



**ANNUAL  
REPORT**

**2017**



**Olympic**



# CONTENTS

Mission, Brand Values & Organizational Structure	4
Milestones	5
Corporate Information	6
Board of Directors	8
Management	10
Awards, Events & Celebrations	14
Key Operating & Financial Data	20
Key Performance Indicators	21
Letter of Transmittal	22
Notice of Extraordinary General Meeting	23
Notice of 38th Annual General Meeting	26
Chairman's Message to Shareholders	27
Report of the Board of Directors	28
Report on Compliance of Corporate Governance	38
Sustainability Report	46
Certificate from MD & CFO on Financial Statements	56
Report of the Audit Committee	57
Certificate on Compliance of Corporate Governance	58
Value Added Statement	67
Economic Value Added Statement	68
Market Value Added Statement	69
Auditors' Report to the Shareholders	70
Financial Statements	72
Accounting Policies and Explanatory Notes	79

# MISSION, BRAND VALUES & ORGANIZATIONAL STRUCTURE

## MISSION STATEMENT

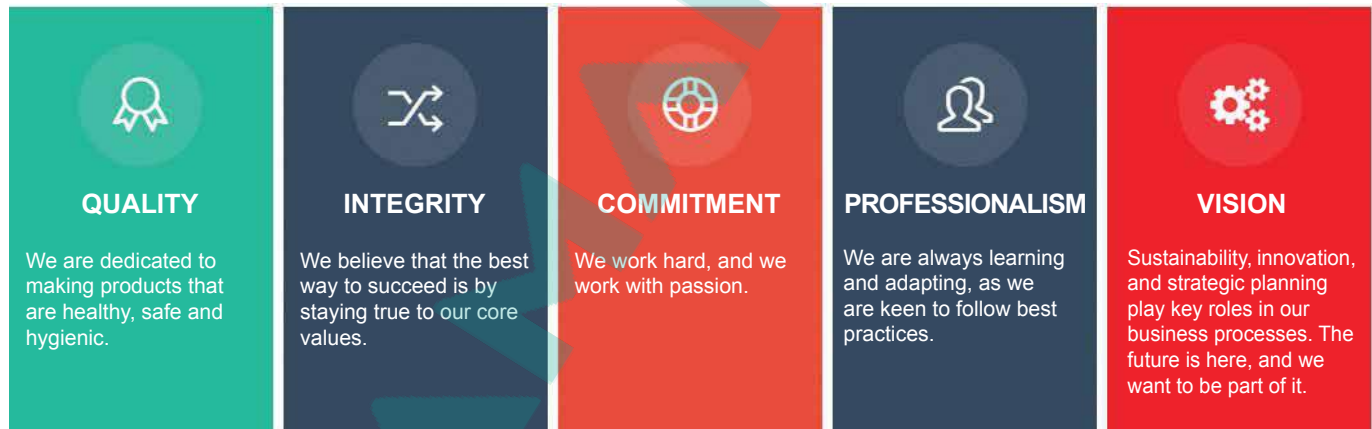
At Olympic, we believe that being a good business means contributing to the well-being of our workers, our customers, our community, and our planet. We want to add value by making good products which nourish people, all the while creating jobs and contributing to the Bangladesh economy.

We aspire to

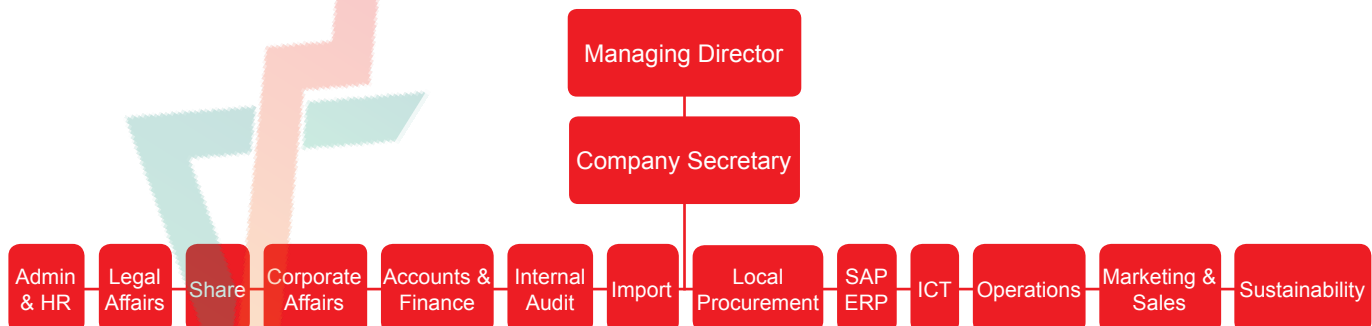
- Maintain our leadership position in the biscuit industry by producing the best quality products for our consumers that are unique, innovative and delicious
- Protect the interest of our shareholders through fiscal prudence
- Be an employer of choice while developing future leaders for our organization and the country
- Be stewards of social responsibility in Bangladesh through our initiatives

We believe that quality and integrity is the recipe of our success. Now the leader in the biscuit market, we were only able to get to where we are today by staying true to our core values and by developing new quality products we believe our customers will love.

## VALUES



## ORGANIZATIONAL STRUCTURE



# MILESTONES

**May 2017**

Commencement of ninth biscuit (cookies) line



**January 2017**

Commencement of PET sheet forming and tray making operations



**November 2016**

Commencement of eighth biscuit line  
Received NBR Award for payment of 2nd highest income tax in food and allied sector for 2015-2016



**October 2014**

Commencement of sixth and seventh biscuit lines



**August 2012**

Commencement of fifth biscuit line



**September 2010**

Commencement of fourth biscuit line



**July 2008**

Commencement of third biscuit line



**December 1996**

Commencement of biscuit and confectionery production



**June 1996**

Name changed to Olympic Industries Limited



**April 1982**

Commencement of battery production



**February 2017**

Received CIP status in the large scale industrial category



**January 2017**

Decision to import and install noodles, snacks and carton lines, and to increase bakery production capacity



**July 2015**

Received NBR Award for payment of highest VAT in production sector for 2013-2014



**February 2014**

Received ISO 22000 Certification



**July 2012**

Received NBR Award for payment of highest VAT in production sector for 2010-2011



**August 2008**

Amalgamation of Tripti Industries Limited with Olympic Industries Limited



**July 2003**

Commencement of second biscuit line



**September 1996**

Listing on Chittagong Stock Exchange Limited



**June 1984**

Listing on Dhaka Stock Exchange Limited



**June 1979**

Incorporation as Bengal Carbide Limited



# CORPORATE INFORMATION

## NAME OF THE COMPANY

**Olympic Industries Limited**  
(Formerly Bengal Carbide Limited)

## INCORPORATION NO. & DATE

C-7096/826 of 1978-1979 dated June 26, 1979

## LEGAL STATUS

Public Limited Company

## NATURE OF BUSINESS

Manufacture, marketing, distribution and sale of quality biscuits, confectionery & bakery products, and dry cell batteries

## REGISTERED OFFICE

Lolati, Union Parishad Kanchpur, P.S. & Upazilla Sonargaon, District Narayanganj

## CORPORATE OFFICE

Amin Court, 6th Floor  
62-63, Motijheel C/A  
Dhaka-1000, Bangladesh  
t: +880-2-9565228  
f: +880-2-9565555  
secretariat2@olympicbd.com  
info@olympicbd.com  
www.olympicbd.com

## FACTORIES

### Biscuit, Confectionery & Bakery

Madanpur, Keodhala, Bondar, Narayanganj  
Lolati, Kanchpur, Sonargaon, Narayanganj

### Noodles, Snacks, Corrugated Carton & Battery

Kutubpur, Kanchpur, Bondar, Narayanganj

## LISTINGS

Dhaka Stock Exchange Limited: June 9, 1984  
Chittagong Stock Exchange Limited: September 19, 1996

## MEMBERSHIPS

### Chambers of Commerce and Industry

Metropolitan Chamber of Commerce and Industry  
Bangladesh-Malaysia Chamber of Commerce and Industry  
India-Bangladesh Chamber of Commerce and Industry

### Associations

Bangladesh Association of Publicly Listed Companies  
Bangladesh Auto Biscuits and Bread Manufacturers Association  
Bangladesh Agro-Processors Association  
Intellectual Property Association of Bangladesh

## CAPITAL STRUCTURE

Authorized Capital – Tk. 2,000,000,000  
Paid-Up Capital – Tk. 1,999,388,860

## SHARE STRUCTURE

Number of Issued Shares – 199,938,886  
Face Value – Tk. 10.00 (Effective December 4, 2011)  
Number of Shareholders – 12,490  
Start of Demat Trading – June 15, 2004

## SHAREHOLDING PATTERN

Directors and Sponsors – 57,827,413 shares  
Institutions – 24,550,190 shares  
Foreign Investors – 84,947,427 shares  
General Public – 32,613,856 shares  
**Total – 199,938,886 shares**

## STATUTORY AUDITORS

### M/s. M. J. Abedin & Co., Chartered Accountants

National Plaza, 3rd Floor, House 109  
Bir Uttam C.R. Datta Road, Dhaka-1205

## CORPORATE GOVERNANCE COMPLIANCE AUDITORS

### Huda & Co., Chartered Accountants

House 51, Road 13, Sector-13  
Uttara Model Town, Dhaka

## MAIN BANKERS

Agrani Bank Limited, Amin Court Corporate Branch, Dhaka  
United Commercial Bank Limited, Principal Branch, Dhaka  
The City Bank Limited, Head Office, Dhaka  
Habib Bank Limited, Motijheel Branch, Dhaka

## CREDIT RATINGS

National Credit Ratings Limited has awarded the following ratings based on the audited financial statements up to June 30, 2016. Valid up to June 2018.

Surveillance Entity Rating: AA+ (Long-Term)

Initial Entity Rating : AA (Long-Term)

Bank Loan Ratings

Short-Term : ST-1

Long-Term : AA+

# OUR PEOPLE



# BOARD OF DIRECTORS



## **Mohammad Bhai, Chairman**

A renowned businessman, Mr. Bhai was born in Kanpur, India and migrated to Dhaka after independence. He has been doing business in Bangladesh since 1948; he was a pioneer of the Bangladesh steel industry, establishing the country's first steel mill in 1959. In addition to his vast industrial experience, Mr. Bhai is a former President of the United Chamber of Commerce and served as President of the Aga Khan Supreme Council for Bangladesh for over two decades.



## **Mubarak Ali, Managing Director**

Mr. Ali is a truly dedicated businessman and has been an industrial entrepreneur for over 40 years. He has been the Managing Director of Olympic since its inception and is solely credited with its success to date. In addition to his business accomplishments, he is a former Vice President and treasurer of the Lions Club, an executive committee member of the Bangladesh Association of Publicly Listed Companies and former Chairman of the Aga Khan Foundation National Committee, Bangladesh.



## **Aziz Mohammad Bhai, Director**

Mr. Bhai is a charismatic personality and a successful industrial entrepreneur in Bangladesh. He was actively engaged in the management of a steel producer for over three decades and has been an innovator in the local pharmaceutical manufacturing industry. In addition to his long list of business accomplishments, Mr. Bhai is a life member of the SAARC Chamber of Commerce.



## **Safinaz Bhai, Director**

Mrs. Bhai, a British citizen, has completed her education in the United Kingdom and has been involved in several businesses and social institutions since moving to Bangladesh in 1980. She is also a Director of RMB Fisheries Limited. An avid bridge player, she has represented Bangladesh at various tournaments, both locally and internationally.



### **Munir Ali, Director**

Mr. Ali, educated at Indiana University in the United States, has been involved in the development of the company's biscuit and confectionery businesses. He is the founder and Managing Director of Asia Commodity Limited.



### **Noorbanu Virji, Independent Director**

Ms. Virji has been an Independent Director of Olympic since September 2014. She has a long career in voluntary activities and has held several key positions with His Highness The Aga Khan's organizations. She was the Vice President of the Aga Khan National Council for Bangladesh, Director of Aga Khan Education Service, Bangladesh and is Honorary Secretary of the Ismailia Cooperative Society.



### **Begum Sakwat Banu, Independent Director**

Ms. Banu was appointed as an Independent Director of Olympic effective October 27, 2016. Ms. Banu obtained her M. Com in Accounting from the University of Dhaka. She is the Chairperson of Prime (BD) Inspection Services Limited and Vice Chairperson of Times University Bangladesh. She has more than three decades of experience in business management.

## Audit Committee



**Begum Sakwat Banu**  
Chairman



**Aziz Mohammad Bhai**



**Mubarak Ali**

# MANAGEMENT



**Mubarak Ali**  
Managing Director



**Tanveer Ali**  
Executive Director



**Madad Ali Virani**  
Executive Director, Operations



**Harun Al-Rashid**  
Chief Financial Officer



**Md. Nazimuddin**  
Executive Director & Company Secretary



**Quazi Touhiduzzaman**  
General Manager, Marketing & Sales



**S. R. Mondal**  
Additional GM, Accounts & Taxation



**Mazharul Hasan Khan**  
Additional GM, Legal Affairs



**A.B.M. Abdul Hakim**  
Additional GM, Import & Procurement



**Feroze Huda**  
Additional GM



**Nazrul Islam**  
Additional GM



**Abdur Rob Khan**  
Additional GM, Technical



**Altaf Hamid**  
Deputy GM, Admin & HR



**Enamul Kabir Miah**  
Deputy GM & Head of Internal Audit



**Imdadul Haque**  
Deputy GM, Sales



**Hossain Mohammad Jahangir**  
National Sales Manager



**Md. Shamsul Alam**  
Assistant GM, ERP



**Kamrul Islam**  
Assistant GM, Accounts

# MANAGEMENT



**Arman Mahmud**  
Assistant GM



**Roshan Ali Lakhani**  
Factory Manager



**Imran Hossain**  
Assistant GM, ICT



**Md. Nazim Uddin**  
Senior Manager, Export



**Mohammed Ala Uddin**  
Manager, Local Procurement



**Mahbubul Ameen**  
Manager, Marketing



**Marion Pellegrin**  
Head of Sustainability



# AWARDS, EVENTS & CELEBRATIONS



■ Managing Director Mubarak Ali presenting an award to an Area Sales Executive



■ General Manager (Marketing & Sales) Quazi Touhiduzzaman receiving Bangladesh Brand Forum's best biscuits brand award for Energy Plus



■ Olympic's award-winning pavilion at the Dhaka International Trade Fair 2017



■ Managing Director Mubarak Ali meeting with members of our marketing team during his visit to DITF 2017



■ Customers sampling our new products at our DITF 2017 pavilion



■ Customers visiting Olympic's stall at the Bangladesh Agro-Processors Association 2016 Fair



■ Customers visiting Olympic's stall at the Capital Market Expo 2016.



■ Olympic exhibiting its products at the Indo Bangla Trade Fair 2017



■ Launching ceremony of Olympic Black cream sandwich biscuits



■ A health and rights awareness event organized by Maya Apa for workers at one of our factories



■ Headliners performing at the Pahela Baiskakh 2017 concert sponsored by Olympic



■ Students performing at the School-e-Oboshore program sponsored by Olympic Energy Plus Malai Cream biscuits



■ Students trying our Energy Plus Malai Cream biscuits at the School-e-Oboshore program



■ Contestants participating in the YES Club's Masters of Ideation program at North South University, sponsored by Olympic



# OUR MANUFACTURING CAPABILITIES



# KEY OPERATING & FINANCIAL DATA

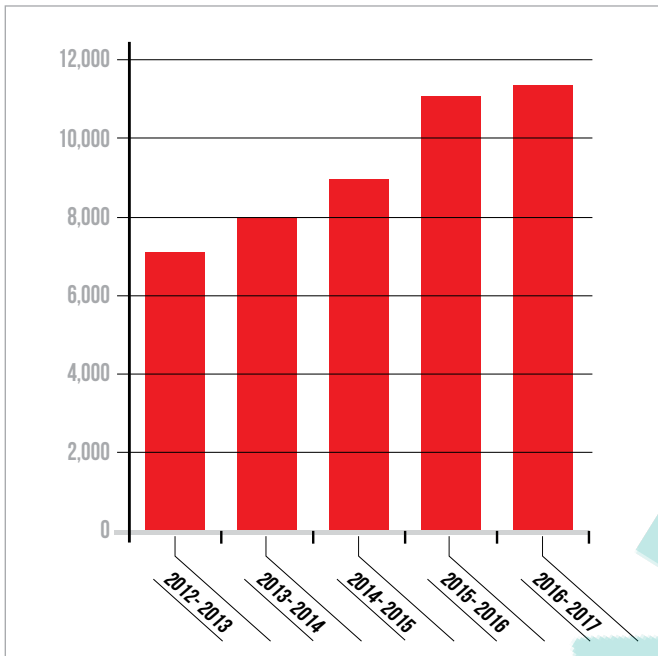
Condition 1.5 (xviii) of BSEC's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 on Corporate Governance Guidelines

Year Year ended on	2016-2017 June 30, 2017	2015-2016 June 30, 2016	2014-2015 June 30, 2015	2013-2014 June 30, 2014	2012-2013 June 30, 2013
<b>FINANCIAL POSITION</b>					
Total Assets	9,120,317,797	7,640,768,208	5,763,679,785	5,048,637,186	3,693,672,553
Total Liabilities	3,707,466,711	3,109,495,848	2,382,025,686	2,526,239,640	1,961,949,908
Shareholders Equity	5,412,851,086	4,531,272,360	3,381,654,099	2,522,397,546	1,731,722,645
Total Current Assets	6,756,491,439	5,677,517,033	3,853,733,709	3,179,172,694	2,260,856,080
Total Current Liabilities	3,408,642,811	2,859,716,979	1,988,098,981	1,977,232,044	1,517,602,918
Current Ratio	1.98:1	1.99:1	1.94:1	1.61:1	1.49:1
<b>OPERATING RESULTS</b>					
Revenue	11,290,557,541	11,034,522,095	8,996,148,594	7,922,353,876	7,093,179,369
Gross Profit	3,767,442,394	3,702,206,280	2,657,913,536	2,282,579,239	1,821,721,247
Net Profit Before Tax	2,222,785,352	2,204,929,150	1,545,547,868	1,206,850,426	904,375,134
Net Profit After Tax	1,643,250,674	1,625,663,229	1,094,340,489	869,036,213	615,357,060
Earnings per Share (Tk.10.00 par value)	8.22	8.54	5.75	7.39	7.85
No. of Shares Used in Computing EPS	199,938,886	190,417,987	190,417,987	117,541,968	78,361,312
<b>DISTRIBUTION OF PROFIT</b>					
Cash Dividend Paid/ Recommended	45%	40%	30%	20%	10%
Stock Dividend Issued/ Recommended	---	5%	20%	35%	50%
<b>CONTRIBUTION TO THE NATIONAL EXCHEQUER</b>					
VAT, AIT, Customs Duty etc.	2,321,656,992	2,153,746,842	1,672,137,930	1,540,004,216	1,387,253,538
<b>CAPITALIZATION</b>					
Authorized Capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	1,000,000,000
Paid-Up Capital	1,999,388,860	1,904,179,870	1,586,816,560	1,175,419,680	783,613,120
<b>SHARE INFORMATION</b>					
Face Value per Share (Tk.)	10.00	10.00	10.00	10.00	10.00
No. of Authorized Shares	200,000,000	200,000,000	200,000,000	200,000,000	100,000,000
No. of Shares Subscribed and Paid-Up	199,938,886	190,417,987	158,681,656	117,541,968	78,361,312
Shareholders Equity per Share	27.07	23.80	21.31	21.46	22.10
Closing Price per Share (Tk.10.00 par value)					
Dhaka Stock Exchange Ltd	278.50	345.30	234.76	222.58	167.60
Chittagong Stock Exchange Ltd	276.70	345.20	232.55	224.00	168.20
No. of Shareholders	12,490	10,747	12,230	12,608	12,548
Date of AGM	Dec.14, 2017	Dec. 22, 2016	Dec. 17, 2015	Dec. 24, 2014	Dec. 26, 2013
No. of Board Members	5+2 Indep Dir	5+2 Indep Dir	6+2 Indep Dir	6+2 Indep Dir	6+1 Indep Dir

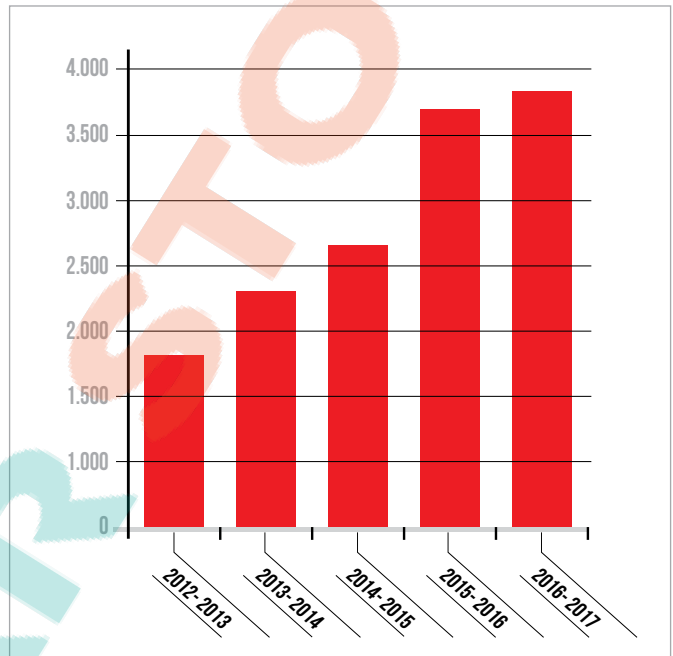
# KEY PERFORMANCE INDICATORS

■ TAKA, MILLIONS

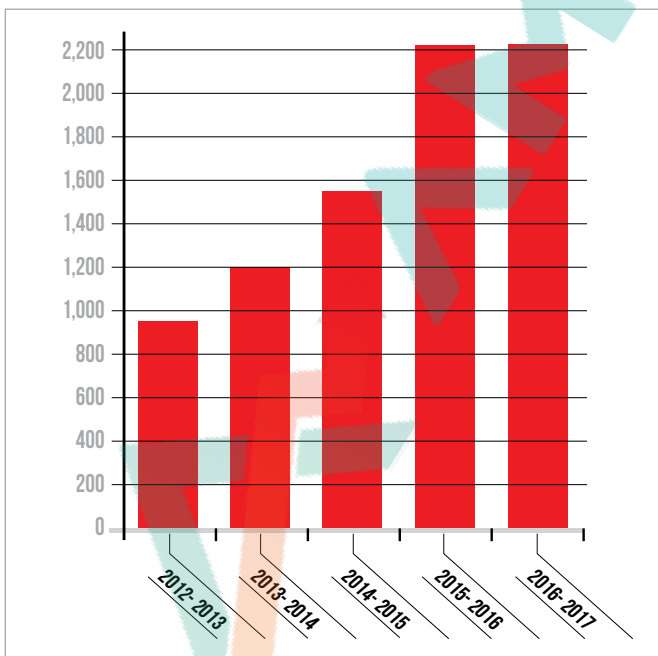
## SALES



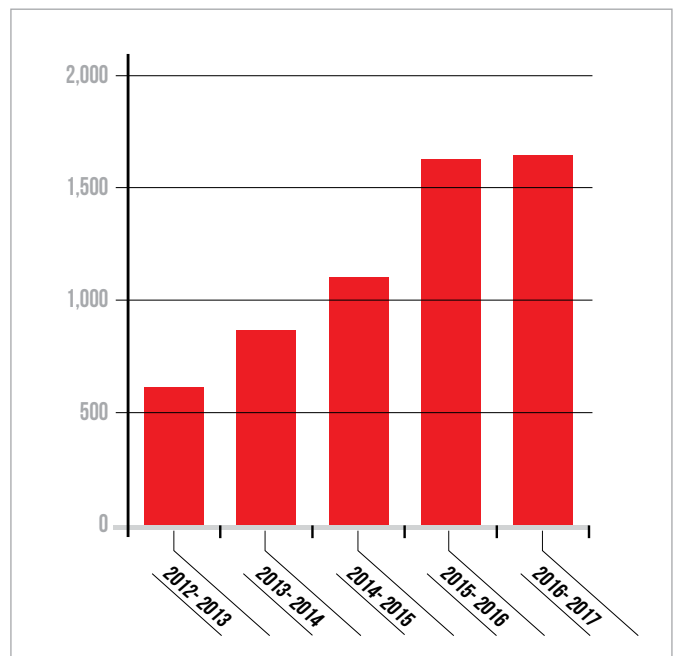
## GROSS PROFIT



## PROFIT BEFORE TAX



## PROFIT AFTER TAX



# LETTER OF TRANSMITTAL

OLYMPIC INDUSTRIES LIMITED  
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



November 15, 2017

Esteemed Shareholders  
Bangladesh Securities and Exchange Commission (BSEC)  
Dhaka Stock Exchange Limited (DSE)  
Chittagong Stock Exchange Limited (CSE)  
Registrar of Joint Stock Companies and Firms (RJSC)

Dear Sir / Madam,

**Subject: Annual Report for the year ended at June 30, 2017**

As decided by the Board of Directors at their meeting held on October 26, 2017, the 38th Annual General Meeting of Olympic Industries Limited will be held on Thursday, December 14, 2017 at 10:30am at the Battery Factory premises of the company at Kutubpur under Kanchpur Union Parishad, P.S. & Upazilla Sonargaon, District Narayanganj.

Accordingly, we take pleasure in forwarding herewith our Annual Report 2017 together with the audited financial statements comprising of the Independent Auditors' Report to the Shareholders, Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement, Unit-Wise Result, Schedule of Non-Current Assets, Statement of Profit or Loss and other Comprehensive Income for discontinued operations, Accounting Policies and Explanatory Notes to the financial statements for the year ended at June 30, 2017. The Report of the Audit Committee under Condition No.3.4.1(i), Certificate on Review of Financial Statements under Condition No.6 and Certificate on Compliance of Corporate Governance under BSEC's Notification dated August 7, 2012 are also enclosed.

The Proxy Form with Attendance Slip is provided at the end of the Annual Report for your use. Please complete the Attendance Slip and hand it over to one of our executives for admission to the AGM. If you would like to appoint a proxy, please complete the Proxy Form, sign it and submit it to our corporate office at least 48 hours before the scheduled meeting time. It will be our pleasure to welcome you to the AGM.

Thanking You,

Yours Sincerely  
For Olympic Industries Ltd.

**Md. Nazimuddin**  
Executive Director &  
Company Secretary

t: +880-2-9565228  
f: +880-2-9565555, 9567485  
info@olympicbd.com  
www.olympicbd.com

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62-63 Motijheel C/A  
Dhaka-1000  
Bangladesh

# NOTICE OF EXTRAORDINARY GENERAL MEETING

OLYMPIC INDUSTRIES LIMITED  
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



Notice is hereby given to all members of Olympic Industries Limited that the Extraordinary General Meeting of the company will be held on Thursday, December 14, 2017 at 10:00am at the Battery Factory premises of the company at Kutubpur under Kanchpur Union Parishad, P.S. & Upazilla Sonargaon, District Narayanganj to pass, with or without modifications, the following resolutions as Special Resolutions so as to enable the company carry on more business which will enable the company to carry on its business more economically and efficiently, to attain its main purpose through new and improved means, and to broaden its areas of operations:

## PROPOSED SPECIAL RESOLUTIONS

### “RESOLVED that:

- (A) The following new clauses numbered 3, 4 and 5 be and are hereby added and inserted after the existing clause number 2 of the object clause (Clause-III) of the Memorandum of Association:
3. To set-up and run under own arrangement or under joint venture or other arrangements with foreign or local organizations or persons industry, factory, undertaking, organization, installation or lines for manufacture, production, packing, use, sale, marketing, distribution, export, import and to otherwise deal with the following items and products and for those purposes to purchase or hire land; undertake all necessary constructions; import, procure from local sources, install and run all required machineries, equipments, spare parts, accessories, components, tools, etc.; arrange necessary finance for the project from own source and/or from banks and financial institutions; obtain utility connections; import and/or procure from local sources all required raw and packing materials, flavours, all essential items, products and ingredients; to hire, employ or engage manpower at all required levels; to engage local or foreign technicians, experts, consultants, etc.; to appoint / engage dealers, distributors, agents, stockists; to engage advertisement agencies; undertake market survey operations and required sales promotion strategies, advertisements, etc.; make arrangements for purchase, registration, run, repair and maintenance of necessary transport vehicles for movement of goods and manpower; to obtain from concerned agencies all necessary registrations, trademarks, patent rights, licenses, permissions, NOCs, clearances, permits, certificates, recommendations, sanctions, concessions, grants, etc.; to carry on the business of manufacturers, dealers, distributors, importers, exporters, suppliers, and stockists of following items and products or any other items of goods and products and undertake any and all actions, steps and operations including participation in tenders; undertake balancing, modernization, replacement and expansion operations for successful implementation and run of all projects and business of the company. If deemed appropriate and feasible, to set-up or hire factory or factories and offices in other districts of the country or outside the country and run manufacturing, sales, marketing, import, export and all other required operations therein for following items and products
- a) Different types and kinds of biscuits, wafers, cookies, cakes, breads, loaves, toast, rusk and different types and kinds of other bakery items and products and various food ingredients;
- b) Different types and kinds of Hard Candy, Soft Candy, Chocobar, Chocolates, Chocolate Chips, Lozenges, Lollypop, Toffee, Éclairs, various other confectionery items & products and various ingredients used in confectionery items;
- c) Different types and kinds of nan-khatais, namkeens, nimki, corn bread, corn cake, corn flakes, bakharkhanis, sweetmeats; miscellaneous nutrient food items and products prepared with admixture of chocolates, cocoa powder, dry fruits, butter, cheese, ghee, special types of cereals, spices, seasonings and different types of food items, food supplements falling in those categories as well as various non-food items;
- d) All types of stick noodles, instant noodles, other types of noodles, spaghetti, macaroni, muffins, bagel, doughnuts, various food and fast food items, easy-to-prepare food items, break-fast items, light refreshment items, ready-to-use food items, etc.;
- e) All types of dairy and dairy food items and products, poultry items and products, fruit processing items and products, agricultural items and products, all sorts of spices, river and sea resource items, various health and energy drinks, pure drinks, jam, jelly, pastes, pickles, soft drinks, powdered drinks, milk and milk products, powdered and condensed milk and products, milk based products, cheese, cheese-cakes, yogurts, curds, any and all types of condiment items, dried and preserved fruits and items, flavoured drinks, bottled drinks, carbonated drinks, soft drinks, fruit drinks and pure drinking water, etc.;

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Dhaka-1000  
Bangladesh

- f) All sorts of fresh and frozen snacks including fried extruded snacks, snacks made from grain group; snacks made from fruit, beans and vegetable group; snacks made from egg, fish and meat group, snacks made from milk, curd, yogurt and cheese group, etc.; various types of light meals and repast items, hasty light meals, various protein rich foods, frozen food items, items like puffed rice, jhalmuri, flattened rice, popcorn, potato chips, potato crackers, cream crackers, different types of vermicelli, chanachur and various other food items and non-food items, etc.;
- g) All sorts of fresh, dried and customized fruits and vegetables; frozen and dried fish and meat, etc.;
- h) All sorts of cartons including corrugated cartons, packing boxes made of cardboard, hardboard, pasteboard, woods, pulps, papers and other items for packaging of various goods, items and merchandise; various types of plastic tray and other protective outer and inner coverings; all sorts of sheets, wrappers, wrapping papers, wrapping or covering materials, packaging materials made of foil, tins, paper, vinyl, polyvinyl, plastic, resins, PET, PVC, acrylic, synthetics and other items; all sorts of papers, news prints, folders, covering materials, boxes, etc. made of jute, bagasse, pulps, kraft papers, waste papers, synthetics and all other required items;
- i) All sorts of plastic and plastic goods; garments and garments accessories; furniture and accessories thereof; all sorts of medicine and raw-materials thereof; all sorts of crockeries and cutleries made of plastic, melamine, ceramic, porcelain, etc. and all sorts of construction materials
4. To set up and run anywhere inside and outside the country and under own, franchise, joint venture or other arrangements Showrooms, Sales Centers and Display Centers for products of the company as well as for all sorts of branded food and non-food items and products and all other reputed brands of goods, items, merchandise and products for everyday consumption and use.
5. If deemed feasible and profitable, to enter into and undertake joint venture or other arrangements, technical collaboration, franchise arrangements, etc. with any person, firm, company or organization both within and outside the country for any business which the company is entitled and capable to carry on and run.
- (B) Consequent upon addition and insertion of aforesaid new clauses numbered 3,4 and 5, the following existing serial numbers of object clauses of the Memorandum of Association of the company be and are hereby renumbered as under:
- a) Existing sub-clause number 2(a) shall have new number 6.
- b) Existing clauses numbered 3 to 6 shall have new numbers 7 to 10.
- c) Existing sub-clauses numbered 6(a) to 6(d) shall have new numbers 11 to 14.
- d) Existing clauses numbered 7 to 13 shall have new numbers 15 to 21.
- e) Existing sub-clauses numbered 13(a) to 13(d) shall have new numbers 22 to 25.
- f) Existing clauses numbered 14 to 26 shall have new numbers 26 to 38.
- g) Existing sub-clause number 26(a) shall have new number 39.
- h) Existing clauses numbered 27 to 36 shall have new numbers 40 to 49.”

**“FURTHER RESOLVED that:**

- (i) The resolutions covered under numbers (A) and (B) above as are approved by the shareholders shall be effective after and to the extent it is approved and confirmed by the Court (High Court Division) on petition, and
- (ii) A certified copy of the Order of the Court confirming the approval of Special Resolutions passed by the shareholders together with a typed copy of the altered Memorandum of Association shall be filed by the company with the Registrar of Joint Stock Companies & Firms, Dhaka within 90 (ninety) days from the date of the order or within such time as may be extended by the Court (High Court Division).”

OLYMPIC INDUSTRIES LIMITED  
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



- (C) To enhance the Director's Fee or remuneration for attending the Board Meeting in line with present circumstances, the following resolution be and is hereby also passed as Special Resolution to substitute the existing Article 111 of the Articles of Association:

"RESOLVED that the existing Article-111 of the Articles of Association of Olympic Industries Limited be and is hereby substituted by the following new Article-111:

Quote – 111. The remuneration of a Director shall be Tk. 10,000.00 (Taka ten thousand) for attending every meeting of the company. The management of the company may also allow the attending Director to get reimbursement of his / her to and fro travelling expenses and expenses for accommodation and fooding from the company if the meeting is held in other district of the country outside Dhaka or in any other country. – Unquote."

**"FURTHER RESOLVED THAT:**

1. After approval by the shareholders, the existing Article 111 of the Articles of Association shall be substituted by new Article 111 containing the aforesaid substitution and the said new Memorandum and Articles of Association shall be accepted and adopted as the Memorandum and Articles of Association of Olympic Industries Limited.
2. A certified copy of the aforesaid Special Resolutions together with the copy of the new Memorandum and Articles of Association containing the new texts as aforesaid and Form-IV be filed with the Registrar of Joint Stock Companies and Firms, Dhaka for their record."

By Order of the Board

Dated: November 11, 2017

**Mubarak Ali**  
Managing Director

**Notes:**

1. The Record Date to attend the Extraordinary General Meeting is November 23, 2017.
2. A member eligible to attend the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf at the Annual General Meeting. A proxy form for this purpose bearing revenue stamp of Tk. 20 must be deposited at the corporate office of the company at least 48 hours before the meeting. The proxy must be a shareholder of the company and the signature of the proxy is to be verified by the shareholder appointing the proxy.
3. Admission to the meeting venue will be on production of an attendance slip, duly signed. Children and non-members are not permitted to attend. The attendance slip and proxy form will be sent with the Annual Report. The attendance register shall remain open until 10:00am on the date of the EGM (December 14, 2017) and shareholders are requested to record their attendance by that time.

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Bangladesh

# NOTICE OF 38<sup>TH</sup> ANNUAL GENERAL MEETING

OLYMPIC INDUSTRIES LIMITED  
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



Notice is hereby given to all members of Olympic Industries Limited that the 38th Annual General Meeting of the company will be held on Thursday, December 14, 2017 at 10:30am at the Battery Factory premises of the company at Kutubpur under Kanchpur Union Parishad, P.S. & Upazilla Sonargaon, District Narayanganj to transact the following business:

## AGENDA

1. Receive, consider and adopt the audited financial statements of the company for the year ended at June 30, 2017 and the reports of directors and auditors thereon.
2. Consider and approve payment of 45% cash dividend (Tk. 4.50 per share) to shareholders for the year ended June 30, 2017 as recommended by the Board of Directors.
3. Consider the reappointment of Mubarak Ali, Managing Director for next term of 5 (five) years from December 29, 2017 to December 28, 2022 with existing remuneration and to consider the increase of the monthly house rent ceiling of free furnished accommodation of both the Chairman and the Managing Director from Tk. 500,000.00 (Taka five hundred thousand) to Tk. 750,000.00 (Taka seven hundred fifty thousand) each per month.
4. Consider the retirement by rotation and reappointment of Aziz Mohammad Bhai and Safinaz Bhai, Directors.
5. Approve the extension of appointment of Noorbanu Virji, Independent Director for an additional term of 3 (three) years from September 25, 2017 to September 24, 2020 as has been approved by the Board of Directors in their meeting held on September 25, 2017.
6. Consider the appointment of new statutory auditors for the year ending on June 30, 2018 and to fix up their remuneration.
7. To transact any other business of the company with the permission of the Chairman.

By Order of the Board

**Md. Nazimuddin**  
Executive Director, Corporate Affairs  
& Company Secretary

Dated: November 11, 2017

## Notes:

1. The Record Date to attend the 38th Annual General Meeting and for entitlement of approved Cash Dividend is November 23, 2017, as notified on October 26, 2017.
2. A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf at the Annual General Meeting. A proxy form for this purpose bearing revenue stamp of Tk. 20 must be deposited at the corporate office of the company at least 48 hours before the meeting. The proxy must be a shareholder of the company and the signature of the proxy is to be verified by the shareholder appointing the proxy.
3. Admission to the meeting venue will be on production of an attendance slip, duly signed. Children and non-members are not permitted to attend. The attendance slip and proxy form will be sent with the Annual Report. The attendance register shall remain open until 10:30am on the date of the AGM (December 14, 2017) and shareholders are requested to record their attendance by that time.
4. Any change of address should be notified in writing to the company.
5. Any questions pertaining to the financial statements or reports of the Board of Directors or auditors must be submitted in writing to the corporate office of the company at least 48 hours before the meeting to facilitate providing a proper response.
6. To comply with the directives provided by Bangladesh Securities and Exchange Commission (BSEC) as contained in Notification No. SEC/SRMI/2000-953/1950 dated October 24, 2000 published in the Bangladesh Gazette on November 7, 2000 and also as contained in their Circular No. SEC/CMRRC/2009-193/154 dated October 24, 2013, no gifts, benefits, food items, etc. shall be provided to shareholders attending the 38th Annual General Meeting of the company.

Shareholders who have not yet submitted their 12-digit Taxpayers Identification Number (TIN) to the Share Department of the company are requested to do so by December 13, 2017; failing which, Income Tax at Source will be deducted from dividends payable at 15% instead of 10%.

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Bangladesh

# CHAIRMAN'S MESSAGE TO SHAREHOLDERS



## Dear Shareholders,

It is a great privilege and honour to welcome you to the 38th Annual General Meeting of Olympic Industries Limited. Thank you for your loyalty and support over the past four decades, as we have transitioned from a dry cell battery producer to the largest biscuit manufacturer in Bangladesh.

We have recently brought biscuit lines 8 and 9 into commercial operation, in November 2016 and May 2017 respectively, to provide us additional capacity and the opportunity to produce new and innovative products such as premium cookies. We also announced our plans to import new production lines to diversify into noodles and snacks manufacturing as well as a carton manufacturing line to provide us with consistency of supply and quality. Lastly, we announced plans to build a new 88,000 sqft production building to house these new diversification initiatives.

We continue to make considerable improvements to our supply chain and operations initiatives, including in the areas of process and packing automation. We are pleased to say that Olympic has emerged as one of the most recognizable and respected consumer goods brands in Bangladesh, reputed for manufacturing products that are healthy, safe and hygienic.

We launched our Sustainability program in the 2015-2016 fiscal year, bringing together important elements of Corporate Social Responsibility, environmental stewardship, and good governance. In her report, our Head of Sustainability provides an overview of our focus areas and key stakeholders and a detailed update about our key on-going initiatives.

We would like to extend our most sincere thanks to our consumers, bankers, financial institutions, suppliers, Bangladesh Securities & Exchange Commission, both national stock exchanges, CDBL, RJSC, tax authorities, government offices and agencies.

We would not be where we are today without the hard work, dedication and unwavering commitment of our Managing Director, Mubarak Ali along with the entire Olympic family.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Bhai'.

**Mohammad Bhai**  
Chairman

# REPORT OF THE BOARD OF DIRECTORS

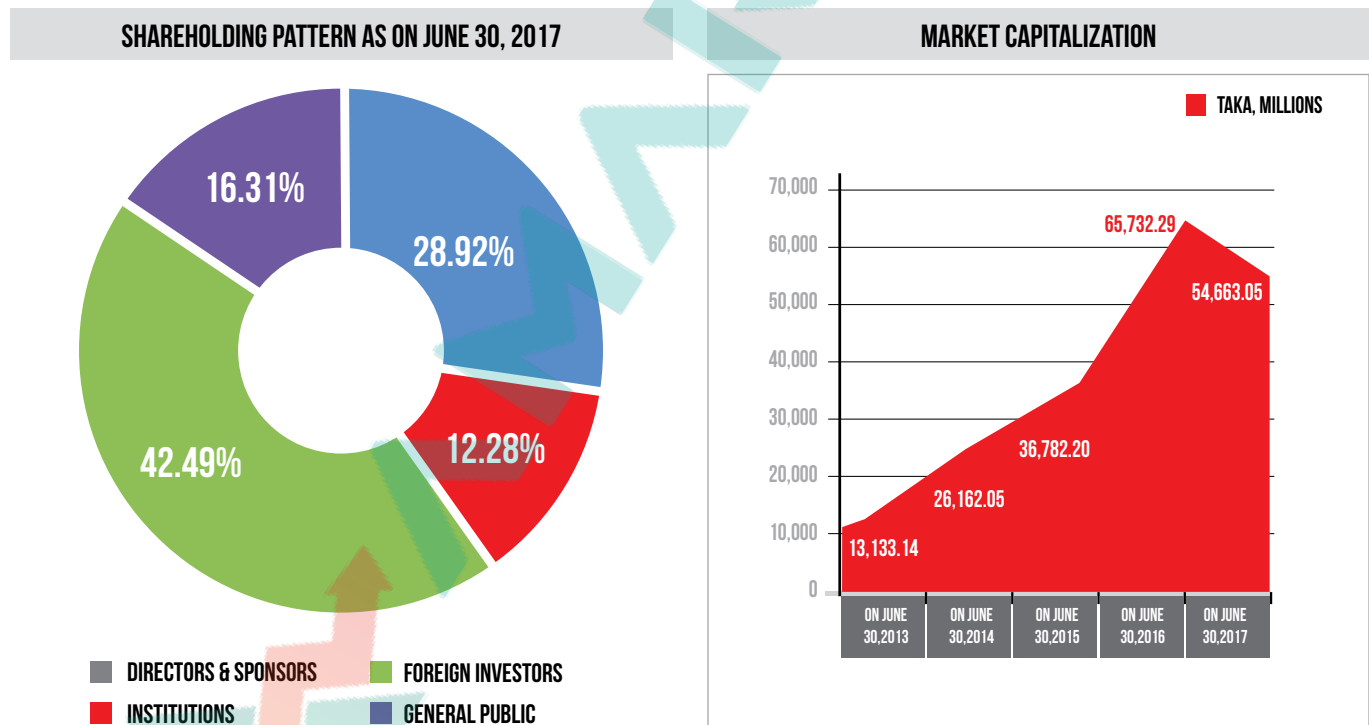
Dear Shareholders,

It gives us pleasure to present you with the Report of the Board of Directors, together with the audited financial statements for the year ended June 30, 2017. After a significant period of substantial growth, this fiscal year proved to be one of the more challenging ones. However, it also represented a very unique opportunity to focus on new prospects to build the business. While muted, Olympic experienced positive growth in our major metrics. We have provided commentary on the company, our individual business units and our macroeconomic views below that we hope you will find informative.



## Stock Exchanges & Corporate Compliance

Olympic is listed on both national stock exchanges in Bangladesh and is also a constituent of both the DSE30 index as well as the CSE30 index. As indicated in the enclosed report on compliance with the Bangladesh Securities & Exchange Commission Guidelines on Corporate Governance, we are pleased to advise that we are fully compliant with all regulations.



## Credit Rating

Olympic is pleased to advise that National Credit Ratings Limited (NCR) has maintained its credit rating of Olympic at AA+ (double A plus) long-term rating with stable outlook, valid until June 2018. Please visit NCR's website at [www.ncrbd.com](http://www.ncrbd.com) for a full explanation of their rating methodology.

## Investor Relations, Conferences & Events

Executive Director Tanveer Ali was invited to speak at several prominent investor conferences and events this year, including the Bangladesh Growth Summit hosted by Brummer & Partners, FIM Partners' Frontier Investor Conference, and Arisaig Partners' Consumer Symposium.

Mr. Ali also represented Olympic at Citibank's Frontier Markets Symposium and Auerbach Grayson's South Asia Conference as well as many individual investor meetings and sessions in Bangladesh and abroad.

## Board Decisions

We are pleased to advise that our eighth biscuit line entered into commercial operation in November 2016 and our ninth biscuit line (cookies) entered into commercial operation in May 2017. Together, these two lines brought our production capacity above 100,000 metric tons annually, and they now provide us the sufficient arsenal for very unique opportunities as consumer preferences evolve and disposable income grows.

In January 2017, we made several important decisions that would set the tone and direction for the company for next few years. We announced our diversification into instant noodles, snacks and cartons, expansion of our bakery initiatives by importing a new tunnel oven, as well as the construction of a new 88,000 sqft production building at our Kutubpur factory to house these new diversification initiatives.

Instant noodles and snacks represent unique diversification opportunities for us as they both use the same upstream and downstream channels as our existing biscuits. As we launch and grow these new businesses, it is expected that our increased consumption of key raw materials such as flour, sugar and oil will grow and provide us the ability to obtain better commercial terms from our suppliers. It is also expected that we will be able to utilize a substantially large part of the existing distribution network that we have spent years building and optimizing, to distribute these new products. As a board, we have found it prudent for the company to primarily focus on expansion and diversification efforts that are aligned with both our existing upstream and downstream operations.

It has been remarkably challenging to procure millions of cartons per month with consistent levels of quality, especially as our growth in the past number of years has put significant pressure on many of our suppliers. To that end, we decided that it would be in the best interest of the company to import a carton manufacturing line, with corrugation and printing, that would give us both the flexibility to produce cartons based on our requirements as well as the consistency in quality that we have been seeking.

As we strive towards automation in our packaging processes, a critical prerequisite is consistency of quality of the cartons we use. As we encounter significant variances in weight and density of cartons supplied, we have found it challenging to further this initiative without having full control of the supply of cartons that we use for our products.

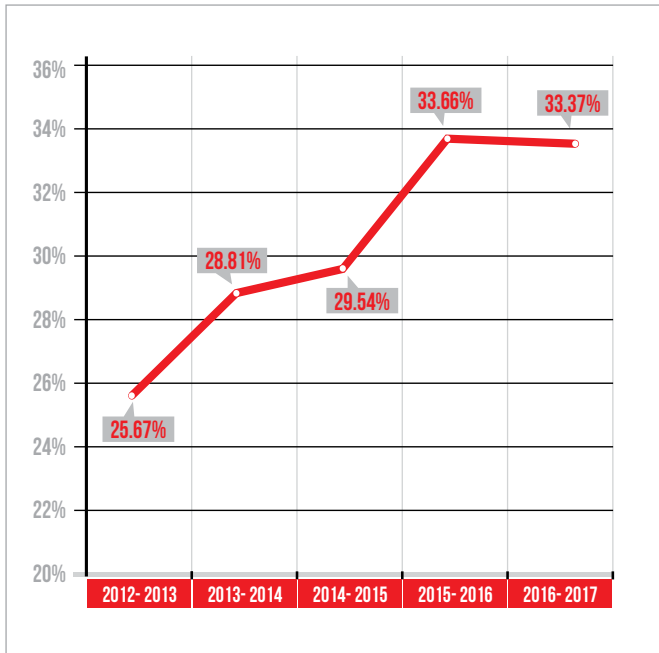
On a similar note, we also announced in January 2017 that our PET sheet forming and tray making line entered into commercial operation. This initiative was necessary to ensure uniformity in the quality of trays and to reduce our dependence on external suppliers. While we have generally stayed away from significant vertical integration expenditures, we have very much chosen to focus on selective initiatives where we have experienced problems with consistency and/or quality of supply and have anticipated that further growth of certain products (such as products we pack in trays) could be affected as a result.

Construction of the new 200,000 sqft production building at our Lolati biscuit factory that we announced in December 2015 is still on track and well under way. This new production building, when complete, will ensure that we have sufficient space for our expansion and diversification endeavours.

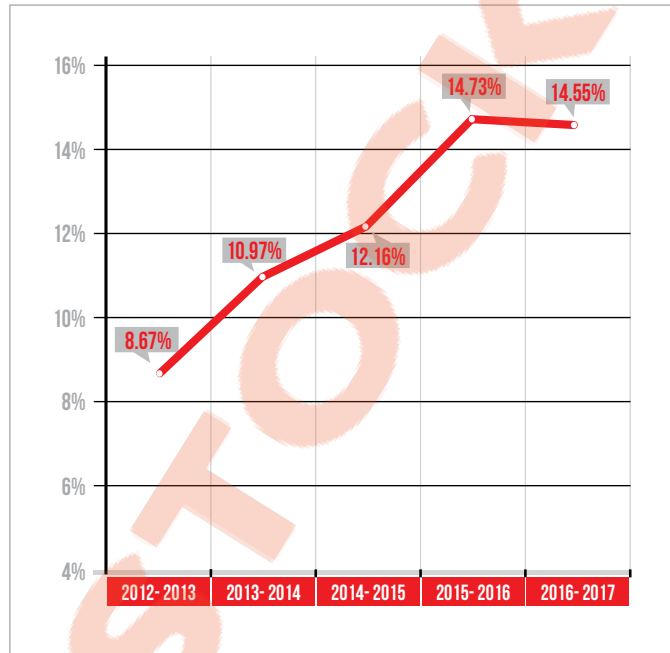
## Updates on 2015-2016 Initiatives

Last year, we announced that we re-launched our website ([www.olympicbd.com](http://www.olympicbd.com)) with the objective of providing more transparency and valuable information to all of our stakeholders and improving the online presence of our brands that are already highly visible offline. In addition to financials and annual reports from the past decade, we have added

**GROSS PROFIT MARGIN**



**NET PROFIT MARGIN**



many reports to the sustainability section of our website. In the future, it is our hope that we can further use our website to communicate with all of our various stakeholders.

We have also completed the company-wide corporate rebranding initiative we discussed last year. All of our collateral and branding, from business cards to billboards to our website to all of our packaging material, have now been successfully aligned under this initiative. We believe that a well-articulated and cohesive brand, horizontally and vertically, will allow us to significantly build on brand association and recognition initiatives.

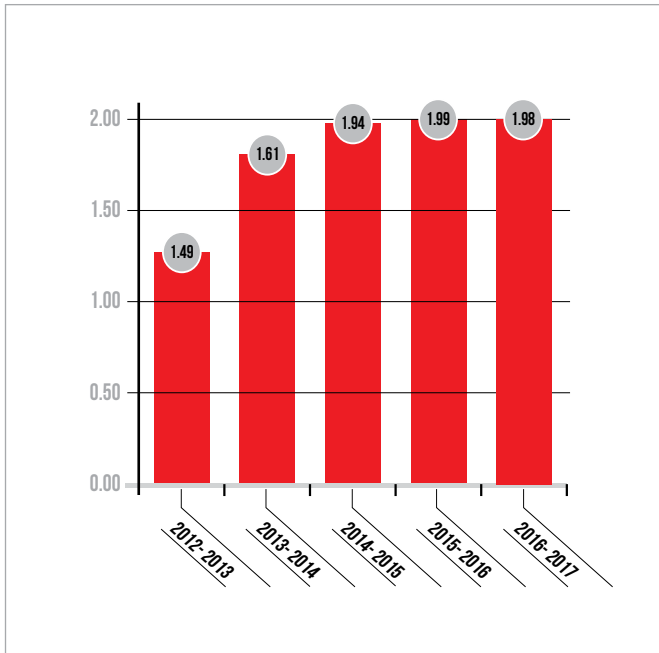
**Margins & Metrics**

In the past twelve months, our revenue increased to Tk. 11.29 billion, a 2.97% increase from Tk. 11.03 billion a year ago. During the same period, gross profit increased by 2.08% to Tk. 3.77 billion and net profit after tax increased by 1.20% to Tk. 1.64 billion.

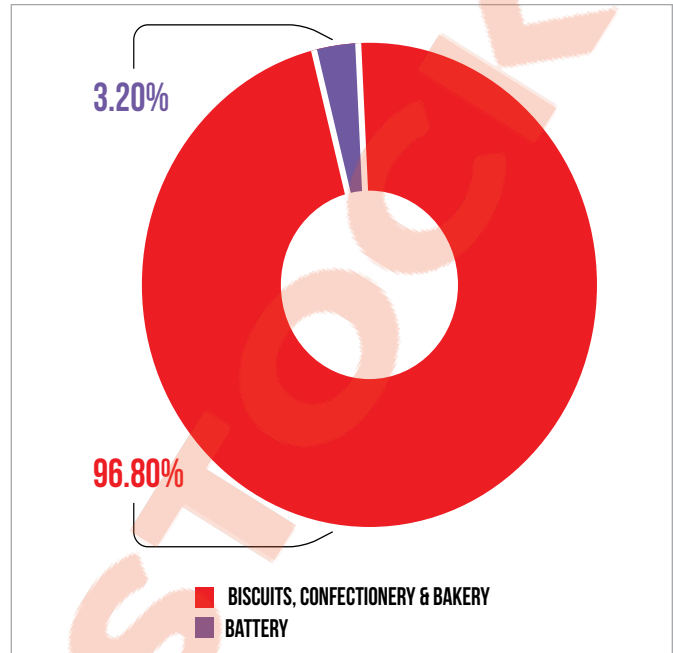
Our gross profit margin slightly declined to 33.37% this year from 33.66% a year ago. Our cost of goods sold increased to Tk. 7.52 billion from Tk. 7.27 billion a year ago, representing a year over year increase of 3.42%, primarily as a result of higher global food prices. It is noteworthy that, even as food prices hit multi-year highs, we have still been able to maintain our gross margins with efficient supply chain management and the use of our cash to prepay for many of our key raw materials. We are generally able to pass on a majority of increases in raw material costs to our consumers, primarily through the adjustment of our pack sizes (rather than changes to prices of the packs themselves) however there is typically a lag of one to one and a half quarters. We have also focused on the sale of products with higher gross margins within our entire sales mix to counteract the recent rise in commodity prices.

Our net profit margin has increased from 6.59% in fiscal year 2010-2011 to 14.55% this year, which is slightly lower than 14.73% a year ago. This expansion in net profit margin over time has been a result of strong efforts to maximize production efficiencies and capitalizing on economies of scale such as distributing fixed administrative, marketing, selling and operational costs across higher sales, as biscuit and confectionery sales continue to represent a substantial percentage of our top line. For illustrative purposes, our net profit after tax this year was Tk. 1.64 billion as compared to Tk. 191.17 million in 2009-2010, representing a 759.58% increase over the eight year period.

**CURRENT RATIO**



**BREAKDOWN OF 2016-2017 NET TURNOVER**



**Net Assets, Cash Flows & Non-Operating Income**

Our net assets grew by Tk. 881.58 million in the year ended June 30, 2017, to Tk. 5.41 billion this year representing a year over year increase of 16.29% from Tk. 4.53 billion a year ago. As we build our capital base, we will continue to assess how best to deploy our resources to generate returns on invested capital similar to those that shareholders have seen from us in the past decade.

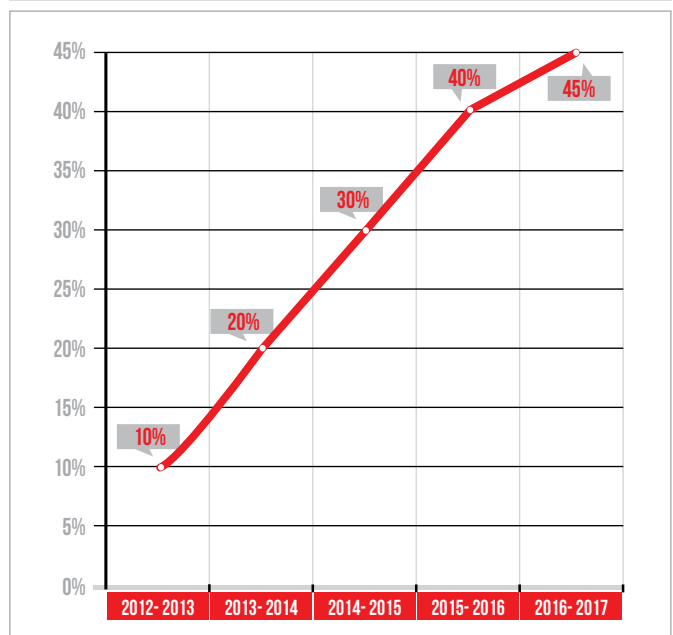
Cash flows from operating activities decreased to Tk. 988.67 million from Tk. 2.09 billion a year ago, with net operating cash flow per share decreasing to Tk. 4.94 per share from Tk. 10.96 per share. As advised earlier, we have started using our cash in more constructive ways to generate more positive operating returns rather than non-operating income. Our business has traditionally been one built on negative working capital. We have recently found that prepaying for certain cost of goods sold, rather than buying on credit, often yields better discounts and appears to be a good use of our cash.

We received Tk. 281.45 million in interest on our deposits as compared to Tk. 261.48 million a year ago. Similarly, in comparison, we paid Tk. 114.07 million in interest on our loans as compared to Tk. 87.59 million a year ago. We must reiterate that while it is nice to see our deposits, through strong treasure management, earn significant non-operating income, the primary purpose of this company is to generate operating income through the manufacturing and sales of consumer goods.

**Dividends**

The Board of Directors is pleased to recommend 45% cash dividend i.e. Tk. 4.50 (Taka four and fifty paise) for every ordinary share of Tk. 10.00 for the year ended June 30, 2017. Payment of the cash dividend as recommended

**CASH DIVIDEND**



above shall be subject to approval of the shareholders at the 38th Annual General Meeting of the company. Shareholders whose names shall appear on either the list of shareholders or the CDBL Register on the Record Date of November 23, 2017 shall be entitled to the cash dividend.

We have recommended increasing our cash dividend to Tk. 4.50 per share this year as compared to Tk. 4.00 per share last year. The company is now in a position to responsibly distribute healthy dividends to shareholders without any risk to its capital base. Our payout ratio has substantially increased over years from 13.60% in 2010-2011 to 54.74% this year.

In recent years, we have expanded the company's capital base through the issuance of bonus shares. At the time, the company was better served by spending cash on capital expenditures and building its capital base rather than limiting free cash flows through the distribution of larger cash dividends. However, the company has now built a substantial and comfortable capital base with which to grow, attract new investors, and maintain liquidity.

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## Macroeconomic Insights & Industry Developments

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Bangladesh has a history of resilience; from natural disasters (such as annual floods affecting a large part of the country) to economic or political instability, time and time again, Bangladesh keeps emerging. The Holey Artisan Bakery terrorist attack on July 1, 2016 was a tragic day in the history of Bangladesh. Immediately following the incident, many international visitors, primarily visiting as buyers of ready-made garments, understandably canceled or postponed their travels to Bangladesh. Several factories, especially sub-contracted garments factories, shuttered and laid off tens of thousands of employees due to a lack of orders.

This situation, coupled with the reduction in inward remittances due to fewer job opportunities for Bangladeshi migrant workers, led to a significant impairment in consumption at the base of the pyramid immediately following the terrorist attack, which also happened to be the start of our fiscal year. We believe this recent situation is a short-term phenomenon; while there are of course risks in most frontier countries, we strongly believe Bangladesh's resilience will once again prevail.

It appears to be general consensus that Bangladesh, under the right conditions, is likely to hit its annual GDP growth rate target of 5-7% over the next five years. While there are certainly risks and other factors that this performance is contingent on, Bangladesh has proven to be remarkably resilient.

Bangladesh's population continues to grow and continues to have more and more disposable income. This increase in disposable income paired with a significant development of the Bangladesh taste palette, affords us a very unique opportunity.

There has been substantial growth in the biscuit industry over the past decade, albeit from a lower base, with an increase in the country's population, growing per capita consumption and conversion from traditional to automated biscuit manufacturing. As a result, the industry has grown to a very large size of approximately 240,000 metric tons or approximately 1.5 kg per capita annually.

As the market has grown substantially over the years to its current size, it appears that the biscuit and confectionery industries should grow at GDP + 100bp annually over the same period. We should continue to grow at rates higher than our respective industries, capturing market share along the way, with additional growth coming our new diversification projects we have recently announced. We continue to explore opportunities to grow through non-organic methods in the biscuit industry, however we believe these opportunities will remain limited for the near foreseeable future.

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## Risks & Concerns

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Credit, liquidity and market risks have been addressed within the notes to the financial statements. Increased competition is a risk that we expect and have been expecting for quite some time. New lines from existing biscuit manufacturers and new entries from food manufacturers are expected in the coming years. It will be up to us to execute on our mandate and continue to capture market share in a space where we will be seeing new entrants. We welcome competition as it continually ensures that we strive for better and motivates us to maintain and build on the relationships we have with all of our stakeholders. Competition also forces us to keep improving, becoming better

at what we do and of course, ensuring that understand the needs of our consumers to provide them with unique, innovative products at attractive price points.

Olympic procures most of the raw materials for biscuit and confectionery production locally. However, Bangladesh is not a significant producer of wheat, palm oil or sugar, which are the major ingredients used in biscuit manufacturing. These raw materials, though locally procured by us, are imported from all around the world and, as such, are priced in US Dollars. Fluctuations in commodity prices are a risk for us however, with certain key commodities on the rise, we will continue to assess and exploit unique opportunities with creative solutions to maintain our margins. The implementation of our deeper and stronger supply chain processes definitely assists in mitigating these sorts of risks that exist.

We often see imitations of our products and we continue to undertake mitigation efforts including educating consumers, vigilance and proactive cooperation with law enforcement and government agencies, as these imitations frequently include infringements on Olympic's registered marks and names. We have successfully shut down many of these producers for infringements through legal recourse however often, the resources available to the authorities are limited and these processes take a significant amount of time. We treat these infringements very seriously and will take any and all steps necessary to protect and safeguard our brands.

### Biscuits, Confectionery & Bakery

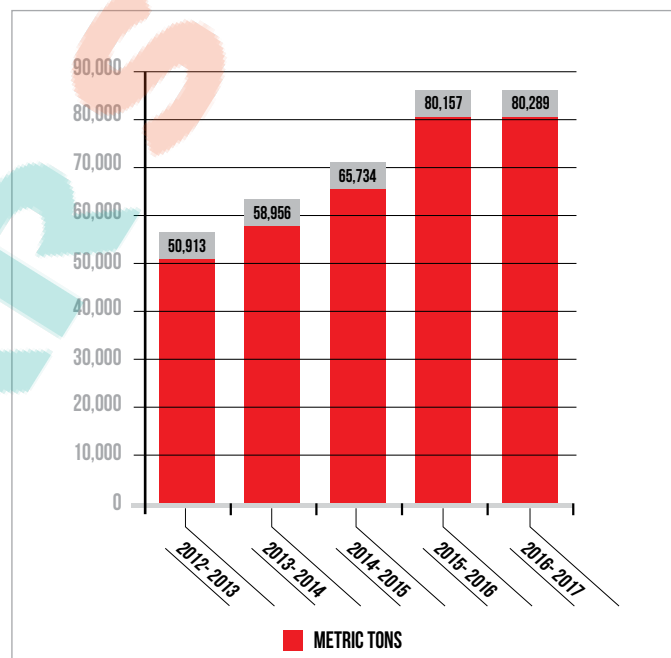
Biscuits, confectionery and bakery products accounted for 96.80% of this year's total revenue as compared to 96.14% last year. This year, we sold 80,289.21 metric tons as compared to 80,156.68 a year ago, representing a 0.17% year over year increase in volume. Biscuit and confectionery revenue grew 3.03% to Tk. 10.93 billion from Tk. 10.61 billion a year ago. We recognized Tk. 136,121.78 per metric ton we sold this year as compared to Tk. 132,339.67 a year ago, representing a year over year increase of 2.86% in revenue per metric ton sold.

Prior to the commissioning of our eighth and ninth biscuit lines, we were operating at 94%+ utilization of capacity. Following the commissioning of the lines in November 2016 and May 2017, our utilization of capacity currently stands at 82%. However, the ninth line only entered into commercial operation within 45 days of the end of the fiscal period and as such, we expect an increase in capacity utilization in the following fiscal year.

This year's cover features our ever-popular Energy Plus biscuit, a flagship product that has become a household name across the entire country. We recently received Bangladesh Brand Forum's Best Biscuit Brand award for Energy Plus. As we continue on our efforts to diversify our products and launch new products within existing spaces, we draw from the lessons we have learned from having Bangladesh's most popular biscuit for over two decades. We launched Nutty, featured on our annual report cover last year, less than three years ago and it has become Bangladesh's second most popular biscuit, rivaling Energy Plus at times for pole position and replacing Tip, which now has number three position in the entire country. Milk Plus rounds out the lot, giving us control of the top four biscuit brands in Bangladesh.

As we continue to invest in new opportunities within the bakery industry, we recently decided to import a tunnel oven to increase our capacity for our existing dry cake products, due to rising market demand. This decision would also allow for much of the production process to be automated, thereby increasing our efficiency substantially. We have also recently launched soft cake, a fresh sliced cake packaged in metalized packaging, with the highest quality ingredients bearing the Olympic logo, representing our commitment to providing our consumers products that are safe and hygienic and of course, delicious.

### ANNUAL BISCUITS & CONFECTIONERY SALES



As new biscuit lines become commissioned and ready for commercial operation, we immediately receive the entire benefit of higher capacity, however it usually takes some time for demand to grow to parallel levels. We see exports as an opportunity to bridge the gap between local market demand and effective new capacity. This year, we exported products valued at Tk. 57.56 million as compared to Tk. 37.93 million a year ago, a year over year increase of 51.73%. In addition to revenue, we received a Tk. 13.29 million cash incentive as export promotion benefit last year. Volume wise, we exported 468.33 metric tons of biscuit and confectionery products as compared to 297.44 metric tons a year ago. While we have and will continue to explore opportunities for export, given our recent increase in production capacity, we are still very much focused on building a local market brand that is trusted by consumers and recognized as being safe and hygienic. To put this in to perspective, exports accounted for 0.51% of our total revenue this year.

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### Advertising & Promotion

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Strong and healthy brands stimulate consumer demand and drive revenue growth; these extremely long periods of nurturing deliver very powerful consumer acceptance. Advertising and promotion as a whole, increased to Tk. 402.70 million in 2016-2017 as compared to Tk. 377.57 million a year ago. This year A&P was 3.57% of total revenue as compared to 3.44% a year ago. Specifically, we spent Tk. 86.15 million on advertising in 2016-2017 as compared to Tk. 87.77 million a year ago.

Olympic again participated in several key tradeshows and fairs. We are pleased to advise that we received third prize for our premium pavilion at the 2017 Dhaka International Trade Fair. We also participated in the Indo Bangla Trade Fair 2017 as well as the Bangladesh Agro-Processors Association Fair 2016.

We also supported and title sponsored several events throughout the year including a Pahela Baiskakh 2017 concert as well as several concerts, sports carnivals, competitions such as Masters of Ideation at North South University, and career fairs for new graduates, all as a part of our endeavour to be a healthy, meaningful and positive part of our consumers' lives.

As advised in an earlier section, we are pleased to advise that we received Bangladesh Brand Forum's Best Biscuit Brand award for Energy Plus. While we continue to expand our focus on traditional advertising channels, we have spent considerable time understanding and refining our digital strategy for the Olympic brand and our individual product brands. Over 40% of Bangladesh's population is under the age of 25 and, with smartphone penetration increasing and internet bandwidth prices decreasing, having a strong, consistent and unified brand presence will be very important for us.

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### Procurement & Supply Chain Management

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Aggressive procurement policies, creative use of our cash and extra warehousing space to stockpile raw materials allow us to take advantage of special situations, such as discounts for cash or advanced payment rather than 15 or 30 days of interest-free credit. In certain circumstances, we are able to maintain price consistency with contracts of up to 120 days by negotiating forward contracts for many raw and packaging materials.

As we diversify into products that use the same raw materials and our consumption of these raw materials grows, we will strengthen our ability to negotiate lower prices and better commercial terms or in many instances, just better prepayment discounts, which is an excellent use of our cash.

Our supply chain teams' work largely pertains to supplier relations, not only to ensure that we get the best possible raw materials at the best possible price but also to ensure consistency of quality and supply of the raw materials that we procure. Auditing and approving suppliers based on their capabilities has allowed us to build strong relationships with our trusted suppliers, which in turn has allowed them the opportunity to better understand our requirements. We've seen a correlation between the strength of the relationship with a supplier and the overall reduction in the rejection of raw or packaging materials supplied by them.

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### Dry-cell Battery

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In fiscal year 2016-2017, dry-cell battery sales were 49.58 million pieces, as compared to 48.81 million pieces in

2015-2016, representing a 1.57% increase. This unit's turnover this year was Tk. 361.45 million, as compared to Tk. 357.13 million a year ago, representing a 1.21% increase

As stated in previous years, given the outlook and declining trends we have seen within the industry, we are satisfied with these results. Dry-cell battery sales this year accounted for 3.20% of the company's total net turnover, almost the same as 3.23% a year ago.

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### **Oil Refining & Hydrogenation**

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The oil refining and hydrogenation unit is still dormant and is expected to remain that way due to considerable risks and many unknown factors within the edible oil market. As per discussions held during the 29th Annual General Meeting, we are seeking out interested parties who may desire to purchase the production unit, with or without the accompanying land. A decision would then be taken, considering the offered price from the prospective buyer and the best interests of the company; no decision has yet been made and prospective buyers are still being sought out. We will continue to update our shareholders on the status of this unit however, in the meanwhile, we would like to reassure our shareholders that much caution and prudence is being exercised to preserve and retain shareholder value.

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### **Contribution to the National Exchequer**

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During the financial year ended at June 30, 2017, Olympic contributed Tk. 2,321,656,992.00 to the National Exchequer in the form of Value Added Tax, Advance Income Tax, Local Purchase VAT, Service VAT and Customs Duty, which equates to 20.56% of the company's annual revenue. This year's contribution represents a 7.80% increase from the previous year.

Contributions in the form of Port Charges, Land Registration Charges, Land Development Tax, Licenses and Permit Renewal Fees, etc. have not been taken into consideration and, as such, have not been included in the aforementioned amount.

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### **Reappointment of Managing Director**

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Mubarak Ali, promoter and Director of Olympic Industries Limited since its incorporation in 1979, became Managing Director of the company in May 1984 and has held this key position since then without interruption. Mr. Ali has a long, established history of setting up and running key industries in Bangladesh in the steel and oil refining sectors and, of course, the biscuit industry. Olympic has grown to be a model company under his leadership, with nine biscuit lines, three confectionery lines, battery manufacturing and new investments in bakery lines. The company has also earned the praise and recognition of the National Board of Revenue as one of the largest payers of VAT in the production sector as well as the second highest payer of income tax in the food and allied sector.

Mr. Mubarak Ali was last appointed as Managing Director for a five-year term from December 29, 2012 to December 28, 2017 at the company's 33rd Annual General Meeting. Considering his track record and immense contributions to the company, the Board of Directors recommends his reappointment for a subsequent five-year term from December 29, 2017 to December 28, 2022 with existing remuneration but with an increase in house rent ceiling, as proposed below.

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### **Re-Fixation of House Rent Ceiling of Chairman & Managing Director**

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Shareholders at the 33rd Annual General Meeting of the company approved free furnished accommodation facility for the Chairman and Managing Director, each with a maximum ceiling of Tk. 500,000.00 per month with effect from January 1, 2013. Considering the current market position, the Board of Directors is pleased to recommend the continuation of the free furnished accommodation facility for the Chairman and Managing Director, each with an enhancement of the ceiling to Tk. 750,000.00 per month with effect from January 1, 2018. The transportation and annual bonus facilities currently afforded to them shall remain unchanged.

### Retirement and Reappointment of Directors

At the 38th Annual General Meeting of the company to be held on December 14, 2017, the following directors will retire by rotation, as per clause 119 of the Articles of Association of the company:

1. **Aziz Mohammad Bhai**
2. **Safinaz Bhai**

Being eligible, as per clause 121 of the Articles of Association of the company, the aforementioned retiring directors have offered themselves for reappointment at the 38th Annual General Meeting of the company.

### Approval of Extension of Appointment of Independent Director

Upon expiry of the first three-year term of appointment of Noorbanu Virji as Independent Director on September 24, 2017, the Board of Directors of the company has agreed to an extension of her appointment for an additional three-year term from September 25, 2017 to September 24, 2020 as per condition 1.2(iii) and (vi) of the Corporate Governance Guidelines dated August 7, 2012 of the Bangladesh Securities and Exchange Commission.

As further provided in the aforementioned condition, the extension of her appointment for an additional term requires approval by shareholders at the 38th Annual General Meeting of the company.

### Appointment of Auditors and Fixation of their Remuneration

M/s. M.J. Abedin & Co, Chartered Accountants, was appointed as the statutory auditor of the company at the 35th Annual General Meeting of the company held on December 24, 2014. They have completed their appointment of three consecutive years and will retire at the 38th Annual General Meeting of the company to be held on December 14, 2017.

As per letter No. BSEC/CFD/23/2014/Vol-1/165 dated December 21, 2016, the Bangladesh Securities and Exchange Commission has approved a revised panel of 40 (forty) audit firms for auditing financial statements of publicly listed issuers and, therefore, a new statutory auditors to be appointed by the company must be on the BSEC approved panel.

As per its order dated July 8, 2015, the Bangladesh Securities and Exchange Commission advised that an issuer shall not appoint any firm of chartered accountants as its statutory auditors for a consecutive period exceeding three years and the audit firm or any of its partners/auditors shall not also be eligible for performing the auditing of financial statements of the publicly listed issuer for a consecutive period exceeding three years.

Therefore, the retiring statutory auditors will be ineligible for reappointment at the 38th Annual General Meeting of the company. New statutory auditors shall have to be appointed for fiscal year 2017-2018 (July 1, 2017 to June 30, 2018) and their remuneration shall have to be fixed. The remuneration of the retiring auditors was fixed at Tk. 800,000.00.



# REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

## Board of Directors – Roles and Responsibilities of the Board

The Board of Directors of Olympic Industries Limited is responsible to ensure that the company is managed properly, equipped to best achieve its objectives and goals. The actions and decisions taken by the Board are for the best interest of the company, its employees, shareholders, management, all other stakeholders and the society at large.

The Board determines business strategy, channels investments in the right direction, and guides management to minimize risks and maximize returns. It also establishes corporate values and standards, contributes to effective human resource planning, and directs efficient financial management. The Board of Directors of Olympic Industries Limited believes that the highest level of integrity, transparency and accountability are necessary to establish good governance in managing the business effectively with responsibility and care.

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### A) Board Size – Condition 1.1

Olympic Industries Limited has a total of 7 (seven) directors on its Board, in line with the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 of the Bangladesh Securities and Exchange Commission which prescribes that the number shall not be less than 5 (five) or more than 20 (twenty). The size of the Board is also within the prescribed limits of the company's Articles of Association, specifically Article 105, where the minimum number is stated to be 3 (three) and the maximum number is stated to be 12 (twelve).

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### B) Appointment of Independent Directors – Conditions 1.2(i) to (iv)

The Board of Directors of Olympic Industries Limited includes 5 sponsors / directors and 2 independent directors. The details of independent directors are furnished below:

- 1) **Noorbanu Virji:** Ms. Virji joined Olympic's Board of Directors on September 25, 2014. Her appointment was approved by shareholders at the 35th Annual General Meeting held on December 24, 2014. Upon completion of her first term of 3 (three) years on September 24, 2017, she was reappointed by the Board of Directors for one more term. Subject to shareholder approval at the 38th Annual General Meeting, Ms. Virji will serve 3 (three) more years, from September 25, 2017 to September 24, 2020.
- 2) **Begum Sakwat Banu:** Ms. Banu was appointed as Independent Director of the company on October 27, 2016 by the Board of Directors for a term of 3 (three) years, which will expire on October 26, 2019. Her appointment was finalized during the 37th Annual General Meeting held on December 22, 2016, as shareholder approval was required as per Condition 1.2 (iii). Ms. Banu also serves as Chairman of the Audit Committee.

Olympic Industries Limited has complied with all conditions necessary for the appointment of independent directors as specified in Conditions 1.2 (ii) to (vi) and 1.3 of the Corporate Governance Guidelines.

### C) Code of Conduct for Board Members – Condition 1.2(v)

Olympic's Board of Directors follows a strict Code of Conduct which is aligned with the core values of the company. All directors have pledged to uphold the following values:

- Be loyal to the company and prioritize the interests of the company
- Exercise due diligence, fiscal prudence, and fulfill respective fiduciary responsibilities to protect the interest of all stakeholders
- Avoid making or receiving undue favour, engaging in competing business, using company property for personal gain or over-exercising power
- Ensure that all actions are compliant with applicable laws, rules, regulations and guidelines
- Make reasonable efforts to attend meetings, participate in discussions and provide suggestions when required
- Maintain confidentiality of information and avoid divulging information that may cause harm to the company or any of its members
- Interact with all stakeholders fairly, and with professionalism
- Contribute to the betterment of the company and ensure that the company discharges its obligations to the various institutions or departments of government, to its employees, to the corporate arena and to the society at large.

The members of the Board of Directors of Olympic Industries Limited have complied with the Code of Conduct laid down for the Board members.

### D) Chairman of the Board and Managing Director – Condition 1.4

At Olympic Industries Limited, there is no post of Chief Executive Officer (CEO), as the managing director performs the functions of the CEO. The positions of Chairman of the Board and Managing Director are filled by different persons as mandated by the Corporate Governance Guidelines. Their functional responsibilities are also separate. Mr. Mohammad Bhai is the Chairman of the company and Mr. Mubarak Ali is the Managing Director. The Chairman is a member of the Board of Directors and is elected from amongst the directors of the company.

In line with the guidelines of the notification, the Board of Directors of Olympic Industries Limited has defined the following roles and responsibilities for the chairman and managing director.

#### Chairman

**Roles:** The chairman leads the Board to ensure that the Board functions effectively and smoothly to promote high standards of uprightness, integrity and corporate governance. He does not participate or interfere with the day-to-day operations or administrative functions of the company. The role of chairman is to formulate broad policy guidelines for the company, to oversee that the functions are performed properly and within the set policy guidelines. He extends his support to the managing director, whenever required, to implement the guidelines.

#### Responsibilities:

The responsibilities of chairman include, among others, the following:

- Attend and preside over the meetings of the Board of Directors
- Ensure that the members of the Board actively participate in the discussions and voice their opinions to make effective decisions
- Ensure that the meeting agendas are properly discussed and decisions are harmoniously taken by the Board, as well as help assuage discord and resolve disagreements when necessary
- Ensure that the Board of Directors performs well, achieves the objectives of the company, and discharges its responsibilities to the various stakeholders

- Support and guide the managing director in discharging his responsibilities properly and smoothly
- Ensure that Board committees are properly formed, and that they discharge their functions adequately.

### Managing Director

**Roles:** The managing director is in charge of implementing policies and decisions of the Board of Directors, as well as looking after the overall management of the company. He acts as liaison between the Board of Directors and the management. He is in charge of motivating workers and improving the performance of the company so that employees can enjoy their work and help achieve the company's objectives. He speaks to various stakeholders, regulators, government agencies, employees, and to shareholders on behalf of the company. The managing director is the visionary, guide and key decision-maker of the company.

### Responsibilities:

The managing director has the following responsibilities:

- Set goals for the company, formulate policies and guidelines, lead and empower the company's key management to achieve these goals
- Present to the Board various plans, projects, and strategies, as well as arrange funding for the implementation of various plans
- Ensure that proper recruitment takes place through effective human resource planning
- Maintain a convivial working environment, discipline, and team spirit in the organization
- Maintain effective dialogue between the company and its stakeholders
- Effectively control costs, reduce wastage, and improve efficiency at all levels in order to fulfill the objectives of the company
- Promote and maintain management succession and development plans
- Identify various risks for the company and develop strategies to overcome those risks
- Ensure that performance is consistent and is recognized
- Ensure that the obligations of the company to its various stakeholders and to the society at large are fulfilled.

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### E) Statement on Industry-Specific Production, Market and Operations in the Present and Future – Conditions 1.5 (i) to (v)

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Details are included in the Report of the Board of Directors.

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### F) Related Party Transactions – Condition 1.5(vi)

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The company carries out a number of transactions with related parties within its normal course of business. The nature of such transactions, including the names of related parties, balance at the beginning of the year, transactions during the year, and closing balance at the end of the year, are provided under Note 33.00 of the audited financial statements.

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### G) Utilization of Proceeds from Public Issues, Right Issues, etc. – Condition 1.5(vii):

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The company did not raise any proceeds from Public Issues, Right Issues and/or through any other instruments during the year ended at June 30, 2017.

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### H) Explanation for Deterioration of Financial Results after IPO, etc. – Condition 1.5(viii)

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No such incident occurred during the period under report.

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### I) Significant Variance Between Quarterly Financial Performance and Annual Financial Statements – Condition 1.5(ix)

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No such variance occurred during the year under report.

#### **J) Directors' Remuneration, including Independent Directors – Condition 1.5(x)**

The directors were awarded a total of Tk. 45,767,308.00 as their remuneration, bonuses, etc. during the year ended at June 30, 2017 in the following manners:

Remuneration/Salary and Allowances	: Tk. 26,188,710.00
Accommodation	: Tk. 12,000,000.00
Bonuses	: Tk. 5,200,000.00
Total	: Tk. 43,388,710.00

The directors also received a total of Tk. 102,750.00 in the form of Board meeting fees during the year. The remuneration and fees provided to the directors are stated in Notes 33.00 and 34.00 of the audited financial statements.

The aforesaid remuneration paid to directors was approved by shareholders of the company as shown below:

- 31st AGM held on December 30, 2010 : Remuneration of the Managing Director
- 32nd AGM held on December 29, 2011 : Remuneration of the Chairman
- 33rd AGM held on December 27, 2012 : Accommodation allowance of the Chairman and Managing Director
- 37th AGM held on December 22, 2016 : Remuneration of Begum Sakwat Banu, Independent Director

The fees for attending each Board meeting is Tk. 750.00 per director, as mandated by Article 111 of the Articles of Association of the company.

#### **K) Financial Statements, Books of Accounts, Accounting Policies and Standards, Internal Control System, etc. – Conditions 1.5(xi) to (xviii)**

The financial statements of the company for the year ended at June 30, 2017 have been prepared in compliance with the requirements of:

- a) International Accounting Standard (IAS)
- b) Bangladesh Accounting Standards (BAS)
- c) International Financial Reporting Standards (IFRS)
- d) Bangladesh Financial Reporting Standards (BFRS)
- e) The Companies Act, 1994
- f) The Securities and Exchange Commission Ordinance, 1969
- g) The Securities and Exchange Commission Act, 1993
- h) The Securities and Exchange Rules, 1987
- i) The Income Tax Ordinance, 1984
- j) The Income Tax Rules, 1984
- k) The Value Added Tax Act, 1991
- l) The Value Added Tax Rules, 1991

## m) Listing Regulations of Stock Exchanges

Other relevant local laws applicable in Bangladesh were also considered while preparing the financial statements. Any departure from the aforementioned requirements has been adequately disclosed.

It is also reported on this matter that:

- a) The financial statements prepared by the management of the company present fairly its state of affairs, the result 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) The system of internal control followed by the company is sound in design and has been effectively implemented and monitored
- e) There are no significant doubts about the company's ability to continue its operations
- f) Significant deviations from the last year's operating results, if any, have been highlighted and justifications have been provided
- g) Key operating and financial data of the past five years have been summarized and furnished separately in this report.

**L) Declaration of Dividend – Condition 1.5 (xix)**

The details of the declaration of dividend is provided separately in the Report of the Board of Directors.

**M) Number of Board Meetings Held and Director Attendance – Condition 1.5(xx)**

A total of 44 Board meetings were held during the year ended at June 30, 2017. The directors' attendance was as follows:

Names of the Directors	Meetings Attended
<b>Mohammad Bhai, Chairman</b>	<b>33</b>
<b>Mubarak Ali, Managing Director</b>	<b>44</b>
<b>Aziz Mohammad Bhai, Director</b>	<b>-</b>
<b>Safinaz Bhai, Director</b>	<b>29</b>
<b>Munir Ali, Director</b>	<b>-</b>
<b>Sharif M. Afzal Hossain, Independent Director</b>	<b>11</b>
<b>Noorbanu Virji, Independent Director</b>	<b>17</b>
<b>Begum Sakwat Banu, Independent Director</b>	<b>3</b>

The fees for attending each meeting was Tk. 750.00 per person. Leave of absence was granted to the directors who could not attend the meeting.

**N) Shareholding Pattern as at June 30, 2017 – Condition 1.5(xxi)**

<b>Authorized Capital</b>	<b>: Tk. 2,000,000,000.00</b>
<b>Paid-Up Capital</b>	<b>: Tk. 1,999,388,860.00</b>
<b>Face Value Per Share</b>	<b>: Tk. 10.00</b>

The details of shareholdings during the year ended at June 30, 2017 was as under:

**Shareholding of Associated Company – Condition 1.5 (xxi) (a)**

M/s. Ambee Limited	: 2,804,714 shares (1.40%)
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**Declaration of Shareholdings under Conditions 1.5 (xxi) (b) and (c)****Shareholding of Directors – Condition 1.5 (xxi) (b)**

Mohammad Bhai, Chairman		4,620,790 shares
Mubarak Ali, Managing Director		11,037,939 shares
Aziz Mohammad Bhai, Director		31,046,706 shares
Safinaz Bhai, Director		4,000,047 shares
Munir Ali, Director		4,000,622 shares
Noorbanu Virji, Independent Director		71,701 shares
	<b>Total</b>	<b>54,777,805 shares (27.40%)</b>

Shareholding of the Executive Director & Company Secretary	Md. Nazimuddin	67,604 shares
Shareholding of the Chief Financial Officer	Harun Al-Rashid	0 shares
Shareholding of the Head of Internal Audit	Enamul Kabir Miah	0 shares

**Shareholding of Top 5 Salaried Executives**

Out of the top 5 salaried executives, only Mr. S. R. Mondal, Additional GM holds 100 shares.

**Shareholding of Persons Who Hold 10% or More Voting Interest in the Company**

- i) Aziz Mohammad Bhai, Director : 31,046,706 shares
- ii) PICTET LUX A/C KFFCF : 23,055,952 shares

**O) Appointment / Reappointment of Directors – Condition 1.5 (xxii)**

At the 38<sup>th</sup> Annual General Meeting, the reappointment of following 3 (three) members of the Board of Directors who belong to sponsors' group will be considered:

- 1) **Mubarak Ali, Managing Director**
- 2) **Aziz Mohammad Bhai, Director**
- 3) **Safinaz Bhai, Director**

The extension of appointment granted to Noorbanu Virji, Independent Director for an additional term of 3 years from September 25, 2017 to September 24, 2020 will also be placed for approval by the shareholders at the said 38<sup>th</sup> Annual General Meeting.

A brief version of each director's qualifications is provided in this Annual Report.

### **P) Audit Committee and Report – Condition 3**

The Audit Committee of Olympic Industries Limited is a sub-committee of the Board of Directors. The committee reports on its activities to the Board of Directors. The Audit Committee is composed of two directors and one independent director who acts as chairman of the committee. The members of the Audit Committee are appointed by the Board of Directors. All members of the committee are financially literate and have sound knowledge and experience.

Begum Sakwat Banu, Independent Director, acts as the Chairman of Audit Committee as per Condition 3.2(i) of the Bangladesh Securities and Exchange Commission dated August 7, 2012.

The Audit Committee is accountable to the Board. They assist the Board of Directors in ensuring that the financial statements of the company reflect an accurate and fair image of the company's state of affairs and that a good monitoring system is maintained. As an independent director acts as the chairman of the Audit Committee, his or her presence is mandatory when holding a committee meeting. The company ensures the presence of the Audit Committee Chairman at its Annual General Meeting as per Condition 3.2(ii). The Head of Internal Audit has access to the Chairman of the Audit Committee, as necessary.

In compliance with Condition 3.3 of the BSEC's Notification dated August 7, 2012, the role of the Audit Committee has been determined comprising, among others, the following functions:

- i) Oversee the financial reporting process
- ii) Monitor the choice of accounting policies and principles
- iii) Monitor the internal risk control management process
- iv) Oversee the hiring and adequate performance of external auditors
- v) Review the annual financial statements with the management, before submission to the Board for approval
- vi) Review the quarterly and half-yearly financial statements with the management, before submission to the Board for approval
- vii) Review the adequacy of internal audit functions
- viii) Review the statements of significant Related Party Transactions submitted by the management
- ix) Review management letters / letters of internal control weakness issued by statutory auditors
- x) Monitor the company's quarterly disclosures about the use and application of funds, if and when raised through Initial Public Offering (IPO) / Repeat Public Offering (RPO) / Right Issue, etc., as well as the company's annual statement about the utilization of funds for purposes other than those stated in the offer documents / prospectus, when applicable.

The Audit Committee has submitted its report to the Board of Directors in compliance with Condition 3.4.1(i) of the notification of BSEC dated August 7, 2012.

The Report of the Audit Committee is enclosed in the Annual Report.

### **Q) Report of the Audit Committee to the Board on Conflicts, Fraud, etc. – Condition 3.4.1(ii)**

As no such incident occurred, no reporting was necessary on the part of the Audit Committee.

### **R) Reporting to the Authorities by the Audit Committee – Condition 3.4.2**

No rectification of the financial conditions and results of operations was necessary, and as such no report was needed.

**S) Disclosure of the Audit Committee Report in the Annual Report – Condition 3.5**

The Audit Committee Report duly signed by the Chairman of the committee has been enclosed in the Annual Report.

**T) External / Statutory Auditors – Condition 4**

Olympic Industries Limited did not engage its statutory auditors to perform any of the following services:

- h) Appraisal or valuation services or fairness opinions
- ii) Financial information systems design and implementation
- iii) Bookkeeping or other services related to the accounting records or financial statements
- iv) Broker-dealer services
- v) Actuarial services
- vi) Internal audit services
- vii) Any other service that its audit committee determines

As per Condition 4 (viii), confirmation has been requested from the statutory auditors of the company M/s. M.J. Abedin & Co., Chartered Accountants that none of their partners or employees possess any share of Olympic Industries Limited.

**U) Subsidiary Company – Condition 5**

Olympic Industries Limited has no subsidiary company.

**V) Duties of Managing Director and CFO – Condition 6**

The managing director and CFO have provided a certificate to the Board stating the facts contained in the condition. This certificate is enclosed in the Annual Report.

**W) Reporting and Compliance of Corporate Governance – Condition 7**

As per Condition 7 (i), M/s. Huda & Co., Chartered Accountants has provided a certificate regarding compliance of Corporate Governance Guidelines by Olympic Industries Limited. This certificate and the report on compliance under Condition 7 (ii) are enclosed in the Annual Report.

# SUSTAINABILITY REPORT



## Dear Shareholder,

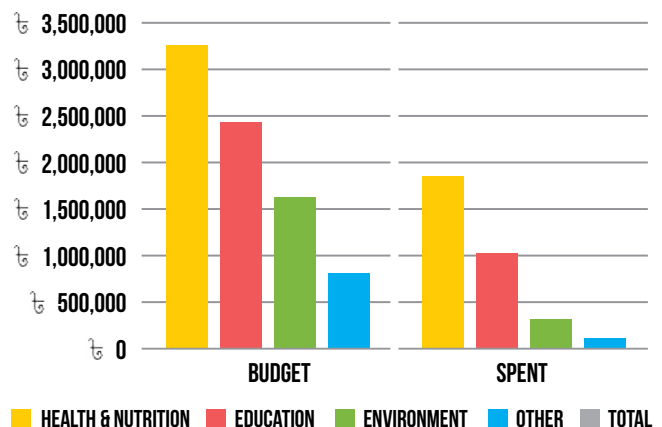
The following section will outline this year's successes and lessons learned as our Sustainability program continues to grow. In early 2016, we identified our key stakeholders and conducted a thorough assessment of our stakeholders' needs, the company's capacities, as well as our brand values. Since then, we have started implementing projects in earnest. We have come a long way this financial year, and we have still a long way to go. Our position as one of the first companies in Bangladesh to implement such an extensive sustainability program, we are faced with both the opportunity to shape the sustainability narrative, paving the way for other companies to do good by doing well, as well as with the challenge of going in blind. This past year has been a part of the learning process, during which we have experimented with various good ideas, and have put them to the test of experience.

As mentioned in our mission statement, our goals are to improve health & nutrition, education and gender equity amongst our workers, as well as reduce our environmental impact. We had initially planned on focusing on "food & nutrition security" as our main focus area. We quickly

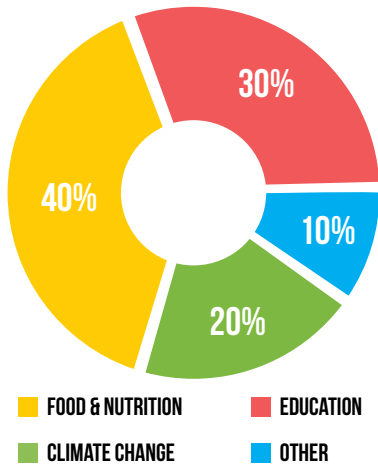
realized how focusing only on nutrition without combining it with health was limiting our ability to create substantial change in our stakeholders' lives. From the moment we decided to broaden our scope to "health & nutrition", we were able to better allocate resources. For example, we were able to initiate our Health & Nutrition Centre, a project which is detailed further in the following pages.

Another realization was that our ambitions were higher than our capacity, and so we could not fully spend our budget as initially envisioned. The primary reason for this is that the learning process is a protracted one, and we are determined to invest in projects that make good fiscal sense. We realized that certain projects come at a low cost and show high returns on investment. The Maya Apa Health & Rights Awareness Outreach is the best example of this. Inversely, some projects we were enthusiastic about showed much lower ROI and unexpectedly high costs, which is why we had to move in another direction. Finally, getting to the launching phase of new projects was often more challenging than we anticipated. We face unique limitations by virtue of doing business in Bangladesh, where certain services and technologies are just not available. For example, as we are keen to increase our use of clean energy, we explored the biogas industry. We learned that despite our intentions and dedication to seeing this project through, the biogas industry is largely underdeveloped in Bangladesh. Solar energy is virtually our only option, even though it comes at a higher cost and lower ROI compared to biogas. Circumstances led us to rethink our assumptions and redesign the way we approach projects on climate change.

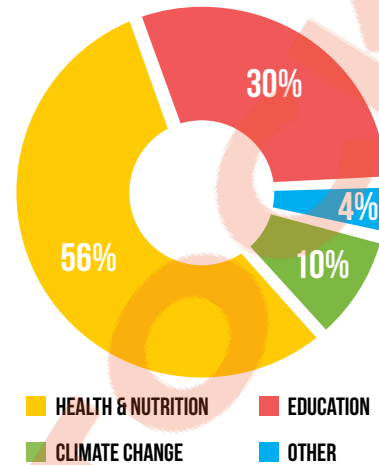
2016-2017 Budget vs. Actual



2016-2017 Projected Focus Area Allocation



2016-2017 Actual Focus Area Allocation



Based on these experiences, we learned which direction most of our projects will be taking, and we gained a better sense of which types of projects will work and which will not. While we still anticipate changes to focus area allocations in terms of budget, we are confident that we will be in a much better position to use our resources to their full capacity. It should be noted that as we are working to reach the recommended expenditure according to SDG 17 (0.7% of Net Profit after Tax) by 2020, the budget for the FY 2017-2018 will increase from 0.5% to 0.55% of NPAT. More important than consistent focus area allocations, we are committed to spending this budget in the most efficient and sustainable way.

Our biggest success for this year is discovering what we are capable of, as an organization, when we are all

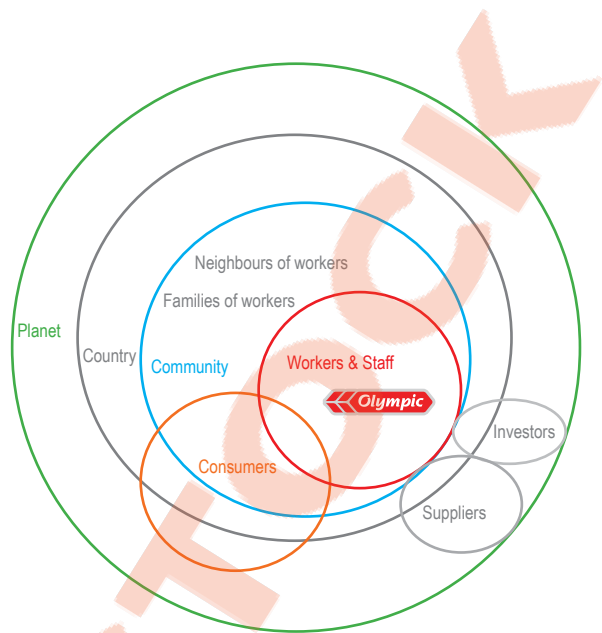
truly motivated to make a better Bangladesh. We believe that this year will see more projects come to fruition, especially as we further develop our department's standard operating procedures. Once sustainability becomes a repeatable process, one which primarily requires scaling and the occasional new project, only then will we be confident that our program is truly successful.

**Marion Pellegrin**  
Head of Sustainability

## Sustainability Mission Statement

At Olympic, we believe that being a good business means contributing to the well-being of our workers, our customers, our community, and our planet. We believe that our business can, and should, aim to add value to society and operate in a sustainable way. We want to add value by making good products that nourish people, all the while creating jobs and contributing to the Bangladesh economy. We know that one company cannot by itself fix the world's problems, but we want to make sure we do everything we can to make this world a better place. This is why we have decided to introduce a Sustainability program.

As a company, our goals are to a) be the employer of choice by providing our employees with an exciting and fulfilling work environment; b) be stewards of social responsibility in Bangladesh through our initiatives; and c) instil confidence in our external stakeholders that our practices are aligned with their social responsibility values. We believe that a good business must be sustainable. We want to take on goals that not only give back to society, but that also hold us to a higher standard as corporate citizens. We are committed to sustainability for the long-run, and we welcome accountability for our actions.



We believe that any good program needs stable funding. This is why we aim, in the long run, to align our funding with the Sustainable Development Goals' recommendations on donor country spending. By committing to this number, we hope to contribute in a meaningful way to our country's development, and to set an example for our peers.

In order to better guide our decisions, we have tied all of our projects to the Sustainable Development Goals set out by the United Nations. We have chosen goals which are most applicable to our line of work and which are closest to our employees' hearts; those which relate to health & nutrition, education, equity, and climate change.

We are committed to providing our workers with a better life by providing them the working conditions they deserve. We aim to achieve this by complying with labour laws, implementing programs focused on skills and knowledge development, and creating new opportunities for our workers. We want to build a working environment which helps our workers thrive and be proud to work in.



*Achieve full employment and decent work for all women and men, and equal pay for work of equal value. (8.5)*

*Protect labour rights and promote safe and secure working environments for all workers. (8.8)*

We are committed to providing our customers with products which are both healthy and delicious. Why compromise? We aim to improve our customers' nutrition by providing them with fortified products they will actually want to eat. We also aim to eliminate unfair business practices by creating and enforcing marketing policies which protect the rights of children and vulnerable people.

*End hunger and ensure access by all people to safe, nutritious and sufficient food all year round. (2.1)*

*End all forms of malnutrition. (2.2)*





Achieve universal health coverage and access to quality essential health-care services for all (3.8)

We are committed to giving back to our community by contributing to their good health and nutrition, and increasing access to education. We have chosen these goals because, as we are in the food industry, we believe it is our duty to ensure that our country has access to good nutrition and has the education necessary to make healthy decisions and to lift themselves out of poverty. We are aware of the virtuous cycle of education and nutrition, where children can only succeed in their studies if they are well fed, and if they are educated, they tend to eat better and be healthier.



Ensure that all girls and boys complete primary and secondary education. (4.1)

Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. (4.3)

We are committed to ensuring that our planet stays healthy and plentiful. We believe we have a duty to ensure that our children will have a flourishing planet to live on for generations to come. In order to make this happen, we plan to reduce our impact on climate change by reducing waste and greenhouse gas emissions, increasing our use of renewable materials and energies, and mitigating climate change's impact on our communities.

Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally (15.2)



Increase substantially the share of renewable energy in the global energy mix. (7.2)

Double the global rate of improvement in energy efficiency. (7.3)

Substantially reduce waste generation through prevention, reduction, recycling and reuse. (12.5)



In undertaking all our projects, we commit to considering gender issues and to actively contribute to the elimination of discrimination against women.



Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in economic, political and public life. (5.5)

Finally, we commit to holding ourselves accountable for the way we conduct business and for the projects we engage in. In designing our projects, we will strive to remain independent and to make a wise cost-benefit analysis based on our key goals, all the while ensuring that our work is measurable, sustainable, efficient and relevant. We also aim to ensure that our projects are not duplicating the work of another agency, but rather that our projects are unique and complementary. We commit to continuously monitoring and evaluating the projects that we fund or take on. We commit to producing detailed reports that are accessible to all our stakeholders on a frequent basis.

We are committed to building a sustainability program we can all be proud of.





## Occupational Health & Safety

At Olympic, we are committed to being a better company in every possible way. This includes the way we treat our workers. From a clean working environment to generous profit sharing mechanisms, we provide everything workers need to be as satisfied and productive as possible.

### WATER & SANITATION

We provide safe drinking water on every floor of every factory, as well as Oral Rehydration Saline during the summer months, to ensure that our workers are well hydrated. As water is the source of life, we need to ensure its quality. We have our water tested by SGS annually, and by ICCDR, B weekly. We provide and clean workers' uniforms daily, and provide them with clean shoes to wear inside the factory. Workers have access to spotless gender-designated bathrooms, and separate changing rooms. We are committed to rigorous pest control in these areas and throughout our facilities, and have contracted an independent third party to maintain, monitor, and document the hygiene and sanitation of our factories on a weekly basis.

### HEALTH

All of our workers are over 18 years old and certified as fit to work by a doctor before they are employed. We always have a first aid team on the premises, a certified paramedic available, and an arrangement with a local hospital for our workers to have access to 24-hour care in the event of an accident. Sick and injured employees have access to free medical healthcare and paid medical leave. All of our factory and field force employees are covered by a life insurance paid for by the company.

All of our workers are trained for seven days when they join our company. They receive training specific to their position, as well as various trainings on topics such as proper hygiene methods, and safety procedures. At the battery factory, workers have protective gloves and have hearing protectors at their disposal. We actively monitor air quality in our factories, regularly cleaning and maintaining a series of filters, dehumidifiers, and auditing devices to ensure a safe, consistent, flow of air. Thanks to all these preventive measures, we pride ourselves on having low accident rates.

### BUILDING SAFETY

We are determined to provide the safest work environment our workers could hope for. Before commencing the construction of our earthquake-proof factories, we acquire approvals for construction by the local authorities (union parishad), and soil samples are tested through an external laboratory. Our building pile loads are tested through external assessors to fit the ASTM D 1143-81 standard and our loads test pressure gauge is tested by the Bangladesh University of Engineering and Technology. We hold licences for loads up to five times our actual requirement, for which our consultants issue a certificate in accordance with the Bangladesh National Building Code.

### FIRE SAFETY, EMERGENCY PREPAREDNESS & RESPONSE

We hold a Fire Licence, certifying that we follow all the fire safety rules applicable to us, and we have assembled a fire marshal team of 40 employees trained by the local fire service, at least 13 of which are on duty at any given time. We are equipped with state of the art fire detection, evacuation and monitoring technology, including multiple extinguishers, heat and smoke detectors, fire hydrant boxes, and fire alarms on every floor. We have built in several fail-safe redundancies, including automatic transition between electrical, diesel and manual (jockey) pumps.



We have also assembled a disaster management committee that designs our disaster management and fire safety plans. We have developed safe evacuation methods, which we practice with workers weekly during our randomized fire drills. Every quarter, we organize a refresher training on fire safety with the Bangladesh Fire Service and Civil Defence Agency, as well as a general health and safety refresher training, and earthquake preparedness training sessions and simulations.

### WAGE & BENEFITS

Our workers not only work in a safe and friendly environment; they are also well-compensated for their hard work. We share 5% of our profits with our workers, the majority of which is distributed to our workers directly, with the remainder being split between our company's worker welfare fund, and the government's Worker Welfare Foundation Fund. We are proud to follow the Bangladesh Labour Act when it comes to all financial matters, including termination benefits and gratuities.



We provide two annual festival bonuses to our workers, as well as systematic cash incentives for workers who come to work regularly and to those who work night shifts. We pay overtime and grant festival, medical, casual and maternity leave as mandated by the Labour Act.

All of our factory and field force workers have life insurance, including our third-party construction workers through a very comprehensive construction all risks policy. Always seeking to set new standards, we are proud to be the first company in Bangladesh to insure the lives of third-party workers.

### FACILITIES

To make our staff's life easier and more enjoyable, we provide dormitories for technical staff and supervisors who need to work at night and/or live far away. We provide meals for all officer-level employees and above, as well as a canteen for regular workers. Finally, we have established "green areas" composed of planted flowers and plants in various places around the factory, and we play classical music at night at our new biscuit factory as a way to motivate workers and create a good working atmosphere. Our facilities go above and beyond what Bangladesh law requires.



## Environmental Impact

### ENERGY

The majority of our energy comes from natural gas, government-supplied electricity, and diesel. We have one solar panel at each factory, which supply energy for lighting and ventilation. We have switched over 95% of our light bulbs from less efficient CFLs to LEDs. To further reduce our energy consumption, we have installed frequency converters for most of our motors.

### MATERIALS

100% of our carton boxes, plastic trays and jars are made with recycled materials.

### WASTE

We have already managed to reduce our solid waste to very small amounts. We produce over 1,500 metric tons of goods weekly, for which our total waste (including canteen and cleaning waste) amounts to only 2 metric tons.

## EMISSIONS

To reduce both noise and pollution, we use canopies and special chimneys with our gas and diesel burners. We calibrate these burners regularly to ensure that no sulphur oxide, nitrous oxide or carbon monoxide are emitted into the environment. The air is regularly tested by a third party to ensure we do not emit those toxins. We are proud to adhere to all the energy safety procedures mandated by the government, and to internationally-set standards on pollution.

## EFFLUENTS

We treat all our waste water according to the Bangladesh Standards and Testing Institution. We use a settling tank to separate oils from waste water at each factory, as well as two deep tube wells, an underground reservoir and an overhead tank. We adjust the water's pH level before releasing it into the pond. We partly reuse waste water after treating it with UV lights. We do not use or emit any toxic chemicals at our biscuit factories. 100% of the water we use at our battery factory is fully utilized in the production of our batteries, and as such, we produce zero effluents.



## Quality Control & Product Safety

Quality is our first priority. As a food manufacturing company, our main goal is to provide customers with products that are safe, tasty and made with utmost care. From ingredients to packaging, we only source the best materials. Every new product is tested and approved by the Bangladesh Standards and Testing Institution before it is produced. We conduct a variety of tests on our raw materials as well as finished products. For instance, we test finished products for shelf-life consistency and heat resistance. We aim to use minimal yet efficient packaging, which lists all the information a consumer could need, from ingredients to nutritional facts and certifications.

We believe that quality control is intrinsically linked with our company's sustainability. By reducing risks, constantly improving business processes, and demonstrating to consumers our commitment to them, quality control contributes to sustained profitability and growth. To maintain our high business process standards, we have implemented SAP enterprise resource planning system which brings together all of our business processes and ensures proper documentation is kept, therefore reducing rates of error. We have also adopted ISO 22000, a Food Safety Management System that ensures that all materials and finished products are tested for quality, moisture and nutritional content.

Our facilities are kept with the highest health and safety standards. Production lines are equipped with highly sensitive metal detectors to prevent contamination, as well as scales to ensure weight consistency. Our employees are trained to adopt Good Manufacturing Practices, which include every type of hygiene. To reaffirm this dedication to health and safety, we contract SGS to audit our factories annually for our ISO 22000 certification.



## New Initiatives in 2016-2017

We started the fiscal year by conducting a thorough baseline survey amongst our workers. We believe that projects must be informed by solid data to ensure their quality and effectiveness. This data has helped us better understand the needs, living conditions and opinions of our workers. We were then able to adjust our projects accordingly. As a result, our projects are designed to improve their work environment, contribute to workers' health, increase productivity, decrease rates of absenteeism and turnover.



### Health & Nutrition

#### HEALTH & NUTRITION CENTRE



Too many of our workers do not have access to quality, affordable healthcare. The Lolati Health and Nutrition Centre (HNC) was designed to provide our workers and our community access to a general practitioner at one seventh of the market price, free consultations with a nutritionist for all patients, and access to medical tests at cost. The HNC is located less than 1 km away from our most remote factory, to provide healthcare to those who were already underserved. While it opened its doors in September 2017, we conceptualized this project, engaged an implementation partner, and funded the laboratory part of the project in this financial year. The laboratory is expected to start operations by the end of 2017.



As part of this project, CWCH is screening all our factory workers for diabetes, anemia, reproductive health issues, nutritional status, and other common ailments in Bangladesh. The findings were in line with the general condition of factory workers. However, we want the best for our workers. This is why we are drafting a remediation plan, where we will ensure workers will have access to the medical counsel and tests they need to live healthier lives.

#### BISCUIT DONATIONS FOR DISASTER RELIEF

In March 2017, the Korail Slum located in Dhaka was hit with a terrible fire. An estimated 500 families lost their homes, schools and businesses. Olympic sent 3,360 packs of biscuits to the victims in the week following the tragedy. We wish to thank the Via Lisa Foundation for their relentless dedication toward improving the conditions in the Korail Slum and for providing Olympic the opportunity to be part of their community of collaborators.



In the first few months of the FY 2017-2018, Bangladesh has been victim to multiple large scale disasters. From floods to a massive influx of Rohingya refugees from Myanmar, local organizations have been struggling to provide for everyone. Olympic has sought to help in any way we can. So far, we have provided 71,134 packs of biscuits to people in flood affected areas and to multiple organizations serving the Rohingya refugees.



### Education



#### NUTRITION TRAINING

The foundation for good nutrition is knowledge. Our workers have little knowledge of what is healthy and affordable. We started what will become a series of peer educator training sessions with the topic of nutrition. This covered issues ranging from a balanced diet to maternal nutrition. One in every 20 workers took part in the 10-hour training, and then acted as peer educators to their colleagues. In our follow-up assessments, we were pleased to find that on average 75%

of workers could answer well or very well questions regarding the topics discussed in that month's training, and 95% of workers gained some knowledge as a result of the training. Our next training, starting in FY 2016-2017, will pertain to Sexual & Reproductive Health & Rights.

**ILO APPRENTICESHIP PROGRAM**



Education and career development are very important to us, which is why we enrolled 200 female and male workers from different skills and age groups in the Bangladesh Skills for Employment and Productivity Project, supported by the ILO. Through this program, workers acquired skills and technological



know-how through theoretical and on-the-job training sessions. Their participation enabled them to receive a nationally recognized certificate from the Bangladesh Technical Education Board, and climb the ranks of the corporate ladder. The increased number of workers trained according to these specific standards has increased efficiency and output.

**SCHOLARSHIPS FOR FEMALE LEADERS**

At Olympic, we recognize the need for women to be hired not only as casual employees, but in higher positions as well. Women can contribute to our company in a unique way, using their different mindsets, creativity and problem-solving techniques to improve our company. Olympic has initiated a pilot scholarship program aimed at providing free vocational and soft skills training for 6 women in the packaging department who wish to become machine operators.



**HEALTH & RIGHTS AWARENESS OUTREACH**



Information on healthy practices is hard to come by for the average Bangladeshi, especially when it is concerning Sexual & Reproductive Health & Rights (SRHR). Borrowing its name from the first birth control campaigns in Bangladesh, Maya Apa has created an online platform dedicated to answering people's SRHR, health, legal and lifestyle questions. The Maya Apa team visited Olympic factories over a dozen times to promote their free online service and provide medical consultations on the spot. They have also installed kiosks in our factories' medical centres so that workers without smartphones can easily access their services.

**SUPPORTING THE STUDY OF SUSTAINABLE DEVELOPMENT**

Olympic is proud to have supported the University of Liberal Arts Bangladesh's 2nd Annual Conference on Sustainable Development. Olympic's Head of Sustainability, Marion Pellegrin, participated in a panel discussion on SDG 12: Sustainable Production and Consumption.



**SPONSORING LOCAL SCHOOLS**

Local schools often struggle to provide their students the facilities they need and deserve. Budgets are tight, and capacity is limited. This is why Olympic is proud to sponsor schools in its community, both in Dhaka and Narayanganj, where its head office and factories are located. Sponsorship is most often dedicated towards hiring additional teachers.



# Environmental Impact

**ENVIRONMENTAL IMPACT ASSESSMENT**



Keen to better understand the impact our business has on our planet, Olympic engaged the Centre for Sustainable Development of the University of Liberal Arts Bangladesh, to conduct a full assessment and to provide recommendations. Published at the end of FY 2016-2017, the report focused largely on Olympic's CO<sub>2</sub> emissions. Moving into FY 2017-2018, we will be examining the recommendations closely and determining the best course of action for Olympic within the unique circumstances of Bangladesh.



# CERTIFICATE FROM MD & CFO ON FINANCIAL STATEMENTS

OLYMPIC INDUSTRIES LIMITED  
অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড



Dated: October 25, 2017

Certificate under condition 6 of the Notification No.SEC/MRRCD/2006-158/134/Admin/44 dated August 7, 2012 of Securities and Exchange Commission (now Bangladesh Securities and Exchange Commission)

We hereby certify to the Board of Directors of Olympic Industries Limited that:

- (i) We have reviewed the financial statements of Olympic Industries Limited for the year ended June 30, 2017 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 together present a true and fair view of the affairs of Olympic Industries Limited and are in compliance with existing accounting standards and applicable laws.
- (ii) To the best of our knowledge and belief, there were no transactions entered into by the company during the year 2016-2017 which were fraudulent, illegal or violation of the Code of Conduct of Olympic Industries Limited.

**Mubarak Ali**  
Managing Director  
Olympic Industries Limited

**Harun-Al-Rashid**  
C. F. O.  
Olympic Industries Limited

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Dhaka-1000  
Bangladesh

# REPORT OF THE AUDIT COMMITTEE

OLYMPIC INDUSTRIES LIMITED

অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড

Olympic

October 22, 2017

The Chairman  
Board of Directors  
Olympic Industries Limited  
Amin Court, 6th floor  
62-63, Motijheel C/A  
Dhaka-1000.

Subject: Report of the Audit committee under Condition 3.4.1(i) of Notification No.SEC/  
CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 of SEC (now BSEC).

Dear Sir,

We hereby submit to you the following report on our activities:

- 1) We have discharged the audit activities of Olympic Industries Limited throughout the financial year 2016-2017 and we found that the financial reporting process, accounting policies and principles, internal control risk management process, the hiring and performance external auditors, etc. are in line with the requirement of the company.
- 2) We reviewed the quarterly, half-yearly as well as annual financial statements of Olympic Industries Limited for the financial year ended June 30, 2017 before submission to the Board of Directors for approval and we found those in order.
- 3) We also reviewed the internal audit functions, monitoring system prevailing within the business as well as the statement of related party transactions of the company and found those adequate, good and proper.
- 4) Olympic Industries Limited did not raise any money during the year through Initial Public Offering (IPO), Repeat Public Offering (RPO) and Rights Issue.
- 5) During the discharge of our responsibilities we neither found any weakness in the internal control functions of the company nor any irregularity or any other matter which should be reported to the Board of Directors.
- 6) We always assisted the Board of Directors of Olympic Industries Limited in ensuring that the financial statements of the company reflect true and fair view of its state of affairs.

Thanking you,

Yours sincerely

*S.Hossain.*

Begum Sakwat Banu  
Independent Director & Chairman  
Audit Committee

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Bangladesh

# CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

## HUDA & CO. Chartered Accountants

House 51, Road 13,  
Sector - 13, Uttara Model Town  
Dhaka

Tel: 7911445  
Mobile: 017 15 030 823

### Certificate on Compliance of Corporate Governance Guidelines to the Shareholders' of Olympic Industries Limited

[Issued under Condition # 7 (i) of Corporate Governance Guidelines of BSEC  
Vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

We are engaged by Olympic Industries Limited to provide certification whether the company complied with the condition of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 and SEC/CMRRCD/2006-158/134/Admin/48 dated 21 July, 2013 ("the conditions of corporate governance guidelines").

#### The Company's Responsibilities

Those charged with governance and management of the company are responsible for complying with the conditions of corporate governance guidelines. Those charged with governance of the company are also responsible for stating in the directors' report whether the company has complied with the conditions of the corporate governance guidelines.

#### Our Responsibilities

Our responsibility is to examine the Company's status of compliance with the conditions of the corporate governance guidelines and to clarify thereon in the term of an independent assurance conclusion based on the evidence obtained. For the purpose of the engagement, we comply with ethical requirements including independent requirements and plan and perform our procedures to obtain assurance whether the company has complied with the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of and is subject to the matter outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Conclusion

In our opinion, the company has complied with the condition of corporate governance guidelines for the year ended June 30, 2017.

Dated : November 3, 2017  
Place : Dhaka



HUDA & CO.  
Chartered Accountants

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/ Admin/44 dated August 7, 2012 issued under Section 2CC of the Securities and Exchange Ordinance, 1969 (Report under Condition No.7.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.1	<b>Board Size</b> (minimum 5 directors and maximum 20 directors)	√		
1.2	<b>Independent Directors:</b>			
(i)	At least 1/5th of total number of directors	√		
(ii)(a)	Either holds no share or holds less than 1% share of the total paid-up shares of the company	√		One independent director holds 0.0359% of the total paid up shares of the company
(ii)(b)	Has no connection with any sponsor or director or shareholder who holds 1% or more shares of the company on the basis of family relationship. His / her family members (spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law) also should not hold above mentioned shares	√		
(ii)(c)	Has no pecuniary or other relationship with the company or its subsidiary / associated companies	√		One independent director (whose term expired on October 22, 2016) received remuneration as per approval of shareholders
(ii)(d)	Is not a member, director or officer of any stock exchange	√		
(ii)(e)	Is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
(ii)(f)	Is not or was not during the preceding 3 years, a partner or an executive of company's statutory audit firm.	√		
(ii)(g)	Is not an independent director in more than 3 listed companies	√		
(ii)(h)	Has not been convicted by a court of competent jurisdiction as a loan defaulter of any bank or NBFIs	√		
(ii)(i)	Has not been convicted for a criminal offence involving moral turpitude	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2 (iii)	Is appointed by the Board of Directors and is approved by the shareholders in AGM	√		
1.2 (iv)	Post cannot remain vacant for more than 90 days	√		
1.2 (v)	Code of conduct of all Board members and recording of annual compliance of the code	√		
1.2 (vi)	Tenure of office for 3 years which may be extended for 1 (one) term only	√		
1.3	<b>Qualification of Independent Director (ID):</b>			
(i)	Shall be knowledgeable individual with integrity; able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		
1.3 (ii)	Should be a business leader / corporate leader / bureaucrat / university teacher with economics or business studies or law background / professionally qualified accountant or secretary with at least 12 years of corporate management / professional experiences	√		
1.3 (iii)	Relaxation of above qualifications in special cases with prior approval of the Commission	N/A		
1.4	Chairman of the Board and Chief Executive Officer (different individuals)	√		The managing director acts as CEO
1.5	<b>Inclusion of following additional statements in the Directors' Report to shareholders:</b>			
(i)	Industry outlook and possible future developments in the industry	√		
(ii)	Segment-wise or product-wise performance	√		Notes 24.00, 35.00 and unit-wise result provided in the audited financial statements
(iii)	Risks and concerns	√		Following Notes have been provided in the audited financial statements: a) Financial Risk Management (40.00) b) Credit Risk (40.01) c) Liquidity Risk (40.02) d) Market Risk including Currency Risk and Interest Rate Risk (40.03)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(iv)	Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin	✓		
(v)	Discussion on continuity of any Extraordinary gain or loss	✓		
(vi)	Disclosure of all related party transactions and basis thereof	✓		Notes 07.01, 33.00 and 33.01 of the audited financial statements
(vii)	Utilization of proceeds from public issues, right issues and/ or through any other instruments	✓		No such proceeds received during the year
(viii)	An explanation for deterioration of financial results after the company goes for IPO, RPO, Right Offer, Direct Listing, etc.	✓		No such event occurred during the year
(ix)	Explanation about the significant variance that occurred between quarterly financial performance and Annual Financial Statements	✓		No such significant variance occurred during the year
(x)	Remuneration to directors including independent directors	✓		Notes 18.00, 26.00, 33.00 and 33.01 of the audited financial statements
(xi)	Inclusion of statement that the financial statements prepared by the management of the company fairly present state of its affairs, result of its operation, cash flows and changes in equity	✓		Certificate included in the Annual Report
(xii)	Maintenance of proper books of accounts of the company	✓		
(xiii)	Declaration that appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgement	✓		
1.5(xiv)	Declaration that in preparation of financial statements IAS / BAS / IFRS / BFRS, as applicable in Bangladesh, have been followed and any departure therefrom has been adequately disclosed	✓		
(xv)	Declaration that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
(xvi)	Declaration that there are no significant doubts upon the company's ability to continue as a going concern. If the company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✓		
(xvii)	The significant deviations, if any, from last year's operating results shall be highlighted and reasons thereof should be explained	✓		No significant deviation occurred

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(xviii)	Providing summarized form of key operating and financial data of at least preceding 5 years	√		
(xix)	If cash or stock dividend is not declared for the year, the reasons thereof shall be given	√		Cash Dividend has been recommended by the Board
(xx)	Disclosure about the number of Board meetings held during the year and attendance therein by each director	√		Note 26.01 of audited financial statements
(xxi)(a)	Name-wise disclosure of detailed shareholding of the company held by parent / subsidiary / associated companies and other related parties	√		
(xxi)(b)	Name-wise disclosure of detailed shareholding of the company held by directors / CEO / Company Secretary / CFO / Head of Internal Audit (HIA) and their spouses and minor children	√		
(xxi)(c)	Name-wise disclosure of detailed shareholding of the company held by the executives (top 5 salaried employees of the company other than holders of posts stated in (xxi)(b) above	√		
(xxi)(d)	Name-wise disclosure of detailed shareholding of the company by shareholders holding 10% or more voting interest in the company	√		
(xxii)(a)	Disclosure of brief resume of the directors of the company	√		
(xxii)(b)	Disclosure of nature of expertise of the directors in specific functional areas	√		
(xxii)(c)	Disclosure of names of companies in which the directors of the company also holds directorship and disclosure of their membership of committees of the Board	√		
2.1	Appointment of CFO, HIA (Internal Control and Compliance), CS and to define clearly their respective roles, responsibilities and duties	√		
2.2	Requirement of CFO and CS to attend the Board meetings except in that part of the meeting which involves their personal matters	√		
3(i)	Appointment of Audit Committee as a sub-committee of the Board of Directors	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(ii)	Disclosure that Audit Committee assists the Board of Directors in ensuring reflection of true and fair view of the state of affairs of the company in financial statements and ensures a good monitoring system within the business	√		Report of the Audit Committee included in the Annual Report
3(iii)	Disclosure that Audit Committee is responsible to the Board of Directors and the duties of Audit Committee are clearly set forth in writing	√		
3.1(i)	Constitution of Audit Committee comprising at least 3 (three) members	√		
3.1(ii)	Appointment of Audit Committee by the Board of Directors comprising the directors of the company and at least 1 (one) independent director	√		
3.1(iii)	Disclosure that all members of the Audit Committee are financially literate (i.e. able to read and understand the financial statements) and at least 1 (one) member has accounting or related financial management experience (i.e. possesses professional qualification or is a graduate in accounting / finance with at least 12 years of corporate management / professional experience)	√		
3.1(iv)	Appointment of new member of Audit Committee by the Board of Directors on expiry of service term or for fall of number of members below 3 (three) immediately or within one month of expiry / fall in minimum number	√		Upon the completion of a first term of 3 (three) years on September 24, 2017, one independent director was reappointed for an additional 3 (three) year term beginning September 25, 2017
3.1(v)	Company Secretary is to act as Secretary of Audit Committee	√		
3.1(vi)	To form quorum of Audit Committee meeting, at least one independent director should remain present.	√		
3.2(i)	Selection of independent directors by the Board of Directors as the Chairman of Audit Committee	√		
3.2(ii)	Presence of Chairman of Audit Committee (Independent Director) in AGM	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.3	<b>Functions (Roles) of Audit Committee:</b>	√		
(i)	To oversee the financial reporting process	√		
3.3(ii)	To monitor choice of accounting policies and principles	√		
3.3(iii)	To monitor internal control risk management process	√		
3.3(iv)	To oversee hiring and performance of external auditors	√		
3.3(v)	To review along with the management, the annual financial statements before submission to the Board for approval	√		
3.3(vi)	To review along with the management, the quarterly and half-yearly financial statements before submission to the Board for approval	√		
3.3(vii)	To review the adequacy of internal audit functions	√		
3.3(viii)	To review statements of significant related party transactions submitted by the management	√		
3.3(ix)	To review management letters / letter of internal control weakness issued by statutory auditors	√		
3.3(x)	Disclosure by company to the Audit Committee about the uses / applications of major category funds (capital expenditure, sales and marketing expenses, working capital, etc.) raised through IPO / RPO / Right Issue, on a quarterly basis, as a part of their quarterly declaration of financial results. The company shall also prepare on an annual basis, a statement of funds utilized for the purposes other than those stated in the offer document / prospectus	√		No funds were raised during the year 2016-2017 through IPO / RPO / Rights Issue
3.4.1(i)	Reporting on its activities by the Audit Committee to the Board of Directors	√		Report of Audit Committee included in the Annual Report
3.4.1(ii) (a)	Immediate reporting on conflicts of interests, if any, by the Audit Committee to the Board of Directors	√		No such conflict arose
3.4.1(ii) (b)	Immediate reporting on suspected or presumed fraud or irregularity or material defect in the internal control system by the Audit Committee to the Board of Directors	√		No such incident occurred

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4.1(ii) (c)	Immediate reporting on suspected infringement of laws, including securities related laws, rules and regulations by the Audit Committee to the Board of Directors	√		No such infringement occurred
3.4.1(ii) (d)	Immediate reporting on any other matter which the Audit Committee feels to be disclosed to the Board of Directors	√		No such incident occurred
3.4.2	<b>Reporting to the Authorities:</b> If the Audit Committee finds anything which has material impact on financial condition and results of operation of the company, it should report it and discuss with the Board of Directors and the Management about rectification. If such rectification has been unreasonably ignored, the Audit Committee shall either report such matter to the Board of Directors for 3 (three) times or shall wait for 6 (six) months from first reporting for rectification and, thereafter, shall report such findings to the Commission (SEC)	√		No such matter has yet been found
3.5	The report on activities carried out by the Audit Committee including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of Audit Committee and disclosed in the annual report of the company	√		
4.	Not to engage external / statutory auditors of the company to perform the following services of the company:			
(i)	Appraisal or valuation services or fairness opinions	√		
(ii)	Financial information systems design and implementation	√		
(iii)	Book-keeping or other services related to the accounting records or financial statements	√		
(iv)	Broker-dealer services	√		
(v)	Actuarial services	√		
(vi)	Internal audit services	√		
(vii)	Any other service that the Audit Committee determines	√		
(viii)	No partner or employee of the external audit firm shall possess any share of the company they audit at least during the tenure of their audit assignment of the company	√		The statutory audit firm has been requested to provide their confirmation in this respect

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5	<b>Subsidiary company:</b>			
(i)	Same provisions to apply in composition of the Board of Directors of subsidiary company	√		No subsidiary company
5(ii)	At least one independent director of holding company shall be a director of the subsidiary company			No subsidiary company
(iii)	Placement of minutes of Board meeting of subsidiary company in the following Board meeting of holding company for review			No subsidiary company
(iv)	To state in minutes of Board meeting of holding company that the affairs of subsidiary company have been reviewed			No subsidiary company
(v)	Review of financial statements of and in particular the investment made by subsidiary company be also reviewed by Audit Committee of holding company			No subsidiary company
6.	Certificate from CEO and CFO to the Board stating that they have reviewed financial statements of the company for the year and that to the best of their knowledge and belief:	√		Certificate included in the Annual Report
(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading			
(i)(b)	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	√		
6(ii)	That to the best of their knowledge and belief, there were no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		
7.	<b>Reporting and Compliance of Corporate Governance:</b>			
(i)	Obtaining a certificate from a practicing professional accountant / secretary (CA / C&MA / CS) regarding compliance of conditions of Corporate Governance Guidelines of the Commission (BSEC) and sending the same along with Annual Report to the shareholders.	√		Certificate included in the Annual Report
(ii)	Attachment of annexure in the Directors' Report regarding compliance of Corporate Governance Guidelines	√		

# VALUE ADDED STATEMENT

The Value Added Statement (VAS) depicts the company's wealth creation and distribution, its contribution towards socio-economic activities of the country through the employment of personnel, the payment of dividends to shareholders, payments made to finance providers and the National Exchequer, as well as wealth retained by the company to be invested in its future growth.

## Value Added

	June 30, 2017		June 30, 2016	
	Amount (Tk.)	%	Amount (Tk.)	%
Revenue	11,290,557,541		11,034,522,095	
Other Income	299,186,803		288,208,964	
	11,589,744,344		11,322,731,059	
Less: Paid to Suppliers of Materials and Service Providers	(7,311,326,043)		(7,192,543,255)	
<b>Total Value Added</b>	<b>4,278,418,301</b>	<b>100.00</b>	<b>4,130,187,804</b>	<b>100.00</b>

## Distributed as follows:

### To Employees

Wages, Salaries, Remuneration & Allowances, Incentives and Other Benefits	1,144,775,261	26.76	1,111,008,137	26.90
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### To Finance Providers

	118,234,767	2.76	90,200,310	2.18
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### To the Government

Duties, Taxes & VAT	1,122,195,124	26.23	1,067,207,321	25.84
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### To Shareholders

Dividend	856,880,938	20.03	793,408,278	19.21
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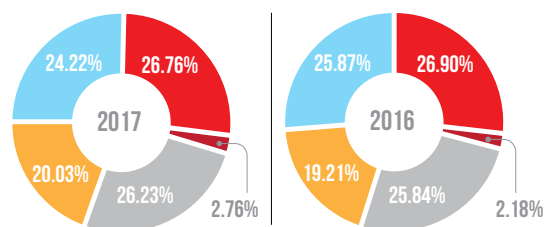
	<b>3,242,086,090</b>		<b>3,061,824,046</b>	
--	----------------------	--	----------------------	--

## Retained for Re-Investment & Future Growth

Depreciation & Amortization	249,962,475		236,108,807	
Retained Earnings	786,369,736		832,254,951	
	<b>1,036,332,211</b>	<b>24.22</b>	<b>1,068,363,758</b>	<b>25.87</b>
	<b>4,278,418,301</b>	<b>100.00</b>	<b>4,130,187,804</b>	<b>100.00</b>

## Distributed as follows:

- To Employees
- To Finance Providers
- To the Government
- To the Shareholders
- Depreciation & Retained Earnings



# ECONOMIC VALUE ADDED STATEMENT

The Economic Value Added (EVA) provides a measurement of a company's financial performance over a period of time based on the residual wealth calculated by deducting its Cost of Capital from its Net Operating Profit, adjusted for taxes on a cash basis.

	Amount in Taka	
	June 30, 2017	June 30, 2016
Net Operating Profit After Tax (NPAT)	1,643,250,674	1,625,663,229
Total Capital Employed (Total Assets minus Current Liabilities)	5,711,674,986	4,781,051,229
Cost of Capital in % (average rate)	14.69%	14.74%
Cost of Capital (COC)*	839,180,403	704,668,741
<b>Economic Value Added (EVA) = NPAT - COC</b>	<b>804,070,271</b>	<b>920,994,488</b>

The positive number in both the years reflects the company's financial strength and demonstrates that it has more coverage than its Cost of Capital.

\* Calculation of Cost of Capital

Market weight shows:

Debt: 5.23% (2016: 5.22%)

Equity: 94.77% (2016: 94.78%)

Borrowing Cost % (weighted average rate)	9.12%	10.00%
Equity Cost of Capital %	15%	15%
Average Rate	14.69%	14.74%
Cost of Capital (COC)		
Debt	27,252,740	24,977,887
Equity	811,927,663	679,690,854
	<b>839,180,403</b>	<b>704,668,741</b>

# MARKET VALUE ADDED STATEMENT

The Market Value Added (MVA) provides a measurement of a company's external performance in relation to its equity. It compares the market value of shares and their book value. A positive MVA indicates that the company could add to the value to the shareholders' wealth.

		Amount in Taka	
		June 30, 2017	June 30, 2016
Market Value of Shares Outstanding	Note A	55,503,034,754	65,741,810,012
Book Value of Shares Outstanding	Note B	5,412,851,086	4,531,272,360
Market Value Added		<u>50,090,183,668</u>	<u>61,210,537,652</u>
Market Value Added per Share (with regard to Share Capital as existing)		<u>250.53</u>	<u>321.45</u>

**Note A** - Market price per share (as quoted in the stock exchanges):

Dhaka Stock Exchange Ltd		278.50	345.30
Chittagong Stock Exchange Ltd		276.70	345.20
	Average Rate	<u>277.60</u>	<u>345.25</u>
No. of Shares Outstanding		199,938,886	190,417,987
Market Value of Shares Outstanding		<u>55,503,034,754</u>	<u>65,741,810,012</u>

**Note B** - No. of Shares outstanding at June 30

Book Value of Shares (Tk. 10 per value)		1,999,388,860	1,904,179,870
Retained Earnings at June 30		3,413,462,226	2,627,092,490
<b>Book Value of Shares Outstanding</b>		<u><b>5,412,851,086</b></u>	<u><b>4,531,272,360</b></u>

# AUDITORS' REPORT TO THE SHAREHOLDERS

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

### Report on the financial statements

We have audited the accompanying financial statements of Olympic Industries Limited which comprise the Statement of Financial Position as at June 30, 2017 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these 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 Bangladesh Standards on Auditing. 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 present fairly, in all material respects, the financial position of Olympic Industries Limited as at June 30, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act 1994 and the Securities and Exchange Rules 1987, we report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- iii) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by this report are in agreement with the books of accounts; and
- iv) the expenditures incurred and payments made were for the purpose of the company's business for the year.



**M. J. ABEDIN & CO**  
Chartered Accountants

Dhaka, October 26, 2017

# STATEMENT OF FINANCIAL POSITION

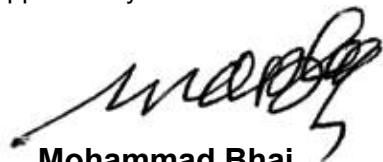
As at June 30, 2017

	Notes	Amount in Taka	
		June 30, 2017	June 30, 2016
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment (at cost less Accumulated Depreciation )	02.00	1,907,118,367	1,671,383,385
Capital Work in Progress	03.00	450,255,126	278,962,060
Intangible Assets	04.00	6,452,865	12,905,730
		<b>2,363,826,358</b>	<b>1,963,251,175</b>
<b>Current Assets</b>			
Inventories	05.00	889,663,238	581,286,241
Trade & Other Receivables	06.00	163,380,305	170,337,813
Advances, Deposits & Prepayments	07.00	1,360,608,025	973,767,439
Investments	08.00	4,095,492,162	3,570,416,814
Cash & Cash Equivalents	09.00	247,347,709	381,708,726
		<b>6,756,491,439</b>	<b>5,677,517,033</b>
<b>Total Assets</b>		<b>9,120,317,797</b>	<b>7,640,768,208</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital	10.00	1,999,388,860	1,904,179,870
Retained Earnings ( As per Statement of Changes in Shareholders' Equity )		3,413,462,226	2,627,092,490
		<b>5,412,851,086</b>	<b>4,531,272,360</b>
<b>Non-Current Liabilities</b>			
Long-Term Loan - Non-Current Portion	11.00	176,148,442	136,749,676
Lease Finance - Non-Current Portion	12.00	14,971,692	19,261,080
Deferred Tax Liability	13.00	107,703,766	93,768,113
		<b>298,823,900</b>	<b>249,778,869</b>
<b>Equity &amp; Non-Current Liabilities</b>		<b>5,711,674,986</b>	<b>4,781,051,229</b>
<b>Current Liabilities &amp; Provisions</b>			
Short-Term Loans and Overdraft	14.00	846,439,265	214,166,383
Long-Term Loan - Current Portion	11.00	144,803,219	196,356,242
Lease Finance - Current Portion	12.00	25,410,811	36,151,188
Interest Payable	15.00	406,227	116,426
Creditors for Goods	16.00	529,203,787	578,821,148

As at June 30, 2017

	Notes	Amount in Taka	
		June 30, 2017	June 30, 2016
Creditors for Services	17.00	15,780,537	8,281,754
Accrued Expenses	18.00	58,898,027	46,502,089
Advance Against Sales	19.00	131,633,278	357,344,424
Liabilities for Other Finance	20.00	53,816,000	64,841,901
Provision for Taxation	21.00	1,138,136,995	968,656,378
Unclaimed Dividend	22.00	111,632,675	70,194,750
Employee Benefit Obligations	23.00	352,481,990	318,284,296
		<b>3,408,642,811</b>	<b>2,859,716,979</b>
<b>Total Liabilities</b>		<b>3,707,466,711</b>	<b>3,109,495,848</b>
<b>Total Equity &amp; Liabilities</b>		<b>9,120,317,797</b>	<b>7,640,768,208</b>

The annexed notes form an integral part of these financial statements.  
Approved by the Board on October 26, 2017 and signed on its behalf by:



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our report of same date.



**M. J. Abedin & Co.**  
Chartered Accountants

Dhaka, October 26, 2017

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

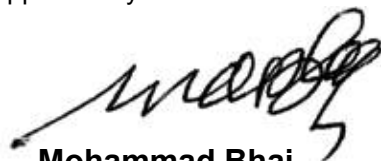
For the year ended at June 30, 2017

	Notes	Amount in Taka	
		2016 - 2017	2015- 2016
<b>Continuing Operations</b>			
Revenue	24.00	11,290,557,541	10,965,042,877
Cost of Sales	25.00	(7,523,115,147)	(7,274,288,716)
<b>Gross Profit</b>		<b>3,767,442,394</b>	<b>3,690,754,161</b>
<b>Operating Expenses</b>			
Administrative Expenses	26.00	(292,089,909)	(325,712,890)
Selling Expenses	27.00	(1,322,222,891)	(1,248,601,191)
Profit from Operations		2,153,129,594	2,116,440,080
Finance Cost	28.00	(118,234,767)	(89,632,361)
		<b>2,034,894,827</b>	<b>2,026,807,719</b>
Other Income	29.00	299,186,803	286,394,247
Profit /(Loss) for the year		<b>2,334,081,630</b>	<b>2,313,201,966</b>
Net Changes in Fair Value of Investment in Shares of Listed Companies	08.01	(157,010)	(749,715)
		<b>2,333,924,620</b>	<b>2,312,452,251</b>
Contribution to Workers Profit Participation & Welfare Funds	23.00	(111,139,268)	(110,116,774)
<b>Profit Before Tax</b>		<b>2,222,785,352</b>	<b>2,202,335,477</b>
<b>Income Tax Expenses</b>			
Current Tax	21.00	(565,599,025)	(579,522,658)
Deferred Tax		(13,935,653)	905,155
<b>Profit After Taxation</b>		<b>1,643,250,674</b>	<b>1,623,717,974</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>1,643,250,674</b>	<b>1,623,717,974</b>

For the year ended at June 30, 2017

	Notes	Amount in Taka	
		2016 - 2017	2015- 2016
<b>Discontinued Operations</b>			
Profit /(Loss) for the year from <b>Discontinued Operations</b>	Annex B	-	1,945,255
Profit/(Loss) for the year		1,643,250,674	1,625,663,229
<b>Basic &amp; Diluted Earnings Per Share (EPS ) (Par value Tk 10.00)</b>	30.00	8.22	8.13
<b>Number of Shares Used to Compute EPS</b>		199,938,886	199,938,886

The annexed notes form an integral part of these financial statements.  
Approved by the Board on October 26, 2017 and signed on its behalf by:



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our report of same date.



**M. J. Abedin & Co.**  
Chartered Accountants

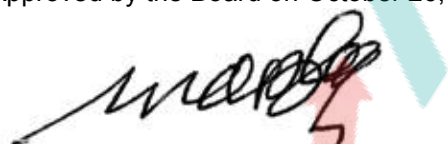
Dhaka, October 26, 2017

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

As at June 30, 2017

	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at July 1, 2015	1,586,816,560	1,794,837,539	3,381,654,099
Transactions with the shareholders:			
Cash Dividend for 2015	-	(476,044,968)	(476,044,968)
Stock Dividend for 2015	317,363,310	(317,363,310)	-
Net Profit for the year ended at June 30, 2016	-	1,625,663,229	1,625,663,229
<b>Balance as at June 30, 2016</b>	<b>1,904,179,870</b>	<b>2,627,092,490</b>	<b>4,531,272,360</b>
<b>No. of Shares at Balance Sheet Date</b>			<b>190,417,987</b>
<b>Net Asset Value (NAV) per Share</b>			<b>23.80</b>
Balance as at July 1, 2016	1,904,179,870	2,627,092,490	4,531,272,360
Transactions with the Shareholders:			
Cash Dividend for 2016	-	(761,671,948)	(761,671,948)
Stock Dividend for 2016	95,208,990	(95,208,990)	-
Net Profit for the year ended at June 30, 2017	-	1,643,250,674	1,643,250,674
<b>Balance as at June 30, 2017</b>	<b>1,999,388,860</b>	<b>3,413,462,226</b>	<b>5,412,851,086</b>
<b>No. of Shares at Balance Sheet Date</b>			<b>199,938,886</b>
<b>Net Asset Value (NAV) per Share</b>			<b>27.07</b>

The annexed notes form an integral part of these financial statements.  
Approved by the Board on October 26, 2017 and signed on its behalf by :

  
**Mohammad Bhai**  
Chairman

  
**Mubarak Ali**  
Managing Director

  
**Md. Nazimuddin**  
Company Secretary

As per our report of same date.

  
**M. J. Abedin & Co.**  
Chartered Accountants

Dhaka, October 26, 2017

# CASH FLOW STATEMENT

For the year ended at June 30, 2017  
(Refer to Accounting Policy Note 01.00(0))

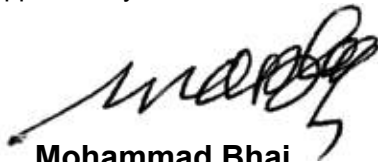
	Amount in Taka	
	2016-2017	2015-2016
<b>A. Cash Flows from Operating Activities</b>		
Cash Received from Customers & Others	11,077,744,283	11,248,307,010
Cash Paid to Suppliers and Employees	(9,410,191,043)	(8,704,654,126)
Cash Generated from Operations	<b>1,667,553,240</b>	<b>2,543,652,884</b>
Bank Charges	(4,164,994)	(2,610,124)
Income Taxes Paid	(674,720,508)	(454,921,450)
<b>Net Cash Generated from Operating Activities</b>	<b>988,667,738</b>	<b>2,086,121,310</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of capital assets	(650,537,658)	(307,829,225)
Investments	(525,232,358)	(1,486,466,309)
Proceeds from sale of fixed assets	-	14,830,000
Interest received	292,692,297	199,616,040
<b>Net Cash used in investing activities</b>	<b>(883,077,719)</b>	<b>(1,579,849,494)</b>
<b>C. Cash Flows from Financing Activities</b>		
Short-Term Loan	632,272,882	75,903,680
Long-Term Loan	(12,154,257)	(89,722,821)
Interest Paid	(113,779,972)	(87,611,822)
Lease Finance	(15,029,765)	(28,354,676)
Liabilities for Other Finance	(11,025,901)	(2,060,466)
Dividend Paid	(720,234,023)	(449,641,243)
<b>Net Cash Used in Financing Activities</b>	<b>(239,951,036)</b>	<b>(581,487,348)</b>
Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(134,361,017)	(75,215,532)
Cash & Cash equivalents at Opening	381,708,726	456,924,258
<b>Cash &amp; Cash equivalents at Closing</b>	<b>247,347,709</b>	<b>381,708,726</b>

**CASH FLOW STATEMENT**

For the year ended at June 30, 2017  
 (Refer to Accounting Policy Note 01.00(0))

	Amount in Taka	
	2016-2017	2015-2016
<b>Net Operating Cash Flow per Share</b>	<b>4.94</b>	<b>10.96</b>
<b>Number of Shares Used to Compute Net Operating Cash Flow per Share</b>	<b>199,938,886</b>	<b>190,417,987</b>

The annexed notes form an integral part of these financial statements.  
 Approved by the Board on October 26, 2017 and signed on its behalf by :



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our report of same date.



**M. J. Abedin & Co.**  
Chartered Accountants

Dhaka, October 26, 2017

# ACCOUNTING POLICIES AND EXPLANATORY NOTES

As at and for the year ended at June 30, 2017

## 01.00 Significant Accounting Policies and Other Material Information:

### a. Company Information

#### Legal Form of the Enterprise:

Olympic Industries Ltd. (Formerly Bengal Carbide Limited) (the “Company”), is a company incorporated and domiciled in Bangladesh as a public limited company. The Company was incorporated in Bangladesh on 26th June, 1979 bearing registration number C-7096/826 of 1978-1979

It commenced commercial operation in 1982 and went for public issue of shares in 1984. The shares of the Company are listed in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in Bangladesh.

#### Nature of Business Activities:

The Company is engaged in manufacturing and marketing of dry cell batteries, biscuits, candy and confectionery items, and plastic products.

The products are sold in the local market as well as abroad.

Plastic products are mainly used for the Company’s own consumption and are sold outside at a limited scale.

#### Discontinuation of Business Activities:

No discontinuation of business took place during the year under review as against closure of the ballpoint pen unit of the Company during the preceding year.

#### Address of Registered Office, Corporate Office and Factories

The registered office of the Company is located at Lolati, Kanchpur, P.S. Sonargaon, in the district of Narayanganj.

The corporate office of the Company is at 62-63, Motijheel Commercial Area, Dhaka-1000.

The factories are located at Kanchpur and Lolati, P.S. Sonargaon and at Madanpur, P.S. Bondar, both in the district of Narayanganj.

### b. Reporting Period

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

### c. Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (Tk.), which is both functional currency and presentation currency of the Company.

### d. Level of Precision

The figures in the financial statements have been rounded off to the nearest Taka.

### e. Components of Financial Statements

The financial statements include the following components as per BAS 1 “Presentation of Financial Statements”.

- i. Statement of Financial Position;
- ii. Statement of Profit or Loss and Other Comprehensive Income;
- iii. Statement of Changes in Equity;
- iv. Cash Flow Statement;
- v. Accounting Policies and Explanatory Notes.

### f. Comparative Information

Comparative information has been disclosed with respect to the year 2016 for all numerical information of the financial statements as well as narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

The previous year's figures have been rearranged, reclassified and restated, where considered necessary, to conform to current year's presentation.

### g. Consistency of Presentation

The presentation and classification of all items with the financial statements have been retained from one period to another period except where it is apparent that another presentation or classification would be more appropriate with regard to the selection criteria and application of accounting policies or changes required by another BFRSs.

As required under the provision of the Bangladesh Financial Reporting Standards in the presentation of the financial statements, Profit or Loss and Other Comprehensive Income have separately reflected the results of continuing operations and discontinued operations.

No such disclosure is required for the year under review, as there was no discontinuation of business during the year.

### h. Statement of Compliance

The financial statements have been prepared and information has been disclosed in accordance with the requirements of the Companies Act, 1994 and Bangladesh Financial Reporting Standards (BFRSs) as long as applicable to the Company.

BFRSs are comprised of:

- Bangladesh Financial Reporting Standards (BFRSs)
- Bangladesh Accounting Standards (BASs)
- Interpretations

### i. Other Regulatory Compliance

As required, Olympic Industries Limited also complies with the following major regulatory provisions in addition to the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984

- The Securities and Exchange Commission Ordinance, 1969
- The Securities and Exchange Commission Act, 1993
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- The Customs Act, 1969
- Bangladesh Labour Law, 2006

## j. Accounting Assumptions

### Accrual Basis of Accounting

The financial statements have been prepared, except the Cash Flow Statement, under accrual basis of accounting in accordance with applicable Bangladesh Accounting Standards which do not vary from the requirements of the Companies Act, 1994 and other laws and rules as applicable in Bangladesh.

### Going Concern

The financial statements are prepared on a going concern basis. As per the management's assessment, there is no material uncertainty relating to events or condition which may cast doubt upon the Company's ability to continue as a going concern.

## k. Basis of Measurement

The financial statements have been prepared under historical cost basis except for non-derivative financial instruments, held for trading, which are measured at fair value as per BAS 39.

## l. Use of Estimates and Judgments

The preparation of financial statements requires the management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on past experiences and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

## m. Application of Bangladesh Financial Reporting Standards (BFRS)

The Accounting and Financial Reporting Standards that are applicable for the financial statements for the year under review, include the following:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statements of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events After the Reporting Period
BAS 12	Income Taxes

BAS 16	Property, Plant and Equipment
BAS 17	Leases
BAS 18	Revenues
BAS 19	Employee Benefits
BAS 20	Accounting for Government Grants and Disclosure for Government Assistance
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 26	Accounting and Reporting by Retirement Benefits Plans
BAS 32	Financial Instruments: Presentation
BAS 33	Earnings per Share
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets
BAS 39	Financial Instruments : Recognition and Measurement
BFRS 5	Non-Current Assets Held for Sale and Discontinued Operations
BFRS 7	Financial Instruments : Disclosures
BFRS 9	Financial Instruments
BFRS 13	Fair Value Measurement

New standards and amendments to standards adopted by the Institute of Chartered Accountants of Bangladesh subsequent to June 30, 2017 that are applicable to the Company will be taken into consideration in due course.

#### n. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### o. Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method.

Cash & cash equivalents comprise short term deposits, highly liquid investments and current deposits.

#### p. Accounting Policies, Changes in Accounting Estimates and Errors

##### Accounting Policies

Accounting policies are the specific principles, bases, conventions, requirements and practices used by an entity in preparing and presenting its financial statements.

An existing accounting policy should only be changed where a new accounting will result in reliable and more relevant information being presented.

Any changes in accounting policy required to be accounted for retrospectively except where it is not practicable to determine the effect in prior periods.

### Accounting Estimates

The preparation of financial statements requires many estimates to be made on the basis of latest available, reliable information.

The effect of a change in accounting estimates should, therefore, be recognized prospectively.

### Prior Period Error

A prior period error is where an error has occurred even though reliable information was available when those financial statements were authorized for issue.

BAS 8 requires retrospective restatement of financial statements to adjust prior period errors as if the prior period error had never occurred.

## q. Events After the Reporting Period

Events after the reporting period that provide additional information about the Company's position at the date of Statement of Financial Position or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

## r. Taxation

### Current Tax

Current tax provision is maintained at the rate of 25% on business income, at the rate of 25% on non-operating income, at the rate of 20% on dividend income and at the rate of 10% on capital gain, if any, taking into consideration due allowances and possible ad-backs as per the Income Tax Ordinance, 1984 and the Income Tax Rules, 1984 and related SROs.

### Deferred Tax

Deferred tax is recognized in compliance with BAS 12 "Income Taxes", providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## s. Property, Plant and Equipment

### Recognition and Measurement

Items of property, plant and equipment, excluding freehold land, freehold building and leasehold buildings, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at Cost Price. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

### Subsequent Costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Comprehensive Income as incurred.

**Depreciation**

Depreciation is charged for the year on Straight Line Method on all fixed assets other than land. For additions during the year, depreciation is charged for the remaining days of the year and for disposal, depreciation is charged up to the date of disposal.

The rate of depreciation varies according to the estimated useful lives of the items of property, plant and equipment.

The rates of depreciation and amortization of each class of assets are as follows:

<b>Depreciation</b>	
Buildings & Other Constructions	5-25%
Plant & Machinery	10-15 %
Office Equipment	10-25 %
Furniture & Fixtures	10%
Transport	20 %
<b>Amortization</b>	
ERP Software (Useful Life of 5 Years)	20 %

**Major Maintenance Activities**

The Company incurs maintenance costs for all of its major items of property, plant and equipment. Repairs and maintenance costs are charged as expenses when incurred.

**Gains or Losses on Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as other income / other expenses.

**Capital Work In Progress**

Capital work in progress consists of acquisition costs, directly attributable borrowing cost for capital components and related installation cost, until the date when the asset is ready to use for its intended purpose. In case of import of components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the Company.

**t. Leases**

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not be transferred eventually. Financial leases are capitalized at the commencement of the lease term at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Assets under finance leases are recognized in the Statement of Financial Position and the future lease payments are recognized as lease liability. Expenses for the period correspond to depreciation of the leased assets and interest costs for the lease finance are charged in the Statement of Comprehensive Income.

**u. Revenues**

Revenues are recognized when the risks and rewards of the ownership are transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return can be estimated reliably, and there is no continuing management involvement with the goods delivered.

## v. Employee Benefit

The employees enjoy benefits from statutorily formed Workers Profit Participant and Welfare Funds.

Other than usual short-term benefits like salaries, wages & allowances, bonus, leave, and others, the employees enjoy the following.

### Provident Fund

The Company operates a Contributory Provident Fund for its eligible employees. It is funded by the equal contribution from the employees as well as the company. The Fund is recognized by the National Board of Revenue, Government of the People's Republic of Bangladesh.

It is administered by a Board of Trustees.

### Gratuity Fund

The Company maintains a gratuity scheme and provision is made annually for the employees. A fund, namely, Olympic Industries Ltd.'s Employees' Gratuity Fund established in accordance with Part-C of the First Schedule of the Income Tax Ordinance, 1984, has been accorded due recognition by the National Board of Revenue, Government of the People's Republic of Bangladesh.

The Fund is administered by a Board of Trustees.

Benefits like pension schemes, share-based payments have not been introduced by the Company.

## w. Accounting for Government Grants and Disclosure for Government Assistance

A government grant (cash subsidy) that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related cost is recognized in profit and loss of the period on cash basis consistently.

## x. Foreign Currency Transactions

Foreign currencies are converted into Bangladesh Taka at rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Statement of Financial Position date in accordance with BAS 21 "The Effects of Changes in Foreign Exchange Rates".

## y. Borrowing Cost

The borrowing cost that can be directly attributable to a qualifying asset is capitalized during construction period. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing cost that would have been avoided if the expenditure or the qualifying asset had not been made. All other borrowing costs are recognized in Statement of Comprehensive Income in the period in which they are incurred.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss as finance cost.

## z. Financial Instruments

### i. Non-Derivative Financial Assets

The Company initially recognizes receivables and deposits on the date they are originated. All other financial assets are recognized initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

Financial assets and liabilities are netted off and the net amount is presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

Financial assets include accounts receivables comprising trade and other receivables, advances, deposits and prepayments, loans and advances, investments, cash and cash equivalents, and available-for-sale financial assets.

#### **Trade Receivables**

Account receivables comprise trade and other receivables. Trade receivables represent the amounts due from distributors and institutional customers.

These are stated at the original invoice amount without making any provision for doubtful debts. Provision for doubtful debts is made as and when it is applicable and is reflected in the financial statements or notes to the accounts.

Other receivables include accrued interest on fixed and short term deposits at balance sheet date, invested by the company.

#### **Loans and Advances**

Loans and advances are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and advances are measured at amortized cost using the effective interest method, less any impairment losses.

#### **Investments**

The Company invests its money to fixed deposit and other schemes as deemed fit for the Company's benefit.

Investments in shares of listed companies and mutual funds are categorized as held for trading investment in equity instruments, and as per the requirement of BAS 39, the investments are recognized at fair value through profit or loss. The quoted market price of the Dhaka Stock Exchange Ltd. is used as the fair value of the investments.

#### **Advance, Deposits and Prepayments**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or any other changes.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges for the year.

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, cash in transit and cash at bank including fixed deposits, having maturity of three months or less, which are available for use by the Company without any restrictions.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent. There is insignificant risk of changes in value of the same.

#### **ii. Non-Derivative Financial Liabilities**

The Company recognizes all financial liabilities on the transaction date which is the date the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include accounts payable and other payables, loans and borrowings, and finance lease obligations.

#### **Trade and Other Payables**

Trade and other payables are recognized when its contractual obligations arising from past events are certain and settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

The Company recognizes a financial liability at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Accounts payables represent the amounts due to suppliers of materials and service providers.

### **Loans and Borrowings**

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of the Statement of Financial Position are classified as non-current liabilities, whereas the portion of borrowings repayable within twelve months from the date of the Statement of Financial Position, unpaid interest and other charges are classified as current liabilities.

## **aa. Impairment of Assets**

### **Non-Derivative Financial Assets**

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

### **Loans and Receivables**

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective levels. All individually significant receivables are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

### **Non-Derivative Non-Financial Assets**

In compliance with BAS 36 "Impairment of Assets", the carrying amounts of the Company's non-financial assets 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. For intangible assets, that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its related cash generated unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

## **bb. Provisions and Contingencies**

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 and 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. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognized in the Statement of Financial Position of the Company.

### cc. Intangible Assets

#### Recognition and Measurement

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

Intangible assets of immaterial amounts are charged in the comprehensive income at the time of incurrence of such expenses.

#### Subsequent Expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other expenditures are recognized in the Statement of Comprehensive Income when incurred.

#### Amortization

Amortization is recognized in the Statement of Comprehensive Income on Straight Line Method over the estimated useful lives of intangible assets, from the date they are available for use.

### dd. Risk and Uncertainties for Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with the Bangladesh Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expense during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization and taxes.

### ee. Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Section 183 of the Companies Act, 1994 and other applicable laws and regulations.

**02.00 Property, Plant & Equipment**

(Refer to Accounting Policy Note 01.00(s) and Annex A)

	Amount in Taka	
	June 30, 2017	June 30, 2016
Land & Land Development	213,080,584	165,503,842
Factory Buildings & Other Constructions	341,710,935	385,440,589
Plant & Machinery	1,297,766,909	1,087,714,654
Office Equipment	7,587,636	6,975,008
Furniture & Fixtures	14,827,916	10,883,564
Transport & Vehicles	32,144,387	14,865,728
	<b>1,907,118,367</b>	<b>1,671,383,385</b>

\* The measurement basis for determining the gross carrying amount, the depreciation method used and depreciation rates used have been disclosed in Policy Note 01.00(s).

\* The gross carrying amount and the accumulated depreciation at the beginning and end of the period, and a reconciliation of the carrying amount at the beginning and end of the period showing additions, disposals and depreciation have been stated in Annex A named "Schedule of Property, Plant & Equipment".

\* 5.59 decimal land at Madanpur and 44.00 decimal land at Lolati have been purchased by the company during the year under review for Tk. 3,475,000 and Tk. 32,003,000, respectively. Further, a land development cost of Tk. 12,098,742 has been incurred during this year.

\* 490 decimal land was mortgaged against term loans received from United Commercial Bank Ltd. and The City Bank Ltd. (Note 11.01)

**The said 490 decimal land is located at :**

Madanpur	213	Decimal
Lolati	277	Decimal
	<b>490</b>	Decimal

\* Additions to Plant & Machinery of Tk. 384,368,502 (2016: Tk. 205,513,223) as stated in Annex A named Schedule of Property, Plant & Equipment include Tk. 8,586,356 (2016: Tk. 1,951,188) being attributed to borrowing costs in relation to the items of Plant & Machinery. (Transferred from Capital Work in Progress)

\* Other information as to assets held for sale, acquisition through business combination, effect for revaluation, impairment losses, restrictions of title, contractual commitment for acquisition, etc. is not applicable for the year under review.

**03.00 Capital Work in Progress**

(Refer to Accounting Policy Note 01.00(s))

Machinery	47,111,438	100,427,087
Civil Construction	403,143,688	178,534,973
	<b>450,255,126</b>	<b>278,962,060</b>

	Amount in Taka	
	June 30, 2017	June 30, 2016
<b>03.01 Capital Work in Progress of Tk. 450,255,126 (2016: Tk. 2,78,962,060) has been reconciled as follows:</b>		
Opening Balance at July 1	<b>278,962,060</b>	<b>211,484,151</b>
Additions during the year (other than borrowing costs)	557,337,556	264,267,800
Directly attributed borrowing costs capitalized during the year	8,704,381	3,161,895
	<b>566,041,937</b>	<b>267,429,695</b>
	<b>845,003,997</b>	<b>478,913,846</b>
Less : Net capitalization to fixed assets including borrowing cost	(394,748,871)	(199,951,786)
Closing Balance at June 30	<b>450,255,126</b>	<b>278,962,060</b>
<b>04.00 Intangible Assets</b>	<b>6,452,865</b>	<b>12,905,730</b>
(Refer to Accounting Policy Note 01.00(cc))		
Represent software (ERP) and is arrived at as follows:		
Cost at July 1, 2016	<b>32,264,325</b>	<b>32,264,325</b>
Accumulated amortization (considering life to be 5 years)	(19,358,595)	(12,905,730)
At July 1, 2016	(6,452,865)	(6,452,865)
For the year	<b>(25,811,460)</b>	<b>(19,358,595)</b>
	<b>6,452,865</b>	<b>12,905,730</b>
Amortization for the year of Tk. 6,452,865 as above has been allocated as expense to:		
Factory Overhead (Note 25.03)	2,150,955	2,150,955
Administrative Expenses (Note 26.00)	2,150,955	2,150,955
Selling & Distribution Expenses (Note 27.00)	2,150,955	2,150,955
	<b>6,452,865</b>	<b>6,452,865</b>
* Other intangible assets of insignificant amounts are expensed when acquired		
<b>05.00 Inventories</b>		
(Refer to Accounting Policy Note 01.00(n))		
Materials	602,981,862	401,199,956
In-Transit	100,334,646	103,364,071
Work in Progress	11,345,717	7,891,555
Finished Goods	125,758,881	21,071,237
Stores & Spares	49,242,132	47,759,422
	<b>889,663,238</b>	<b>581,286,241</b>

**06.00 Trade & Other Receivables**

These comprise :

Trade Debtors

Other Receivables being accrued interest on fixed & short-term deposits

Amount in Taka	
June 30, 2017	June 30, 2016
21,584,127	17,303,845
141,796,178	153,033,968
<b>163,380,305</b>	<b>170,337,813</b>

01. Receivables are considered good in respect of which the company holds no security other than personal security of the relevant parties and security deposits of nominal amounts received from almost all of them.

02. No amount was due from the directors (including the Managing Director), managing agents, managers and other officers of the company and any of them severally or jointly with any other person.

03. This includes Tk. 1,437,091 (2016: Tk. 2,699,010) due from Ambee Pharmaceuticals Ltd, an associated undertaking of the company. (Note 33.00)

04. Ageing of Trade Receivables of Tk. 21,584,127 that have subsequently been realised or adjusted in full, is as under :

Exceeding six months	Tk.	1,871,649
Below six months		19,712,478

05. Trade debtors include Tk. 5,564,579 (equivalent USD 69,678.30) (2016: Tk. 3,077,588 equivalent USD 39,254.95) being the amount receivable from overseas customers, which amount has subsequently been received/adjusted.

**07.00 Advances, Deposits & Prepayments**

Advances	(Note 07.01)	1,252,191,163	859,021,303
Deposits	(Note 07.02)	94,848,475	102,093,278
Prepayments	(Note 07.03)	13,568,387	12,652,858
		<b>1,360,608,025</b>	<b>973,767,439</b>

**07.01 Advances****Related Parties (Note 33.00)**

Bengal Steel Works Ltd. (Associated Undertaking)  
Panther Steel Mills Ltd. (Associated Undertaking)

11,276,491	11,234,308
21,442,980	20,931,037
<b>32,719,471</b>	<b>32,165,345</b>

**Others:**

	Amount in Taka	
	June 30, 2017	June 30, 2016
Income Tax	1,024,723,765	746,121,665
Employees	20,377,741	7,176,544
Suppliers & Contractors	174,370,186	73,557,749
	<b>1,219,471,692</b>	<b>826,855,958</b>
	<b>1,252,191,163</b>	<b>859,021,303</b>

- (a) Advances to related parties are secured by personal guarantee given by the directors. During the year under review, no amount has been received on this account.
- (b) The maximum amount due during the year under review from associated undertaking was Tk. 32,719,471 (2016: Tk. 32,165,345)
- (c) The maximum amount due during the year under review from officers of the company was Tk. 1,000,000 (2016: Tk. 1,000,000).
- (d) No amount was due from the directors (including the Managing Director) and managing agents of the company and any of them severally or jointly with any other persons.

**07.02 Deposits**

Security & Other Deposits	47,129,390	24,515,294
VAT Deposits	36,449,483	71,115,757
Lease Deposits	5,595,613	5,595,613
Guarantee Margin	5,673,989	866,614
	<b>94,848,475</b>	<b>102,093,278</b>

**07.03 Prepayments**

Prepaid Insurance	7,691,921	7,798,179
Prepaid Rates & Taxes (licence fees to Bangladesh Standards & Testing Institution (BSTI))	5,876,466	4,854,679
	<b>13,568,387</b>	<b>12,652,858</b>

**07.04 Reconciliation of Advances, Deposit and Prepayments:****Advances**

These have been arrived at as follows :

Opening Balance	859,021,303	424,267,560
Add : Additions made during the year	1,582,764,162	990,015,453
	<b>2,441,785,465</b>	<b>1,414,283,013</b>
Less : Adjustments/recovery made during the year	(1,189,594,302)	(555,261,710)
	<b>1,252,191,163</b>	<b>859,021,303</b>

	Amount in Taka	
	June 30, 2017	June 30, 2016
<b>Deposits</b>		
These have been arrived at as follows:		
Opening Balance	102,093,278	72,252,036
Add: Additions made during the year	1,226,313,065	1,221,337,799
	<b>1,328,406,343</b>	<b>1,293,589,835</b>
Less: Recovery/adjustments made during the year	(1,233,557,868)	(1,191,496,557)
	<b>94,848,475</b>	<b>102,093,278</b>

**Prepayments**

Represent Prepaid Insurance and Rates & Taxes and have been arrived at as follows :

Opening Balance	12,652,858	10,910,657
Add: Additions made during the year	16,477,504	19,773,939
	<b>29,130,362</b>	<b>30,684,596</b>
Less: Adjustments made during the year	(15,561,975)	(18,031,738)
	<b>13,568,387</b>	<b>12,652,858</b>

**08.00 Investments**

i) Fixed Deposits with banks & other financial institutions (maturity period of which is more than 3 months)	4,073,484,034	3,550,528,003
ii) Shares of Listed Companies - as at fair value through Profit or Loss Account (Note 08.01)	21,579,333	19,465,443
iii) Current Account Balance with brokerage house (City Bank Capital Resources Ltd.)	428,795	423,368
	<b>4,095,492,162</b>	<b>3,570,416,814</b>

**08.01 Shares of Listed Companies (as at fair value through profit or loss account)**

(Refer to Accounting Policy Note 01.00(z(ii)) Financial Instruments - Investments )

Particulars	Qty of Shares	Cost	Fair Value	Fair Value Gain/(Loss)
Active Fine Chemicals Ltd.	60,000	3,064,689	3,042,000	(22,689)
Dhaka Electric Supply Company Ltd.	100,000	5,722,860	4,990,000	(732,860)
Jamuna Oil Company Ltd.	37,399	8,012,433	7,745,333	(267,100)
Square Pharmaceuticals Ltd.	20,000	4,936,361	5,802,000	865,639
		<b>21,736,343</b>	<b>21,579,333</b>	<b>(157,010)</b>

Fair Value represents quoted price on June 30, 2017 of Dhaka Stock Exchange Ltd.

**09.00 Cash & Cash Equivalents**

	Amount in Taka	
	June 30, 2017	June 30, 2016
(a) Cash in Hand	7,900,396	23,012,898
(b) Cash at Banks		
In Current Accounts	59,888,255	154,591,149
In STD account	164,062,475	178,842,784
FDRs with Banks & Other Financial Institutions (Maturity period of which is 3 months or less ) Note 09.01	15,496,583	25,261,895
	<b>247,347,709</b>	<b>381,708,726</b>

**09.01 Fixed deposits with banks, maturity periods of which are 3 months or less than 3 months, at varying interest rates of 3% to 5% per annum, categorised as Cash Equivalents are:**

Bank Name	Amount(Tk.)	Interest rate Per annum	Maturity date
Habib Bank Ltd.	10,000,000	5%	Aus.16, 2017
The City Bank Ltd.	4,077,852	3%	Aus. 28, 2017
Bank Al-Falah Ltd.	1,418,731	4.75%	Jul. 8, 2017
Total	<u>15,496,583</u>		

**10.00 Share Capital****a. Authorized Capital**

200,000,000 (2016: 200,000,000) Ordinary Shares of Tk.10 each

Amount in Taka	
June 30, 2017	June 30, 2016

<b>2,000,000,000</b>	<b>2,000,000,000</b>
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**b. Issued, Subscribed & Paid-Up Capital**i. 7,948,070 Ordinary Shares of  
Tk.10 each fully paid up in cash

79,480,700	79,480,700
------------	------------

ii. 2,054,720 Ordinary Shares of  
Tk.10 each issued on merger

20,547,200	20,547,200
------------	------------

iii. 189,936,096 (2016: 180,415,197) Ordinary Shares Tk. 10  
each issued as Bonus Shares  
199,938,886 Ordinary Shares of Tk.10 each

1,899,360,960	1,804,151,970
---------------	---------------

<b>1,999,388,860</b>	<b>1,904,179,870</b>
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**b.i Ordinary Share Capital Paid-Up in Cash**450,000 Ordinary Shares of Tk.10 each  
fully paid-up in cash in 1979 & 1980

4,500,000	4,500,000
-----------	-----------

	Amount in Taka	
	June 30, 2017	June 30, 2016
450,000 Ordinary Shares of Tk.10 each fully paid up in cash in 1984	4,500,000	4,500,000
1,350,000 Ordinary Shares of Tk.10 each right issue at 1:1 in 1994	13,500,000	13,500,000
79,570 Ordinary Shares of Tk.100 each along with premium of Tk.1025/- per share (as right at 1:1 ratio) in 1995 which of present face value of Tk.10 each total to 795,700 Shares	7,957,000	7,957,000
490,237 Ordinary Shares of Tk.100 each along with premium of Tk.100 (as right at 1:1 ratio) in 1998 which of present face value of Tk.10 each totals to 4,902,370 Shares.	49,023,700	49,023,700
	<b>79,480,700</b>	<b>79,480,700</b>
b.ii 2,054,720 Ordinary Shares of Tk.10 each issued in 2008 to the shareholders of erstwhile Tripti Industries Ltd. upon amalgamation with the company.	20,547,200	20,547,200
	<b>20,547,200</b>	<b>20,547,200</b>
b.iii Bonus Share Capital		
450,000 Bonus Shares of Tk.10 each issued from retained earnings at 2:1 in 1988.	4,500,000	4,500,000
2,700,000 Bonus Shares of Tk.10 each issued from retained earnings at 1:1 in 1994.	27,000,000	27,000,000
2,065,230 Bonus Shares of Tk.10 each issued from share premium at 3:1 in 1996.	20,652,300	20,652,300
4,130,460 Bonus Shares of Tk.10 each issued from share premium at 2:1 in 1997.	41,304,600	41,304,600
3,869,690 Bonus Shares of Tk.10 each issued from share premium at 5:1 in 2009.	38,696,900	38,696,900
11,609,080 Bonus Shares of Tk.10 each issued from share premium and retained earnings at 2:1 in 2010.	116,090,800	116,090,800
17,413,625 Bonus Shares of Tk.10 each issued from retained earning at 2:1 in 2011.	174,136,250	174,136,250

	Amount in Taka	
	June 30, 2017	June 30, 2016
26,120,437 Bonus Shares of Tk. 10 each issued from retained earning at 2:1 in 2012.	261,204,370	261,204,370
39,180,656 Bonus Shares of Tk. 10 each issued from retained earning at 2:1 in 2013.	391,806,560	391,806,560
41,139,688 Bonus Shares of Tk. 10 each issued from retained earning at 10:3.5 in 2014.	411,396,880	411,396,880
31,736,331 Bonus Shares of Tk. 10 each issued from retained earning at 5:1 in 2015.	317,363,310	317,363,310
9,520,899 Bonus Shares of Tk. 10 each issued from retained earning at 20:1 in 2016.	95,208,990	-
	<b>1,899,360,960</b>	<b>1,804,151,970</b>

	June 30, 2017		June 30, 2016	
	No. of Shares	%	No. of Shares	%
<b>c. Composition of Share Holdings</b>				
Directors and Sponsors	57,827,413	28.92	55,073,733	28.92
Institutions	24,550,190	12.28	36,595,963	19.22
Foreign Investors	84,947,427	42.49	74,394,171	39.07
General Public	32,613,856	16.31	24,354,120	12.79
	<b>199,938,886</b>	<b>100.00</b>	<b>190,417,987</b>	<b>100.00</b>

- d. The distribution schedule showing the number of shareholders and their holdings in percentage has been disclosed below as a requirement of Listing Regulation of Dhaka and Chittagong Stock Exchanges.

#### Range of Holdings

Less than 500 shares
500 to 5,000 shares
5,001 to 10,000 shares
10,001 to 20,000 shares
20,001 to 30,000 shares
30,001 to 40,000 shares
40,001 to 50,000 shares
50,001 to 100,000 shares
100,001 to 1,000,000 shares
Over 1,000,000 shares

	No. of Shareholders	No. of Shares	Holdings %
Less than 500 shares	8,129	1,112,304	0.55
500 to 5,000 shares	3,683	5,409,594	2.70
5,001 to 10,000 shares	289	2,034,234	1.02
10,001 to 20,000 shares	131	1,815,607	0.91
20,001 to 30,000 shares	59	1,413,605	0.71
30,001 to 40,000 shares	38	1,311,987	0.66
40,001 to 50,000 shares	13	574,206	0.29
50,001 to 100,000 shares	48	3,236,020	1.62
100,001 to 1,000,000 shares	69	19,438,326	9.72
Over 1,000,000 shares	31	163,593,003	81.82
	<b>12,490</b>	<b>199,938,886</b>	<b>100.00</b>

**e. Market Price**

Shares of the company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 278.50 per share (2016: Tk. 345.30) and Tk. 276.70 per share (2016: Tk. 345.20) in the Dhaka and Chittagong Stock Exchanges respectively on June 30, 2017.

**f. Non-Resident Shareholders**

Particulars of non-resident shareholders as on June 30, 2017 are as follows :

Particulars	Folio/BO ID	No. of Shares
REGENT MOGHUL FUND LTD.	96	8,860
IS HIMALAYAN FUND NV	1215	2,227
WI CARR (FAR EAST) LTD.	6263	6,210
UBS SECURITIES (EAST ASIA) LTD.	6660	405
MIDLAND BANK INT'L FINANCE CORP. LTD	7001	4,917
LIOYDS BANK PLC	7946	22
PICTET LUX A/C KFFCFE	1601670058688552	3,019,403
SCB SG A/C RWC F M E M F	1601670060552639	168,000
SCB MU A/C ANICCA MF LP	1601670060724866	3,341,863
PICTET LUX A/C LGIOMF	1601670062083317	279,700
SSBT A/C MSIF INC. EMBNP	1601670062465699	19,098
HBFS AC ARISAIG INDIA FUND L	1601620058579738	15,764,763
PICTET LUX A/C KFFCF	1601670058688536	23,055,952
JPMCB NA A/C THE WTLTWT	1601670062508121	1,756,007
NFM ENERGY LIMITED	1205200052717426	2,000
DB AG LONDON-GLBL MKTS EQTS	1601620015600831	1,119,291
BNYM AC FLORIDA RETIREMENT SYS	1601620020529694	160,000
BNYMSANVAAOPUBEMP RTMASS NMX	1601620033285299	13,590
MORGAN STANLEY AND CO INTL PLC	1601620043385440	1,078,476
BNYM EATON VANCE TR CO COM TR	1601620045001481	34,739
BNYM EATON VANCE TR CO CLTV IV	1601620045005635	405,982
ABERDEEN GLBL FRNTR MRKTS EQTY	1601620045767914	250,000
BNYM AAF PENNSYLVANIA PSERS	1601620054004466	140,932
BNYM GHI HOLDINGS MAURITUS	1601620059236671	10,930
BP2S LU ARISTEA SICAV NEW FEF	1601620061512575	9,858
HSBCPLC EFG-HERMES UCITS UMB	1601620062018351	185,730
NEWEDGE FINANCIAL HK LTD	1601670000542256	11,879
SSBT FOR SSB LUX Morgan Stanle	1601670014803863	3,631,018
SSBT A/C P EM Fund	1601670016201692	607,819
SSBT A/C Param Tax-Managed EMF	1601670016202702	351,256
SSBT A/C TRST (Fund No.:TRAB)	1601670018758253	159,078
JPMCB NA Fr JPM LUX A/C MSIF	1601670030710793	499,597
SSBT A/C M.S.F.E.M.Fund, Inc.	1601670032351598	3,733,228
NTC A/C HARDING LOEVNER FEMP	1601670033089787	1,928,489
SSBT A/C RIIF PLC (JYFV)	1601670036865556	378,724
SSBT A/C RIIF PLC (JYFW)	1601670036869827	142,000

Particulars	Folio/BO ID	No. of Shares
SSBT FR SS LX A/C GSFSSMN11EP	1601670042631271	690,847
JPMCB NA A/C GST-GSN-11E FUND	1601670042903716	179,585
SSBT A/C WA FRN EM S C F	1601670044814247	1,574,862
SSBT A/C IS MS 100 ETF	1601670045157411	995,942
NTC F NTFS A/C THE HLFME	1601670045498911	53,700
SSBT A/C ABE INS CO F,LL	1601670045528963	270,000
JPMCB NA A/C KLPI.	1601670046485549	97,749
BBH A/C MEAF.	1601670048385557	757,426
JPMCB NA A/C FIMM, INC.	1601670052555595	4,342
RBC ISB A/C CS I FM FUND	1601670053468198	608,000
BBH A/C GPEMOF	1601670053849721	272,639
JPMCBNAFORJPM LUX A/CTRPFSFMEF	1601670053880589	207,034
SSBT A/C FEETPLC	1601670053884817	1,530,941
JPMCB NA A/C T.RPIFMEF	1601670054453489	58,808
SSBT A/C FEMEIT	1601670055572468	38,700
BBH FOR SEB A/C EC-EC GMF	1601670057129205	152,494
JPMCB NA A/C CGFMF	1601670057331650	60,464
SSBT A/C FIDELITY FEMF	1601670060620623	55,078
EATON VANCE PARAMETRIC EM FUND	1604300050277626	150,698
CLSA GLOBAL MARKETS PTE LTD	1604300054134389	9,613,902
GOVERNMENT OF NORWAY	1604300059169109	5,272,490
VICTORY CAP INTL COLL INV TR	1604300062549977	19,683
		<b>84,947,427</b>

### 11.00 Long-Term Loan (Secured)

	Amount in Taka	
	June 30, 2017	June 30, 2016
United Commercial Bank Ltd. (Note 11 .01)	313,242,561	330,503,460
Union Capital Ltd. (Note 11 .02)	935,035	2,602,458
The City Bank Ltd. (Note 11 .03)	6,774,065	-
<b>Total Term Loan</b>	<b>320,951,661</b>	<b>333,105,918</b>
Less : Current portion of long-term loan being payable within 1 year		
United Commercial Bank Ltd.	142,959,453	194,688,819
Union Capital Ltd.	935,035	1,667,423
The City Bank Ltd.	908,731	-
<b>Long-Term Loan - Current Portion</b>	<b>144,803,219</b>	<b>196,356,242</b>
<b>Long-Term Loan - Non-Current Portion</b>	<b>176,148,442</b>	<b>136,749,676</b>

**11 .01 Loan from United Commercial Bank Ltd. (UCBL) - Term Loan**

The loan balance has been arrived as at follows :

Opening Balance at July 1

Received during the year

Repayments made during the year

Closing Balance at June 30

Amount in Taka	
June 30, 2017	June 30, 2016
330,503,460	417,374,212
197,561,583	91,553,996
528,065,043	508,928,208
(214,822,482)	(178,424,748)
<b>313,242,561</b>	<b>330,503,460</b>

Prevailing interest rates on the said loan at different periods are as follows:

December 28, 2014 to June 30, 2015 at 11.50% per annum

November 1, 2015 to November 30, 2015 at 11% per annum

December 1, 2015 to February 28, 2016 at 10.50% per annum

March 1, 2016 to November 30, 2016 at 10% per annum

From December 1, 2016 onward at 8.50% per annum

The loans are repayable, along with interest thereon, in monthly equal instalments.

**Security**

Term Loans from United Commercial Bank Ltd. and The City Bank Ltd., are secured against pari passue charge, of 490 decimal land of the company.

**11 .02 Loan from Union Capital Ltd.**

The loan balance has been arrived as at follows:

Opening Balance

Received during the year

Repayments made during the year

**Closing Balance**

2,602,458	5,454,527
-	-
2,602,458	5,454,527
(1,667,423)	(2,852,069)
<b>935,035</b>	<b>2,602,458</b>

This loan, initially received in August 2014 in the aggregate sum of Tk. 4,769,523 bearing interest at 15.50% per annum, is due for repayment along with interest thereon, in monthly instalments commencing from December 2014 to December 2017.

**11 .03 Loans from The City Bank Ltd. - Term Loan**

During the year under review, the company received loans from the bank in the aggregate sum of Tk. 6,774,065 against sanctioned limit of Tk 25.00 crore at an interest rate of 8.50% per annum.

As regard to security, refer to Note 11.01

**12.00 Lease Finance**

(i) This represents lease obligation for acquisition of lease hold assets and classified as under:

	Amount in Taka			
	2017		2016	
	Principal	Interest	Principal	Interest
Classified as Lease Finance - Current Portion				
Due within one year	<b>25,410,811</b>	3,083,775	<b>36,151,188</b>	6,111,294
Classified as Lease Finance - Non-Current Portion				
Due after one year but within five years	14,971,692	1,344,671	19,261,080	1,367,739
Due after five years	-	-	-	-
	<b>14,971,692</b>	<b>1,344,671</b>	<b>19,261,080</b>	<b>1,367,739</b>
	<b>40,382,503</b>	<b>4,428,446</b>	<b>55,412,268</b>	<b>7,479,033</b>

(ii) Obligation of interest of Tk. 4,428,446 (2016: Tk. 7,479,033) as stated above represents interest amount payable to the lessors from July 1, 2017 up to maturity of the leases, in terms of 'Repayment Schedules' as agreed between the lessors and the company.

	Amount in Taka	
	June 30, 2017	June 30, 2016
(iii) Lease obligation at year-end in the aggregate sum of Tk. 40,382,503 (2016: Tk. 55,412,268) as stated above is due to:		
International Leasing & Financial Services Ltd.	3,201,784	17,113,723
National Finance Ltd.	28,500,687	18,312,716
Union Capital Ltd.	8,296,191	19,601,972
People's Leasing & Financial Services Ltd. (adjustable with lease deposits)	383,841	383,857
	<b>40,382,503</b>	<b>55,412,268</b>

(iv) The above obligation of Tk. 40,382,503 (2016: Tk 55,412,268) has been arrived at as follows:

Opening Balance at July 1	55,412,268	83,766,944
Additions during the year	23,957,969	4,870,000
	79,370,237	88,636,944
Less: Obligation liquidated during the year	(38,987,734)	(33,224,676)
Closing Balance at June 30	<b>40,382,503</b>	<b>55,412,268</b>

(v) The net carrying amounts of the related assets acquired under lease finances are as follows and have been disclosed in Annex A to the accounts:

Plant & Machinery	55,121,811	69,862,361
Transport & Vehicles	31,748,663	13,804,006
	<b>86,870,474</b>	<b>83,666,367</b>

**13.00 Deferred Tax Liability**

This has been calculated as under, based on the deductible/taxable temporary difference arising from the difference between the carrying amounts of the assets or liabilities and their tax bases in accordance with the provision of BAS 12: Income Taxes

	Amount in Taka				
	2016 - 2017	2016 - 2017	2016 - 2017	2016 - 2017	2016 - 2017
	Carrying Amount on Reporting Date	Tax Base	Taxable Temporary Difference / (Deductible Temporary Difference)	Carrying Amount on Reporting Date	Tax Base
Deferred Tax relating to items of profit or loss					
Property, Plant & Equipment (Depreciable Items)	1,694,037,783	1,220,895,293	473,142,490	1,505,879,544	1,077,604,881
Provision for Gratuity	(42,327,426)	-	(42,327,426)	(53,202,210)	-
Net Taxable Temporary Difference	1,651,710,357	1,220,895,293	430,815,064	1,452,677,334	1,077,604,881
Applicable Tax Rate			25%		25%
Deferred Tax Liability relating items of profit or loss at the end of the year (a)			107,703,766		93,768,113
Deferred Tax Liability relating items of profit or loss at the beginning of the year			93,768,113		94,673,268
Deferred Tax Income/(expense) recognized in profit or loss			(13,935,653)		905,155

Amount in Taka					
2016 - 2017					
Carrying Amount on Reporting Date	Tax Base	Taxable Temporary Difference / (Deductible Temporary Difference)	Carrying Amount on Reporting Date	Tax Base	Taxable Temporary Difference / (Deductible Temporary Difference)
		-			-
		25%			25%
		-			-
		-			-
		107,703,766			93,768,113

**Deferred Tax Assets relating to items directly recognized in Other Comprehensive Income**

Gain/(loss) directly recognized in Other Comprehensive Income

Applicable Tax Rate

Deferred Tax Liability/(assets) relating to items directly recognized in Other Comprehensive Income at the end of the year

Deferred Tax Liability (assets) relating to items directly recognized in Others Comprehensive Income at the beginning of the year (b)

**Net Deferred Tax (assets) / liability (a+b)**

		Amount in Taka	
		June 30, 2017	June 30, 2016
<b>14.00 Short-Term Loan and Overdraft</b>			
<b>Secured:</b>			
From Banking Companies			
United Commercial Bank Ltd.			
Loan on Trust Receipt (LTR)	251,626,769	88,629,299	
Offshore Banking	126,304,507	82,070,375	
	<b>377,931,276</b>	<b>170,699,674</b>	
The City Bank Ltd.			
Loan on Trust Receipt (LTR)	208,820,105	30,190,555	
Short-Term Loan (STL)	8,319,108	-	
Offshore Banking	58,686,670	8,834,390	
	<b>275,825,883</b>	<b>39,024,945</b>	
SOD: Habib Bank Ltd	188,240,342	-	
	<b>841,997,501</b>	<b>209,724,619</b>	
<b>Unsecured:</b>			
Loan from Directors	1,967,088	1,967,088	
Loan from Others	2,474,676	2,474,676	
	<b>846,439,265</b>	<b>214,166,383</b>	

**14.01** \* Short-term loans in the nature of Trust Receipt, Offshore Banking, etc. from United Commercial Bank Ltd. and The City Bank Ltd. are secured against creation of pari passu charges on the Plant, Machinery & Equipments and stock & book debts of the company.

\*\* Secured Overdraft ( SOD ) from Habib Bank Ltd. is secured against pledge & lien of fixed deposits of the company for an aggregate face value of Tk. 424.50 million with the bank.

The SOD is valid upto December 31, 2017 and bears interest at 6.65% per annum.

The liability of the company on overdraft with the bank has subsequently been liquidated.

<b>15.00 Interest Payable</b>	<b>406,227</b>	<b>116,426</b>
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This represents provision for outstanding interest for the month of June 2017 on loan balances due to United Commercial Bank Ltd., which has subsequently been paid

#### **16.00 Creditors for Goods**

This represents amounts due to various suppliers of raw and packing and stores materials, the ageing of which liability is as follows

Period exceeding six months	Tk.	720,236	17,638,617
Period below six months	Tk.	528,483,551	561,182,531
		<b>529,203,787</b>	<b>578,821,148</b>

Amount in Taka	
June 30, 2017	June 30, 2016

**17.00 Creditors for Services**

This represents amounts due to various service providers (e.g. landlord for head office premises, security guard providers, ad firm, fuel suppliers etc.) the ageing of which liability is as follows

Period exceeding six months	Tk.	848,004	819,062
Period below six months	Tk.	14,932,533	7,462,692
		<b>15,780,537</b>	<b>8,281,754</b>

**18.00 Accrued Expenses**

Represent provision for the following expenses :

Audit Fees		800,000	600,000
Directors' Remuneration & Allowances		1,585,000	-
Directors' Board Meeting Attendance Fees		778,500	675,750
Salaries, Wages & Allowances		50,429,786	40,165,004
Utility Bills		4,762,627	4,739,951
Marketing Expenses		196,432	84,500
Transport Bills		129,157	-
Sundry Expenses		216,525	236,884
		<b>58,898,027</b>	<b>46,502,089</b>

Ageing of the above liability is as under :

Period exceeding six months	Tk.	216,525	720,025
Period below six months	Tk.	58,681,502	45,782,064
		<b>58,898,027</b>	<b>46,502,089</b>

**19.00 Advance Against Sales: Tk. 131,633,278 (2016: Tk. 357,344,424)**

This represents advances received from distributors within June 30, 2017, against order placed by them, which liability has subsequently been liquidated.

**20.00 Liabilities for Other Finance**

Tax Deducted at Source		19,086,172	31,623,570
VAT Deducted at Source		2,357,584	4,174,375
Government Levy (Surcharges) Payable		1,993,529	1,993,529
Debenture Redemption Money Payable (TIL)		677,947	677,947
Security Deposits		8,086,539	6,996,635
Other Payables on Account of Employees		12,994,799	12,994,799
Sales Proceeds of Fraction Shares		6,580,557	6,043,703
Unclaimed Share Warrant (Fraction Shares) (TIL)		35,343	35,343
Others on Leased Assets		302,000	302,000
Expenses under a project of Bangladesh Employers' Federation		1,701,530	-
		<b>53,816,000</b>	<b>64,841,901</b>

**21.00 Provision for Taxation****Represents :**

Provision for the assessment year 2015-2016	-	388,485,302
Provision for the assessment year 2016-2017	580,171,076	580,171,076
Provision for the assessment year 2017-2018	557,965,919	-

This has been arrived at as follows :

Opening Balance at July 1

Add: Provision made during the year :

for the assessment year 2015-2016	7,633,106	-
for the assessment year 2016-2017	-	580,171,076
for the assessment year 2017-2018	557,965,919	-

Less : Payments made during the year against assessment year 2015-2016

Amount in Taka	
June 30, 2017	June 30, 2016
<b>1,138,136,995</b>	<b>968,656,378</b>
968,656,378	388,485,302
7,633,106	-
-	580,171,076
557,965,919	-
<b>565,599,025</b>	<b>580,171,076</b>
<b>1,534,255,403</b>	<b>968,656,378</b>
(396,118,408)	-
<b>1,138,136,995</b>	<b>968,656,378</b>

**22.00 Unclaimed dividend**

Years-wise break up of the above is as follows:

1995	116,888	116,888
1997	882,968	886,828
2002	1,014,618	1,018,748
2003	902,647	921,297
2004	831,518	853,200
2005	781,197	800,373
2006	1,310,402	1,336,364
2007	564,337	583,661
2008	3,342,353	3,370,476
2009	1,492,677	1,510,569
2010	2,266,768	2,287,844
2011	2,686,666	2,712,744
2012	5,092,098	5,134,818
2013	5,972,754	6,026,718
2014	14,093,057	14,276,842
2015	26,373,060	27,026,924
2016	42,578,211	-

In respect of erstwhile Tripti Industries Ltd (1988 to 2002)

	1,330,456	1,330,456
<b>111,632,675</b>	<b>70,194,750</b>	

**22.01 This has been arrived at as follows :**

Opening Balance at July 1

Add: Net dividend for the year 2016

70,194,750	43,791,025
658,203,283	412,221,084
<b>728,398,033</b>	<b>456,012,109</b>

	Amount in Taka	
	June 30, 2017	June 30, 2016
Less: paid during the year	(616,765,358)	(385,817,359)
Closing Balance at June 30	<b>111,632,675</b>	<b>70,194,750</b>

**22.02** The above figure represents the dividend for which the warrants are either lying with the shareholders and have not been presented as yet by them to the bank for encashment or have been returned to the company undelivered due to change of address of those shareholders and their new address have not yet been communicated to the company. Under instruction from SEC, press advertisements were made to collect the past dividend warrants but many shareholders are yet to turn up to collect their respective warrants.

### 23.00 Employee Benefit Obligations

These comprise:

Workers Profit Participation and Welfare Funds (Note 23.01)	309,485,305	265,075,252
Contributory Provident Fund (Note 23.02)	669,259	6,834
Gratuity Fund (Note 23.03)	42,327,426	53,202,210
	<b>352,481,990</b>	<b>318,284,296</b>

### 23.01 Workers' Profit Participation & Welfare Funds

These represent obligation due to Workers' Profit Participation & Welfare Funds and Bangladesh Workers' Welfare Foundation Fund and the amount has been arrived at as follows:

Opening balance at July 1	265,075,252	252,505,756
Add: During the year:		
Contribution to the Funds for the year	111,139,268	110,246,458
Interest for the year	43,578,795	26,692,598
	154,718,063	136,939,056
	419,793,315	389,444,812
Less : Paid to the Funds during the year	(110,308,010)	(124,369,560)
Closing balance at 30 June	<b>309,485,305</b>	<b>265,075,252</b>

(ii) Contribution to the Workers' Profit Participation & Welfare Funds for the year under review to be allocated to:

Olympic Industries Ltd. Workers' Profit Participation Fund (80%)	88,911,414	88,197,166
Olympic Industries Ltd. Workers' Welfare Fund (10%)	11,113,927	11,024,646
Bangladesh Workers' Welfare Foundation Fund (10%)	11,113,927	11,024,646
	<b>111,139,268</b>	<b>110,246,458</b>

(iii) Number of beneficiaries entitled to the Fund for the year under review is as follows:

Male	2,435	2,272
Female	30	35

(iv) Workers' Profit Participation & Welfare Funds

As required by law, the company provides 5% of its net profit for each year before charging such expenses.

	Amount in Taka	
	June 30, 2017	June 30, 2016
Such contribution to be allocated and payable to in percentage term is as follows:		
(a) Workers' Profit Participation Fund of the company	80%	80%
(b) Workers' Welfare Fund of the company	10%	10%
(c) Bangladesh Workers' Welfare Foundation Fund	10%	10%

In terms of the provision of Section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013), the amounts under (a) & (b) above are due for payment to the Workers' Profit Participation & Welfare Funds within 9 months from the close of the company's accounting period. However, there is provision of utilization of the Fund's money by the company on payment of due interest as specified in the Act.

The amount under (c) above shall be paid by the company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Workers' Welfare Foundation Act, 2006.

\* Bangladesh Workers' Welfare Foundation Fund has been established under Section 14 of Bangladesh Workers Welfare Foundation Act 2006.

### 23.02 Defined Benefit Plan: Contributory Provident Fund

The company operates a contributory Provident Fund for its eligible employees. The Fund is administered by a Board of Trustees and funded by the equal contribution from the employees as well as the company. The rate of such contribution, as existing, is 8% of the basic pay of the members of the Fund. The fund is recognized by the National Board of Revenue, Government of the People's Republic of Bangladesh.

This has been arrived at as follows:

Opening Balance at July 1	6,834	568,225
Add: Contribution to the Fund during the year		
Employees' Contribution	2,129,129	1,987,914
Company's Contribution (Note 23.02.1)	2,129,129	1,987,914
	4,258,258	3,975,828
	4,265,092	4,544,053
Less : Paid during the year to the Fund	(3,595,833)	(4,537,219)
	<b>669,259</b>	<b>6,834</b>

#### 23.02.1 Company's contribution to the Fund during the year has been charged to:

Administrative Expenses	(Note 26.00)	1,360,465	1,220,181
Selling & Distribution Expenses	(Note 27.00)	271,704	243,096
Factory Overhead	(Note 25.03)	496,960	524,637
		<b>2,129,129</b>	<b>1,987,914</b>

### 23.03 Defined Benefit Plan: Gratuity Fund

(i) The company maintains a gratuity scheme and provision is made annually for the employees. Gratuity provision at the end of each year is determined on the following basis:

Service length	Basis of provision
Up to 6 months	Nil
6 months to 10 years	1 (one) time of last month's basic pay multiplied by year (s) of service
More than 10 years	1.5 (one and a half) times of last month's basic pay multiplied by year (s) of service

Amount in Taka	
June 30, 2017	June 30, 2016

A Fund, namely, Olympic Industries Ltd.'s Employees' Gratuity Fund established on October 28, 2015, in accordance with Part C of First Schedule of the Income Tax Ordinance, 1984, has been accorded due recognition by the National Board of Revenue, Government of the People's Republic of Bangladesh.

The Fund is administered by a Board of Trustees.

(ii) Obligation to the Gratuity Fund at June 30, 2017 is arrived at as follows:

Opening Balance at July 1		53,202,210	-
Add: Obligation as provided during the year and Charged to:			
Factory Overhead	(Note 25.03)	15,762,262	66,641,213
Administrative Expenses	(Note 26.00)	10,409,142	58,014,294
Selling & Distribution Expenses	(Note 27.00)	3,724,837	13,599,038
		29,896,241	138,254,545
		83,098,451	138,254,545
Less: Paid by the company during the year to the Fund		(40,771,025)	(85,052,335)
Closing Balance at June 30		<b>42,327,426</b>	<b>53,202,210</b>

Amount in Taka	
2016 - 2017	2015 - 2016

#### 24.00 Revenue (Net of VAT)

Continuing Units	11,290,557,541	10,965,042,877
Discontinued Unit	-	69,479,218
	<b>11,290,557,541</b>	<b>11,034,522,095</b>

	For the Year			
	2017		2016	
	Qty.(Pcs/Mt)	Value (Tk.)	Qty.(Pcs/Mt)	Value (Tk.)
Battery Unit (Pcs)	49,580,514	361,447,280	48,813,812	357,134,613
Biscuit & Conf. Unit (MT)	80,289.21	10,929,110,261	80,156.68	10,607,908,264
		<b>11,290,557,541</b>		<b>10,965,042,877</b>
Ballpoint Pen Unit (Pcs)	-	-	20,055,618	69,479,218
		<b>11,290,557,541</b>		<b>11,034,522,095</b>
<b>Turnover comprises:</b>				
Domestic Sales		11,233,000,763		10,996,589,788
Export Sales (Tk. 468,325.74 kg biscuit & confectionery items at USD 727,174.75) (2016: Tk. 297,438.34 kg at USD 484,461.82) (Note 41.00)		57,556,778		37,932,307
		<b>11,290,557,541</b>		<b>11,034,522,095</b>

\* Domestic sales include Tk. 238,080 (2016: Tk. 305,000) being sales to associated undertakings (Note 33.00)

**25.00 Cost of Goods Sold**

Continuing Operations  
Discontinued Operations

Amount in Taka	
2016 - 2017	2015 - 2016
7,523,115,147	7,274,288,716
-	58,027,099
<b>7,523,115,147</b>	<b>7,332,315,815</b>

**Continuing Operations:**

Work in Progress (Opening)  
Materials Consumed (Note 25.01)  
Stores Consumed (Note 25.02)  
Factory Overhead (Note 25.03)  
Depreciation  
Work in Progress (Closing)

7,891,555	4,902,150
6,586,916,535	6,260,606,797
107,030,909	74,400,969
693,799,899	670,473,866
243,509,610	226,897,001
(11,345,717)	(7,891,555)

**Cost of Goods Manufactured**

<b>7,627,802,791</b>	<b>7,229,389,228</b>
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Finished Goods (Opening)  
Finished Goods (Closing)

21,071,237	65,970,725
(125,758,881)	(21,071,237)

<b>7,523,115,147</b>	<b>7,274,288,716</b>
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**Discontinued Operation:**

Work in Progress (Opening)  
Materials Consumed (Note 25.01)  
Stores Consumed (Note 25.02)  
Factory Overhead (Note 25.03)  
Depreciation  
Work in Progress (Closing)

-	-
-	41,245,136
-	1,990,280
-	6,994,777
-	2,758,941
-	-

**Cost of Goods Manufactured**

-	52,989,134
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Finished Goods (Opening)  
Finished Goods (Closing)

-	5,037,965
-	-

-	<b>58,027,099</b>
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**Finished Goods****Opening Stock :**

Battery  
Biscuits  
Candy

Quantity	Unit	Value in Taka
1,456,992	Pcs	5,864,550
155.21	MT	13,120,193
15.96	MT	2,086,494
		<b>21,071,237</b>

**Closing Stock:**

Battery  
Biscuits  
Candy

1,033,392	Pcs	5,112,055
1,239.89	MT	108,380,970
68.77	MT	12,265,856
		<b>125,758,881</b>

**25.01 Materials Consumed****Continuing Operations:**

	Amount in Taka	
	2016 - 2017	2015 - 2016
Opening Stock	401,199,956	400,471,324
Purchases during the year	6,788,698,441	6,261,335,429
Closing Stock	(602,981,862)	(401,199,956)
	<b>6,586,916,535</b>	<b>6,260,606,797</b>

**Discontinued Operation:**

Opening Stock	-	35,062,314
Purchases during the year	-	6,182,822
Closing Stock	-	-
	-	<b>41,245,136</b>

**25.02 Stores Consumed****Continuing Operations:**

Opening Stock	47,759,422	36,685,044
Purchases during the year	108,513,619	85,475,347
Closing Stock	(49,242,132)	(47,759,422)
	<b>107,030,909</b>	<b>74,400,969</b>

**Discontinued Operation:**

Opening Stock	-	1,990,280
Purchases during the year	-	-
Closing Stock	-	-
	-	<b>1,990,280</b>

**25.03 Factory Overhead**

Wages & Salaries	422,246,291	368,026,874
Company's contribution to Provident Fund (Note 23.02.1)	496,960	524,637
Bonuses	28,344,133	27,795,895
Gratuity (Note 23.03(ii))	15,762,262	66,641,213
Group Insurance	1,412,715	604,960
Repairs & Maintenance	38,593,648	25,475,604
Rent, Rates, Taxes & Fees	6,136,418	7,261,294
Insurance	11,675,862	13,086,414
Power & Fuel	93,319,163	71,971,348
Vehicles Repair & Maintenance	5,898,647	5,066,821
Printing & Stationery	3,986,042	4,036,444
Postage, Telephone & Telegram	458,602	400,774
Travelling & Conveyance	5,766,083	4,080,376
Subs. Newspaper & Periodicals	13,842	19,785
Entertainment	225,517	286,801
Legal Fees	196,555	196,971
Factory Maintenance Expenses	6,124,902	5,004,419

	Amount in Taka	
	2016 - 2017	2015 - 2016
Transport & Carriage	30,306,803	60,944,263
Medical Expenses	2,392,909	889,475
Staff Food	6,567,407	6,565,092
Donations	207,000	329,900
Technician Expenses	2,379,465	671,057
Labour Handling Charges	5,913,650	5,019,300
Advertisement	268,500	125,000
Research, Training & Development	2,955,568	292,971
Amortization of Intangible Asset - Software (ERP) (Note 04.00)	2,150,955	2,150,955
	<b>693,799,899</b>	<b>677,468,643</b>
Allocated to:		
Continuing Operations	693,799,899	670,473,866
Discontinued Operations	-	6,994,777
	<b>693,799,899</b>	<b>677,468,643</b>

## 26.00 Administrative Expenses

Salaries & Allowances	146,898,966	114,894,518
Company's Contribution to Provident Fund (Note 23.2.1)	1,360,465	1,220,181
Bonuses	8,836,362	10,998,871
Gratuity (Note 23.03(ii))	10,409,142	58,014,294
Repairs & Maintenance	2,876,740	13,327,080
Rent	11,213,245	10,566,076
Rates & Taxes	423,179	666,558
Electricity, Gas & Water	2,614,536	1,974,389
Vehicles Repairs & Maintenance	6,067,942	7,865,581
Petrol, Oil & Lubricant	5,404,730	6,452,981
Printing & Stationery	1,124,604	1,005,183
Postages, Telephone & Telegram	5,051,991	5,488,650
Travelling & Conveyance	19,873,735	19,489,409
Subs. Newspaper & Periodicals	4,965,455	2,901,766
Entertainment	316,206	384,870
Audit Fees	800,000	600,000
Legal & Consultancy Fees	4,732,946	5,127,658
Directors' Remuneration & Allowances (including house accommodation)	43,388,710	45,767,308
Tk. 12,000,000 (2016: Tk. 12,000,000) (Note 33.01)		
Directors Board Meeting Attendance Fees (Notes 26.01, 33.00( viii))	102,750	170,250
Office Maintenances Expenses	7,054,143	10,958,168
Donations	422,300	2,008,800
Medical Expenses	110,000	20,053

	Amount in Taka	
	2016 - 2017	2015 - 2016
Advertisement	3,660,733	3,590,885
Annual General Meeting Expenses	2,230,074	2,132,263
Amortization of Intangible Asset - Software (ERP) (Note 04.00)	2,150,955	2,150,955
	<b>292,089,909</b>	<b>327,776,747</b>

**Allocated to:**

Continuing Operations	292,089,909	325,712,890
Discontinued Operations	-	2,063,857
	<b>292,089,909</b>	<b>327,776,747</b>

**26.01 Break-up of Directors' Board Meeting Attendance Fees is as follows:**

Name of Directors	Position	Meetings Held	Attended	Amount in Taka
Mohammad Bhai	Chairman	44	33	24,750
Mubarak Ali	Managing Director	44	44	33,000
Aziz Mohammad Bhai	Director	44	-	-
Safinaz Bhai	Director	44	29	21,750
Munir Ali	Director	44	-	-
Sharif M Afzal Hossain	Independent Director (Retired)	15	11	8,250
Noorbanu Virji	Independent Director	44	17	12,750
Begum Sakwat Banu	Independent Director	29	3	2,250
				<b>102,750</b>

**27.00 Selling Expenses**

	Amount in Taka	
	2016 - 2017	2015 - 2016
Salaries & Allowances	316,752,926	255,554,022
Company's Contribution to Provident Fund (Note 23.02.1)	271,704	243,096
Bonuses	23,280,556	28,289,021
Gratuity (Note 23.03(ii))	3,724,837	13,599,038
Repairs & Maintenance	1,070,210	756,305
Rent	8,186,859	4,635,639
Rates, Taxes & Fees	222,859	373,482
Group Insurance	991,012	1,019,089
Electricity, Gas & Water	1,464,695	1,183,582

	Amount in Taka	
	2016 - 2017	2015 - 2016
Vehicle Repairs & Maintenance	3,531,903	2,424,835
Petrol, Oil & Lubricant	4,996,945	1,637,131
Printing & Stationery	12,227,192	12,845,483
Postage, Telephone & Telegram	2,150,309	1,753,020
Travelling & Conveyance	196,677,679	196,121,386
Subscription Newspaper & Periodical	2,471	15,831
Entertainment	400,107	468,333
Legal Fees	-	103,500
Office Maintenances Expenses	942,412	1,379,799
Sales Promotion	316,547,364	289,796,093
Transport / Carriage	331,962,695	349,618,243
Medical Expenses	388,636	94,042
Advertisement	86,149,089	87,773,466
Research, Training & Development	90,965	25,200
Export Expenses	8,038,511	4,652,273
Amortization of Intangible Asset - Software (ERP) (Note 4.00)	2,150,955	2,150,955
	<b>1,322,222,891</b>	<b>1,256,512,864</b>
<b>Allocated to:</b>		
Continuing Operations	1,322,222,891	1,248,601,191
Discontinued Operations	-	7,911,673
	<b>1,322,222,891</b>	<b>1,256,512,864</b>
<b>28.00 Finance Cost</b>		
Bank Charges	4,164,994	2,610,124
Interest (Note 28.01)	114,069,773	87,590,186
	<b>118,234,767</b>	<b>90,200,310</b>
Finance cost allocated to :		
Continuing Operations	118,234,767	89,632,361
Discontinued Operations	-	567,949
	<b>118,234,767</b>	<b>90,200,310</b>
<b>28.01 Interest</b>		
Interest on Term Loan with Banks & Other Financial Institutions		
United Commercial Bank Ltd.	22,292,460	36,180,855
Union Capital Ltd.	288,158	526,216
The City Bank Ltd.	8,351	-
International Leasing & Financial Services Ltd.	-	20,156
	22,588,969	36,727,227
Interest on LIM, LTR, STL, Offshore Banking with Canks	31,969,480	12,526,657
Interest on Overdraft with Habib Bank Ltd.	8,616,435	-
Interest on Balance with WPP Funds	43,578,795	26,692,598
Finance Charge for Leases	7,316,094	11,643,704
	<b>114,069,773</b>	<b>87,590,186</b>

	Amount in Taka	
	2016 - 2017	2015 - 2016
<b>29.00 Other Income</b>		
Export Promotion Benefit - Cash Incentive received during the year	13,294,000	617,500
Interest Income on Deposits with Banks and Other Financial Institutions		
Fixed Deposits	272,019,420	252,658,024
Short-Term Deposits	9,435,087	8,823,374
	281,454,507	261,481,398
Interest from Related Parties (Note 33.00)	554,126	632,595
Exchange (Loss) / Gain (Note 29.01)	(224,235)	(397,830)
Sale of By-Product Net of VAT Tk. 78,300 (2016: Tk. 56,520)	522,000	376,800
Income on Investment on portfolio management account maintained with City Bank Capital Resources Ltd.:		
Realized Gain	1,821,377	442,548
Dividend Income	568,140	245,000
	2,389,517	687,548
Rental Income	960,000	59,355
Other Income including scrap sales	236,888	20,002
Compensation Claims Received	-	28,316,916
Gain/(Loss) on Disposal of Fixed Assets	-	(3,585,320)
	<b>299,186,803</b>	<b>288,208,964</b>
<b>Allocated to:</b>		
Continuing Operations	299,186,803	286,394,247
Discontinued Operations	-	1,814,717
	<b>299,186,803</b>	<b>288,208,964</b>
<b>29.01</b> Exchange (Loss) of Tk. 224,235 (2016: Tk 397,830) is arrived at as follows:		
Received Against Export Sales	57,332,543	37,534,477
Less: Sales recorded at rates of exchange ruling at transaction date	57,556,778	37,932,307
	<b>(224,235)</b>	<b>(397,830)</b>
<b>29.02 Gain / (Loss) on Disposal of Fixed Assets</b>		
a. Gain on Disposal of Vehicles		
Sale Proceeds of 3 Nos. Vehicles	-	1,030,000
Less: Book Value Thereof		
Original Cost	-	1,408,528
Accumulated Depreciation	-	(1,408,525)
	-	3
Gain on Disposal of Vehicles	-	<b>1,029,997</b>
b. (Loss) on Disposal of Land		
Sale Proceeds of 19 Decimal Land at Lolati	-	3,800,000
Cost Thereof	-	(5,100,250)
(Loss) on Disposal of Land	-	<b>(1,300,250)</b>

	Amount in Taka	
	2016 - 2017	2015 - 2016
c. (Loss) on Disposal of Machinery of Ballpoint Pen Unit		
Sale Proceeds of Machinery	-	10,000,000
Less: Book Value Thereof		
Original Cost	-	24,041,075
Accumulated Depreciation	-	(10,726,008)
	-	13,315,067
(Loss) on Disposal of Machinery	-	<b>(3,315,067)</b>
Total Gain / (Loss) on Disposal of Fixed Asset (a+b+c)	-	<b>(3,585,320)</b>
<b>30.00 Earnings Per Share (EPS)</b>		
(a) Earnings attributable to the Ordinary Shareholders (Net Profit After Tax)	1,643,250,674	1,625,663,229
Continuing Operations	1,643,250,674	1,623,717,974
Discontinuing Operations	-	1,945,255
(b) Weighted Average Number of Ordinary Shares outstanding during the year	199,938,886	199,938,886
(c) <b>Earnings Per Share (EPS)/(Adjusted EPS of 2016)</b>		
Continuing Operations	8.22	8.12
Discontinued Operations	-	0.01
	<b>8.22</b>	<b>8.13</b>
<b>31.00 Net Asset Value</b>		
Total Assets	9,120,317,797	7,640,768,208
Total Liabilities	(3,707,466,711)	(3,109,495,848)
	<b>5,412,851,086</b>	<b>4,531,272,360</b>
Number of Ordinary Shares of Tk. 10 each at Balance Sheet date	199,938,886	190,417,987
NAV per Share		
On Shares at Balance Sheet date	<b>27.07</b>	<b>23.80</b>
<b>32.00 Net Operating Cash Flow per Share</b>		
Cash Flows from Operating Activities as per Cash Flows Statement	988,667,738	2,086,121,310
Number of Ordinary Shares of Tk. 10 each at Balance Sheet date	199,938,886	190,417,987
Net Operating Cash Flow-Per Share		
On shares at Balance Sheet date	<b>4.94</b>	<b>10.96</b>
<b>33.00 Related Party Transactions</b>		

The company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below in terms of BAS 24 Related Party Transactions:

Sl. No	Name of Related Parties	Nature of Transactions	Opening Balance at July 1, 2016	Transactions During the Year		Closing Balance at June 30, 2017
			Debit /(Credit)	Debit	(Credit)	
(i)	Ambee Pharmaceuticals Ltd.	Receivables & Sales	2,699,011	238,080	(1,500,000)	1,437,091
(ii)	Bengal Steel Works Limited	Loans & Advances	11,234,308	42,183	-	11,276,491
(iii)	Panther Steel Mills Limited	Loans & Advances	20,931,037	511,943	-	21,442,980
		Interest Income		554,126		
(iv)	Mohammad Bhai, Chairman (Note A(i))	Remuneration, Bonus & House Accommodation	-	20,500,000	(20,500,000)	-
(v)	Mubarak Ali, Managing Director (Note A(ii))	Remuneration, Bonus & House Accommodation	-	20,500,000	(20,500,000)	-
(vi)	Sharif M. Afzal, Hossain Independent Director (Note A(iii))	Remuneration & Bonus	-	656,452	(656,452)	-
(vii)	Ms. Sakwat Banu Independent Director (Note A(iv))	Remuneration & Bonus	-	1,732,258	(1,732,258)	-
(viii)	Directors (Meeting Fees) (Note 26.01 & 18.00)	Board Meeting Attendance Fees	(675,750)	-	(102,750)	(778,500)
(ix)	Directors (Loan)	Loan from Directors	(1,967,088)	-	-	(1,967,088)

### 33.01 (a) Short-Term Benefits:

Directors Remuneration & Perquisites	Remuneration	Bonus	House Accommodation	Others	Total
(i) Mohammad Bhai Chairman	12,000,000	2,500,000	6,000,000	-	20,500,000
(ii) Mubarak Ali, Managing Director	12,000,000	2,500,000	6,000,000	-	20,500,000
(iii) Sharif M. Afzal Hossain Independent Director	556,452	100,000	-	-	656,452
(iv) Begum Sakwat Banu Independent Director	1,632,258	100,000	-	-	1,732,258
Total (Tk.)	26,188,710	5,200,000	12,000,000	-	43,388,710

The Chairman and the Managing Director of the company were also provided with full-time use of company's cars with related expenses.

Post-employment benefits, other long-term benefits, termination benefit and share-based payments: None during the year under review or in the preceding year.

**34.00 Salaries / Perquisites to 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			
	2017		2016	
	Directors	Officers	Directors	Officers
Board Meeting Fees	102,750	-	170,250	-
Remuneration / Salaries & Allowance	26,188,710	109,236,336	25,800,000	94,519,641
Bonuses	5,200,000	7,591,861	7,967,308	8,488,044
Accommodation	12,000,000	-	12,000,000	-
Company's Contribution to Provident Fund	-	1,740,293	-	1,350,924

**35.00 Production Capacity & Capacity Utilization Operative Units**

Products	Unit	Capacity		Utilization		Shortfall		Reason for Shortfall
		2017	2016	2017	2016	2017	2016	
Battery	Pcs	117,760,000	117,760,000	49,156,914	49,939,814	68,603,086	67,820,186	Less Demand for UM-1 Battery
Biscuit & Confectionery Items	MT	105,219.00	86,332.00	81,426.70	79,551.90	23,792.30	6,780.10	

**36.00** The number of employees of the company that includes regular, contractual and casual ones, existed at June 30, 2017 was as under:

Corporate Office	89	86
Marketing Department	1,902	1,754
Factories	3,779	3,165
<b>Total</b>	<b>5,770</b>	<b>5,005</b>

**37.00 Contingent Liabilities**

The company had the following contingent liabilities as on June 30, 2017

	2017 (Tk.)	2016 (Tk.)
Bank Guarantee Issued by Banks (Note 38.00)	56,380,846	8,075,608
SLC (incl. specific Tk. 1,79.90 million) with United Commercial Bank Ltd.	194,463,000	240,715,289
ULC with United Commercial Bank Ltd.	55,845,000	43,175,468
Acceptance of Bills (Overseas & Local)	126,305,000	8,207,376
Local L/C	151,896,000	-
	<b>584,889,846</b>	<b>300,173,741</b>

**38.00 Bank Guarantees**

The following Bank Guarantees were issued on behalf of the company, to various beneficiaries as under:

Issuing Bank	Beneficiary	Guarantee Amount	Validity
United Commercial Bank Limited	Titas Gas Transmission & Distribution Co. Ltd.	3,656,000	June 6, 2018
United Commercial Bank Limited	Titas Gas Transmission & Distribution Co. Ltd.	718,500	February 18, 2022
United Commercial Bank Limited	Commissioner of Customs, Customs House	8,991,249	April 2, 2018
United Commercial Bank Limited	Commissioner of Customs, Customs House	6,878,841	October 15, 2017
United Commercial Bank Limited	Commissioner of Customs, Customs House	6,877,863	November 16, 2017
United Commercial Bank Limited	Commissioner of Customs, Customs House	8,926,326	January 29, 2018
United Commercial Bank Limited	Commissioner of Customs, Customs House	9,033,912	May 10, 2018
United Commercial Bank Limited	Deputy Commissioner of Customs	6,878,547	December 17, 2017
United Commercial Bank Limited	Nitol Insurance Company Ltd.	200,000	July 28, 2017
United Commercial Bank Limited	Phoenix Insurance Company Ltd.	200,000	September 23, 2017
The City Bank Ltd.	Collector of Customs, Customs House Chittagong	1,344,733	Continuous
National Bank of Pakistan	Titas Gas Transmission & Distribution Co. Ltd.	412,364	October 15, 2017
National Bank of Pakistan	Titas Gas Transmission & Distribution Co. Ltd.	601,414	April 22, 2018
Habib Bank Limited	Titas Gas Transmission & Distribution Co. Ltd.	372,000	April 30, 2020
Habib Bank Limited	Collector of Customs, Customs House Chittagong	845,411	Continuous
Bank Alfalah Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	443,686	April 9, 2018
Total (Tk.)		<b>56,380,846</b>	

### 39.00 Capital Expenditure Commitment

The Board of Directors of the company adopted the following decisions with regard to Capital Expenditures:

Projects	Estimated Cost (Tk.) in Millions
(i) Import of noodles manufacturing line having an estimated annual capacity of 9,000 metric ton, complete with ancillary and packing machinery from Japan, to be funded by both bank and company's own sources.	187.00
(ii) Import of snacks manufacturing line having an estimated annual capacity of 3,700 metric ton, complete with ancillary and packing machinery from India and China, backed by both bank financing and company's own sources.	77.00
(iii) Import of carton manufacturing line having an estimated annual capacity of 66 million pcs carton, complete with corrugation and printing machinery from China, backed by both bank financing and company's own sources.	120.00
(iv) Construction of new factory building measuring 88,000 sft and a sub-station at Kutubpur factory premises, to be funded by company's own source. The building will provide space for installation of new machinery for future projects.	250.00

### 40.00 Financial Risk Management

The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The Board is responsible for developing and monitoring the company's risk management policies.

Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. It also oversees the risk management strategies to achieve current and accurate compliance with operational and legal requirement and identification of foreseeable trends that could significantly impact the company's overall business activities.

The company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

**40.01 Credit Risk**

Credit risk is the risk of 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 other financial assets, i.e. cash at bank and other external receivables are nominal.

**40.02 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 timeline to payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Present Credit Rating as assessed by National Credit Ratings Limited for Long Term Liability is AA+ (signifies very strong capacity) and for Short-Term Liability is ST-1 (signifies strongest capacity), which are valid up to June 14, 2018.

**40.03 Market Risk**

Market risk is the risk that any change 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**

As at June 30, 2017, there was no exposure to currency risk as there were no foreign currency transactions made during the year under review other than in normal course of business and as disclosed in the accounts (Notes 06.05, 24.00 & 29.01)

**(b) Interest Rate Risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**41.00 Foreign Exchange Earning**

During the year under review, an aggregate sum of USD 727,174.75 (equivalent Tk. 57,556,778) (2016: USD 484,461.82 (equivalent Tk. 37,932,307) was earned in foreign currency against export of biscuits and confectionery items (referred to Note: 24 to the accounts)

**42.00 Post Balance Sheet Events - Disclosure Under BAS-10 "Events After Reporting Period"  
Non-Adjusting Events After the Reporting Period:**

**Dividend for the year :**

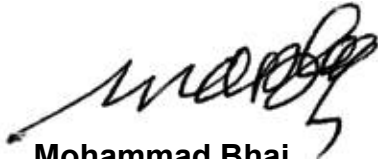
Subsequent to the Balance Sheet date, the Board of Directors recommended 45% (forty five percent) cash dividend i.e. Taka 4.50 (Taka four and fifty paisa) per fully paid Ordinary Share of Tk.10 each, which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

**Adjusting Events After the Reporting Period:**

There was no adjusting events after the reporting period.

**43.00 Approval of the Financial Statements**

These financial statements were authorized for issue in accordance with a resolution of the company's Board of Directors on October 26, 2017.



**Mohammad Bhai**  
Chairman



**Mubarak Ali**  
Managing Director



**Md. Nazimuddin**  
Company Secretary

As per our report of same date.



**M. J. Abedin & Co.**  
Chartered Accountants

Dhaka, October 26, 2017

# UNIT - WISE RESULT

For the year ended at June 30, 2017

(AS PER REQUIREMENT OF THE SECURITIES AND EXCHANGE RULES, 1987)

Amount in Taka					
	Notes	Battery Unit	Biscuit & Other Units	June 30, 2017	June 30, 2016
<b>Revenue</b>	24.00	361,447,280	10,929,110,261	11,290,557,541	10,965,042,877
Cost of Goods Sold	25.00	(238,580,811)	(7,284,534,336)	(7,523,115,147)	(7,274,288,716)
<b>Gross Profit</b>		<b>122,866,469</b>	<b>3,644,575,925</b>	<b>3,767,442,394</b>	<b>3,690,754,161</b>
<b>Operating Expenses</b>		(51,679,376)	(1,562,633,424)	(1,614,312,800)	(1,574,314,081)
Administrative Expenses	26.00	(9,350,743)	(282,739,166)	(292,089,909)	(325,712,890)
Selling Expenses	27.00	(42,328,633)	(1,279,894,258)	(1,322,222,891)	(1,248,601,191)
<b>Profit from Operations</b>		<b>71,187,093</b>	<b>2,081,942,501</b>	<b>2,153,129,594</b>	<b>2,116,440,080</b>
Finance Cost	28.00	(3,785,077)	(114,449,690)	(118,234,767)	(89,632,361)
<b>Other Income</b>		<b>67,402,016</b>	<b>1,967,492,811</b>	<b>2,034,894,827</b>	<b>2,026,807,719</b>
Other Income	29.00	9,577,938	289,608,865	299,186,803	286,394,247
		<b>76,979,954</b>	<b>2,257,101,676</b>	<b>2,334,081,630</b>	<b>2,313,201,966</b>
Net Changes in Fair Value of Financial Assets				(157,010)	(749,715)
Contribution to WPPF & WF				2,333,924,620	2,312,452,251
				(111,139,268)	(110,116,774)

For the year ended at June 30, 2017

(AS PER REQUIREMENT OF THE SECURITIES AND EXCHANGE RULES, 1987)

Amount in Taka					
Notes	Battery Unit	Biscuit & Other Units	June 30, 2017	June 30, 2016	
<b>Profit Before Tax</b>			<b>2,222,785,352</b>	<b>2,202,335,477</b>	
Current Tax			(565,599,025)	(579,522,658)	
Deferred Tax Income / (Expense)			(13,935,653)	905,155	
			(579,534,678)	(578,617,503)	
<b>Profit After Taxation</b>			<b>1,643,250,674</b>	<b>1,623,717,974</b>	
Profit /(Loss ) for the year from <b>Discontinued Operations</b>			-	<b>1,945,255</b>	
<b>Total Comprehensive Income</b>			<b>1,643,250,674</b>	<b>1,625,663,229</b>	

## SCHEDULE OF NON-CURRENT ASSETS

As at June 30, 2017

Property, Plant & Equipment

Annexure A

Particulars	Land & Land Development	Factory Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixtures	Transport & Vehicles	Total 2017	Total 2016
<b>Cost at July 1, 2016</b>	165,503,842	693,620,912	1,875,484,544	20,944,969	23,032,334	84,550,144	2,863,136,745	2,653,335,280
Additions during the year	47,576,742	13,879,897	384,368,502	2,850,746	5,588,847	24,979,858	479,244,592	240,351,318
Sale of Fixed Asset	-	-	-	-	-	-	-	(30,549,853)
<b>Cost at June 30, 2017</b>	<b>213,080,584</b>	<b>707,500,809</b>	<b>2,259,853,046</b>	<b>23,795,715</b>	<b>28,621,181</b>	<b>109,530,002</b>	<b>3,342,381,337</b>	<b>2,863,136,745</b>
<b>Accumulated Depreciation at July 1, 2016</b>	-	308,180,323	787,769,890	13,969,961	12,148,770	69,684,416	1,191,753,360	974,231,951
Depreciation for the year	-	57,609,551	174,316,247	2,238,118	1,644,495	7,701,199	243,509,610	229,655,942
Adjustment for Disposal	-	-	-	-	-	-	-	(12,134,533)
<b>Accumulated Depreciation at June 30, 2017</b>	-	<b>365,789,874</b>	<b>962,086,137</b>	<b>16,208,079</b>	<b>13,793,265</b>	<b>77,385,615</b>	<b>1,435,262,970</b>	<b>1,191,753,360</b>
<b>Carrying Value at June 30, 2017</b>	<b>213,080,584</b>	<b>341,710,935</b>	<b>1,297,766,909</b>	<b>7,587,636</b>	<b>14,827,916</b>	<b>32,144,387</b>	<b>1,907,118,367</b>	<b>1,671,383,385</b>
<b>Carrying Value at June 30, 2016</b>	<b>165,503,842</b>	<b>385,440,589</b>	<b>1,087,714,654</b>	<b>6,975,008</b>	<b>10,883,564</b>	<b>14,865,728</b>	<b>1,671,383,385</b>	<b>1,679,103,330</b>

This includes written down value of lease hold assets of Tk. 86,870,474 (2016: Tk.83,666,367) which is made up as follows:

**SCHEDULE OF NON-CURRENT ASSETS**

Particulars	Land & Land Development	Factory Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixtures	Transport & Vehicles	Total	Total
Gross Carrying Amounts as on July 1, 2016	-	-	157,488,819	572,000	-	42,028,116	200,088,935	195,313,935
Additions during the year	-	-	-	-	-	24,979,858	24,979,858	4,775,000
Adjustment /Deletion of Fixed Asset	-	-	-	-	-	-	-	-
<b>Gross Carrying Amounts as on June 30, 2017</b>	-	-	<b>157,488,819</b>	<b>572,000</b>	-	<b>67,007,974</b>	<b>225,068,793</b>	<b>200,088,935</b>
Accumulated Depreciation as on July 1, 2016	-	-	87,626,458	572,000	-	28,224,110	116,422,568	94,696,216
Depreciation for the year	-	-	14,740,550	-	-	7,035,201	21,775,751	21,726,352
Adjustment of Depreciation	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as on June 30, 2017</b>	-	-	<b>102,367,008</b>	<b>572,000</b>	-	<b>35,259,311</b>	<b>138,198,319</b>	<b>116,422,568</b>
<b>Net Carrying Amounts as on June 30, 2017</b>	-	-	<b>55,121,811</b>	-	-	<b>31,748,663</b>	<b>86,870,474</b>	<b>83,666,367</b>
<b>Net Carrying Amounts as on June 30, 2016</b>	-	-	<b>69,862,361</b>	-	-	<b>13,804,006</b>	<b>83,666,367</b>	<b>100,617,719</b>

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended at June 30, 2017

Annexure B

Discontinued Operations	Notes	Amount in Taka	
		June 30, 2017	June 30, 2016
Revenue	24.00	-	69,479,218
Cost of Sales	25.00	-	(58,027,099)
Gross Profit			11,452,119
Operating Expenses			
Administrative Expenses	26.00	-	(2,063,857)
Selling Expenses	27.00	-	(7,911,673)
		-	(9,975,530)
Profit from Operations		-	1,476,589
Finance Cost	28.00	-	(567,949)
		-	908,640
Other Income	29.00	-	1,814,717
		-	2,723,357
Attributable Contribution to Workers' Profit Participation & Welfare Funds		-	(129,684)
		-	2,593,673
Attributable Provision for Taxation (25%)		-	(648,418)
Profit /(Loss) for the year from Discontinued Operations		-	1,945,255
Basic & Diluted Earnings Per Share (EPS) (par value Tk. 10)	30.00		0.01
Number of Shares used to compute EPS		-	199,938,886

**OLYMPIC INDUSTRIES LIMITED**  
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