ANNUAL REPORT
2018

bengal windsor
thermoplastics ltd.
(A Company of Bengal Group of Industries)

AMARSTOCK

AMAR STOCK

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AMAR STOCK

Mission

To strive continuously to exceed customers' expectations for achieving unlimited excellence by providing greater value to our customers than our competitors.

Goal

To be the best Company in our industry and it is our policy to deliver total quality goods and services to all of our customers. We accomplish this by adopting a set of quality policy throughout the organization.

Quality Policy

Strive to satisfy and to exceed customers expectations and to be accurate and on time with all deliverables.

▲

Focus on continuous improvement in all quality related activities and seek to prevent errors and eliminate the causes of problems.

▲

Educate, train, and qualify our employees so that they can perform their tasks in accordance with establishment quality standards and strive for continue to improvement.

▲

Develop and maintain mutually beneficial relations with suppliers to ensure a stable supply of quality materials and services.

▲

Maintain competitive prices and superior financial performance by eliminating waste, wherever it occurs.

▲

ANNARSTOCK

Corporate Directory

Board of Directors

Mr. Morshed Alam	Chairman
Mr. Md. Jashim Uddin	Vice Chairman
Mr. Humayun Kabir Bablu	Managing Director
Ms. Bilqis Nahar	Director
Mr. Firoz Alam	Director
Mr. Shamsul Alam	Director
Mr. Saiful Alam	Director
Syed Javed Iqbal	Independent Director
Mr. Fayyaz Khundker	Independent Director

Audit Committee

Syed Javed Iqbal	Chairman
Mr. Firoz Alam	Member
Mr. Shamsul Alam	Member
Mr. Fayyaz Khundker	Member
Mr. Darul Awam Tuhin FCS	Secretary

Chief Financial Officer

Mr. Biddut Chandra Gupta FCA

Company Secretary

Mr. Darul Awam Tuhin FCS

Head of Internal Audit

Mr. Md. Nuruzzaman

Legal Advisor

Mr. Chowdhury Mokimuddin K J Ali
Barrister-at-Law
Green Panorama (Apt. D-4)
House No. 6, Road No. 109
Gulshan-2, Dhaka.

Auditors

M/S. Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (7th & 8th floor)
7-9, Karwan Bazar C/A
Dhaka-1215

Registered Office

Bengal House
75 Gulshan Avenue,
Gulshan-1, Dhaka-1212
Phone: +880 2 988 8248
Fax: +880 2 9847507
E-mail: secretary@bengal.com.bd
Web: www.windsor.bengalgroup.com

Factory Address

Plot 181-182,
DEPZ, Extension Area
Ashulia, Dhaka.
Tel: +88 7789134-8
Fax: +88 7 790317

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Corporate Chronicle

Date of Incorporation	02 January 2002
Consent from BSEC for issuance of Public Share	17 October 2012
Publication of Prospectus	23 October 2012
IPO Subscription Opened	27 January 2013
IPO Subscription Closed	31 January 2013 and 09 February 2013 for NRB
IPO Lottery Date	28 February 2013
Listing with Dhaka Stock Exchange Ltd.	03 April 2013
Listing with Chittagong Stock Exchange Ltd.	07 April 2013
First Trading of Share in DSE & CSE	16 April 2013
National Productivity and Quality Excellence Award -2012	1st prize in Medium category
Authorized Capital	1,00,00,00,000
Paid-up Capital	91,47,60,000
Number of Shareholders as on 30 June 2018	5610

AMAR STOCK

Board of Directors



















1 Morshed Alam
Chairman

2 Md. Jashim Uddin
Vice Chairman

3 Humayun Kabir Bablu
Managing Director

4 Bilqis Nahar
Director

5 Firoz Alam
Director

6 Shamsul Alam
Director

7 Saiful Alam
Director

8 Syed Javed Iqbal
Independent Director

9 Fayyaz Khundker
Independent Director

AMARSTOCK

Chairman's Statement

My dear fellow Shareholders,

It gives me immense pleasure to welcome you all on behalf of myself and the Board of Directors at this auspicious gathering of 16th Annual General Meeting (AGM) of the Bengal Windsor Thermoplastics Limited (BWTL).

I am grateful to you all for attending this AGM. I assume you all have received copies of the Annual Report 2018 of the Company along with Directors' Report, Auditors' Report together with Audited Financial Statements for your review and evaluation. Your valuable comments and suggestions will definitely strengthen us. We are greatly appreciative of the continued support of our valued shareholders and would look forward to continuation of the same.

I would like to carry my sincere thanks to my fellow directors for their support and cooperation. I would also like to recognize the dedication and unflinching service of the management team and staff, that takes the Company forward .

Once again, I would also like to thank all our valued shareholders and stakeholders for being with us in our journey towards a better future.

With Thanks and Regards,

Morshed Alam
Chairman
27 October 2018

AMARSTOCK

DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2018

Bismillahir Rahmaner Rahim

Dear Shareholders,
Assalamu Alaikum,

It is a great pleasure and privilege of the Board of Directors of Bengal Windsor Thermoplastics Limited (BWTL) to present before you their report along with the Audited Financial Statements and Auditors' Report thereon for the year ended 30 June 2018.

PRINCIPAL ACTIVITIES

The Company has been carrying out the business of manufacturing and exporting of garment hangers and accessories which facilitate the export of garments to the world's largest retailers like WalMart, K-Mart, Khol's, J C Penny etc. in the USA as well as in Europe.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT

As per Bangladesh Bureau of Statistics, the Ready Made Garments (RMG) export in the year 2017-2018 was Tk. 2,513,440 Million, which has been increased by Tk. 275,249 Million compare to the previous year. RMG sector is the driver for growth of Bangladesh's economy. It contributes around 13% to national GDP. As such, Garments accessories industry of the Country will continue its phenomenal growth same as before.

RISKS AND CONCERNS

Risks and concerns of the industries solely depends on the exchange rate fluctuation, change of raw materials cost and upcoming changes of global and national policies, which may have negative impact on the cost structure and profitability of the Company.

OPERATIONAL PERFORMANCE

The operational performance of the Company, such as Revenue, Cost of Goods Sold, Gross Profit and Net Profit after Tax for the last two years are given below:

(Figure in Thousand Taka)

Year	Revenue	Cost of Goods Sold	Gross Profit	Net Profit after Tax
2016-2017	904,792	646,810	257,982	153,492
2017-2018	887,740	662,196	225,544	140,383

FINANCIAL RESULT AND APPROPRIATION OF PROFIT

The Directors of the Company are pleased to report its shareholders the financial results of the Company for the year ended on 30 June 2018 and their recommendations for appropriation of earnings for the year under review are as follows:

(Figure in Taka)

Particulars	As on 30 June 2018	As on 30 June 2017 (restated)
Opening Balance	722,265,006	651,903,653
Net Profit after Tax	140,382,962	153,521,353
Dividend Paid	83,160,000	83,160,000
Retained Earnings	779,487,968	722,265,006

DIVIDEND

Considering the Company's profitability and the interest of the valued investors, the Board of Directors of the Company are pleased to recommended 5% Cash Dividend subject to the approval of the shareholders in the forthcoming Annual General Meeting.

EXTRA-ORDINARY GAIN OR LOSS

There is no extra-ordinary gain or loss in the financial statements under report.

BASIS FOR RELATED PARTY TRANSACTIONS

The detail lists of the related parties with whom transactions have been taken place and their relationship for the year 2017-2018 are as follows:

Particulars	Nature of relationship	Types of transaction	Amount of transactions for the year	Receivable/(payable) as at 30 June 2017
Bengal Corrugated Carton Ind. Ltd.	Common Directors	Purchase of packing materials	23,081,160	445,000
Hamilton Metal Corporation Ltd.	Common Directors	Purchase of Accessories	30,070,492	00

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

No significant variations have occurred between quarterly and final financial results of the Company during the year under report.

BOARD SIZE

The Board of Directors of the Company is comprised of 9 (Nine) members including 2 (Two) independent directors.

CODE OF CONDUCT OF ALL BOARD MEMBERS

In compliance with the corporate governance guidelines, the Board has laid down a code of conduct of all Board members and annual compliance of the code is recorded accordingly.

BOARD MEETING AND ATTENDANCE

The Board of Directors of the Company met together 5 (Five) times for meeting during the year. The attendance record of the Directors is as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Morshed Alam	Chairman	05	03
Mr. Md. Jashim Uddin	Vice Chairman	05	04
Mr. Humayun Kabir Bablu	Managing Director	05	04
Mrs. Bilqis Nahar	Director	05	04
Mr. Firoz Alam	Director	05	04
Mr. Shamsul Alam	Director	05	04
Mr. Saiful Alam	Director	05	04
Syed Javed Iqbal	Independent Director	05	04
Mr. Fayyaz Khundker	Independent Director	05	04

The Directors who could not attend the meetings were granted leave of absence.

REMUNERATION TO DIRECTORS

The Company did not pay any remuneration to any director including independent director except board meeting attendance fee and Taka 200,000.00 as salary per month to Managing Director.

DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Md. Jashim Uddin (Vice Chairman), Mr. Firoz Alam (Director) and Mr. Saiful Alam (Director) will retire from the Board by rotation as per Article-127 of the Articles of Association of the Company and as per Article 128 of the Articles of Association of the Company, being eligible, have offered themselves for re-election. Brief resume and other information of the above mentioned directors as per clause 1.5(xxiv)a, 1.5(xxiv)b, and 1.5(xxiv)c, of BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated, 03 June 2018 are depicted in **Annexure-B** in this Annual Report.

AUDIT COMMITTEE MEETING AND ATTENDANCE

As per stipulations of the Bangladesh Securities and Exchange Commission (BSEC) Guidelines, the Board has constituted an Audit Committee for the Company. The committee comprises of Syed Javed Iqbal, Mr. Firoz Alam, Mr. Shamsul Alam and Mr. Fayyaz Khundker of whom Mr. Fayyaz Khundker and Syed Javed Iqbal is Independent Director and Syed Javed Iqbal is also the Chairman of the Committee. All the members of the Committee are non-executives Directors. Mr. Darul Awam Tuhin FCS, Company Secretary served as the Secretary to the Audit Committee. The key terms of reference of the Audit Committee during the year were as follows:

- Reviewed and recommended to the Board the quarterly and annual financial statements for the year 2017-2018.
- Considered and recommended to the Board about appointment and remuneration of the statutory auditors of the Company.
- Reviewed and appraised the performance of the internal control system.
- Reviewed and recommended to the Board about the Internal Audit Plan and monitored the progress about the same.
- Reviewed and considered the report on matters as required under the BSEC Guidelines.

The audit committee has met four times this year and the committee members' attendance record is disclosed below:

Name	Status	Meeting Held	Attended
Syed Javed Iqbal	Chairman	04	04
Mr. Firoz Alam	Member	04	04
Mr. Shamsul Alam	Member	04	03
Mr. Fayyaz Khundker	Member	04	04

APPOINTMENT OF AUDITORS

The directors hereby report that the existing auditors, M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, who were appointed as auditors of the Company in the last Annual General Meeting of the Company has carried out the audit for the year ended 30 June 2018, will retire and being eligible offered themselves for reappointment as Auditors of the Company for the year 2018-2019. The Board also accepted the proposal and recommended to appoint M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants as statutory auditors which will be placed before Annual General Meeting (AGM) for shareholders approval. Remuneration of the auditor will also be approved by the shareholders at the AGM.

DIRECTORS SATEMENTS

The Directors, in accordance with BSEC's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated, 03 June 2018 confirms the following to the best of their knowledge:

a) The financial statements prepared by the management of Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
b) Proper books of accounts of the Company have been maintained.
c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
d) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
e) The system of internal control is sound in design and has been effectively implemented and monitored.
f) The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
g) There are no significant doubts of the Company's ability to continue as a going Concern.
h) There are no significant deviations from the last year's operating results of the Company.
i) No bonus share or stock dividend has been or shall be declared as interim dividend.

PATTERN OF SHAREHOLDING

In accordance with the condition of the corporate governance issued by the Bangladesh Securities and Exchange Commission (BSEC) on 03 June 2018, the shareholding pattern of the Company is disclosed in **Annexure-C** in this annual report.

FIVE YEAR'S FINANCIAL HIGHLIGHTS

The key operating and financial data for the last five years are as follows:

				Figure in Thousand Taka	
Particulars	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Authorized Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid up Capital	756,000	756,000	831,600	831,600	914,760
Share Premium	465,600	465,600	465,600	465,600	465,600
Turnover	920,390	942,019	923,749	904,792	887,740
Gross Profit	310,080	329,989	325,296	257,982	225,544
Operating Profit	266,837	297,827	271,994	189,265	160,461
Net Profit after Tax	230,605	199,166	211,694	153,492	140,383
Retained Earnings	811,211	944,595	1,080,612	888,533	779,488
Tangible Fixed Assets	600,634	659,633	635,756	610,923	670,130
Net Asset Value	2,050,008	2,166,195	2,377,812	2,019,465	2,159,848
Dividend Proposed	61,026	75,600	831,600	83,160	45,738
					Figure in Taka
Net Asset Value per Share	26.89	28.65	25.44	22.08	23.61
Earnings Per Share	2.77	2.34	2.54	1.68	1.53

CONTRIBUTION TO THE NATIONAL EXCHAQUER

During the year under review, our Company paid Taka. 5,683,446.00 to the national exchequer in the form of corporate income tax, customs duties and value added tax.

CORPORATE GOVERNANCE

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, for inspiring confidence of all stakeholders. We have the pleasure to confirm that the Company has meanwhile complied with all the necessary guidelines under BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated, 03 June 2018. The compliance report along with the necessary remarks/disclosures is appended in this Annual Report of the Company for the year 2017-2018 (**Annexure-D).** Further, a Certificate of Corporate Governance Compliance required under the said Code, as provided by M/S Itrat Hossain & Associates, Chartered Secretary in Practice, is also annexed to this report in (**Annexure- E).**

ACKNOWLEDGEMENT

The Board of Directors record with deep appreciation the performance of the management, the officers, stuff and workers whose relentless effort helped increase the productivity of the Company despite the natural and unnatural adverse factors throughout the country and the world. The Board of Directors humbly expresses its gratitude and acknowledges with satisfaction the cooperation and unflinching support it has received from various regulatory bodies and financial institutions.

For and on behalf of the Board of Directors,



Morshed Alam
Chairman
27 October 2018

ANNEXURE-A

BENGAL WINDSOR THERMOPLASTICS LIMITED
Declaration by MD and CFO

27 October 2018

To
The Board of Directors
Bengal Windsor Thermoplastics Limited
Bengal House
75 Gulshan Avenue,
Gulshan-1, Dhaka-1212.

Subject: Declaration on Financial Statements for the year ended on 30 June 2018.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1) The Financial Statements of Bengal Windsor Thermoplastics Limited for the year ended on 30 June, 2018 have been prepared in compliance with Bangladesh Accounting Standards (BAS) or Bangladesh Financial Reporting Standards (BFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

2) The estimates and judgments related to the financial statements were made on prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;

4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on 30 June, 2018 and that to the best of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Biddut Chandra Gupta FCA
Chief Financial Officer (CFO)

Humayun Kabir Bablu
Managing Director

ANNEXURE-B

INFORMATION OF DIRECTORS PROPOSED FOR RE-ELECTION

1 **Mr. Jashim Uddin:**

Jashim Uddin is younger brother of Morshed Alam. He has obtained his graduation as a Bachelor of Commerce. He has over 30 years of business experience with a specialized knowledge in plastic chemicals and cast polyester technology. With this vast experience, he is now the President of Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA). In addition, he is also the Vice Chairman of Bengal Media Corporation Limited and Director of other concerns of Bengal Group. He also holds the position of Managing Director of some other concerns of Bengal Group. Furthermore, he was the Senior Vice President of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). The Government of Bangladesh awarded him as a CIP for the year 2011 for his large contribution to the economic development of Bangladesh.

2 **Mr. Firoz Alam:**

Firoz Alam is the Managing Director of Bengal Poly and Paper Sack Limited. He joined BPPSL in 2001. He obtained his BS in Business Administration from Los Angeles City College, Los Angeles, California, USA. He is also the director of Bengal Windsor Thermoplastics Limited, Bengal Media Corporation Limited and some other companies of Bengal Group. Firoz Alam is highly experienced and gathered deep knowledge in PP woven sack industry. He is directly involved in woven sack manufacturing unit of the group. Firoz Alam has also visited India, Europe, USA and many other countries due to business purpose and it enhances his professional experiences. He is the second son of Morshed Alam and Bilqis Nahar.

3 **Mr. Saiful Alam:**

Saiful Alam is the youngest son of Morshed Alam and Bilqis Nahar. He has completed his graduation in Bachelor of Commerce. With over 15 years of business experience, he is now the Managing Director of Bengal Concept and Holding Limited. To enhance his experience in business, he has visited India, USA, Europe and many other countries of different regions. Bengal Poly and Paper Sack Limited highly facilitated through his vast experience as he is one of the directors of Bengal Poly and Paper Sack Limited.

Directorship status of the aforesaid directors:

Name of Concern company	Mr. Jashim Uddin	Mr. Firoz Alam	Mr. Saiful Alam
Bengal Poly and Paper Sack Ltd	Director	Managing Director	Director
Bengal Media Corporation Limited (Rtv)	Vice Chairman & Director	Director	Director
Bengal Plastics Limited	Managing Director	Director	Director
Bengal Adhesive & Chemicals Products Ltd.	Director	--------	--------
Bengal Flexipak Limited	Director	Director	Director
Bengal Polymer Wares Ltd.	Managing Director	Director	Director
Bengal Plastic Pipes Ltd.	Managing Director	Director	Director
Romania Food and Beverage Ltd.	Director	Director	Director
Bengal Renewable Energy Ltd.	Managing Director	Director	Director
Power Utility Bangladesh Ltd.	Managing Director	--------	--------
Bengal Concept and Holding Ltd.	Director	Director	Managing Director
Bengal Corrugated Carton Industries Ltd.	Managing Director	--------	--------
Bengal Overseas Corporation Ltd.	Managing Director	--------	--------
Hamilton Metal Corporation Ltd.	Managing Director	--------	--------
Bengal Feed & Fisheries Ltd.	Managing Director	Director	Director
Designer Washing and Dyeing Ltd.	Managing Director	--------	--------
Bengal Hotels and Resorts Ltd.	Director	Director	Director
Romania Agrovet Limited	Managing Director	Director	Director
Bengal Cement Limited	Director	Director	Director
Hamilton Mold and Engineering Limited	Managing Director	--------	--------
Bengal Retails Limited	Managing Director	Director	Director
Designer Washing and Dyeing Limited	Managing Director	--------	--------
Designer Fashion Limited	Managing Director	--------	--------

ANNEXURE-C

PATTERN OF SHAREHOLDING AS ON 30 JUNE 2018

Name of the Shareholders	Status	Shares held	%
I. Parent/Subsidiary/Associated Companies and other related parties	---------	**Nil**	-----
II. Directors:			
Mr. Morshed Alam	Chairman	**10,219,176**	**11.171**
Mr. Md. Jashim Uddin	Vice Chairman	**6,011,280**	**6.571**
Mr. Humayun Kabir Bablu	Managing Director	**27,442,905**	**30.000**
Ms. Bilqis Nahar	Director	**3,005,640**	**3.286**
Mr. Firoz Alam	Director	**2,404,512**	**2.629**
Mr. Shamsul Alam	Director	**2,404,512**	**2.629**
Mr. Saiful Alam	Director	**2,404,512**	**2.629**
Syed Javed Iqbal	Independent Director	**Nil**	-----
Mr. Fayyaz Khundker	Independent Director	**Nil**	-----
III. Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Children:	---------	**Nil**	----
IV. Executives:	---------	**Nil**	----
V. Shareholders holding 10% or more voting interest in the Company:			
Mr. Morshed Alam	Chairman	**10,219,176**	**11.171**
Mr. Humayun Kabir Bablu	Managing Director	**27,442,905**	**30.000**

Annexure: D

Corporate Governance Compliance Report

Status of compliance with the condition imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1	**Board of Directors:**			
1(1)	**Size of the Board of Directors**	✓		
1(2)	**Independent Directors:**			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors;	✓		
1(2) (b)	For the purpose of this clause 'Independent directors' means a director-			
1(2) (b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2) (b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	✓		
1(2) (b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2) (b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2) (b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2) (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2) (b)(vii)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		
1(2) (b)(viii)	Who shall not be an independent director in more than 5 (five) listed companies;	✓		
1(2) (b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1(2) (b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2) (c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	✓		
1(2) (e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(3)	**Qualification of Independent Directors:**			
1(3) (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1(3) (b)	Independent director shall have following qualifications:			
1(3) (b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		
1(3) (b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of k. 100.00 million or of a listed company; or	✓		
1(3) (b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	✓		
1(3) (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3) (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1(3) (d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	✓		
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)	**The Directors' Report to Shareholders:**			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	✓		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:	✓		
1(5)(xxiv)(a)	A brief resume of the director	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			Will comply
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;			Will comply
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			Will comply
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;			Will comply
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			Will comply
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;			Will comply
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and			Will comply
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;			Will comply
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No.3(3) shall be disclosed as per **Annexure-A**; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C.**	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(6)	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	✓		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			Will comply
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			Will comply
2	**Governance of Board of Directors of Subsidiary Company:**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	**Requirement to attend Board of Directors' Meetings**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	**Board of Directors' Committee:**			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.			Will comply
5	**Audit Committee:**			
5(1)	**Responsibility to the Board of Directors.**			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	**Constitution of the Audit Committee:**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	**Chairperson of the Audit Committee:**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5(4)	**Meeting of the Audit Committee:**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	**Role of Audit Committee:**			
5(5)(a)	oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	✓		
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors:**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:	✓		
5(6)(a)(ii)(a)	report on conflicts of interests;	✓		
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5(6)(b)	**Reporting to the Authorities**			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	**Nomination and Remuneration Committee (NRC):**			
6(1)	**Responsibility to the Board of Directors:**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			Will comply
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			Will comply
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).			Will comply

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(2)	**Constitution of the NRC:**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			Will comply
6(2)(b)	All members of the Committee shall be non-executive directors;			Will comply
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			Will comply
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			Will comply
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			Will comply
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			Will comply
6(2)(g)	The company secretary shall act as the secretary of the Committee;			Will comply
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			Will comply
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			Will comply
6(3)	**Chairperson of the NRC:**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			Will comply
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			Will comply
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.			Will comply
6(4)	**Meeting of the NRC:**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			Will comply
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			Will comply
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			Will comply
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC			Will comply
6(5)	**Role of the NRC:**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			Will comply

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			Will comply
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			Will comply
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			Will comply
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			Will comply
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			Will comply
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			Will comply
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			Will comply
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			Will comply
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			Will comply
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;			Will comply
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			Will comply
7	**External or Statutory Auditors:**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders! Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	**Maintaining a website by the Company:**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	**Reporting and Compliance of Corporate Governance:**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.			Will comply
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	✓		

AMARSTOCK

Annexure: E

ITRAT HUSAIN & ASSOCIATES
CHARTERED SECRETARIES IN PRACTICE

REPORT TO THE SHAREHOLDERS OF BENGAL WINDSOR THERMOPLASTICS LIMITED ON COMPLIANCE OF CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Bengal Windsor Thermoplastics Limited for the year ended 30 June 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as Stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act,1994, the securities laws and other relevant laws; and

(d) The governance of the company is satisfactory.

Dhaka, 27 October 2018

Itrat Husain FCMA, FCS
Chief Executive

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Bengal Windsor Thermoplastics Limited established an Audit Committee as a sub-committee of the Board of Directors. The Audit Committee is responsible to the Board and its members assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.

The Audit Committee consists of the following persons:

Syed Javed Iqbal	Chairman
Mr. Firoz Alam	Member
Mr. Shamsul Alam	Member
Mr. Fayyaz Khundker	Member
Mr. Darul Awam Tuhin FCS	Secretary

The scope of Audit Committee was defined as under:

(a) Oversee the financial reporting process;
(b) monitor choice of accounting policies and principles;
(c) monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
(d) oversee hiring and performance of external auditors;
(e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
(f) review along with the management, the annual financial statements before submission to the Board for approval;
(g) review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
(h) review the adequacy of internal audit function;
(i) review the Management's Discussion and Analysis before disclosing in the Annual Report;
(j) review statement of all related party transactions submitted by the management;
(k) review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
(l) oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
(m) oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.

Activities carried out during the year:

- The committee reviewed the integrity of the quarterly and annual financial statements and recommended to the Board for consideration.
- The committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.
- The committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.



Syed Javed Iqbal
Chairman
Audit Committee
Date: 27 October 2018

Auditors' Report
&
Audited Financial Statements

for the year ended 30 June 2018
of

Bengal Windsor Thermoplastics Limited

Financial Report 2018

AMARSTOCK

Hoda Vasi Chowdhury & Co
Chartered Accountants

INDEPENDENT AUDITORS' REPORT
To the Shareholders of
Bengal Windsor Thermoplastics Limited

We have audited the accompanying financial statements of Bengal Windsor Thermoplastics Limited (here-in-after referred to as "the Company"), which comprise the statement of financial position as at 30 June 2018, the related 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 a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Bangladesh Financial Reporting Standards (BFRSs), 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements prepared in accordance with the Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of Bengal Windsor Thermoplastics Limited as at 30 June 2018, and the results of its financial performance and its cash flows for the year then ended and comply with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

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

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

c) the Company's statement of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 41 dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred and payments made were for the purposes of the Company's business.

Dhaka, 27 October 2018

Chartered Accountants

Bengal Windsor Thermoplastics Limited
Statement of Financial Position
as at 30 June 2018

	Notes	Amount in Taka	
		30-Jun-18	30-Jun-17 Restated
ASSETS			
Non-current assets			
Property, plant and equipment at cost less accumulated depreciation	7	670,130,426	610,923,688
Intangible assets	8	4,458,198	5,022,504
Investment in shares	9	77,000,000	77,000,000
Total non-current assets		**751,588,624**	**692,946,192**
Current assets			
Inventories	10	394,283,355	387,893,185
Advances and deposits	11	559,811,192	593,152,863
Advance against share purchase	12	128,800,000	128,800,000
Trade and other receivables	13	428,477,557	438,685,591
Cash and cash equivalents	14	190,192,179	160,774,849
Total current assets		**1,701,564,283**	**1,709,306,488**
Total assets		**2,453,152,907**	**2,402,252,680**
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	15	914,760,000	831,600,000
Share premium	16	465,600,000	465,600,000
Retained earnings		779,487,968	722,265,006
Total equity		**2,159,847,968**	**2,019,465,006**
Non-current liabilities			
Gratuity	17	12,077,337	10,620,871
Long term loan - net off current portion	18	30,085,759	64,932,960
Deferred tax liability	19	16,948,348	26,415,680
Total non-current liabilities		**59,111,444**	**101,969,511**
Current liabilities			
Bank overdraft	20	3,072,511	1,247,160
Short term loan	21	127,895,751	182,501,973
Long term loan - current portion	18	42,644,492	40,873,327
Provision for taxation	22	23,374,728	23,645,269
Trade and other payables	23	32,384,824	27,747,631
Payable to IPO applicants	24	4,821,189	4,802,803
Total current liabilities		**234,193,495**	**280,818,163**
Total equity and liabilities		**2,453,152,907**	**2,402,252,680**
Net asset value per share (NAVPS)	32	23.61	22.08

The annexed notes 1 to 41 form an integral part of these financial statements.

Company Secretary | Director | Managing Director

As per our annexed report of same date

Hoda Vasi Chowdhury & Co

Chartered Accountants

Dhaka: 27 October 2018

Bengal Windsor Thermoplastics Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Notes	Amount in Taka					
		30-Jun-18			30-Jun-17		
		Taxable Unit	Tax Exempted Unit	Total	Taxable Unit	Tax Exempted Unit	Total
Turnover (export sales)		398,304,001	489,435,705	887,739,706	400,283,210	504,509,282	904,792,492
Cost of goods sold	25	(311,019,473)	(351,176,568)	(662,196,041)	(308,341,908)	(338,468,380)	(646,810,288)
Gross profit		**87,284,528**	**138,259,137**	**225,543,665**	**91,941,302**	**166,040,902**	**257,982,204**
Administrative expenses	26	(32,838,250)	(8,141,352)	(40,979,602)	(54,909,356)	(3,260,968)	(58,170,324)
Selling and distribution expenses	27	(7,343,230)	(16,760,005)	(24,103,235)	(5,937,520)	(4,608,397)	(10,545,917)
Operating profit		**47,103,048**	**113,357,780**	**160,460,828**	**31,094,426**	**158,171,537**	**189,265,963**
Other income	28	12,150,118	2,503,986	14,654,104	13,005,645	1,595,731	14,601,376
Finance costs	29	(6,404,253)	(21,530,517)	(27,934,770)	(9,217,490)	(20,679,298)	(29,896,788)
Profit before provision and tax		**52,848,913**	**94,331,249**	**147,180,162**	**34,882,581**	**139,087,970**	**173,970,551**
Provision for WPPF and welfare fund		(2,642,446)	(4,716,563)	(7,359,009)	(1,744,129)	(6,954,399)	(8,698,528)
Profit before tax		**50,206,467**	**89,614,686**	**139,821,153**	**33,138,452**	**132,133,571**	**165,272,023**
Income tax (expenses)/income	30	**1,187,806**	**(625,997)**	**561,809**	**(11,504,677)**	**(275,073)**	**(11,779,750)**
Current tax expense		8,279,526	625,997	8,905,523	11,023,865	275,073	11,298,938
Deferred tax expense/(income)	19	(9,467,332)	-	(9,467,332)	480,812	-	480,812
Net profit after tax for the year		**51,394,273**	**88,988,689**	**140,382,962**	**21,633,775**	**131,858,498**	**153,492,273**
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Profit on disposal of non-controlling interest		-	-	-	38,774	-	38,774
Tax on profit on disposal of non-controlling interest		-	-	-	(9,694)	-	(9,694)
Other comprehensive income, net off tax		**-**	**-**	**-**	**29,080**	**-**	**29,080**
Total comprehensive income for the year		**51,394,273**	**88,988,689**	**140,382,962**	**21,662,855**	**131,858,498**	**153,521,353**
Earnings per share (Taka)							
Basic and diluted	31			**1.53**			**1.68**

The annexed notes 1 to 41 form an integral part of these financial statements.

Company Secretary | Director | Managing Director

As per our annexed report of same date

Dhaka: 27 October 2018

Chartered Accountants

Bengal Windsor Thermoplastics Limited
Statement of Changes in Equity
For the year ended 30 June 2018

Amount in Taka

Particulars	Note	Share capital	Share premium	Retained earnings	Sub-total	Non controlling interest	Total
Balance at 01 July 2016		**831,600,000**	**465,600,000**	**818,171,947**	**2,115,371,947**	**137,305**	**2,115,509,252**
Prior year adjustment	5	-	-	(166,268,294)	(166,268,294)	-	(166,268,294)
Balance at 01 July 2016 (Restated)		**831,600,000**	**465,600,000**	**651,903,653**	**1,949,103,653**	**137,305**	**1,949,240,958**
Total comprehensive income for the year		-	-	153,521,353	153,521,353	-	153,521,353
Cash dividend (for 2015-2016)		-	-	(83,160,000)	(83,160,000)	-	(83,160,000)
Disposal of non-controlling interest		-	-	-	-	(137,305)	(137,305)
Balance at 30 June 2017		**831,600,000**	**465,600,000**	**722,265,006**	**2,019,465,006**	**-**	**2,019,465,006**
Balance at 01 July 2017		**831,600,000**	**465,600,000**	**722,265,006**	**2,019,465,006**	**-**	**2,019,465,006**
Total comprehensive income for the year		-	-	140,382,962	140,382,962	-	140,382,962
Stock dividend (for 2016-2017)		83,160,000	-	(83,160,000)	-	-	-
Balance at 30 June 2018		**914,760,000**	**465,600,000**	**779,487,968**	**2,159,847,968**	**-**	**2,159,847,968**

Company Secretary

Director

Managing Director

Bengal Windsor Thermoplastics Limited
Statement of Cash Flows
For the year ended 30 June 2018

		Amount in Taka	
		30-Jun-18	30-Jun-17
A.	**Cash flows from operating activities**		
	Collection from customers	899,016,684	1,103,468,192
	Payment for goods and services	(519,055,151)	(730,592,746)
	Other operating expenses	(62,232,639)	(63,243,107)
	Interest income from FDR and IPO	11,073,877	11,814,189
	Cash generated from operation	**328,802,771**	**321,446,528**
	Payment of tax	(5,396,432)	(14,589,574)
	WPPF paid	(8,698,528)	(11,100,247)
	Gratuity paid	(1,156,279)	(432,806)
	Net cash generated from operating activities	**313,551,532**	**295,323,901**
B.	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment and intangible assets	(122,101,090)	(44,410,253)
	Advance against land purchase	(50,000,000)	(100,000,000)
	Acquisition of shares of minority	-	(98,530)
	Net cash used in investing activities	**(172,101,090)**	**(144,508,783)**
C.	**Cash flows from financing activities**		
	Dividend paid	(29,799)	(82,742,784)
	Bank overdraft received	1,825,351	99,652
	Short term loan received	585,481,714	446,663,896
	Repayment of short term loan	(640,087,938)	(425,086,265)
	Long term loan received	16,686,222	4,705,607
	Repayment of long term loan	(49,762,258)	(28,808,643)
	Finance costs paid	(28,676,074)	(31,935,209)
	Net cash used in financing activities	**(114,562,782)**	**(117,103,746)**
D.	**Net effect of foreign currency transaction on cash and cash**	**2,529,670**	**2,663,112**
E.	**Net cash inflow during the year (A+B+C+D)**	**29,417,330**	**36,374,484**
	Cash and cash equivalents at 01 July	160,774,849	124,400,365
	Cash and cash equivalents at 30 June	**190,192,179**	**160,774,849**
	Net operating cash flow per share (NOCFPS)	**3.43**	**3.23**

Complying with the notification No. ***BSEC/CMRRCD/2006-158/208/Admin/81*** *dated 08 August 2018, of Bangladesh Securities and Exchange Commission (BSEC) a reconciliation of net income or net profit with cash flows from operating activities is given under note no 33.*

Company Secretary | Director | Managing Director

Bengal Windsor Thermoplastics Limited

Notes to the Financial Statements

For the year ended 30 June 2018

1 Background of the Company

Bengal Windsor Thermoplastics Limited (the "Company" or "Bengal Windsor") was incorporated on 02 January 2002 as a private limited company in Bangladesh under the Companies Act, 1994 with the name of Bengal Build-up Bangladesh Ltd. and subsequently changed its name to Windsor Plastics (BD) Ltd. on 17 May 2005. Further, on 14 December 2010 Windsor Plastics (BD) Ltd. has been renamed as Bengal Windsor Thermoplastics Limited and converted from private to public limited company.

Shares of Bengal Windsor are quoted in the Dhaka and Chittagong Stock Exchanges since 16 April 2013. The Company's registered office is situated at Dhaka, Bangladesh.

2 Nature of the business

The Company manufactures and exports mainly hanger and related garment accessories which facilitates the export of garments to the world's largest retailers including Wal-Mart, K-Mart, Kohl's, J C Penny etc. in the USA as well as in Europe. The Company's manufacturing units are situated at Dhaka Export Processing Zone (DEPZ).

3 Merger with Bengal Petrochem and Synthetic Textiles Limited

The Company's only subsidiary, Bengal Petrochem and Synthetic Textiles Limited ("Bengal Petrochem") was incorporated on 10 March 2011. The Company had 99.94% shareholding and remaining 0.06% was owned by an individual. On an application to the Court dated 28th August 2016, a merger scheme with effective from 1st January 2017 has been approved by the High Court. According to the scheme, share owned by Bengal Windsor has been cancelled out and the minority interest has been paid off at Net Asset Value Per Share (NAVPS) in proportion to his shareholding.

According to High Court scheme, on 01 January 2017 all assets and liabilities of Bengal Petrochem and Synthetic Textiles Limited have been transferred to Bengal Windsor Thermoplastics Limited. Therefore, these financial statements include the financial information of both the companies, Bengal Windsor and Bengal Petrochem.

4 Summary of significant accounting policies

4.1 Basis of preparation

The financial statements have been prepared on going concern basis under historical cost convention in accordance with the Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations in Bangladesh. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.2 Use of estimates and judgements

The preparation of financial statements in conformity with the BFRS recognition and measurement of principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates. Significant estimates made by management in the preparation of these financial statements include assumptions used for depreciation, deferred taxes and provisions for employees' benefits.

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of financial statements is judgemental.

4.3 Reporting Period

The financial year of the Company covers one year from 1 July to 30 June consistently.

4.4 Authorization for issue

The financial statements have been authorized for issue by the Board of Directors on 27 October 2018.

4.5 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT). Figures have been rounded off to the nearest Taka, unless stated otherwise.

4.6 Foreign currency translation

Transactions denominated in foreign currency have been translated in Bangladesh Taka (BDT) at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated in Bangladesh Taka at prevailing rates ruling at the financial position date. Non-monetary assets and liabilities are reported using the exchange rates at the date of respective transactions. Foreign exchange fluctuation gain/losses are reflected in the statement of profit and loss and other comprehensive income.

4.7 Property, plant and equipment (PPE)

4.7.1 Recognition and measurement

Items of property, plant and equipment are recognized where it is probable that future economic benefits will flow to the entity and their costs can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment.

4.7.2 Subsequent costs

Repair and maintenance expenditure is recognised as expenditure when incurred. Replacement parts are capitalised, provided the original cost of the items they replace is derecognised at the time of the replacement.

4.7.3 Depreciation

Depreciation on PPE is charged using straight-line method. Depreciation on addition to PPE during the period is charged when those are available for use. Depreciation on these assets disposed of are made up to the date of disposal.

Asset category	Rate of depreciation
Plant and machinery	5%
Factory building	3%
Office equipment	20%
Furniture and fixture	10%
Motor vehicles	20%
Moulds	10%
Electrical equipment	10%
IT equipment	33.33%
Factory equipment	10%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No significant adjustments in respect of estimated useful lives were required in this accounting period.

4.8 Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

Software represents the value of computer application software licensed for use of the Company. Intangible assets are carried at its cost, less accumulated amortization and impairment loss, if any.

Initial cost includes license fees paid at the time of purchase and other directly attributable expenditure that are incurred in customizing the software for its intended use.

4.8.1 Amortization of intangible asset

Intangible asset is amortized using the straight line method over its estimated useful life of 10 years.

4.9 Impairment

The carrying value of assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment loss is recognized in the statement of profit or loss and other comprehensive income.
However, there is no impairment of assets in 2018.

4.10 Inventories

Inventories are measured at the lower of cost and net realizable value. Inventories comprise of raw materials, work in process, finished goods, stores and spares. The Company follows weighted average method for valuing inventories. The cost of inventories includes expenditure incurred in acquiring the raw materials, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Work in process has been valued at cost of raw materials with proportionate addition of conversion cost.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sales.

4.11 Employees' benefit schemes

The Company maintains both defined benefit plan and defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the Company policy manual.

4.11.1 Defined benefit plan (gratuity)

The Company operates an unfunded gratuity scheme for its all permanent employees as its defined contribution benefit.The employees are entitled to get one month's latest basic pay for every year of service when fraction of year above six month is considered as full year as per Bangladesh Export Processing Zone Authority (BEPZA) guideline. Gratuity so calculated is transferred to the fund and charged to expenses of the Company representing the annual obligation under the scheme. No actuarial valuation has been done as the management believes that the provision for gratuity in the year end is to meet the obligation.

4.11.2 Defined contribution plan (provident fund)

The Company operates an approved Contributory Provident Fund Scheme (CPF) with an equal contributions @ 8.33% for workers and local staff made by both employer and employees.

4.11.3 Workers' profit participation and welfare fund (WPPF)

The Company recognises a provision for Workers' Profit Participation and Welfare Fund @ 5% of profit before tax before charging such expenses as per the Bangladesh Labour Act, 2006 (as amended in 2013).

4.12 Trade and other receivables

Accounts receivable are initially recognized at invoice amounts which is the fair value of the consideration given in return.

Provisions for doubtful debts are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience as well as general economic conditions and ultimately the prospects of realizability.

4.13 Loans

Principal amounts of the long term and short term loans are stated at their amortized cost. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of long term and short term loans repayable within twelve months from the date of statement of financial position are classified as current liabilities.

4.14 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position.

4.15 Revenue

Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership are transferred to the buyer, recovery of the 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 amount of revenue can be measured reliably.

Revenue has been recognized when documents of export along with the buyers' acknowledgement of receipts of goods being presented to the bank for clearing the payment under letter of credit (LC).

Interest income

Interest Income is recognized on time proportionate basis.

4.16 Income tax

a) Current tax

The Company has two units - taxable unit and tax exempted unit. Provision for income tax on taxable unit has been made as per the Income Tax Ordinance, 1984 and the Finance Act, 2018. Tax exempted unit, Bengal Petrochem, has been enjoying tax exemption for 10 years effective from 28 December 2011 to 27 December 2021 as per SRO No. 289-L/89 dated August 19, 1989.

b) Deferred tax

Deferred tax is provided on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements in accordance with *BAS 12: "**Income Taxes"***. Tax rate is used @ 12.50% for determining deferred tax as the same rate is expected to be applicable at the time of settlement / adjustments of deferred tax assets or liabilities.

4.17 Earnings per share (EPS)

The Company calculates its earnings per share in accordance with *BAS 33: **"Earnings Per Share"***, which has been shown on the face of statement of profit or loss and other comprehensive income.

4.17.1 Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

4.17.2 Diluted earnings per share

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

4.18 Dividends

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the year in which the dividends are approved by the Company's shareholders at the Annual General Meeting.

4.19 Related party transactions

Disclosures have been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions over the other, irrespective of whether a price is charged.

4.20 Segment reporting

No segment reporting is applicable for the Company as required by *BFRS 8: **"Operating Segment"*** as the Company operates in a single industry segment and within a single geographical segment.

4.21 Materiality and aggregation

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

4.22 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

5 Prior years' adjustment (Errors occurred in recognizing inventories)

Inadvertently errors occurred in between the years 2006 to 2015 due to recognizing the inventories at lower prices than the actual invoice prices of those inventories. The fact is that advances were given to the suppliers against purchase of inventories according to the agreements with the suppliers. The rest of the payments against the purchase of inventories were made on arrival of the goods as per the agreements and the costs of inventories were recognized at lower prices than the full invoice value of the goods which resulted in the overstatement of advances. These advances have been carried forward since long but in substance it should have been adjusted with inventory. However, part of such advances was adjusted in the previous year. Subsequently in September 2017, it was revealed that there was another part of such advances of Tk. 166,268,294 which needed adjustment in the financial statements of 2016-2017 as per the requirements of *BAS 10: **"Events after the Reporting Period"***. Non-adjustment of such event falls under error and accordingly, retained earnings on 1 July 2016 have been restated following the guidance of BAS 8. Thus, no such doubtful "Advance to Suppliers" exist in the financial statements of 2017-2018.

6 General

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Comparative information have been re-arranged, wherever considered necessary, to ensure better presentation and comparability with the current period.

7 **Property, plant and equipment at cost less accumulated depreciation**

Particulars	COST			Rate	DEPRECIATION			Written down Value as on
	As on 1/Jul/17	Addition during the year	As on 30-Jun-18		Opening Balance As on 1-Jul-17	Charge During the year	Closing balance	30/Jun/18
Plant and machinery	271,902,346	53,219,610	325,121,956	5%	85,274,621	15,227,774	100,502,395	224,619,561
Factory building	229,908,383	-	229,908,383	3%	28,775,272	6,897,252	35,672,524	194,235,859
Office equipment	5,114,161	28,650	5,142,811	20%	3,844,983	308,467	4,153,450	989,361
Furniture and fixture	1,794,000	37,950	1,831,950	10%	543,918	177,675	721,593	1,110,357
Motor vehicles	39,891,953	-	39,891,953	20%	32,037,174	1,034,682	33,071,856	6,820,097
Moulds	301,668,098	62,782,735	364,450,833	10%	150,381,138	27,749,761	178,130,899	186,319,934
Electric equipment	54,660,335	137,000	54,797,335	10%	13,698,998	5,468,378	19,167,376	35,629,959
IT equipment	10,753,629	274,500	11,028,129	33.33%	5,863,872	3,206,387	9,070,259	1,957,870
Factory equipment	32,022,348	5,620,645	37,642,993	10%	16,371,589	2,823,976	19,195,565	18,447,428
As on 30-Jun-18	**947,715,253**	**122,101,090**	**1,069,816,343**		**336,791,565**	**62,894,352**	**399,685,917**	**670,130,426**
As on 30-Jun-17	**908,760,559**	**38,954,694**	**947,715,253**		**273,004,970**	**63,786,595**	**336,791,565**	**610,923,688**

7.1

Particulars	Factory overhead	Administrative overhead	Total
Plant and machinery	15,227,774	-	15,227,774
Factory building	6,897,252	-	6,897,252
Office equipment	-	308,467	308,467
Furniture and fixture	142,140	35,535	177,675
Motor vehicles	827,745	206,937	1,034,682
Mould	27,749,761	-	27,749,761
Electric equipment	4,374,702	1,093,676	5,468,378
IT equipment	2,565,110	641,277	3,206,387
Factory equipment	2,823,976	-	2,823,976
Total	**60,608,460**	**2,285,892**	**62,894,352**

		Notes	Amount in Taka	
			30/Jun/18	30/Jun/17
8	**Intangible assets**			
	Cost			
	Balance as at 01 July		5,643,060	187,500
	Addition during the year		-	5,455,560
	Balance as at 30 June		**5,643,060**	**5,643,060**
	Accumulated amortization			
	Balance as at 01 July		620,556	56,250
	Amortization for the year @ 10%		564,306	564,306
	Balance as at 30 June		**1,184,862**	**620,556**
	Written-down value		**4,458,198**	**5,022,504**
9	**Investment in shares**			
	Bengal Poly & Paper Sack Ltd.		**77,000,000**	**77,000,000**

The Company has acquired 3,080,000 ordinary shares of Taka 25 (including premium of Taka 15) each, totalling Taka 77,000,000. The investment represents 10.98% of total ordinary shares in Bengal Poly And Paper Sack Limited. Bengal Poly And Paper Sack Limited is profitable in recent years including current year and hence, no impairment of investment is required. NAV per share stood at Taka 42.34 as per the financial statements as at 30 June 2017 audited by M/S Toha Khan Zaman & Co.

10	**Inventories**			
	Raw materials (quantities of raw materials are given below)	10.1	112,939,582	103,663,130
	Work-in-process		26,149,346	25,262,798
	Finished goods		75,891,563	52,102,702
	Goods in transit		22,071,490	35,005,581
	Packing materials, spares parts, accessories and consumables		157,231,374	188,439,796
			394,283,355	**404,474,006**
	Less: Inventory write off		-	**(16,580,821)**
			394,283,355	**387,893,185**

		Kgs	Kgs
10.1	**Raw materials**		
	Polypropylene (PP)	199,975	200,000
	General purpose polystyrene (GPPS)	274,875	388,375
	High impact polystyrene (HIPS)	339,300	203,650
	K-Resign	15,900	475
	Elastomer Rubber/ TPR	17,325	17,225
	PS-Recycle	48,100	123,500
	GPPS - Recycle	82,675	24,475
	PP Recycle	13,525	10,875
	Masterbatch (White)	6,875	6,825
	Masterbatch (Black)	14,800	7,950
	Masterbatch (Bige)	3,725	3,800
	Masterbatch (Orange)	1,603	1,550
	PP - Filler	14,150	16,425
	Masterbatch (Dessicant)	20,715	24,395
	Masterbatch (Beige 2024)	19	32
	Masterbatch (Blue)	19	24
	Masterbatch (Crate Green)	28	48
	Masterbatch (Parrot Green)	14	27
	Masterbatch (Pink 003)	13	25
	Masterbatch (Yellow)	27	-
	Masterbatch (Violet)	7	-
		1,053,670	**1,029,676**

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			Amount in Taka	
			30-Jun-18	30-Jun-17
11	**Advances and deposits**			
	Advances			
	Advance to suppliers		383,771,960	460,057,026
	Advance against land purchase		150,000,000	100,000,000
	Advance to employees		483,453	188,263
	Advance against Water cooling plant		-	3,199,095
	Advance income tax	11.1	14,414,747	18,194,380
			548,670,160	**581,638,763**
	Deposits	11.2	11,141,032	11,514,100
			559,811,192	**593,152,863**
11.1	**Advance income tax**			
	Balance as on 01 July		18,194,380	5,114,079
	Tax paid during the year		5,396,431	14,589,574
			23,590,811	**19,703,653**
	Adjusted against final tax assessment		(9,176,064)	(1,509,273)
			14,414,747	**18,194,380**
11.2	**Deposits**			
	BEPZA for electric line purpose		4,127,036	4,127,036
	BEPZA for land purpose		230,945	230,945
	L/C margin deposits		6,783,051	7,156,119
			11,141,032	**11,514,100**
12	**Advance against share purchase**			
	Bengal Plastics Ltd.		**128,800,000**	**128,800,000**

The Company paid aforesaid amount in 2011 for investment in ordinary shares in Bengal Plastics Limited (BPL), a public limited company that carry out the business of manufacturing and exporting of hangers. Due to some strategic issues, the management of BPL is considering restructuring of its share capital and thereafter, shares will be issued after completing the required formalities and getting approval from the Bangladesh Securities and Exchange Commission. The management of BPL is making efforts to complete the formalities and issuance of shares within next year. Further, the management of Bengal Windsor considers the investment as good and profitable.

13	**Trade and other receivables**			
	Trade receivables	13.1	418,446,349	429,723,326
	FDR interest receivable		10,031,208	8,962,265
			428,477,557	**438,685,591**
13.1	**Trade receivables**			
	Balance as at 01 July		437,462,991	636,138,691
	Export sales for the year		887,739,706	904,792,492
			1,325,202,697	**1,540,931,183**
	Collection during the year		(899,016,683)	(1,103,468,192)
	Balance as at 30 June 2018	13.2	426,186,014	437,462,991
	Provision for doubtful debt		(7,739,665)	(7,739,665)
			418,446,349	**429,723,326**

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		Amount in Taka	
		30-Jun-18	30-Jun-17
13.2	**Trade receivable disclosure as per Schedule-XI, Part-1, of the Companies Act, 1994**		
	Receivable due below six months	418,446,349	429,723,326
	Receivable due over six months	7,739,665	7,739,665
		426,186,014	**437,462,991**
	The trade receivables occurred in the ordinary course of business and are fully secured by letter of credit and thereby considered realizable.		
14	**Cash and cash equivalents**		
	Cash in hand		
	Head office	54,585	89,140
	Factory premises	204,926	32,640
		259,511	**121,780**
	Cash at banks		
	Current accounts		
	Dutch Bangla Bank Ltd.	427,737	411,667
	Standard Chartered Bank	1,290,979	572,123
	Eastern Bank Ltd.	10,968	12,118
	Mutual Trust Bank Ltd.	1,533,870	784,212
	City Bank Ltd.	-	52,785
	United Commercial Bank Ltd.	41,043	28,466
		3,304,597	**1,861,371**
	Short notice deposit accounts		
	Mutual Trust Bank Ltd.	1,945,308	1,920,065
	National Credit and Commerce Bank Ltd.	763,026	2,188,830
		2,708,334	**4,108,895**
	Foreign currency accounts		
	Eastern Bank Ltd.	498,394	480,008
	Bank Asia Ltd.	4,282,361	9,452,077
	Standard Chartered Bank (MOB Account)	20,501,029	5,998,304
		25,281,784	**15,930,389**
	High performance account		
	Eastern Bank Ltd. - HPA	4,869,201	4,743,491
		4,869,201	**4,743,491**
	Term deposit (Fixed Deposit Receipts)		
	National Finance Ltd.	123,481,462	114,729,644
	Bank Asia Ltd.	30,287,290	19,279,278
		153,768,752	**134,008,922**
		190,192,179	**160,774,849**
15	**Share capital (Ordinary shares)**		
	Authorized capital		
	100,000,000 ordinary shares of BDT 10 each	**1,000,000,000**	**1,000,000,000**
	Issued, subscribed and paid up capital		
	Opening paid up capital: (54,000,000 ordinary shares of BDT 10 each)	540,000,000	540,000,000
	Increased through IPO: (16,000,000 ordinary shares of BDT 10 each)	160,000,000	160,000,000
	Increased through bonus stock issue of 8% fiscal year 2012-2013: (5,600,000 ordinary shares of BDT 10 each)	56,000,000	56,000,000
	Increased through bonus stock issue of 10% fiscal year 2014-2015: (75,60,000 ordinary shares of BDT 10 each)	75,600,000	75,600,000
	Increased through bonus stock issue of 10% fiscal year 2016-2017: (83,16,000 ordinary shares of BDT 10 each)	83,160,000	-
		914,760,000	**831,600,000**

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Shareholding position

Name of Shareholders	Nationality / Incorporated in	Holdings		Amount in Taka	
		% Holding	Numbers of Shares	2018	2017
Mr. Morshed Alam	Bangladeshi	11.17%	10,219,176	102,191,760	92,901,600
Mrs. Bilqis Nahar	Bangladeshi	3.29%	3,005,640	30,056,400	27,324,000
Mr. Md. Jashim Uddin	Bangladeshi	6.57%	6,011,280	60,112,800	54,648,000
Mr. Humayun Kabir Bablu	Bangladeshi	30.00%	27,442,905	274,429,050	249,480,960
Mr. Firoz Alam	Bangladeshi	2.63%	2,404,512	24,045,120	21,859,200
Mr. Saiful Alam	Bangladeshi	2.63%	2,404,512	24,045,120	21,859,200
Mr. Shamsul Alam	Bangladeshi	2.63%	2,404,512	24,045,120	21,859,200
Institutional shareholders	Bangladesh	27.43%	25,090,594	250,905,940	186,314,550
General public:					
Resident shareholders	Bangladeshi	13.58%	12,426,573	124,265,730	154,818,600
Non resident shareholders	Bangladeshi	0.07%	66,296	662,960	534,690
Total		**100%**	**91,476,000**	**914,760,000**	**831,600,000**

Classification of shareholders by shareholdings:

Holdings	Number of share holders	Total Number of shares (2018)	Total No. of shares (2017)
Less than 500 shares	3277	518,533	555,071
500 to 5,000 shares	1710	3,104,679	3,247,645
5,001 to 10,000 shares	312	2,248,465	2,030,778
10,001 to 20,000 shares	150	2,032,097	1,597,549
20,001 to 30,000 shares	49	1,221,344	1,004,626
30,001 to 40,000 shares	21	718,475	489,600
40,001 to 50,000 shares	14	626,408	738,458
50,001 to 1,00,000 shares	35	2,552,115	2,415,547
1,00,001 to 10,00,000 shares	31	8,427,416	8,288,313
Over 10,00,000 shares	11	70,026,468	62,792,413
Total	**5610**	**91,476,000**	**83,160,000**

	Amount in Taka	
	30-Jun-18	30-Jun-17
16 Share premium	**465,600,000**	**465,600,000**

The Company received Tk. 30 and Tk. 15 through private placement and Initial public offering (IPO) respectively as premium on each issued share.

17 Gratuity

Opening balance	10,620,871	9,658,817
Add: Provision made during the year	2,612,745	1,394,860
	13,233,616	**11,053,677**
Less: Payments made during the year	(1,156,279)	(432,806)
	12,077,337	**10,620,871**

		Notes	Amount in Taka	
			30-Jun-18	30-Jun-17
18	**Long term loan- net off current portion**			
	Bank Asia Ltd. - Term Loan	18.1	59,427,298	95,781,143
	Bank Asia Ltd. - FC loan	18.2	13,302,953	10,025,144
			72,730,251	**105,806,287**
	Less: Long term loan - current portion		(42,644,492)	(40,873,327)
	Long term loan net off current portion		**30,085,759**	**64,932,960**

18.1 Bank Asia Ltd. - Term Loan

The terms and conditions of the term loan are given below:

Facility limit : Taka 126.5 million.
Terms of repayment : 5 (Five) years from the date of 1st disbursement including 1-year moratorium period.
Purpose : i) For taking over existing LTR liability from Shahjalal Islami Bank Ltd.
ii) For construction of new factory shed/building measuring 12,000 sft (approx.) in DEPZ, Savar, Dhaka.
iii) For procurement of local machinery.
Nature of security : i) Hypothecation of items/asset duly insured covering the risk of fire and RSD only.
ii) 8 no's of post dated cheque covering each 6 monthly instalment size against each and 1 post dated cheque covering the sanctioned term loan limit.

18.2 Bank Asia Ltd. - FC loan

The terms and conditions of the FC loan are given below:

Facility limit : USD 2.00 million.
Terms of repayment : 5 years (in case of sight L/C) or 4 years (in case of UPAS L/C)
Purpose : For importing capital machineries and other related spare parts.
Nature of security : i) Hypothecation of machineries and equipment of the company is duly insured covering the risks of fire and RSD with Bank's mortgage clause for a sum exceeding 10% above sanction limit at the cost of the Company.
ii) 1st charge on fixed and floating assets with RJSC.

19 Deferred tax liability

Particulars	Carrying amount on reporting date	Tax base	Taxable temporary difference / (deductible temporary difference)
For the year 2018			
Property, plant and equipment	361,981,821	207,779,616	154,202,205
Provision for gratuity	10,875,759	-	(10,875,759)
Provision for doubtful debt	7,739,665	-	(7,739,665)
Net taxable temporary difference			**135,586,781**
Applicable tax rate			12.50%
Deferred tax liability at the end of the year			16,948,348
Deferred tax liability at the beginning of the year			26,415,680
Deferred tax income for the year			**(9,467,332)**
For the year 2017			
Property, plant and equipment	393,774,185	157,040,588	236,733,597
Provision for gratuity	1,087,675	-	(1,087,675)
Provision for doubtful debt	7,739,665	-	(7,739,665)
Inventory obsolescence	16,580,821	-	(16,580,821)
Net taxable temporary difference			**211,325,436**
Applicable tax rate			12.50%
Deferred tax liability at the end of the year			26,415,680
Deferred tax liability at the beginning of the year			25,934,868
Deferred tax expense for the year			**480,812**

	Notes	Amount in Taka	
		30-Jun-18	30-Jun-17
20 Bank overdraft			
Bank Asia Ltd.	20.1	**3,072,511**	**1,247,160**

20.1 Purpose : To meet up operational, utilities and administrative and other overhead expenses.
Facility limit : Tk. 7.50 million.
Nature of security : i) Post dated cheque along with approach letter covering the overdraft limit.
ii) Personal guarantee of all the directors of the Company.
iii) Hypothecation of stocks, plant, machinery, equipment, receivables of the Company.
iv) Notarized IGPA favouring the bank.

21 Short term loan

Loan against trust receipt (LATR)			
Bank Asia Ltd.	21.1	39,326,334	30,037,446
Standard Chartered Bank	21.2	21,753,499	18,031,310
		61,079,833	**48,068,756**
Usance payable at sight (UPAS)			
Bank Asia Ltd.	21.3	49,262,023	93,842,902
Standard Chartered Bank	21.4	17,553,895	40,590,315
		66,815,918	**134,433,217**
		127,895,751	**182,501,973**

21.1 Purpose : To retire shipping documents against sight L/C to import resin, chemical, packing materials, accessories, spare parts and other raw materials from overseas/local sources.
Facility limit : Tk. 150.00 million.
Tenure : Maximum 150 days.

21.2 Purpose : For making payment of sight L/C.
Facility limit : Tk. 250 million.
Tenure : Maximum 150 days.

21.3 Purpose : To import resin, chemical, packing materials, accessories, spare parts and other raw materials from overseas/local sources.
Facility limit : Tk. 200.00 million.
Tenure : Maximum 180 days.

21.4 Purpose : To provide acceptance against L/C.
Facility limit : Tk. 250 million.
Tenure : Maximum 150 days.

		Notes	Amount in Taka	
			30-Jun-18	30-Jun-17
22	**Provision for taxation**			
	Opening balance		23,645,269	13,845,910
	Add: Provision made during the year	22.1	8,905,523	11,308,632
			32,550,792	25,154,542
	Less: Adjustment during the year		(9,176,064)	(1,509,273)
			23,374,728	**23,645,269**
22.1	**Provision made during the year**			
	Current tax		8,905,523	11,298,938
	Tax on profit on disposal of non-controlling interest		-	9,694
			8,905,523	**11,308,632**
23	**Trade and other payables**			
	Accounts payable - service		7,000,678	4,372,036
	Dividend payable	23.1	2,679,163	2,708,962
	Sales commission		1,241,136	203,281
	Salary and wages		5,262,875	3,596,725
	Utilities payable		3,129,542	3,165,803
	Medical expenses payable		64,069	62,462
	Provident fund		1,507,388	812,904
	Audit fee		325,000	382,500
	Accrued interest		1,702,624	2,443,928
	TDS payable		101,044	228,090
	Provision for WPPF		7,359,009	8,698,528
	Workers' Welfare Fund (DEPZ)		25,126	36,744
	Other payables		1,987,170	1,035,666
			32,384,824	**27,747,631**
23.1	**Dividend paid and payable**			
	Unclaimed dividend as at 01 July		2,708,962	2,291,746
	Final dividend declared		-	83,160,000
	Dividend paid		(29,799)	(82,742,784)
	Unclaimed dividend as at 30 June		**2,679,163**	**2,708,962**
24	**Payable to IPO applicants**			
	Bangladeshi residents		4,322,795	4,322,795
	Non resident Bangladeshi		498,394	480,008
			4,821,189	**4,802,803**

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		Notes	Amount in Taka					
			2018			2017		
			Taxable Unit	Tax Exempted Unit	Total	Taxable Unit	Tax Exempted Unit	Total
25	**Cost of goods sold**							
	Raw materials consumed	25.1	160,918,327	276,699,360	437,617,687	134,782,346	237,508,538	372,290,884
	Packing materials consumed	25.2	26,022,596	37,137,683	63,160,279	26,236,618	42,176,170	68,412,788
	Other direct expenses		11,549,730	3,661,589	15,211,319	33,996,182	1,947,286	35,943,468
	Factory overhead	25.3	114,633,516	56,248,648	170,882,164	110,229,584	50,433,576	160,663,160
	Manufacturing cost		313,124,169	373,747,280	686,871,449	305,244,729	332,065,571	637,310,300
	Add: Opening work-in-progress		16,664,048	8,598,750	25,262,798	17,052,158	11,800,000	28,852,158
			329,788,217	382,346,030	712,134,247	322,296,887	343,865,571	666,162,458
	Less: Closing work-in-progress		(15,830,846)	(10,318,500)	(26,149,346)	(16,664,048)	(8,598,750)	(25,262,798)
	Cost of production		313,957,371	372,027,530	685,984,901	305,632,839	335,266,821	640,899,660
	Add: Opening stock of finished goods		32,054,976	20,047,726	52,102,702	34,764,044	23,249,286	58,013,330
	Cost of goods available for sale		346,012,347	392,075,256	738,087,604	340,396,883	358,516,107	698,912,990
	Less: Closing stock of finished goods		(34,992,874)	(40,898,689)	(75,891,563)	(32,054,976)	(20,047,726)	(52,102,702)
			311,019,473	**351,176,568**	**662,196,041**	**308,341,908**	**338,468,380**	**646,810,288**
25.1	**Raw materials consumed**							
	Opening stock		50,570,657	53,092,472	103,663,130	52,139,736	47,490,622	99,630,358
	Add: Purchase during the year		165,900,070	280,994,068	446,894,138	133,213,267	243,110,388	376,323,655
	Raw materials available		216,470,728	334,086,541	550,557,268	185,353,003	290,601,010	475,954,013
	Less: Closing stock		(55,552,401)	(57,387,181)	(112,939,582)	(50,570,657)	(53,092,472)	(103,663,130)
			160,918,327	**276,699,360**	**437,617,687**	**134,782,346**	**237,508,538**	**372,290,884**
25.2	**Packing materials consumed**							
	Opening stock		112,961,254	6,028,862	118,990,116	130,065,051	3,623,040	133,688,091
	Add: Purchase during the year		15,856,084	37,740,569	53,596,653	9,132,821	44,581,992	53,714,813
	Packing materials available		128,817,338	43,769,431	172,586,769	139,197,872	48,205,032	187,402,904
	Less: Closing stock		(102,794,742)	(6,631,748)	(109,426,490)	(112,961,254)	(6,028,862)	(118,990,116)
			26,022,596	**37,137,683**	**63,160,279**	**26,236,618**	**42,176,170**	**68,412,788**
25.3	**Factory overhead**							
	Salary and allowances		31,586,500	16,131,410	47,717,910	30,729,031	15,163,678	45,892,709
	Gratuity expense		2,277,168	335,577	2,612,745	826,378	568,482	1,394,860
	EPZ rental expenses		728,421	1,294,502	2,022,923	691,676	1,246,666	1,938,342
	Insurance premium		485,685	235,566	721,251	503,813	328,739	832,552
	Utility expenses		27,992,881	18,556,662	46,549,543	24,019,497	18,628,110	42,647,607
	Fuel, oil and lubricants		488,468	-	488,468	1,331,190	20,303	1,351,493
	Entertainment		845,813	434,363	1,280,176	378,896	159,486	538,382
	Repair and maintenance		201,522	25,417	226,939	232,545	14,492	247,037
	Security services		1,389,120	1,611,051	3,000,171	-	1,936,706	1,936,706
	Legal and consultancy fee		342,718	-	342,718	144,370	-	144,370
	Telephone and mobile		204,000	61,384	265,384	259,283	54,568	313,851
	Travelling and conveyance		74,475	125,857	200,332	288,010	120,915	408,925
	Renewal and registration fee		54,927	38,500	93,427	63,867	62,364	126,231
	Medical expenses		431,228	343,155	774,383	411,301	333,185	744,486
	Other factory overheads		2,542,806	1,434,530	3,977,336	907,298	465,431	1,372,729
	Depreciation	7.1	44,987,784	15,620,674	60,608,460	49,442,429	11,330,451	60,772,880
			114,633,516	**56,248,648**	**170,882,164**	**110,229,584**	**50,433,576**	**160,663,160**
26	**Administrative expenses**							
	Salaries and allowances		14,479,818	2,471,631	16,951,449	14,156,798	1,018,903	15,175,701
	Director's remuneration		2,640,000	-	2,640,000	2,520,000	-	2,520,000
	Board attendance fee		421,664	-	421,664	632,498	268,334	900,832
	Printing, stationery and courier		14,119	700	14,819	140,228	72,090	212,318
	Travelling and conveyance		191,870	78,210	270,080	194,485	17,910	212,395
	Telephone and mobile		294,323	87,411	381,734	286,312	45,012	331,324
	Entertainment		633,941	158,284	792,225	659,061	115,272	774,333
	Repair and maintenance		663,113	23,370	686,483	606,880	40,175	647,055
	AGM expenses		256,514	-	256,514	252,106	-	252,106
	Audit fees		396,750	-	396,750	325,000	57,500	382,500
	Consultancy, registration and renewal fee		2,260,859	102,392	2,363,251	5,051,630	263,700	5,315,330
	Insurance premium		307,611	14,370	321,981	157,175	-	157,175
	Other administrative expenses		5,417,529	1,567,063	6,984,592	1,440,024	686,171	2,126,195
	Bank charge and commission		2,773,611	2,874,252	5,647,863	25,585,039	-	25,585,039
	Amortization		564,306	-	564,306	564,306	-	564,306
	Depreciation	7.1	1,522,222	763,669	2,285,892	2,337,814	675,901	3,013,715
			32,838,250	**8,141,352**	**40,979,602**	**54,909,356**	**3,260,968**	**58,170,324**

		Notes	Amount in Taka					
			2018			2017		
			Taxable Unit	Tax Exempted Unit	Total	Taxable Unit	Tax Exempted Unit	Total
27	**Selling and distribution expenses**							
	Salaries and allowances		1,246,692	10,647,063	11,893,755	-	-	-
	Travelling and conveyance		116,215	33,470	149,685	-	-	-
	Telephone and mobile		30,141	26,964	57,105	-	-	-
	Entertainment		42,170	10,589	52,759	-	-	-
	Carriage outward		4,194,533	2,458,844	6,653,377	4,535,119	3,247,160	7,782,279
	Sales commission		840,614	976,038	1,816,652	770,936	896,904	1,667,840
	Advertisement		3,000	250,000	253,000	314,000	117,766	431,766
	Distribution expenses		869,865	2,357,037	3,226,902	317,465	346,567	664,032
			7,343,230	**16,760,005**	**24,103,235**	**5,937,520**	**4,608,397**	**10,545,917**
28	**Other income**							
	Exchange fluctuation gain		1,438,554	1,072,730	2,511,284	1,821,074	875,927	2,697,001
	Interest on FDR and STD		10,525,877	1,431,256	11,957,133	11,044,813	719,805	11,764,618
	Interest on IPO		143,223	-	143,223	139,758	-	139,758
	Interest on dividend account		42,464	-	42,464	-	-	-
			12,150,118	**2,503,986**	**14,654,104**	**13,005,645**	**1,595,731**	**14,601,376**
29	**Finance costs**							
	Interest on loans and overdraft	29.1	5,302,257	20,657,351	25,959,608	7,904,455	19,501,712	27,406,167
	Bank charge and commission		1,101,996	873,166	1,975,162	1,313,035	1,177,585	2,490,620
			6,404,253	**21,530,517**	**27,934,770**	**9,217,490**	**20,679,298**	**29,896,788**
29.1	**Interest on loans and overdraft**							
	Interest on short term loan		92,011	279,960	371,971	124,470	146,976	271,446
	Interest on loan against trust receipts (LATR)		2,746,171	6,988,714	9,734,885	5,769,786	4,471,119	10,240,905
	Interest on local documentary bills purchased (LDBP)		901,809	-	901,809	-	-	-
	Interest on usance payable at sight (UPAS)		1,562,266	5,012,511	6,574,777	2,010,199	3,677,033	5,687,232
	Interest on term loan		-	8,376,166	8,376,166	-	11,187,216	11,187,216
	Interest on export development fund (EDF)		-	-	-	-	19,368	19,368
			5,302,257	**20,657,351**	**25,959,608**	**7,904,455**	**19,501,712**	**27,406,167**
30	**Income tax (expenses)/income**							
	Current tax expense	30.1	8,279,526	625,997	8,905,523	11,023,865	275,073	11,298,938
	Deferred tax expense / (income)		(9,467,332)	-	(9,467,332)	480,812	-	480,812
			(1,187,806)	**625,997**	**(561,809)**	**11,504,677**	**275,073**	**11,779,750**

30.1 This amount represents income tax payable/paid for the financial year 2017-2018 for Tk. 7,834,526 for financial year 2015-2016 for Tk. 25,000 and for financial year 2014-2015 for Tk. 420,000.

		30-Jun-18	30-Jun-17
31	**Basic and diluted earnings per share**		
	The computation of basic earnings per share for the year ended from 30 June 2018 is as follows:		
	Numerator		
	Income for the year (Taka)	140,382,962	153,492,273
	Denominator		
	Weighted average number of shares outstanding	91,476,000	91,476,000
	Basic and diluted earnings per share (Taka)	**1.53**	**1.68**
32	**Net asset value per share (NAVPS)**		
	Net assets (Taka)	2,159,847,968	2,019,465,006
	Number of shares	91,476,000	91,476,000
		23.61	**22.08**

		Amount in Taka	
		30/Jun/18	30/Jun/17
33	**Reconciliation of net operating cash flow**		
	Profit before tax	139,821,153	165,272,023
	Adjustments for:		
	Finance costs (considered under financing activities)	27,934,770	29,896,788
	Exchange fluctuation gain	(2,529,670)	(2,663,112)
	Depreciation charges	62,894,352	63,786,595
	Amortisation charge	564,306	564,306
	Changes in working capital:	**228,684,911**	**256,856,600**
	(Increase)/decrease in inventories	(6,390,170)	34,341,202
	(Increase)/decrease in advances and deposits	79,562,039	(168,477,260)
	Decrease in trade and other receivables	10,208,034	198,585,513
	Increase in gratuity	1,456,467	962,054
	Increase in trade and other payables	**5,426,683**	(12,354,634)
		90,263,053	**53,056,875**
	Income tax paid	**(5,396,432)**	(14,589,574)
	Net cash flow from operating activities	**313,551,532**	**295,323,901**

34 Annual Capacity

	in PCs	
	1st July 2017 - 30 June 2018	1st July 2016 - 30 June 2017
Installed capacity	315,000,000	300,000,000
Actual production	113,288,089	96,546,583
Capacity utilization in percentage (%)	36%	32%

Currently, the production capacity per day is 358,507 pcs. whereas the production capacity per day was 305,527 pcs. in FY 2016 - 2017.

35 Consumption of imported and local raw materials

	Amount in Taka	
	1st July 2017 - 30 June 2018	1st July 2016 - 30 June 2017
Imported	446,894,138	376,323,655
Local	-	-
Total	446,894,138	376,323,655
Consumption	437,617,686	372,290,884

36 Financial risk management

i) 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. Risk exposures from financial assets are as under:

Exposure to credit risk

Particulars	Note	Amount in Taka	
		30/Jun/18	30/Jun/17
Trade receivables	13	418,446,349	429,723,326
FDR interest receivable	13	10,031,208	8,962,265
Cash and Cash Equivalents	14	190,192,179	160,774,849
Total		**618,669,736**	**599,460,440**

ii) Liquidity risk

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

	Note	Amount in Taka	
		Below 12 Months	Above 12 Months
July 2017 - June 2018			
Bank overdraft	20	3,072,511	-
Short term bank loan	21	127,895,751	-
Long term loan - current portion	18	42,644,492	-
Long term loan - net off current portion	18	-	30,085,759
Accounts payable - service	23	7,000,678	-
As at 30 June 2018		**180,613,432**	**30,085,759**
July 2016 - June 2017			
Bank overdraft	20	1,247,160	-
Short term bank loan	21	182,501,973	-
Long term loan - current portion	18	40,873,327	-
Long term loan - net off current portion	18	-	64,932,960
Accounts payable - service	23	4,372,036	-
As at 30 June 2017		**228,994,496**	**64,932,960**

iii) Market risk

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

a) Currency risk

The Company is exposed to currency risk on maximum revenues and purchases such as revenue from customers and import of raw material, machines and equipment. Majority of the Company's foreign currency transactions are denominated in Euro and USD and relate to export, procurement of raw materials, machineries and equipment from abroad.

Particulars	Currency Name	July 2017 - June 2018	July 2016 - June 2017
Materials & Others	USD	5,773,544	5,474,558
	EURO	-	34,800
Export Earnings	USD	10,745,880	11,468,353
	EURO	-	-

Currency Name	Exchange rates as at	
	30-Jun-18	30-Jun-17
	Taka	Taka
USD	82.61	77.87
EURO	94.82	80.46

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. 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.

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37 Related Party Transactions - Disclosure Under BAS 24

During the year, the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Name of those related parties, nature of those transactions and their total value have been shown in the below table in accordance with the provisions of *BAS 24: **"Related Party Disclosures"***:

a) Related Party Transactions:

Amount in Taka

Name of the party	Relationship	Nature of transaction	*Transactions in 2017-2018*			
			Opening balance	Addition	Adjustment	Closing balance
Bengal Corrugated Carton Ind. Ltd.	Common directors	Purchase of packing materials	-	23,526,160	23,081,160	445,000
Hamilton Metal Corporation Ltd.	Common directors	Purchase of accessories	-	30,070,492	30,070,492	-

b) Remuneration of Directors & officers:

The aggregate amounts paid/provided during the year in respect of directors and officers of the Company as defined in the Securities and Exchange Rules, 1987 are disclosed below:

	Amount in Taka	
	2018	2017
Directors:		
Remuneration	2,640,000	2,520,000
Board attendance fee	421,664	900,832
	3,061,664	**3,420,832**
Officers:		
Salary & allowances	**26,373,573**	**24,016,407**

38 Details of factory leased land

The Company has been occupying 4006 Sq. M. and 7,129 Sq. M. of leased factory land from Bangladesh Export Processing Zone Authority (BEPZA) for taxable unit and tax exempted unit respectively. Details of which are as under:

Taxable unit:

Agreement date	Expiry date	Plot No.	Area (Sq. M.)	Yearly rent	
				2018	2017
29-Jan-2002	28-Jan-2032	181 & 182	4,006	$ 8,813.20	$ 8,813.20

Tax exempted unit:

Agreement date	Expiry date	Plot No.	Area (Sq. M.)	Yearly rent	
				2018	2017
7-Apr-2011	6-Apr-2041	295, 296, 297 (Half), 298 (Half)	7,129	$ 15,683.80	$ 15,683.80

39 Subsequent events:

The Board of Directors in its 95th meeting held on 27 October 2018 has recommended 5% cash dividend, subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company.

	30/Jun/18	30/Jun/17
40 Number of employees		
a) Officers and staff	42	47
b) Workers	252	264
	294	311

All employees receive total remuneration in excess of Tk. 36,000 per annum per employee.

	Notes	Amount in Taka	
		2018	2017
41 Commitment and contingent liabilities			
a) Guarantee outstanding		Nil	Nil
b) Outstanding letter of credit		97,479,031	83,801,657

Outstanding letter of credit is representing figure consolidation of as follows:

Name of Bank	Limit(Taka)	Outstanding balance (Taka)	
		2018	2017
Standard Chartered Bank	200,000,000	74,599,579	41,566,189
Bank Asia Ltd.	200,000,000	22,879,452	42,235,467
Total	**400,000,000**	**97,479,031**	**83,801,656**

c) Capital expenditure commitments (Agreements for Land Purchase)		103,500,000	-
d) Contracted but not accounted for		Nil	Nil
e) Approved but not contracted for		Nil	Nil
f) Unresolved dispute of corporate income tax assessment	41.1	4,140,203	-

41.1

There is contingent liability on account of unresolved disputed corporate income tax assessments involving tax claims by the tax authority amounting to Tk. 41,40,203 for the assessment year 2015-2016 for which appeals are pending with the Taxes Appellate Tribunal Division Bench-1, Dhaka. However, the Company's management feels that the claim by the Tax authority is unjustified and has no merit.

Company Secretary | Director | Managing Director

NOTICE OF THE 16TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 16th AGM of the shareholders of Bengal Windsor Thermoplastics Limited will be held on Thursday, 13 December 2018 at 11:00 am at Bengal Multimedia Studio, 95/A, Tejgaon I/A, Dhaka-1208 to transact the following business:

A G E N D A

1. To receive, consider, and adopt the Audited Financial Statements of the Company for the year ended 30 June 2018 together with the Reports of Directors' and Auditors' thereon;

2. To declare Dividend for the year ended 30 June 2018;

3. To elect/re-elect Director(s) of the Company;

4. To appoint Auditors for the year 2018-2019 and fix their remuneration;

5. To appoint professional for obtaining certificate on compliance of Corporate Governance Code for the year 2018-2019 and fix their remuneration;

6. To approve the appointment of Independent Directors.

By order of the Board,

Darul Awam Tuhin FCS
Company Secretary

Dated: 05 November 2018

- The Board unanimously recommended 5% Cash Dividend.
- Shareholders whose names appeared in the Share Depository Register of the Company on the record date i.e. 15 November 2018 will be eligible to attend and vote in the AGM and to receive dividend as approved in the AGM.
- Members entitled to attend and vote at the AGM may appoint a Proxy to attend and vote on his or her behalf. The proxy form must be affixed with requisite revenue stamp of Tk. 20/- and must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- Admission to the meeting will be only on production of the attendance slip.
- The Institutional Shareholders are requested to send their letter of representation at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
- The Annual Report is available in the Company's website at www.windsor.bengalgroup.com.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, বিএসইসি নটিফিকেশন নং SEC/SRMI/2000-953/1950, dated 24th October 2000 এবং circular no. এসইসি/সিএমআরআরসিডি/২০০৯-৯৯৩/৯৫৪, তারিখ ২৪ অক্টোবর ২০৯৩ এর পরিপালনার্থে আসন্ন বার্ষিক সাধারণ সভা চলাকালীন সময় ও পরবর্তিতে কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

Bengal Windsor Thermoplastics Limited

Registered Office: Bengal House, 75 Gulshan Avenue, Gulshan-1, Dhaka-1212

PROXY FORM

I/we .....of.....
.....being member of Bengal Windsor Thermoplastics Limited
.....do hereby appoint Mr./Ms. .....of
.....as my/our PROXY to attend and vote on my/our behalf at the 16th Annual General Meeting of the Company to be held on 13 December 2018 at Bengal Multimedia Studio, 95/A, Tejgaon I/A, Dhaka-1208 and any adjournment thereof.

Signed this.....day of.....2018

.....
Signature of the Member

Revenue Stamp Tk. 20.00

.....
Signature of the Proxy

Number of Shares held.....

BO ID No.																

Bengal Windsor Thermoplastics Limited

Registered Office: Bengal House, 75 Gulshan Avenue, Gulshan-1, Dhaka-1212

Attendance Slip

I/we hereby record my/our attendance at the 16th Annual General Meeting of the Company being held on Thursday, 13 December 2018 at 11:00 am at Bengal Multimedia Studio, 95/A, Tejgaon I/A, Dhaka-1208

Name of the Member (In Block Letter)																
Name of the Proxy (In Block Letter)																
BO ID No.																

Signature Verified by

.....
Signature of the Member/Proxy

.....
Authorized Signatory of the Company

Note: Please present this attendance slip at the registration counter on AGM date.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, বিএসইসি নটিফিকেশন নং SEC/SRMI/2000-953/1950, dated 24th October 2000 এবং circular no. এসইসি/সিএমআরআরসিডি/২০০৯-১১৩/১৫৪, তারিখ ২৪ অক্টোবর ২০১৩ এর পরিপালনার্থে আসন্ন বার্ষিক সাধারণ সভা চলাকালীন সময় ও পরবর্তিতে কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

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