

**ANNUAL  
REPORT**

**2020**





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**2020**







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# MISSION, VALUES & ORGANIZATIONAL STRUCTURE

## MISSION STATEMENT

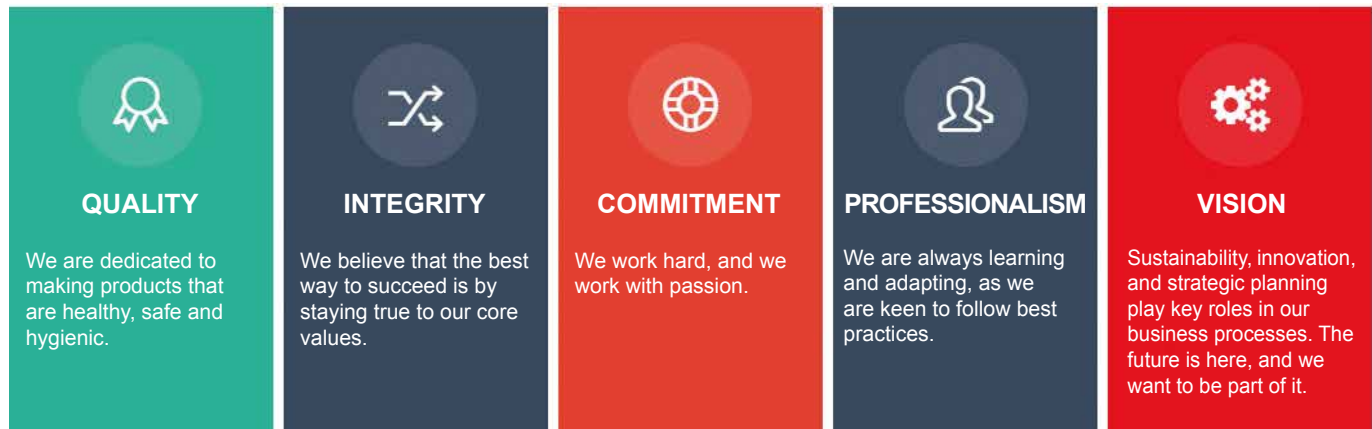
At Olympic, we believe that being a good business means contributing to the well-being of our workers, our customers, our community, and our planet. We want to add value by making good products which nourish people, all the while creating jobs and contributing to the Bangladesh economy.

We aspire to

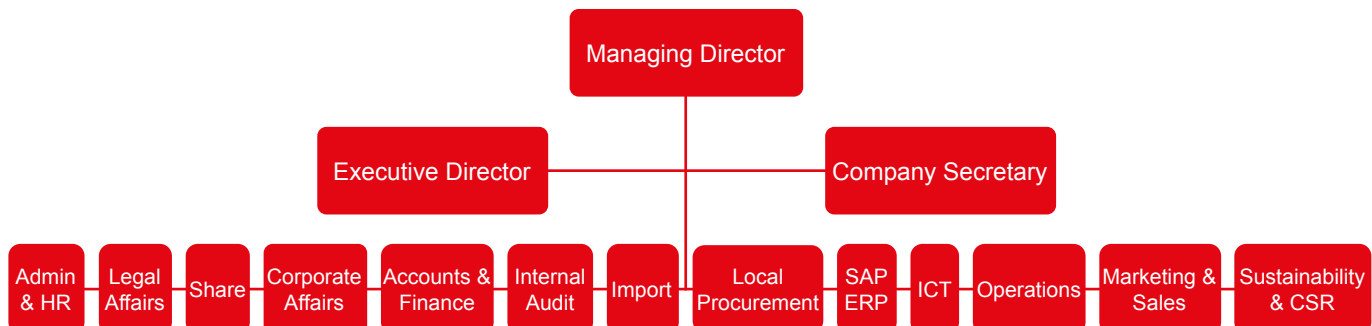
- Maintain our leadership position in the biscuit industry by producing the best quality products for our consumers that are unique, innovative and delicious
- Protect the interest of our shareholders through fiscal prudence
- Be an employer of choice while developing future leaders for our organization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

**June 2020**

Awarded AA+ Long Term Entity Rating,  
ST-1 Short Term Rating by National  
Credit Ratings Limited



**May 2017**

Commencement of ninth biscuit  
(cookies) line



**November 2016**

Commencement of eighth biscuit line  
Received NBR Award for payment of  
2nd highest income tax in food and  
allied sector for 2015-2016



**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



**April 1982**

Commencement of battery production



**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



**June 1979**

Incorporation as Bengal Carbide  
Limited



# AWARDS & ACHIEVEMENTS

<b>March 2020</b>	Nominated for President's Award for Industrial Development 2018 in Large Scale Industrial Category. Award ceremony postponed due to COVID-19.
<b>November 2019</b>	Award from NBR for paying Second Highest Income Tax on National Level in Food and Allied Category for FY 2018-2019.
<b>July 2019</b>	National Productivity and Quality Excellence Award 2018 from National Productivity Organization, Ministry of Industries.
<b>June 2019</b>	President's Award for Industrial Development 2017 in Large Scale Industrial Category.
<b>December 2018</b>	ICMAB Best Corporate Award 2017 under Miscellaneous Manufacturing Category.
<b>November 2018</b>	<ul style="list-style-type: none"> <li>■ Award from NBR for paying Second Highest Income Tax in Food and Allied Category in FY 2017-2018.</li> <li>■ Fifth ICSB National Award for Corporate Governance Excellence 2017.</li> </ul>
<b>December 2017</b>	Award from NBR for paying Highest VAT in Production Sector at Narayanganj District in FY 2015-2016.
<b>November 2017</b>	Award from NBR for paying Second Highest Income Tax in Food and Allied Category in FY 2016-2017.
<b>February 2017</b>	CIP Award for the year 2015 in Large Industry (Production) Sector from Ministry of Industries



<b>November 2016</b>	<ul style="list-style-type: none"> <li>■ Award from NBR for paying Second Highest Income Tax in Food and Allied Category in FY 2015-2016.</li> <li>■ Best Brand Award, Bangladesh 2016 from CCC&amp;I.</li> </ul>
<b>July 2015</b>	Award from NBR for paying Highest VAT in Production Sector at Narayanganj District in FY 2013-2014.
<b>November 2013</b>	Award from Narayanganj Rural Electrification Board for being the Best Industrial Customer, 2013.
<b>February 2013</b>	Award from Narayanganj Rural Electrification Board for paying Regular Highest Electricity Bills.
<b>July 2012</b>	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: +880-2-9565228  
f: +880-2-9565555  
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 – 11,759  
Start of Demat Trading – June 15, 2004

## SHAREHOLDING PATTERN

Directors and Sponsors – 55,517,626 shares (27.77%)  
Institutions – 33,662,492 shares (16.84%)  
Foreign Investors – 80,284,706 shares (40.15%)  
General Public – 30,474,062 shares (15.24%)  
**Total – 199,938,886 shares (100%)**

## STATUTORY AUDITORS

### M/s. Shafiq Basak & Co., Chartered Accountants

House 42, 1st Floor, Road 1  
Block A, Niketan, Gulshan 1, Dhaka-1212

## 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, 2019 which is valid up to June 29, 2021:  
Surveillance Entity Rating: AA+ (Long-Term)  
Short Term Entity Rating : ST-1  
Bank Loan Ratings  
Short-Term : ST-1  
Long-Term : AA+

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



**Harun Al-Rashid**  
Chief Financial Officer



**Satya Ranjan Mondal**  
Accounts & Finance



**Mazharul Hasan Khan**  
Legal Affairs



**Kawsar Miah**  
Operations



**Roshan Ali Lakhani**  
Operations



**Nazrul Islam**  
Operations



**Abdur Rob Khan**  
Operations





**A.B.M. Abdul Hakim**  
Import



**Imdadul Haque**  
Sales



**Enamul Kabir Miah**  
Internal Audit



**Arman Mahmud**  
Operations



**Mahbubul Ameen**  
Marketing



**Kamrul Islam**  
Accounts



**Md. Shamsul Alam**  
Enterprise Resource Planning



**Jewel Fakir**  
Operations



**Md. Rafiqul Islam**  
Human Resources



**Imran Hossain**  
Information Technology



**Mahfuzur Rahman**  
Risk & Compliance



**Md. Nazim Uddin**  
Export

# MANAGEMENT



**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







## EVENTS & CELEBRATIONS



■ Customers visiting Olympic's stall at the 2019 Bangladesh Agro-Processors Association Fair





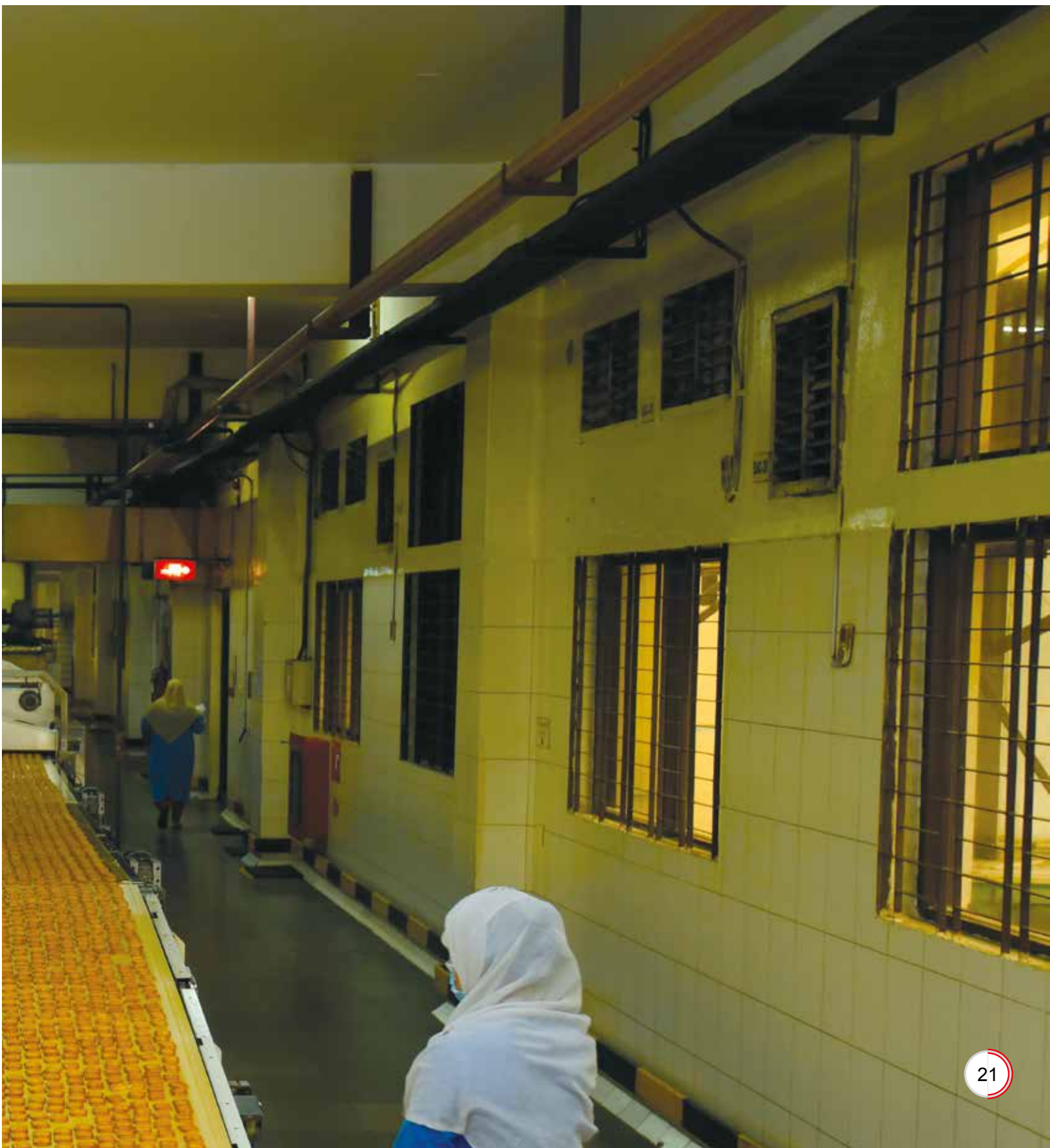
■ Olympic Foodie Noodles School Activation 2019







## OUR MANUFACTURING CAPABILITIES



# KEY OPERATING & FINANCIAL DATA

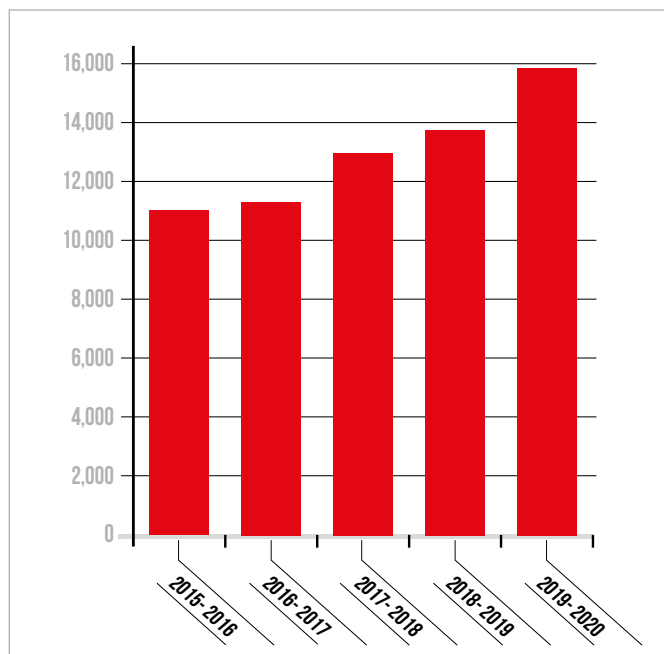
Condition 1(5)(xix) of BSEC's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 on Corporate Governance Code.

Year Year ended on	2019-2020 June 30, 2020	2018-2019 June 30, 2019	2017-2018 June 30, 2018	2016-2017 June 30, 2017	2015-2016 June 30, 2016
<b>FINANCIAL POSITION</b>					
Total Assets	11,802,507,245	10,957,185,958	10,816,953,287	9,120,317,797	7,640,768,208
Total Liabilities	3,560,938,834	3,740,877,332	4,512,759,568	3,707,466,711	3,109,495,848
Shareholders Equity	8,241,568,411	7,216,308,626	6,304,193,719	5,412,851,086	4,531,272,360
Total Current Assets	7,836,485,487	7,058,121,859	7,642,791,332	6,756,491,439	5,677,517,033
Total Current Liabilities	3,143,275,200	3,181,634,818	4,022,783,303	3,408,642,811	2,859,716,979
Current Ratio	2.49:1	2.22:1	1.90:1	1.98:1	1.99:1
<b>OPERATING RESULTS</b>					
Revenue	15,895,037,599	13,733,728,376	12,928,501,078	11,290,557,541	11,034,522,095
Gross Profit	5,068,496,960	4,548,390,392	4,220,782,456	3,767,442,394	3,702,206,280
Net Profit Before Tax	2,766,360,763	2,551,562,013	2,399,637,128	2,222,785,352	2,204,929,150
Net Profit After Tax	2,024,954,215	1,871,821,560	1,791,067,620	1,643,250,674	1,625,663,229
Earnings per Share (Tk.10.00 par value)	10.13	9.36	8.96	8.22	8.54
No. of Shares Used in Computing EPS	199,938,886	199,938,886	199,938,886	199,938,886	190,417,987
<b>DISTRIBUTION OF PROFIT</b>					
Cash Dividend Paid/ Recommended	52%	50%	48%	45%	40%
Stock Dividend Issued/ Recommended	---	---	---	---	5%
<b>CONTRIBUTION TO THE NATIONAL EXCHEQUER</b>					
VAT, AIT, Customs Duty etc.	2,787,464,112	2,765,857,438	2,590,724,752	2,321,656,992	2,153,746,842
<b>CAPITALIZATION</b>					
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	1,904,179,870
<b>SHARE INFORMATION</b>					
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	190,417,987
Shareholders Equity per Share	41.22	36.09	31.53	27.07	23.80
Closing Price per Share (Tk.10.00 par value)					
Dhaka Stock Exchange Ltd	150.20	236.30	224.75	278.50	345.30
Chittagong Stock Exchange Ltd	151.10	236.40	227.60	276.70	345.20
No. of Shareholders	11,759	12,139	11,314	12,490	10,747
Date of AGM	Dec 24, 2020	Dec. 26, 2019	Dec. 20, 2018	Dec.14, 2017	Dec. 22, 2016
No. of Board Members	3+2 Indep Dir	4+2 Indep Dir	4+2 Indep Dir	5+2 Indep Dir	5+2 Indep Dir

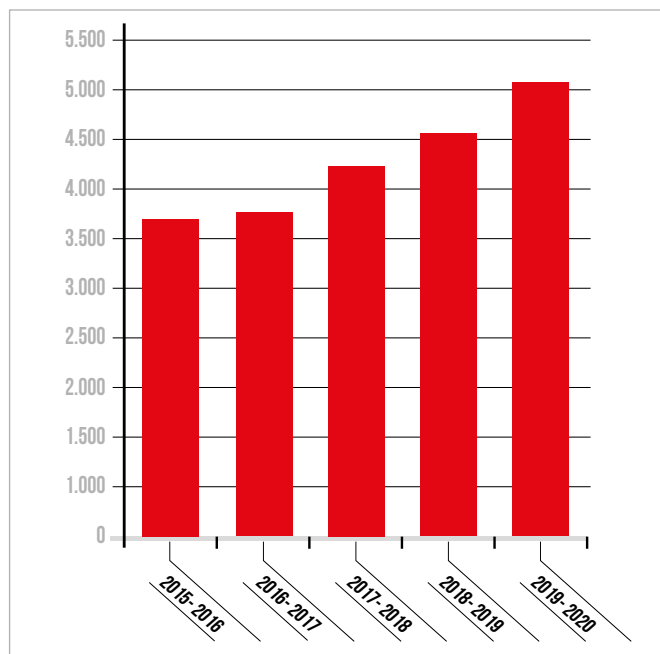
# KEY PERFORMANCE INDICATORS

■ TAKA, MILLIONS

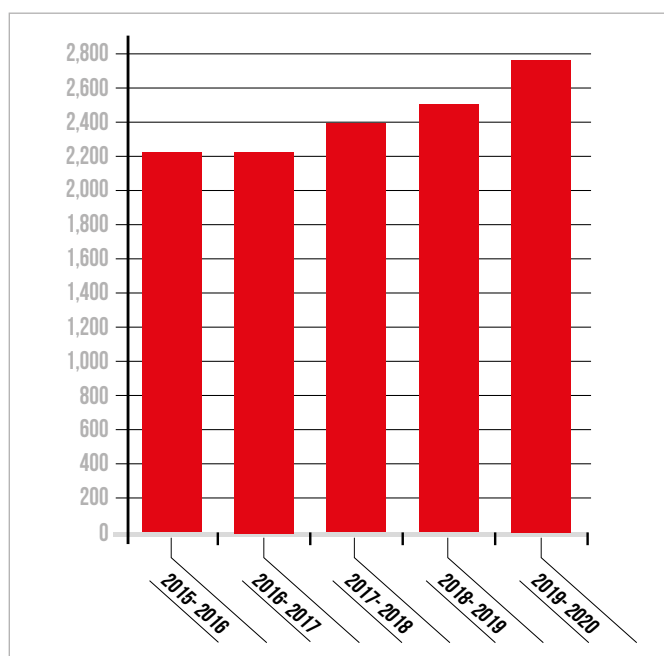
## SALES



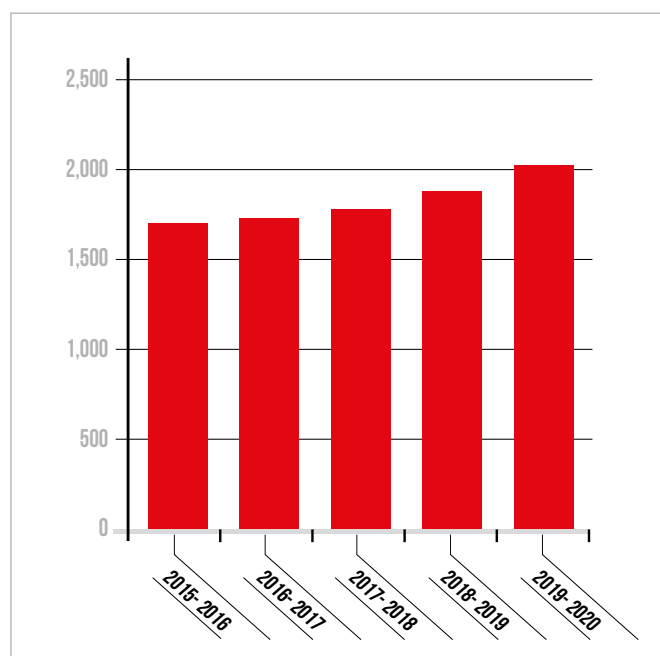
## GROSS PROFIT



## PROFIT BEFORE TAX



## PROFIT AFTER TAX



# LETTER OF TRANSMITTAL

OLYMPIC INDUSTRIES LIMITED  
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



December 3, 2020

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, 2020**

It is our pleasure to inform you that the 41<sup>st</sup> Annual General Meeting of Olympic Industries Limited will be held virtually using digital platform on Thursday, December 24, 2020 at 11:00 A.M.

We have, therefore, forwarded the electronic copy of Annual Report 2020 of our company including the Audited Financial Statements for FY 2019-2020 ended June 30, 2020; 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, Unit-wise Result and Schedule of Non-Current Assets alongwith Renewed Certificate of BAPLC have been made available in the website of the company ([www.olympicbd.com](http://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 signed and affixed with Tk.20.00 Revenue Stamp must be sent through email to [mintu.das@olympicbd.com](mailto:das@olympicbd.com) at least 72 hours before commencement of meeting.

Thanking you

Yours sincerely

For Olympic Industries Limited

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

t: +880-2-9565228  
f: +880-2-9567485  
[info@olympicbd.com](mailto:info@olympicbd.com)  
[www.olympicbd.com](http://www.olympicbd.com)

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

# NOTICE OF 41<sup>st</sup> ANNUAL GENERAL MEETING

OLYMPIC INDUSTRIES LIMITED

অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



December 3, 2020

Notice is hereby given to all shareholders of Olympic Industries Limited that the 41<sup>st</sup> Annual General Meeting of the company will be held virtually (using digital platform, accessible at <http://agm.olympicbd.com>) as per Order No.SEC/SRMIC/94-231/ 25 dated July 8, 2020 of Bangladesh Securities and Exchange Commission on Thursday, December 24, 2020 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, 2020 together with the Reports of Directors and Auditors thereon.
2. To consider and approve the payment of 52% Cash Dividend i.e. Tk.5.20 per share to the shareholders for the financial year ended June 30, 2020, as recommended by the Board of Directors.
3. To consider retirement by rotation and re-appointment of Munir Ali, Director. His brief resume is enclosed as per CGC Condition No.1(5)(xxiv)(a).
4. To approve the appointment of Rokeya Quader as Independent Director of Olympic Industries Limited for a term of 3 (three) years from September 25, 2020 to September 24, 2023, as approved by the Board of Directors on September 24, 2020. The Board of Directors has also approved her appointment as Chairperson of Nomination and Remuneration Committee and as Member of Audit Committee of the company.
5. To approve the appointment of Tanveer Ali as Nominee Director of Olympic Industries Limited, nominated by Kingsway Fund – Frontier Consumer Franchises (Pictet Lux A/C KFFCF) and approved by the Board of Directors on November 29, 2020.
6. To consider appointment of new Statutory Auditors from the panel of auditors finalized by Bangladesh Securities and Exchange Commission on July 30, 2020, with fixation of their remuneration. The retiring auditors M/s. Shafiq Basak & Co., Chartered Accountants, have completed 3 (three) consecutive years of assignment (2017-2018, 2018-2019 and 2019-2020) and as such, are ineligible for continuation. M/s. M. J. Abedin & Co., Chartered Accountants, a member firm of UK-based Moore Global Network Limited, has previously acted as Statutory Auditors of the company for many years and has expressed interest to be re-appointed as Statutory Auditors of the company.
7. To consider appointment of a practicing professional firm of Chartered Accountants or Chartered Secretaries to provide 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 being re-appointed for next year. They are currently paid Tk.200,000 (Taka two hundred thousand) as remuneration. This year, a new Chartered Secretarial firm, M/s. Jasmin & Associates, has also expressed interest to be appointed.

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f: +880-2-9567485  
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www.olympicbd.com

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

OLYMPIC INDUSTRIES LIMITED  
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



8. To approve the exchange of approximately 50.77 decimals of land of Olympic Industries Limited with approximately 50.77 decimals of land of M/s. Epillion Limited, as approved by the Board of Directors on November 14, 2020.
9. 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

#### Notes:

1. The Record Date to participate in 41<sup>st</sup> Annual General Meeting and for entitlement of approved Cash Dividend has been fixed on November 26, 2020 as notified earlier. Trading of shares of the company in Stock Exchanges remained suspended on the Record Date.
2. Shareholders may join the 41<sup>st</sup> 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](http://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 [mintu.das@olympicbd.com](mailto:mintu.das@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.
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%.

t: +880-2-9565228  
f: +880-2-9567485  
[info@olympicbd.com](mailto:info@olympicbd.com)  
[www.olympicbd.com](http://www.olympicbd.com)

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



OLYMPIC INDUSTRIES LIMITED  
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



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 13, 2020 to the shares department of the company, located at 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](http://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 41st Annual General Meeting of the company.

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# REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

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, 2020. We have provided commentary on the company, our individual business units and our macroeconomic views below, that we hope you will find informative.

**REVENUE** ▶ **+15.74%**

**GROSS PROFIT** ▶ **+11.43%**

**NET PROFIT  
AFTER TAX** ▶ **+8.18%**

## Fundamentals & Metrics

In the past year, our revenue increased to Tk. 15.89 billion, a 15.74% increase from Tk. 13.73 billion a year ago. During the same period, our gross profit increased by 11.43% to Tk. 5.07 billion and net profit after tax increased by 8.18% to Tk. 2.02 billion. Considering the uncertainty and challenges we experienced due to the COVID-19 pandemic during the latter part of our Q3 and entire Q4, we are quite pleased with these results.

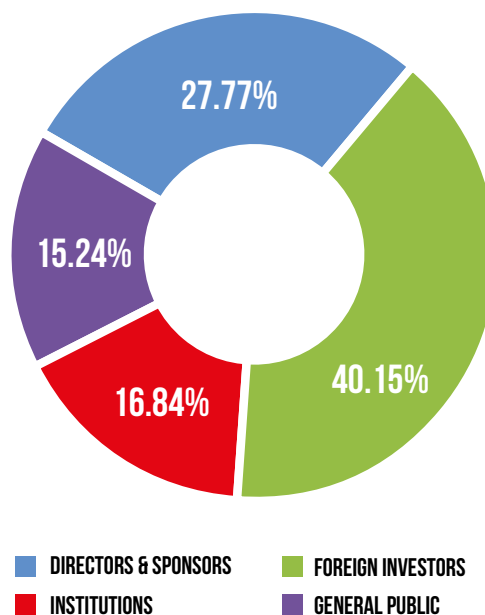
We are excited to share that we have sold over 100,000 metric tons of biscuits, confectionery, bakery and snack products for the first time in the history of the company. We remain optimistic for our future growth plans, off the back of this notable milestone, which we hope is the first of many to come.

Our gross profit margin declined 123bp to 31.89% this year as compared to 33.12% a year ago, driven by two major contributors: a change in sales mix in the last quarter due to an impairment in buying power and an increase in cost of goods sold, in terms of raw material costs and higher COVID-19 associated factory operating costs.

We understand the challenges faced by millions of Bangladeshis which are now exacerbated by the COVID-19 pandemic. While Bangladesh and Bangladeshis are extremely resilient, we anticipate that the current situation may persist, especially as much of the workforce is dependent on export-oriented businesses which are not operating at full capacity due to lower global demand. With the understandable impairment of buying power for non-essential goods, it is clear that our focus should be on value-conscious products; 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 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.

Our cost of goods sold increased to Tk. 10.83 billion from Tk. 9.19 billion a year ago, representing a year over year increase of 17.87%, primarily as a result of increased raw material costs and increased factory overheads, resulting from an increase in wages & salaries, repairs & maintenance, and COVID-19 associated expenditures.

## SHAREHOLDING PATTERN AS ON JUNE 30, 2020



In the early stages of the COVID-19 pandemic, in March and April 2020, we proactively purchased substantial inventories of raw and packing materials, to ensure we would not experience any interruptions in production due to non-availability of inputs. While these purchases tied up significant capital and were more expensive, as many inputs were shipped by air, we remain confident that our swift action in this regard allowed us to remain in operation throughout this pandemic.



To provide context, we were closed for only two days in total, to integrate COVID-19 related changes to our manufacturing processes, install ancillary machinery such as disinfecting stations at entry points, automated temperature detection devices, migration from fingerprint-based access control, etc. and document and implement SOPs and protocols pertaining to COVID-19 changes. In addition, employing close to 5,000 workers at our factories, we needed large quantities of alcohol-based sanitizer so we decided to produce our own sanitizer centrally for all of our factories. Immediate action meant that we incurred additional incremental costs but this also meant that, aside from the two days of closure (as stated above), we did not experience any closures due to COVID-19 or non-availability of raw or packing materials. As the resources we required and continue to require on a recurring basis are now more widely available, prices are also coming down for items such as PPE, including gowns, face masks, face shields, gloves, etc.

As the situation returns to a somewhat 'new normal', we feel comfortable that much of the enhanced costs we have experienced can be passed on; while we typically expect increased costs to be passed on within one to one and a half quarters, it is possible that this lag may increase to two quarters as consumers remain cautious in their non-essential spending.

Our net profit margin decreased this year to 12.74%, as compared to 13.63% 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. 2.02 billion as compared to Tk. 191.17 million in 2009-2010, representing an 959.24% increase over the eleven-year period.



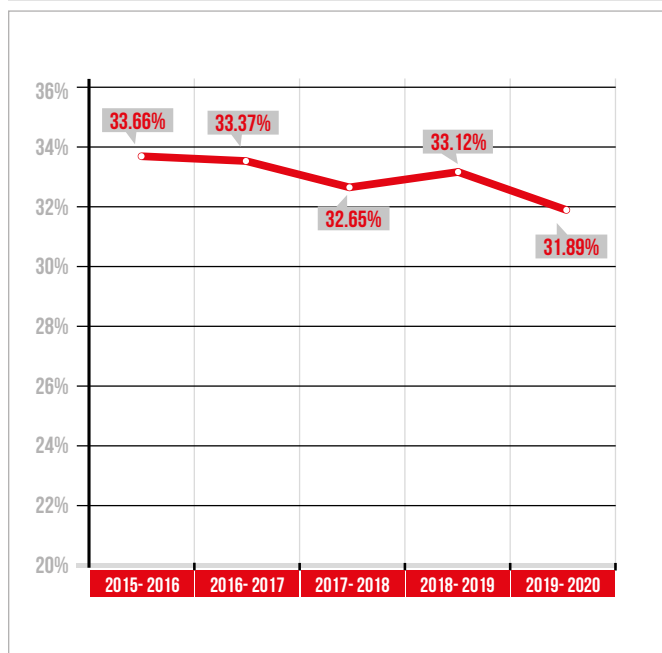
During the early days of the COVID-19 pandemic, we certainly learned a lot about ourselves, not just as an organization but as a team and as one big family. We have seen our leaders rise to the occasion and take initiatives not just for their departments or teams, but for the entire organization. We 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

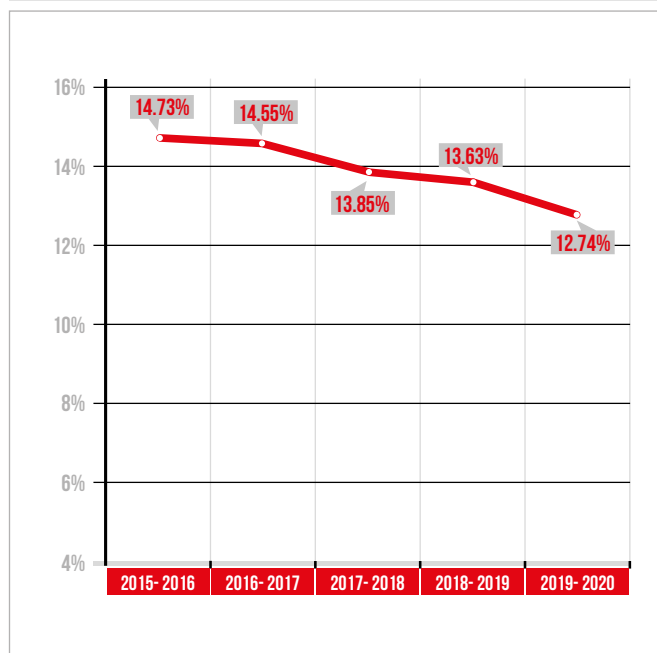
We are pleased to advise shareholders that we have executed a Deed of Agreement in March 2020 for the purchase

## REPORT OF THE BOARD OF DIRECTORS

## GROSS PROFIT MARGIN



## NET PROFIT MARGIN



of 28,291 square feet of commercial office space, at a cost of Tk. 526.38 million. The building, Trade Intercontinental, is under construction and the expected completion and handover is scheduled for July 2023. 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.

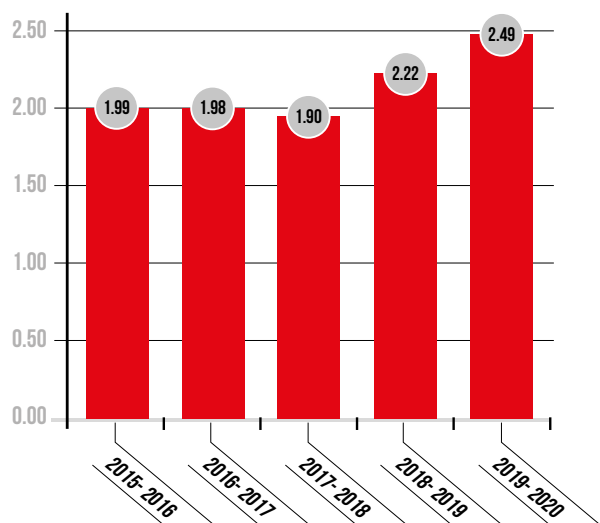
In August 2020, we announced that we successfully finalized the purchase of 518.56 decimals (approximately 5.18 acres) of land adjacent to our Lolati factory, for total consideration of Tk. 241.99 million. The purchase of this large parcel of land is instrumental to our expansion strategy, which furthers our aim to grow within the existing three campuses or facilities that we currently operate; this will allow us to thoughtfully align and possibly even realign our production lines and capacities to optimize output as well as operational and logistical efficiencies.

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 recently 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.

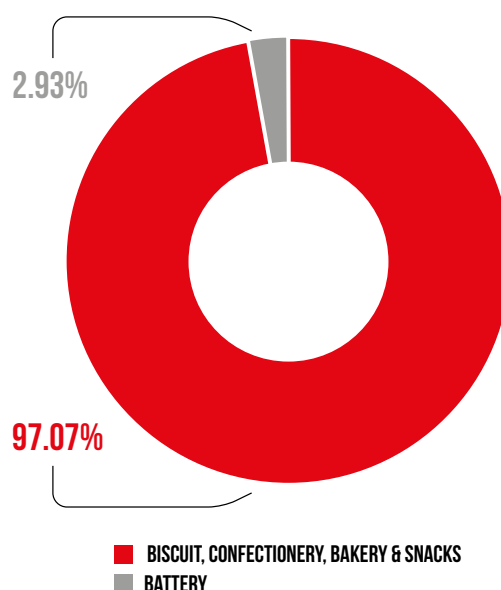
The noodles industry has been growing at a rapid rate, with consumption exceeding two packs per capita annually. As a growing but new industry, the noodles market requires quite a bit of trade and consumer promotion, thereby pushing effective gross margins lower than we typically see with our biscuits.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

## CURRENT RATIO



## BREAKDOWN OF 2019-2020 NET TURNOVER



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.

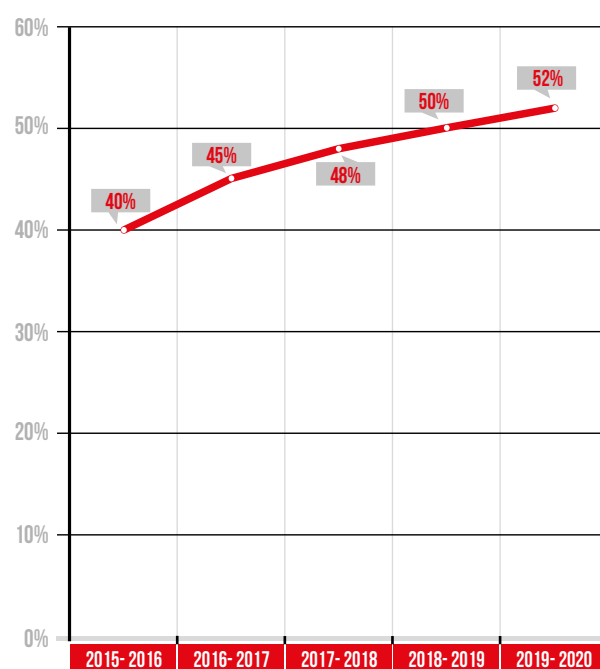
### Backward Integration & Internal Supply

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 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.

We advised shareholders in October 2020 that we decided to purchase an additional PET sheet and tray making line, at an approximate cost of Tk. 49.26 million

## CASH DIVIDEND



## REPORT OF THE BOARD OF DIRECTORS

due to growing demand of our products and full utilization of capacity of our existing PET sheet and tray making line.

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.

Since our carton manufacturing facility was commissioned in May 2018, we are pleased to advise that most of our carton requirements are now being met internally, while only a small number of cartons for a handful of SKUs are being purchased externally; these are primarily for our exports, which often requires small quantities of multiple different sizes of cartons, and for low volume SKUs. We now have the flexibility to produce cartons based on our requirements as well as the consistency in quality that we have been seeking.

### Net Assets, Cash Flow & Non-Operating Income

Our net assets grew by Tk. 1.03 billion in the year ended June 30, 2020, to Tk. 8.24 billion this year, representing a year over year increase of 14.21% from Tk. 7.21 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 decreased 16.11% to Tk. 1.77 billion from Tk. 2.11 billion a year ago, with net operating cash flow per share decreasing to Tk. 8.84 per share from Tk. 10.54 per share a year ago.

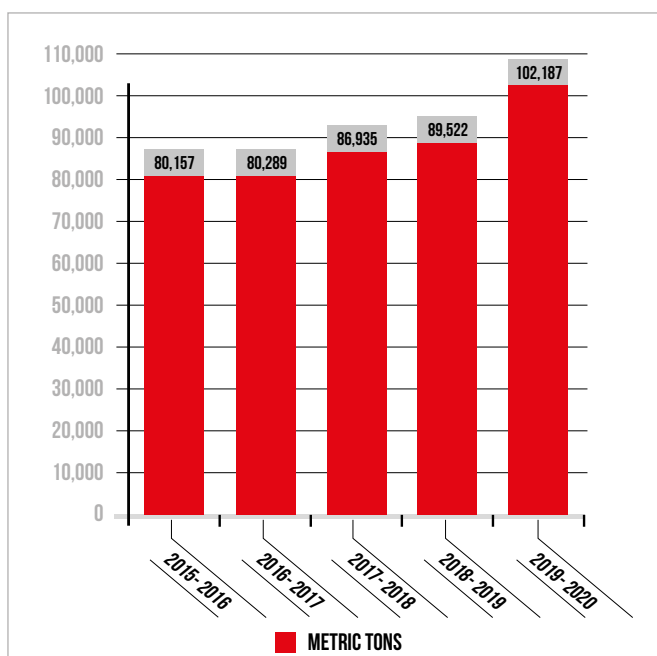
We received Tk. 379.09 million in interest on our deposits, comprised of fixed deposits, short term deposits and zero-coupon bond investments, as compared to Tk. 342.11 million a year ago. Similarly, in comparison, we paid Tk. 164.33 million in interest on our loans as compared to Tk. 186.88 million 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 52% cash dividend i.e. Tk. 5.20 (Taka five and Paisa twenty) per each ordinary share of Tk. 10.00 for the year ended June 30, 2020. Payment of the cash dividend as recommended above shall be subject to approval of the shareholders at the 41st Annual General Meeting of the company. Shareholders whose names appear on the list of shareholders or the CDBL Register on the Record Date of November 26, 2020 shall be entitled to the cash dividend.

We have recommended increasing our cash dividend to Tk. 5.20 per share this year as compared to Tk. 5.00 per share last year. The company is now in a position to responsibly distribute healthy dividends to shareholders. Our pay-out ratio in 2010-2011 was 13.60% and this year's pay-out ratio is 51.33%; we are pleased to advise shareholders that our pay-out ratio has exceeded 50% in each of the previous four fiscal years.

### ANNUAL BISCUIT, CONFECTIONERY, BAKERY & SNACKS SALES





## Macroeconomic Insights & Industry Developments

Bangladesh's best-in-class annual GDP growth rate of 6-7% over the past decade seems to be coming to an end, similar to what we are seeing globally as a result of the pandemic. Much is certainly up for debate as to what kind of recovery Bangladesh and other frontier countries will have; will it be U-shaped, V-shaped or K-shaped? Of course, widespread availability of an effective vaccine will significantly impact the shape of Bangladesh's recovery. We have a very young population and this appears to be working in our favour, in terms of the effects of COVID-19; it is speculated that more than 75% of COVID-19 cases are asymptomatic and that may very well be the case in Bangladesh. 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.

## Risks & Concerns

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.

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.

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 97.07% of this year's total revenue as compared to 97.21% 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 102,186.70 metric tons of biscuits, confectionery, bakery and snacks products, as compared to 89,522.47 metric tons a year ago, representing a year over year 14.15% increase in volume. Revenue in these categories grew 15.58% to Tk. 15.43 billion from Tk. 13.35 billion a year ago. We recognized Tk. 150,998.67 per metric ton we sold this year as compared to Tk. 149,131.58 a year ago, representing a year over year increase of 1.25% in revenue per metric ton sold.

## Exports

This year, we exported products valued at Tk. 237.53 million as compared to Tk. 200.91 million a year ago, a year over year increase of 18.22%. Our exports this year resulted in inward foreign exchange of US\$ 2.84 million as compared to US\$ 2.42 million a year ago. In addition to the above revenue, we received a Tk. 44.11 million cash incentive as export promotion benefit, as compared to Tk. 15.28 million the previous year. Volume wise, we exported

## REPORT OF THE BOARD OF DIRECTORS

1,848.48 metric tons of products as compared to 1,559.08 metric tons a year ago. Exports accounted for 1.49% of our total revenue this year, as compared to 1.46% 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 such as Namak Para, Tritos and Foodie Bite to round out the current portfolio. We strongly believe we're incrementally increasing the right value-added propositions for our consumers' snacking occasions and we will continue to do so in the coming years.

### 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. We believe this decision is starting to bear fruit for us.

Our selling expenses this year increased to Tk. 2.06 billion as compared to Tk. 1.72 billion a year ago, representing an increase of 19.79% year over year. Within our selling expenses, related salaries and allowances increased 18.77% from Tk. 608.56 million to Tk. 722.81 million.

Advertising and promotion increased to Tk. 658.16 million in 2019-2020 as compared to Tk. 498.98 million a year ago, representing a 31.90% year over year increase. This year A&P was 4.14% of total revenue as compared to 3.63% a year ago. Sales promotion represented 88.52% of the company's A&P spend this year, as compared to 85.02% a year ago. 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

Aggressive procurement policies, creative use of our cash and extra warehousing space to stockpile raw materials allow us to take advantage of special situations, such as discounts for cash or advanced payment rather than 15 or 30 days of interest-free credit. In certain circumstances, we are able to maintain price consistency with contracts of up to 120 days by negotiating forward contracts for many raw and packaging materials.

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 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 fiscal year 2019-2020, dry-cell battery sales were 55.06 million pieces, as compared to 49.65 million pieces in 2018-2019, representing a 10.89% increase. This unit's turnover this year was Tk. 464.98 million, as compared to Tk. 383.10 million a year ago, representing a 21.37% increase. As stated in previous years, given the outlook and trends we have seen within the industry, we are satisfied with these results. Dry-cell battery sales this year accounted for 2.93% of the company's total net turnover, as compared to 2.79% 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, 2020, Olympic contributed Tk. 2,787,464,112.27 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 17.54% of the company's annual revenue, as compared to the previous year's contribution of Tk. 2,765,857,437.54, which represented 20.14%.

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

	2019-2020
Advance Income Tax	808,208,992.06
VAT Deposit	907,165,733.02
Supplementary Duty Deposit	2,910,340.78
Local Purchase VAT	593,133,249.83
Service VAT	48,691,132.78
Customs Duty	372,412,614.17
VAT deducted at source	39,446,338.93
VAT on Transport Bill	15,495,710.70
<b>Total contribution</b>	<b>2,787,464,112.27</b>
<b>Contribution during last year</b>	<b>2,765,857,437.54</b>
<b>Excess contribution</b>	<b>21,606,674.73</b>

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.

### Compliance of BSEC 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

## REPORT OF THE BOARD OF DIRECTORS

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, section (5), "the Board of the company shall include the following additional statements 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 and Note 40 of the Notes to the FS
(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 Note 35.00 of the Notes to the FS
(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 Note 35.00, 35.01 and 36.00 of the Notes to the FS
(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 Note 02.00 of the Notes to the FS and the Independent Auditor's Report

(xii)	A statement that proper books of account of the issuer have been maintained → Addressed within Note 02.00 of the Notes to the FS and the Independent Auditor's Report
(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 Note 02.00 of the Notes to the FS
(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 Note 02.00 of the Notes to the FS
(xv)	A statement that the internal control system is sound in design, has been effectively implemented and monitored → Addressed within Note 02.00 of the Notes to the FS
(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 Note 02.00 of the Notes to the FS
(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 Note 28.01 of the Notes to the FS
(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 Note 12.00 of the Notes to the FS
(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



## 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 C, D and E are included within the Annual Report

**Retirement and Reappointment of Director**

At the 41<sup>st</sup> Annual General Meeting of the company, Munir Ali, Director, 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 director has offered himself for reappointment at the 41<sup>st</sup> Annual General Meeting of the company. A brief resume of Munir Ali, as per Corporate Governance Code Condition No. 1(5)(xxiv)(a), has been included for reference.

**Approval of Appointment of Rokeya Quader, Independent Director**

Upon the completion of two terms of appointment, totalling six years, by Noorbanu Vjirji as Independent Director on September 24, 2020, her post has fallen vacant; as such, the Board of Directors of the company has approved the appointment of Rokeya Quader as Independent Director for a term of 3 (three) years from September 25, 2020 to September 24, 2023. The Board of Directors has also approved the appointment of Rokeya Quader as Chairperson of the Nomination and Remuneration Committee and as Member of the Audit Committee of the company. Her appointment as Independent Director for a term of 3 (three) years requires approval of the shareholders at the 41<sup>st</sup> Annual General Meeting of the company. A brief resume of Rokeya Quader, as per Corporate Governance Code Condition No. 1(5)(xxiv)(a), has been included for reference.

**Approval of Appointment of Tanveer Ali, Nominee Director**

As per written request received from Kingsway Fund – Frontier Consumer Franchises (PICTET LUX A/C KFFCF), holding approximately 11.38% shares of Olympic Industries Limited, to appoint Tanveer Ali as their Nominee Director on the Board of Olympic Industries Limited, the Board of Directors of the company approved the appointment of Tanveer Ali as Nominee Director on November 29, 2020. His appointment as Nominee Director requires approval of the shareholders at the 41<sup>st</sup> Annual General Meeting of the company. A brief resume of Tanveer Ali, as per Corporate Governance Code Condition No. 1(5)(xxiv)(a), has been included for reference.

Tanveer Ali's appointment as Nominee Director on the Board of Directors of Olympic Industries Limited fulfils the company's compliance with the minimum 30% joint shareholding requirement by sponsors and directors, as stated within the Bangladesh Securities and Exchange Commission's Notification BSEC/CMRRCD/2009-193/217/Admin/90.

**Appointment of Statutory Auditor**

M/s Shafiq Basak & Co, Chartered Accountants, a member firm of ABACUS Worldwide, was appointed as the statutory auditor at the 38<sup>th</sup> Annual General Meeting of the company held on December 14, 2017. The statutory auditor has completed its third consecutive year (2017-2018, 2018-2019 and 2019-2020) of service to the company and, as such, is ineligible for reappointment.

The company must appoint a new statutory auditor from the panel of auditors approved (and last updated on July 30, 2020) by the Bangladesh Securities and Exchange Commission. M/s M. J. Abedin & Co. Chartered Accountants, a member firm of Moore Global Network Limited, UK, is on the panel of approved auditors, has acted as statutory auditor of the company for many years and has expressed interest and willingness to be appointed as statutory auditor of the company for the fiscal year ending June 30, 2021. Remuneration shall also need to be fixed; remuneration of the retiring statutory auditor, for the previous fiscal year, was Tk. 900,000.

#### **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 several years with a fixed remuneration of Tk. 200,000.00 and has expressed willingness to be reappointed for the fiscal year ending June 30, 2021. This year, M/s Jasmin & Associates, a Chartered Secretarial firm, has also expressed interest to be appointed.

#### **Exchange of Land for Productive and Convenient Use**

The Board of Directors of the company has approved, on November 14, 2020, the execution of an Exchange Deed with M/s. Epillion Limited, to exchange approximately 50.77 decimals of detached land of the company, which is 200 feet apart from the company's Kutubpur factory, for approximately 50.77 decimals of land of M/s. Epillion Limited, which is attached to the company's Kutubpur factory. This exchange of land requires the approval of shareholders, in order to complete registration of the Exchange Deed.

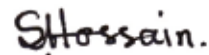
Both plots of land are under the same settlement survey at Mouza Khaspara in Narayanganj district however they bear different Khatian and Dag numbers which are clearly stated in the Exchange Deed, which will be registered at government approved value of Tk. 13,414,000. As the land of M/s. Epillion Limited which will be owned after registration of the Exchange Deed by Olympic Industries Limited, is attached to company's Kutubpur factory, registration and other related miscellaneous expenses totalling Tk. 1,410,000 will be borne by the company.



**Mubarak Ali**  
Managing Director



**Rokeya Quader**  
Independent Director



**Begum Sakwat Banu**  
Independent Director





# SUSTAINABILITY REPORT

## Dear Shareholders,

The following section will outline this year's successes and lessons learned as our Sustainability program continues to navigate the challenges created by COVID-19 and tried to overcome them with its fullest potential. We started the fiscal year with the successful continuation of ongoing projects. Our planned programs have fared well and have started to make their impact on a larger scale. Along with them, to fight against COVID-19 and its challenges, we have also taken different initiatives such as the distribution of biscuits, financial resources, medical equipment, and Personal Protective Equipment (PPE), and awareness training and outreach to support our employees, workers and our communities. Realizing the priority for micronutrient fortification in our consumers' diets is now greater than ever, we have continued to fortify our instant noodle products and aim to fortify additional snack items.

Now that our diagnostics lab has commenced operations, we are pleased to advise that our Health & Nutrition Centre is now running at full capacity; the HNC has proven to be a beacon of hope in medical support for the community especially during the pandemic.

After reaching almost all of our workers with training on topics such as sexual and reproductive health and rights (SRHR), we have introduced gender sensitization training for a holistic approach of awareness on gender equity. The Integrated Educational-Cultural Programme,

in collaboration with our partner NGO Fulki, has engaged more students to teach them about their culture and their basic rights and has motivated them to dream beyond their boundaries. To mitigate the challenges of COVID-19, they have conducted online classes and kept the opportunity to obtain quality education alive for the students.

The solar panel project at our Lolati factory has outperformed last year's results and reduced in excess of 35 metric tons of CO<sub>2</sub> emissions this year. The integration of modern technologies like co-generation and heat & steam recovery in our production systems has given us more ways to reduce and offset our carbon footprint. Our in-house awareness practices continue to promote the reduction of significant amounts of paper, electricity and water consumption. We invite you to read more about our goals and impact in our KPI report and our Environmental Performance Report, both published on our website.

The challenges and successes along the way in implementing these projects have taught us better approaches to launch new projects aimed at including additional stakeholders as participants and beneficiaries of our sustainability initiatives in the coming days. This pandemic is a real test for our hard-working workforce who are driven and dedicated to sustainable development and we believe that we are performing well. This gives us hope to make our business more inclusive and we are determined to keep building a more sustainable future for all of us.

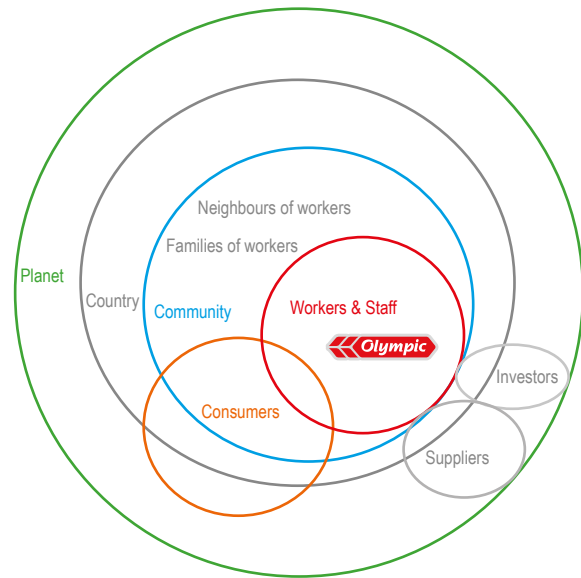


**Saifullah Al Azad**  
Sustainability & CSR

## 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 manufacturer, hygiene has always been one of the foremost priorities for us. Even prior to the COVID-19 outbreak, we have been maintaining high health safety and hygiene measures and practices. In February 2020, we took a very cautious approach to reduce the spread of COVID-19 by installing disinfecting booths, using personal protective equipment (PPE) and maintaining physical distancing at all of our factories and head office. We have equipped our entire sales force with PPE, sanitizers, disinfectants and necessary hygiene equipment. All of our transport vehicles are being regularly disinfected prior to entering our factory premises. We have continued to maintain the availability of disinfecting solutions, health safety equipment and all kinds of possible support for our employees and workers including their families.

### AWARENESS AND OUTREACH

Personal and professional awareness has been critical in our response to mitigate the COVID-19 outbreak within our organization and our respective communities. Our HR and Risk & Compliance teams have conducted several awareness training sessions with all of our employees and workers. The key learning outcomes of these sessions were to be able to identify the early or basic symptoms of COVID-19, to be able to know and maintain necessary safety and hygiene practices to avoid the spread of the virus and to be able to identify the medical support available in the respective communities. A COVID-19 response team has been formed and provides support on an ongoing basis and in critical situations.



### DONATIONS AND FINANCIAL SUPPORT

We have taken several initiatives to financially support different stakeholders in and out of our communities. These initiatives have helped different COVID-19 prevention approaches, persons who are out of work due to the pandemic as well as COVID-19 patients. With the help of representatives of local government, we have donated food, including biscuits, to a large number of community members who have lost their sole income earning opportunities due to the pandemic. We have financially supported the Diabetic Association of Bangladesh to establish a COVID Care Unit at the BIHS Hospital in Darus Salam, Mirpur, fully equipped with modern life support equipment to handle critical COVID-19 patients. We also partnered with Mission Save Bangladesh in March 2020, at the onset of the COVID-19 pandemic, to contribute both financially and in kind, by providing in excess of 20,000 biscuit packs for distribution to the most vulnerable.



## Social Responsibility Initiatives in 2019-2020



### Health & Nutrition

#### LOLATI HEALTH & NUTRITION CENTRE



Our apex initiative in health and nutrition, the Lolati Health & Nutrition Centre has proven to be the key place to go for general health and nutrition support for our workers and residents of the community, with access to a general practitioner at 15% of the market price, as well as free nutrition consultations and availability of common diagnostic tests at the lowest prices in the community. With persistent effort from our partners, including Centre for Woman & Child Health (CWCH), to increase awareness against the COVID-19 outbreak, HNC has conducted community announcements, banners, advertisements and free medical camps. The HNC medical staff have also allocated additional time at no extra cost at our factories to ensure better on-site consultation for our workers.



#### INSTANT NOODLES FORTIFICATION

We are very concerned about micronutrient deficiency in Bangladesh. Using the company's far-reaching distribution system and established brand value, Olympic's instant noodle fortification project takes the opportunity to improve levels of micronutrient availability and influence consumers to eat more wholesome, healthier foods. We have fortified our "Foodie" instant noodle brand with zinc, iodine, and other vitamins. Each pack fulfills approximately 40% of the daily needs of these vitamins and minerals for an adult. We continue to explore opportunities to fortify other products in the coming years.



### Education

#### GENDER SENSITIZATION TRAINING



At Olympic, we believe all of our workers have the right to have access to education regarding gender equity. To fulfill that goal, we have planned to provide 10 hours of training to all of our workers on issues surrounding gender sensitization following the peer-assisted learning model and to date, we have already completed 8 hours of training. Topics such as gender discrimination and equality, masculinity and socialization, power and women empowerment, gender-based violence, gender roles and stress management have been addressed through these trainings. At our Madanpur factory, 108 peer educators have been trained directly and these peer educators have trained 2,200+ workers. Based on our follow-up assessments, on average, 79% of workers have demonstrated a good or very good understanding of their learning, and 96% of workers have gained some knowledge as a result of the training.





## INTEGRATED EDUCATIONAL-CULTURAL PROGRAMME



We believe the teaching-learning process should be joyful and participatory. At Olympic, we believe that a holistic approach to learning should include subjects such as literature, art, history, logic and current issues from an early age, which will better prepare students for tomorrow.

To have a long-term impact on students' lives, we have continued our partnership with Fulki for the 'Integrated Educational-Cultural Programme'. The program was held in six schools around our factories, adding one new school this year. As such, this program has continued to enable near 2,600 students this year to learn about topics such as storytelling, writing, poetry, humanity, fundamental rights, etc. and apply them in their day-to-day lives. It has also engaged 25 local youths as facilitators. We hope that this process, for both facilitators and students, will enhance creativity and encourage them to become responsible citizens as well as improve the educational ecosystems in our communities.



## APPRENTICESHIP PROGRAM



We highly value the continuous education and career development of our employees. We have enrolled 120 female and male workers across different skill sets and age groups in the Bangladesh Skills for Employment and Productivity Project, supported by the ILO and implemented by the Access to Information (A2i) department of the Prime Minister's Office. Through this program, workers have acquired skills and technological know-how through theoretical and on-the-job training sessions. Completing these rigorous training programs, they have received a nationally recognized certificate, which supports them to climb the ranks of the corporate ladder. Training workers according to these specific standards has contributed to advancing their careers as well as increased our factories' efficiency and output.

## ACCESS TO HEALTH & RIGHTS RELATED INFORMATION



Information on healthy practices is often difficult to avail for the average Bangladeshi, especially when it is pertains to Sexual & Reproductive Health & Rights (SRHR). With the Maya Apa program and app, we have been successful at reducing that challenge. This online platform is dedicated to answering questions on SRHR, health, legal and lifestyle. With continuous outreach by the Maya Apa team, our workers have started to use the Maya app on their mobile phones; workers without smartphones have easy access to the service through Maya kiosks installed at our medical centres.

## SPONSORING LOCAL SCHOOLS

Local schools in underserved communities are often unable to provide their students with the facilities they need and deserve, usually driven by budget shortfall. This is why Olympic has been proudly sponsoring schools in its community, both in Dhaka and Narayanganj, where our head office and factories are located. Sponsorship has been most often dedicated to hiring additional teachers.



## Environmental Impact

### ENVIRONMENTAL PERFORMANCE REPORT

At Olympic, we believe in following best practices of self-assessment for maintaining accountability. That's why we have continued to monitor the impact our business has on the planet, to reduce it as best as we can. Due to COVID-19, the publishing of this year's Environmental Performance Report was delayed. Our team has shown

## SUSTAINABILITY REPORT

determination to gather all the necessary data on time and has contributed to providing innovative and practical suggestions to achieve our goals. With this year's positive results, we are more motivated than ever to publish this report annually to measure and track and be transparent about our impact.

	2015 (baseline)	2016	2017	2018	2019
Total Gross Emissions (MTCO <sub>2</sub> )	87,605	91,504	96,274	101,250	109,939
Production : Emissions Ratio	1.17	1.16	1.14	1.05	1.01

### RENEWABLE ENERGY

One of our major sources of CO<sub>2</sub> emissions is the use of fossil fuels and we have set our targets on reduction. We have recently established a 30 kWh on-grid solar panel system at our Lolati factory. To further this objective, this year the system has successfully reduced emissions of approximately 35 metric tons of CO<sub>2</sub> which is very close to our initial goal. We are planning to install additional solar panel systems at our other factories.

### HEAT RECOVERY SYSTEM TO CO-GENERATE STEAM WITH ELECTRICITY

Our endless endeavour to be responsible for the environment has encouraged us to install a gas generator with co-generation technology; it has a capacity of generating 1.5 MWh electricity using gas where, at the same time produced 1.3 ton/h of steam with the built-in boiler using its heat recovery system. With this new technology, we have produced 5,309 tons of steam, saving 437,480 m<sup>3</sup> of gas and 823 tCO<sub>2</sub> of emissions.



### RESPONSIBLE CONSUMPTION OF ENERGY AND RESOURCES

We believe that if we want to positively impact the environment, this impact should start from within. To emphasize to our employees the factors of climate change and their roles, we have continued the awareness program launched by Green Savers last year. As a result of different initiatives, we have saved more than 1,200,000 sheets of paper and the respective amount of printing ink this year, which is 50% lower than last year. With technologies like motion sensors and flow meters installed in all of our water channels on our production lines, consumption has been well monitored and the misuse of water has been reduced. We have been more focused on using sunlight when available and using only LED lights to reduce the consumption of electricity.





# 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 5 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 were approved/ being 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 five-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 AGM. The details of independent directors are as follows:

After completion of two consecutive terms of total six years, Noorbanu Virji, Independent Director vacated her position on September 24, 2020.

The details of independent directors are as follows:

- 1) Begum Sakwat Banu: Her first term of appointment for three years from October 27, 2016 to October 26, 2019 made by the Board of Directors was approved by the shareholders of the company in 37<sup>th</sup> Annual General Meeting held on December 22, 2016. Upon expiry of her term on October 26, 2019, she has been re-appointed by the Board of Directors on November 4, 2019 for 2<sup>nd</sup> term of 3 (three) years giving retrospective effect from October 27, 2019 to October 26, 2022. 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 of Olympic Industries Limited. Her re-appointments were approved by the shareholders in 40<sup>th</sup> Annual General Meeting held on December 26, 2019.
- 2) Rokeya Quader: 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. She has been appointed by the Board of Directors in their meeting held on September 24, 2020. 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 will be placed for approval by the Shareholders in the 41<sup>st</sup> AGM of the Company.

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

## REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

- 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.

**D) Remuneration paid to the Directors including Independent Directors - Condition 1(5)(x) Provided in Notes 35.00, 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, 2020 were as under:	Shares
<b>a) Associated company:</b>	
M/s. Ambee Limited	5,612,525 shares
<b>b) Directors including Managing Director:</b>	
Mubarak Ali, Managing Director	11,037,939 shares
Aziz Mohammad Bhai, Director	31,046,706 shares
Safinaz Bhai, Director (Expired on January 5, 2020)	4,000,047 shares
Munir Ali, Director	4,000,622 shares
Noorbanu Virji, Independent Director (Term Ended on September 24, 2020)	72,309 shares
Begum Sakwat Banu, Independent Director	0 share
Rokeya Quader, Independent Director (Appointed by the Board, effective September 25, 2020)	0 share
Tanveer Ali, Nominated Director (Appointed by the Board, effective November 29, 2020)	
a) Nominator Kingsway Fund (BOID PICTET LUX A/C KFFCF)	22,754,952 shares
b) Individual BOID	455,931 shares
<b>c) Company Secretary:</b>	
Md. Nazimuddin	59,210 shares
<b>d) Chief Financial Officer:</b>	
Harun-Al Rashid	0 share
<b>e) Head of Internal Audit:</b>	
Enamul Kabir Miah	0 share
<b>f) Top 5 Salaried Executives:</b>	
Madad Ali Virani, Executive Director	0 share
Satya Ranjan Mondal, GM, Accounts & Finance	100 shares
Nazrul Islam, GM, Operation	0 share
Mazharul Hasan Khan, GM, Legal Affairs	0 share
Imdadul Haque, Add. GM, Sales	0 share
<b>g) Shareholders holding ten percent (10%) or more voting interest:</b>	
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)**

- a) Munir Ali, Director, will retire by rotation and will be considered for re-appointment by the shareholders at the 41<sup>st</sup> AGM of the Company. A brief resume of Munir Ali is enclosed in the Annual Report.
- b) Rokeya Quader has been appointed as Independent Director, effective September 25, 2020, by the Board of Directors of the Company. Her appointment as Independent Director, Chairperson of the Nomination and Remuneration Committee, and Member of the Audit Committee will be placed for approval by the shareholders at the 41<sup>st</sup> AGM of the Company. A brief resume of Rokeya Quader is enclosed in the Annual Report.
- c) Tanveer Ali has been appointed as Nominee Director, effective November 29, 2020 by the Board of Directors of the Company. His appointment as Nominee Director will be placed for approval by the shareholders at the 41<sup>st</sup> AGM of the Company. A brief resume of Tanveer Ali is 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 D. The status of compliance with the conditions of CGC as per Annexure C of Corporate Governance Code is enclosed herein as Annexure-E

**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 its 3-members Audit Committee comprising the non-Executive Directors and Begum Sakwat Banu, Independent Director acts as its Chairperson.

**L) Audit Committee Meetings – Condition 5(4)**

The Audit Committee of Olympic Industries Limited held 4 meetings during the 2019-2020 financial year. They 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

**REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE**

- 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.

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

As there was no irregularity in the company 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 3-members 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 on completion of tenure of Noorbanu Virji, Independent Director of the company, Rokeya Quader, new Independent Director has been appointed as Chairperson of NRC effective September 25, 2020. 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 2019-2020 to review and approve the appointments made in different departments of the company by HR department and the remuneration package provided to them. The codes of conduct or the roles and responsibilities of the Chairman of the Board, other board members and Managing Director as have been approved by NRC and implemented by the Board have been posted in the website of the company.

**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.

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**R) Statutory Auditors – Condition 7**

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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-C.

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**S) Website – Condition 8**

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

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**T) Reporting and Compliance of CGC – Condition 9**

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

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**U) Compliance of Listing Regulation**

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

## ANNEXURE A

## CERTIFICATE ON REVIEW OF FINANCIAL STATEMENTS

October 25, 2020

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, 2020 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, 2020 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 2019-2020 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

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

t: +880-2-9565228  
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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 25, 2020

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 2019-2020 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 2019-2020 i.e. from July 01, 2019 to June 30, 2020 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 2019-2020 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

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Dhaka-1000  
Bangladesh

## ANNEXURE C

## CONFIRMATION FROM STATUTORY AUDITORS ON CGC COMPLIANCE

শফিক বসাক এন্ড কোং  
**SHAFIQ BASAK & CO.**  
 CHARTERED ACCOUNTANTS



## ANNEXURE-C

## CONFIRMATION FROM STATUTORY AUDITORS ON CGC COMPLIANCE

## 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 01-07-2019 to 30-06-2020 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. Shafiq Basak & 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. Shafiq Basak & Co., Chartered Accountants shall remain present in the next AGM of Olympic Industries Limited to answer the queried, if any, of the shareholders of the shareholders of the Company.

Place: Dhaka  
 Date: October 27, 2020

  
 (SARWAR MAHAMOOD FCA)  
 Senior Partner  
 Shafiq Basak & Co.  
 Chartered Accountants

Dhaka: House - 42 (1st Floor), Road-1, Block-A, Niketan, Gulshan, Dhaka-1212, Phone-02-9859602, 02-9859603, E-mail: mahmoods.bd@gmail.com  
 Dhaka: Shatabdi Centre (6th Floor), 292 Inner Circular Road, Fakirapool, Dhaka - 1000, Phone-02-7192098, 7194870, E-mail: shafiq\_basak@yahoo.com  
 Chittagong: National House (1st Floor), 109 Agrabad Commercial Area, Chittagong, Phone-031-711561, Fax-031-723680, E-mail: basak\_sbc@yahoo.com

# ANNEXURE D

## 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 June 30, 2020. 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.

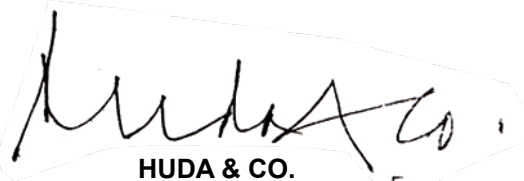
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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:

- (a) 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;
- (b) 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;
- (c) 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
- (d) The governance of the company is satisfactory.

Dated, Dhaka  
November 8, 2020

  
HUDA & CO.  
Chartered Accountants

# ANNEXURE E

## 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	<b>Board Size</b> (minimum 5 directors and maximum 20 directors)	✓		
1.2	<b>Independent Directors:</b>			
(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	✓		Appointment of one Independent Director from September 25, 2020 will be placed for approval of Shareholders in the 41 <sup>st</sup> 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	<b>Qualification of Independent Director (ID):</b>			
(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 E

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	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
(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	✓		The 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 Mr. 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	<b>Inclusion of following additional statements in the Directors' Report to shareholders:</b>	✓		
(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	✓		Certificate included in the Annual Report
(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	✓		Certificate included in the Annual Report

## ANNEXURE E

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 the 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 the audited 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	✓		Provided in Report on CGC
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	✓		Provided in Report on CGC
(xxiii)(d)	Shareholders holding 10% or more voting interest in the company	✓		Provided in Report on CGC



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(xxiv)	<b>In case of the appointment or reappointment of a director, the disclosure of following information to the shareholders:</b>			
(xxiv)(a)	A brief resume of the director	√		<p>A brief resume of Munir Ali, Director, who will retire by rotation and will be considered for re-appointment by the shareholders at the 41<sup>st</sup> AGM of the Company, is enclosed in the Annual Report.</p> <p>A brief resume of Rokeya Quader, appointed as Independent Director, effective September 25, 2020, by the Board of Directors of the Company and will be placed for approval by the shareholders at the 41<sup>st</sup> AGM of the Company, is enclosed in the Annual Report.</p> <p>A brief resume of Tanveer Ali, appointed as Nominee Director, effective November 29, 2020, by the Board of Directors of the Company and will be placed for approval by the shareholders at the 41<sup>st</sup> AGM of the Company, is enclosed in the Annual Report.</p>
(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 the Annual Report
(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		Included in the Annual Report and in Note 02.10 of the 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 the Annual Report

## ANNEXURE E

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(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 the 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 the Annual Report
(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		Included in the 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 the Annual Report
(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof	√		Included in the Annual Report
(xxvi)	Declaration or certification by the MD and the CFO to the Board as per Annexure A on financial statements	√		Included in the 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 the Annual Report
1.6	<b>Meetings of the Board of Directors:</b> 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	<b>Code of Conduct for the Chairperson, other Board members and MD / Chief Executive Officer</b>	√		
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	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	<b>Governance of Board of Directors of Subsidiary Company:</b>			
(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
(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	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):</b>			
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 reappointed by the shareholders during the 38 <sup>th</sup> 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

## ANNEXURE E

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(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	✓		
(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 it becomes necessary
3.2	<b>Requirement to attend Board of Directors' Meetings</b> 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)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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 the 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 the Annual Report (Annexure A)



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4	<b>Board of Directors' Committee</b> For ensuring good governance in the company, the Board shall have at least following subcommittees: (i) Audit Committee (ii) Nomination and Remuneration Committee.	√		
5	<b>Audit Committee</b>			
5.1	<b>Responsibility to the Board of Directors</b>			
(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 the Audit Committee included in the 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)	<b>Constitution of the Audit Committee</b>			
(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 E

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 it 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	<b>Chairperson of the Audit Committee:</b>			
(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	<b>Meeting of the Audit Committee:</b>			
(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)	<b>Role of Audit Committee:</b>			
(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 it 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 E

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)	<b>Reporting of the Audit Committee Reporting to the Board of Directors</b>			
(a)(i)	The Audit Committee shall report on its activities to the Board.	√		Report of the Audit Committee included in the 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)	<b>Reporting to the Authorities:</b> 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)	<b>Reporting to the Shareholders and General Investors:</b> 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	<b>Nomination and Remuneration Committee (NRC)</b>			
6(1)	<b>Responsibility to the Board of Directors</b>			
(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)	<b>Constitution of the NRC</b>			
(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 E

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 it 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 it 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)	<b>Chairperson of the NRC</b>			
(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 it 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)	<b>Meeting of the NRC</b>			
(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 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)	<b>Role of the NRC</b>			
(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 E

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)	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)(iii)				
(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 the Annual Report
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)	The company shall not engage its external or statutory auditors to perform the following services of the company:	✓		Certificate (Annexure C) enclosed in the Annual Report
(i)	Appraisal or valuation services or fairness opinions	✓		Certificate (Annexure C) enclosed in the Annual Report
(ii)	Financial information systems design and implementation	✓		Certificate (Annexure C) enclosed in the Annual Report
(iii)	Bookkeeping or other services related to the accounting records or financial statements	✓		Certificate (Annexure C) enclosed in the Annual Report
(iv)	Broker-dealer services	✓		Certificate (Annexure C) enclosed in the Annual Report
(v)	Actuarial services	✓		Certificate (Annexure C) enclosed in the Annual Report
(vi)	Internal audit services or special audit services	✓		Certificate (Annexure C) enclosed in the Annual Report
(vii)	Any service that the Audit Committee determines	✓		Certificate (Annexure C) enclosed in the Annual Report
(viii)	Audit or certification services on compliance of Corporate Governance as required under condition No.9(1)	✓		Certificate (Annexure C) enclosed in the Annual Report
(ix)	Any other service that creates conflict of interest	✓		Certificate (Annexure C) enclosed in the Annual Report



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 (Annexure C) enclosed in the Annual Report
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	√		Certificate (Annexure C) enclosed in the Annual Report
8	<b>Maintaining a website by the company</b>			
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	<b>Reporting and Compliance of Corporate Governance</b>			
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 the Annual Report (Annexure D)
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 E) is included in the Annual Report

## ANNEXURE F

## RENEWED MEMBERSHIP CERTIFICATE FROM BAPLC



## BRIEF RESUME OF MUNIR ALI, DIRECTOR



Father's name : Mubarak Ali

Mother's name : Late Mrs. 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 29 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

## BRIEF RESUME OF ROKEYA QUADER, INDEPENDENT DIRECTOR



Husband's name : Late M. Noorul Quader

Father's name : Late S.M.Obaidullah

Mother's name : Late Afia Khatun

Address:  
Present & Permanent : House No.1/B, Road No.84  
Gulshan – 2, Dhaka-1212

Nationality : Bangladeshi

Date of Birth : 27.04.1952

Educational Qualification : LLM, University of Dhaka

### Business and Industrial experience:

- Chairperson of Desh Garments Limited and also of other companies in Desh Group since 1998.
- Member of both Bangladesh Bar Council and Bangladesh Law Association
- Honorary Member of the Bangladesh Human Rights Commission
- Member of Numerous Bangladeshi Business and Social Welfare Organizations including Social Marketing Company (SMC), Bangladesh Association of Publicly Listed Companies (BAPLC), Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), Bangladesh Garments Manufacturers and Exporters Association (BGMEA), National Crafts Council of Bangladesh and Gulshan Society.
- Serves on the Governing Board of Muslim Girls High School, Mymensingh
- Former President of Zonta International
- Former Vice-President of Women Entrepreneur Association of Bangladesh and Bangladesh Employers Federation
- Attended International Labour Organization (ILO) Conference in China, Japan, Philippines and Thailand for being dedicated to fostering employer-employee relationship.
- Independent Director, Olympic Industries Limited



## BRIEF RESUME OF TANVEER ALI, NOMINEE DIRECTOR



Father's name : Mehboob Barkat Ali

Mother's name : Nasreen 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 : North York, Canada

Date of Birth : 06.11.1983

Educational Qualification : BA (Political Science), University of Waterloo

Business and Industrial experience:

- Executive Director, Olympic Industries Limited
- Director, Frontier Nutrition Limited/Care Nutrition Limited
- Managing Director, Lucerne Cocoa & Chocolate Products Limited
- Director, Constellation Asset Management Company Limited
- Independent Director, Genex Infosys Limited



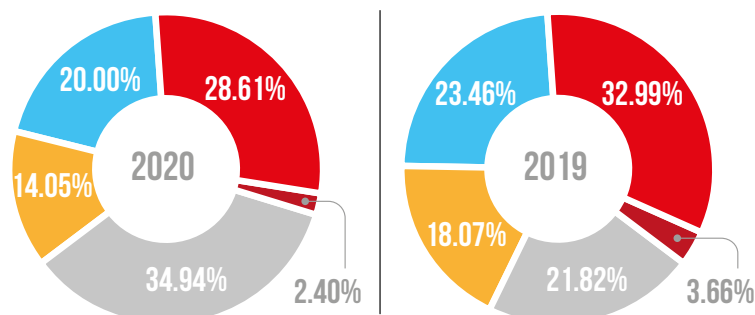
# VALUE ADDED STATEMENT

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, 2020		June 30, 2019	
	Amount (Tk.)	%	Amount (Tk.)	%
<b>Value Added</b>				
Revenue	15,895,037,599		13,733,728,376	
Other Income	425,800,621		366,579,768	
	16,320,838,220		14,100,308,144	
Less: Paid to Suppliers of Materials and Service Providers	(9,205,022,669)		(8,790,213,380)	
<b>Total Value Added</b>	<b>7,115,815,551</b>	<b>100.00</b>	<b>5,310,094,764</b>	<b>100.00</b>
<b>Distributed as follows:</b>				
<b>To Employees</b>				
Wages, Salaries, Remuneration & Allowances, Incentives and Other Benefits	2,036,210,067	28.61	1,751,841,229	32.99
<b>To Finance Providers</b>	171,130,249	2.40	194,338,696	3.66
<b>To the Government</b>				
Duties, Taxes & VAT	2,485,929,145	34.94	1,158,745,623	21.82
<b>To Shareholders</b>				
Dividend	999,694,430	14.05	959,706,653	18.07
	<b>5,692,963,891</b>	<b>80.00</b>	<b>4,064,632,201</b>	<b>76.54</b>
<b>Retained for Re-Investment &amp; Future Growth</b>				
Depreciation & Amortization	397,591,875		333,347,656	
Retained Earnings	1,025,259,785		912,114,907	
	<b>1,422,851,660</b>	<b>20.00</b>	<b>1,245,462,563</b>	<b>23.46</b>
	<b>7,115,815,551</b>	<b>100.00</b>	<b>5,310,094,764</b>	<b>100.00</b>

## 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, 2020	June 30, 2019
<b>Net Operating Profit After Tax (NPAT)</b>	<b>2,024,954,215</b>	<b>1,871,821,560</b>
<b>Total Capital Employed</b> (Total Assets minus Current Liabilities)	<b>8,659,232,045</b>	<b>7,775,551,140</b>
Cost of Capital in % (average rate)	13.23%	14.61%
Cost of Capital (CoC)*	1,145,690,695	1,135,798,030
<b>Economic Value Added (EVA) = NPAT - CoC</b>	<b>879,263,520</b>	<b>736,023,530</b>

\*Calculation of Cost of Capital

**Market weight shows:**

Debt: 4.82 % (2019: 7.19 %)

Equity: 95.18% (2019 : 92.81%)

4.82%	417,663,634	559,242,514
95.18%	8,241,568,411	7,216,308,626
100%	<b>8,659,232,045</b>	<b>7,775,551,140</b>

Borrowing Cost % (weighted average rate)	7.92%	9.54%
Equity Cost of Capital %	13.50%	15%
Average Rate	13.23%	14.61%
Cost of Capital (CoC)		
Debt	33,078,960	53,351,736
Equity	1,112,611,735	1,082,446,294
	<b>1,145,690,695</b>	<b>1,135,798,030</b>

## 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, 2020	June 30, 2019
Market Value of Shares Outstanding	Note A	30,120,793,176	47,255,555,706
Book Value of Shares Outstanding	Note B	8,241,568,411	7,216,308,626
Market Value Added		<u>21,879,224,765</u>	<u>40,039,247,080</u>
Market Value Added per Share (with regard to Share Capital as existing)		<u>109.43</u>	<u>200.26</u>

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

Dhaka Stock Exchange Ltd		150.20	236.30
Chittagong Stock Exchange Ltd		151.10	236.40
	Average Rate	<u>150.65</u>	<u>236.35</u>
No. of Shares Outstanding		199,938,886	199,938,886
Market Value of Shares Outstanding		<u>30,120,793,176</u>	<u>47,255,555,706</u>

**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		6,242,179,551	5,216,919,766
<b>Book Value of Shares Outstanding</b>		<u><b>8,241,568,411</b></u>	<u><b>7,216,308,626</b></u>



# 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, 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2020, 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 matters.

Risk	Our response to the risk
<p><b>Valuation of Property, Plant and Equipment (PPE)</b></p> <p>The carrying value of the PPE was Tk. 3,154,940,982 as at June 30, 2020.</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 to the financial statements</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none"> <li>• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRSs and found them to be consistent.</li> <li>• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.</li> <li>• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</li> <li>• 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.</li> </ul>
<p><b>Valuation of Inventories</b></p> <p>The inventory of Tk. 1,754,377,814 as at June 30, 2020 held in factory.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management apply 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. 07.00 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"> <li>• Evaluating the design and implementation of key inventory controls operating across the factory.</li> <li>• Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data.</li> <li>• Reviewing the requirement of inventory provisioning and action there upon by the management.</li> <li>• Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.</li> <li>• 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 an inventory provisioning.</li> </ul> <p>Evaluating the adequacy of financial statement disclosure as per IAS – 2.</p>

Risk	Our response to the risk
<p><b>Revenue Recognition</b></p> <p>At year end the Company reported total revenue of BDT 15,895,037,599.</p> <p>Revenue recognition has a significant and wide influence on the financial statements. Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the customer.</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the company's sales. Within a number of the company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>See Note No. 26.00 to the financial statements</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through to cash receipts and customers' outstanding balances.</li> <li>• We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including Mushak 6.3. In addition, we confirmed customer balances at the statement of financial position date.</li> <li>• Furthermore, we tested the sales transactions recognized shortly before and after the statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.</li> <li>• Finally, we assessed the appropriateness and presentation of disclosures against IFRS 15 Revenue from Contracts with Customers.</li> </ul>
<p><b>Implementation of IFRS 16 Leases</b></p> <p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased assets and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Company, at inception of the lease, the lessee receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>All leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are appropriate.</p> <p>See Note No. 05 to the Financial Statements</p>	<p>We reviewed appropriateness of management's application of IFRS 16 and assessment of the impact on the financial statements. Our audit procedures included testing classification and measurement of right-of-use assets and lease liabilities in accordance with IFRS 16. We checked the present value calculation for lease. We reviewed loan agreements and made calculation to ascertain the appropriateness of the incremental borrowing rate used. We also examined the accuracy and appropriateness of accounting adjustments in the financial statements arising from the adoption of IFRS 16 as well as verified the sufficiency and appropriateness of disclosures in the financial statements.</p>

Risk	Our response to the risk
<p><b>Income Tax Expenses</b></p> <p>At year end the Company reported total income tax expense of BDT 741,406,548.</p> <p>The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties, and requires specific knowledge and competencies.</p> <p>See Notes No. 15.00 &amp; 23.00 to the financial statements</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• Understanding the process of estimating, recording and reassessing tax provision and contingencies.</li> <li>• Involving our tax specialist to assist in analyzing the judgments used to determine provisions for matters based on their knowledge and experience of local regulations and practices.</li> <li>• Inspecting the correspondence with tax authorities.</li> <li>• We also assessed the appropriateness of presentation of disclosures against IAS 12 Income Taxes.</li> </ul>
<p><b>Contingent Liabilities</b></p> <p>The Company is subject to a number of significant claims and litigations. The amounts of claims are significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. These claims and regulatory matters are uncertain in timing of resolutions and amount or consequences.</p> <p>These claims and litigations matters were a key audit matter due to the amounts involved, potential consequences and the inherent difficulty in assessing the outcome. The assessment of whether or not a liability should be recognized involves judgment from management.</p> <p>See Note No. 39.00 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of the litigation.</p> <p>We enquired of the Company's internal legal counsel for the litigation and inspected internal notes and reports. We also reviewed formal confirmations in this regard from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Company's provisions and contingent liabilities disclosure.</p>
<p><b>IT Systems and Controls</b></p> <p>Our audit procedures have 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"> <li>• 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.</li> <li>• 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.</li> </ul>

## 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 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 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.

#### 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 payments 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 Sarwar Mahmood FCA.

Place: Dhaka

Dated: October 27, 2020

  
**SHAFIQ BASAK & CO.**  
Chartered Accountants

# STATEMENT OF FINANCIAL POSITION


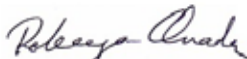
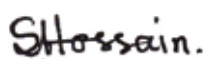


As at June 30, 2020

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>ASSETS</b>			
<b>Non-current Assets:</b>			
Property, Plant & Equipment (at cost less accumulated depreciation )	03.00	3,154,940,982	2,754,848,741
Intangible Assets -Software ERP	04.00	1	1
Right-of-Use Asset (ROU), Net	05.00	48,907,381	-
Capital Work-in-Progress	06.00	762,173,394	1,144,215,357
<b>Current Assets:</b>			
Inventories	07.00	1,754,377,814	1,253,065,390
Trade & Other Receivables	08.00	361,539,012	211,109,972
Advances, Deposits & Pre-payments	09.00	817,755,640	970,952,183
Investments	10.00	4,227,541,203	4,014,955,674
Cash & Cash Equivalents	11.00	675,271,818	608,038,640
		<b>7,836,485,487</b>	<b>7,058,121,859</b>
<b>Total Assets</b>		<b>11,802,507,245</b>	<b>10,957,185,958</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity:</b>			
Share Capital	12.00	1,999,388,860	1,999,388,860
Retained Earnings (As per Statement of Changes in Shareholders' Equity)		6,242,179,551	5,216,919,766
		<b>8,241,568,411</b>	<b>7,216,308,626</b>
<b>Non-current Liabilities:</b>			
Long-Term loan - Non- Current Portion	13.00	200,451,144	415,266,729
Lease Finance - Non- Current Portion	14.00	31,314,817	-
Deferred Tax Liability	15.00	185,897,673	143,975,785
		<b>417,663,634</b>	<b>559,242,514</b>
<b>Total Equity &amp; Non - Current Liabilities</b>		<b>8,659,232,045</b>	<b>7,775,551,140</b>
<b>Current Liabilities &amp; Provisions:</b>			
Short-Term Loans and Overdraft	16.00	1,153,021,184	1,411,757,914
Long-Term Loan-Current Portion	13.00	379,397,855	240,191,007
Lease Finance-Current Portion	14.00	19,039,088	4,949,584
Interest Payable	17.00	845,829	367,531
Creditors for Goods	18.00	564,234,655	463,198,318
Creditors for Services	19.00	8,707,741	2,856,018

As at June 30, 2020

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Accrued Expenses	20.00	151,842,589	129,827,919
Advance Against Sales	21.00	237,997,725	246,596,537
Liabilities for Other Finance	22.00	106,470,600	74,502,706
Provision for Current Tax	23.00	66,362,174	175,086,506
Unclaimed Dividend	24.00	255,625,820	205,720,139
Employee Benefit Obligations	25.00	199,729,940	226,580,639
		<b>3,143,275,200</b>	<b>3,181,634,818</b>
<b>Total Liabilities</b>		<b>3,560,938,834</b>	<b>3,740,877,332</b>
<b>Total Equity &amp; Liabilities</b>		<b>11,802,507,245</b>	<b>10,957,185,958</b>

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 27, 2020 and were signed on its behalf by:

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

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Dated: October 27, 2020

  
**SHAFIQ BASAK & CO.**  
Chartered Accountants

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



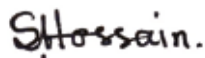


For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Revenue	26.00	15,895,037,599	13,733,728,376
Cost of Sales	27.00	(10,826,540,639)	(9,185,337,984)
Gross Profit		5,068,496,960	4,548,390,392
<b>Operating Expenses</b>			
Administrative Expenses	28.00	(358,910,484)	(323,362,429)
Selling Expenses	29.00	(2,055,657,417)	(1,716,042,222)
		(2,414,567,901)	(2,039,404,651)
Profit from Operations		2,653,929,059	2,508,985,741
Finance Cost	30.00	(171,130,249)	(194,338,696)
		2,482,798,810	2,314,647,045
Other Income	31.00	425,800,621	366,579,768
Profit /(Loss) for the year		2,908,599,431	2,681,226,813
Net changes in fair value of investment in shares of Listed Companies	10.01	(3,920,630)	(2,086,699)
		2,904,678,801	2,679,140,114
Contribution to Workers Profit Participation & Welfare Funds	25.01	(138,318,038)	(127,578,101)
<b>Profit Before Tax</b>		<b>2,766,360,763</b>	<b>2,551,562,013</b>
<b>Income Tax Expenses</b>		<b>(741,406,548)</b>	<b>(679,740,453)</b>
Current Tax	23.00	(699,484,660)	(659,194,593)
Deferred Tax		(41,921,888)	(20,545,860)

For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>Profit after taxation</b>		<b>2,024,954,215</b>	<b>1,871,821,560</b>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<b>2,024,954,215</b>	<b>1,871,821,560</b>
Profit/(Loss ) for the year		<b>2,024,954,215</b>	<b>1,871,821,560</b>
<b>Basic &amp; Diluted Earnings Per Share (EPS) (Par value Tk 10.00)</b>	32.00	<b>10.13</b>	<b>9.36</b>
<b>Number of shares used to compute EPS</b>		<b>199,938,886</b>	<b>199,938,886</b>

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 27, 2020 and were signed on its behalf by:

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

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Dated: October 27, 2020

  
**SHAFIQ BASAK & CO.**  
Chartered Accountants



# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended June 30, 2020

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on July 1, 2018	1,999,388,860	4,304,804,859	6,304,193,719
Transactions with the shareholders:			
Cash dividend for 2018	-	(959,706,653)	(959,706,653)
Net profit for the year ended June 30, 2019	-	1,871,821,560	1,871,821,560
<b>Balance as on June 30, 2019</b>	<b>1,999,388,860</b>	<b>5,216,919,766</b>	<b>7,216,308,626</b>
<b>No. of Shares at Balance Sheet Date</b>			199,938,886
<b>Net Asset Value (NAV) Per share (Note-33.00)</b>			36.09
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
<b>Balance as on June 30, 2020</b>	<b>1,999,388,860</b>	<b>6,242,179,551</b>	<b>8,241,568,411</b>
<b>No of Shares at Balance Sheet Date</b>			<b>199,938,886</b>
<b>Net Asset Value (NAV) Per share (Note-33.00)</b>			<b>41.22</b>

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 27, 2020 and were signed on its behalf by:

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

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Dated: October 27, 2020

  
**SHAFIQ BASAK & CO.**  
Chartered Accountants

# STATEMENT OF CASH FLOWS

For the year ended June 30, 2020

(Refer to Accounting Policy Note 2.15 and Note 34.01)

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>A. Cash Flows from Operating Activities</b>			
Cash Received from Customers & Others		15,809,966,811	13,910,368,321
Cash Paid to Suppliers and Employees		(13,227,898,552)	(11,191,392,885)
Cash Generated from Operations		<b>2,582,068,259</b>	<b>2,718,975,436</b>
Bank Charges		(6,803,199)	(7,457,093)
Income Taxes Paid		(808,208,992)	(605,094,258)
<b>Net Cash generated from Operating Activities</b>	34.01	<b>1,767,056,068</b>	<b>2,106,424,085</b>
<b>B. Cash Flows from Investing Activities</b>			
Acquisition of Capital Assets		(405,860,678)	(1,058,249,807)
Investments		(216,149,598)	(44,011,124)
Proceeds from Sale of Fixed Assets		300,000	3,556,000
Interest Received		351,186,996	310,011,097
<b>Net Cash used in investing activities</b>		<b>(270,523,280)</b>	<b>(788,693,834)</b>
<b>C. Cash Flows from Financing Activities</b>			
Short-Term Loan		(258,736,730)	(159,648,665)
Long-Term Loan		(75,608,737)	119,319,683
Interest Paid		(163,848,752)	(186,612,995)
Lease Finance (Including Tk.8,718,794 against ROU Asset.	05.02	(13,284,537)	(8,932,738)
Liabilities for Other Finance		31,967,895	(20,373,150)
Dividend Paid		(949,788,749)	(914,759,997)
<b>Net Cash from Financing Activities</b>		<b>(1,429,299,610)</b>	<b>(1,171,007,861)</b>
Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		67,233,178	146,722,390
Cash & Cash Equivalents at Opening		608,038,640	461,316,250
<b>Cash &amp; Cash Equivalents at Closing</b>	11.00	<b>675,271,818</b>	<b>608,038,640</b>



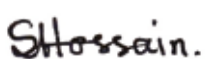


**CASH FLOW STATEMENT**

For the year ended June 30, 2020

(Refer to Accounting Policy Note 2.15 and Note 34.01)

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>Net Operating Cash Flow per Share</b>	34.00	<b>8.84</b>	<b>10.54</b>
<b>Number of shares used to compute Net Operating Cash Flow per Share</b>		<b>199,938,886</b>	<b>199,938,886</b>

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 27, 2020 and were signed on its behalf by:

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

Signed in terms of our separate report of even date annexed

Place: Dhaka

Dated: October 27, 2020

  
**SHAFIQ BASAK & CO.**  
 Chartered Accountants

# ACCOUNTING POLICIES AND EXPLANATORY NOTES

As at and for the year ended June 30, 2020

## 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, cartons and plastic products.

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:

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

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

**Factories:** At Kanchpur and 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 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

The Company also complied with the requirements of following laws and regulations from various Government bodies: Bangladesh Securities and Exchange Rules, 1987;

The Income Tax Ordinance, 1984 with subsequent amendments;

The Income Tax Rules, 1984 with subsequent amendments;

The Value Added Tax Act, 2012 with subsequent amendments;

The Value Added Tax Rules, 2012 with subsequent amendments;

The Labour Law, 2006 with subsequent amendments in 2013; and

Others as applicable.

**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".

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

**02.07 Comparative information**

Comparative information has been disclosed with respect to the year 2019 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:

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

#### **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, 2020, 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 June 20, 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 25% on Business income at the rate of 25% on 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.

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

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.

### 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 %
<b>Amortization</b>	
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 recognised and lease payments made at or before the commencement date.

**ii. Lease Liabilities:**

At the commencement date of the lease, the Company recognises 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 recognised 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.



## ACCOUNTING POLICIES AND EXPLANATORY NOTES

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. 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.

## 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

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.

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

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

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 Financial Risk Management

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

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

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

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

- **Credit Risk:**

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

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

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

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

- **Liquidity Risk:**

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

The company possesses a strong capacity against its long term as well as short-term liabilities as assessed by National Credit Ratings Ltd.

The company gets its liquidity risk assessed by competent valuer every year.

- **Market Risk:**

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

### 02.32 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.

### 02.33 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, 2020	June 30, 2019
<b>03.00 Property, Plant &amp; Equipment</b>			
(Refer to Accounting Policy Note 02.19(t) and Annexure-A)			
Land and Land Development		250,869,087	250,869,087
Factory Buildings & Other Constructions		1,186,194,100	682,249,699
Plant & Machinery		1,601,516,097	1,693,787,714
Office Equipment		10,404,338	9,644,878
Furniture & Fixtures		20,414,469	18,803,645
Transport & Vehicles		85,542,891	99,493,718
		<b>3,154,940,982</b>	<b>2,754,848,741</b>

- \* 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)

**The said 490 decimal land is located at:**

Madanpur	213	Decimal
Lolati	277	Decimal
	<b>490</b>	<b>Decimal</b>

- \* Additions to Plant & Machinery of Tk.174,863,551 (2019: Tk 430,164,146) as stated in Annex-A named Schedule of Property, Plant and Equipment include Tk 2,583,360 (2019: Tk 2,203,894) 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, 2019  
For the year

<b>32,264,325</b>	<b>32,264,325</b>
<b>(32,264,324)</b>	<b>(32,264,324)</b>
(32,264,324)	(32,264,324)
-	
<b>1</b>	<b>1</b>

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

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>05.00 Right of Use Asset (ROU), Net</b>			
(Refer to accounting policy note-02.20 & 2.30)			
Balance as at July 1, 2019		-	-
Add: Addition During the Year		58,688,857	-
Less: Amortization Charged During the Year		(9,781,476)	-
Written Down Value as at June 30, 2020		<b>48,907,381</b>	-
<b>05.01 Lease Liability</b>			
Opening Balance as at July 1, 2019		-	-
Add: Addition During the Year		58,688,857	-
Add: Interest Accrued		2,395,588	-
Less: Payments		(11,114,381)	-
Closing Balance as at June 30, 2020		<b>49,970,064</b>	-
<b>Lease Liability:</b>			-
Lease Finance- Non Current Portion		31,314,817	-
Lease Finance- Current Portion		18,655,247	-
<b>Total Lease Liability at June 30, 2020</b>		<b>49,970,064</b>	-
<b>Statement of Comprehensive Income:</b>			
<b>i. Interest expense for the year under review arising from the Lease Liability</b>		<b>2,395,588</b>	-
(Refer to note # 30: Finance Cost)			
<b>ii. Depreciation charge for the year under review for the Right-of-use asset :</b>			
Charged to Administrative expenses (note # 28)		5,360,957	-
Charged to Selling expenses (note # 29)		4,420,519	-
<b>Total Depreciation Charge</b>		<b>9,781,476</b>	-
<b>Statement of Cash Flows:</b>			
i. Cash flows for the Principal Portion of the Lease Liability		8,718,794	-
ii. Cash flows for the Interest Portion of the Lease Liability		2,395,588	-
<b>Total amount of Cash Flows (Out Flows)</b>		<b>11,114,382</b>	-
<b>06.00 Capital Work in Progress</b>			
(Refer to accounting policy note-02.19(vi))			
Machinery		491,195,731	377,592,670
Civil Construction		270,977,663	766,622,687
		<b>762,173,394</b>	<b>1,144,215,357</b>

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019

**06.01 Capital work in progress of Tk 762,173,394 (2019: Tk. 1,144,215,357) has been reconciled as follows:**

Opening Balance at July 1	<b>1,144,215,357</b>	<b>930,608,133</b>
Additions during the year -other than borrowing costs	173,585,212	950,312,486
Directly attributed borrowing costs capitalized during the year	10,307,855	2,752,598
	<b>183,893,067</b>	<b>953,065,084</b>
	<b>1,328,108,424</b>	<b>1,88,36,73,217</b>
Less: Net capitalization to fixed assets including borrowing cost	(565,935,030)	(73,94,57,860)
<b>Closing Balance at June 30</b>	<b>762,173,394</b>	<b>1,14,42,15,357</b>

**07.00 Inventories**

(Refer to accounting policy note-02.14)

Materials	1,288,672,014	858,544,221
In-transit	168,078,789	136,485,212
Work-in-process	14,102,791	13,248,636
Finished goods	145,456,552	129,303,442
Stores and spares	138,067,668	115,483,879
	<b>1,754,377,814</b>	<b>1,253,065,390</b>

**08.00 Trade and other receivables**

Trade debtors	161,229,791	38,703,370
<b>Other receivables being accrued interest on :</b>	<b>200,309,221</b>	<b>172,406,602</b>
Fixed & Short Term deposits	183,848,448	158,700,635
Zero Coupon Bonds issued by IPDC Finance Ltd.	16,460,773	13,705,967
	<b>361,539,012</b>	<b>211,109,972</b>

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. This includes Tk. Nil (2019: Tk. 1,085,671) due from Ambee Pharmaceuticals Ltd, an associated undertaking of the company. ( Note-35.00 )

04. Ageing of Trade debtors of Tk.161,229,791 that have subsequently been realized or adjusted in full, is as under:

Exceeding six months	3,144,842	3,449,083
Below six months	158,084,949	35,254,287
	<b>161,229,791</b>	<b>38,703,370</b>

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
05. Trade debtors include Tk.29,628,613.51 (equivalent US\$ 353,653.70) (2019: Tk 14,475,987.02 equivalent US\$ 173,761.20) being the amount receivable from overseas customers, which amount has subsequently been received/adjusted.			
<b>09.00 Advances, deposits and prepayments</b>			
Advances	09.01	710,414,281	841,622,061
Deposits	09.02	92,931,776	111,146,279
Pre-payments	09.03	14,409,583	18,183,843
		<b>817,755,640</b>	<b>970,952,183</b>
<b>09 .01 Advances:</b>			
Employees		13,596,493	10,215,443
Suppliers and contractors		696,817,788	831,406,618
		<b>710,414,281</b>	<b>841,622,061</b>
a. Advances include Tk.90,000,000 paid to House of Sunshine Knitwear Limited against purchase of a commercial space measuring 28,291 sft along with 16 Car Parking Space consideration of which is Tk.526,238,000. (Note: 41)			
b. Maximum amount due during the year under review from Officers of the company was Tk. 1,000,000 (2019: Tk. 1,000,000).			
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.			
<b>09 .02 Deposits</b>			
Security and other deposits		75,556,924	68,405,010
VAT Deposits		6,097,251	31,463,668
Lease Deposits		5,349,563	5,349,563
Guarantee Margin		5,928,038	5,928,038
		<b>92,931,776</b>	<b>111,146,279</b>
<b>09 .03 Pre-payments</b>			
Pre-paid insurance		12,253,322	10,812,019
Pre-paid rates & taxes being license fees to Bangladesh Standards & Testing Institution (BSTI)		2,156,261	7,371,824
		<b>14,409,583</b>	<b>18,183,843</b>
<b>09.04 Reconciliation of advances, deposit and pre-payments</b>			
<b>Advances</b>			
These have been arrived at as follows:			
Opening balance		841,622,061	593,369,813
Add: Additions during the year		1,233,676,448	1,329,537,783
		<b>2,075,298,509</b>	<b>1,922,907,596</b>

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Less: Adjustments/recovery made during the year		(1,364,884,228)	(1,081,285,535)
		<b>710,414,281</b>	<b>841,622,061</b>

**Deposits**

Opening balance	111,146,279	91,410,710
Add: Additions during the year	913,755,862	1,946,567,094
	<b>1,024,902,141</b>	<b>2,037,977,804</b>
Less: Recovery/adjustments made during the year	(931,970,365)	(1,926,831,525)
	<b>92,931,776</b>	<b>111,146,279</b>

**Prepayments**

Represent pre-paid insurance and rates & taxes and have been arrived at as follows:

Opening balance	18,183,843	11,876,215
Add: Additions during the year	22,767,694	29,222,863
	<b>40,951,537</b>	<b>41,099,078</b>
Less: Adjustments made during the year	(26,541,954)	(22,915,235)
	<b>14,409,583</b>	<b>18,183,843</b>

**10.00 Investments**

i. Fixed deposits with banks & other financial institutions (maturity period of which is more than 3 months)	4,152,164,127	3,907,371,201
ii. Shares of Listed Companies - as at fair value through Profit or Loss account (Note-10.01)	11,985,750	14,628,220
iii. Zero Coupon Bonds issued by IPDC Finance Ltd. (Note-10.02)	62,570,090	91,169,419
iv. Current account balance with brokerage house (City Bank Capital Resources Ltd.)	821,236	1,786,834
	<b>4,227,541,203</b>	<b>4,014,955,674</b>

**10.01 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)
Confidence Cement Ltd.	52,500	6,624,380	5,092,500	(1,531,880)
Dhaka Bank Ltd.	682,500	9,282,000	6,893,250	(2,388,750)
		<b>15,906,380</b>	<b>11,985,750</b>	<b>(3,920,630)</b>

Fair Value represents quoted price on June 30, 2020 of Dhaka Stock Exchange Ltd.



## ACCOUNTING POLICIES AND EXPLANATORY NOTES

- 10.02(i)** The company invested Tk. 138,414,953 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	22 February 2018
Class B	17	15,740,741	17,000,000	22 August 2018
Class C	17	15,146,535	17,000,000	22 February 2019
Class D	17	14,574,760	17,000,000	22 August 2019
Class E	17	14,024,569	17,000,000	22 February 2020
Redeemed upto June 30, 2020		75,844,863	85,000,000	
Class F	17	13,495,148	17,000,000	22 August 2020
Class G	17	12,985,712	17,000,000	22 February 2021
Class H	17	12,495,507	17,000,000	22 August 2021
Class I	17	12,023,808	17,000,000	22 February 2022
Class J	17	11,569,915	17,000,000	22 August 2022
		62,570,090	85,000,000	
		<b>138,414,953</b>	<b>170,000,000</b>	

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019

- (ii)** The investment amount of Tk. 62,570,090 as noted in 10.00(iii) 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)	-
	(75,843,910)	(47,244,581)
	<b>62,570,090</b>	<b>91,169,419</b>

## 11.00 Cash and Cash Equivalents

(a) Cash in Hand		22,338,121	11,585,618
(b) Cash at Banks:			
In Current Accounts		234,591,735	153,955,505
In STD account		332,283,356	328,013,158
In FC Account		78,721,684	-
FDRs with Banks & Other Financial Institutions	11.01	7,336,922	114,484,359
(Maturity period of which is 03 months or less)			
		<b>675,271,818</b>	<b>608,038,640</b>

- 11.01** Fixed deposits with banks, maturity periods of which are 3 months or less than 3 months, at varying interest rates of 6% to 10.75% per annum, categorized as cash equivalents are:

Bank Name	Interest rate Per annum	Maturity date	Amount in Taka	
			June 30, 2020	June 30, 2019
Brac Bank Ltd.	9.5%	18.09.2020	-	10,000,000
The City Bank Ltd.	6%	28.08.2020	4,731,457	4,484,359
Prime Finance & Investment Ltd.	9.5%	07.08.2020	2,605,465	10,000,000
			<b>7,336,922</b>	<b>114,484,359</b>

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>12.00 Share Capital</b>			
<b>a. Authorized Capital</b>			
200,000,000 (2019: 200,000,000) Ordinary Shares of Tk. 10 each		<b>2,000,000,000</b>	<b>2,000,000,000</b>
<b>b. Issued, Subscribed and Paid-Up Capital</b>			
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 (2018: 189,936,096) Ordinary Shares of Tk. 10 each issued as Bonus Shares		1,899,360,960	1,899,360,960
<b>Total 199,938,886 Ordinary Shares of Tk. 10 each</b>		<b>1,999,388,860</b>	<b>1,999,388,860</b>
<b>b.i Ordinary Share Capital Paid-Up in Cash</b>			
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
79,570 Ordinary Shares of Tk. 100 each along with premium of Tk.1,025 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
		<b>79,480,700</b>	<b>79,480,700</b>
<b>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.</b>		20,547,200	<b>20,547,200</b>
		<b>20,547,200</b>	<b>20,547,200</b>

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>b.iii Bonus Share Capital</b>			
450,000 Bonus Shares of Tk. 10 each Issued from retained earnings at 2:1 in 1988.		4,500,000	4,500,000
2,700,000 Bonus Shares of Tk. 10 each Issued from retained earnings at 1:1 in 1994.		27,000,000	27,000,000
2,065,230 Bonus Shares of Tk. 10 each Issued from share premium at 3:1 in 1996.		20,652,300	20,652,300
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
		<b>1,899,360,960</b>	<b>1,899,360,960</b>

Particulars	June 30, 2020		June 30, 2019	
	No. of shares	%	No. of shares	%
<b>c. Composition of Share Holdings</b>				
Directors and Sponsors	55,517,626	27.77	55,517,626	27.77
Institutions	33,662,492	16.84	32,488,771	16.25
Foreign Investors	80,284,706	40.15	80,351,446	40.19
General Public	30,474,062	15.24	31,581,043	15.79
	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	7,706	1,014,314	0.51
500 to 5,000 shares	3,368	5,119,368	2.56
5,001 to 10,000 shares	275	1,982,902	0.99
10,001 to 20,000 shares	149	2,098,728	1.05
20,001 to 30,000 shares	68	1,699,827	0.85
30,001 to 40,000 shares	38	1,366,571	0.68
40,001 to 50,000 shares	13	585,022	0.29
50,001 to 100,000 shares	59	4,031,830	2.02
100,001 to 1,000,000 shares	77	70,074,977	35.05
Over 1,000,000 shares	6	111,965,347	56.00
	11,759	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.150.20 per share (2019: Tk.236.30) and Tk.151.10 per share (2019: Tk.236.40) in the Dhaka and Chittagong Stock Exchanges respectively on 30 June 2020.

**f. Foreign Shareholders**

Particulars of foreign shareholders as on June 30, 2020 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
PICTET LUX A/C KFFCF	1601670058688536	22,754,952
HBFS AC ARISAIG INDIA FUND L	1601620058579738	17,991,181
CLSA GLOBAL MARKETS PTE LTD	1604300054134389	14,986,633
PICTET LUX A/C KFFCFE	1601670058688552	14,673,551

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Folio/BO ID	No. of Shares
ALLAN GRAY FRONTIER MKTS EQ FD	1604300062930237	2,114,451
GOVERNMENT OF NORWAY	1604300059169109	1,958,125
BBH A/C MEAF.	1601670048385557	994,735
SSBT A/C IS MS 100 ETF	1601670045157411	927,336
JPMCB NA A/C F G O F	1601670068673719	891,258
NTC A/C LEGAL AND GENERAL ICAV	1601670062213950	529,916
BNYM GHI HOLDINGS MAURITUS	1601620059236671	476,703
SSBT A/C P EM Fund	1601670016201692	298,394
JPMCB NA A/C FCIPLLC:FEMECEF	1601670056059188	290,416
SSBT A/C Param Tax-Managed EMF	1601670016202702	254,557
BNYM EATON VANCE TR CO CLTV IV	1601620045005635	181,600
JPMCB NA A/C LPFAB	1601670067290721	159,528
SSBT A/C RSL TST CEB Fund:7QS2	1601670019399601	159,486
SCB MU A/C CSGF, LP	1601670047537330	144,997
EATON VANCE PARAMETRIC EM FUND	1604300050277626	113,364
SSBT A/C FIDELITY FEMF	1601670060620623	108,492
SSBT A/C FEMEMABF	1601670055572468	104,272
CACEIS BANK, LB A/C BIS EFME	1601620064498382	85,000
BNYM EATON VANCE TR CO COM TR	1601620045001481	34,739
NEWEDGE FINANCIAL HK LTD	1601670000542256	11,879
JPMCB NA A/C FIMM, INC.	1601670052555595	10,500
SCB DIFC FOR FBG A/C EFG HERM	1601670062737215	3,000
NFM ENERGY LIMITED	1205200052717426	2,000
ASY INVESTMENTS LIMITED	1605810063477405	1,000
		<b>80,284,706</b>

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>13.00 Long Term Loan (Secured)</b>			
United Commercial Bank Ltd	13.01	349,160,834	326,903,992
The City Bank Ltd.	13.02	230,688,165	328,553,744
Total Term Loan		<b>579,848,999</b>	<b>655,457,736</b>
Less: Current portion of long term loan being payable within 1 year			
United Commercial Bank Ltd		233,117,128	149,269,350
The City Bank Ltd.		146,280,727	90,921,657
<b>Long Term Loan - Current portion</b>		<b>379,397,855</b>	<b>240,191,007</b>
<b>Long Term Loan - Non-Current portion</b>		<b>200,451,144</b>	<b>415,266,729</b>



Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>13.01 Loan from United Commercial Bank Ltd (UCBL) - Term Loan</b>			
The loan balance has been arrived as at follows:			
Opening balance at July 1		326,903,992	347,913,148
Received during the year		217,274,409	127,228,349
		544,178,401	475,141,497
Repayments made during the year		(195,017,567)	(148,237,505)
Closing balance at June 30		<b>349,160,834</b>	<b>326,903,992</b>

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.
- 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 onward @ 9 % 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 passu 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	328,553,744	188,224,905
Received during the year	26,033,848	208,308,820
	354,587,592	396,533,725
Less: Repayments made during the year	(123,899,427)	(67,979,981)
<b>Closing balance at June 30</b>	<b>230,688,165</b>	<b>328,553,744</b>

During the year under review, the company received loans from the bank in the aggregate sum of Tk.3,453,848 against sanction limit of Tk.31.50 crore and also Tk.22,580,000 against sanction limit of Tk.20.00 crore at an interest rate of 9 % 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, 2020		June 30, 2019	
	Principal	Interest	Principal	Interest
<b>Classified as Lease Finance - Current portion</b>				
Due within one year	<b>19,039,088</b>	<b>3,580,577</b>	<b>4,949,584</b>	<b>249,521</b>

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

**Classified as Lease Finance - Non-Current portion**

Due after one year but within five years

Due after five years

31,314,817	2,028,328	-	-
-	-	-	-
<b>31,314,817</b>	<b>2,028,328</b>		<b>-</b>
<b>50,353,905</b>	<b>5,608,905</b>	<b>4,949,584</b>	<b>249,521</b>

(ii) Obligation of interest of Tk.5,608,905 ( 2019 : Tk. 249,521 ) as stated above represents interest amount payable to the lessors from 01 July 2020 up to maturity of the leases, in terms of 'Repayment Schedules' as agreed between the Lessors and the company.

(iii) Lease obligation at year-end in the aggregate sum of Tk.50,353,905 (2019:Tk. 4,949,584) as stated above is due to:

National Finance Ltd.

People's Leasing &amp; Financial Services Ltd. (adjustable with lease deposits)

Lease Obligation for Right-of-Use Asset (Amin Mohiuddin Foundation)

-	4,565,743
383,841	383,841
49,970,064	
<b>50,353,905</b>	<b>4,949,584</b>

(iv) The above obligation of Tk.50,353,905 (2019:Tk. 4,949,584) has been arrived at as follows:

Opening Balance at 01 July

Additions during the year

Less: Obligation liquidated during the year

Closing Balance at June 30

4,949,584	13,882,322
58,688,857	-
63,638,441	13,882,322
(13,284,536)	(8,932,738)
<b>50,353,905</b>	<b>4,949,584</b>

(v) The net carrying amounts of the related assets acquired under lease finances are as follows and have been

disclosed in Annexure-B to the accounts:

Plant &amp; Machinery

Transport &amp; Vehicles

32,964,318	38,224,323
-	12,671,545
<b>32,964,318</b>	<b>50,895,868</b>

**15.00 Deferred Tax Liability : Tk.185,897,673 (2019 : Tk.143,975,785)**

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			
	2019-2020		2018-2019	
	Carrying amount on reporting date	Tax Base	Taxable temporary difference / (Deductible temporary difference)	Taxable temporary difference / (Deductible temporary difference)
Deferred tax relating to items of profit or loss				
Property, plant & equipment (Depreciable items)	2,904,071,894	2,098,299,503	805,772,391	674,533,710
Temporary difference for IFRS 16: Lease	(1,062,683)	-	(1,062,683)	
Provision for gratuity	(61,119,015)	-	(61,119,015)	(98,630,570)
Net taxable temporary difference	<b>2,841,890,196</b>	<b>2,098,299,503</b>	<b>743,590,693</b>	<b>575,903,140</b>
Applicable tax rate			25%	25%
Deferred tax liability relating items of profit or loss at the end of the year (a)			185,897,673	143,975,785
Deferred tax liability relating items of profit or loss at the beginning of the year			143,975,785	123,429,925
Deferred tax income/(expense) recognized in profit or loss			(41,921,888)	(20,545,860)
Deferred tax assets relating to items directly recognized in other comprehensive income			-	-
Gain/(loss) directly recognized in other comprehensive income				
Applicable tax rate			25%	25%

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Amount in Taka					
	2019-2020			2018-2019		
	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 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)			<b>185,897,673</b>			<b>143,975,785</b>

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>16.00 Short Term Loan and Overdraft</b>			
<b>Secured (From Banking Companies):</b>			
<b>United Commercial Bank Ltd.</b>	16.01		
Loan on Trust Receipt ( LTR )		356,931,960	235,881,916
Offshore Banking		219,667,317	202,756,924
		<b>576,599,277</b>	<b>438,638,840</b>
<b>The City Bank Ltd.</b>	16.01		
Loan on Trust Receipt ( LTR )		221,433,063	252,026,567
Short Term Loan ( STL )		37,634,444	6,913,068
Offshore Banking		33,971,174	9,339,771
		<b>293,038,681</b>	<b>268,279,406</b>
<b>Secured Overdraft (SOD)</b>			
Brac Bank Ltd.	16.02	-	424,445,120
City Bank Ltd.	16.03	278,941,462	275,952,784
Habib Bank Ltd.		-	-
		<b>1,148,579,420</b>	<b>1,407,316,150</b>
<b>Unsecured:</b>			
Loan from Directors		1,967,088	1,967,088
Loan from Others		2,474,676	2,474,676
		<b>1,153,021,184</b>	<b>1,411,757,914</b>
<b>Securities</b>			
<b>16.01</b> 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 & equipments and stock & book debts of the company.			
<b>16.02</b> Secured Overdraft ( SOD ) from Brac bank Ltd is secured against lien of FDR's of an aggregate face value of Tk.45 crore, Overdraft limit being Tk.40 crore and interest rate thereon being 1% higher than the average interest rate against the Fixed deposits, pledged.			
<b>16.03</b> 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.			
<b>17.00 Interest Payable: Tk. 845,829 (2019: Tk. 367,531)</b>			
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.			
<b>18.00 Creditors for Goods</b>			
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		13,559,140	4,640,278
Period below six months		550,675,515	458,558,040
		<b>564,234,655</b>	<b>463,198,318</b>



## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019

**19.00 Creditors for Services**

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

Period exceeding six months	891,798	821,525
Period below six months	7,815,943	2,034,493
	<b>8,707,741</b>	<b>2,856,018</b>

**20.00 Accrued Expenses**

Represent provision for the following expenses:

Audit fees	900,000	900,000
Directors' Remuneration & Allowances	885,000	1,269,000
Directors' Board Meeting Attendance Fees	1,985,475	1,588,950
Salaries, Wages & Allowances	130,552,999	114,017,902
Utility Bills	17,519,115	11,017,517
Marketing Expenses	-	1,034,550
	<b>151,842,589</b>	<b>129,827,919</b>

Ageing of the above liability is as under:

Period exceeding six months	978,300	478,950
Period below six months	150,864,289	129,348,969
	<b>151,842,589</b>	<b>129,827,919</b>

**21.00 Advance against sales: Tk. 237,997,725 (2019 : Tk.246,596,537 )**

This represents advances received from distributors within June 30, 2020, against order placed by them, which liability has subsequently been liquidated.

**22.00 Liabilities for Other Finance**

Taxes Deducted at Source	39,256,788	39,250,803
VAT Deducted at Source	26,313,795	1,605,332
Government Levy (Surcharges) Payable	1,993,529	1,993,529
Debenture Redemption Money Payable (TIL)	677,947	677,947
Security Deposits	11,011,525	10,006,525
Other Payables on Account of Employees	19,975,800	13,285,872
Sales Proceeds of Fraction Shares	6,558,493	6,560,372
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	345,380	784,983
	<b>106,470,600</b>	<b>74,502,706</b>

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>23.00 Provision for Current Tax</b>			
<b>Represents:</b>			
Provision for the assessment year 2018-2019		-	591,767,389
Provision for the assessment year 2019-2020		635,278,942	635,278,942
Provision for the assessment year 2020-2021		672,381,702	-
Less: Advance Income Tax		(1,241,298,470)	(1,051,959,825)
		<b>66,362,174</b>	<b>175,086,506</b>
 This has been arrived at as follows:			
Opening balance at July 1		<b>1,227,046,331</b>	<b>1,149,733,308</b>
Add: Provision made during the year:			
for the assessment year 2017-2018		-	23,915,651
for the assessment year 2018-2019		27,102,958	-
for the assessment year 2019-2020		-	635,278,942
for the assessment year 2020-2021		672,381,702	-
		<b>699,484,660</b>	<b>659,194,593</b>
		<b>1,926,530,991</b>	<b>1,808,927,901</b>
Less: Payments made during the year against assessment year 2018-2019		(618,870,347)	(581,881,570)
Less: Advance Income Tax		(1,241,298,470)	(1,051,959,825)
		<b>66,362,174</b>	<b>175,086,506</b>
 <b>23.01 Current Year Tax Provision</b>			
This has been arrived at as follows:			
Profit for the Period		2,766,360,763	2,551,562,013
Add: Provision for Inadmissible Items and Possible Add-backs		81,882,584	70,000,000
Add: Provision Gratuity		42,511,770	
Accounting Depreciation		387,810,399	38,248,668
Amortization of Right-of-use Asset		9,781,476	333,347,656
Less: Payment for Gratuity		(80,023,325)	-
Less: Tax Base Depreciation		(518,796,860)	(452,042,567)
<b>Taxable Income</b>		<b>2,689,526,807</b>	<b>2,541,115,770</b>
 <b>Effective Rate 25%</b>		<b>672,381,702</b>	<b>635,278,942</b>
 <b>24.00 Unclaimed dividend</b>			
Years 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

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
2004		825,678	825,678
2005		774,821	774,821
2006		1,302,165	1,302,165
2007		557,714	557,714
2008		3,325,534	3,325,577
2009		1,481,328	1,481,346
2010		2,248,516	2,249,650
2011		2,663,421	2,665,455
2012		5,048,028	5,050,868
2013		5,910,217	5,913,724
2014		13,859,432	13,875,789
2015		25,923,596	25,953,083
2016		41,281,252	41,324,678
2017		49,398,400	49,545,329
2018		46,467,793	46,638,125
2019		50,321,788	
In respect of erstwhile Tripti Industries Ltd (1988 to 2002)		1,330,456	1,330,456
		<b>255,625,820</b>	<b>205,720,139</b>

**24.01** This has been arrived at as follows:

Opening balance at July 1		205,720,139	160,773,483
Add: Net dividend for the year		844,819,609	811,974,016
		1,050,539,748	972,747,499
Less: Paid during the year		(794,913,928)	(767,027,360)
Closing balance at June 30		<b>255,625,820</b>	<b>205,720,139</b>

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

**25.00 Employee benefit obligations**

These comprise:

Workers Profit Participation and Welfare Funds	25.01	138,318,038	127,578,101
Contributory Provident Fund	25.02	292,887	371,968
Gratuity Fund	25.03	61,119,015	98,630,570
		<b>199,729,940</b>	<b>226,580,639</b>

**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, 2019		127,578,101	139,711,544
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Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Add: During the year:			
Contribution to the Funds for the year		138,318,038	127,578,101
Interest for the year		-	-
		<b>138,318,038</b>	<b>127,578,101</b>
		<b>265,896,139</b>	<b>267,289,645</b>
Less: Paid to the Funds during the year		<b>(127,578,101)</b>	<b>(139,711,544)</b>
Closing balance at June 30, 2020		<b>138,318,038</b>	<b>127,578,101</b>

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

Olympic Industries Ltd. Workers' Profit Participation Fund (80%)	110,654,430	102,062,481
Olympic Industries Ltd. Workers' Welfare Fund (10%)	13,831,804	12,757,810
Bangladesh Workers' Welfare Foundation Fund (10%)	13,831,804	12,757,810
	<b>138,318,038</b>	<b>127,578,101</b>

(ii) Number of beneficiaries entitled to the Fund for the year under review is as follows:

	<b>3,289</b>	<b>3,113</b>
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(iii) **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 November 22, 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:

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Opening balance at July 1		371,968	557,294
Add: Contribution to the Fund during the year			
Employees' contribution		2,509,034	2,350,142
Company's contribution (note-a)		2,509,034	2,350,142
		<b>5,018,068</b>	<b>4,700,284</b>
		5,390,036	5,257,578
Less: Paid during the year to the Fund		(5,097,149)	(4,885,610)
		<b>292,887</b>	<b>371,968</b>

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

Administrative Expenses	28.00	1,629,314	2,011,836
Selling & Distribution Expenses	29.00	259,032	108,336
Factory Overhead	27.03	620,688	229,970
		<b>2,509,034</b>	<b>2,350,142</b>

### 25.03 Defined Benefit Plan: Gratuity Fund

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

Service length	Basis of provision
Up to 6 months	Nil
6 months to 10 years	1 (one) time of last month's basic pay multiplied by year (s) of service
More than 10 years	1.5 (one and a 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 October 28, 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, 2020 is arrived at as follows:

Opening balance at July 1		98,630,570	60,381,902
Add: Obligation as provided during the year and Charged to:			
Factory overhead	27.03	23,534,975	18,894,726
Administrative expenses	28.00	10,685,299	14,665,368
Selling & distribution expenses	29.00	8,291,496	4,688,574
		<b>42,511,770</b>	<b>38,248,668</b>
		<b>141,142,340</b>	<b>98,630,570</b>



Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Less: Paid by the Company during the year to the Fund		(80,023,325)	-
Closing balance at June 30		<b>61,119,015</b>	<b>98,630,570</b>

**26.00 Revenue (Net of VAT)**

	Qty. (Pcs/Mt)		Amount in Taka	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Battery Unit (Pcs)	55,063,947	49,654,706	464,981,636	383,100,731
Biscuit & Conf. Unit (MT)	102,186.70	89,522.47	15,430,055,963	13,350,627,645
			<b>15,895,037,599</b>	<b>13,733,728,376</b>

**Turnover comprises:**

Domestic Sales		15,657,509,726	13,532,813,420
Export sales (1,848,480 Kg biscuit & confectionery items at US\$ 2,839,045.05)	43.00	237,527,873	200,914,956
(2019: 1,559,080 Kg at US\$ 2,419,330.49 & EURO 6,736)			
		<b>15,895,037,599</b>	<b>13,733,728,376</b>

\* Domestic sales include Tk.Nil (2019 : Tk.324,520) being sales to associated undertakings (Note-35.00)

**27.00 Cost of Goods Sold**

Work-in-Process (Opening)		13,248,636	13,549,153
Material Consumed	27.01	9,064,253,866	7,598,259,696
Stores Consumed	27.02	169,891,221	148,524,979
Factory Overhead	27.03	1,221,592,418	1,131,953,716
Depreciation		387,810,399	333,347,656
Work-in-Process (Closing)		(14,102,791)	(13,248,636)
<b>Cost of Goods Manufactured</b>		<b>10,842,693,749</b>	<b>9,212,386,564</b>
Finished Goods (Opening)		129,303,442	102,254,862
Finished Goods (Closing)		(145,456,552)	(129,303,442)
		<b>10,826,540,639</b>	<b>9,185,337,984</b>

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Qty. (Pcs/Mt)		Amount in Taka	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Finished Goods				
Opening Stock:				
Battery	1,182,840 pcs.	1766 688 pcs.	6,999,669	8,835,913
Biscuits	1195.38 MT	814.08 MT	106,422,822	70,083,868
Candy & Cnacks	90.68 MT	146.87 MT	15,880,951	23,335,081
			<b>129,303,442</b>	<b>102,254,862</b>
Closing Stock:				
Battery	805,077 pcs	1182,840 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
			<b>145,456,552</b>	<b>129,303,442</b>

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>27.01 Materials Consumed</b>			
Opening Stock		858,544,221	974,513,025
Purchases during the year		9,494,381,659	7,482,290,892
Closing Stock		(1,288,672,014)	(858,544,221)
		<b>9,064,253,866</b>	<b>7,598,259,696</b>
<b>27.02 Stores Consumed</b>			
Opening Stock		115,483,879	86,767,862
Purchases during the year		192,475,010	177,240,996
Closing Stock		(138,067,668)	(115,483,879)
		<b>169,891,221</b>	<b>148,524,979</b>
<b>27.03 Factory Overhead</b>			
Wages & Salaries		765,480,074	668,920,435
Company's Contribution to Provident Fund	25.02(a)	620,688	229,970
Bonus		44,096,716	36,099,051
Gratuity	25.03(ii)	23,534,975	18,894,726
Group Insurance		1,766,215	1,628,136
Repairs & Maintenance		52,606,020	48,795,306
Rates, Taxes & Fees		10,127,470	11,519,227
Insurance		19,047,189	16,736,090
Power & Fuel		195,474,818	227,574,008
Vehicles Repair & Maintenance		2,786,730	2,664,549
Printing & Stationery		5,039,380	4,117,947
Postage, Telephone & Telegram		1,763,476	486,512
Travelling & Conveyance		9,507,791	10,018,455
Subs. Newspaper & Periodicals		16,290	18,676

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Entertainment		554,689	486,033
Legal Fees		5,677,658	345,000
Factory Maintenance Expenses		28,540,660	15,489,337
Transport & Carriage		19,623,122	37,164,021
Medical Expenses		4,692,147	7,216,681
Staff Food		11,461,589	8,473,137
Donation		5,848,664	896,600
Technician Expenses		1,402,592	1,459,187
Labour Handling Charge		9,887,640	9,747,380
Advertisement		250,000	367,000
Research, Training & Development		1,785,825	2,606,252
		<b>1,221,592,418</b>	<b>1,131,953,716</b>
<b>28.00 Administrative Expenses</b>			
Salaries & Allowances		224,426,012	184,423,322
Company's Contribution to Provident Fund	25.02(a)	1,629,314	2,011,836
Bonus		13,194,737	13,495,070
Gratuity	25.03(ii)	10,685,299	14,665,368
Repairs & Maintenance		5,017,458	5,808,173
Rent		6,091,485	14,048,150
Rates & Taxes		746,220	386,932
Research, Training & Development		609,747	172,350
Electricity, Gas & Water		7,183,750	2,543,258
Vehicles Repairs & Maintenance		4,605,826	6,195,937
Petrol, Oil & Lubricant		5,320,519	5,135,122
Printing & Stationery		1,304,335	814,820
Postages, Telephone & Telegram		4,224,305	5,220,659
Travelling & Conveyance		11,717,206	14,342,890
Subs. Newspaper & Periodicals		1,632,292	1,780,432
Entertainment		498,248	440,032
Audit Fees		900,000	900,000
Legal & Consultancy Fees		6,566,528	7,412,882
Directors' Remuneration & Allowances (including house accommodation Tk. 9,000,000 (2019 : Tk. 9,000,000))	35.01	29,773,077	26,100,000
Director's Board Meeting Attendance Fees	28.01 & 35(iv)	1,290,000	1,110,000
Office Maintenances Expenses		6,200,910	8,765,392
Donation		5,693,450	2,806,585
Medical Expenses		194,983	685
Advertisement		2,801,371	3,003,414
Annual General Meeting Expenses		1,242,455	1,779,120

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Amortisation of Right-of-use Asset		5,360,957	-
		<b>358,910,484</b>	<b>323,362,429</b>

**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	43	43	430,000
Aziz Mohammad Bhai	Director	43	-	-
Safinaz Bhai	Director	43	-	-
Munir Ali	Director	43	-	-
Noorbanu Virji	Independent Director	43	43	430,000
Begum Sakwat Banu	Independent Director	43	43	430,000
				<b>1,290,000</b>

**29.00 Selling Expenses**

Salaries & Allowances		722,808,487	608,557,731
Company's Contribution to Provident Fund	25.02(a)	259,032	108,336
Bonus		32,891,787	27,664,620
Gratuity	25.03(ii)	8,291,496	4,688,574
Repairs & Maintenance		586,586	1,242,064
Rent		5,011,112	11,095,549
Rates, Taxes & Fees		1,224,937	239,487
Group Insurance		1,235,959	1,034,550
Donation		300,000	69,910
Electricity, Gas & Water		1,337,963	1,589,313
Vehicle Repairs & Maintenance		4,163,709	6,347,463
Petrol, Oil & Lubricant		754,001	745,533
Printing & Stationery		21,938,918	21,682,230
Postage, Telephone & Telegram		2,214,759	2,210,143
Travelling & Conveyance		4,274,788	5,822,171
Subscription Newspaper & Periodical		13,958	2,829
Entertainment		413,440	407,352
Legal Fees		12,762	313,579
Office Maintenances Expenses		415,435	591,752
Sales Promotion		582,578,942	424,231,719
Transport/Carriage		548,950,217	494,045,410
Medical Expenses		849,442	50,900
Advertisement		75,584,030	74,753,113

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Research, Training & Development		4,404,500	370,875
Export Expenses		30,720,638	28,177,019
Amortisation of Right-of-use Asset		4,420,519	-
		<b>2,055,657,417</b>	<b>1,716,042,222</b>
<b>30.00 Finance cost</b>			
Bank charges		6,803,199	7,457,093
Interest	30.01	164,327,050	186,881,603
		<b>171,130,249</b>	<b>194,338,696</b>
<b>30.01 Interest</b>			
Interest on Term Loan with banks & other financial institutions			
United Commercial Bank Ltd.		27,491,960	32,993,303
The City Bank Ltd.		31,226,601	27,243,560
		58,718,561	60,236,863
Interest on LIM, LTR, STL, Offshore Banking with banks		75,473,590	72,215,085
Interest on Short Term Overdraft with:			
The City Bank Ltd.		18,862,769	25,091,504
Brac Bank Ltd.		8,486,723	28,034,396
		27,349,492	53,125,900
		<b>161,541,643</b>	<b>185,577,848</b>
Finance charges for leases (Right-of-use Asset)		<b>2,395,588</b>	-
Finance charges for leases (Tangible Assets)		<b>389,819</b>	<b>1,303,755</b>
		<b>164,327,050</b>	<b>186,881,603</b>
<b>31.00 Other Income</b>			
Export Promotion Benefit - Cash incentive received during the year		44,109,550	15,277,000
Interest income on deposits with banks and other financial institutions			
Fixed Deposits		360,223,194	319,658,137
Short Term Deposits		10,710,944	14,611,868
Zero Coupon Bonds issued by IPDC Finance Ltd.		8,155,477	7,839,144
		379,089,615	342,109,149
Exchange (Loss) / Gain	31.01	(4,144,797)	(2,029,524)
Sale of by-product net of VAT Tk.665,196 (2019: Tk 568,184)		5,129,694	3,787,895
Rental income		960,000	960,000
Gain on disposal of capital assets	31.02	299,998	3,555,994
Income /(Loss) on investment on portfolio management account maintained with City Bank Capital Resources Ltd.:			
Realized (Loss) / Gain		136,561	1,534,128



## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
Dividend income		220,000	796,200
		356,561	2,330,328
Other income including scrap sales		-	588,926
		<b>425,800,621</b>	<b>366,579,768</b>
<b>31.01</b> Exchange (Loss) of Tk.4,144,797 (2019: Tk. 2,029,524) has been arrived at as follows:			
(i) Received against export sales		237,639,530	201,135,873
Less : Sales recorded at rates of exchange ruling at transaction date		237,527,873	200,914,956
		<b>111,657</b>	<b>220,917</b>
(ii) Exchange difference arising from offshore banking		<b>(4,256,454)</b>	<b>(2,250,441)</b>
		<b>(4,144,797)</b>	<b>(2,029,524)</b>
<b>31.02 Gain / (Loss) on Disposal of Capital assets</b>			
a. Gain on Disposal of Vehicle			
Sale Proceeds of 2 Vehicles		300,000	3,556,000
Less : Book value thereof			
Original Cost		2,124,700	9,115,000
Accumulated Depreciation		(2,124,698)	(9,114,994)
		2	6
Total gain on disposal of capital assets		<b>299,998</b>	<b>3,555,994</b>
<b>32.00 Earnings Per Share (EPS)</b>			
(a) Earnings attributable to the Ordinary Shareholders (Net profit after Tax)		<b>2,024,954,215</b>	<b>1,871,821,560</b>
(b) Weighted average number of ordinary Shares outstanding during the year		199,938,886	199,938,886
<b>(c) Earnings Per Share (EPS)</b>		<b>10.13</b>	<b>9.36</b>
Note: Basic & Diluted Earnings Per Shares are the same as there was no potential dilutive shares outstanding during the years.			
<b>33.00 Net Asset Value</b>			
Total Assets		11,802,507,245	10,957,185,958
Total Liabilities		(3,560,938,834)	(3,740,877,332)
		<b>8,241,568,411</b>	<b>7,216,308,626</b>
Number of Ordinary Shares of Tk. 10 each at Balance Sheet date		199,938,886	199,938,886
<b>NAV-Per Share</b>			
On shares at balance sheet date		<b>41.22</b>	<b>36.09</b>

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>34.00 Net Operating Cash Flow Per Share</b>			
Cash flows from operating activities as per Statement of cash flows		1,767,056,068	2,106,424,085
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		<b>8.84</b>	<b>10.54</b>

**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 June 20, 2018 issued by Bangladesh Securities and Exchange Commission)

Net Profit before tax as per Statement of Profit or Loss and Other Comprehensive Income	2,766,360,763	2,551,562,013
Adjustments for items not involving flow of cash		
Depreciation	387,810,399	333,347,656
Amortization	9,781,476	-
	397,591,875	333,347,656
Bank charges	(6,803,199)	(7,457,093)
Income taxes paid	(808,208,992)	(605,094,258)
	(815,012,191)	(612,551,351)
	2,348,940,447	2,272,358,318
Adjustments for non-operating items :		
Finance cost	171,130,249	194,338,696
Net changes in fair value of investments in shares	3,920,630	2,086,699
Interest Income	(379,089,615)	(342,109,149)
Gain on sale of fixed assets	(299,998)	(3,555,994)
Gain / (loss) on investment in shares	(356,561)	(2,330,328)
	(204,695,295)	(151,570,076)
Adjustments for net changes in operating activities:		
<b>(Increase) / Decrease in:</b>		
Inventories	(501,312,424)	53,844,942
Advances:		
Employees	(3,381,050)	9,497,896
Suppliers & contractors	134,588,830	(257,750,143)
Deposits	18,214,503	(19,735,569)
Pre-payments	3,774,260	(6,307,628)
Trade debtors	(122,526,421)	(551,966)

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
<b>Increase / (Decrease) in:</b>			
Creditors for goods		101,036,337	6,779,967
Creditors for services		5,851,722	(9,724,975)
Advance against sales		(8,598,812)	158,607,613
Obligation against employee benefits		(26,850,699)	25,929,899
Accrued expenses		22,014,670	25,045,807
		<b>(377,189,084)</b>	<b>(14,364,158)</b>
Net Cash Flows from Operating Activities		<b>1,767,056,068</b>	<b>2,106,424,085</b>

**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, 2019	Transactions during the Year		Closing Balance at June 30, 2020
			Debit /(Credit) Restated	Debit	(Credit)	
(i)	Ambee Pharmaceuticals Ltd.	Receivables & Sales	1,085,671	-	(1,085,671)	-
(ii)	Mubarak Ali, Managing Director [note-35.01 a(i)]	Remuneration, Bonus & House Accommodation	(700,000)	27,173,077	(27,173,077)	(700,000)
(iii)	Ms. Sakwat Banu Independent Director [note-35.01 a(ii)]	Remuneration & Bonus	(185,000)	2,600,000	(2,600,000)	(185,000)
(iv)	Directors (Meeting Fees) (note: 28.01 & 20.00 )	Board Meeting Attendance Fees	(1,588,950)	893,475	(1,290,000)	(1,985,475)
(v)	Directors (Loan)	Loan from Directors	(1,967,088)	-	-	(1,967,088)

**35.01 (a) Short-Term Benefits:**

	Director's Remuneration & Perquisites	Remuneration & Allowances	Bonus	House Accommodation	Others	Total
(i)	Mubarak Ali, Managing Director	15,000,000	3,173,077	9,000,000	-	<b>27,173,077</b>
(ii)	Begum Sakwat Banu Independent Director	2,400,000	200,000	-	-	<b>2,600,000</b>
	Total (Tk.)	<b>17,400,000</b>	<b>3,373,077</b>	<b>9,000,000</b>	<b>-</b>	<b>29,773,077</b>

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			
	2020 (Tk)		2019 (Tk)	
	Directors	Officers	Directors	Officers
(Note-35.00)				
Board Meeting Fees	1,290,000	-	1,110,000	-
Remuneration / Salaries & Allowance	17,400,000	175,620,459	14,400,000	155,086,804
Bonus	3,373,077	11,334,363	2,700,000	10,117,025
Accommodation	9,000,000	-	9,000,000	-
Company's Contribution to Provident Fund	-	2,023,368	-	1,904,791

**37.00 Sanctioned Production Capacity & Capacity Utilization Operative Units**

Products	Unit	Capacity		Utilization		Shortfall		Reason for Shortfall
		2020	2019	2020	2019	2020	2019	
Battery	Pcs	117,760,000	117,760,000	54,686,184	49,070,858	63,073,816	68,689,142	Less Demand of Battery
Biscuit & Confectionery Items	MT	123,439.00	123,439.00	102,298.64	89,847.58	21,140.36	33,591.42	

**38.00** The number of employees of the Company that includes regular, contractual & casual ones, existed at June 30, 2020 was as under:

	Number of Employees	
	June 30, 2020	June 30, 2019
Corporate Office	97	98
Marketing Department	2,566	2,236
Factories	5,548	4,997
<b>Total</b>	<b>8,211</b>	<b>7,331</b>

**38.01** Monthly average no. of workers at factories:

	4,992	4,992
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Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019

**39.00 Contingent Liabilities**

a. The company had the following contingent liabilities as on June 30, 2020

**With United Commercial Bank Ltd.:**

Bank Guarantees (Note-40.00)

Acceptance of bills

Letter of Credit

Shipping Guarantee (UCBL)

(Tk in lac)	(Tk in lac)
594.26	568.71
2,188.00	2,028.88
2,087.43	-
72.31	39.80
<b>4,942.00</b>	<b>2,637.39</b>

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
		(Tk in lac)	(Tk in lac)
<b>With The City Bank Ltd :</b>			
Bank Guarantees (Note-40.00)		13.45	13.45
Sight L/C		591.94	163.22
ULC (Accepted Import Liability)		339.71	93.40
		945.10	270.07
<b>With Habib Bank Ltd.:</b>			
Bank Guarantee (Note-40.00)		12.17	12.17
<b>Grand Total</b>		<b>5,899.27</b>	<b>2,919.63</b>

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 06, 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 04, 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 02, 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



Issuing Bank	Beneficiary	Guarantee Amount	Validity
Habib Bank Limited	Collector of Customs, Customs House Chittagong	845,411	Continuous
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, 2020
United Commercial Bank Ltd.	Crystal Insurance Company Ltd.	200,000	August 20, 2021
United Commercial Bank Ltd.	Directorate of Primary Education (DPE)	700,281	December 13, 2020
United Commercial Bank Ltd.	The Management of School Feeding Programme in Poverty-prone Areas	954,900	December 13, 2020
		<b>61,988,125</b>	

#### 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) Purchase of Commercial Space measuring total 28,291 sft. along with 16 Car parking Space:</p> <p>The Board of Directors of the Company has executed a Deed of Agreement to purchase Commercial Space measuring total 28,291 sft. along with 16 Car Parking Space in under - construction 32 storied Commercial Building named "Trade Intercontinental 1973" at total purchase consideration of Tk.526,238,000 at Plot No.213/A, Tejgaon Industrial &amp; Commercial Area, Dhaka - 1208. The company shall also bear the required expenses and fees relating to registration and other miscellaneous expenses for purchase of stated Commercial Space. The expected approximate completion and handover of this Commercial Space is July, 2023.</p>	526.238
<p>(ii) Purchase of 104.24 (One hundred four point two four) decimals land:</p> <p>The Board of Directors of the Company has taken decision to purchase 104.24 Decimals land for total consideration of Tk.48,645,333 @ Tk.14,000,000 per 30 (thirty) decimals land (equals one bigha in local measurement). Besides total purchase consideration of Tk.48,645,333 the Purchaser Olympic Industries Limited shall also bear all required registration charges and expenses including Tax, VAT, etc. for purchase of above 104.24 decimals land. The land is situated at Mouza-Lolati, Union Kanchpur, Upazilla Sonargaon, District Narayanganj bearing J.L. No.26, S.A-13 &amp; R.S-12.</p>	48.645

#### 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 upto June 29, 2021.

#### **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 30 June 2020, 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 08.05, 26.00 & 31(i))

##### **(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 Earning**

During the year under review, an aggregate sum of US\$ 2,839,045.05 (equivalent Tk. 237,527,873) (2019 : US\$ 2,419,330.49 & EURO 6,736 (equivalent Tk. 200,914,956) 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 Reporting Period”****Non-adjusting events after the reporting period:****Dividend for the year:**

Subsequent to the Balance Sheet date, the Board of Directors recommended 52% (fifty two percent) cash dividend i.e. Taka 5.20 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.

**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 27, 2020.



**Mubarak Ali**  
Managing Director



**Rokeya Quader**  
Independent Director



**Begum Sakwat Banu**  
Independent Director



**Md. Harun-Al-Rashid**  
Chief Financial Officer



**Md. Nazimuddin**  
Company Secretary

Place: Dhaka

Dated: October 27, 2020

## SCHEDULE OF NON-CURRENT ASSETS

As at June 30, 2020

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, 2020	Total June 30, 2019
<b>Cost</b>								
At July 1, 2019	250,869,087	1,172,631,245	3,110,196,515	31,099,268	37,460,014	200,644,180	4,802,900,309	3,967,372,705
Additions during the year	-	588,797,437	174,863,551	3,250,130	4,677,774	16,313,750	787,902,642	844,642,604
Sale of Fixed Asset	-	-	-	-	-	(2,124,701)	(2,124,701)	(9,115,000)
<b>Cost at June 30, 2020</b>	<b>250,869,087</b>	<b>1,761,428,682</b>	<b>3,285,060,066</b>	<b>34,349,398</b>	<b>42,137,788</b>	<b>214,833,229</b>	<b>5,588,678,250</b>	<b>4,802,900,309</b>
<b>Accumulated depreciation</b>								
At July 1, 2019	-	490,381,546	1,416,408,801	21,454,390	18,656,369	101,150,462	2,048,051,568	1,723,818,907
Depreciation for the year	-	84,853,036	267,135,168	2,490,670	3,066,950	30,264,575	387,810,399	333,347,656
Adjustment for disposal	-	-	-	-	-	(2,124,699)	(2,124,699)	(9,114,994)
	-	575,234,582	1,683,543,969	23,945,060	21,723,319	129,290,338	2,433,737,268	2,048,051,569
<b>Carrying Value at June 30, 2020</b>	<b>250,869,087</b>	<b>1,186,194,100</b>	<b>1,601,516,097</b>	<b>10,404,338</b>	<b>20,414,469</b>	<b>85,542,891</b>	<b>3,154,940,982</b>	<b>2,754,848,741</b>
<b>Carrying Value at June 30, 2019</b>	<b>250,869,087</b>	<b>682,249,699</b>	<b>1,693,787,714</b>	<b>9,644,878</b>	<b>18,803,645</b>	<b>99,493,718</b>	<b>2,754,848,741</b>	<b>2,243,553,821</b>

This includes written down value of lease hold assets of Tk.32,964,318 (2019: Tk.50,895,868) which is made up as follows:

Particulars	Land & Land Development	Factory Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixtures	Transport & Vehicles	Total	Total
Gross carrying amounts as on July 1, 2019	-	-	157,488,819	572,000	-	41,156,174	199,216,993	225,068,793
Additions during the year	-	-	-	-	-	-	-	-
Adjustment /Deletion of Fixed Asset	-	-	-	-	-	(41,156,174)	(41,156,174)	(25,851,800)
<b>Gross carrying amounts as on June 30, 2020</b>	-	-	<b>157,488,819</b>	<b>572,000</b>	-	-	<b>158,060,819</b>	<b>199,216,993</b>
Accumulated depreciation as on July 1, 2019	-	-	119,264,498	571,998	-	28,484,629	148,321,125	156,578,355
Depreciation for the year	-	-	5,260,005	-	-	2,991,911	8,251,916	12,548,636
Adjustment of Depreciation	-	-	-	-	-	(31,476,540)	(31,476,540)	(20,805,866)
<b>Accumulated depreciation as on June 30, 2020</b>	-	-	<b>124,524,503</b>	<b>571,998</b>	-	-	<b>125,096,501</b>	<b>148,321,125</b>
<b>Net carrying amounts as on June 30, 2020</b>	-	-	<b>32,964,316</b>	<b>2</b>	-	-	<b>32,964,318</b>	<b>50,895,868</b>
<b>Net carrying amounts as on June 30, 2019</b>	-	-	<b>38,224,321</b>	<b>2</b>	-	<b>12,671,545</b>	<b>50,895,868</b>	<b>68,490,436</b>

# UNIT - WISE RESULT

## ACCOUNTING POLICIES AND EXPLANATORY NOTES

For the year ended at June 30, 2020

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

Annexure B

Particulars	Notes	Amount in Taka		
		Battery Unit	Biscuit & Other Units	June 30, 2020
				June 30, 2019
<b>Revenue</b>	26.00	464,981,636	15,430,055,963	15,895,037,599
Cost of Goods Sold	27.00	(297,681,391)	(10,528,859,248)	(10,826,540,639)
<b>Gross Profit</b>		<b>167,300,245</b>	<b>4,901,196,715</b>	<b>5,068,496,960</b>
Operating Expenses		(70,633,978)	(2,343,933,923)	(2,414,567,901)
Administrative Expenses	28.00	(10,499,301)	(348,411,183)	(358,910,484)
Selling Expenses	29.00	(60,134,677)	(1,995,522,740)	(2,055,657,417)
<b>Profit from Operations</b>		<b>96,666,267</b>	<b>2,557,262,792</b>	<b>2,653,929,059</b>
Finance Cost	30.00	(5,006,117)	(166,124,132)	(171,130,249)
Other income	31.00	91,660,150	2,391,138,660	2,482,798,810
		12,456,055	413,344,566	425,800,621
		<b>104,116,205</b>	<b>2,804,483,226</b>	<b>2,908,599,431</b>
Net changes in fair value of investment in shares of listed companies				(3,920,630)
Contribution to WPP & W Funds				2,904,678,801
				(138,318,038)
				(2,086,699)
				2,679,140,114
				(127,578,101)



# UNIT - WISE RESULT

For the year ended at June 30, 2020

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

Annexure B

Particulars	Amount in Taka			
	Notes	Battery Unit	Biscuit & Other Units	June 30, 2020
<b>Profit before Tax</b>				<b>2,766,360,763</b>
				<b>2,551,562,013</b>
Current Tax				(659,194,593)
Deferred Tax Income/(Expense)				(20,545,860)
				(679,740,453)
Profit after Taxation				<b>1,871,821,560</b>
Other Comprehensive Income				-
Total Comprehensive Income				<b>1,871,821,560</b>



# PROXY FORM

I/We .....  
 of .....  
 being a shareholder of Olympic Industries Limited and a holder of ..... shares do hereby appoint  
 Mr. / Mrs. ....  
 of .....  
 as my/our proxy to attend and vote for me/us on my/our behalf at the 41<sup>st</sup> Annual General Meeting of the company to  
 be held via Zoom on Thursday, December 24, 2020 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 ..... 2020 in the presence  
 of .....

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

Signature Verified

Authorized Signatory  
**Olympic Industries Limited**

Note: A shareholder entitled to attend and vote at the 41<sup>st</sup> 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 stamped must be sent to the company by email to [mintu.das@olympicbd.com](mailto:mintu.das@olympicbd.com) at least 72 hours before the meeting.

**OLYMPIC INDUSTRIES LIMITED**  
**অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড**

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