

PRIVATE & CONFIDENTIAL

Bengal Biscuits Limited

**INDEPENDENT AUDITOR'S REPORT AND AUDITED
FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2021.**

**SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS**

DHAKA OFFICE

SHATABDI CENTER (6TH FLOOR)
292, INNER CIRCULAR ROAD
FAKIRAPOOL, MOTIJHEEL DHAKA
TELEPHONE : 02-7192098
MOBILE : 01711-025146
TELE FAX : 02-7194870
E-MAIL : shafiq_basak@yahoo.com

CHITTAGONG OFFICE

NATIONAL HOUSE (1ST FLOOR)
109, AGRABAD COM. AREA
CHITTAGONG, BANGLADESH
TELEPHONE : 031-711561
FAX: 031-723680
E-MAIL : basak_sbc@yahoo.com
MOBILE : 01711-152157



শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

CHATTOGRAM OFFICE:

National House (1st Floor),
109, Agrabad Commercial Area,
Chattogram - 4100, Bangladesh.
Phone : 88-031-711561
Pho/ Fax : 88-031-723680
Web : www.shafiqbasak.com
E-mail : basak_sbc@yahoo.com
basak@shafiqbasak.com

Partners:

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

DHAKA OFFICE -(1):

Shatabdi Centre (6th & 8th Floor),
292, Inner Circular Road,
Fakirapool, Motijheel, Dhaka.
Phone : 88-02-7194870
Pho/Fax : 88-02-7192098
Web : www.shafiqbasak.com
E-mail : shafiq_basak@yahoo.com
shafiq@shafiqbasak.com

Independent Auditor's Report

To the Shareholders of
Bengal Biscuits Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Bengal Biscuits Limited** ("the **Company**"), which comprise The Statement of Financial Position as at June 30, 2021 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 to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Company Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Revenue Recognition	
Revenue of BDT 562,730,847 is recognised in the statement of profit or loss and other comprehensive income for the year ended June 30, 2021 by the Company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of revenue recognition, International Financial Reporting Standard 15 "Revenue from Contracts with Customers".	In light of the fact that the high degree of complexity and estimates and assumptions give rise to and increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:



INDEPENDENT MEMBER OF
ABACUS
WORLDWIDE

DHAKA OFFICE -(2): House - 42 (1st Floor), Road - 01, Block - A, Niketan, Gulshan - 01, Dhaka.

Phone : 88-02-9859602-3, 01819-285196, E-mail.mahmoods.bd@gmail.com

<p>There is also a risk that revenue may be overstated due to wrong recognition.</p>	<ul style="list-style-type: none"> • Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue. • Assessing controls for systems and procedures supporting revenue recognition. • Assessing the invoicing and measurement system up to entries in the general ledger. • Examining customer invoices and receipts of payment on a test basis in accordance with contract. • Testing the revenue recognition in line with contract and reporting standard. <p>We assured ourselves of the appropriateness of the systems, Processes, and Controls in place.</p>
<p>See note 1.17 & 19.00 to the financial statements.</p>	
<p>Inventories</p>	
<p>The company had inventory of BDT 40,983,421 as at June 30, 2021, held in factory. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, valuation and recording considering the application of IAS-2 "Inventories".</p> <p>Inventories can be over or undervalued due to valuation.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> ▪ Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches; ▪ Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data; ▪ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; ▪ Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete inventories are valid and complete. ▪ Checking the cost of Raw materials purchase and valuation method applied for raw materials and work in process.
<p>See note 1.14 & 5.00 to the financial statements</p>	



Other Matters

Financial statements of the company for the year ended June 30, 2019 have been audited by Ahmed Zaker & Co. (Chartered Accountants.) They have given unqualified opinion for that year.

Other Information included in the Company's 2020 Annual Report

Other information consists of the information included in the Company's 2020-21 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of issue of this auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error



and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

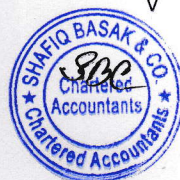
Report on Other Legal and Regulatory Requirements

In accordance with the Company Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the company business.

Place, Dhaka
October 10, 2021

Md. Shafiqul Islam FCA
Enrolment # 595
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC:2110100595AS141039




Bengal Biscuits Limited

Statement of Financial Position


As at June 30, 2021

Particulars	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
ASSETS:			
Non-Current Assets		145,969,713	153,726,640
Property, Plant and equipment	2.00	139,389,582	134,423,194
Right-of-use assets	3.00	6,580,131	14,871,659
Capital work-in-progress	4.00	-	4,431,787
Current Assets		141,466,340	120,114,394
Inventories	5.00	40,983,421	39,953,351
Trade and other receivables	6.00	71,513,668	54,926,448
Advances, deposits and prepayments	7.00	4,055,896	3,881,214
Cash and cash equivalents	8.00	24,913,355	21,353,381
Total Assets		287,436,053	273,841,034
EQUITY AND LIABILITIES:			
Capital and Reserves		78,433,739	72,294,804
Share capital	9.00	79,380,000	79,380,000
Share premium	10.00	21,819,138	21,819,138
Retained earnings	11.00	(22,765,399)	(28,904,334)
Non-current Liabilities		132,336,808	125,998,524
Long term loans-Non Current Portion	12.00	126,205,097	115,239,898
Lease Finance-Non Current Portion	13.00	5,488,706	10,147,139
Deferred tax liability	14.00	643,005	611,487
Current Liabilities		76,665,505	75,547,706
Accounts payables	15.00	18,545,124	29,781,458
Long term loans-Current Portion	12.00	18,245,814	18,558,785
Lease Finance-Current Portion	13.00	3,452,125	7,480,413
Short Term Loan and Advance	16.00	26,048,878	9,829,350
Provision for Income Tax	17.00	9,894,346	9,467,800
Liabilities for WPPF	18.00	479,218	429,900
Total Liabilities		209,002,313	201,546,230
Total Equity and Liabilities		287,436,053	273,841,034
Net Asset Value per share (NAVPS)	28.00	9.88	9.11

The annexed notes (01 to 30) form an integral part of these financial statements.


M. A. Masud
Chairman & Managing
Director


Faizul Hassan
Director


Abdul Kuddus Mia
CFO


K.H. Reza, FCS
Corporate Secretary

Signed as per our separate report on same date.

October 10, 2021
Place: Dhaka

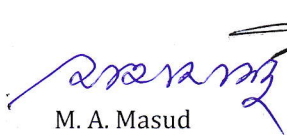

Md. Shafiqul Islam FCA
Enrolment # 595
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC:2110100595AS141039



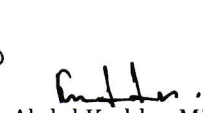
Bengal Biscuits Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
Revenue	19.00	562,730,847	520,960,441
Cost of goods sold	20.00	(457,659,765)	(415,509,715)
Gross profit		105,071,082	105,450,726
Operating expenses		(81,595,690)	(73,386,965)
Administrative expenses	21.00	(21,542,530)	(19,849,657)
Selling & distribution expenses	22.00	(60,053,160)	(53,537,308)
Operating profit		23,475,392	32,063,761
Financial expenses	23.00	(14,395,315)	(25,303,496)
Profit before contribution to WPPF		9,080,077	6,760,265
Contribution to WPPF		(432,385)	(321,917)
Profit before tax		8,647,692	6,438,348
Current Tax	24.00	(2,371,681)	(4,627,995)
Deferred Tax	24.01	(31,518)	1,263
Net profit after tax		6,244,493	1,811,616
Basic earning per share	25.00	0.79	0.23
Number of Shares used to Compute EPS		7,938,000	7,938,000

The annexed notes (01 to 30) form an integral part of these financial statements.


M. A. Masud
Chairman & Managing
Director



Faizul Hassan
Director


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K.H. Reza, FCS
Corporate Secretary

Signed as per our separate report on same date.

October 10, 2021
Place: Dhaka


Md. Shafiqul Islam FCA
Enrolment # 595
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC:2110100595AS141039



Bengal Biscuits Limited
Statement of Changes in Equity
For the year ended June 30, 2021

Particulars	Share Capital	Share Premium	Amount in Taka	
			Retained Earnings	Total
Balance as on 01.07.2020	79,380,000	21,819,138	(28,904,334)	72,294,804
Adjustment for implementation of IFRS-16	-	-	(105,558)	(105,558)
Net profit after tax for the year	-	-	6,244,493	6,244,493
	-	-	-	-
Balance as on 30.06.2021	79,380,000	21,819,138	(22,765,399)	78,433,739

Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Share Capital	Share Premium	Amount in Taka	
			Retained Earnings	Total
Balance as on 01.07.2019	79,380,000	21,819,138	(30,715,950)	70,483,188
Net profit after tax for the year	-	-	1,811,616	1,811,616
	-	-	-	-
Balance as on 30.06.2020	79,380,000	21,819,138	(28,904,334)	72,294,804

The annexed notes (01 to 30) form an integral part of these financial statements.


M. A. Masud
**Chairman & Managing
Director**


Faizul Hassan
Director


Abdul Kuddus Mia
CFO


K.H. Reza, FCS
Corporate Secretary

October 10, 2021
Place: Dhaka



Bengal Biscuits Limited

Statement of Cash Flows

As at June 30, 2021

Particulars	Amount in Taka		
	30-Jun-2021	30-Jun-2020	
<u>A. Cash Flow from Operating Activities:</u>			
Cash receipt from customer & others	27.01	536,043,627	495,635,388
Payment for costs & expenses	27.02	(525,810,310)	(500,809,647)
Cash generated from operation		10,233,317	(5,174,259)
Income Tax paid	27.03	(1,726,696)	(231,832)
Net cash (used in)/ generated by operating activities (A)		8,506,621	(5,406,091)
<u>B. Cash Flow from Investing Activities:</u>			
Acquisition of fixed Assets		(23,026,124)	(5,100,451)
Capital- work-in-progress		-	(4,431,787)
Net cash (used in)/ generated by investing activities (B)		(23,026,124)	(9,532,238)
<u>C. Cash Flow from Financing Activities:</u>			
Collection/(Paid) loan		10,652,228	13,072,099
Payment for finance & lease liabilities		(8,686,721)	(3,515,938)
Adjustment for implementation of IFRS-16		(105,558)	-
Bank Overdraft		16,219,528	9,829,350
Net cash (used in)/ generated by financing activities (C)		18,079,477	19,385,511
D. Net Cash In Flow/(Out flow) for the year (A+B+C)		3,559,974	4,447,182
E. Cash & Bank Balances at the beginning of the year		21,353,381	16,906,199
F. Cash & Bank Balances at the end of the year		24,913,355	21,353,381
G. Net Operating Cash Flow Per Share (NOCFPS) (note # 29)		1.07	(0.68)

The annexed notes (01 to 30) form an integral part of these financial statements.



M. A. Masud
Chairman & Managing
Director



Faizul Hassan
Director



Abdul Kuddus Mia
CFO



K.H. Reza, FCS
Corporate Secretary

October 10, 2021

Place: Dhaka



Bengal Biscuits Limited
Notes to the Financial Statements
for the year ended June 30, 2021

1. Reporting entity

1.1. Company Profile:

The Company was incorporated on 1st November, 1980 as a Private Limited Company under the Companies Act, 1913. Subsequently on 16th May, 1994, it was converted into a Public Limited Company under the same statute. Its shares are listed in both the Dhaka and Chittagong Stock Exchange Limited. The Registered Office of the Company is located at 345, Segun Bagicha, Dhaka - 1000 and the Factory is located at Plot # A-42, A-43, A-44, A-45, A-46, A-47, D-268, D-269 & S-10 BSCIC Industrial Estate, Kawnia, Barisal. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) has delisted trading of BENGAL BISCUITS LIMITED since 4th October, 2009.

1.2 Principal Activities and Nature of Operations:

The Company is a manufacturer of high-quality Biscuits, Flour, Extruded Snacks, Candy and other Consumer food products.

1.3 Statement of Compliance:

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

SL No.	IAS/IFRS Remarks Framework	Applicability
IAS 01	Presentation of Financial Statements	Applied
IAS 02	Inventories	Applied
IAS 07	Cash Flow Statements	Applied
IAS 08	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
IAS 10	Events after the Reporting Period	Applied
IAS 12	Income Tax	Applied
IAS 16	Property, Plant and Equipment	Applied
IAS 19	Employee Benefits	Applied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
IAS 21	The Effects of Changes in Foreign Exchange Rates	Applied
IAS 23	Borrowing Costs	N/A
IAS 24	Related Party disclosures	Applied



IAS 26 Accounting and Reporting by Retirement Benefit Plans	N/A
IAS 27 Consolidated and Separate Financial Statements	N/A
IAS 28 Investments in Associate	N/A
IAS 31 Interests in Joint Venture	N/A
IAS 32 Financial Instruments: Presentation	N/A
IAS 33 Earnings Per Share	Applied
IAS 36 Impairment of Assets	N/A
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS 38 Intangible Assets	N/A
IAS 40 Investment Property	N/A
IAS 41 Agriculture	N/A
IFRS 1 First Time Adoption of IFRS	N/A
IFRS 2 Share Based Payment	N/A
IFRS 3 Business Combination	N/A
IFRS 4 Insurance Contracts	N/A
IFRS 5 Non-current Assets Held for Sale & Discontinued Operations	N/A
IFRS 6 Exploration for and Evaluation of Mineral Resources	N/A
IFRS 7 Financial Instruments: Disclosures	Applied
IFRS 8 Operating Segments	N/A
IFRS 9 Financial Instruments	Applied
IFRS 15 Revenue from Contracts with Customers	Applied
IFRS 16 Leases	Applied

1.4 Authorization Date

These financial statements have been authorized for issue by the Board of Directors of the Company on 10-10-2021.



1.5 Basis of Measurement

All the elements of financial statement have been measured on "Historical Cost" basis which is one of the most commonly adopted basis as provided in "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards (IAS).

1.6 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is both functional currency and presentation currency of the group/company. The amounts in these financial statements have been rounded off to the nearest Taka.

1.7 Use of estimates and judgements

The preparation of financial statements is in conformity with the International Accounting Standards requires management to make estimates and assumptions that affects the reported amounts of the assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and revenue and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in an accounting for certain items such as depreciation; liability for outstanding claims whether due or intimated, taxes etc.

1.8 Significant Accounting Policies and Errors

Accounting Policies

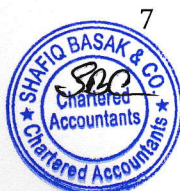
The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Security Exchange Rules 1987 and IASs and IFRSs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) & FRC. The financial position and comprehensive income statement have been prepared according to IAS-1 (Presentation of Financial Statements) based on accrual basis following going concern assumption.

1.9 Property, plant and equipment.

Property, plant & Equipment are stated at cost. Cost represents cost of acquisition or construction and include purchase price and other directly attributable cost of bringing the assets to working condition for its intended use.

Depreciation has been charged using reducing balance method. All the assets acquired or disposed of during the year have been depreciated for the period of its usages. Expenditure for maintenance and repairs are expensed, major replacement, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the year.



The annual depreciation rates are as under:

Particulars	Rate
Factory Building	20%
Plant and Machinery	20%
Furniture and Fixture	10%
Office Equipment	10%
Factory Equipment	10%
Vehicles	20%
Auxiliaries	20%
Leasehold Land	1.01%

Depreciation has been charged to income statement consistently.

Leasehold Land:

Land on BSCIC Industrial Estate, Kawnia, Barisal has been taken on lease from BSCIC on the dates mentioned against each:

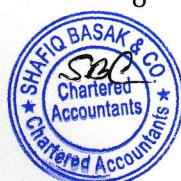
Plot Name	Area	Date
Plot No. A-45 & A-46	33,000 sft.	10-11-1980
Plot No. A-44	16,500 sft.	10-02-1985
Plot No. A-43	16,500 sft.	24-01-2009
Plot No. A-42, D-268, D-269 & S-10	41,434 sft.	20-10-2009
Plot No. A-47	16,500 sft.	16-07-2013

1.10 Financial instruments

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

1.11 Going Concern:

The financial statements of the Company have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence it is assumed that the entity has neither intention nor need to liquidate or curtail materially the scale of its operation. During the year, the Company has incurred net profit after tax of Tk. 6,244,493 and its accumulated loss as on June 30, 2021 stood at Tk. (22,765,399). Moreover, the management will take appropriate all steps to run the Company to continue as going concern.



1.12 Accounts Receivable

Accounts receivable are in original invoice value. The Current Accounts is maintaining with every party. All Current Accounts are considered good and collectable, and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for. Hence no provision has been made in line with Para 5.5.15 of IFRS-9.

1.13 Cash and cash equivalents

Cash and Cash equivalents are readily convertible to known amounts of Cash and are subject to an insignificant risk of changes in value and are not restricted as to use. Here cash and cash equivalents include cash and bank balances.

1.14 Inventories

Inventories consisting of Biscuits, Sugar, Salt, Oil, Flour are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production of 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. 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.

1.15 Employee Benefits

Bengal Biscuits Limited provide short term benefit to its employees such as Wages, Salary, Incentive Annual leave, Sick leave and Bonuses.

The Company makes workers profit participation and welfare fund of 5% of net profit before tax as per provision of labour law 2013 (Amended 2018)

1.16 Income Tax

Current Tax

Income tax payable balance represents the sum of the tax currently payable. Income tax has been calculated at the rate applicable for the company as per the Income Tax Ordinance 1984.

Deferred Tax

Deferred tax is recognized in compliance with IAS 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.

The management has adopted to recognize the Deferred Tax liabilities complying with the requirement of IAS-12 based on taxable temporary differences resulting from the carrying value of assets recognized in the statement of financial position and tax base of those assets as determined by the third schedule of Income Tax Ordinance, 1984.



1.17 Revenue Recognition

Revenues are measured at fair value of the consideration received or receivable, net of discount and sales related taxes and VAT. Revenues are reported gross with separate recording of expenses to vendors of products or services.

1.18 Leases

(a) Finance leases

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expenses are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Depreciation on leasehold land does not comply with IAS 17.

1.19 Stock-in-Trade

Stock of raw, packing and other materials have been valued at cost. Average method has been followed for determining the value of stock.

1.20 Sundry Creditors and Other Accounts Payable

Liabilities are recorded at the amount to be paid in the future for settlement in respect of goods and services received by the Company.

1.21 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow Operating Activities Using the Direct Method".

1.22 Basic Earnings Per Share:

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

1.23 Diluted Earnings per Share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

Additional Information on Financial Statement:

1.24 Responsibility for Preparation and Presentation of Financial Statements:

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per the provision of "The Framework for the Preparation & Presentation of Financial Statements" issued by the International Accounting Standards (IAS).

1.25 Components of the Financial Statements:

According to the Bangladesh Accounting Standards (IAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following Components":

- 1) Statement of Financial Position as at 30th June, 2021;
- 2) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- 3) Statement of Changes in Equity for the year ended 30th June, 2021;
- 4) Statement of Cash Flows for the year ended 30th June, 2021;
- 5) Accounting Policies and Explanatory Notes.

1.26 Risk and Uncertainties for Use of Estimates in Preparation of Financial Statements:

The preparation of financial statements in conformity with the International Accounting Standards (IAS) 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 expenses during the period reported. Actual results could differ from those estimates.

1.27 Reclassifications:

Certain reclassifications have not been made to conform the 2019-2020 financial statements and footnotes to the 2020-2021 presentation.

1.28 Reporting currencies and Level of Precision:

The figures in the financial statements represent Bangladeshi Taka currency and rounded off to the nearest Taka except where indicated otherwise.

1.29 Reporting Period:

Financial statements of the Company cover one financial year from 1st July 2020 to 30th June 2021 consistently.

1.30 Comparative Information:

Comparative information has been disclosed in respect of the year 2019-2020 for all numerical information in the financial statements and also the narrative descriptive information when it is relevant for understanding of the current periods of financial statements.



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
2.00 Property, plant & equipments : Tk. 139,389,582			
<u>A. Cost:</u>			
Opening Balance		529,207,040	491,316,062
Add: Addition during the year		19,123,077	5,100,451
Less: Transfer/ Disposal during the year		-	-
Closing Balance		548,330,117	496,416,513
<u>B. Accumulated depreciation:</u>			
Opening Balance		361,993,319	330,680,945
Add : Transfer From ROUA		17,918,868	-
Add: Charged during the year		29,028,348	31,312,374
Closing Balance		408,940,535	361,993,319
C. Written down value on cost (A-B)		139,389,582	134,423,194
3.00 Right-of-use assets : Tk. 6,580,131			
<u>A. Cost:</u>			
Opening Balance		32,790,527	32,790,527
Add: Addition during the year		8,334,834	-
Closing Balance		41,125,361	32,790,527
<u>B. Accumulated depreciation :</u>			
Opening Balance		17,918,868	14,200,953
Add: Addition during the year		1,754,703	3,717,915
		19,673,571	17,918,868
Add : Transfer From ROUA		14,871,659	-
Closing Balance		34,545,230	17,918,868
C. Written down value on cost (A-B)		6,580,131	14,871,659
Details of addition of assets are shown in Assets Schedule (Annexure-A & B) attached.			
4.00 Capital work-in-progress : Tk. 0			
Construction for the Factory Expansion		-	4,431,787
		-	4,431,787
5.00 Inventories: Tk. 40,983,421			
Raw materials		20,807,946	17,792,534
Packing Materials		16,203,307	19,559,104
Finished Goods		3,972,168	2,601,713
		40,983,421	39,953,351

Physical counting of the stock was carried out by inventory team. Inventory at June 30, 2021 are calculate at lower of average cost and Net Realisable Value.

6.00 Trade and other Receivables : Tk. 71,513,668			
<u>Ageing of Trade Receivable</u>			
More than Six Months		228,728	-
Less than Six Months		71,284,940	54,926,448
		71,513,668	54,926,448

These amounts are unsecured, but being realized within next year at the highest. No provision was made for bad debt during the year under review and there is no security arrangement of this receivables.

<u>Particulars</u>			
Abul & Sons, Jessore	6.01	5,347,272	5,129,984
Khandoker Corporation, Bhairab	6.02	5,008,672	4,616,252
Alam Enterprise, C&B Road, Barishal	6.03	4,802,030	3,964,800
	6.04	5,498,457	5,439,383
Nabi Corporation, Dhaka	6.05	5,804,290	5,935,844
Mahabub Traders, Mymensingh.	6.06	3,804,808	-



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
Bodrul Enterprise, Sylhet.	6.07	4,377,024	3,387,830
Maa Mone Sales & Distribution.	6.08	5,231,299	4,665,503
Bhai Bhai Traders, Keranigonj	6.09	5,432,983	5,155,285
Maa Enterprise, Uttara	6.10	3,080,659	1,941,832
F S Enterprise, Khulna	6.11	4,766,970	4,192,726
Ashiq Traders, Rajshahi	6.12	5,362,493	4,897,527
Sornali Traders, Kustia	6.13	4,696,046	3,967,250
M Rahman & Co, Ctg	6.14	3,596,228	-
Howlader Enterprise, Madaripur		3,088,663	-
Opsonin Pharma Ltd, Dhaka		12,091	108,090
Rahimafroz (Agora)		276,924	396,427
US Bangla Airlines		122,713	149,301
Foreign Export		241,099	438,068
Orian Pharma Ltd, Dhaka		220,500	-
Squire Pharmaceuticals Ltd		32,567	51,941
CSD Exclusive Shop		245,880	-
Beacon Pharmaceuticals Ltd		-	488,404
Gimcon Food & Agora Product Ltd		102,972	-
Beximco Pharmaceuticals Limited		207,000	-
Wholesale Club Ltd. Jamuna Future Park, Dhaka		154,028	-
		71,513,668	54,926,448
6.01 Abul & Sons, Jessore : Tk. 5,347,272			
Opening Balance		5,129,984	4,190,614
Add. Sales during the year		23,142,801	16,817,709
		28,272,785	21,008,323
Less-Collection during the year		22,925,513	15,878,339
		5,347,272	5,129,984
6.02 Khandoker Corporation, Bhairab : Tk. 5,008,672			
Opening Balance		4,616,252	3,530,828
Add. Sales during the year		20,413,085	18,021,400
		25,029,337	21,552,228
Less-Collection during the year		20,020,665	16,935,976
		5,008,672	4,616,252
6.03 Alam Enterprise, Barishal: Tk. 4,802,030			
Opening Balance		3,964,800	2,179,706
Add. Sales during the year		19,683,628	16,837,440
		23,648,428	19,017,146
Less-Collection during the year		18,846,398	15,052,346
		4,802,030	3,964,800
6.04 Prattasha Trading, Amtoli :Tk. 5,498,457			
Opening Balance		5,439,383	4,126,548
Add. Sales during the year		26,389,478	21,517,216
		31,828,861	25,643,764
Less-Collection during the year		26,330,404	20,204,381
		5,498,457	5,439,383



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
6.05 Nabi Corporation, Dhaka : Tk. 5,804,290			
Opening Balance		5,935,844	4,375,671
Add. Sales during the year		26,474,216	19,279,083
		32,410,060	23,654,754
Less-Collection during the year		26,605,770	17,718,910
		5,804,290	5,935,844
6.06 Oponin Pharma Ltd, Dhaka: Tk. 3,804,808			
Opening Balance		-	-
Add. Sales during the year		17,411,100	-
		17,411,100	-
Less-Collection during the year		13,606,292	-
		3,804,808	-
6.07 Bodrul Enterprise, Sylhet : Tk. 4,377,024			
Opening Balance		3,387,830	2,006,913
Add. Sales during the year		18,118,192	8,334,020
		21,506,022	10,340,933
Less-Collection during the year		17,128,998	6,953,103
		4,377,024	3,387,830
6.08 Maa Moni Sales & Distribution : Tk. 5,231,299			
Opening Balance		4,665,503	3,751,552
Add. Sales during the year		26,918,299	16,390,452
		31,583,802	20,142,004
Less-Collection during the year		26,352,503	15,476,501
		5,231,299	4,665,503
6.09 Bhai Bhai Traders, Keranigonj : Tk. 5,432,983			
Opening Balance		5,155,285	4,011,699
Add. Sales during the year		27,213,842	17,367,372
		32,369,127	21,379,071
Less-Collection during the year		26,936,144	16,223,786
		5,432,983	5,155,285
6.10 Maa Enterprise, Uttara : Tk. 3,080,659			
Opening Balance		1,941,832	-
Add. Sales during the year		16,535,113	10,527,911
		18,476,945	10,527,911
Less-Collection during the year		15,396,286	8,586,079
		3,080,659	1,941,832
6.11 F S Enterprise, Khulna : Tk. 4,766,970			
Opening Balance		4,192,726	3,427,864
Add. Sales during the year		28,708,247	20,526,850
		32,900,973	23,954,714
Less-Collection during the year		28,134,003	19,761,988
		4,766,970	4,192,726
6.12 Ashiq Traders, Rajshahi : Tk. 5,362,493			
Opening Balance		4,897,527	-
Add. Sales during the year		13,461,543	20,344,309
		18,359,070	20,344,309
Less-Collection during the year		12,996,577	15,446,782
		5,362,493	4,897,527



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
6.13 Sornali Traders, Kustia : Tk. 4,696,046			
Opening Balance		3,967,250	-
Add. Sales during the year		15,809,660	22,807,348
		19,776,910	22,807,348
Less-Collection during the year		15,080,864	18,840,098
		4,696,046	3,967,250
6.14 M. Rahman & Co, Ctg : Tk. 3,596,228			
Opening Balance		-	-
Add. Sales during the year		14,759,473	-
		14,759,473	-
Less-Collection during the year		11,163,245	-
		3,596,228	-
7.00 Advances, Deposits and Prepayments : Tk. 4,055,896			
Advances against employee		1,767,662	869,354
Advance against VAT		510,684	1,015,871
Deposits for Telephone, Electricity		832,902	832,902
Tax Deducted at source by local buyers		188,943	407,382
Prepayments against Office Rent		755,705	755,705
		4,055,896	3,881,214
8.00 Cash and cash equivalents : Tk. 24,913,355			
Cash in Hand	Note 8.01	16,223,612	17,409,842
Cash at Bank	Note 8.02	8,689,743	3,943,539
		24,913,355	21,353,381
8.01 Cash in hand : Tk. 16,223,612			
Head Office		8,279,197	9,260,948
Factory, Barishal		7,944,415	8,148,894
		16,223,612	17,409,842
8.02 Cash at bank : Tk. 8,689,743			
Bank Name	Branch Name		
Janata Bank Ltd.	Barisal Corp.	CD # 52016	1,236,053
Janata Bank Ltd.	Topkhana	CD # 633016448	2,503,950
Islami Bank Bd Ltd.	VIP Road	CD # 2230100231202	4,336,993
Shahjalal Islami Bank Ltd.	Bijoyagar	CD # 1811100005736	5,537
Prime Bank Ltd.	Bijoyagar	CD # 5911080001765	11,721
Pubali Bank Ltd.	Nayapaltan	CD # 2438901038845	41,019
Pubali Bank Ltd.	Stadium	CD # 0939901046588	162,837
Al-Arafa Islami Bank Ltd.	VIP Road	CD # 0141020033832	15,498
Dhaka Bank Ltd.	Karwan Bazar	CD # 2071000010478	3,187
Midland Bank Ltd	Dilkhusa	CD # 1090000769	356,133
Bangladesh Development Bank	Dilkhusa	CD # 0650200002591	5,000
Bd Commerce Bank Ltd.	Dilkhusa	CD # 00221003091	11,815
			8,689,743
			3,943,539

Cash in hand has been verified by the Management at the close of the year and a cash custody certificate was furnished to the Auditors. The above bank accounts have been duly reconciled with balance of bank statements of respective accounts.



Notes	Amount in Taka	
	30-Jun-2021	30-Jun-2020

9.00 Share capital : Tk. 79,380,000

This is made up as follows:

Particulars

Authorized Capital

5,00,00,000 Ordinary Shares @ Tk. 10/- each 500,000,000 500,000,000

Issued, Subscribed & Paid up capital

79,38,000 Ordinary Share of Tk. 10/- each 79,380,000 79,380,000

a) Composition of Shareholding

Directors & Sponsors

ICB Unit Fund

General Public

30.06.2021		30.06.2020	
No. of Shares	%	No. of Shares	%
2,428,964	30.60%	2,429,164	30.60%
4,688,428	59.06%	821,719	10.35%
820,608	10.34%	4,687,117	59.05%
7,938,000	100.00%	7,938,000	100.00%

(c) Classification of Shareholders by Holding :

Range of Shares	No. of Folio		Number of Shares		Holding %	
	30.06.21	30.06.20	30.06.21	30.06.20	30.06.21	30.06.20
01 to 500	3,102	2,980	509,661	503,412	6.42	6.34
501 to 5,000	744	710	1,002,330	932,537	12.63	11.75
5,001 to 10,000	68	70	478,037	481,157	6.02	6.06
10,001 to 20,000	46	46	634,328	604,183	7.99	7.61
20,001 to 30,000	16	17	367,408	396,981	4.63	5.00
30,001 to 40,000	3	5	103,827	175,024	1.31	2.20
40,001 to 50,000	4	3	181,754	137,654	2.29	1.73
50,001 to 100,000	7	8	408,735	454,722	5.15	5.73
1,00,001 to 9,99,999	9	9	4,251,920	4,252,330	53.56	53.57
Total:	3,999	3,848	7,938,000	7,938,000	100	100

10.00 Share premium : Tk. 21,819,138

Share premium 21,819,138 21,819,138
21,819,138 21,819,138

11.00 Retained Earnings : Tk. -22,765,399

Opening Balance (28,904,334) (30,715,950)
Adjustment for implementation of IFRS-16 (105,558)
Net profit during the year 6,244,493 1,811,616
Closing Balance (22,765,399) (28,904,334)

12.00 Long Term Loans : Tk. 144,450,911

International Leasing & Finance Ltd	12.01	310,793	661,440
IDLC Finance Limited	12.02	546,740	1,536,910
Lanka Bangla Finance Limited	12.03	154,409	589,633
Midland Bank Limited-Term Loan 01	12.04	114,950,572	131,010,700
Midland Bank Limited-Term Loan 02	12.05	8,901,342	-
Midland Bank Limited-Term Loan 03	12.06	19,587,055	-
		144,450,911	133,798,683

Less : Current Portion of Long Term Loan being Payable within 01 year

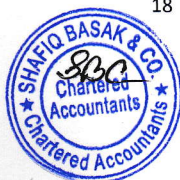
International Leasing & Finance Ltd	310,793	-
IDLC Finance Limited	970,680	970,680
Lanka Bangla Finance Limited	460,566	460,566
Midland Bank Limited-Term Loan 01	12,066,433	17,127,539
Midland Bank Limited-Term Loan 02	1,070,807	-
Midland Bank Limited-Term Loan 03	3,366,535	-
Long Term Loan-Current Portion	18,245,814	18,558,785
Long Term Loan-Non Current Portion	126,205,097	115,239,898



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
12.01 LTL from International Leasing & Finance Ltd : Tk. 310,793			
Opening Balance		661,440	117,497,891
Add : Interest Charge during the year		135,605	17,542,321
		797,045	135,040,212
Less : Payment during the year		486,252	134,378,772
		310,793	661,440
12.02 LTL from IDLC Finance Ltd : Tk. 546,740			
Opening Balance		1,536,910	2,264,920
Add : Interest Charge during the year		-	-
		1,536,910	2,264,920
Less : Payment during the year		990,170	728,010
		546,740	1,536,910
12.03 LTL from Lanka Bangla Finance Ltd : Tk. 154,409			
Opening Balance		589,633	963,773
Add : Interest Charge during the year		53,260	-
		642,893	963,773
Less : Payment during the year		488,484	374,140
		154,409	589,633
12.04 Midland Bank Ltd. -Term Loan 01 : Tk. 114,950,572			
Opening Balance		131,010,700	130,100,000
Add : Interest Charge during the year		11,030,952	910,700
		142,041,652	131,010,700
Less : Payment during the year		27,091,080	-
		114,950,572	131,010,700
12.05 Midland Bank Ltd.-Term Loan 02 : Tk. 8,901,342			
Opening Balance		-	-
Add : Addition and interest Charge during the year		10,660,142	-
		10,660,142	-
Less : Payment during the year		1,758,800	-
		8,901,342	-
12.06 Midland Bank Ltd.-Term Loan 03: Tk. 19,587,055			
Opening Balance		-	-
Add : Addition and interest Charge during the year		20,418,297	-
		20,418,297	-
Less : Payment during the year		831,242	-
		19,587,055	-
13.00 Finance Lease : Tk. 8,940,831			
Lease Finance from IDLC Finance Ltd.	13.01	1,910,162	5,126,684
Lease Finance from Premier Leasing	13.02	-	12,500,868
Lease Liability_Office Rent	13.03	7,030,669	-
		8,940,831	17,627,552
Less : Current Portion of Lease Finance being Payable within 01 year			
IDLC Finance Ltd.		1,910,162	2,896,285
Premier Leasing and Finance Ltd.		-	4,584,128
Lease Liability_Office Rent		1,541,963	-
Lease Finance-Current Portion		3,452,125	7,480,413
Lease Finance-Non Current Portion		5,488,706	10,147,139
13.01 Lease Finance from IDLC Finance Ltd.			
Opening Balance		5,126,684	7,023,616
Add. Addition/Interest Charge during the year		278,358	724,228
		5,405,042	7,747,844
Less-Payment during the year		3,494,880	2,621,160
		1,910,162	5,126,684



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
13.02 Lease Finance from Premier Leasing Finance Ltd.			
Opening Balance		12,500,868	14,119,874
Add. Addition/Delinquent Charge during the year		-	696,022
		<u>12,500,868</u>	<u>14,815,896</u>
Less-Payment during the year		12,500,868	2,315,028
		<u>-</u>	<u>12,500,868</u>
13.03 Lease Liability_Office Rent : Tk. 7,030,669			
Opening Balance		8,440,391	-
Add. Addition During the year		686,702	-
		<u>9,127,093</u>	<u>-</u>
Less-Payment during the year		2,096,424	-
		<u>7,030,669</u>	<u>-</u>
Lease liability (future discounted payments) with regard to office rent has been calculated in line with IFRS 16 using incremental borrowing rate (IBR) @ 9%.			
14.00 Deferred Tax Liability : Tk. 643,005			
Opening Balance		611,487	612,750
Deferred tax expense/(benefit) during the year		31,518	(1,263)
		<u>643,005</u>	<u>611,487</u>
Computation of Deferred Tax:			
Written Down Value of Fixed Assets:			
Accounting Base		139,389,582	145,946,892
Tax Base		136,531,780	143,500,946
Taxable Temporary Difference		2,857,802	2,445,946
Tax Rate		22.50%	25.00%
Deferred Tax Liabilities as of June 30, 2021		643,005	611,487
Already Recognised (30 June 2020)		611,487	612,750
Deferred tax liability for the year to be recognised in PL		31,518	(1,263)
15.00 Accounts Payables : Tk. 18,545,124			
Creditors -for Goods & Supplies	15.01	9,044,355	11,128,280
Creditors -for Expenses	15.02	9,500,769	8,553,178
Creditors -for Other Finance	15.03	-	10,100,000
		<u>18,545,124</u>	<u>29,781,458</u>
15.01 Creditors for Goods & Supplies			
Opening Balance		11,128,280	29,341,501
Add. Purchase during the Year		360,576,509	322,353,453
		<u>371,704,789</u>	<u>351,694,954</u>
Less : Payment during the Year		362,660,434	340,566,674
		<u>9,044,355</u>	<u>11,128,280</u>
Details of Creditors for Goods & Supplies			
Bangladesh Flour Mill. Narayangonj		1,787,540	2,146,040
Padma Flour Mills		1,077,310	1,193,910
Sabnam Vegetable		1,541,648	1,683,104
Annadata Flour Mills, Madaripur		-	1,204,463
Premiaflex Plastic Ltd.		1,154,404	1,380,410
Abed Products, Dhaka		854,078	707,650



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
Robin Printing & Packages Ltd.		1,435,475	1,171,451
Akib Flour Mills, Barisal		1,193,900	
ACI Flour Mills		-	1,641,252
		9,044,355	11,128,280
15.02 Creditors for Expenses: Tk. 9,500,769			
Salary & Wages payable		4,049,736	4,508,217
Audit Fee Payable		135,000	125,000
Electricity Bill		2,252,586	1,356,652
AIT for Salary		1,137	4,055
Trade VAT		1,343,478	-
Listing Fee Payable		-	50,000
AGM Expenses		163,020	-
Interest Payable for STL		116,000	-
IFAD Autos Limited		613,946	1,868,890
Office Rent		825,866	640,364
		9,500,769	8,553,178
15.03 Creditors for Other Finance : Tk. 0			
Abul & Sons, Jessore		-	1,000,000
Khandoker Corporation, Bhairab		-	1,000,000
Nabi Corporation, Dhaka		-	1,000,000
Bhai Bhai Traders, Keranigonj		-	1,500,000
F S Enterprise, Khulna		-	1,500,000
Maa Moni Sales & Distribution		-	2,000,000
Prattasha Trading, Amtoli		-	2,100,000
		-	10,100,000
These liabilities have arisen in the normal continuous course of business.			
16.00 Short Term Loan and Advance : Tk. 26,048,878			
Bank Overdraft-Midland Bank		10,090,374	9,829,350
Time Loan-Midland Bank		10,158,504	-
WPPF of Pharma Aids Limited		5,800,000	-
Total		26,048,878	9,829,350
17.00 Provision for Income Tax: Tk. 9,894,346			
Opening Balance		9,467,800	5,366,002
Current year Tax		2,371,681	4,627,995
		11,839,481	9,993,997
Payment during the year		1,945,135	526,197
Closing Balance:		9,894,346	9,467,800
18.00 Liabilities for WPPF: Tk. 479,218			
Opening Balance		429,900	421,286
Add : Provision during the year		432,385	321,917
		862,285	743,203
Less : Payment during the year		383,067	313,303
		479,218	429,900



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
19.00 Revenue : Tk. 562,730,847			
VATable Item	19.01	426,345,627	379,840,635
Non-VATable Item		136,385,220	141,119,806
		562,730,847	520,960,441
19.01 VATable Item : Tk. 426,345,627			
Revenue from VATable Item		448,367,526	399,379,719
Less : VAT Payment		22,021,899	19,539,084
		426,345,627	379,840,635
Total VAT Payment		22,369,775	
Less : Rebate Adjustment		347,876	
Net VAT Payment		22,021,899	
20.00 Cost of Goods Sold : Tk. 457,659,765			
Purchase of :			
Raw Materials		278,998,576	249,410,859
Packing Materials		81,577,933	72,942,595
Total Purchase:		360,576,509	322,353,454
Add : Opening stock of Materials		37,351,638	32,622,801
Materials available for consumption		397,928,147	354,976,255
Less : Closing stock of Materials		(37,011,253)	(37,351,638)
Materials Consumed		360,916,894	317,624,617
Manufacturing Expenses	20.01	98,113,326	94,156,901
Cost of Goods Manufactured		459,030,220	411,781,518
Add : Opening stock of Finished Goods		2,601,713	6,329,910
Cost of Goods available for Sale		461,631,933	418,111,428
Less : Closing stock of Finished Goods		(3,972,168)	(2,601,713)
		457,659,765	415,509,715

Break-up of materials purchased with percentage :

Particulars	2020-2021		2019-2020	
	Amount	Percentage	Amount	Percentage
Raw Materials	2,789.99	77.38%	2,494.11	77.37%
Packing Materials	815.78	22.62%	729.43	22.63%
	3,605.77	100.00%	3,223.53	100.00%

20.01 Manufacturing expenses : Tk. 98,113,326

Salary and wages	24,347,410	21,740,191
Bonus	1,792,000	1,380,000
Overtime	620,383	592,674
Performance Allowance	696,000	519,050
Uniform	78,472	82,955
Medical expense	40,037	50,998
Conveyance	76,030	76,069
Staff Welfare	593,539	444,174
Postage and Stamp	19,743	18,740
Meal Allowance	46,840	43,255
Carriage inward/Loading and handling	3,399,664	2,546,022
Repairs and maintenance	1,411,188	1,090,267
Power and electricity	31,580,181	27,483,701
Water bill	59,250	51,000
Telephone, fax and mobile	600,308	585,710



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
Stationery		99,048	92,618
Local Travelling		417,601	449,733
		192,000	479,000
Workers' Lunch Expense		2,264,753	1,603,976
Entertainment		99,300	75,246
Insurance		1,168,350	1,286,852
Lease Land Yearly Service Charge		934,298	-
Depreciation		27,576,931	29,746,755
Depreciation- Right of use Assets		-	3,717,915
		98,113,326	94,156,901

The number of employees/workers received salary and wages upto and above Tk.36,000.00 per annum

-Upto Tk. 36,000.00 = 303 Nos.

-Above Tk. 36,000.00 = 190 Nos.

The Company has been serving lunch to the workers free of cost as an incentive.

21.00 Administrative Expenses : Tk. 21,542,530

Salary and allowances	12,722,456	11,783,244
Bonus	869,000	858,000
Medical Expenses	93,275	54,069
Conveyance	29,896	35,152
Meal Allowance	25,082	29,146
Local Travelling	289,409	342,523
Office rent	-	2,012,568
Staff Welfare	205,518	202,156
Renewal and fees	136,882	121,284
Repair and maintenance	135,182	138,119
Power, Electricity & Expenses	556,068	557,575
Photocopy and documentation	39,880	44,700
Stationery	152,063	165,264
Postage and stamp	35,350	43,160
Telephone, mobile and fax	737,355	755,677
Fuel, repair, services and cleaning	230,974	213,551
Newspaper, books and periodicals	7,240	8,235
Entertainment	121,931	123,802
Gas, water and Service charge	149,444	142,715
Audit fee	135,000	125,000
Review Audit fee-for DSE Requirement	132,000	-
VAT	320,950	297,560
Legal Fees	57,810	56,231
Stock Exchange Listing Fees	50,000	50,000
Membership Expenses (BAPLC)	30,000	-
CDBL Expenses	268,100	-
AGM expenses	675,095	-
Credit Rating Expense	40,000	-
Insurance	90,450	124,307
Depreciation	1,451,417	1,565,619
Depreciation- Right of use Assets (Office Rent)	1,754,703	-
	21,542,530	19,849,657

The number of employees received salary upto and above Tk. 36,000.00 per annum :

-Above Tk. 36,000.00 =28 Nos.

-Upto Tk.36,000.00 = Nil

Depreciation_Right of Use Assets (ROUA) is the requirement of IFRS-16 (Leases) with regard to recognition of ROUA of lease agreement of head office.



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
22.00 Selling & distribution expenses : Tk. 60,053,160			
Salary and allowances		24,656,744	23,029,174
Bonus		1,839,100	1,735,000
Local Travelling		728,826	998,479
Carriage outward		3,852,000	2,985,205
Conveyance		3,424,227	3,140,051
Meal Allowance		1,396,951	1,014,562
Photocopy and documentation		43,960	45,050
Medical Expenses		114,195	140,665
Stationery		293,239	258,217
Postage and stamp		57,270	58,258
Telephone, mobile and fax		1,393,977	1,343,603
Fuel, repair, services and cleaning		455,605	305,141
Product Incentive		10,176,552	8,256,656
Store Damage & Date Expired		9,025,249	8,025,362
Entertainment		131,982	133,554
Distribution of sample		819,897	798,490
Product design charges		145,048	134,240
Advertisement		-	105,000
Employees' Meeting Expenses		1,475,451	953,066
Insurance Premium		22,887	77,535
		60,053,160	53,537,308

The number of employees received salary upto and above Tk. 36,000.00 per annum :

-Above Tk. 36,000.00 = 160 Nos.

-Upto Tk.36,000.00 = Nil

23.00 Financial Cost : Tk. 14,395,315

Interest on Long Term Loan	12,533,257	25,179,204
Interest on Short Term Loan	1,094,861	29,350
Interest on Lease liability_Office Rent	686,702	-
Bank Charge	80,495	94,942
	14,395,315	25,303,496

Interest on Lease liability (Office Rent) has been recognised as per requirement of IFRS-16.

24.00 Income Tax Expenses: Tk. 2,371,681

Current year tax	1,945,731	1,609,587
Prior year tax adjustment_2019-2020	220,824	-
Prior year tax adjustment_2018-2019	205,126	-
Prior year tax adjustment_2017-2018	-	356,681
Prior year tax adjustment_2016-2017	-	1,453,579
Prior year tax adjustment_2015-2016	-	1,208,148
	2,371,681	4,627,995

Computation of Current Tax:

Profit Before Tax	8,647,692	6,438,348
Tax Rate	22.50%	25.00%
Income Tax	1,945,731	1,609,587

Depreciation is charged as per 3rd Schedule of ITO, 1984 thus there is no significant adjustment required.

The only consideration is commencement of depreciation charges which starts since available for use in accounting base whereas NBR allows for whole year but whatever the difference has been considered in deferred tax calculation, no adjustment is given in current tax computation being the amount is insignificant.

	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
24.01 Deferred tax : Tk. 31,518			
Deferred tax expense during the year	14.00	31,518	(1,263)
		<u>31,518</u>	<u>(1,263)</u>
25.00 Earning per share (EPS) : Tk. 0.79			
Net Profit after tax		6,244,493	1,811,616
Number of ordinary shares issued and paid up.		7,938,000	7,938,000
		<u>0.79</u>	<u>0.23</u>

Reconciliation of Net Profit with Cash Flows from Operating Activities for the Year Ended on 30 June 2021 - Under Indirect Method is given below:

Net Profit/(Loss) before tax	6,244,493
Adjustments for non-cash items:	
Depreciation	30,783,051
Net Profit/(Loss) before changes in working capital	37,027,544
Change in working capital	(28,520,924)
(Increase)/Decrease in Inventories	(1,030,070)
(Increase)/Decrease in Accounts Receivables	(16,587,220)
(Increase)/Decrease in Advances, Deposits & Prepayments	(174,682)
Increase/(Decrease) Accounts Payable	(11,236,334)
Increase/(Decrease) in WPPF	49,318
Increase/(Decrease) in Income tax Provision	426,546
Increase/(Decrease) in Deferred Tax Liability	31,518
Net cash flows from operating activities	8,506,620

26.00 LIABILITIES FOR CONTINGENT AND OTHER NATURE:

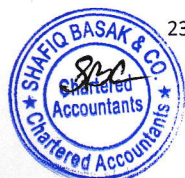
VAT authority had an illegal claim of VAT for Tk. 9.43 crores. The Company had lodged appeal to the Commissioner (Appeal) of Custom, Excise & VAT, and thereafter to the VAT Appellate Tribunal; but both of them given decision against us. So, the matter is now pending in the Court.

No guarantee was given by the Company on behalf of the Directors, Managers or other Officers of the Company or any of them severally or jointly with any other person.

27.00 Notes to Statement of Cash Flows:

27.01 Cash receipt from customer & others:

Opening Trade and other receivables	54,926,448	31,601,395
Add: Sales during the year	584,752,746	540,499,525
	<u>639,679,194</u>	<u>572,100,920</u>
Less: VAT with Adjustment	(22,021,899)	(19,539,084)
	<u>617,657,295</u>	<u>552,561,836</u>
Less: Closing Trade and other receivables	(71,513,668)	(54,926,448)
	<u>546,143,627</u>	<u>497,635,388</u>
Add: Other Income		
	<u>546,143,627</u>	<u>497,635,388</u>
Less : Security Money	(10,100,000)	(2,000,000)
Total	<u>536,043,627</u>	<u>495,635,388</u>



	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
27.02 Payment to Suppliers and Others:			
Cost of Goods Sold		(457,659,765)	(415,509,715)
Administrative Expenses		(21,542,530)	(19,849,657)
Selling & Distribution Expenses		(60,053,160)	(53,537,308)
(Increase)/Decrease in inventory		(1,030,070)	(1,000,640)
(Increase)/Decrease in advance, deposits & prepayments		(393,120)	(834,659)
(Increase)/Decrease in accounts payable		(1,136,334)	(19,491,158)
WPPF paid		(383,067)	(313,303)
Bank Charge & Commission		(80,495)	(94,942)
Financial Cost		(14,314,820)	(25,208,554)
Adjustment for non-cash item		-	-
Depreciation		30,783,051	35,030,289
Total		(525,810,310)	(500,809,647)
27.03 Income Tax Paid			
Tax Expenses		(2,371,681)	(4,627,995)
(Increase)/decrease in Advance Tax		218,439	294,365
(Increase)/decrease in Income Tax provision		426,546	4,101,798
		(1,726,696)	(231,832)
28.00 Net Asset Value per share			
Net Asset Value at the end of the year		78,433,740	72,294,804
Number of outstanding share at the end of the year		7,938,000	7,938,000
Total:		9.88	9.11
29.00 Net Operating Cash Flow Per Share (NOCFPS)			
Net Operating Cash Flow for the year		8,506,621	(5,406,091)
Number of outstanding share at the end of the year		7,938,000	7,938,000
Total:		1.07	(0.68)
30.00 Payment/Perquisites paid to directors:			
The aggregate amount paid during the year to directors are:			
Short term Benefits		1,190,000	540,000
Short term benefits include remuneration only.			

Bengal Biscuits Limited

Schedule of Property, Plant & Equipment

As at June 30, 2021

Particulars	Cost Value			Rate (%)	Depreciation			Written down value as on 30.06.2021	
	Balance as on 01.07.2020	Addition during the year	Disposal during the year		Balance as on 01.07.2020	Depreciation charged during the year	Adjustment during the year		Balance as on 30.06.2021
Factory Building	104,609,389	10,703,057	-	115,312,446	10,591,327	-	62,244,082	53,068,364	
Plant and Machinery	372,581,531	7,500,000	-	380,081,531	15,860,078	-	311,016,220	69,065,311	
Furniture and Fixture	3,991,169	250,000	-	4,241,169	106,164	-	3,202,364	1,038,805	
Office Equipment	5,670,987	87,700	-	5,758,687	216,036	-	3,755,895	2,002,792	
Factory Equipment	6,282,687	170,000	-	6,452,687	302,769	-	3,586,100	2,866,587	
Vehicles	23,021,962	-	-	23,021,962	1,891,247	-	15,456,974	7,564,988	
Auxiliaries	9,495,071	202,000	-	9,697,071	26,736	-	9,438,626	258,445	
Sub Total: As at June 30, 2021	525,652,796	18,912,757	-	544,565,553	28,994,357	-	408,700,261	135,865,292	

Fixed Assets (Leasehold Land):

Particulars	Cost Value			Rate (%)	Depreciation			Written down value as on 30.06.2021	
	Balance as on 01.07.2020	Addition during the year	Disposal during the year		Balance as on 01.07.2020	Depreciation charged during the year	Adjustment during the year		Balance as on 30.06.2021
Leasehold Land	3,554,244	210,320	-	3,764,564	33,991	-	240,274	3,524,290	
Sub Total: As at June 30, 2021	3,554,244	210,320	-	3,764,564	33,991	-	240,274	3,524,290	
Sub Total: As at June 30, 2021	529,207,040	19,123,077	-	548,330,117	29,028,348	-	408,940,535	139,389,582	
Grand Total: As at June 30, 2020	491,316,062	5,100,451	-	496,416,513	31,312,374	-	361,993,319	134,423,194	

Distribution of Depreciation:

Manufacturing Expenses	27,576,931	95%
Administrative Expenses	1,451,417	5%
Total Taka :	29,028,348	100%



Bengal Biscuits Limited
Schedule of Property, Plant & Equipment
As at June 30, 2020

Annexure-A

Particulars	Cost Value			Rate (%)	Depreciation			Written down value as on 30.06.2020
	Balance as on 01.07.2019	Addition during the year	Disposal during the year		Balance as on 30.06.2020	Depreciation charged during the year	Adjustment during the year	
Factory Building	104,609,389	-	-	20%	38,413,597	13,239,158	-	52,956,634
Plant and Machinery	339,045,092	745,912	-	20%	261,754,239	15,483,035	-	62,553,730
Furniture and Fixture	3,943,169	48,000	-	10%	2,996,759	99,441	-	894,969
Office Equipment	5,643,987	27,000	-	10%	3,303,067	236,792	-	2,131,128
Factory Equipment	6,282,687	-	-	10%	2,950,069	333,262	-	2,999,356
Vehicles	19,663,962	3,358,000	-	20%	11,691,377	1,874,350	-	9,456,235
Auxiliaries	9,495,071	-	-	20%	9,391,095	20,795	-	83,181
Sub Total: As at June 30, 2020	488,683,357	4,178,912	-		330,500,203	31,286,833	-	131,075,233

Fixed Assets (Leasehold Land):

Particulars	Cost Value			Rate (%)	Depreciation			Written down value as on 30.06.2020
	Balance as on 01.07.2019	Addition during the year	Disposal during the year		Balance as on 30.06.2020	Depreciation charged during the year	Adjustment during the year	
Leasehold Land	-	921,539	-	1.01%	180,742	(1,049)	-	741,846
Sub Total: As at June 30, 2020	-	921,539	-		180,742	(1,049)	-	741,846
Grand Total: As at June 30, 2020	488,683,357	5,100,451	-		330,680,945	31,285,784	-	131,817,079
Grand Total: As at June 30, 2019	520,827,506	3,279,083	-		302,223,782	42,658,116	-	179,224,691

Distribution of Depreciation:

Manufacturing Expenses	29,721,495	95%
Administrative Expenses	1,564,289	5%
Total Taka:	31,285,784	100%



Bengal Biscuits Limited
Schedule of Right-of-use Assets
As at June 30, 2021

Annexure-B

Particulars	Cost Value				Rate (%)	Depreciation				Written down value as on 30.06.2021
	Balance as on 01.07.2020	Addition	Disposal during the year	Balance as on 30.06.2021		Balance as on 01.07.2020	Depreciation charged during the year	Adjustment during the year	Balance as on 30.06.2021	
Plant & Machinery	32,790,527	8,334,834	-	32,790,527	9%	17,918,868	1,754,703	14,871,659	32,790,527	-
Office Rent	-	8,334,834	-	8,334,834	9%	-	1,754,703	-	1,754,703	6,580,131
Total: As at June 30, 2021	32,790,527	8,334,834	-	41,125,361		17,918,868	1,754,703	14,871,659	34,545,230	6,580,131
Grand Total: As at June 30, 2020	32,790,527	-	-	32,790,527		14,200,953	3,717,915	-	17,918,868	14,871,659

Plant & Machinery has been derecognized from ROUA as contract period has been less than 12 months as per guideline of IFRS-16 and shifted to Fixed Assets.

Calculation of Right of Use Assets (ROUA) is the compliance of IFRS-16 Leases. The ROUA has been calculated in accordance with the guideline of the standard where Incremental Borrowing Rate (IBR) has been considered @ 9% for discounting future rental payments. Related accounting treatments have been also incorporated as per guideline of the standard.

