# AUDITORS' REPORT

# OF

## Lub-rref (Bangladesh) Limited

B-6(part) 9-10, & 23-24
BSCIC Industril Estate, Block- A,
Custom Academy Sagorika Road
Chittagong-4213

**FOR THE YEAR ENDED 30Th JUNE, 2022.**


ARTISAN

CHARTERED ACCOUNTANTS
SONARGAON TERRACE (2nd FLOOR),
HOUSE # 52, ROAD # 13/C, BLOCK # E,
BANANI, DHAKA-1213.

# Independent Auditors' Report

## To the shareholders of LUB -RREF (BANGLADESH) LIMITED

## Report on the Audit of the Financial Statements.

### Opinion

We have audited the financial statements of **LUB -RREF (BANGLADESH) LIMITED** ("**the Company**"), which comprise the Statement of Financial Position as at 30 June 2022, and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)where practicable, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement 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.



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| Risk | Our response to the risk |
|---|---|
| **Share Premium** | |
| During the year, a balance of Tk. 1,447,589,777 has been established as on 30th June, 2022 in Share Premium A/C after adjustment of Tk. 58,478,783 during the year 2020-2021.<br><br>The Company went for Initial Public Offer (IPO) for 45,243,144 oridinary shares, from which 22,621,544 ordinary shares were reserved for Eligible Investors (Els) at their own bid price and quantity on highest to lowest bid basis in a descending order of individual bid price till exhaustion of the quota for EI category and remaining 22,621,600 ordinary shares at 10% discounted price from the cut-off price i.e. Tk. 27.00 per share for general public including NRBs totaling Tk 1,500,000,000 following the Securities and Exchange Ordiance, 1969, The Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015, the depository Act 1999 and rules made their under.<br><br>Use of Proceeds<br><br>1. Expansion of Business (Acquisition & Installation of Machineries amount Tk 980,000,000.<br>2. Repayment of Bank Loan amount Tk 460,430,282.<br>3. IPO related expenses amount Tk 59,569,718. | Our audit procedures included the following to test the design and operating effectiveness of key control focusing on:<br><br>Fund Utilization up to month June 30, 2022.<br><br>1. Expansion of Business (Acquisition & installation of Machineries amount of Tk 407,832,677.<br>2. Repayment of Bank Loan amount of Tk 460,430,282.<br>3. IPO related expenses amount of Tk 57,904,406.<br><br>Fund received from shareholders should be utilized according to the prospectus and the law relating to Share Capital & Premium. |



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| Risk | Our response to the risk |
|---|---|
| **Revenue recognition** | |
| During the year, the Company recognized sales turnover of BDT 1,798,508,165 which has Increase by BDT 74,606,817 as compared with previous year.<br><br>Sales revenue recognized by the Company as per IFRS: 15, 'Revenue from Contracts with Customers'& Company Policy. Revenue is recognized based on point of delivery and when relevant performance obligations are satisfied. The company adopted IFRS: 15 'Revenue from Contracts with Customers' as continued from last year.<br><br>We considered sales revenue as an item of significant audit areas during our audit because of its predominance in determining the financial performance of the Company. | Our audit procedures included the following to test the design and operating effectiveness of key control focusing on:<br>➢ Segregation of duties in invoice creation and modification.<br>➢ Timing of revenue recognition considering step by step procedure.<br>Our substantive procedures in relation to revenue recognition and measurement comprise the following:<br>➢ Obtaining understanding and documenting the process of revenue recognition and measurement followed by the Company.<br>➢ Tracing performance obligations stipulated and contract value in the contract with invoice and delivery challan issued to evaluate point of recognition and measurement.<br>➢ Testing occurrence and accuracy of sales revenue recognized by inspecting source documents such as contract made with the customer, delivery challan and VAT challan.<br>➢ Assessing accuracy and comparing revenue recognized during the year with VAT returns submitted to VAT authority;<br>➢ Finally assessing the appropriateness and presentation of disclosure notes with IFRS 15: Revenue from contracts with customers. |



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| Valuation of closing inventories | |
|---|---|
| Closing inventories aggregating to BDT 533,638,501 was recognized in the statement of financial position as on 30 June 2022. Compared with previous year, this has increased by BDT 19,080,722.<br><br>Closing inventories were all held at factory premises of the Company. Since determining valuation of these inventories involves management judgements which results in estimation uncertainty, we considered this an area of significant audit attention to be emphasized during the audit. | Our audit responses comprise the following procedures:<br>➢ Evaluating the design and implementation of key inventory control operating across factory premises.<br>➢ Attending and observing the physical inventory at the reporting date.<br>➢ Evaluating compliance with instructions of management count procedures during the count.<br>➢ Inspecting physical stock counting report as on 30 June 2022 and reconciling count results to closing inventories listings and performing test count on selected items to test completeness, accuracy and existence of inventories.<br>➢ Reviewing composition of cost of inventories comprising raw materials, work-in-process and finished goods and comparing net realizable value on selected samples to test their valuation. |
| See note no. 7, Inventories in the financial statements | |

| Property, plant and equipment | |
|---|---|
| Property, plant and equipment (PPE) was carried at BDT3,260,002,921 representing over 80% of total assets of the company as on 30 June 2022. The company reported addition to PPE of BDT53,831,662during the year.<br><br>Property, plant and equipment (PPE) are subject to recognition and measurement criteria only after satisfactorily meeting relevant requirement as per IAS 16.<br><br>The company is also required to perform assessment for impairment when there is condition which suggests indication of assets being impaired. | Our audit procedures performed during the audit to address the risks identified consist of the following:<br>➢ Obtaining and documenting detailed understanding regarding procurement process of PPE and identified relevant control points and their implementation.<br>➢ Reviewing recognition, measurement and valuation basis of PPE in compliance with requirement of IAS 16: Property, plant and equipment. |



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<table>
<tr><td></td><td>➢ Inspecting supporting documents against the acquisition of PPE made during the year to test their accuracy, valuation and ownership in the financial statements.<br><br>➢ Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 16 and other relevant IFRSs.</td></tr>
<tr><td colspan="2">See note no. 4, Property, plant and equipment in the financial statements</td></tr>
<tr><td colspan="2">Measurement of current year income tax and deferred tax</td></tr>
<tr><td>During the year, the Company recognized current year income tax of Tk. 89,304,844 and deferred tax Tk. 33,304,832 respectively in the statement of profit or loss and other comprehensive income. Both of these expenses have increased significantly compared to corresponding expense recognized in the last year.<br><br>Determination of both current year income tax and deferred tax involves compliance with the Income Tax Ordinance (ITO) 1984 and latest finance act along with IAS 12: Income Tax, there is a higher risk of material misstatement that amount charged in profit or loss might be over/understated.</td><td>Our audit responses adopted during the audit to address the risk identified comprise the following:<br>➢ Obtained and documented management procedures involved in determining both current year income tax and deferred tax.<br>➢ Obtained understanding and reviewed relevant section of the ITO and SRO to test the accuracy of rate applied by the Company.<br>➢ Reviewed rate of depreciation used in determining tax depreciation in compliance with the latest finance act which is used to determine taxable profit and deferred tax.<br>➢ Re-performed detailed calculation of current year income tax and deferred tax as given by the Company.<br>➢ Inspected latest assessment order completed and compared amount of tax paid by the Company with amount recognized in the financial statements.</td></tr>
<tr><td colspan="2">See note no. 21& 16, income tax & deferred tax expenses in the financial statements</td></tr>
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| Bank Loan | |
|---|---|
| As refereed note no 14 & 17 in the financial statement the company recognized Long Term Borrowings of BDT 540,007,319 and Short-term Borrowings of BDT 339,423,144 respectively at their reporting date.<br><br>Loan liability borrowings from bank were considered s key audit matter because this external form of credit facilities availed by the company require fulfillment of several terms and require fulfillment of several terms and conditions as mentioned in loan sanction letter issued by lending bank. | ➢ Our substantive audit procedure adopted during the audit includes the following test or details<br><br>➢ Inspecting relevant board minutes in support of bank loan reported in the financial statement.<br><br>➢ Agreeing outstanding balances with confirmation letter received from the bank.<br><br>➢ Agreeing finance costs charged by the company with loan statements provided by bank to test accuracy and completeness of expenses in relation to bank loan. |

**Other Matter**

Due to the outbreak of global pandemic "Covid-19" and its subsequent affects resulting in deteriorating situation in Bangladesh during the conduct of audit at the company, our audit procedures were mainly tailored to the material areas of the financial statements with more emphasis placed on obtaining documentary evidence from the company and testing their accuracy using the online platforms and limited physical verification to avoid the risk of getting contacted the virus and safety of audit team members.

**Other Information**

Management is responsible for the other information. The other information comprises all the information in the annual report other than the financial statements and our auditor's 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 and Internal Controls

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

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 exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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



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attention in our auditor's report to the related disclosures in the financial statements or, if such disclosers 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.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements. We are solely responsible for our audit opinion.

We communicated 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 identified during our audit.

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

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

**Report on Other Legal and Regulatory Requirements**

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

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of accounts and records as required by law have been kept by the Company so far as it appeared from our examination of those books;



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c) The Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income of the Company dealt with by the report are in agreement with the books of account and returns;
d) The expenditures incurred were for the purposes of the Company's business.
e) The company adopted IFRS: 15 'Revenue from Contracts with Customers' & IFRS 16: 'Leases' as continued from last year.

Dated, 30th October, 2022
Place: Dhaka

MD. SELIM REZA FCA FCS
ENROLL: 0939
ARTISAN
Chartered Accountants
DVC: 2211090939AS780834



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**LUB -RREF (BANGLADESH) LIMITED**
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## Statement of Financial Position
**As at June 30, 2022**

| | Notes | Amounts in Taka | |
|---|---|---|---|
| | | 30-Jun-22 | 30-Jun-21 |
| **ASSETS** | | | |
| **Non-Current Assets (Net)** | | **4,794,170,479** | **4,292,924,021** |
| Property, Plant and Equipment | 3.00 | 3,871,268,377 | 3,877,332,812 |
| Capital Work-in-Progress | 3.04 | 907,396,675 | 396,528,363 |
| Right of Use Assets | 4.00 | 15,505,427 | 19,062,847 |
| **Current Assets** | | **2,200,327,030** | **2,388,196,592** |
| Inventories | 5.00 | 533,638,501 | 514,557,779 |
| Receivables | 6.00 | 530,888,216 | 417,969,725 |
| Advances, Deposits & Prepayments | 7.00 | 500,184,269 | 450,662,631 |
| Related Party Current Accounts | 8.00 | 0.00 | 21,242,597 |
| Cash and Cash Equivalents | 9.00 | 635,616,044 | 983,763,860 |
| **TOTAL ASSETS** | | **6,994,497,509** | **6,681,120,614** |
| **SHAREHOLDER'S EQUITY AND LIABILITIES** | | | |
| **Shareholders' Equity** | | **5,511,405,023** | **5,293,839,269** |
| Share Capital | 10.00 | 1,452,431,440 | 1,452,431,440 |
| Share Premium | 11.00 | 1,447,589,777 | 1,447,589,777 |
| Revaluation Reserve | 12.00 | 587,066,740 | 592,002,832 |
| Retained Earnings | 13.00 | 2,024,317,067 | 1,801,815,219 |
| **Non-current Liabilities** | | **767,473,290** | **697,925,391** |
| Long-Term Loan-Non Current Portion | 14.00 | 486,596,787 | 444,941,366 |
| Lease Liabilities-Non Current Portion | 15.00 | 6,822,491 | 11,361,567 |
| Deferred Tax Liability | 16.00 | 274,054,012 | 241,622,458 |
| **Current Liabilities** | | **715,619,195** | **689,355,956** |
| Long-Term Loan-Current Portion | 14.00 | 53,410,532 | 51,068,220 |
| Lease Liabilities- Current Portion | 15.00 | 5,970,744 | 5,397,744 |
| Short-Term Bank Loan | 17.00 | 339,423,144 | 413,928,273 |
| Liability for WPPF | 18.00 | 21,637,208 | 18,223,302 |
| Accounts Payables | 19.00 | 12,612,133 | 9,264,737 |
| Liability for Current Tax | 20.00 | 273,684,673 | 184,333,577 |
| Liability for Expenses | 21.00 | 8,729,184 | 7,140,102 |
| Dividend Payable | 22.00 | 151,576 | - |
| **TOTAL SHAREHOLDERS EQUITY & LIABILITIES** | | **6,994,497,509** | **6,681,120,614** |
| **NET ASSET VALUE PER SHARE (NAV) with Re-Valuation** | 34.00 | **37.95** | **36.45** |
| **NET ASSET VALUE PER SHARE (NAV) without Re-Valuation** | | **33.90** | **32.37** |

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

**ARTISAN**
Chartered Accountants

Date : 30.10.2022
Place: Dhaka

ARTISAN Dhaka Chartered Accountants

**LUB -RREF (BANGLADESH) LIMITED**
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## Statement of Profit or Loss & Other Comprehensive Income

For the period ended June 30, 2022

| | Notes | Amount in Taka | |
|---|---|---|---|
| | | **30-Jun-22** | **30-Jun-21** |
| Net Revenues | **23.00** | 1,798,508,165 | 1,723,901,348 |
| Cost of Goods Sold | **24.00** | (1,213,667,387) | (1,167,403,611) |
| **Gross Profit** | | **584,840,778** | **556,497,737** |
| **Operating Expenses** | | **(76,611,921)** | **(70,287,788)** |
| General and Administrative Expenses | **25.00** | (79,619,499) | (60,497,817) |
| Selling and Distribution Expenses | **26.00** | (57,319,382) | (54,241,157) |
| Other Operating Income | **27.00** | 60,326,961 | 44,451,186 |
| **Operating Profit for the period** | | **508,228,857** | **486,209,949** |
| **Other Non Operating Income** | | **(53,847,482)** | **(103,520,605)** |
| Financial Expenses on Loan | **28.00** | (70,310,234) | (127,152,620) |
| Financial Expenses on Lease | **29.00** | (2,555,487) | (1,331,969) |
| Financial Income | **30.00** | 13,881,322 | 18,858,211 |
| Income from Others | **31.00** | 5,136,918 | 6,105,773 |
| **Profit Before WPPF & Income Tax** | | **454,381,376** | **382,689,344** |
| Less: Contribution to WPPF | | (21,637,208) | (18,223,302) |
| **Profit Before Income Tax for the Period** | | **432,744,167** | **364,466,042** |
| **Provision for Income Tax** | | **(122,653,726)** | **29,911,161** |
| Current Tax | **32.01** | (89,351,096) | (58,381,139) |
| Deferred Tax | **32.02** | (33,302,629) | 88,292,300 |
| **Net Profit After Tax for the Period** | | **310,090,442** | **394,377,204** |
| **Other Comprehensive Income** | | **871,075** | **6,535,038** |
| Deferred Tax (Expenses)/Income of Revaluation Reserve | | 871,075 | 6,535,038 |
| **Total Comprehensive Income for the Period** | | **310,961,517** | **400,912,242** |
| **Earnings Per Share (EPS) Basic** | **33.00** | **2.13** | **3.41** |

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

Date : 30.10.2022
Place: Dhaka

**ARTISAN**
Chartered Accountants

ARTISAN
Dhaka
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**Statement of Changes in Equity**

## Statement of Changes in Equity
### For the period ended June 30, 2022

Amount in Taka

| Particulars | Share Capital | Share Premium | Revaluation Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|
| **Balance as at July 01, 2021** | **1,452,431,440** | **1,474,589,777** | **592,002,833** | **1,801,815,219** | **5,320,839,269** |
| Dividend Paid for the year 2021 | - | - | | (93,395,762) | **(93,395,762)** |
| Transfer from Revaluation Surplus | - | - | (5,807,167) | 5,807,167 | - |
| Deferred Tax on Revaluation Reserve | - | - | 871,075 | - | **871,075** |
| Net profit/ ( Loss) after tax for the Year | - | - | - | 310,090,442 | **310,090,442** |
| **Balance as at Jun 30, 2022** | **1,452,431,440** | **1,474,589,777** | **587,066,741** | **2,024,317,066** | **5,538,405,023** |

## Statement of Changes in Equity
### For the period ended June 30, 2021

Amount in Taka

| Particulars | Share Capital | Share Premium | Revaluation Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|
| **Balance as at July 01, 2020** | **1,000,000,000** | **485,500,000** | **591,539,658** | **1,401,366,153** | **3,451,405,810** |
| Addition during the Year | 452,431,440 | 1,047,568,560 | - | - | **1,500,000,000** |
| Adjustment of IPO Expenses | | (58,478,783) | | | **(58,478,783)** |
| Transfer from Revaluation Surplus | - | - | (6,071,863) | 6,071,863 | - |
| Deferred Tax on Revaluation Reserve | - | - | 6,535,038 | - | **6,535,038** |
| Net profit/ ( Loss) after tax for the Year | - | - | - | 394,377,204 | **394,377,204** |
| **Balance as at Jun 30, 2021** | **1,452,431,440** | **1,474,589,777** | **592,002,833** | **1,801,815,219** | **5,293,839,268** |

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

ARTISAN
CHARTERED ACCOUNTANTS

ARTISAN Dhaka Chartered Accountants

Date : 30.10.2022
Place: Dhaka

**LUB -RREF (BANGLADESH) LIMITED**
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## Statement of Cash Flows

For the period ended June 30, 2022

| | | Note | Amount in Taka | |
|---|---|---|---|---|
| | | | **30-Jun-22** | **30-Jun-22** |
| **A.** | **Cash Flows From Operating Activities:** | | | |
| | Receipts from Customers | 43.00 | 1,745,932,595 | 1,780,745,791 |
| | Receipts from Other Non-Operating Income | | 17,279,232 | 19,967,831 |
| | Payments to Suppliers | 44.00 | (988,176,913) | (960,212,584) |
| | Payments for Employee | 45.00 | (102,361,507) | (81,352,406) |
| | Payments to Operating Expenses | 46.00 | (79,101,432) | (8,886,680) |
| | Income Tax Paid | | (56,286,974) | (55,129,035) |
| | **Net Cash (Used In) / Generated By Operating Activities** | | **537,299,785** | **695,132,916** |
| **B.** | **Cash Flows From Investing Activities:** | | | |
| | Purchase of Property, Plant & Equipment | | (53,831,662) | (70,102,124) |
| | Addition in Capital Work-In-Progress | | (642,380,607) | (496,898,307) |
| | Advance against Machinery purchase | | - | (36,774,053) |
| | Purchase of Lease Asset | | - | (18,984,000) |
| | Finance Expenses Capitalized | | (10,301,239) | (11,284,899) |
| | Interest from FDR | | 162,001 | 457,171 |
| | Paid against Floor Purchase | | - | (19,010,000) |
| | Received from Related Party as Realization | | 22,637,283 | 15,055,024 |
| | | | **(683,714,225)** | **(637,541,188)** |
| **C.** | **Cash Flows From Financing Activities:** | | | |
| | Financial Expenses Paid-Loan | | (70,310,234) | (127,152,620) |
| | Financial Expenses Paid-Lease | | (2,555,487) | (1,331,969) |
| | Payment of Dividend | | (93,244,186) | - |
| | IPO expenses paid | | (1,150,000) | (57,328,783) |
| | Repayment of Short-Term Loan | | (74,505,129) | (50,642,362) |
| | Repayment of Long-Term Loan | | 43,997,734 | (376,157,122) |
| | Repayment of Lease | | (3,966,076) | 15,946,664 |
| | Received of IPO fund with Premium | | - | 1,500,000,000 |
| | **Net Cash (Used In) / Generated By Financing Activities** | | **(201,733,378)** | **903,333,808** |
| **D.** | **Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)** | | **(348,147,817)** | **960,925,536** |
| **E.** | Opening Cash and Cash Equivalents | | 983,763,860 | 22,838,325 |
| **F.** | **Closing Cash And Cash Equivalents (D+E)** | | **635,616,043** | **983,763,860** |
| | **Net Operating Cash Flow Per Share (Basic)** | 35.00 | **3.70** | **6.01** |

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

**ARTISAN**
Chartered Accountants

Date : 30.10.2022
Place: Dhaka

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

## Notes, Comprising Summary of Significant Accounting Policies and Other Explanatory Information
## For the year ended 30th June 2022

### 1. 00 Status of the Reporting Entity

### 1.01 Legal Status:

Lub-rref (Bangladesh) Limited was incorporated as a private 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. The Company listed with Dhaka and Chattagram Stock Exchange on 2021.

### 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.

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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)

**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 |

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| | |
|---|---|
| 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 |

**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 Company has initially adopted IFRS 16 Lease from 1 July 2019. Previously, the company recognized finance lease and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized. As a result, there is no impact on financial statements on initial application of these standards.

**2.08 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.
Dhaka and Chattogram Stock Exchange Listing Regulation 2015.

**2.09 Reporting Period**

The financial period of the company covers One year from July 01, 2021 to June 30, 2022.

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### 2.11.1 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.

### 2.11.2 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% |

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| Category | Rate (%) |
|---|---|
| Gas Installation | 10% |
| Generator | 10% |
| Weighing Scale | 5% |
| Interior Decoration | 15% |
| Kitchen Equipment | 10% |
| Ware House, Dhaka | 10% |

The Company used branded plant and machinery in its production process which was 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.

**2.11.3 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.

**2.11.4 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.

**2.11. 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.

**2.11.6 Revaluation of Property, Plant & Equipment**

As per **IAS16: 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

ARTISAN Dhaka Chartered Accountants

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 | | | | 512,848,032 | 107,5273,891 | 230,225,920 | 332,199,939 |
| Building and other construction | Ahmad & Akhtar | Chartered Accountants | 07.12.17 | 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;

| 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'' |

**Depreciation on Right of Use Assets**

Depreciation on Right of use Assets (Finance Lease) 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 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 estimated useful lives for depreciation are as follows:

| Category | Rate (%) |
|---|---|
| Plant & Machineries | 10% |
| Vehicles | 20% |

**2.11.7 Impairment of Assets**

The management of the Company takes physical stocks periodically and recognition of the assets was 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 useable condition of the assets as per IAS-36 Impairment of Assets.

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ii) The management of the Company has conducted physical verification of Property, Plant & Equipment on 30.06.2022

Property, Plant & Equipment are consisting of Office Building, Air Conditioner, and 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 realizable value as per IAS 16: Property, Plant & Equipment Costs include expenditure incurred in acquiring 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.

**2.12 Intangible Asset**

The Company has no Intangible assets during the year.

**2.13 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.

**2.14 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

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prices, the loss on sales is recognized 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.

**2.15 Financial Instruments**

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

**2.15.2 Non-Derivation Financial Instruments**

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

**2.15.3 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.

**2.15.4 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.

**2.15.5 Trade Payables and Accruals**

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

**2.15.6 Share Capital**

Ordinary shares are classified as equity.

**2.16 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.

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**2.17 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.

**2.18 Revenue Recognition**

| "As per IFRS-15: "Revenue from Contracts with 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).

**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 provides assurance by giving acceptance 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 (up to 30 June 2018) 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:

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## 2.19 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.

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**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.

**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 recognized 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.

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### 2.20 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.

### 2.21 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."

### 2.22 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

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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.

The company made provision for WPPF in line with section 234 (a) chapter-XV (Workers 'participation in Companies Profits) of Bangladesh Labour Act-2006 and complied with section 234 (b). Transfer of the amount to a separate bank account is under process. The management of the company tried to disburse the amount to workers through banking channel but in fact, it was very hard to find a separate bank account of all the workers. Considering circumstance and requirement for compliance with chapter-XV section 234 (a) 7 (b) of Bangladesh Labour Act-2006, the management of the Company decided to pay out the benefit in cash basis.

**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.

### 2.23 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-23 "Borrowing Cost".

### 2.24 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.

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**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.

**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.

**2.25 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.

**2.26 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).

**2.27 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.

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**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.

## 2.28 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.

## 2.29 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 if any. Events after the reporting period that are non-adjusting events are disclosed in the notes when material.

The financial

## 2.30 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.

## 2.31 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.

## 2.32 Components of the Financial Statements

According to the International Accounting Standards (IAS)-1 as adopted by ICAB "Presentation of Financial Statements" the complete set of financial statements includes the following components.

i. Statement of Financial Position as at June 30, 2022;
ii. Statement of Profit or Loss and other Comprehensive Income for the year ended on June 30, 2022;
iii. Statement of Changes in Equity for the year ended on June 30, 2022;
iv. Statement of Cash Flows for the year ended on June 30, 2022;
v. Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended on June 30, 2022.

## 2.33 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 as follows.

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| Before Rearrangement of Financial Statement | After Rearrangement of Financial Statement |
|---|---|
| The Company presented ROU asset include with Property Plant &Equipment in The Financial Statements | The Company has presented ROU asset Separately in the Financial Statements |

### 2.34 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.

### 2.34.1 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 | 22.50% |
| *Tax Rate on Other Income: | 22.50% |
| *Taxes on Interest on FDR | 22.50% |
| Taxes on Dividend Income | 20.00% |
| Export/ deemed export income (if any) | 10.125% |

**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.

### 2.34.2 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.

### 2.35 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.

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### 2.36 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.

### 2.37 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.

### 2.38 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.

### 2.39 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.

### 2.40 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 30th October 2022.

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| | | | 30-Jun-22 | 30-Jun-21 |
|---|---|---|---|---|
| 3.00 | **Property, Plant and Equipment (Note: 3.00+3.02)** | | **3,871,268,377** | **3,877,332,812** |
| | **A. Cost** | | | |
| | Opening Balance | | 4,311,371,417 | 3,936,644,483 |
| | Add: Addition during the year | | 53,831,662 | 70,102,124 |
| | Add: Transfer from Capital Work in Progress | | 178,587,587 | 304,624,810 |
| | **Total Cost** | | **4,543,790,666** | **4,311,371,417** |
| | **B. Accumulated Depreciation** | | | |
| | Opening Balance | | 1,051,111,228 | 825,664,743 |
| | Add: Charged during the year (Note 3.03) | | 232,676,517 | 225,446,486 |
| | Less: Adjustment during the year (Note 3.03) | | - | |
| | **Total Charged** | | **1,283,787,745** | **1,051,111,228** |
| | **C. Written Down Value Cost (A-B) as on 31 Mar, 2022** | | **3,260,002,921** | **3,260,260,189** |
| | A schedule of property, plant and equipment is given in Annexure - A | | | |
| 3.02 | **Revaluation Reserve** | | | |
| | **A. Revaluation** | | | |
| | **Opening Balance Restated as on 01.07.2016** | | 682,725,390 | 682,725,390 |
| | **Closing Balance** | | **682,725,390** | **682,725,390** |
| | **B. Accumulated Depreciation on Revaluation** | | | |
| | Opening Balance | | 65,652,767 | 59,580,904 |
| | Add: Prior year adjustment for depreciation on Revaluation Reserve | | - | - |
| | Add: Charged during the year (Note 3.03) | | - | - |
| | **Opening Balance Restated as on 01.07.2016** | | **65,652,767** | **59,580,904** |
| | Add: Charged during the year (Note 3.03) | | 5,807,167 | 6,071,863 |
| | **Closing Balance** | | **71,459,934** | **65,652,767** |
| | **C. Written Down Value of Revaluation (A-B) as on 31 Mar, 2022** | | **611,265,456** | **617,072,623** |
| 3.03 | **Allocation of Depreciation Charges** | | | |
| | Factory Overhead @ 70% | Note-24.03 | 166,938,579 | 162,062,844 |
| | General and Administration Overhead @ 15% | Note-25 | 35,772,553 | 34,727,752 |
| | Selling and Distribution overhead @ 15% | Note-26 | 35,772,553 | 34,727,752 |
| | | | **238,483,684** | **231,518,348** |
| 3.04 | **Capital Work-in-Progress** | | | |
| | Opening Balance | | 396,528,363 | 192,969,967 |
| | Add: Addition made during the year | | 270,676,360 | 496,898,307 |
| | Add : Addition made during the year (BMRE) | | 408,478,300 | - |
| | Add. Interest Capitalization during the year | | 10,301,239 | 11,284,899 |
| | Less: Transferred to Fixed Asset during the year | | (178,587,587) | (304,624,810) |
| | | | **907,396,675** | **396,528,363** |
| | ***The make-up of the Closing Balance*** | | - | |
| | 1 Grease Laboratory Services | | 46,177,576 | 46,177,576 |
| | 2 Project Expansion new site | | 453,386,422 | 350,350,787 |
| | 3 Expansion of Business-BMRE (IPO Phase) | | 407,832,677 | - |
| | | | **907,396,675** | **396,528,363** |
| 4.00 | **Right of Use Assets** | | | |
| | **A. Cost** | | | |
| | Opening Balance | | 22,484,000 | 3,500,000 |
| | Add: Addition during the year | | - | 18,984,000 |
| | Less: Transfer to Fixed Assets | | - | - |
| | **Total Cost** | | **22,484,000** | **22,484,000** |
| | **B. Accumulated Depreciation** | | | |
| | Opening Balance | | 3,421,153 | 665,000 |
| | Add: Charged during the year (Note 3.03) | | 3,557,419 | 2,756,153 |
| | Less : Transfer to Acc. Depreciation | | - | - |
| | **Total Charged** | | **6,978,573** | **3,421,153** |
| | **C. Written Down Value Cost (A-B) as on 30 June, 2021** | | **15,505,427** | **19,062,847** |
| 5.00 | **Inventories** | | | |
| | Raw Materials - note 5.01 | - | 414,239,422 | 354,021,928 |
| | Packing Materials - note 5.02 | - | 8,920,069 | 11,750,264 |
| | Finished Goods - note 5.03 | - | 110,479,010 | 148,785,587 |
| | | | **533,638,501** | **514,557,779** |

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| | | 30-Jun-22 | 30-Jun-21 |
|---|---|---|---|
| **5.01** | **Raw Materials - note 5.00 & 24.01** | | |
| | Base Oil | 219,184,452 | 216,225,084 |
| | Additives & Chemicals | 189,066,019 | 129,473,425 |
| | ULO, RVF, LRF | 5,988,951 | 8,323,419 |
| | | **414,239,422** | **354,021,928** |
| **5.02** | **Packing Materials - note 5.00 & 24.02** | | |
| | Empty Drum, Pail & Container | 3,536,670 | 6,624,472 |
| | Carton | 2,583,105 | 2,715,036 |
| | Stickers | 2,014,144 | 1,772,092 |
| | PVC Shrinks & Others | 786,150 | 638,664 |
| | | **8,920,069** | **11,750,264** |
| **5.03** | **Finished Goods - note 5.00 & 24** | | |
| | Lubricating Oil | 110,479,010 | 148,785,587 |
| | | **110,479,010** | **148,785,587** |
| **6.00** | **Trade & Others Receivables ( Note: 6.01+6.02)** | **530,888,216** | **417,969,725** |
| **6.01** | **Trade Receivables** | | |
| | Opening Balance | 405,621,193 | 419,425,632 |
| | Add: Addition during the year | 1,798,508,165 | 1,723,901,348 |
| | | **2,204,129,358** | **2,143,326,980** |
| | Less: Realized during the year | 1,687,309,843 | 1,737,705,788 |
| | | **516,819,516** | **405,621,193** |
| | **Disclosure as per schedule-XI, Part-1, of the Company Act, 1994** | | |
| | Dues over 6 Months | 126,088,457 | 98,959,402 |
| | Dues within 6 Months | 390,731,058 | 306,661,790 |
| | **Total** | **516,819,516** | **405,621,193** |
| | Receivable considered good & secured | 415,921,416 | 304,723,093 |
| | 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 | - | - |
| | | **516,819,516** | **405,621,193** |
| **6.02** | **Other Receivables** | | |
| | Other Receivable-Lab Test | 13,680,814 | 12,159,516 |
| | Forfeiture amount from PF account | 205,565 | 22,655 |
| | Accrued Interest Income (FDR) | 182,321 | 166,361 |
| | | **14,068,700** | **12,348,532** |
| **7.00** | **Advances, Deposits and Prepayments** | | |
| | Advances - note 7.01 | 482,370,028 | 442,030,925 |
| | Deposits - note 7.02 | 17,814,240 | 8,631,707 |
| | | **500,184,269** | **450,662,631** |
| **7.01** | **Advances** | | |
| | Advance against L/C | 185,879,987 | 127,858,722 |
| | Advance against VAT | 313,340 | 15,642,763 |
| | Advance Against Salary & Allowance | 2,898,039 | 2,255,488 |
| | Advance Against Procurement | 33,609,909 | 54,231,610 |
| | Advance Travelling & Conveyance | 1,078,826 | 1,658,754 |
| | Advance against Office Rent | 155,500 | 155,500 |
| | Advance Income Tax (7.01.1) | 256,642,575 | 200,355,601 |
| | Advance against Office Expenses | 184,730 | 1,478,758 |
| | Advance against Selling & Distribution Expenses | 854,758 | 658,788 |
| | Advance against Fuel Expenses | 187,577 | 57,320 |
| | Advance against Legal & Professional Expenses | 564,787 | 903,568 |
| | Advance against Expansion of Business | - | 36,774,053 |
| | | **482,370,028** | **442,030,925** |
| **7.01.01** | **Advance Income Tax** | | |
| | Opening Balance | 200,355,601 | 145,226,566 |
| | Add: Addition during the year | 56,286,974 | 55,129,035 |
| | | **256,642,575** | **200,355,601** |
| | Less: Adjustment during the year | - | - |
| | **Closing Balance** | **256,642,575** | **200,355,601** |

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| | | 30-Jun-22 | 30-Jun-21 |
|---|---|---|---|

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

| Assessment Year | Particulars (for the year ended) | Assessment U/S | Advance Income Tax (BDT) | Current Status |
|---|---|---|---|---|
| 2022-2023 | 30th June 2022 | - | 56,286,974 | Assessment under process |
| 2021-2022 | 30th June 2021 | 83(2) | 55,129,035 | Assessment under process |
| 2020-2021 | 30th June 2020 | 83(2) | 55,974,337 | Assessment under process |
| 2019-2020 | 30th June 2019 | 83(2) | 32,857,450 | We filed an application to the Taxes Authority U/S 173 of ITO-1984. |
| 2018-2019 | 30th June 2018 | 83(2)/156 | 18,009,199 | We have filed an appeal before the Taxes Appellate Tribunal Ctg Bench, Ctg. |
| 2017-2018 | 30th June 2017 | 84/156/83(2) | 8,641,145 | We have filed an appeal before the Taxes Appellate Tribunal Ctg Bench, Ctg. |
| 2016-2017 | 30th June 2016 | 93/83(2) | 3,953,530 | Did not receive any DN, IT-88, IT-30 till to date |
| 2016-2017 | 31st December, 2015 | 93/83(2) | 8,429,287 | Did not receive any DN, IT-88, IT-30 till to date |
| 2015-2016 | 31st December, 2014 | 93/83(2) | 6,380,478 | Did not receive any DN, IT-88, IT-30 till to date |
| 2014-2015 | 31st December, 2013 | 83(2)/156/159 | 2,759,749 | Reference Case Filled In High Court. |
| 2013-2014 | Carrying amount up to 31.12.12 | 83(2)/156/159 | 8,221,391 | Reference Case Filled In High Court. |
| | **Total** | | **256,642,575** | |

**7.02 Deposits (Security)**

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Bangladesh Railway | 248,932 | 197,985 |
| Linde Bangladesh Ltd. | 212,000 | 212,000 |
| PDB- Pahartali | 253,800 | 253,800 |
| Bakhrabad Gas System Ltd. | 12,323,874 | 6,082,288 |
| Chittagong Port Authority | 520,000 | 520,000 |
| Bangladesh Telephone and Telegraph Board-BTTB | 24,000 | 24,000 |
| Chittagong WASA | 100,000 | 100,000 |
| Van Omran Tank Terminal -VOTT | 2,960,000 | - |
| Speed Track (Pvt) Ltd. -Ctg. | 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 |
| Mayor Rajshahi City Corporation | 32,291 | 32,291 |
| Anduip CNG Filling Station, Dhaka | 40,000 | 40,000 |
| PUFFL | 8,610 | 8,610 |
| General Electric Manufacturing Co. Ltd | 179,665 | 179,665 |
| Chittagong City Corporation | 200,000 | 200,000 |
| Shiddirgonj Power | 35,000 | 35,000 |
| Rostan State Atomic Energy Corporation. | 67,668 | 67,668 |
| Rajshahi City Corporation | 65,000 | - |
| Siddhirganj 2*120 MW power Plant. | - | 25,000 |
| Siddhirganj 335 MW Combined Cycle Power Plant | - | 110,000 |
| | **17,814,240** | **8,631,707** |

**7.03 Additional disclosure in line with schedule 11 part 1 of the Companies Act 1994**

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Advance Outstanding for a period exceeding six months | 274,612,315 | 209,142,807 |
| Advance Outstanding for a period not exceeding six months | 225,571,954 | 241,519,824 |
| Advance considered good | 500,184,269 | 450,662,631 |
| 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 | - | - |

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| | | 30-Jun-22 | 30-Jun-21 |
|---|---|---|---|
| **8.00** | **Related Party Current Account** | 0.00 | 21,242,597 |
| **8.01** | **Companygonj Agro Industries Limited** | | |
| | Opening Balance | 21,242,597 | 31,925,000 |
| | Add: Addition during the year | 2,367,661 | 8,717,598 |
| | | **23,610,259** | **40,642,597** |
| | Less: Adjustment/Paid off during the year | 23,610,259 | 19,400,000 |
| | **Closing Balance** | **0.00** | **21,242,597** |

***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***

| | | | |
|---|---|---|---|
| **9.00** | **Cash and Cash Equivalents** | | |
| | Cash in Hand Note- 9.01 | 9,008,068 | 8,254,315 |
| | Cash at Bank Note- 9.02 | 613,665,219 | 968,577,227 |
| | FDR Investment Note- 9.03 | 12,942,757 | 6,932,318 |
| | | **635,616,044** | **983,763,860** |
| **9.01** | **Cash in Hand** | | |
| | Cash at Head Office (Ctg) | 4,805,879 | 4,267,741 |
| | Cash at Dhaka Office | 4,202,189 | 3,986,573 |
| | | **9,008,068** | **8,254,315** |

| | | Branch | Types | | |
|---|---|---|---|---|---|
| **9.02** | **Cash at Bank** | | | | |
| | Southeast Bank Limited (18039) | Jubilee Road | Current | 963,395 | 532,887 |
| | Southeast Bank Limited (00470) | Donia | Current | 890 | 1,467 |
| | Southeast Bank Limited (30092) | Jubilee Road | Current | - | 684 |
| | Islami Bank Bangladesh Limited | Agrabad | Current | 58,543 | 727,432 |
| | Dutch Bangla Bank Limited | O.R Nizam | Current | 5,298 | 68,264 |
| | Pubali Bank Limited | Pahartali | Current | 580,411 | 209,850 |
| | Sonali Bank Limited | Laldighi | Current | 278,557 | 155,126 |
| | Uttara Bank Ltd | Agrabad | Current | 7,416 | 4,335 |
| | Islami Bank Bangladesh Limited | Pahartali | SND | 31,580 | 32,544 |
| | EXIM Bank Limited | Agrabad | Current | 919,029 | 63,539 |
| | Sonali Bank Limited | Teknaf | Current | 2,585 | 2,585 |
| | Southeast Bank Limited (0159) | Banglamotor | Current | 145 | 27,767 |
| | Southeast Bank Limited (014895) | Jubilee Road | SND | 6,565 | 7,615 |
| | Southeast Bank Limited (014900) | Jubilee Road | SND | 1,747 | 2,861 |
| | Southeast Bank Limited (294) | Pahartali | SND | 95,661 | 21,834 |
| | Agrani Bank Limited (18653894) | Wasa Cor. | Current | 789 | - |
| | Southeast Bank Limited (14915) | Jubilee Road | SND | 1,487,377 | 1,471,419 |
| | Social Islami Bank Limited (33097) | Agrabad | Current | 444,173 | 963,650 |
| | Social Islami Bank Limited (4111) | Agrabad | MND | 151,576 | - |
| | Social Islami Bank Limited (4122) | Agrabad | MND | 607,930,310 | - |
| | Southeast Bank Limited (14867) | Jubilee Road | SND | 163,541 | 839,365,137 |
| | Southeast Bank Limited (00114) | Jubilee Road | FCA-USD | 535,631 | 124,826,308 |
| | Southeast Bank Limited (00001) | Jubilee Road | FCA-GBP | - | 33,366 |
| | Southeast Bank Limited (00001) | Jubilee Road | FCA-EUR | - | 58,557 |
| | All the bank balances were confirmed by the respective bank. | | | **613,665,219** | **968,577,227** |

| | | | | |
|---|---|---|---|---|
| **9.03** | **FDR Investment** | | | |
| | 24500013791 | SEBL Jubilee Road Branch | 747,645 | 715,928 |
| | 24500015854 | SEBL Jubilee Road Branch | 1,225,911 | 1,186,312 |
| | 24500025572 | SEBL Jubilee Road Branch | 1,776,510 | 1,703,010 |
| | 24500027123 | SEBL Jubilee Road Branch | 361,785 | 347,853 |
| | 24500027746 | SEBL Jubilee Road Branch | 1,034,218 | 984,078 |
| | 24500027747 | SEBL Jubilee Road Branch | 117,981 | 112,078 |
| | 24500027748 | SEBL Jubilee Road Branch | 26,405 | 25,052 |
| | 24300003787 | SEBL, Pahartali Branch | 232,758 | 224,586 |
| | 24500027827 | SEBL Jubilee Road Branch | 753,889 | 725,045 |
| | 0045320026273 | SIBL, Agrabad Branch | 678,469 | 646,093 |
| | 0045320026396 | SIBL, Agrabad Branch | 172,871 | 164,261 |
| | 0045330039493 | SIBL, Agrabad Branch | 103,315 | 98,022 |
| | 0045330040584 | SIBL, Agrabad Branch | 3,711,000 | - |
| | 1003251000003901 | IPDC Finance Ltd. | 1,000,000 | - |
| | 1003251000003948 | IPDC Finance Ltd. | 1,000,000 | - |
| | | | **12,942,757** | **6,932,318** |

ARTISAN Dhaka Chartered Accountants

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|

## 10.00 Share Capital

**Authorized Capital**

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| 250,000,000 Ordinary Shares of Tk 10 each | **2,500,000,000** | **2,500,000,000** |

**Paid up Capital**

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| 145,243,144 Ordinary Shares of Tk 10 each are fully paid in cash | 1,452,431,440 | 1,000,000,000 |
| Add: Addition during the year | - | 452,431,440 |
| | **1,452,431,440** | **1,452,431,440** |

The Issued, Subscribed and Paid-up Capital is Tk. 1,452,431,440 divided into 145,243,144 ordinary shares of Taka 10.00 each fully paid. The Shareholding position of the company as on 30 June 2022 is as follows:

| Sl. | Name of Shareholders | Number of Shares held | % of Shareholding | Amounts in Taka 30-Jun-22 | Amounts in Taka 30-Jun-21 |
|---|---|---|---|---|---|
| 1. | Mohammed Yousuf | 29,567,544 | 20.36% | 295,675,440 | 295,675,440 |
| 2. | Mrs. Rubiya Nahar | 3,455,140 | 2.38% | 34,551,400 | 34,551,400 |
| 3. | Md. Salauddin Yousuf | 3,247,520 | 2.24% | 32,475,200 | 32,475,200 |
| 4. | Mrs. Israt Jahan | 3,123,495 | 2.15% | 31,234,950 | 31,234,950 |
| 5. | Companygonj Agro Industries Ltd | 3,509,300 | 2.42% | 35,093,000 | 35,093,000 |
| 6 | Md. Mosharaf Hossain | 10 | 0.00% | 100 | 100 |
| 7 | Md. Jashim Uddin | 144,373 | 0.10% | 1,443,730 | 1,443,730 |
| 8 | Nusrat Nahar | 8,800,000 | 6.06% | 88,000,000 | 88,000,000 |
| 9 | Mr. Moniruzzaman | - | 0.00% | 0.00 | 0.00 |
| 10 | Mr. Wahiduddin Chowdhury | - | 0.00% | 0.00 | 0.00 |
| | **Total Director & Sponsors** | **51,847,382** | **35.71%** | **518473820.00** | **518,473,820** |
| 11 | Other Shareholders | 93,395,762 | 64.30% | 933,957,620 | 933,957,620 |
| | **Total** | **145,243,144** | **100%** | **1,452,431,440** | **1,452,431,440** |

**The range of shareholdings are shown below:**

| SL # | Shareholding Range | No of Shareholders | No of Shares | Percentage (%) |
|---|---|---|---|---|
| 1 | Upto 100 Shares | 1,544 | 88,481 | 0.0609 |
| 2 | From 101 to 500 Shares | 12,632 | 2,985,092 | 2.0552 |
| 3 | From 501 to 1,000 Shares | 2,260 | 1,691,274 | 1.1644 |
| 4 | From 1,001 to 10,000 Shares | 3,046 | 11,296,386 | 7.7776 |
| 5 | From 10,001 to 20,000 Shares | 387 | 5,693,744 | 3.9201 |
| 6 | From 20,001 to 50,000 Shares | 209 | 6,806,414 | 4.6862 |
| 7 | From 50,001 to 1,00,000 Shares | 93 | 7,517,387 | 5.1757 |
| 8 | From 1,00,001 to 10,00,000 Shares | 77 | 23,408,249 | 16.1166 |
| 9 | From 10,00,001 to 50,00,000 Shares | 15 | 33,988,573 | 23.4012 |
| 10 | From 50,00,001 to 1,00,00,000 Shares | 3 | 22,200,000 | 15.2847 |
| 11 | From 1,00,00,001 and above shares | 1 | 29,567,544 | 20.3573 |
| | **Total** | **20,267** | **145,243,144** | **100.00** |

## 11.00 Share Premium

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| 30,000,000 Ordinary Shares @ per Share Tk. 15.28 each | 458,500,000 | 458,500,000 |
| 22,621,544 Ordinary Shares @ per Share Tk. 29.3084044 each | 663,001,360 | 663,001,360 |
| 22,621,600 Ordinary Shares @ per Share Tk. 17.00 each | 384,567,200 | 384,567,200 |
| **Total** | **1,506,068,560** | **1,506,068,560** |
| **Opening Balance** | **1,447,589,777** | - |
| Less: Adjustment of IPO Expenses | - | **(58,478,783)** |
| **Total** | **1,447,589,777** | **1,447,589,777** |

## 12.00 Revaluation Reserve

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Opening Balance | 592,002,832 | 591,539,658 |
| Add. Revaluation made during the year | - | - |
| Less. Adjustment for depreciation on Revaluation | - | - |
| Less. Adjustment for depreciation on Revaluation | (5,807,167) | (6,071,863) |
| Deferred Tax Expenses/(Income) | 871,075 | 6,535,038 |
| **Closing Balance** | **587,066,740** | **592,002,832** |

***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***

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| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **13.00 Retained Earnings** | | |
| Opening Balance | 1,801,815,219 | 1,401,366,153 |
| Add: Net Profit /(Loss) during the year | 310,090,442 | 394,377,204 |
| Add: Current year depreciation on revalued amount of fixed assets | 5,807,167 | 6,071,863 |
| Less: Dividend Paid for the year 2021 (10% Cash) | (93,395,762) | - |
| **Closing Balance** | **2,024,317,067** | **1,801,815,219** |
| **14.00 Long-Term Loan** | | |
| Opening Balance | **496,009,585** | **872,166,707** |
| Add: Addition During the year Interest. | 43,997,734 | 85,673,160 |
| Add: Addition During the year Principal | - | - |
| Less: Adjustment/Paid during the year | - | (461,830,282) |
| **Closing Balance** | **540,007,319** | **496,009,585** |
| Less: Current portion of Long term Loan | 53,410,532 | 51,068,220 |
| **Non Current Portion of Long Term Loan** | **486,596,787** | **444,941,366** |

***Brief details of Long term Loan:***

| | | |
|---|---|---|
| 1 | ***Bank Name:*** | Social Islami Bank Limited, Agrabad Branch, Ctg. |
| | ***Tenure:*** | 10 (year) |
| | ***Limit:*** | 80.00 Crore |
| | ***Security:*** | Land 892.59 Decimal & Factory Building |
| | ***Interest Rate:*** | 9% per year |
| | ***Sanction Date:*** | 12.03.2019 |

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **15.00 Lease Liabilities** | | |
| Opening Balance | **16,759,311** | **812,647** |
| Add: Addition During the year | 2,004,668 | 20,315,969 |
| Less: Adjustment during the year | (5,970,744) | (4,369,305) |
| | **12,793,235** | **16,759,311** |
| Less: Current Portion of Lease Liabilities | (5,970,744) | (5,397,744) |
| **Non Current Portion of Lease Liabilities** | **6,822,491** | **11,361,567** |

**Details are as follows:**

| | |
|---|---|
| ***Finance Provider*** | Uttara Finance & Investment Ltd. |
| ***Limit*** | 1,400,000/-, 32,80,000/-, 49,20,000/-,984,000/- |
| ***Installment Size*** | 38,963/-, 91,285/-, 136,927/-,47,750/- per month |
| ***Sanction Date*** | 26/09/2019, 20/01/2021, 17/09/2020, 25/12/2020 |
| ***Security*** | Personal Guaranty of all directors & 48 & 24 Post dated |
| ***Interest Rate*** | 15% |
| ***Purpose*** | Lease Finance Against 1 brand new ISUZU 3 Ton Truck, 2 nos ISUZU 1.5 Ton Truck, 3 nos ISUZU 1.5 Ton Truck, 10 Bajaj Motorcycle |
| ***Period*** | 48 Month & 24 Month |
| ***Finance Provider*** | IPDC Finance Limited |
| ***Limit*** | 8,400,000/- |
| ***Installment Size*** | 182,637/- per month |
| ***Sanction Date*** | 15-Nov-20 |
| ***Security*** | Personal Guaranty of all directors & 60 Post dated MICR |
| ***Interest Rate*** | 13% |
| ***Purpose*** | Lease Finance Against 1 nos Toyota Land Cruiser Prado |
| ***Period*** | 60 Month |

| | | 30-Jun-22 | 30-Jun-21 |
|---|---|---|---|
| **16.00 Deferred Tax** | | | |
| **Opening Balance as on 01.07.2020** | | **241,622,458** | **336,449,796** |
| Adjustment of Revaluation Reserve Note 16.01 | | (871,075) | (6,535,038) |
| Expenses/(Income) During the Year Note 16.02 | | 33,302,629 | (88,292,300) |
| **Deferred Tax Liability/(Assets)** | | **274,054,012** | **241,622,458** |
| **16.01 Adjustment of Deferred Tax on Revaluation Reserve** | | | |
| Deferred Tax Liability on Revaluation Surplus (Closing) | Note 16.01.a | 24,198,715 | 25,069,790 |
| Deferred Tax Liability on Revaluation Surplus (Opening) | | 25,069,790 | 31,604,828 |
| **Deferred Tax Expenses/(Income)** | | **(871,075)** | **(6,535,038)** |

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| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **16.02 Deferred Tax Expenses/(Income) Excluding Revaluation** | | |
| Deferred Tax Liability Excluding Revaluation Surplus (Closing) | 249,855,297 | 216,552,667 |
| Deferred Tax Liability Excluding Revaluation Surplus (Opening) | 216,552,667 | 304,844,968 |
| **Deferred Tax Expenses/(Income)-A** | 33,302,629 | (88,292,300) |
| **Deferred Tax Expenses/(Income)-B** | - | - |
| Total Deferred Tax Expenses/(Income) | 33,302,629 | (88,292,300) |
| **16.02.a Deferred Tax Expenses/(Income) Calculation** | | |
| **Deferred Tax Expenses/(Income) Calculation on Lease liability** | | |
| Payment of Lease | 5,970,744 | 4,369,305 |
| Less: Depreciation of ROU Assets | (3,557,419) | (2,756,153) |
| Less: Interest on Lease Liability | (2,555,487) | (1,331,969) |
| **Net Temporary difference** | (142,163) | 281,183 |
| **Tax Rate** | 22.50% | 20.25% |
| **Deferred Tax Liability/(Assets)** | (31,987) | 56,940 |
| Opening Balance | (155,692) | 212,632 |
| **Deferred Tax Expenses/(Income) Calculation on Lease liability-B** | 123,705 | (155,692) |

| | | Tax Base | Accounting Base | bility on 31.03.2021 |
|---|---|---|---|---|
| | | **WDV as on 30.06.2021** | | |
| Property, Plant & Equipment Excluding Land (Jun-21) | 12 Months | 1,540,796,238 | 2,628,134,245 | 220,185,946 |
| Liability for WPPF | | | (18,223,302) | (3,690,219) |
| **Deferred Tax Closing 30 June 2021** | | | | 216,495,728 |
| | | **WDV as on 30.06.2022** | | |
| Property, Plant & Equipment Excluding Land (Jun-22) | 12 Months | 1,468,868,010 | 2,601,115,365 | 254,755,655 |
| Liability for WPPF | | - | (21,637,208) | (4,868,372) |
| **Deferred Tax Closing 30 June 2022** | | | | 249,887,283 |

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **17.00 Short-Term Loan** | | |
| Social Islami Bank Limited-TR | 25,172,706 | 53,522,247 |
| Social Islami Bank Limited-Overdraft | 314,250,438 | 360,406,026 |
| | 339,423,144 | 413,928,273 |

***Brief details of Short term Loan:***

| | |
|---|---|
| ***Bank Name:*** | **Social Islami Bank Limited** |
| ***Tenure:*** | **0-1 Year** |
| ***Limit:*** | **50.00 Crore** |
| ***Security:*** | **Land 892.59 Decimal & Factory Building** |
| ***Interest Rate:*** | **9% per year** |
| ***Renewal date:*** | **10-Dec-21** |

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **18.00 Liabilities for Workers Profit Participation Fund** | | |
| Opening Balance | 18,223,302 | 17,324,818 |
| Add: Addition during the year | 21,637,208 | 18,223,302 |
| Less: Payment made during the year | (18,223,302) | (17,324,818) |
| **Closing Balance** | 21,637,208 | 18,223,302 |
| **19.00 Accounts Payables** | | |
| Alam Hardware | 37,628 | 37,628 |
| Al-Baraka Enterprise | 44,778 | 44,778 |
| Astech Limited | 7,013,472 | 3,363,694 |
| Bhai Bhai Metal Works | 433,969 | 356,490 |
| Banani Drum Suppliers | 299,834 | 752,714 |
| Dana Engineers International Ltd. | 49,500 | 251,075 |
| Favorite Traders | 185,684 | 194,221 |
| Jamuna Drum Suppliers | 1,821,296 | 1,347,003 |
| Janani Computer | - | 173,952 |
| M.B Enterprise | 38,209 | 33,000 |
| Pioneer Scientific Stores | 61,630 | 61,630 |
| Rubel Steel Mills Ltd. | 1,271,540 | 905,371 |
| Rupsha Trading | 24,470 | 24,470 |
| Yousuf Printers | 1,330,124 | 568,712 |
| IPO Expenses | - | 1,150,000 |
| **Total** | 12,612,133 | 9,264,737 |

*All Creditors were paid on regular Basis*

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| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **20.00 Liabilities for Current Tax** | | |
| Opening Balance | 184,333,577 | 125,952,438 |
| Add: Provision for the year | 89,351,096 | 58,381,139 |
| | **273,684,673** | **184,333,577** |
| Less: Adjustment/paid during the year | - | - |
| | **273,684,673** | **184,333,577** |
| **21.00 Liabilities for Expenses** | | |
| Wages, Salary & Allowances | 4,875,730 | 2,956,710 |
| Directors' Remuneration | 1,225,000 | 1,225,000 |
| Audit and professional Fees | 345,000 | 300,000 |
| Liabilities for Other Expenses | 968,475 | 1,875,870 |
| Recognized Provident Fund | 842,913 | 294,700 |
| Withholding Tax Liabilities (TDS) | 472,066 | 487,822 |
| | **8,729,184** | **7,140,102** |
| **22.00 Dividend Payable** | | |
| Opening Balance | - | - |
| Add: Provision for the year | 93,395,762 | - |
| Less: Adjustment/paid during the year | (93,244,186) | - |
| | **151,576** | - |

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| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **23.00 Revenues** | | |
| Mono Grade | 1,136,058,093 | 1,273,028,386 |
| Multi Grade | 217,066,711 | 84,036,326 |
| Industrial Grade | 424,277,260 | 358,969,385 |
| Marine Grade | 18,372,899 | 6,156,755 |
| Others | 2,733,203 | 1,710,496 |
| **Total** | **1,798,508,165** | **1,723,901,348** |
| **24.00 Cost of Goods Sold** | | |
| Raw Materials Consumed- note 24.01 | 907,498,870 | 936,438,495 |
| Packing Materials Consumed- note 24.02 | 48,409,840 | 46,845,023 |
| **Total Consumption** | **955,908,710** | **983,283,518** |
| Factory Overhead Note-24.03 | 219,452,100 | 203,538,283 |
| **Cost of Goods Manufactured** | **1,175,360,810** | **1,186,821,801** |
| Opening Finished Goods | 148,785,587 | 129,367,397 |
| **Cost of Goods Available for Sale** | **1,324,146,397** | **1,316,189,198** |
| Closing Finished Goods | (110,479,010) | (148,785,587) |
| **Cost of Goods Sold** | **1,213,667,387** | **1,167,403,611** |
| **24.01 Raw Materials Consumed** | | |
| Opening Inventory | 354,021,928 | 387,058,882 |
| Purchase during the period | 967,716,364 | 903,401,542 |
| **Raw Materials available for use** | **1,321,738,292** | **1,290,460,424** |
| Closing Inventory | (414,239,422) | (354,021,928) |
| | **907,498,870** | **936,438,495** |
| **24.02 Packing Materials Consumed** | | |
| Opening Inventory | 11,750,263 | 11,390,485 |
| Purchase during the period | 45,579,646 | 47,204,801 |
| **Packing Materials available for use** | **57,329,909** | **58,595,286** |
| Closing Inventory | (8,920,069) | (11,750,263) |
| | **48,409,840** | **46,845,023** |
| **24.03 Factory Overheads** | | |
| Salary, wages and allowances | 29,246,414 | 17,338,843 |
| Festival Bonus | 5,367,429 | 3,624,419 |
| Depreciation - note 3.3 | 166,938,579 | 162,062,844 |
| Depreciation of ROU Assets | 255,150 | 283,500 |
| Carriage inward | 214,833 | 180,304 |
| Director's remuneration and benefits | - | 6,294,750 |
| Electricity & Power | 1,387,730 | 616,628 |
| Entertainment | 73,433 | 59,992 |
| Factory general expenses | 155,684 | 102,933 |
| Gas & Power, Fuel | 5,810,881 | 5,970,174 |
| Insurance Premium | 6,533,072 | 5,225,802 |
| Laboratory Expenses | 2,603,220 | 365,256 |
| Medical Expenses | 112,836 | 51,953 |
| Repairs and Maintenance | 637,480 | 1,281,018 |
| Travelling and Conveyance | 115,359 | 79,866 |
| | **219,452,100** | **203,538,283** |
| **25.00 General and Administrative Expenses** | | |
| Salary and allowances | 14,290,545 | 10,574,354 |
| Festival Bonus | 2,554,535 | 1,420,419 |
| Depreciation - note 3.3 | 35,772,553 | 34,727,752 |
| Depreciation of ROU Assets | 1,651,135 | 1,236,327 |
| Audit fees | 345,000 | 300,000 |
| Board Meeting Fees | 392,000 | 324,000 |
| Canteen expenses | 173,149 | 298,772 |
| Director's remuneration and benefits | 14,700,000 | 5,150,250 |
| AGM Related Expenses | 1,419,000 | - |
| EGM Related Expenses | ,263,998 | - |
| Gas & Water expenses | 215,398 | 35,448 |
| Entertainment | 127,111 | 531,737 |
| Legal & professional fees | 75,500 | - |
| Miscellaneous expenses | 28,127 | 60,778 |

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| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Motor Vehicle Upkeep | 1,280,309 | 567,270 |
| Newspapers & periodicals | 13,136 | 9,546 |
| Office General Expenses | 310,419 | 449,855 |
| Office rent, rates & renewal fees | 821,340 | 670,055 |
| Office supplies & stationery | 224,409 | 280,113 |
| Postage & courier | 73,132 | 108,242 |
| Repairs and maintenance | 460,152 | 742,395 |
| Telephone and Mobile Bill | 474,701 | 384,150 |
| Recognized Provident Fund | 3,452,596 | 2,139,270 |
| Travelling and conveyance | 457,755 | 415,170 |
| Cleaning expenses | 43,500 | 71,915 |
| | **79,619,499** | **60,497,817** |

**26.00 Selling and Distribution Expenses**

| | | |
|---|---|---|
| Salary and Allowances | 16,110,944 | 15,268,719 |
| Depreciation - note 3.3 | 35,772,553 | 34,727,752 |
| Depreciation of ROU Assets | 1,651,135 | 1,236,327 |
| Advertisement | 1,034,182 | 349,762 |
| Carriage Outward | 332,283 | 353,826 |
| Marketing Expense | 338,349 | 586,982 |
| Rent, Rates & Taxes | 131,760 | 257,723 |
| Repairs & Maintenance | 1,609,327 | 1,001,132 |
| Bogra Warehouse Exp. | - | 139,348 |
| Associated Sales Centre Expenses | 338,850 | 319,586 |
| | **57,319,382** | **54,241,157** |

**27.00 Other Operating Income**

| | | |
|---|---|---|
| Income from Lab Testing | 60,326,961 | 44,451,186 |
| | **60,326,961** | **44,451,186** |

**28.00 Financial Expenses**

| | | |
|---|---|---|
| Interest on Long Term Loan | 33,696,495 | 74,386,536 |
| Interest on Short Term Loan | - | 131,611 |
| Interest on Bank Over Draft | 36,272,995 | 52,117,545 |
| Interest on LTR | - | 50,918 |
| Bank Charges & Commission | 340,744 | 466,009 |
| | **70,310,234** | **127,152,620** |

**29.00 Finance Expenses for Lease**

| | | |
|---|---|---|
| Interest on Lease Finance | 2,555,487 | 1,331,969 |

**30.00 Financial Income**

| | | |
|---|---|---|
| Interest on FDR | 344,322 | 623,532 |
| Interest on SND | 13,537,000 | 18,234,680 |
| | **13,881,322** | **18,858,211** |

**31.00 Income from Others**

| | | |
|---|---|---|
| Wastage Sales | 3,536,667 | 1,710,496 |
| Interest on Related Party Current Account | 1,394,686 | 4,372,622 |
| Forfeiture amount from PF account | 205,565 | 22,655 |
| | **5,136,918** | **6,105,773** |

| | | |
|---|---|---|
| **32.00 Income Tax Expenses** | **90,854,305** | **(30,619,905)** |
| **32.01 Current Tax for the period ended 31st Dec,2021** | | |
| **Calculation of Current Tax as per 82 C(Minimum Tax)** | | |
| Revenue during the year @ .6% | 11,153,011 | 10,610,115 |
| **Income Tax Provision the period ended 31st Dec,2021** | | |
| Other Income including Financial Income @ 22.5% | (12,115,683) | (20,962,922) |
| **A) Current Tax as per 82 C(Minimum Tax)** | **(962,673)** | **(10,352,807)** |
| **B) Advance Income Tax Paid During the year** | **56,286,974** | **55,129,035** |

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| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **C) Calculation of Current Tax as per Corporate Rate** | | |
| Profit before Tax during the year | 432,744,167 | 364,466,042 |
| Add: Accounting Depreciation | 238,483,684 | 231,518,348 |
| Add: Depreciation of right of use Asset | 3,557,419 | 2,756,153 |
| Add: Interest on Lease Liability | 2,555,487 | 1,331,969 |
| Add : WPPF | 21,637,208 | 18,223,302 |
| Less: Capital Allowance | (277,667,937) | (354,629,410) |
| Less : WPPF (Previous) | (18,223,302) | (17,324,818) |
| Less : Payment of Lease (Principle+Interest) | (5,970,744) | (4,369,305) |
| | **397,115,984** | **241,972,281** |
| Effective Rate | 22.50% | 20.25% |
| **Current Tax as per Corporate Rate** | **89,351,096** | **48,999,387** |
| Short Provision for the AY(2013-14) & (2014-15) | | 9,381,752 |
| **Total Current tax for the year** | **89,351,096** | **58,381,139** |

***10% rebate on tax rate i.e. 20.25% (22.50%*90%) as per Finance Act 2021 the Company handover minimum 20% ordinary share through Initial Public Offering on its existing Paid up Capital.***

| | | |
|---|---|---|
| **Out of the above calculation, the higher one (C) is applicable for Current Tax for the year.** | **89,351,096** | **58,381,139** |

**32.02 Deferred Tax Expenses/Income (Attributable to Profit or Loss)**

| | | |
|---|---|---|
| Deferred Tax during the year | 249,855,297 | 216,552,667 |
| Less: Opening Balance | (248,352,088) | (305,553,711) |
| **Deferred Tax Expenses(/Income) (Attributable to Profit or Loss)** | **1,503,209** | **(89,001,044)** |

**32.03 Deferred Tax Expenses/Income (other Comprehensive Income or Equity)**

| | | |
|---|---|---|
| Deferred Tax during the year | 24,198,715 | 25,069,790 |
| Less: Opening Balance | 25,547,950 | 31,604,828 |
| **Deferred Tax Expenses/(Income) (other Comprehensive Income or Equity)** | **(1,349,234)** | **(6,535,038)** |

**33.00 Earnings Per Shares**

| | | |
|---|---|---|
| Net Profit After Tax for the Period | 310,090,442 | 394,377,204 |
| Number of weighted average shares outstanding at the end of the Period | 145,243,144 | 115,742,135 |
| **Basic Earnings Per Share** | **2.13** | **3.41** |

**B) Earning Per Shares (Diluted)**
Total Comprehensive Income for the year
Number of ordinary shares outstanding at the end of the year
**Basic Earning Per Share (Diluted)**

***Calculation of Weighted Average Number of Shares:***

| Particulars | | No of Share | Report Date | % of use | |
|---|---|---|---|---|---|
| **Opening Allotted Share** | | 100,000,000 | 30-Jun-21 | 100.0% | 100,000,000 |
| New Allotment | | 45,243,144 | 30-Jun-22 | 100.0% | 45,243,144 |
| | | | | | **145,243,144** |

**34.00 A) Net Assets Value per Share (NAV) with Revaluation**

| The Composition of Net Assets Value per share is given below : | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Net Assets Value during the year | 5,511,405,023 | 5,293,839,269 |
| Total Outstanding Share | 145,243,144 | 145,243,144 |
| **Net Assets Value per Share (NAV) with Revaluation** | **37.95** | **36.45** |

**B) Net Assets Value per Share (NAV) without Revaluation**

| The Composition of Net Assets Value per share is given below : | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Net Assets Value during the year without Revaluation | 4,924,338,283 | 4,701,836,436 |
| Total Outstanding Share | 145,243,144 | 145,243,144 |
| **Net Assets Value per Share (NAV) without Revaluation** | **33.90** | **32.37** |

**35.00 Net Operating Cash Flow per Share (NOCPS) Basic**

| The Composition of Net Operating Cash Flows per share is given below : | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Net Operating Activities Cash Flows | 537,299,785 | 695,132,916 |
| Number of weighted average shares outstanding at the end of the Year | 145,243,144 | 115,742,135 |
| **Net Operating Cash Flow this year (NOCPS)** | **3.70** | **6.01** |

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| 30-Jun-22 | 30-Jun-21 |
|---|---|

## 36.00 Tax Litigation

Following are the details of the pending issue related to litigation regarding Taxation filed for the assessment years 2014-2015 bearing ITRA No. 535/2017 for 2013-2014 & 537/2017 for 2014-2015 dated 16.10.2017 which are pending in the High Court. But the Company recognised tax liability for the year 2020-21 in the Financial Statements.

| Accounting Year | Assessment Year | Status | Provision Made on Accounts | Assessment Made by DCT |
|---|---|---|---|---|
| 31-Dec-13 | 2014-2015 | Assessment Completed by DCT but pending in the High Court | 1,591,315 | 10,303,295 |
| | | **Total** | **1,591,315** | **10,303,295** |

## 37.00 Related Party Transactions

| Name of party | Types of Relationship | Nature of Transactions | Opening Balance | Addition | Adjustment | Closing Balance (30.06.2022) |
|---|---|---|---|---|---|---|
| Companygonj Agro Industries Limited | Common Directorship & Shareholder of the Company | Overhead Exp. & Working Capital Management | 21,242,597 | 2,367,661 | (23,610,259) | 0.00 |
| Julda Shipyard Limited | Common Directorship | | - | - | - | - |
| Mohammed Yousuf | Managing Director | Remuneration fees & Board meeting fees | 1,156,738 | 9,000,000 | (9,000,000) | 1,156,738 |
| Rubiya Nahar | Chairman | | - | 64,000 | (64,000) | - |
| Md. Salauddin Yousuf | Director | | 350,000 | 4,248,000 | (3,198,000) | 1,400,000 |
| Dr. Israt Jahan | Director | | 125,000 | 1,173,000 | (1,173,000) | 125,000 |
| Ahmmad Hossain | Director | | - | 56,000 | (56,000) | - |
| Wahid Uddin Chowdhury | Independent Director | | - | 88,000 | (88,000) | - |
| Mohammad Moniruzzaman, PhD, ACMA, FCA | | | - | 88,000 | (80,000) | 8,000 |
| **Total** | | | **22,874,335** | **17,084,661** | **(37,269,259)** | **2,689,738** |

## 38.00 Attendance Status of Board Meeting of Directors

During the year ended June, 2022, there 6 (Six) 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 | 30-Jun-22 |
|---|---|---|---|---|---|---|
| 1 | Mohammed Yousuf | Managing Director | 6 | 6 | Tk. 8,000.00 | - |
| 2 | Rubiya Nahar | Chairman | 6 | 4 | | 32,000 |
| 3 | Md. Salauddin Yousuf | Director | 6 | 6 | | 48,000 |
| 4 | Dr. Israt Jahan | Director | 6 | 6 | | 48,000 |
| 5 | Ahmmad Hossain | Director | 6 | 6 | | 48,000 |
| 6 | Wahid Uddin Chowdhury | Independent Director | 6 | 6 | | 48,000 |
| 7 | Mohammad Moniruzzaman, PhD, ACMA, FCA | | 6 | 6 | | 48,000 |
| | **Total** | | | | | **272,000** |

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| | | |
|---|---|---|
| | 30-Jun-22 | 30-Jun-21 |

During the year ended June 2022, the following Audit Committee Meetings were held. The Attendance status of the meetings is as follows;

| Sl. No. | Name of the Directors | Position | Meeting held | Attendance | Fee for meeting |
|---|---|---|---|---|---|
| 1 | Mr. Wahid Uddin Chowdhury | Independent Director | 4 | 4 | 32,000 |
| 2 | Mrs. Rubiya Nahar | Director | 4 | 4 | 32,000 |
| 3 | Mohammad Moniruzzaman , PhD. ACMA, FCA | Independent Director | 4 | 4 | 32,000 |
| Total | | | | | 96,000 |

During the year ended June 2022, the following National Remuneration Committee (NRC) Meetings were held. The Attendance status of the meetings is as follows;

| Sl. No. | Name of the Directors | Position | Meeting held | Attendance | Fee for meeting |
|---|---|---|---|---|---|
| 1 | Mr. Wahid Uddin Chowdhury | Independent Director | 1 | 1 | 8,000 |
| 2 | Mr. Ahammed Hossain, Nominated Director by Companygonj Agro Industries Limited | Director | 1 | 1 | 8,000 |
| 3 | Mohammad Moniruzzaman, PhD. ACMA, FCA | Independent Director | 1 | 1 | 8,000 |
| Total | | | | | 24,000 |

**39.00 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-22 | 30-Jun-21 |
|---|---|---|
| Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager | 13,435,000 | 11,548,000 |
| 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 | | |
| 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 | | |

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| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|

**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; | 14,700,000 | 11,445,000 |
| (b) Post-employment benefits; | - | - |
| (c) Other long term benefits; | - | - |
| (d) Termination benefits; and | - | - |
| (e) Share- based payment | - | - |
| | **14,700,000** | **11,445,000** |

**As per IAS- 24 Para-18:**

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

| | | |
|---|---|---|
| a) The amount of transaction | 14,700,000 | 11,445,000 |
| b) The amount of outstanding balance, including commitments | 37,269,259 | 19,610,859 |
| 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 |

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

| | | |
|---|---|---|
| Directors Remuneration | 14,700,000 | 11,445,000 |
| Board Meeting Attendance Fees | 392,000 | 288,000 |
| Wages & Allowance | 29,246,414 | 20,963,262 |
| Salary & Allowance | 30,401,489 | 27,263,492 |
| | **74,739,903** | **59,959,754** |

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Amounts in Taka

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| **41.00 The Requirement of Schedule XI Part-II, Para-3 (a) Turnover** | | |
| Turnover in (BDT) | 1,798,508,165 | 1,723,901,348 |
| Turnover in Quantity (M.Ton) | 9,411 | 9,697 |
| **The Requirement of Schedule XI Part-II, Para-3 (b) Raw Material Consumed** | | |
| Raw Material Consumed in (BDT) | 907,498,870 | 936,438,495 |
| Raw Material Consumed in Quantity (M.Ton) | 8,897.00 | 9,526 |
| **The Requirement of Schedule XI Part-II, Para-3 (b) Packing Material Consumed** | | |
| Packing Material Consumed in (BDT) | 48,409,840 | 46,845,023 |
| Packing Material Consumed in Quantity (Pcs) | 1,383,138 | 1,478,177 |
| **The Requirement of Schedule XI Part-II, Para-3 (b) Finished Goods** | | |
| Finished Goods in (BDT) | 110,479,010 | 148,785,587 |
| Finished Goods in Quantity (M.Ton) | 593 | 801 |

**42.00 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 | 30-Jun-22 | 30-Jun-21 |
|---|---|---|---|
| **Net Profit for the year (Before Tax)** | | **432,744,167** | **364,466,042** |
| **Adjustment:** | | | |
| Depreciation | 3.00 | 242,041,104 | 234,274,501 |
| Financial Expenses | 28 & 29 | 72,865,721 | 128,484,589 |
| Other Income (Interest) | 29 | (162,001) | (457,171) |
| Interest on Related Party Current Account | 30 | (1,394,686) | (4,372,622) |
| (Increase)/Decrease in Inventory | 5 | (19,080,722) | 13,258,984 |
| (Increase)/Decrease in Accounts Receivable | 6 | (112,918,491) | 12,226,896 |
| Increase/(Decrease) in Trade Payable & Others | 19 | 4,497,396 | (1,341,682) |
| Increase/(Decrease) in Liabilities for Expense | 21 | 1,589,082 | (4,155,524) |
| (Increase)/Decrease in Advance & Prepayment | 7.00 | (30,008,716) | 6,979,452 |
| Liability for Contribution to WPPF | 18 | 3,413,906 | 898,484 |
| Payment of Income Tax | 7.01.01 | (56,286,974) | (55,129,035) |
| | | **537,299,786** | **695,132,915** |

**43.00 Receipts from customers:**

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Sales during the year | 1,798,508,165 | 1,723,901,348 |
| Opening Recivable | 405,621,193 | 419,425,632 |
| Closing Receivable | (516,819,516) | (405,621,193) |
| Other Operating Income | 60,326,961 | 44,451,186 |
| Other Receivable Opening | 12,182,171 | 10,770,988 |
| Other Receivable Closing | (13,886,379) | (12,182,171) |
| | **1,745,932,595** | **1,780,745,791** |

**44.00 Payments to Suppliers**

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Purchase | 1,013,296,010 | 950,606,343 |
| Opening Advances Procurement | (54,231,610) | (45,967,051) |
| Closing Advances Procurement | 33,609,909 | 54,231,610 |
| Opening Trade Payable | 8,114,737 | 9,456,419 |
| Closing Trade Payable | (12,612,133) | (8,114,737) |
| | **988,176,913** | **960,212,584** |

**45.00 Payments for Employee**

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Salary | 86,114,463 | 62,135,024 |
| Paid to WPPF | 18,223,302 | 17,324,818 |
| Open. Advance Salary | (2,255,488) | (3,095,954) |
| Closing Advance Salary | 2,898,039 | 2,255,488 |
| Open. Liability for Expenses | 4,476,410 | 7,209,440 |
| Closing Liability for Expenses | (7,095,219) | (4,476,410) |
| | **102,361,507** | **81,352,406** |

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**46.00 Payments to Operating Expenses**

| | | |
|---|---|---|
| Operating Exp. | 270,276,519 | 256,142,232 |
| Open.Advances to others | (157,045,880) | (171,449,425) |
| Closing Advances to others | 207,033,746 | 157,045,880 |
| Open. Liability for Expenses | 2,663,692 | 4,086,186 |
| Closing Liability for Expenses | (1,785,541) | (2,663,692) |
| Depreciation - note 3.3 | (242,041,104) | (234,274,501) |
| | **79,101,432** | **8,886,680** |

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**LUB-RREF (BANGLADESH) LIMITED**
**Schedule of Right of Use Asset**
**As at June 30, 2022**

**Annexure-A**

| Particulars | At Cost | | | | Rate % | Depreciation | | | | Written Down Value as on 30.06.2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.7.2021 | Addition | Transfer to Fixed Assets | Balance as on 30.06.2022 | | Balance as on 01.7.2021 | Charged during the period | Disposal during the period | Balance as on 30.06.2022 | |
| Plant & Machineries | 3,500,000 | - | - | 3,500,000 | 10% | 948,500 | 255,150 | - | 1,203,650 | 2,296,350 |
| Vehicle | 18,984,000 | - | | 18,984,000 | 20% | 2,472,653 | 3,302,269 | | 5,774,923 | 13,209,077 |
| | | - | | - | | | - | | - | - |
| **Total** | **22,484,000** | **-** | | **22,484,000** | | **3,421,153** | **3,557,419** | **-** | **6,978,573** | **15,505,427** |

**LUB-RREF (BANGLADESH) LIMITED**
**Schedule of Right of Use Asset**
**As at June 30, 2021**

**Annexure-A**

| Particulars | At Cost | | | | Rate % | Depreciation | | | | Written Down Value as on 30.06.2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.7.2020 | Addition | Transfer to Fixed Assets | Balance as on 30.06.2021 | | Balance as on 01.7.2020 | Charged during the period | Disposal during the period | Balance as on 30.06.2021 | |
| Plant & Machineries | 3,500,000 | - | | 3,500,000 | 10% | 665,000 | 283,500 | | 948,500 | 2,551,500 |
| Vehicle | - | 18,984,000 | | 18,984,000 | 20% | - | 2,472,653 | | 2,472,653 | 16,511,347 |
| | | - | | - | | | - | | - | - |
| **Total** | **3,500,000** | **18,984,000** | | **22,484,000** | | **665,000** | **2,756,153** | | **3,421,153** | **19,062,847** |

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**LUB-RREF (BANGLADESH) LIMITED**

Fixed Assets Schedule as on Jun 30, 2021 (As per 3rd Schedule ITO-1984)

As at 30 June, 2021

| PARTICULARS | COST | | | | DEPRECIATION | | | Written down as on 30/06/2021 |
|---|---|---|---|---|---|---|---|---|
| | Opening as on 01/07/2020 | Addition during the period | Total as on 30/06/2021 | Rate % | Opening as on 01/07/2020 | Charged during the period | Total as on 30/06/2021 | |
| Land and Land Developments | 626,504,935 | 5,621,009 | 632,125,943 | - | - | - | - | 632,125,943 |
| Office Building | 220,406,476 | 199,059 | 220,605,535 | 5 | 115,225,682 | 5,268,992.68 | 120,494,675 | 100,110,861 |
| Air Conditioner | 6,806,283 | - | 6,806,283 | 10 | 3,507,016 | 329,926.75 | 3,836,943 | 2,969,341 |
| Computer & Computer accessories | 4,776,901 | 665,450 | 5,442,351 | 30 | 3,698,222 | 523,238.96 | 4,221,460 | 1,220,891 |
| Fire Extinguisher | 2,166,461 | 18,105 | 2,184,566 | 10 | 941,591 | 124,297.58 | 1,065,888 | 1,118,678 |
| Furniture and Fixtures | 10,205,341 | 205,804 | 10,411,145 | 10 | 5,161,902 | 524,924.28 | 5,686,826 | 4,724,319 |
| Vehicles | 31,441,938 | 6,106,866 | 37,548,804 | 20 | 27,161,594 | 2,077,441.98 | 29,239,036 | 8,309,768 |
| Office Equipment | 8,277,198 | 1,723,229 | 10,000,427 | 10 | 4,359,773 | 564,065.38 | 4,923,839 | 5,076,588 |
| Plant & Machineries | 2,725,107,379 | 358,344,819 | 3,083,452,198 | 20 | 1,398,027,640 | 337,084,911.58 | 1,735,112,551 | 1,348,339,646 |
| Electricity Installation | 11,619,933 | 26,174 | 11,646,107 | 10 | 8,469,574 | 317,653.27 | 8,787,228 | 2,858,879 |
| Factory Building & Shed | 201,289,536 | 217,750 | 201,507,286 | 10 | 162,083,967 | 3,942,331.95 | 166,026,299 | 35,480,988 |
| Factory Equipments | 29,657,240 | 248,070 | 29,905,310 | 10 | 16,670,226 | 1,323,508.41 | 17,993,734 | 11,911,576 |
| Gas Installation | 1,216,213 | - | 1,216,213 | 10 | 787,350 | 42,886.31 | 830,236 | 385,977 |
| Generator | 31,224,998 | 1,338,750 | 32,563,748 | 10 | 21,156,273 | 1,140,747.47 | 22,297,020 | 10,266,727 |
| Weighing Scale | 5,303,877 | 1,800 | 5,305,677 | 20 | 4,814,856 | 98,164.16 | 4,913,020 | 392,657 |
| Interior Decoration | 17,025,290 | 10,050 | 17,035,340 | 15 | 9,500,276 | 1,130,259.59 | 10,630,536 | 6,404,804 |
| Kitchen Equipments | 86,576 | - | 86,576 | 10 | 59,617 | 2,695.86 | 62,313 | 24,263 |
| Ware House Dhaka | 3,527,907 | - | 3,527,907 | 10 | 2,194,267 | 133,363.99 | 2,327,631 | 1,200,276 |
| **TOTAL** | **3,936,644,483** | **374,726,934** | **4,311,371,417** | | **1,783,819,825** | **354,629,410** | **2,138,449,235** | **2,172,922,182** |

**REVALUATION**

| PARTICULARS | COST | | | | DEPRECIATION | | | Written down as on 30/06/2021 |
|---|---|---|---|---|---|---|---|---|
| | Opening as on 01/07/2020 | Addition during the period | Total as on 30/06/2021 | Rate % | Opening as on 01/07/2020 | Charged during the period | Total as on 30/06/2021 | |
| Land and Land Developments | 562,425,859 | | 562,425,859 | - | | - | - | 562,425,859 |
| Office Building | - | | - | - | | - | - | - |
| Plant & Machineries | 120,299,531 | | 120,299,531 | 20 | - | - | - | 120,299,531 |
| **TOTAL** | **682,725,390** | - | **682,725,390** | | - | - | - | **682,725,390** |

**LUB-RREF (BANGLADESH) LIMITED**

Fixed Assets Schedule as on Jun 30, 2022 (As per 3rd Schedule ITO-1984)

As at 30 June, 2022

| PARTICULARS | COST | | | DEPRECIATION | | | | Written down as on 30/06/2022 |
|---|---|---|---|---|---|---|---|---|
| | Opening as on 01/07/2021 | Addition during the period | Total as on 30/06/2022 | Rate % | Opening as on 01/07/2021 | Charged during the period | Total as on 30/06/2022 | |
| Land and Land Developments | 632,125,943 | 26,761,612 | 658,887,556 | - | - | - | - | 658,887,556 |
| Office Building | 220,605,535 | 66,000 | 220,671,535 | 5 | 120,494,675 | 4,914,913 | 125,409,588 | 95,261,948 |
| Air Conditioner | 6,806,283 | 55,700 | 6,861,983 | 10 | 3,836,943 | 287,376 | 4,124,319 | 2,737,665 |
| Computer & Computer accessories | 5,442,351 | 537,750 | 5,980,101 | 30 | 4,221,460 | 406,980 | 4,628,441 | 1,351,661 |
| Fire Extinguisher | 2,184,566 | - | 2,184,566 | 10 | 1,065,888 | 107,742 | 1,173,630 | 1,010,936 |
| Furniture and Fixtures | 10,411,145 | 89,488 | 10,500,633 | 10 | 5,686,826 | 461,240 | 6,148,066 | 4,352,567 |
| Vehicles | 37,548,804 | 144,000 | 37,692,804 | 20 | 29,239,036 | 1,548,610 | 30,787,646 | 6,905,158 |
| Office Equipment | 10,000,427 | 1,283,426 | 11,283,853 | 10 | 4,923,839 | 582,700 | 5,506,538 | 5,777,315 |
| Plant & Machineries | 3,083,452,198 | 200,772,858 | 3,284,225,056 | 20 | 1,735,112,551 | 262,314,888 | 1,997,427,439 | 1,286,797,617 |
| Electricity Installation | 11,646,107 | 75,500 | 11,721,607 | 10 | 8,787,228 | 279,785 | 9,067,013 | 2,654,594 |
| Factory Building & Shed | 201,507,286 | 2,438,128 | 203,945,414 | 10 | 166,026,299 | 3,478,202 | 169,504,501 | 34,440,914 |
| Factory Equipments | 29,905,310 | 276,858 | 30,182,168 | 10 | 17,993,734 | 1,160,725 | 19,154,459 | 11,027,709 |
| Gas Installation | 1,216,213 | - | 1,216,213 | 10 | 830,236 | 37,174 | 867,410 | 348,803 |
| Generator | 32,563,748 | - | 32,563,748 | 10 | 22,297,020 | 988,810 | 23,285,830 | 9,277,917 |
| Weighing Scale | 5,305,677 | - | 5,305,677 | 20 | 4,913,020 | 72,835 | 4,985,856 | 319,821 |
| Interior Decoration | 17,035,340 | - | 17,035,340 | 15 | 10,630,536 | 908,018 | 11,538,554 | 5,496,786 |
| Kitchen Equipments | 86,576 | - | 86,576 | 10 | 62,313 | 2,337 | 64,650 | 21,926 |
| Ware House Dhaka | 3,527,907 | - | 3,527,907 | 10 | 2,327,631 | 115,601 | 2,443,232 | 1,084,675 |
| **TOTAL** | **4,311,371,417** | **232,501,320** | **4,543,872,737** | | **2,138,449,235** | **277,667,937** | **2,416,117,172** | **2,127,755,565** |

**REVALUATION**

| PARTICULARS | COST | | | | DEPRECIATION | | | Written down as on 30/06/2022 |
|---|---|---|---|---|---|---|---|---|
| | Opening as on 01/07/2021 | Addition during the period | Total as on 30/06/2022 | Rate % | Opening as on 01/07/2021 | Charged during the period | Total as on 30/06/2022 | |
| Land and Land Developments | 562,425,859 | | 562,425,859 | - | | - | - | 562,425,859 |
| Office Building | - | | - | - | | - | - | - |
| Plant & Machineries | 120,299,531 | | 120,299,531 | 20 | - | - | - | 120,299,531 |
| **TOTAL** | **682,725,390** | - | **682,725,390** | | - | - | - | **682,725,390** |

**LUB-RREF (BANGLADESH) LIMITED**

Fixed Assets Schedule as on Jun 30, 2021 (As per 3rd Schedule ITO-1984)

As at 30 June, 2021

| PARTICULARS | COST | | | | DEPRECIATION | | | Written down as on 30/06/2021 |
|---|---|---|---|---|---|---|---|---|
| | Opening as on 01/07/2020 | Addition during the period | Total as on 30/06/2021 | Rate % | Opening as on 01/07/2020 | Charged during the period | Total as on 30/06/2021 | |
| Land and Land Developments | 626,504,935 | 5,621,009 | 632,125,943 | - | - | - | - | 632,125,943 |
| Office Building | 220,406,476 | 199,059 | 220,605,535 | 5 | 115,225,682 | 5,268,992.68 | 120,494,675 | 100,110,861 |
| Air Conditioner | 6,806,283 | - | 6,806,283 | 10 | 3,507,016 | 329,926.75 | 3,836,943 | 2,969,341 |
| Computer & Computer accessories | 4,776,901 | 665,450 | 5,442,351 | 30 | 3,698,222 | 523,238.96 | 4,221,460 | 1,220,891 |
| Fire Extinguisher | 2,166,461 | 18,105 | 2,184,566 | 10 | 941,591 | 124,297.58 | 1,065,888 | 1,118,678 |
| Furniture and Fixtures | 10,205,341 | 205,804 | 10,411,145 | 10 | 5,161,902 | 524,924.28 | 5,686,826 | 4,724,319 |
| Vehicles | 31,441,938 | 6,106,866 | 37,548,804 | 20 | 27,161,594 | 2,077,441.98 | 29,239,036 | 8,309,768 |
| Office Equipment | 8,277,198 | 1,723,229 | 10,000,427 | 10 | 4,359,773 | 564,065.38 | 4,923,839 | 5,076,588 |
| Plant & Machineries | 2,725,107,379 | 358,344,819 | 3,083,452,198 | 20 | 1,398,027,640 | 337,084,911.58 | 1,735,112,551 | 1,348,339,646 |
| Electricity Installation | 11,619,933 | 26,174 | 11,646,107 | 10 | 8,469,574 | 317,653.27 | 8,787,228 | 2,858,879 |
| Factory Building & Shed | 201,289,536 | 217,750 | 201,507,286 | 10 | 162,083,967 | 3,942,331.95 | 166,026,299 | 35,480,988 |
| Factory Equipments | 29,657,240 | 248,070 | 29,905,310 | 10 | 16,670,226 | 1,323,508.41 | 17,993,734 | 11,911,576 |
| Gas Installation | 1,216,213 | - | 1,216,213 | 10 | 787,350 | 42,886.31 | 830,236 | 385,977 |
| Generator | 31,224,998 | 1,338,750 | 32,563,748 | 10 | 21,156,273 | 1,140,747.47 | 22,297,020 | 10,266,727 |
| Weighing Scale | 5,303,877 | 1,800 | 5,305,677 | 20 | 4,814,856 | 98,164.16 | 4,913,020 | 392,657 |
| Interior Decoration | 17,025,290 | 10,050 | 17,035,340 | 15 | 9,500,276 | 1,130,259.59 | 10,630,536 | 6,404,804 |
| Kitchen Equipments | 86,576 | - | 86,576 | 10 | 59,617 | 2,695.86 | 62,313 | 24,263 |
| Ware House Dhaka | 3,527,907 | - | 3,527,907 | 10 | 2,194,267 | 133,363.99 | 2,327,631 | 1,200,276 |
| **TOTAL** | **3,936,644,483** | **374,726,934** | **4,311,371,417** | | **1,783,819,825** | **354,629,410** | **2,138,449,235** | **2,172,922,182** |

**REVALUATION**

| PARTICULARS | COST | | | | DEPRECIATION | | | Written down as on 30/06/2021 |
|---|---|---|---|---|---|---|---|---|
| | Opening as on 01/07/2020 | Addition during the period | Total as on 30/06/2021 | Rate % | Opening as on 01/07/2020 | Charged during the period | Total as on 30/06/2021 | |
| Land and Land Developments | 562,425,859 | | 562,425,859 | - | | - | - | 562,425,859 |
| Office Building | - | | - | - | | - | - | - |
| Plant & Machineries | 120,299,531 | | 120,299,531 | 20 | - | - | - | 120,299,531 |
| **TOTAL** | **682,725,390** | - | **682,725,390** | | - | - | - | **682,725,390** |

ARTISAN ★ Dhaka ★ Chartered Accountants

Dhaka ARTISAN Chartered Accountants

**LUB-RREF (BANGLADESH) LIMITED**

Fixed Assets Schedule as on Jun 30, 2022 (As per 3rd Schedule ITO-1984)

As at 30 June, 2022

| PARTICULARS | COST | | | DEPRECIATION | | | | Written down as on 30/06/2022 |
|---|---|---|---|---|---|---|---|---|
| | Opening as on 01/07/2021 | Addition during the period | Total as on 30/06/2022 | Rate % | Opening as on 01/07/2021 | Charged during the period | Total as on 30/06/2022 | |
| Land and Land Developments | 632,125,943 | 26,761,612 | 658,887,556 | - | - | - | - | 658,887,556 |
| Office Building | 220,605,535 | 66,000 | 220,671,535 | 5 | 120,494,675 | 4,914,913 | 125,409,588 | 95,261,948 |
| Air Conditioner | 6,806,283 | 55,700 | 6,861,983 | 10 | 3,836,943 | 287,376 | 4,124,319 | 2,737,665 |
| Computer & Computer accessories | 5,442,351 | 537,750 | 5,980,101 | 30 | 4,221,460 | 406,980 | 4,628,441 | 1,351,661 |
| Fire Extinguisher | 2,184,566 | - | 2,184,566 | 10 | 1,065,888 | 107,742 | 1,173,630 | 1,010,936 |
| Furniture and Fixtures | 10,411,145 | 89,488 | 10,500,633 | 10 | 5,686,826 | 461,240 | 6,148,066 | 4,352,567 |
| Vehicles | 37,548,804 | 144,000 | 37,692,804 | 20 | 29,239,036 | 1,548,610 | 30,787,646 | 6,905,158 |
| Office Equipment | 10,000,427 | 1,283,426 | 11,283,853 | 10 | 4,923,839 | 582,700 | 5,506,538 | 5,777,315 |
| Plant & Machineries | 3,083,452,198 | 200,772,858 | 3,284,225,056 | 20 | 1,735,112,551 | 262,314,888 | 1,997,427,439 | 1,286,797,617 |
| Electricity Installation | 11,646,107 | 75,500 | 11,721,607 | 10 | 8,787,228 | 279,785 | 9,067,013 | 2,654,594 |
| Factory Building & Shed | 201,507,286 | 2,438,128 | 203,945,414 | 10 | 166,026,299 | 3,478,202 | 169,504,501 | 34,440,914 |
| Factory Equipments | 29,905,310 | 276,858 | 30,182,168 | 10 | 17,993,734 | 1,160,725 | 19,154,459 | 11,027,709 |
| Gas Installation | 1,216,213 | - | 1,216,213 | 10 | 830,236 | 37,174 | 867,410 | 348,803 |
| Generator | 32,563,748 | - | 32,563,748 | 10 | 22,297,020 | 988,810 | 23,285,830 | 9,277,917 |
| Weighing Scale | 5,305,677 | - | 5,305,677 | 20 | 4,913,020 | 72,835 | 4,985,856 | 319,821 |
| Interior Decoration | 17,035,340 | - | 17,035,340 | 15 | 10,630,536 | 908,018 | 11,538,554 | 5,496,786 |
| Kitchen Equipments | 86,576 | - | 86,576 | 10 | 62,313 | 2,337 | 64,650 | 21,926 |
| Ware House Dhaka | 3,527,907 | - | 3,527,907 | 10 | 2,327,631 | 115,601 | 2,443,232 | 1,084,675 |
| **TOTAL** | **4,311,371,417** | **232,501,320** | **4,543,872,737** | | **2,138,449,235** | **277,667,937** | **2,416,117,172** | **2,127,755,565** |

**REVALUATION**

| PARTICULARS | COST | | | DEPRECIATION | | | | Written down as on 30/06/2022 |
|---|---|---|---|---|---|---|---|---|
| | Opening as on 01/07/2021 | Addition during the period | Total as on 30/06/2022 | Rate % | Opening as on 01/07/2021 | Charged during the period | Total as on 30/06/2022 | |
| Land and Land Developments | 562,425,859 | | 562,425,859 | - | | - | - | 562,425,859 |
| Office Building | - | | - | - | | - | - | - |
| Plant & Machineries | 120,299,531 | | 120,299,531 | 20 | - | - | - | 120,299,531 |
| **TOTAL** | **682,725,390** | - | **682,725,390** | | - | - | - | **682,725,390** |