INDEPENDENT AUDITOR'S REPORT

LUB -RREF (BANGLADESH) LIMITED

FOR THE YEAR ENDED 30TH JUNE, 2020.

Ashraf Udddin & Co.

CHARTERED ACCOUNTANTS

Since 1979

CORPORATE ADDRESS
142/B GREEN ROAD
(3RD & 4TH FLOOR)
DHAKA-1215.

REGISTERED ADDRESS
RAHMAN CHAMBER (5TH FLOOR)
12-13 MOTIJHEEL C/A
DHAKA-1000.

MEMBER OF
"ANTEA"
ALLIANCE OF INDEPENDENT FIRMS,MALORCA, 26 ATICO
08008 –BARCELONA. SPAIN.

MANAGING PARTNER:
MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS:
ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC

Corporate Address : 142/B, Green Road (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.
Registered Address : Rahman Chamber (5th Floor)
12-13, Motijheel Commercial Area, Dhaka. Bangladesh.

Independent Auditor's Report
To the Shareholders of LUB-RREF (BANGLADESH) LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **LUB-RREF (BANGLADESH) LIMITED** ('the company) which comprise the Statement of Financial Position as on 30th June, 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statement.

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of **LUB-RREF (BANGLADESH) LIMITED** as of 30th June, 2020 and results of its financial performance and its cash flows for the year then ended & comply with the Companies Act 1994, & other applicable laws & 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 ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgments, were of most significant 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.

1.Revenue Recognition
Ref: Note 20.00

Key audit matters	How our audit address the matter
The company reported revenue (100% local) Tk.1,690,499,224/- for the year.	-We clearly encoded the total procedure of sales process starting from receipt of customer order to realization of revenue.
Revenue recognition have significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing.	-We tested the key controls over approval of sales order, signing off documents by appropriate personnel and input sales data into system in a complete & accurate manner.

As per IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.	-On sample basis, we tested the work order proceed documents and other supporting like dispatch note, Invoice & receipt of final amount. We also reviewed the sales contract agreements with different buyer. -We tested the correctness of journal entries and recalculate the amount shown in sales ledger and make sure that the carry forward figure is accurate. -We carefully checked that, no unusual journal entries were made at the period end and also check the transactions/entries just before and after the balance sheet date to confirm cut off. -We also considered testing of some post balance sheet date invoices to make sure that the cut off dates are correct all reported revenues are relevant with current year.

2. Deferred Tax Liability
Ref: Note 15.00

Key audit matters	How our audit address the matter
As per IAS 12 Income Taxes, the two components of the company's estimated tax is Current Tax & Deferred Tax. There is a deferred tax liability of 337,158,540/- which is almost equivalent to 6.3% compared to total assets of the company. The temporary difference of deferred tax consists critical calculation and forecast. The uncertainty in forecasting or lack of expertise may results in material misstatements which may have an impact on corporate tax.	-We verified that right opening balances are carried forward in deferred tax account. -We made sure that ,the tax base is according to 3rd schedule of ITO 1984 and the accountant of the company have clear understanding of posting the associated journal entries. - We recalculated the figures presented in the financial statements and made sure they are in agreement with general ledger. -We evaluated the adequacy of financial statement disclosures including key assumptions, judgments and sensitivities.

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3. Information Technology System and Control (IT Controls)	
Key audit matters	**How our audit address the matter**
The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Company uses several systems for it overall financial reporting. All insurance companies are highly dependent on technology due to the significant number of transactions that are processed daily. A significant part of the Company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.	Our audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems. -Test the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; -Understand IT application controls covering: -user access and roles, segregation of duties; and key interfaces, reports, reconciliations and system processing; -Test the IT application controls for design and operating effectiveness for the audit period -Sample testing of key control over IT systems having impact on financial accounting and reporting; -Assessed the IT system processes for effectiveness of some of the key controls with respect to financial accounting and reporting records by sample testing; and -Reviewed the report of independent information system auditors which has further confirmed the various system control measures adopted by the Company.

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 directors are responsible for the other information.

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 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 the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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 or 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 Company's internal control.
- 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.

Ashraf Uddin & Co. DHAKA Chartered Accountants

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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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 these books;
c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
d) The expenditure incurred was for the purposes of the Company's business.

Md.Mohiuddin Ahmed FCA,CFC
Partner
Ashraf Uddin & Co.
Chartered Accountants

Place : Dhaka
Date : October 18, 2020

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LUB -RREF (BANGLADESH) LIMITED

B-6 (Part) 9-10 & 23-24
BSCIC Industrial Estate, Block-A
Custom Academy Sagarika Road
Chittagong-4213

Statement of Financial Position
As at June 30, 2020

	Notes	Amounts in Taka 30-Jun-20	30-Jun-19
ASSETS			
Non-Current Assets		**3,929,929,192**	**3,627,445,483**
Property, Plant and Equipment	3.00	3,929,929,192	3,627,445,483
Current Assets		**1,378,515,705**	**1,419,884,172**
Inventories	4.00	527,816,764	515,046,937
Trade Receivables & Others	5.00	430,196,620	407,670,496
Advances, Deposits & Prepayments	6.00	365,738,996	351,515,545
Related Party Current Accounts	7.00	31,925,000	67,526,936
Cash and Cash Equivalents	8.00	22,838,325	78,124,257
TOTAL ASSETS		**5,308,444,897**	**5,047,329,655**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholders' Equity		**3,450,382,060**	**3,193,092,083**
Share Capital	9.00	1,000,000,000	1,000,000,000
Share Premium	9.01	458,500,000	458,500,000
Revaluation Reserve	10.00	591,539,658	597,274,195
Retained Earnings	11.00	1,400,342,402	1,137,317,888
Non-Current Liabilities		**1,176,272,577**	**1,062,096,527**
Long-Term Loan-Non Current Portion	12.00	839,114,037	753,066,795
Lease Liabilities-Non Current Portion	13.00	-	634,182
Deferred Tax Liability	14.00	337,158,540	308,395,550
Current Liabilities		**681,790,261**	**792,141,046**
Long-Term Loan-Current Portion	12.00	33,052,671	234,000,000
Lease Liabilities- Current Portion	13.00	812,647	1,147,716
Short-Term Bank Loan	15.00	464,570,635	439,170,175
Liability for WPPF	15.01	17,324,818	15,037,208
Trade Payables	16.00	28,466,419	28,294,927
Liability for Current Tax	17.00	126,267,445	65,824,051
Liability for Expenses	18.00	11,295,626	8,666,969
TOTAL SHAREHOLDERS EQUITY & LIABILITIES		**5,308,444,897**	**5,047,329,655**
NET ASSET VALUE PER SHARE (NAV) with Re-Valuation	29.00	**34.50**	**31.93**
NET ASSET VALUE PER SHARE (NAV) without Re-Valuation		**28.59**	**25.96**

The annexed notes form and integral part of these Financial Statements.

Chairman *Managing Director* *Director* *Company Secretary* *Chief Financial Officer*

Signed as per our annexed report of even date

Md. Mohiuddin Ahmed FCA, CFC
Partner
Ashraf Uddin & Co.
Chartered Accountants

Date: 18 October, 2020
Place: Dhaka

Ashraf Uddin & Co. DHAKA

LUB -RREF (BANGLADESH) LIMITED
B-6(Part) 9-10 & 23-24
BSCIC Industrial Estate, Block-A
Custom Academy Sagarika Road
Chittagong-4213

Statement of Profit or Loss & Other Comprehensive Income

For the year ended June 30, 2020

	Notes	Amounts in Taka	
		Fy(2019-2020)	Fy(2018-2019)
Net Revenues	19.00	1,690,499,224	1,533,942,711
Cost of Goods Sold	20.00	(1,145,828,609)	(1,040,883,326)
Gross Profit		**544,670,615**	**493,059,385**
Operating Expenses		**(185,585,080)**	**(187,069,729)**
General and Administrative Expenses	21.00	(55,078,512)	(47,711,529)
Selling and Distribution Expenses	22.00	(46,867,664)	(38,538,717)
Other Operating Income	23.00	38,004,615	29,025,084
Financial Expenses	24.00	(121,643,519)	(129,844,567)
Operating Profit for the Year		**359,085,535**	**305,989,656**
Other Non Operating Income		**4,735,643**	**9,791,702**
Financial Income	25.00	550,627	2,906,744
Income from Others	26.00	4,185,016	6,884,958
Profit Before WPPF & Income Tax		**363,821,178**	**315,781,358**
Less: Contribution to WPPF		(17,324,818)	(15,037,208)
Profit Before Income Tax for the Year		**346,496,360**	**300,744,151**
Provision for Income Tax		**(90,218,360)**	**(93,114,097)**
Current Tax	27.01	(60,443,393)	(35,710,818)
Deferred Tax	27.02	(29,774,967)	(57,403,279)
Net Profit After Tax for the Year		**256,278,000**	**207,630,054**
Other Comprehensive Income		**1,011,977**	**1,124,419**
Deferred Tax (Expenses)/Income of Revaluation Resurve	14.01	1,011,977	1,124,419
Revaluation Resurve made during the year	3.02	-	-
Total Comprehensive Income for the Year		**257,289,977**	**208,754,473**
Earnings Per Share (EPS) Basic	28.00	**2.56**	**2.08**
Earnings Per Share (EPS) Diluted		**2.56**	**2.08**

The annexed notes form and integral part of these Financial Statements.

Chairman *Managing Director* *Director* *Company Secretary* *Chief Financial Officer*

Signed as per our annexed report of even date

Md. Mohiuddin Ahmed FCA, CFC
Partner
Ashraf Uddin & Co.
Chartered Accountants

Date: 18 October, 2020
Place: Dhaka

Ashraf Uddin & Co. DHAKA Chartered Accountants

LUB -RREF (BANGLADESH) LIMITED

B-6(Part) 9-10 & 23-24
BSCIC Industrial Estate, Block-A
Custom Academy Sagarika Road
Chittagong-4213

Statement of Changes in Equity
For the year ended June 30, 2020

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at July 01, 2019	1,000,000,000	458,500,000	597,274,195	1,137,317,888	3,193,092,083
Addition during the Year	-	-	-	-	-
Adjustment for Revaluation Surplus	-	-	(6,746,514)	6,746,514	-
Defered Tax on Revaluation Reserve	-	-	1,011,977		1,011,977
Net profit/ (Loss) after tax for the Year	-	-	-	256,278,000	256,278,000
Balance as at June 30, 2020	1,000,000,000	458,500,000	591,539,658	1,400,342,402	3,450,382,060

Statement of Changes in Equity
For the year ended June 30, 2019

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at July 01, 2018	1,000,000,000	458,500,000	603,645,903	922,191,708	2,984,337,610
Addition during the Year	-	-	-	-	-
Adjustment for Revaluation Surplus	-	-	(7,496,127)	7,496,127	-
Defered Tax on Revaluation Reserve	-	-	1,124,419		1,124,419
Net profit/ (Loss) after tax for the Year	-	-	-	207,630,054	207,630,054
Balance as at June 30, 2019	1,000,000,000	458,500,000	597,274,195	1,137,317,888	3,193,092,083

Date: 18 October, 2020
Place: Dhaka

Ashraf Uddin & Co. DHAKA

LUB -RREF (BANGLADESH) LIMITED

B-6 (Part) 9-10 & 23-24
BSCIC Industrial Estate, Block-A
Custom Academy Sagarika Road
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Statement of Cash Flows

For the year ended June 30, 2020

	Note	Amounts in Taka	
		Fy(2019-2020)	Fy(2018-2019)
A. Cash Flows From Operating Activities:			
Receipts from Customers	41.00	1,705,977,715	1,501,235,830
Receipts from Other Non-operating Income		181,709	208,446
Payments to Suppliers	42.00	(977,989,125)	(924,928,614)
Payments for Employee	43.00	(62,670,250)	(56,271,395)
Payments to Operating Expenses	44.00	(20,451,099)	(88,099,238)
Income Tax Paid		(26,974,337)	(32,857,450)
Net Cash (Used In) / Generated By Operating Activities		**618,074,614**	**399,287,581**
B. Cash Flows From Investing Activities:			
Purchase of Property, Plant & Equipment		(96,137,000)	(47,817,010)
Addition in Capital Work-In-Progress		(371,138,306)	(320,332,105)
Finance Expenses Capitalized		(34,128,714)	(27,517,807)
Interest from FDR		502,318	3,156,027
Adjustment of Related Party Current Account		39,653,553	(12,633,857)
Net Cash (Used In) / Generated By Investing Activities		**(461,248,149)**	**(405,144,751)**
C. Cash Flows From Financing Activities:			
Financial Expenses Paid		(121,643,519)	(129,844,567)
Repayment of Short-term loan		25,400,460	(82,253,375)
Repayment of Long-term loan		(115,869,338)	165,346,117
Net Cash (Used In) / Generated By Financing Activities		**(212,112,396)**	**(46,751,824)**
D. Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)		**(55,285,931)**	**(52,608,995)**
E. Opening Cash and Cash Equivalents		78,124,257	130,733,253
F. Closing Cash And Cash Equivalents (D+E)		**22,838,325**	**78,124,258**
Net Operating Cash Flow Per Share (Basic) Note-30.00		**6.18**	**3.99**

Chairman *Managing Director* *Director* *Company Secretary* *Chief Financial Officer*

Signed as per our annexed report of even date.

Date: 18 October, 2020
Place: Dhaka

Ashraf Uddin & Co.
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Notes, Comprising Summary of Significant Accounting Policies and Other Explanatory Information
For the year ended 30th June 2020

1. 00 Status of the Reporting Entity

1.01 Legal Status:

Lub-rref (Bangladesh) Limited was incorporated as a public company limited by shares on 18 November, 2001 under the Companies Act, 1994. The company started its commercial operation in 2006. The registered office of the company is located at Plot No.-B-6 (part), 9, 10 BSCIC Industrial Estate, Sagarika Road, Chittagong, Bangladesh.

1.02 Nature of Business

The principal activities of the Company are to manufacture of lubricants & allied products in its factory at Plot No.-B-6 (part), 9, 10 BSCIC Industrial Estate, Sagarika Road, Chittagong. The Lubricant manufacturing plant has modern and latest machinery to produce various types and categories of lubricants, Automotive, Industrial, Marine lubricants and Grease as well as laboratory Services and marketing same conforming to latest claims like of API, ACEA, VOLVO, BMW, MB, Wartsila, MTU, DIN, MAN, Waukesha, Denison, Vickers, AFNOR, etc. and the project also envisages further expansion, producing the specialty products in near future with foreign technical assistance through its divisional Sales Points through the country.

2.00 Significant Accounting Policies and Basis of Preparation of the Financial Statements

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements:

2.01 Going Concern

The company has adequate resources to continue in operation for the foreseeable future and hence, the financial statements have been prepared on a going concern basis. As per management assessment, there is no material uncertainties related to event or condition which may cast significant doubt upon the company's ability to continue as a going concern.

2.02 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. Actual results may differ from these estimates. The 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 and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Financial Statements. The account judgments, estimates and assumptions are been used in the following heads of Accounts for the preparation of Financial Statements:

Note: 2.08.1 Recognition, Measurement and Disclosure of Property, Plant and Equipment
Note: 2.08.3 Depreciation on Fixed Assets
Note: 2.08.7 Impairment of Assets
Note: 2.08.8 Revaluation of Property, Plant & Equipment
Note: 2.11 Inventories (Provision for Damage & Obsolete)
Note: 2.13 Provision, Contingent Liabilities and Contingent Assets
Note: 2.12.3 Accounts receivables (Trade Debtors)
Note: 2.12.8 Trade Payables and Accruals
Note: 2.15 Revenue recognition
Note: 2.16 Foreign Currency Transactions and Translations
Note: 2.17 Employees Benefits
Note: 2.18 Finance Income and Expenses
Note: 2.27 Income Taxes (Current and Deferred Tax)

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2.03 Principal Accounting Policies

The financial statements have been prepared and the disclosure of information made in accordance with the requirements of the Companies Act 1994 and International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosure, which approved and authorized for the issue of these financial statements. The Statements of Financial Position and Statement of Profit or Loss and other Comprehensive Income have been prepared according to IAS-1"**Presentation of Financial Statements**" based on an accrual basis of accounting following going concern assumption and Statement of Cash Flows according to IAS 7 "**Statement of Cash Flows**".

2.04 Applicable Accounting Standards

The following International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) is applicable to the financial statements for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates & Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant & Equipment
IAS 17	Leases
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 28	Investment in Associates and Joint Ventures
IAS 33	Earnings Per Share
IAS 37	Provision, Contingent Liabilities and Contingent Assets
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

2.05 Changes in significant accounting policies

Except the changes following, the Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company has initially adopted IFRS 16 Lease from 1 July 2019. There is no impact on financial statements on initial application of these standards.

2.06 IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019. Although early adoption is permitted, the company has not early adopted IFRS 16 in preparing these financial statements. The most significant impact identified is that, the company will recognize new assets and liabilities for its operating leases of corporate offices and sales depot. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the company recognized operating and finance lease expense on a straight-line basis over the term of the lease, and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized. As a lessee, the company plans to apply IFRS 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative

Ashraf Uddin & Co. DHAKA

information. The company also plans to apply IFRS 16 to all contracts entered into before 1 July 2019 and identified as leases in accordance with IAS 17 and IFRIC 4. The company is currently assessing the impact of initially applying the standard on the elements of financial statements.

2.07 Regulatory and Legal Compliances

The company is also required to comply with the following major laws and regulation in addition to the Companies Act, 1994:

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax and Supplementary Duty Act, 2012
The Value Added Tax and Supplementary Duty Rules, 2016
The Customs Act, 1969
Bangladesh Labor Law, 2006
The Securities & Exchange Ordinance, 1969
The Securities and Exchange Rules, 1987.

2.08 Reporting Period

The financial period of the company covers One year from July 01, 2019 to June 30, 2020.

2.09 Functional and Presentational reporting currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.

2.10 Property, Plant and Equipment

2.10.1 Recognition, Measurement and Disclosure

Property, plant and equipment except land and building are measured at cost less accumulated depreciation and impairment losses if any. Land and buildings are measured at fair value. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable inward freight, duties and non□refundable taxes. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred. In accordance with the allowed alternative treatment of ***IAS 23 "Borrowing Cost*** "finance costs have been capitalized for qualifying assets.

2.10.2 Depreciation on Fixed Assets

Depreciation on fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS-16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation rates varying from 2.5% to 20%. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the period.

Category	Rate (%)
Land & Land Development	0%
Office Building	2.5%
Air Conditioner	10%
Computer & Computer Accessories	10%
Fire Extinguisher	10%
Furniture & Fixture	10%
Vehicles	20%
Office Equipment	10%
Plant & Machineries	10%
Electricity Installation	10%
Factory Building & Shed	2.5%
Factory Equipment	10%
Gas Installation	10%
Generator	10%
Weighing Scale	5%

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Category	Rate (%)
Interior Decoration	15%
Kitchen Equipment	10%
Ware House, Dhaka	10%

- The Company used branded plant and machinery in its production process which were procured form German, USA, & other European countries. With a small maintenance, the life of the assets can be strengthened and can be modified as per the requirement of the Company. That is why the depreciation on plant and machineries are 10%. The factory buildings life time are also considered 40 years which is very reasonable. That is why, the rate is 2.5%. Another reason is that the main factory building is built with RCC structures and other factory buildings were built with pre-fabricated structures. And Other Fixed Asset's life time is considered 10 years (Motor Vehicle 5 years) which is very reasonable.

2.10.3 Disposal of Fixed Assets

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income.

2.10.4 Maintenance Activities

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

2.10. 5 Subsequent Costs

The cost of replacing 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 profit and loss account as incurred.

2.10.6 Revaluation of Property, Plant & Equipment

As per **IAS 16: Property, Plant and Equipment** paragraph 34, "the frequency of revaluations depends upon the changes in fair vales of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three of five years.

To comply with the above paragraph The Company made its first valuation of Land and Land Development, Plant and machineries and Building and other construction on 31 December 2013 and Secondly on 30 June 2017 by an independent valuer to reflect fair value (Market Approach) thereof following 'Current Cost Method' as per IFRS-13 'Fair Value Measurement'.

Particulars of Assets	Name of Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	'Value of the assets after revaluation	Revaluation Surplus in 31.12.13	Revaluation Surplus in 30.06.2017
Land and Land Development	Ahmad & Akhtar	Chartered Accountants	07.12.17	512,848,032	107,5273,891	230,225,920	332,199,939
Building and other construction				322,337,791		-	-
Plant and machineries				1,037,285,372	1,157,584,903	120,299,531	-

The increase in the carrying amount of revalued assets is recognized in the separate component of equity as Revaluation Surplus. However, the increase recognized in the statement of Profit or Loss and Others Comprehensive Income for year ended June 30, 2018.

Other Non-Current Assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) as mentioned in the statement of Financial Position of the company.

The Company revalued its only land and land development as per valuation guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) dated on 18 August 2013 clause 09 of Part A. For better understanding, a table showing below;

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Name of PPE	At Cost as on 30 June 2017	Revalued amount as on 30 June 2017	Revaluation Surplus on 31 Dec. 2013	Revaluation Surplus on 30 June 2017	Remarks
Land and Land Development	512,848,032	1,075,273,891	230,225,920	332,199,939	As per (BSEC) valuation guideline dated on 18 August 2013 clause-8 Time-lag between two valuation for the same class of assets shall not be less than three years; provided that no upward revaluation of an asset shall be made within two years of its acquisition;
Office Building, Factory Building and Ware House	322,337,791	322,337,791	-	-	As per (BSEC) valuation guideline dated on 18 August 2013 clause-9(iii) upward revaluation of the asset are not allowed ' Tin-shed buildings, buildings having remaining economic life of less than 50% of its total useful life, as estimated at

					construction''
Plant & Machineries	1,037,285,372	1,119,993,956	120,299,531		As per (BSEC) valuation guideline dated on 18 August 2013 clause-9(iii) upward revaluation of the asset are not allowed ' Plant & machineries acquired in second in hand condition, acquired in brand new condition but having remaining economic life of less than 50% of its total useful life, as estimated at acquisition''
All other assets	31,699,365	-	-	-	As per (BSEC) valuation guideline dated on 18 August 2013 clause-9(iv) upward revaluation of the asset are not allowed 'Vehicles, furniture & Fittings, office equipment, loose tools and intangible assets''

2.10.7 Impairment of Assets

The management of the Company takes physical stocks periodically and recognition of the assets were made accordingly considering the usable condition, wear and tear of the assets as follows:

i) The valuation of Property, Plant & Equipment has been made on the basis of the usuable condition of the assets as per IAS-36 Impairment of Assets.

ii) The management of the Company has conducted physical verification fo Property, Plant & Equipment on 30.06.2020

Property, Plant & Equipments are consisting of Office Building, Air Conditioner, Computer & Computer

Accessories, Fire Extinguisher, Furniture & Fixture, Vehicles, Office Equipment, Plant & Machineries, Electricity Installation, Factory Building & Shed, Factory Equipment, Gas Installation , Generator, Weighing Scale, Interior Decoration, Kitchen Equipment and Ware House are valued at lower of cost and net realisable value as per IAS 16: Property, Plant & Equipment Costs include expenditure incurred in acquiring the the assets and other costs incurred in bringing them to their existing location and condition.

Impairment of assets are made as and when assets became obsolete or unusable for which the management of the company is giving decisions from time to time. The management of the Company reviews the carrying amounts of its assets (Balance Sheet Date) to determine whether there is any indication of impairment In accordance with IAS-36: 'Impairment of Assets'. During the year at Balance Sheet date, there was no indication of impairment of assets; as such, no adjustment was given in the Financial Statements for impairment.

2.11 Intangible Asset

The Company has no Intangible assets during the year.

2.12 Capital Work in Progress

Property, plant and equipment under construction/ acquisition are accounted for as capital work-in-progress until construction/ acquisition is complete and measured at cost. In Addition, As per IAS 23, the Interest expense on the bank loan taken for acquisition of plant and machinery has been capitalized since the assets could not make ready for use during the reporting period.

2.13 Inventories

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realisable value as per IAS 2: Inventory. Cost of inventories include 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 amount of inventories to the lower of cost and net realisable value. Net realisable 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.

Impairment of Inventories

Impairment of inventory is made as and when inventory became obsolete or unusable or for slow moving items for which the management of the company is giving decisions from time to time. Based on sales cycle of slow moving items, the sales prices of the products may decreases over time. The management of the Company reviews the carrying amounts of its inventory (Balance Sheet Date) to determine whether there is any indication of impairment In accordance with IAS-2: 'Inventories'. When the sales price moves below the inventory cost prices, the loss on sales is recoginized immediately in the Financial Statements. However, there was no indication of impairment of inventory during the year; and as such, no adjustment was given in the Financial Statements for impairment.

2.14 Financial Instruments

2.14.1 Derivative

According to **IFRS 7 "Financial Instruments Disclosure",** the company was not a party to any derivative contract (Financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap

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agreement or contract to hedge currency exposure related to import of capital machinery to be leased to leases in future.

2.14.2 Non-Derivation Financial Instruments

Non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents and share capital

2.14.3 Trade and other receivables

Trade receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivable at the year end, if any. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using exchange rates prevailing on the date of transaction.

2.14.4 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

2.14.5 Trade Payables and Accruals

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

2.14.6 Share Capital

Ordinary shares are classified as equity.

2.15 Provision, Contingent Liabilities and Contingent Assets

The financial statements are prepared in conformity with IAS 37 "Provision, contingent Liabilities and Contingent Assets", which requires management to ensure that appropriate recognition criteria and measurement bases are applied to provision for outstanding expenses, contingent liability, assets and that sufficient information is disclosed in the notes to the accounts to enable its users for their understanding about its nature, timing and amount. In accordance with the guidelines as prescribed by IAS-37 provisions were recognized in the following situations:

- When the company has a present obligation as a result of the past event.
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and
- Reliable estimate can be made about the sum of the obligation.

We have shown the provision in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. The sum of provision estimated and booked represents the reliable estimate of the probable expenses incurred but not paid, which is required to fulfill the current obligation on the Balance Sheet Date.

2.16 Loans and Borrowing

Principal amounts of loans and borrowings are stated at their outstanding amounts. Borrowings repayable after twelve months from the reporting date are classified as non□current liabilities whereas the portion payable within twelve months, unpaid interest and other charges are classified as current liabilities.

2.17 Revenue Recognition

"As per IFRS-15: "Revenue from Contracts from Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

(a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to performing their respective obligations;
(b) The entity can identify each party's rights regarding the goods or services to be transferred;
(c) The entity can identify the payment terms for the goods or services to be transferred;
(d) The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
(e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer."

Considering the five steps model, the Company recognizes revenue at the time of when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of those goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

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Sale of goods
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer when the buyer's bank provides assurance by giving acceptance letter on the delivery of goods. Revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable.

In addition, prior year Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). The management has made an assessment of the difference between IFRS and BFRS (mainly IFRS-15 'Revenue from contract with Customers' and IAS-18 'Revenue') and concluded that there are no differences that would impact any numerical amount and disclosures in the financial statement. For better presentation, the management reconciled Statement of Profit or Loss and Other Comprehensive Income as well as Statement of Financial Position of the company with the effect of IFRS-15 para c(8) which is shown below:

Impact on Financial Position
For the year ended 30th June 2020

Particulars	As Reported	Adjustment (effect on IFRS-15 & 16)	Amount without adoption of IFRS-15 & 16
Assets			
Non-Current Assets	3,929,929,192	-	3,929,929,192
Current Assets	1,378,515,705	-	1,378,515,705
Total Assets	**5,308,444,897**	-	**5,308,444,897**
Shareholder's Equity and Liabilities			
Shareholder's Equity	3,450,382,060	-	3,450,382,060
Non-Current Liabilities	1,176,272,577	-	1,176,272,577
Current Liabilities	681,790,261	-	681,790,261
Total Shareholder's Equity and Liabilities	**5,308,444,897**	-	**5,308,444,897**

Impact on the statement of Profit or Loss and other comprehensive Income
For the year ended June 30, 2020

Particulars	As Reported	Adjustment (effect on IFRS-15 & 16)	Amount without adoption of IFRS-15 & 16
Revenue	1,690,499,224	-	1,690,499,224
Cost of Goods Sold	(1,145,828,609)	-	(1,145,828,609)
Gross Profit	**544,670,615**	-	**544,670,615**
Operating expenses	(185,585,080)	-	(185,585,080)
Profit from Operation	**359,085,535**	-	**359,085,535**
Profit before Income Tax	**346,496,360**	-	**346,496,360**
Income Tax Expense	(90,218,360)	-	(90,218,360)
Profit after Income Tax	**256,278,000**	-	**256,278,000**
Other Comprehensive Income for the year	1,011,977	-	1,011,977
Total Comprehensive Income For the year	**257,289,977**	-	**257,289,977**

Impact on the statement of Cash Flows
For the year ended June 30, 2020

Particulars	As Reported	Adjustment (effect on IFRS-15 & 16)	Amount without adoption of IFRS-15 & 16
Net Cash Generated from Operating Activities	618,074,614	-	618,074,614
Net cash Used to Investing Activities	(461,248,149)	-	(461,248,149)
Net cash Generated from Financing Activities	(212,112,396)	-	(212,112,396)
Net Increase/(Decrease) Cash and Cash Equivalents	**(55,285,931)**	-	**(55,285,931)**
Cash and Cash Equivalents at the beginning of the year	78,124,257	-	78,124,257
Cash and Cash Equivalents at the end of the year	**22,838,325**	-	**22,838,325**

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2.18 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI)–debt investment; Fair Value through Other Comprehensive Income (FVOCI)–equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a. it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
b. Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

a. it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b. Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Trade receivables are classified as financial assets measured at amortised cost.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on The Company's historical experience and informed credit assessment and including forward-looking information. The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by The company to actions such as realizing security (if any is held).

Measurement of Expected Credit Losses (ECL)
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company expected that they have no credit losses on Trade Receivables.

Presentation of impairment
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset. Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement if any.

2.19 Impairment

i) Financial assets

The Company recognizes loss allowances for Expected Credit Losses ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- Contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Except for the following, which are measured at 12-month ECLs?

- debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) 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 in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 asset or CGU. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

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2.20 Foreign Currency transactions and translations

These Financial Statements are presented in Bangladeshi Taka which is the functional and presentation currency of the company. The import activities of the company were carried out in foreign currency but recorded and reported in Bangladesh Taka as the reporting Currency. Foreign exchange differences (if any) arising on translation are recognized in the Statement of comprehensive Income in accordance with IAS 21 "The Effects of Changes in Foreign Currency Rates."

2.21 Employees Benefits

The Company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The Company's employee benefits include the following:

Short-term employee benefits

Short-term employee benefits include wages, salaries, bonuses, house rent, medical fees etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Provident Fund

The Company has established and maintaining Contributory Provident Fund. Permanent employees of the Company contribute 8.33% of their basic salary to the provident fund and the Company also contributes the same.

Workers' Profit Participation Fund (WPPF)

The Company provides 5% of its profit before tax after charging contribution to WPPF in accordance with Bangladesh Labor Act, 2006 as amendment 2013.

Gratuity:

As per the Bangladesh Labor Act, 2006, who have completed minimum 5 (five) years of continuous service from the date of joining are eligible to gratuity payment at the time of separation of employment with the Company. The Company have not yet established gratuity fund. The Management of the Company has a plan to establish gratuity fund in near future.

2.22 Finance Income and Expenses

Finance Income

Finance Income comprises interest income on funds invested Interest Income is recognized on maturity.

Finance Expenses

Finance Expenses comprise interest expenses on loan, overdraft and bank charges. All borrowing costs are recognized in the profit and loss account using the effective interest method except to the extent that they are capitalized during the constructions period of the plants in accordance with IAS□21 "The effect of Changes of Foreign Currency Transaction".

2.23 Earnings per Share (EPS)

The Company calculates its Earning per Share (EPS) in accordance with ***IAS 33 "Earnings per Share"*** which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS.

Basic Earnings

This represents earnings for the period attributable to the Ordinary Shareholders. As there are no preference dividends, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to Ordinary Shareholders.

Basic Earnings Per Share

Basic EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders of the company by the weighted average number of Ordinary Shares outstanding during the year.

Diluted Earnings per Share

Diluted EPS is determined by adjusting the profit or loss attributable to Ordinary Shareholders and weighted average number of Ordinary Shares outstanding, for the effect of all dilutive potential Ordinary Shares. However, dilution of EPS is not applicable for these Financial Statements as there were no potential Ordinary Shares during the relevant year.

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Weighted Average Number of Ordinary Shares outstanding during the period
The basis of computation of number of shares in line with the provisions of IAS-33: Earnings per share. Therefore, the total number of shares outstanding at the period multiplied by a time-weighting factor which is the number of days the specific shares were outstanding as proportion of total number of days in the year.

2.24 Statement of Cash Flows
Statement of Cash Flows is prepared in accordance with IAS 7 "Statement of Cash Flows". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 19 of IAS□7 which provides that "Entities are encouraged to report Cash Flows from Operating Activities using the Direct Method" as well as the indirect method in the notes to the Financial Statements.

2.25 Responsibility for Preparation and Presentation of Financial Statements:
The Management is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

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

Currency Risk
The Company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Credit Risk
Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to a large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity Risk
The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

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

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

Fair Values
The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximate their carrying value.

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2.27 Risk and Uncertainties for the use of Estimates in Preparing Financial Statements

Preparation of Financial Statements in conformity with the Bangladesh Accounting 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 statement and revenues and expenses during the period reported. The actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

2.28 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's positions at the balance sheet date are reflected in the financial statements. The board & directors has authorized the financial statements on December 31, 2020.

2.29 Related Party Transactions

The company, in the normal course of business, has carried out a number of transactions with other entities that fall within the definition. The objective of Related Party Disclosure IAS 24 is to ensure that an entity's Financial Statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. The Company transacts with related parties and recognize as per IAS 24 'Related Party Disclosures'. Related party transactions have been disclosed under Note – 36.

2.30 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non□occurrence of one or more uncertain future events that are not within the control of the company.

2.31 Comparative Amounts

Certain comparative amounts have been re□classified & rearranged to conform to the current year's presentation and all numerical information in the current financial statements as below:

- Statements of Financial Position as of the end of the preceding financial year
- Statements of Comprehensive Income for the comparable of the preceding financial year.
- Statements of Changes in Equity for the comparable of the preceding financial year
- Statement Cash Flows for the comparable if the preceding financial year

Narrative and descriptive information for comparative information has also been disclosed whenever it is relevant for the understanding of the current Period financial statements.

Rearrangement of Financial Statement:

The previous year's figure has been rearrangement whenever considered necessary to ensure comparability with the current year presentation.

2.32 Income Taxes

Income tax on the profit or loss for the Period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

2.32.1 Current Tax

Current tax is the expected tax payable on the taxable income for the period/year and any adjustment to tax payable in respect of previous years as per the provisions of Income Tax Ordinance, 1984 and duly amended by the Finance Act from time to time.

The effective tax rate of the Company is provided as follows:

Corporate Tax Rate of the Company	32.50%
Tax Rate on Other Income:	32.50%
Taxes on Interest on FDR	32.50%
Taxes on Dividend Income	20%
Minimum Tax Rate	0.60%
Export/ deemed export income (if any)	16.25%

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Policy of tax collection by government
The Government has collected the tax which that calculated tax is higher among the Corporate Tax, Minimum Tax and Tax Deducted at source.

2.32.2 Deferred Tax
Deferred tax is recognized using (in accordance with the IAS-12) the Balance Sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transaction is recognized in the income statements. A temporary difference is the difference between the tax bases of an asset or liability and its carrying amount/reported amount in the Balance Sheet. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future period(s) recognized in the current period. The deferred tax liability/expenses do not create a legal liability/recoverability to and from the income tax authority.

2.33 Operating Segments
No segmental reporting is applicable for the company as required by "IFRS-8: 'Operating Segments' as the company operates in a single industry segment and within as geographical segment.

2.34 Advance, Deposits and Prepayments
Advances are initially measured at cost. Since initial recognition advances are carried at cost fewer deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, inventory or expenses. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

2.35 Cash and Cash Equivalents
According to IAS -7 " Statement of Cash Flows" cash comprises cash in hand, demand deposit and cash equivalent which are short-term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change balances and call deposits, Bank Balances in Value. IAS -1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Consideration the provisional of IAS-7 and IAS-1, Cash in Hand and Bank Balances has been treated as Cash and Cash Equivalents.

2.36 Investment in FDR
Investment in FDR includes fixed deposits held with various banking and non□banking financial institutions in the name of Lub-rref (Bangladesh) Limited. The fixed deposits are renewed upon maturity at the option of the company.

2.37 Other Current Assets
Other current assets (if any) have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

2.38 General
i. Wherever considered necessary, previous Period's figures have been rearranged for the purpose of comparison.
ii. Figures appearing in the financial statements have been rounded off to the nearest Taka.
iii. The Financial Statements were authorized by the Board of Directors on 18th October 2020.

2.39 Implication of COVID-19 on our business:
The COVID-19 pandemic has development rapidly in 2020. The resulting impact of the virus on the operations and measures taken by Bangladesh Government to contain the virus has negatively affected the group's results in the reporting period.
Covid-19 is not expected to have a significant impact on the entity. Management has determined that there is no material uncertainty that casts on the entity's to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future assets valuation.
There was no significant difficulties in meeting room covenants based on the aroused COVID-19 situation and the company managed to meet all obligations for the reporting period.

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		Amounts in Taka	
		30-Jun-20	30-Jun-19
3.00	**Property, Plant and Equipment (Note: 3.00+3.02+3.04)**	**3,929,929,192**	**3,627,445,483**
	A. Cost		
	Opening Balance	3,342,460,454	2,791,228,703
	Add: Addition during the year	96,137,000	86,702,010
	Add: Transfer from Capital Work in Progress	501,547,029	464,529,740
	Total Cost	**3,940,144,482**	**3,342,460,454**
	B. Accumulated Depreciation		
	Opening Balance	634,155,947	478,041,026
	Add: Charged during the year (Note 3.03)	192,173,796	156,114,920
	Total Charged	**826,329,743**	**634,155,947**
	C. Written Down Value Cost (A-B) as on 30 June, 2020	**3,113,814,740**	**2,708,304,507**

A schedule of property, plant and equipment is given in Annexure - A

3.02	**Revaluation Reserve**		
	A. Revaluation		
	Opening Balance	682,725,390	682,725,390
	Add: Revaluation made during the year (**Note: 03.02.01.a**)	-	-
	Add: Revaluation made during the year (**Note: 03.02.01.a**)	-	-
	Closing Balance	**682,725,390**	**682,725,390**
	B. Accumulated Depreciation on Revaluation		
	Opening Balance	52,834,390	45,338,263
	Add: Charged during the year (Note 3.03)	6,746,514	7,496,127
	Closing Balance	**59,580,904**	**52,834,390**
	C. Written Down Value of Revaluation (A-B) as on 30 June, 2020	**623,144,486**	**629,891,000**

A schedule of property, plant and equipment is given in Annexure - A

3.02.01.a Revaluation Resurve for the year ended 30 June,2018

This is made as follows:

SL	Particulars	Book Value as on 30 June 2017	Revaluation Value as on 30 June 2017	Revaluation Surplus at 31 Dec. 2013
1	Land & Land Development	512,848,032	1,075,273,891	230,225,920

Land & Land Development is revalued as on 30 June,2017 where the valuer valued Land & Land Development Tk. 1,075,273,891 against Book value as on 30 June, 2017 of Tk. 512,848,032 therefore a revaluation amount of Tk. 562,425,859 for Land & Land Development is transferred to Revaluation Resurve by an adjustment with previous Revaluation Resurve. The valuer valued its assets considering fair value (Market Approach) thereof following 'Current Cost Method'.

3.03	**Allocation of Depreciation Charges**			
	Factory Overhead @ 70%	Note-21.03	139,244,217	114,527,733
	General and Administration Overhead @ 15%	Note-22	29,838,047	24,541,657
	Selling and Distribution overhead @ 15%	Note-23	29,838,047	24,541,657
			198,920,310	**163,611,047**

3.04	**Capital Work-in-Progress**		
	Opening balance	289,249,976	405,929,804
	Add: Addition made during the year	371,138,306	320,332,105
	Add: Interest Capitalization during the year	34,128,714	27,517,807
	Less: Transferred to Fixed Asset during the year	(501,547,029)	(464,529,740)
		192,969,967	**289,249,976**

The make-up of the Closing Balance

1	Grease Point	29,604,988	58,077,483
2	Co-Generation (25 KW/H)	67,542,862	64,964,391
3	Drum Unit	71,922,669	111,922,669
4	Lub-rref (Bangladesh) Limited Unit-2	23,899,448	54,285,432
		192,969,967	**289,249,976**

As per IAS 23 " Borrowing Costs", the Interest expense on the bank loan taken for acquisition of plant and machineries has been capitalized since the assets could not make ready for use during the reporting period.

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	Amounts in Taka	
	30-Jun-20	30-Jun-19

4.00 Inventories

4.01 Valuation of Inventory and physical stocktaking

The management of the Company takes physical stocks periodically and valuation of stocks were made accordingly considering the wear and tear of the assets as follows:

i) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.

ii) The management of the Company has conducted physical verification/stock taking of inventories on 30.06.2020

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realisable value as per IAS 2: Inventory. Cost of inventories include 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 amount of inventories to the lower of cost and net realisable value as the board approve from time to time. Net realisable 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.

Impairment of Inventories

Impairment of inventory is made as and when inventory became obsolete or unusable or for slow moving items for which the management of the company is giving decisions from time to time. Based on sales cycle of slow moving items, the sales prices of the products may decreases over time. The management of the company reviews the carrying amounts of its inventory (Balance Sheet Date) to determine whether there is any indication of impairment In accordance with IAS-2: 'Inventories'. When the sales price moves below the inventory cost prices, the loss on sales is recoginized immediately in the Financial Statements. However, there was no indication of impairment of inventory during the year; and as such, no adjustment was given in the Financial Statements for impairment.

		30-Jun-20	30-Jun-19
4.02	**Particulars of Inventories**		
	Raw Materials - note 4.01	387,058,882	381,123,531
	Packing Materials - note 4.02	11,390,485	7,884,581
	Finished Goods - note 4.03	129,367,397	126,038,825
		527,816,764	**515,046,937**
4.03	**Raw Materials - note 4.00 & 21.01**		
	Base Oil	297,647,214	299,332,957
	Additives & Chemicals	89,411,668	81,790,575
		387,058,882	**381,123,531**
4.04	**Packing Materials - note 4.00 & 21.02**		
	Empty Drum, Pail & Container	6,546,571	4,767,646
	Carton	2,420,949	1,306,541
	Stickers	1,654,053	1,391,180
	PVC Shrinks & Others	768,912	419,215
		11,390,485	**7,884,581**
4.04	**Finished Goods - note 4.00 & 21**		
	Lubricating Oil	129,367,397	126,038,825
		129,367,397	**126,038,825**
5.00	**Trade & Others Receivables (Note: 5.01+5.02)**	**430,196,620**	**407,670,496**
5.01	**Trade Receivables**		
	Opening Balance	396,180,117	337,641,776
	Add: Addition during the year	1,690,499,224	1,533,942,711
		2,086,679,341	**1,871,584,486**
	Less: Realized during the year	1,667,253,709	1,475,404,369
		419,425,632	**396,180,117**
	Disclosure as per schedule-XI, Part-1, of the Company Act, 1994		
	Dues over 6 Months	102,327,272	96,656,063
	Dues within 6 Months	317,098,361	299,524,054
	Total	**419,425,632**	**396,180,117**
	Receivable considered good & secured	318,527,532	295,282,017
	Receivable considered good without security	100,898,100	100,898,100
	Receivable considered doubtful or bad	-	-
	Receivables due by directors or other officers	-	-
	Receivables due from companies under same management	-	-
	Maximum debt due by Directors or officers at any time	-	-
		419,425,632	**396,180,117**
5.02	**Other Receivables**		
	Other receivable-Lab Test	10,770,988	11,490,379
		10,770,988	**11,490,379**
6.00	**Advances, Deposits and Prepayments**		
	Advances - note 6.01	358,764,704	344,608,922
	Deposits - note 6.02	6,974,292	6,906,624
		365,738,995	**351,515,545**

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		Amounts in Taka	
		30-Jun-20	30-Jun-19
6.01	**Advances**		
	Advance against L/C	145,654,721	177,831,381
	Advance against VAT	13,253,735	20,696,835
	Advance Against Salary & Allowance	3,095,954	6,038,179
	Advance Against Procurement	45,967,051	44,819,429
	Advance Travelling & Conveyance	440,580	449,483
	Advance against Office Rent	155,500	155,500
	Advance Income Tax (6.01.1)	145,226,566	89,252,229
	Advance against Office Expenses	2,678,014	2,890,731
	Advance against Selling & Distribution Expenses	947,055	863,335
	Advance against Fuel Expenses	67,000	75,000
	Advance against Legal & Professional Expenses	1,278,528	1,536,820
		358,764,704	**344,608,922**
6.01.1	**Advance Income Tax**		
	Opening Balance	89,252,229	56,394,779
	Add: Addition during the year	55,974,337	32,857,450
		145,226,566	**89,252,229**
	Less: Adjustment during the year	-	-
	Closing Balance	**145,226,566**	**89,252,229**

Deatails of Advance Income Tax (Year-wise break up) is showing below:

Particulars (for the year ended)	Advance Income Tax (BDT)
30th June 2020	55,974,337
30th June 2019	32,857,450
30th June 2018	18,009,199
30th June 2017	8,641,145
30th June 2016	3,953,530
31st December, 2015	8,429,287
31st December, 2014	6,380,478
31st December, 2013	2,759,749
Carring amount upto 31.12.12	8,221,391
Total	**145,226,566**

		30-Jun-20	30-Jun-19
6.02	**Deposits**		
	Bangladesh Railway	197,985	197,985
	Linde Bangladesh Ltd.	212,000	212,000
	PDB- Pahartali	253,800	253,800
	Bakhrabad Gas System Ltd.	4,983,623	4,983,623
	Chittagong Port Authority	131,250	131,250
	Bangladesh Telephone and Telegraph Board-BTTB	24,000	24,000
	Chittagong WASA	100,000	100,000
	Speed Track (Pvt) Ltd.	10,000	10,000
	Rural Power Company Limited -RPCL	95,400	95,400
	Chittagong Chamber of Commerce	96,000	96,000
	Al-Haj Karim Ullah for Dhaka Warehouse	300,000	300,000
	PDB- Raujan, Chittagong	42,000	42,000
	Security Deposit to Mayor Rajshahi City Corporation	32,291	32,291
	Security Deposit to Anduip CNG Filling Station, Dhaka	40,000	40,000
	PUFFL	8,610	8,610
	Security Deposit with General Electric Manufacturing Co. Ltd	179,665	179,665
	Mrs. Halima Begum (Dhaka Guest House -New)	200,000	200,000
	Security Deposit Rostan State Atomic Energy Corporation.	67,668	-
		6,974,292	**6,906,624**
6.04	**Additional disclosure in line with schedule 11 part 1 of the Companies Act 1994**		
	Advance Outstanding for a period exceeding six months	152,356,357	96,314,352
	Advance Outstanding for a period not exceeding six months	213,382,638	255,201,193
	Advance considered good	365,738,995	351,515,545
	Advance to Director & Offices of the common Management Company	-	-
	These include dues realizable/ adjustable within one year next from the reporting date	-	-
	Advance include aggregate amount due by the officers of the company	-	-
	The maximum aggregate amount due by the officers of the company at the end of any month during the year	-	-
7.00	**Related Party Current Account**	**31,925,000**	**67,526,936**

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	Amounts in Taka	
	30-Jun-20	30-Jun-19
7.01 Companygonj Agro Industries Limited		
Opening Balance	67,369,377	48,180,000
Add: Addition during the year	12,806,529	19,189,377
	80,175,906	67,369,377
Less: Collection during the year	48,250,906	-
Closing Balance	31,925,000	67,369,377
7.02 Julda Shipyard Limited		
Opening Balance	157,559	-
Add: Addition during the year	12,419	157,559
	169,978	157,559
Less: Collection during the year	169,978	-
Closing Balance	-	157,559

**Interest was Charged @ 6% p.a on balance of accounts which was carried forward for more than a year as per decision of Board dated: 12th November, 2017. This is an arms length transactions which is approved by the both parties management for any transaction among the related parties as per IAS 24: Related Party Transactions. Both the related parties agreed the terms of the transactions occurred among the parties. It is justified to charge the rate at 6% per annum and allow grace period for one year because these facilities are applicable for both the parties for any deisbursement among the parties.

	30-Jun-20	30-Jun-19
8.00 Cash and Cash Equivalents		
Cash in Hand Note- 8.01	8,959,094	8,431,566
Cash at Bank Note- 8.02	7,321,969	19,371,456
FDR Investment Note- 8.03	6,557,262	50,321,235
	22,838,325	78,124,257
8.01 Cash in Hand		
Cash at Head Office (Ctg)	4,798,028	5,050,452
Cash at Dhaka Office	4,161,066	3,381,114
	8,959,094	8,431,566

8.02 Cash at Bank	**Branch**	**Types**	30-Jun-20	30-Jun-19
Southeast Bank Limited	Jubilee Road	Current	446,348	12,291,997
Southeast Bank Limited (00470)	Donia	Current	15,605	5,699
Southeast Bank Limited (30092)	Jubilee Road	Current	1,374	2,064
Islami Bank Bangladesh Limited	Agrabad	Current	881,837	1,046,929
Dutch Bangla Bank Limited	CDA	Current	28,416	14,236
Pubali Bank Limited	Pahartali	Current	79,148	994,129
Al Arafah Islami Bank Limited	Agrabad	Current	345	1,035
Sonali Bank Limited	Laldighi	Current	33,171	83,737
Uttara Bank Ltd	Agrabad	Current	3,057	290,683
Sahajalal Islami Bank Ltd	Dhaka Main	Current	-	639
Islami Bank Bangladesh Limited	Pahartali	SND	32,742	32,473
EXIM Bank Limited	Agrabad	Current	2,358,383	1,772,811
Sonali Bank Limited	Teknaf	Current	2,585	2,585
Southeast Bank Limited (0159)	Banglamotor	Current	11,394	5,048
Southeast Bank Limited (030367)	Jubilee Road	Current	-	335
Southeast Bank Limited (014895)	Jubilee Road	SND	8,583	9,520
Southeast Bank Limited (014899)	Jubilee Road	SND	316,168	299,011
Southeast Bank Limited (014900)	Jubilee Road	SND	4,085	589,497
Southeast Bank Limited (294)	Pahartali	SND	34,515	512,303
Southeast Bank Limited (14915)	Jubilee Road	SND	1,445,362	1,416,725
Social Islami Bank Limited (33097)	Agrabad	Current	1,618,852	-
All the bank balances were confirmed by the respective bank.			7,321,969	19,371,456

8.03 FDR Investment		30-Jun-20	30-Jun-19
24500013791	SEBL Jubilee Road Branch	673,968	634,494
24500015854	SEBL Jubilee Road Branch	1,128,533	1,064,149
24500025572	SEBL Jubilee Road Branch	1,605,079	1,512,452
24500027123	SEBL Jubilee Road Branch	330,181	310,762
24500027746	SEBL Jubilee Road Branch	926,226	871,802
24500027747	SEBL Jubilee Road Branch	105,577	99,461
24500027748	SEBL Jubilee Road Branch	23,568	22,171
24300030045	SEBL Jubilee Road Branch	-	40,554,642
24300003787	SEBL, Pahartali Branch	214,427	202,700
24500027785	SEBL Jubilee Road Branch	-	2,400,400
24500027786	SEBL Jubilee Road Branch	-	2,000,100
24500027827	SEBL Jubilee Road Branch	688,399	648,100
0045320026273	SIBL Agrabad Branch	612,568	-
0045320026396	SIBL Agrabad Branch	155,738	-
0045330039493	SIBL Agrabad Branch	93,000	-
		6,557,262	50,321,235

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		Amounts in Taka	
		30-Jun-20	**30-Jun-19**
9.00	**Share Capital**		
	Authorized Capital		
	250,000,000 Ordinary Shares of Tk 10 each	**2,500,000,000**	**2,500,000,000**
	Paid up Capital		
	100,000,000 Ordinary Shares of Tk 10 each are fully paid in cash	**1,000,000,000**	**1,000,000,000**

The Issued, Subscribed and Paid-up Capital is Tk. 1,000,000,000 divided into 100,000,000 ordinary shares of Taka 10.00 each fully paid. The Shareholding position of the company as on 30 June 2020 is as follows:

Sl.	Name of Shareholders	Number of Shares held	% of Shareholding	Amounts in Taka 30-Jun-20	Amounts in Taka 30-Jun-19
1.	Mohammed Yousuf	29,567,544	30%	295,675,440	295,675,440
2.	Mrs. Rubiya Nahar	3,455,140	3%	34,551,400	34,551,400
3.	Md. Salauddin Yousuf	3,247,520	3%	32,475,200	32,475,200
4.	Mrs. Israt Jahan	3,123,495	3%	31,234,950	31,234,950
5.	Companygonj Agro Industries Ltd	3,509,300	4%	35,093,000	35,093,000
6	Others (79 investors)	57,097,001	57%	570,970,010	570,970,010
	Total	**100,000,000**	**100%**	**1,000,000,000**	**1,000,000,000**

		30-Jun-20	30-Jun-19
9.01	**Share Premium**		
	30,000,000 Ordinary Shares @ per Share Tk. 15.28 each	458,500,000	458,500,000
		458,500,000	**458,500,000**
10.00	**Revaluation Reserve**		
	Opening Balance	597,274,195	603,645,902
	Add. Revaluation made during the year (Note: 03.02.01.a)	-	-
	Less. Adjustment for depreciation on Revaluation	(6,746,514)	(7,496,127)
	Add: Deferred Tax (Expenses)/Income on Revaluation Reserve	1,011,977	1,124,419
	Closing Balance	**591,539,658**	**597,274,195**

The Management of the company restated its assets as per BSEC Guidelines vide its Notification No. SEC/CMRRCD/2009-193/150/Admin/51, dated: 13/08/2013 and IVS guideline which was Audite of valuation by Ahmad & Akhtar. Chartered Accountants. The Accounts for the year ended 30 June,2017 was restated due to adjustment of revaluation, as per IAS 8 para 42. Details are given on Note No. 3.02, 2.28 & 42.00

		30-Jun-20	30-Jun-19
11.00	**Retained Earnings**		
	Opening Balance	1,137,317,888	922,191,708
	Add: Net Profit /(Loss) during the year	256,278,000	207,630,054
	Add: Current year depreciation on revalued amount of fixed assets	6,746,514	7,496,127
	Closing Balance	**1,400,342,402**	**1,137,317,888**
12.00	**Long-Term Loan**		
	Opening Balance	**987,115,295**	**820,895,373**
	Add: Addition During the year Interest & Principal	829,370,872	239,075,421
	Less: Adjustment/Paid during the year	(944,319,460)	(72,904,000)
	Closing Balance	**872,166,707**	**987,066,795**
	Less: Current portion of Long term Loan	33,052,671	234,000,000
	Non Current Portion of Long Term Loan	**839,114,036**	**753,066,795**
12.01	**Southeast Bank Limited (Jubilee Road Branch)**		
	Opening Balance	**885,876,018**	
	Add: Addition During the year Interest & Principal	56,443,442	
	Less : Adjustment during the year (Loan take over by SIBL BDT.70.00 Crore)	(942,319,460)	
	Closing Balance	-	
	Less: Current portion of Long term Loan	-	
	Non Current Portion of Long Term Loan	-	
12.02	**Social Islmai Bank Limited (Agrabad Branch)**		
	Opening Balance	**101,239,277**	
	Add: Addition During the year Principal	700,000,000	
	Add: Addition During the year Interest	72,927,430	
	Less: Adjustment/Paid during the year	(2,000,000)	
	Closing Balance	**872,166,707**	
	Less: Current portion of Long term Loan	33,052,671	
	Non Current Portion of Long Term Loan	**839,114,036**	

Brief details of Long term Loan:

1	***Bank Name:***	Social Islami Bank Limited, Agrabad Branch, Ctg.
	Tenure:	10 (year)
	Limit:	8000.00 Lac
	Security:	Land 892.59 Decimal & Factory Building
	Interest Rate:	13% per year
	Sanction Date:	12.03.2019

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	Amounts in Taka	
	30-Jun-20	**30-Jun-19**

13.00 Lease Liabilities

	30-Jun-20	30-Jun-19
Opening Balance	**1,781,898**	**2,607,202**
Add: Addition During the year	178,461	322,408
Less: Adjustment during the year	(1,147,712)	(1,147,712)
	812,647	**1,781,898**
Less: Current portion of Lease Liablities	(812,647)	(1,147,716)
Non Current Portion of Lease Liablities	**-**	**634,182**

Details are as follows:

Finance Provider	International Leasing and Financial Services Limited
Limit	3,500,000/-
Installment Size	95,643/- per month
Sanction Date	24-Jul-16
Security	Personal Guaranty of all directors & 47 Post dated MICR
Interest Rate	14% p.a.
Purpose	Lease Finance Against Transformer Oil Filtration Plant
Period	48 Month

14.00 Deferred Tax

	30-Jun-20	30-Jun-19
Opening Balance as on 01.07.2019	**308,395,550**	**252,116,690**
Expenses/(Income) During the Year Note 15.02	29,774,967	57,403,279
Adjustment of Revaluation Reserve Note 15.01	(1,011,977)	(1,124,419)
Deferred Tax Liability/(Assets)	**337,158,540**	**308,395,550**

14.01 Adjustment of Deferred Tax on Revaluation

		30-Jun-20	30-Jun-19
Deferred Tax Liability on Revaluation Surplus (Closing)	Note 15.01.a	31,604,828	32,616,805
Deferred Tax Liability on Revaluation Surplus (Opening)		32,616,805	33,741,224
Deferred Tax Expenses/(Income)		**(1,011,977)**	**(1,124,419)**

14.01.a Adjustment of Deferred Tax on Revaluation Reserve

	WDV as on 30.06.2019		Differed Tax Liability on 30.06.2019
	Tax Base	**Accounting Base**	
Revaluation Reserve on Land & Land Development	-	562,425,859	22,497,034
Revaluation Reserve on Plant & Machineries	-	67,465,141	10,119,771
	-	**629,891,000**	**32,616,805**

	WDV as on 30.06.2020		Differed Tax Liability on 30.06.2020
	Tax Base	**Accounting Base**	
Revaluation Reserve on Land & Land Development	-	562,425,859	22,497,034
Revaluation Reserve on Plant & Machineries	-	60,718,627	9,107,794
	-	**623,144,486**	**31,604,828**

14.02 Deferred Tax Expenses/(Income) Excluding Revaluation

Deferred Tax Liability Excluding Revaluation Surplus (Closing)	305,553,711	275,778,744	218,375,465
Deferred Tax Liability Excluding Revaluation Surplus (Opening)	275,778,744	218,375,465	163,850,165
Deferred Tax Expenses/(Income)	**29,774,967**	**57,403,279**	**54,525,300**

14.02.a Deferred Tax Expenses/(Income) Calculation

	WDV as on 30.06.2019		Differed Tax Liability on 30.06.2019
	Tax Base	**Accounting Base**	
Property, Plant & Equipment Excluding Land	1,371,718,484	2,159,657,753	275,778,744
	1,371,718,484	**2,159,657,753**	**275,778,744**

	WDV as on 30.06.2020		Differed Tax Liability on 30.06.2020
	Tax Base	**Accounting Base**	
Property, Plant & Equipment Excluding Land	1,529,819,722	2,487,309,805	311,184,277
Liability for WPPF	-	(17,324,818)	(5,630,566)
	1,529,819,722	**2,469,984,987**	**305,553,711**

15.00 Short-term Loan

	30-Jun-20	30-Jun-19
Southeast Bank -Time Loan	3,287,070	48,845,158
Southeast Bank- LTR	880,788	28,235,811
Southeast Bank Ltd- Overdraft	-	362,089,206
Social Islami Bank Ltd.-Overdraft	460,402,778	-
	464,570,635	**439,170,175**

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	Amounts in Taka	
	30-Jun-20	30-Jun-19

Brief details of Short term Loan:

Bank Name:	Socail Islami Bank Limited
Tenure:	1 Year
Limit:	5000.00 Lac
Security:	Land 892.59 Decimal & Factory Building
Interest Rate:	9%per year
Renewal date:	11-Mar-20

15.01 Liabilities for Workers Profit Participation Fund

	30-Jun-20	30-Jun-19
Opening Balance	15,037,208	13,590,920
Add: Addition during the year	17,324,818	15,037,208
Less: Adjustment made during the year	(15,037,208)	(13,590,920)
Closing Balance	**17,324,818**	**15,037,208**

16.00 Accounts Payables

	30-Jun-20	30-Jun-19
Alam Hardware	37,627	10,123
Al-Baraka Enterprise	77,755	94,777
Astech Limited	1,097,764	1,509,385
Bhai Bhai Matels Works	770,547	596,493
Banani Drum Suppliers	1,552,714	1,065,029
Dana Engineers International Ltd.	286,155	29,800
Favorite Traders	122,743	208,184
Haks Ind Ltd.	179,343	165,763
Jamuna Drum Suppliers	1,580,337	1,937,113
Janani Computer	167,452	177,752
M.B Enterprise	12,900	-
Maya Automobile-ULO	1,052,964	1,216,923
Nizam Uddin Oil Suppliers	795,967	691,156
Pioneer Scientific Stores	431,828	-
Rashed Enterprise	143,606	223,660
Rubel Steel Mills Ltd.	533,059	820,674
Rupsha Trading	22,470	-
Rupayan Housing Estate Ltd.	19,010,000	19,010,000
Yousuf Printers	591,188	538,095
Total	**28,466,419**	**28,294,927**

All Creditors were paid on regular Basis

17.00 Liabilities for Current Tax

	30-Jun-20	30-Jun-19
Opening Balance	65,824,051	30,113,234
Add: Provision for the year	60,443,393	35,710,818
	126,267,445	**65,824,051**
Less: AIT Adjustment/paid during the year	-	-
	126,267,445	**65,824,051**

Details of Liabilities for Current Tax is showing below

Particulars (for the year ended)	Liabilities for Current Tax (BDT)	Assesment Status
30/Jun/2020	60,443,393	Return yet to be submited
30/Jun/2019	35,710,818	Assesment under process
30/Jun/2018	12,788,768	Assesment under process
30/Jun/2017	7,729,414	Assesment under process
30/Jun/2016	1,645,879	Assesment under process
31/Dec/2015	2,541,959	Assesment under process
31/Dec/2014	2,131,334	Assesment under process
31/Dec/2013	1,591,315	Assessment completed by DCT but litigation to high court
31/Dec/2012	1,684,567	for its decision is pending
Total	**126,267,445**	

18.00 Liabilities for Expenses

	30-Jun-20	30-Jun-19
Wages, Salary & Allowances	3,218,540	2,379,960
Directors' Remuneration	1,466,738	1,866,738
Audit and professional Fees	300,000	250,000
Liabilities for Other Expenses	2,248,714	2,962,917
Recognized Provident Fund	2,524,162	384,798
Withholding Tax Liabilities (TDS)	1,537,472	822,556
	11,295,626	**8,666,969**

19.00 Revenues

	Qty. (MT)	Taka	Taka
Mono Grade	4,842	1,016,416,215	941,126,124
Multi Grade	194	78,867,579	75,111,981
Industrial Grade	632	586,617,695	510,102,343
Marine Grade	3,677	6,184,850	5,522,188
Others	143	2,412,885	2,080,074
Total	**9,488**	**1,690,499,224**	**1,533,942,711**

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		Amounts in Taka	
		30-Jun-20	30-Jun-19
20.00	**Cost of Goods Sold**		
	Raw Materials Consumed- note 21.01	904,052,207	834,679,009
	Packing Materials Consumed- note 21.02	63,519,534	65,384,692
	Total Consumption	**967,571,741**	**900,063,701**
	Factory Overhead Note-21.03	181,585,440	153,446,440
	Cost of Goods Manufactured	**1,149,157,181**	**1,053,510,141**
	Opening Finished Goods	126,038,825	113,412,010
	Cost of Goods Available for Sale	**1,275,196,005**	**1,166,922,151**
	Closing Finished Goods	(129,367,397)	(126,038,825)
	Cost of Goods Sold	**1,145,828,609**	**1,040,883,326**
20.01	**Raw Materials Consumed**		
	Opening Inventory	381,123,531	369,924,895
	Purchase during the period	909,987,557	845,877,645
	Raw Materials available for use	**1,291,111,088**	**1,215,802,540**
	Closing Inventory	(387,058,882)	(381,123,531)
		904,052,207	**834,679,009**
20.02	**Packing Materials Consumed**		
	Opening Inventory	7,884,581	7,450,229
	Purchase during the period	67,025,438	65,819,044
	Packing Materials available for use	**74,910,019**	**73,269,273**
	Closing Inventory	(11,390,485)	(7,884,581)
		63,519,534	**65,384,692**
20.03	**Factory Overheads**		
	Salary, wages and allowances	15,435,320	11,151,347
	Festival Bonus	1,424,137	1,128,355
	Depreciation - note 3.3	139,244,217	114,527,733
	Carriage inward	378,153	570,914
	Director's remuneration and benefits	4,104,000	4,286,250
	Entertainment	151,620	149,645
	Factory general expenses	202,000	375,185
	Gas & Electricity	8,510,137	12,010,187
	Insurance premium	8,459,564	5,086,376
	Laboratory expenses	893,709	858,953
	Medical expenses	43,101	73,632
	Repairs and maintenance	2,716,510	3,196,369
	Travelling and conveyance	22,972	31,495
		181,585,440	**153,446,440**
21.00	**General and Administrative Expenses**		
	Salary and allowances	9,578,559	6,768,012
	Festival Bonus	977,971	703,542
	Depreciation - note 3.3	29,838,047	24,541,657
	Audit fees	300,000	250,000
	Board Meeting Fees	316,000	308,000
	Canteen expenses	404,549	449,000
	Director's remuneration and benefits	5,016,000	5,238,750
	Gas & Water expenses	45,790	43,518
	Entertainment	627,484	662,379
	Legal & professional fees	405,310	501,300
	Miscellaneous expenses	145,800	357,400
	Motor Vehicle Upkeep	793,529	897,963
	Newspapers & periodicals	17,385	20,621
	Office General Expenses	461,092	774,537
	Office rent, rates & renewal fees	814,201	610,803
	Stationery	309,102	460,246
	Postage & courier	247,455	332,893
	Repairs and maintenance	687,896	904,523
	Telephone & fax	640,612	893,216
	Recognized Provident Fund	2,848,158	2,117,336
	Travelling and conveyance	539,989	793,675
	Cleaning expenses	63,584	82,159
		55,078,512	**47,711,529**

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		Amounts in Taka	
		30-Jun-20	30-Jun-19
22.00	**Selling and Distribution Expenses**		
	Salary and Allowances	14,553,066	7,012,920
	Depreciation - note 3.3	29,838,047	24,541,657
	Advertisement	395,655	453,100
	Carriage Outward	260,570	1,168,447
	Marketing Expense	446,421	684,470
	Rent, Rates & Taxes	396,511	113,400
	Repairs & Maintenance	862,646	890,269
	Sales commission & Promotional expenses	-	3,298,036
	Bogra Warehouse Exp.	-	131,400
	Associated Sales Centre Expenses	114,748	245,018
		46,867,664	**38,538,717**
23.00	**Other Operating Income**		
	Income from Lab Testing	38,004,615	29,025,084
		38,004,615	**29,025,084**
24.00	**Financial Expenses**		
	Interest on Long Term Loan	95,242,159	61,299,006
	Interest on Short Term Loan	2,925,332	6,135,608
	Interest on Lease Finance	178,461	322,408
	Interest on Bank Over Draft	20,402,778	55,854,501
	Interest on LTR	1,535,006	4,937,026
	Bank Charges & Commission	1,359,784	1,296,018
		121,643,519	**129,844,567**
25.00	**Financial Income**		
	Interest on FDR	502,318	2,870,177
	Interest on SND	48,309	36,567
		550,627	**2,906,744**
26.00	**Income from Others**		
	Wastage Sales	133,400	171,879
	Interest on Related Party Current Account	4,051,616	6,713,079
		4,185,016	**6,884,958**
27.00	**Income Tax Expenses**	**90,218,360**	**93,114,097**
27.01	**Current Tax for 2020**		
	Calculation of Current Tax as per 82 C(Minimum Tax)		
	Revenue during the year @ 0.6%	10,371,023	9,377,807
	Income Tax Provision on Other Income for 2020	-	-
	Other Income including Financial Income @ 32.5% as Finance Act, 2020	1,539,084	3,427,096
	A) Current Tax as per 82 C(Minimum Tax)	**11,910,107**	**12,804,903**
	B) Advance Income Tax Paid During the year Note 6.01.1	**55,974,337**	**32,857,450**
	C) Calculation of Current Tax as per Corporate Rate 28.01.1	**60,443,393**	**35,710,818**
	Provission for Income Tax (Higher of A-C)	**60,443,393**	**35,710,818**

Out of the above calculation, the higher one (C) is applicable for Current Tax for the year.

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	Amounts in Taka	
	30-Jun-20	30-Jun-19
27.01.1 Calculation of Current Tax as per Corporate Rate		
Profit before Income Tax during the year	346,496,360	300,744,151
Add: Accounting Depreciation	198,920,310	163,611,047
Less: Capital Allowance	(361,724,609)	(320,124,290)
Add: WPPF Expenses (current year)	17,324,818	-
Less: WPPF paid during the year	(15,037,208)	-
	185,979,671	**102,030,908**
Effective tax Rate	32.5%	35%
Current Tax as per Corporate Rate	**60,443,393**	**35,710,818**
27.02 Deferred Tax Expenses/Income (Attributable to Profit or Loss)		
Deferred Tax during the year	305,553,711	275,778,744
Less: Opening Balance	(275,778,744)	(218,375,465)
Deferred Tax Expenses(/Income) (Attributable to Profit or Loss)	**29,774,967**	**57,403,279**
27.02.1 Deferred Tax Expenses/Income (other Comprehensive Income or Equity)		
Deferred Tax during the year	31,604,828	32,616,805
Less: Opening Balance	32,616,805	33,741,224
Deferred Tax Expenses/(Income) (other Comprehensive Income or Equity)	**(1,011,977)**	**(1,124,419)**
28.00 Earnings Per Shares		
Net Profit After Income Tax for the Year	256,278,000	207,630,054
Number of Shares outstanding at the end of the Year	100,000,000	100,000,000
Basic Earnings Per Share EPS	**2.56**	**2.08**

Note: Earnings per Share (EPS) is increase due to increase of sales revenue as well as decrease of income tax rate (from 35% to 32.5%) as per Finance ACT-2020 and income tax expenses compare to previous year.

29.00 Net Assets Value per Share (NAV) with Revaluation		
The Composition of Net Assets Value per share is given below :		
Net Assets Value during the year	3,450,382,060	3,193,092,083
Total Outstanding Share	100,000,000	100,000,000
Net Assets Value per Share (NAV) with Revaluation	**34.50**	**31.93**
30.00 Net Operating Cash Flow per Share (NOCFPS) Basic		
The Composition of Net Operating Cash Flows per share is given below :		
Net Operating Activities Cash Flows	618,074,615	399,287,581
Number of shares outstanding at the end of the Year	100,000,000	100,000,000
Net Operating Cash Flow this year (NOCFPS)	**6.18**	**3.99**

Note: Operating Cash Flow is increase due to increase of collection of revenue as well as increase of (NOCFPS) compare to previous year.

31.00 Contingent Liabilities and Commitments

A Contingent Liability of Tk. 9,381,752/- is made as per IAS 37 Para 86. Following are the details of the pending issue related to litigation regarding Taxation filed for the assessment years 2013-2014 & 2015-2016 bearing ITRA No. 535/2017 for 2013-2014 & 537/2017 for 2014-2015 dated 16.10.2017 which are pending in the High Court.

Accounting Year	Assessment Year	Status	Provision Made on Accounts	Assessment Made by DCT	Assessment Made by DCT
31-Dec-12	2013-2014	Assessment Completed by DCT but pending in the High Court	1,684,567	2,354,339	2,354,339
31-Dec-13	2014-2015		1,591,315	10,303,295	10,303,295
	Total		**3,275,882**	**12,657,634**	**12,657,634**

32.00 Number of Employees

	30-Jun-20	30-Jun-19
Number of Employees whose salary is below Tk 8,500 Per Month	-	-
Number of Employees whose salary is above Tk 8,500 Per Month	231	215

33.00

Capacity Utilization	30-Jun-20			30-Jun-19		
Capacity of Production-Single Shift	Blanding Unit	Re- Refining Unit	Total	Blanding Unit	Re- Refining Unit	Total
Licensed Capacity Metric Ton (MT)	12,550	4,527	17,077	12,550	4,527	17,077

					Amounts in Taka	
					30-Jun-20	30-Jun-19
Installed Capacity Metric Ton (MT)	12,550	4,527	17,077	12,550	4,527	17,077
Capacity Utilized - Metric Ton (MT)	9,516	4,242	13,758	9,060	4,220	13,280
Capacity Utilized	**75.82%**	**93.70%**	**80.56%**	**72.19%**	**93.22%**	**77.77%**

34.00 Events After the Reporting Period

No Materials events had occurred from the date of the end of the reporting period to the date of issue of this Financial Statement which could materially affect the values stated in the financial position.

35.00 Related Party Transactions

Name of party	Types of Relationship	Nature of Transactions	Opening Balance	Addition	Adjustment	Closing Balance
Companygonj Agro Industries Limited	Common Directorship & Shareholder of the Company	Overhead Exp. & Working Capital Management	67,369,377	12,806,529	48,250,906	31,925,000
Julda Shipyard Limited	Common Directorship		157,559	12,419	169,978	-
Mohammed Yousuf	Managing Director	Remuneration fees & Board meeting fees	(1,326,738)	(4,848,000)	5,068,000	(1,106,738)
Rubiya Nahar	Chairman		(180,000)	(48,000)	228,000	-
Md. Salauddin Yousuf	Director		(260,000)	(3,168,000)	3,168,000	(260,000)
Dr. Israt Jahan	Director		(100,000)	(1,240,000)	1,240,000	(100,000)
Ahmmad Hossain	Director		-	(48,000)	48,000	-
Mohammad Ameer Faisal	Independent Director		-	(44,000)	44,000	-
Wahid Uddin Chowdhury			-	(40,000)	40,000	-
	Total		**65,660,198**	**3,382,948**	**58,256,884**	**30,458,262**

36.00 Attendance Status of Board Meeting of Directors

During the period ended 30 June, 2020, there were 12 (Twelve) Board Meetings were held. The attendance status of all the meetings is as follows:

Sl. No	Name Of Directors	Position	Meeting Held	Attendance	Fees Per Meeting	Amounts in Taka	
						30-Jun-20	30-Jun-19
1	Mohammed Yousuf	Managing Director	12	12	4,000	48,000	48,000
2	Rubiya Nahar	Chairman	12	12		48,000	40,000
3	Md. Salauddin	Director	12	12		48,000	48,000
4	Dr. Israt Jahan	Director	12	10		40,000	48,000
5	Ahmmad Hossain	Director	12	12		48,000	48,000
6	Mohammad Ameer Faisal	Independent Director	12	11		44,000	36,000
7	Wahid Uddin Chowdhury		12	10		40,000	40,000
	Total					**316,000**	**308,000**

37.00 As per Company Act, 1994 part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

Particulars	30-Jun-20	30-Jun-19
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	10,152,000	9,521,100
Expenses reimbursed to Managing Agent		
Commission or Remuneration payable separately to a managing agent or his associate		
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company		

	Amounts in Taka	
	30-Jun-20	**30-Jun-19**
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.		
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.		
Other allowances and commission including guarantee commission Pensions etc.		
(i) Pensions		
(ii) Gratuities		
(iii) Payments from a provident funds, subscription and interest thereon		
iv) Share Based payments		

As per IAS- 24 Para-17:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits;	9,120,000	9,525,000
(b) Post-employment benefits;		
(c) Other long term benefits;		
(d) termination benefits; and		
(e) share- based payment		
	9,120,000	**9,525,000**

As per IAS- 24 Para-18:

Disclosure requirements of IAS 24, Para 18 minimum disclosure shall include:

a) The amount of transaction	3,382,948	9,513,936
b) The amount of outstanding balance, including commitments	30,458,262	65,660,198
i) Their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement	Remuneration, Meeting Fee & Overhead Exp. & Working Capital Management	
ii) details of any guarantee given or received	Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balance	Nil	Nil
d) The expenses recognized during the period in respect of bad or doubtful debts due from related parties	Nil	Nil

38.00 Aggregated amount of Remuneration, Fess, Salary & Wages of employees are given below :

Directors Remuneration	9,120,000	9,525,000
Board Meeting Attendance Fees	316,000	308,000
Wages & Allowance	16,859,457	12,279,701
Salary & Allowance	25,109,596	14,484,473
	51,405,053	**36,597,174**

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	Amounts in Taka	
	30-Jun-20	30-Jun-19
39.00 The Requirement of Schedule XI Part-II, Para-3 (a) Turnover		
Turnover in (BDT)	1,690,499,224	1,533,942,711
Turnover in Quantity (M.Ton)	9,488	9,060
The Requirement of Schedule XI Part-II, Para-3 (b) Raw Material Consumed		
Raw Material Consumed in (BDT)	904,052,207	834,679,009
Raw Material Consumed in Quantity (M.Ton)	9,432	8,708
The Requirement of Schedule XI Part-II, Para-3 (b) Packing Material Consumed		
Packing Material Consumed in (BDT)	63,519,534	65,384,692
Packing Material Consumed in Quantity (Pcs)	1,571,764	1,617,917
The Requirement of Schedule XI Part-II, Para-3 (b) Finished Goods		
Finished Goods in (BDT)	129,367,397	126,038,825
Finished Goods in Quantity (M.Ton)	662	645

40.00 Reconciliation of Net Profit with Cash Flow from Operating Activities (Notification No. BSEC/ CMRRCD/ 2006-158/ 2008/Admin/81, dated: 20 June 2018.

Particulars	Note	Amounts in Taka	
		30-Jun-20	30-Jun-19
Net Profit for the year (Before Tax)		**346,496,360**	**300,744,151**
Adjustment:			
Depreciation	3.00	198,920,310	163,611,047
Financial Expenses	25	121,643,519	129,844,567
Other Income (Interest)	27	(502,318)	(3,156,027)
Interest on Related Party Current Account		(4,051,616)	(6,713,079)
(Increase)/Decrease in Inventory	4	(12,769,827)	(24,259,803)
(Increase)/Decrease in Accounts Receivable	5	(22,526,124)	(61,446,114)
Increase/(Decrease) in Trade Payable & Others	17	171,492	(3,231,924)
Increase/(Decrease) in Liabilities	19	2,628,657	(4,848,655)
(Increase)/Decrease in Advance & Prepayment	6.00	41,750,887	(59,845,419)
Liability for Contribution to WPPF		2,287,610	1,446,288
Payment of Income Tax	6.1.01	(55,974,337)	(32,857,449)
		618,074,614	**399,287,581**

41.00 Receipts from customers:

Sales during the year	1,690,499,224	1,533,942,711
Opening Rec.	396,180,117	337,641,776
Closing Rec.	(419,425,632)	(396,180,117)
Other Operating Income	38,004,615	29,025,084
Other Rec. Open	11,490,379	8,296,756
Other Rec. Closs	(10,770,988)	(11,490,379)
	1,705,977,715	**1,501,235,830**

42.00 Payments to suppliers

Purchase	977,012,995	911,696,689
Open.Advances Procurment	(44,819,429)	(34,819,429)
Closing Advances Procurment	45,967,051	44,819,429
Open. Trade Payable	9,284,927	12,516,851
Clossing Trade Payable	(9,456,419)	(9,284,927)
	977,989,125	**924,928,614**

43.00 Payments for Employee

Salary	54,253,211	38,714,510
Paid to WPPF	15,037,208	13,590,920
Open. Advance Salary	(6,038,179)	(5,104,330)
Closing Advance Salary	3,095,954	6,038,179
Open. Liability for Expenses	4,631,496	7,663,612
Closing Liability for Expenses	(7,209,440)	(4,631,496)
	63,770,250	**56,271,395**

44.00 Payments to Operating Expenses

Operating Exp.	229,278,405	200,982,176
Open.Advances to others	(211,405,709)	(162,494,139)
Closing Advances to others	171,449,425	211,405,709
Open. Liability for Expenses	4,035,473	5,852,012
Closing Liability for Expenses	(4,086,186)	(4,035,473)
Depreciation - note 3.3	(198,920,310)	(163,611,047)
	(9,648,902)	**88,099,238**

Ashraf Uddin & Co. Chartered Accountants DHAKA

LUB-RREF (BANGLADESH) LIMITED
Schedule of Property, Plant and Equipment
As at June 30, 2020

Annexure-A

Particulars	At Cost						Depreciation				Written Down
	Balance as on 01.07.2019	Addition during the year	Total	Transferred from CWP	Balance as on 30.06.2020	Rate %	Balance as on 01.07.2019	Charged during the year	Disposal during the year	Balance as on 30.06.2020	Value as on 30.06.2020
Land & Land Development	548,646,754	77,858,181	626,504,934	-	626,504,934	0%	-	-	-	-	626,504,934
Office Building	220,246,691	159,785	220,406,476	-	220,406,476	2.50%	31,822,352	4,714,254	-	36,536,606	183,869,871
Air Conditioner	6,557,688	248,595	6,806,283	-	6,806,283	10.0%	2,854,206	391,885	-	3,246,091	3,560,193
Computer & Computer Accessories	4,225,301	551,600	4,776,901	-	4,776,901	10.0%	1,945,155	261,379	-	2,206,534	2,570,368
Fire Extinguisher	2,036,680	129,781	2,166,461	-	2,166,461	10.0%	747,349	135,626	-	882,975	1,283,486
Furniture & Fixture	10,027,673	177,668	10,205,341	-	10,205,341	10.0%	4,167,935	597,245	-	4,765,180	5,440,161
Vehicles	30,740,401	701,537	31,441,938	-	31,441,938	20.0%	25,011,556	1,209,972	-	26,221,529	5,220,409
Office Equipment	7,481,490	795,708	8,277,198	-	8,277,198	10.0%	3,438,300	443,542	-	3,881,842	4,395,356
Plant & Machineries	2,209,365,999	14,194,351	2,223,560,350	501,547,029	2,725,107,379	10.0%	480,159,499	174,738,635	-	654,898,134	2,070,209,245
ROU Assets(Plant & Mach)	3,500,000	-	3,500,000	-	3,500,000	10.0%	350,000	315,000		665,000	2,835,000
Electricity Installation	11,546,933	73,000	11,619,933	-	11,619,933	10.0%	7,389,235	416,051	-	7,805,286	3,814,647
Factory Building & Shed	200,827,320	462,216	201,289,536	-	201,289,536	2.50%	32,359,249	4,217,226	-	36,576,475	164,713,062
Factory Equipment	29,288,364	368,876	29,657,240	-	29,657,240	10.0%	13,660,861	1,588,447	-	15,249,308	14,407,932
Gas Installation	1,216,213	-	1,216,213	-	1,216,213	10.0%	679,622	53,659	-	733,281	482,932
Generator	31,224,998	-	31,224,998	-	31,224,998	10.0%	18,373,152	1,285,185	-	19,658,336	11,566,661
Weighing Scale	5,303,877	-	5,303,877	-	5,303,877	5.00%	2,073,355	164,036	-	2,237,391	3,066,486
Interior Decoration	16,609,588	415,702	17,025,290	-	17,025,290	15.0%	7,149,770	1,467,325	-	8,617,095	8,408,195
Kitchen Equipment	86,576	-	86,576	-	86,576	10.0%	51,355	3,522	-	54,877	31,698
Ware House, Dhaka	3,527,907	-	3,527,907	-	3,527,907	10.0%	1,922,995	170,807	-	2,093,802	1,434,105
Total	**3,342,460,454**	**96,137,000**	**3,438,597,453**	**501,547,029**	**3,940,144,482**		**634,155,947**	**192,173,796**	-	**826,329,743**	**3,113,814,739**

Particulars	At Revaluation					Rate %	Depreciation				Written Down
	Balance as on 01.07.2019	Addition/ Adjustment	Total	Transferred from CWP	Balance as on 30.06.2020		Balance as on 01.07.2019	Charged during the year	Disposal during the year	Balance as on 30.06.2020	Value as on 30.06.2020
Land & Land Development	562,425,859	-	562,425,859	-	562,425,859	0%	-	-		-	562,425,859
Plant & Machineries	120,299,531	-	120,299,531	-	120,299,531	10.0%	52,834,390	6,746,514	-	59,580,904	60,718,627
Total	**682,725,390**	-	**682,725,390**	-	**682,725,390**		**52,834,390**	**6,746,514**	-	**59,580,904**	**623,144,486**
Balance as on 30.06.2019	**4,025,185,844**	**96,137,000**	**4,121,322,843**	**501,547,029**	**4,622,869,872**	-	**686,990,337**	**198,920,310**	-	**885,910,647**	**3,736,959,225**

• The Company used branded plant and machinery in its production process which were procured form German, USA, & other European countries. With a small maintenance, the life of the assets can be strengthened and can be modified as per the requirement of the Company. That is why the depreciation on plant and machineries are 10%. The factory buildings life time are also considered 40 years which is very reasonable. That is why, the rate is 2.5%. Another reason is that the main factory building is built with RCC structures and other factory buildings were built with pre-fabricated structures. And Other Fixed Asset's life time is considered 10 years (Motor Vehicle 5 years) which is very reasonable.

Ashraf Uddin & Co. DHAKA Chartered Accountants

LUB-RREF (BANGLADESH) LIMITED
Schedule of Property, Plant and Equipment
As at June 30, 2019

Annexure-A

Particulars	At Cost: Balance as on 01.07.2018	Addition	Total	Transferred from CWP	Balance as on 30.06.2019	Rate %	Depreciation: Balance as on 01.07.2018	Charged during the year	Disposal during the year	Balance as on 30.06.2019	Written Down Value as on 30.06.2019
Land & Land Development	528,321,877	20,324,877	548,646,754	-	548,646,754	0%	-	-	-	-	548,646,754
Office Building	167,862,971	52,383,720	220,246,691	-	220,246,691	2.50%	28,334,131	3,488,221	-	31,822,352	188,424,340
Air Conditioner	6,261,598	296,090	6,557,688	-	6,557,688	10.0%	2,475,606	378,599	-	2,854,206	3,703,483
Computer & Computer Accessories	3,880,786	344,515	4,225,301	-	4,225,301	10.0%	1,730,085	215,070	-	1,945,155	2,280,146
Fire Extinguisher	1,853,680	183,000	2,036,680	-	2,036,680	10.0%	624,424	122,926	-	747,349	1,289,331
Furniture & Fixture	9,388,495	639,178	10,027,673	-	10,027,673	10.0%	3,587,873	580,062	-	4,167,935	5,859,738
Vehicles	30,571,201	169,200	30,740,401	-	30,740,401	20.0%	23,621,645	1,389,911	-	25,011,556	5,728,845
Office Equipment	7,227,750	253,740	7,481,490	-	7,481,490	10.0%	3,017,250	421,050	-	3,438,300	4,043,190
Plant & Machineries	1,740,121,893	8,214,366	1,748,336,259	464,529,740	2,212,865,999	10.0%	340,552,567	139,956,933	-	480,509,499	1,732,356,499
Electricity Installation	11,525,808	21,125	11,546,933	-	11,546,933	10.0%	6,929,616	459,619	-	7,389,235	4,157,698
Factory Building & Shed	200,827,320	-	200,827,320	-	200,827,320	2.50%	27,888,172	4,471,077	-	32,359,249	168,468,071
Factory Equipment	28,635,464	652,900	29,288,364	-	29,288,364	10.0%	11,997,016	1,663,845	-	13,660,861	15,627,503
Gas Installation	1,216,213	-	1,216,213	-	1,216,213	10.0%	620,001	59,621	-	679,622	536,591
Generator	30,819,998	405,000	31,224,998	-	31,224,998	10.0%	16,990,169	1,382,983	-	18,373,152	12,851,846
Weighing Scale	5,303,877	-	5,303,877	-	5,303,877	5.00%	1,903,328	170,027	-	2,073,355	3,230,522
Interior Decoration	13,795,288	2,814,300	16,609,588	-	16,609,588	15.0%	5,977,032	1,172,738	-	7,149,770	9,459,818
Kitchen Equipment	86,576	-	86,576	-	86,576	10.0%	47,442	3,913	-	51,355	35,220
Ware House, Dhaka	3,527,907	-	3,527,907	-	3,527,907	10.0%	1,744,671	178,324	-	1,922,995	1,604,912
Total	**2,791,228,703**	**86,702,010**	**2,877,930,714**	**464,529,740**	**3,342,460,454**		**478,041,026**	**156,114,920**	-	**634,155,947**	**2,708,304,507**

Particulars	At Revaluation: Balance as on 01.07.2018	Addition/ Adjustment	Total	Transferred from CWP	Balance as on 30.06.2019	Rate %	Depreciation: Balance as on 01.07.2018	Charged during the year	Disposal during the year	Balance as on 30.06.2019	Written Down Value as on 30.06.2019
Land & Land Development	562,425,859	-	562,425,859	-	562,425,859	0%	-	-		-	562,425,859
Plant & Machineries	120,299,531	-	120,299,531	-	120,299,531	10.0%	45,338,264	7,496,127	-	52,834,390	67,465,141
Total	**682,725,390**	-	**682,725,390**	-	**682,725,390**		**45,338,264**	**7,496,127**	-	**52,834,390**	**629,891,000**
Balance as on 30.06.2019	**3,473,954,093**	**86,702,010**	**3,560,656,104**	**464,529,740**	**4,025,185,844**	-	**523,379,290**	**163,611,047**	-	**686,990,337**	**3,338,195,506**

• The Company used branded plant and machinery in its production process which were procured form German, USA, & other European countries. With a small maintenance, the life of the assets can be strengthened and can be modified as per the requirement of the Company. That is why the depreciation on plant and machineries are 10%. The factory buildings life time are also considered 40 years which is very reasonable. That is why, the rate is 2.5%. Another reason is that the main factory building is built with RCC structures and other factory buildings were built with pre-fabricated structures. And Other Fixed Asset's life time is considered 10 years (Motor Vehicle 5 years) which is very reasonable.

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