholders	Shares	%
Less than 500 shares	8,654	242,002	10.42
500 to 5000 shares	146	200,882	8.65
5001 to 10000 shares	14	90,556	3.90
10001 to 20000 shares	8	112,803	4.86
20001 to 30000 shares	6	157,981	6.80
30001 to 40000 shares	2	66,582	2.87
40001 to 50000 shares	2	92,140	3.97
50001 to 100000 shares	3	258,399	11.13
100001 to 1000000 shares	5	1,100,472	47.40
Over 1000000 shares	-	-	-
	8,840	2,321,817	100.00

(d) Market Price :

Shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk 1,816 per share (2009-Tk.631.65) and Tk 1,810 per share (2009 Tk. 634.34) in the Dhaka and Chittagong Stock Exchanges respectively on 30.06.2010.

(e) Non-resident Share Holders

Particulars of non-resident share holders are as follows :

<u>Particulars</u>	<u>Folio No.</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
Regent Moghul Fund Limited Level - 13, 1, Queen's Road, Central Hong Kong	96	216	180
Is Himalayan fund NV Herengracht 320, 1016, CE Amsterdam The Netherlands	1215	54	45
W.I. Carr(Far East) Limited	6263 (Ex TIL)	151	126
UBS Securities(East Asia) Ltd	6660 (Ex TIL)	10	11
Midland Bank Int'l Finance Corp. Lt	7001 (Ex TIL)	126	134
Lloyds Bank PLC	7946 (Ex TIL)	1	1

Dividend is paid to non-resident shareholders through local agent in BDT.

19. This is made up as follows:

(a) 31,390 Shares issued and allotted at a premium of Tk. 200- per share between April 1993 to March 1994.	6,278,000	6,278,000
(b) 103,610 Shares issued and allotted at a premium of Tk. 200- per share between April 1994 to March 1995.	20,722,000	20,722,000
(c) 79,570 Shares issued and allotted at a premium of Tk. 1,025/- per share between April 1994 to March 1995.	81,559,250	81,559,250
(d) 490,237 Shares issued and allotted at a premium of Tk. 100/- per share between April 1998 to March 1999	49,023,700	49,023,700
(e) 206,523 Bonus Share Issued between April 1995 to March 1996	(20,652,300)	(20,652,300)
(f) 413,046 Bonus Share Issued between April 1996 to March 1997	(41,304,600)	(41,304,600)
(g) 386,969 Bonus Share Issued between July 2009 to June 2010	(38,696,900)	-
	<u>56,929,150</u>	<u>95,626,050</u>

The share premium shall be utilised for the purposes as provided in the Securities and Exchange Ordinance 1969 as amended and the Companies Act, 1994.

20. LONG TERM LOAN (Secured) :

Loan from United Commercial Bank Ltd	62,686,050	-
Loan from Prime Finance & Investment Ltd	23,527,348	34,404,627
Loan from IPDC	1,711,523	33,688,476
	<u>87,924,921</u>	<u>68,093,103</u>
Less : Current Portion of Long Term Loan (Note 14)	25,238,871	33,623,300
	<u>62,686,050</u>	<u>34,469,803</u>

Loan from United Commercial Bank Ltd - Term Loan

As against 14.75% interest bearing term loan of sanctioned limit Tk. 18 (eighteen) crore, the company received an aggregate sum of Tk. 62,686,050 from the bank during the year under review. The validity of the term loan is five and half years including a grace period of six months.

Nature of security**UCBL:**

The loan is secured against hypothecation of related construction materials and machinery/equipments of the company

Prime Finance:

The loan is secured against mortgage of land and structures thereon of the company's ball pen & oil units and personal guarantee of sponsor directors. Under supplementary loan agreement, this was repayable in 46 (forty six) monthly installments commenced from December 2007 . All the installments due for the repayment were made. As per subsequent revised agreement, the loan has become repayable in 17 installments from September 2009 to January 2011.

IPDC:

The loan is secured against mortgage of fixed assets.

This is repayable in 18 (eighteen) monthly installments commencing from July 2009 as per reschedule. All the installments due for the repayment have been repaid.

21. LEASE FINANCE - LONG TERM :

This represents lease obligation for acquisition of lease hold assets :

Lease Finance	73,778,161	80,625,999
Less: Current portion	<u>32,018,265</u>	<u>23,406,567</u>
	<u>41,759,896</u>	<u>57,219,432</u>

22. TURNOVER (NET OF VAT):

	30.06.2010		30.06.2009	
	QTY.	VALUE (Tk.)	QTY.	VALUE (Tk.)
Battery Unit	23,769,744 Pc	178,540,155	23,221,558 Pc	177,801,124
Biscuit & Conf. Unit	22,822 MT	2,154,267,795	17,854.03 MT	1,803,513,832
Ballpen Unit	40,479,154 Pc	124,945,150	38,335,218 Pc	118,247,535
		<u>2,457,753,100</u>		<u>2,099,562,491</u>

23. COST OF GOODS SOLD :

Particulars

Work-in-process (Opening)	3,392,631	3,501,410
Material consumed (.01)	1,537,284,725	1,390,424,959
Stores Consumed (.02)	21,860,830	21,055,010
Factory Overhead (.03)	147,897,796	125,233,221
Depreciation	59,658,065	47,813,345
Work-in-process (Closing)	(4,566,194)	(3,392,631)
Cost of Goods Manufactured	<u>1,765,527,853</u>	<u>1,584,635,314</u>
Finished Goods (Opening)	9,389,528	4,153,528
Add: Received on amalgamation (470,312) pcs Ballpen	-	1,028,979
Finished Goods (Closing)	(15,269,301)	(9,389,528)
	<u>1,759,648,080</u>	<u>1,580,428,293</u>

FINISHED GOODS

Opening Stock :

	Qty	M.Unit	VALUE (Tk.)
Battery	669,408	Pcs	3,054,794
Biscuits & Candy	66.32	MT	3,781,416
Ball Pen	1,000,472	Pcs	2,553,318
			<u>9,389,528</u>

FINISHED GOODS

Closing Stock:

	Qty	M.Unit	VALUE (Tk.)
Battery	413,856	Pcs	2,568,313
Biscuits & Candy	128.43	MT	9,757,054
Ball Pen	1,100,832	Pcs	2,943,934
			<u>15,269,301</u>

.01 MATERIALS CONSUMED :

Opening Stock	126,819,163	139,698,096
Add :		
Purchase during the year	1,580,220,632	1,377,546,026
Closing Stock	(169,755,070)	(126,819,163)
	<u>1,537,284,725</u>	<u>1,390,424,959</u>

.02 STORES CONSUMED :

Opening Stock	37,451,232	14,374,520
Add: Purchase during the year	52,168,597	63,862,647
Less: Transferred	(40,194,557)	(19,730,925)
Closing Stock	(27,564,442)	(37,451,232)
	<u>21,860,830</u>	<u>21,055,010</u>

.03 FACTORY OVERHEAD :

Wages & Salaries	80,466,920	67,369,847
Repairs & Maintenance	4,125,168	3,464,811
Rent, Rates, Taxes & Fees	930,320	928,043
Insurance	5,791,565	4,606,212
Power & Fuel	20,059,867	26,604,645
Vehicles Repair & Maintenance	2,514,626	2,191,912
Printing & Stationery	1,582,562	1,262,703
Postage, Telephone & Telegram	403,499	395,339
Travelling & Conveyance	784,049	520,019
Subs: Newspaper & Periodicals	25,071	11,748
Entertainment	51,817	59,487
Legal Fees	135,926	51,578
Factory Maintenance Expenses	3,349,690	1,625,415
Donation	125,476	72,375
Transport & Carriage	8,127,755	4,934,459
Medical Expenses	246,344	213,583
Staff Food	1,286,498	1,252,847
Lease Rent	5,198,688	5,198,687
Labour Handling charge	2,243,753	2,124,707
Advertisement	146,111	49,700
Processing Charges	10,104,221	2,249,574
Research, Training & Development	197,870	45,530
	<u>147,897,796</u>	<u>125,233,221</u>

24. ADMINISTRATIVE EXPENSES :

Salaries & Allowances	38,830,639	32,415,563
Repairs & Maintenance	1,514,758	2,673,959
Rent	4,899,553	4,234,428
Rates & Taxes	468,548	256,271
Electricity, Gas & Water	2,592,317	2,728,197
Vehicles Repairs & Maintenance	2,680,984	3,228,508
Petrol, Oil & Lubricant	4,388,615	3,981,100
Printing & Stationery	1,201,102	999,200
Postages, Telephone & Telegram	4,897,311	2,292,932
Travelling & Conveyance	4,855,263	2,189,540
Subs. Newspaper & Periodicals	962,676	695,232
Entertainment	70,016	17,768
Audit Fees	225,000	200,000
Legal & Consultancy Fees	1,725,938	1,955,273
Directors' Remuneration & Allowances	11,600,000	6,925,000
Director's Board meeting Fees	65,250	36,000
Office Maintenance Expenses	2,375,757	3,026,111
Donation	113,450	2,200
Medical Expenses	27,680	63,532
Advertisement	730,010	353,810
A.G.M Expenses	1,037,174	677,962
	85,262,041	68,952,586

Break up of Directors' Board meeting fees are as follows:

Name of Directors	Position	Meeting held	Attended	Amount(Tk)
Mr.Mohammad Bhai	Chairman	29	29	21,750
Mr. Mubarak Ali (CEO)	MD	29	29	21,750
Mr.Raja Mohammad Bhai	Director	29	29	21,750
				65,250

25. SELLING EXPENSES :

Salaries & Allowances	79,556,148	62,940,614
Repairs & Maintenance	799,920	50,930
Rent	1,626,584	1,444,740
Vehicles Repairs & Maintenance	811,236	517,630
Petrol, Oil & Lubricant	514,262	501,541
Electricity, Gas & Water	326,480	260,945
Printing & Stationery	3,721,428	3,863,131
Postage, Telephone & Telegram	471,426	647,286
Travelling & Conveyance	71,795,964	45,083,476
Subs. Newspaper & Periodicals	11,983	4,962
Entertainment	107,176	40,610
Legal Fees	86,536	3,500
Office Maintenances Expenses	444,556	361,611
Sales Promotion	63,074,734	57,048,739
Transport / Carriage	81,596,819	51,025,052
Medical Expenses	41,163	-
Advertisement	2,591,797	1,831,876
Research, Training & Development	30,600	612,855
	<u>307,608,812</u>	<u>226,239,498</u>

26. FINANCE COST :

Bank charges	1,123,662	1,495,915
Interest	37,025,290	44,266,202
	<u>38,148,952</u>	<u>45,762,117</u>

27. NON OPERATING INCOME :

Interest earned on loans to:		
Bengal Steel Works Limited	839,152	839,153
Panther Steel Mills Limited	1,302,940	1,302,512
Interest Income	7,638,013	4,811,623
Profit on Sale of Fixed Assets	-	495,105
Other Income	1,850	35,169
	<u>9,781,955</u>	<u>7,483,562</u>

28 EARNINGS PER SHARE (EPS)		
a) Earnings attributable to the Ordinary Shareholders (Net profit after Tax)	191,170,188	128,805,888
b) Weighted average number of ordinary Shares outstanding during the year: (Note -3r)	2,321,817	2,321,817
Earnings Per Share (EPS)/(Adjusted EPS of 2009)	82.34	55.48
29 NET ASSET VALUE		
Non-current assets	564,581,936	454,880,275
Net current assets	146,260,041	51,301,594
	710,841,977	506,181,869
Deduct:		
Long-term & deferred liabilities	184,648,599	151,810,199
	526,193,378	354,371,670
Number of Ordinary Shares at Balance Sheet date	2,321,817	1,934,848
NAV-Per Share		
On shares at balance sheet date	226.63	183.15
30 NET OPERATING CASH FLOW PER SHARE		
Cash flows from operating activities as per Statement of cash	314,993,763	280,728,176
Number of Ordinary Shares at Balance Sheet date	2,321,817	1,934,848
NET OPERATING CASH FLOW-Per Share(On shares at balance sheet date)	135.67	145.09

31. Related party transaction - disclosure under BAS 24

The company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below :

Nature of Transactions	Value (Tk.)
Service charges paid to Quantum Electronics Ltd	1,800,000
Sales to : Ambee Pharmaceuticals Ltd	1,891,210
Due from Ambee Pharmaceuticals Ltd	668,059
Advances and Interest Receivable from:	
Bengal Steel Works Limited	14,069,377

Panther Steel Mills Limited	20,019,606
Loan from Directors	2,672,892
Interest income from:	
Bengal Steel Works Limited	839,152
Panther Steel Mills Limited	1,302,940

32. DIVIDEND FOR THE YEAR

Subsequent to the balance sheet date, the Board of Directors recommended 50% (fifty percent) stock dividend i.e 1 (One) fully paid ordinary share for 2 (two) ordinary shares and 10% (ten percent) cash dividend i.e Taka 10/- per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

33. SALARIES / PERQUISITES TO DIRECTORS & OFFICERS:

The aggregate amounts paid / provided during the year in respect of officers and directors of the company as defined in the Securities and Exchange Rules, 1987 are disclosed below:

	<u>Directors</u>	<u>Officers</u>
Board Meeting Fees	65,250	-
Remuneration / salaries & allowance	9,600,000	36,698,180
Bonus	2,000,000	1,800,757
Accommodation	1,440,000	282,500
Company's Contribution to Provident Fund	-	431,898

34. PRODUCTION CAPACITY & CAPACITY UTILISATION:

Products	Capacity	Utilization	Short Fall	Reason for Short Fall
Battery	102,960,000 Pcs	23,514,192	79,445,808	Less demand of UM-1 Battery
Biscuit & Confectionary	25,839 MT	22,884.10	2,954.90	Utilization satisfactory
Ball Pen	46,080,000 Pcs	40,579,514	5,500,486	Less demand
Soyabean Oil, Palm Olein and V.Ghee	120,000 MT	-	120,000	Production suspended

Utilization of biscuit & confectionary includes 347.39 MT manufactured from Oriental Bakery & Biscuit Industries Ltd under 3rd Party manufacturing agreement.

35. Left blank by Auditors.

36. Claim not acknowledged

There was no claim against the company not acknowledged as debt as on 30.06.2010.

37. Contingent Liabilities

There was no contingent liability as on 30.06.2010.

38. Capital Expenditure Commitment

There was no material capital expenditure authorized by the Board but not contracted for at 30.06.2010

39. Credit Facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30.06.2010 other than trade credit available in the ordinary course of business.

40. Foreign Currency Earning

No foreign currency was earned during the year under

41. Post Balance Sheet Events - Disclosure Under BAS-10 "Events After The Balance Sheet Date"

Subsequent to the balance sheet date, the Board of Directors recommended 50% (fifty percent) stock dividend i.e 1 (One) fully paid ordinary share for 2 (two) ordinary shares and 10% (ten percent) cash dividend i.e Taka 10/- per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

42. Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the company's board of directors on 30 October,2010.

Mohammad Bhai
Chairman

Mubarak Ali
Managing Director

Md. Nazimuddin
Company Secretary

Dated: Dhaka
October 30, 2010

Unit-Wise Working Result

OLYMPIC INDUSTRIES LIMITED
UNIT WISE WORKING RESULT (As per requirement of Securities and Exchange Rules,1987)
FOR THE YEAR ENDED 30TH JUNE, 2010

	NOTES	Battery Unit	Biscuit Unit	Ball Pen & Oil Unit	2009-2010	2008-2009
TURNOVER	22	178,540,155	2,154,267,795	124,945,150	2,457,753,100	2,099,562,491
Cost of Goods Sold	23	(130,378,955)	(1,524,628,430)	(104,640,695)	(1,759,648,080)	(1,580,428,293)
GROSS PROFIT/(LOSS)		48,161,200	629,639,365	20,304,455	698,105,020	519,134,198
GP %		26.97	29.23	16.25	28.40	24.73
OPERATING EXPENSES :		(28,951,745)	(345,200,800)	(18,619,308)	(392,870,853)	(295,192,084)
Administrative Expenses	24	(6,193,746)	(74,733,816)	(4,334,479)	(85,262,041)	(68,952,586)
Selling Expenses	25	(22,757,999)	(270,565,984)	(14,284,829)	(307,608,812)	(226,239,498)
PROFIT/(LOSS) FROM OPERATIONS		19,209,455	284,339,565	1,685,147	305,234,167	223,942,114
Finance Cost	26	(2,771,279)	(33,438,289)	(1,939,384)	(38,148,952)	(45,762,117)
		16,438,176	250,901,276	(254,237)	267,085,215	178,179,997
Non Operating Income	27	710,597	8,574,071	497,287	9,781,955	7,483,562
		17,148,773	259,475,347	243,050	276,867,170	185,663,559
Contribution to WPP & WF					(13,184,151)	(8,841,122)
NET PROFIT / (LOSS) - BEFORE TAX					263,683,019	176,822,437
Provision for Current tax					(67,410,091)	(41,743,989)
Deferred Tax Income / (Expenses)					(5,102,740)	(6,272,560)
					(72,512,831)	(48,016,549)
					Tk. 191,170,188	128,805,888

The annexed notes form part of these financial statements.

Approved by the board on 30 October, 2010 and signed on its behalf by :

Mohammad Bhai
Chairman

Mubarak Ali
Managing Director

Md. Nazimuddin
Company Secretary

Subject to our separate report of even date annexed

HOWLADAR YUNUS & CO.
Chartered Accountants

Dated : Dhaka
30 October, 2010

OLYMPIC INDUSTRIES LIMITED

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