

ANNUAL REPORT



ANNUAL REPORT
2021





CONTENTS

Mission, Brand Values & Organizational Structure	6	54	Annexure A Certificate on Review of Financial Statements
Milestones	7	55	Annexure B Report of the Audit Committee
Awards & Achievements	8	56	Annexure C Report of the Nomination and Remuneration Committee
Corporate Information	10	57	Annexure D Confirmation from Statutory Auditors on CGC Compliance
Board of Directors	12	58	Annexure E Certificate from Practicing C.A. Firm on CGC compliance
Management	14	60	Annexure F Status of Compliance with CGC conditions
Key Operating & Financial Data	20	78	Annexure G Renewed Membership Certificate from BAPLC
Key Performance Indicators	21	79	Brief resume of Directors
Letter of Transmittal	22	82	Value Added Statement
Notice of 42 nd Annual General Meeting	23	83	Economic Value Added Statement
Report of the Board of Directors	26	84	Market Value Added Statement
Sustainability Report	39	85	Auditors' Report to the Shareholders
Report on Compliance of Corporate Governance	48	91	Financial Statements
Proxy Form		147	

MISSION, BRAND VALUES & ORGANIZATIONAL STRUCTURE

MISSION STATEMENT

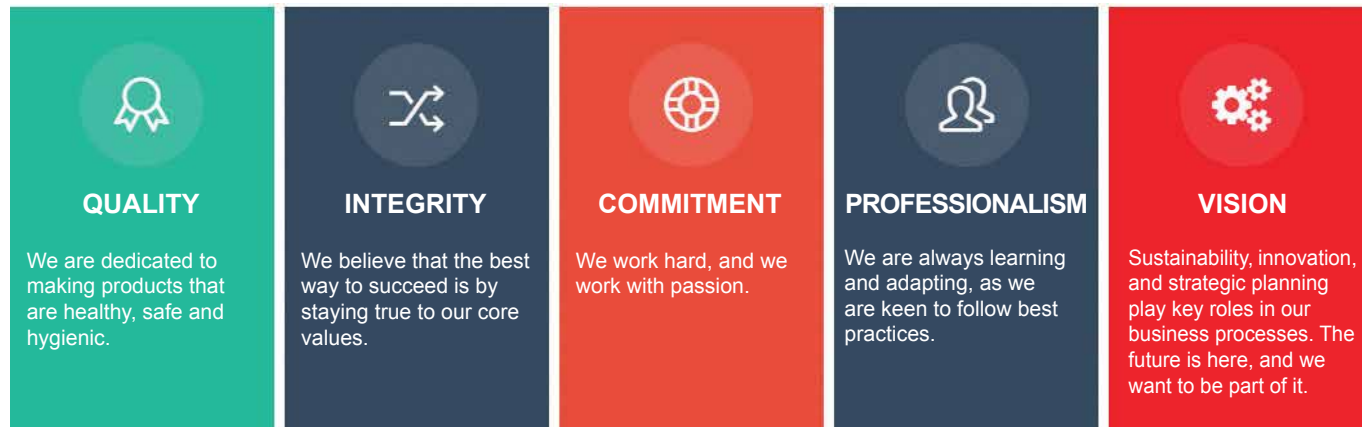
At Olympic, we believe that being a good business means contributing to the well-being of our workers, our customers, our community, and our planet. We want to add value by making good products which nourish people, all the while creating jobs and contributing to the Bangladesh economy.

We aspire to

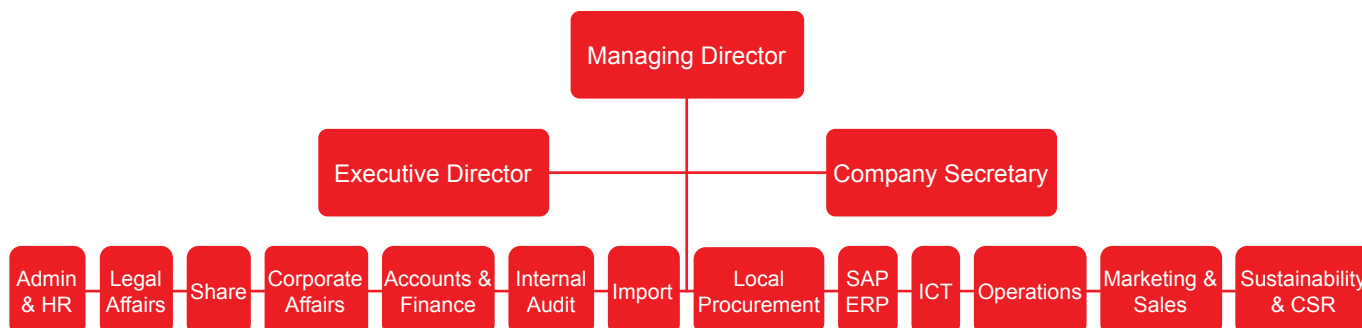
- Maintain our leadership position in the biscuit industry by producing the best quality products for our consumers that are unique, innovative and delicious
- Protect the interest of our shareholders through fiscal prudence
- Be an employer of choice while developing future leaders for our organization and the country
- Be stewards of social responsibility in Bangladesh through our initiatives

We believe that quality and integrity is the recipe of our success. Now the leader in the biscuit market, we were only able to get to where we are today by staying true to our core values and by developing new quality products we believe our customers will love.

VALUES



ORGANIZATIONAL STRUCTURE



MILESTONES

March 2020

Executed agreement to purchase 28,291 sqft of commercial space for head office at Trade Intercontinental building, expected handover July 2023



May 2018

Commencement of noodles and carton lines and increased bakery capacity



January 2017

Commencement of PET sheet forming and tray making operations



October 2014

Commencement of sixth and seventh biscuit lines



August 2012

Commencement of fifth biscuit line



August 2008

Amalgamation of Tripti Industries Limited with Olympic Industries Limited



July 2003

Commencement of second biscuit line



September 1996

Listing on Chittagong Stock Exchange Limited



June 1984

Listing on Dhaka Stock Exchange Limited



December 2019

Commencement of tenth biscuit line



May 2017

Commencement of ninth biscuit (cookies) line



November 2016

Commencement of eighth biscuit line



February 2014

Received ISO 22000 Certification



September 2010

Commencement of fourth biscuit line



July 2008

Commencement of third biscuit line



December 1996

Commencement of biscuit and confectionery production



June 1996

Name changed to Olympic Industries Limited



June 1979

Incorporation as Bengal Carbide Limited



AWARDS & ACHIEVEMENTS

November 2021	Tax Card Award from NBR for paying Second Highest Tax in FY 2020-21 in Food and Allied Category
September 2021	Special Honour from Large Taxpayer Unit, Dhaka of NBR for 2020-2021 in Manufacturing Sector.
June 2021	Awarded AA+ Long Term Entity Rating, ST-1 Short Term Rating by National Credit Ratings Limited
February 2021	<ul style="list-style-type: none"> ■ Tax Card Award from NBR for paying highest tax in FY 2019-20 in Food and Allied Category ■ Best Corporate Award, ICMAB's 2nd Place (Silver), 2019
December 2020	President's Award for Industrial Development 2018 in Large Scale Industrial Category.
December 2019	Award from NBR for paying Highest VAT in Production Sector at Narayanganj District in FY 2017-2018.
November 2019	Award from NBR for paying Second Highest Income Tax on National Level in Food and Allied Category for FY 2018-2019.
July 2019	National Productivity and Quality Excellence Award 2018 from National Productivity Organization, Ministry of Industries.
June 2019	President's Award for Industrial Development 2017 in Large Scale Industrial Category.
December 2018	ICMAB Best Corporate Award 2017 under Miscellaneous Manufacturing Category.

November 2018	<ul style="list-style-type: none"> ■ Award from NBR for paying Second Highest Income Tax in Food and Allied Category in FY 2017-2018. ■ Fifth ICSB National Award for Corporate Governance Excellence 2017.
December 2017	Award from NBR for paying Highest VAT in Production Sector at Narayanganj District in FY 2015-2016.
November 2017	Award from NBR for paying Second Highest Income Tax in Food and Allied Category in FY 2016-2017.
February 2017	CIP Award for the year 2015 in Large Industry (Production) Sector from Ministry of Industries
November 2016	<ul style="list-style-type: none"> ■ Award from NBR for paying Second Highest Income Tax in Food and Allied Category in FY 2015-2016. ■ Best Brand Award, Bangladesh 2016 from CCC&I.
July 2015	Award from NBR for paying Highest VAT in Production Sector at Narayanganj District in FY 2013-2014.
November 2013	Award from Narayanganj Rural Electrification Board for being the Best Industrial Customer, 2013.
February 2013	Award from Narayanganj Rural Electrification Board for paying Regular Highest Electricity Bills.
July 2012	Award from NBR for paying Highest VAT in Production Sector at National Level in FY 2010-2011

CORPORATE INFORMATION

NAME OF COMPANY

Olympic Industries Limited
(Formerly Bengal Carbide Limited)

INCORPORATION NO. & DATE

C-7096/826 of 1978-1979 dated June 26, 1979

LEGAL STATUS

Public Limited Company

NATURE OF BUSINESS

Manufacture, marketing, distribution and sale of quality biscuits, confectionery, bakery & snacks products and dry cell batteries as well as corrugated cartons and plastic trays for internal consumption.

REGISTERED OFFICE

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

CORPORATE OFFICE

Amin Court, 6th Floor
62-63, Motijheel C/A
Dhaka-1000, Bangladesh
t: +880-9606565228
f: +880-2223387485
secretariat2@olympicbd.com
info@olympicbd.com
www.olympicbd.com

FACTORIES

Biscuit, Confectionery & Bakery

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

Noodles, Snacks, Corrugated Carton & Battery

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
The Dhaka Chamber of Commerce & 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
Paid-Up Capital – Tk. 1,999,388,860

SHARE STRUCTURE

Number of Issued &
Paid-up Shares – 199,938,886
Face Value – Tk. 10.00 (Effective December 4, 2011)
Number of Shareholders – 11,248
Start of Demat Trading – June 15, 2004

SHAREHOLDING PATTERN

Directors and Sponsors – 78,656,250 shares (39.34%)
Institutions – 38,028,937 shares (19.02%)
Foreign Investors – 55,696,578 shares (27.86%)
General Public – 27,557,121 shares (13.78%)
Total – 199,938,886 shares (100%)

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 51, Road 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, Head Office, Dhaka
Habib Bank Limited, Motijheel Branch, Dhaka

CREDIT RATINGS

National Credit Ratings Limited has awarded the following ratings based on the audited financial statements up to June 30, 2020 which is valid up to June 26, 2022:

Long Term Entity Rating : AA+ (Indicates very strong capacity and carry very low risk)
Short Term Entity Rating : ST-1 (Indicates strongest capacity and lowest credit risk)
Outlook : Stable
Bank Loan Ratings
Short-Term : ST-1
Long-Term : AA+

Rating Scale	<ul style="list-style-type: none"> • AA+ indicates very strong capacity for timely servicing of financial obligations offering high safety and carry very low risk. • ST-1 indicates strongest capacity for timely payment of financial commitments and carry lowest credit risk. • The company has been enjoying AA+ and ST-1 Ratings since 2016. In 2015, the Rating was AA.
--------------	---

OUR PEOPLE



BOARD OF DIRECTORS



Mubarak Ali, Managing Director

Mr. Ali is a truly dedicated businessman and has been an industrial entrepreneur for over 40 years. He has been the Managing Director of Olympic 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 and former Chairman of the Aga Khan Foundation National Committee, Bangladesh.



Aziz Mohammad Bhai, Director

Mr. Bhai is a charismatic personality and a successful industrial entrepreneur in Bangladesh. He was actively engaged in the management of a steel producer for over three decades and has been an innovator in the local pharmaceutical manufacturing industry. In addition to his long list of business accomplishments, Mr. Bhai is a life member of the SAARC Chamber of Commerce.



Munir Ali, Director

Mr. Ali, educated at Indiana University in the United States, has been involved in the development of the company's biscuit and confectionery businesses. He is the founder and Managing Director of Asia Commodity Limited.



Begum Sakwat Banu, Independent Director

Ms. Banu was appointed as an Independent Director of Olympic effective October 27, 2016. On completion of her first term of 3 years on October 26, 2019, she has been re-appointed for second term of next 3 years which will expire on October 26, 2022. Ms. Banu obtained her M. Com in Accounting from the University of Dhaka. She is the Chairperson of Prime (BD) Inspection Services Limited and Vice Chairperson of Times University Bangladesh. She has more than three decades of experience in business management.

Begum Sakwat Banu has also been re-appointed as Chairperson of Audit Committee of Olympic Industries Limited.



Rokeya Quader, Independent Director

Ms. Quader was appointed as an Independent Director of Olympic effective September 25, 2020. Ms. Quader received her LLM from Dhaka University in 1984. She is a member of the Bangladesh Bar Council and Bangladesh Law Association and is an honorary member of the Bangladesh Human Rights Commission. Ms. Quader has been the Chairman of the Desh Group of Companies since 1998.



Tanveer Ali, Director

Mr. Ali was appointed as Nominee Director of Olympic Industries Limited, effective November 29, 2020. He received his Bachelor of Arts in Political Science from the University of Waterloo in Canada. Mr. Ali has lived in Bangladesh since 2006 and is an Independent Director of Genex Infosys Limited, a publicly listed IT company. Mr. Ali is also a Co-Founder and Director of Frontier Nutrition Inc, a company focused on treating and preventing malnutrition by offering fortified and nutritious products to low-income mass market consumers, and its Bangladesh subsidiary, Care Nutrition Limited.

AUDIT COMMITTEE



Begum Sakwat Banu
Independent Director & Chairperson



Munir Ali
Director & Member



Rokeya Quader
Independent Director & Member

NOMINATION AND REMUNERATION COMMITTEE



Rokeya Quader
Independent Director & Chairperson



Begum Sakwat Banu
Independent Director & Member



Munir Ali
Director & Member

MANAGEMENT



Mubarak Ali
Managing Director



Tanveer Ali
Executive Director



Samad Miraly
Executive Director



Madad Ali Virani
Executive Director



Md. Nazimuddin
Executive Director & Company Secretary



Md. Harun-Al-Rashid
Chief Financial Officer



Satya Ranjan Mondal
Accounts & Finance



Mazharul Hasan Khan
Legal Affairs



Nazrul Islam
Operations



Abdur Rob Khan
Operations



Md. Rafiqul Islam
Human Resources



A.B.M. Abdul Hakim
Import



Imdadul Haque
Sales



Enamul Kabir Miah
Internal Audit



Arman Mahmud
Operations



Mahbubul Ameen
Marketing



Siddikur Rahman
Operations



Syed Ibrahim Ali
Operations



Kazi Mohiuddin
Operations



Kamrul Islam
Accounts



Jewel Fakir
Operations



Roshan Ali Lakhani
Operations



Kawsar Miah
Operations



Md. Shamsul Alam
Enterprise Resource Planning

MANAGEMENT



Imran Hossain
Information Technology



Mahfuzur Rahman
Risk & Compliance



Md. Nazim Uddin
Export



Mohammed Ala Uddin
Local Procurement



A.B.M Moniruzzaman
Sales



Mirza Abdur Rob
Sales



Mintu Kumar Das
Assistant Company Secretary



Mahmud-uz-Zaman Chowdhury
Import



Saifullah Al Azad
Sustainability & CSR



Tanvir Anam
Accounts



Monjurul Hasan
Accounts



Mahmudur Rahman
Accounts





OUR MANUFACTURING CAPABILITIES



KEY OPERATING & FINANCIAL DATA

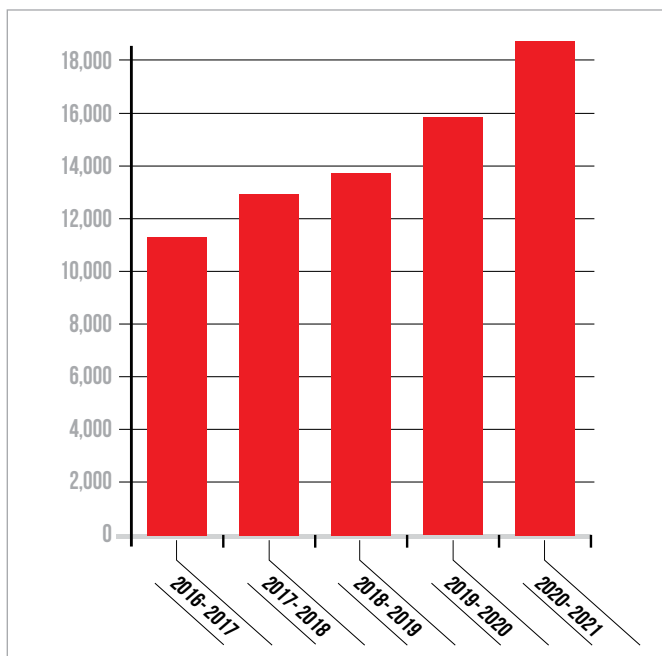
Condition 1(5)(xix) of BSEC's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 on Corporate Governance Code.

Year Year ended on	2020-2021 June 30, 2021	2019-2020 June 30, 2020	2018-2019 June 30, 2019	2017-2018 June 30, 2018	2016-2017 June 30, 2017
FINANCIAL POSITION					
Total Assets	13,134,779,965	11,802,507,245	10,957,185,958	10,816,953,287	9,120,317,797
Total Liabilities	3,895,530,559	3,560,938,834	3,740,877,332	4,512,759,568	3,707,466,711
Shareholders Equity	9,239,249,406	8,241,568,411	7,216,308,626	6,304,193,719	5,412,851,086
Total Current Assets	8,457,649,633	7,836,485,487	7,058,121,859	7,642,791,332	6,756,491,439
Total Current Liabilities	3,355,947,551	3,143,275,200	3,181,634,818	4,022,783,303	3,408,642,811
Current Ratio	2.52:1	2.49:1	2.22:1	1.90:1	1.98:1
OPERATING RESULTS					
Revenue	18,032,599,144	15,895,037,599	13,733,728,376	12,928,501,078	11,290,557,541
Gross Profit	5,281,117,643	5,068,496,960	4,548,390,392	4,220,782,456	3,767,442,394
Net Profit Before Tax	2,689,882,176	2,766,360,763	2,551,562,013	2,399,637,128	2,222,785,352
Net Profit After Tax	2,037,363,202	2,024,954,215	1,871,821,560	1,791,067,620	1,643,250,674
Earnings per Share (Tk.10.00 par value)	10.19	10.13	9.36	8.96	8.22
No. of Shares Used in Computing EPS	199,938,886	199,938,886	199,938,886	199,938,886	199,938,886
DISTRIBUTION OF PROFIT					
Cash Dividend Paid/ Recommended	54%	52%	50%	48%	45%
CONTRIBUTION TO THE NATIONAL EXCHEQUER					
VAT, AIT, Customs Duty etc.	2,948,179,344	2,787,464,112	2,765,857,438	2,590,724,752	2,321,656,992
CAPITALIZATION					
Authorized Capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Paid-Up Capital	1,999,388,860	1,999,388,860	1,999,388,860	1,999,388,860	1,999,388,860
SHARE INFORMATION					
Face Value per Share (Tk.)	10.00	10.00	10.00	10.00	10.00
No. of Authorized Shares	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
No. of Shares Subscribed and Paid-Up	199,938,886	199,938,886	199,938,886	199,938,886	199,938,886
Shareholders Equity per Share	46.21	41.22	36.09	31.53	27.07
Closing Price per Share (Tk.10.00 par value)					
Dhaka Stock Exchange Ltd	170.00	150.20	236.30	224.75	278.50
Chittagong Stock Exchange Ltd	171.10	151.10	236.40	227.60	276.70
No. of Shareholders	11,248	11,759	12,139	11,314	12,490
Date of AGM	Dec 26, 2021	Dec 24, 2020	Dec. 26, 2019	Dec. 20, 2018	Dec.14, 2017
No. of Board Members	4+2 Indep Dir	3+2 Indep Dir	4+2 Indep Dir	4+2 Indep Dir	5+2 Indep Dir

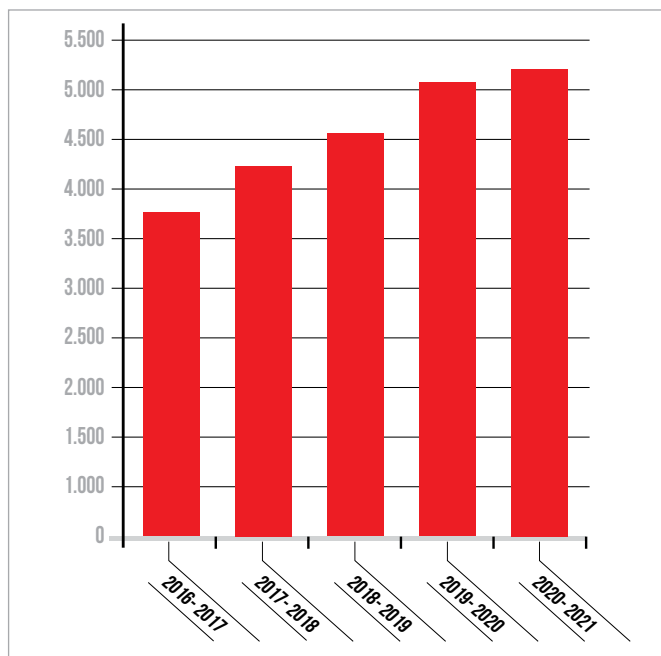
KEY PERFORMANCE INDICATORS

■ TAKA, MILLIONS

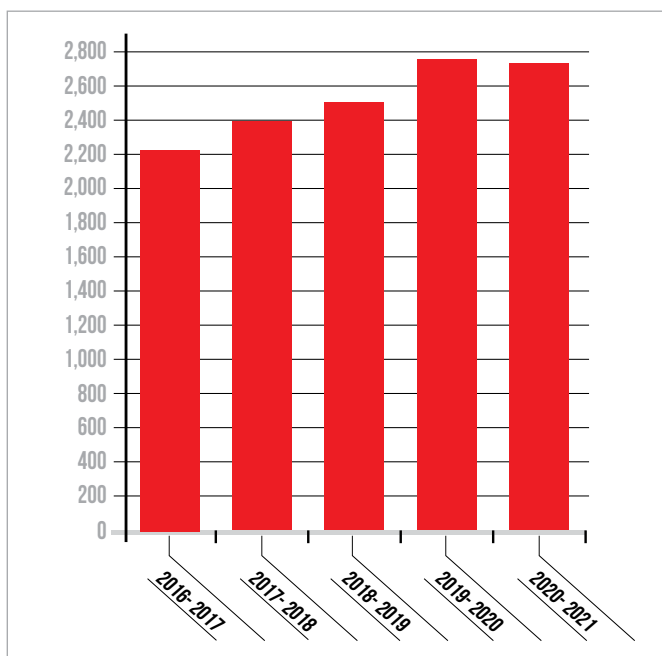
SALES



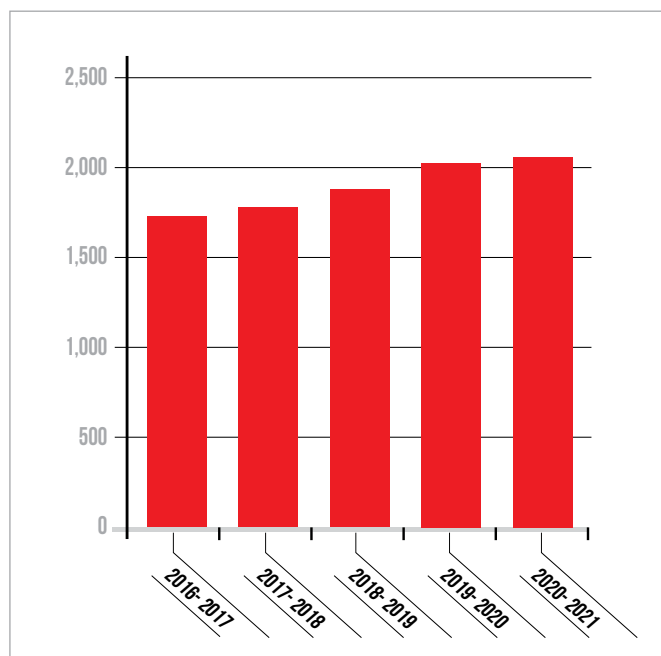
GROSS PROFIT



PROFIT BEFORE TAX



PROFIT AFTER TAX



LETTER OF TRANSMITTAL

OLYMPIC INDUSTRIES LIMITED
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



December 5, 2021

Esteemed Shareholders
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 FY ended June 30, 2021

We are pleased to inform you that the 42nd Annual General Meeting of Olympic Industries Limited will be held virtually using digital platform on Sunday, December 26, 2021 at 11:00 A.M.

We have, therefore, forwarded the soft copy of our Annual Report 2021 including the Audited Financial Statements for FY 2020-2021 ended June 30, 2021; Report of the Board of Directors; Certificate on Compliance of Corporate Governance; Certificate on Review of Financial Statements; Report of the Audit Committee and other information by email to the email addresses of our esteemed shareholders, as per their B.O. Account details. Interested shareholders may collect a hard copy of the Annual Report by making a written request to the share department of the Company.

The Annual Report with detailed Financial Statements comprising Independent 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 of Cash Flows, Accounting Policies & Explanatory Notes, Schedule of Non-Current Assets, Unit-wise Result along with Renewed Certificate of BAPLC have been made available in the website of the company (www.olympicbd.com) as well as in the websites of the Exchanges through link arrangement.

The Proxy Form has also been included at the end of the Annual Report. The scanned copy of Proxy Form, duly filled-in, signed and affixed with Tk.20.00 Revenue Stamp must be deposited at the Corporate office of the company at Amin Court, 6th Floor, 62-63 Motijheel C/A, Dhaka-1000 or be sent through email to investor.relations@olympicbd.com at least 48 hours before commencement of meeting.

Thanking you

Yours sincerely
For Olympic Industries Limited

Md. Nazimuddin
Executive Director & Company Secretary

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh

NOTICE OF 42nd ANNUAL GENERAL MEETING

OLYMPIC INDUSTRIES LIMITED

অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



December 5, 2021

Notice is hereby given to all shareholders of Olympic Industries Limited that the 42nd Annual General Meeting of the company will be held virtually (using digital platform, accessible at <http://agm.olympicbd.com>) as per Orders No. SEC/SRMIC/94-231/ 25 dated July 8, 2020 and No.SEC/SRMIC/94-231/91 dated March 31, 2021 of Bangladesh Securities and Exchange Commission on Sunday, December 26, 2021 at 11:00 A.M. to transact the following business:

AGENDA

1. To receive, consider and adopt the audited financial statements of the company for the financial year ended June 30, 2021 together with the Reports of Directors and Auditors thereon.
2. To consider and approve the payment of 54% Cash Dividend i.e. Tk.5.40 per share to the shareholders for the financial year ended June 30, 2021, as recommended by the Board of Directors.
3. To consider retirement by rotation and re-appointment of Aziz Mohammad Bhai and Munir Ali, Directors. Their brief resumes are enclosed as per CGC Condition No.1(5)(xxiv)(a).
4. To appoint new Statutory Auditors or to consider reappointment of existing Statutory Auditors M/s. M.J.Abedin & Co., Chartered Accountants for 2nd year 2021-2022 ending on June 30, 2022 and to determine the remuneration of Statutory Auditors. The existing Auditors received Tk.900,000 (Taka nine hundred thousand) as remuneration and expressed request to consider enhancement of remuneration for the next year. MABS & J Partners, Chartered Accountants has also expressed interest in their appointment as Auditors.
5. To consider appointment of a practicing professional firm of Chartered Accountants or Chartered Secretaries to provide a Certificate on Compliance with the Corporate Governance Code and determine their remuneration. M/s. Huda & Co., Chartered Accountants has long been providing this Certificate to the company and has expressed interest in re-appointment for FY 2021-2022. They are currently paid Tk.200,000 (Taka two hundred thousand) as remuneration.
6. To transact any other business of the company with the permission of Chairman of the meeting.

By Order of the Board

Md. Nazimuddin

Executive Director, Corporate Affairs &
Company Secretary

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh

OLYMPIC INDUSTRIES LIMITED
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



Notes:

1. The Record Date to participate in 42nd Annual General Meeting and for entitlement of approved Cash Dividend was November 18, 2021.
2. Shareholders may join the 42nd Annual General Meeting, accessible at <http://agm.olympicbd.com>. Shareholders may submit their queries and comments electronically at least 24 hours prior to the commencement of the meeting and also during the meeting. To log in to the meeting, shareholders shall need to click the above link and provide 16-digit BOID number or folio number, full name, number of shares held, and mobile number or email address as proof of identity. The detailed process for participating in the meeting will also be available on the website of the company, at www.olympicbd.com. The link has also been sent to the respective email address of shareholders, as per the register of shareholders, as on the record date.
3. A shareholder eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf at the Annual General Meeting. The Proxy Form, duly filled in for this purpose, bearing Revenue Stamp of Tk.20.00, must be sent to the company by email to investor.relations@olympicbd.com or may be deposited at the Corporate Office of the company, located at Amin Court (6th Floor), 62-63 Motijheel C/A, Dhaka-1000, at least 48 hours before the meeting. The proxy must be a shareholder of the company and his/her signature is to be verified by the shareholder appointing the proxy.
4. Of a total 6 (six) Directors of the company, 2 (two) Directors are Independent Directors and 1 (one) Director is nominated by a foreign shareholder of the company. As per Condition No. (2) (e) of the Corporate Governance Code of BSEC dated June 3, 2018, Independent Directors shall not be subject to retirement by rotation as per the Companies Act, 1994. As per Article 119 of the Articles of Association of the company and Regulation 79 of Schedule-I of the Companies Act, 1994, one third of the Directors will retire from their position(s). Therefore, Munir Ali, Director also retires this year and is eligible for re-appointment.
5. Any change of address should be notified in writing to the company.
6. Shareholders who have not yet submitted their 12-digit TIN to their respective Depository Participants (DP) or to the company's share department are requested to do so at the earliest, failing which income tax at source on dividends will be deducted at 15% instead of 10%.
7. To facilitate the payment of dividend using BEFTN directly to shareholders' designated bank accounts, shareholders are requested to update their active bank account number, routing number, address and mobile number through their respective Depository Participants (DP).
8. The concerned Merchant Banks and/or Depository Participants are requested to send the details (name, BOID number, number of shares held, gross and net dividend receivable, rate and amount of tax deductible at source, name of bank, bank account number and routing number, etc.) of their margin loan holders on or before December 14, 2021 to the shares department of the company located at

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh

OLYMPIC INDUSTRIES LIMITED
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



Amin Court (6th Floor), 62-63 Motijheel C/A, Dhaka-1000.

9. As per BSEC Notification dated June 20, 2018, the soft copy of Annual Report along with Proxy Form, etc. shall be sent via email to all shareholders, as per their BO accounts details. The soft copy of Annual Report shall also be published on the website of the company, at www.olympicbd.com. Interested shareholders may collect a hard copy of the Annual Report by making a written request to our share department.
10. To comply with BSEC directives as contained in Notification No.SEC/SRMI/2000-953/1950 dated October 24, 2000 published in the Bangladesh Gazette on November 7, 2000 and also as contained in Circular No.SEC/CMRRCD/2009-193/154 dated October 24, 2013, no gift or benefit in cash and kind shall be provided to shareholders participating the 42nd Annual General Meeting of the company.

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

Prior to commencing our review of the past financial year, we wanted to take a brief opportunity to remember the following sponsors and directors of Olympic Industries Limited who are no longer with us; we mourn their absence and pray to Almighty Allah for the salvation of their departed souls:

- | | |
|---|---------------------------------|
| 1. Mrs. Shanaz Mubarak Ali, Sponsor | – deceased on June 1, 1993 |
| 2. Mr. Raja Mohammad Bhai, Director | – deceased on May 11, 2011 |
| 3. Mrs. Khatija Mohammad Bhai, Sponsor | – deceased on March 31, 2016 |
| 4. Mr. Mohammad Bhai, Director | – deceased on January 9, 2018 |
| 5. Mrs. Safinaz Bhai, Director | – deceased on January 5, 2020 |
| 6. Mr. Sharif M. Afzal Hossain, Independent Director | – deceased on December 29, 2020 |

It gives us pleasure to present you with the Report of the Board of Directors, together with the audited financial statements for the year ended June 30, 2021. We have provided commentary on the company, our individual business units and our macroeconomic views below, that we hope you will find informative.

REVENUE
+13.45%
GROSS PROFIT
+4.19%
**NET PROFIT
AFTER TAX**
+0.61%

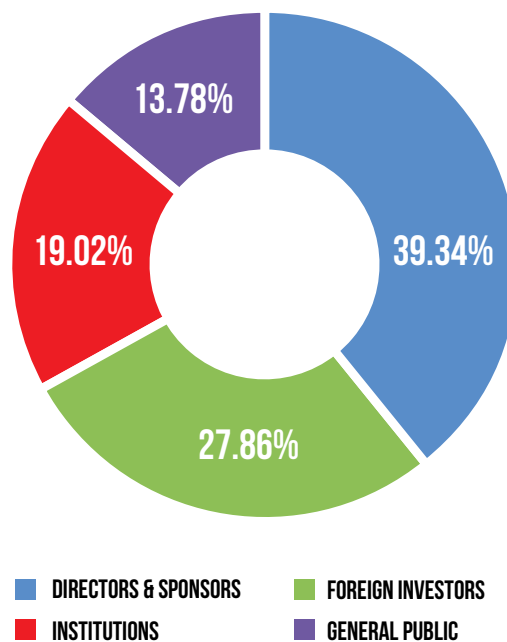
Fundamentals & Metrics

In the past year, our revenue increased to Tk. 18.03 billion, a 13.45% increase from Tk. 15.89 billion a year ago. During the same period, our gross profit increased by 4.19% to Tk. 5.28 billion and net profit after tax increased by 0.61% to Tk. 2.04 billion. Considering the challenges we have experienced due to COVID-19, especially with respect to rising input costs and supply chain disruptions, we are pleased with these results.

Last year, we were excited to share that we sold over 100,000 metric tons of biscuits, confectionery, bakery and snack products for the first time in the history of the company. This year, we are pleased to report that we have sold in excess of 117,000 metric tons and remain optimistic that we will continue to see similar growth rates as we build out our various growing product categories.

Our gross profit margin declined to 29.29% this year as compared to 31.89% a year ago, driven by two major contributors: (a) rising input costs, particularly in the price of raw materials which are primarily used in biscuit and bakery manufacturing, including flour, sugar and edible oil, and (b) a change in sales mix driven by downtrading resulting from more price-sensitive consumer behaviour due to uncertainty around the economy, COVID-19 and employment. We believe we have a duty and responsibility to offer thoughtful, innovative and exciting products that offer attractive value to our consumers. While there is a longer-term path to premiumization across our range of

SHAREHOLDING PATTERN AS ON JUNE 30, 2021



products, we continue to reiterate our shorter-term focus on volume, which perhaps remains even more true today given the operating environment we are currently in. Consumers may, in the short term, continue to be mindful of the value (ie: additional biscuits they receive in a mid-range product vs lesser number in a premium product, both at the same price point) they receive in exchange for parting with their hard-earned financial resources.

Our cost of goods sold increased to Tk. 12.75 billion from Tk. 10.83 billion a year ago, representing a year over year increase of 17.78%, primarily as a result of increased raw material and packing material costs and increased factory overheads, resulting from an increase in wages & salaries, factory maintenance (including additional COVID-19 processes and standards), and power & fuel expenses.

We have started to pass on rising raw and packing material input costs as well as other costs including but not limited to factory overheads and distribution/transportation costs. The two main mechanisms of price management we utilize are (a) direct increase of unit pricing and (b) reduction of pack sizes. The latter is generally more widely accepted by trade and consumers alike, primarily due to price point considerations. Price points are important to maintain, especially at the popular Tk. 5.00 and Tk. 10.00 levels, due to transactional/coinage issues; retailers and consumers alike do not enjoy giving or receiving coins and the current price points are still very much demanded by consumers.

Our net profit margin decreased this year to 11.30%, as compared to 12.74% a year ago. As reference, our net profit margin in 2010-2011 was 6.59%. For illustrative purposes, our net profit after tax this year was Tk. 2.04 billion as compared to Tk. 191.17 million in 2009-2010, representing an 965.73% increase over the twelve-year period.

During the early days of the COVID-19 pandemic, we certainly learned a lot about ourselves, not just as an organization but as a team and as one big family. We have seen our leaders rise to the occasion and take initiatives not just for their departments or teams, but for the entire organization. We have seen our team members support each other and their communities during these challenging times, lending a hand to family members of quarantined co-workers, distributing food essentials and PPE to those in need and even working in their respective communities to educate people on the importance of wearing masks, handwashing and sanitization to reduce the spread of the virus.

Updates on Recent Capital Expenditures & Investments

As you may recall, we advised shareholders last year that we purchase 28,291 square feet of commercial space in March 2020 in a new, under-construction building, Trade Intercontinental, for our new head office. We are pleased to update you that construction is moving along very well and we have been advised by the developer that they remain on track for handover in July 2023 as planned. As our business has grown considerably over the past decade, so has our team and also, understandably, the need for additional office space. In our existing rented head office location, due to spatial limitations, we have small office units on seven different floors; having a large office space that we can customize, from day one, to promote efficiency and collaboration, is indeed quite exciting.

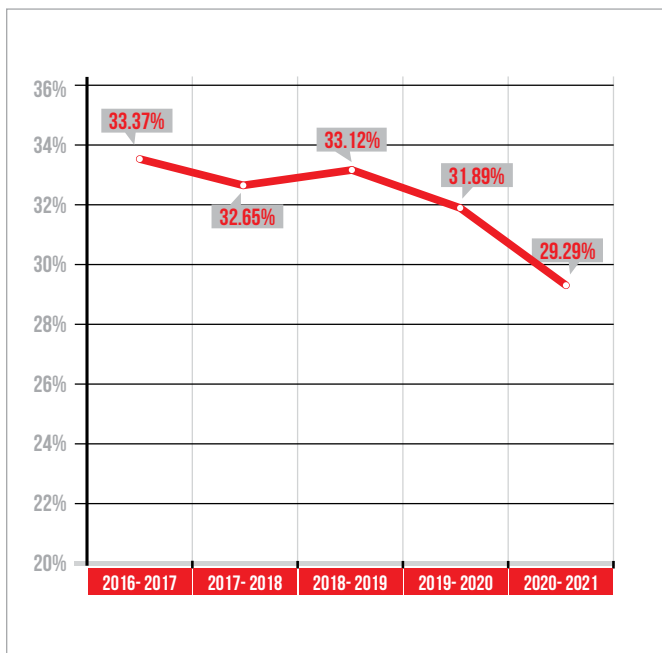
In November 2021, we announced significant construction and development plans, including the commencement of development (filling, piling, building of boundary wall, main gate, etc) of the newly purchased large parcel of land adjacent to our existing Lolati factory. In addition, we approved the construction of an extension building adjacent to our existing snacks and carton facility within our Kutubpur factory, to increase our footprint at this campus by 73,000 square feet. We also announced plans to import, install and commission a cupcake production line with an annual estimated production capacity of 79.00 million plain and filled cupcakes, at a total estimated cost of Tk. 64.90 million and to be commissioned at our Lolati factory premises.

In July 2021, we advised that we decided to purchase 48.00 decimals of land adjacent to our Kutubpur factory, for total consideration of Tk. 72.00 million. The purchase of this parcel of land, in addition to those purchased over the past 24 to 36 months and as identified below, is instrumental to our expansion strategy, which furthers our aim to grow within the existing three campuses that we currently operate.

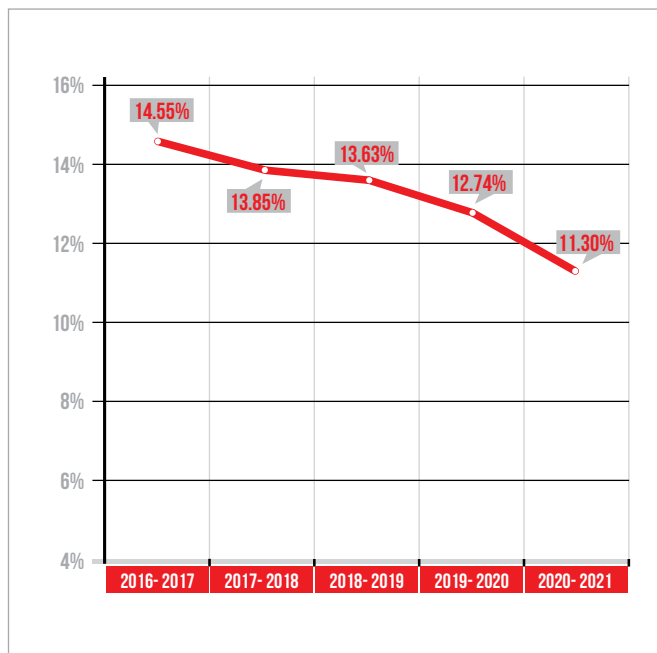
In November 2020, we announced plans to import a new 1.80 metre width hard dough biscuit line, complete with ancillary and packing machinery, flour and sugar handling systems, and other components, primarily from Italy, China and India as well as local sources, at an estimated cost of Tk. 420.00 million; this new line will provide approximately 12,442 metric tons of annual hard dough and cracker production capacity.

REPORT OF THE BOARD OF DIRECTORS

GROSS PROFIT MARGIN



NET PROFIT MARGIN



At the same time, we announced our capacity reorganization and realignment plan, to control costs, improve the quality of our products and generally improve our operational efficiencies. In this regard, we have started the process of relocating production lines from the original building at our Madanpur factory to our newly constructed production building at our Lolati factory. In order to fully execute on this reorganization and development, we need to finish the relocation of all existing production lines from Madanpur so that we may start to dismantle the original building, which we announced in April 2021. Once that is completed, as also announced at the same time, we intend to construct a new, five-storey building with a total space of 169,600 square feet; it is expected that the basic construction of this production facility will be completed by August 2024.

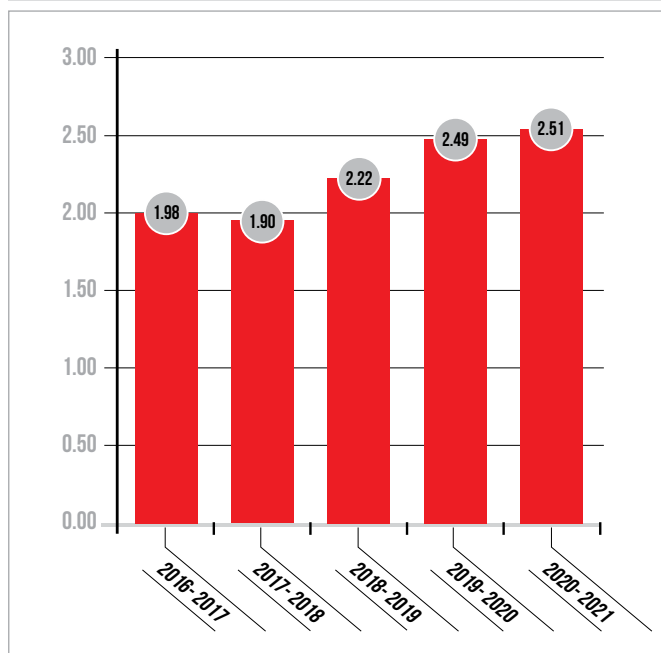
In October 2020, we announced plans to increase our PET co-extrusion and sheet making production, to support the growing demand for our products including family pack/large format sizes packed in trays, at a cost of Tk. 49.26 million, which we are pleased to advise has been successfully commissioned.

In August 2020, we announced that we successfully finalized the purchase of 518.56 decimals (approximately 5.18 acres) of land adjacent to our Lolati factory, for total consideration of Tk. 241.99 million. In December 2020, we advised that the formal surveying process identified that there were 4.72 decimals of land less than originally estimated and as such, the actual sale of quantity of land transacted and purchased by us was 513.84 decimals and the purchase price was adjusted on a prorata basis. Concurrently, we were pleased to notify shareholders that we were able to purchase an additional small parcel of 16.00 decimals of land, also adjacent to our Lolati factory, for total consideration of Tk. 6.00 million.

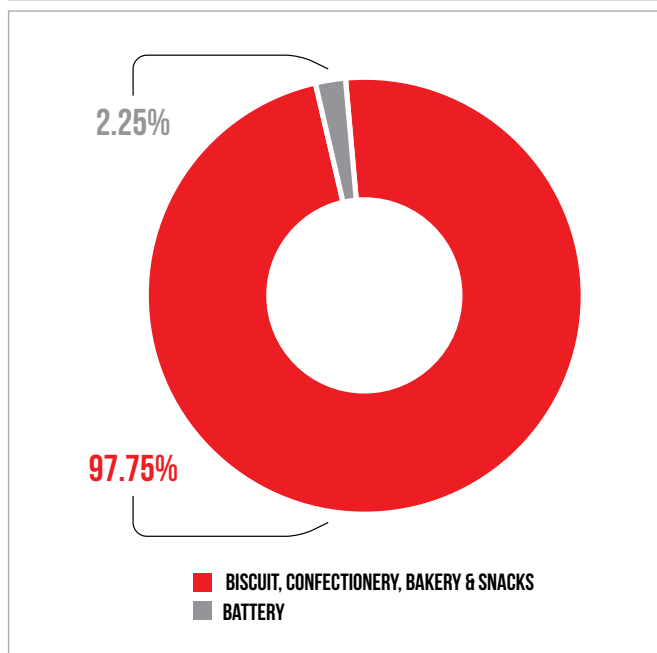
We commissioned our instant noodles production line from Japan in May 2018 with an annual production capacity of 9,000 metric tons. We launched our Foodie brand instant noodles in single packs and four- and eight-piece family packs. We currently have two variants – Spicy Chicken and Masala, which was our launch flavour, and anticipate the launch of additional flavours based on developing regional trends, fine-tuned for the Bangladeshi taste palette. We also launched Foodie Bite, a noodles-based snack product, in both Hot & Spicy and Chat Masti flavours, so our consumers can enjoy our instant noodles on the go, even if they don't have time to sit and enjoy the experience of heating up our noodles for a longer meal.

The noodles industry has been growing at a rapid rate, with consumption exceeding two packs per capita annually. As a growing but new industry, the noodles market requires quite a bit of trade and consumer promotion, thereby pushing effective gross margins lower than we typically see with our biscuits. While it will take time for consumers to change consumption habits a country with a predominantly rice-based diet, we remain optimistic about the long-term opportunity

CURRENT RATIO



BREAKDOWN OF 2020-2021 NET TURNOVER



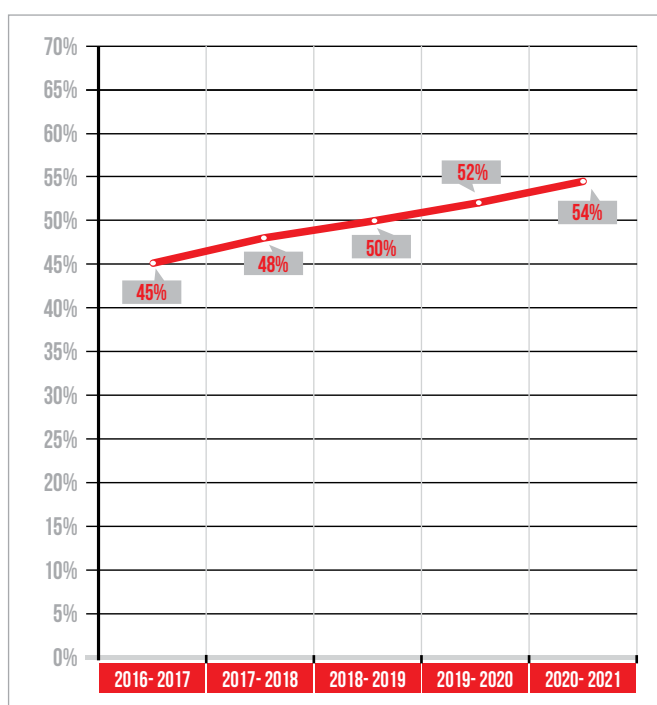
set, especially given the young (and busier) demographic, which now comprises a large part of the working population. We commissioned our Haas wafer production in September 2018, with an annual production capacity of 1,800 metric tons. We launched Olympic Knock, a premium chocolate-enrobed trapezoid-shaped wafer in three flavours (cream, chocolate and strawberry). In deciding which types of wafers to launch with, we chose to prioritize mid-range and premium wafers over standard flat wafers which are produced by many manufacturers and have a substantially lower margin profile. We are pleased to advise that we have expanded our wafer offerings by introducing Wayfun, mid-range, chocolate-enrobed wafer to enjoy on the go, in a smaller format.

We believe these recent capital expenditures will allow the company to be well represented in existing and new, unique, premium spaces in the confectionery and bakery categories currently not offered in Bangladesh. Instant noodles, snacks and wafers represent unique diversification opportunities as they use both the same upstream and downstream channels as our existing biscuits. As we grow new white space businesses, it is expected that our increased consumption of key raw materials such as flour, sugar and edible oil will grow and provide us the ability to obtain better commercial terms from our suppliers. It is also expected that we will be able to utilize a substantially large part of the existing distribution network that we have spent years building and optimizing, to distribute these new products.

Backward Integration & Internal Supply

As we have shared in previous annual reports, while we have generally stayed away from significant vertical integration related capital expenditures, we have chosen to focus on selective initiatives where we have experienced challenges around consistency and/or quality of supply and have anticipated that further growth

CASH DIVIDEND



REPORT OF THE BOARD OF DIRECTORS

could be affected as a result, in addition to the direct financial benefits associated with internal supply. As you may recall, the selected areas of our focus have been around the manufacturing of cartons, PET sheet forming and tray making (for our family pack biscuit products) as well as jar moulding and blowing (for our confectionery products); to this end, we are confident that we are prepared to internally meet the growing demand for our products that utilize these packaging components.

In 2017, we discussed the challenges we have faced over the past several years to procure millions of cartons every month with consistent levels of quality, especially given our robust growth over the past number of years has put significant pressure on many of our suppliers. We also found it challenging to further our automation initiatives without having full control of the supply of cartons that we use for our products. As a result, we decided to import and commission our own carton manufacturing facility in May 2018. We are pleased to advise that 100% of our carton requirements are now being met internally. We have the flexibility to produce cartons based on our requirements as well as the consistency in quality that we have been seeking.

Given the increased and increasing demand for our products over the past several years, we are very close to full utilization of our existing carton manufacturing demand (ranging from 6.00 to 6.50 million cartons per month, depending on the dimensions and size of the cartons produced). As such, in November 2021, we decided to import additional machinery to increase our carton production capacity to approximately 8.00 million cartons per month or 96.00 million cartons per year.

Net Assets, Cash Flow & Non-Operating Income

Our net assets grew by Tk. 997.68 million in the year ended June 30, 2021, to Tk. 9.24 billion this year, representing a year over year increase of 12.11% from Tk. 8.24 billion a year ago. 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.

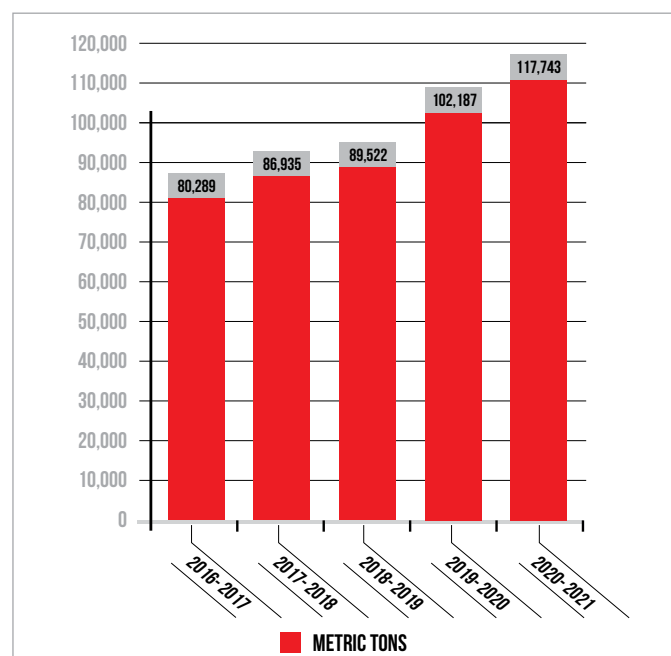
Cash flow from operating activities increased by 6.87% to Tk. 1.98 billion from Tk. 1.86 billion a year ago, with net operating cash flow per share increasing to Tk. 9.93 per share from Tk. 9.29 per share a year ago.

We received Tk. 317.68 million in interest on our deposits, comprised of fixed deposits, short term deposits and zero-coupon bond investments, as compared to Tk. 379.09 million a year ago. Similarly, in comparison, we paid Tk. 117.23 million in interest on our loans as compared to Tk. 164.33 million a year ago. We reiterate that while it is nice to see our deposits earn significant non-operating income, the primary purpose of this company is to generate operating income through the manufacturing and sales of consumer goods. Our business has traditionally been one built on negative working capital. We have found that prepaying for certain cost of goods sold, rather than buying on credit, often yields better discounts and appears to be a good use of our cash.

Recommendation of Dividend & Pay-out Ratio

The Board of Directors is pleased to recommend 54% cash dividend i.e. Tk. 5.40 (Taka five and Paisa forty) per each ordinary share of Tk. 10.00 for the year ended June 30, 2021. Payment of the cash dividend as recommended above shall be subject to approval of the shareholders at the 42nd Annual General Meeting of the company. Shareholders whose names appeared on the list of shareholders or the CDBL Register on the Record Date of November 18, 2021 shall be entitled to the cash dividend.

ANNUAL BISCUIT, CONFECTIONERY, BAKERY & SNACKS SALES



We have recommended increasing our cash dividend to Tk. 5.40 per share this year as compared to Tk. 5.20 per share last year. The company is now in a position to responsibly distribute healthy dividends to shareholders. Our payout ratio in 2010-2011 was 13.60% and this year's pay-out ratio is 52.99%; we are pleased to advise shareholders that our pay-out ratio has exceeded 50% in each of the previous five financial years.

Credit Rating

Olympic is pleased to advise that National Credit Ratings Limited (NCR) has declared on June 27, 2021 that it has maintained its credit rating of Olympic at AA+ (Double A Plus) long-term and ST-1 short-term with stable outlook, valid until June 26, 2022. Please visit NCR's website at www.ncrbd.com for a full explanation of their rating methodology.

Macroeconomic Insights & Industry Developments

Bangladesh has delivered on best-in-class annual GDP growth rates of 6-7% over the past decade; while COVID-19 seems to have derailed this very strong growth, we are confident that this is a temporary phenomenon, no different than what is being witnessed all over the world. As vaccination rates continue to improve, the world remains cautiously optimistic that we may soon revert back to some semblance of normalcy. Time and time again, Bangladesh has proven to be resilient and we remain significantly optimistic for the mid- and long-term prospects and opportunities.

There has been substantial growth in the biscuit industry over the past decade, of which Olympic has been the primary beneficiary. With an increase in the country's population, growing per capita consumption and conversion from traditional to automated biscuit manufacturing, the industry has grown to approximately 240,000 metric tons annually. We remain encouraged by growing demand for biscuits however we are also very excited about non-biscuit growth opportunities, albeit from a lower base, especially as this strategically drives our mandate of becoming a macro snacking partner of choice for every single Bangladeshi.

Risks & Concerns

It should come as no surprise that current supply chain challenges may top the list of risks and concerns for most fast-moving consumer goods (FMCG) companies across the world. Broken or disrupted supply chains, resulting from COVID-19 disruptions, closures and restrictions as well as other possibly causes, have wreaked havoc on the world and increased the levels of uncertainty that need to be mitigated or addressed to ensure continuity of operations. As a result of these global challenges, which have certainly also impacted many of our local upstream supply chains, we have had to make many changes to the way we purchase, how much we purchase and how often we purchase. Global price instability, especially of the raw materials we primarily consume including flour, sugar and edible oil, makes much of this situation even more challenging; we have changed internal processes to manage these growing lead times.

For example, we understand that sourcing flavours for new products, following finalization of the product prototype, now requires an additional estimated two to three months of lead time. We have changed our NPD (new product development) processes as a result, to ensure our product launches are not delayed as a result of lagging supply chains.

As a result of shipping delays which have impacted or delayed the arrival of capital machinery (in conjunction with COVID-19 related delays and travel restrictions), we have explored and used alternative technologies to support remote oversight and commissioning of machinery to ensure line commissioning is not further delayed. Along these lines, to mitigate supply chain risks which may affect line operability, we have taken the decision to increase the local storage and inventory of spare parts and components for all of production lines from an estimated 12 months earlier to 18-24 months now.

Olympic procures most of the required raw materials for its biscuit, confectionery and bakery production locally. Bangladesh is not a significant producer of wheat, palm oil or sugar, which are the major ingredients used in our production. These raw materials, though locally procured by us, are imported from all around the world and, as such, are priced in foreign currency. Fluctuations in commodity prices are a risk for us however, with certain key commodities on the rise, we will continue to assess opportunities with creative solutions to maintain our margins. The

REPORT OF THE BOARD OF DIRECTORS

implementation of our deeper and stronger supply chain processes definitely assists in mitigating these sorts of risks.

Credit, liquidity and market risks have been addressed within the notes to the financial statements. Increased competition is potential risk; new lines from new entrants in the biscuit are expected in the coming years. It will be up to us to execute on our mandate and continue to capture market share in spaces where we may be seeing new entrants. We welcome competition as it continually ensures that we strive for better and motivates us to maintain and build on the relationships we have with all of our stakeholders.

We often see imitations of our products and we continue to undertake mitigation efforts including educating consumers, vigilance and proactive cooperation with law enforcement and government agencies, as these imitations frequently include infringements on our registered marks. We have successfully shut down many of these producers through legal recourse however often, resources available to the authorities are limited and these processes take time. We treat these infringements very seriously and will take any and all steps necessary to protect and safeguard our brands.

Biscuits, Confectionery, Bakery & Snacks

Biscuits, confectionery, bakery and snack products accounted for 97.75% of this year's total revenue as compared to 97.07% last year. As we continue to commission new production lines within these categories, it should come as no surprise that we anticipate that these products will account for a higher percentage of overall revenue in subsequent years.

This year, we sold 117,742.90 metric tons of biscuits, confectionery, bakery and snacks products, as compared to 102,186.70 metric tons a year ago, representing a year over year 15.22% increase in volume. Revenue in these categories grew 14.24% to Tk. 17.63 billion from Tk. 15.43 billion a year ago. We recognized Tk. 149,707.05 per metric ton we sold this year as compared to Tk. 150,998.67 a year ago, representing a year over year decrease of 0.86% in revenue per metric ton sold.

Exports

This year, we exported products valued at Tk. 256.50 million as compared to Tk. 237.53 million a year ago, a year over year increase of 7.99%. Our exports this year resulted in inward foreign exchange of US\$ 3.01 million as compared to US\$ 2.84 million a year ago. In addition to the above revenue, we received a Tk. 59.24 million cash incentive as export promotion benefit, as compared to Tk. 44.11 million the previous year. Volume wise, we exported 1,915.99 metric tons of products as compared to 1,848.48 metric tons a year ago. Exports accounted for 1.42% of our total revenue this year, as compared to 1.49% the previous year.

Snacking Champion of Choice

Whenever the moment, whatever the occasion, we want to ensure that our products across various categories are well represented and meet the needs of the Bangladeshi consumer. We believe the investments we have made over the past few years have supported and will continue to support us on our journey to becoming a full-line snacks manufacturer, as we continue to add new categories and products that allow us to capture different forms and moments of snacking.

Starting from our existing base of biscuits and confectionery, we have added additional confectionery products such as Pulse centre filled candies, toffees and bakery products such as dry cake, soft cake, toast and rusk, as well as, more recently, chocolate enrobed wafers, instant noodles, and savoury snacks. We strongly believe we are incrementally increasing the right value-added propositions for our consumers' occasions of snacking and we will continue to do so in the coming years.

We aim to continue identifying global trends in snacking which can be adapted for Bangladeshi consumers, as a strong component of our overall macro snacking strategy. In addition to this, we continue to identify major category segments to which our entry could play a meaningful role as well as identify new occasions of snacking and price points which can be addressed by us as the market and consumer evolves, while utilize the power of our distribution platform, valuable relationships and strong brand value.

We recently announced that we will be importing a cupcake production line with an annual production capacity of 79.00 million plain and filled cupcakes; we are excited to further invest in bakery snacking opportunities and see this as a gateway to explore additional opportunities as the Bangladeshi taste palette continues to evolve at a rapid rate.

Selling Expenses, Advertising & Promotion

As you may remember, we split our sales and marketing departments and also repositioned management of our national teams, across various roles. It is often a challenge to correctly incentivize a head of sales to focus on marketing, not only because it is outside of their area of expertise but primarily because success is most usually quantified based on sales performance.

Our selling expenses this year increased to Tk. 2.35 billion as compared to Tk. 2.06 billion a year ago, representing an increase of 14.43% year over year. Within our selling expenses, related salaries and allowances increased 21.13% from Tk. 722.81 million to Tk. 875.52 million; a significant portion of this increase is attributed to our initiative of fully spinning out our third sales group (Star) from Sun group, where it operated for many years, as it has grown considerably and requires its own structures and teams to support current and future growth.

Advertising and promotion declined slightly to Tk. 608.55 million in 2020-2021, primarily due to limited opportunities to advertise resulting from COVID-19 closures, as compared to Tk. 658.16 million a year ago, representing a 7.54% year over year decrease. This year A&P was 3.37% of total revenue as compared to 4.14% a year ago. Sales promotion represented 95.81% of the company's A&P spend this year, as compared to 88.52% a year ago, primarily driven by, as described above, limited valuable advertising opportunities. Aside from targeted consumer promotions aimed at increased consumption by specific demographics, most of our sales promotion is centred around trade promotion, focused on incentivizing (predominantly traditional) retail trade.

We have spent considerable time focusing on the demographic composition of the country and understanding how our marketing efforts can be better aligned with the changing trends in Bangladesh, particularly around the development of the middle class and the large, digitally-engaged population. We continue to refine our digital channel strategy for the Olympic brand and our individual product brands; having a strong, consistent and unified brand presence will be very important for us.

Procurement & Supply Chain Management

As discussed above, supply chain management is very much at the top of our minds. Disrupted supply chains have the potential to cause significant production disruptions and all efforts have been taken to minimize our exposure to these possible supply chain risks. In previous years, we have discussed our aggressive procurement policies and creative use of our cash and extra warehousing space to stockpile raw materials allow us to take advantage of special situations – the decisions we made at that time are really coming to benefit us now, however, we have certainly had to make changes to accommodate changing dynamics, in terms of how much we purchase, how often we purchase, who we purchase from and even more relevant today, where (geographically) we purchase from.

Olympic procures most of the required raw materials for its biscuit, confectionery and bakery production locally. Bangladesh is not a significant producer of wheat, palm oil or sugar, which are the major ingredients used in our production. These raw materials, though locally procured by us, are imported from all around the world and, as such, are priced in foreign currency. Fluctuations in commodity prices are a risk for us however, with certain key commodities on the rise, we will continue to assess opportunities with creative solutions to maintain our margins. The implementation of our deeper and stronger supply chain processes definitely assists in mitigating these sorts of risks.

As we diversify into products that use the same raw materials and our consumption of these raw materials grows, we will strengthen our ability to negotiate lower prices and better commercial terms or in many instances, better discounts for prepayment, which is an excellent use of our cash.

A large area of work for our supply chain focuses largely around 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 (on a timely basis) of the raw materials that we procure. Auditing and approving suppliers based on their capabilities has allowed

REPORT OF THE BOARD OF DIRECTORS

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 or packaging materials supplied by them.

Dry-cell Battery

In financial year 2020-2021, dry-cell battery sales were 55.22 million pieces, as compared to 55.06 million pieces in 2019-2020, representing a 0.28% increase. This unit's turnover this year was Tk. 405.66 million, as compared to Tk. 464.98 million a year ago, representing a 12.76% decrease. As stated in previous years, given the outlook and trends we have seen within the industry, these results are within our expectations. Dry-cell battery sales this year accounted for 2.25% of the company's total net turnover, as compared to 2.93% a year ago.

Oil Refining & Hydrogenation

The oil refining and hydrogenation unit is still dormant and is expected to remain that way due to considerable risks and many unknown factors within the edible oil market. As per discussions during previous Annual General Meetings of the company, we continue to explore opportunities to dispose of this unit, with or without the accompanying land. A decision would then be taken, considering the offered price 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 caution and prudence is being exercised to preserve shareholder value.

Contribution to the National Exchequer

During the financial year ended June 30, 2021, Olympic contributed Tk. 2,948,179,344.48 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 16.35% of the company's annual revenue, as compared to the previous year's contribution of Tk. 2,787,464,112.27, which represented 17.54%.

A breakdown of this year's contribution is as follows:

	2020-2021
Advance Income Tax	740,180,473.00
VAT Deposit	875,777,908.41
Local Purchase VAT	686,706,860.63
Service VAT	60,939,233.80
Customs Duty	457,711,315.87
VAT deducted at source	60,421,772.88
VAT on Transport Bill	66,441,779.89
Total contribution	2,948,179,344.48
Contribution last year	2,787,464,112.27
Year over year increase/decrease	160,715,232.21

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.

Corporate Compliance & Corporate Governance Code

We are pleased to advise that we are compliant with regulations and requirements set out within the Bangladesh Securities & Exchange Commission's Corporate Governance Code. In addition to this Report of the Board of Directors, all other requirements have been addressed within our Report on Compliance of Corporate Governance and the relevant annexures.

As per BSEC's Corporate Governance Code dated June 3, 2018, Condition 1(5), "the Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):

(i) An industry outlook and possible future developments in the industry → Addressed within the Report of the Board of Directors
(ii) The segment-wise or product-wise performance → Addressed within the Report of the Board of Directors
(iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environments → Addressed within the Report of the Board of Directors, Sustainability Report & Explanatory Note 42.00 of the Financial Statements
(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit margin, where applicable → Addressed within the Report of the Board of Directors
(v) A discussion on the continuity of any extraordinary activities and their implications (gain or loss) → Not applicable
(vi) A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions → Addressed within Explanatory Note 35.00 of the Financial Statements
(vii) A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments → Not applicable
(viii) An explanation if the financial results deteriorate after the company goes for IPO, RPO, rights share offer, direct listing, etc. → Not applicable
(ix) An explanation on any significant variance that occurs between the Quarterly Financial performances and Annual Financial Statements → Not applicable, no significant variance
(x) A statement of remuneration paid to the directors including independent directors → Addressed within Explanatory Notes 28.01, 35.00, 35.01 and 36.00 of the Financial Statements
(xi) A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity → Addressed within Explanatory Note 02.00 of the Financial Statements and the Independent Auditor's Report
(xii) A statement that proper books of account of the issuer have been maintained → Addressed within Explanatory Note 02.00 of the Financial Statements and the Independent Auditor's Report

REPORT OF THE BOARD OF DIRECTORS

(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement → Addressed within Explanatory Note 02.00 of the Financial Statements
(xiv)	A statement that IAS or IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed → Addressed within Explanatory Note 02.00 of the Financial Statements
(xv)	A statement that the internal control system is sound in design, has been effectively implemented and monitored → Addressed within Explanatory Note 02.00 of the Financial Statements and the Independent Auditor's Report
(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress → The Board of Directors confirms that the interests of minority shareholders have been protected from abusive actions
(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern → Addressed within Explanatory Note 02.00 of the Financial Statements
(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained → Not applicable, as there have not been any significant deviations from the previous year's operating results
(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized → Addressed within the Key Operating & Financial Data section of the Annual Report
(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year → Not applicable, as the company has declared dividend for the year
(xxi)	Board's statement that no bonus shares or stock dividend has been or shall be declared as interim dividend → The Board of Directors confirms that no bonus shares/stock dividend has been declared as interim dividend
(xxii)	The total number of Board meetings held during the year and attendance by each director → Addressed within Explanatory Note 28.01 of the Financial Statements
(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (with specific details) → Addressed within Report on Compliance of Corporate Governance and in Explanatory Note 12.00 of the Financial Statements
(xxiv)	In the case of the appointment or reappointment of a director, a disclosure (with specific details) to be provided → Addressed within the Report of the Board of Directors
(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements (with specific details) → Addressed within the Report of the Board of Directors

(xxvi)	Declaration or certification by CEO and CFO to the Board as required under Condition No.3(3) → Annexure A is included within the Annual Report
(xxvii)	Report and certificate regarding compliance of conditions of this Code as required under Condition No. 9 → Annexures D, E and F are included within the Annual Report

Retirement and Reappointment of Directors

At the 42nd Annual General Meeting of the company, Aziz Mohammad Bhai and Munir Ali, Directors, will retire by rotation, as per clause 119 of the Articles of Association of the company.

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 42nd Annual General Meeting of the company. Brief resumes of Aziz Mohammad Bhai and Munir Ali, as per Corporate Governance Code Condition No. 1(5)(xxiv)(a), have been included for reference.

Appointment of Statutory Auditor

M/s M.J. Abedin & Co, Chartered Accountants, an independent firm of Moore Global Network Limited was appointed as the statutory auditor at the 41st Annual General Meeting of the company held on December 24, 2020. The statutory auditor has completed its first year of service to the company and has expressed its willingness to be reappointed for the financial year ending June 30, 2022. Remuneration of the statutory auditor was fixed at Tk. 900,000 for the previous financial year by shareholders at the 41st Annual General Meeting. The statutory auditor has expressed its request to consider enhancement of remuneration for the next financial year.

Appointment of Professional Firm with respect to BSEC Corporate Governance Code

The Board of Directors of the company requires to appoint a practicing professional firm (Chartered Accountant or Chartered Secretary) to provide certification with respect to the company's compliance and adherence to the Bangladesh Securities and Exchange Commission's Corporate Governance Code.

M/s Huda & Co., Chartered Accountants, has provided this service for many years with a fixed remuneration of Tk. 200,000.00 and has expressed willingness to be reappointed for the financial year ending June 30, 2022.



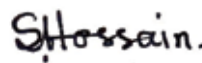
Mubarak Ali
Managing Director



Tanveer Ali
Director



Rokeya Quader
Independent Director



Begum Sakwat Banu
Independent Director



SUSTAINABILITY REPORT

Dear Shareholders,

As our Sustainability program continues to navigate the hurdles posed by COVID-19 and tries to overcome them to the best of its ability, the following section will highlight this year's triumphs and lessons learned. We began the fiscal year with the successful continuation of ongoing initiatives, which set the tone for the rest of the year. Our planned programs have performed well and have begun to influence a broader range of people. Along with them and to combat COVID-19 and its challenges, we have implemented several initiatives, including the distribution of biscuits, financial resources, medical equipment, awareness training, and community outreach, all of which have been designed to assist our employees, workers, and members of our communities. Due to the fact that micronutrient fortification is now more important than ever in our consumers' diets, we have maintained the fortification of our instant noodle products and plan to fortify additional snack items in the future.

Our Health & Nutrition Centre is operating to its full potential and has served as a focal point for raising awareness about Covid-19 in the surrounding communities, in addition to providing regular medical assistance to those in need.

As a result of the new safety regulations, we've had to postpone several of our regular training sessions. In the coming year, we are confident that these projects will be

implemented with the proper safeguards and restrictions. Increased student participation in the Integrated Cultural-Educational Program has resulted in more children being educated about their culture and their fundamental rights, as well as being driven to aspire beyond their current circumstances. In order to alleviate the issues of COVID-19, online classes have been provided to ensure that students continue to have the opportunity to acquire a high-quality education.

With the addition of cutting-edge technologies such as, on-grid solar energy systems, cogeneration and heat-and-steam recovery to our manufacturing processes, we now have more options than ever before for reducing and offsetting our emissions. Our internal awareness campaigns have helped us cut down on the quantity of paper, power, and water we consume. We encourage you to review our KPI and Environmental Performance Reports on our website to learn more about our goals and impact.

Throughout the implementation of these projects, we've learned valuable lessons that will help us launch new initiatives in the future that will involve and benefit a wider range of stakeholders. As a team, we are up to the challenge of this pandemic and we are confident that we are working together with our partners towards a common goal. For this reason, it gives us optimism that we can do better at making our business more inclusive, and we intend to keep working toward a brighter future for everyone.



Saifullah Al Azad
Sustainability & CSR

Sustainability Mission Statement

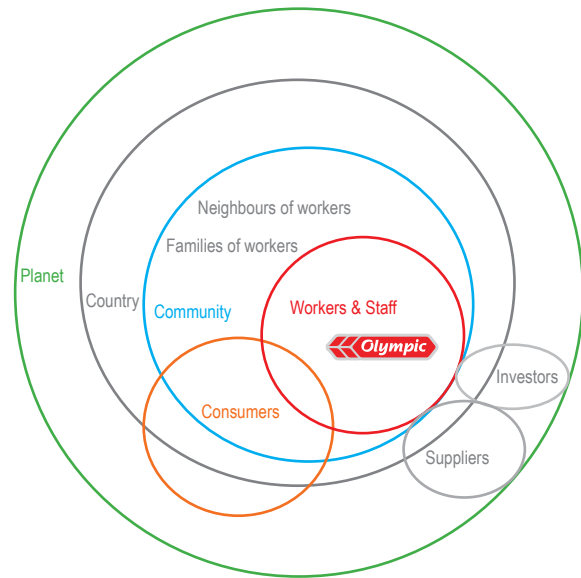
At Olympic, we believe that being a good business means contributing to the well-being of our workers, our customers, our community, and our planet. We believe that our business can, and should, aim to add value to society and operate in a sustainable way. We want to add value by making good products that nourish people, all the while creating jobs and contributing to the Bangladesh economy. We know that one company cannot by itself fix the world's problems, but we want to make sure we do everything we can to make this world a better place. This is why we have decided to introduce a Sustainability program.

As a company, our goals are to a) be the employer of choice by providing our employees with an exciting and fulfilling work environment; b) be stewards of social responsibility in Bangladesh through our initiatives; and c) instil confidence in our external stakeholders that our practices are aligned with their social responsibility values. We believe that a good business must be sustainable. We want to take on goals that not only give back to society, but that also hold us to a higher standard as corporate citizens. We are committed to sustainability for the long-run, and we welcome accountability for our actions.

We believe that any good program needs stable funding. This is why we aim, in the long run, to align our funding with the Sustainable Development Goals' recommendations on donor country spending. By committing to this number, we hope to contribute in a meaningful way to our country's development, and to set an example for our peers.

In order to better guide our decisions, we have tied all of our projects to the Sustainable Development Goals set out by the United Nations. We have chosen goals which are most applicable to our line of work and which are closest to our employees' hearts; those which relate to health & nutrition, education, equity, and climate change.

We are committed to providing our workers with a better life by providing them the working conditions they deserve. We aim to achieve this by complying with labour laws, implementing programs focused on skills and knowledge development, and creating new opportunities for our workers. We want to build a working environment which helps our workers thrive and be proud to work in.



Achieve full employment and decent work for all women and men, and equal pay for work of equal value. (8.5)

Protect labour rights and promote safe and secure working environments for all workers. (8.8)

We are committed to providing our customers with products which are both healthy and delicious. Why compromise? We aim to improve our customers' nutrition by providing them with fortified products they will actually want to eat. We also aim to eliminate unfair business practices by creating and enforcing marketing policies which protect the rights of children and vulnerable people.

End hunger and ensure access by all people to safe, nutritious and sufficient food all year round. (2.1)

End all forms of malnutrition. (2.2)





Achieve universal health coverage and access to quality essential health-care services for all (3.8)

We are committed to giving back to our community by contributing to their good health and nutrition, and increasing access to education. We have chosen these goals because, as we are in the food industry, we believe it is our duty to ensure that our country has access to good nutrition and has the education necessary to make healthy decisions and to lift themselves out of poverty. We are aware of the virtuous cycle of education and nutrition, where children can only succeed in their studies if they are well fed, and if they are educated, they tend to eat better and be healthier.

Ensure that all girls and boys complete primary and secondary education. (4.1)

Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. (4.3)



We are committed to ensuring that our planet stays healthy and plentiful. We believe we have a duty to ensure that our children will have a flourishing planet to live on for generations to come. In order to make this happen, we plan to reduce our impact on climate change by reducing waste and greenhouse gas emissions, increasing our use of renewable materials and energies, and mitigating climate change's impact on our communities.



Increase substantially the share of renewable energy in the global energy mix. (7.2)

Double the global rate of improvement in energy efficiency. (7.3)

Substantially reduce waste generation through prevention, reduction, recycling and reuse. (12.5)



In undertaking all our projects, we commit to considering gender issues and to actively contribute to the elimination of discrimination against women.



Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in economic, political and public life. (5.5)

Finally, we commit to holding ourselves accountable for the way we conduct business and for the projects we engage in. In designing our projects, we will strive to remain independent and to make a wise cost-benefit analysis based on our key goals, all the while ensuring that our work is measurable, sustainable, efficient and relevant. We also aim to ensure that our projects are not duplicating the work of another agency, but rather that our projects are unique and complementary. We commit to continuously monitoring and evaluating the projects that we fund or take on. We commit to producing detailed reports that are accessible to all our stakeholders on a frequent basis.

We are committed to building a sustainability program we can all be proud of.



Our Key Initiatives



Occupational Health & Safety

At Olympic, we are committed to being a better company in every possible way. This includes the way we treat our workers. From a clean working environment to generous profit sharing mechanisms, we provide everything workers need to be as satisfied and productive as possible.

WATER & SANITATION

We provide safe drinking water on every floor of the factory, as well as Oral Rehydration Saline during the summer months, to ensure that our workers are well hydrated. As water is the source of life, we want to ensure its quality. We have our water tested by SGS annually, and by ICCDR, B weekly. We provide and clean workers' uniforms daily, and provide them with clean shoes to wear in the factory. Workers have access to spotless gender-designated bathrooms, and separate changing rooms. 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 on a weekly basis.

HEALTH & SAFETY

All of our workers are over 18 years old and certified as fit to work by a doctor before they are employed. We always have a first aid team on the premises, a certified paramedic available, and an arrangement with the local hospital for our workers to have access to 24-hour care in the event of an accident. Sick and injured employees have access to free medical healthcare and paid medical leave. All of our factory and field force employees are covered by a life insurance paid for by the company.

All of our workers are trained for seven days when they join our company. They receive training specific to their position, as well as various trainings on topics such as proper hygiene methods, and safety procedures. At the battery factory, workers have protective gloves and have hearing protectors at their disposition. We actively monitor 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. Thanks to all these preventive measures, we pride ourselves on having low accident rates.



BUILDING SAFETY

We are determined to provide the safest work environment our workers could hope for. Before commencing the construction of our earthquake-proof factories, we acquire approvals for construction by the local authorities (union parishad), and soil samples are tested through an external laboratory. Our building pile loads are tested through external assessors to fit the ASTM D 1143-81 standard and our loads test pressure gauge is tested by the Bangladesh University of Engineering and Technology. We hold licences for loads up to five times our actual requirement, for which our consultants issue a certificate in accordance with the Bangladesh National Building Code.

FIRE SAFETY, EMERGENCY PREPAREDNESS & RESPONSE

We hold a Fire Licence, certifying that we follow all the fire safety rules applicable to us, and we have assembled a fire marshal team of 130 employees trained by the local fire service, at least 30 of which are on duty at any given time. We are equipped with state of the art fire detection, evacuation and monitoring technology, including multiple extinguishers, heat and smoke detectors, fire hydrant boxes, and fire alarms on every floor. We have built in several fail-safe redundancies, including automatic transition between electrical, diesel and manual (jockey) pumps.

We have also assembled a disaster management committee which designs our disaster management and fire safety plans. We have developed safe evacuation methods, which we practice with workers weekly during our randomized fire drills. Every quarter, we organize a refresher training on fire safety with the Bangladesh Fire Service and Civil Defence Agency, as well as a general health and safety refresher training, and earthquake preparedness training sessions and simulations.

WAGE & BENEFITS

Our workers not only work in a safe and friendly environment; they are also well-compensated for their hard work. We share 5% of our profits with our workers, the majority of which is distributed to our workers directly, with the remainder being split between our company's worker welfare fund, and the government's Worker Welfare Foundation Fund. We are proud to follow the Bangladesh Labour Act when it comes to all financial matters, including termination benefits and gratuities.



We provide two annual festival bonuses to our workers, as well as systematic cash incentives for workers who come to work regularly and to those who work night shifts. We pay overtime and grant festival, medical, casual and maternity leave as mandated by the Labour Act.

All of our factory and field force workers have life insurance, including our third-party construction workers through a very comprehensive construction all risks policy. Always seeking to set new standards, we are proud to be the first company in Bangladesh to insure the lives of third-party workers.

FACILITIES

To make our staff's life easier and more enjoyable, we provide dormitories for technical staff and supervisors who need to work at night and/or live far away. We provide meals for all officer-level employees and above, as well as a canteen for regular workers. Finally, we have planted "green areas" composed of flowers and plants in various places around the factory, and we play classical music at night in our new biscuit factory as a way to motivate workers and create a good working atmosphere. Our facilities go above and beyond what Bangladesh law requires.



Environmental Impact

ENERGY

The majority of our energy comes from natural gas, government-supplied electricity, and diesel. We have one solar panel at each factory, which supply energy for lighting and ventilation. We have switched over 100% of our light bulbs from less efficient CFLs to LEDs.

MATERIALS

100% of our carton boxes, plastic trays and jars are made from recycled materials.

WASTE

We have already managed to reduce our solid waste to very small amounts. We produce over 2,000 metric tons of goods weekly, for which our total waste (including canteen and cleaning waste) amounts to only 33 metric tons.

SUSTAINABILITY REPORT

EMISSIONS

To reduce both noise and pollution, we use canopies and special chimneys with our gas and diesel burners. We calibrate these burners regularly to ensure that no sulphur oxide, nitrous oxide or carbon monoxide are emitted into the environment. The air is regularly tested by a third party to ensure we do not emit those toxins. We are proud to adhere to all the energy safety procedures mandated by the government, and to internationally-set standards on pollution.

EFFLUENTS

We treat all our waste water according to the Bangladesh Standards and Testing Institution. We use a settling tank to separate oils from waste water at each factory, as well as two deep tube wells, an underground reservoir and an overhead tank. We adjust the water's pH and dissolve oxygen level before releasing it into the pond. We partly reuse waste water after treating it with UV lights. We do not use or emit any toxic chemicals at our biscuit factories. As for our battery factories, 100% of the water we use is fully utilized in the production of our batteries, and as such, we produce zero effluents.



Quality Control & Product Safety

Quality is our first priority. As a food manufacturing company, our main goal is to provide customers with products that are safe, tasty and made with utmost care. From ingredients to packaging, we only source the best materials. Every new product is tested and approved by the Bangladesh Standards and Testing Institution before it is produced. We conduct a variety of tests on our raw materials as well as finished products. For instance, we test finished products for shelf-life consistency and heat resistance. We aim to use minimal yet efficient packaging, which lists all the information a consumer could need, from ingredients to nutritional facts and certifications.

We believe that quality control is intrinsically linked with our company's sustainability. By reducing risks, constantly improving business processes, and demonstrating to consumers our commitment to them, quality control contributes to sustained profitability and growth. To maintain our high business process standards, we have implemented SAP enterprise resource planning system which brings together all business processes and ensures proper documentation is kept, therefore reducing rates of error. We have also adopted ISO 22000, a Food Safety Management System that ensures that all materials and finished products are tested for quality, moisture and nutritional content.

Our facilities are kept with the highest health and safety standards. Production lines are equipped with highly sensitive metal detectors to prevent contamination, as well as scales to ensure weight consistency. Our employees are trained to adopt Good Manufacturing Practices, which include every type of hygiene. To reaffirm of this dedication to health and safety, we contract SGS to audit our factories annually.



Our Response to the COVID-19 Pandemic

HEALTH SAFETY AND HYGIENE MAINTENANCE

As a food maker, maintaining high standards of hygiene has always been one of our top objectives. To minimize the spread of COVID-19, we have continued our policy of maintaining a safe and healthy workplace by establishing disinfection booths, employing personal protective equipment (PPE), and ensuring physical separation at all of our plants and corporate headquarters. We have provided personal protective equipment (PPE), hand sanitisers, disinfectants, and other necessary hygiene equipment to our whole sales team. All of our transportation trucks are disinfected regularly before they are allowed to enter our production grounds. We have maintained the availability of disinfection treatments, health-safety equipment, and any other type of support that may be needed by our employees and workers, as well as their families.



AWARENESS AND OUTREACH

Awareness of the COVID-19 outbreak in our organization and the communities we serve is a vital component of our response. Several awareness training sessions have been held by our HR and Risk & Compliance departments with all of our employees and workers. The major goals of these seminars were to teach participants how to identify COVID-19's early signs, how to keep themselves and their communities safe, and how to locate medical assistance in their area. A COVID-19 response team has been established and offers continuous and vital support.

DONATIONS AND FINANCIAL SUPPORT

We've taken a number of steps to financially help a variety of stakeholders both within and outside our communities. These activities have benefited various COVID-19 preventative strategies, individuals who are unable to work due to the pandemic, and COVID-19 sufferers. We supplied food, including biscuits, to a huge number of community people who have lost their sole source of income owing to the epidemic, with the assistance of local government leaders. The Diabetic Association of Bangladesh established a COVID Care Unit at the BIHS Hospital in Darus Salam, Mirpur, with our financial support. The unit is fully equipped with modern life support technology to handle serious COVID-19 patients and has already served over 500 patients.



Social Responsibility Initiatives in 2020-2021



Health & Nutrition

LOLATI HEALTH & NUTRITION CENTRE



Health and nutrition services provided by our premier health-and-nutrition initiative-the Lolati Health & Nutrition Centre-have proven to be an invaluable resource for our employees and community members, who can get access to general practitioners at a 15% discount and benefit from free nutrition consultations and the most affordable prices for common diagnostic tests. HNC has performed community announcements, banners, advertisements, and free medical camps to raise awareness of the COVID-19 outbreak with the help of our partners, including the Centre for Woman & Child Health (CWCH). In addition, the HNC medical staff has made more time available to our factories at no additional expense in order to provide our employees with improved access to on-site consulting.



INSTANT NOODLES FORTIFICATION

Bangladesh's micronutrient deficit is a major worry of ours. Instant noodles fortified with micronutrients are a great way to boost micronutrient availability, and Olympic's fortification project aims to inspire customers to eat more healthful and nutritious foods. Adding zinc, iodine, and other vitamins to our "Foodie" instant noodle brand has given it an extra boost. Each pack provides around 40% of an adult's daily vitamin and mineral needs. In the coming years, we'll be looking for ways to strengthen other items.



Education



INTEGRATED EDUCATIONAL-CULTURAL PROGRAMME



For the 'Integrated Educational-Cultural Programme,' we have continued our relationship with Fulki in order to make a long-term impact on the lives of the kids involved. The program was held at six schools in the vicinity of our workplaces. This program has continued to enable over 2,600 students this year to learn about themes such as storytelling, writing, poetry, human rights, and fundamental rights while also applying what they have learned in their daily lives. As part of the initiative, 25 local youths have been trained as facilitators. Ultimately, we hope that this approach, which will benefit both facilitators and students, will foster creativity and motivate them to become responsible citizens, while also improving the educational ecosystems in our respective communities.

AWARENESS TRAINING FOR OCCUPATIONAL HEALTH AND SAFETY



summary of these lessons learned.

Our Risk and Compliance department has conducted a number of training sessions to ensure that our workers are up to date on the latest safety regulations and are fully aware of the necessary safety precautions to perform their duties. In recognition of Occupational Health and Safety Day this year, we emphasized the importance of having a hazard-free workplace as our motto. Several internal and external specialists have participated in the event in order to illustrate the optimal safety protocol. Every employee of the factories has been given a pamphlet offering a concise

ACCESS TO HEALTH & RIGHTS RELATED INFORMATION



A common problem for the typical Bangladeshi is finding information about healthy habits, particularly when it comes to sexual and reproductive health and rights (SRHR). We have been successful in decreasing that challenge as a result of the Maya Apa program and application. An online platform dedicated to answering inquiries on SRHR issues, as well as on health, the law, and lifestyle issues. Several of our employees have begun using the Maya app on their mobile phones as a result of the team's ongoing outreach efforts; employees who do not have smartphones may easily access the service through Maya kiosks that have been established at our medical centres.

SPONSORING LOCAL SCHOOLS

Local schools in impoverished regions are frequently unable to offer their pupils with the amenities they require and deserve, due to a lack of funds, which is mainly the result of budget constraints. Olympic is happy to fund schools in its local communities, including Dhaka and Narayanganj, where our corporate headquarters and manufacturing facilities are located. The majority of sponsorship money has gone toward the hire of more teachers.



Environmental Impact

ENVIRONMENTAL PERFORMANCE REPORT

At Olympic, we believe that adopting best practices in self-assessment is essential for preserving responsibility in the workplace. We have therefore continued to examine the impact our business has on the environment, in order to lessen it as much as we possibly can. Our staff has demonstrated tenacity in gathering all of the essential information and has helped to the achievement of our objectives by making new and practical suggestions. With this year's encouraging results, we are more inspired than ever to publish this report on a yearly basis in order to assess and track our impact while also being transparent about it.

RENEWABLE ENERGY

The use of fossil fuels is one of our most significant sources of CO₂ emissions, and we have established reduction targets for this source. Our 30 kWh on-grid solar panel system at our Lolati factory has helped us reduce our carbon footprint. The system has successfully decreased emissions by approximately 33 metric tons of CO₂ this year, which is quite near to our initial target. We intend to install additional solar panel systems at our other facilities shortly.

HEAT RECOVERY SYSTEM TO CO-GENERATE STEAM WITH ELECTRICITY

Because of our unwavering commitment to being environmentally conscious, we have decided to install a gas generator with co-generation technology. This generator has the capacity to generate 1.5 MWh of electricity from natural gas while simultaneously producing 1.3 ton/h of steam with the built-in boiler, thanks to the heat recovery system of the generator. Through the use of this new technology, we have produced over 6,000 tons of steam while conserving over 500,000 m³ of natural gas and close to 1,000 tCO₂ in greenhouse gas emissions.

RESPONSIBLE CONSUMPTION OF ENERGY AND RESOURCES

We believe that if we want to have a beneficial impact on the environment, that impact should begin with ourselves and our actions. We have saved more than 200,000 sheets of paper and the corresponding amount of printing ink this year as a consequence of various initiatives, which is a 15% reduction from the previous year. With technologies such as motion sensors and flow meters put in all of our water channels on our manufacturing lines, we have been able to closely monitor usage while also reducing the amount of water that is wasted. We have concentrated our efforts on reducing the usage of electricity by utilizing natural light whenever possible and solely employing LED lights.

REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

Board of Directors – Roles and Responsibilities of the Board

The Board of Directors of Olympic Industries Limited is responsible to ensure that the company is managed properly and equipped to best achieve its objectives and goals. The actions and decisions taken by the Board are for the best interest of the company, its employees, shareholders, management, all other stakeholders and the society at large.

The Board determines business strategy, channels investments in the right direction, and guides management to minimize risks and maximize returns. It also establishes corporate values and standards, contributes to effective human resource planning, and directs efficient financial management. The Board of Directors of Olympic Industries Limited believes that the highest level of integrity, transparency and accountability are necessary to establish good governance in managing the business effectively with responsibility and care.

A) Board Size – Condition 1.1

Olympic Industries Limited has a total of 6 directors including two independent directors on its Board, in line with the Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 of the Bangladesh Securities and Exchange Commission which prescribes that the number shall not be less than five or more than twenty and that the independent directors comprise one fifth of the total number of directors in the company (fractions are rounded up). The independent directors were appointed by the Board and their appointments were approved by the shareholders at the AGM. Other relevant information is provided in the Status of Compliance in Annexure E. The size of the Board is also within the prescribed limits of the company's Articles of Association, specifically Article 105, where the minimum number is stated to be three and the maximum number is stated to be twelve.

B) Appointment of Independent Directors – Condition 1.2

In its Six-members Board of Directors, Olympic Industries Limited has two independent directors who were first appointed by the Board and, thereafter, their appointments were approved by the shareholders at the company's AGM.

The details of independent directors are as follows:

- 1) Begum Sakwat Banu: Upon expiry of her approved first term on October 26, 2019, she has been re-appointed by the Board of Directors on November 4, 2019 for 2nd term of 3 (three) years giving retrospective effect from October 27, 2019 to October 26, 2022 which has been approved by the shareholders at the 40th AGM held on December 26, 2019. She has been allowed to draw existing remuneration of Tk. 200,000.00 (Taka two hundred thousand) per month and 2 (two) festival bonuses per year as per rules of the company. She has also been re-appointed as Chairperson of the Audit Committee and as member of Nomination and Remuneration Committee (NRC) of Olympic Industries Limited.
- 2) Rokeya Quader: In their meeting held on September 24, 2020, the Board of Directors has appointed Rokeya Quader as Independent Director for an initial term of three years from September 25, 2020 to September 24, 2023. Rokeya Quader has also been appointed as Chairperson of the Nomination and Remuneration Committee (NRC) and as Member of Audit Committee of Olympic Industries Limited effective from September 25, 2020 by the Board of Directors. Her appointment has been approved by the Shareholders at the 41st AGM of the Company held on December 24, 2020.

Olympic Industries Limited complies with all conditions necessary for the appointment of independent directors as specified in Conditions 1(2) and 1(3) of the Corporate Governance Code. More details are provided in Annexure E.

C) Chairman of the Board and Managing Director – Condition 1.4

At Olympic Industries Limited, there is no post of Chief Executive Officer (CEO), as the Managing Director performs

the functions of the CEO. The positions of Chairman of the Board and Managing Director are filled by different individuals as mandated by the Corporate Governance Code. As our Chairman, Mohammad Bhai, passed away on January 9, 2018, the post of Chairman is now vacant. Mubarak Ali has been continuing as Managing Director. A new Chairman will be elected from among the non-executive directors of the company, as mandated by the Corporate Governance Code.

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

Chairman

Roles: The Chairman leads the Board to ensure that the Board functions effectively and smoothly to promote high standards of uprightness, integrity and corporate governance. He does not participate or interfere with the day-to-day operations or administrative functions of the company. The role of Chairman is to formulate broad policy guidelines for the company, to oversee that the functions are performed properly and within the set policy guidelines. He extends his support to the Managing Director, whenever required, to implement the guidelines.

Responsibilities:

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

- Attend and preside over the meetings of the Board of Directors
- Ensure that the members of the Board actively participate in the discussions and voice their opinions to make effective decisions
- Ensure that the meeting agendas are properly discussed and decisions are harmoniously taken by the Board, as well as help assuage discord and resolve disagreements when necessary
- Ensure that the Board of Directors performs well, achieves the objectives of the company, and discharges its responsibilities to the various stakeholders
- Support and guide the Managing Director in discharging his responsibilities properly and smoothly
- Ensure that Board Committees are properly formed, and that they discharge their functions adequately.

Managing Director

Roles: The Managing Director is in charge of implementing policies and decisions of the Board of Directors, as well as looking after the overall management of the company. He acts as liaison between the Board of Directors and the management. He is in charge of motivating employees and workers, as well as improving the performance of the company so that employees can enjoy their work and help achieve the company's objectives. He speaks to various stakeholders, regulators, government agencies, employees, and to shareholders on behalf of the company. The Managing Director is the visionary, guide and key decision-maker of the company.

Responsibilities:

The Managing Director has the following responsibilities:

- Set goals for the company, formulate policies and guidelines, lead and empower the company's key management to achieve these goals
- Present to the Board various plans, projects, and strategies, as well as arrange funding for the implementation of various plans
- Ensure that proper recruitment takes place through effective human resource planning
- Maintain a convivial working environment, discipline, and team spirit in the organization
- Maintain effective dialogue between the company and its stakeholders
- Effectively control costs, reduce wastage, and improve efficiency at all levels in order to fulfill the objectives of the company
- Promote and maintain management succession and development plans
- Identify various risks for the company and develop strategies to overcome those risks
- Ensure that performance is consistent and is recognized
- Ensure that the obligations of the company to its various stakeholders and to the society at large are fulfilled.

REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

D) Remuneration paid to the Directors including Independent Directors - Condition 1(5)(x) Provided in Notes 28.01, 35.01 & 36.00 of the audited financial statements

E) Key operating and financial data of preceding 5 (five) years - Condition 1(5)(xix) Provided at Page 22 of the Annual Report

F) Total number of Board Meetings held and attendance therein during the year - Condition 1(5)(xxii) Provided in Note 28.01 of the audited financial statements

G) Pattern of shareholding – Condition 1(5)(xxiii)

Shareholdings as on June 30, 2021 were as under:	Shares
a) Associated company:	
M/s. Ambee Limited	7,612,255 shares
b) Directors including Managing Director:	
Mubarak Ali, Managing Director	11,037,939 shares
Aziz Mohammad Bhai, Director	31,046,706 shares
Safinaz Bhai, Director (Deceased on Jan 5, 2020)	4,000,047 shares
Munir Ali, Director	4,000,622 shares
Begum Sakwat Banu, Independent Director	0 share
Rokeya Quader, Independent Director (Appointed by the Board on September 25, 2020)	0 share
Tanveer Ali, Nominee Director (Appointed by the Board on November 29, 2020)	
a) Nominator Kingsway Fund (operates Pictet Lux A/C KFFCF)	22,754,952 shares
b) BOID	455,931 shares
c) Company Secretary:	
Md. Nazimuddin	59,210 shares
d) Chief Financial Officer:	
Md. Harun-Al Rashid	0 share
e) Head of Internal Audit:	
Enamul Kabir Miah	0 share
f) Top 5 Salaried Executives:	
Madad Ali Virani, Executive Director	0 share
Satya Ranjan Mondal, GM, Accounts & Finance	100 shares
Nazrul Islam, GM, Operations	0 share
Mazharul Hasan Khan, GM, Legal Affairs	0 share
Imdadul Haque, Add. GM, Sales	0 share
g) Shareholders holding ten percent (10%) or more voting interest:	
i) Aziz Mohammad Bhai, Director	31,046,706 shares
ii) PICTET LUX A/C KFFCF, Foreign Investor	22,754,952 shares

H) Appointment and Re-appointment of Directors - Condition 1(5)(xxiv)

Aziz Mohammad Bhai and Munir Ali, Directors, will retire by rotation and will be considered for re-appointment by the shareholders at the 42nd AGM of the Company. Brief resumes of Aziz Mohammad Bhai and Munir Ali are enclosed in the Annual Report.

I) Declaration or Certification by the Managing Director and the CFO - Conditions 1(5)(xxvi) and 3(3)

The Certificate on review of financial statements and its presenting a true and fair view of the company's affairs, etc. is enclosed herein as Annexure A.

J) Report and Certificate regarding compliance of conditions of CGC - Conditions 1(5)(xxvii) & 9

The Certificate provided by M/s. Huda & Co., Chartered Accountants as per Annexure B of Corporate Governance Code is enclosed herein as Annexure E. The status of compliance with the conditions of CGC as per Annexure D of Corporate Governance Code is enclosed herein as Annexure F

K) Audit Committee – Condition 5(1), 5(2) & 5(3)

The Audit Committee acts as a sub-committee of the Board of Directors and is accountable to the Board. It assists the Board in ensuring that the company's financial statements reflect a true and fair view of the state of affairs and in ensuring a good monitoring system within the business. The Company Secretary acts as the Secretary of the Committee as per conditions of new Corporate Governance Code, The company has a three members Audit Committee comprising of non-Executive Directors; Begum Sakwat Banu, Independent Director, acts as Chairperson.

L) Audit Committee Meetings – Condition 5(4)

The Audit Committee of Olympic Industries Limited held four meetings during the 2020-2021 financial year. The committee performed their assigned roles including the review of quarterly, half-yearly and annual financial statements, as indicated in the Corporate Governance Code.

M) Role of the Audit Committee – Condition 5(5)

The roles of Audit Committee include, among others, the following:

- Oversee the financial reporting process
- Monitor the choice of accounting policies and principles
- Monitor the internal risk control management process
- Oversee the hiring and adequate performance of external or statutory auditors
- Hold meetings with the statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption
- Review the quarterly, half-yearly and annual financial statements with the management, before submission to the Board for approval
- Review the adequacy of internal audit functions
- Review the Management's Discussion and Analysis before disclosing it in the Annual Report
- Review the statements of all related party transactions submitted by the management
- Review management letters / letters of internal control weakness issued by statutory auditors
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors
- Oversee the utilization of proceeds raised through IPO, RPO or Right Share Offer as per the purposes stated in relevant offer documents / prospectus approved by the Commission.

REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

N) Reporting by the Audit Committee – Conditions 5(6) & 5(7)

As there was no irregularity with regards to conflicts of interest, fraud, irregularity and material defect in the internal audit or the compliance processes or in the financial statements, no infringement of laws, rules and regulations, etc., it was not necessary to submit any report to the Board of Directors or to the Commission.

The Report of Audit Committee is enclosed herein as Annexure B

O) Nomination and Remuneration Committee (NRC) – Condition 6(1), 6(2) & 6(3)

As per Corporate Governance Code, the company has constituted a three member Nomination and Remuneration Committee (NRC) as a sub-committee of the Board on December 22, 2018 to assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executive as well as a policy for formal process of considering remuneration of Directors and top level executives.

All members of NRC are non-executive directors and Rokeya Quader, Independent Director acts as Chairperson of NRC. The Company Secretary acts as Secretary of NRC.

P) Meeting of the NRC – Condition 6(4)

The Nomination and Remuneration Committee (NRC) of Olympic Industries Limited held three meetings during financial year 2020-2021 to review and approve the appointments made and training programs conducted in different departments of the company by HR department. The remuneration package provided to the new recruits were also reviewed and approved by NRC.

Q) Role of the Nomination and Remuneration Committee (NRC) – Condition 6(5)

- NRC shall be independent and responsible or accountable to the Board and to the shareholders.
- NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
 - formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors and top level executives, considering the following:
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors and top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, education background and nationality;
- Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down and recommend their appointment and removal to the Board;
- Formulating the criteria for evaluation of performance of independent directors and the Board:
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria, and
- Developing, recommending and reviewing annually the company's human resources and training policies.

R) Statutory Auditors – Condition 7

Olympic Industries Limited did not engage its appointed statutory auditors to perform any of the functions as mentioned in Condition 7.1 of the CGC. No partner or employee of the appointed external audit firm possess any share of the company. The statutory auditors have provided a certificate covering the Conditions 7(1), 7(2) & 7(3) which is enclosed herein as Annexure D.

S) Website – Condition 8

Olympic Industries Limited maintains a functional official website (www.olympicbd.com) linked with the websites of the Stock Exchanges. The required disclosures are made available on the website.

T) Reporting and Compliance of CGC – Condition 9

The certificates obtained from practicing CA Firm M/s. Huda & Co., and the Report on Compliance of Corporate Governance are enclosed herein as Annexure E and Annexure F.

U) Compliance of Listing Regulations

In compliance to Regulation 46 of Stock Exchanges (Listing) Regulations, 2015, the renewed Certificate of BAPLC is enclosed herein as Annexure G.

ANNEXURE A

CERTIFICATE ON REVIEW OF FINANCIAL STATEMENTS

October 26, 2021

OLYMPIC INDUSTRIES LIMITED
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড

Certificate under Condition 1.5 (xxvi) of the Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 of the Bangladesh Securities and Exchange Commission

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

- (1) The financial statements of Olympic Industries Limited for the year ended on June 30, 2021 have been prepared in compliance with the International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, and any departure therefrom has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure the above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) The Internal Auditors of the company have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on June 30, 2021 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 2020-2021 which were fraudulent, illegal or violation of the Code of Conduct for the company's Board of Directors or its members.

Mubarak Ali
Managing Director
Olympic Industries Limited

Md. Harun-Al-Rashid
C. F. O.
Olympic Industries Limited

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh

ANNEXURE B

REPORT OF THE AUDIT COMMITTEE

October 26, 2021

OLYMPIC INDUSTRIES LIMITED
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



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

Dear Sirs,

**Subject: Report of the Audit Committee under Conditions 5.6 & 5.7 of Notification
No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 of the BSEC.**

The Audit Committee of Olympic Industries Limited takes pleasure to submit to you the following report on its activities:

- 1) The Committee has discharged the audit activities of Olympic Industries Limited throughout the financial year 2020-2021 and has found that the financial reporting process, accounting policies and principles, internal audit and compliance plan and process, the hiring and performance of external auditors, internal audit functions, etc. are in line with the requirement of the company.
- 2) The Committee has reviewed the quarterly and half-yearly as well as annual financial statements of Olympic Industries Limited for the financial year 2020-2021 i.e. from July 01, 2020 to June 30, 2021 before submission to the Board of Directors for approval and found those in order.
- 3) The Committee also reviewed the adequacy of internal audit functions, management's discussion and analysis, 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) The Committee supervised the hiring and performance of external or statutory auditors including determination of their audit fees, hold meeting with them for review of annual financial statements before submission to the Board for approval and found the performance of statutory auditors satisfactory and determination of their fees justified based on scope and magnitude of works and time required therefor to ensure effective performance.
- 5) Olympic Industries Limited did not raise any money during the year 2020-2021 through Initial Public Offering (IPO), Repeat Public Offering (RPO) and issuance of Rights Shares.
- 6) During discharge of responsibilities, the Committee neither found any weakness in the internal control functions of the company nor any conflicts of interest, fraud or irregularity, infringement of laws, rules and regulations or any other matter which should be reported to the Board of Directors. The Committee also did not find any letter of internal control weakness issued by statutory auditors.
- 7) The Audit Committee 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 the state of affairs of the company.

Thanking you,
Yours sincerely

S. Hossain.

Begum Sakwat Banu
Independent Director & Chairperson
Audit Committee

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh

ANNEXURE C

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

October 26, 2021

OLYMPIC INDUSTRIES LIMITED

অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



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

Dear Sirs,

We, the following members of Nomination and Remuneration Committee (NRC) of Olympic Industries Limited take pleasure to present our Report for the year ended June 30, 2021:

NRC Members:

Rokeya Quader, Independent Director Chairperson

Bequm Sakwat Banu, Independent Director Member

Munir Ali, Director Member

Md. Nazimuddin, Executive Director and Company Secretary is the Secretary of the Committee.

For ensuring good governance in the company, the Board of Directors of Olympic Industries Limited in their meeting held on December 22, 2018 has formed its 3-members Nomination and Remuneration Committee (NRC) comprising 2 Independent Directors and 1 non-executive Director. The Independent Director is the Chairperson of NRC. The Board of Directors have formulated the detailed guidelines for NRC comprising the responsibilities of NRC to the Board, authority of the Board over constitution of NRC, functioning and remuneration criteria of NRC, terms of reference or role of NRC, guidelines for meeting of NRC, etc.

Since its formation, the NRC has performed the following functions besides its other routine functions:

The NRC has determined and recommended the Codes of Conduct i.e. the Roles and Responsibilities of Chairman of the Board, all other Board members and Managing Director of Olympic Industries Limited. They have submitted the recommended Codes of Conduct to the Board of Directors of the company for final approval. The Board has accordingly approved the Codes to lay down for implementation and also to post it in the website of the company.

Nomination and Remuneration Committee has so far arranged 6 (six) meetings as under to analyse and approve the requirement of manpower at different levels in the company, the desired qualification and other attributes for those posts and its availability in the company, the appropriate remuneration needed to be provided to recruit and retain the desired manpower, the training requirement at various departments and levels in the company and various other related issues which will ensure long term success:

Financial Year 2018-2019 : 1. December 23, 2018
2. January 30, 2019

Financial Year 2019-2020 : 3. November 06, 2019
Financial Year 2020-2021 : 4. September 17, 2020
5. December 27, 2020
6. June 30, 2021

Thanking you,

Yours sincerely

Rebecca Quade

Rokeya Quader

Independent Director & Chairperson

Nomination and Remuneration Committee

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh

ANNEXURE D

CONFIRMATION FROM STATUTORY AUDITORS ON CGC COMPLIANCE



M. J. ABEDIN & CO
এম. জে. আবেদীন এন্ড কোং
Chartered Accountants

National Plaza, 3rd Floor
109 Bir Uttam C. R. Datta Road
Dhaka - 1205, Bangladesh
T +088 02 9666508, 9675340
E audit@mjabedin.com
www.mjabedin.com

TO WHOM IT MAY CONCERN

Subject: Confirmation on Conditions of Corporate Governance Code dated 03-06-2018

As required by Bangladesh Securities & Exchange Commission (BSEC), we do hereby confirm the following clauses:

a. Condition No. 7(1):

Olympic Industries Limited has not engaged us during the tenure of our appointment as Statutory Auditors for audit of their financial statements for the financial year from 01-07-2020 to 30-06-2021 to perform any of the following services of the Company:

- i. Appraisal or valuation services or fairness opinions;
- ii. Financial information System design and implementation;
- iii. Book Keeping or other services related to accounting records or financial statements;
- iv. Broker-dealer services;
- v. Actuarial services;
- vi. Internal audit or Special audit services;
- vii. Any services that the Audit Committee determines;
- viii. Audit or certification services on compliance of corporate governance as required under condition no. 9(1); and
- ix. Any other service that creates conflict of interest.

b. Condition No. 7(2):

No partner or employee of our firm M/s. M.J. Abedin & Co., Chartered Accountants and none of their family members comprising their spouse, son, daughter, father, mother, brother, sister, son-in law and daughter-in-law hold any share in Olympic Industries Limited.

c. Condition No. 7(3):

Representative of our firm M/s. M.J. Abedin & Co., Chartered Accountants shall remain present in the next AGM of Olympic Industries Limited to answer the queries, if any, of the shareholders of the Company.

Place: Dhaka
Dated: October 27, 2021

M. J. Abedin & CO.
Chartered Accountants

ANNEXURE E

CERTIFICATE FROM PRACTICING C.A. FIRM ON CGC COMPLIANCE

HUDA & CO. Chartered Accountants

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

Tel: 7911445
Mobile: 017 15 030 823

Report to the Shareholders on Compliance of Corporate Governance Code to the Shareholders' of Olympic Industries Limited

We have examined the compliance status to the Corporate Governance Code by Olympic Industries Limited for the year ended on 30 June, 2021. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2019** of the Bangladesh Securities and Exchange Commission.

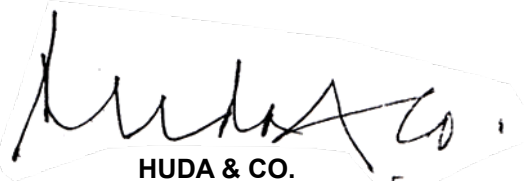
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

Dated, Dhaka
11 November, 2021


HUDA & CO.
Chartered Accountants



ANNEXURE F

STATUS OF COMPLIANCE WITH CGC CONDITIONS

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/ Admin/80 dated June 3, 2018 issued under Section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No.9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.1	Board Size (minimum 5 directors and maximum 20 directors)	✓		
1.2	Independent Directors:			
(a)	At least 1/5th of total number of directors	✓		
(b)(i)	Either holds no share or holds less than 1% share of the total paid-up shares of the company	✓		
(b)(ii)	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	✓		
(b)(iii)	Was not an executive of the company during the immediately preceding two financial years	✓		
(b)(iv)	Has no pecuniary or other relationship with the company or its subsidiary / associated companies	✓		One independent director receives remuneration as per approval of shareholders
(b)(v)	Is not a member, Trading Right Entitlement Certificate (TREC) holder, director or officer of any stock exchange	✓		
(b)(vi)	Is not a shareholder, director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
(b)(vii)	Is not or was not during the preceding three years, a partner or an executive of company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	✓		
(b)(viii)	Is not an independent director in more than five listed companies	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(b)(ix)	Has not been convicted by a court of competent jurisdiction as a loan defaulter of any bank or NBFIs	✓		
(b)(x)	Has not been convicted for a criminal offence involving moral turpitude	✓		
1(2)(c)	Is appointed by the Board of Directors and is approved by the shareholders in AGM	✓		
(d)	Post cannot remain vacant for more than 90 days	✓		
(e)	Tenure of office for three years which may be extended for one term only provided that a former independent director may be reappointed for another tenure after a time gap of one tenure i.e. three years from his or her completion of consecutive two tenures i.e. six years (any partial term of tenure shall be deemed to be a full tenure), provided further that the independent director shall not be	✓		
1.3	Qualification of Independent Director (ID):			
(a)	Shall be knowledgeable individual with integrity; able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association	✓		
(b)(ii)	Corporate leader who is or was a top level executive not lower than CEO or MD, AMD or DMD, Chief Operating Officer (COO), CFO or Head of Finance or Accounts, Company Secretary, Head of Internal Audit and Compliance, Head of Legal Service, Head of Administration and Human Resources or equivalent position and same level or ranked or salaried officials of a listed company or an unlisted company having minimum paid-up capital of Tk.100.00 million; or	✓		
(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below fifth grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce	✓		

ANNEXURE F

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(b)(iv)	University Teacher who has educational background in Economic or Commerce or Business Studies or Law	√		
(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		
1(3)(c)	The independent director shall have at least ten years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	Relaxation of above qualifications in special cases with prior approval by the Commission	√		
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
(a)	The Chairperson of the Board and the Managing Director (MD) and / or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		Managing Director acts as CEO
(b)	MD and / or CEO of a listed company shall not hold the same position in another listed company	√		
(c)	The Chairperson (Chairman) of the Board shall be elected from among the non-executive directors of the company	√		In view of expiry of Mohammad Bhai, the post of Chairman is now vacant. A new Chairman of the company shall be appointed from non-executive directors.
(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson, the Managing Director and / or CEO	√		
1(4)(e)	In the absence of Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1.5	Inclusion of following additional statements in the Directors' Report to shareholders:			
(i)	Industry outlook and possible future developments in the industry	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(ii)	Segment-wise or product-wise performance	✓		Notes 26.00, 27.00 and unit-wise result provided in the audited financial statements
(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		The following notes have been provided in the audited financial statements: a) Financial Risk Management 02.31 & 42.00 b) Credit Risk 02.31 & 42.01 c) Liquidity Risk 02.31 & 42.02 d) Market Risk including Currency Risk and Interest Rate Risk 02.31 & 42.03
(iv)	Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin	✓		Note 27.00 of audited financial Statements
(v)	Discussion on continuity of any extraordinary activities and their gain or loss	✓		Notes 31.00, 31.01 and 31.02 of audited financial statements
(vi)	Related party transactions with statement showing amount, nature of related party, nature of transactions and basis of transactions	✓		Notes 02.26 and 35.00 of the audited financial statements
(vii)	Utilization of proceeds from public issues, right issues and/ or through any other instruments	✓		No such proceeds received during the year
(viii)	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 28.01, 35.00, 35.01 and 36.00 of the audited financial statements
1(5)(xi)	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 included in the Annual Report
(xii)	Statement that proper books of account of the company have been maintained	✓		As above
(xiii)	Statement that appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment	✓		As above

ANNEXURE F

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(xiv)	Statement that (IAS) or (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	✓		Certificate included in the Annual Report, Independent Auditor's Report and Notes 02.02 & 02.13 of the audited financial statements
(xv)	Declaration that the system of internal control is sound in design and has been effectively implemented and monitored	✓		Audit Committee report enclosed
(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	✓		
(xvii)	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	✓		Certificate included in Annual Report
(xviii)	The significant deviations, if any, from last year's operating results shall be highlighted and reasons thereof should be explained	✓		No significant deviation occurred
(xix)	Providing summarized form of key operating and financial data of at least preceding 5 years	✓		Provided in Annual Report
(xx)	If cash or stock dividend is not declared for the year, the reasons thereof shall be given	✓		Cash Dividend has been recommended by the Board
(xxi)	Statement that no Bonus Share or Stock Dividend has been declared as Interim Dividend	✓		
(xxii)	Total number of Board meetings held during the year and attendance by each director	✓		Note 28.01 of audited annual financial statements
(xxiii)	Report on the pattern of shareholding disclosing the aggregate number of shares (with name-wise details) held by:	✓		Note 12.00 of audited financial statements and Report on CGC
(xxiii)(a)	Parent or Subsidiary or Associated companies and other related parties			As above
1(5) (xxiii)(b)	Directors, MD or CEO, Company Secretary, CFO, Head of Internal Audit and Compliance and their spouses and minor children	✓		Provided in Report on CGC
(xxiii)(c)	Executives (top five salaried employees of the company other than Directors, MD or CEO, CS, CFO and HIAC	✓		-do-
(xxiii)(d)	Shareholders holding 10% or more voting interest in the company	✓		-do-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(xxiv)	In case of the appointment or reappointment of a director, the disclosure of following information to the shareholders:			
(xxiv)(a)	A brief resume of the director	√		Brief resumes of Aziz Mohammad Bhai and Munir Ali, Directors, who will retire by rotation and will be considered for re-appointment by the shareholders at the 42 nd AGM of the Company, are enclosed in Annual Report.
(xxiv)(b)	Nature of his or her expertise in specific functional areas	√		Included in brief resume of Directors
(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		Included in brief resume of Directors
(xxv)	Discussion and Analysis signed by MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√		Included in Annual Report
(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		Included in Annual Report and in Note 02.10 of audited financial statements
(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		Included in Annual Report
(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		Included in Annual Report
1(5) (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		Included in Annual Report
(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		Included in Annual Report
(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		Included in Annual Report

ANNEXURE F

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof	√		Included in Annual Report
(xxvi)	Declaration or certification by the MD and the CFO to the Board as per Annexure A on financial statements	√		Included in Annual Report
(xxvii)	Certificate from practicing professional on compliance of and Report on Status of Compliance with the conditions of Corporate Governance Code as per Annexure B and Annexure C	√		Included in Annual Report
1.6	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of Corporate Governance Code	√		
1.7	Code of Conduct for the Chairperson, other Board members and MD / Chief Executive Officer	√		
1.7 (a)	The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) for the Chairperson of the Board, other board members and Managing Director / Chief Executive Officer of the company	√		
1.7 (b)	The Code of Conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independence	√		
2	Governance of Board of Directors of Subsidiary Company:			
(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	N/A		Olympic Industries Limited has no Subsidiary Company

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(b)	At least one independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	N/A		Olympic Industries Limited has no Subsidiary Company
(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	N/A		Olympic Industries Limited has no Subsidiary Company
(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	N/A		Olympic Industries Limited has no Subsidiary Company
(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	N/A		Olympic Industries Limited has no Subsidiary Company
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3(1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		The Managing Director was re-appointed by shareholders at the 38 th AGM held on Dec. 14, 2017 for five years. The Managing Director appointed the Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance. To comply the condition of CGC, all those appointments were ratified by the Board of Directors in their meeting held on December 24, 2018
(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	✓		
(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		
(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		

ANNEXURE F

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	N/A		Will comply accordingly when/if it becomes necessary
3.2	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and (ii) 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	√		Certificate included in Annual Report (Annexure A)
(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		Certificate included in Annual Report (Annexure A)
(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following subcommittees: (i) Audit Committee (ii) Nomination and Remuneration Committee.	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
(a)	The company shall have an Audit Committee as a sub-committee of the Board	√		
(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		Report of Audit Committee included in Annual Report (Annexure B)
(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	Constitution of the Audit Committee			
(a)	The Audit Committee shall be composed of at least three members	√		
(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 independent director	√		
(c)	All members of the Audit Committee should be financially literate i.e. they are able to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement. At least one member shall have accounting or related financial management background i.e. he or she possesses professional qualification or Accounting or Finance graduate with at least ten years of corporate management or professional experiences.	√		

ANNEXURE F

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(d)	Appointment of new Committee member by the Board if the number becomes lower than prescribed number of three persons upon expiry of term of service of any committee member or if for any circumstance any committee member becomes unable to hold office before expiration of the term of service and appointment to fill-up the vacancy shall be immediately or not later than one month from date of vacancy to ensure continuity of performance of work of Audit Committee	N/A		Will comply accordingly when/if becomes necessary
(e)	Company Secretary shall act as the Secretary of Audit Committee	✓		
(f)	To form quorum of Audit Committee meeting, at least one independent director should remain present	✓		
5(0)3	Chairperson of the Audit Committee:			
(a)	The Board shall select an independent director to be the Chairperson of Audit Committee	✓		
(b)	In the absence of the chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4) (b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes	✓		
(c)	The chairperson of the Audit Committee shall remain present in AGM: Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the AGM and reason for absence of the chairperson of the Audit Committee shall be recorded in the minutes of AGM	✓		
5.4	Meeting of the Audit Committee:			
(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(b)	The quorum of the meeting of Audit Committee shall be constituted in the presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		
5(5)	Role of Audit Committee:			
(a)	Oversee the financial reporting process	√		
(b)	Monitor the choice of accounting policies and principles	√		
(c)	Monitor internal audit and compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
(d)	Oversee hiring and performance of external auditors	√		
(e)	Hold meetings with the external or statutory auditors for review of annual financial statements before submission to the Board for approval	√		
(f)	Review, along with the management, the annual financial statements before submission to the Board for approval	√		
(g)	Review, along with the management, the quarterly and half-yearly financial statements before submission to the Board for approval	√		
(h)	Review the adequacy of internal audit functions	√		
(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
(j)	Review statement of all related party transactions submitted by the management	√		
(k)	Review management letters or Letter of Internal Control weakness issued by statutory auditors	N/A		Will comply accordingly when/if becomes necessary
(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		

ANNEXURE F

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(m)	<p>Oversee whether the proceeds raised through IPO or RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer documents or prospectus approved by the Commission:</p> <p>Provided that management shall disclose to the Audit Committee the uses or applications of the proceeds by the major category (capital expenditure, sales and marketing expenses, working capital, etc.) on a quarterly basis, as a part of their quarterly declaration of financial results;</p> <p>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with comments of the Audit Committee</p>	N/A		No such proceeds were raised during the year
5(6) (a)	Reporting of the Audit Committee Reporting to the Board of Directors			
(a)(i)	The Audit Committee shall report on its activities to the Board.	√		Report of Audit Committee included in Annual Report
(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
(a)(ii)(a)	Report on conflicts of interests	√		No such conflict arose during the year
(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	√		No such incident occurred during the year
(a)(ii)(c)	Suspected infringement of laws, irregularity compliances including securities related laws, rules and regulations	√		No such incident occurred during the year
(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	√		No such matter occurred during the year

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the commission, upon reporting of such matters to the Board for three times or completion of a period of six months from the date of first reporting to the Board, whichever is earliest	√		No such incident occurred during the year
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by Audit Committee, including any report made to the Board under condition No.5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the company	√		No such disclosure was necessary during the year
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board	√		
(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	√		
(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	√		
6(2)	Constitution of the NRC			
(a)	The Committee shall comprise of at least three members including an independent director	√		
(b)	All members of the Committee shall be non-executive directors	√		
(c)	Members of the Committee shall be nominated and appointed by the Board	√		

ANNEXURE F

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2) (d)	The Board shall have authority to remove and appoint any member of the Committee	√		
(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 days of occurring such vacancy in the Committee	N/A		Will comply accordingly when/if becomes necessary
(f)	The chairperson of the Committee may appoint or co-opt any external expert and/ or member(s) of staff to the Committee as advisor who shall be non-voting member, if the chairperson feels that advice or suggestion from such external expert and/ or member(s) of staff shall be required or valuable for the Committee	N/A		Will comply accordingly when/if becomes necessary
(g)	The company secretary shall act as the secretary of the Committee	√		
(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		
(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than director's fees or honorarium from the company	√		
6(3)	Chairperson of the NRC			
(a)	The Board shall select one member of the NRC to be chairperson of the Committee, who shall be an independent director	√		
(b)	In the absence of the chairperson of the NRC, the remaining members may elect one of themselves as chairperson for that particular meeting, the reason of absence of the regular chairperson shall be duly recorded in the minutes	N/A		Will comply accordingly when/if becomes necessary
(c)	The chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders: Provided that in absence of chairperson of the NRC, any other member from the NRC shall be selected to be present in the Annual General Meeting (AGM) for answering the shareholder's queries and reason for absence of the chairperson of the NRC shall be recorded in the minutes of the AGM	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)	Meeting of the NRC			
(a)	The NRC shall conduct at least one meeting in a financial year	√		
(b)	The chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	N/A		Will comply accordingly when/if becomes necessary
(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No.6(2)(h)	√		
(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)	Role of the NRC			
(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board	√		
(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following	√		
(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		
(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		

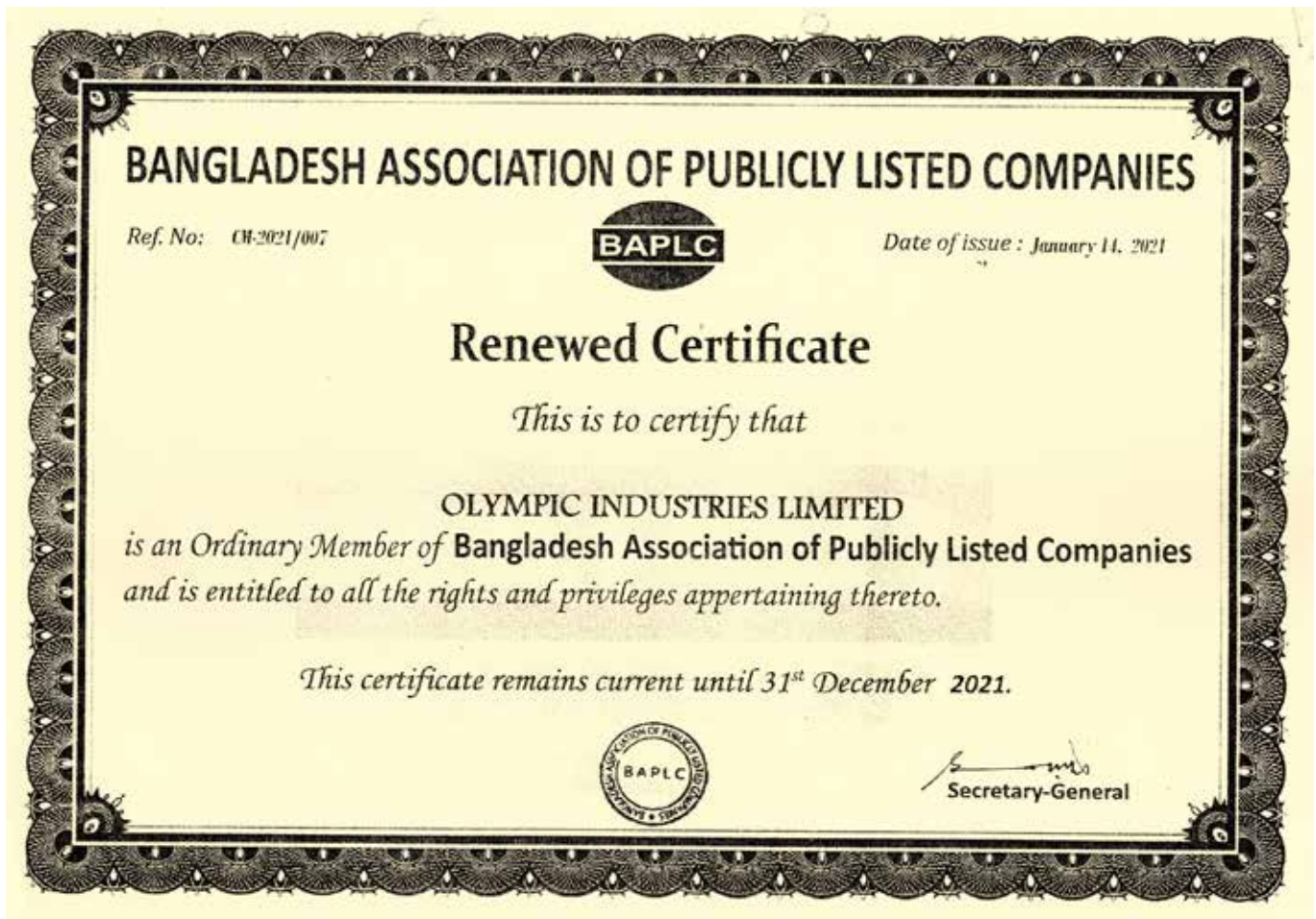
ANNEXURE F

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5) (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	✓		
(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	✓		
(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	✓		
(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	✓		
(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	✓		Provided in Annual Report
7	External or Statutory Auditors			
7(1)	The company shall not engage its external or statutory auditors to perform the following services of the company:	✓		Certificate from Statutory Auditors M/s. M. J. Abedin & Co., Chartered Accountants is enclosed (Annexure D)
(i)	Appraisal or valuation services or fairness opinions	✓		-do-
(ii)	Financial information systems design and implementation	✓		-do-
(iii)	Bookkeeping or other services related to the accounting records or financial statements	✓		-do-
(iv)	Broker-dealer services	✓		-do-
(v)	Actuarial services	✓		-do-
(vi)	Internal audit services or special audit services	✓		-do-
(vii)	Any service that the Audit Committee determines	✓		-do-
(viii)	Audit or certification services on compliance of Corporate Governance as required under condition No.9(1)	✓		-do-
(ix)	Any other service that creates conflict of interest	✓		-do-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(2)	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; his or her family members i.e. spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law also shall not hold any shares in the said company	√		Certificate from Statutory Auditors M/s. M. J. Abedin & Co., Chartered Accountants is enclosed (Annexure D)
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		-do-
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		
8(2)	The company shall keep the website functional from the date of listing	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the stock exchanges	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional Chartered Accountant or Cost and Management Accountant or Chartered Secretary, other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report	√		Certificate from M/s. Huda & Co., Chartered Accountants, included in Annual Report (Annexure E)
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting	√		
9.3	The directors of the company shall state, in accordance with the Annexure C, in the directors' report whether the company has complied with these conditions or not	√		The Report on Status of Compliance (Annexure F) is included in Annual Report

ANNEXURE G

RENEWED MEMBERSHIP CERTIFICATE FROM BAPLC



BRIEF RESUME OF AZIZ MOHAMMAD BHAI, DIRECTOR



Father's name : Late Mohammad Bhai

Mother's name : Late Khatija Mohammad Bhai

Address:
Present & Permanent : House No. NEW-11A, Road No-57
Gulshan Model Town
Dhaka-1212

Nationality : Bangladeshi

Place of birth : Dhaka

Date of Birth : 17.04.1948

Educational Qualification : M.A in English

Business and Industrial experience:

Have promoted a number of leading industries in Bangladesh. Actively engaged in the management of consumer items manufacturing industries for more than four decades.

BRIEF RESUME OF MUNIR ALI, DIRECTOR



Father's name : Mubarak Ali

Mother's name : Late Shanaz Ali

Address:
Present & Permanent : Charukanta, Apartment No.5A&5B,
Plot No.11, Road No.67,
Gulshan Model Town
Dhaka-1212

Nationality : Bangladeshi

Place of birth : Dhaka

Date of Birth : 09.08.1964

Educational Qualification : B.B.A. from USA

Business and Industrial experience:

- a) Director for 30 years at Olympic Industries Limited (formerly Bengal Carbide Limited), a publicly listed company formed in 1979.
- b) Director for 28 years at Tripti Industries Limited (formerly Bengal Food Limited), a formerly publicly listed company formed in 1984 that amalgamated with Olympic Industries Limited in 2008.
- c) Founding Managing Director of following companies engaged in various trading operations:
 - Asia Commodity Limited
 - Canadian Commodity Limited
 - Asia Food Limited

Membership of Committees of the Board:

- a) Member, Nomination & Remuneration Committee of Olympic Industries Limited.
- b) Member, Audit Committee of Olympic Industries Limited



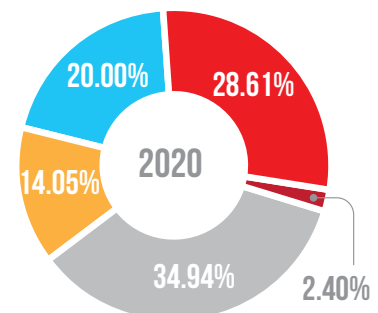
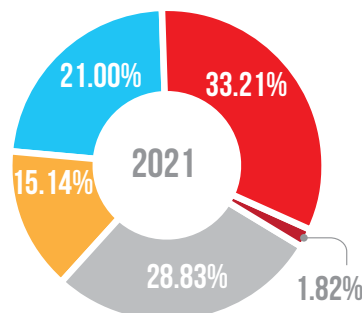
VALUE ADDED STATEMENT

The Value Added Statement (VAS) depicts the company's wealth creation and distribution, its contribution towards socio-economic activities of the country through the employment of personnel, the payment of dividends to shareholders, payments made to finance providers and the National Exchequer, as well as wealth retained by the company to be invested in its future growth.

	June 30, 2021		June 30, 2020	
	Amount (Tk.)	%	Amount (Tk.)	%
Value Added				
Revenue	18,032,599,144		15,895,037,599	
Other Income	398,302,142		425,800,621	
	18,430,901,286		16,320,838,220	
Less: Paid to Suppliers of Materials and Service Providers	(11,562,162,909)		(9,205,022,669)	
Total Value Added	6,868,738,377	100.00	7,115,815,551	100.00
Distributed as follows:				
To Employees				
Wages, Salaries, Remuneration & Allowances, Incentives and Other Benefits	2,281,000,974	33.21	2,036,210,067	28.61
To Finance Providers	125,271,270	1.82	171,130,249	2.40
To Government				
Duties, Taxes & VAT	1,979,951,563	28.83	2,485,929,145	34.94
To Shareholders				
Dividend	1,039,682,207	15.14	999,694,430	14.05
	5,425,906,014	79.00	5,692,963,891	80.00
Retained for Re-Investment & Future Growth				
Depreciation & Amortization	445,151,368		397,591,875	
Retained Earnings	997,680,995		1,025,259,785	
	1,442,832,363	21.00	1,422,851,660	20.00
	6,868,738,377	100.00	7,115,815,551	100.00

Distributed as follows:

- To Employees
- To Finance Providers
- To the Government
- To the Shareholders
- Depreciation & Retained Earnings



ECONOMIC VALUE ADDED STATEMENT

The Economic Value Added (EVA) provides a measurement of a company's financial performance over a period of time based on the residual wealth calculated by deducting its Cost of Capital from its Net Operating Profit, adjusted for taxes on a cash basis.

	Amount in Taka	
	June 30, 2021	June 30, 2020
Net Operating Profit After Tax (NPAT)	2,037,363,202	2,024,954,215
Total Capital Employed (Total Assets minus Current Liabilities)	9,766,930,991	8,659,232,045
Cost of Capital in % (average rate)	13.24%	13.34%
Cost of Capital (CoC)*	1,293,154,200	1,155,046,360
Economic Value Added (EVA) = NPAT - CoC	744,209,002	869,907,855

*Calculation of Cost of Capital

Market weight shows:

Debt: 5.40% (2020: 4.82%)

Equity: 94.60% (2020: 95.18%)

5.40%	527,681,585	417,663,634
94.60%	9,239,249,406	8,241,568,411
100%	9,766,930,991	8,659,232,045

Borrowing Cost % (weighted average rate)

Equity Cost of Capital %

Average Rate

Cost of Capital (CoC)

Debt

Equity

8.69%	10.16%
13.50%	13.50%
13.24%	13.34% (re-stated)
45,855,530	42,434,625
1,247,298,670	1,112,611,735
1,293,154,200	1,155,046,360

MARKET VALUE ADDED STATEMENT

The Market Value Added (MVA) provides a measurement of a company's external performance in relation to its equity. It compares the market value of shares and their book value. A positive MVA indicates that the company could add to the value to the shareholders' wealth.

		Amount in Taka	
		June 30, 2021	June 30, 2020
Market Value of Shares Outstanding	Note A	34,099,577,007	30,120,793,176
Book Value of Shares Outstanding	Note B	9,239,249,406	8,241,568,411
Market Value Added		24,860,327,601	21,879,224,765
Market Value Added per Share (with regard to Share Capital as existing)		124.34	109.43

Note A - Market Price per Share (as quoted in the stock exchanges):

Dhaka Stock Exchange Ltd		170.00	150.20
Chittagong Stock Exchange Ltd		171.10	151.10
	Average Rate	170.55	150.65
No. of Shares Outstanding		199,938,886	199,938,886
Market Value of Shares Outstanding		34,099,577,007	30,120,793,176

Note B - No. of Shares Outstanding at June 30

Book Value of Shares (Tk. 10 per value)		1,999,388,860	1,999,388,860
Retained Earnings at June 30		7,239,860,546	6,242,179,551
Book Value of Shares Outstanding		9,239,249,406	8,241,568,411

AUDITORS' REPORT TO THE SHAREHOLDERS

Independent Auditors' Report To the Shareholders of Olympic Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Olympic Industries Limited (the "Company"), which comprise the Statement of Financial Position as at June 30, 2021 and Statement 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 to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter

Risk	Our response to the risk
<p>Valuation of Property, Plant and Equipment (PPE)</p> <p>The carrying value of the PPE was Tk. 3,233,000,060 as at June 30, 2021.</p> <p>Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>See Note No. 3.00 & 5.00 to the Financial Statements</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. • We obtained a listing of capital expenditures incurred during the year and on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals. • We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.
<p>Valuation of Inventory</p> <p>The Company had inventory of BDT 1,948,500,098 at June 30, 2021 held in factory.</p> <p>Inventories are carried at the lower of cost and net realizable value.</p> <p>As a result, the Management applies judgment in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p> <p>See Note No. 7.00 to the financial statements</p>	<p>We verified the appropriateness of Management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the factory. • Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • Evaluating, on a sample basis, whether inventories were stated at the lower of cost and net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date; and • Assessing whether some of the inventory became slow-moving or obsolete due to the pandemic situation caused by COVID-19 and assessing the need for inventory provisioning. • Evaluating the adequacy of financial statement disclosures as per IAS – 2.

Risk	Our response to the risk
<p>Income Tax Expenses</p> <p>At year end the Company reported total tax expense of BDT 652,518,974.</p> <p>The calculation of the tax expense is a complex process that involves subjective judgements and uncertainties, and requires specific knowledge and competencies.</p> <p>See Notes No. 15.00 & 23.00 to the financial statements</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • Understanding the process of estimating, recording & reassessing tax provision and contingences. • Involving our tax specialist to assist in analyzing the judgements used to determine provisions for matters based on their knowledge and experience of local regulations and practices. • Inspecting the correspondence with tax authorities. <p>We also assessed the appropriateness of presentation of disclosure against IAS-12 Income Taxes.</p>
<p>Transactions with Related Parties</p> <p>We considered the related party transactions to be significant to the audit due to the risk that if these transactions are not conducted at arm's length, and/or the accounting treatment of the rights and obligations of these transactions are not correct, it could influence the results of the financial statement.</p> <p>Furthermore, for financial reporting purposes, IAS 24 related party disclosure, requires complete and appropriate disclosure of transactions with related parties.</p> <p>See Note No. 35.00 to the financial statements</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process for identifying related party transactions; • We verified that the transactions are approved in accordance with internal procedures including involvement of key personnel at the appropriate level; • We checked the acquisitions to supporting documents including external valuations around the acquisition date to evaluate the managements' assertions that the transactions were at arm's length; • We evaluated the business rationale of the transactions; • We evaluated the rights and obligations per the terms and conditions of the agreements and assessed whether the transactions were recorded appropriately; and • We determined whether the directors have disclosed relationships and transactions in accordance with IAS 24.

AUDITORS' REPORT TO THE SHAREHOLDERS

Risk	Our response to the risk
IT Systems and Controls <p>Our audit procedures had a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	
	<ul style="list-style-type: none"> • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (Logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

AUDITORS' REPORT TO THE SHAREHOLDERS**Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, The Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) 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;
- d) The expenditures incurred and payment made were for the purpose of the Company's business for the year.

The engagement partner on the audit resulting in this independent auditor's report is Kamrul Abedin FCA.

Place: Dhaka
Dated: October 28, 2021



Kamrul Abedin, FCA
Partner
Enrolment Number: 527

M. J. Abedin & CO.
Chartered Accountants
Firm Registration Number: N/A
DVC: 2111020527AS468471

STATEMENT OF FINANCIAL POSITION

As at June 30, 2021




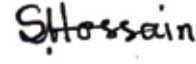
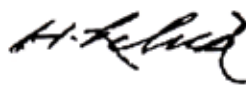

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
ASSETS			
Non-current Assets:			
Property, Plant & Equipment (at cost less accumulated depreciation)	03.00	3,203,655,631	3,154,940,982
Intangible Assets -Software ERP	04.00	1	1
Right-of-Use Asset (RoU), Net	05.00	29,344,429	48,907,381
Capital Work-in-Progress	06.00	1,444,130,271	762,173,394
Current Assets:			
Inventories	07.00	1,948,500,098	1,754,377,814
Trade & Other Receivables	08.00	463,390,701	361,539,012
Advances, Deposits & Pre-payments	09.00	891,386,021	817,755,640
Investments	10.00	4,385,446,920	4,226,719,967
Cash & Cash Equivalents	11.00	768,925,893	676,093,054
		8,457,649,633	7,836,485,487
Total Assets		13,134,779,965	11,802,507,245
EQUITY & LIABILITIES			
Shareholders' Equity:			
Share Capital	12.00	1,999,388,860	1,999,388,860
Retained Earnings (As per Statement of Changes in Shareholders' Equity)		7,239,860,546	6,242,179,551
		9,239,249,406	8,241,568,411
Non-current Liabilities:			
Long-Term loan - Non- Current Portion	13.00	338,530,721	200,451,144
Lease Finance - Non- Current Portion	14.00	10,909,581	31,314,817
Deferred Tax Liability	15.00	178,241,283	185,897,673
		527,681,585	417,663,634
Total Equity & Non - Current Liabilities		9,766,930,991	8,659,232,045
Current Liabilities & Provisions:			
Short-Term Loans and Overdraft	16.00	1,358,356,167	1,153,021,184
Long-Term Loan-Current Portion	13.00	258,503,969	379,397,855
Lease Finance-Current Portion	14.00	20,789,078	19,039,088
Interest Payable	17.00	1,119,809	845,829
Trade Payable	18.00	663,663,597	564,234,655

STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Liabilities for Services	19.00	6,446,460	8,707,741
Liabilities for Expenses	20.00	61,021,398	151,842,589
Advance Against Sales	21.00	313,535,229	237,997,725
Liabilities for Other Finance	22.00	157,148,047	106,470,600
Provision for Current Tax	23.00	37,555,119	66,362,174
Unclaimed Dividend	24.00	311,917,777	255,625,820
Employee Benefit Obligations	25.00	177,792,324	199,729,940
		3,367,848,974	3,143,275,200
Total Liabilities		3,895,530,559	3,560,938,834
Total Equity & Liabilities		13,134,779,965	11,802,507,245

The annexed notes 01 to 45 and Annexures A&B form an integral part of these financial statements. These financial statements were approved by the Board of Directors on October 28, 2021 and were signed on its behalf by:

Mubarak Ali **Tanveer Ali** **Rokeya Quader** **Begum Sakwat Banu** **Md. Harun-Al-Rashid** **Md. Nazimuddin**
 Managing Director Director Independent Director Independent Director Chief Financial Officer Company Secretary

Signed in terms of our separate report of even date annexed

Place: Dhaka
Dated: October 28, 2021


Kamrul Abedin, FCA
 Partner
 Enrolment Number: 527

M. J. Abedin & CO.
 Chartered Accountants
 Firm Registration Number: N/A
 DVC: 2111020527AS468471

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended June 30, 2021



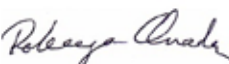
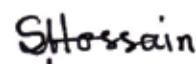


Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Revenue	26.00	18,032,599,144	15,895,037,599
Cost of sales	27.00	(12,751,481,501)	(10,826,540,639)
Gross profit		5,281,117,643	5,068,496,960
Operating expenses			
Administrative expenses	28.00	(377,452,505)	(358,910,484)
Selling expenses	29.00	(2,352,366,031)	(2,055,657,417)
		(2,729,818,536)	(2,414,567,901)
Profit from operations		2,551,299,107	2,653,929,059
Finance cost	30.00	(125,271,270)	(171,130,249)
		2,426,027,837	2,482,798,810
Other income	31.00	398,302,142	425,800,621
Profit /(Loss) for the year		2,824,329,979	2,908,599,431
Net changes in fair value of investment in shares of Listed Companies	10.03	46,306	(3,920,630)
		2,824,376,285	2,904,678,801
Contribution to Workers Profit Participation & Welfare Funds	25.01	(134,494,109)	(138,318,038)
Profit before tax		2,689,882,176	2,766,360,763
Income tax expenses		(652,518,974)	(741,406,548)
Current tax	23.00	(660,175,364)	(699,484,660)
Deferred tax	15.00	7,656,390	(41,921,888)
Profit after taxation		2,037,363,202	2,024,954,215
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		2,037,363,202	2,024,954,215

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Profit/(Loss) for the year		2,037,363,202	2,024,954,215
Basic & Diluted Earnings Per Share (EPS) (Par value Tk 10.00)	32.00	10.19	10.13
Number of shares used to compute EPS		199,938,886	199,938,886


The annexed notes 01 to 45 and Annexures A&B form an integral part of these financial statements. These financial statements were approved by the Board of Directors on October 28, 2021 and were signed on its behalf by:

Mubarak Ali **Tanveer Ali** **Rokeya Quader** **Begum Sakwat Banu** **Md. Harun-Al-Rashid** **Md. Nazimuddin**
 Managing Director Director Independent Director Independent Director Chief Financial Officer Company Secretary

Signed in terms of our separate report of even date annexed

Place: Dhaka
Dated: October 28, 2021


Kamrul Abedin, FCA
 Partner
 Enrolment Number: 527

M. J. Abedin & CO.
 Chartered Accountants
 Firm Registration Number: N/A
 DVC: 2111020527AS468471

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY



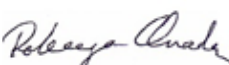
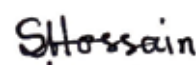


for the year ended June 30, 2021

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on July 1, 2019	1,999,388,860	5,216,919,766	7,216,308,626
Transactions with the shareholders			
Cash dividend for 2019	-	(999,694,430)	(999,694,430)
Net profit for the year ended June 30, 2020	-	2,024,954,215	2,024,954,215
Balance as on June 30, 2020	1,999,388,860	6,242,179,551	8,241,568,411
No of Shares at Balance Sheet Date			199,938,886
Net Asset Value (NAV) Per share (Note-33.00)			41.22
Balance as on July 1, 2020	1,999,388,860	6,242,179,551	8,241,568,411
Transactions with the shareholders			
Cash dividend for 2020	-	(1,039,682,207)	(1,039,682,207)
Net profit for the year ended June 30, 2021	-	2,037,363,202	2,037,363,202
Balance as on June 30, 2021	1,999,388,860	7,239,860,546	9,239,249,406

No of Shares at Balance Sheet Date 199,938,886

Net Asset Value (NAV) Per share (Note-33.00) 46.21


The annexed notes 01 to 45 and Annexures A&B form an integral part of these financial statements. These financial statements were approved by the Board of Directors on October 28, 2021 and were signed on its behalf by:

Mubarak Ali **Tanveer Ali** **Rokeya Quader** **Begum Sakwat Banu** **Md. Harun-Al-Rashid** **Md. Nazimuddin**
 Managing Director Director Independent Director Independent Director Chief Financial Officer Company Secretary

Signed in terms of our separate report of even date annexed

Place: Dhaka
Dated: October 28, 2021


Kamrul Abedin, FCA
 Partner
 Enrolment Number: 527

M. J. Abedin & CO.
 Chartered Accountants
 Firm Registration Number: N/A
 DVC: 2111020527AS468471

CASH FLOW STATEMENT

for the year ended June 30, 2021

(Refer to Accounting Policy Note 2.15 and Note 34.01)




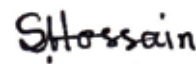


Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
A. Cash Flows from Operating Activities			
Cash received from customers & others		18,014,648,123	15,809,966,811
Cash paid to suppliers and employees		(15,333,015,782)	(13,137,898,552)
Cash generated from operations		2,681,632,341	2,672,068,259
Bank charges		(8,041,566)	(6,803,199)
Income taxes paid		(688,982,419)	(808,208,992)
Net Cash generated from operating activities	34.01	1,984,608,356	1,857,056,068
B. Cash Flows from Investing Activities			
Acquisition of capital assets		(474,303,198)	(787,902,642)
Capital Work in Progress		(681,956,877)	382,041,964
Advance for Commercial Space		(120,000,000)	(90,000,000)
Investments		(153,300,577)	(215,328,362)
Proceeds from sale of fixed assets		8,427,000	300,000
Interest received		374,979,210	351,186,996
Net Cash used in investing activities		(1,046,154,442)	(359,702,044)
C. Cash Flows from Financing Activities			
Short-Term Loan		205,334,983	(258,736,730)
Long-Term Loan		17,185,691	(75,608,737)
Interest paid		(116,955,724)	(163,848,752)
Lease finance		(18,655,246)	(13,284,537)
Liabilities for Other Finance		50,677,447	31,967,895
Dividend paid		(983,390,250)	(949,788,749)
Net Cash from Financing Activities		(845,803,099)	(1,429,299,610)
Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		92,650,815	68,054,414
Cash & cash equivalents at opening		676,093,054	608,038,640

for the year ended June 30, 2021

(Refer to Accounting Policy Note 2.15 and Note 34.01)

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
D. Effects of foreign exchange rate changes on the balance of cash held in foreign currencies		182,024	-
Cash & cash equivalents at closing	11.00	768,925,893	676,093,054
Net Operating Cash Flow per Share	34.00	9.93	9.29
Number of shares used to compute Net Operating Cash Flow per Share		199,938,886	199,938,886


The annexed notes 01 to 45 and Annexures A&B form an integral part of these financial statements. These financial statements were approved by the Board of Directors on October 28, 2021 and were signed on its behalf by:

					
Mubarak Ali	Tanveer Ali	Rokeya Quader	Begum Sakwat Banu	Md. Harun-Al-Rashid	Md. Nazimuddin
Managing Director	Director	Independent Director	Independent Director	Chief Financial Officer	Company Secretary

Signed in terms of our separate report of even date annexed

Place: Dhaka

Dated: October 28, 2021


Kamrul Abedin, FCA
 Partner
 Enrolment Number: 527

M. J. Abedin & CO.
 Chartered Accountants
 Firm Registration Number: N/A
 DVC: 2111020527AS468471

ACCOUNTING POLICIES AND EXPLANATORY NOTES

As at and for the year ended June 30, 2021

01.00 Background and Introduction

i) Incorporation and legal status:

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 in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in Bangladesh.

ii) Nature of business activities:

The Company is engaged in manufacturing and marketing of dry cell batteries, biscuits, candy and confectionery items.

The products are sold in local market as well as abroad.

Plastic products and cartons are mainly used for the company's own consumption.

iii) Address of registered office, corporate office and factories of the Company:

a) Registered Office: Lolati, Kanchpur, P.S. Sonargaon in the district of Narayanganj

b) Corporate Office: 62-63, Motijheel Commercial Area, Dhaka 1000.

c) Factories: At Kanchpur & Lolati, P.S. Sonargaon and Madanpur., P.S. Bondar both in the district of Narayanganj.

02.00 Basis of preparation of financial statements and accounting policies

02.01 Basis of measurement

The financial statements have been prepared on Historical Cost basis. Non-Derivative financial instruments available for sale are measured at fair value. Investment in Shares of listed companies has been valued at the year-end quoted prices. Cash flow statement has been prepared on cash basis.

02.02 Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable laws and regulations. The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared and information disclosed in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

IFRSs comprise of:

- International Financial Reporting Standards (IFRSs)
- International Accounting Standards (IASs)
- Interpretations

02.03 Reporting period

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

02.04 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency. Figures have been rounded off to the nearest Taka except where indicated otherwise.

02.05 Level of precision

The figures in the financial statements have been rounded off to the nearest Taka.

02.06 Components of financial statements

The financial statements include the following components as per IAS 1: "Presentation of Financial Statements".

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

02.07 Comparative information

Comparative information has been disclosed with respect to the year 2020 for all numerical information of the financial statements as well as narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

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

02.08 Consistency of presentation

The presentation and classification of all items in the financial statements have been retained from one period to another period except where it is apparent that another presentation or classification would be more appropriate with regard to the selection criteria and application of accounting policies or changes required by another IFRSs.

As required under the provision of the International Financial Reporting Standards in the presentation of financial statements, Profit or Loss and Other Comprehensive Income for the preceding year have separately reflected the results of continuing operations and discontinued operations.

For the year under review, no such disclosure is required because there was no discontinuation of business during the year and in the preceding year.

02.09 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:

ACCOUNTING POLICIES AND EXPLANATORY NOTES

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 Customs Act. 1969
 Bangladesh Labor Law 2006 with subsequent amendments in 2013
 Negotiable Instruments Act. 1881

02.10 Accounting assumptions

Accrual basis of accounting:

The financial statements have been prepared, excepting Statement of Cash Flows and Bank Deposits, under accrual basis of accounting in accordance with applicable International 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.

02.11 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.

02.12 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.

02.13 Application of Accounting and Financial Reporting Standards (IASs & IFRSs)

The Accounting and Financial Reporting Standards that are applicable for the financial statements for the year under review, include the following:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows

IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure for Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations.
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

New Standards and amendments to Standards adopted by the Institute of Chartered Accountants of Bangladesh subsequent to June 30, 2021, that are applicable to the company will be taken into consideration in due course.

02.14 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.

02.15 Statement of Cash Flows

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

However, a reconciliation statement of the net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating activities, has been made as required under the provision of a notification issued on 20 June 2018 by the Bangladesh Securities & Exchange Commission (note-34.01)

Cash & cash equivalents comprise Short Term Deposit, highly liquid investment and current deposit.

02.16 Accounting Policies, Changes in Accounting Estimates and Errors**i) 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.

ii) 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 therefore, is recognized prospectively.

iii) 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.

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

02.17 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.

02.18 Taxation**i) Current Tax:**

Current Tax provision is maintained at the rate of 22.5% on Business income & non- operating income, at the rate of 20% on dividend income and at the rate of 10% on capital gain, if any, taking into consideration due allowances and possible ad-backs as per rules.

ii) Deferred Tax:

Deferred tax is recognized in compliance with IAS 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.

02.19 Property, Plant and Equipment

i) Recognition and Measurement:

Items of property, plant and equipment, excluding freehold land, freehold building and leasehold buildings, 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.

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 as finance cost.

ii) 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.

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

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

iv) Major Maintenance Activities:

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

v) 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 calculated as the difference between sales proceeds and the carrying amount of the asset and is recognized as Other Income / Other Expenses.

vi) Capital Work in Progress:

Capital Work in Progress consists of acquisition costs, directly attributable borrowing cost for 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.

02.20 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use Assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date.

ii) Lease Liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

iii) Short-Term Leases and Leases of Low-Value Assets:

The Company does not apply the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It also does not apply the recognition and measurement requirements of IFRS 16 to leases for which the underlying assets are low value (i.e. less than Taka 425,000 when new). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

02.21 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.

02.22 Employee Benefit

The employees enjoy benefits from statutorily formed Workers Profit Participant and Welfare Funds.

Other than usual short-term benefits like salaries, wages & allowances, bonus, leave, and others, the employees enjoy the followings:

i) Provident Fund:

The Company operates a Contributory Provident Fund for its eligible employees. It is funded by the equal contribution from the employees as well as the company. The Fund is recognized by the National Board of Revenue, Government of the People's Republic of Bangladesh.

It is administered by a Board of Trustees.

ii) Gratuity Fund:

The company maintains a gratuity scheme and provision is made annually for the employees eligible to fund. A Fund, namely, Olympic Industries Ltd.'s Employees' Gratuity Fund established in accordance with Part-C of First Schedule of the Income Tax Ordinance 1984, has been accorded due recognition by the National Board of Revenue, Government of the People's Republic of Bangladesh.

The Fund is administered by a Board of Trustees.

Benefits like Pension Scheme, Share Based Payments have not been introduced by the company.

02.23 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 or loss of the period on Cash basis consistently. However, there was no receipt of government grant for recognition as income.

02.24 Foreign Currency Transactions

Foreign currencies are converted into 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 the provision under IAS 21 "The Effects changes in Foreign Exchange Rates".

02.25 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 as finance cost.

02.26 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. Transactions with related parties have been recognized and disclosed according to IAS 24, "Related Party Disclosures".

02.27 Financial Instruments

a) 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 Accounts receivables comprising trade and other receivables, advances, deposits and

ACCOUNTING POLICIES AND EXPLANATORY NOTES

prepayments, loans and advances, investments, cash and cash equivalents, and available-for-sale financial assets.

i) Accounts Receivables:

Accounts receivables comprise Trade and Other receivables. Trade Receivables represent the amounts due from distributors and institutional customers.

These are stated at original invoice amount without making any provision for doubtful debts.

Provision for doubtful debts is made as and when it is applicable and is reflected in the financial statements or notes to the accounts.

Other receivables include accrued interest on fixed and short-term deposits at balance sheet date, invested by the company.

ii) 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.

iii) Investments:

The company invests its money to fixed deposit and other schemes as deemed fit for the company's benefit.

Investment in shares of listed companies and mutual funds is recognized at fair value based on the quoted market price of Dhaka Stock Exchange Ltd.

iv) 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 for the year.

v) 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 excluded from the component of cash and cash equivalent.

There is insignificant risk of changes in value of the same.

b) 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.

i) Accounts and Other Payables:

Accounts 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 and service provider.

ii) 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.

02.28 Impairment of Assets

i) 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.

ii) 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.

iii) Non-Derivative non-Financial Assets:

In compliance with IAS 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.

02.29 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

ACCOUNTING POLICIES AND EXPLANATORY NOTES

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.

02.30 Intangible Assets

i) 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 IAS 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.

Intangible assets of immaterial amounts are charged in the comprehensive income at the time of incurrence of such expenses

ii) 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.

iii) Amortization:

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

02.31 Risk and Uncertainties for Use of Estimates in Preparation of Financial Statements

Preparation of Financial Statements in conformity with the International 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.

02.32 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 International Financial Reporting Standards (IFRSs), Section 183 of the Companies Act, 1994 and other applicable laws and regulations.

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
03.00 Property, Plant & Equipment			
(Refer to accounting policy note-02.19 and Annexure A)			
Land and land development		529,311,051	250,869,087
Factory buildings & other constructions		1,146,506,319	1,186,194,100
Plant & machinery		1,443,113,137	1,601,516,097
Office equipment		10,156,460	10,404,338
Furniture & fixtures		19,215,705	20,414,469
Transport & vehicles		55,352,959	85,542,891
		3,203,655,631	3,154,940,982

- * The measurement basis for determining the gross carrying amount, the depreciation method used & depreciation rates used have been disclosed in policy note no.-02.19 (iii).
- * The gross carrying amount and the accumulated depreciation at the beginning and end of the period & a reconciliation of the carrying amount at the beginning and end of the period showing additions, disposals and depreciation have been stated in Annexure A named "Schedule of Property, plant & equipment".
- * 490 decimal land was mortgaged against Term Loans received from United Commercial Bank Ltd. and The City Bank Ltd. (Note-13.01 & 13.02)

The said 490 decimal land is located at:

Madanpur	213	Decimal
Lolati	277	Decimal
	490	Decimal

- * Additions to Plant & Machinery of Tk.115,555,265 (2020: Tk. 174,863,551) as stated in Annex-A named Schedule of Property, Plant and Equipment include Tk. 97,897 (2020: Tk. 2,583,360) being attributed borrowing costs in relation to the items of Plant & Machinery. (Transferred from Capital Work in Progress)
- * Other information as to assets held for sale, acquisition through business combination, effect for revaluation, impairment losses, restrictions of title, contractual commitment for acquisition, etc. is not applicable for the year under review.

04.00 Intangible assets

(Refer to accounting policy note-(02.30))

Represent Software (ERP) and arrived at as follows:

At Cost

Accumulated amortization (considering life to be 5 years):

At July 1, 2020

For the year

32,264,325	32,264,325
(32,264,324)	(32,264,324)
(32,264,324)	(32,264,324)
-	-
1	1

- * Other intangible assets of insignificant amounts are expensed when acquired

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
05.00 Right of Use (RoU) Asset , Net			
(Refer to accounting policy note-02.20 &2.30)			
Balance as at July 1		48,907,381	-
Add: Addition During the Year		-	58,688,857
Less: Amortization Charged During the Year		(19,562,952)	(9,781,476)
Written Down Value as at June 30		29,344,429	48,907,381
05.01 Lease Liability arising from Right of Use (RoU) Asset			
Opening Balance as at July 1		49,970,064	-
Add: Addition During the Year		-	58,688,857
Add: Interest Accrued		3,573,518	2,395,588
Less: Payments		(22,228,764)	(11,114,381)
Closing Balance as at June 30		31,314,818	49,970,064
The above Liability is classified as under:			
Lease Finance- Non Current Portion		10,909,581	31,314,817
Lease Finance- Current Portion		20,405,237	18,655,247
Total Lease Liability at June 30		31,314,818	49,970,064
As reflected in the Statement of Comprehensive Income:			
i. Interest expense for the year under review arising from the Lease Liability		3,573,518	2,395,588
(Refer to note # 30.01: Finance Cost)			
ii. Amortization charge for the year under review for the Right-of-use asset:			
Charged to Administrative expenses (note # 28)		10,721,916	5,360,957
Charged to Selling expenses (note # 29)		8,841,036	4,420,519
Total Amortization Charge		19,562,952	9,781,476
As reflected in the Statement of Cash Flows:			
(i) Cash flows for the Principal Portion of the Lease Liability		18,655,246	8,718,794
(ii) Cash flows for the Interest Portion of the Lease Liability		3,573,518	2,395,588
Total amount of Cash Flows (Out Flows)		22,228,764	11,114,382
06.00 Capital Work in Progress			
(Refer to accounting policy note-02.19(vi))			
Machinery Under Installation		1,024,356,696	491,195,731
Building Under Construction		419,773,575	270,977,663
		1,444,130,271	762,173,394

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020

06.01 Capital work in progress of Tk. 1,444,130,271 (2020: Tk.762,173,394) has been reconciled as follows:

Opening Balance at July 1	762,173,394	1,144,215,357
Additions during the year -other than borrowing costs	796,705,611	173,585,212
Directly attributed borrowing costs capitalized during the year	11,753,780	10,307,855
	808,459,391	183,893,067
	1,570,632,785	1,328,108,424
Less: Net capitalization to fixed assets	(126,502,514)	(565,935,030)
Closing Balance at June 30	1,444,130,271	762,173,394

07.00 Inventories

(Refer to accounting policy note-02.14)

Materials	1,487,110,913	1,288,672,014
In-transit	146,467,996	168,078,789
Work-in-process	13,664,465	14,102,791
Finished goods	129,257,876	145,456,552
Stores and spares	171,998,848	138,067,668
	1,948,500,098	1,754,377,814

08.00 Trade and other receivables

Trade Receivables	320,375,980	161,229,791
Other receivables being accrued interest on:	143,014,721	200,309,221
Fixed & Short Term deposits	131,243,605	183,848,448
Zero Coupon Bonds issued by IPDC Finance Ltd.	11,771,116	16,460,773
	463,390,701	361,539,012

01. Receivables are considered good in respect of which the company holds no security other than personal security of the relevant parties and security deposits of nominal amounts received from almost all of them.

02. 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.

03. Ageing of Trade receivables of Tk. 320,375,980 that have subsequently been realized or adjusted in full, is as under:

Exceeding six months	13,877,342	3,144,842
Below six months	306,498,638	158,084,949
	320,375,980	161,229,791

04. Trade receivables include Tk. 17,856,198.72 (equivalent US\$ 210,568.00) (2020: Tk. 29,628,613.51 equivalent US\$ 353,653.70) being the amount receivable from overseas customers, which amount has subsequently been received/adjusted.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
09.00 Advances, deposits and prepayments			
Advances	09.01	784,605,597	710,414,281
Deposits	09.02	93,174,920	92,931,776
Pre-payments	09.03	13,605,504	14,409,583
		891,386,021	817,755,640
09.01 Advances:			
Employees		1,928,462	13,596,493
Advance for Commercial Space		210,000,000	90,000,000
Suppliers and contractors		572,677,135	606,817,788
		784,605,597	710,414,281
<p>a. Advances include Tk.210,000,000 paid to House of Sunshine Knitwear Limited against purchase of a commercial space measuring 28,291 sft along with 16 Car Parking Space total consideration of which is Tk. 526,238,000 .</p> <p>b. Maximum amount due during the year under review from Officers of the company was Tk.1,519,029 (2020: Tk. 1,000,000).</p> <p>c. 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.</p>			
09.02 Deposits			
Security and other deposits		78,564,335	75,556,924
VAT Deposits		3,332,984	6,097,251
Lease Deposits		5,349,563	5,349,563
Guarantee Margin		5,928,038	5,928,038
		93,174,920	92,931,776
09.03 Pre-payments			
Pre-paid insurance		12,552,772	12,253,322
Pre-paid rates & taxes being license fees to Bangladesh Standards & Testing Institution (BSTI)		1,052,732	2,156,261
		13,605,504	14,409,583
10.00 Investments			
Investments in Term Deposits	10.01	4,336,778,690	4,152,164,127
Investments in Shares & Bonds	10.02	48,668,230	74,555,840
		4,385,446,920	4,226,719,967
10.01 Investments in Term Deposits			
Fixed deposits with banks & other financial institutions (maturity period of which is more than 3 months)		4,336,778,690	4,152,164,127

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
10.02 Investments in Shares & Bonds			
i. Shares of Listed Companies - as at fair value through Profit or Loss account	10.03	12,579,000	11,985,750
ii. Zero Coupon Bonds issued by IPDC Finance Ltd.	10.04 (i)	36,089,230	62,570,090
		48,668,230	74,555,840

10.03 Shares of listed companies - as at fair value through profit or loss account

(refer to accounting policy note-02.27(a)(iii) Financial instruments-investments)

Particulars	Qty of Shares	Cost	Fair Value	Fair Value Gain/(Loss)
Brac Bank Limited	100,000	4,916,608	4,950,000	33,392
Beximco Pharma Ltd.	30,000	5,358,211	5,319,000	(39,211)
Prime Bank Ltd.	100,000	2,257,875	2,310,000	52,125
		12,532,694	12,579,000	46,306

Fair Value represents quoted price on June 30, 2021 of Dhaka Stock Exchange Ltd.

10.04 The company invested Tk.1,38,414,953 on August 22, 2017 in Non-Convertible Redeemable Zero Coupon Bonds issued by IPDC Finance Ltd. (formerly Industrial Promotion and Development Company of Bangladesh Ltd.)

The Bonds are redeemable six - monthly over a period of five years and according to the following schedule:

Series	Number of Bonds Subscribed	Subscription Amount	Redemption Amount	Date of Redemption
Class A	17	16,358,258	17,000,000	February 22, 2018
Class B	17	15,740,741	17,000,000	August 22, 2018
Class C	17	15,146,535	17,000,000	February 22, 2019
Class D	17	14,574,760	17,000,000	August 22, 2019
Class E	17	14,024,569	17,000,000	February 22, 2020
Class F	17	13,495,148	17,000,000	August 22, 2020
Class G	17	12,985,712	17,000,000	February 22, 2021
Redeemed up to June 30, 2021		102,325,723	119,000,000	
Class H	17	12,495,507	17,000,000	August 22, 2021
Class I	17	12,023,808	17,000,000	February 22, 2022
Class J	17	11,569,915	17,000,000	August 22, 2022
		36,089,230	51,000,000	
		138,414,953	170,000,000	

10.04(i) The investment amount of Tk. 36,089,230 as noted in 10.02(ii) has been arrived at as follows:

Subscribed on August 22, 2017	138,414,000	138,414,000
Less: Redemption during the year ended June 30, 2018	(16,358,258)	(16,358,258)
Redemption during the year ended June 30, 2019	(30,886,323)	(30,886,323)
Redemption during the year ended June 30, 2020	(28,599,329)	(28,599,329)
Redemption during the year ended June 30, 2021	(26,480,860)	(26,480,860)
	(102,324,770)	(75,843,910)
	36,089,230	62,570,090

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
11.00 Cash and cash equivalents			
(a) Cash in hand		69,056,719	22,338,121
(b) Cash at banks			
In current Accounts		186,607,490	234,591,735
In STD accounts		494,454,368	332,283,356
In FC Accounts (US\$44,967.14, 2020: US\$941,541.48)		5,561,200	78,721,684
FDRs with banks & other financial institutions (Maturity period of which is 03 months or less)	11.01	7,675,754	7,336,922
Current account balance with brokerage house (City Bank Capital Resources Ltd.)		5,570,362	821,236
		768,925,893	676,093,054

11.01 Fixed deposits with banks, maturity periods of which are 3 months or less than 3 months, at varying interest rates of 2.5% to 8% per annum, categorized as cash equivalents are:

Bank Name	Interest rate Per annum	Maturity date	Amount in Taka	
			June 30, 2021	June 30, 2020
The City Bank Ltd.	2.5%	28.08.2021	4,871,348	4,731,457
Prime Finance & Investment Ltd.	8%	07.08.2021	2,804,406	2,605,465
			7,675,754	7,336,922

12.00 Share Capital**a. Authorized Capital**

200,000,000 (2020:200,000,000) Ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
--	----------------------	----------------------

b. Issued. 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. 189,936,096 (2020: 189,936,096) Ordinary Shares of Tk. 10 each issued as Bonus Shares	1,899,360,960	1,899,360,960
Total 199,938,886 Ordinary shares of Tk. 10 each	1,999,388,860	1,999,388,860

b.i 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

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
79,570 Ordinary shares of Tk.100 each along with premium of Tk.1025 per share (as right at 1:1 ratio) in 1995 which of present face value of Tk.10 each total to 795,700 Shares		7,957,000	7,957,000
490,237 Ordinary shares of Tk.100 each along with premium of Tk.100 (as right at 1:1 ratio) in 1998 which of present face value of Tk.10 each totals to 4,902,370 Shares.		49,023,700	49,023,700
		79,480,700	79,480,700
b.ii 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
		20,547,200	20,547,200
b.iii Bonus Share Capital			
450,000 Bonus Shares of Tk.10 each v 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
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 10:3.5 in 2014.		411,396,880	411,396,880
31,736,331 Bonus Shares of Tk.10 each issued from retained earning at 5:1 in 2015.		317,363,310	317,363,310
9,520,899 Bonus shares of Tk.10 each issued from retained earning at 20:1 in 2016.		95,208,990	95,208,990
		1,899,360,960	1,899,360,960

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	June 30, 2021		June 30, 2020	
	No. of shares	%	No. of shares	%
c. Composition of Share Holdings				
Directors and Sponsors	78,656,250	39.34	55,517,626	27.77
Institutions	38,028,937	19.02	33,662,492	16.84
Foreign Investors	55,696,578	27.86	80,284,706	40.15
General Public	27,557,121	13.78	30,474,062	15.24
	199,938,886	100.00	199,938,886	100.00

- d. 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	7,595	977,040	0.49
500 to 5000 shares	3,002	4,609,593	2.30
5001 to 10000 shares	242	1,770,985	0.89
10001 to 20000 shares	142	1,984,686	0.99
20001 to 30000 shares	68	1,697,922	0.85
30001 to 40000 shares	36	1,286,773	0.64
40001 to 50000 shares	20	922,817	0.46
50001 to 100000 shares	58	4,119,705	2.06
100001 to 1000000 shares	65	21,845,981	10.93
Over 1000000 shares	20	160,723,384	80.39
	11,248	199,938,886	100.00

e. Market Price

Shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk.170.00 per share (2020: Tk.150.20) and Tk.171.10 per share (2020: Tk.151.10) in the Dhaka and Chittagong Stock Exchanges respectively on June 30, 2021.

f. Foreign Share Holders

Particulars of foreign shareholders as on June 30, 2021 are as follows:

Particulars	Folio/BO ID	No. of Shares
REGENT MOGHUL FUND LTD.	96	8,860
IS HIMALAYAN FUND NV	1215	2,227
WI CARR (FAR EAST) LTD.	6263	6,210
UBS SECURITIES (EAST ASIA) LTD.	6660	405
MIDLAND BANK INT'L FINANCE CORP. LTD	7001	4,917
LLOYDS BANK PLC	7946	22
NFM ENERGY LIMITED	1205200052717426	2,000
BNYM EATON VANCE TR CO COM TR	1601620045001481	17,318
HBFS AC ARISAIG INDIA FUND L	1601620058579738	17,991,181
BNYM GHI HOLDINGS MAURITUS	1601620059236671	856,703

Particulars	Folio/BO ID	No. of Shares
CACEIS BANK, LB/EDRE/BI EMFM EQ	1601620064498382	85,000
NEWEDGE FINANCIAL HK LTD	1601670000542256	11,879
SSBT A/C P EM Fund	1601670016201692	78,491
SSBT A/C Param Tax-Managed EMF	1601670016202702	99,202
SSBT A/C IS MS 100 ETF	1601670045157411	808,347
SCB MU A/C CSGF, LP	1601670047537330	144,997
JPMCBNAFORJPM LUX A/CTRPFSFMEF	1601670053880589	186,749
PICTET LUX A/C KFFCFE	1601670058688552	14,673,551
NTC A/C LEGAL AND GENERAL ICAV	1601670062213950	641,677
SCB DIFC FOR FBG A/C MENAFI	1601670062737207	200,000
JPMCB NA A/C LPFAB	1601670067290721	41,633
JPMCB NA A/C F G O F	1601670068673719	1,112,156
PICTET LUX A/C T G	1601670069224508	31,579
JPMCB NA A/C T.RPGAF, INC.	1601670073457005	9,866
EATON VANCE PARAMETRIC EM FUND	1604300050277626	46,792
CLSA GLOBAL MARKETS PTE LTD	1604300054134389	14,986,633
ALLAN GRAY FRONTIER MKTS EQ FD	1604300062930237	3,648,183
		55,696,578

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
13.00 Long Term Loan (Secured)			
United Commercial Bank Ltd	13.01	410,631,904	349,160,834
The City Bank Ltd.	13.02	186,402,786	230,688,165
Total Term Loan		597,034,690	579,848,999
Less: Current portion of long term loan being payable within 1 year			
United Commercial Bank Ltd		157,052,146	233,117,128
The City Bank Ltd.		101,451,823	146,280,727
Long Term Loan - Current portion		258,503,969	379,397,855
Long Term Loan - Non - Current portion		338,530,721	200,451,144
13.01 Loan from United Commercial Bank Ltd (UCBL) - Term Loan			
The loan balance has been arrived as at follows:			
Opening balance at July 1		349,160,834	326,903,992
Received during the year		280,299,911	217,274,409
		629,460,745	544,178,401
Repayments made during the year		(218,828,841)	(195,017,567)
Closing balance at June 30		410,631,904	349,160,834

Prevailing interest rates on the said loan at different periods were as follows:

- 01-03-2016 to 30-11-2016 @ 10% per annum.
- 01-12-2016 to 20-02-2018 @ 8.5% per annum.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
<ul style="list-style-type: none">• 21-02-2018 to 19-06-2019 @ 9.5% per annum.• 20-06-2019 to 26-07-2019 @ 11% per annum.• 27-07-2019 to 31-03-2020 @ 10.50% per annum.• 01-04-2020 to 10.03.2021 @ 9% per annum.• 11-03-2021 to onward @ 8 % per annum.• The loans are repayable, along with interest thereon, in monthly equal instalments.			

Security

Term Loans from United Commercial Bank Ltd. and The City Bank Ltd., are secured against pari passue charge, of 490 decimal land of the company.

13.02 Loans from The City Bank Ltd. - Term Loan

The loan balance has been arrived as at follows:

Opening balance at July 1	230,688,165	328,553,744
Received during the year	108,901,755	26,033,848
	339,589,920	354,587,592
Less: Repayments made during the year	(153,187,134)	(123,899,427)
Closing balance at June 30	186,402,786	230,688,165

During the year under review, the company received loans from the bank in the aggregate sum of Tk.108,901,755 against sanction limit of Tk.31.50 crore and also at an interest rate of 8.5 % per annum.

As regard to security, refer to Note-13.01

14.00 Lease Finance

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

	Amount in Taka			
	June 30, 2021		June 30, 2020	
	Principal	Interest	Principal	Interest
Classified as lease finance- Current portion				
Due within one year	20,789,078	1,830,586	19,039,088	3,580,577
Classified as lease finance-Non-Current portion				
Due after one year but within five years	10,909,581	204,801	31,314,817	2,028,328
Due after five years	-	-	-	-
	10,909,581	204,801	31,314,817	2,028,328
	31,698,659	2,035,387	50,353,905	5,608,905

- (ii) Obligation of interest of Tk.2,035,387 (2020: Tk.5,608,905) as stated above represents interest amount payable to the lessors from July 1, 2021 up to maturity of the leases, in terms of 'Repayment Schedules' as agreed between the Lessors and the company.

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
(iii) Lease obligation at year-end in the aggregate sum of Tk.31,698,659 (2020:Tk.50,353,905) as stated above is due to:			
People's Leasing & Financial Services Ltd. (adjustable with lease deposits)		383,841	383,841
Lease Obligation for Right-of-Use Asset (Amin Mohiuddin Foundation)	05.01	31,314,818	49,970,064
		31,698,659	50,353,905
(iv) The above obligation of Tk.31,698,659 (2020:Tk.50,353,905) has been arrived at as follows:			
Opening Balance at July 1		50,353,905	4,949,584
Additions during the year		-	58,688,857
		50,353,905	63,638,441
Less: Obligation liquidated during the year		(18,655,246)	(13,284,536)
Closing Balance at June 30		31,698,659	50,353,905
(v) The net carrying amounts of the related tangible assets acquired under lease finances are as follows and have been disclosed in Annexure A to the accounts:			
Plant & Machinery		26,682,863	32,964,316
Transport & Vehicles		-	-
		26,682,863	32,964,316

15.00 Deferred Tax Liability : Tk.178,241,283 (2020: Tk.185,897,673)

This has been calculated as under, based on the deductible/taxable temporary difference arising from the difference between the carrying amounts of the assets or liabilities and their tax bases in accordance with the provision of IAS 12: Income Taxes

Particulars	Amount in Taka					
	2020-2021			2019-2020		
	Carrying amount on reporting date	Tax Base	Taxable temporary difference / (Deductible temporary difference)	Carrying amount on reporting date	Tax Base	Taxable temporary difference / (Deductible temporary difference)
Deferred tax relating to items of profit or loss						
Property, plant & equipment (Depreciable items)	2,674,344,580	1,836,900,163	837,444,417	2,904,071,894	2,098,299,503	805,772,391
Temporary difference for IFRS 16: Lease	(1,970,389)	-	(1,970,389)	(1,062,683)	-	(1,062,683)
Provision for gratuity	(43,290,547)	-	(43,290,547)	(61,119,015)	-	(61,119,015)
Net taxable temporary difference	2,629,083,644	1,836,900,163	792,183,481	2,841,890,196	2,098,299,503	743,590,693
Applicable tax rate			22.50%			25%
Deferred tax liability relating items of profit or loss at the end of the year (a)			178,241,283			185,897,673
Deferred tax liability relating items of profit or loss at the beginning of the year			185,897,673			143,975,785
Deferred tax income/(expense) recognized in profit or loss			7,656,390			(41,921,888)
Deferred tax assets relating to items directly recognized in other comprehensive income			-			-
Gain/(loss) directly recognized in other comprehensive income			-			-
Applicable tax rate			22.50%			25%

Particulars	Amount in Taka			
	2020-2021		2019-2020	
	Carrying amount on reporting date	Tax Base	Taxable temporary difference / (Deductible temporary difference)	Taxable temporary difference / (Deductible temporary difference)
Deferred tax liability/(assets) relating to items directly recognized in other comprehensive income at the end of the year			-	-
Deferred tax liability (assets) relating to items directly recognized in others comprehensive income at the beginning of the year (b)			-	-
Net deferred tax (assets) / liability (a+b)			178,241,283	185,897,673

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
16.00 Short term loan and overdraft			
Secured (From banking companies):			
United Commercial Bank Ltd.	16.01		
Loan on Trust Receipt (LTR)		604,320,180	356,931,960
Offshore banking		242,454,353	219,667,317
		846,774,533	576,599,277
The City Bank Ltd.	16.01		
Loan on Trust Receipt (LTR)		98,390,680	221,433,063
Short Term Loan (STL)		47,588,499	37,634,444
Offshore banking		86,362,632	33,971,174
		232,341,811	293,038,681
Secured Overdraft (SOD)			
City Bank Ltd.	16.02	274,798,059	278,941,462
		1,353,914,403	1,148,579,420
Unsecured:			
Loan from Directors		1,967,088	1,967,088
Loan from Others		2,474,676	2,474,676
		1,358,356,167	1,153,021,184

Securities

- 16 .01** Short term loans in the nature of Trust Receipt, Offshore Banking, etc. from United Commercial Bank Ltd. and The City Bank Ltd. are secured against creation of pari passu charges on the plant, machinery & equipment's and stock & book debts of the company.
- 16 .02** Secured Overdraft from The City Bank Ltd is secured against lien of FDR's of an aggregate face value of Tk.30 crore, Overdraft limit being Tk.30 crore and interest rate on thereon being 1% higher than the average interest rate against the fixed deposits pledged.

17.00 Interest Payable: Tk.1,119,809 (2020: Tk. 845,829)

This represents provision for outstanding interest for the last month of the year on loan balances due to United Commercial Bank Ltd., which has subsequently been paid.

18.00 Trade Payable

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	13,781,638	13,559,140
Period below six months	649,881,959	550,675,515
	663,663,597	564,234,655

- 18.01** This includes Tk.648,251 being the amount payable to Ludwig Industrial Solutions Ltd., a related party (Note: 35(vi)).

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020

19.00 Liabilities for Services

This represents amounts due to various service providers (e.g. Security Guard providers, Ad firm, C&F Bills, Processors of raw materials, Fuel suppliers etc.) the ageing of which liability is as follows:

Period exceeding six months	1,318,350	891,798
Period below six months	5,128,110	7,815,943
	6,446,460	8,707,741

19.01 This includes Tk.2,036,822 being amount payable to Lucerne Cocoa & Chocolate Products Ltd. (Note: 35 (v)).

20.00 Liabilities for Expenses

Represent provision for the following expenses:

Audit fees	900,000	900,000
Directors' remuneration & allowances	-	885,000
Directors' board meeting attendance fees	2,355,475	1,985,475
Salaries, wages & allowances	36,188,473	130,552,999
Utility bills	21,577,450	17,519,115
	61,021,398	151,842,589
Ageing of the above liability is as under:		
Period exceeding six months	978,300	978,300
Period below six months	60,043,098	150,864,289
	61,021,398	151,842,589

21.00 Advance against sales: Tk.313,535,229 (2020: Tk.237,997,725)

This represents advances received from distributors within June 30, 2021, against order placed by them, which liability has subsequently been liquidated.

22.00 Liabilities for Other Finance

Taxes deducted at source	28,989,835	39,256,788
VAT deducted at source	95,555,108	26,313,795
Government Levy (Surcharges) payable	1,993,529	1,993,529
Debenture redemption money payable (TIL)	677,947	677,947
Security deposits	13,156,612	11,011,525
Other payables on account of employees	9,582,800	19,975,800
Sales proceeds of fraction shares	6,558,493	6,558,493
Unclaimed share warrant (fraction shares) (TIL)	35,343	35,343
Others on leased assets	302,000	302,000
Expenses under a project of Bangladesh Employers' Federation	296,380	345,380
	157,148,047	106,470,600

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
23.00 Provision for Current Tax			
Represents:			
Provision for the assessment year 2019-2020		-	635,278,942
Provision for the assessment year 2020-2021		687,082,055	672,381,702
Provision for the assessment year 2021-2022		630,315,592	-
		1,317,397,647	1,307,660,644
Less: Advance Income Tax		(1,279,842,528)	(1,241,298,470)
		37,555,119	66,362,174
 This has been arrived at as follows:			
Opening balance at July 1		1,307,660,644	1,227,046,331
Add: Provision made during the year:			
for the assessment year 2018-2019		-	27,102,958
for the assessment year 2019-2020		15,159,419	-
for the assessment year 2020-2021		14,700,353	672,381,702
for the assessment year 2021-2022	23.01	630,315,592	-
		660,175,364	699,484,660
		1,967,836,008	1,926,530,991
Less: Payments made during the year against assessment year 2019-2020		(650,438,361)	(618,870,347)
		1,317,397,647	1,307,660,644
Less: Advance Income Tax		(1,279,842,528)	(1,241,298,470)
for the assessment year 2019-2020		-	(650,438,361)
for the assessment year 2020-2021		(652,669,979)	(590,860,109)
for the assessment year 2021-2022		(627,172,549)	-
		37,555,119	66,362,174
 23.01 Current Year's Tax Provision			
This has been arrived as follows:			
Profit before tax for the Year		2,689,882,176	2,766,360,763
Less: Income on Investment in Shares		(4,960,070)	(136,561)
Less: Dividend Income		(420,000)	(220,000)
Business Income		2,684,502,106	2,766,004,202
Add: Provision for Inadmissible Items and Possible Add-backs		138,662,771	82,008,521
Add: Provision Gratuity		43,290,546	42,511,770
Accounting Depreciation		425,588,416	387,810,399
Amortization of Right-of-use Asset		19,562,952	9,781,476
Less: Payment for Gratuity		(61,119,015)	(80,023,325)
Less: Tax Base Depreciation		(451,662,954)	(518,796,860)
Taxable Income		2,798,824,822	2,689,296,183
		630,315,592	672,381,702

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Tax on Business Income 22.5% (2020: Rate: 25%)		629,735,585	672,324,046
Tax on gain of investment in shares (Rate: 10%)		496,007	13,656
Tax on Dividend Income (Rate: 20%)		84,000	44,000

24.00 Unclaimed dividend

Year wise break up of the above is as follows:

1995	116,888	116,888
1997	880,568	880,568
2002	1,011,918	1,011,918
2003	896,307	896,307
2004	825,678	825,678
2005	774,821	774,821
2006	1,302,165	1,302,165
2007	557,714	557,714
2008	3,322,596	3,325,534
2009	1,479,492	1,481,328
2010	2,245,474	2,248,516
2011	2,656,941	2,663,421
2012	5,035,775	5,048,028
2013	5,890,901	5,910,217
2014	13,800,241	13,859,432
2015	25,795,980	25,923,596
2016	41,073,431	41,281,252
2017	49,085,400	49,398,400
	156,752,290	157,505,783
In respect of erstwhile Tripti Industries Ltd (1988 to 2002)	1,330,456	1,330,456
From inception to 2017	158,082,746	158,836,239
2018	46,183,984	46,467,793
2019	49,502,657	50,321,788
2020	58,148,390	-
	153,835,031	96,789,581
	311,917,777	255,625,820

24.01 (i) 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 BSEC, press advertisements were made to collect the past dividend warrants.

(ii) Out of Tk. 158,082,746 as indicated above being the un paid dividend from inception to 2017, an aggregate sum of Tk. 780,269 has been paid during July & August 2021, thus leaving Tk.157,302,477.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020

It is worthwhile to state that the said amount of Tk. 157,302,477 has been transferred, on August 29, 2021, from company's bank account to Capital Market Stabilization Fund (CMSF) SND A/C No. 001031 1521301, Community Bank Bangladesh Ltd., Gulshan Corporate Branch, Dhaka in compliance with a Directive of Bangladesh Security Exchange Commission vide the Commission's letter no.SEC/SRMIC/165-2020/part-1/182 dated July 19, 2021.

- 24.02** In Compliance with the condition 3(vii) of Bangladesh Securities & Exchange Commission's directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the Company maintains detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of shareholders.

25.00 Employee benefit obligations

These comprise:

Workers' Profit Participation and Welfare Funds	25.01	134,494,109	138,318,038
Contributory Provident Fund	25.02	7,668	292,887
Gratuity Fund	25.03	43,290,547	61,119,015
		177,792,324	199,729,940

25.01 Workers' Profit Participation & Welfare Funds

These represent obligation due to Workers' Profit Participation & Welfare Funds and Bangladesh Workers' Welfare Foundation Fund and the amount has been arrived at as follows:

Opening balance at July 1, 2020	138,318,038	127,578,101
Add: During the year:		
Contribution to the Funds for the year	134,494,109	138,318,038
Interest for the year	-	-
	134,494,109	138,318,038
	272,812,147	265,896,139
Less: Paid to the Funds during the year	(138,318,038)	(127,578,101)
Closing balance at June 30, 2021	134,494,109	138,318,038

(i) Contribution to the Workers' Profit Participation & Welfare Funds for the year under review allocated to:

Olympic Industries Ltd. Workers' Profit Participation Fund (80%)	107,595,287	110,654,430
Olympic Industries Ltd. Workers' Welfare Fund (10%)	13,449,411	13,831,804
Bangladesh Workers' Welfare Foundation Fund (10%)	13,449,411	13,831,804
	134,494,109	138,318,038

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
(ii) Workers' Profit Participation & Welfare Funds.			
As required by law, the company provides 5% of its net profit for each year before charging such expenses.			
Such contribution to be allocated and payable to in percentage term is as follows:			
(a) Workers' Profit Participation Fund of the company		80%	80%
(b) Workers' Welfare Fund of the company		10%	10%
(c) Bangladesh Workers' Welfare Foundation Fund		10%	10%

In terms of the provision of Section 234(1) (b) of Bangladesh Labour Act 2006 (as amended in 2013), the amounts under (a) & (b) above are due for payment to the Workers' Profit Participation & Welfare Funds within 9 months from the close of the company's accounting period. However, there is provision of utilization of the Fund's money by the company on payment of due interest as specified in the Act.

The amount under (c) above shall be paid by the company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Workers' Welfare Foundation Act 2006.

- * In terms of the provision under Chapter XV of the Bangladesh Labour Act 2006 (as amended in 2013), a Board of Trustees of the company's Workers Profit Participation Fund has been formed on 22 November 2015.
- * Bangladesh Workers' Welfare Foundation Fund has been established under Section 14 of Bangladesh Workers Welfare Foundation Act 2006.

25.02 Defined benefit Plan: Contributory Provident Fund

The company operates a contributory Provident Fund for its eligible employees. The Fund is administered by a Board of Trustees and funded by the equal contribution from the employees as well as the company. The rate of such contribution, as existing, is 8% of the basic pay of the member to the Fund. The fund is recognized by the National Board of Revenue, Government of the People's Republic of Bangladesh.

This has been arrived at as follows:

Opening balance at July 1	292,887	371,968
Add: Contribution to the Fund during the year		
Employees' contribution	2,687,676	2,509,034
Company's contribution (note-a)	2,687,676	2,509,034
	5,375,352	5,018,068
	5,668,239	5,390,036
Less: Paid during the year to the Fund	(5,660,571)	(5,097,149)
	7,668	292,887

- (a) Company's contribution to the Fund during the year has been charged to:

Administrative expenses	28.00	1,773,300	1,629,314
Selling & distribution expenses	29.00	302,645	259,032
Factory overhead	27.03	611,731	620,688
		2,687,676	2,509,034

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020

25.03 Defined Benefit Plan: Gratuity Fund

- (i) The company maintains a gratuity scheme and provision is made annually for the employees eligible to the fund. Gratuity provision at the end of each year is determined on the following basis:

Service length	Basis of provision
Up to 6 months	Nil
Above 6 months	1 (one) time of last month's basic pay multiplied by year (s) of service
More than 10 years	1.5 (one & half) times of last month's basic pay multiplied by year (s) of service

A Fund, namely, Olympic Industries Ltd.'s Employees' Gratuity Fund established on 28 October 2015, in accordance with Part-C of First Schedule of the Income Tax Ordinance 1984, has been accorded due recognition by the National Board of Revenue, Government of the People's Republic of Bangladesh.

The Fund is administered by a Board of Trustees.

- (ii) Obligation to the Gratuity Fund at June 30, is arrived at as follows:

Opening balance at July 1		61,119,015	98,630,570
Add: Obligation as provided during the year and Charged to:			
Factory overhead	27.03	23,404,656	23,534,975
Administrative expenses	28.00	11,256,165	10,685,299
Selling & distribution expenses	29.00	8,629,726	8,291,496
		43,290,547	42,511,770
		104,409,562	141,142,340
Less: Paid by the Company during the year to the Fund		(61,119,015)	(80,023,325)
Closing balance at June 30,		43,290,547	61,119,015

26.00 Revenue (Net of VAT)

	Qty.(Pcs/MT)		Amount in Taka	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Battery Unit (Pcs)	55,217,987	55,063,947	405,656,764	464,981,636
Biscuit & Conf. Unit (MT)	117,742.90	102,186.70	17,626,942,380	15,430,055,963
			18,032,599,144	15,895,037,599
Turnover comprises:				
Domestic sales			17,776,098,297	15,657,509,726
Export sales (1,915,992 Kg biscuit & Confectionery items at US\$ 3,013,225.30) (2020: 1,848,480 Kg at US\$ 2,839,045.05)		43.00	256,500,847	237,527,873
			18,032,599,144	15,895,037,599

* Domestic sales include Tk.Nil (2020: Tk.Nil) being sales to associated undertakings.

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
27.00 Cost of Sales			
Work-in-process (Opening)		14,102,791	13,248,636
Material Consumed	27.01	10,841,099,588	9,064,253,866
Stores Consumed	27.02	165,964,465	169,891,221
Factory Overhead	27.03	1,302,192,030	1,221,592,418
Depreciation		425,588,416	387,810,399
Work-in-process (Closing)		(13,664,465)	(14,102,791)
Cost of Goods Manufactured		12,735,282,825	10,842,693,749
Finished Goods (Opening)		145,456,552	129,303,442
Finished Goods (Closing)		(129,257,876)	(145,456,552)
		12,751,481,501	10,826,540,639

	Qty.(Pcs/MT)		Amount in Taka	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Finished Goods				
Opening Stock:				
Battery	805,077 pcs	1,182,840 pcs.	4,512,125	6,999,669
Biscuits	1207.00 MT	1195.38 MT	114,449,202	106,422,822
Candy & snacks	191.00 MT	90.68 MT	26,495,225	15,880,951
			145,456,552	129,303,442
Closing Stock:				
Battery	1,225,200 pcs	805,077 pcs	6,396,495	4,512,125
Biscuits	893.32 MT	1207.00 MT	95,538,189	114,449,202
Candy & snacks	181.92 MT	191.00 MT	27,323,192	26,495,225
			129,257,876	145,456,552

27.01 Materials Consumed

Opening Stock	1,288,672,014	858,544,221
Purchases during the year	11,039,538,487	9,494,381,659
Closing Stock	(1,487,110,913)	(1,288,672,014)
	10,841,099,588	9,064,253,866

27.01(i) Purchases during the year includes Tk.23,454,111 being the amount due to Lucerne Cocoa & Chocolate Products Ltd., a related party.

27.02 Stores Consumed

Opening Stock	138,067,668	115,483,879
Purchases during the year	199,895,645	192,475,010
Closing Stock	(171,998,848)	(138,067,668)
	165,964,465	169,891,221

27.02(i) This includes Tk.8,922,236 being the amount due to Ludwig Industrial Solutions Ltd., a related party.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
27.03 Factory overhead			
Wages & salaries		823,016,638	765,480,074
Company's contribution to provident fund	25.02(a)	611,731	620,688
Bonus		48,579,755	44,096,716
Gratuity	25.03(ii)	23,404,656	23,534,975
Group insurance		980,368	1,766,215
Repairs & maintenance		57,226,454	52,606,020
Rates, taxes & fees		6,982,628	10,127,470
Insurance		19,570,465	19,047,189
Power & fuel		220,479,918	195,474,818
Vehicles repair & maintenance		2,728,091	2,786,730
Printing & stationery		4,186,092	5,039,380
Postage, telephone & telegram		2,052,138	1,763,476
Travelling & conveyance		9,737,327	9,507,791
Subs. newspaper & periodicals		-	16,290
Entertainment		661,534	554,689
Legal fees		252,500	5,677,658
Factory maintenance expenses		36,064,826	28,540,660
Transport & carriage		14,441,584	19,623,122
Medical expenses		1,215,222	4,692,147
Staff food		11,820,118	11,461,589
Donation		3,394,050	5,848,664
Technician expenses		712,767	1,402,592
Labour handling charge		10,623,618	9,887,640
Advertisement		250,000	250,000
Research, training & development		3,199,550	1,785,825
		1,302,192,030	1,221,592,418
28.00 Administrative expenses			
Salaries & allowances		252,023,836	224,426,012
Company's Contribution to Provident Fund	25.02(a)	1,773,300	1,629,314
Bonus		13,266,635	13,194,737
Gratuity	25.03(ii)	11,256,165	10,685,299
Repairs & maintenance		6,508,339	5,017,458
Rent		-	6,091,485
Rates & taxes		665,253	746,220
Research, training & development		31,500	609,747
Electricity, gas & water		4,853,985	7,183,750
Vehicles repairs & maintenance		4,051,010	4,605,826

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Petrol, oil & lubricant		4,738,348	5,320,519
Printing & stationery		2,091,514	1,304,335
Postages, telephone & telegram		5,457,135	4,224,305
Travelling & conveyance		6,168,187	11,717,206
Subs. newspaper & periodicals		993,476	1,632,292
Entertainment		94,500	498,248
Audit fees		900,000	900,000
Legal & consultancy fees		5,636,482	6,566,528
Directors' remuneration & allowances (including house accommodation)	35.01	33,350,000	29,773,077
Tk. 90,00,000 (2019: Tk. 90,00,000)			
Director's Board meeting attendance fees	28.01 & 35 (iii)	370,000	1,290,000
Office maintenances expenses		5,378,440	6,200,910
Donation		2,356,596	5,693,450
Medical expenses		165,274	194,983
Advertisement		4,144,046	2,801,371
Annual General Meeting expenses		456,568	1,242,455
Amortization of Right-of-Use Asset	05.01(ii)	10,721,916	5,360,957
		377,452,505	358,910,484

28.01 Break up of Directors' board meeting attendance fees is as follows:

Name of Directors	Position	Meeting held	Attended	Amount in Taka
Mubarak Ali	Managing Director	11	10	100,000
Aziz Mohammad Bhai	Director	11	-	-
Munir Ali	Director	11	1	10,000
Tanveer Ali	Director	11	5	50,000
Noorbanu Virji	Independent Director	11	2	20,000
Rokeya Quader	Independent Director	11	9	90,000
Begum Sakwat Banu	Independent Director	11	10	100,000
				370,000

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
29.00 Selling Expenses			
Salaries & allowances		875,516,625	722,808,487
Company's contribution to Provident Fund	25.02(a)	302,645	259,032
Bonus		38,975,952	32,891,787
Gratuity	25.03(ii)	8,629,726	8,291,496
Repairs & maintenance		426,836	586,586
Rent		-	5,011,112
Rates, taxes & fees		238,845	1,224,937
Group insurance		1,537,129	1,235,959
Donation		100,000	300,000
Electricity, gas & water		1,250,343	1,337,963
Vehicle repairs & maintenance		2,937,232	4,163,709
Petrol, oil & lubricant		356,911	754,001
Printing & stationery		24,629,338	21,938,918
Postage, telephone & telegram		1,955,758	2,214,759
Travelling & conveyance		615,896	4,274,788
Subscription newspaper & periodical		39,889	13,958
Entertainment		331,703	413,440
Legal fees		-	12,762
Office maintenances expenses		653,554	415,435
Sales promotion		583,068,649	582,578,942
Transport/Carriage		740,456,165	548,950,217
Medical expenses		81,090	849,442
Advertisement		25,476,720	75,584,030
Research, training & development		-	4,404,500
Export expenses		35,943,989	30,720,638
Amortization of Right-of-use Asset	05.01(ii)	8,841,036	4,420,519
		2,352,366,031	2,055,657,417
30.00 Finance cost			
Bank charges		8,041,566	6,803,199
Interest	30.01	117,229,704	164,327,050
		125,271,270	171,130,249
30.01 Interest			
Interest on Term Loan with banks & other financial institutions			
United commercial Bank Ltd.		12,849,590	27,491,960
The City Bank Ltd		14,184,867	31,226,601
		27,034,457	58,718,561
Interest on LIM, LTR, STL, Offshore Banking with banks		68,590,775	75,473,590

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Interest on Secured Overdraft (SOD) with: The City Bank Ltd. Brac Bank Ltd.		18,030,954 -	18,862,769 8,486,723
		18,030,954	27,349,492
		113,656,186	161,541,643
Finance charges for leases (Right-of-use Asset)	05.01(i)	3,573,518	2,395,588
Finance charges for leases (Tangible Assets)		-	389,819
		117,229,704	164,327,050
31.00 Other Income			
Export Promotion Benefit - Cash incentive received during the year		59,238,000	44,109,550
Interest income on deposits with banks and other financial institutions			
Fixed Deposits		300,907,024	360,223,194
Short Term Deposits		13,948,203	10,710,944
Zero Coupon Bonds issued by IPDC Finance Ltd.		2,829,483	8,155,477
		317,684,710	379,089,615
Exchange (Loss) / Gain	31.01	9,894	111,657
Gain / (Loss) on offshore banking transactions		1,152,831	(4,256,454)
Sale of by-product net of VAT Tk.310,589 (2020: Tk.665,196)		5,449,770	5,129,694
Rental income		960,000	960,000
Gain on disposal of capital assets	31.02	8,426,867	299,998
Income /(Loss) on investment on portfolio management account maintained with City Bank Capital Resources Ltd.:			
Realized (Loss) / Gain		4,960,070	136,561
Dividend income		420,000	220,000
		5,380,070	356,561
		398,302,142	425,800,621
31.01 Exchange gain of Tk.9,894 (2020: Tk.111,657) has been arrived at as follows:			
(i) Received against export sales		238,686,571	237,639,530
Less: Sales recorded at rates of exchange ruling at transaction date		238,676,677	237,527,873
		9,894	111,657

31.02 Particulars of Disposal of Property, Plant & Equipment for the Year under review

Particulars	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit / (Loss)
Office Equipment	1,382,380	(1,382,324)	56	18,000	17,944
Furniture & Fixture	14,350	(14,330)	20	5,000	4,980
Transport & Vehicle	8,404,020	(8,403,963)	57	8,404,000	8,403,943
Total	9,800,750	(9,800,617)	133	8,427,000	8,426,867

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
32.00 Earnings Per Share (EPS)			
(a) Earnings attributable to the Ordinary Shareholders (Net profit after Tax)		2,037,363,202	2,024,954,215
(b) Weighted average number of ordinary Shares outstanding during the year		199,938,886	199,938,886
(c) Earnings Per Share (EPS)		10.19	10.13
Note: Basic & Diluted Earnings Per Shares are the same as there was no potential dilutive shares outstanding during the years.			
33.00 Net Asset Value			
Total Assets		13,134,779,965	11,802,507,245
Total Liabilities		(3,895,530,559)	(3,560,938,834)
		9,239,249,406	8,241,568,411
Number of Ordinary Shares of Tk.10 each at Balance Sheet date		199,938,886	199,938,886
NAV-Per Share			
On shares at balance sheet date		46.21	41.22
34.00 Net Operating Cash Flow Per Share			
Cash flows from operating activities as per Statement of cash flows		1,984,608,356	1,857,056,068
Number of Ordinary Shares of Tk.10 each at Balance Sheet date		199,938,886	199,938,886
Net Operating Cash Flow-Per Share			
On shares at Balance Sheet date		9.93	9.29

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
34.01 Reconciliation of Net Profit with Cash Flows from Operating Activities making adjustment for Non-cash items, for Non-operating items and for the Net changes in Operating Activities			
(as required under the provision of Notification No.BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 issued by Bangladesh Securities and Exchange Commission)			
Net Profit before tax as per Profit or Loss and Other Comprehensive Income		2,689,882,176	2,766,360,763
Adjustments for items not involving flow of cash			
Depreciation	27.00	425,588,416	387,810,399
Amortization	05.01	19,562,952	9,781,476
		445,151,368	397,591,875
Adjustments for:			
Bank charges	30.00	(8,041,566)	(6,803,199)
Income taxes paid	23.00	(688,982,419)	(808,208,992)
		(697,023,985)	(815,012,191)
		2,438,009,559	2,348,940,447
Adjustments for non-operating items:			
Finance cost	30.00	125,271,270	171,130,249
Net changes in Fair Value of investments in shares	10.03	(46,306)	3,920,630
Interest Income	31.00	(317,684,710)	(379,089,615)
Gain on sale of Fixed assets	31.00	(8,426,867)	(299,998)
Gain/ (Loss) in Investment in Shares including Dividend	31.00	(5,380,070)	(356,561)
		(206,266,683)	(204,695,295)
Adjustments for net changes in operating activities:			
(Increase) / decrease in:			
Inventories	07.00	(194,122,284)	(501,312,424)
Advances:			
Employees	09.01	11,668,031	(3,381,050)
Suppliers & contractors	09.01	33,958,629	224,588,830
Deposits	09.02	(243,144)	18,214,503
Pre-payments	09.03	804,079	3,774,260
Trade Receivables	08.00	(159,146,189)	(122,526,421)
Increase / (Decrease) in:			
Trade Payable	18.00	99,428,942	101,036,337
Liabilities for Services	19.00	(2,261,281)	5,851,722
Advance against sales	21.00	75,537,504	(8,598,812)
Employee Benefit Obligations	25.00	(21,937,616)	(26,850,699)
Liabilities for Expenses	20.00	(90,821,191)	22,014,670
		(247,134,520)	(287,189,084)
Net Cash Flows from Operating Activities		1,984,608,356	1,857,056,068

ACCOUNTING POLICIES AND EXPLANATORY NOTES

35.00 Related party transactions

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 IAS 24: Related Party Transactions:

Sl. No.	Name of Related Parties	Nature of Transactions	Opening Balance at July 1, 2020	Transaction during the year		Closing Balance at June 30, 2021
			Debit /(Credit) Restated	Debit	(Credit)	
(i)	Mubarak Ali, Managing Director [Note: 35.01 a(i)]	Remuneration, Bonus & House Accommodation	(700,000)	31,450,000	(30,750,000)	-
(ii)	Sakwat Banu Independent Director [Note: 35.01 a(ii)]	Remuneration & Bonus	(185,000)	2,785,000	(2,600,000)	-
(iii)	Directors (Meeting Fees) (Note: 28.01 & 20.00)	Board meeting attendance fees	(1,985,475)	-	(370,000)	(2,355,475)
(iv)	Directors (Loan) (Note: 16)	Loan from Directors	(1,967,088)	-	-	(1,967,088)
(v)	Lucerne Cocoa & Chocolate Products Ltd. (Note: 19.01)	Processing Charges of Raw Materials	1,801,633	19,615,656	(23,454,111)	(2,036,822)
(vi)	Ludwig Industrial Solutions Ltd. (Note: 18.01)	Suppliers of Stores Items	(665,613)	8,939,598	(8,922,236)	(648,251)

35.01 (a) Short-term benefits:

Sl. No.	Directors Remuneration & Perquisites	Remuneration & Allowances	Bonus	House Accommodation	Others	Total
(i)	Mubarak Ali, Managing Director	18,000,000	3,750,000	9,000,000	-	30,750,000
(ii)	Begum Sakwat Banu Independent Director	2,400,000	200,000	-	-	2,600,000
Total: Taka		20,400,000	3,950,000	9,000,000	-	33,350,000

The Managing Director of the company was provided with full time use of company's cars with related expenses.

(b) Post-employment benefits, other long-term benefits, termination benefit and share based payments: None during the year under review or in the preceding year.

36.00 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:

Particulars	Amount in Taka			
	2021 (Tk.)		2020 (Tk.)	
	Directors	Officers	Directors	Officers
	(Note-35.00)			
Board Meeting Fees	370,000	-	1,290,000	-
Remuneration/salaries & allowance	20,400,000	202,436,894	17,400,000	175,620,459
Bonus	3,950,000	12,914,105	3,373,077	11,334,363
Accommodation	9,000,000	-	9,000,000	-
Company's Contribution to Provident Fund	-	2,200,488	-	2,023,368

37.00 Sanctioned Production Capacity & Capacity Utilization (Operative Units)

Products	Unit	Capacity		Utilization		Shortfall		Reason for Shortfall
		2021	2020	2021	2020	2021	2020	
Battery	Pcs	117,760,000	117,760,000	55,638,110	54,686,184	62,121,890	63,073,816	Less Demand of Battery
Biscuit & Confectionery Items	MT	123,439.00	123,439.00	117,420.14	102,298.64	6,018.86	21,140.36	

38.00 The number of employees of the company that includes regular, contractual & casual ones, existed at June 30, 2021 was as under:

Corporate office	96	97
Marketing department	2,921	2,566
Factories	5,925	5,548
Total	8,942	8,211

38.01 Monthly average no. of workers at factories:

5,552	4,992
-------	-------

Particulars	Notes	Taka in Lac	
		June 30, 2021	June 30, 2020

39.00 Contingent Liabilities

- a. The company had the following contingent liabilities as on June 30, 2021

	2021 (Tk. in lac)	2020 (Tk. in lac)
With United Commercial Bank Ltd.:		
Bank Guarantees (Note-40.00)	620.69	594.26
Acceptance of bills	2,424.54	2,188.00
Letter of Credit	3,020.58	2,087.43
Shipping Guarantee (UCBL)	-	72.31
	6,065.81	4,942.00
With The City Bank Ltd:		
Bank Guarantees (Note-40.00)	13.45	13.45

ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Taka in Lac	
		June 30, 2021	June 30, 2020
Sight L/C		1,120.39	591.94
ULC (Accepted Import Liability)		863.63	339.71
		1,997.47	945.10
With Habib Bank Ltd.:			
Bank Guarantee (Note-40.00)		12.17	12.17
Grand Total		8,075.45	5,899.27

- b. There may arise contingent liability for unassessed income tax cases pending with tax department.

40.00 Bank Guarantees

The following Bank Guarantees were issued on behalf of the company, to various beneficiaries as under:

Issuing Bank	Beneficiary	Guarantee Amount	Validity
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	3,656,000	June 6, 2022
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	718,500	February 13, 2022
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	412,364	October 11, 2022
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	12,909,400	May 21, 2023
United Commercial Bank Ltd.	Nitol Insurance Company Ltd.	200,000	July 28, 2021
United Commercial Bank Ltd.	Phoenix Insurance Company Ltd.	200,000	September 23, 2021
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	6,740,000	July 4, 2023
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	7,995,900	December 11, 2023
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	7,926,536	December 11, 2023
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	5,055,000	June 22, 2024
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	9,098,900	June 22, 2024
United Commercial Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	1,958,200	February 2, 2024
The City Bank Ltd.	Collector of Customs, Customs House Chittagong	1,344,733	Continuous
Habib Bank Limited	Titas Gas Transmission & Distribution Co. Ltd.	372,000	Continuous
Habib Bank Limited	Collector of Customs, Customs House Chittagong	845,411	Continuous
United Commercial Bank Ltd.	Pragati Insurance Ltd.	500,000	January 23, 2023

Issuing Bank	Beneficiary	Guarantee Amount	Validity
United Commercial Bank Ltd.	Green Delta Insurance Company Ltd	500,000	August 20, 2021
United Commercial Bank Ltd.	Sonar Bangla Insurance Company Ltd.	200,000	August 20, 2021
United Commercial Bank Ltd.	Crystal Insurance Company Ltd.	200,000	August 20, 2021
United Commercial Bank Ltd.	Directorate of Primary Education (DPE)	3,798,500	July 24, 2021
		<u>64,631,444</u>	

41.00 Capital Expenditure Commitment

The Board of Directors of the company adopted the following decisions with regard to capital expenditures:

Projects	Estimated Cost (Tk.) in Millions
<p>(i) Import of PET Sheet Line & PET Tray Making Machineries: The Board of Directors of the Company has decided to import the following Brand New complete set of machineries, equipment's and spares from China for total US \$ 579,600 equivalent around Tk. 49,266,000/= for installation at its Biscuits and Confectionary factory at Lolati in Kanchpur under Sonargaon Upazilla in Narayanganj district for making PET Sheet and PET Tray for packing of Biscuits and Confectionary items produced by the company.</p> <p>a) PET Co-Extrusion Sheet Extrusion Line complete with Extruder, Preheating system, Crusher machine, Set of Barrel with Screw, Barrel heater, Root pump, Water pump for heat exchanger, Master Batch, Dousing unit, Glass heater, Encoder motor, Inverter, Touch screen etc. for US \$ 433,070 equivalent around Tk. 36,811,000/= . Capacity: 480-500 Kgs of final PET Sheet of 0.33mm thickness per hour</p> <p>b) Fully automatic 3 station Thermoforming machine complete with Mould, Electric lifter, Clamping cylinder, Main Servo motor with drive sheet feeding, Forming and cutting, Stacking, Vacuum unit for forming etc. for US \$ 146,530 equivalent around Tk. 12,455,000/= . Forming speed: 18 cycles/minute equivalent to 200 tons per month.</p>	49.266
<p>(ii) Import and Installation of Plant & Machineries to produce crackers & hard dough biscuits: The Board of Directors of the Company has taken decision to Import a new 1.80 meter width Cracker and Hard Biscuit Line, complete with Ancillary & Packing Machinery, Flour & Sugar Handling Systems and Gas Generator, etc. from Italy, China, Hongkong and India and also to procure some items from local sources, at an estimated total cost of Tk. 420.00 million to be jointly funded with cash and bank financing, for installation at Lolati factory to produce new premium varieties of Cracker and Hard Dough Biscuits of around 12,442 metric tons per annum. Re-arrange the total existing and upcoming production facilities to ensure production of around 129,656 metric tons of Biscuits and Bakery items per annum.</p>	420.000
<p>(iii) Purchase of 16 (sixteen) decimals land: The Board of Directors of the Company has decided to purchase 16 (sixteen) Decimals land for total consideration of Tk. 6,000,000.00 @Tk. 375,000.00 per decimals. Olympic Industries Limited shall also bear registration charges and other miscellaneous expenses of Tk.645,000.00 for purchase of above 16.00 decimals land. The land is situated at Mouza-Lolati, Union-Kanchpur, Upazilla-Sonargaon, District-Narayanganj.</p>	6.645

Projects	Estimated Cost (Tk.) in Millions
<p>(iv) Purchase of 1.75 (one point seven five) decimals land: The Board of Directors of the Company has decided to purchase additional 1.75 decimals land for total consideration of Tk. 816,000.00. The Purchaser Olympic Industries Limited shall also bear all required registration charges and expenses including Tax, VAT, etc. for purchase of 1.75 decimals land. The land is situated at Mouza - Lolati, Union - Kanchpur, Upazilla - Sonargaon, District - Narayanganj.</p>	0.816
<p>(v) Dismantling of an old building and construction of a new 5-storey building: The Board of Directors of the Company has decided to arrange dismantling of an old building and construction of a new 5-storey building having total 1, 69,600 sft. floor area in its place at the company's Madanpur Factory under Narayanganj district. Each floor of the new building from Ground Floor to Third Floor shall have 37,400 sft. floor area and Fourth Floor shall have 20,000 sft. floor area. The basic construction for starting machinery installation is expected to complete within August 2024. The total costs involvement including construction of Internal Road, completion of Electrical works, Drainage system and installation of Cargo Lifts, Weighbridge, ETP, Storage Tanks, Hoist, Fire Detection, Hydrant system, Lightening Arrestor along with Painting works, Designing and Supervision charges, Contingencies, etc. is estimated to be Tk. 51.00 crores which will be arranged from own sources of the company.</p>	510.000

42.00 Financial risk management

The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The Board is responsible for developing and monitoring the company's risk management policies.

Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. It also oversees the risk management strategies to achieve current and accurate compliance with operational and legal requirement and identification of foreseeable trends that could significantly impact the company's overall business activities.

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

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

42.01 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.

42.02 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 timeline to payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Present Credit Rating as assessed by National Credit Ratings Limited for Long Term Liability is AA+ (signifies very strong capacity) & for Short Term Liability is ST-1 (signifies strongest capacity), which are valid up to June 26, 2022.

42.03 Market risk

Market risk is the risk that any change 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.

(a) Currency risk

As at June 30, 2021, there was no exposure to currency risk as there were no foreign currency transactions made during the year under review other than in normal course of business and as disclosed in the accounts (Notes 08.04, 26.00 & 31.01)

(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.

43.00 Foreign Exchange earned

During the year under review, an aggregate sum of US\$ 3,013,225.30 (equivalent Tk. 256,500,847) (2020: US\$ 2,839,045.05 (equivalent Tk. 237,527,873) was earned in foreign currency against export of biscuits and confectionery items (referred to Note: 26 to the accounts)

44.00 Post Balance Sheet Events - Disclosure Under IAS-10 "Events After The Reporting Period"**Non-adjusting events after the reporting period****(i) Dividend for the year:**

Subsequent to the Balance Sheet date, the Board of Directors recommended 54% (fifty four percent) cash dividend i.e. Taka 5.40 per fully paid Ordinary Share of Tk.10 each, which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

(ii) Unclaimed Dividend transferred to Capital Market Stabilization Fund:




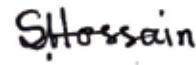


An amount of Tk. 157,302,477 has been transferred, on August 29, 2021, from company's bank account to Capital Market Stabilization Fund (CMSF) SND A/C No. 001031 1521301, Community Bank Bangladesh Ltd., Gulshan Corporate Branch, Dhaka in compliance with a Directive of Bangladesh Security Exchange Commission vide the Commission's letter no.SEC/SRMIC/165-2020/part-1/182 dated July 19, 2021. (Note: 24.02(ii)).

Adjusting events after the reporting period:

There was no adjusting events after the reporting period.

45.00 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the Company's Board of Directors on October 28, 2021.

					
Mubarak Ali	Tanveer Ali	Rokeya Quader	Begum Sakwat Banu	Md. Harun-Al-Rashid	Md. Nazimuddin
Managing Director	Director	Independent Director	Independent Director	Chief Financial Officer	Company Secretary

Place: Dhaka

Dated: October 28, 2021

SCHEDULE OF NON-CURRENT ASSETS

As at June 30, 2021

Schedule of Property, plant & equipment

Annexure -A

Particulars	Land & Land Development	Factory Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixtures	Transport & Vehicles	Total June 30, 2021	Total June 30, 2020
Cost								
At July 1, 2020	250,869,087	1,761,428,682	3,285,060,066	34,349,398	42,137,788	214,833,229	5,588,678,250	4,802,900,309
Additions during the year	278,441,964	75,695,343	115,555,265	2,326,171	2,127,555	156,900	474,303,198	787,902,642
Sale of Fixed Asset	-	-	-	(1,382,380)	(14,350)	(8,404,020)	(9,800,750)	(2,124,701)
Cost at 30 June 2021	529,311,051	1,837,124,025	3,400,615,331	35,293,189	44,250,993	206,586,109	6,053,180,698	5,588,678,250
Accumulated depreciation								
At July 1, 2020	-	575,234,582	1,683,543,969	23,945,060	21,723,319	129,290,338	2,433,737,268	2,048,051,568
Depreciation for the year	-	115,383,124	273,958,225	2,573,993	3,326,299	30,346,775	425,588,416	387,810,399
Adjustment for disposal	-	-	-	(1,382,324)	(14,330)	(8,403,963)	(9,800,617)	(2,124,699)
Accumulated depreciation At June 30, 2021	-	690,617,706	1,957,502,194	25,136,729	25,035,288	151,233,150	2,849,525,067	2,433,737,268
Carrying Value at 30 June 2021	529,311,051	1,146,506,319	1,443,113,137	10,156,460	19,215,705	55,352,959	3,203,655,631	3,154,940,982
Carrying Value at 30 June 2020	250,869,087	1,186,194,100	1,601,516,097	10,404,338	20,414,469	85,542,891	3,154,940,982	2,754,848,741
This includes written down value of lease hold assets of Tk. 26,682,865 (2020: Tk.32,964,318) which is made up as follows:								
Gross carrying amounts as on July 1, 2020	-	-	157,488,819	572,000	-	-	158,060,819	199,216,993
Additions during the year	-	-	-	-	-	-	-	-
Adjustment /Deletion of Fixed Asset	-	-	-	-	-	-	-	(41,156,174)

As at June 30, 2021

Schedule of Property, plant & equipment

Annexure -A

Particulars	Land & Land Development	Factory Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixtures	Transport & Vehicles	Total June 30, 2021	Total June 30, 2020
Gross carrying amounts as on 30 June 2021	-	-	157,488,819	572,000	-	-	158,060,819	158,060,819
Accumulated depreciation as on July 1, 2020	-	-	124,524,503	571,998	-	-	125,096,501	148,321,125
Depreciation for the year	-	-	6,281,453	-	-	-	6,281,453	8,251,916
Adjustment of Depreciation	-	-	-	-	-	-	-	(31,476,540)
Accumulated depreciation as on 30 June 2021	-	-	130,805,956	571,998	-	-	131,377,954	125,096,501
Net carrying amounts as on 30 June 2021	-	-	26,682,863	2	-	-	26,682,865	32,964,318
Net carrying amounts as on 30 June 2020	-	-	32,964,316	2	-	-	32,964,318	50,895,868

UNIT - WISE RESULT

For the year ended at June 30, 2021

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

Annexure B

Particulars	Notes	Amount in Taka		
		Battery Unit	Biscuit & Other Units	June 30, 2021
				June 30, 2020
Revenue	26.00	405,656,764	17,626,942,380	18,032,599,144
Cost of Goods Sold	27.00	(258,970,813)	(12,492,510,688)	(12,751,481,501)
Gross Profit		146,685,951	5,134,431,692	5,281,117,643
Operating Expenses				
Administrative Expenses	28.00	(61,409,303)	(2,668,409,233)	(2,729,818,536)
Selling Expenses	29.00	(8,491,076)	(368,961,429)	(377,452,505)
		(52,918,227)	(2,299,447,804)	(2,352,366,031)
Profit from Operations		85,276,648	2,466,022,459	2,551,299,107
Finance Cost	30.00	(2,818,071)	(122,453,199)	(125,271,270)
		82,458,577	2,343,569,260	2,426,027,837
Other income	31.00	8,960,104	389,342,038	398,302,142
		91,418,681	2,732,911,298	2,824,329,979
				2,908,599,431

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

Particulars	Amount in Taka			
	Notes	Battery Unit	Biscuit & Other Units	June 30, 2021
				June 30, 2020
Net changes in fair value of investment in shares of listed companies				(3,920,630)
Contribution to WPP & W Funds				2,904,678,801
Profit before Tax				(138,318,038)
				2,766,360,763
Current Tax				(699,484,660)
Deferred Tax Income/(Expense)				(41,921,888)
				(741,406,548)
Profit after Taxation				2,024,954,215
Other Comprehensive Income				-
Total Comprehensive Income				2,024,954,215



PROXY FROM

OLYMPIC INDUSTRIES LIMITED
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



I/We

of

being a shareholder of Olympic Industries Limited and a holder ofshares do hereby

appoint Mr./Mrs.

of

as my/our proxy to attend and vote for me/us on my/our behalf at the 42nd Annual General Meeting of the company to be held virtually using digital platform on Sunday, December 26, 2021 at 11:00 AM and/or at any adjournment thereof.

The specimen signature and Folio / B.O. Number of the Proxy are furnished below.

As witness my/our hands this day of 2021 in

the presence of

Signature of Proxy Folio /B.O. No. of Proxy:	Signature of Shareholder(s) Folio / B.O. No. of Shareholder(s):
Signature of Witness	

Note: A shareholder entitled to attend and vote at the 42nd Annual General Meeting may appoint another shareholder as a Proxy to participate and vote on his/her behalf. The Proxy Form duly completed, signed and affixed with Tk. 20.00 Revenue Stamp must be deposited to the company or may be sent by email to investor.relations@olympicbd.com at least 48 hours before the meeting.

Signature Verified

Authorized Signatory
Olympic Industries Limited

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh

OLYMPIC INDUSTRIES LIMITED
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড

t: +880-9606565228
f: +880-2223387485
info@olympicbd.com
www.olympicbd.com

Amin Court, 6th Floor
62-63 Motijheel C/A
Dhaka-1000
Bangladesh