

2009-2010
**ANNUAL
REPORT**










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

Pinaki & Company
Chartered Accountants

BANKER:

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

REGISTERED OFFICE:

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

FACTORY:

Plot # A43-A46
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 07.06.2011. The Company also inform the following which were the Auditors' qualified opinion on the Financial Statements of the Company ended on 30th June, 2010 and management's response thereon:

- i) The methodology and procedure being adopted by the management for internal control need be updated and in line with the standard internal control procedure and methodology.

Management's Response: We have our Internal Audit Team, who performs auditing of the Inventory, Productivity, Cost & Financial Transaction of the Company. There also have one Audit Committee in the Company to follow up the activities of Audit Team and to take action on their findings. The procedure & methodology of internal control system upgrading is a continuous process and the management is very much conscious about it.

- ii) Packing material cost need be brought under control.

Management's Response: To control the packing material cost, we bought one automatic packing machine last year. We expect the wastage of packing materials would decrease in automatic packing system, so that, the cost of packing material would come in our control. Other than this, we have taken some other steps to reduce packing material wastage.

- iii) No development has been observed in updating and developing standard procurement procedure.

Management's Response: The Company already has its standard procurement procedure. The management has taken special activities to upgrade the standard procurement procedure.

NOTICE OF THE 30th ANNUAL GENERAL MEETING

Notice is hereby given to all the Shareholders of the Company that the 30TH ANNUAL GENERAL MEETING of the Company will be held in the Barisal Auditorium, Band Road, Barisal on Thursday the 30th June 2011 at 10:00 am to transact the following agenda:

01. To confirm the minutes of the 29th Annual General Meeting.
02. To receive, consider and adopt the Audited Accounts of the Company for the Accounting Year ended on 30th June, 2010 together with the Auditors' and Directors' reports thereon.
03. To elect Directors as per terms of Article No. 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: 07-06-2011

NOTES:

01. The Share Register of the Company will remain closed from 21st to 30th June, 2011 (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 21st June, 2011.
04. Admission into the auditorium will be only production of the Attendance Slip.

বেঙ্গল বিস্কুট লিমিটেড
সভাপতি ও পরিচালকমণ্ডলীর প্রতিবেদন।

সম্মানিত শেয়ারহোল্ডারগণ।

আসসালামু-আলাইকুম।

অদ্যকার বার্ষিক সাধারণ সভায় উপস্থিত সকলকে আমি ব্যক্তিগতভাবে এবং পরিচালকমণ্ডলীর পক্ষ থেকে স্বাগত জানাচ্ছি। আমি ২০০৯-২০১০ অর্থ বছরের কোম্পানীর বার্ষিক প্রতিবেদন, নিরীক্ষিত হিসাব ও তার উপর নিরীক্ষকদের প্রতিবেদন আপনাদের সদয় বিবেচনা, পর্যালোচনা ও অনুমোদনের জন্য উপস্থাপন করছি।

কোম্পানীর পরিচিতিঃ

বেঙ্গল বিস্কুট লিমিটেড ১৯৮০ সনে স্থাপিত হয় এবং ১৯৮৪ সনের ১০ই অক্টোবর উৎপাদন শুরু হয়। বরিশাল শহরের কাউনিয়া বিসিক এলাকায় কারখানাটি অবস্থিত। কারখানায় বিভিন্ন প্রকার বিস্কুট, ক্যান্ডি ও ময়দা উৎপাদন হয়। অত্র প্রতিষ্ঠানে মোট ২৯৬ জন কর্মকর্তা, কর্মচারী ও শ্রমিক কর্মরত আছে।

ব্যবসায়িক কার্যক্রমঃ

আলোচ্য বছরে কোম্পানীর বিক্রয়ের পরিমাণ পূর্ববর্তী বছরের তুলনায় ২০.৯৪% বৃদ্ধি পেয়ে ৯০৩.৪৬ লক্ষ টাকায় উন্নীত হয়েছে। উৎপাদনে ব্যবহৃত কাঁচামালের অস্থিতিশীল বাজার এবং বিদ্যুৎ সংকটের কারণে আমাদের উৎপাদন কার্যক্রম বাধাগ্রস্ত হওয়া সত্ত্বেও নতুন বাজারমুখী পরিকল্পনা এবং উন্নত ব্যবস্থাপনার মাধ্যমে এ ফলাফল অর্জন সম্ভব হয়েছে। কোম্পানীর গ্ৰস মুনাফা পূর্ববর্তী বছরের তুলনায় ৩১.৬১% বৃদ্ধি পেয়ে ২১০.৭৬ লক্ষ টাকা হয়েছে। পাশাপাশি মোট ব্যয় পূর্ববর্তী বছরের তুলনায় মাত্র ১.২৯% বৃদ্ধি পেয়েছে।

আর্থিক ফলাফলঃ

২০০৮-২০০৯ অর্থ বছরের তুলনায় ২০০৯-২০১০ অর্থ বছরের কোম্পানীর আর্থিক ফলাফল এর তুলনামূলক প্রতিবেদন নিম্নে দেয়া হল;

| | | (লক্ষ টাকায়) | |
|---------------------------|---|---------------|-----------|
| | | ২০০৯-২০১০ | ২০০৮-২০০৯ |
| মোট বিক্রয় | ঃ | ৯০৩.৪৬ | ৭৪৭.০৪ |
| মোট লাভ | ঃ | ২১০.৭৬ | ১৬০.১৪ |
| নীট লাভ/(লোকসান) | ঃ | (৩৬.৮৬) | (৮৪.৩৯) |
| শেয়ার প্রতি লাভ/(লোকসান) | ঃ | (৫.১২) | (১১.৭২) |

লভ্যাংশ ঘোষণা সংক্রান্ত সিদ্ধান্তঃ

২০০৮-২০০৯ অর্থ বছরে কোম্পানীর নীট লোকসান ছিল ৮৪.৩৯ লক্ষ টাকা। আলোচ্য বছরে কোম্পানীর নীট লোকসান হয়েছে ৩৬.৮৬ লক্ষ টাকা এবং পুঞ্জীভূত লোকসানের পরিমাণ ৪৯৪.৮৯ লক্ষ টাকা। এমতাবস্থায় কোম্পানীর পরিচালনা পর্ষদের পক্ষে এ বছরও লভ্যাংশ ঘোষণা করা সম্ভব হয়নি বলে পর্ষদ দুঃখ প্রকাশ করছেন।

পরিচালনা পর্ষদঃ

বর্তমানে কোম্পানীর পরিচালকমন্ডলীর 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 অবস্থাঃ

সকল কার্যক্রম পরিকল্পনা মারফিক এগুচ্ছে। বিভিন্ন ব্যবস্থা ও কলা কৌশল প্রয়োগ করে কোম্পানীর উৎপাদিত পণ্যের বাজার সৃষ্টির প্রক্রিয়া অব্যাহত রয়েছে। যার ফলে কোম্পানীর বাজার আরও বৃদ্ধি পেয়েছে এবং ভবিষ্যতে কোম্পানীর সার্বিক সফলতা অর্জন সম্ভব হবে।

কর্পোরেট গভর্নেন্সঃ

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 পুনর্নিয়োগঃ

কোম্পানীর আর্টিকেলস্ অব এসোসিয়েশনের ১২০ নং অনুচ্ছেদ অনুসারে মিসেস নূরুল আক্তার অরোরা এ বছর পরিচালকমন্ডলীর পর্ষদ হতে অবসর গ্রহণ করেছেন। তিনি পুনর্নিয়োগ লাভের যোগ্য বিধায় পুনর্নিয়োগের জন্য আবেদন করেছেন।

নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণঃ

মেসার্স পিনাকী এন্ড কোম্পানী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ ২০০৯-২০১০ অর্থ বছরের জন্য নিয়োগপ্রাপ্ত ছিলেন। তাদের চুক্তির মেয়াদ শেষ হওয়ায় তাঁরা ২০১০-২০১১ অর্থ বছরের জন্য কোম্পানীর নিরীক্ষক হিসাবে পুনর্নিয়োগের জন্য আবেদন করেছেন। অন্য কোন প্রস্তাব না থাকায় এবং যোগ্যতাসম্পন্ন হওয়ায়, পর্ষদ তাঁদের পূর্ববর্তী বছরের সমপরিমাণ পারিশ্রমিক ৫০,০০০.০০ (পঞ্চাশ হাজার) টাকায় পুনর্নিয়োগ দানের জন্য সুপারিশ করছে।

নিরীক্ষা রিপোর্টের উপর মন্তব্যঃ

২০০৯-২০১০ অর্থ বছরের নিরীক্ষা রিপোর্টে নিরীক্ষকগণের মন্তব্যের ভিত্তিতে পর্ষদ যে সকল পদক্ষেপ গ্রহণ করেছেন তা নিম্নরূপঃ

১. আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি (Internal Control System)ঃ পূর্ব থেকেই কোম্পানীর উৎপাদন, মজুদ, খরচ ও আর্থিক কার্যক্রম নিয়ন্ত্রণের জন্য একটি আভ্যন্তরীণ অডিট টিম কাজ করছে। এছাড়াও কোম্পানীর উর্ধতন কর্তৃপক্ষের সমন্বয়ে গঠিত একটি অডিট কমিটি রয়েছে। অডিট টিম কর্তৃক উত্থাপিত রিপোর্ট ও সুপারিশ পর্যালোচনা করে অডিট কমিটি বিভিন্ন সিদ্ধান্ত গ্রহণ করে থাকে। আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি এর কলা-কৌশল উন্নয়ন একটি চলমান প্রক্রিয়া যা কার্যকর রাখতে কর্তৃপক্ষ সবসময়ই সচেষ্ট রয়েছেন।
২. প্যাকিং পণ্যের খরচ (Packing Materials Cost)ঃ ম্যানুয়াল প্যাকিং এর কারণে উৎপাদনে প্যাকিং ম্যাটেরিয়েলের অপচয় বেশী হয় যা রোধ কল্পে আলোচিত অর্থ বছরে একটি স্বয়ংক্রীয় (Auto) প্যাকিং মেশিন ক্রয় করা হয়েছে, যার ফলে প্যাকিং ম্যাটেরিয়েলের অপচয় কমবে বলে আশা করা যায়। এছাড়াও প্যাকিং ম্যাটেরিয়েলের অপচয় কমানোর জন্য আরো কিছু পদ্ধতি অবলম্বন করা হয়েছে।
৩. মান সম্পন্ন ক্রয় নীতি (Standard Procurement Procedure)ঃ পূর্ব থেকেই কোম্পানী ক্রয়ের জন্য একটি Standard Procurement Policy রয়েছে। বর্তমানে এই Policy-কে আরো যুগপোযোগী করার জন্য বিশেষ কার্যক্রম হাতে নেয়া হয়েছে।

নিরীক্ষা রিপোর্টের ভিত্তিতে সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশনের দেয়া Observation এর উপর মন্তব্যঃ

সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশনের অবগতির জন্য জানানো হয়েছে যে,

১. কোম্পানীর সকল প্রকার মজুদ পণ্যের মূল্যায়ন BAS-2 এর para-09 অনুযায়ী করা হয়ে থাকে। এবং
২. আয়কর আইন ১৯৮৪ অনুযায়ী কোম্পানীর স্থায়ী সম্পত্তির অবচয়ের হার হিসাব করা হয়।

অন্যান্যঃ

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

উপসংহারঃ

পরিচালকমন্ডলীর কাজে মূল্যবান সহযোগিতা ও সমর্থন দানের জন্য কোম্পানীর সম্মানিত শেয়ারহোল্ডারগণ, ক্রেতা-বিক্রেতা, সরবরাহকারী, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা ও চট্টগ্রাম স্টক 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. কলাম)

সভাপতি ও ব্যবস্থাপনা পরিচালক।

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 2009-2010 were as follows:

| Name of Directors | Meeting Held | Attended |
|--------------------------|--------------|----------|
| Mr. M. A. Kalam | 5 | 3 |
| Mr. M. A. Masud | 5 | 5 |
| Mr. Faizul Hassan | 5 | 5 |
| Mrs. Nurul Akhtar Aurora | 5 | 3 |
| Mr. M. Syedur Rahman | 5 | 5 |

- 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 30th June, 2010 is stated in ANNEX-II.
- Securities and Exchange Commission compliance report is enclosed herewith as ANNEX-III.
- Key operating and financial data of last three years have been presented in summarized form as Past Financial Statistics in ANNEX-IV.

Pattern of Shareholding as on June 30, 2010:

| 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 Akhtar 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. Md. Fakhru Islam, Deputy General Manager | - | - |
| 2. Mr. Muhammad Azizul Haque, Sales Manager | - | - |
| 3. Mr. Md. Humayun Kabir, Manager (Finance & Accounts) | - | - |
| 4. Mr. . Md. Shahidul Islam, Assistant Factory Manager | - | - |
| 5. Mr. Md. Abu Baker Siddik, Commercial Executive | - | - |
| Shareholders Holding 10% or more voting right | - | - |

ANNEX-III

Status of compliance with conditions imposed by the Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated 20th 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: a) CFO b) Head of Internal Audit c) Company Secretary | Complied Complied Complied | | |
| 2.2 | Attend the Board Meeting by : a) CFO b) Company Secretary | Complied 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>Reporting to the Authorities:</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>Reporting to the Shareholders:</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:

ANNEX-IV
(Taka in lac)

| SL. No. | Particulars | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 |
|---------|----------------------------------|-----------|-----------|-----------|-----------|
| 1 | Authorized Capital | 1000.00 | 1000.00 | 1000.00 | 1000.00 |
| 2 | Paid up Capital | 720.00 | 720.00 | 720.00 | 720.00 |
| 3 | Reserves & Surplus | (254.85) | (373.64) | (458.04) | (494.89) |
| 4 | Share Premium | 300.00 | 291.99 | 291.99 | 291.99 |
| 5 | Fixed Assets -Written down value | 294.25 | 506.18 | 480.22 | 439.26 |
| 6 | Turnover | 635.66 | 651.95 | 747.04 | 903.46 |
| 7 | Gross Profit | 136.35 | 132.58 | 160.14 | 210.76 |
| 8 | Net Profit/(Loss) | (78.22) | (115.69) | (84.39) | (36.86) |
| 9 | Earning Per Share (EPS) | (11.08) | (16.07) | (11.72) | (5.12) |
| 10 | Net Asset Value (NAV) per share | 106.27 | 88.66 | 76.94 | 71.82 |
| 11 | No. of Employees | 352 | 349 | 294 | 296 |
| 12 | No. of Shareholders | 5111 | 5043 | 5008 | 4941 |

**Auditors' Report
to the shareholders**
for the year ended June 30, 2010

We have audited the accompanying financial statements of **Bengal Biscuits Limited** which comprise the balance sheet as at June 30, 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidences that we have obtained are sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion:

1. The methodology and procedure being adopted by the management for internal control need be updated and in line with the standard internal control procedure and methodology.
2. Packing material cost need be brought under control.
3. No development has been observed in updating and developing standard procurement procedure.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of **Bengal Biscuits Ltd.** Company as at June 30, 2010, and (of) its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards

Pinaki Das
Pinaki Das, FCA
Partner

Date: 28. 10. 2010

BENGAL BISCUITS LIMITED

Balance Sheet

as at June 30, 2010

| ASSETS | NOTES | TAKA | |
|--|-------|-----------------------|-------------------|
| | | 2009-2010 | 2008-2009 |
| NON-CURRENT ASSETS | | 45,925,890 | 51,022,001 |
| Fixed Assets | 02 | 43,925,890 | 48,022,001 |
| Promotional Expenses -Deferred | 03 | 2,000,000 | 3,000,000 |
| CURRENT ASSETS | | 25,885,334 | 19,719,009 |
| Stock-in-Trade | 04 | 13,249,230 | 9,889,083 |
| Accounts Receivable | 05 | 5,956,980 | 6,214,090 |
| Advances, Deposits and Prepayments | 06 | 3,842,983 | 2,371,582 |
| Cash and Bank Balance | 07 | 2,836,141 | 1,244,254 |
| CURRENT LIABILITIES | | 20,101,580 | 15,345,544 |
| Accounts Payable | 08 | 14,845,992 | 10,651,800 |
| Others Payable | 09 | 5,255,588 | 4,693,744 |
| NET CURRENT ASSETS | | 5,783,754 | 4,373,465 |
| | | Tk. 51,709,644 | 55,395,466 |
| FINANCED BY | | | |
| SHAREHOLDERS' EQUITY | | 51,709,644 | 55,395,466 |
| Issued, Subscribed and Paid-up Capital | 10 | 72,000,000 | 72,000,000 |
| Share Premium | 11 | 29,199,138 | 29,199,138 |
| Retained Earnings | | (49,489,494) | (45,803,672) |
| | | Tk. 51,709,644 | 55,395,466 |

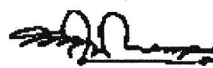
The accounting policies and other notes form an integral part of the financial statements.

Signed in terms of our separate report of even date



M. A. Kalam
Chairman & Managing Director

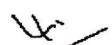
Dated: Dhaka
28th October, 2010



F. Hassan
Director



PINAKI & COMPANY
Chartered Accountants



K. H. Reza, FCS
Corporate Secretary

BENGAL BISCUITS LIMITED

Income Statement

for the year ended June 30, 2010

| Particulars | Notes | Taka | |
|---|-------|--------------------|--------------------|
| | | 2009-2010 | 2008-2009 |
| Turnover | 12 | 90,345,754 | 74,704,398 |
| Cost of goods sold | 13 | 69,270,254 | 58,690,717 |
| Gross Profit | | 21,075,500 | 16,013,681 |
| Operating Expenses | | 14,574,747 | 13,061,374 |
| Administrative Expenses | 14 | 3,511,550 | 3,524,353 |
| Selling and Distribution Expenses | 15 | 11,063,197 | 9,537,021 |
| Profit/(Loss) before depreciation | | 6,500,753 | 2,952,307 |
| Depreciation | 02 | 10,411,735 | 11,605,851 |
| Profit/(Loss) after depreciation | | (3,910,982) | (8,653,544) |
| Other Income | 16 | 225,160 | 214,325 |
| Net Profit/(Loss) during the year | | (3,685,822) | (8,439,219) |
| Provision for Income Tax | | - | - |
| Net Profit/(Loss) after Income Tax | | (3,685,822) | (8,439,219) |
| Basic earning per share (EPS) | 17 | (5.12) | (11.72) |

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

Examined and found correct



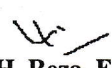
M. A. Kalam
Chairman & Managing Director

Dated: Dhaka
28th October, 2010



F. Hassan
Director

Pirak Das
PINAKI & COMPANY
Chartered Accountants


K. H. Reza, FCS
Corporate Secretary

BENGAL BISCUITS LIMITED

Statement of Changes in Equity
for the year ended June 30, 2010


| Particulars | Share Capital | Share Premium | Retained Earnings | Total (Taka) |
|-----------------------------------|-------------------|-------------------|---------------------|-------------------|
| Balance as on 01-07-2009 | 72,000,000 | 29,199,138 | (45,803,672) | 55,395,466 |
| Net Profit/(Loss) during the year | - | - | (3,685,822) | (3,685,822) |
| Balance as on 30-06-2010 | 72,000,000 | 29,199,138 | (49,489,494) | 51,709,644 |

Statement of Changes in Equity
for the year ended June 30, 2009

| Particulars | Share Capital | Share Premium | Retained Earnings | Total (Taka) |
|-----------------------------------|-------------------|-------------------|---------------------|-------------------|
| Balance as on 01-07-2008 | 72,000,000 | 29,199,138 | (37,364,453) | 63,834,685 |
| Net Profit/(Loss) during the year | - | - | (8,439,219) | (8,439,219) |
| Balance as on 30-06-2009 | 72,000,000 | 29,199,138 | (45,803,672) | 55,395,466 |

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


Signed in terms our separate report of even date


M. A. Kalam
Chairman & Managing Director

Dated: Dhaka
28th October, 2010


F. Hassan
Director


PINAKI & COMPANY
Chartered Accountants


K. H. Reza, FCS
Corporate Secretary

BENGAL BISCUITS LIMITED
Cash Flow Statement
for the year ended June 30, 2010

| Particulars | Taka | |
|--|--------------------|--------------------|
| | 2009-2010 | 2008-2009 |
| CASH FLOW FROM OPERATING ACTIVITIES : | 7,316,234 | 9,062,144 |
| Collection from Sales & Others | 90,985,357 | 77,772,919 |
| Payment for Costs and Expenses | (83,669,123) | (68,529,775) |
| Income Tax Paid | - | (181,000) |
| CASH FLOW FROM INVESTING ACTIVITIES: | (5,724,347) | (8,950,491) |
| Acquisition of Fixed Assets | (5,724,347) | (8,950,491) |
| CASH FLOW FROM FINANCING ACTIVITIES: | - | - |
| Net Cash Inflow/(Outflow) | 1,591,887 | 111,653 |
| Opening Cash & Bank Balance | 1,244,254 | 1,132,601 |
| Closing Cash & Bank Balance | 2,836,141 | 1,244,254 |


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


Signed in terms our separate report of even date


M. A. Kalam
Chairman & Managing Director


PINAKI & COMPANY
Chartered Accountants

Dated: Dhaka
28th October, 2010


F. Hassan
Director


K. H. Reza, FCS
Corporate Secretary

Notes to the Financial Statements
For the year ended June 30, 2010

01. Statutory Background of the Company and Overview of its Operational Activities.

Legal Form of the Enterprise:

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.

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-42, A-43, A-44, A-45, A-46, D-268, D-269 & S-10 and BSCIC Industrial Estate, Kawnia, Barisal.

Principal Activities and Nature of Operations:

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

Corporate Accounting Standards Practiced:

- BAS 01 Presentation of Financial Statements ✓
- BAS 02 Inventories
- BAS 07 Statement of Cash Flow ✓
- BAS 08 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS 10 Events after the Reporting Period
- BAS 11 Construction Contracts ✓
- BAS 12 Income Tax
- BAS 14 Segment Reporting
- BAS 16 Property, Plant and Equipment
- BAS 17 Leases
- BAS 18 Revenue
- BAS 19 Employee Benefits
- BAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- BAS 21 The Effects of Changes in Foreign Exchange Rates
- BAS 23 Borrowing Costs
- BAS 24 Related Party disclosures
- BAS 25 Accounting for Investment
- BAS 26 Accounting and Reporting by Retirement Benefit Plans
- BAS 27 Consolidated and Separate Financial Statements
- BAS 28 Investments in Associates

BAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions

BAS 31 Interests in Joint Venture

BAS 32 Financial Instruments: Presentation

BAS 33 Earnings Per Share

BAS 34 Interim Financial Reporting

BAS 36 Impairment of Assets

BAS 37 Provisions, Contingent Liabilities and Contingent Assets

BAS 38 Intangible Assets

BAS 39 Financial Instruments: Recognition and Management

BAS 40 Investment Property

BAS 41 Agriculture

Of the BASs referred above 1, 2, 7, 8, 10, 12, 16, 17, 18, 23, 24, 25, 33, 37 and 39 are applicable for the accompanied financial statements.

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 BASs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS). The balance sheet and income statement 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 income statement 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 | 16,500 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 |

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 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 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.

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".

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 expenses or the commission paid or discount allowed on any issue of shares or debentures of the Company; and
- iii) 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 BAS-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.

Basic Earnings per Shares:

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

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 30th June, 2010;
- ii) Income Statement for the year ended 30th June, 2010;
- iii) Statement of Changes in Equity for the year ended 30th June, 2010;
- iv) Statement of Cash Flow for the year ended 30th June, 2010; &
- 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 conform the 2008-2009 financial statements and footnotes to the 2009-2010 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 1st July to 30th June consistently.

Comparative Information:

Comparative information have been disclosed in respect of the Year 2008-2009 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 30-06-2010

02. Fixed Assets:

| Particulars | C O S T | | Rate of % | D E P R E C I A T I O N | | W. D. V. as on 30-06-10 |
|-----------------------|------------------------|--------------------------|-----------|-------------------------|-------------------------|-------------------------|
| | Balance as on 01-07-09 | Addition during the year | | Total as on 30-06-10 | Charged during the year | |
| Factory Building | 18,863,446 | 2,105,962 | 20% | 13,897,740 | 1,414,334 | 5,657,334 |
| Plant and Machinery | 208,295,755 | 3,255,000 | 20% | 168,375,291 | 8,635,093 | 34,540,371 |
| Furniture and Fixture | 2,602,090 | 29,565 | 10% | 2,458,098 | 17,356 | 156,201 |
| Office Equipment | 2,245,255 | 186,000 | 10% | 1,986,104 | 44,515 | 400,636 |
| Factory Equipment | 2,313,487 | - | 10% | 453,089 | 186,040 | 1,674,358 |
| Vehicles | 4,678,495 | - | 20% | 4,521,875 | 31,324 | 125,296 |
| Auxiliaries | 9,314,846 | - | 20% | 8,954,763 | 72,017 | 288,066 |
| Total : | 248,313,374 | 5,576,527 | | 200,646,960 | 10,400,679 | 42,842,262 |

| Particulars | C O S T | | Rate of % | D E P R E C I A T I O N | | W. D. V. as on 30-06-10 |
|---------------------------|------------------------|--------------------------|-----------|-------------------------|-------------------------|-------------------------|
| | Balance as on 01-07-09 | Addition during the year | | Total as on 30-06-10 | Charged during the year | |
| Lease hold Land | 393,046 | 739,097 | 1.01% | 37,459 | 11,056 | 1,083,628 |
| Total : | 393,046 | 739,097 | | 37,459 | 11,056 | 1,083,628 |
| Total 30. 06. 2010 | 248,706,420 | 6,315,624 | | 200,684,419 | 10,411,735 | 43,925,890 |
| Total 30. 06. 2009 | 239,697,063 | 9,009,357 | | 189,078,568 | 11,605,851 | 48,022,001 |

| No. Particulars | Taka | |
|---|-------------------|------------------|
| | 30-06-10 | 30-06-09 |
| 03. Promotional expenses: | 2,000,000 | 3,000,000 |
| As per last Account | 3,000,000 | 1,500,000 |
| Add: Addition during the year | - | 2,500,000 |
| | 3,000,000 | 4,000,000 |
| Less: Amortization during the year | 1,000,000 | 1,000,000 |
| <p>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.</p> <p>The company will get benefit of this promotional expenditure in coming years. This amount will be amortized in next five years as per the decision of management.</p> | | |
| 04. Stock-in-Trade: | 13,249,230 | 9,889,083 |
| Raw Materials | 3,286,769 | 2,616,811 |
| Packing Materials | 5,173,228 | 4,693,786 |
| Finished goods | 4,789,233 | 2,542,846 |
| Other Materials | - | 35,640 |
| 05. Accounts receivable: | 5,956,980 | 6,214,090 |
| M/S Rupali Traders | 3,771,029 | 5,073,994 |
| M/S Bismillah Enterprise | 1,446,876 | 1,140,096 |
| M/S Padma Traders | 739,075 | - |
| 5.1. M/S Rupali Traders | 3,771,029 | 5,073,994 |
| Opening Balance | 5,073,994 | 8,678,847 |
| Add. Sales during the year | 26,572,691 | 26,321,687 |
| | 31,646,685 | 35,000,534 |
| Less-Collection during the year | 27,875,656 | 29,926,540 |
| 5.2. M/S Bismillah Enterprise | 1,446,876 | 1,140,096 |
| Opening Balance | 1,140,096 | - |
| Add. Sales during the year | 5,296,922 | 4,966,636 |
| | 6,437,018 | 4,966,636 |
| Less-Collection during the year | 4,990,142 | 3,826,540 |
| 5.3. M/S Padma Traders | 739,075 | - |
| Opening Balance | - | - |
| Add. Sales during the year | 4,308,455 | - |
| | 4,308,455 | - |
| Less-Collection during the year | 3,569,380 | - |

| No. Particulars | Taka | |
|--|-------------------|-------------------|
| | 30-06-10 | 30-06-09 |
| 06. Advances, deposits & prepayments : | 3,842,983 | 2,371,582 |
| Advances against employee | 347,720 | 333,787 |
| Advance against VAT | 879,866 | 1,011,838 |
| Deposits for Telephone, Electricity | 832,902 | 832,902 |
| Prepayments against Office rent & machinery | 1,782,495 | 193,055 |
| No amount was due by the Directors (including Managing Director) of the Company. | | |
| No amount was due by the associated undertaking. | | |
| 07. Cash and bank balance : | 2,836,141 | 1,244,254 |
| Cash in Hand | 2,428,597 | 386,758 |
| Cash at Bank | 407,544 | 857,496 |
| 7.1 Cash at Bank : | 407,544 | 857,496 |
| Janata Bank, Barisal Corporate Br. (CD # 52016) | 3,093 | 1,248 |
| Janata Bank, Topkhana Road Corp. Br., Dhaka (CD # 013633016448) | 72,244 | 176,334 |
| Social Islami Bank, Principal Br. Dhaka (CD # 50521) | 6,211 | 6,211 |
| National Bank Ltd., Dilkusha Br. (CD # 36001606) | 1,000 | 1,000 |
| National Bank Ltd., Barisal Br. (CD # 7925) | 253 | 613 |
| Sonali Bank Ltd, Ramna Corporate Br. (CD # 201489) | 5,461 | 5,461 |
| Prime Bank Ltd, Bijoy nagar Br. (15911080001765) | 319,282 | 666,629 |
| 08. Accounts Payable : | 14,845,992 | 10,651,800 |
| Creditors -for Goods & Supplies | 12,726,714 | 9,576,697 |
| Creditors -for Expenses | 1,819,278 | 875,103 |
| Creditors -for Other Finance | 300,000 | 200,000 |
| 8.1 Creditors -for Goods & Supplies | 12,726,714 | 9,576,697 |
| Opening Balance as on 01-07-2009 | 9,576,697 | 5,456,237 |
| Add. Purchase during the Year | 64,111,080 | 14,273,516 |
| | 73,687,777 | 19,729,753 |
| Less : Payment during the Year | 60,961,063 | 10,153,056 |
| 8.1.1 Details of Creditors -for Goods & Supplies | 12,726,714 | 9,576,697 |
| Farid Store | 1,226,851 | 758,531 |
| Imam Flour Mills | 1,241,553 | 48,440 |
| Jamuna Plastic | 965,036 | 185,627 |
| Maritime Enterprenurs pte Ltd. | 783,626 | 530,300 |
| Padma Flour Mill | 2,168,765 | 2,962,390 |
| Sabnam Vegetable | 559,135 | 682,345 |
| Urmy Product | 1,352,615 | 309,385 |

| No. Particulars | Taka | |
|--|------------------|------------------|
| | 30-06-10 | 30-06-09 |
| Anis Enterprise | 480,206 | - |
| Khaleque Polythene Store | 575,008 | - |
| Ronjit & Sons | 746,574 | - |
| Annadata Flour Mills, Madaripur | 1,136,646 | - |
| Padma Store | 683,048 | - |
| Metali Traders | 807,651 | - |
| Consort Flexipack Ltd. | - | 92,885 |
| Harun & Brothers | - | 648,753 |
| Lasmunhas Packages | - | 1,439,090 |
| Munshi Ctn. | - | 39,129 |
| Shatu International (Pvt.) Ltd. | - | 832,420 |
| S R Traders | - | 348,310 |
| Sugandha Flour Mills | - | 699,092 |
| 8.2 Creditors -for Expenses | 1,819,278 | 875,103 |
| Salary & Wages payable | 908,846 | 793,614 |
| Audit Fees Payable | 50,000 | 40,000 |
| Electricity Bill | 260,861 | - |
| IT deducted at source | 59,571 | 41,489 |
| Directors remuneration | 540,000 | - |
| 8.3 Creditors -for Other Finance | 300,000 | 200,000 |
| M/S Rupali Traders, Barisal | 100,000 | 100,000 |
| M/S Bismillah Enterprise, Khulna | 100,000 | 100,000 |
| M/S Padma Traders, Bogra | 100,000 | - |
| These liabilities have arisen in the normal continuous course of business. | | |
| 09. Other Payables: | 5,255,588 | 4,693,744 |
| Payable for Income Tax | 4,634,878 | 4,634,878 |
| Payable for leasehold land | 620,710 | 58,866 |
| 9.1 Payable for Income Tax | 4,634,878 | 4,634,878 |
| Income Tax Payable | 4,634,878 | 4,815,878 |
| Less- Payment | - | 181,000 |
| 9.2 Payable for leasehold land | 620,710 | 58,866 |
| Opening Balance | 58,866 | - |
| Add- New Acquisition | 739,097 | 263,057 |
| Less -Payment | 797,963 | 263,057 |
| | 177,253 | 204,191 |

| No. | Particulars | Taka | |
|-----|---|-------------|-------------|
| | | 30-06-10 | 30-06-09 |
| 10. | Share capital: | | |
| | Authorised Capital | | |
| | 10,00,000 Ordinary Share of Tk. 100/- each | 100,000,000 | 100,000,000 |
| | Issued, Subscribed & Paid up capital | | |
| | 7,20,000 Ordinary Share of Tk. 100/- each paid up in full | 72,000,000 | 72,000,000 |

(a) Composition of Shareholding:

| | 30-06-10 | | 30-06-09 | |
|----------------------|---------------|--------|---------------|--------|
| | No. of Shares | % | No. of Shares | % |
| Directors & Sponsors | 360,000 | 50.00 | 360,000 | 50.00 |
| ICB Unit Fund | 11,368 | 1.59 | 11,468 | 1.59 |
| General Public | 348,632 | 48.41 | 348,532 | 48.41 |
| | 720,000 | 100.00 | 720,000 | 100.00 |

(b) Details of 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 in number of shares | No. of Folio | | Number of Share | | Holding % | |
|---------------------------------------|--------------|------------|-----------------|------------|------------|------------|
| | 30.06.2010 | 30.06.2009 | 30.06.2010 | 30.06.2009 | 30.06.2010 | 30.06.2009 |
| 01-50 | 3,733 | 3,789 | 69,457 | 72,741 | 9.65 | 10.10 |
| 51-100 | 530 | 537 | 41,720 | 42,048 | 5.79 | 5.84 |
| 101-500 | 540 | 547 | 115,388 | 113,533 | 16.03 | 15.77 |
| 501-1000 | 70 | 73 | 51,257 | 51,412 | 7.12 | 7.14 |
| 1001-10000 | 56 | 50 | 144,432 | 139,460 | 20.06 | 19.37 |
| 10001-25000 | 7 | 7 | 95,691 | 98,631 | 13.29 | 13.70 |
| 25001-50000 | 4 | 4 | 137,555 | 137,675 | 19.10 | 19.12 |
| 50001-100000 | 1 | 1 | 64,500 | 64,500 | 8.96 | 8.96 |
| | 4,941 | 5,008 | 720,000 | 720,000 | 100 | 100 |

(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 Share against cash contribution and bonus.

| No. | Particulars | Taka | |
|-----|--|------------|------------|
| | | 30-06-10 | 30-06-09 |
| 11. | Share premium : | 29,199,138 | 29,199,138 |
| 12. | Turnover : | 90,345,754 | 74,704,398 |
| | VATable Item | 46,135,893 | 38,011,953 |
| | Non-VATable Item | 44,209,861 | 36,692,445 |
| 13. | Cost of goods sold: | | |
| | Purchase of : | 69,270,254 | 58,690,717 |
| | Raw Materials | 47,197,147 | 43,769,253 |
| | Packing Materials | 16,913,933 | 7,706,642 |
| | Other Materials | 30,560 | 38,560 |
| | Total Purchase: | 64,141,640 | 51,514,455 |
| | ✓ Add : Opening stock of Materials | 7,346,237 | 8,581,565 |
| | Materials available for consumption | 71,487,877 | 60,096,020 |
| | Less : Closing stock of Materials | 8,459,997 | 7,346,237 |
| | Materials Consumed | 63,027,880 | 52,749,783 |
| | ✓ Manufacturing Expenses | 8,488,761 | 7,158,302 |
| | Cost of Goods Manufactured | 71,516,641 | 59,908,085 |
| | ✓ Add : Opening stock of Finished Goods | 2,542,846 | 1,325,478 |
| | Cost of Goods available for Sale | 74,059,487 | 61,233,563 |
| | Less : Closing stock of Finished Goods | 4,789,233 | 2,542,846 |

note-13.1

Break-up of materials consumed with percentage :

| Particulars | 2009-2010 | | 2008-2009 | |
|-------------------|-----------|---------|-----------|---------|
| | | | | |
| Raw Materials | 471.97 | 73.58% | 434.78 | 82.42% |
| Packing Materials | 169.14 | 26.37% | 92.02 | 17.44% |
| Other Materials | 0.31 | 0.05% | 0.69 | 0.13% |
| | 641.42 | 100.00% | 527.49 | 100.00% |

| No. | Particulars | Taka | |
|-------------|--------------------------------------|------------------|------------------|
| | | 30-06-10 | 30-06-09 |
| 13.1 | Manufacturing expenses: | 8,488,761 | 7,158,302 |
| | Salary and wages | 3,793,222 | 3,469,444 |
| | Bonus | 216,624 | 209,994 |
| | Uniform & gloves | 67,411 | 45,545 |
| | Medical and sanitation | 59,212 | 32,560 |
| | Conveyance | 63,524 | 46,250 |
| | Carriage loading and unloading | 353,550 | 286,405 |
| | Repairs and maintenance | 324,698 | 285,890 |
| | Power and electricity | 3,355,219 | 2,465,460 |
| | Water bill | 30,000 | 31,500 |
| | Telephone, fax and mobile | 86,540 | 78,217 |
| | Newspaper, books and periodicals | 2,880 | 2,940 |
| | Entertainment | 18,655 | 48,950 |
| | Insurance | 113,892 | 89,124 |
| | Local rates and taxes | 3,334 | 11,306 |
| | Interest, service charge, etc.-BSCIC | - | 54,717 |

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 = 219 Nos.

-Above Tk. 36,000.00 = 15 Nos.

| | | | |
|------------|--|------------------|------------------|
| 14. | Administrative expenses: | 3,511,550 | 3,524,353 |
| | Director's remuneration | 540,000 | 540,000 |
| | Salary and allowances | 1,394,820 | 1,215,315 |
| | Bonus | 134,150 | 118,476 |
| | Medical Expenses | 5,302 | 450 |
| | Conveyance | 50,230 | 35,650 |
| | Travelling | 75,854 | 48,650 |
| | Office rent | 337,200 | 337,200 |
| | Renewal and fees | 65,120 | 62,149 |
| | Repair and maintenance | 25,124 | 6,580 |
| | Power, Electricity & Expenses | 106,641 | 36,000 |
| | Photocopy and documentation | 17,580 | 8,560 |
| | Stationery and printing | 24,560 | 12,500 |
| | Postage and stamp | 7,535 | 4,560 |
| | Telephone, mobile and fax | 142,500 | 120,650 |
| | Fuel, repair, services and cleaning | 18,721 | 12,000 |
| | Newspaper, books and periodicals | 6,310 | 5,880 |
| | Entertainment | 24,320 | 35,640 |
| | Gas and water charge | 40,090 | 27,600 |
| | Audit fee | 51,800 | 40,000 |
| | Bank charges and commission | 24,022 | 35,680 |
| | AGM expenses | 419,671 | 425,650 |
| | Amortization of Pre-operational Expenses | - | 395,163 |

| No. | Particulars | Taka | |
|-----|-------------|----------|----------|
| | | 30-06-10 | 30-06-09 |

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 :

-Above Tk. 36,000.00 =10 Nos.

| 15. Selling & distribution expenses: | 11,063,197 | 9,537,021 |
|---|------------|-----------|
| Salary and allowance | 2,553,679 | 2,037,823 |
| Bonus | 225,642 | 185,690 |
| Staff welfare | 29,450 | 15,640 |
| Travelling | 285,640 | 125,650 |
| Carriage outwards and loading/unloading | 259,500 | 285,950 |
| Conveyance | 85,860 | - |
| Photocopy and documentation | 45,650 | 28,650 |
| Stationery and printing | 55,562 | 34,560 |
| Postage and stamp | 15,243 | 5,350 |
| Telephone, mobile and fax | 85,650 | 65,980 |
| Fuel, repair, services and cleaning | 35,234 | 28,650 |
| Promotional expenses | 956,808 | 669,850 |
| Store Damage & Date Expired | 989,406 | 568,540 |
| VAT | 4,161,972 | 4,332,213 |
| Entertainment | 33,560 | 48,950 |
| Distribution of sample | 99,680 | 66,540 |
| Product design charges | 144,661 | 36,985 |
| Amortization of Promotional Expenses | 1,000,000 | 1,000,000 |

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

-Upto Tk. 36,000.00 = 33 Nos.

-Above Tk. 36,000.00 = 19 Nos.

| 16. Other income | | |
|---|-------------|-------------|
| Wastage Goods | 225,160 | 214,325 |
| | 225,160 | 214,325 |
| 17. Basic earning per share (EPS) : | | |
| | (5.12) | (11.72) |
| Net Profit after tax | (3,685,822) | (8,439,219) |
| Weighted average number of ordinary shares in issue | 720,000 | 720,000 |

| No. | Particulars | Taka | |
|-----|-------------|----------|----------|
| | | 30-06-10 | 30-06-09 |

18. 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.

19. 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 our favour. The matter is now pending in.

There was no credit facilities as on 30-06-2010 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.

Number of Shares

Folio No.

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 30th Annual General Meeting of the Company to be held on the 30th June, 2011 at Barisal Auditorium, Band Road, Barisal, at 10.00 am and at any adjournment thereof.

As witness my/our hand this.....day of..... 2011.

| |
|------------------------------------|
| Affix Tk. 8.00 Revenue Stamp |
|------------------------------------|

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

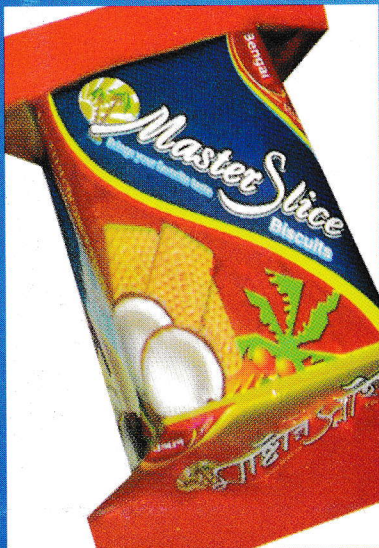
I do hereby confirm my presence at the 30th Annual General Meeting of Bengal Biscuits Limited at Barisal Auditorium, Band Road, Barisal, today, the 30th June, 2011.

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



Q u a l i t y F o o d F o r H e a l t h y L i f e