

# ANNUAL REPORT 2015





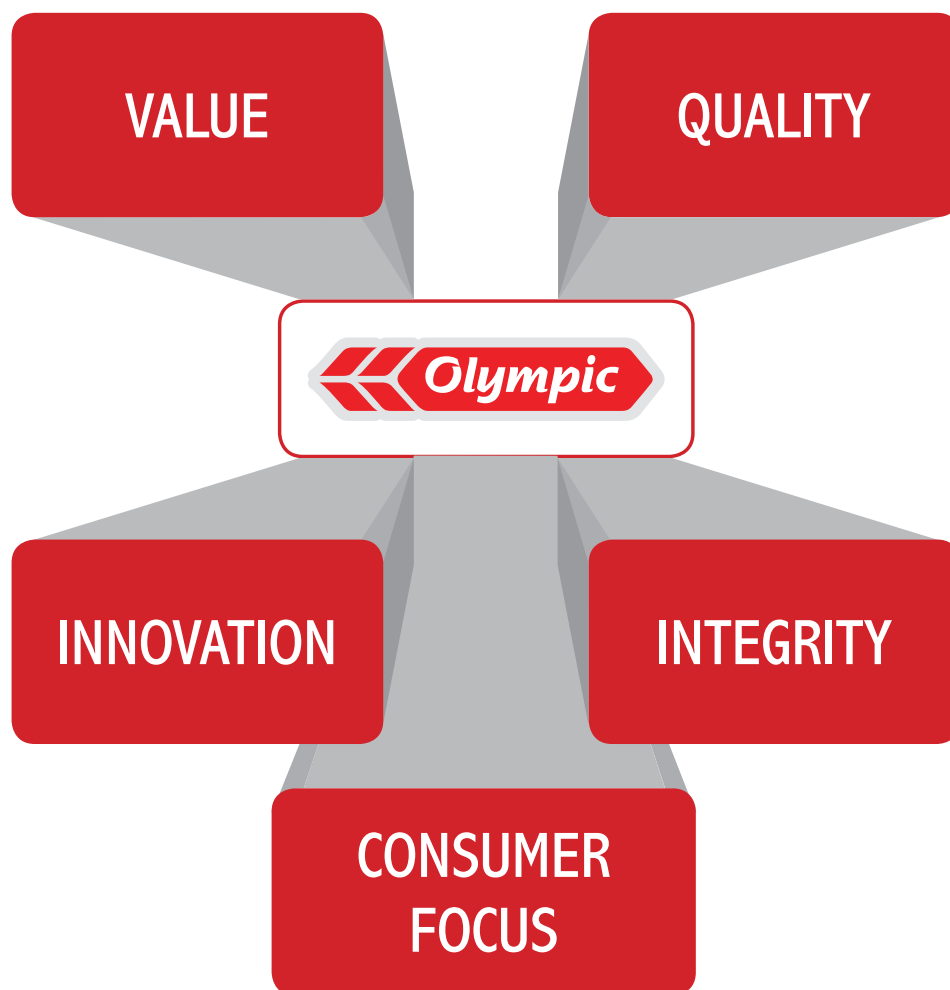




## CONTENTS

Core Brand Values, Vision & Mission	4
Milestones	5
Corporate Information	6
Board of Directors & Management	8
Awards, Events & Celebrations	12
Key Operating & Financial Data	18
Key Performance Indicators	19
Letter of Transmittal	20
Notice of 36th Annual General Meeting	21
Chairman's Message to Shareholders	23
Report of the Board of Directors	24
Report on Compliance of Corporate Governance	31
Social Responsibility, Environmental, Health & Safety Initiatives	39
Certificate from MD & CFO on Financial Statements	44
Report of Audit Committee	45
Certificate on Compliance of Corporate Governance	46
Value Added Statement	55
Auditors' Report to the Shareholders	56
Financial Statements & Notes to the Accounts	58

# CORE BRAND VALUES, VISION & MISSION



## Vision, Mission, Belief & Slogan

We aspire to (a) maintain our leadership position in the biscuit industry by producing the best quality products for our consumers that are unique, innovative and delicious, (b) protect the interests of our shareholders through fiscal prudence, (c) be an employer of choice while developing future leaders for our organization and the country, and (d) be stewards of social responsibility in Bangladesh through our initiatives.

We believe that quality and integrity is the recipe of our success. Our slogan “for better life” speaks of our desire to have our products improve the lives of our consumers.

# MILESTONES

**JUNE  
1979**

Incorporation as  
Bengal Carbide  
Limited

**JUNE  
1984**

Listing on Dhaka  
Stock Exchange

**JUNE  
1986**

Change of name to  
Olympic Industries  
Limited

**SEPTEMBER  
1996**

Listing on  
Chittagong Stock  
Exchange

**DECEMBER  
1996**

Commencement of  
biscuit and  
confectionery  
production

**JULY  
1999**

Joined the  
Bangladesh  
Association of  
Publicly Listed  
Companies

**JULY  
2003**

Commencement of  
second biscuit line  
production

**JULY  
2008**

Commencement of  
third biscuit line  
production

**AUGUST  
2008**

Amalgamation  
with Tripti Industries  
Limited

**MARCH  
2010**

Received HACCP  
Certification

**SEPTEMBER  
2010**

Commencement of  
fourth biscuit line  
production

**JULY  
2012**

Received NBR Award  
for payment of highest  
VAT in production  
sector at national level  
for 2010-2011

**AUGUST  
2012**

Commencement of  
fifth biscuit line  
production

**FEBRUARY  
2014**

Received  
ISO 22000  
Certification

**OCTOBER  
2014**

Commencement of  
sixth and seventh  
biscuit line  
production

**JULY  
2015**

Received NBR Award  
for payment of highest  
VAT in production  
sector for 2013-2014

# CORPORATE INFORMATION

## NAME OF THE COMPANY

**Olympic Industries Limited**  
(Formerly Bengal Carbide Limited)

## INCORPORATION NO. & DATE

C-7096/826 of 1978-1979 dated 26-6-1979

## LEGAL STATUS

Public Limited Company

## NATURE OF BUSINESS

Manufacture, marketing, distribution and sale of quality biscuits, confectionery & bakery products, ball point pens and drycell battery.

## REGISTERED OFFICE

Lolati, Union Parishad Kanchpur, P.S. & Upazilla Sonargaon, District Narayanganj

## CORPORATE OFFICE

Amin Court, 6<sup>th</sup> Floor  
62-63, Motijheel C/A  
Dhaka-1000, Bangladesh  
Tel : +880-2-9565228  
Fax : +880-2-9567485  
Email : secretariat2@olympicbd.com  
info@olympicbd.com  
Web : www.olympicbd.com

## FACTORIES

### Biscuit, Confectionery & Bakery

Madanpur, Keodhala, Bondar, Narayanganj  
Lolati, Kanchpur, Sonargaon, Narayanganj

### Battery, Ball Point Pen & Cereal Bar

Kutubpur, Kanchpur, Bondar, Narayanganj

## LISTINGS

Dhaka Stock Exchange Limited, June 9, 1984  
Chittagong Stock Exchange Limited, September 19, 1996

## MEMBERSHIPS

### Chambers of Commerce and Industry

Metropolitan Chamber of Commerce and Industry  
Bangladesh-Malaysia Chamber of Commerce and Industry  
India-Bangladesh Chamber of Commerce and Industry

### Associations

Bangladesh Association of Publicly Listed Companies  
Bangladesh Auto Biscuits and Bread Manufacturers Association  
Bangladesh Agro Processors Association  
Intellectual Property Association of Bangladesh

## CAPITAL STRUCTURE

Authorized Capital – Tk.2,000,000,000.00  
Paid-up Capital – Tk.1,586,816,560.00

## SHARE STRUCTURE

Number of Issued Shares – 158,681,656  
Face Value – Tk.10.00 (Effective December 04, 2011)  
Number of shareholders – 12,230  
Start of Demat Trading – June 15, 2004

## SHAREHOLDING PATTERN

Directors and Sponsors – 50,026,568 shares  
Institutions – 27,651,809 shares  
Foreign Investors – 54,605,053 shares  
General Public – 26,398,226 shares  
**Total – 158,681,656 shares**

## STATUTORY AUDITORS

### M/s. M. J. Abedin & Co., Chartered Accountants

National Plaza (3rd Floor), 109, Bir Uttam C.R. Datta Road  
Dhaka-1205

## CORPORATE GOVERNANCE COMPLIANCE AUDITORS

### Huda & Co., Chartered Accountants

House No.51, Road No.13, Sector-13  
Uttara Model Town, Dhaka

## MAIN BANKERS

Agrani Bank Limited, Amin Court Corporate Branch, Dhaka  
United Commercial Bank Limited, Principal Branch, Dhaka  
The City Bank Limited, Principal Office, Dhaka  
Habib Bank Limited, Motijheel Branch, Dhaka

## CREDIT RATINGS

National Credit Ratings Limited has awarded following Ratings based on Audited Financial Statements upto June 30, 2014

Surveillance Entity Rating - AA

Initial Entity Rating - AA

Bank Loan Ratings

Short Term – ST-1

Long Term – AA



# OUR PEOPLE



# BOARD OF DIRECTORS & MANAGEMENT



## **Mr. Mohammad Bhai, Chairman**

A renowned industrialist and reputed businessman, Mohammad Bhai was born in Kanpur, India and migrated to Dhaka after 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 United Chamber of Commerce and served as president of the Aga Khan Supreme Council for Bangladesh for more than two decades.



## **Mr. Mubarak Ali, Managing Director**

Mubarak Ali is a truly dedicated business personality and has been an industrial entrepreneur for over 40 years. He has been the managing director of Olympic Industries Limited since its inception and is solely credited with its success to date. In addition to his business accomplishments, he is a former vice president 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 former chairman of Aga Khan Foundation National Committee, Bangladesh.



## **Mrs. Khatija Mohammad Bhai, Director**

Khatija Mohammad Bhai, wife of Mohammad Bhai and mother of Aziz Mohammad Bhai, is a sponsor of the Olympic Industries Limited. She has been included as a member of the board of directors as the nominee director of M/s Ambee Limited, an associate company. She is also a sponsor of Ambee Pharmaceuticals Limited, where she acted, until recently, as a director since its inception.



## **Mr. Aziz Mohammad Bhai, Director**

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 Ambee Pharmaceuticals Limited where he acts as Chairman. In addition to his long list of business accomplishments, Aziz Mohammad Bhai is a life member of the SAARC Chamber of Commerce.





**Mrs. Safinaz Bhai, Director**

Safinaz Bhai, a British citizen, has completed her education in the UK and has been involved in various business and social institutions since moving to Bangladesh in 1980. She is also a director of RMB Fisheries Limited. An avid bridge player, she has represented Bangladesh at various tournaments, both locally and internationally.



**Mr. 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 founder and managing director of Asia Commodity Ltd and a director of Interglobe Aviation (BD) Ltd.



**Mr. Sharif M. Afzal Hossain, Independent Director**

Sharif M. Afzal Hossain has been appointed as an independent director of Olympic on October 23, 2010. He has a long involvement with business and industry associations; he is the incumbent president of the Bangladesh Specialized Textile Mills & Powerloom Industries Association as well as the Spain-Bangladesh Chamber of Commerce and Industry. He is also a former president of the Bangladesh Chamber of Industries as well as a former member of FBCCI and has led many trade and business delegations of Bangladesh to various countries around the world.



**Ms. Noorbanu Virji, Independent Director**

Ms. Noorbanu Virji has been appointed as an independent director of Olympic September 25, 2014. She has long career in voluntary activities and she held many important positions in various organizations of His Highness The Aga Khan. She was the Vice President of Aga Khan National Council for Bangladesh; Director of Aga Khan Education Service, Bangladesh; Chairman of Grants and Review Board of His Highness The Aga Khan and the current Honorary Secretary of Ismailia Cooperative Society. A well-educated lady, Ms. Noorbanu Virji comes from a respectable Muslim family of the Shia Imami Ismaili Community.





# KEY MANAGEMENT

## Company Secretary

**Mr. Md. Nazimuddin**, Executive Director

## Audit Committee

**Mr. Sharif M. Afzal Hossain**, Chairman

**Mr. Mubarak Ali**

**Mr. Aziz Mohammad Bhai**

## Management Team

### Head Office

**Mr. Mubarak Ali**, Managing Director

**Mr. Tanveer Ali**, Executive Director

**Mr. Md. Nazimuddin**, Executive Director, Corporate Affairs

**Mr. Harun Al-Rashid**, Chief Financial Officer

**Mr. Touhiduz Zaman**, General Manager, Marketing & Sales

**Mr. S. R. Mondal**, Additional GM, Accounts & Taxation

**Mr. Mazharul Hasan Khan**, Additional GM, Legal Affairs

**Mr. A.B.M. Abdul Hakim**, Additional GM, Import & Procurement

**Mr. Altaf Hamid**, Deputy GM, Admin & HR

**Mr. Kamrul Islam**, Assistant GM, Accounts

**Mr. Md. Islamuddin**, Assistant GM, Procurement

### Operations

**Mr. Madad Ali Virani**, Executive Director, Operations

**Mr. Nazrul Islam**, Additional GM

**Mr. Feroze Huda**, Additional GM

**Mr. Abdur Rob Khan**, Additional GM, Technical

**Mr. Arman Mahmud**, Factory Manager



# AWARDS, EVENTS & CELEBRATIONS



Managing Director Mubarak Ali receives an award from the Hon. A.M.A. Muhith, Finance Minister, for payment of the highest amount of VAT in the production sector for financial year 2013-2014







Managing Director Mubarak Ali presents a cheque to the runners-up in the 2015 Olympic Milk Plus Indoor Corporate Cricket Tournament







Marketing & Sales General Manager Touhiduz Zaman, Executive Director Md. Nazimuddin and Managing Director Mubarak Ali pose with sales team members from Khulna











# OUR MANUFACTURING CAPABILITIES





# SUMMARY OF KEY OPERATING AND FINANCIAL DATA

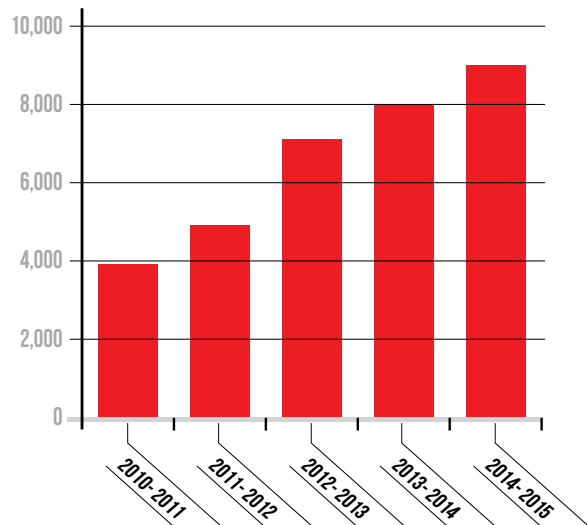
Condition 1.5 (xviii) of BSEC's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 on Corporate Governance Guidelines

Year Year ended on	2014-2015 30.6.2015	2013-2014 30.6.2014	2012-2013 30.6.2013	2011-2012 30.6.2012	2010-2011 30.6.2011
<b>FINANCIAL POSITION</b>					
Total Assets	5,763,679,785	5,048,637,186	3,693,672,553	2,591,236,306	1,850,322,260
Total Liabilities	2,382,025,686	2,526,239,640	1,961,949,908	1,422,629,846	681,715,800
Shareholders Equity	3,381,654,099	2,522,397,546	1,731,722,645	1,168,606,460	1,168,606,460
Total Current Assets	3,853,733,709	3,179,172,694	2,260,856,080	1,389,386,956	1,076,067,327
Total Current Liabilities	1,988,098,981	1,977,232,044	1,517,602,918	1,037,540,875	862,244,637
Current Ratio	1.94 : 1	1.61 : 1	1.49 : 1	1.34 : 1	1.25 : 1
<b>OPERATING RESULTS</b>					
Net Turnover	8,996,148,594	7,922,353,876	7,093,179,369	6,003,342,018	3,885,101,824
Gross Profit	2,657,913,536	2,282,579,239	1,821,721,247	1,460,632,233	971,639,077
Net Profit Before Tax	1,545,547,868	1,206,850,426	904,375,134	650,863,676	353,397,230
Net Profit After Tax	1,094,340,489	869,036,213	615,357,060	465,219,732	256,212,992
Earning Per Share (on value Tk.10.00)	6.90	7.39	7.85	5.87	4.90
No. of shares used in computing EPS	158,681,656	117,541,968	78,361,312	78,361,312	3,482,725
<b>DISTRIBUTION OF PROFIT</b>					
Cash Dividend	30%	20%	10%	10%	10%
Stock Dividend	20%	35%	50%	50%	50%
<b>CAPITALIZATION</b>					
Authorized Capital	2,000,000,000	2,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Paid-up Capital	1,586,816,560	1,175,419,680	783,613,120	522,408,750	348,272,500
<b>SHARE INFORMATION</b>					
Face value per share (Taka)	10.00	10.00	10.00	10.00	100.00
No. of Authorized Shares	2,000,000,000	200,000,000	100,000,000	100,000,000	100,000,000
No. of Shares Subscribed and Paid-up	158,681,656	117,541,968	78,361,312	52,240,875	3,482,725
Shareholders Equity Per Share	21.31	21.46	22.10	22.37	213.46
Closing Price per Share (Tk.10.00 par value)					
Dhaka Stock Exchange	234.76	222.58	167.60	127.14	181.80
Chittagong Stock Exchange	232.55	224.00	168.20	126.31	181.00
No. of Shareholders	12,230	12,608	12,548	11,240	10,237
Date of AGM	17.12.2015	24.12.2014	26.12.2013	27.12.2012	29.12.2011
No. of Board Members	6+2 Indep Dir	6+2 Indep Dir	6+1 Indep Dir	5+1 Indep Dir	5+1 Indep Dir

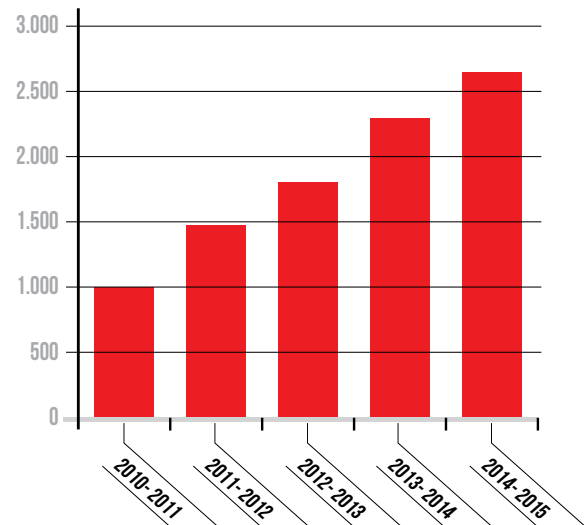
# KEY PERFORMANCE INDICATORS

■ TAKA, MILLIONS

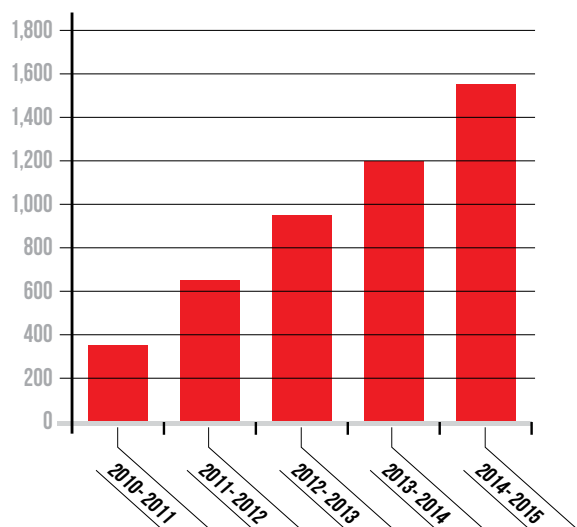
**SALES**



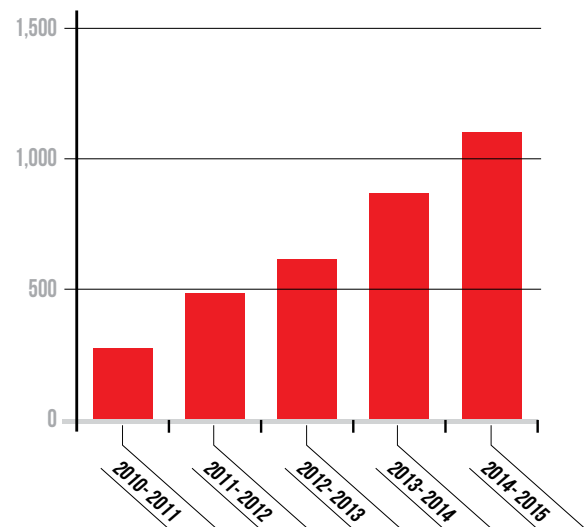
**GROSS PROFIT**



**PROFIT BEFORE TAX**



**PROFIT AFTER TAX**



# LETTER OF TRANSMITTAL

December 1, 2015

Esteemed Shareholders of Olympic Industries Limited  
Bangladesh Securities and Exchange Commission (BSEC)  
Dhaka Stock Exchange Limited (DSE)  
Chittagong Stock Exchange Limited (CSE)  
Registrar of Joint Stock Companies and Firms (RJSC)

Dear Sir / Madam,

**Subject: Annual Report for the year ended June 30, 2015**

As decided by the Board of Directors at their meeting held on October 28, 2015, the 36th Annual General Meeting of Olympic Industries Limited will be held on Thursday, December 17, 2015 at 10:00 AM at Battery Factory premises of the company at Kutubpur under Kanchpur Union Parishad, P.S. & Upazillah Sonargaon, District Narayanganj.

Accordingly, we take pleasure in Forwarding up herewith our Annual Report 2015 together with the audited financial statements comprising Auditor's Report to the Shareholders, Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Shareholders Equity, Statement Cash Flows, Unit-wise Working Result, Schedule of Non-current Assets, and Accounting Policies and Explanatory Notes to the Financial Statements for the year ended June 30, 2015. The Report of the Audit Committee under Condition No.3.4.1(i) and Certificate on Review of Financial Statements under Condition No.6 of BSEC's Notification dated August 7, 2012 on Compliance of Corporate Governance are also enclosed.

The Proxy Form and Attendance Slip are provided at the end of the Annual Report for your use. Please complete the Attendance Slip, and hand it over to one of our executives for admission to the AGM. If you would like to appoint a proxy, please complete the Proxy Form, sign it and submit it to our Registered Office at least 48 hours before the scheduled meeting time. It will be our pleasure to welcome you to the AGM.

Thanking You,

Yours Sincerely  
For Olympic Industries Ltd.



**Md. Nazimuddin**  
Executive Director &  
Company Secretary



# NOTICE OF 36<sup>TH</sup> ANNUAL GENERAL MEETING

## OLYMPIC INDUSTRIES LIMITED

Registered Office : Lolati, Union Parishad – Kanchpur  
P.S. & Upazilla – Sonargaon, District - Narayanganj

Notice is hereby given to all members of Olympic Industries Limited that the 36th Annual General Meeting of the company will be held on Thursday, December 17, 2015 at 10:00 AM at Battery Factory premises of the company at Kutubpur under Kanchpur Union Parishad, P.S. & Upazilla- Sonargaon, District Narayanganj to transact the following business:

### AGENDA

1. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2015 and the Reports of Directors and Auditors thereon.
2. To consider and approve the issue of 20% Stock Dividend i.e. 20 fully paid Ordinary Shares as Bonus Shares for every 100 (one hundred) Ordinary Shares held and payment of 30% Cash Dividend i.e. Tk. 3.00 (Taka three) for every Ordinary Share of Tk.10.00 to the shareholders for the year ended June 30, 2015 as recommended by the Board Of Directors.
3. To consider reappointment of Mr. Mohammad Bhai as Chairman.
4. To consider retirement and reappointment of Mr. Aziz Mohammad Bhai and Mrs. Safinaz Bhai, Directors.
5. To consider reappointment of M/s. M. J. Abedin & Co., Chartered Accountants as Auditors for the year ending on June 30, 2016 and to fix up their remuneration. The Auditors will continue until the 37th Annual General Meeting of the company.
6. To transact any other business of the company with the permission of the Chairman.

By Order of the Board



Md. Nazimuddin  
Company Secretary &  
Executive Director

Dated : November 24, 2015

### Notes:

1. The Record Date to attend the 36th Annual General Meeting and for entitlement of approved Stock Dividend and Cash Dividend is November 22, 2015, as notified on October 28, 2015.
2. A member eligible to attend the Annual General Meeting is entitled to appoint a Proxy to attend and vote on his / her behalf in the Annual General Meeting. The Proxy Form for this purpose bearing Revenue Stamp of Tk.10.00 must be deposited at the Registered Office of the company at least 48 hours before the meeting. Proxy must be a shareholder of the company. The signature of Proxy is to be verified by the shareholder appointing the proxy.
3. Admission to the meeting venue will be on production of 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.
4. Change of address, if any, may be informed in writing to the company.
5. If any shareholder has any question on the Financial Statements and on the Directors' or Auditors' Reports thereon, the same must be submitted at the Registered Office of the company at least 72 hours before the meeting to facilitate providing proper response.
6. The Attendance Register for the esteemed shareholders shall remain open upto 10:00 A.M. on the date of AGM on December 17, 2015 and the shareholders are requested to record the attendance by that time.
7. **To comply the instruction of Bangladesh Securities and Exchange Commission (BSEC) as contained in Notification No.SEC/SRM/2000-953/1950 dated October 24, 2000 published in Bangladesh Gazette on November 7, 2000 and also as contained in their Circular No.SEC/CMRRCD/2009-193/154 dated October 24, 2013, no gift / benefit or food / food items, etc. will be provided to the esteemed shareholders attending the 36th Annual General Meeting of the company.**

Esteemed shareholders who have not yet submitted their 12-digit Taxpayers Identification Number (TIN) to the Shares Department of the company are requested to submit it by December 16, 2015 failing which, Income Tax at Source will be deducted from payable dividend @ 15% instead of 10%.



# CHAIRMAN'S MESSAGE TO SHAREHOLDERS



## Dear Shareholders,

It is indeed a great privilege and honour to welcome you all to the 36th annual general meeting of Olympic Industries Limited. Thank you for your support, guidance and loyalty over the years.

In October 2014, lines 6 and 7 came into commercial production, providing us significant additional production capacity and the opportunity to launch many new products in our pipeline. We recently launched Nutty and in less than twelve months, it shares centre stage with our other flagship brands, Energy Plus and Tip.

The company hit several key milestones this year; revenue and gross profit hit all-time highs but even more exciting is this year's net profit after tax, crossing Tk. 1 billion for the first time in our history. We have also seen significant expansion of our gross and net profit margins.

We have made considerable strides in terms of our supply chain and operations management as well as our social

responsibility and environmental efforts. We are proud to say that Olympic has emerged as one of the best-known and respected consumer goods brands in Bangladesh, synonymous with quality.

Most sincere thanks to our consumers, bankers, financial institutions, suppliers, Bangladesh Securities & Exchange Commission, both national stock exchanges, CDBL, RJSC, tax authorities, government offices and agencies.

Finally, we would not be where we are today without the hard work, dedication and unwavering commitment of our managing director, Mr. Mubarak Ali; this year's results are truly a demonstration of his vision and tireless efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'md bhai'.

Mohammad Bhai  
Chairman



# REPORT OF THE BOARD OF DIRECTORS

**Dear Shareholders,**

It gives us great pleasure to present you with the report of the board of directors, together with the audited financial statements for the year ended June 30, 2015. This year, Olympic experienced significant positive growth in all major metrics. Along with commentary on the company and our individual business units, we've included in this report some illustrations for your reference.

**NET TURNOVER**

▶ **+14%**

**GROSS PROFIT**

▶ **+16%**

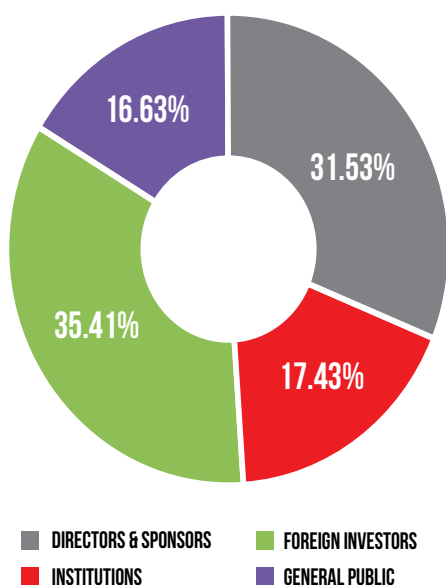
**NET PROFIT  
AFTER TAX**

▶ **+26%**

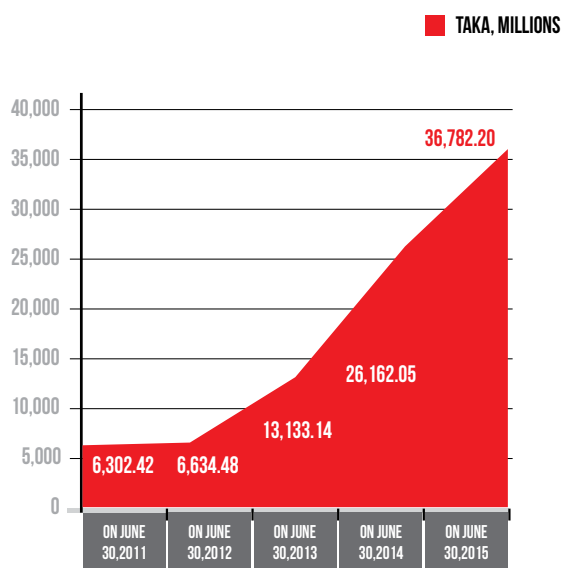
Olympic is a constituent of the DSE30 index as well as the CSE30 index. As advised to shareholders, both national stock exchanges have approved the reclassification of our industry sector from “engineering” to “food and allied” to more accurately reflect the core business of the company.

As indicated in the enclosed report on compliance of Bangladesh Securities & Exchange Commission guidelines on corporate compliance, we are pleased to advise that we are fully compliant with all regulations.

**SHAREHOLDING PATTERN AS ON JUNE 30, 2015**



**MARKET CAPITALIZATION**

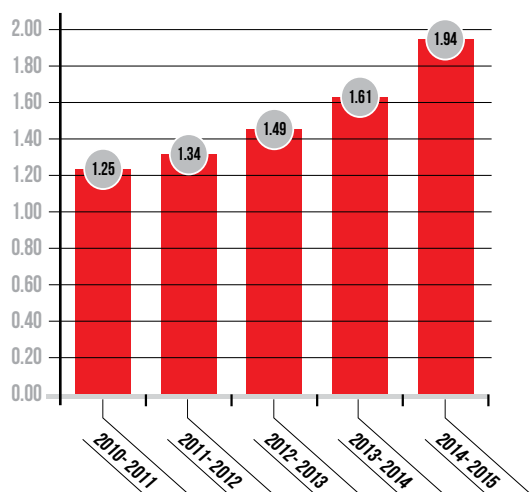


**Credit rating** – On March 29, 2015, National Credit Ratings Limited (NCR) re-affirmed its long-term rating of AA and stable outlook, valid until March 28, 2016. Please visit NCR's website at [www.ncrbd.com](http://www.ncrbd.com) for a full explanation of their rating methodology.

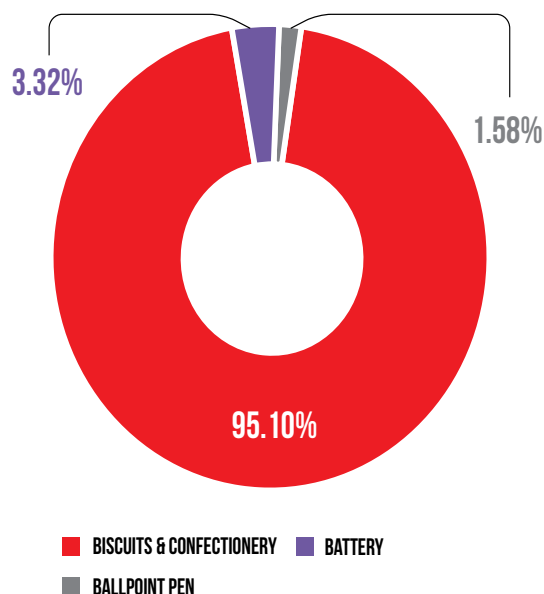
**Building our capital base and non-operating income** – Net assets grew by Tk. 704.18 million in the year ended June 30, 2015. As we build our capital base, we will continue to assess how best to deploy our resources to generate returns on invested capital similar to those that shareholders have seen from us in the past decade. Given our track record for return on invested capital, we prefer to deploy our capital rather than have it earn non-operating income.

We received Tk. 277.46 million in interest on our deposits while paying Tk. 98.20 million in interest on our loans. We must reiterate that while it is nice to see our deposits, through strong treasury management, earn significant non-operating income, the primary purpose of this company is to generate operating income through the manufacture and sales of consumer goods.

### CURRENT RATIO



### BREAKDOWN OF 2014-2015 NET TURNOVER



**Capital Expenditures** – As the company builds its capital base, we believe the company can best use its cash to fund capital expenditures. As the spread between the rates at which the company borrows and earns on its deposits is quite minimal, the company has been incentivized to fund some of its capex through debt rather than its own cash. However, should the spread widen, we will not hesitate to adjust our debt/equity ratio accordingly.

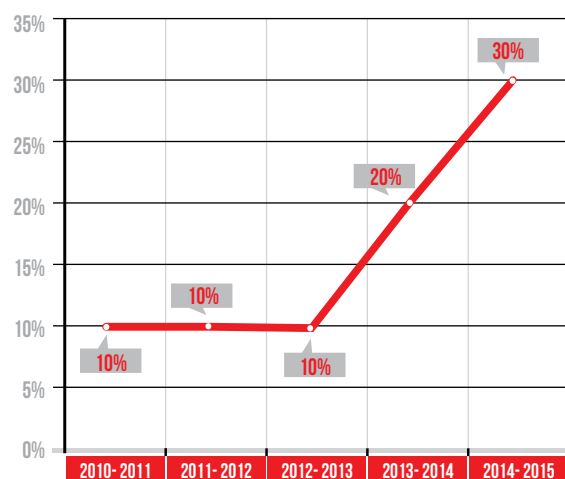
Given the time it typically takes to set up new biscuit or confectionery lines and to utilize that new capacity, our capex strategy will differ from year to year, likely alternating between higher and lower capex every alternate year.

**Dividend discussions** – The board of directors has carefully contemplated this year's dividend recommendation, considering the company's cash and capital base as well as the prospects of continued dilution of earnings as a result of bonus share issuance.

In absolute terms, the company's net profit after tax has risen from Tk. 191.17 million in 2009-2010 to Tk. 1.09 billion in 2014-2015, representing a 472% increase while the company's EPS has remained between Tk. 5.49 to Tk. 6.90 in the same period, as a result of dilution.

We have reduced our stock dividend to 20% this year. In recent years, we have argued for the expansion of the company's capital base through the issuance of bonus shares. At the time, the company was better served by spending cash on capital expenditures and building its capital base rather than limiting free cash flows through the distribution of larger cash dividends. However, the

### CASH DIVIDEND



company has now built a substantial and comfortable capital base with which to grow, attract new investors, and maintain liquidity.

We have also recommended increasing our cash dividend to Tk. 3.00 per share (30%) this year from Tk. 2.00 per share (20%) last year. We believe that this is in the best interest of the company and shareholders, as it provides shareholders with access to current income. The company is now in a position to responsibly distribute healthy dividends to shareholders without any risk to its capital base.

**Industry outlook & future developments** – As Bangladesh's population grows and begins to generate more disposable income, consumers will demand better quality products similar to those produced in more mature markets like Malaysia, Thailand, Europe, and North America. Players like Olympic will be responsible for satisfying this demand through the development, production, and distribution of unique, innovative, and delicious offerings.

It is our expectation that the growth of Bangladesh's economy will remain robust for at least the short and medium-term. Annual GDP growth is expected to be in the 6 and 8% range over next five years, contingent on certain key factors, such as political stability. Fortunately, the Bangladesh market has proven to be remarkably resilient in the face of recurring political issues over the last five years, maintaining historically high levels of growth compared. From an industry-specific perspective, we believe that the biscuit and confectionery industry should continue to grow at an annual rate of 10-12% (and potentially higher for certain segments) over the next five years. It is our expectation that we will continue to organically grow at rates higher than our industry, as we aim to capitalize on industry growth as well as market share. We'll discuss more biscuit-related specifics below.

**Segment wise breakdowns** – we have provided specific commentary on each of our individual business segments below.

**Risks and concerns** – As we continue to capture market share in the biscuit industry, our success draws the attention of prospective competitors. This is similar to other, more mature markets, and is to be expected. We anticipate both the entry of more competitors, most likely existing food manufacturers and also potentially from upstream (flour) processors, and more rivalry from existing biscuit manufacturers.

We welcome competition as it serves as constant motivation to maintain the quality of our operation and relationship with suppliers, employees, distributors, and consumers. It forces us to continually become better at what we do and refine our processes further. It also ensures that we keep offering consumers the best in terms of innovative new products at attractive and affordable price points.

Olympic procures most of the raw materials for biscuit and confectionery production locally. However, Bangladesh is not a significant producer of wheat, palm oil or sugar, which are the major ingredients used in biscuit manufacturing. These raw materials, though locally procured by us, are imported from all around the world and, as such, are priced in USD. Fluctuations in commodity prices are a risk to Olympic's profitability.

What is more important, however, is how we mitigate this risk. The work we've put in to building our supply chain processes most definitely helps. Furthermore, typically, as the largest producer of biscuits in Bangladesh, if Olympic is feeling the effects of these risks, we can be certain our competitors are too.

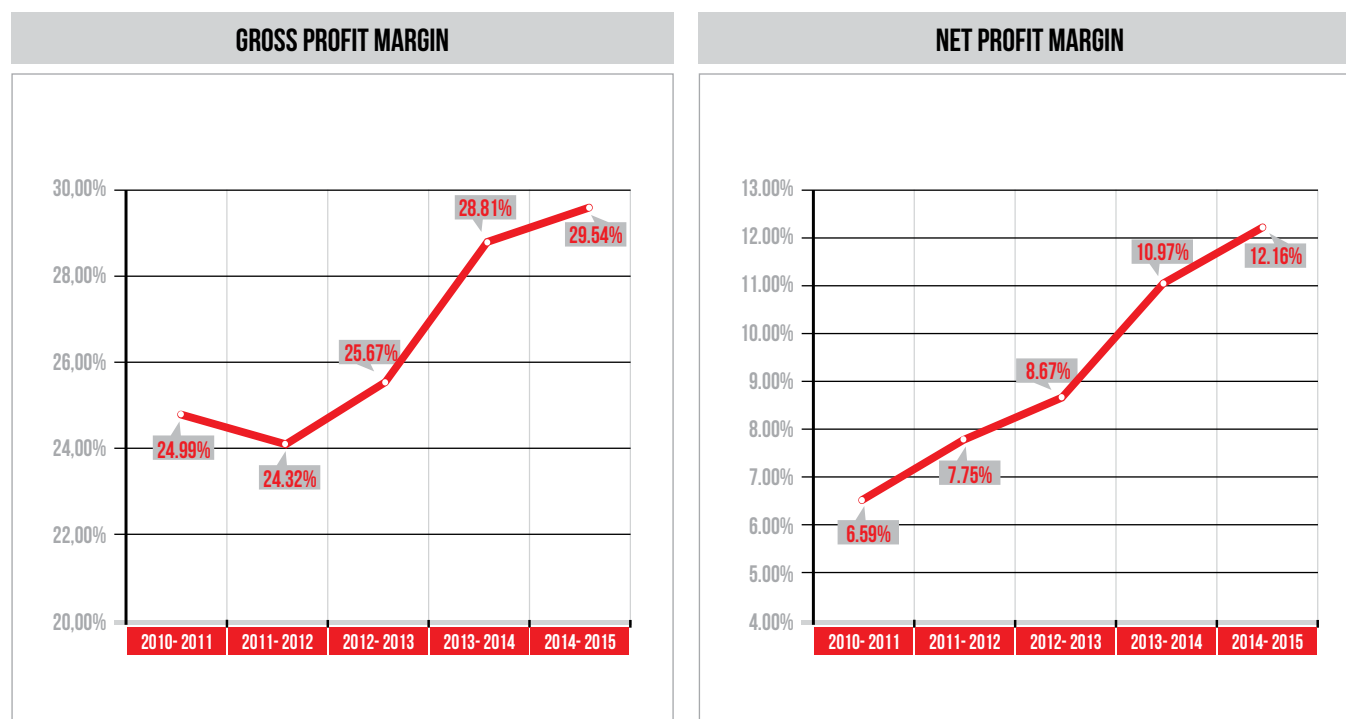
Consumers in Bangladesh are generally quite savvy, sophisticated and aware of how global trends pertaining to weather, geopolitical risk and currency affect the cost of products they buy locally; these global trends would similarly also be felt by consumers when purchasing their daily commodities for food preparation at home. As a result of this and of being the largest producer with significant pricing power, we play an integral role in the revision of biscuit prices in the market.

Another serious concern for the company is the production and distribution of imitations or duplications of our products. In the past, several small producers have attempted to create and market products very similar or identical to our most popular biscuits, Energy Plus and Tip. Our mitigation efforts include educating consumers, vigilance and proactive cooperation with law enforcement and government agencies, as these fabrications frequently include infringements on Olympic's registered marks and names.



We have successfully shut down many of these producers for infringements through legal recourse. However, as is typical for countries such as Bangladesh, the resources available to the authorities are limited and these processes take a significant amount of time. We treat these infringements very seriously and will take any and all steps necessary to protect and safeguard our brands.

**Margins** – Our gross profit margin has expanded from 24.99% in fiscal year 2010-2011 to 29.54% this year, primarily due to an increase in the sale of premium, higher margin products and better procurement at better rates with better commercial terms.



Our net profit margin has increased from 6.59% in fiscal year 2010-2011 to 12.16% this year, an 84% increase during the period. This expansion has been a result of strong efforts to maximize production efficiencies and capitalizing on economies of scale such as distributing fixed administrative, marketing, selling and operational costs across higher sales, as biscuit and confectionery sales continue to represent a substantial percentage of our top line.

### Biscuit & Confectionery

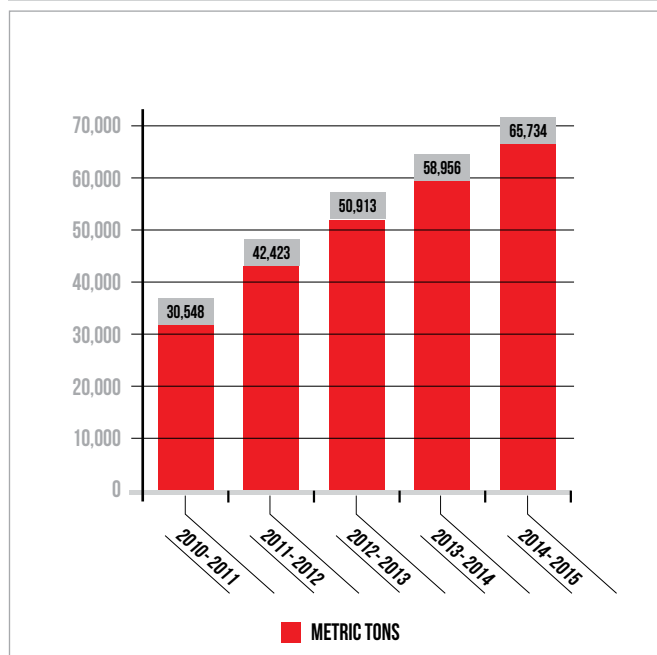
This year's annual report cover features three of our top biscuit offerings – Energy Plus, Tip and Nutty – and for good reason. These three products have played a significant role in the growth of our market share and have become anchors for profitability and iconic brands among consumers.

Due to capacity constraints last year, we were unable to launch new product lines. While this put us behind schedule, market demand for our existing products continued to grow robustly.

This year, with new capacity from lines 6 and 7, we were able to launch several new products. All of these products have performed well, but none as well as Nutty. In less than twelve months, Nutty has become a superstar. Nutty plays a very interesting role within our portfolio as it really rounds out our premium range, accompanying Energy Plus and Tip. We were the first biscuit manufacturer to launch a mass-market peanut biscuit (with real chunks of peanuts) with a long shelf life and price point that is attractive to consumers.

In the fiscal year 2014-2015, biscuit and confectionery sales were 65,734 metric tons as compared to 58,956 metric tons in fiscal year 2013-2014, representing a year-over-year increase of 11.50% in volume.

## ANNUAL BISCUITS &amp; CONFECTIONERY SALES



While volume grew 11.50%, biscuit and confectionery revenue was Tk. 8.55 billion as compared to Tk. 7.39 billion a year ago, representing an increase of 15.77%. It is also worthwhile noting that our revenue per metric ton grew to Tk. 130,145 in 2014-2015 from Tk. 125,340 in 2013-2014, representing a 3.83% increase in average revenue per metric ton. Biscuit and confectionery sales represented 95.10% of total sales of the company in fiscal year 2014-2015 as compared to 93.27% of total sales in 2013-2014.

In October 2014, two biscuits lines (lines 6 and 7) came into commercial production, bringing our biscuit and confectionery annual production capacity to just under 85,000 metric tons. Prior to these two lines coming into production, we were capacity constrained, operating at 98%+ capacity closer to the end of fiscal year 2013-2014. As you can see, sales results thus far have been quite encouraging.

Taking a page out of Ash Park Capital, Kingsway Capital's playbook, we've spent considerable time understanding the consumer staples 'virtuous circle of growth', which we believe is critical to our ability to produce higher average annual returns than the wider market. Strong and healthy brands stimulate consumer demand and drive revenue growth; these extremely long periods of nurturing deliver very powerful consumer acceptance.

While keeping sales promotion essentially constant (Tk. 213.87 million this year vs. Tk. 222.39 million last year), we considerably increased advertising expenditures by 115% from Tk. 40.94 million to Tk. 88.02 million as part of our strategy to acquire customers through various new channels such as TV commercials and online advertising. We believe that this strategy yielded positive returns in the short term but real returns will be seen within the next 12-24 months as continued reinvestment in marketing will help create stronger brands which, in turn, will stimulate consumer demand and drive revenue growth.

Aggressive procurement policies, cash reserves and warehousing space allow us to take advantage of special situations, such as special discounts for cash payment due to supplier illiquidity, anticipated increases in raw material costs due to weather, general strikes or violence, transportation problems, or other geopolitical risks. We are able to maintain price consistency with contracts of up to 120 days by negotiating forward contracts for many commodities and packaging materials.

As we grow, we consume more raw materials. This higher consumption affords us the ability to negotiate lower prices and better commercial terms; purchasing 1,500 metric tons of flour a month is vastly different than purchasing 5,000 metric tons a month. In Bangladesh, where interest rates vary between 10% and 15%, an extra 15 days of interest free credit can have significant benefit to the company's bottom line and free cash flow.

A large part of what our supply chain teams work on is supplier relations, not only to ensure that we get the best possible raw materials at the best possible price but also to ensure consistency of quality and supply of the raw materials that we procure.

Auditing and approving suppliers based on their capabilities has allowed us to build strong relationships with our trusted suppliers, which in turn has allowed them the opportunity to better understand our requirements. We've seen a correlation between the strength of the relationship with a supplier and the overall reduction in the rejection of raw materials supplied by them.

Not only have we worked to build competencies of our suppliers, but many of our suppliers (particularly our packaging suppliers) have installed new machinery to meet higher demand as a result of our increased consumption. We are very proud that our growth has led to the growth of our suppliers.

---

### **Dry-cell Battery**

---

In the fiscal year 2014-2015, dry-cell battery sales were 41.82 million pieces, as compared to 46.85 million pieces in fiscal year 2013-2014, representing a 10.74% decrease year-over-year. This unit's turnover this year was Tk. 298.51 million, as compared to Tk. 335.11 million a year ago, representing a 10.92% decrease.

As stated in previous years, given the outlook and declining trends we have seen within the industry, we are satisfied with these results. Dry-cell battery sales, in fiscal year 2014-2015, were 3.32% of total sales, representing a slight decrease from 4.23% a year ago, primarily resulting from the robust growth of our biscuit and confectionery sales.

---

### **Ballpoint Pen**

---

Olympic acquired the ballpoint pen unit during its amalgamation with Tripti Industries Limited. In fiscal year 2014-2015, Olympic sold 43.21 million pieces as compared to 61.92 million a year ago, representing a 30.21% decrease year-over-year. This unit's turnover was Tk. 142.72 million in fiscal year 2014-2015 as compared to Tk. 197.74 million a year ago. Ballpoint pen sales, in fiscal year 2014-2015, were 1.58% of total sales, as compared to 2.50% a year ago, primarily resulting from the robust growth of our biscuit and confectionery sales.

The oil refining and hydrogenation unit is still dormant and is expected to remain that way due to the 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, 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; no decision has yet been made and prospective buyers are still being sought out. We will continue to update our shareholders on the status of this unit however, in the meanwhile, we would like to reassure our shareholders that much caution and prudence would be exercised to preserve and retain shareholder value.

---

### **Contribution to the National Exchequer**

---

During the financial year ended June 30, 2015, Olympic Industries Limited contributed Tk. 1,672,137,930.60 to the National Exchequer in the form of Value Added Tax, Advance Income Tax, Local Purchase VAT, Service VAT and Customs Duty, which equates to 18.59% of the annual net turnover of the company. This year's contribution represents an 8.58% increase from the previous year.

Contributions in the form of Port Charges, Land Registration Charges, Land Development Tax, Licenses and Permit Renewal Fees, etc have not been taken into consideration and, as such, have not been included in the aforementioned amount.



## Dividend

The board of directors of Olympic Industries Limited is pleased to recommend 30% Cash Dividend i.e. Tk. 3.00 (Taka three) for every Ordinary Share of Tk. 10.00 and 20% Stock Dividend i.e. 20 (twenty) fully paid Ordinary Shares as Bonus Shares for every 100 (one hundred) Ordinary Shares for the year ended June 30, 2015. The issuance of Bonus Shares and payment of Cash Dividend as recommended above shall be subject to approval of the shareholders at the 36th annual general meeting of the company.

Shareholders whose names shall appear on either the list of shareholders or the CDBL Register on the Record Date of November 22, 2015 shall be entitled to the Cash Dividend and Bonus Shares.

## Retirement and re-appointment of directors

At the 36th annual general meeting of the company to be held on December 17, 2015, the following directors will retire by rotation, as per clause 119 of the Articles of Association of the company:

1. **Mr. Mohammad Bhai, Chairman**
2. **Mr. Aziz Mohammad Bhai, Director**
3. **Mrs. Safinaz Bhai, Director**

Being eligible, as per clause 121 of the Articles of Association of the company, the aforementioned retiring directors have offered themselves for re-appointment at the 36th annual general meeting of the company.

## Appointment of auditors and fixation of their remuneration

M/s. M.J. Abedin & Co, Chartered Accountants, was appointed as the Statutory Auditor of the company at the 35th annual general meeting held on December 24, 2014. They have completed the audit of financial statements of the company for the year ended June 30, 2015 and have submitted their report accordingly to the shareholders of the company. As per the terms of their appointment, they retire at this meeting.

The retiring auditors have expressed their interest in being re-appointed as Statutory Auditors of the company for the year ending June 30, 2016. The re-appointment of M/s. M.J. Abedin & Co and the fixation of their remuneration need to be considered by shareholders at the 36th annual general meeting of the company. It may be noted that the retiring auditors received remuneration of Tk. 600,000.00 as approved by the shareholders at the 35th annual general meeting of the company.

# REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

## **Board of Directors – Its Roles and Responsibilities**

The Board determines the goals of the company on the basis of its vision and mission, sets paths to best achieve the goals, reviews the paths and makes necessary alteration / modification, wherever required, regularly monitors and reviews things to ensure that the set paths are properly followed. It determines work plans, approves overall business strategy, ensures that the investments are channelized in right direction consistent with the goals of the company and provides guidance for effective risk management. The Board also establish corporate values and standards, makes proper human resource planning, ensures efficient financial management and proper maintenance of all records and registers and finally the Board ensures that the obligations of the company to the society and to its various stakeholders are properly taken care of.

---

### **A) Compliance in respect of the Code of Conduct of Board Members – Condition 1.2(v)**

---

The Code of Conduct for the members of the Board of Directors of Olympic Industries Ltd. includes, among others, the followings:

- They must be loyal to the company and should take care of interest of the company above any other interests while discharging their duties.
- Shall take due care and diligence while performing any assignment.
- Shall avoid making any undue favour.
- Shall avoid exercising over power.
- Shall put his / her best attention and quality time for the company.
- Shall ensure that all actions are compliant to applicable laws, rules, regulations and guidelines.
- All members should try to fulfill their fiduciary obligations properly to ensure interest of all stakeholders.
- Member should exercise reasonable efforts to attend the meetings, participate in discussions and provide suggestions, wherever required.
- Shall ensure their obligations to maintain required confidentiality of information and should not divulge any information that may cause harm to the company or any of its members.
- Shall avoid doing competing business and using property, information and influence for personal interest.
- Shall avoid receive undue benefit from the company or from outside using the influence of the company.
- Member should always take care that their personal interest does not interfere with company's interest.
- All members should try to discharge their obligations with all stakeholders in such a way that they always have the feelings of getting fair dealings from them.
- Members should always be ready to contribute their best for the betterment of the company and they will try to ensure that the company discharges its obligations to the various organs of the government, to its employees, to the corporate arena and to the society at large.

The members of the Board of Directors of Olympic Industries Limited have complied the code of conduct laid down for the Board Members.

**B) Chairman of the Board and Managing Director – Condition 1.4**

In Olympic Industries Limited, Managing Director performs all functions of Chief Executive Officer (CEO). The positions of the Chairman of the Board and the Managing Director are filled-up in the company by different persons as provided in the Corporate Governance Guidelines. Mr. Mohammad Bhai is the Chairman of the company and Mr. Mubarak Ali is the Managing Director. The Chairman is a member of the Board of Directors and he is elected from amongst the directors of the company.

In line with the guidelines of the notification, the Board of Directors of Olympic Industries Ltd. has defined the following roles and responsibilities for the Chairman and Managing Director:

**Chairman**

**Roles:** Chairman provides leadership to the Board and he ensures that the functions of the Board are run properly and smoothly so that the objectives of the company are fulfilled. As he provides the leadership, his role is to formulate broad policy guidelines for the company, to oversee that the functions are performed properly by the Directors and to extend supports to the Managing Director in implementing the guidelines.

**Responsibilities:** The responsibilities of Chairman include, among others, the following:

- 1) To attend and preside over the meetings of the Board of Directors.
- 2) To ensure that the Board performs well in achieving the objectives of the company as well as in discharging the responsibilities of the company to the Government and to the society at large.
- 3) To ensure that the members of the Board take participation in the discussions and place their judicious views in taking effective decisions.
- 4) To extend required support and guidance to the Managing Director in discharging his responsibilities properly and smoothly.
- 5) To ensure that various Committees of the Board are properly formed, represented and discharge their functions properly.
- 6) To ensure that the agenda of the meeting are properly discussed and harmonious decisions are taken by the Board. In case of any discord or disagreement among the Board Members on any issues, to help remove the discord and disagreement and to maintain congenial atmosphere in the company.

**Managing Director**

**Roles:** Managing Director acts as liaison between the owners and management. He is responsible to lead the company properly, create enthusiasm among the performers and help achieve the strategy of the company. His role is to represent the company and to act as chief communicator of Board to the management and vice versa. He acts as spokesman of the company to the various stakeholders, regulators, government authorities, employees and finally to the shareholders. He is a visionary, guide and decision maker to bear results for the company.

**Responsibilities:** Managing Director leads the company in properly discharging the everyday functions. The broad responsibilities of Managing Director are as follows:

- 1) To set the goals for the company, formulate policies and guidelines and to lead the key organs in the company achieve those goals.
- 2) To represent to the Board various plans, programs, strategies and to arrange required finance for the company from proper sources for implementation of various plans.
- 3) To ensure that proper recruitment takes place through effective human resource planning to represent the company and to lead them achieve result.



- 4) To maintain congenial working environment, disciplined behaviour and team spirit in the organization.
- 5) To maintain effective two ways communication skill from and to the company.
- 6) To effectively control the costs, reduce wastage and improve efficiency at all levels to fulfill the objectives of the company.
- 7) To promote and maintain management succession and management development plans.
- 8) To identify various risk factors for the company and develop strategy to overcome those risks.
- 9) To ensure that performance is consistent and is recognized.
- 10) To ensure that the obligations of the company to its various stakeholders and to the society at large are fulfilled.

### **C) Compliance in respect of appointment of Independent Directors—Conditions 1.2(i) to (iv)**

The Board of Directors of Olympic Industries Limited consists of 6 Sponsors Directors and following 2 Independent Directors:

- 1) Mr. Sharif M. Afzal Hossain : He was first appointed on October 23, 2010 for 3 years term. Upon expiry of his term on October 22, 2013, he was reappointed for one more term of 3 years which will expire on October 22, 2016. His first appointment as well as re-appointment was duly approved by the shareholders of the company. The brief resume of Mr. Sharif M. Afzal Hossain is provided in the annual report. He does not hold any share in the company.
- 2) Ms. Noorbanu Virji : She has been inducted in the Board of Olympic Industries Limited on September 25, 2014. Her brief resume is also provided in the annual report. The term of Ms. Noorbanu Virji will be for 3 years which will expire on September 24, 2017. Her appointment was approved by the shareholders in 35th annual general meeting held on December 24, 2014. She holds 56,906 share in the company.

### **D) Compliance in respect of Board's size – Condition 1.1**

Olympic Industries Limited has total 8 (eight) Directors in its Board and this number of the board members is in line with the Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 of Bangladesh Securities and Exchange Commission which prescribes that the number shall not be less than 5 (five) and more than 20 (twenty). The size of the board members of the company is also within the prescribed limit of its Article 105 of the Articles of Association where minimum number is stated to be 3 and maximum number is stated to be 12.

### **E) Remuneration to Directors including Independent Directors – Condition 1.5(x)**

The Directors of the company drew total Tk.4,29,50,000.00 as their remuneration during the Financial Year 2014-2015 in the following manners:

Remuneration / Salaries and Allowances:	Tk.2,58,00,000.00
Accommodation	: Tk.1,20,00,000.00
Bonus	: Tk. 51,50,000.00
Total	: Tk.4,29,50,000.00

The Directors also received total Tk.91,500.00 as board meeting fees during the year. The remuneration and fees provided to the Directors are stated in Notes 24.00 and 33.00 of the audited financial statements.

The aforesaid remuneration paid to the Directors were approved by the shareholders of the company as shown below:

31st AGM held on 30.12.2010 : Remuneration of Managing Director

32nd AGM held on 29.12.2011 : Remuneration of Chairman

34th AGM held on 26.12.2013 : Remuneration of Mr. Sharif M. Afzal Hossain, Independent Director

The fees for attending each meeting of the Board is Tk.750.00 for each Director and is contained in Article 111 of the Articles of Association of the company.

#### **F) Number of Board Meetings held during the year and attendance by each Director** **Condition 1.5(xx)**

Total 29 meetings of the Board of Directors of Olympic Industries Limited were held during the year ended June 30, 2015. The attendance of Directors in the Board meetings and the fees taken by them are shown below:

Names and positions of the Directors	Meetings attended	Fees taken (Tk.)
1) Mr. Mohammad Bhai, Chairman	29	21,750.00
2) Mr. Mubarak Ali, Managing Director	29	21,750.00
3) Mrs. Khatija Mohammad Bhai, Director	25	18,750.00
4) Mr. Aziz Mohammad Bhai, Director	-	-
5) Mrs. Safinaz Bhai, Director	17	12,750.00
6) Mr. Munir Ali, Director	-	-
7) Mr. Sharif M. Afzal Hossain, Independent Director	15	11,250.00
8) Ms. Noorbanu Virji, Independent Director	7	5,250.00
	Total :	91,500.00

The Board granted leave of absence to the Directors who did not attend the meeting.

#### **G) Pattern of Shareholding as at June 30, 2015: Condition 1.5(xxi)**

Authorized Capital : Tk.2,000,000,000.00

Paid-up Capital : Tk.1,586,816,560.00

Face Value Per Share : Tk.10.00

The pattern of shareholding with name wise details during the year ended June 30, 2015 was as follows

#### a) Shareholding of Associated Company

M/s. Ambee Limited	6,526,689 shares	(4.11%)
--------------------	------------------	---------

Note : This being a private limited company, its holding of shares are shown under the shareholding of Sponsors / Directors in monthly Returns

#### b) Shareholding of Directors

Mr. Mohammad Bhai, Chairman	3,667,295 shares	
Mr. Mubarak Ali, Managing Director	8,760,271 shares	
Mr. Aziz Mohammad Bhai, Director	24,640,244 shares	
Mrs. Safinaz Bhai, Director	3,174,642 shares	
Mr. Munir Ali, Director	3,175,098 shares	
Mrs. Khatija Mohammad Bhai, Director (She represents M/s. Ambee Limited in the Board)	25,423 shares	
Ms. Noorbanu Virji, Independent Director	56,906 shares	
Total:	43,499,879 shares	(27.41%)

#### Shareholding of High Officials

Mr. Md. Nazimuddin, Executive Director & Company Secretary	59,531 shares	
Mr. Harun Al-Rashid, CFO	30 shares	
Mr. Enamul Kabir Mia, Head of Internal Audit	1,000 shares	

#### c) Shareholding of Top 5 salaried Executives

Mr. S. R. Mondal, Additional GM	100 shares	
Note : Other 4 Executives do not hold any share		

#### d) Shareholders holding 10% or more voting interest in the company

Mr. Aziz Mohammad Bhai, Director	24,640,244 shares	
----------------------------------	-------------------	--

#### H) Disclosure of related party transactions – Condition 1.5(vi)

The company in its normal course of business carried out a number of transactions which comes under the definition of related party transaction. The said transactions comprising the names of related parties, nature of transactions, opening balances, debits and credits during the period under report and the closing balances at the end of financial year have been provided under Notes 32.00 of the audited financial statements.

#### I) Financial Statements, Books of Accounts, Accounting Policies and Standards, Internal Control System, etc. - Conditions 1.5(xi) to (xviii)

The Financial Statements of the company for the year ended June 30, 2015 have been prepared in compliance with the requirements of the International Accounting Standard (IAS), the International Financial Reporting Standards (IFRS), the Bangladesh Financial Reporting Standards (BFRSs), the Bangladesh Accounting Standards (BASs), the Companies Act 1994, the Securities and Exchange Rules 1987, the Income Tax Ordinance 1984, the Income Tax Rules 1984, the Securities and Exchange Commission Ordinance 1969, the Securities and Exchange Commission Act 1993, the Value Added Tax Act 1991, the Value Added Tax Rules 1991, the Listing Regulations of Stock Exchanges and other relevant local laws as are applicable.

Also:

- The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.



- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards (IAS), Bangladesh Accounting Standards (BAS), International Financial Reporting Standard (IFRS), Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- e) The system of internal control followed by the company is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the company's ability to continue as a going concern.
- g) Significant deviations from the last year's operating results, if any, have been highlighted and the reasons thereof have been explained.
- h) Key operating and financial data of preceding six years have been summarized and furnished.

---

**J) Utilization of proceeds from Public Issues, Right Issues, etc. - Condition 1.5(vii)**


---

The company did not raise any proceeds from Public Issues, Right Issues and/or through any other instruments during the year under report.

---

**K) Explanation for deterioration of financial results after IPO, etc. - Condition 1.5(viii)**


---

No such incident occurred during the reporting period.

---

**L) Significant variance between Quarterly Financial Performance and Annual Financial Statements- Condition 1.5(ix)**


---

No such variance occurred.

---

**M) Reasons for non-declaration of Dividend for the year - Condition 1.5(xix)**


---

This does not apply as the company has long been paying lucrative rates of Dividend which has been explained separately in this report.

---

**N) Appointment of Company Secretary, Chief Financial Officer and Head of Internal Audit - Condition 2**


---

Olympic Industries Limited has appointed efficient and knowledgeable persons in the stated posts and they have smoothly been discharging their respective responsibilities to the company. Their individual roles, responsibilities and duties are clearly defined. Excepting the part of relevant meeting that involves consideration of an agenda item relating to their personal matters, the Company Secretary and Chief Financial Officer attend the meetings of the Board of Directors.

---

**O) Audit Committee and its Report - Condition 3**


---

The Audit Committee of Olympic Industries Limited is a sub-committee of its Board of Directors and the Committee reports on its activities to the Board of Directors. The Audit Committee is composed of two Directors and one Independent Director who acts as Chairman of the Committee. The members of the Audit Committee are appointed by the Board of Directors. All members of the Committee are financially literate and they have sound knowledge and experience.

The Company Secretary acts as the Secretary of Audit Committee. The Committee is responsible to the Board and they assist the Board of Directors in ensuring that the financial statements of the company reflect true and fair view of the state of affairs of the company and that a good monitoring system is maintained within the business. As the Independent Director acts as Chairman of Audit Committee, his presence is must to hold any meeting of the Committee. The company ensures presence of Audit Committee Chairman in its annual general meeting.

In compliance to the BSEC's Notification dated August 07, 2012, the Role of Audit Committee has been determined comprising, among others, the following functions:

- i) To oversee the financial reporting process.
- ii) To monitor choice of accounting policies and principles.
- iii) To monitor Internal Control Risk management process.
- iv) To oversee hiring and performance of external auditors.
- v) To review along with the management, the annual financial statements before submission to the board for approval
- vi) To review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.
- vii) To review the adequacy of internal audit functions
- viii) To review statement of significant related party transactions submitted by the management.
- ix) To review Management Letters / Letters of Internal Control weakness issued by statutory auditors, and
- x) To monitor company's quarterly disclosure to the committee about the category-wise uses and applications of funds if and when raised through Initial Public Offering (IPO) / Repeat Public Offering (RPO) / Right Issue, etc. as well as preparation of statement by the company on annual basis about the utilization of funds for the purposes other than those stated in the offer documents / prospectus, if there be any

The Audit Committee has submitted its report to the Board of Directors of the company in compliance to the notification. The report of Audit Committee is enclosed in this report.

---

#### **P) Report of Audit Committee about conflicts, fraud, etc. to the Board - Condition 3.4.1(ii)**

---

As no such incident occurred, no reporting was necessary on the part of Audit Committee.

---

#### **Q) Reporting to the Authorities by Audit Committee - Condition 3.4.2**

---

No rectification on the financial condition and results of operations of the company was necessary and as such no reporting was made.

---

#### **R) Report on activities carried out by the Audit Committee - Condition 3.5**

---

The Audit Committee has submitted its Report to the Board of Directors which is enclosed in the annual report.

**S) External / Statutory Auditors - Condition 4**

Olympic Industries Limited did not engage its Statutory Auditors to perform any of the following services:

- i) Appraisal or valuation services or fairness opinions
- ii) Financial information systems design and implementation
- iii) Book-keeping or other services related to the accounting records or financial statements
- iv) Broker-dealer services
- v) Actuarial services
- vi) Internal audit services
- vii) Any other service that its audit committee determines

Confirmation has been requested from the Statutory Auditors of the company M/s. M.J. Abedin & Co., Chartered Accountants that none of their partners or employees possess any share of Olympic Industries Limited.

**T) Subsidiary company - Condition 5**

Olympic Industries Limited has no subsidiary company.

**U) Duties of Managing Director and CFO - Condition 6**

As per Corporate Governance Guidelines, necessary Certificate has been obtained from the Managing Director and CFO which is enclosed in the annual report.

**V) Reporting and Compliance of Corporate Governance - Condition 7**

M/s. Huda & Co., Chartered Accountants has provided Certificate regarding compliance of conditions of Corporate Governance Guidelines of BSEC by Olympic Industries Limited. The Certificate and the Report on Status of Compliance under Condition No.7.00 are provided in the Annual Report.



# SOCIAL RESPONSIBILITY, ENVIRONMENTAL, HEALTH & SAFETY INITIATIVES

**Social Responsibility** – Olympic and its employees contribute to several worthwhile causes such as schools, mosques, and organizations that provide services to low-income families and persons with disabilities. We believe in giving back to the community and encourage our employees do the same.

Olympic is committed to increasing access to education for those unable to afford it. We financially support various educational institutions, including the Bhukta government primary school in Tangail, through the payment of tuition fees and provision of basic necessities like school supplies uniforms, books, and food.

**Environmental & occupational health safety** – In order to improve the workplace experience of our employees, we have developed several 'green areas' at our production facilities, including rooftop gardens and plantings throughout the grounds. We are committed to rigorous pest control in these areas and throughout our facilities, and have contracted an independent third party to maintain, monitor, and document the hygiene and sanitation of our factories as well as these new green spaces.

As part of our commitment to environmental stewardship and responsible industrial production, we have taken a number of steps to ensure strict adherence to international norms regarding pollution.

First, we regularly test levels of sulphur oxide, nitrous oxide and carbon monoxide emissions from our facilities to ensure that we are not polluting the air in any way.







Second, we ensure that no water leaves our facilities without proper treatment in accordance with Bangladesh Standards Testing Institute mandates. For biscuit production, we use water from deep tube wells that is processed in our state of the art treatment facility. This water is tested through SGS and ICDDR,B on a regular basis.

Third, we use canopies and special chimneys to reduce noise pollution created by our generators. We actively monitor the air quality in our factories, regularly cleaning and maintaining a series of filters, dehumidifiers, and auditing devices to ensure a safe, consistent, flow of air.

Finally, we have recently completed transitioning lighting in all our administrative and production facilities to environmentally friendly CFL lighting systems, replacing traditional incandescent light bulbs.

**Product safety** – We understand the responsibilities and obligations we undertake when producing food products. In order to deliver our customers the safest, best tasting products possible, we use only the best ingredients and packaging materials available.

We are committed to maintaining the safety and hygiene of both our products and facilities, and ensuring the shelf life of our biscuits and confectionery products.

In order to maintain our commitment to product safety and quality, we operate laboratories at each production facility, where we test raw materials and packaging materials for compliance with international health and safety standards. Our ERP system (SAP) does not permit operations to transfer raw materials to the production floor if the raw materials in question have not been tested or approved for production. This also creates auditable documentation that allows us to trace each production lot in case an investigation is necessary. Our finished goods are tested for nutritional value and moisture and biscuit packs are tested for sealing quality.

All of our production lines are equipped with multiple hyper-sensitive metal detectors that are calibrated every shift to prevent product contamination. We also empower our employees to make product safety their priority; any employee that observes or suspects an issue with product quality or safety, may request a particular line be immediately stopped for further investigation. Only supervisors, once they have verified that the issue has been resolved, may allow production to resume.

**Employee safety** – We are deeply committed to the well-being of our team.. The safety and security of our employees







is our first priority. We provide insurance coverage for all of our employees and have a certified paramedic on staff at all times to handle minor health-related issues.

In the event of an accident, we have strong relationships with local health care providers to who can deliver medical services and support 24 hours a day and, when necessary, transfer patients to larger hospitals. We organize quarterly health and safety training sessions for our staff and temporary workers to improve general health awareness.

**Fire & earthquake safety** – Our facilities are equipped with state of the art fire detection, evacuation and monitoring systems that are centrally controlled and monitored 24x7x365. Our fire hydrant systems have several redundancies built in, including automatic transitions between electrical, diesel and manual (jockey) pumps. Our water systems are backed up by two deep tube wells, an underground reservoir and an overhead tank.

Over 40 of our employees are trained and certified by the local fire service and we have more than 13 fire marshals on duty at any given time in order to ensure staff safety in the event of a fire. Weekly and monthly fire drills are held at various times throughout the day or night (as we are typically in operation 24 hours a day).





We hold regular fire training and safety sessions with the Government Fire Service and Civil Defense Agency. We also recently held an earthquake preparedness training session. We hold these sessions to ensure that team members are not only trained but maintain their skills and knowledge to deal with a variety of emergency situations that may arise. These sessions also include real-life fire drill and earthquake simulations, facility evacuations and live lessons on containing and extinguishing fires.

**Building safety** – Our modern production facilities have all been designed by reputable consultants with the requisite credentials, and have been approved by local Union Parishads.



As we have grown over the past few years, we have built significant institutional knowledge and repeatable processes around safely increasing our footprint. Soil samples are obtained and tested through external laboratories prior to commencing building core construction. Building pile loads are rigorously tested through external assessors to the standard ASTM D 1143-81 and the load test pressure gauge is calibrated with the assistance of BUET. For each of our buildings we obtain a load-bearing certificate through our consultants in conformation with the Bangladesh National Building Code.

# CERTIFICATE FROM MD & CFO ON FINANCIAL STATEMENTS



অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড  
**Olympic Industries Limited**

Corporate Office : Amin Court, (6th Floor), 62-63, Motijheel C/A, Dhaka-1000, Bangladesh.  
Tel : 880-2- 9565228, Fax: 880-2-9567485, 9565555  
E-mail : secretariat1@olympicbd.com/secretariat2@olympicbd.com

Certificate under Condition No.6 of the Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 of Securities and Exchange Commission (now Bangladesh Securities and Exchange Commission)

We hereby certify to the Board of Directors of Olympic Industries Limited that:

- (i) We have reviewed the Financial Statements of Olympic Industries Limited for the year ended June 30, 2015 and that to the best of our knowledge and belief :
- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the affairs of Olympic Industries Limited and are in compliance with existing accounting standards and applicable laws.
- (ii) To the best of our knowledge and belief, there were no transactions entered into by the company during the year 2014-2015 which were fraudulent, illegal or violation of the code of conduct of Olympic Industries Limited.

( Mubarak Ali )

Managing Director

Olympic Industries Limited

( Harun-Al-Rashid )

C. F. O.

Olympic Industries Limited

Dated : October 28, 2015



# REPORT OF AUDIT COMMITTEE

The Chairman  
Board of Directors  
Olympic Industries Limited  
Amin Court, 6th Floor  
62-63, Motijheel C/A  
Dhaka-1000

Subject : Report of the Audit Committee under Condition 3.4.1(i) of Notification  
No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 of SEC  
(now BSEC).

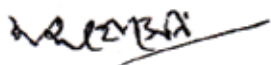
Dear Sir,

We hereby submit to you the following report on our activities:

- 1) We have discharged the audit activities of Olympic Industries Limited throughout the Financial Year 2014-2015 and we found that the financial reporting process, accounting policies and principles, internal control risk management process, the hiring and performance of external auditors, etc. are in line with the requirement of the company.
- 2) We reviewed the quarterly, half-yearly as well as annual financial statements of Olympic Industries Limited for the financial year ended June 30, 2015 before submission to the Board of Directors for approval and we found those in order.
- 3) We also reviewed the internal audit functions, monitoring system prevailing within the business as well as the statement of related party transactions of the company and found those adequate, good and proper.
- 4) Olympic Industries Limited did not raise any money during the year through Initial Public Offering (IPO), Repeat Public Offering (RPO) and Rights Issue.
- 5) During the discharge of our responsibilities we did neither find any weakness about internal control functions of the company nor any irregularity or any other matter which should be reported to the Board of Directors.
- 6) We always assisted the Board of Directors of Olympic Industries Limited in ensuring that the financial statements of the company reflect true and fair view of its state of affairs.

Thanking you,

Yours sincerely,



(Sharif M. Afzal Hossain)  
Independent Director &  
Chairman, Audit Committee

# CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

## HUDA & CO. Chartered Accountants

---

House No.51, Road No.13,  
Sector – 13, Uttara Model Town  
Dhaka.

Tel: 7911445  
Mobile: 017 15 030 823

### **Certificate on Compliance of Corporate Governance Guidelines to the Shareholders' of Olympic Industries Limited**

[Issued under Condition # 7 (i) of Corporate Governance Guidelines of BSEC  
Vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

We are engaged by Olympic Industries Limited to provide certification whether the company complied with the condition of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and SEC/CMRRCD/2006-158/134/Admin/48 dated 21 July 2013 ("the conditions of corporate governance guidelines")

#### **The Company's Responsibilities:**

Those charged with governance and management of the company is responsible for complying with the conditions of corporate governance guidelines. Those charged with governance of the company is also responsible for stating in the directors' report whether the company has complied with the conditions of the corporate governance guidelines.

#### **Our Responsibilities:**

Our responsibility is to examine the Company's status of compliance with the conditions of the corporate governance guidelines and to clarify thereon in the term of an independent assurance conclusion based on the evidence obtained. For the purpose of the engagement, we comply with ethical requirements including independence requirements and plan and perform our procedures to obtain assurance whether the company has complied the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of and is subject to the matter outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **Conclusion:**

In our opinion, the company has complied with the conditions of corporate governance guidelines for the year ended 30 June 2015

Dated, Dhaka  
28 October 2015



Chartered Accountants

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/ Admin/44 dated 07 August 2012 issued under Section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No.7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.1	<b>Board's size</b> (minimum 5 Directors and maximum 20 Directors)	✓		We have 8 directors including 2 (two) Independent Directors.
1.2	<b>Independent Directors:</b>	✓		Out of our total 8 directors, 2 directors are Independent Directors.
(i)	At least 1/5th of total number of Directors			
(ii)(a)	Either holds no share or holds less than 1% share of the total paid up shares of the company	✓		One Independent Director holds 0.0359% of the total paid up shares of the company.
(ii)(b)	Has no connection with any sponsor or director or shareholder who holds 1% or more shares of the company on the basis of family relationship. His / her family members (spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law) also should not hold above mentioned shares	✓		
(ii)(c)	Has no pecuniary or other relationship with the company or its subsidiary / associated companies.	✓		One Independent Director draws salary under approval of shareholders.
(ii)(d)	Is not a member, director or officer of any stock exchange.	✓		
(ii)(e)	Is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
(ii)(f)	Is not or was not during the preceding 3 years, a partner or an executive of company's statutory audit firm.	✓		
(ii)(g)	Is not an Independent Director in more than 3 listed companies	✓		
(ii)(h)	Has not been convicted by a court of competent jurisdiction as a loan defaulter of any bank or NBFIs.	✓		
(ii)(i)	Has not been convicted for a criminal offence involving moral turpitude.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.2 (iii)	Is appointed by the Board of Directors and is approved by the shareholders in AGM	✓		
1.2 (iv)	Post can not remain vacant for more than 90 days	✓		
1.2 (v)	Code of conduct of all Board members and recording of annual compliance of the code	✓		
1.2 (vi)	Tenure of office for 3 years which may be extended for 1 (one) term only	✓		
1.3	<b>Qualification of Independent Director (ID):</b>			
(i)	Shall be knowledgeable individual with integrity; able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3 (ii)	Should be a Business Leader / Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background / Professionally Qualified Accountant or Secretary with at least 12 years of corporate management / professional experiences.	✓		
1.3 (iii)	Relaxation of above qualifications in special cases with prior approval of Commission	Not applicable		
1.4	Chairman of the Board and Chief Executive Officer (Different Individuals)	✓		The Managing Director acts as CEO.
1.5	<b>Inclusion of following additional statements in the Directors' Report to shareholders:</b>	✓		
(i)	Industry outlook and possible future developments in the industry	✓		
(ii)	Segment-wise or product-wise performance	✓		Notes 22.00, 34.00 and unit-wise working result provided in audited annual financial statements may please be referred to.
(iii)	Risks and concerns	✓		About Financial Risk Management comprising Credit Risks, Liquidity Risks and Market Risks, Note "ff" furnished in audited annual financial statements may please be referred.
(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
(vi)	Disclosure of all related party transactions and basis thereof	✓		Notes 07.00 and 32.00 of audited annual financial statements may please be referred to
(vii)	Utilization of proceeds from public issues, right issues and/ or through any other instruments	✓		No such proceed received during the year
(viii)	An explanation for deterioration of financial results after the company goes for IPO, RPO, Right Offer, Direct Listing, etc.	✓		No such event occurred during the year
(ix)	Explanation about the significant variance that occurred between Quarterly Financial performance and Annual Financial Statements	✓		No such significant variance occurred during the year
(x)	Remuneration to Directors including Independent Directors	✓		Notes 24.00 and 33.00 of audited annual financial statements may please be referred to
(xi)	Inclusion of Statement that the Financial Statements prepared by the management of the company fairly present state of its affairs, result of its operation, cash flows and changes in equity.	✓		Certificate issued by the Managing Director and Chief Financial Officer is attached to the annual report
(xii)	Maintenance of proper books of accounts of the company.	✓		
(xiii)	Declaration that appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgement	✓		
1.5(xiv)	Declaration that in preparation of financial statements IAS / BAS / IFRS / BFRS, as applicable in Bangladesh, have been followed and any departure therefrom has been adequately disclosed	✓		
(xv)	Declaration that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
(xvi)	Declaration that there are no significant doubts upon the company's ability to continue as a going concern. If the company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✓		
(xvii)	The significant deviations, if any, from last year's operating results shall be highlighted and reasons thereof should be explained	✓		No significant deviation occurred.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
(xviii)	Providing summarized form of key operating and financial data of at least preceding 5 years	✓		
(xix)	If cash or stock dividend is not declared for the year, the reasons thereof shall be given	✓		Both Cash and Stock Dividend have been recommended for the stated year by the Board.
(xx)	Disclosure about the number of Board Meetings held during the year and attendance therein by each Director	✓		Note 24.00 of audited annual financial statement may please be referred to.
(xxi)(a)	Name-wise disclosure of detailed shareholding of the company held by parent / subsidiary / associated companies and other related parties	✓		
(xxi)(b)	Name-wise disclosure of detailed shareholding of the company held by Directors / CEO / Company Secretary / CFO / Head of Internal Audit (HIA) and their spouses and minor children	✓		
(xxi)(c)	Name-wise disclosure of detailed shareholding of the company held by the executives (Top 5 salaried employees of the company other than holders of posts stated in (xxi)(b) above	✓		
(xxi)(d)	Name-wise disclosure of detailed shareholding of the company by shareholders holding 10% or more voting interest in the company	✓		
(xxii)(a)	Disclosure of brief resume of the directors of the company	✓		
(xxii)(b)	Disclosure of nature of expertise of the directors in specific functional areas	✓		
(xxii)(c)	Disclosure of names of companies in which the directors of the company also holds directorship and disclosure of their membership of committees of the Board	✓		
2.1	Appointment of CFO, HIA (Internal Control and Compliance), CS and to define clearly their respective roles, responsibilities and duties	✓		
2.2	Requirement of CFO and CS to attend the Board Meetings except in that part of the meeting which involves their personal matters	✓		
3(i)	Appointment of Audit Committee as a sub-committee of the Board of Directors	✓		Committee is composed of 3 Directors and Independent Director is the Chairman of the Committee

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(ii)	Disclosure that Audit Committee assists the Board of Directors in ensuring reflection of true and fair view of the state of affairs of the company in financial statements and ensures a good monitoring system within the business	✓		Report of Audit Committee attached to the Annual Report may please be referred to
3(iii)	Disclosure that Audit Committee is responsible to the Board of Directors and the duties of Audit Committee are clearly set forth in writing	✓		
3.1(i)	Constitution of Audit Committee comprising at least 3 (three) members	✓		
3.1(ii)	Appointment of Audit Committee by the Board of Directors comprising the directors of the company and at least 1 (one) Independent Director	✓		
3.1(iii)	Disclosure that all members of the Audit Committee are financially literate (i.e. able to read and understand the financial statements) and at least 1 (one) member has accounting or related financial management experience (i.e. possesses professional qualification or is a graduate in accounting / finance with at least 12 years of corporate management / professional experience)	✓		
3.1(iv)	Appointment of new member of Audit Committee by the Board of Directors on expiry of service term or for fall of number of members below 3 (three) immediately or within one month of expiry / fall in minimum number	✓		No such incident occurred.
3.1(v)	Company Secretary is to act as Secretary of Audit Committee	✓		
3.1(vi)	To form quorum of Audit Committee meeting, at least one Independent Director should remain present.	✓		
3.2(i)	Selection of Independent Director by the Board of Directors as the Chairman of Audit Committee	✓		
3.2(ii)	Presence of Chairman of Audit Committee (Independent Director) in AGM	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3	<b>Functions (Roles) of Audit Committee:</b>	✓		
(i)	To oversee the financial reporting process	✓		
3.3(ii)	To monitor choice of accounting policies and principles	✓		
3.3(iii)	To monitor internal control risk management process	✓		
3.3(iv)	To oversee hiring and performance of external auditors	✓		
3.3(v)	To review along with the management, the annual financial statements before submission to the Board for approval	✓		
3.3(vi)	To review along with the management, the quarterly and half-yearly financial statements before submission to the Board for approval	✓		
3.3(vii)	To review the adequacy of internal audit function	✓		
3.3(viii)	To review statement of significant related party transactions submitted by the management	✓		
3.3(ix)	To review management letters / letter of internal control weakness issued by statutory auditors	✓		
3.3(x)	Disclosure by company to the Audit Committee about the uses / applications of major category funds (capital expenditure, sales and marketing expenses, working capital, etc.) raised through IPO / RPO / Right Issue, on a quarterly basis, as a part of their quarterly declaration of financial results. The company shall also prepare on an annual basis, a statement of funds utilized for the purposes other than those stated in the offer document / prospectus	✓		No money has been raised during the year 2014-2015 through IPO / RPO / Right Issue.
3.4.1(i)	Reporting on its activities by the Audit Committee to the Board of Directors	✓		Report of Audit Committee is attached to the Annual Report
3.4.1(ii) (a)	Immediate reporting on conflicts of interests, if any, by the Audit Committee to the Board of Directors	✓		No such conflict arose
3.4.1(ii) (b)	Immediate reporting on suspected or presumed fraud or irregularity or material defect in the internal control system by the Audit Committee to the Board of Directors	✓		No such incident occurred



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.4.1(ii) (c)	Immediate reporting on suspected infringement of laws, including securities related laws, rules and regulations by the Audit Committee to the Board of Directors	√		No such infringement occurred
3.4.1(ii) (d)	Immediate reporting on any other matter which the Audit Committee feels to be disclosed to the Board of Directors	√		No such incident occurred
3.4.2	Reporting to the Authorities: If the Audit Committee finds anything which has material impact on financial condition and results of operation of the company, it should report it and discuss with the Board of Directors and the Management about rectification. If such rectification has been unreasonably ignored, the Audit Committee shall either report such matter to the Board of Directors for 3 (three) times or shall wait for 6 (six) months from first reporting for rectification and, thereafter, shall report such findings to the Commission (SEC)	√		No such matter has yet been found
3.5	The report on activities carried out by Audit Committee including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of Audit Committee and disclosed in the annual report of the company	√		
4.	Not to engage external / statutory auditors of the company to perform the following services of the company:			
(i)	Appraisal or valuation services or fairness opinions	√		
(ii)	Financial information systems design and implementation	√		
(iii)	Book-keeping or other services related to the accounting records or financial statements	√		
(iv)	Broker-dealer services	√		
(v)	Actuarial services	√		
(vi)	Internal audit services	√		
(vii)	Any other service that the Audit Committee determines	√		
(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of the company	√		The partner of the outgoing Audit Firm holds less than 0.01% share in the company which he has acquired long time back.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5	<b>Subsidiary company:</b>			
(i)	Same provisions to apply in composition of the Board of Directors of subsidiary company	√		No subsidiary company
5(ii)	At least one Independent Director of holding company shall be a director of the subsidiary company			No subsidiary company
(iii)	Placement of minutes of Board Meeting of subsidiary company in the following Board Meeting of holding company for review			-do-
(iv)	To state in minutes of Board Meeting of holding company that the affairs of subsidiary company have been reviewed			-do-
(v)	Review of financial statements of and in particular the investment made by subsidiary company be also reviewed by Audit Committee of holding company			-do-
6.	Certificate from CEO and CFO to the Board stating that they have reviewed financial statements of the company for the year and that to the best of their knowledge and belief:			Certificate obtained and attached to the annual report.
(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading			
(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.			-do-
6(ii)	That to the best of their knowledge and belief, there were no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct			-do-
7.	Reporting and compliance of Corporate Governance:			
(i)	Obtaining a Certificate from a practicing professional Accountant / Secretary (CA / C&MA / CS) regarding compliance of conditions of Corporate Governance Guidelines of the Commission (BSEC) and sending the same along with Annual Report to the shareholders.			Certificate obtained from Huda & Co., Chartered Accountants and is enclosed with the annual report
(ii)	Attachment of Annexure in the Directors' Report regarding compliance of Corporate Governance Guidelines			

# VALUE ADDED STATEMENT

	Amount in Taka	
	30-June-2015	30-June-2014
<b>Value Added</b>		
Revenue	8,996,148,594	7,922,353,876
Other Income	291,867,453	146,934,458
	9,288,016,047	8,069,288,334
Less : Paid to Suppliers of Materials and Service Providers	(6,176,232,681)	(5,562,270,129)
<b>Total Value Added</b>	<b>3,111,783,366</b>	<b>2,507,018,205</b>
<b>Distributed as follows</b>		
<b>To Employees</b>		
Wages, Salaries, Remuneration & Allowances, Bonus, Incentives and Other Benefits	817,190,921	691,497,792
<b>To Finance Providers</b>	100,212,239	64,214,399
<b>To Government</b>		
Duties, Taxes & VAT	900,066,683	727,689,406
<b>To Shareholders</b>		
Dividend	646,480,816	470,167,872
	<b>2,463,950,659</b>	<b>1,953,569,469</b>
<b>Retained for Re-Investment &amp; Future Growth</b>		
Depreciation & Amortization	199,973,034	154,580,395
Retained Earnings	447,859,673	398,868,341
	647,832,707	553,448,736
	<b>3,111,783,366</b>	<b>2,507,018,205</b>



# AUDITORS' REPORT TO THE SHAREHOLDERS

## AUDITORS' REPORT TO THE SHAREHOLDERS OF OLYMPIC INDUSTRIES LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **Olympic Industries Limited** which comprise the Statement of Financial Position as at 30 June 2015 and the Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

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

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rule 1987 and other applicable laws and regulations.

**Other matters**

The financial statements of the company for the year ended June 30, 2014 were audited by another firm of Chartered Accountants, who through their report dated November 28, 2014 expressed an unqualified opinion on those statements.

**Subject to the above, we report that;**

- i) 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;
- ii) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- iii) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by this report are in agreement with the books of accounts and;
- iv) the expenditures incurred and payment made were for the purpose of the company's business for the year.



Dated, Dhaka  
28 October 2015

**M. J. ABEDIN & CO**  
Chartered Accountants

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	Amount in Taka	
		30-June-2015	30-June-2014
<b>NET ASSETS</b>			
<b>Non-current Assets</b>		<b>1,909,946,076</b>	<b>1,869,464,492</b>
Property, Plant and Equipment (At cost less accumulated depreciation)	2.00	1,679,103,330	1,142,580,878
Capital Work in Progress	3.00	211,484,151	701,072,154
Intangible assets	4.00	19,358,595	25,811,460
<b>Current Assets</b>		<b>3,853,733,709</b>	<b>3,179,172,694</b>
Inventories	5.00	697,852,284	661,070,355
Trade and Other Receivables	6.00	107,576,409	18,264,397
Advances, Deposits & Prepayments	7.00	507,430,253	703,599,909
Investments	8.00	2,083,950,505	1,309,303,094
Cash and Cash Equivalents	9.00	456,924,258	486,934,939
<b>Current Liabilities and Provisions</b>		<b>(1,988,098,981)</b>	<b>(1,977,232,044)</b>
Short Term Loan	10.00	138,262,703	125,387,611
Interest Payable	11.00	138,062	12,980,465
Creditors for Goods	12.00	639,952,961	582,490,585
Creditors for Services	13.00	13,318,773	10,504,344
Accrued Expenses	14.00	64,487,808	74,994,240
Advance against Sales		172,343,753	158,848,686
Liabilities for Other Finance	15.00	66,902,367	97,958,208
Provision for Taxation	16.00	388,485,302	580,949,742
Unclaimed Dividend	17.00	43,791,025	30,344,333
Deferred Liabilities	18.00	253,073,981	183,801,150
Long Term Loan-Current Portion	20.00	172,977,248	104,587,517
Lease Finance - Current Portion	21.00	34,364,998	14,385,163
<b>Net Current Assets</b>		<b>1,865,634,728</b>	<b>1,201,940,650</b>
<b>Net Assets</b>		<b>3,775,580,804</b>	<b>3,071,405,142</b>



As at 30 June 2015

	Notes	Amount in Taka	
		30-June-2015	30-June-2014
FINANCED BY			
Shareholders' Equity		3,381,654,099	2,522,397,546
Share Capital	19.00	1,586,816,560	1,175,419,680
Retained Earnings			
- As per Statement of Changes in Shareholders' Equity		1,794,837,539	1,346,977,866
Non-Current Liabilities			
Long Term Loan (Secured)	20.00	245,819,608	444,933,166
Lease Finance	21.00	53,433,829	34,586,904
Deferred Tax Liabilities		94,673,268	69,487,526
		3,775,580,804	3,071,405,142

The annexed notes form part of these financial statements.

Approved by the board on 28 October 2015 and signed on its behalf by :



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our separate report of even data annexed.



**M. J. Abedin & Co.**  
Chartered Accountants

Dated, Dhaka  
28 October 2015

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Notes	Amount in Taka	
		30-June-2015	30-June-2014
<b>Turnover</b>	22.00	8,996,148,594	7,922,353,876
Cost of Goods Sold	23.00	(6,338,235,058)	(5,639,774,637)
<b>Gross Profit</b>		<b>2,657,913,536</b>	<b>2,282,579,239</b>
<b>Operating Expenses</b>		<b>(1,226,743,489)</b>	<b>(1,097,663,470)</b>
Administrative Expenses	24.00	(229,292,300)	(216,195,627)
Selling Expenses	25.00	(997,451,189)	(881,467,843)
<b>Profit from Operations</b>		<b>1,431,170,047</b>	<b>1,184,915,769</b>
Finance Cost	26.00	(100,212,239)	(64,214,399)
		<b>1,330,957,808</b>	<b>1,120,701,370</b>
Other Income	27.00	<b>291,867,453</b>	<b>146,934,458</b>
		<b>1,622,825,261</b>	<b>1,267,635,828</b>
Other Expenses (Impairment Loss)	28.00	-	(442,881)
Contribution to Workers' Profit Participation / Welfare Funds		(77,277,393)	(60,342,521)
<b>Profit Before Tax</b>		<b>1,545,547,868</b>	<b>1,206,850,426</b>
Current Tax		(426,021,637)	(325,318,027)
Deferred Tax Income / (Expense)		(25,185,742)	(12,496,186)
		<b>(451,207,379)</b>	<b>(337,814,213)</b>
<b>Profit after Taxation</b>		<b>1,094,340,489</b>	<b>869,036,213</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>1,094,340,489</b>	<b>869,036,213</b>

For the year ended 30 June 2015

	Notes	Amount in Taka	
		30-June-2015	30-June-2014
Earnings Per Share (EPS)/Adjusted EPS (2014)	29.00	6.90	5.48
Number of Shares used to Compute EPS	29.00	158,681,656	158,681,656

The annexed notes form part of these financial statements.

Approved by the board on 28 October 2015 and signed on its behalf by :



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our separate report of even data annexed.



**M. J. Abedin & Co.**  
Chartered Accountants

Dated, Dhaka

28 October 2015

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Amount in Taka		
	Share Capital	Retained Earnings	Total
<b>Balance as on 01 July 2014</b>	1,175,419,680	1,346,977,866	2,522,397,546
<b>Transactions with the Shareholders:</b>			
Cash Dividend for 2014	-	(235,083,936)	(235,083,936)
Stock Dividend for 2014	411,396,880	(411,396,880)	-
Net Profit for the year ended 30 June 2015	-	1,094,340,489	1,094,340,489
<b>Balance as on 30 June 2015</b>	<b>1,586,816,560</b>	<b>1,794,837,539</b>	<b>3,381,654,099</b>
<b>Number of shares</b>			<b>158,681,656</b>
<b>Net Asset Value (NAV) Per Share</b>			<b>21.31</b>
Balance as on 01 July 2013	783,613,120	948,109,525	1,731,722,645
<b>Transactions with the Shareholders:</b>			
Cash Dividend for 2013	-	(78,361,312)	(78,361,312)
Stock Dividend for 2013	391,806,560	(391,806,560)	-
Net Profit for the year ended 30 June 2014	-	869,036,213	869,036,213
<b>Balance as on 30 June 2014</b>	<b>1,175,419,680</b>	<b>1,346,977,866</b>	<b>2,522,397,546</b>
<b>Number of Shares</b>			<b>117,541,968</b>
<b>Net Asset Value (NAV) Per Share</b>			<b>21.46</b>

The annexed notes form part of these financial statements.

Approved by the board on 28 October 2015 and signed on its behalf by :



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our separate report of even data annexed.



**M. J. Abedin & Co.**  
Chartered Accountants

Dated, Dhaka

28 October 2015



# STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Amount in Taka	
	30-June-2015	30-June-2014
<b>A. Cash Flows from Operating Activities</b>		
Cash Receipts from Customers & Others	9,025,025,195	7,952,630,137
Cash Paid to Suppliers and Employees	(7,337,939,609)	(6,735,680,646)
Cash Generated from Operations	<b>1,687,085,586</b>	<b>1,216,949,491</b>
Bank Charges	(2,016,539)	(1,407,888)
Income Taxes Paid	(445,019,864)	(335,437,032)
<b>Net Cash Generated from Operating Activities</b>	<b>1,240,049,183</b>	<b>880,104,571</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of Capital Assests	(220,353,550)	(566,013,870)
Investments	(774,647,411)	(576,645,836)
Interest Received	186,525,043	144,119,964
Proceeds from Sale of Investments in Shares	-	4,173,638
<b>Net Cash Used in Investing Activities</b>	<b>(808,475,918)</b>	<b>(994,366,104)</b>
<b>C. Cash Flows from Financing Activities</b>		
Loans	(117,848,735)	256,890,766
Related Parties	1,270,285	1,033,572
Lease Finance	38,826,760	(9,493,026)
Liabilities for Other Finance	(31,055,841)	23,127,494
Interest Paid	(131,139,171)	(77,415,278)
Dividend Paid	(221,637,244)	(72,031,154)
<b>Net Cash from Financing Activities</b>	<b>(461,583,946)</b>	<b>122,112,374</b>
Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(30,010,681)	7,850,841
Cash & Cash Equivalents at Opening	486,934,939	479,084,098
<b>Cash &amp; Cash Equivalents at Closing</b>	<b>456,924,258</b>	<b>486,934,939</b>

For the year ended 30 June 2015

	Amount in Taka	
	30-June-2015	30-June-2014
<b>Net Operating Cash Flow per Share</b>	<b>7.81</b>	<b>7.49</b>
<b>Number of Shares used to compute Net Operating Cash Flow per Share</b>	<b>158,681,656</b>	<b>117,541,968</b>

The annexed notes form part of these financial statements.

Approved by the board on 28 October 2015 and signed on its behalf by :



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our separate report of even data annexed.



**M. J. Abedin & Co.**  
Chartered Accountants

Dated, Dhaka

28 October 2015

# ACCOUNTING POLICIES AND EXPLANATORY NOTES

As at and for the year ended June 30, 2015

## 1. Significant Accounting Policies and Other Material Information:

### a. Company Information

#### Legal Form of the Enterprise

Olympic Industries Ltd. (Formerly Bengal Carbide Limited) (the “Company”), is a company incorporated and domiciled in Bangladesh as a public limited company. The company was incorporated in Bangladesh on 26th June, 1979 bearing registration number C-7096/826 of 1978-1979. It commenced commercial operation in 1982 and went for public issue of shares in 1984. The shares of the Company are listed on the Dhaka and Chittagong Stock Exchanges of Bangladesh.

#### Nature of Business Activities

The Company is engaged in manufacturing and marketing of dry cell batteries, biscuits and candies, confectionery items and ball point pens. The products are sold in local market as well as abroad.

#### Address of Registered Office, Corporate Office and Factories

The Registered Office of the Company is at Lolati, Kanchpur, P.S. Sonargaon, District : Narayanganj

The Corporate Office of the company is at 62-63, Motijheel Commercial Area, Dhaka 1000. The factories are located at Kanchpur and Lolati, P.S. Sonargaon and Madanpur., P.S. Bandar in Narayanganj District.

### b. Reporting Period

The financial period of the Company covers one year from July 01 to June 30.

### c. Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (Taka/Tk), which is both functional currency and presentation currency of the Company.

### d. Level of Precision

The figures in the Financial Statements have been rounded off to the nearest Taka.

### e. Components of Financial Statements

The Financial Statements include the following components as per BAS 1 “Presentation of Financial Statements”.

- i. Statement of Financial Position;
- ii. Statement of Profit or Loss and other Comprehensive Income;
- iii. Statement of Cash Flows;
- iv. Statement of Changes in Equity;
- v. Accounting Policies and Explanatory Notes.

**f. Comparative Information**

Comparative information has been disclosed in respect of the year 2014 for all numerical information of the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current period's Financial Statements.

Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's presentation.

**g. Consistency of Presentation**

The presentation and classification of all items in the Financial Statements have been retained from one period to another period unless where it is apparent that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies or changes is required by another BFRSs.

**h. Statement of Compliance**

The Financial Statements have been prepared and the disclosures of information are made in accordance with the requirements of the Companies Act, 1994 and Bangladesh Financial Reporting Standards (BFRSs) as long as applicable for the Company. BFRSs comprise of:

- Bangladesh Financial Reporting Standards (BFRSs)
- Bangladesh Accounting Standards (BASs)
- Interpretations

**i. Other Regulatory Compliance**

As required, Olympic Industries Limited also complies with the following major regulatory provisions in addition to the Companies Act, 1994, the Securities and Exchange rules 1987 and other applicable laws and regulations:

The Income Tax Ordinance 1984

The Income Tax Rules 1984

The Securities and Exchange Commission Ordinance 1969

The Securities and Exchange Commission Act 1993

The Value Added Tax Act 1991

The Value Added Tax rules 1991

**j. Accounting Assumptions****Accrual Basis of Accounting**

The Financial Statements have been prepared, except Statement of Cash Flows and Bank Deposits, under Accrual Basis of Accounting in accordance with applicable Bangladesh Accounting Standards which do not vary from the requirements of the Companies Act, 1994 and other laws and rules as applicable in Bangladesh.

**Going Concern**

The Financial Statements are prepared on a going concern basis. As per Management's assessment, there is no material uncertainty relating to events or condition which may cast doubt upon the Company's ability to continue as a going concern.



### k. Basis of Measurement

The Financial Statements have been prepared under the Historical Cost Basis except for the following material items in the Statement of Financial Position.

Non Derivative Financial Instruments, Available for sale, are measured at Fair Value.

### l. 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. The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

### m. Management of Capital

Capital consists of total equity attributable to the Shareholders. The Board of Directors monitors the level of capital. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. No changes were made in the objectives, policies or processes for managing capital during the year. The Company is not subject to any externally imposed capital requirement.

### n. Application of Bangladesh Financial Reporting Standards (BFRS)

The following BFRSs are applicable for the Financial Statements for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statements of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 17	Leases
BAS 18	Revenues
BAS 19	Employee Benefits
BAS 20	Accounting for Government Grants and Disclosure for Government Assistance
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 26	Accounting and Reporting by Retirement Benefits Plans
BAS 32	Financial Instruments: Presentation
BAS 33	Earnings per Share
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets

BAS 38	Intangible Assets
BAS 39	Financial Instruments; Recognition and Measurement
BFRS 7	Financial Instruments Disclosures

#### **o. Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **p. Statement of Cash Flows**

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash generating from Operating Activities has been reported using the Direct Method.

Cash & cash equivalents comprise Cash in hand, Short Term Deposit, highly liquid investment and current deposits.

#### **q. Accounting Policies, Changes in Accounting Estimates and Error**

##### **Accounting Policies**

Accounting policies are the specific principles, bases, conventions, requirements and practices used by an entity in preparing and presenting its Financial Statements.

An existing accounting policy should only be changed where a new accounting will result in reliable and more relevant information being presented.

Any changes in accounting policy required to be accounted for retrospectively except where it is not practicable to determine the effect in prior periods.

##### **Accounting Estimates**

The preparation of Financial Statements requires many estimates to be made on the basis of latest available, reliable information.

The effect of a change in accounting estimates should, therefore, be recognized prospectively.

##### **Prior Period Error**

A prior period error is where an error has occurred even though reliable information was available when those Financial Statements were authorized for issue.

BAS 8 requires retrospective restatement of Financial Statements to adjust prior period errors as if the prior period error had never been occurred.

#### **r. Events after the Reporting Period**

Events after the reporting period that provide additional information about the Company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

## s. Taxation

### Current Tax

Current Tax provision is maintained at the rate of 25% on Business income and at the rate of 25% on Non Operating Income.

### Deferred Tax

Deferred tax is recognized in compliance with BAS 12 "Income Taxes", providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## t. Property, Plant and Equipment

### Recognition and Measurement

Items of property, plant and equipment, excluding freehold land, freehold building and leasehold building, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at Cost Model. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

### Subsequent Costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Comprehensive Income as incurred.

### Depreciation

Depreciation is charged for the year on Straight Line Method on all fixed assets other than land. For additions during the year, depreciation is charged for the remaining days of the year and for disposal, depreciation is charged up to the date of disposal.

The rate of depreciation varies according to the estimated useful lives of the items of property, plant and equipment. The depreciation rate for the current and comparative year is as follows:

The rates of depreciation and amortization of each class of assets are as follows:

Building & Other Construction	5-25 %
Plant and Machinery	10-15 %
Office Equipment	10-25 %
Furniture & Fixture	10 %
Transport	20 %
ERP Software (Useful Life of 5 Years)	20 %

### Major Maintenance Activities

The Company incurs maintenance costs for all of its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

**Gain or Losses on Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized as Other Income / Other Expenses.

**Capital Work In Progress**

Capital Work in Progress consists of acquisition costs, capital components and related installation cost, until the date when the asset is ready to use for its intended purpose. In case of import of components, Capital Work in Progress is recognized when risks and rewards associated with such assets are transferred to the Company.

**u. Leases**

A Finance Lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not be transferred eventually. Financial leases are capitalized at the commencement of the lease term at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Assets under Finance Leases are recognized in the Statement of Financial Position and the future lease payments are recognized as Lease Liability. Expenses for the period correspond to depreciation of the leased assets and interest costs for the lease finance are charged in the Statement of Comprehensive Income.

**v. Revenues**

Revenues are recognized when the risk and reward of the ownership are transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return can be estimated reliably, and there is no continuing management involvement with the goods delivered.

**w. Employee Benefit****Provident Fund**

The Company operates a Contributory Provident Fund for its eligible employees. The fund is administrated by the Board of Trustees and funded by the equal contribution for the employees as well as the Company. The Fund is recognized by the National Board of Revenue, Government of Bangladesh.

**x. Accounting for Government Grants and Disclosure for Government Assistance**

A government grant (cash subsidy) that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related cost is recognized in profit and loss of the period on cash basis consistently.

**y. Foreign Currency Transactions**

Foreign currencies are converted in to Bangladesh Taka at rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Statement of Financial Position date in accordance with BAS 21 "The Effects changes in Foreign Exchange Rates".

**z. Borrowing Cost**

Borrowing cost that can be directly attributable to a qualifying asset is capitalized during construction period. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing cost that would have been avoided if the expenditure or the qualifying asset had not been made. All other borrowing costs are recognized in Statement of Comprehensive Income in the period in which they are incurred.



Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest. It comprises interest expenses on borrowings.

#### **aa. Transaction with Related Parties**

The company carried out a number of transactions with related parties in the course of business and on arms length basis. Transaction with related parties has been recognized and disclosed according to BAS 24 "Related Party Disclosures".

#### **bb. Financial Instruments**

##### **i. Non-Derivatives Financial Assets**

The Company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

Financial assets and liabilities are netted off and the net amount is presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

Financial assets include Trade & other Receivables comprising Account receivables and other receivables, Advances, Deposits and Prepayments, Loans and Advance, Cash and Cash Equivalents and Available-for-Sale Financial Assets.

##### **Accounts Receivables**

Accounts Receivable represents the amounts due from institutional customers. Accounts receivables are stated at original invoice amount without making any provision for doubtful debts.

##### **Loans and Advances**

Loans and Advances are Financial Assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, Loans and Advances are measured at amortized cost using the effective interest method, less any impairment losses.

##### **Advance, Deposits and Prepayments**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or any other changes.

##### **Deposits are measured at payment value.**

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Comprehensive Income.

##### **Cash and Cash Equivalents**

Cash and Cash Equivalents comprises cash in hand, cash in transit and cash at bank including fixed deposits, having maturity of three months or less, which are available for use by the company without any restrictions. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalent. There is insignificant risk of change in value of the sale.

#### **ii. Non-Derivative Financial Liabilities**

The Company recognizes all financial liabilities on the transaction date which is the date the company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include Accounts Payable and Other payables, Loans and Borrowings and Finance Lease Obligations.

**Accounts and Other Payables**

Trade and other payables are recognized when its contractual obligations arising from past events are certain and settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

The Company recognizes a financial liability at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Accounts Payables represent the amounts due to suppliers of materials.

**Loans and Borrowings**

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of the Statement of Financial Position are classified as non-current liabilities, whereas the portion of borrowings repayable within twelve months from the date of the Statement of Financial Position, unpaid interest and other charges are classified as current liabilities.

**cc. Impairment of Assets****Non-Derivative Financial Assets**

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

**Loans and Receivables**

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective levels. All individually significant receivables are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

**Non- Derivative non-Financial Assets**

In compliance with BAS 36 "Impairment of Assets", the carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets, that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its related cash generated unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

**dd. Provisions and Contingencies**

A provision is recognized in the Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured

at the best estimate of the expenditure required to settle the present obligation at the date of Statement of Financial Position. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognized in the Statement of Financial Position of the Company.

## ee. Intangible Assets

### Recognition and Measurement

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible asset is recognized when all the conditions for recognition are met as per BAS 38 "Intangible Assets". The cost of the intangible assets comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

### Subsequent Expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other expenditures are recognized in the Statement of Comprehensive Income when incurred.

### Amortization

Amortization is recognized in the Statement of Comprehensive Income on Straight Line Method over the estimated useful lives of intangible assets, from the date that they are available for use.

## ff. Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

- **Credit risks**
- **Liquidity risks**
- **Market risk**

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**Credit Risk**

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, institutional and export customers etc.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to whether they are an individual or legal entity, ageing profile, maturity and existence of previous financial difficulties. Accounts and other receivables are mainly related to the Company's customers. The exposure of the Company to credit risk on accounts receivables is mainly influenced by the individual payment characteristics of the customers. Credit risk from this receivable is very minimal. Credit risk does not arise in respect any other receivables.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

**gg. Risk and Uncertainties for Use of Estimates in Preparation of Financial Statements**

Preparation of Financial Statements in conformity with the Bangladesh Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements and revenues and expense during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization and taxes.

**hh. Responsibility for Preparation and Presentation of Financial Statements**

The Board of Directors is responsible for the preparation and fair presentation of Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Section 183 of the Companies Act, 1994 and other applicable laws and regulations.



**2.00 Property, Plant & Equipment**

	Amount in Taka	
	30-June-2015	30-June-2014
Land and Land Development	152,918,445	149,964,495
Factory Buildings & Other Constructions	439,971,152	387,593,362
Plant & Machinery	1,053,776,731	574,382,464
Office Equipment	7,821,071	9,447,730
Furniture & Fixture	6,454,433	5,992,341
Transport & Vehicles	18,161,498	15,200,486
	<b>1,679,103,330</b>	<b>1,142,580,878</b>

490 decimal land was mortgaged against Long Term Loan taken from United Commercial Bank Ltd.

Detail of Mortgage Information

Land Located at Madanpur	213	Decimal
Land Located at Lolati	218	Decimal
Land Located at Lolati	59	Decimal
	<b>490</b>	Decimal

Additions to Plant & Machinery of Tk.606,660,765 as stated at Annex-A named Schedule of Property, Plant and Equipment include Tk.15,302,346 being directly attributed borrowing costs in relation to the items of Plant & Machinery. (Transferred from Capital Work in Progress)

**3.00 Capital Work in Progress**

Machinery	142,006,674	594,350,093
Civil Construction	69,477,477	106,722,061
	<b>211,484,151</b>	<b>701,072,154</b>

Capital work in progress of Tk.211,484,151 has been reconciled at as follows:

Opening Balance at 01 July 2014	701,072,154	330,642,042
Additions during the year-other than borrowing costs	175,188,375	523,802,148
Directly attributed borrowing costs capitalised during the year	20,101,068	25,657,425
	195,289,443	549,459,573
	896,361,597	880,101,615
Less : Net capitalisation to fixed assets including borrowing cost 15,302,346 /adjustment.	(684,877,446)	(179,029,461)
	211,484,151	701,072,154

**04.00 Intangible assets**

Represent Software (ERP) and arrived at as follows

Cost at 01 July 2014

Accumulated Amortization (considering life to be 5 years)

At 01 July 2014

For the year

Amount in Taka	
30-June-2015	30-June-2014
32,264,325	32,264,325
(6,452,865)	-
(6,452,865)	(6,452,865)
(12,905,730)	(6,452,865)
<b>19,358,595</b>	<b>25,811,460</b>

Amortization for the year of Tk.6,452,865 as above has been

allocated as expense to

Factory overhead

Administrative expenses

Selling & distribution expenses

2,150,955	2,150,955
2,150,955	2,150,955
2,150,955	2,150,955
<b>6,452,865</b>	<b>6,452,865</b>

**05.00 Inventories**

Materials

In-transit

Work-in-process

Finished goods

Stores and spares

435,533,638	484,325,256
147,732,482	47,774,959
4,902,150	5,769,168
71,008,690	90,034,546
38,675,324	33,166,426
<b>697,852,284</b>	<b>661,070,355</b>

**06.00 Trade and Other Receivables**

Receivables are considered goods in respect of which the company holds no security other than the debtors' personal security.

No amount was due from 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.

This includes Tk. 2,494,011 (2014 : Tk. 5,499,351) due from associated undertakings.

Receivables outstanding for a period

Exceeding six months Tk. 70,292,393

Below six months Tk. 37,284,016

Measures have been taken for realization of the dues.

No amount was due from overseas customers against export sales

**07.00 Advances, Deposits and Pre-payments**

	Amount in Taka	
	30-June-2015	30-June-2014
Advances	424,267,560	615,705,668
Deposits	72,252,036	75,145,445
Pre-payments	10,910,657	12,748,796
	<b>507,430,253</b>	<b>703,599,909</b>

**Advances**

## Related Parties:

Bengal Steel Works Ltd. (Associated Company)	11,186,152	12,456,437
Panther Steel Mills Ltd. (Associated Company)	20,346,598	19,697,733
	<b>31,532,750</b>	<b>32,154,170</b>

Income Tax	291,200,215	464,666,428
Employees	16,774,204	15,494,390
Suppliers and Contractors	84,760,391	103,390,680
	<b>392,734,810</b>	<b>583,551,498</b>
	<b>424,267,560</b>	<b>615,705,668</b>

- (a) Advances to associated undertakings are secured by personal guarantee given by the directors. During the year under review, the Company has recovered partially against the amount due to them.
- (b) Maximum amount due during the year under review from Associated undertaking was Tk. 31,532,750 (2014 : Tk. 32,154,170)
- (c) Maximum amount due during the year under review from officers of the company was Tk. 1,000,000 (2014 : Tk. 1,000,000).
- (d) No amount was due from the Directors (including Managing Director) and Managing Agents of the company and any of them severally or jointly with any other persons.

**Deposits**

Security and Other Deposits	26,540,929	22,106,209
VAT Deposits	39,248,880	48,073,939
Lease Deposits	5,595,613	4,098,683
Guarantee Margin Deposit	866,614	866,614
	<b>72,252,036</b>	<b>75,145,445</b>

## Reconciliation of Advances, Deposits and Prepayments:

**Advances**

These have been arrived at as follows

Opening Balance	615,705,668	450,753,091
Add : Additions during the Year	849,124,104	772,298,971
	1,464,829,772	1,223,052,062
Less : Adjustments/Recovery made during the year	(1,040,562,212)	(607,346,394)
	<b>424,267,560</b>	<b>615,705,668</b>

		Amount in Taka	
		30-June-2015	30-June-2014
<b>Deposits</b>			
These have been Arrived at as follows			
Opening Balance		75,145,445	47,428,083
Add : Additions during the Year		794,673,093	831,613,094
		869,818,538	879,041,177
Less : Adjustment/Recovery made During the Year		(797,566,502)	(803,895,732)
		<b>72,252,036</b>	<b>75,145,445</b>
<b>Pre-payments</b>			
Represent pre-paid insurance, rates & taxes and have been Arrived at as follows :			
Opening Balance		12,748,796	6,848,731
Add : Additions During the Year		14,215,247	20,385,348
		26,964,043	27,234,079
Less : Adjustment during the year		(16,053,386)	(14,485,283)
		<b>10,910,657</b>	<b>12,748,796</b>
<b>08.00 Investments</b>			
Represent Fixed Deposit with banks & other financial institutions for a maturity period of more than 3 months		2,083,950,505	1,309,303,094
		<b>2,083,950,505</b>	<b>1,309,303,094</b>
<b>09.00 Cash and Cash Equivalents</b>			
(a) Cash in Hand		3,888,519	1,965,224
(b) Cash at Banks			
In Current Accounts		120,150,935	76,203,092
In STD Account		117,360,252	66,958,048
In FC Account		3,840	3,840
FDRs with bank & others financial institutions (Maturity period for which is 03 months or less )		215,520,712	341,804,735
		<b>456,924,258</b>	<b>486,934,939</b>
<b>10.00 Short Term Loan</b>			
Loan from Banking Companies (Secured)		133,820,939	120,945,847
Loan from Directors		1,967,088	1,967,088
Loan from Others		2,474,676	2,474,676
		<b>138,262,703</b>	<b>125,387,611</b>

Amount in Taka	
30-June-2015	30-June-2014
<b>138,062</b>	<b>12,980,465</b>

**11.00 Interest Payable**

This represents provision for outstanding interest for the quarter ended 30 June 2015 on Term Loan Balances due to United Commercial Bank Ltd. which has subsequently been paid

**12.00 Creditors for Goods**

This represents amounts due to various suppliers of raw and packing and stores materials, the ageing of which liability is as follows:

Period Exceeding Six Months	Tk	Nil	Nil
Period Below Six Months	Tk	639,952,961	582,490,585
		<b>639,952,961</b>	<b>582,490,585</b>

**13.00 Creditors for Service**

This represents amounts due to various service providers (e.g.. Land lord for Head Office premises, Security Guard providers, Advertising firms, Fuel suppliers etc.) the ageing of which liability is as follows

Period Exceeding Six Months	Tk	Nil	Nil
Period Below Six Months	Tk	13,318,773	10,504,344
		<b>13,318,773</b>	<b>10,504,344</b>

**14.00 Accrued Expenses**

This represents provision for various expenses (e.g. remuneration and allowances, salaries and wages, utilities bills etc) which have fallen due as on 30 June 2015, ageing of which liability is as follows.

Period Exceeding Six Months	Tk	Nil	Nil
Period Below Six Months	Tk	64,487,808	74,994,240
		<b>64,487,808</b>	<b>74,994,240</b>

**15.00 Liabilities for Other Finance**

Tax Deducted at Source	36,338,332	76,095,079
VAT Deducted at Source	1,712,393	481,777
Government Levy (Surcharges) Payable	1,993,529	1,993,529
Debenture Redemption Money Payable (TIL)	677,947	677,946
Security Deposits	6,395,936	3,875,929
Other Payables Employees	12,994,800	8,961,600
Sales Proceeds of Fraction Shares	5,912,087	5,535,005



	Amount in Taka	
	30-June-2015	30-June-2014
Advance against Sale of Vehicle	540,000	-
Unclaimed Dividend (TIL)	35,343	35,343
Other on Leased Assets	302,000	302,000
	<b>66,902,367</b>	<b>97,958,208</b>

**16.00 Provision for Taxation**

Provision made for the assessment year 2013-2014.	-	245,958,612
Provision made for the assessment year 2014-2015.	-	334,991,130
Provision made for the assessment year 2015-2016.	388,485,302	-
	<b>388,485,302</b>	<b>580,949,742</b>

**17.00 Unclaimed Dividend**

Year wise break up of the above is as follows:

1995	116,888	116,888
1997	887,128	903,410
2002	1,021,503	1,030,103
2003	925,967	932,187
2004	857,785	863,025
2005	803,946	808,915
2006	1,341,293	1,356,362
2007	592,571	604,312
2008	3,413,741	3,425,808
2009	1,538,298	1,544,319
2010	2,316,653	2,332,919
2011	2,733,480	2,956,716
2012	5,164,041	5,424,297
2013	6,094,732	6,714,616
2014	14,652,543	-

	Amount in Taka	
	30-June-2015	30-June-2014
	42,460,569	29,013,877
In respect of erstwhile Tripti Industries Ltd (1988 to 2002)	1,330,456	1,330,456
	<b>43,791,025</b>	<b>30,344,333</b>

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 SEC, press advertisements were made to collect the past dividend warrants but many shareholders are yet to turn up to collect their respective warrants.

#### 18.00 Deferred Liabilities

Workers Profit Participation and Welfare Funds  
Contributory Provident Fund

252,505,756	183,507,312
568,225	293,838
<b>253,073,981</b>	<b>183,801,150</b>

#### 19.00 Share Capital

##### a. Authorised Capital

200,000,000 (2014: 200,000,000) Ordinary Shares of Tk.10 each

<b>2,000,000,000</b>	<b>2,000,000,000</b>
----------------------	----------------------

##### b. Issued Capital

170,774,976 (2014 : 129,635,288) Ordinary Shares of Tk. 10 each.

<b>1,707,749,760</b>	<b>1,296,352,880</b>
----------------------	----------------------

##### c. Subscribed and Paid Up Capital

##### i. 7,948,070 Ordinary Shares of

Tk.10 each fully paid up in cash

79,480,700	79,480,700
------------	------------

##### ii. 2,054,720 Ordinary Shares of

Tk.10 each issued on merger

20,547,200	20,547,200
------------	------------

##### iii. 148,678,866 (2014 : 107,539,178) Ordinary Shares Tk. 10 each issued as Bonus Shares

1,486,788,660	1,075,391,780
<b>1,586,816,560</b>	<b>1,175,419,680</b>

		Amount in Taka	
		30-June-2015	30-June-2014
<b>c.i</b>	Ordinary Share Capital paid up in cash		
	450,000 Ordinary Shares of Tk.10 each fully paid up in cash in 1979 & 1980	4,500,000	4,500,000
	450,000 Ordinary Shares of Tk.10 each fully paid up in cash in 1984	4,500,000	4,500,000
	1,350,000 Ordinary Shares of Tk.10 each right issue at 1 : 1 in 1994	13,500,000	13,500,000
	540,000 Ordinary Shares of Tk.100/- each along with premium of Tk.1025/- per share were offered as right at 1:1 ratio to shareholders in 1995 but only 79,570 shares were subscribed thereagainst, which of present face value of Tk.10.00- each totals to 795,700 Shares.	7,957,000	7,957,000
	1,239,139 Ordinary shares of Tk.100/- each along with premium of Tk.100/- per share were offered as right at 1:1 ratio to shareholders in 1998 but only 490,237 shares were subscribed thereagainst, which of present face value of Tk.10.00- each totals to 4,902,370 Shares.	49,023,700	49,023,700
		<b>79,480,700</b>	<b>79,480,700</b>
<b>c.ii</b>	2,054,720 Ordinary Shares of Tk.10 each issued in 2008 to the shareholders of erstwhile Tripti Industries Ltd. upon amalgamation with the company.	20,547,200	20,547,200
		<b>20,547,200</b>	<b>20,547,200</b>
<b>c.iii</b>	Bonus Share Capital		
	450,000 Bonus Shares of Tk.10 each Issued from retained earnings at 2 : 1 in 1988.	4,500,000	4,500,000
	2,700,000 Bonus Shares of Tk.10 each Issued from retained earnings at 1 : 1 in 1994.	27,000,000	27,000,000
	2,065,230 Bonus Shares of Tk.10 each Issued from share premium at 3 : 1 in 1996.	20,652,300	20,652,300

	Amount in Taka	
	30-June-2015	30-June-2014
4,130,460 Bonus Shares of Tk.10 each Issued from share premium at 2 : 1 in 1997.	41,304,600	41,304,600
3,869,690 Bonus Shares of Tk.10 each Issued from share premium at 5 : 1 in 2009.	38,696,900	38,696,900
11,609,080 Bonus Shares of Tk.10 each Issued from share premium and retained earnings at 2:1 in 2010.	116,090,800	116,090,800
17,413,625 Bonus Shares of Tk.10/- each issued from retained earning at 2:1 in 2011.	174,136,250	174,136,250
26,120,437 Bonus Shares of Tk.10/- each issued from retained earning at 2:1 in 2012.	261,204,370	261,204,370
39,180,656 Bonus Shares of Tk.10/- each issued from retained earning at 2:1 in 2013.	391,806,560	391,806,560
41,139,688 Bonus Shares of Tk.10/- each issued from retained earning at 3.5:10 in 2014.	411,396,880	
	<b>1,486,788,660</b>	<b>1,075,391,780</b>

**d. Composition of Shareholding**

	30-June-15		30-June-14	
	No. of shares	%	No. of shares	%
Directors and Sponsors	50,026,568	31.53	37,014,567	31.49
Institutions	27,651,809	17.43	32,023,378	27.24
Foreign Investors	54,605,053	34.41	26,438,126	22.49
General Public	26,398,226	16.63	22,065,897	18.78
	<b>158,681,656</b>	<b>100.00</b>	<b>117,541,968</b>	<b>100.00</b>

- e. 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 Exchanges.

Range of Holdings	No. of Shareholders	No. of Shares	Holdings %
Less than 500 shares	8,196	1,231,692	0.78
501 to 5000 shares	3,335	5,395,382	3.40
5001 to 10000 shares	314	2,221,428	1.40
10001 to 20000 shares	158	2,254,077	1.42
20001 to 30000 shares	56	1,365,853	0.86
30001 to 40000 shares	22	772,733	0.48
40001 to 50000 shares	27	1,210,468	0.77
50001 to 100000 shares	38	2,602,809	1.64
100001 to 1000000 shares	53	14,010,729	8.83
Over 1000000 shares	31	127,616,485	80.42
	<b>12,230</b>	<b>158,681,656</b>	<b>100.00</b>

**f. Option on Unissued Shares**

There is no option regarding authorised capital not yet issued but can be used to increase the issued, subscribed and paid up capital through the issuance of new shares.

**g. Market Price**

Share of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 234.76 per share (2014 : Tk. 222.58) and Tk. 232.55 per share (2014 : Tk. 224) on the Dhaka and Chittagong Stock Exchanges respectively on 30 June 2015.

**h. Non-resident Shareholders**

Particulars of non-resident shareholders as on 30 June 2015 are as follows :

Particulars	Folio/BO ID	No. of Shares
REGENT MOGHUL FUND LTD.	96	11,961
IS HIMALAYAN FUND NV	1215	3,006
WI CARR (FAR EAST) LTD.	6263	8,383
UBS SECURITIES (EAST ASIA) LTD.	6660	546
MIDLAND BANK INT'L FINANCE CORP. LTD	7001	6,637
LLOYDS BANK PLC	7946	29
DEUTSCHE BK AG LONDON-GL MK EQ	1601620015600831	1,632,345
MORGAN STANLEY AND CO INT PLC	1601620043385440	6,147,654
BNYM EATON VANCE TR CO COM TR	1601620045001481	17,550
BNYM EATON VANCE TR CO CLTV IV	1601620045005635	461,759
BNSANV AC EGA FR DIVRSFIED CF	1601620047067516	6,160



Particulars	Folio/BO ID	No. of Shares
BNSANV AC BLACKROCK FRT INV TR	1601620047943706	1,094,850
BNYM AAF PENNSYLVANIA PSERS	1601620054004466	211,515
BN SANV VPBK AC VAM FD LUX F	1601620054076169	44,947
HBFS AC ARISAIG INDIA FUND L	1601620058579738	2,109,352
NEWEDGE FINANCIAL HK LTD	1601670000542256	9,429
SSBT FOR SSB LUX Morgan Stanle	1601670014803863	1,675,832
SSBT A/C P EM Fund	1601670016201692	441,450
SSBT A/C Param Tax-Managed EMF	1601670016202702	278,775

Particulars	Folio/BO ID	No. of Shares
SSBT A/C TRST (Fund No.:TRAB)	1601670018758253	126,253
LR Global A/C DBH First MF(CE)	1601670023974042	53,528
NTC A/C NTGIC Funds Trust	1601670025915973	1,857
JPMCB NA Fr JPM LUX A/C MSIF	1601670030710793	349,162
LR Global A/C Green Delta MF	1601670032193259	65,106
SSBT A/C M.S.F.E.M.Fund, Inc.	1601670032351598	3,076,076
LR Global A/C AIBL 1st I.M FND	1601670032656781	160,338
LR Global A/C LR.GB.BD MF One	1601670032815156	292,631
NTC A/C HARDING LOEVNER FEMP	1601670033089787	5,400,162
LR GLOBAL A/C MBL 1ST M. FUND	1601670034038330	126,775
SSBT A/C R I F PLC (F NO:JYFV)	1601670036865556	355,475
LR GLOBAL A/C NCCBL M F FND -1	1601670040102015	144,663
NTC A/C NTGI QM C D F M I FUND	1601670043373915	138,904
AT CAP P AML A/C AT SLGF	1601670043502041	145,772
SSBT A/C WA FRN EM S C F	1601670044814247	6,069,937
SSBT A/C IS MS 100 ETF	1601670045157411	214,865
NTC F NTFS A/C THE HLFME	1601670045498911	101,350
JPMCB NA A/C KLPI.	1601670046485549	67,500
PRSH LLC AC CHAMB STREET GL FN	1601670047537330	497,801
BBH A/C MEAF.	1601670048385557	1,193,695
DZ PRIVATBANK A/C SPI BF	1601670048594150	32,577
PICTET FR PCT LX A/C THS	1601670049513738	15,798,375
JPMCB NA A/C FIMM, INC.	1601670052555595	4,050
BBH A/C GPEMOF	1601670053849721	510,300
PICTET FOR PICTET LUX A/C THSK	1601670055976345	3,848,291
NTC A/C NU ELC INS LTD.	1601670056541174	98,902
NTC A/C OPLC	1601670058012785	171,600
NTC A/C DRIEHAUS FEMF	1601670058396616	37,072
EATON VANCE PARAMETRIC EM FUND	1604300050277626	506,396
WASATCH FRONT EM SM COUNT CIT	1604300053523941	853,460
		<b>54,605,053</b>

**20.00 Long Term Loan (Secured)**

Amount in Taka		
as at		
	30-June-2015	30-June-2014
United Commercial Bank Ltd	417,374,212	532,578,095
International Leasing & Financial Services Ltd	1,422,644	16,942,588
<b>Total Loan</b>	<b>418,796,856</b>	<b>549,520,683</b>
Less : Current portion of long term loan being payable within 1 year		
United Commercial Bank Ltd	171,554,604	89,066,600
International Leasing & Financial Services Ltd	1,422,644	15,520,917
	172,977,248	104,587,517
<b>Long Term Loan</b>	<b>245,819,608</b>	<b>444,933,166</b>

**Loan from United Commercial Bank Ltd (UCBL) - Term Loan**

The loan balance has been arrived as at flows :

Opening balance	532,578,095	283,417,548
Received during the year	34,676,472	344,812,399
	567,254,567	628,229,947
Repayments made during the year	(149,880,355)	(95,651,852)
<b>Closing balance</b>	<b>417,374,212</b>	<b>532,578,095</b>

Effective interest rate for the said loan was as follows :

- 01-07-2014 to 22-09-2014 @ 13.50% per annum
- 23-09-2014 to 27-12-2014 @ 12.50% per annum
- 28-12-2014 to 30-06-2015 @ 11.50% per annum
- Subsequently the rate has been reduced to 11% per annum with effect from 23-09-2015
- The loans are repayable, along with interest thereon, in monthly equal instalments.

**Loan from International Leasing and Financial Services Ltd. (ILFSL) - Term Loan**

The company received an aggregate sum of Tk. 42,616,000.00 during 2011 against total sanctioned limit of Tk.50,000,000.00 from International Leasing & Financial Services Ltd. at 17.83% rate of interest per annum. The loan repayable in 48 equal installments from August 2011 has since been repaid.

**Nature of Security****ILFSL**

The loans are secured against hypothecation of related machinery/equipments of the company and personal guarantee of directors

**UCBL**

The Loans are secured against registered mortgage of 490 decimal land of the company.

**21.00 Lease Finance**

(i) This represents lease obligation for acquisition of lease hold assets and classified as under :

	2015		2014	
	Principal (Tk.)	Interest (Tk.)	Principal (Tk.)	Interest (Tk.)
Classified as current portion of lease finance				
Due within one year	34,364,998	11,814,681	14,385,163	7,923,153
Classified as long term lease finance				
Due after one year but within five years	53,433,829	6,843,566	34,586,904	7,356,155
Due after five years	-	-	-	-
	53,433,829	6,843,566	34,586,904	7,356,155
	87,798,827	18,658,247	48,972,067	15,279,308

Amount in Taka	
as at	
30-June-2015	30-June-2014

(ii) Lease obligation at year-end in the aggregate sum of Tk. 87,798,827 is due to:

International Leasing & Financial Services Ltd.	30,929,964	42,405,165
National Finance Ltd.	26,944,525	6,183,045
Union Capital Ltd.	29,540,481	-
Others (adjustable)	383,857	383,857
	<b>87,798,827</b>	<b>48,972,067</b>

(iii) The above obligation of Tk. 87,798,827 has been arrived at as follows:

Opening Balance at 01 July 2014	48,972,067	58,465,093
Addition during the year	62,449,170	3,760,243
	111,421,237	62,225,336
Less: Obligation liquidated during the year	(23,622,410)	(13,253,269)
Closing Balance at 30 June 2015	<b>87,798,827</b>	<b>48,972,067</b>

(iv) The net carrying amounts of the related assets acquired under the lease finances are as follows and have been disclosed in Annex-A to the accounts:

Plant & Machinery	85,611,235	69,175,025
Transport & Vehicles	15,006,484	9,438,472
	<b>100,617,719</b>	<b>78,613,497</b>

**22.00 Turnover (Net of VAT)**

	For the year			
	2015		2014	
	Qty.(Pcs/Mt)	Value (Tk.)	Qty.(Pcs/Mt)	Value (Tk.)
Battery Unit (Pcs)	41,819,978	298,508,340	46,853,878	335,110,595
Biscuit & Conf. Unit (MT)	65,733.86	8,554,919,070	58,955.85	7,389,506,333
Ball point Unit (Pcs)	43,211,976	142,721,184	61,915,824	197,736,948
		<b>8,996,148,594</b>		<b>7,922,353,876</b>
Turnover comprises of:				
Domestic sales		<b>8,990,165,764</b>		<b>7,915,499,750</b>
Export sales (36,413 kg biscuit & confectionery items at US\$ 77,183.46)		<b>5,982,830</b>		<b>6,854,126</b>
(2014 : 35,556 kg at US\$ 89,610.40)		8,996,148,594		7,922,353,876

**23.00 Cost of Goods Sold**

Work-in-process (Opening)	5,769,168	5,916,846
Material Consumed (Note - 23.01)	5,534,392,180	4,929,797,913
Stores Consumed (Note - 23.02)	71,360,308	78,697,016
Factory Overhead (Note - 23.03)	519,069,527	497,959,662
Depreciation	193,520,169	148,127,530
Work-in-process (Closing)	(4,902,150)	(5,769,168)
Cost of Goods Manufactured	<b>6,319,209,202</b>	<b>5,654,729,799</b>
Finished Goods (Opening)	90,034,546	75,079,384
Finished Goods (Closing)	(71,008,690)	(90,034,546)
	<b>6,338,235,058</b>	<b>5,639,774,637</b>

		Amount in Taka	
		for the year	
		30-June-2015	30-June-2014
Finished Goods	Qty	M.Unit	Value Taka
<b>Opening Stock :</b>			
Battery	1,546,344	Pcs	7,566,707
Biscuits	743.97	MT	65,832,682
Candy	59.69	MT	7,497,427
Ball Pen	3,258,336	Pcs	9,137,730
			90,034,546
<b>Closing Stock:</b>			
Battery	330,990	Pcs	1,444,706
Biscuits	748.42	MT	60,593,544
Candy	27.53	MT	3,932,474
Ball Pen	1,804,036	Pcs	5,037,966
			71,008,690

**23.01 Materials Consumed**

Opening Stock	484,325,256	381,417,658
Purchases during the year	5,485,600,562	5,032,705,511
Closing Stock	(435,533,638)	(484,325,256)
	<b>5,534,392,180</b>	<b>4,929,797,913</b>

**23.02 Stores Consumed**

Opening Stock	33,166,426	23,624,490
Purchases during the year	76,869,206	88,238,952
Closing Stock	(38,675,324)	(33,166,426)
	<b>71,360,308</b>	<b>78,697,016</b>



**23.03 Factory Overhead**

	Amount in Taka	
	for the year	
	30-June-2015	30-June-2014
Wages & Salaries	328,413,244	278,226,214
Repairs & Maintenance	28,392,598	32,077,200
Rent, Rates, Taxes & Fees	5,122,867	5,595,515
Insurance	12,971,081	10,936,162
Power & Fuel	57,519,688	65,170,930
Vehicles Repair & Maintenance	5,692,856	7,851,747
Printing & Stationery	4,485,355	5,670,386
Postage, Telephone & Telegram	406,867	482,217
Travelling & Conveyance	3,723,788	3,892,166
Subs. Newspaper & Periodicals	25,275	13,650
Entertainment	305,716	338,294
Legal Fees	165,000	204,500
Factory Maintenance Expenses	7,329,021	7,963,583
Transport & Carriage	47,552,891	33,340,972
Medical Expenses	670,150	671,614
Staff Food	5,029,579	5,388,118
Donation	462,900	347,213
Technician expenses	2,725,079	2,994,323
Labour Handling Charges	4,728,223	4,549,560
Research, Training & Development	230,865	630,902
Processing Charges	965,529	29,463,441
Amortization of Intangible Asset - (ERP) Software	2,150,955	2,150,955
	<b>519,069,527</b>	<b>497,959,662</b>

**24.00 Administrative Expenses**

Salaries & Allowances	113,639,610	103,077,183
Repairs & Maintenance	1,773,105	1,856,257
Rent	10,254,197	9,781,016
Rates & Taxes	283,362	917,165
Electricity, Gas & Water	1,745,012	1,565,858
Vehicles Repairs & Maintenance	6,808,952	7,066,754
Petrol, Oil & Lubricant	6,038,635	5,522,562
Printing & Stationery	1,014,938	2,419,533
Postages, Telephone & Telegram	4,460,278	4,634,135
Travelling & Conveyance	15,820,842	13,892,542

	Amount in Taka	
	for the year	
	30-June-2015	30-June-2014
Subs. Newspaper & Periodicals	3,780,161	3,909,190
Entertainment	245,807	251,354
Audit Fees	600,000	500,000
Legal & Consultancy Fees	5,064,610	4,211,060
Directors' Remuneration & Allowances (including house accommodation Tk. 12,000,000 (2014 : Tk. 12,000,000))	42,950,000	42,650,000
Director's Board Meeting Fees	91,500	103,500
Office Maintenance Expenses	5,505,253	5,312,613
Donations	3,322,300	2,274,900
Medical Expenses	38,723	449,768
Advertisement	1,473,767	1,711,190
A.G.M Expenses	2,230,293	1,938,092
Amortization of Intangible Asset - (ERP) Software	2,150,955	2,150,955
	<b>229,292,300</b>	<b>216,195,627</b>

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

Name of Directors	Position	Meeting held	Attended	Amount in Taka
Mr.Mohammad Bhai	Chairman	29	29	21,750
Mr. Mubarak Ali	Managing Director	29	29	21,750
Mrs. Khatija Mohammad Bhai	Director	29	25	18,750
Mr. Aziz Mohammad Bhai	Director	29	0	-
Mrs. Safinaz Bhai	Director	29	17	12,750
Mr.Munir Ali	Director	29	0	-
Mr.Sharif M Afzal	Independent Director	29	15	11,250
Mrs. Noorbanu Virji	Independent Director	29	7	5,250
				<b>91,500</b>

**25.00 Selling Expenses**

	Amount in Taka	
	for the year	
	30-June-2015	30-June-2014
Salaries & Allowances	249,011,370	200,143,372
Repairs & Maintenance	465,943	310,674
Rent	3,867,429	3,579,162
Rates, Taxes & Fees	829,885	169,638
Electricity, Gas & Water	1,136,987	1,202,429
Vehicles Repairs & Maintenance	2,480,671	1,896,825
Petrol, Oil & Lubricant	1,450,544	1,093,278
Printing & Stationery	12,544,882	5,944,026
Postage, Telephone & Telegram	1,666,961	1,402,521
Travelling & Conveyance	155,130,180	148,716,808
Subs. Newspaper & Periodicals	31,064	18,659
Entertainment	474,584	244,727
Legal Fees	13,800	10,224
Office Maintenances Expenses	591,825	589,008
Sales Promotion	213,870,066	222,392,979
Transport / Carriage	263,165,998	249,498,898
Medical Expenses	160,852	549,002
Advertisement	88,015,523	40,937,083
Research, Training & Development	28,275	129,550
Export Expenses	363,395	488,025
Amortization of Intangible Asset - (ERP) Software	2,150,955	2,150,955
	<b>997,451,189</b>	<b>881,467,843</b>

**26.00 Finance Cost**

Bank charges	2,016,539	1,407,888
Interest (Note : i )	98,195,700	62,806,511
	<b>100,212,239</b>	<b>64,214,399</b>
Note: (i) Interest		
Interest on Term Loan with banks & other financial institutions		
United Commercial Bank Ltd.	42,682,520	28,363,963
International Leasing & Financial Services Ltd.	1,779,732	4,309,955
	44,462,252	32,673,918
Interest on LIM, LTR, STL, Offshore Banking with banks	15,377,805	9,726,094
Interest on balance with WPPF	26,072,600	10,299,486
Finance charge for leases	12,283,043	10,107,013
	<b>98,195,700</b>	<b>62,806,511</b>

**27.00 Other Income**

Export Promotion Benefit - Cash incentive	1,322,600	526,000
Interest Income on deposits with Banks and other financial institutions		
Fixed Deposits	271,427,998	137,916,704
Short Term deposits	6,035,941	5,736,832
	277,463,939	143,653,536
Interest from related parties	878,580	1,211,932
Exchange (Loss) / Gain note [Note- 27.00 (i)] Other Income	(39,065)	12,202
Sale of by-product net of VAT Tk.68,580 (2014 : 52,853)	457,200	352,350
Scrap sales	104,199	-
Compensation claims received	11,680,000	-
Profit on disposal of investments [Note- 27.00 (ii)]	-	1,178,438
	12,241,399	1,530,788
	291,867,453	146,934,458

**27.00(i) Exchange (Loss) Gain**

Received against export sales	5,943,765	6,866,328
Less : Sales recorded at rates of exchange ruling at transaction date	5,982,830	6,854,126
Exchange loss	(39,065)	12,202

**27.00(ii) Profit on disposal of investment with Generation Next Fashions Ltd.**

Sales proceeds of investment		4,173,638
Cost of investment	-	(3,500,000)
Less : Provision made in Last Year		504,800
	-	1,178,438

**28.00 Other Expenses**

Disposal of impaired plant & machinery in the net book value of Tk. 442,881 in respect of Bulb unit is arrived at as follows:

Dispososal value of impaired fixed asset	-	-
Less : Written down value of fixed assets disposed		
Original cost	-	52,091,031
Accumulated depreciation	-	(51,648,150)
Impairment Loss of Fixed Assets	-	(442,881)

**29.00 Earnings Per Share (EPS)**

(a) Earnings attributable to the Ordinary Shareholders (Net profit after Tax)

(b) Weighted average number of ordinary Shares outstanding during the year

(c) Earnings Per Share (EPS)/(Adjusted EPS of 2014)

Amount in Taka	
for the year	
30-June-2015	30-June-2014
1,094,340,489	869,036,213
158,681,656	158,681,656
<b>6.90</b>	<b>5.48</b>

**30.00 Net Asset Value**

Total Assets

Total Liabilities

Number of Ordinary Shares of Tk.10 each at Balance Sheet date

**NAV-Per Share**

On shares at balance sheet date

5,763,679,785	5,048,637,186
(2,382,025,686)	(2,526,239,640)
<b>3,381,654,099</b>	<b>2,522,397,546</b>
158,681,656	117,541,968
<b>21.31</b>	<b>21.46</b>

**31.00 Net Operating Cash Flow Per Share**

Cash flows from operating activities as per Statement of cash flows

Number of Ordinary Shares of Tk.10 each at Balance Sheet date

Net Operating Cash Flow-Per Share

On shares at Balance Sheet date

1,240,049,183	880,104,571
158,681,656	117,541,968
<b>7.81</b>	<b>7.49</b>



**32:00 Related Party Transaction**

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 in terms of BAS 24:

Related Party Transactions:

Name of Related Parties	Nature of Transactions	Opening Balance	Credit	Debit	Closing Balance
		Debit / (Credit)			Debit / (Credit)
Ambee Pharmaceuticals Ltd.	Sales & Receivables	5,499,351	4,519,120	1,513,780	2,494,011
Bengal Steel Works Limited	Loans & Advances	12,456,437	1,500,000	229,715	11,186,152
Panther Steel Mills Limited	Loans & Advances	19,697,733	-	648,865	20,346,598
Directors	Loan from Directors	(1,967,088)	-		(1,967,088)

**33.00 Salaries / Perquisites To Directors & Officers**

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

Salaries / Perquisites To Directors & Officers	Directors	Officers
Board Meeting Fees	91,500	Nil
Remuneration / salaries & allowance	25,800,000	88,470,160
Bonus	5,150,000	4,486,998
Accommodation	12,000,000	196,000
Company's Contribution to Provident Fund	-	1,160,844

**34.00 Production Capacity & Capacity Utilisation (Operative Units)**

Products	Unit	Installed Capacity		Utilization		Short Fall		Reason for Short Fall
		2015	2014	2015	2014	2015	2014	
Battery	Pcs	117,760,000	117,760,000	40,604,624	49,622,000	77,155,376	68,138,000	Less demand of UM-1 Battery
Biscuit & Confectionery	MT	93,536.00	76,886.00	65,706.15	58,867.10	27,829.85	18,018.90	
Ball Pt. Pen	Pcs	147,600,000	147,600,000	41,757,676	62,597,112	105,842,324	85,002,888	Less demand

Utilization of biscuit & confectionery includes 112.85 MT (2014 : 2,745.58 MT) which was produced during the year under review through Oriental Bakery & Biscuit Industries Ltd., Chittagong under 3rd Party manufacturing agreement.

Production of Soyabean Oil, Palm Olein, V. Ghee have been suspended long before.

**35.00 Contingent Liabilities**

There was no significant contingent liability as on 30 June 2015.

**36.00 Bank Guarantees**

The following Bank Guarantees were issued on behalf of the company :

Issuing Bank	Beneficiary	Amount
National Bank of Pakistan	Titas Gas Transmission & Distribution Co. Ltd.	1,013,778
United Commercial Bank Limited	Titas Gas Transmission & Distribution Co. Ltd.	3,654,436
United Commercial Bank Limited	Phoenix Insurance Company Ltd.	100,000
Bank Alfalah Limited	Titas Gas Transmission & Distribution Co. Ltd.	443,686
Habib Bank Limited	Collector of Customs, Customs House Chittagong	845,411
Habib Bank Limited	Titas Gas Transmission & Distribution Co. Ltd.	372,000
The City Bank Ltd.	Collector of Customs, Customs House Chittagong	1,344,733
		<b>7,774,044</b>

**37.00 Capital Expenditure Commitment**

There was no material capital expenditure authorized by the Board contracted for at 30 June 2015.

**38.00 Financial risk management**

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- # Credit risk
- # Liquidity risk
- # Market risk

**38.01 Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

**38.02 Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line to payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

**38.03 Market risk**

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

**(a) Currency risk**

As at 30 June 2015 there was no exposure to currency risk as there were no foreign currency transactions made during the year under review other than as disclosed in the accounts.

**(b) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**39.00 Foreign Exchange earned**

During the year under review, an aggregate sum of US\$ 77,183.46 (equivalent Tk. 5,982,830) (2014 : US\$ 89,610.40 (Equivalent Tk. 6,854,126)) was earned in foreign currency against export of biscuits and confectionery items.

#### 40.00 Post Balance Sheet Events - Disclosure Under BAS-10 "Events After Reporting Period" Dividend for the year

Subsequent to the balance sheet date, the Board of Directors recommended 20% (twenty percent) stock dividend i.e. 1 (one) fully paid ordinary share for 05(five) ordinary shares and 30% (thirty percent) cash dividend i.e. Taka 3/- (three) per share which will be recognized in the accounts as and when approved by the shareholders at the 36th annual general meeting of the company.

#### 41.00 Approval of the Financial Statements

Approved by the board on 28 October 2015 and signed on its behalf by



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

Dated, Dhaka  
28 October 2015

# UNIT WISE WORKING RESULT

FOR THE YEAR ENDED 30 JUNE 2015

(AS PER REQUIREMENT OF THE SECURITIES AND EXCHANGE RULES, 1987)

	Notes	Amount in Taka				
		Battery Unit	Biscuit Unit	Ball Pen & Oil Unit	30-June-15	30-June-14
Turnover	22.00	298,508,340	8,554,919,070	142,721,184	8,996,148,594	7,922,353,876
Cost of Goods Sold	23.00	(196,996,819)	(6,021,235,857)	(120,002,382)	(6,338,235,058)	(5,639,774,637)
Gross Profit		<b>101,511,521</b>	<b>2,533,683,213</b>	<b>22,718,802</b>	<b>2,657,913,536</b>	<b>2,282,579,239</b>
Operating Expenses		(40,705,549)	(1,166,576,025)	(19,461,915)	(1,226,743,489)	(1,097,663,470)
Administrative Expenses	24.00	(7,608,330)	(218,046,317)	(3,637,653)	(229,292,300)	(216,195,627)
Selling Expenses	25.00	(33,097,219)	(948,529,708)	(15,824,262)	(997,451,189)	(881,467,843)
Profit from Operations		60,805,972	1,367,107,188	3,256,887	1,431,170,047	1,184,915,769
Finance Cost	26.00	(3,325,222)	(95,297,180)	(1,589,837)	(100,212,239)	(64,214,399)
Non Operating Income	27.00	57,480,750	1,271,810,008	1,667,050	1,330,957,808	1,120,701,370
Others Expense	28.00	9,696,561	277,753,419	4,417,473	291,867,453	146,934,458
Contribution to WPPF		67,177,311	1,549,563,427	6,084,523	1,622,825,261	1,267,635,828
Profit before Tax					(77,277,393)	(442,881)
					1,545,547,868	(60,342,521)
						1,206,850,426



## UNIT WISE WORKING RESULT

FOR THE YEAR ENDED 30 JUNE 2015

(AS PER REQUIREMENT OF THE SECURITIES AND EXCHANGE RULES, 1987)

Notes	Amount in Taka			
	Battery Unit	Biscuit Unit	Ball Pen & Oil Unit	30-June-14
Income Tax Expenses				
Current Tax				(337,814,213)
Deferred Tax Income / (Expense)				(325,318,027)
				(12,496,186)
Total Comprehensive Income				869,036,213

The annexed notes form part of these financial statements.  
 Approved by the board on 28 October 2015 and signed on its behalf by :



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our separate report of even data annexed.



**M. J. Abedin & Co.**  
Chartered Accountants

Dated, Dhaka  
28 October 2015

# SCHEDULE OF NON-CURRENT ASSETS

As at June 30, 2015

Annex --A

Property, Plant & Equipment

Particulars	Land and Land Development	Factory Building & Other const.	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicles	Total
<b>Cost</b>							
At 01 July 2014	149,964,495	580,687,022	1,087,351,632	19,263,701	15,472,454	70,553,356	1,923,292,660
Additions during the Year	2,953,950	108,214,652	606,660,765	426,728	1,746,210	10,040,316	730,042,621
Cost at 30 June 2015	152,918,445	688,901,674	1,694,012,397	19,690,429	17,218,664	80,593,672	2,653,335,281
Accumulated depreciation							
At 01 July 2014	-	193,093,660	512,969,168	9,815,971	9,480,113	55,352,870	780,711,782
Depreciation for the Year	-	55,836,862	127,266,498	2,053,387	1,284,118	7,079,304	193,520,169
Accumulated depreciation at 30 June 2015	-	248,930,522	640,235,666	11,869,358	10,764,231	62,432,174	974,231,951
Carrying Value at 30 June 2015	152,918,445	439,971,152	1,053,776,731	7,821,071	6,454,433	18,161,498	1,679,103,330
Carrying Value at 30 June 2014	149,964,495	387,593,362	574,382,464	9,447,730	5,992,341	15,200,486	1,142,580,878

This includes written down value of lease hold assets of Tk. 100,617,719 which is made up as follows:

Particulars	Land and Land Development	Factory Building & Other const.	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicles	Total
Gross carrying amounts as on 01 July 2014			126,848,342	572,000		27,212,800	154,633,142

## SCHEDULE OF NON-CURRENT ASSETS

Annex --A

As at June 30, 2015

## Property, Plant &amp; Equipment

Particulars	Land and Land Development	Factory Building & Other const.	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicles	Total
Addition /Adjustment during the Year	-	-	30,640,477	-	-	10,040,316	40,680,793
Adjustment /Deletion of Fixed Asset	-	-	-	-	-	-	-
<b>Gross carrying amounts as on 30 June 2015</b>	-	-	<b>157,488,819</b>	<b>572,000</b>	-	<b>37,253,116</b>	<b>195,313,935</b>
Accumulated depreciation as on 01 July 2014	-	-	57,673,317	572,000	-	17,774,328	76,019,645
Depreciation for the Year	-	-	14,204,267	-	-	4,472,304	18,676,571
<b>Accumulated depreciation as on 30 June 2015</b>	-	-	<b>71,877,584</b>	<b>572,000</b>	-	<b>22,246,632</b>	<b>94,696,216</b>
<b>Net carrying amounts as on 30 June 2015</b>	-	-	<b>85,611,235</b>	-	-	<b>15,006,484</b>	<b>100,617,719</b>
<b>Net carrying amounts as on 30 June 2014</b>	-	-	<b>69,175,025</b>	-	-	<b>9,438,472</b>	<b>78,613,497</b>

## **OLYMPIC INDUSTRIES LIMITED**

Amin Court, 6th Floor  
62-63 Motijheel C/A  
Dhaka - 1000  
Bangladesh  
Tel : +880-2-9565228  
Fax : +880-2-9567485  
Email : [info@olympicbd.com](mailto:info@olympicbd.com)  
[www.olympicbd.com](http://www.olympicbd.com)