AUDITORS' REPORT

&

ACCOUNTS

OF

LUB-RREF (BANGLADESH) LIMITED

B-6 (Part) 9-10 & 23-24, BSCIC Industrial Estate, Block-A,
Custom Academy, Sagarika Road, Chittagong-4219.

FOR THE YEAR ENDED 30TH JUNE, 2017.

ARTISAN

CHARTERED ACCOUNTANTS
SHAH ALI TOWER (LEVEL-7),
33, KAWRAN BAZAR. DHAKA-1215

Date: 13.09.2017

AUDITORS' REPORT

We have audited the accompanying financial statements of **M/S. LUB-RREF (BANGLADESH) LIMITED** which comprise the Statement of Financial Position as at 30th June, 2017 and Statement of Comprehensive Income, and Statement of Cash Flows for the year then ended and all related consolidated financial statements and a summary of significant accounting policies and other explanatory notes.

The Managements' Responsibility for the Financial Statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, the financial statements including consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) and Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the state of the Firms as at 30th June, 2017 and of the results of its operations and its cash flows for the year ended in accordance with the generally accepted procedure applicable laws and regulations

We also Report that:

(a) We have obtained all the information and explanation 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 account as required by law have been kept by the Firm as far as it appeared from our examination of those books;

(c) The Firm's Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flow and Change in Equities dealt with by the report are in agreement with the books of account;

And

(d) The expenditure incurred was for the purpose of Firm's business.

ARTISAN
CHARTERED ACCOUNTANTS

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

ARTISAN
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
As at June 30, 2017

	Notes	Amounts in Taka 30-Jun-17	Amounts in Taka 30-Jun-16
ASSETS			
Non Current Assets		**2,883,322,598**	**2,306,320,414**
Property, Plant and Equipment	3.00	2,883,322,598	2,306,320,414
Current Assets		**1,276,972,042**	**790,019,665**
Inventories	4.00	394,096,791	196,593,883
Trade & Other Receivable	5.00	350,533,704	301,640,755
Advances Deposits & Others	6.00	281,759,388	138,523,739
Related Party Current Account	7.00	176,845,436	141,426,472
Cash and Cash Equivalents	8.00	73,736,723	11,834,816
TOTAL ASSETS		**4,160,294,640**	**3,096,340,079**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholders' Equity		**2,040,479,412**	**1,143,373,953**
Share Capital	9.00	700,000,000	285,313,480
Revaluation Reserve	10.00	631,121,062	304,797,679
Retained Earnings	11.00	709,358,350	553,262,794
Non-Current Liabilities		**1,461,404,578**	**1,094,342,808**
Share Money Deposit	12.00	548,500,000	198,663,582
Long Term Loan-non current portion	13.00	746,868,483	782,120,023
Lease Liabilities-non current portion	14.00	2,185,930	-
Deferred Tax Liability	15.00	163,850,165	113,559,203
Current Liabilities		**658,410,650**	**858,623,318**
Long Term Loan-Current Portion	13.00	78,000,000	78,000,000
Lease Liabilities- Current portion	14.00	1,147,716	-
Short Term Bank Loan	16.00	542,149,034	753,292,674
Accounts Payables	17.00	10,370,086	7,534,990
Liabilities for Income Tax	18.00	17,324,467	9,595,053
Liability for Expenses	19.00	9,419,347	10,200,601
TOTAL SHAREHOLDERS EQUITY & LIABILITIES		**4,160,294,640**	**3,096,340,079**
NET ASSET VALUE PER SHARE (NAV) with Re-Valuation	30.00	29.15	40.07
NET ASSET VALUE PER SHARE (NAV) without Re-Valuation		20.13	29.39

The annexed notes form an integral part of these financial statements.

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

Signed as per our annexed report of even date.

Date: 13th September 2017
Place: Dhaka

ARTISAN
CHARTERED ACCOUNTANTS

ARTISAN Chartered Accountants Dhaka

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

ARTISAN
CHARTERED ACCOUNTANTS

STATEMENT OF PROFIT / LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	Amounts In Taka	
		30-Jun-17	30-Jun-16
Revenues	20.00	1,186,777,624	901,615,620
Cost of Goods Sold	21.00	(801,905,596)	(641,194,790)
Gross Profit		384,872,028	260,420,830
Operating Expenses		**(48,554,336)**	**(33,438,535)**
General and Administrative Expenses	22.00	(32,141,894)	(28,511,521)
Selling and Distribution Expenses	23.00	(24,667,414)	(19,977,441)
Other Operating Income	24.00	8,254,972	15,050,427
Gross Operating Profit for the period		336,317,692	226,982,295
Financial Expenses	25.00	(129,302,713)	(109,566,083)
Net Operating Profit for the period		207,014,979	117,416,212
Other Non Operating Income		1,597,765	1,111,360
Financial Income	26.00	800,260	244,465
Income From Lab Testing & Others	27.00	797,505	866,895
Profit Before Income Tax for the period		208,612,744	118,527,572
Provision for Income Tax		(58,020,376)	(25,172,059)
Current Tax	28.01	(7,729,414)	(3,138,974)
Deferred Tax	28.02	(50,290,962)	(22,033,085)
Net Profit After Tax for the period		150,592,368	93,355,513
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		150,592,368	93,355,513
Earnings Per Share (EPS) Basic	29.00	2.15	3.27
Earnings Per Share (EPS) Weighted		2.37	3.27

The annexed notes form an integral part of these financial statements.

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

Signed as per our annexed report of even date.

Date: 13th September 2017
Place: Dhaka

ARTISAN
CHARTERED ACCOUNTANTS

ARTISAN Chartered Accountants Dhaka

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

ARTISAN
CHARTERED ACCOUNTANTS

STATEMENT OF CHANGES IN EQUITY
For the year ended 30th June 2017

Particulars	Share Capital	Revaluation Reserve	Retained Earnings (Amount in Taka)	Total
Balance as at July 01, 2016	285,313,480	304,797,679	553,262,794	1,143,373,953
Addition during the year	414,686,520	331,826,571		746,513,091
Adjustment for Revaluation Surplus		(5,503,188)	5,503,188	-
Net profit/ (Loss) after tax for the year	-	-	150,592,368	150,592,368
Balance as at June 30, 2017	**700,000,000**	**631,121,062**	**709,358,350**	**2,040,479,412**

STATEMENT OF CHANGES IN EQUITY
For the period from 1 July 2015 to 30 June 2016

Balance as at July 01, 2015	285,313,480	307,681,936	488,837,290	1,081,832,706
Adjustment for Revaluation Surplus		(2,884,257)	2,884,257	-
Net profit/ (Loss) after tax for the year	-	-	61,541,247	61,541,247
Balance as at June 30, 2016	**285,313,480**	**304,797,679**	**553,262,794**	**1,143,373,953**

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

Signed as per our annexed report of even date.

ARTISAN
CHARTERED ACCOUNTANTS

Date: 13th September 2017
Place: Dhaka

ARTISAN Chartered Accountants Dhaka

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

ARTISAN
CHARTERED ACCOUNTANTS

STATEMENT OF CASH FLOWS

For the year from 01 July 2016 to 30 June 2017

		Amounts in Taka	
		30-Jun-17	30-Jun-16
A.	**Cash Flows from Operating Activities:**		
	Receipts from customers & Others	1,148,337,412	912,544,603
	Payments to suppliers, employees & others	(1,115,637,538)	(609,958,663)
	Income tax paid	(8,641,145)	(8,336,830)
	Net cash (used in) / generated by operating activities	**24,058,729**	**294,249,110**
B.	**Cash Flows from Investing Activities:**		
	Purchase of property, plant & equipment	(81,197,690)	(86,311,763)
	Capital Work-In-Progress	(237,698,858)	(247,541,805)
	(Increase)/Decrease in Related Party Current Account	(35,418,964)	(52,442,747)
	Net cash (used in) / generated by investing activities	**(354,315,512)**	**(386,296,315)**
C.	**Cash Flow from Financing Activities:**		
	Financial Expenses Paid	(129,302,713)	(109,566,083)
	Increase/(Decrease) in short term loan	(211,143,640)	188,295,633
	Increase/(Decrease) in long term loan	(31,917,894)	(32,134,964)
	Increase/(decrease) in share money deposit	764,522,938	41,545,000
	Net cash (used in) / generated by financing activities	**392,158,691**	**88,139,586**
D.	**Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)**	61,901,908	(3,907,619)
E.	Opening Cash and Cash Equivalents	11,834,815	15,742,434
F.	**Closing Cash and Cash Equivalents (D+E)**	**73,736,723**	**11,834,815**
	Net operating cash flow per share (Basic)	0.34	10.31
	Net operating cash flow per share (Weighted)	0.38	10.31
		-	(1.00)

Signed as per our annexed report of even date.

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

Date: 13th September 2017
Place: Dhaka

ARTISAN
CHARTERED ACCOUNTANTS

ARTISAN Chartered Accountants Dhaka

Notes, significant accounting policies and other explanatory information
For the year from July 01, 2016 to June 30, 2017

1. 00 Status of the Reporting Entity

1.01 Legal Status:

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

1.02 Nature of business

The principal activities of the Company is to manufacture in its factory at Plot No.-B-6 (part), 9, 10 BSCIC Industrial Estate, Sagarika Road, Chittagong and marketing of Engine Oil series, Gear Lubricants & Hydraulic Oils conforming to latest claims like API SL/CF, API CF-4, MB229.1, ACEA A3-02, VW 505.00, U.S. Steel 224, DIN 51517 Part 3, API GL-4, V5, Denison HF-0, DIN 51524 Part-II, Vickers 35VQ, AFNOR NF E 48-603 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 foreseeable future. For this reason the directors continued to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

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.

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) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standard (BAS) and Bangladesh financial Reporting Standard (BFRS). The Board of Directors is responsible for preparing and processing the financial statements including adequate disclosure, which approved and authorized for issue of these financial statements. The Statements of financial Position and Statement of Comprehensive Income have been prepared according to BAS-1"**Presentation of Financial Statements**" based on accrual basis of accounting following going concern assumption and Statement of Cash Flows according to BAS 7 "Statement **of Cash Flows**"

ARTISAN Dhaka Chartered Accountants

2.04 Corporate Accounting Standards Practiced

The following Bangladesh Accounting Standards (BAS) and interpretation is applicable to the financial statements for the period under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates & Errors
BAS 10	Events after the Balance Sheet Date
BAS 12	Income Taxes
BAS 16	Property, Plant & Equipment
BAS 17	Leases
BAS 19	Employee Benefit
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 25	Accounting for Investment
BAS 28	Investment in Associates
BAS 33	Earnings Per Share
BAS 37	Provision, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets
BAS 39	Financial Instruments, Recognition& Measurement
BFRS 5	Non-Current Assets held for Sale & Discontinued Operation
BFRS 7	Financial Instruments: Disclosures
BFRS 13	Fair Value Measurement

2.05 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 Act 1991
The Customs Act 1969
Bangladesh Labor Law 2006
Securities & Exchange Ordinance 1969
Bangladesh Securities and Exchange Rules 1987

2.06 Reporting Period

The financial period of the company covers from July 01, 2016 to June 30, 2017.

2.07 Functional and Presentational reporting currency

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

2.08 Property, Plant and Equipment

2.08.1 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 building 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.

ARTISAN Chartered Accountants Dhaka

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 *BAS 23 "Borrowing Cost* "finance costs have been capitalized for qualifying assets.

2.08.2 Depreciation on Fixed Assets

Depreciation on all items of Property, Plant and Equipment other than Land and Land Development is computed using the reducing balance method so as to write off the assets over their expected useful life. All acquisitions during the year are charged seven month periods depreciation. After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Category	Rate (%)
Land & Land Development	0%
Office Building	2.5%
Air Conditioner	10%
Computer & Computer Accessories	30%
Fire Extinguisher	10%
Furniture & Fixture	10%
Vehicles	20%
Office Equipment	10%
Plant & Machineries	10%
Electricity Installation	10%
Factory Building & Shed	2.5%
Factory Equipment	10%
Gas Installation	10%
Generator	10%
Weighting Scale	5%
Interior Decoration	15%
Kitchen Equipment	10%
Ware House, Dhaka	10%

2.08.3 Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

2.08.4 Maintenance Activities

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

2.08.5 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.

2.08.6 Impairment of Assets

No fact and circumstances indicate that company's assets including property, plant and equipment may be impaired. Hence, no evaluation of recoverability of assets was performed.

2.09 Intangible Asset

2.09.1 Recognition and measurement

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

2.09.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the profit and loss account when incurred. Balances amount of Intangible Assets fully charged during this year.

2.10 Capital Work in Progress

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

2.11 Inventories

Inventories are valued in compliance with the requirement of BAS 2

Category	Basis of Valuation
Raw and Packing Materials	Weighted average cost
Work in process	Average cost of materials and Appropriate Manufacturing expenses
Finished Goods	At Cost
Goods in Transit	At Cost

2.12 Financial Instruments

2.12.1 Derivative

According to BFRS 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.

2.12.2 Non-Derivation

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payable are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

2.12.3 Accounts Receivable (Trade Debtors)

Trade debtors are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the period end.

2.12.4 Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less 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.

ARTISAN Dhaka Chartered Accountants

2.12.5 Cash and Cash Equivalents

According to BAS -7 " Statement of Cash Flows" cash comprise 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 . BAS -1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Consideration the provisional of BAS-7 and BAS-1, Cash in Hand and Bank Balances has been treated as Cash and Cash Equivalents.

2.12.6 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.

2.12.7 Other Current Assets

Other current assets 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.

2.12.8 Trade Creditors and Accruals

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company, whether or not billed by the suppliers.

2.13 Provision, Contingent Liabilities and Contingent Assets

The financial statements are prepared in conformity with BAS 37 "Provision, contingent Liabilities and Contingent Assets", which requires managements 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 BAS-37 provisions were recognized in the following situations:

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

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

2.14 Loans and Borrowing

Principal amounts of loans and borrowings are stated at their outstanding amount. 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.

2.15 Revenue Recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably as provided in BAS 18 "Revenue" and there is no continuing management involvement with the goods.

ARTISAN Dhaka Chartered Accountants

2.16 Foreign Currency transactions and translations

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

2.17 Employees Benefits

The company offers a number if Benefit plans which include contributory provident fund, gratuity fund and hospitalization benefit and also festival bonus which have been accounted for in accordance with the provision of Bangladesh Accounting Standard 19"Employees Benefit."

2.18 Finance Income and Expenses

Finance income comprises interest income on funds invested Interest Income is recognized on maturity. Finance expenses comprise interest expenses on loan, overdraft and bank charges. All borrowing costs are recognized in the profit and loss account using effective interest method except to the extent that they are capitalized during constructions period of the plants in accordance with BAS-23 Borrowing cost.

2.19. Earnings per Share (EPS)

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

Basic earnings per share

The company presents its basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by divided 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

No diluted earnings per share are required to be calculated per year as there was no scope for dilution during the year.

2.20. Cash flow statement

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement". 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 18(a) of BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

2.21 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).

2.22 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 assumption that effect 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. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

ARTISAN Dhaka Chartered Accountants

2.23 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 not adjusting events are disclosed in the notes when material.

2.24 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 BAS 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 BAS 24 'Related Party Disclosures'. Related party transactions have been disclosed under Note – 37

2.25 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 which are not within the control of the company.

2.26 Comparative Amounts

Certain comparative amounts have been re-classified & rearranged to confirm with 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 understanding of the current year financial statements.

2.27 Income Tax

Income tax on the profit or loss for the year 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.

2.27.1 Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made @ 35% on estimated taxable profit in accordance with the income tax laws. The corporate income tax assessment of the Company is completed up to the assessment year 2013-2014 (Accounting year ended 31 December 2012) and tax liability is settled in full.

2.27.2 Deferred Tax

Deferred tax is recognized using (in accordance with the"BAS-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 base 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 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.

ARTISAN Chartered Accountants Dhaka

2.27.3 Tax Holiday

The Company has been enjoying tax holiday for a period of four years from the date of Commencement of Commercial production i.e. 01 December 2006 vide National Board of Revenue's order ref-11(7), anu-1/2007/902(2) dated 31.03.2008. The period of Tax holiday of the Company have expired on 30 November 2010.

2.28 General

i. Wherever considered necessary, previous year's figures have been re-arranged for the purpose of comparison.

ii. Figures appearing in the financial statements have been rounded off to the nearest Taka.

ARTISAN
Dhaka
Chartered Accountants

		Amounts In Taka	
		30-Jun-17	30-Jun-16
3.00	**Property, Plant and Equipment (3.00+3.02+3.04)**	**2,883,322,598**	**2,306,320,414**
	A. Cost		
	Opening Balance	1,667,720,500	1,438,358,454
	Add: Addition during the year	81,197,690	79,111,213
	Add: Transfer from Capital Work in Progress	516,408,361	150,250,833
	Total Cost	**2,265,326,551**	**1,667,720,500**
	B. Accumulated Depreciation		
	Opening Balance	292,938,242	268,290,361
	Add: Charged during the year (Note 3.03)	68,217,749	24,647,881
	Total Charged	**361,155,990**	**292,938,242**
	C. Written Down Value Cost (A-B) as on 30 June 2017	**1,904,170,561**	**1,374,782,258**
	A schedule of property, plant and equipment is given in Annexure - A		
3.02	**Revaluation Resurve**		
	A. Revaluation		
	Opening Balance	321,067,350	321,067,350
	Add: Revaluation made during the year	331,826,571	-
	Total Revaluation	**652,893,921**	**321,067,350**
	B. Accumulated Depreciation on Revaluation		
	Opening Balance	16,269,671	13,385,414
	Add: Charged during the year (Note 3.03)	5,503,188	2,884,257
	Total Depreciation Charged	**21,772,859**	**16,269,671**
	C. Written Down Value of Revaluation (A-B) as on 30 June 2017	**631,121,062**	**304,797,679**
	A schedule of property, plant and equipment is given in Annexure - A		

The Management revalued its Land & Land Development excluding Other Assets as on 31st December, 2016 by Shiraz Khan Basak & Co. Chartered Accountants. ***Total 1,351.14 decimal of Land*** on the name of the company is revalued to ***Tk. 1,054,238,679/-*** (One Billion Fifty-four million two hundred and thirty-eight thousand six hundred and seventy-nine) Only.

3.03	**Allocation of Depreciation Charges**			
	Factory Overhead @ 70%	Note-21.03	51,604,655	19,272,497
	General and Administration Overhead @ 15%	Note-22	11,058,140	4,129,821
	Selling and Distribution overhead @ 15%	Note-23	11,058,141	4,129,820
			73,720,936	27,532,138

3.04	**Capital Work-in-Progress**		
	Opening balance	626,740,477	598,822,992
	Add: Investment made during the year	195,665,005	151,568,359
	Add. Interest Capitalization during the year	42,033,853	26,599,959
	Less: Completed & Transferred to Fixed Asset during the year	(516,408,360)	(150,250,833)
		348,030,975	626,740,477

The make-up of the Closing Balance

1	HFO Dehydration	128,809,615	117,790,538
2	LDO Mass Blending Plant	-	60,315,134
3	VI/VII Plant	-	70,649,676
4	Grease Point	70,560,430	64,247,372
5	Co-Generation (25 KW/H)	49,965,255	42,831,362
6	Distilled Water Plant	49,405,982	39,470,804
7	Coolant Plant	-	44,089,252
8	Laboratory Service	49,289,693	146,909,092
9	BMRE	-	40,437,247
		348,030,975	626,740,477

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

ARTISAN Dhaka Chartered Accountants

	Amounts In Taka	
	30-Jun-17	30-Jun-16
4.00 Inventories		
Raw materials - note 4.01	297,711,728	164,279,320
Packing materials - note 4.02	5,894,846	4,356,876
Finished goods - note 4.03	90,490,217	27,957,687
	394,096,791	**196,593,883**
4.01 Raw materials - note 4.00 & 21.01		
Base Oil	251,734,896	126,545,120
Additives & Chemicals	45,976,832	37,734,200
	297,711,728	**164,279,320**
4.02 Packing materials - note 4.00 & 21.02		
Empty Drum, Pail & Container	4,209,843	2,889,345
Carton	540,982	478,330
Stickers	583,802	500,178
PVC Shrinks & Others	560,219	489,023
	5,894,846	**4,356,876**
4.03 Finished goods - note 4.00 & 21		
Lubricating Oil	90,490,217	27,957,687
	90,490,217	**27,957,687**
5.00 Trade & Others Receivable	**350,533,704**	**301,640,755**
5.01 Accounts Receivables		
Opening Balance	299,287,168	329,676,867
Add: Addition during the year	1,186,777,624	465,050,539
	1,486,064,792	**794,727,406**
Less: Realized during the year	1,139,000,423	495,440,237
	347,064,369	**299,287,168**
Disclosure as per schedule-XI, Part-1, of the Company Act, 1994		
Dues over 6 Months	104,119,311	89,786,150
Dues within 6 Months	242,945,058	209,501,018
Total	**347,064,369**	**299,287,168**
Receivable considered good & secured	231,334,259	277,456,877
Receivable considered good without security	115,130,110	106,511,008
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		
	347,064,369	**299,287,168**
5.02 Other Receivable		
Astech Limited	3,360,860	2,291,918
Accrued Interest Income (FDR)	108,475	61,669
	3,469,335	**2,353,587**
6.00 Advances, Deposits and Prepayments		
Advances - note 6.01	276,153,254	134,556,376
Deposits - note 6.02	5,606,134	3,967,363
	281,759,388	**138,523,739**

ARTISAN Dhaka Chartered Accountants

		Amounts In Taka	
		30-Jun-17	30-Jun-16
6.01			
	Advance against L/C	161,781,743	76,029,329
	Advance against VAT	18,432	50,620
	Advance Against Salary & Allowance	7,595,438	730,500
	Advance Against Procurement	15,421,678	22,515,982
	Advance Travelling & Conveyance	377,100	35,000
	Advance against Office Rent	137,500	60,000
	Advance Income Tax (6.01.1)	38,385,580	29,744,435
	Advance against Floor Purchase	14,575,000	2,575,000
	Advance against Office Expenses	3,486,428	1,520,177
	Advance against Selling & Distribution Expenses	1,216,333	895,333
	Advance against Land & Land Development	16,080,500	200,000
	Advance against Civil construction	545,134	-
	Advance against Fuel Expenses	79,850	-
	Advance against Legal & Professional Expenses	4,626,890	200,000
	Advance against Others	11,825,648	-
		276,153,254	134,556,376
6.01.1	**Advance Income Tax**		
	Opening Balance	29,744,435	25,790,905
	Add: Addition During the period	8,641,145	3,953,530
		38,385,580	**29,744,435**
	Less: Adjustment during the year	-	-
	Closing Balance	**38,385,580**	**29,744,435**
6.02	**Deposits**		
	Bangladesh Railway	197,985	197,985
	BOC Bangladesh Ltd.	56,000	56,000
	PDB- Pahartali	253,800	253,800
	Bakhrabad Gas System Ltd.	2,529,133	800,928
	Chittagong Port Authority	131,250	131,250
	Bangladesh Telephone and Telegraph Board-BTTB	24,000	24,000
	Chittagong WASA	100,000	100,000
	Van Omran Tank Terminal -VOTT	1,510,000	1,860,000
	Speed Track (Pvt) Ltd.	10,000	10,000
	Rural Power Company Limited -RPCL	95,400	95,400
	Chittagong Chamber of Commerce	96,000	96,000
	Al-Haj Karim Ullah for Dhaka Warehouse	300,000	300,000
	PDB- Raujan, Chittagong	42,000	42,000
	Security Deposit to Mayor Rajshahi City Corporation	32,291	-
	Security Deposit to Anduip CNG Filling Station, Dhaka\	40,000	-
	PUFFL	8,610	-
	Security Deposit with General Electric Manufacturing Co. Ltd	179,665	-
		5,606,134	3,967,363
6.03	**Additional disclosure in line with schedule 11 part 1 of the Companies Act 1994**		
	Advance Outstanding for a period exceeding six months	58,704,214	36,346,798
	Advance considered good	281,759,388	138,523,739
	Advance to Director & Offices of the common Management Company	-	-
6.04	These include dues realizable/ adjustable within one year next from the reporting date		
6.05	Advance include aggregate amount due by the officers of the company		
6.06	The maximum aggregate amount due by the officers of the company at the end of any month during the year		
7.00	**Related Party Current Account**	176,845,436	141,426,472
7.01	**Companygonj Agro Industries Limited**		
	Opening Balance	137,225,787	86,593,667
	Add: Addition during the year	36,239,152	59,683,550
		173,464,939	146,277,217
	Less: Adjustment/Paid off during the year	820,188	9,051,430
	Closing Balance	172,644,751	137,225,787

ARTISAN Dhaka Chartered Accountants

	Amounts In Taka	
	30-Jun-17	30-Jun-16

7.02 Julda Shipyard Limited

	30-Jun-17	30-Jun-16
Opening Balance	4,200,685	3,865,435
Add: Addition during the year	-	335,250
	4,200,685	4,200,685
Less: Adjustment/Paid off during the year	-	-
Closing Balance	4,200,685	4,200,685

8.00 Cash and Cash Equivalents

	30-Jun-17	30-Jun-16
Cash in Hand Note- 8.01	12,071,333	5,893,133
Cash at Bank Note- 8.02	55,356,416	2,694,453
FDR Investment Note- 8.03	6,308,974	3,247,230
	73,736,723	11,834,816

8.01 Cash in Hand

	30-Jun-17	30-Jun-16
Cash at Head Office (Ctg)	7,551,829	4,540,241
Cash at Dhaka Office	4,519,504	1,352,892
	12,071,333	5,893,133

8.02 Cash at Bank

	Branch	Types	30-Jun-17	30-Jun-16
Southeast Bank Limited	Jubilee Road	Current	-	875,689
Southeast Bank Limited	Karwan Bazar	Current	-	2,731
Southeast Bank Limited (30092)	Jubilee Road	Current	1,404	642,927
Islami Bank BD Limited	Agrabad	Current	8,462,831	447,872
Dutch Bangla Bank Limited	CDA	Current	289,849	3,628
Pubali Bank Limited	Pahartali	Current	35,738,082	105,076
Al Arafah Islami Bank Limited	Agrabad	Current	18,625	19,925
Sonali Bank Limited	Laldighi	Current	49,158	15,662
Uttara Bank Ltd	Agrabad	Current	166,593	122,495
Sahajalal Islami Bank Ltd	Dhaka Main	Current	2,939	4,089
Islami Bank BD Limited	Pahartali	SND	32,836	32,613
EXIM Bank Limited	Agrabad	Current	146,942	362,375
Sonali Bank Limited	Teknaf	Current	2,585	3,160
Southeast Bank Limited (0159)	Banglamotor	Current	12,135	-
Southeast Bank Limited (030367)	Jubilee Road	Current	2,175	-
Southeast Bank Limited (014895)	Jubilee Road	SND	10,175,119	-
Southeast Bank Limited (014899)	Jubilee Road	SND	47,543	-
Southeast Bank Limited (014900)	Jubilee Road	SND	8,117	-
Southeast Bank Limited	Pahartali	SND	199,483	56,211
All the bank balances were confirmed by the respective bank.			55,356,416	2,694,453

8.03 FDR Investment

		30-Jun-17	30-Jun-16
012701/24500013791/05	SEBL Jubilee Road Branch	570,858	543,632
7072174/24500015854/06	SEBL Jubilee Road Branch	940,834	895,668
24500025572	SEBL Jubilee Road Branch	1,363,244	1,298,538
7140073/24500027123	SEBL Jubilee Road Branch	273,610	260,825
24500027746	SEBL Jubilee Road Branch	790,000	-
24500027747	SEBL Jubilee Road Branch	90,000	-
24500027748	SEBL Jubilee Road Branch	20,000	-
24300029646	SEBL Jubilee Road Branch	2,000,000	-
24300003787	SEBL, Pahartali Branch	260,428	248,567
		6,308,974	3,247,230

ARTISAN Dhaka Chartered Accountants

	Amounts In Taka	
	30-Jun-17	30-Jun-16

9.00 Share Capital

Authorized Capital

100,000,000 Ordinary Shares of Tk 10 each	1,000,000,000	1,000,000,000

Paid up Capital

28,531,348 Ordinary Shares of Tk 10 each are fully paid in cash	700,000,000	285,313,480

The Issued, Subscribed and Paid-up Capital is Tk. 700,000,000 divided into 70,000,000 ordinary shares of Taka 10.00 each fully paid. The Shareholding position of the company as on 30 June 2017 is as follows:

Sl.	Name of Shareholders	Number of Shares held	% of Shareholdin	Amounts in Taka	
				30-Jun-17	30-Jun-16
1.	Mr. Mohammed Yousuf	27,567,544	39%	275,675,440	259,095,480
2.	Mrs. Rubaiya Nahar	3,455,140	5%	34,551,400	23,517,700
3.	Md. Salah Uddin Yousuf	3,247,520	5%	32,475,200	200,000
4.	Mrs. Israt Jahan	3,123,495	4%	31,234,950	200,000
5.	Companygonj Agro Industries Ltd	3,509,300	5%	35,093,000	300,000
6	Others	29,097,001	42%	290,970,010	2,000,300
	Total	**70,000,000**		**700,000,000**	**285,313,480**

10.00 Revaluation Reserve

Opening Balance	304,797,679	307,681,936
Add. Revaluation made during the year	331,826,571	-
Less. Adjustment for depreciation on Revaluation	(5,503,188)	(2,884,257)
	631,121,062	304,797,679

The Management revalued its Land & Land Development excludes Other Assets as on 31st December, 2016 by Shiraz Khan Basak & Co. Chartered Accountants. Total 1,351.14 decimal of Land on the name of the company is revalued to Tk. 1,054,238,679/- (One Billion Fifty-four million two hundred and thirty-eight thousand six hundred and seventy-nine) Only.

11.00 Retained Earnings

Opening Balance	553,262,794	488,837,290
Add: Net Profit /(Loss) during the year	150,592,368	61,541,247
Add: Current year depreciation on revalued amount of fixed assets	5,503,188	2,884,257
Closing Balance	**709,358,350**	**553,262,794**

12.00 Share Money Deposit

Opening Balance	198,663,582	157,118,582
Add: Addition during the year	764,522,938	41,545,000
Less: Allotment made during the year	(414,686,520)	-
Closing Balance	**548,500,000**	**198,663,582**

13.00 Long Term Loan

Opening Balance	860,120,023	891,015,984
Add: During the year	85,639,460	42,416,039
Less: Adjustment/Paid during the year	(120,891,000)	(73,312,000)
Closing Balance	**824,868,483**	**860,120,023**
Less: Current portion of Long term Loan	78,000,000	78,000,000
Non Current Portion of Long Term Loan	**746,868,483**	**782,120,023**

Brief details of Long term Loan:

Bank Name:	Southeast Bank Limited, Jubilee Road Branch, Ctg		
Tenure:	2-10 (year)		
Limit:	87.35 Crore		
Security:	Land 892.59 Decimal & Factory Building		
Interest Rate:	10% per year		
Sanction Date:	20-Oct-11	5-Apr-12	29-Dec-14

ARTISAN Dhaka Chartered Accountants

	Amounts In Taka	
	30-Jun-17	30-Jun-16

14.00 Lease Liabilities

Opening Balance	-	-
Add: During the year	3,620,574	
Less: Adjustment during the year	(286,928)	-
	3,333,646	-
Less: Current portion of Lease Finance	(1,147,716)	
	2,185,930	

Details are as follows:

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

15.00 Deferred Tax

Deferred Tax Liabilities		
Carrying Value (As per Accounts)	1,904,170,560	1,374,782,258
Carrying Value (As per Tax Base)	1,436,027,231	1,050,327,393
Temporary Difference	**468,143,329**	**324,454,865**
Effective Tax Rate	35%	35%
Deferred Tax Liability/(Assets)	**163,850,165**	**113,559,203**

16.00 Short Term Loan

Southeast Bank -Time Loan	178,548,942	329,759,604
Al Arafah Islami Bank Limited	3,909,739	3,909,739
Southeast Bank Ltd- Overdraft	359,690,353	419,623,331
	542,149,034	**753,292,674**

Brief details of Short term Loan:

Bank Name:	Southeast Bank Limited & Al Arafa Islami Bank Limited
Tenure:	0-1 Year
Limit:	40.25 Crore
Security:	Land 892.59 Decimal & Factory Building
Interest Rate:	10%-12% per year
Renewal date:	12-Feb-17

17.00 Accounts Payable

Alam Hardware	390,927	36,550
Al-Baraka Enterprise	259,777	244,777
Astech Limited, Chittagong	275,890	883,102
Bengal Overseas Cor.Ltd.Dhaka.	450,741	
Bhai Bhai Matels Works	1,139,915	3,376,757
Bismillah Pte International	-	54,980
Chistia Traders, Port Connecting Road,Pahartoli,Ctg.	229,000	
Crown Traders-Dhaka	-	726
Dana Engineers International Ltd.	56,800	29,800
Darbar Oil Supply	412,991	
Eastern Trade Syndicate(Ctg)	1,217,475	
Electro Tech-Ctg.	-	15,000
Favorite Traders-Chittagong	402,502	27,858
Fortune Information Tech.Ctg.	-	9,000
Haks Ind Ltd.Dhaka.	72,100	-
Janani Computer	23,140	14,140
M.B Enterprise	-	6,000
M.H.Enterprise Ctg.	31,500	16,820
M.I.Standard Trading Agency. (Ctg)	-	17,000
Maya Automobile-ULO	734,958	717,958
Parkesine Products Limited.,Gulshan-1,Dhaka.	160,000	330,000
Pioneer Scientific Stores. Dhaka.	55,398	23,840

ARTISAN Dhaka Chartered Accountants

	Amounts In Taka	
	30-Jun-17	30-Jun-16
Rahimafrooz Distribution Ltd.	454,715	-
Rashed Enterprise- Chittagong	1,378,923	1,373,126
Rubel Steel Mills Ltd.	2,289,200	-
Rupali Agency(Ctg)	-	38,591
Sea Port Shipping-Ctg	110,038	101,862
Yousuf Printers, Anderkilla, Chittagong.	224,096	217,103
All Creditors were paid on regular Basis	**10,370,086**	**7,534,990**

18.00 Liabilities for Income Tax

Opening Balance	9,595,053	7,949,174
Add: Provision for the year	7,729,414	1,645,879
	17,324,467	9,595,053
Less: AIT Adjustment/paid during the year	-	-
	17,324,467	**9,595,053**

19.00 Liabilities for Expenses

Wages, Salary & Allowances	271,800	1,542,289
Directors' Remuneration	1,025,242	573,300
Audit and professional Fees	250,000	125,000
Liabilities for factory Insurance	-	3,194,641
Others	4,270,796	2,540,798
Recognized Provident Fund	2,676,942	1,469,462
Withholding Tax Liabilities (TDS)	924,567	755,111
	9,419,347	**10,200,601**

ARTISAN Chartered Accountants Dhaka

	Amounts In Taka	
	30-Jun-17	30-Jun-16
20.00 Revenue		
Mono Grade	949,242,810	694,775,079
Multi Grade	49,338,370	56,985,479
Industrial Grade	173,247,836	136,027,210
Marine Grade	9,173,928	8,411,945
Others	5,774,680	5,415,907
	1,186,777,624	**901,615,620**

21.00 Cost of Goods Sold		
Raw Materials Consumed- note 21.01	697,868,932	506,308,470
Packing Materials Consumed- note 21.02	75,709,851	58,645,520
Total Consumption	**773,578,783**	**564,953,990**
Factory Overhead Note-21.03	90,859,343	73,540,387
Cost of Goods Manufactured	**864,438,126**	**638,494,377**
Opening Finished Goods	27,957,687	30,658,100
Cost of Goods Available for Sale	**892,395,813**	**669,152,477**
Closing Finished Goods	(90,490,217)	(27,957,687)
Cost of Goods Sold	**801,905,596**	**641,194,790**

21.01 Raw Materials Consumed		
Opening Inventory	**164,279,320**	**156,070,178**
Purchase during the period	831,301,340	514,517,612
Raw Materials available for use	**995,580,660**	**670,587,790**
Closing Inventory	(297,711,728)	(164,279,320)
	697,868,932	**506,308,470**

21.02 Packing Materials Consumed		
Opening Inventory	**4,356,876**	**4,160,875**
Purchase during the period	77,247,821	58,841,521
Packing Materials available for use	**81,604,697**	**63,002,396**
Closing Inventory	(5,894,846)	(4,356,876)
	75,709,851	**58,645,520**

21.03 Factory Overheads		
Salary, wages and allowances	10,272,178	8,807,674
Festival Bonus	983,036	886,712
Depreciation - note 3.3	51,604,655	40,019,335
Carriage inward	479,032	446,680
Director's remuneration and benefits	2,931,840	2,661,420
Electricity, power & fuel	574,876	539,837
Entertainment	98,024	76,474
Factory general expenses	581,372	544,478
Gas, power & fuel	8,974,500	4,660,717
Insurance premium	4,899,965	4,778,080
Laboratory expenses	838,783	778,071
Medical expenses	61,398	62,133
Repairs and maintenance	5,234,932	5,057,601
Travelling and conveyance	57,453	38,174
VOTT Rent	3,267,299	4,183,001
	90,859,343	**73,540,387**

ARTISAN Dhaka Chartered Accountants

22.00 General and Administrative Expenses

Salary and allowances	5,898,716	4,573,054
Festival Bonus	718,395	830,670
Depreciation - note 3.3	11,058,140	8,575,572
Audit fees	250,000	285,250
Board Meeting Fees	224,000	114,000
Canteen expenses	444,673	433,749
Director's remuneration and benefits	4,397,760	4,189,380
Gas & Water expenses	29,543	24,315
Entertainment	734,821	779,675
Legal & professional fees	678,325	815,581
Miscellaneous expenses	507,832	592,163
Motor Vehicle Upkeep	768,210	779,841
Newspapers & periodicals	17,634	14,702
Office General Expenses	983,834	1,044,732
Office rent, rates & renewal fees	729,036	718,366
Office supplies & stationery	488,291	499,534
Postage & Courier	309,763	214,800
Repairs and maintenance	927,893	897,816
Telephone & Fax	879,870	923,563
Recognized Provident Fund	1,207,480	1,469,462
Travelling and conveyance	813,654	671,857
Cleaning expenses	74,024	63,439
	32,141,894	**28,511,521**

23.00 Selling and Distribution Expenses

Salary and Allowances	5,916,782	4,227,263
Depreciation - note 3.3	11,058,141	8,575,572
Advertisement	363,098	176,496
Carriage outward	1,043,789	1,094,321
Marketing Expense	856,732	834,797
Rent, Rates & Taxes	419,396	371,782
Repairs & Maintenance	1,001,893	902,609
Sales commission & promotional expenses	3,479,205	3,298,800
Bogra Warehouse Exp.	138,902	98,940
Associated Sales Centre Expenses	389,476	396,861
	24,667,414	**19,977,441**

24.00 Other Operating Income

Income from Lab testing	8,254,972	15,050,427
	8,254,972	**15,050,427**

25.00 Financial Expenses

Interest on Long Term Loan	33,021,362	45,271,198
Interest on Short Term Loan	48,174,338	27,640,236
Interest on Lease Finance	120,574	
Interest on Bank Over Draft	47,162,239	36,083,195
Bank Charges & Commission	824,200	571,454
	129,302,713	**109,566,083**

26.00 Financial Income

Interest on FDR	241,975	243,399
Interest on SND	558,285	1,066
	800,260	**244,465**

27.00 Income From Others

Wastage Sales	182,505	315,895
Income From Tank Lorry	615,000	551,000
	797,505	**866,895**

28.00 Income Tax Expenses	58,020,376	25,172,059
28.01 Current Tax		
a. Income Tax on Revenue		
Revenue during the year	1,195,032,596	916,666,047
Effective Rate	0.6%	0.3%
	7,170,196	2,749,998
b. Income Tax Provision on Other Income		
Other Income including Financial Income	1,597,765	1,111,360
Effective rate	35%	35%
	559,218	388,976
Total Current Tax for the period	7,729,414	3,138,974
28.02 Differed Tax		
Differed Tax during the Period	163,850,165	120,989,704
Less: Opening Balance	(113,559,203)	(98,956,619)
	50,290,962	22,033,085
29.00 Earning Per Shares (Basic)		
Total Comprehensive Income for this year	150,592,368	93,355,513
Number of Ordinary shares outstanding at the end of the year	70,000,000	28,531,348
Basic Earning Per Share (Basic)	2.15	3.27
B) Earning Per Shares (Weighted)		
Total Comprehensive Income for this year	150,592,368	93,355,513
Number of weighted average shares outstanding at the end of the year	63,534,631	28,531,348
Basic Earning Per Share (Weighted)	2.37	3.27

Particulars	No of Share	Report Date	Use Day	% of use	No of Shares	No of Shares
Opening Allotted Share	28,531,348	30-Jun-17	365	100%	28,531,348	28,531,348
Allotment July 30 2016	26,591,317	30-Jun-17	335	92%	24,405,729	-
Allotment Oct 13 2016	14,877,335	30-Jun-17	260	71%	10,597,554	-
					63,534,631	28,531,348

30.00 A) Net Assets Value per Share (NAV) with Revaluation		
The Composition of Net Assets Value per share is given below :		
Net Assets Value during the year	2,040,479,412	2,040,479,412
Total Outstanding Share	70,000,000	28,531,348
	29.15	71.52
B) Net Assets Value per Share (NAV) without Revaluation		
The Composition of Net Assets Value per share is given below :		
Net Assets Value during the year without Revaluation	1,409,358,350	1,409,358,350
Total Outstanding Share	70,000,000	28,531,348
	20.13	49.40
31.00 Net Operating Cash Flow per Share (NOCPS) Basic		
The Composition of Net Operating Cash Flow per share is given below :	24,058,729	294,249,110
Total Outstanding Number of Share	70,000,000	28,531,348
Net Operating Cash Flow this year	0.34	10.31
Net Operating Cash Flow per Share (NOCPS) Weighted		
The Composition of Net Operating Cash Flow per share is given below :	24,058,729	294,249,110
Total Outstanding Number of Weighted Average Share	63,534,631	28,531,348
Net Operating Cash Flow this year	0.38	10.31

ARTISAN Dhaka Chartered Accountants

32.00 Contingent Liabilities and Commitments

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

Accounting Year	Assessment Year	Status	Provision Made on Accounts	Assessment Made by DCT	Excess/ (under) Provision (Contingent Liabilities)
31-Dec-12	2013-2014	Assessment Completed by DCT but appeal was made to tribunal for its decision.	1,684,567	2,354,339	669,772
31-Dec-13	2014-2015		1,591,315	10,303,295	8,711,980
			3,275,882	12,657,634	9,381,752

33.00 Number of Employees

	30-Jun-17	30-Jun-16
Number of Employees whose salary is below Tk 5,500 Per Month	-	-
Number of Employees whose salary is above Tk 5,500 Per Month	163	158
	163	158

34.00 Capacity Utilization

Capacity of Production-Single Shift	Blanding Unit (30-Jun-17)	Re- Refining Unit (30-Jun-17)	Total (30-Jun-17)	Blanding Unit (30-Jun-16)	Re- Refining Unit (30-Jun-16)	Total (30-Jun-16)
Licensed Capacity Metric Ton (MT)	12,550	4,407	16,957	12,500	4,407	16,907
Installed Capacity Metric Ton (MT)	12,550	4,407	16,957	12,500	4,407	16,907
Capacity Utilized - Metric Ton (MT)	6,283	4,048	10,331	4,760	3,855	8,615
Capacity Utilized	50.06%	91.85%	60.92%	38.08%	87.47%	50.96%

35.00 Events After the Reporting Period

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

36.00 Related party Transactions

Name of party	Types of Relationship	Nature of Transactions	Opening Balance as on 01.07.2016	Addition during the period	Adjustment during the period	Closing Balance as on 30.06.2017
Companygonj Agro Industries Limited	Common Directorship	Overhead Exp & Working Capital Management	137,225,787	36,239,152	(820,188)	172,644,751
Julda Shipyard Limited			4,200,685	-	-	4,200,685
Mohammad Yousuf	Managing Director	Remuneration fees & Board meeting fees	(285,000)	(3,468,000)	2,727,758	(1,025,242)
Rubaiya Nahar	Chairman		(132,500)	(1,638,000)	1,770,500	-
Salauddin Yousuf	Director		(155,800)	(1,917,600)	2,073,400	-
Dr. Israt Jahan	Director		-	(490,000)	490,000	-
Ahmmad Hossain	Director		-	(40,000)	40,000	-
			140,853,172	28,685,552	6,281,470	175,820,194

37.00 Attendance Status of Board Meeting of Directors

During the year ended 30th June, 2017, there were 12 (twelve) Board Meetings were held. The attendance status of all the meetings is as follows:

Sl. No	Name Of Directors	Position	Meeting Held	Attendance	Fees Per Meeting for each person	Amount Paid as on 30.06.2017	Amount Paid as on 30.06.2016
1	Mohammad Yousuf	Managing Director	12	12	4,000	48,000	48,000
2	Rubaiya Nahar	Chairman	12	12		48,000	48,000
3	Salauddin Yousuf	Director	12	12		48,000	48,000
4	Dr. Israt Jahan	Director	10	10		40,000	-
5	Ahmmad Hossain	Director	10	10		40,000	-
						224,000	**144,000**

38.00 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-17	30-Jun-16
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	7,101,658	3,525,000
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		

As per BAS- 24:

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

(a) Short-term employee benefits	7,101,658	3,525,000
(b) Post-employee benefits		
(c) Other long term benefits		
(d) termination benefits and		
(e) share- based payment		
	3,495,000	**3,495,000**

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

Directors Remuneration	6,877,658	3,381,000
Board Meeting Attendance Fees	224,000	144,000
Wages & Allowance	11,255,214	3,302,849
Salary & Allowance	12,533,893	4,648,381
	30,890,765	**11,476,230**

ARTISAN Dhaka Chartered Accountants

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

ARTISAN
CHARTERED ACCOUNTANTS

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
As at June 30, 2017

Annexure-A

Particulars	Cost					Rate	Depreciation			Written Down
	Balance as on 01.07.2016	Addition	Total	Transferred from CWP	Balance as on 30.06.2017	%	Balance as on 01.07.2016	Charge	Balance as on 30.06.2017	Value as on 30.06.2017
Land & Land Development	491,014,546	21,833,486	512,848,032	-	512,848,032	-	-	-	-	512,848,032
Office Building	167,656,528	90,821	167,747,349	-	167,747,349	3%	21,092,755	3,664,644	24,757,399	142,989,950
Air Conditioner	5,863,098	398,500	6,261,598	-	6,261,598	10%	1,621,081	433,860	2,054,941	4,206,657
Computer & Computer Accessories	3,075,368	282,830	3,358,198	-	3,358,198	10%	1,326,260	184,141	1,510,401	1,847,798
Fire Extinguisher	1,829,830	23,850	1,853,680	-	1,853,680	10%	337,913	149,927	487,840	1,365,840
Furniture & Fixture	8,758,376	459,119	9,217,495	-	9,217,495	10%	2,294,847	653,273	2,948,120	6,269,375
Vehicles	30,571,201	-	30,571,201	-	30,571,201	20%	19,712,520	2,171,736	21,884,256	8,686,945
Office Equipment	5,575,819	933,758	6,509,577	-	6,509,577	10%	2,250,354	348,634	2,598,989	3,910,588
Plant & Machineries	664,637,324	55,286,697	719,924,021	516,408,360	1,236,332,381	10%	190,080,741	50,525,263	240,606,005	995,726,377
Electricity Installation	11,130,177	120,342	11,250,519	-	11,250,519	10%	5,905,786	526,124	6,431,910	4,818,609
Factory Building & Shed	200,335,625	484,695	200,820,320	-	200,820,320	3%	18,915,073	4,538,779	23,453,852	177,366,468
Factory Equipment	25,892,263	1,173,892	27,066,155	-	27,066,155	10%	8,516,448	1,760,694	10,277,141	16,789,014
Gas Installation	1,134,213	82,000	1,216,213	-	1,216,213	10%	487,827	65,928	553,755	662,458
Generator	29,906,536	-	29,906,536	-	29,906,536	10%	13,913,441	1,599,310	15,512,750	14,393,786
Weighing Scale	5,253,877	-	5,253,877	-	5,253,877	5%	1,538,837	185,752	1,724,589	3,529,288
Interior Decoration	11,480,235	27,700	11,507,935	-	11,507,935	15%	3,577,700	1,185,802	4,763,502	6,744,433
Kitchen Equipment	77,576	-	77,576	-	77,576	10%	40,276	3,730	44,006	33,570
Ware House, Dhaka	3,527,907	-	3,527,907	-	3,527,907	10%	1,326,382	220,153	1,546,534	1,981,373
Total	1,667,720,500	81,197,690	1,748,918,190	516,408,360	2,265,326,550		292,938,242	68,217,749	361,155,990	1,904,170,560

Asset owned by Revaluation

Particulars	Cost					Rate	Depreciation			Written Down
	Balance as on 01.07.2016	Addition /(disposal)	Total	Transferred from CWP	Balance as on 30.06.2017	%	Balance as on 01.07.2016	Charge	Balance as on 30.06.2017	Value as on 30.06.2017
Land & Land Development	231,517,399	331,826,571	563,343,970	-	563,343,970	-	-	-	-	563,343,970
Office Building	25,920,742	-	25,920,742	-	25,920,742	3%	1,589,538	608,280	2,197,818	23,722,924
Plant & Machineries	63,629,209	-	63,629,209	-	63,629,209	10%	14,680,133	4,894,908	19,575,041	44,054,168
Total	321,067,350	331,826,571	652,893,921	-	652,893,921		16,269,671	5,503,188	21,772,859	631,121,062
Total - 30.06.2017	1,988,787,850	413,024,261	2,401,812,111	516,408,360	2,918,220,471	-	309,207,913	73,720,936	382,928,849	2,535,291,622
Total - 30.06.2016	1,759,425,803	76,832,877	1,836,258,680	150,250,833	1,986,509,513	-	281,675,776	27,513,952	309,189,728	1,677,319,785

ARTISAN Dhaka Chartered Accountants