



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

**Independent Auditors' Report
and
Financial Statements**

Bangladesh Building Systems Limited
For the year ended 30 June, 2020

Auditor:



Ahmed Zaker & Co.

Chartered Accountants

An Independent Member Firm of Geneva Group International (GGi)

Green City Edge (Level - 10), 89, Kakrail, Dhaka-1000, Bangladesh.

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Independent Auditors' Report

To the shareholders of Bangladesh Building Systems Limited

Report on the Audit of the Financial Statements.

Qualified Opinion

We have audited the financial statements of **Bangladesh Building Systems Limited** ("the Company"), which comprise the Statement of Financial Position as at 30 June 2020, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the company as at 30 June 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

1. The company has taken full contract price as revenue which is non-compliance with the requirement of IFRS: 15 "Revenue from Contracts with Customers". In most of the contracts with parties there is a warranty clause. But the company did not keep any deferred income in the financial statements for fulfillment of warranty obligation. As a result, the revenue is overstated.
2. As referred in note: 8.00 in the financial statements, "Inventories" were carried at BDT 979,759,504 at the reporting date. Inventories were physically verified at the reporting date. The company did not consider obsolete and damaged items during valuation and also valuation of finished goods has been calculated at selling price. As a result, closing inventories are overstated.

Emphasis of Matters

We draw attention on the matter disclosed:

1. As disclosed in note: 4.00 to the financial statements, property, plant and equipment of BDT 1,006,777,562 was reported in the statement of financial position. We could not verify the fixed assets in absence of fixed assets register, identification number, Purchase date, cost, accumulated depreciation, WDV etc. against individual assets. The company also did not carry out any fixed assets physical inventory at the year end.
2. The company made a provision of BDT 7,191,824 for WPPF at 5% on net operating profit of the year ended 30th June 2019. Out of this amount 10% is to be transferred to Workers Welfare Fund and 10% is to be transferred to Workers Welfare Foundation Fund



maintained by Govt. exchequer. The company did not comply with this statutory requirement.

3. Out of Total receivables of TK. 935,573,335 we sent balance confirmation requests to 20 parties covering tk. 286,010,252. We received reply from 13 parties confirming their balance Tk 220,760,585. Remaining confirmations from 7 parties for an amount of tk. 263,933,667 was not received. No provision has been made in these financial statements for doubtful receivable amount.

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.

| Risk | Our response to the risk |
|---|---|
| Revenue recognition | |
| <p>During the year, the Company recognized sales turnover of BDT 87,58,76,708 which has decreased by BDT -75,48,67,992 as compared with previous year.</p> <p>Sales revenue recognized by the Company comprises multiple streams. At first, when contract is signed steel component is delivered to customer upon completion of production, related portion of revenue is recognized based on point of delivery and rest part of contract consideration is recognized when relevant performance obligations are satisfied.</p> <p>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.</p> <p>The company did not keep any deferred income in the financial statements for fulfillment of warranty obligation. As a result, the revenue is overstated.</p> | <p>Our audit procedures included the following to test the design and operating effectiveness of key control focusing on:</p> <ul style="list-style-type: none">➤ Segregation of duties in invoice creation and modification.➤ Timing of revenue recognition considering step by step procedure.➤ Obtaining understanding and documenting the process of revenue recognition and measurement followed by the Company.➤ Tracing performance obligations stipulated and contract value in the contract with invoice and delivery challan issued to evaluate point of recognition and measurement.➤ Testing occurrence and accuracy of sales revenue recognized by inspecting source documents such as contract made with the customer, delivery challan and VAT challan.➤ Finally assessing the appropriateness and presentation |





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| | of disclosure notes with IFRS 15: Revenue from contracts with customers. |
| See note no. 20, Revenue in the financial statements | |
| Valuation of closing inventories | |
| <p>Closing inventories aggregating to BDT 97,97,59,504 was recognized in the statement of financial position as on 30 June 2020. Compared with previous year, this has increased by BDT 23,56,86,975.</p> <p>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.</p> <p>The company did not consider obsolete and damaged items during valuation and valuation of finished goods has been calculated at selling price. As a result, closing inventories are overstated.</p> | <p>Our audit responses comprise the following procedures:</p> <ul style="list-style-type: none">➤ Evaluating the design and implementation of key inventory control operating across factory premises.➤ Attending and observing the physical inventory at the reporting date.➤ Evaluating compliance with instructions of management count procedures during the count.➤ Inspecting physical stock counting report as on 30 June 2020 and reconciling count results to closing inventories listings and performing test count on selected items to test completeness, accuracy and existence of inventories.➤ 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. 8, Inventories in the financial statements | |
| Property, plant and equipment | |
| <p>Property, plant and equipment (PPE) were recognized at carrying value aggregating to BDT 1,006,777,562 representing over 22% of total assets of the Company as on 30 June 2020. Addition to Fixed Assets during the year was BDT 17,296,747.</p> <p>PPE comprises both owned and assets</p> | <p>Our audit procedures performed during the audit to address the risks identified consist of the following:</p> <ul style="list-style-type: none">➤ Obtaining and documenting detailed understanding regarding procurement process of PPE and |





| | |
|--|---|
| <p>procured under finance lease. Items of PPE are subject to recognition and measurement criteria only after satisfactorily meeting relevant requirement as per IAS 16: Property, plant and equipment, we identified this element of the assets as an area with higher risk of material misstatement which would require significant audit attention during our audit.</p> <p>We could not verify the fixed assets in absence of fixed assets register, identification number, Purchase date, cost, accumulated depreciation, WDV etc. against individual assets.</p> | <p>identified relevant control points and their implementation.</p> <ul style="list-style-type: none">➤ Reviewing recognition, measurement and valuation basis of PPE in compliance with requirement of IAS 16: Property, plant and equipment.➤ Inspecting supporting documents for the acquisition of PPE made during the year to test the accuracy and ownership.➤ Physically inspected the existence of sample PPEs during our audit at the factory premises.➤ Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 16 and other relevant IFRSs. |
| See note no. 4, Property, plant and equipment in the financial statements | |
| Measurement of current year income tax and deferred tax | |
| <p>During the year, the Company recognized current year income tax of Tk. 45,689,565 and deferred tax Tk. 3,223,581 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.</p> <p>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.</p> | <p>Our audit responses adopted during the audit to address the risk identified comprise the following:</p> <ul style="list-style-type: none">➤ Obtained and documented management procedures involved in determining both current year income tax and deferred tax.➤ Obtained understanding and reviewed relevant section of the ITO and SRO to test the accuracy of rate applied by the Company.➤ 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. |





| | |
|--|---|
| | <ul style="list-style-type: none">➤ Re-performed detailed calculation of current year income tax and deferred tax as given by the Company.➤ Inspected latest assessment order completed and compared amount of tax paid by the Company with amount recognized in the financial statements. |
| See note no. 29, income tax expenses in the financial statements | |
| Bank Loan | |
| <p>In the financial statement the company short term & long-term bank loan of over taka 961,740,519 & 304,601,698 was reported by the company at the reporting date.</p> <p>Loan liability were considered as key audit matter because this external form of credit facilities availed by the company require fulfillment of several terms and conditions as mentioned in loan sanction letter issued by lending bank.</p> | <p>Our substantive audit procedures adopted during the audit includes the following test or details.</p> <ul style="list-style-type: none">➤ Our substantive audit procedure adopted during the audit includes the following test or details➤ Inspecting relevant board minutes in support of bank loan reported in the financial statement.➤ Agreeing outstanding balances with confirmation letter received from the bank.➤ 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 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.

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 accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- 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.\

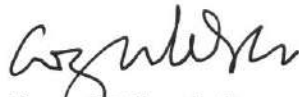


Report on Other Legal and Regulatory Requirements

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;
- 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.

Place: Dhaka
Dated: 22 October, 2020


Ahmed Zaker & Co.
Chartered Accountants
(Zayed A Mirdha, FCA)
Partner.



Bangladesh Building Systems Limited

Statement of Financial Position


As at June 30, 2020


| Particulars | Notes | Amount in Taka | |
|--|-------|----------------------|----------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| ASSETS | | | |
| Non-current assets | | 1,909,625,324 | 1,791,764,069 |
| Property, plant and equipment | 4.00 | 1,006,777,562 | 1,050,050,059 |
| Intangible asset | 5.00 | 1,588,267 | 376,041 |
| Investment in associate company | 6.00 | 824,363,067 | 664,441,541 |
| Work in Progress for new office space | 7.00 | 76,896,428 | 76,896,428 |
| Current assets | | 2,638,937,870 | 2,403,253,739 |
| Inventories | 8.00 | 979,759,504 | 831,404,215 |
| Goods in transit | 9.00 | 8,783,377 | 6,503,408 |
| Advances, deposits and prepayments | 10.00 | 693,635,783 | 646,008,374 |
| Trade & other receivables | 11.00 | 935,573,335 | 911,166,632 |
| Cash and cash equivalents | 12.00 | 21,185,870 | 8,171,110 |
| TOTAL ASSETS | | 4,548,563,194 | 4,195,017,808 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | 2,436,406,338 | 2,327,668,711 |
| Share capital | 13.00 | 1,551,711,744 | 1,410,647,040 |
| Retained earnings | 14.00 | 884,694,594 | 917,021,671 |
| Non-current liabilities | | 526,830,001 | 384,986,045 |
| Long term loan | 15.00 | 304,601,698 | 160,691,323 |
| Deferred tax liability | 16.00 | 222,228,303 | 224,294,722 |
| Current liabilities | | 1,585,326,855 | 1,482,363,051 |
| Accounts and other payables | 17.00 | 34,810,637 | 38,958,436 |
| Accruals and provisions | 18.00 | 368,632,687 | 330,470,025 |
| Short term loan | 19.00 | 961,740,519 | 1,035,382,970 |
| Current portion of long term loan | 15.00 | 220,143,012 | 77,551,620 |
| TOTAL EQUITY AND LIABILITIES | | 4,548,563,194 | 4,195,017,808 |
| Number of share used to calculate NAV | | 155,171,174 | 155,171,174 |
| Net asset value per share | 31.00 | 15.70 | 15.00 |

The accompanying notes (01 to 32) form an integral part of this financial statement and are to be read in conjunction therewith.


Managing Director


Director


Chief Financial Officer


Company Secretary

Place: Dhaka;
Date: 22 October, 2020



Ahmed Zaker & Co.
Chartered Accountants



Bangladesh Building Systems Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended June 30, 2020

| Particulars | Notes | Amount in Taka | |
|---|-------|----------------------|----------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| Revenue | 20.00 | 875,876,708 | 1,630,744,700 |
| Cost of Goods Sold | 21.00 | (794,922,908) | (1,254,580,254) |
| Gross Profit | | 80,953,800 | 376,164,446 |
| Operating expenses | | (102,914,725) | (108,616,213) |
| Administrative expenses | 22.00 | (80,468,134) | (84,602,961) |
| Selling and distribution expenses | 23.00 | (22,446,591) | (24,013,252) |
| Profit from operation | | (21,960,925) | 267,548,233 |
| Others Income | 26.00 | 94,309,381 | 545,061 |
| Finance cost | 27.00 | (157,747,005) | (140,064,985) |
| Net profit from operation | | (85,398,549) | 128,028,309 |
| Workers' profit participation fund & Welfare fund | | (1,259,524) | (7,191,824) |
| Non Operating Income | 28.00 | 57,937,320 | - |
| Share of Profit from Associate | | 186,371,526 | 242,692,442 |
| Net profit before tax | | 157,650,773 | 363,528,927 |
| Income tax expenses | 29.00 | (48,913,146) | (84,307,966) |
| Net profit after tax | | 108,737,626 | 279,220,961 |
| Total comprehensive income | | 108,737,626 | 279,220,961 |
| Number of share used to calculate EPS | | 155,171,174 | 155,171,174 |
| Earning per share(EPS) | 24.00 | 0.70 | 1.80 |

The accompanying notes (01 to 32) form an integral part of this financial statement and are to be read in conjunction therewith.



Managing Director


Director


Chief Financial Officer


Company Secretary

Place: Dhaka;
Date: 22 October, 2020


Ahmed Zaker & Co.
Chartered Accountants



Bangladesh Building Systems Limited
Statement of Changes in Equity
For the year ended June 30, 2020

| Particulars | Amount in Taka | | |
|---------------------------------|----------------------|--------------------|----------------------|
| | Share capital | Retained earnings | Total |
| Balance as at 01.07.2019 | 1,410,647,040 | 917,021,671 | 2,327,668,711 |
| Issuance of bonus shares | 141,064,704 | (141,064,704) | - |
| Net profit after tax | - | 108,737,626 | 108,737,626 |
| Balance as at 30.06.2020 | 1,551,711,744 | 884,694,594 | 2,436,406,338 |

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

| Particulars | Amount in Taka | | |
|---------------------------------|----------------------|--------------------|----------------------|
| | Share capital | Retained earnings | Total |
| Balance as at 01.07.2018 | 1,282,406,400 | 766,041,350 | 2,048,447,750 |
| Issuance of bonus shares | 128,240,640 | (128,240,640) | - |
| Net profit after tax | - | 279,220,961 | 279,220,961 |
| Balance as at 30.06.2019 | 1,410,647,040 | 917,021,671 | 2,327,668,711 |

The accompanying notes (01 to 32) form an integral part of this financial statement and are to be read in conjunction therewith.


Managing Director


Director


Chief Financial Officer


Company Secretary

Place: Dhaka;
Date: 22 October, 2020


Ahmed Zaker & Co.
Chartered Accountants

Bangladesh Building Systems Limited
Statement of Cash Flows
For the year ended June 30, 2020

| Particulars | Notes | Amount in Taka | |
|---|-------|----------------------|---------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| Cash flows from operating activities | | | |
| Collections from customers | | 851,470,005 | 1,658,128,458 |
| Payments for operating costs & other expenses | | (988,429,481) | (1,562,941,004) |
| Proceeds from scrap sale | | 93,891,314 | |
| Income Tax Paid and/or deducted at sources | | (59,989,093) | (46,639,178) |
| Net cash generated from operating activities | | (103,057,255) | 48,548,276 |
| Cash flows from investing activities | | | |
| Acquisitions of property, plant and equipment | | (18,555,682) | (22,146,591) |
| Sale of Share of Associate | | 57,937,320 | - |
| WIP for New Office Space | | - | (76,896,428) |
| Dividend Income | | 21,160,000 | 18,400,000 |
| Net cash used in investing activities | | 60,541,638 | (80,643,019) |
| Cash flows from financing activities | | | |
| Others Income | | 418,067 | 545,061 |
| Long Term Loan / (Repayment banks)/financial institutions | | 286,501,767 | 65,457,238 |
| Borrowing / Repayment of Short Term Loan | | (73,642,451) | 100,794,004 |
| Payment of Cash Dividend | | - | (16,490,661) |
| Finance cost paid | | (157,747,005) | (140,064,985) |
| Net cash provided by financing activities | | 55,530,378 | 10,240,657 |
| Net changes in cash and cash equivalents | | 13,014,761 | (21,854,086) |
| Cash and cash equivalents at the beginning of the year | | 8,171,110 | 30,025,196 |
| Cash and cash equivalents at the end of the year | | 21,185,870 | 8,171,110 |
| Number of share used to calculate NOCFPS | | 155,171,174 | 155,171,174 |
| Operating cash flow per share | 25.00 | (0.66) | 0.31 |

The accompanying notes (01 to 32) form an integral part of this financial statement and are to be read in conjunction therewith.


Managing Director


Director


Chief Financial Officer


Company Secretary

Place: Dhaka;
Date: 22 October, 2020



Bangladesh Building Systems Limited

Notes to the Financial Statements
For the Year Ended June 30, 2020

1. Reporting entity

1.1 Legal form of the Company:

The Company was incorporated in 19 July, 2003 vide registration no- C-49909 as a 'Private' Company limited by shares and registered with the Registrar of Joint Stock Companies & Firms of Bangladesh under the Companies Act, 1994. It has started its commercial production in the year 2005. On 30 October, 2010 the Company registered itself as a Public Limited Company under the Companies Act, 1994.

The Company is listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) at 03 October, 2013 and 30 September, 2013 respectively and trading of the share of the Company has been started from 08 October, 2013.

Address of the Registered & Corporate Office:

The registered office of the Company is located at Factory Premises, Jaina Bazar, Dhaka Mymensingh Highway, Telehate, Sreepur, Gazipur, Corporate Office: Configure Bepari Tower (3rd floor), 64/Ga Middle Badda, Paragati Sarani, Dhaka-1212 and its factory is situated at Jaina Bazar, Dhaka Mymensingh Highway, Telehate, Sreepur, Gazipur.

1.2 Nature of Business Activities:

The principal activities of the Company throughout the year continued to be manufacturing and marketing of Pre-Engineered Steel Building (PEB) in Bangladesh to meet-up the growing demand especially in the industrial sector.

Bangladesh Building System Ltd. (BBSL) always eager for managing and seeking expertise and obtaining state-of-art technology to provide engineering solutions with world class quality and best customer services. It holds world class quality certification like "ISO 9001-2015" from international organizations. Usually, BBSL deals with pre-engineered steel buildings like factories, warehouses, hall rooms, workshops, aircraft hangers, office buildings, commercial showrooms, distribution centers, supermarkets, restaurants and residential buildings as well.

1.3 Investment in Associates:

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. **Bangladesh Building Systems Limited** acquired 16.03% of shares of BBS Cables Limited. which was incorporated 12th April, 2009; vide Reg. No.-C-76109/09 under the Companies Act, 1994 as a Public Limited Company.





1.4 Date of Authorization:

The financial statements of **Bangladesh Building Systems Limited** for the year ended 30 June 2020 were authorized for issue in accordance with a resolution of the Board of Directors on October 22, 2020.

1.5 Reporting Period:

The reporting period of the company covers one year from 01st July 2019 to 30th June 2020.

2. Basis of presentation of Financial Statements

2.1 Basis of Measurement of Elements of Financial Statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by **Bangladesh Building Systems Limited** is historical cost for land, building and plant and machinery, inventories are at the lower of cost and net realizable value. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.2 Statement of Compliance with Laws:

The Financial Statements have been prepared in accordance with the relevant laws and schedule of the SEC Rules 1987, the listing Regulation of the Stock Exchanges (DSE & CSE), 2015 and of the companies Act, 1994 and other relevant local laws as applicable.

2.3 Statement on Compliance of Accounting Standards:

The financial statements have been prepared and presented in accordance with the applicable International Accounting Standards (IAS) and International Financial Reporting Standard (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.4 Going Concern:

At each year end management of the Company makes assessment of going concern as required by IAS-1. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. The Directors continue to adopt going concern assumption while preparing the financial statements.



2.5 Offsetting

In compliance to IAS-1 and IAS-32, offsetting is done for a particular vendor or customer when the following conditions are met:

- Each of the two parties owes the other determinable amounts;
- The entity has the right to set off against the amount owed by other party;
- The entity intends to offset;
- The right of setoff is legally enforceable."

2.6 Currency Presentation:

2.6.1 Functional and Presentational Currency and Level of Precision:

The financial statements are prepared in Bangladesh Taka (Taka/Tk./BDT) which is the Company's both functional currency and presentation currency. All financial information presented in Taka and has been rounded off to the nearest Taka.

2.6.2 Foreign Currency Translation:

Foreign currencies have been translated into Taka currency at the ruling rate on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the reporting period. Non-monetary assets and liabilities are reported using the exchange rate at date of transaction. Differences arising on conversion are charged to the statement of comprehensive income.

2.7 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.8 Use of estimates and judgments:

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards 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 and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors"

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, net realizable value of inventories, accruals, taxation and provision.





2.9 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises:

The financial statements comprise of:

- (a) Statement of Financial Position asat June 30, 2020;
- (b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2020;
- (c) Statement of Changes in Equity for the year ended June 30, 2020;
- (d) Statement of Cash Flows for the year ended June 30, 2020; and
- (e) Notes, comprising summary of significant accounting policies and explanatory information to the accounts for the year ended June 30, 2020.

3. Summary of Significant Accounting Policies:

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

3.1 Accounting Convention and Basis:

The financial statements have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), Securities and Exchange Rules 1987, the Companies Act, 1994 and other laws and regulations applicable in Bangladesh.

3.1.1 IFRS 15 Revenue from contracts with customers

"IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction contracts and related interpretations. The Company has adopted IFRS 15 Revenue from contracts with customers. The adoption of this standard has no impact on the Company's financial statements. Deferred Income was not recognized according to IFRS 15.

3.2 Comparative information:

As required by the paragraph 38, 40, & 41 "presentation of financial statement"; comparative information in respect of the previous year has been presented in all numerical information in the financial statements. Previous year's balances have been reclassified as and where applicable for the fair presentation of Financial Statements.



3.3 Property plant and equipment

3.3.1 Recognition and measurement:

An item shall be recognized as property, plant and equipment if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably IAS 16.

Property, plant and equipment are initially recognized at cost and subsequently land, buildings & civil constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

3.3.2 Subsequent costs:

The cost of replacing part of item of property, plant, and equipment is recognized in the carrying amounts 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 equipment recognized in the statement in the comprehensive income as incurred.

3.3.3 Depreciation:

Depreciation on fixed assets is charged using 'reducing balance' method at the rates varying from 5% to 15%. Depreciation was charged as when assets were available for used.

No depreciation is charged on land and capital work in progress. The rates depreciation, applied on reducing balance method, for the comprehensive years are as follows:

| Particulars | 2019-2020 | 2018-2019 |
|-------------------------------|-----------|-----------|
| Land & Land Development | 0% | 0% |
| Building Factory | 5% | 5% |
| Plant & Machinery | 10% | 10% |
| Electrical Installation | 15% | 15% |
| Furniture and Fixture | 10% | 10% |
| Office equipment and Computer | 15% | 15% |
| Office Decoration | 10% | 10% |
| Vehicles | 5% | 5% |



3.3.4 Intangible Assets:

Intangible assets include IT software which is used to maintain Company's accounts. It also includes Share Management Software and Website.

3.3.4.1 Recognition and Measurement:

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. It is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and cost of the assets can be measured reliably as required by IAS-38: Intangible assets. The cost of the Intangible assets comprises its purchase price and any costs directly attributable to the assets.

3.3.4.2 Subsequent Costs:

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 Statement of Comprehensive Income when incurred.

3.3.4.3 Amortization:

Amortization is recognized in the Statement of Comprehensive Income on diminishing balance method based on written down value at which the asset is carried in the books of account. Amortization continues to be provided until such time as the written down value is reduced to Taka one.

3.3.5 Capital work-in-progress:

Property, plant and equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.4 Capitalization of Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur in accordance with IAS 23: "Borrowing cost". Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Recognition

Bangladesh Building Systems Limited capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. **Bangladesh Building Systems Limited** recognizes other borrowing costs as an expense in the period in which it incurs them.



Borrowing costs eligible for capitalization

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

To the extent that **Bangladesh Building Systems Limited** borrows funds specifically for the purpose of obtaining a qualifying asset, **Bangladesh Building Systems Limited** determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Commencement of capitalization:

Bangladesh Building Systems Limited begins capitalizing borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the **Bangladesh Building Systems Limited** first meets all of the following conditions:

- it incurs expenditures for the asset;
- it incurs borrowing costs; and
- it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Cessation of capitalization

Bangladesh Building Systems Limited ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.5 Impairment of Assets:

At each Balance Sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication of impairment In accordance with IAS -36 : Impairment of Assets” During the year there was no indication of impairment of assets, as such no adjustment was given in the Financial statement for impairment

3.6 Investment:

Investment represents investment in shares in BBS Cables Ltd. All investments categorized under ‘Investments available for sale’ and held-to-maturity’ are carried at cost.

3.7 Lease:

The Company transfer its Lease assets to Property plant and equipment with supporting of Bank Confirmation. The UCBL consider the lease liabilities as Loan liability for the remaining outstanding liabilities.



3.8 Financial Instruments:

A financial instrument is any contract that gives to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.8.1 Financial Assets:

The company initially recognizes receivable and deposit on the date that they are originated. All other financial assets are recognized initially on the date at whom the company becomes a party to the contractual provisions of the transaction.

Financial assets include cash and cash equivalents, account receivables, and long term receivables and deposit.

3.8.1.1 Trade and Other Receivables:

Trade and other receivable represent the amount due from customers of credit sales and also include receivable from employees and others. Account receivables are stated net of bad debt provision and unearned carrying charges.

3.8.1.2 Cash and Cash Equivalent:

Cash and cash equivalent comprise cash balances both in hand at bank, cash in transit and fixed deposit with original maturities of three months or less.

3.8.2 Financial Liability:

The company initially recognized debt securities issued and subordinated liabilities and the date that they are originated. All other financial leases obligations, loans and borrowings, account payables and other payables.

3.8.2.1 Payables:

The company recognizes a financial liability when its contractual obligations arising from the past events are certain and the settlement of which is expected to result in and outflow from the company of resources embodying economic benefit.

3.9 Inventories:

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or net realizable value in compliance to the requirements of Para 21 and 25 of IAS-2. Costs including an appropriate portion of fixed and variable overhead expenses are assigned inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale. Item wise valuation is as follows:

| Items | Basis of valuation |
|-----------------|---|
| Raw Materials | Weighted Average Cost |
| Stores & Spares | Weighted Average Cost |
| Work-in-Process | Raw materials cost which includes all the materials issued to production floor. |
| Finished Goods | Weighted Average Cost |



3.10 Cash and Cash Equivalents:

For the purpose of Balance Sheet and Cash Flow Statements, Cash in hand and Bank balances represent cash and cash equivalents considering the IAS-1 "Presentation of Financial Statements" and IAS-7 "Cash Flow Statement", which provide that Cash and Cash equivalents are readily convertible to known amounts of Cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

3.11 Cash Flow Statement:

Cash Flow Statement is prepared principally in accordance with IAS-7 "Cash Flow Statement" and 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 provision of paragraph 19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

3.12 Accounts Receivables:

Trade receivable is stated at nominal value which is the fair value of the consideration given in return. After initial recognition these are carried at nominal value less impairment losses due to non-collectability of any amount so recognized.

3.13 Provisions:

A provision is recognized on the balance sheet date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.14 Revenue Recognition:

Revenue from the sale of good is measured at the fair value of the consideration revised or receivable, net of returns and allowances and trade discounts. Revenue is recognized when significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. This usually occurs at the time of delivery of goods along with invoice.

3.14.1 Other Income

All other income is recognized when the Organization's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

3.15 Finance Cost:

Finance expense comprises interest expense on term loan, overdraft, and bank charge. Interest income fixed deposit and from saving or current account is net off with finance expenses. All finance expenses are recognized in the profit and loss account.

3.16 Earnings per Share:

The Company presents basic and diluted (when applicable) earnings per share (EPS) data for its ordinary shares.





3.16.1 Basic Earnings per Share:

Basic earnings per share are calculated by dividing the profit and loss attributable to the ordinary shareholders of the Company by the weighted average number ordinary share outstanding during the period.

3.16.2 Diluted Earnings Per Share:

For purpose of calculating diluted earnings per share, the number of ordinary shares shall be the weighted average number of ordinary shares calculated in accordance with IAS-33 paragraphs 19 & 26 plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.17 Dividend income on shares:

Dividend income on shares is recognized during the period in which it is declared and ascertained. During the Year the company did not receive any dividend from invest in shares of BBSCL.

3.18 Commission / Brokerage to selling agent:

No commission was incurred or paid to neither any sales agent nor any brokerage or discount other than conventional trade discount was incurred or paid against sales.

3.19 Income Tax:

Income tax expenses comprise current and deferred tax. Income tax expenses are recognized in the Profit & Loss Account.

3.19.1 Current Tax:

Income tax expenses are recognized in Profit or Loss. Current tax is the expected tax payable on the taxable income for the year using tax rates. The company qualifies as a publicly traded company hence the applicable tax rate is 25%.

3.19.2 Deferred Tax:

Deferred Tax arises due to temporary/deductible difference between accounting and tax base depreciation. Deferred Assets/Liabilities is recognized as per International Accounting Standard (IAS-12).

3.20 Reclassification:

During period figures, wherever considered necessary, have been rearranged/restated/reclassified, for the purpose of comparison with current year's presentation without any impact on the profit and value of assets and liabilities as reported in the financial statements. The management of company reclassified its Lease Assets reclassified as Property, Plant & Equipment during the year.

3.21 Sources of Information:

During our course of preparation and presentation of the financial statements it has been considered the relevant financial documents and collected information throughout the accounting period ended 2019-2020 after overlooking of the head of accounts.



3.22 Related Party Disclosure:

During the year the Company carried out a number of transactions with related parties in the normal course of business on arm's length bases. Name of those related parties, nature of those transaction and their total value have been shown below in accordance with the provisions of IAS-24- "Related Party Disclosure."

3.23 Risk Exposure

3.23.1 Financial Risk Management:

The management of company 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 for its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Industry risk
- Operational risk
- Currency risk
- Interest rate risk

3.23.1.1 Credit Risk:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 30 June 2019 substantial part of the receivables are those from its company related and subject to insignificant credit risk. Risk exposures from other financial assets i.e. Cash at bank and other external receivables are nominal.

3.23.1.2 Liquidity Risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

3.23.1.3 Market Risk:

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. The company has strong marketing and brand management would help the company to increase their customer base.



3.23.2 Industry Risks:

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. The company has strong marketing and brand management would help the company to increase their customer base.

3.23.3 Operational Risks:

Operational risk summarizes the risks a company undertakes when it attempts to operate within a given field or industry. Operational risk is the risk not inherent in financial, systematic or market-wide risk. It is the risk remaining after determining financing and systematic risk and includes risks resulting from breakdowns in internal procedures, people and systems. The Management is highly skilled and directly involved in operation and also has built strong supply chain management to operate the business smoothly.

3.23.4 Currency risk:

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad. The management has procurement policy to purchase the Raw Material imported from abroad.

3.23.5 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.

3.23.6 Employee Benefit:

The company maintains both defined contribution plan (Provident fund) for all its permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds.

3.23.7 Define contribution plan (Provident Fund):

Defined contribution plan is cost employment benefit plan under which the company provides benefits for all of its permanent employees. The recognized employees' provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.



3.23.8 Short term employee benefits:

This relates to leave encashment and is measured on an undisclosed basis and expensed as the related service is provided. Provision is made for the annual leave encashment based on the latest basic salary. This benefit is applicable for employees as per services rule.

3.23.9 Workers' Profit Participation Fund:

Contribution to Workers' Profit Participation Fund has been made at 5% of the net profit in accordance with The Bangladesh Labor (Amendment) Act, 2013.

3.23.10 Festival bonus

Each employee entitled to get festival bonus as per terms of service rules.

3.24 Events after the Reporting Period:

As per IAS-10 "Event after the reporting period" are those events favorable and unfavorable that occurred between the end of the reporting period and the date when the financial statements are authorized for the issue. There were no material events that occurred after the reporting period which could affect the values in financial statements.





| SL. No | Particulars | Amount in Taka | |
|--------|-------------|----------------|-----------|
| | | 30-Jun-20 | 30-Jun-19 |

4.00 Property, Plant & Equipment's: Tk.1,006,777,562

This is made up as follows:

Cost

Opening balance

Add: Addition during the year

| | |
|----------------------|----------------------|
| 1,610,357,305 | 1,588,210,714 |
| 17,296,747 | 22,146,591 |
| 1,627,654,052 | 1,610,357,305 |

Less: Disposal during the year

Closing balance

| | |
|----------------------|----------------------|
| - | - |
| 1,627,654,052 | 1,610,357,305 |

Depreciation

Opening balance

Add: Depreciation during the year

| | |
|--------------------|--------------------|
| 560,307,246 | 495,242,991 |
| 60,569,244 | 65,064,255 |
| 620,876,490 | 560,307,246 |

Less: Adjustment during the year

Closing balance

| | |
|--------------------|--------------------|
| - | - |
| 620,876,490 | 560,307,246 |

Written down value

| | |
|----------------------|----------------------|
| 1,006,777,562 | 1,050,050,059 |
|----------------------|----------------------|

A schedule of Property, Plant & Equipment's are given in **Annexure-A**.

5.00 Intangible asset: Tk.1,588,267

This is made up as follows:

Cost

Opening balance

Add: Addition during the year

| | |
|------------------|----------------|
| 770,620 | 770,620 |
| 1,258,935 | - |
| 2,029,555 | 770,620 |

Less: Disposal during the year

Closing balance

| | |
|------------------|----------------|
| - | - |
| 2,029,555 | 770,620 |

Amortization

Opening balance

Add: Amortization during the year

| | |
|----------------|----------------|
| 394,579 | 354,503 |
| 46,709 | 40,076 |
| 441,288 | 394,579 |

Less: Adjustment during the year

Closing balance

| | |
|----------------|----------------|
| - | - |
| 441,288 | 394,579 |

Written down value

| | |
|------------------|----------------|
| 1,588,267 | 376,041 |
|------------------|----------------|

A schedule of Property, Plant & Equipment's are given in **Annexure-C**.

6.00 Investment in associate companies: Tk.824,363,067

This is made up as follows

Particulars:

Opening balance

Share of net profit after tax of associate (Note- 6.1)

| | |
|--------------------|--------------------|
| 664,441,541 | 444,749,099 |
| 186,371,526 | 242,692,442 |
| 850,813,067 | 687,441,541 |

Adjustment/Disposal during the year

Cash Dividend received from associate

Closing Balance

| | |
|--------------------|--------------------|
| (26,450,000) | (23,000,000) |
| 824,363,067 | 664,441,541 |

6.01 Share of Profit of associate (Net of Tax)

This is made up as follows

Particulars:

Net profit attributable to the Shareholders' of associate

Percentage of holding

Share of net profit after tax of associate

| | |
|--------------------|--------------------|
| 1,162,642,083 | 1,455,863,480 |
| 16.03% | 16.67% |
| 186,371,526 | 242,692,442 |



| SL. No | Particulars | Amount in Taka | |
|--------|--|----------------|-----------|
| | | 30-Jun-20 | 30-Jun-19 |
| | The company's investment in associates(BBSL has 16.03% equity interest in BBS Cables Ltd. i.e 28,095,000 Ordinary Shares of Tk. 10 each.) is accounted for the Financial Statements using the Equity Method in accordance with IAS 28: 'Investment in Associates & Joint Ventures'. Significant influence over an investee (associate) is presumed to exist in accordance with IAS 28.5-28.9. Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. | | |

7.00 Work in Progress for new office space: Tk.76,896,428

This is made up as follows

Particulars:

Opening balance

Add: Addition during the Year

Less: Adjustment made during the Year

Closing Balance

| | |
|-------------------|-------------------|
| 76,896,428 | - |
| - | 76,896,428 |
| 76,896,428 | 76,896,428 |
| - | - |
| 76,896,428 | 76,896,428 |

8.00 Inventories: Tk.979,759,504

This is made up as follows

Particulars:

Raw Material (Note-08.01)

Work-in-Process (Note-08.02)

Finished Goods (Note-08.03)

Total

| | |
|--------------------|--------------------|
| 620,413,736 | 574,765,420 |
| 50,944,446 | 182,886,200 |
| 308,401,322 | 73,752,595 |
| 979,759,504 | 831,404,215 |

8.01 Raw Materials: Tk.620,413,736

This is made up as follows

| Particulars: | (MT/KG/PCS) | 30-Jun-20 | (MT/KG/SQM/PCS) | 30-Jun-19 |
|--|-------------|--------------------|-----------------|--------------------|
| | | Amount in Taka | | Amount in Taka |
| Aluminum Foil | 2,250 | 135,000 | 3,600 | 216,000 |
| LDP | 1,200 | 216,000 | 1,925 | 346,500 |
| Fire Protected | - | - | 200 | 36,000 |
| Galvalume Steel Coils | 323 | 33,804,885 | 278 | 29,197,560 |
| Decking | 135 | 15,137,920 | 151 | 16,903,600 |
| Hot Roll Steel Sheet/Plate | 6,799 | 509,876,175 | 6,483 | 486,222,750 |
| Zink Aluminum Alloy Coated Steel Coils | 411 | 61,243,756 | 254 | 41,843,010 |
| Total | | 620,413,736 | | 574,765,420 |

8.02 Work in process: Tk.50,944,446

This is made up as follows

| Particulars: | (MT/KG/PCS) | 30-Jun-20 | (MT/KG/SQM/PCS) | 30-Jun-19 |
|--------------------------|-------------|-------------------|-----------------|--------------------|
| | | Amount in Taka | | Amount in Taka |
| Purlin | 78 | 8,213,310 | 263 | 27,586,965 |
| Decking Sheet | 17 | 1,994,100 | 110 | 12,696,575 |
| Pre-fabricated I-Section | 304 | 24,315,680 | 1,276 | 102,105,520 |
| Roof Sheet | 102 | 16,421,356 | 245 | 40,497,140 |
| Total | | 50,944,446 | | 182,886,200 |

Work-in-Progress: Considered the cost of raw-materials and 90% of labour and factory overhead as per degree of completion.



| SL. No | Particulars | Amount in Taka | |
|--------|-------------|----------------|-----------|
| | | 30-Jun-20 | 30-Jun-19 |

8.03 Finished Goods: Tk.308,401,322

This is made up as follows

| Particulars: | (MT/KG/PCS) | 30-Jun-20 | (MT/KG/PCS) | 30-Jun-19 |
|--------------------------|-------------|--------------------|-------------|-------------------|
| | | Amount in Taka | | Amount in Taka |
| Accessories | | 15695657 | | 45,611,804 |
| Decking Sheet | 148 | 17,737,852 | 37 | 4,494,041 |
| Erection Materials | | 97,726,338 | - | - |
| Purlin | 86 | 9,473,200 | - | - |
| Pre-fabricated I-Section | 1606 | 139,694,775 | 157 | 13,332,250 |
| Roof Sheet | 160 | 28,073,500 | 63 | 10,314,500 |
| Total | | 308,401,322 | | 73,752,595 |

9.00 Goods In Transit: Tk.8,783,377

Goods In Transit (MS Plate)

Total

| | |
|------------------|------------------|
| 8,783,377 | 6,503,408 |
| 8,783,377 | 6,503,408 |

10.00 Advances, deposits and prepayments: Tk.693,635,783

This is made up as follows:

Particulars:

Advance to Employees (Note-10.01)

Advance Income Tax

Advance to Factory

Advance to lease

Advance to Office space purchase

Fire Policy advance

Advance to Parties (Note-10.02)

Security Deposit

L/C advance Tax (AT)

VAT Current Account

Tender Security

L/C Margin

Bank Guarantee Margin

Total

| | |
|--------------------|--------------------|
| 967,067 | 955,462 |
| 421,181,189 | 361,192,096 |
| 142,125 | 38,135 |
| 430,000 | 430,000 |
| 183,167,010 | 183,167,010 |
| 1,908,845 | 1,358,871 |
| 10,442,826 | 40,085,832 |
| 2,549,851 | 2,738,571 |
| - | 2,576,988 |
| 62,630,339 | 21,982,120 |
| 1,073,851 | 200,000 |
| 2,671,093 | 25,298,518 |
| 6,471,587 | 5,984,771 |
| 693,635,783 | 646,008,374 |

This is unsecured and considered good.

Advance: These advances are un-secured but good and subsequently realized and/or adjusted.

Deposits: These balances represent security deposits made by the Company for electric connection & others. In the opinion of the Directors, all current assets, investments, loans and advances are on realization in the ordinary course of business, a value at least equal to the amounts at which they are stated in the Statement of Financial Position.

There is no claim against the Company, which can be acknowledged as debt.

No amount was due by the Directors and managing agents of the Company and any of them severally or jointly with any other person.

10.01 Advance to employees: Tk.967,067

This is made up as follows

Particulars:

Mr. Abdus Sattar

Akmol Hossain

Mr. Alomgir Hossain

Mr. Anisur Rahman

Mr. Abul Hossen

Mr. Al-Mahmud

Mr. Annur Rahman

Mr. Anwar Hossain

Mr. Asit Saha

Mr. Ayub Ali

| | |
|---------|---------|
| 118,840 | 159,280 |
| 4,000 | - |
| 4,500 | - |
| 3,615 | - |
| - | 14,588 |
| - | 83,242 |
| 159,057 | 214,829 |
| 5,000 | 5,000 |
| 19,252 | 2,849 |
| - | 10,000 |



| SL. No | Particulars | Amount in Taka | |
|--------|------------------------------|----------------|----------------|
| | | 30-Jun-20 | 30-Jun-19 |
| | Mr. Belayet Hossain | 25,241 | - |
| | Mr. Bijoy | 51,630 | 45,630 |
| | Mr. Jamal Uddin-Driver | 5,000 | 5,000 |
| | Mr. Jasim Sikder | - | 11,596 |
| | Mr. Milon | 5,000 | 5,000 |
| | Mr. Miraz Hossain | 200,000 | - |
| | Mr. Mofizuddin | - | 51,646 |
| | Mr. Mohsin | 12,800 | 1,867 |
| | Mr. Monirul Islam | 4,000 | 4,000 |
| | Mr. Nayan Kumar Biswas | 17,935 | 5,000 |
| | Mr. Nirob | 113,700 | 150,691 |
| | Mr. Nurul Alom | 3,500 | 5,999 |
| | Mr. Raihan Kabir | 22,500 | 29,184 |
| | Mr. Rasel Hossain | 5,000 | 5,000 |
| | Mr. Rashedur Rahman Sarker | - | 5,960 |
| | Mr. Sarowar Hossain | 4,176 | - |
| | Mr. Saiful (Office Assistant | 40,000 | - |
| | Mrs. Aysha Akter Eity | 87,570 | - |
| | Mr. Shahjalal Khandker | 29,321 | 23,821 |
| | Mr. Shakhawat Hossain | 14,015 | - |
| | Mr. Tanmoy Biswas | 1,335 | 23,780 |
| | Mr. Zilur for Erection | 10,080 | - |
| | Mrs. Ayesha Akter Eti | - | 91,500 |
| | Total | 967,067 | 955,462 |

10.02 Advance to parties: Tk.10,442,826

This is made up as follows

Particulars:

A-One Iron Store
A-One Polymer Ltd.
Abound Business Inc. Ltd
Advanced Design & Technology
Al-Noor Hardware Store
Aveva Information Tech. India Pvt. Ltd.
Biswas Enterprise
BSRM Steel
Business Connection
Chistia Hardware Store
City Paper & Stationary
Daffodil Computers
Finaco NV
Global Iron Store
Global Printing Press
Manha Traders
Melody Entertainment
Mindhill Corporation
MJS Steel Centre
MS Sadiqul Enterprise
Navana Totoya
New Bahar & Sons
New Osmani Mill Store
Rana Enterprise
Reyes Limited (Civil)
Saj Industrial & Inspection Company
Skysealand Shipping Lines
Trust Engineering
Unique Iron Traders
Vikrampur Steel Ltd.
Total

| | |
|-------------------|-------------------|
| - | 2,975,067 |
| - | 5,642 |
| 2,178,909 | - |
| - | 150,000 |
| - | 70,650 |
| - | 839,085 |
| 21,590 | 26,640 |
| - | 28,639 |
| - | 6,975,402 |
| - | 32,550 |
| - | 47,519 |
| - | 26,000 |
| - | 412,659 |
| 2,479,112 | - |
| - | 15,617 |
| - | 44,000 |
| 125,000 | - |
| - | 696,600 |
| 5,509,412 | 13,081,786 |
| 30,963 | - |
| 48,620 | - |
| - | 10,948,512 |
| - | 30,350 |
| - | 8,440 |
| - | 3,504,799 |
| 29,700 | 29,700 |
| - | 100,000 |
| 19,520 | 19,520 |
| - | 15,515 |
| - | 1,140 |
| 10,442,826 | 40,085,832 |





| SL. No | Particulars | Amount in Taka | |
|--------|--|--------------------|--------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| 11.00 | Trade and other receivables: Tk.935,573,335 | | |
| | This is made up as follows | | |
| | Particulars: | | |
| | Trade Receivable (Note - 11.01) | 935,573,335 | 911,166,632 |
| | Total | 935,573,335 | 911,166,632 |
| 11.01 | Receivables from customers: Tk.935,573,335 | | |
| | This is made up as follows | | |
| | Particulars: | | |
| | AB.R-Spinning Mills Ltd. | 6,018,144 | 6,718,144 |
| | ACCL Club | 10,758,368 | 3,184,198 |
| | Ahad Community Center | 111,550 | 122,000 |
| | AKH ECO Apparels Ltd. | 33,167,165 | 26,187,165 |
| | Alomgir Akhondo Project | 1,993,715 | - |
| | Al-Amren Food Products Ltd. | 7,038,200 | 7,588,200 |
| | Amin Technical Center | 826,909 | - |
| | Apex Jute Mills Ltd. | 810,545 | 914,211 |
| | Asif Fashion Industries Ltd. | 1,324,000 | 1,824,000 |
| | Associated Building Corp. Ltd. | 850,000 | 300,000 |
| | Aziz Trade Engineering Ltd. | 16,305,000 | - |
| | Badhon Knit Fashion Ltd. | 3,252,000 | 3,552,000 |
| | Baly Integrated Solutions Ltd. | 169,929 | 1,195,927 |
| | Baly Yarn Dyeing Ltd. | 684,233 | 770,937 |
| | Bangladesh Erectors Ltd. | 415,696 | 500,000 |
| | Barobi Holdings Ltd | 3,410,000 | - |
| | Bashundhara BMPIL | - | 400,776 |
| | Bashundhara Indoor Stadium | 6,352,730 | 8,052,730 |
| | Bashundhara Multi Paper Inds. Ltd. | - | 800,660 |
| | BBS Cables Unit-2 Ltd. | - | 37,216,658 |
| | Benfix Steel Building Development | 473,000 | 513,000 |
| | Bengal Adhesive & Chemical Inds. Ltd. | 700,000 | 1,200,000 |
| | Bengal Cement Ltd. | 46,400 | 11,278,392 |
| | Bengal Feed & Fisheries Ltd. | 1,859,500 | 2,500,000 |
| | Bengal Group | 2,965,722 | 3,465,722 |
| | Bengal Group Mold Shed | 2,376,828 | 2,864,000 |
| | Bengal NFX Textiles Mills Ltd. | 460,000 | 960,000 |
| | Bhairob Power Ltd. | 3,727,599 | 4,414,643 |
| | BNA Bangabandhu Complex | 7,820,001 | 8,320,000 |
| | BSRM Wires Ltd. | 12,283,358 | 24,569,532 |
| | Butterfly Manufacturing Ltd. | 29,475,990 | 22,895,000 |
| | Cadet College Club Ltd | 4,303,000 | - |
| | Cantonment School & College Rangpur | 745,120 | 1,900,000 |
| | Chaity Composite Ltd. | 24,050,000 | 34,050,000 |
| | Chadpur Power Generation Ltd | 21,708,268 | - |
| | Civil Engineers LTd. | 9,288,512 | - |
| | Color & Stitches | 1,527,298 | 2,027,298 |
| | Consolidated Tea & Lands Co. (BD) | 3,934,833 | 9,751,804 |
| | Desh Unnayan Ltd. | 707,978 | 745,400 |
| | Edison Footwear Ltd. | 2,083,169 | 2,750,000 |
| | Eminance Electric Wires & Cables Ltd | 496,606 | - |
| | EON Group of Industries | 6,870,000 | 16,370,000 |
| | Executive Attire Ltd. | 13,476,760 | 7,076,760 |
| | Fahim Washing Plant | 2,596,535 | 2,803,230 |
| | Fakir Fashion Ltd. | 11,942,714 | 1,504,329 |
| | Fashion Globe Ltd. | 1,968,000 | 2,468,000 |
| | FB Fashion Ltd. | 2,767,000 | 3,667,000 |
| | Four H Group | 19,300,000 | - |
| | Galaxy Logistics Ltd. | 783,897 | 1,733,896 |
| | Gazi Auto Tyres | 6,756,344 | 9,031,411 |
| | Gazipur & Mirzapur Tea Estate Ltd. | 2,202,840 | 3,558,448 |
| | Globe Edible Oil Ltd. | 222,868 | 251,000 |



| SL. No | Particulars | Amount in Taka | |
|--------|--|----------------|------------|
| | | 30-Jun-20 | 30-Jun-19 |
| | G M SONS | 1,900,000 | - |
| | Green Smart Shirts Ltd. | 13,336,407 | 18,146,407 |
| | Greentex Composite Mills | 19,040,000 | 24,040,000 |
| | G S Paper & Board Mills Ltd. | 800,000 | - |
| | Hashem Rice Mills Ltd. | 5,874,418 | 9,221,276 |
| | Impress New Tex AOP Shed | 9,107,000 | 11,778,336 |
| | Impress New Tex Composit Ltd. | 12,539,212 | 16,477,716 |
| | Index Companies Ltd. | 14,020,461 | 3,371,469 |
| | Infinia Group | 23,961,620 | - |
| | Infinia Spinning Mills Ltd. | 7,523,347 | 15,947,347 |
| | Ispahani Tea Ltd. | 185,224 | 6,043,248 |
| | Ispahani Summit alliance | 152,072 | 173,816 |
| | Italian Thai Development Pub. Co. Ltd. | - | 4,751,821 |
| | Jamuna Fashion Wears Ltd | 50,000 | - |
| | Jeans Manufacturing Co. Ltd | 12,313,416 | - |
| | Kamal & Brothers | 752,000 | 752,000 |
| | Karishma Services Ltd. | 1,700,500 | 2,200,500 |
| | Karooni Knit Composite Ltd. | 1,304,743 | 2,085,155 |
| | Kazi Farms Group Trading | 166,810 | 247,023 |
| | Kazi Firms wire house | 4,348,204 | 4,703,204 |
| | Kazi Pirganj Heatachari Ltd. | 293,515 | 387,689 |
| | K.K Internaitonal | - | 250,000 |
| | KM Bohumukhi Ltd. | 4,829,121 | 5,329,121 |
| | Knit Asia | 400,000 | 900,000 |
| | KSRM Power Plant | 3,503,670 | - |
| | KYCR Coil Industries Ltd. | 4,897,949 | 8,726,911 |
| | Laksum Inner Wear Ltd | 505,000 | 880,000 |
| | Lira Group | - | 23,325,000 |
| | Magnum Steel Industries Ltd. | 1,045,523 | 1,378,285 |
| | Majidsons Construction Ltd. | 7,008,938 | 7,408,938 |
| | Marico Bangladesh Ltd. | - | 7,773,571 |
| | Masafi Bread & Biscuit Industries Ltd. | 5,700,000 | - |
| | Mast Packing & Paper Ltd. | 40,752 | 270,752 |
| | MAX Industries Ltd. | 700,000 | 700,000 |
| | Mazidsons Construction Ltd | 94,273 | 3,611,769 |
| | Meghna Bangladesh Ltd. | 211,784 | 339,800 |
| | Meghna Group | 9,011,263 | 1,061,263 |
| | Meghna group utility bridge | 362,108 | 374,318 |
| | MN Convention Hall | 3,535,000 | 4,235,000 |
| | Monalisa Ceramics ltd | 790,409 | 7,732,909 |
| | Mondol Group | 35,837,298 | 11,098,760 |
| | Mongla Port Authority | 2,280,480 | 17,196,480 |
| | MS Nadim Enterprise | 250,812 | 310,135 |
| | M & U Trims Ltd. | 30,000 | - |
| | Naasa Real State Ltd. | 10,000,000 | 8,038,850 |
| | Nahee SS Pipe Industries Ltd | - | 3,755,000 |
| | Nafco Group | 10,410,230 | - |
| | Nextspaces Ltd. | 9,292,984 | 14,514,817 |
| | New Hope Feed Mills Ltd. | 11,277,414 | - |
| | Nihao Food Company Ltd. | 500,000 | - |
| | Nortex Spinning Mills Ltd | 3,666,014 | 5,666,014 |
| | Oriental Eco Woods Ltd. | - | 821,000 |
| | Oriental Real Estate Ltd. | - | 223,890 |
| | Pakija Dyeing & Printing | 10,206,750 | 22,206,750 |
| | Pakija Woven Fashion Ltd. | 348,010 | 358,460 |
| | Paragon Group | 23,282,554 | 22,524,569 |
| | Paramount BTRAC Energy Ltd. | 1,591,191 | 1,691,191 |
| | Paramount Textiles Ltd. | 3,287,595 | 3,837,595 |
| | PHP Integrated Steel Mills Ltd. | 3,138,969 | 7,668,780 |
| | Pledge Harbour Intl. School | 2,240,800 | 2,540,800 |
| | Prime Press & Puliction | 1,500,000 | 1,000,000 |





| SL. No | Particulars | Amount in Taka | |
|--------|-------------------------------------|--------------------|--------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| | Purbachal Steel Mills Ltd. | 700,000 | - |
| | Q & Q Foods Ltd. | 1,975,000 | - |
| | Quazi Enterprises Ltd. | 3,476,511 | 574,442 |
| | Rabeya Convention Centre (Trading) | 94,768 | 94,768 |
| | Rahman & Nesa Hospital | 2,100,000 | 3,100,000 |
| | Rancon Auto Industries Ltd. | 14,429,844 | 19,468,544 |
| | Rancon Electronics Ltd. | 29,175,768 | 35,711,420 |
| | R.A Spinning Mills Ltd. | 2,597,000 | 3,231,286 |
| | R. B. Convention Center | 205,262 | 205,262 |
| | Reflex Packaging Ltd. | 9,086,598 | - |
| | Regent Fabrics Ltd. | 761,213 | 1,528,466 |
| | S Alom Group | 28,492,875 | - |
| | Sarah Resort Ltd. | 1,694,025 | 2,507,000 |
| | Shahida Trading Corporation | 1,300,000 | 2,350,000 |
| | Shamim Food & Beverage Ltd. | 6,052,140 | 7,252,140 |
| | Shamoli Poultry | 2,728,640 | 3,228,640 |
| | Shams Washing Ltd. | - | 4,050,000 |
| | Shetu Pesticides Ltd. | 536,894 | 4,808,664 |
| | Shiplu Textile & Spinning Mills Ltd | 5,202,542 | 7,182,542 |
| | Shirin Spinning Mills Ltd. | 2,431,378 | 2,741,778 |
| | Spectra Engineers Ltd. | 10,553,863 | 1,798,000 |
| | Square Consumer Products Ltd. | 1,500,010 | 1,800,010 |
| | SSP PVT Limited. | 7,783,206 | - |
| | Standard Group (Trading) | 1,396,950 | 1,756,950 |
| | Taiwan Food & Processing Inds. Ltd. | 459,070 | 789,043 |
| | Takken Alom Abenikko | 1,022,811 | - |
| | Talisman Sartorial Ltd | 43,271,800 | 32,933,281 |
| | Tharmex Group | 21,662,575 | 21,062,575 |
| | The Civil Engineers Ltd. | 25,968,464 | 15,068,464 |
| | Uniglory Cycle Components Ltd. | 563,000 | 900,000 |
| | Uniglory Paper & Packaging Ltd. | 10,000,000 | 11,000,000 |
| | Uniliance Textile Ltd | 2,757,620 | 3,757,620 |
| | Uniliver BD Ltd. | 2,524,573 | 12,855,185 |
| | Unique Designers Ltd | 1,754,180 | 10,483,408 |
| | Unitex Composite Mills Ltd. | 10,416,210 | 11,416,211 |
| | Urmi Group | - | 8,652,346 |
| | Vitacan Industries Ltd. | 471,360 | 971,360 |
| | Viyellatex Group | 11,060,318 | 2,961,549 |
| | Viyellatex group eco Fabrics-2 | 18,822,729 | 18,852,377 |
| | Viyellatex Ltd (Dism. & Install RS) | 3,324,174 | 3,502,391 |
| | Viyellatex Spinning Mills Ltd. | 45,431,656 | 48,160,640 |
| | Xinpeng-Bir Industrial Co. Ltd. | 7,234,144 | 4,336,064 |
| | Total | 935,573,335 | 911,166,632 |

The above amounts are unsecured but good and have been subsequently realized. No provision was made for bad debt during the year under review.

Aging of the above receivables is given below:

| Particulars | upto 3 months | 3-6 months | 6 months & above | Total |
|---------------------|---------------|-------------|------------------|-------------|
| Accounts Receivable | 285,911,211 | 359,540,833 | 290,121,291 | 935,573,335 |

This is unsecured, considered good and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

| SL | Particulars | Amount in BDT 30 June 2020 | Amount in BDT 30 June 2019 |
|----|---|-------------------------------|-------------------------------|
| I | Accounts receivable considered good in respect of which the company is fully secured | - | - |
| II | Accounts receivable considered good in respect of which the company holds no security other than the debtor personal security | 935,573,335 | 911,166,632 |





| SL. No | Particulars | Amount in Taka | |
|--------|--|--------------------|--------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| III | Accounts receivable considered doubtful or bad | - | - |
| IV | Accounts receivable due by any director or other officer of the company | - | - |
| V | Accounts receivable due by Common management | - | - |
| VI | The maximum amount of receivable due by any director or other officer of the company | - | - |
| | TOTAL | 935,573,335 | 911,166,632 |

12.00 Cash and cash equivalent: Tk.21,185,870

This is made up as follows

Particulars:

Cash in hand:

Cash at bank:

Term Deposits (FDR) (Note-12.01)

Short Term Deposit (STD) (Note-12.02)

Current & Collection Accounts (Note-12.03)

IPO Deposits Accounts (Note-12.04)

Total

| | | |
|--|-------------------|------------------|
| | 62,934 | 114,178 |
| | 21,122,936 | 8,056,932 |
| | 2,322,712 | 4,589,276 |
| | 11,359,740 | 1,697,689 |
| | 7,254,940 | 1,597,230 |
| | 185,544 | 172,737 |
| | 21,185,870 | 8,171,110 |

The bank balances have been confirmed and reconciled with respective bank statements.

Cash in hand has been verified by the Management & Auditor at the close date of the year and a cash custody certificate was furnished to the Auditors.

12.01 Term deposits (FDR): Tk.2,322,712

This is made up as follows

Particulars:

Eastern Bank Ltd., A/C No. 1015550002354

Eastern Bank Ltd., A/C No. 1045450439654

Total

| | |
|------------------|------------------|
| - | 4,589,276 |
| 2,322,712 | |
| 2,322,712 | 4,589,276 |

12.02 Short term deposits accounts (STD): Tk.11,359,740

This is made up as follows

Particulars:

Brac Bank Ltd., A/C No. STD-1507100399135001

Eastern Bank Ltd.

Brac Bank Ltd., A/C No. STD-1518202275049001

Dutch-Bangla Bank Ltd., A/C No. SND- 0103120000001023

United Commercial Bank Ltd. A/C No. SND- 00781301000000234

United Commercial Bank Ltd. A/C No. SND- 00781301000000223

Total

| | |
|-------------------|------------------|
| 5,393 | 48,038 |
| 8,643 | - |
| 38,613 | 40,338 |
| 2,806,256 | 921,432 |
| 12,722 | 64,313 |
| 8,488,113 | 623,568 |
| 11,359,740 | 1,697,689 |

12.03 Current and collection accounts : Tk.7,254,940

This is made up as follows

Particulars:

Brac Bank Ltd., A/C No. CD-1507200399135002

Prime Bank Ltd. A/C No. CD-2126113001163

NRB Commercial Bank Ltd.

Total

| | |
|------------------|------------------|
| 968,204 | 971,739 |
| 20,502 | 21,077 |
| 6,266,234 | 604,414 |
| 7,254,940 | 1,597,230 |

12.04 IPO deposit accounts : Tk.185,544

This is made up as follows

Particulars:

United Commercial Bank Ltd. A/C No. SND- 007813200000245

United Commercial Bank Ltd. A/C No. USD- 00781410000038

Total

| | |
|----------------|-------------------|
| 18,788 | 18,657 |
| 166,756 | 154,080 |
| 185,544 | 172,737.00 |



| SL. No | Particulars | Amount in Taka | |
|--------|---|----------------------|----------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| 13.00 | Share Capital : Tk.1,551,711,744 | | |
| | This is made up as follows | | |
| | Particulars: | | |
| | Authorized share capital | | |
| | 500,000,000 ordinary shares of BDT 10 each | 5,000,000,000 | 5,000,000,000 |
| | Issued, subscribed and paid up capital | | |
| | 141,064,704 Ordinary Shares of Tk. 10.00 each fully paid-up | 1,410,647,040 | 1,282,406,400 |
| | 14,106,470 bonus share @ Tk. 10 each | 141,064,704 | 128,240,640 |
| | Total | 1,551,711,744 | 1,410,647,040 |

Split of Face Value of Share:

A special resolution is passed and duly certified from RJSC dated 30 October, 2010 to adopt a new Articles of

Association. By the said special resolution, the Company's face value of share is reduced from Tk. 100 to Tk.10.

The above balance has been received from the following :

The above balance has been received from the following:

| Name | Designation | % of Shares | | No. of Shares | |
|-------------------------------|-------------------|-------------|------------|---------------|-------------|
| | | 30-06-2020 | 30-06-2019 | 30-06-2020 | 30-06-2019 |
| Directors/Sponsors | | | | | |
| Engr. Md. Abu Noman Howlader | Chairperson | 8.88 | 8.88 | 13,782,396 | 12,529,451 |
| Engr. Hasan Morshed Chowdhury | Managing Director | 3.38 | 3.38 | 5,245,150 | 4,768,319 |
| Engr. Mohammad Ruhul | Director | 3.08 | 3.08 | 4,786,861 | 4,351,692 |
| Engr. Mohammad Badrul | Director | 7.05 | 7.05 | 10,942,031 | 9,947,301 |
| Mr. Md. Ashraf Ali Khan | Director | 7.61 | 7.61 | 11,808,806 | 10,735,279 |
| | | 30.01 | 30.01 | 46,565,244 | 42,332,042 |
| Others | | | | | |
| Foreign investors | | 0.1 | 0.13 | 158,770 | 183,384 |
| Institutions | | 35.52 | 33.55 | 54,934,562 | 47,327,208 |
| General Shareholders | | 34.37 | 36.31 | 53,512,598 | 51,222,070 |
| | | 69.99 | 69.99 | 108,605,930 | 98,732,662 |
| | | 100 | 100 | 155,171,174 | 141,064,704 |

Range with shareholding position:

| Range of holdings In number of shares | No. of shareholders | | % of shareholders | | Number of shares | |
|--|---------------------|--------------|-------------------|------------|--------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| 1 to 500 | 2946 | 3,129 | 0.32 | 0.38 | 496,877 | 541,200 |
| 501 to 5,000 | 4546 | 4,753 | 5.67 | 6.53 | 8,803,687 | 9,217,586 |
| 5,001 to 10,000 | 1014 | 953 | 4.73 | 4.91 | 7,346,901 | 6,922,367 |
| 10,001 to 20,000 | 651 | 580 | 5.82 | 5.71 | 9,037,709 | 8,067,806 |
| 20,001 to 30,000 | 207 | 206 | 3.33 | 3.60 | 5,171,038 | 5,084,350 |
| 30,001 to 40,000 | 112 | 94 | 2.51 | 2.31 | 3,895,540 | 3,267,609 |
| 40,001 to 50,000 | 60 | 60 | 1.75 | 1.97 | 2,721,504 | 2,785,728 |
| 50,001 to 100,000 | 108 | 96 | 4.81 | 4.70 | 7,477,622 | 6,635,524 |
| 100,001 to 1,000,000 | 89 | 82 | 14.41 | 14.43 | 22,363,503 | 20,351,703 |
| Over 1,000,000 | 22 | 20 | 56.62 | 55.43 | 87,856,793 | 78,190,831 |
| Total | 9,755 | 9,973 | 100 | 100 | 155,171,174 | 141,064,704 |

14.00 Retained earnings : Tk.884,694,594

This is made up as follows

Particulars:

| | | |
|--------------------------|--------------------|--------------------|
| Opening balance | 917,021,671 | 766,041,350 |
| Issuance of bonus shares | (141,064,704) | (128,240,640) |
| Net profit after tax | 108,737,626 | 279,220,961 |
| Closing Balance | 884,694,594 | 917,021,671 |



| SL. No | Particulars | Amount in Taka | |
|--------|-------------|----------------|-----------|
| | | 30-Jun-20 | 30-Jun-19 |

15.00 Long Term Loan : Tk.304,601,698

This is made up as follows

Particulars:

Long term loan Lanka Bangla Finance
Term Loan-UCBL

| | |
|--------------------|--------------------|
| 108,198,419 | 101,358,072.00 |
| 416,546,291 | 136,884,871 |
| 524,744,710 | 238,242,943 |
| 220,143,012 | 77,551,620 |
| 304,601,698 | 160,691,323 |

Less: Current Maturity of Long Term Loan

Total

Terms & conditions of term loan:

The Company is enjoying term loan facility against expansion of Factory Building from UCBL, Mohakhali Branch. Terms & Conditions of the loan is as below:

| Loan A/c Name and No. | Rate of Interest | Tenor | Repayment Term | Security |
|--------------------------------|------------------|----------|---|--|
| Term Loan -UCBL | 11.00% | 5 years | Monthly (Starting from 13 July 2016) | (a) A post dated cheque covering the Term Loan amount, 06 nos post dated MICR Cheques for each Term Loan (03 nos. cheques covering each EMI amount and 03 nos. cheques each amounting 20 times of EMI amount through an undertaking to the effect that these have been provided by you for repayment purpose. (b) Personal guarantee of all the directors. (c) Post dated cheques. (d) Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 |
| Term loan- LankaBangla Finance | 13.25% | 12 Years | Monthly (Starting from 28 February 2020) | (a) Registered Mortgage Land and Floor. (b) Personal Guarantee of all the Directors. (c) Post dated Cheques. |

16.00 Deferred tax : Tk.222,228,303

This is made up as follows

Particulars:

Opening balance
Adjustment/(Reduction) during the year on fixed assets at cost
Deferred Tax (Associate Income @ 20%)
Less: Adjustment of AIT of Dividend Income

| | |
|--------------------|--------------------|
| 224,294,722 | 174,795,878 |
| 3,223,581 | 5,560,356 |
| - | 48,538,488 |
| (5,290,000) | (4,600,000) |
| 222,228,303 | 224,294,722 |

Closing balance

DTL Calculation on Assets

Written Down Value as per Tax
Written Down Value as per Audited Accounts
Difference
Tax Rate
DTL on Assets as on 30 June 2020
DTL on Assets as on 30 June 2019
Diff. DTL for the year ended 30 June 2020

| |
|---------------|
| 582,658,933 |
| 1,008,367,220 |
| (425,708,287) |
| 25% |
| (106,427,072) |
| (103,203,491) |
| (3,223,581) |

17.00 Accounts & other payables: Tk.34,810,637

This is made up as follows

Particulars:

Sundry creditors for goods and service (Note - 17.01)
Sundry creditors -others (Note - 17.02)
Undistributed refund warrant
Advance against Project (Note - 17.03)
Undistributed dividend

| | |
|-------------------|-------------------|
| 14,733,541 | 14,385,274 |
| 11,765,630 | 14,640,263 |
| 4,779,160 | 4,779,160 |
| 2,560,567 | 4,182,000 |
| 971,739 | 971,739 |
| 34,810,637 | 38,958,436 |





| SL. No | Particulars | Amount in Taka | |
|--------|---|-------------------|-------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| 17.01 | Sundry creditors for goods and services: Tk.14,733,541 | | |
| | This is made up as follows | | |
| | Particulars: | | |
| | Asian Paints | 594,965 | 1,367,047 |
| | Bengal Tyre & Battery | 33,350 | - |
| | Berger Paints | 109,582 | 81,676 |
| | Chistia Hardware Store | 76,047 | - |
| | Connect Distribution Ltd. | 64,081 | 340,565 |
| | Desk Touch International | 4,887 | 31,387 |
| | Diamond Fiber Glass Technology | 804,114 | 833,007 |
| | Gazipur Gas Company | 334,400 | 334,400 |
| | Grambangla Tubes Ltd | 1,738,562 | - |
| | Khaja Engineering Works | 2,111,631 | 548,210 |
| | Lucky Steel Corporation | 552,503 | - |
| | Linde Bangladesh | 1,047,975 | 1,031,364 |
| | MI Cement Factory Ltd | - | 606,000 |
| | Mindhill Corporation | 647,385 | - |
| | Navana Welding Electrode Ltd. | - | 373,075 |
| | New Juthi Enterprise | 2,500 | 45,000 |
| | Parvez Enterprise | 689,796 | 360,188 |
| | RAK Paints | 929,306 | 1,974,100 |
| | Roxy Paints | - | 133,759 |
| | Shafiul Alam Special Steel Mills Ltd. | 16,900 | 454,480 |
| | Sharif Corporation bd ltd. | 1,294,967 | 2,649,240 |
| | Sharly Engineering works | 2,184,556 | 1,661,376 |
| | Shawon Enterprise | 200,122 | 161,136 |
| | Tahir Enterprise | 920,485 | 1,399,265 |
| | Steel Mark pipes ltd. | 375,427 | - |
| | Total | 14,733,541 | 14,385,274 |

17.02 Sundry creditors- others: Tk.11,765,630

This is made up as follows

Particulars:

| | | |
|--------------------------------------|-----------|-----------|
| ABC Company | - | 28,000 |
| Al-Amin Kormo Songtha | 160,009 | 429,835 |
| Arwa Agro Industries | 53,500 | - |
| Arafat Steel Structure | - | - |
| Atlantic Traders | 1,647,906 | 1,123,334 |
| Aveva Information Tech India | 419,850 | - |
| Bangladesh Transport Agency | 34,210 | 84,210 |
| Bishwas Enterprize | 58,590 | 60,717 |
| Bismillah Automobiles | - | 8,300 |
| Bismillah ZM Poultry | 59,519 | 45,959 |
| Bismillah Transport Agency | 3,532 | - |
| City Paper & Stationary | 78,020 | - |
| Dhaka Stock Exchange Ltd | - | 41,489 |
| Digital Land Survey | 800 | - |
| Energypac Power Generation Ltd. | 110,174 | - |
| Evergreen Logistic Services | - | 1,076,110 |
| Flora Ltd | 422,171 | - |
| FM Engineering | - | 49,000 |
| Feroz Sound & Mike generator service | - | 23,450 |
| Headlight | 58,827 | 30,870 |
| Heilong International | 93,810 | - |
| Jara Enterprise | 170,283 | - |
| Kishorgonj Paper & Stationary | 46,000 | - |
| KL Smart Steel Erector | 282,290 | - |
| Kajol Automobiles workshop | - | 11,120 |
| Local Transport Agency | 76,685 | 214,395 |



| SL. No | Particulars | Amount in Taka | |
|--------|--------------------------------|-------------------|-------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| | M/S Anis Traders | - | 191,425 |
| | MS Mariam Enterprise | 67,788 | - |
| | MS Arafat Steel Structure | 40,370 | - |
| | MS Supa Enterprise | 285,484 | - |
| | Mahin Enterprise | 2,615 | - |
| | Mollah Engineering and Service | 3,200 | 403,200 |
| | Modern Tech Enterprise | 119,060 | - |
| | Multi Link International Co. | 89,760 | - |
| | N. Islam Transport Agency | 2,443,583 | 4,896,982 |
| | Naima Foundation | 34,665 | 433,371 |
| | Nahar Enterprise | 115,345 | 532,428 |
| | NDE Steel Structure | 3,600 | - |
| | New Gulshan Computers | - | 6,877 |
| | New Tokyo A/c & Electric Works | - | 46,200 |
| | Northern Engineering Works | - | 2,000 |
| | Nur Enterprise | 81,899 | 36,595 |
| | ORKO Advertisement | - | 1,150 |
| | Partex Furniture | 52,785 | 52,785 |
| | Rangpur Transport Agency | - | 737,020 |
| | Rubel Transport Agency | - | 539,160 |
| | R N Timber | 66,950 | - |
| | Refined Computer | - | 8,700 |
| | Rijon Enterprise | - | 39,780 |
| | RSK Marketing Ltd. | - | 3,000 |
| | Sadi Enterprise | 180,530 | 188,130 |
| | Sadia Paints Ltd | 319,815 | 885,268 |
| | Sadiqul Enterprise | - | 16,743 |
| | Sanji Automobiles Ltd. | 83,500 | 83,500 |
| | Shahid Trading Corporation | 74,851 | 85,750 |
| | Sima Enterprise | 324,094 | - |
| | Smart Printing Solutions | - | 8,500 |
| | Smart Technologies BD Ltd. | - | 6,720 |
| | Speed Motors Ltd. | - | 24,810 |
| | Star Tech Engineering Ltd | 144,540 | - |
| | Steel Express Ltd | 2,924,364 | - |
| | ST Thai Aluminium | 43,242 | 43,242 |
| | Tamim Enterprise | - | 41,834 |
| | Tax Deducted From Remuneration | 138,000 | 140,000 |
| | Tax Deducted From Salary | 160,000 | 40,158 |
| | Tiger Steel Bangladesh | 189,414 | - |
| | Union Steel Tubes Ltd. | - | 1,918,146 |
| | Total | 11,765,630 | 14,640,263 |

17.03 Advance against project: Tk.2,560,567

This is made up as follows

Particulars:

Amin Technical Training Centre
Baly Plastic Industry & Ing. Sol
BD Food Ltd Trading
Eminence Electric Wires & Cables Ltd.
Bitopi Group
Marico Bangladesh
Spectra Engineers Ltd.
Thermax Group Color Cotton
Total

| | |
|------------------|------------------|
| - | 990,000 |
| 500,000 | - |
| 800,000 | - |
| - | 600,000 |
| 450,000 | - |
| 810,567 | - |
| - | 792,000 |
| - | 1,800,000 |
| 2,560,567 | 4,182,000 |



| SL. No | Particulars | Amount in Taka | |
|--------|-------------|----------------|-----------|
| | | 30-Jun-20 | 30-Jun-19 |

18.00 Accruals and provisions: Tk.368,632,687

This is made up as follows

Particulars:

| | | |
|--|--------------------|--------------------|
| Salary & Allowances | 9,484,832 | 9,424,808 |
| Wages | 7,033,102 | 8,378,217 |
| Electricity Bill-Factory | 421,047 | 607,081 |
| Electricity Bill-Head Office | 6,450 | 6,120 |
| Provident Fund | 40,395,746 | 35,407,779 |
| Interest Payable | 1,128,987 | 3,261,363 |
| Provision for income tax (Note - 18.01) | 267,840,221 | 262,584,961 |
| Provision for tax (Associate Income @ 20%) | 37,274,305 | - |
| Provision for VDS | 3,443,472 | 3,320,372 |
| Provision for WPPF (Note - 18.02) | 1,259,524 | 7,191,824 |
| Corporate Gov. Certificate Fee | 57,500 | - |
| Audit Fees | 287,500 | 287,500 |
| Total | 368,632,687 | 330,470,025 |

Most of the outstanding liabilities have subsequently been paid;

No liabilities in the Statement of Financial Position are at a value less than the amount at which it is repayable at the date of the Statement of Financial Position.

18.01 Provision for tax: Tk.267,840,220

This is made up as follows

Particulars:

| | | |
|------------------------|--------------------|--------------------|
| Opening balance | 262,584,960 | 232,375,839 |
| Provision for the year | 5,255,260 | 30,209,121 |
| Total | 267,840,220 | 262,584,960 |

Under tax provision in respect of previous year comprises:

| | | |
|-----------------------|--------------------|--------------------|
| Income Year 2012-2013 | 7,596,024 | 7,596,024 |
| Income Year 2013-2014 | 3,760,110 | 3,760,110 |
| Income Year 2014-2015 | 88,970 | 88,970 |
| Income Year 2015-2016 | 87,991,226 | 87,991,226 |
| Income Year 2016-2017 | 97,394,201 | 97,394,201 |
| Income Year 2017-2018 | 35,545,308 | 35,545,308 |
| Income Year 2018-2019 | 30,209,121 | 30,209,121.25 |
| Income Year 2019-2020 | 5,255,260 | - |
| | 267,840,221 | 262,584,961 |

18.02 Workers profit participation fund & welfare fund: Tk.1,259,524

This is made up as follows

Particulars:

| | | |
|------------------------------|------------------|------------------|
| Opening balance | 7,191,824 | 7,609,062 |
| Addition during the year | 1,259,524 | 7,191,824 |
| Less: Paid during the period | (7,191,824) | (7,609,062) |
| Closing balance | 1,259,524 | 7,191,824 |

Calculation

| | | |
|---|-------------------|--------------------|
| Profit Before Tax & WPPF | - | 128,028,309 |
| Cash Dividend received from investment in Associate | 26,450,000 | 23,000,000 |
| Profit applicable for WPPF | 26,450,000 | 151,028,309 |
| Contribution to WPPF at 5% | 1,259,524 | 7,191,824 |



| SL. No | Particulars | Amount in Taka | |
|--------|---|---|--|
| | | 30-Jun-20 | 30-Jun-19 |
| 19.00 | Short term loan: Tk.961,740,519 This is made up as follows Particulars: Import Loan-UCBL OD Work Order-UCBL Deffered Acceptance CC Hypo-UCBL Import Loan NRBC Time Loan- NRBC Over Draft (OD)-NRBC IDLC | 362,215,156 - 113,774,507 153,325,478 151,506,289 80,198,685 100,720,404 - 961,740,519 | 693,133,083 3,405,028 - 154,357,218 100,619,935 42,363,851 37,130,063 4,373,792 1,035,382,970 |

The details of the loan is as under:

Name of the Bank: United Commercial Bank Ltd.

Nature: CC Hypo (Working Capital)

Sanction Limit: Tk. 150,000,000

Nature: LTR (Working Capital)

Sanction Limit: Tk. 450,000,000

Nature: OD (Working Capital)

Sanction Limit: Tk. 190,000,000

Nature: Time Loan

Sanction Limit: Tk.100,000,000

Expiry Date: 30-04-2018

Interest Rate: 9.50% (Variable)

Security: Shipping documents, title imported goods and Bank Security.

Name of the Bank: NRBC Bank Ltd.

Nature: L/C Sight/Usance/UPAS

Sanction Limit: Tk. 2500.00 Lac

Nature: OD (Working Capital)

Sanction Limit: Tk. 1000.00 Lac

Nature: Time Loan

Sanction Limit: Tk. 500.00 Lac





| SL. No. | Particulars | Amount in Taka | |
|--|--------------------------------------|--------------------|----------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| 20.00 | Sales Revenue: Tk.875,876,708 | | |
| | This is made up as follows | | |
| | Particulars: | | |
| | Sales Revenue-Local | 871,144,337 | 1,626,710,225 |
| | Sales Revenue-Deemed Export | 4,732,371 | 4,034,475 |
| | Total | 875,876,708 | 1,630,744,700 |
| As per BSEC Notification (No: BSEC/CMRRCD/2009-193/188/Admin/69-dated: 07 September 2016), the turnover of the Company has declined due to the customization of the product, the effects of the COVID-19 Pandemic of the Country & world and also slack industrialization during the year. | | | |

21.00 Cost of goods sold: Tk.794,922,908

This is made up as follows

Particulars:

| | | | |
|---------------------------------|----------------|----------------------|----------------------|
| Raw and packing materials | | | |
| Opening stock | (Note - 08.01) | 574,765,420 | 492,511,206 |
| Purchase | (Note- 21.01) | 742,379,157 | 1,164,108,448 |
| | | 1,317,144,577 | 1,656,619,654 |
| Closing stock | (Note - 08.01) | (620,413,736) | (574,765,420) |
| | | 696,730,841 | 1,081,854,234 |
| Manufacturing expenses | (Note - 21.02) | 200,899,040 | 274,641,966 |
| Cost of goods manufactured | | 897,629,881 | 1,356,496,200 |
| Add: Opening Work in Process | (Note - 08.02) | 182,886,200 | 100,526,675 |
| | | 1,080,516,081 | 1,457,022,875 |
| Less: Closing Work-in-Process | (Note - 08.02) | (50,944,446) | (182,886,200) |
| | | 1,029,571,635 | 1,274,136,675 |
| Opening stock of finished goods | (Note - 08.03) | 73,752,595 | 54,196,174 |
| | | 1,103,324,230 | 1,328,332,849 |
| Closing stock of finished goods | (Note - 08.03) | (308,401,322) | (73,752,595) |
| Total | | 794,922,908 | 1,254,580,254 |

21.01 Purchase: Tk.742,379,157

This is made up as follows

Particulars:

| | | |
|---------------|--------------------|----------------------|
| Raw materials | 742,379,157 | 1,164,108,448 |
| Total | 742,379,157 | 1,164,108,448 |

21.02 Manufacturing Expenses: Tk.200,899,040

This is made up as follows

Particulars:

| | | |
|---|------------|------------|
| Computer Accessories Factory | 80,015 | 139,350 |
| Conveyance | 1,429,896 | 1,687,422 |
| Crane Maintenances | 2,060,959 | 16,856,961 |
| Depreciation of fixed assets (Note - 4.1) | 44,958,276 | 48,682,014 |
| Depreciation of lease assets (Note - 5.1) | 11,726,303 | 12,406,441 |
| Electrical Goods | 430,355 | 1,510,777 |
| Electricity Bill | 3,516,634 | 6,778,239 |
| Entertainment | 1,202,635 | 2,555,435 |
| Fabrication & Consumable Materials | 1,503,380 | 7,115,187 |
| Factory Insurance | 1,545,540 | 1,159,155 |
| Festival Bonus | 8,474,598 | 16,201,947 |
| Fire Fighting Refilling | 2,750 | 10,710 |
| Fuel for Generator & Vehicles | 1,722,700 | 5,389,278 |
| Implementation expenses | 4,800,947 | 17,999,001 |
| Labor Charges | 103,972 | 132,580 |
| Leave Encashment | 381,575 | 274,682 |
| Loading & Unloading | 514,898 | 1,304,588 |
| Medical Expenses | 148,768 | 135,718 |
| Miscellaneous Expenses | 91,000 | 50,500 |



| SL. No. | Particulars | Amount in Taka | |
|---------|-------------------------------|--------------------|--------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| | Mobile Bill Factory | 413,652 | 377,092 |
| | Other Factory Overhead | 1,366,496 | 11,717,721 |
| | Out of Station allowance | 4,660 | 283,509 |
| | Painting Expenses | 3,787,111 | 12,313,286 |
| | Repair & Maintenances | 318,595 | 2,103,528 |
| | Research & Development | 345,640 | |
| | Safety Goods Factory | 226,970 | |
| | Salary & Wages | 107,927,502 | 105,028,622 |
| | Testing Charge | 420,577 | 206,982 |
| | Vehicles Maintenances Factory | 1,194,136 | 1,600,241 |
| | VIE Container Rent | 198,500 | 621,000 |
| | Total | 200,899,040 | 274,641,966 |

22.00 Administrative Expenses: Tk.80,468,134

This is made up as follows

Particulars:

| | | |
|--|-------------------|-------------------|
| AGM holding expenses | 557,260 | 612,620 |
| Amortization on Intangible Assets (Note - 6.1) | 46,709 | 40,076 |
| Audit Fees | 287,500 | 287,500 |
| Board Meeting Expenses | 340,000 | 305,000 |
| Computer Accessories | 914,733 | 850,300 |
| Software Maintainance | 40,000 | 60,000 |
| Conveyance | 2,704,299 | 2,445,840 |
| Corporate Governance Certificate Fees | 57,500 | 50,000 |
| Corporate Social Responsibility | 3,275,400 | 3,218,400 |
| Credit Rating fee | 226,164 | 37,633 |
| Depreciation of fixed assets (Note - 4.1) | 1,414,005 | 1,576,947 |
| Depreciation of leased assets (Note - 5.1) | 228,695 | 196,203 |
| Directors Bonus | 1,215,000 | 3,240,000 |
| Directors Remuneration | 14,982,750 | 17,010,000 |
| Donation, Subscription & Gift | 1,581,032 | 662,630 |
| Electricity Bill | 35,597 | 57,332 |
| Entertainment | 1,653,241 | 1,263,377 |
| Festival Bonus | 2,271,500 | 4,438,800 |
| Fuel & Lubricant | 2,196,430 | 2,500,783 |
| Leave Encashment | 15,250 | 648,200 |
| Listing fee with Stock Exchanges | 1,823,194 | 1,825,574 |
| Legal Expenses | 125,720 | 307,000 |
| Medical Treatment | 495,750 | 192,500 |
| Meeting Expenses | - | 142,490 |
| Miscellaneous Expenses | 3,355,661 | 3,250,270 |
| Mobile Bill | 1,863,408 | 1,403,739 |
| Office Expenses-Chittagong | 103,555 | 87,997 |
| Office Maintenances | 1,939,181 | 2,417,394 |
| Office Rent | 2,208,897 | 2,200,272 |
| Papers & Periodicals | 9,980 | 12,375 |
| Postage & Stamp | 94,256 | 124,078 |
| Registration & Renewal | 959,062 | 934,087 |
| Salary & Allowances | 29,157,068 | 28,211,406 |
| Safety Goods | 250,240 | - |
| Stationery & Photocopy | 969,474 | 817,035 |
| Training & Development | 20,450 | 16,200 |
| Telephone, Internet & Utility Bill | 185,063 | 115,891 |
| Tree Plantation | 339,750 | 558,700 |
| Vehicle Maintenance | 2,524,360 | 2,484,312 |
| Total | 80,468,134 | 84,602,961 |

(a) Auditors' fees represents audit fee for auditing the accounts for the year ended 30 June, 2020. Auditors were not paid any other fees.

(b) In addition to remuneration, Directors avail company vehicles for transportation purposes.

| SL. No. | Particulars | Amount in Taka | |
|---------|---|-------------------|-------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| 23.00 | Selling and distribution expenses: Tk.22,446,591 | | |
| | This is made up as follows | | |
| | Particulars: | | |
| | Advertisement | 1,159,874 | 1,448,410 |
| | Business Promotion | 4,284,684 | 3,596,422 |
| | Conveyance & Outstation Allowances | 384,869 | 452,242 |
| | Depreciation of fixed assets (Note - 4.1) | 1,327,186 | 1,417,837 |
| | Depreciation of lease assets (Note - 5.1) | 914,780 | 784,813 |
| | Entertainment | 61,065 | 96,165 |
| | Office Maintenance-Sales | 237,100 | 110,820 |
| | Festival Bonus | 602,900 | 1,092,800 |
| | Fuel & Lubricants | 485,819 | 478,063 |
| | Leave Encashment | 7,750 | 25,475 |
| | Marketing Promotional Expenses | 3,896,712 | 6,041,798 |
| | Mobile Bill | 161,552 | 123,349 |
| | Research & Development | 325,450 | - |
| | Salary & Allowances | 7,842,948 | 7,375,379 |
| | Tender Schedule Purchase | 29,000 | 12,000 |
| | Vehicle Maintenance | 724,902 | 957,679 |
| | Total | 22,446,591 | 24,013,252 |

24.00 Earning per Share (EPS) Taka0.70

This is made up as follows

Particulars:

Basic EPS

| | | |
|---|-------------|-------------|
| Net Profit attributable to the Ordinary Shareholders(Taka) | 108,737,626 | 279,220,961 |
| Weighted average number of shares outstanding during the year | 155,171,174 | 141,064,704 |
| | 0.70 | 1.98 |

Restated Earnings per Share

| | | |
|---|-------------|-------------|
| Net Profit attributable to the Ordinary Shareholders(Taka) | 108,737,626 | 279,220,961 |
| Weighted average number of shares outstanding during the year | 155,171,174 | 155,171,174 |
| | 0.70 | 1.80 |

As per BSEC Notification (No: BSEC/CMRRCD/2009-193/188/Admin/69-dated: 07 September 2016), Earning per Share(EPS) has stood Tk. .70 for the year ended on 30th June, 2020 as against Tk.1.80 for the year ended on 30th June, 2019 due to the decreasing of the Sales of the Company.

25.00 Net Operating Cash Flow per Share (NOCFPS): Tk. (0.66)

The Computation of NOCFPS is given below:

| | | |
|---|---------------|-------------|
| Net Cash Generated from Operating activities | (103,057,255) | 48,548,276 |
| Weighted average number of Shares outstanding | 155,171,174 | 155,171,174 |
| | (0.66) | 0.31 |

As per BSEC Notification (No: BSEC/CMRRCD/2009-193/188/Admin/69-dated: 07 September 2016), Operating Cashflow (NOCFPS) has stood Tk. (.66) for the year ended on 30th June, 2020 as against Tk. 0.31 for the year ended on 30th June, 2019 due to the increasing of the payment & purchase compared to the sales and collection.

26.00 Others Income: Tk.94,309,381

This is made up as follows

Particulars:

| | | |
|--|-------------------|----------------|
| Interest Income- FDR | 417,342 | 545,061 |
| Proceeds from scrap sale | 93,891,314 | - |
| (Gain) or Loss from fireign currency transaction | 724.50 | - |
| Total | 94,309,381 | 545,061 |



| SL. No. | Particulars | Amount in Taka | |
|---------|--|----------------------|----------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| 27.00 | Finance cost: Tk.157,747,005 | | |
| | This is made up as follows | | |
| | Particulars: | | |
| | OD Work Order Interest | 43,590 | 1,668,778 |
| | Hypo Loan Interest | 17,371,850 | 17,704,351 |
| | Import Loan Interest | 48,085,728 | 68,773,241 |
| | Term Loan Interest | 30,207,856 | 5,600,767 |
| | IIDFC-Interest | - | 4,543,358 |
| | Interest on Time Loan UCBL | 10,525,860 | 14,478,742 |
| | Interest on Import loan NRBC | 13,311,519 | 1,501,127 |
| | Interest on Overdraft NRBC | 7,250,275 | - |
| | Interest on Time loan NRBC | 5,371,035 | - |
| | Interest on LBFL | 14,569,516 | 5,770,936 |
| | Interest on IDLC | - | 3,280,996 |
| | Interest on Transport loan | 555,412 | 839,081 |
| | Bank Commission, Lease Interest & Charges | 10,454,365 | 15,903,608 |
| | Total | 157,747,005 | 140,064,985 |
| 28.00 | Non Operating Income: Tk.57,937,320 | | |
| | Sale of Shares of Associate(BBS Cables Ltd.) | 57,937,320 | - |
| | | 57,937,320 | - |
| 29.00 | Income tax expenses: Tk.48,913,146 | | |
| | This is made up as follows | | |
| | Particulars: | | |
| | Current tax expenses (Note - 29.01) | 5,255,260 | 30,209,121 |
| | Tax on Non Operating Income (Sale of Share) | 3,160,000 | - |
| | Tax on dividend income | 37,274,305 | - |
| | Deferred tax (liability) | 3,223,581 | 54,098,844 |
| | Total | 48,913,146 | 84,307,966 |
| 29.01 | Reconciliation of Minimum Turnover tax expense: Tk.5,255,260 | | |
| | Total Turnover | 875,876,708 | 120,836,485 |
| | Effective tax rate (Minimum Turnover Tax) | 0.6% | 25.0% |
| | Income tax charge for the year | 5,255,260 | 30,209,121 |
| 30.00 | Reconciliation of Net Profit with Cash Flows from Operating Activities: | | |
| | This is made up as follows: | | |
| | Particulars: | | |
| | Net Profit/(Loss) after Tax | 108,737,626 | 279,220,961 |
| | (As per Statement of Profit or Loss and Other Comprehensive Income) | | |
| | Add/(Less) Adjustments: | (211,794,881) | (230,672,686) |
| | Depreciation | 60,569,244 | 65,104,331 |
| | Change In Inventories | (148,355,289) | (151,678,651) |
| | Change In Goods In Transit | (2,279,969) | - |
| | Change in Advances, Deposits & Pre-payments | (47,627,409) | (155,306,598) |
| | Change in Accounts Receivable | (24,406,703) | 27,383,758 |
| | Change in Deferred Tax Liabilities | 3,223,581 | 49,498,844 |
| | Change in Accounts and other payables | (4,147,799) | 1,032,530 |
| | Change in Accruals and Provisions | 38,162,662 | 36,465,618 |
| | Finance Income | (371,358) | (545,061) |
| | Share Sale of Associate | (57,937,320) | - |
| | Share of Profit from Associate | (186,371,526) | (242,692,442) |
| | Financial Expenses | 157,747,005 | 140,064,985 |
| | Cash Flows from Operating Activities | (103,057,255) | 48,548,275 |



| Sl. No. | Particulars | Amount in Taka | |
|---------|---|----------------------|----------------------|
| | | 30-Jun-20 | 30-Jun-19 |
| 31.00 | Net Asset Value (NAV) per Share | | |
| | Total Asset | 4,548,563,194 | 4,195,017,808 |
| | Less: Total outside Liability | 2,112,156,856 | 1,867,349,096 |
| | Net Asset | 2,436,406,338 | 2,327,668,712 |
| | Number of ordinary shares outstanding | 155,171,174 | 155,171,174 |
| | Net Assets Value (NAV) per Share | 15.70 | 15.00 |

32.00 Other information

32.01 Transaction in foreign currency

Bangladesh Building systems Limited

CIF value of import:

Raw materials

Capital machinery/Spare parts

FOB value of export

| | |
|-------------|-------------|
| 471,801,516 | 735,326,598 |
| - | - |
| 4,732,371 | 4,034,475 |

32.02 Contingent liabilities and commitments

Contingent liabilities

There are no claims against the company acknowledged as debts excepting claims, if any. i) An amount of Taka 2,241,595 claimed by Customs Authority on differential amount of sales against import duty Aluminum Foil with Bubble during the year 2007. The Company has made deposition several times to concern Customs Authority with proper grounds protesting the claim. As such the Company has filed petition to the High Court which is Subjudice.

Term loan commitment

The Company

At 30 June 2020 the company had annual commitment under Term Loan as set out below:

Term loan principal due within 1 year

220,143,012

Term loan principal due within 2 to 5 years

304,601,698

Term loan principal due above 5 years

-

Finance lease commitment

The Company

At 30 June 2020 the company had annual commitment under finance lease as set out below:

Lease expires within 1 year

-

Lease expires within 2 to 5 years

-

32.03 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as of 30 June, 2020 are as follows:

| Name of Company | Relationship | Nature of Transaction | Opening Balance | Addition | Outstanding as on 30 June, 2020 | Received |
|------------------------|----------------|-----------------------|-----------------|----------|---------------------------------|-------------------|
| BBS Cables Unit-2 Ltd. | Sister Concern | Receivables | 37,216,659 | - | - | 37,216,659 |
| Total | | | - | - | - | 37,216,659 |

32.04 Transaction with key management personals

| No. | Particulars | 30-Jun-20 | 30-Jun-19 |
|-----|---|------------|------------|
| (a) | Managerial remuneration paid or payable during the year to the directors, including managing directors. | 14,982,750 | 17,010,000 |
| (b) | Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable. | 1,215,000 | 3,240,000 |
| (c) | Other allowances and commission including guarantee commission | - | - |
| (d) | Pensions etc. | - | - |
| | (i) Pensions | - | - |
| | (ii) Gratuities | - | - |
| | (iii) Payments from a provident funds, in excess of own subscription and interest thereon | - | - |
| (e) | Share Based payments | - | - |

Details are as follows:

The executive compensation received by 3 Directors name in Engr. Hasan Morshed Chowdhury, Engr. Mohammed Badrul Hassan, Engr. Mohammad Ruhul Majid as Managing Director, Director-Sales, Director-Implementation working in the Company respectively for the year ended 30 June, 2020 as per clause no 142 of the Articles of Associating of the Company and also approval of the Board Meeting of the company. Break up of the Directors remuneration/Board attendance fee are as follows:

| Name of Directors | Designation | Gross Remuneration/Board attendance fee | Tax Paid | Net Total Payment |
|-------------------------------|-------------------------|---|----------|-------------------|
| Engr. Md. Abu Noman Howlader | Chairperson | 60,000 | 6,000 | 54,000 |
| Engr. Hasan Morshed Chowdhury | Managing Director | 5,849,250 | 606,000 | 5,243,250 |
| Mr. Md. Ashraf Ali Khan | Director-Administration | 40,000 | 4,000 | 36,000 |



| | | | | |
|------------------------------|----------------------------|-------------------|------------------|-------------------|
| Engr. Mohammad Badrul Hassan | Director-Sales & Marketing | 5,264,250 | 486,000 | 4,778,250 |
| Engr. Mohammad Ruhul Majid | Director-Implementation | 5,244,250 | 724,000 | 4,520,250 |
| Mr. Md. Anowar Hossain, FCMA | Independent Director | 40,000 | 4,000 | 36,000 |
| Mr. A.S.M Ali Kabir | Independent Director | 40,000 | 4,000 | 36,000 |
| Total | | 16,537,750 | 1,834,000 | 14,703,750 |

32.05 Disclosure as per requirement of Schedule XI, Part II, Para 3:

| Requirements under Condition No. | Compliance status |
|--|-------------------|
| 3(i)(a) The turnover | Complied |
| 3(i)(b) Commission paid to the selling agent | Not Applicable |
| 3(i)(c) Brokerage and discount on sales, other than the usual trade discount | Not Applicable |
| 3(i)(d)(i) The value of the raw materials consumed, giving item wise as possible | Complied |
| 3(i)(d)(ii) The opening and closing stocks of goods produced | Complied |
| 3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks | Complied |
| 3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied | Not Applicable |
| 3(i)(g) Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e. manufacturing and/or trading | Complied |
| 3(i)(h) In the case of other companies, the gross income derived under different heads | Not Applicable |
| 3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period | Complied |
| 3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets | Complied |
| 3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and Manager | Not Applicable |
| 3(i)(l) Charge of income tax and other taxation on profits | Complied |
| 3(i)(m) Revised for repayment of share capital and repayment of loans | Complied |
| 3(i)(n)(i) Amount set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up | Not Applicable |
| 3(i)(n)(ii) Amount withdrawn from above mentioned reserve | |
| 3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments | Not Applicable |
| 3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required | Not Applicable |
| 3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonous (2) Contribution to provident and other funds (3) Worksmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve | Complied |

32.06 Disclosure as per requirement of Schedule XI, Part II, Para 8:
Raw Materials, Spare parts, packing materials and capital machinery:

| Items | Total Purchase(BDT) | Consumption (BDT) | % of consumption of Total Purchase |
|---------------|---------------------|--------------------|------------------------------------|
| Raw Materials | 742,379,157 | 696,730,841 | 94% |
| Total | 742,379,157 | 696,730,841 | |

Capacity utilization

Details of Production Capacity utilization:

| Particulars | Licensed Capacity (MT) | Installed Capacity (MT) | Actual Production (In MT) | Capacity Utilization |
|-------------------|--------------------------|-------------------------|---------------------------|----------------------|
| Annual Production | Not Mentioned in License | 29,375 | 7,646 | 26.03% |

32.07 Un-availed credit facilities

Un-availed credit facilities to the company as on June 30, 2020 are as under:

Bangladesh Building systems Limited

| Bank & Branch Name | Nature of loan | Credit limit | Outstanding | Unavailed limit |
|---|----------------|----------------------|--------------------|--------------------|
| United Commercial Bank (Mohakhali branch, Dhaka) | CC(Hypo) | 150,000,000 | 153,325,478 | |
| | LTR | 274,600,000 | 273,962,419 | 637,581 |
| | OD(Work Order) | 14,500,000 | - | 14,500,000 |
| | Time Loan | 90,400,000 | 88,252,736 | 2,147,264 |
| | Lease Finance | 209,900,000 | 67,527,676 | 142,372,324 |
| | Term Loan | 432,000,000 | 345,164,139 | 86,835,861 |
| | Transport Loan | 11,200,000 | 3,854,476 | 7,345,524 |
| | | 1,182,600,000 | 932,086,924 | 253,838,554 |

| | | | | |
|---|-----------------|--------------------|--------------------|--|
| NRBC Bank Ltd. (Gulshan -01 Branch, Dhaka) | CC (Hypo) Limit | 100,000,000 | 100,720,404 | |
| | LTR | 150,000,000 | 151,506,289 | |
| | Time Loan | 80,000,000 | 80,198,685 | |
| | | 330,000,000 | 332,425,378 | |

| | | | | |
|---------------------------|-----------|--------------------|--------------------|----------|
| Lanka Bangla Finance Ltd. | Term Loan | 100,000,000 | 100,000,000 | - |
| | | 100,000,000 | 100,000,000 | - |



32.08 Employee details:

- i) During the year, there were 651 employees employed for the full year above at a remuneration of BDT 3,000 per month.
- ii) At the end of the year, there were 651 employees in the Company.

32.09 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

32.10 Event after reporting period

The board of the directors of the company in their meeting held on 22nd October, 2020 has proposed 5% cash & 5% stock dividend for the year ended 30 June, 2020. Dividend is subject to approval by the shareholders at the forthcoming 17th Annual General Meeting (AGM) of the company.

Except the fact stated above, there is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.


Managing Director


Director


Chief Financial Officer


Company Secretary

Bangladesh Building Systems Limited

Schedule of Fixed Assets

as at June 30, 2020

4. Property, plant and equipment

| Particulars | Cost/Valuation | | | | Rate | Depreciation | | | | Annexure-A. | |
|---------------------------------------|-----------------------------|----------------------------------|--------------------------------|-----------------------------|------|-----------------------------|---------------------------------|--------------------------------|-----------------------------|---|--|
| | Balance as on 01.07.2019 | Addition during the period | Disposal during the year | Balance as on 30.06.2020 | | Balance as on 01.07.2019 | Charged during the Period | Disposal during the year | Balance as on 30.06.2020 | Written Down Value as of 30.06.2020 | |
| At historical cost: | | | | | | | | | | | |
| Land & Land Development | 235,640,396 | 14,785,600 | - | 250,425,996 | - | - | - | - | - | 250,425,996 | |
| Factory Building & Other Construction | 508,866,155 | 250,377 | - | 509,116,532 | 5% | 133,912,758 | 18,405,139 | - | 152,317,897 | 356,798,635 | |
| Plant & Machinery | 761,238,265 | 823,730 | - | 762,061,995 | 10% | 377,369,537 | 37,001,961 | - | 414,371,498 | 347,690,497 | |
| Electrical Installation | 31,532,342 | - | - | 31,532,342 | 15% | 18,444,029 | 1,855,549 | - | 20,299,578 | 11,232,764 | |
| Furniture & Fixtures | 20,208,917 | - | - | 20,208,917 | 10% | 12,829,418 | 710,734 | - | 13,540,152 | 6,668,765 | |
| Office Equipment & Computer | 14,362,575 | 1,437,040 | - | 15,799,615 | 15% | 7,822,904 | 1,009,472 | - | 8,832,376 | 6,967,239 | |
| Motor Vehicles | 30,567,437 | - | - | 30,567,437 | 5% | 5,881,334 | 1,211,354 | - | 7,092,688 | 23,474,749 | |
| Office Decoration | 7,941,218 | - | - | 7,941,218 | 10% | 4,047,266 | 375,035 | - | 4,422,301 | 3,518,917 | |
| Total of 30.06.2020 | 1,610,357,305 | 17,296,747 | | 1,627,654,052 | | 560,307,246 | 60,569,244 | | 620,876,490 | 1,006,777,562 | |
| Total of 30.06.2019 | 1,588,210,714 | 22,146,591 | - | 1,610,357,305 | | 495,242,991 | 65,064,255 | - | 560,307,246 | 1,050,050,059 | |

4.1 Depreciation has been charged on different cost centers as under :

| Particulars | Factory | Rate of Dep. | General and | Rate of | Selling & | Rate of | Total |
|-----------------------------------|-------------------|--------------|------------------|---------|------------------|---------|-------------------|
| At historical cost | | | | | | | |
| Factory and office building | 18,405,139 | 100% | - | - | - | - | 18,405,139 |
| Plant and machinery | 37,001,961 | 100% | - | - | - | - | 37,001,961 |
| Electrical Installation | 927,775 | 50% | 742,220 | 40% | 185,555 | 10% | 1,855,549 |
| Furniture and fixture | 248,757 | 35% | 355,367 | 50% | 106,610 | 15% | 710,734 |
| Office equipments | 100,947 | 10% | 302,842 | 30% | 605,683 | 60% | 1,009,472 |
| Vehicle | - | - | 242,271 | 20% | 969,083 | 80% | 1,211,354 |
| Office Decoration | - | - | - | - | 375,035 | 100% | 375,035 |
| Sub total | 56,684,579 | | 1,642,700 | | 2,241,966 | | 60,569,244 |
| At revaluation | | | | | | | |
| Buildings and other constructions | - | 100% | - | - | - | - | - |
| Plant and machinery | - | 100% | - | - | - | - | - |
| Sub total | - | | - | | - | | - |
| Grand total | 56,684,579 | | 1,642,700 | | 2,241,966 | | 60,569,244 |

As per Management decision that the depreciation on PPE is recognized in compliance with IAS-16, Para-55 onward.

Bangladesh Building Systems Limited

Schedule of Intangible Assets
as at June 30, 2020

5. Schedule of Intangible Asset

| Particulars | Cost/Valuation | | | | Rate | Amortization | | | Annexure-C. | |
|-------------------------------------|--------------------------|---------------------|-----------------------|--------------------------|------|--------------------------|--------------------|-----------------------|--------------------------|-------------------------------------|
| | Balance as on 01.07.2019 | Addition during the | Disposal for the year | Balance as on 30.06.2020 | | Balance as on 01.07.2019 | Charged during the | Disposal for the year | Balance as on 30.06.2020 | Written Down Value as of 30.06.2020 |
| Accounting Software | 380,000 | - | | 380,000 | 10% | 198,275 | 17,503 | | 215,778 | 164,222 |
| Share Management Software | 250,000 | - | | 250,000 | 10% | 127,454 | 11,803 | | 139,257 | 110,743 |
| Website Development | 140,620 | - | | 140,620 | 10% | 68,850 | 6,912 | | 75,762 | 64,858 |
| Aveva Bocad Roof and Wall(software) | - | 1,258,935 | | 1,258,935 | 10% | - | 10,491 | | 10,491 | 1,248,444 |
| Total of 30.06.2020 | 770,620 | 1,258,935 | | 2,029,555 | | 394,579 | 46,709 | | 441,288 | 1,588,267 |
| Total of 30.06.2019 | 770,620 | - | | 770,620 | | 354,503 | 40,076 | | 394,579 | 376,041 |

5.1 Amortization has been charged on different cost centers as under :

| Particulars | Factory | Rate of Dep. |
|------------------|----------|--------------|
| Intangible Asset | - | 0% |
| Total | - | - |

| General and | Rate of |
|---------------|---------|
| 46,709 | 100% |
| 46,709 | |

| Selling and | Rate of |
|-------------|---------|
| - | 0% |
| - | |

| Total |
|---------------|
| 46,709 |
| 46,709 |

The cost incurred for the purpose of Intangible assets includes IT software which is used to maintain Company's accounts. It also includes Share Management Software and Website.

