

# Annual Report 2007-2008










বেঙ্গল বিস্কুট লিঃ  
Bengal Biscuits Limited

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## THE EXCELSIOR GROUP

**BENGAL BISCUITS LIMITED** is a Member Company of the **EXCELSIOR GROUP**. The names, nature of activities and the year of Incorporation of all the Members of this Group are mentioned below :

| <u>NAMES &amp; NATURE OF ACTIVITIES</u>   | <u>YEAR OF INCORPORATION</u> |
|---|------------------------------|
|  <b>EXCELSIOR TRADING CORPORATION LTD.</b><br>Indenters, Exporters & Importers   | 1972                         |
|  <b>BENGAL BISCUITS LIMITED</b><br>Manufacturer of high quality Biscuits, Flour, Extruded Snacks, Candy and other Consumer food products | 1980                         |
|  <b>PHARMA AIDS LIMITED</b><br>Manufacturer of Neutral Glass Ampoules  | 1981                         |
|  <b>EXCELSIOR GARMENTS LIMITED</b><br>100% Export Oriented Readymade Garments  | 1984                         |
|  <b>EXCELSIOR ENGINEERS LIMITED</b><br>Engineering Consultants & Fabricators   | 1985                         |
|  <b>EXCELSIOR SHOES LIMITED</b><br>Manufacturer of 100% Export Oriented Shoes  | 1988                         |
|  <b>EXCELSIOR CORPORATION LIMITED</b><br>Corporate Affairs of the Member Companies   | 1990                         |

## **CORPORATE DIRECTORY**

### **BOARD OF DIRECTORS:**

**MR. M. A. KALAM**  
Chairman & Managing Director

**MR. M. A. MASUD**  
Director

**MR. FAIZUL HASSAN**  
Director

**MRS. NURUL AKHTAR AURORA**  
Director

**Mr. M. SYEDUR RAHMAN**  
Independent Director

### **CORPORATE SECRETARY:**

Mr. K. H. Reza, FCS

### **AUDITORS:**

Haque Shahalam Mansur & Co.  
Chartered Accountants

### **BANKER:**

Prime Bank Limited  
Bijoy Nagar Branch,  
15/5, Akram Tower (1<sup>st</sup> floor), Dhaka-1000.

### **REGISTERED OFFICE:**

345, Segun Bagicha  
Ramna, Dhaka-1000  
Bangladesh.  
Phones : 9561941, 9337741-43  
Fax : 880-2-8313687, 9567948

### **FACTORY:**

Plot # A-44 – A-46  
BSCIC Industrial Estate  
Kawnia, Barisal  
Bangladesh.

## **BENGAL BISCUITS LIMITED**

**345, SEGUN BAGICHA, DHAKA-1000**

### **Price Sensitive Information**

The valued Shareholders of the Company are hereby informed that the Board have recommended no Dividend in its Board Meeting held on 01-06-2009.

### **NOTICE OF THE 28<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given to all the Shareholders of the Company that the 28<sup>TH</sup> ANNUAL GENERAL MEETING of the Company will be held in the Barisal Auditorium, Band Road, Barisal on Thursday the 25<sup>th</sup> June 2009 at 10:00 am to transact the following agenda:

01. To confirm the minutes of the 27<sup>th</sup> Annual General Meeting.
02. To receive, consider and adopt the Audited Accounts of the Company for the Accounting Year ended on 30<sup>th</sup> June, 2008 together with the Auditors' and Directors' reports thereon.
03. To elect Directors as per terms of Article 120 of the Articles of Association of the Company.
04. To appoint Auditors and fix their remuneration.

By order of the Board of Directors  
Sd/-  
(K. H. Reza, FCS)  
Company Secretary

Date: 01-06-2009

### **NOTES:**

01. The Share Register of the Company will remain closed from 15<sup>th</sup> to 25<sup>th</sup> June, 2009 (both the days inclusive). During that period no share transfer will be effected.
02. Votes may be given either personally or by attorney or by proxy and in case of a Company/Corporation by a representative duly authorized. Such proxy shall be a Member of the Company or a person duly authorized by the Member. The Proxy Form/Power of Attorney/Authorization letter, duly completed and stamped must be deposited at the Company's Registered Office at least 48 hours before the meeting.
03. Members are requested to notify change of address, if any, to the Company in writing before 15<sup>th</sup> June, 2009.
04. Admission into the auditorium will be only production of the Attendance Slip.

**বেঙ্গল বিস্কুট লিমিটেড**  
**সভাপতি ও পরিচালকমন্ডলীর প্রতিবেদন।**

সম্মানিত শেয়ারহোল্ডারগণ।

আসসালামু-আলাইকুম।

অদ্যকার বার্ষিক সাধারণ সভায় উপস্থিত সকলকে আমি ব্যক্তিগতভাবে এবং পরিচালকমন্ডলীর পক্ষ থেকে জানাচ্ছি সাদর অভ্যর্থনা। আমি ৩০শে জুন, ২০০৮ ইং এ সমাপ্ত হিসাব বছরের কোম্পানীর বার্ষিক প্রতিবেদন, নিরীক্ষিত হিসাব ও তার উপর নিরীক্ষকদের প্রতিবেদন আপনাদের সদয় বিবেচনা, পর্যালোচনা ও অনুমোদনের জন্য উপস্থাপন করছি।

**কোম্পানীর পরিচিতি :**

বেঙ্গল বিস্কুট লিমিটেড ১৯৮০ ইং সনে স্থাপিত হয় এবং ১৯৮৪ ইং সনের ১০ই অক্টোবর উৎপাদন শুরু হয়। বরিশাল সদরে অবস্থিত বিসিক এলাকায় কারখানাটি অবস্থিত। ৪৯,৫০০ বর্গফুট নির্মিত এলাকা উৎপাদন, গুদাম ও সংশ্লিষ্ট কাজে ব্যবহৃত হচ্ছে। অত্র প্রতিষ্ঠানে মোট ৩৪৯ জন কর্মকর্তা, কর্মচারী ও শ্রমিক কর্মরত আছেন। বিগত বছর এই সংখ্যা ছিল ৩৫২ জন।

**ব্যবসায়িক কার্যক্রম :**

আলোচ্য বছরে কোম্পানীর বিক্রয়ের পরিমাণ ৬৩৫.৬৬ লক্ষ টাকা থেকে বৃদ্ধি পেয়ে ৬৫১.৯৫ লক্ষ টাকা হয়। প্রতিকূল অর্থনৈতিক অবস্থা এবং ভোক্তাগণের ক্রয় ক্ষমতাসহাস পাওয়া সত্ত্বেও উৎপাদিত পণ্যের গুণগত মান বৃদ্ধি, ভারসাম্যযুক্ত পণ্য বাজারজাত, কার্যকরী মার্কেটিং প্লান, শক্তিশালী বিতরণ ব্যবস্থা ও অক্লান্ত প্রচেষ্টার মাধ্যমে এ ফলাফল অর্জিত হয়েছে। পূর্ববর্তী বছরের তুলনায় উৎপাদন ব্যয় ৫.২১ লক্ষ টাকা, প্রশাসনিক ব্যয় ৩.৬৩ লক্ষ টাকা ও বিক্রয় এবং বিতরণ ব্যয় ১২.৭৪ লক্ষ টাকা হ্রাসের পরও কাঁচামাল ও মোড়কসমগ্রীর মূল্য বিশেষ করে ময়দা, লিকুইড গ্লুকোজ, ডালডা, গুড়োদুধ, নারিকেল তৈল ও মেটলাইজড ফয়েলের মূল্য অস্বাভাবিক বৃদ্ধি পাওয়ায় কাক্ষিত ফলাফল অর্জিত হয়নি। তবে আমরা আমাদের ব্যবসায়িক কর্মপন্থাকে নতুনভাবে টেলে সাজিয়েছি এবং নতুন বাজারমুখী পরিকল্পনা গ্রহন করেছি। যার সুফল অদূর ভবিষ্যতে পাওয়া যাবে বলে আমরা আশাবাদী।

**আর্থিক ফলাফল :**

৩০ শে জুন, ২০০৮ ইং সনে সমাপ্ত বছরের কোম্পানীর আর্থিক ফলাফল নিম্নরূপ :

|                           |            | (লক্ষ টাকায়) |
|---------------------------|------------|---------------|
|                           | ২০০৭-২০০৮  | ২০০৬-২০০৭     |
| মোট বিক্রয়               | : ৬৫১.৯৫   | ৬৩৫.৬৬        |
| মোট লাভ                   | : ১৩২.৫৮   | ১৩৬.৩৫        |
| নীট লাভ/(লোকসান)          | : (১১৫.৬৯) | (৭৮.২২)       |
| শেয়ার প্রতি লাভ/(লোকসান) | : (১৬.০৭)  | (১১.০৮)       |

**লভ্যাংশ ঘোষণা সংক্রান্ত সিদ্ধান্ত :**

আলোচ্য বছরে কোম্পানীর নীট লোকসান হয়েছে ১১৫.৬৯ লক্ষ টাকা এবং পুঞ্জীভূত লোকসানের পরিমাণ ৩৭৩.৬৪ লক্ষ টাকা।

এমতাবস্থায় কোম্পানীর পরিচালনা পর্ষদের পক্ষে এ বছরও লভ্যাংশ ঘোষণা করা সম্ভবপর হয়নি।

**পরিচালনা পর্ষদ :**

বর্তমানে কোম্পানীর পরিচালকমণ্ডলীর সদস্যগণ নিম্নরূপ :

- ১। জনাব এম, এ, কালাম - সভাপতি ও ব্যবস্থাপনা পরিচালক
- ২। জনাব এম, এ, মাসুদ - পরিচালক
- ৩। জনাব ফায়েজুল হাসান - পরিচালক
- ৪। মিসেস নূরুল আক্তার অরোরা - পরিচালক
- ৫। জনাব সাইদুর রহমান - স্বতন্ত্র পরিচালক

**হিসাবকাল পরবর্তী অবস্থা :**

এ বছরের প্রথমার্শেও কাঁচামাল ও মোড়কসামগ্রীর অস্বাভাবিক মূল্যবৃদ্ধি অব্যাহত ছিল এবং দ্বিতীয়ার্শে মূল্য কিছুটা হ্রাস পেয়ে স্থিতিশীল রয়েছে। ফলে কাজিত ফলাফল অর্জিত হচ্ছে না। এতদসত্ত্বেও কোম্পানীর ব্যবসায়িক উন্নয়নকল্পে আন্তরিক প্রচেষ্টা অব্যাহত রয়েছে।

**কর্পোরেট গভর্নেন্স :**

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/প্রশাসন/০২-০৮, তারিখ : ফেব্রুয়ারী ২০, ২০০৬ ইং এর নিরিখে কোম্পানীর কর্পোরেট গভর্নেন্স এর অবস্থান সন্নিবেশিত হয়েছে পরিশিষ্ট-১ এর মধ্যে।

**পরিচালকগণের অবসর গ্রহণ ও পুনঃ নিয়োগ :**

কোম্পানীর আর্টিকেলস্ অব এসোসিয়েশনের ১২০ নং অনুচ্ছেদ অনুসারে জনাব এম, এ, কালাম এ বছর পরিচালকমন্ডলীর পর্যদ হতে অবসর গ্রহণ করেছেন। তিনি পুনঃ নিয়োগ লাভের যোগ্য বিধায় পুনঃ নিয়োগের জন্য আবেদন করেছেন।

**নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ :**

কোম্পানীর বর্তমান নিরীক্ষক মেসার্স হক শাহ আলম মনসুর এন্ড কোং, চার্টার্ড এ্যাকাউন্ট্যান্টস্ এর নিয়োগ অদ্যকার সভার তারিখ পর্যন্ত বলবৎ আছে। সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর ০৩/১/২০০১ ইং তারিখের SEC/CFD-71/2001/Admin./02/05 নং স্মারক অনুযায়ী তাঁরা পুনঃনিয়োগ লাভের যোগ্য নন বিধায় নতুন নিরীক্ষক ও তাঁদের পারিশ্রমিক লাভের বিষয়টি অদ্যকার সভায় বিবেচিত হবে। ইতিমধ্যে মেসার্স পিনাকী এন্ড কোম্পানী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ নিয়োগ লাভের জন্য আবেদন করেছেন। তাঁরা নিয়োগ লাভের যোগ্য বিধায় এবং অন্য কোন আবেদন না থাকায় তাঁদেরকে পূর্ববর্তী নিরীক্ষকের পারিশ্রমিক থেকে ২,৫০০.০০ (দুই হাজার পাঁচ শত) টাকা বৃদ্ধি করে ৪০,০০০.০০ (চল্লিশ হাজার) টাকা পারিশ্রমিক নির্ধারণ করে নিয়োগ দানের বিষয়টি বিবেচনা করা যেতে পারে।

**অন্যান্য :**

ভ্যাট কর্তৃপক্ষ কর্তৃক অর্থোক্তিকভাবে ৩.০০ কোটি টাকা ভ্যাট আরোপ এবং উহার উপর আরও ৬.৪২ কোটি টাকা জরিমানা ধার্যের বিষয়টি বর্তমানে আদালতে বিচারাধীন রয়েছে।

**উপসংহার :**

পরিচালকমন্ডলী মূল্যবান সহযোগিতা ও সমর্থন দানের জন্য কোম্পানীর সম্মানিত শেয়ারহোল্ডারগণ, ক্রেতা-বিক্রেতা, সরবরাহকারী, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা ও চট্টগ্রাম ষ্টক এক্সচেঞ্জ লিমিটেড, ব্যাংক ও অন্যান্য আর্থিক প্রতিষ্ঠানসমূহ যারা আমাদের কার্যক্রমের সাথে জড়িত তাদের সকলকে আন্তরিক ধন্যবাদ ও অভিনন্দন জানাচ্ছে। একই সাথে কোম্পানীর সকল কর্মকর্তা, কর্মচারী ও শ্রমিকগণকে তাদের দায়িত্বশীলতা, নিষ্ঠা ও কর্মতৎপরতার জন্য জানাই আন্তরিক ধন্যবাদ।

পরিচালকমন্ডলীর পক্ষে,



(এম, এ, কালাম)

সভাপতি ও ব্যবস্থাপনা পরিচালক।



**ANNEXURE-I**

**The Directors also report that:**

- The financial statements of the Company present true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of account as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial Statements and Accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- The number of board meetings and the attendance of directors during the year 2007-2008 were as follows:

| Name of Directors        | Meeting Held | Attended |
|--------------------------|--------------|----------|
| Mr. M. A. Kalam          | 4            | 4        |
| Mr. M. A. Masud          | 4            | 4        |
| Mr. Faizul Hassan        | 4            | 4        |
| Mrs. Nurul Akhter Aurora | 4            | 4        |
| Mr. M. Syedur Rahman     | 4            | 1        |

- The pattern of shareholding (along with name wise detail) of parent/subsidiary/associated companies and other related parties, directors, chief executive officer, company secretary, chief financial officer, head of internal audit and their spouse and minor children, executives, shareholders holding 10% or more voting interest in the company as at 30<sup>th</sup> June, 2008 is stated in ANNEXURE-II.
- Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE-III
- Key operating and financial data of last three years have been presented in summarized form as Past Financial Statistics in ANNEXURE-IV.

**ANNEXURE-II**

**Pattern of Shareholding as on June 30, 2008:**

| Particulars  | Nos. Share holding | Percentage |
|--|--------------------|------------|
| Parent Company   | -                  | -          |
| Associated Companies:  |                    |            |
| Excelsior Trading Corporation Ltd.                                   | 20                 | -          |
| Other Related Parties:   |                    |            |
| Directors:   |                    |            |
| Mr. M. A. Kalam  | 45,877             | 6.37%      |
| Mr. M. A. Masud  | 23,702             | 3.29%      |
| Mr. Faizul Hassan  | 37,298             | 5.18%      |
| Mrs. Nurul Akhter Aurora   | 12,433             | 1.73%      |
| Mr. M. Syedur Rahman   | No Share           | -          |
| Chief Executive Officer (CEO) and his spouse and minor children:     | -                  | -          |
| Chief Financial Officer (CFO) and his spouse and minor children:     | -                  | -          |
| Company Secretary (CS) and his spouse and minor children:            | -                  | -          |
| Head of Internal Audit (HIA) and his spouse and minor children:      | -                  | -          |
| Executives (Top five salaried person other than CEO, CFO, CS, HIA) : |                    |            |
| 1. Mr. Mominul Hoque Dhali, General Manager                          | -                  | -          |
| 2. Mr. Muhammad Azizul Haque, Sales Manager                          | -                  | -          |
| 3. Mr. Md. Fakhrul Islam, Manager Business Management                | -                  | -          |
| 4. Mr. Md. Mansoor Ahmed, Factory Executive                          | -                  | -          |
| 5. Mr. Md. Abu Baker Siddik, Commercial Executive                    | -                  | -          |
| Shareholders Holding 10% or more voting right                        | -                  | -          |

**ANNEXURE-III**

Status of compliance with conditions imposed by the Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated 20<sup>th</sup> February, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

| Condition No. | Title  | Compliance Status |              | Explanation for non compliance with the condition |
|---------------|--|-------------------|--------------|---|
|               |  | Complied          | Not Complied |   |
| 1.1           | Board's Size: Board Members should not be less than 5 (five) and more than 20 (twenty)                                   | Complied          |              |   |
| 1.2 (i)       | Independent Director: at least 1/10th  | Complied          |              |   |
| 1.2 (ii)      | Appointment of Independent Director by elected Directors   | Complied          |              |   |
| 1.3           | Chairman of the Board and Chief Executive Officer should preferably be filled by different individuals                   |                   | Not Complied |   |
| 1.4 (a)       | Fairness of financial statements   | Complied          |              |   |
| 1.4 (b)       | Maintenance of proper books of account   | Complied          |              |   |
| 1.4 (c)       | Appropriate accounting policies applied consistently   | Complied          |              |   |
| 1.4 (d)       | International accounting standards, as applicable in Bangladesh have been followed in preparing the financial statements | Complied          |              |   |
| 1.4 (e)       | Sound and effective internal control system  | Complied          |              |   |
| 1.4 (f)       | Ability to continue as going concern   | Complied          |              |   |
| 1.4 (g)       | Significant deviations from last year in operating results   | Complied          |              |   |
| 1.4 (h)       | Summary of key operation and financial data  | Complied          |              |   |
| 1.4 (i)       | If dividend has not been declared, the reason thereof  | Complied          |              |   |
| 1.4 (j)       | Number of Board meeting held during the year and attendance each director  | Complied          |              |   |
| 1.4 (k)       | Pattern of share holding   | Complied          |              |   |

| Condition No. | Title   | Compliance Status                |              | Explanation for non compliance with the condition |
|---------------|---|----------------------------------|--------------|---|
|               |   | Complied                         | Not Complied |   |
| 2.1           | Appointment of:<br>a) CFO<br>b) Head of Internal Audit<br>c) Company Secretary  | Complied<br>Complied<br>Complied |              |   |
| 2.2           | Attend the Board Meeting by :<br>a) CFO<br>b) Company Secretary   | Complied<br>Complied             |              |   |
| 3.00          | Constitution of audit committee   | Complied                         |              |   |
| 3.1 (i)       | The audit committee should be composed of at least three members  | Complied                         |              |   |
| 3.1 (ii)      | Members of audit committee should be appointed by the board who are directors and one should be independent director                          | Complied                         |              |   |
| 3.1 (iii)     | Board of Director should fill up the vacancy within one month of the vacancy in the audit committee   | Complied                         |              |   |
| 3.2 (i)       | Board of Director should select one member of the audit committee to be as chairman of the audit committee                                    | Complied                         |              |   |
| 3.2 (ii)      | Chairman of the audit committee should have a professional qualification or knowledge, understanding and experience in accounting and finance | Complied                         |              |   |
| 3.3.1 (i)     | Reporting to the Board of Director of the Audit Committee   | Complied                         |              |   |
| 3.3.1(ii) (a) | Report of conflict of interest  | Not Applicable                   |              |   |
| 3.3.1(ii) (b) | Reporting of any fraud or irregularity or material defect in internal control system  | Not Applicable                   |              |   |
| 3.3.1(ii) (c) | Reporting of infringement of laws, including securities related laws, rules and regulations   | Not Applicable                   |              |   |
| 3.3.1(ii) (d) | Reporting of any other matter to the Board of Director  | Not Applicable                   |              |   |

| Condition No. | Title   | Compliance Status |              | Explanation for non compliance with the condition |
|---------------|---|-------------------|--------------|---|
|               |   | Complied          | Not Complied |   |
| 3.3.2         | <p><b>Reporting to the Authorities:</b></p> <p>If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and being ignored by the Board of Directors, the Audit Committee should report such findings to the Commission.</p> | Not Applicable    |              |   |
| 3.4           | <p><b>Reporting to the Shareholders:</b></p> <p>Report on activities carried by the Audit Committee including any report made to the Board of Directors under condition 3.3.1 (ii) and the Disclosure of which should be made in the Annual Report</p>  | Complied          |              |   |
| 4.00 (i)      | Non-engagement of External/Statutory Auditors in appraisal or valuation   | Complied          |              |   |
| 4.00 (ii)     | Non-engagement of External/Statutory Auditors in designing in financial information system  | Complied          |              |   |
| 4.00 (iii)    | Non-engagement of External/Statutory Auditors in book-keeping or other services related to the accounting records or financial statements   | Complied          |              |   |
| 4.00 (iv)     | Non-engagement of External/Statutory Auditors in broker/dealer services   | Complied          |              |   |
| 4.00 (v)      | Non-engagement of External/Statutory Auditors in actuarial services   | Complied          |              |   |
| 4.00 (vi)     | Non-engagement of External/Statutory Auditors in internal audit services  | Complied          |              |   |
| 4.00 (vii)    | Non-engagement of External/Statutory Auditors in any other services   | Complied          |              |   |

**Past Financial Statistics :**

**ANNEXURE-IV**

(Taka in lac)

| Sl. No. | Particulars                     | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 |
|---------|---------------------------------|-----------|-----------|-----------|-----------|
| 1       | Authorised Capital              | 1000.00   | 1000.00   | 1000.00   | 1000.00   |
| 2       | Paid up Capital                 | 720.00    | 720.00    | 720.00    | 720.00    |
| 3       | Reserves & Surplus              | (40.54)   | (178.36)  | (254.85)  | (373.64)  |
| 4       | Share Premium                   | 300.00    | 300.00    | 300.00    | 291.99    |
| 5       | Fixed Assets-Written down value | 448.10    | 357.97    | 294.25    | 506.18    |
| 6       | Turnover                        | 608.81    | 621.98    | 635.66    | 651.95    |
| 7       | Gross Profit                    | 143.70    | 136.78    | 136.35    | 132.58    |
| 8       | Net Profit/(Loss)               | (135.36)  | (124.83)  | (78.22)   | (115.69)  |
| 9       | Earning Per Share (EPS)         | (18.80)   | (17.34)   | (11.08)   | (16.07)   |
| 10      | Net Asset Value (NAV) per share | 136.04    | 116.89    | 106.27    | 88.66     |
| 11      | Price Earning Ratio             | (1.28)    | (2.18)    | (3.16)    | (3.85)    |
| 12      | No. of Employees                | 365       | 371       | 352       | 349       |
| 13      | No. of Shareholders             | 5,493     | 5,219     | 5111      | 5043      |

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF BENGAL BISCUITS LIMITED**

We have audited the accompanying Balance Sheet of BENGAL BISCUITS LIMITED as of 30<sup>th</sup> June, 2008 and the related Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year ended 30<sup>th</sup> June, 2008.

### **Respective Responsibilities of Management and Auditors**

The Company's management is responsible for preparing the financial statements, which gave a true and fair view, in accordance with Generally Accepted Accounting Principles (GAAP) and the Bangladesh Accounting Standard (BAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibility is to express an independent opinion on these financial statements, presented to us, based on Bangladesh Standards on Auditing (BSA) adopted by ICAB.

### **Basis of Audit Opinion**

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

### **Our audit observations are as under**

#### **1. Utilization of Production Capacity:**

During the year, unit-wise production capacity utilization performance of the Company is as: Biscuit Plant & Flour Mill-30.82%, Rice Puff Plant- 1.82%, Candy Plant- 6.10% and Extruded Snacks 2.38% which is still very poor. According to the average total utilization capacity of 4 units, the Company utilized only 27.35% in this year. The management of the Company opined that the shortfall had occurred due to reduce demand emanated from general economic downturn & back gearing of the purchasing power of the consumers, electricity failures, mechanical & electrical maintenance problem, price increase of the Company's products for increasing of input price, etc. In our opinion, production capacity must be utilized at the optimum level to strengthen the financial position of the Company.

#### **2. Net Loss: Tk. 11,568,511**

In the year ended 30<sup>th</sup> June, 2008 the Company earned a net loss amounting to Tk. 11,568,511 which is 17.74% on turnover. It is reported that during the year under audit Company invested amounting to Tk. 33,505,690 in fixed assets and charged full depreciation on those new assets which is the main cause to increase the net loss.

#### **3. Turnover: Tk. 65,195,099**

Turnover of the Company increased by 2.56% in comparison with last year. But, the Company has huge un-utilized capacity. Management of the Company should take more marketing strategies to enhance the sales volume for making the company profitable.

**4. Cost of Goods Sold (COGS) : Tk. 51,937,027**

The Cost of Goods Sold represents 79.66% of the total turnover, which is the higher side and also increased than last year. The main reason of the higher COGS is as for the unprecedented and vicious spiral of the raw & packing materials like flour, liquid glucose milk powder, metalized and other synthetic foil etc. as explained by the management. We also observed that Management of the Company charged no depreciation to COGS. In our opinion, to ensure the steady profit, unit sales price of products should be increased as per affordable market situation and depreciation of factory related assets should be charged to COGS.

**5. Preliminary & Issue Expenses: Tk. 800,862**

According to the provision of section 57 of the Companies Act, 1994 management of the Company write of the entire Preliminary & Issue Expenses against the Share Premium.

**Opinion**

Subject to our above comments, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), represent a true and fair view of the state of the Company's affairs as of 30<sup>th</sup> June, 2008 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, Securities & Exchange Rules 1987 and other applicable laws and regulations.

**We also report that:**

- a) We obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, the Company has kept proper books of account as required by law so far as it appeared from our examination of those books;
- c) The Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purpose of the company's business.



**HAQUE SHAHALAM MANSUR & CO.**

**Chartered Accountants**

Dated: Dhaka

28<sup>th</sup> October, 2008



**BENGAL BISCUITS LIMITED**  
**BALANCE SHEET**  
**AS ON 30TH JUNE 2008**

| <b>ASSETS</b>                                   | <b>Notes</b> | <b>2007-2008</b>  | <b>2006-2007</b>  |
|---|--------------|-------------------|-------------------|
| <b>Non-Current Assets</b>                       |              | <b>52,513,658</b> | <b>33,349,512</b> |
| Fixed Assets                                    | 02           | 50,618,495        | 29,424,990        |
| Pre- Operation Expenses                         | 03           | 395,163           | 790,326           |
| Preliminary and Issue Expenses                  | 04           | -                 | 800,862           |
| Promotional Expenses - Deferred                 | 05           | 1,500,000         | 2,333,334         |
| <b>Current Assets</b>                           |              | <b>22,540,550</b> | <b>49,173,439</b> |
| Stock- in- Trade                                | 06           | 9,907,042         | 19,588,087        |
| Materials- in- Transit                          | 07           | -                 | 1,627,370         |
| Accounts Receivable                             | 08           | 8,932,451         | 23,780,420        |
| Advances, Deposits and Prepayments              | 09           | 2,568,456         | 3,195,326         |
| Cash and Bank Balance                           | 10           | 1,132,601         | 982,236           |
| <b>Current Liabilities</b>                      |              | <b>11,219,523</b> | <b>6,007,901</b>  |
| Sundry Creditors                                | 11           | 6,403,645         | 1,344,099         |
| Other Accounts Payable                          | 12           | 4,815,878         | 4,663,802         |
| <b>Net Current Assets</b>                       |              | <b>11,321,027</b> | <b>43,165,538</b> |
| <b>Net Assets</b>                               | <b>Taka</b>  | <b>63,834,685</b> | <b>76,515,050</b> |
| <b>FINANCED BY:</b>                             | <b>Notes</b> | <b>2007-2008</b>  | <b>2006-2007</b>  |
| <b>Shareholders' Equity</b>                     |              | <b>63,834,685</b> | <b>76,515,050</b> |
| Issued, Subscribed and Paid-up Capital          | 13           | 72,000,000        | 72,000,000        |
| Share Premium                                   | 14           | 29,199,138        | 30,000,000        |
| Profit and Loss Account                         |              | (37,364,453)      | (25,484,950)      |
| <b>Total Long Term Liabilities &amp; Equity</b> | <b>Taka</b>  | <b>63,834,685</b> | <b>76,515,050</b> |

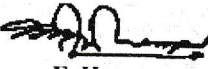
The accounting policies and other notes form an integral part of the financial statements.

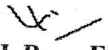
This is the Balance Sheet referred to in our report of even date.

  
M. A. Kalam  
Chairman & Managing Director

  
HAQUE SHAHALAM MANSUR & CO.  
Chartered Accountants

Dated: Dhaka  
28th October, 2008

  
F. Hassan  
Director

  
K. H. Reza, FCS  
Corporate Secretary

**BENGAL BISCUITS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH JUNE, 2008**

| <b>PARTICULARS</b>                        | <b>Notes</b> | <b>2007-08</b>      | <b>2006-07</b>     |
|---|--------------|---------------------|--------------------|
| Turnover                                  | 15           | 65,195,099          | 63,566,356         |
| Cost of goods sold                        | 16           | 51,937,027          | 49,931,373         |
| <b>Gross Profit</b>                       |              | <b>13,258,072</b>   | <b>13,634,983</b>  |
| <b>Operating Expenses</b>                 |              | <b>24,939,109</b>   | <b>21,552,363</b>  |
| Administrative Expenses                   | 17           | 3,221,757           | 3,585,253          |
| Selling and Distribution Expenses         | 18           | 9,405,167           | 10,679,469         |
| Depreciation                              | 02           | 12,312,185          | 7,287,641          |
| <b>Operating Profit/ (Loss)</b>           |              | <b>(11,681,037)</b> | <b>(7,917,380)</b> |
| Other Income                              | 19           | 112,526             | 95,642             |
| <b>Net Profit/ (Loss) during the year</b> |              | <b>(11,568,511)</b> | <b>(7,821,738)</b> |
| <b>Provision for Income Tax</b>           |              |                     | <b>(158,916)</b>   |
| Net Profit/ (Loss) after Income Tax       |              | (11,568,511)        | (7,980,654)        |
| Basic earning per share (EPS)             | 20           | (16.07)             | (11.08)            |

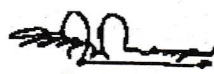
The accounting policies and other notes form an integral part of the financial statements.

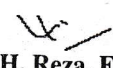
This is the Profit & Loss Account referred to in our report of even date.

  
M. A. Kalam

Chairman & Managing Director

  
HAQUE SHAHALAM MANSUR & CO.  
Chartered Accountants

  
F. Hassan  
Director

  
K. H. Reza, FCS  
Corporate Secretary

Dated: Dhaka  
28th October, 2008

**BENGAL BISCUITS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE, 2008**

| Particulars                        | Share Capital     | Share Premium     | Tax Holiday Reserve | Retained Earnings   | Total (Taka)      |
|------------------------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| Balance as on 01-07-2006           | 72,000,000        | 30,000,000        | 24,798,587          | (42,634,330)        | 84,164,257        |
| Net Profit/ (Loss) during the year | -                 | -                 | -                   | (7,980,654)         | (7,980,654)       |
| Income-Tax Adjustment              |                   |                   |                     | 331,447             | 331,447           |
| Tax Holiday Reserve                |                   |                   | (24,798,587)        | 24,798,587          | -                 |
| <b>Balance as on 30-06-2007</b>    | <b>72,000,000</b> | <b>30,000,000</b> | <b>-</b>            | <b>(25,484,950)</b> | <b>76,515,050</b> |

| Particulars                        | Share Capital     | Share Premium     | Tax Holiday Reserve | Retained Earnings   | Total (Taka)      |
|------------------------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| Balance as on 01-07-2007           | 72,000,000        | 30,000,000        | -                   | (25,484,950)        | 76,515,050        |
| Net Profit/ (Loss) during the year | -                 | -                 | -                   | (11,568,511)        | (11,568,511)      |
| Income-Tax Adjustment              |                   |                   | -                   | (310,992)           | (310,992)         |
| Preliminary expense adjustment     |                   | (800,862)         | -                   | -                   | (800,862)         |
| <b>Balance as on 30-06-2008</b>    | <b>72,000,000</b> | <b>29,199,138</b> | <b>-</b>            | <b>(37,364,453)</b> | <b>63,834,685</b> |

The accounting policies and other notes form an integral part of the financial statements.

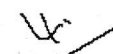
This is the Statement of Charges in Equity referred to in our report of even date.

  
M. A. Kalam  
Chairman & Managing Director

  
HAQUE SHAHALAM MANSUR & CO.  
Chartered Accountants

Dated: Dhaka  
28th October, 2008

  
F. Hassan  
Director

  
K. H. Reza, FCS  
Corporate Secretary

**BENGAL BISCUITS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE, 2008**

| PARTICULARS   | 2007-08             | 2006-07            |
|---|---------------------|--------------------|
|   | Taka                | Taka               |
| <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>        |                     |                    |
| Collection from Sales & Others                      | 80,155,594          | 64,354,164         |
| Payment for Costs and Expenses                      | (46,340,623)        | (64,337,130)       |
| Income Tax Paid                                     | (158,916)           | (611,684)          |
| <b>Net Cash generated from Operating Activities</b> | <b>33,656,055</b>   | <b>(594,650)</b>   |
| <br><b>Cash Flow from Investing Activities:</b>     |                     |                    |
| Acquisition of Fixed Assets                         | (33,505,690)        | (915,446)          |
| <b>Net cash used in Investing Activities</b>        | <b>(33,505,690)</b> | <b>(915,446)</b>   |
| <b>Net Cash Inflow/ (Outflow)</b>                   | <b>150,365</b>      | <b>(1,510,096)</b> |
| <b>Opening Cash &amp; Bank Balance</b>              | <b>982,236</b>      | <b>2,492,332</b>   |
| <b>Closing Cash &amp; Bank Balance</b>              | <b>1,132,601</b>    | <b>982,236</b>     |

The accounting policies and other notes form an integral part of the financial statements.

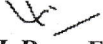
This is the Cash Flow Statement referred to in our report of even date.

  
M. A. Kalam  
Chairman & Managing Director

Dated: Dhaka  
28th October, 2008

  
F. Hassan  
Director

  
HAQUE SHAHALAM MANSUR & CO.  
Chartered Accountants

  
K. H. Reza, FCS  
Corporate Secretary

**BENGAL BISCUITS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2008**

**01. SPECIFIC ACCOUNTING POLICIES SELECTED & OTHER MATERIAL INFORMATION:**

**Legal Form of the Enterprise:**

The Company was incorporated on 1<sup>st</sup> November, 1980 as a Private Limited Company under the Companies Act, 1913. Subsequently on 16<sup>th</sup> 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.

**Address of Registered Office and Principal Place of Business:**

The Registered Office of the Company is located at 345, Segun Bagicha, Dhaka-1000 and the Factory is located at Plot # A-44, A-45 & A-46, BSCIC Industrial Estate, Kawnia, Barisal.

**Principal Activities and Nature of Operations:**

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

**ACCOUNTING POLICIES:**

**Basis of Preparation and Presentation of the Financial Statements:**

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 adopted by the institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS). The balance sheet and profit & loss account have been prepared according to BAS-1 (Presentation of Financial Statements) based on accrual basis following going concern assumption under generally accepted accounting principles and practices in Bangladesh and cash flow statement according to BAS-7 (Cash Flow Statement).

**Recognition of Property, Plant & Equipment and Depreciation:**

Properties, Plant & Equipment are stated at cost less accumulated depreciation in accordance with BAS 16 "Property, Plant & Equipment". 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, but do not include any capitalized borrowing cost.

Depreciation has been charged using Diminishing Balance Method (DBM). Full year's depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged on assets disposed of during the year. Expenditure for maintenance and repairs are expensed, major replacements, 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 Profit and Loss Account consistently.

**Amortization of 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        | 16,000 sft. | 10-02-1985 |

**Measurement Bases used in Preparing the Financial Statements:**

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

**Use of Estimates in Preparation of Financial Statements:**

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 results could differ from those estimates. Estimates are used in a accounting for certain items such as depreciation; liability for outstanding claims whether due or intimated, taxes etc.

**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 and Stock of Finished Goods has been valued at net realizable price.

**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.

**Cash and Cash equivalents:**

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

**Statement of Cash Flows:**

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

**Taxation:**

Tax-holiday period of the Company expired on May, 2006. Being a publicly traded Company, it is in a practice of keeping provision for income tax in accordance with Income Tax Ordinance, 1984.

**Share Premium:**

The Share Premium shall be utilized in accordance with provisions of the Companies Act, 1994 and as directed by the Securities and Exchange Commission in this respect.

The section 57 of the Companies Act, 1994 provides that the Company may apply the Share Premium Account as follows.

- i) in paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- ii) in writing off the preliminary expenses of the Company;
- iii) in writing off the expenses or the commission paid or discount allowed on any issue of shares or debentures of the Company; and
- iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.

**Revenue Recognition:**

The Company recognizes revenue when risk of ownership has been transferred to the buyer, which satisfied all the conditions for the revenue recognition as provided in IAS-18 "Revenue Recognition."

**Accounts Receivable:**

Accounts are receivable 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.

**Earnings per Shares (EPS) :**

The company calculates Earnings Per Shares (EPS) in accordance with BAS-33 "Earnings Per Share" which has been shown on the face of Profit and Loss Account.

**Basic Earnings:**

This represents earning for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items the net profit after tax for the year has been considered as fully attributable to the Ordinary Shareholders.

**Diluted Earning 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 Statements:**

**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 and Presentation of Financial Statements" issued by the Bangladesh Accounting Standard (BAS).

**Components of the Financial Statements:**

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

- i) Balance Sheet as at 30<sup>th</sup> June, 2008;
- ii) Profit and Loss Account for the year ended 30<sup>th</sup> June, 2008;
- iii) Statement of Changes in Equity for the year ended 30<sup>th</sup> June, 2008;
- iv) Statement of Cash Flow for the year ended 30<sup>th</sup> June, 2008; &
- v) Accounting Policies and Explanatory Notes.

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

The preparation of financial statements are in conformity with the Bangladesh Accounting Standards (BAS) requires management to make estimates and assumptions that effect 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. Estimates are used for accounting of certain items such as long-term contracts, provision for doubtful accounts, depreciation and amortization, Employees benefit plans, taxes, reserves and contingencies.

**Compliance with Local Laws:**

The Financial statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant laws and rules.

**Compliance with International Accounting Standards (IASs):**

The financial statements have been prepared in compliance with requirements of IASs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

**Reclassifications:**

Certain reclassifications have been made to confirm the 2006-07 financial statements and footnotes to the 2007-08 presentation.

**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 indicates otherwise.

**Reporting Period:**

Financial Statements of the Company cover one financial year from 1<sup>st</sup> July to 30<sup>th</sup> June consistently.

**Comparative Information:**

Comparative information have been disclosed in respect of the Year 2006-2007 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.



Schedule of Fixed Assets as on 30-06-2008

02. FIXED ASSETS: 50,618,495

| PARTICULARS           | C O S T            |                   |            | %   | D E P R E C I A T I O N |                   |          | W D V<br>at 30-06-08 |                   |
|-----------------------|--------------------|-------------------|------------|-----|-------------------------|-------------------|----------|----------------------|-------------------|
|                       | at 01-07-07        | addition          | adjustment |     | at 30-06-08             | at 01-07-07       | charged  |                      | adjustment        |
|                       |                    |                   |            |     | at 30-06-08             | at 01-07-07       | charged  |                      | adjustment        |
| Factory Building      | 18,500,341         | 57,143            | -          | 20% | 11,181,022              | 1,475,292         | -        | 12,656,314           | 5,901,170         |
| Plant and Machinery   | 169,020,961        | 31,162,794        | -          | 20% | 147,948,030             | 10,447,145        | -        | 158,395,175          | 41,788,580        |
| Furniture and Fixture | 2,430,937          | 111,640           | -          | 10% | 2,430,935               | 11,164            | -        | 2,442,099            | 100,478           |
| Office Equipment      | 2,167,255          | 22,000            | -          | 10% | 1,931,537               | 25,772            | -        | 1,957,309            | 231,946           |
| Factory Equipment     | 118,340            | 2,095,147         | -          | 10% | 27,810                  | 218,568           | -        | 246,378              | 1,967,109         |
| Vehicles              | 4,508,704          | 56,966            | -          | 20% | 4,461,983               | 20,737            | -        | 4,482,720            | 82,950            |
| Auxiliaries           | 9,314,846          | -                 | -          | 20% | 8,752,216               | 112,526           | -        | 8,864,742            | 450,104           |
| <b>Sub Total Tk:</b>  | <b>206,061,384</b> | <b>33,505,690</b> | <b>-</b>   |     | <b>176,733,533</b>      | <b>12,311,204</b> | <b>-</b> | <b>189,044,737</b>   | <b>50,522,337</b> |

| PARTICULARS          | C O S T        |          |            | %     | A M O R T I S A T I O N |             |          | W D V<br>at 30-06-08 |               |
|----------------------|----------------|----------|------------|-------|-------------------------|-------------|----------|----------------------|---------------|
|                      | at 01-07-07    | addition | adjustment |       | at 30-06-08             | at 01-07-07 | charged  |                      | adjustment    |
|                      |                |          |            |       | at 30-06-08             | at 01-07-07 | charged  |                      | adjustment    |
| Lease hold Land      | 129,989        | -        | -          | 1.01% | 32,850                  | 981         | -        | 33,831               | 96,158        |
| <b>Sub Total Tk:</b> | <b>129,989</b> | <b>-</b> | <b>-</b>   |       | <b>32,850</b>           | <b>981</b>  | <b>-</b> | <b>33,831</b>        | <b>96,158</b> |

|                           |                    |                   |          |          |                    |                   |          |                    |                   |
|---------------------------|--------------------|-------------------|----------|----------|--------------------|-------------------|----------|--------------------|-------------------|
| <b>Total 30. 06. 2008</b> | <b>206,191,373</b> | <b>33,505,690</b> | <b>-</b> | <b>-</b> | <b>176,766,383</b> | <b>12,312,185</b> | <b>-</b> | <b>189,078,568</b> | <b>50,618,495</b> |
| <b>Total 30. 06. 2007</b> | <b>205,275,927</b> | <b>915,446</b>    | <b>-</b> |          | <b>169,478,742</b> | <b>7,287,641</b>  |          | <b>176,766,383</b> | <b>29,424,990</b> |

| NOTE<br>No. | DESCRIPTION  | 30/06/2008 (TK.)      | 30/06/2007<br>(TK.)   |
|-------------|--|-----------------------|-----------------------|
| <b>03.</b>  | <b><u>PRE-OPERATION EXPENSES : TK. 395,163</u></b> |                       |                       |
|             | As per last Account                                | 790,326               | 1,185,487             |
|             | Less: Amortization during the year                 | 395,163               | 395,161               |
|             | <b>Total:</b>                                      | <b><u>395,163</u></b> | <b><u>790,326</u></b> |

The Pre-operation expenses have been deffered with a view to write it off in 10 years from the year of commercial operation of the respective Unit as per decision taken by the management.

|            |   |                 |                       |
|------------|---|-----------------|-----------------------|
| <b>04.</b> | <b><u>PRELIMINARY &amp; ISSUE EXPENSES : TK.NIL</u></b> |                 |                       |
|            | As per last Account                                     | 800,862         | 1,201,294             |
|            | Less: Adjustment/written off                            | 800,862         | 400,432               |
|            | <b>Total:</b>   | <b><u>-</u></b> | <b><u>800,862</u></b> |

According to the provision of section 57 of the Companies Act, 1994 the Preliminary & Issue expenses have been written off against the Share Premium.

|            |  |                         |                         |
|------------|--|-------------------------|-------------------------|
| <b>05.</b> | <b><u>PROMOTIONAL EXPENSES : TK. 1,500,000</u></b> |                         |                         |
|            | As per last Account                                | 2,333,334               | 666,667                 |
|            | Add: Addition during the year                      | -                       | 2,500,000               |
|            |  | <u>2,333,334</u>        | <u>3,166,667</u>        |
|            | Less: Amortized during the year                    | 833,334                 | 833,333                 |
|            | <b>Total:</b>                                      | <b><u>1,500,000</u></b> | <b><u>2,333,334</u></b> |

This represents different revenue expenditure which includes sales promotional expenditure (ie.trade offer, merchandizing campaign, P.O.S. materials, etc.) for launching and market penetration of new products.

The company will get benefit of this promotional expenditure in coming year. This amount will be amortized in next five years as the decision of management.

|            |  |                         |                          |
|------------|--|-------------------------|--------------------------|
| <b>06.</b> | <b><u>STOCK-IN-TRADE : TK. 9,907,042</u></b> |                         |                          |
|            | Raw Materials                                | 2,325,498               | 10,125,068               |
|            | Packing Materials                            | 6,189,444               | 6,575,113                |
|            | Other Materials                              | 66,623                  | 139,416                  |
|            | Finished goods                               | 1,325,477               | 2,748,490                |
|            | <b>Total :</b>                               | <b><u>9,907,042</u></b> | <b><u>19,588,087</u></b> |

Physical verification of the inventory was carried out by the Management Staff and Stock has been valued as per Physical Inventory Certificate by the Management.

Raw, Packing and other materials- valued at cost;

Finished goods- valued at net realisable price.

For determining the cost, average method has been followed.

|            |  |                 |                         |
|------------|--|-----------------|-------------------------|
| <b>07.</b> | <b><u>MATERIALS-IN-TRANSIT : TK. NIL</u></b> |                 |                         |
|            | As per last Account                          | 1,627,370       | 2,157,544               |
|            | Less: Adjustment during the year             | 1,627,370       | 530,174                 |
|            | <b>Total:</b>                                | <b><u>-</u></b> | <b><u>1,627,370</u></b> |

| NOTE<br>No. | DESCRIPTION                                       | 30/06/2008 (TK.) | 30/06/2007<br>(TK.) |
|-------------|---|------------------|---------------------|
| <b>08.</b>  | <b><u>ACCOUNTS RECEIVABLE : TK. 8,932,451</u></b> |                  |                     |
|             | M/S DAMIT LTD.                                    | 253,604          | 7,665,857           |
|             | M/S RUPALI TRADERS                                | 8,678,847        | 16,114,563          |
|             |   | <u>8,932,451</u> | <u>23,780,420</u>   |

The Break-up of Accounts Receivable of DAMIT LTD is given below :

| Particulars:                     | 2007-2008        | 2006-2007         |
|----------------------------------|------------------|-------------------|
| Opening Balance                  | 7,665,857        | 24,472,586        |
| Add- Sales During the year       | -                | 10,531,935        |
|                                  | <u>7,665,857</u> | <u>35,004,521</u> |
| Less- Collection During the year | 7,412,253        | 27,338,664        |
| Closing Balance                  | <u>253,604</u>   | <u>7,665,857</u>  |

The Break-up of Accounts Receivable of RUPALI TRADERS is given below :

| Particulars:                     | 2007-2008         | 2006-2007         |
|----------------------------------|-------------------|-------------------|
| Opening Balance                  | 16,114,563        | -                 |
| Add- Sales During the year       | 24,914,802        | 53,034,420        |
|                                  | <u>41,029,365</u> | <u>53,034,420</u> |
| Less- Collection During the year | 32,350,518        | 36,919,857        |
| Closing Balance                  | <u>8,678,847</u>  | <u>16,114,563</u> |

The Company has contracted with above mentioned sole distributors that kept security money with the Company and the Company maintained Current Accounts with them for all transactions of the year.

No amount was due by the Directors (including Managing Director) of the Company.

No amount was due by the Associated Undertakings.

**09. ADVANCES, DEPOSITS & PREPAYMENTS : TK. 2,568,456**

|                               |                         |                         |
|-------------------------------|-------------------------|-------------------------|
| Advances                      | 298,903                 | 665,630                 |
| Advance against VAT           | 1,411,051               | 1,131,806               |
| Advance against land purchase | -                       | 500,000                 |
| Deposits                      | 832,902                 | 862,290                 |
| Prepayments                   | 25,600                  | 35,600                  |
| <b>Total:</b>                 | <u><b>2,568,456</b></u> | <u><b>3,195,326</b></u> |

Advance: This includes loan & dues by the employees. These loans are secured, except few cases for which we are persuading to realise for a long time.

Deposits : This includes security deposits made by the Company for electric connection, telephone line, prepaid rent, etc.

In the opinion of the Directors, all current assets, investments, loans and advances have on realization in the ordinary course of business, a value at least equal to the amounts at which they are stated in the Balance Sheet.

No amount was due by the Directors (including Managing Director) of the Company.

There is no claims against the company, which can be acknowledged as debt.

| NOTE<br>No. | DESCRIPTION   | 30/06/2008 (TK.)        | 30/06/2007<br>(TK.)   |
|-------------|---|-------------------------|-----------------------|
| <b>10.</b>  | <b><u>CASH AND BANK BALANCES: TK. 1,132,601</u></b>       |                         |                       |
|             | Cash in Hand  | 1,111,463               | 928,924               |
|             | Cash at Bank :  |                         |                       |
|             | Janata Bank, Barisal Corporate Br. (CD # 52016)           | 1,958                   | 2,666                 |
|             | Janata Bank, Topkhana Road Corporate Br. (CD # 533016448) | 1,846                   | 1,942                 |
|             | Social Investnemt Bank, Principal Br. (CD # 50521)        | 6,762                   | 774                   |
|             | National Bank Ltd., Dilkusha Br. (CD # 36001606)          | 1,000                   | 1,000                 |
|             | National Bank Ltd., Barisal Br. (CD # 792)                | 1,663                   | 18,783                |
|             | Sonali Bank Ltd, Ramna Corporate Br. (CD # 201489)        | 5,461                   | 28,147                |
|             | Prime Bank Ltd, Bijoyagar Br. (CD # 11080001765)          | 2,448                   | -                     |
|             | <b>Total:</b>   | <b><u>1,132,601</u></b> | <b><u>982,236</u></b> |

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

Cash in hand verified by the management at the close of the year and a cash custody certificate was furnished to the auditors.

**11. SUNDRY CREDITORS : TK. 6,403,645**

|                                 |                         |                         |
|---------------------------------|-------------------------|-------------------------|
| Creditors- for Goods & Supplies | 5,456,237               | 372,261                 |
| Creditors- for Expenses         | 697,408                 | 721,838                 |
| Creditors- for Other Finance    | 250,000                 | 250,000                 |
| <b>Total :</b>                  | <b><u>6,403,645</u></b> | <b><u>1,344,099</u></b> |

**The movement of Creditors for Goods and Supplies is given below:**

| Particulars:                   | 2007-2008               | 2006-2007             |
|--------------------------------|-------------------------|-----------------------|
| Balance as on 01-07-2007       | 372,261                 | 311,826               |
| Add. Purchase During the Year  | 6,526,943               | 7,369,045             |
|                                | 6,899,204               | 7,680,871             |
| Less : Payment during the year | 1,442,967               | 7,308,610             |
| Balance as on 30-06-2008       | <b><u>5,456,237</u></b> | <b><u>372,261</u></b> |

**The Break-up of Creditors for Expenses is given below:**

| Particulars:           | 2007-2008             | 2006-2007             |
|------------------------|-----------------------|-----------------------|
| Salary & Wages payable | 612,765               | 574,909               |
| Audit Fees Payable     | 37,500                | 37,500                |
| IT deducted at source  | 47,143                | 109,429               |
| <b>Total :</b>         | <b><u>697,408</u></b> | <b><u>721,838</u></b> |

**The Break-up of Creditors for Other finance is given below:**

| Particulars:                 | 2007-2008             | 2006-2007             |
|------------------------------|-----------------------|-----------------------|
| M/s. Damit Limited, Barisal  | 150,000               | 150,000               |
| M/s. Rupali Traders, Barisal | 100,000               | 100,000               |
| <b>Total :</b>               | <b><u>250,000</u></b> | <b><u>250,000</u></b> |

These liabilities have arisen as security money received from the above sole distributors of the Company.

**12. OTHER ACCOUNTS PAYABLE : Tk. 4,815,878**

|                          |                         |                         |
|--------------------------|-------------------------|-------------------------|
| Income Tax Payable       | 4,815,878               | 4,504,886               |
| Provision for Income Tax | -                       | 158,916                 |
| <b>Total :</b>           | <b><u>4,815,878</u></b> | <b><u>4,663,802</u></b> |

| NOTE NO. | DESCRIPTION   | 30-06-2008<br>(Taka) | 30-06-2007<br>(Taka) |
|----------|---|----------------------|----------------------|
| 13.      | <b>SHARE CAPITAL: TK. 72,000,000.</b>                       |                      |                      |
|          | <b>AUTHORIZED CAPITAL</b>                                   | <u>100,000,000</u>   | <u>100,000,000</u>   |
|          | 1,000,000 Ordinary Shares of Tk. 100/= each                 |                      |                      |
|          | <b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>             |                      |                      |
|          | 7,20,000 Ordinary Shares of Tk. 100/= each paid up in full. | <u>72,000,000</u>    | <u>72,000,000</u>    |

(a) Composition of Shareholding:

|                | 30-06-2008     |            | 30-06-2007     |               |
|----------------|----------------|------------|----------------|---------------|
|                | No. of Shares  | %          | No. of Shares  | %             |
| Directors      | 119,310        | 16.57      | 119,310        | 16.57         |
| ICB Unit Fund  | 11,728         | 1.63       | 11,908         | 1.65          |
| General Public | 348,264        | 48.37      | 348,115        | 48.35         |
| Others         | 240,698        | 33.43      | 240,667        | 33.43         |
| <b>Total:</b>  | <u>720,000</u> | <u>100</u> | <u>720,000</u> | <u>100.00</u> |

(b) Details of the Shareholding Is given below:

The distribution schedule showing the number of Shareholders and their shareholding in percentage has been disclosed below as a requirement of the "Listing Regulation" of Dhaka and Chittagong Stock Exchange.

| Range of holdings<br>In number of Shares | No. of Folio |              | No. of Shares  |                | Holding %     |               |
|--|--------------|--------------|----------------|----------------|---------------|---------------|
|  | 30.06.2008   | 30.06.2007   | 30.06.2008     | 30.06.2007     | 30.06.2008    | 30.06.2007    |
| 01 – 50                                  | 3,782        | 3,799        | 73,113         | 74,157         | 10.15         | 10.3          |
| 51 – 100                                 | 565          | 594          | 44,132         | 46,428         | 6.13          | 6.45          |
| 101 – 500                                | 567          | 587          | 121,069        | 128,545        | 16.82         | 17.85         |
| 501 – 1,000                              | 72           | 75           | 52,888         | 55,572         | 7.35          | 7.72          |
| 1,001 – 10,000                           | 46           | 44           | 148,516        | 133,188        | 20.63         | 18.5          |
| 10,001 – 25,000                          | 6            | 7            | 95,787         | 108,467        | 13.3          | 15.06         |
| 25,001 – 50,000                          | 5            | 5            | 184,495        | 173,643        | 25.62         | 24.12         |
| <b>Total</b>                             | <u>5,043</u> | <u>5,111</u> | <u>720,000</u> | <u>720,000</u> | <u>100.00</u> | <u>100.00</u> |

| NOTE NO. | DESCRIPTION | 2007-2008 | 2006-2007 |
|----------|-------------|-----------|-----------|
|----------|-------------|-----------|-----------|

(c) Option on Un-Issued Shares:

There is no option regarding the authorized capital not yet issued but can be used to increase the paid up capital through the issuance of new shares against cash contribution and bonus.

(d) Market Price:

The shares of the Company are listed with both the Dhaka and Chittagong Stock Exchanges and quoted at Tk 60.75 per share and Tk: 61.80 per share in the Dhaka and Chittagong Stock Exchanges respectively on 30th June, 2008.

14. SHARE PREMIUM : TK. 29,199,138

|  | 2007-2008         | 2006-2007         |
|--|-------------------|-------------------|
| Opening Balance :  | 30,000,000        | 30,000,000        |
| Less: Written Off against Preliminary & Issue Expenses : | 800,862           | -                 |
| <b>Total :</b>   | <b>29,199,138</b> | <b>30,000,000</b> |

This shall be utilized for the purpose as provided in the Companies Act. 1994 and perscribed under the Securities & Exchange Ordinance, 1969 as amended.

15. TURNOVER : TK. 65,195,099

|                  | 2007-2008         | 2006-2007         |
|------------------|-------------------|-------------------|
| VATable Item     | 29,997,990        | 26,265,629        |
| Non VATable Item | 35,197,109        | 37,300,727        |
| <b>Total :</b>   | <b>65,195,099</b> | <b>63,566,356</b> |

16. COST OF GOODS SOLD : TK. 51,937,027

| Particulars                                | 2007-2008         | 2006-2007         |
|--|-------------------|-------------------|
| Purchase of :                              |                   |                   |
| Raw Materials                              | 27,932,662        | 34,423,048        |
| Packing Materials                          | 7,893,960         | 6,685,805         |
| Other Materials                            | 35,640            | 6,565             |
| <b>Total Purchase:</b>                     | 35,862,262        | 41,115,418        |
| Add : Opening stock of Materials           | 16,839,597        | 19,004,076        |
| <b>Materials available for consumption</b> | 52,701,859        | 60,119,494        |
| Less : Closing stock of Materials          | 8,581,565         | 16,839,597        |
| <b>Materials Consumed</b>                  | 44,120,294        | 43,279,897        |
| Manufacturing Expenses (Note - a)          | 6,393,721         | 6,915,005         |
| <b>Cost of Goods Manufactured</b>          | 50,514,015        | 50,194,902        |
| Add : Opening stock of Finished Goods      | 2,748,490         | 2,484,961         |
| <b>Cost of Goods available for Sale</b>    | 53,262,505        | 52,679,863        |
| Less : Closing stock of Finished Goods     | 1,325,478         | 2,748,490         |
| <b>Total Cost of Goods Sold:</b>           | <b>51,937,027</b> | <b>49,931,373</b> |

Break-up of materials consumed with percentage :-

| Particulars       | 2007-2008 |         | 2006-2007 |         |
|-------------------|-----------|---------|-----------|---------|
| Raw Materials     | 357.33    | 80.99%  | 344.58    | 79.62%  |
| Packing Materials | 82.79     | 18.76%  | 86.31     | 19.94%  |
| Other Materials   | 1.08      | 0.24%   | 1.90      | 0.44%   |
|                   | 441.20    | 100.00% | 432.79    | 100.00% |

| NOTE<br>NO. | DESCRIPTION | 2007-2008 | 2006-2007 |
|-------------|-------------|-----------|-----------|
|-------------|-------------|-----------|-----------|

Bengal Biscuits Limited is the manufacturer of high quality Biscuits, Flour, Extruded Snacks, Candy and other Consumer food products. In the manufacturing process different raw materials of different kinds and units are used for production. Since it is a food item, so special quality of metalized laminated foils are used. Varieties of products are manufactured, so quantity/quality wise material consumption are not possible to furnish with notes.

**a. MANUFACTURING EXPENSES : TK. 6,393,721**

| Particulars                             | 2007-2008        | 2006-2007        |
|---|------------------|------------------|
| Salary and wages                        | 3,402,998        | 3,872,801        |
| Bonus                                   | 167,277          | 112,596          |
| Uniform and gloves                      | 29,145           | 36,250           |
| Medical and sanitation                  | 26,510           | 40,106           |
| Conveyance                              | 28,200           | 67,050           |
| Carriage Inward                         | 256,200          | 403,602          |
| Repairs and maintenance                 | 235,640          | 305,871          |
| Power and electricity/Generator expense | 2,031,269        | 1,616,709        |
| Water bill                              | 36,000           | 36,000           |
| Telephone, fax and mobile               | 42,057           | 67,075           |
| Newspaper, books and periodicals        | 2,880            | 8,624            |
| Entertainment                           | 25,863           | 91,682           |
| Insurance                               | 80,699           | 97,515           |
| Testing Expenses                        | -                | 33,979           |
| Fuel, services and cleaning             | -                | 105,322          |
| Local rates and taxes                   | 12,960           | 3,800            |
| Interest, service charge, etc-BSCIC     | 16,023           | 16,023           |
| <b>Total:</b>                           | <b>6,393,721</b> | <b>6,915,005</b> |

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

- Upto Tk. 36,000.00 = 274 Nos.
- Above Tk. 36,000.00 = 09 Nos.

**17. ADMINISTRATIVE EXPENSES : TK. 3,221,757**

| Particulars             | 2007-2008 | 2006-2007 |
|-------------------------|-----------|-----------|
| Director's remuneration | 540,000   | 540,000   |
| Salary and allowances   | 1,104,353 | 1,206,107 |
| Bonus                   | 184,059   | 112,597   |
| Staff welfare           | 2,560     | 3,650     |
| Uniform and leverage    | -         | 2,025     |
| Medical Expenses        | 2,150     | 1,985     |
| Conveyance              | 12,120    | 10,241    |
| Travelling              | 35,601    | 77,980    |
| Office rent             | 168,000   | 126,000   |
| Renewal and fees        | 23,820    | 33,080    |

| NOTE<br>NO.   | DESCRIPTION                                 | 2007-2008        | 2006-2007        |
|---------------|---|------------------|------------------|
|               | Repair and maintenance                      | 6,211            | 5,402            |
|               | Power, Electricity & Expenses               | 24,000           | 10,256           |
|               | Photocopy and documentation                 | 6,582            | 8,579            |
|               | Stationery and printing                     | 8,400            | 28,372           |
|               | Postage and stamp                           | 5,472            | 14,253           |
|               | Telephone, mobile and fax                   | 157,615          | 81,815           |
|               | Fuel, repair, services and cleaning         | 18,000           | 38,253           |
|               | Subscription, charity and donation          | -                | 850              |
|               | Newspaper, books and periodicals            | 5,400            | 7,718            |
|               | Business promotion                          | -                | 5,430            |
|               | Entertainment                               | 29,070           | 30,387           |
|               | Gas and water charge                        | 51,241           | 11,590           |
|               | Audit fee                                   | 37,500           | 37,500           |
|               | Bank charges and commission                 | 28,508           | 20,590           |
|               | AGM expenses                                | 375,932          | 375,000          |
|               | Amortization of Pre-operational Expenses    | 395,163          | 395,161          |
|               | Amortization of Preliminary & Issue Expense | -                | 400,432          |
| <b>Total:</b> |   | <b>3,221,757</b> | <b>3,585,253</b> |

Director's remuneration including perquisites represents the amount paid to the Managing Director and other three active Directors during the year for services rendered by them as follows:

- Managing Director Tk. 360,000
- 3 Directors @ Tk: 60,000 per Year Tk. 180,000

Audit Fees includes only auditors remuneration as fixed by the Shareholders in the last Annual General Meeting.

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

- Upto Tk. 36,000.00 = 17 Nos.
- Above Tk. 36,000.00 = 04 Nos.

**18. SELLING & DISTRIBUTION EXPENSES : TK. 9,405,167**

| Particulars                         | 2007-2008 | 2006-2007 |
|-------------------------------------|-----------|-----------|
| Salary and allowances               | 1,901,837 | 1,810,143 |
| Bonus                               | 316,973   | 168,069   |
| Staff welfare                       | 31,310    | 28,150    |
| Travelling                          | 145,106   | 136,120   |
| Godown rent                         | -         | 96,000    |
| Carriage outward                    | 438,000   | 546,564   |
| Photocopy and documentation         | 14,320    | 13,050    |
| Stationery and printing             | 31,770    | 26,123    |
| Postage and stamp                   | 7,430     | 5,650     |
| Telephone, mobile and fax           | 52,982    | 76,566    |
| Fuel, repair, services and cleaning | 45,000    | 195,645   |
| Promotional expenses                | 600,030   | 959,120   |
| Market Survey expenses              | -         | 16,050    |
| Store Damage & Date Expired         | 956,254   | 1,685,160 |



| NOTE<br>NO. | DESCRIPTION                          | 2007-2008        | 2006-2007         |
|-------------|--------------------------------------|------------------|-------------------|
|             | Business promotion                   | -                | 8,250             |
|             | Distributors commission & Others     | -                | 905,359           |
|             | VAT                                  | 3,912,807        | 3,066,752         |
|             | Entertainment                        | 41,212           | 44,824            |
|             | Distribution of sample               | 30,123           | 35,351            |
|             | Product design charges               | 46,679           | 23,190            |
|             | Amortization of Promotional Expenses | 833,334          | 833,333           |
|             | <b>Total:</b>                        | <b>9,405,167</b> | <b>10,679,469</b> |

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

- Upto Tk. 36,000.00 = 40 Nos.

- Above Tk. 36,000.00 = 05 Nos.

**19. OTHER INCOME : TK. 112,526**

Wastage goods

|              |                |               |
|--------------|----------------|---------------|
|              | 112,526        | 95,642        |
| <b>Total</b> | <b>112,526</b> | <b>95,642</b> |

**20. BASIC EARNING PER SHARE (EPS) : TK. (16.07).**

The computation of EPS is given below:

|   |                |                |
|---|----------------|----------------|
| Net Profit after tax                                | (11,568,511)   | (7,980,654)    |
| Weighted average number of ordinary shares in issue | 720,000        | 720,000        |
| Basic EPS   | <b>(16.07)</b> | <b>(11.08)</b> |

**21. PAYMENT/ PERQUISITES TO DIRECTORS/ OFFICERS:**

The aggregate amount paid/ provided during the year in respect of Directors and Officers of the Company are disclosed below :

|                     | <u>Directors</u> | <u>Officers</u> |
|---------------------|------------------|-----------------|
| Remuneration/Salary | 420,000.00       |                 |
| Perquisites         | 120,000.00       |                 |

No attendance fee for Board Meeting was paid to Directors.

During the year under review, no compensation was allowed by the Company to the Chief Executive Officer of the Company.

No amount was spent by the Company for compensating any number of the Board for special services rendered.

| NOTE NO. | DESCRIPTION | 2007-2008 | 2006-2007 |
|----------|-------------|-----------|-----------|
|----------|-------------|-----------|-----------|

**22. LIABILITIES FOR CONTINGENT AND OTHER NATURE:**

There is no such liabilities except the following :

VAT authority had an illegal claim of VAT for Tk: 9.42 crore against which the Company had lodged an appeal to VAT Appellate Tribunal after the Commissioner (Appeal) of Custom, Excise & VAT has given decision against the Company's favour. The matter is now pending in the court.

There was no credit facilities as on 30-06-2008 availed by the Company under any contract, other than trade credit available in the ordinary course of business.

No guarantees were given by the Company on behalf of the Directors, Manager or other Officers of the Company or any of them severally or jointly with any other person.

**23. PRODUCTION CAPACITY:**

| <u>Name of Plant</u>       | <u>Production Capacity:</u>        | <u>Capacity Utilized:</u> |
|----------------------------|------------------------------------|---------------------------|
| Biscuit Plant & Flour Mill | 4683 MT/ year (15.61 MT/ 08 hours) | 1443.29 MT/Year           |
| Rice Puff Plant            | 144 MT/ year (480 kg/ 08 hours)    | 2.62 MT/Year              |
| Candy Plant                | 450 MT/ year (1.50 MT/ 08 hours)   | 27.47 MT/Year             |
| Extruded Snacks            | 120 MT/ year (400 kg/ 08 hours)    | 2.85 MT/Year              |

Unutilised capacity the shortage was made due to reduce demand emanated from general economic downturn & back gearing of the purchasing power of the consumers, electricity failures, mechanical & electrical maintenance problem, price increase of the company's products for increasing of input prices, etc.

**24 GENERAL:**

- a. There has been no claim against the Company not acknowledged as debt by the Company.
- b. The Company has no aggregate amount of contract for capital expenditure to be executed and not provided for in the accounts.
- c. All shares have been fully called and paid up.
- d. There was no preference share issued by the Company.
- e. Auditors are paid only statutory audit fees approved by the shareholders in the last Annual General Meeting.
- f. There is no claim against the Company not acknowledge as debt except claim, which may be arisen on insurance claim.
- g. No amount of money was expended by the Company for compensating any member of the Board for special service rendered.
- h. Cost audit was not implemented.

Number of Shares .....

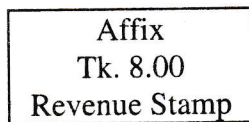
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## PROXY FORM

I/We ..... of .....

.....  
being a member of Bengal Biscuits Limited or an authorized Representative do hereby appoint Mr./Ms.  
..... as my/our proxy to attend and vote for me/us and on my/our  
behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held on the 25<sup>th</sup> June, 2009 at Barisal  
Auditorium, Band Road, Barisal, at 10.00 a.m. and at any adjournment thereof.

As witness my/our hand this ..... day of ..... 2009.



\_\_\_\_\_  
Signature of the Proxy

\_\_\_\_\_  
Signature of the Shareholder

### NOTE:

1. The Proxy Form duly signed and stamped by a Revenue Stamp of Tk. 8.00 (eight) must be deposited at the Company's Registered Office, 345, Segun Bagicha, Ramna, Dhaka, at least 48 hours before the meeting.
2. Signature of the Shareholder/Proxy must be similar with the Specimen signature recorded at the Company's Registered Office.

## ATTENDANCE SLIP

I do hereby confirm my presence at the 28<sup>th</sup> Annual General Meeting of **Bengal Biscuits Limited** at Barisal Auditorium, Band Road, Barisal, today, the 25<sup>th</sup> June , 2009.

Name ..... of ..... the ..... Shareholder/Proxy

Register Folio No. \_\_\_\_\_

\_\_\_\_\_  
Signature of the Attendant

**N.B.** Shareholder/Proxy is requested to hand over the Attendance Slip at the entrance of the Meeting Hall.

