



ISLAM QUAZI SHAFIQUE & CO.

Chartered Accountants

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PARTNERS:

Quazi Shafiqul Islam FCA, FCS

Biplab Hossain FCA

Abu Nasser FCA

Md. Abdur Rahman FCA, ACS, LL.B

Independent Auditors' Report To the Shareholders of Dhaka Leather Company Limited

We were engaged to audit the accompanying financial statements of Dhaka Leather Company Limited, which comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other 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 International 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 conducting the audit in accordance with International Standards on Auditing. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The following circumstances give rise to material uncertainties as to the appropriateness of the use of the going concern and other assumptions in the preparation of the accompanying financial statements of the Company for the current financial year:

- a. As disclosed in Note # 1.2, operation of the company remained closed since 1998 and there is no practical plan to re-open its operation in near future. In addition to that (note # 13) the accumulated loss of the company is BDT 639,239,883 which is 2.14 time higher than its share capital (including share money deposit) which indicates that there is no reasonable ground to consider the entity to be going concern;
- b. As mentioned, operation of the company remained close since 1998 but its financial statements state that the company possesses total fixed assets amounting to BDT 757,826,632 (excluding land of BDT 17,381,633) which market value is not assessed and presented accordingly. However the market value of the Land may be much higher than what is shown in the Account
- c. As per the given financial statements of the company, it possesses current assets for an amount of BDT 31,667,631 (including inventory of BDT 20,722,806). As the company is remained close for last 21 years and hence there is a reasonable doubt of recovering any value from the current assets.



d. As the company was incorporated as public limited company in 1996 with a share capital of BDT 1,000,000 having eight (08) shareholders. We are not provided any reasonable documents based on which we can assumed that the company currently holds at least seven (07) shareholders which is the precondition to exist as a public limited company in accordance with the Companies Act 1994. In addition to that we are not confirmed whether the company retains at least five (05) directors which was a condition per the AOA.

e. Per the Financial Statements of the company, it obtained interest bearing Loan from Government of BDT 13,035,500 and related accumulated interest has been charged to the FS for BDT 34,574,941. However, we have not provided any related documents and basis of charging interest.

f. Financial Statements state that the company has obtained loan from BCIC of BDT 636,064,696 but related loan agreement and bank statements not provided to us to verify the loans and liability and reason of obtaining the loan and utilization.

g. The company has maintained a current account with BCIC, current balance with the account is 445,212,219, but related documents were not found to verify amount and the related transactions.

h. We feel that this project should not be kept in this way for further period. Some action to be taken.


Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to the Bases for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company.

Dated: Dhaka
August 26, 2020


Islam Quazi Shafique & Co.
Chartered Accountants



Dhaka Leather Company Limited
Statement of Financial Position
As at 30 June 2019

	Note(s)	30-Jun-19 Taka	30-Jun-18 Taka
Non- Current Assets			
Property, plant and equipments	4	613,179,612	613,073,412
Pre-operating expenses	5	161,940,172	161,940,172
Preliminary expenses	6	88,481	88,481
		775,208,265	775,102,065
Current Assets			
Inventory	7	20,722,806	20,722,806
Current account with enterprise-related parties	8	8,887,299	8,873,149
Advances, deposits & pre-payments	9	2,057,159	2,130,669
Cash at bank (Dormant A/C)	10	367	367
		31,667,631	31,726,991
		806,875,896	806,829,056
Capital & Reserve			
Ordinary Share	11	1,000,000	1,000,000
Share Money Deposit (BCIC Equity)	12	299,000,000	299,000,000
Retained Earnings (Accumulated Loss)	13	(639,239,883)	(627,680,727)
		(339,239,883)	(327,680,727)
Non-current liabilities			
Govt. Loan (ADP)	14	47,610,441	46,958,666
Deferred Liabilities (Gratuity)	15	6,823,182	6,587,922
		54,433,623	53,546,588
Current liabilities			
Accrued and other liabilities	16	2,347,262	2,484,686
Creditor for Other Finance	17	7,894,484	8,063,638
Current account with enterprise-related parties	18	163,495	174,759
BCIC Loan Account-related party	19	636,064,696	635,000,000
Current Account with BCIC-related party	20	445,212,219	435,240,112
		1,091,682,156	1,080,963,195
		806,875,896	806,829,056

These financial statements should be read in conjunction with the annexed notes

Islam
28/9/2020
Managing Director

Islam
28.9.2020
Director
Auditors' Report to the Shareholders
See annexed report of date

Islam
28.09.2020
Company Secretary

Dated : Dhaka,
26/08/2020

Islam
Islam Quazi Shafique & Co.
Chartered Accountants



Dhaka Leather Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Note(s)	2018-19 Taka	2017-18 Taka
Income :			
Sale of Tender Document		-	-
Job Charge Received		-	-
Profit on Sales on Assets		-	-
		-	-
Operating expenses			
Officers & Staff Salary	21	6,730,056	23,190,639
General Administrative Overhead	22	4,177,325	3,398,336
Interest on ADP Loan	14	651,775	651,775
		<u>11,559,156</u>	<u>27,240,750</u>
Profit/(Loss) before income tax		(11,559,156)	(27,240,750)
Income tax expenses		-	-
Profit/(Loss) after tax for the year		(11,559,156)	(27,240,750)

These financial statements should be read in conjunction with the annexed notes

Amr
28/9/2020
Managing Director

Director
28.9.2020
Director
Auditors' Report to the Shareholders
See annexed report of date

28.09.2020
Company Secretary

Dated : Dhaka,
August 26, 2020

Islam Quazi Shafique & Co.
Islam Quazi Shafique & Co.
Chartered Accountants



Dhaka Leather Company Limited
Statement of Changes in Equity
For the year ended 30 June 2019

Particulars	Paid-up Capital	Retained Earning	Total
Balance as at 1 July 2017	1,000,000	(600,439,977)	(599,439,977)
Net Profit/ (Loss) after Tax	-	(27,240,750)	(27,240,750)
Balance as at 30 June 2018	1,000,000	(627,680,727)	(626,680,727)
Balance as at 1 July 2018	1,000,000	(627,680,727)	(626,680,727)
Net Profit/ (Loss) after Tax	-	(11,559,156)	(11,559,156)
Balance as at 30 June 2019	1,000,000	(639,239,883)	(638,239,883)

28/9/2020
Managing Director

28.9.2020
Director

28.09.2020
Company Secretary



Dhaka Leather Company Limited
Statement of Cash Flows
For the year ended 30 June 2019

	2018-19 Taka	2017-18 Taka
A. Cash flows from operating activities :		
Cash receipts from customers	-	-
Cash paid to suppliers	-	-
Cash paid to employees	-	-
Other operating expenses	-	-
Net cash used in operating activities	<u>-</u>	<u>-</u>
B. Cash flows from investing activities		
Net cash flows from/(used) in investing activities	<u>-</u>	<u>-</u>
C. Cash flows from Financial Activities		
Loan & Other Finance	-	-
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Cash Surplus/(Deficit) for the year (A+B+C)	<u>-</u>	<u>-</u>
Opening Cash & Bank Balance	<u>367</u>	<u>367</u>
Closing Cash & Bank Balance (D+E)	<u>367</u>	<u>367</u>

Islam
28/9/2020
Managing Director

Islam
28.9.2020
Director

Islam
28.09.2020
Company Secretary

Dhaka Leather Company Limited
Notes to the financial statements
As at and for the year ended 30 June 2019

1.0 Legal Status and activities

1.1 Company profile

Dhaka Leather Company Limited (hereinafter referred to as the "Company") was incorporated in Dhaka, Bangladesh on 4 February 1996 vide ND-C 30240 (1466)/96 as a Public Limited Company under the Companies Act (#18) 1994.

The Dhaka Leather Company Ltd. Project is located at Nayarhat, Savar, the Eastern Bank of the River Bangshawi and by the side of Dhaka-Aricha Highway 37 Kilometer away from the Capital City.

1.2 Nature of business

The company was established to carry on the business of manufacturing finished leather, various leather goods including shoes and by products of all kinds. The commercial production of the Company was started in financial year 1996-1997 and continued only for 6 (six) days. Further production could not be continued due to non-availability of raw materials i.e. hides and skins, it was then operated for processing goods of outside parties. The company entered into three sub contract agreements in financial year 1996-1997 and 1997-1998 for rental establishment and facilities but the subcontractor also failed. The Company has been fully closed since 1998.

2.0 Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) and as per the requirements of the Companies Act (#18) 1994 and other applicable laws and regulations.

BAS - 01 Presentation of financial statements

BAS - 07 Statement of Cash flows

BAS - 08 Accounting policies, Changes in accounting estimates and Errors

BAS - 10 Events after the reporting period

BAS - 12 Income Taxes

BAS - 16 Property, Plant and Equipment

BAS - 19 Employee Benefits

BAS - 24 Related Party Disclosure

BAS - 37 Provisions, Contingent Liabilities and Contingent assets.

Other Regulatory compliances

The Income Tax Ordinance (#36) 1984

The Income Tax Rules 1984

The Value Added Tax Act (#22) 1991

The Value Added Tax Rules 1991

2.2 Components of Financial Statements

Following are the components of these financial statements

a. Statement of Financial Position as at 30 June 2019

b. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

c. Statement of changes in equity for the year ended 30 June 2019

d. Statement of Cash Flows for the year ended 30 June 2019

e. Explanatory Information



2.3 Basis of Measurement

These financial statements have been prepared on accrual basis under the historical cost convention except the statement of cash flows.

2.4 Financial period

The financial period of the Company covers one year from 01 July to 30 June and consistently followed. These financial statements cover one year from 01 July 2018 to 30 June 2019.

2.5 Functional and presentational currency

The financial statements are presented in Bangladesh Taka (BDT/Tk.), which is the Company's functional currency. All financial information presented in Bangladeshi Taka (BDT/Tk) has been rounded off to the nearest Taka (BDT/Tk).

2.6 Use of estimates and judgments

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

2.7 Going concern

As per *BAS1: Presentation of Financial Statements*, a company is required to make assessment at the end of each year to assess its capability to continue as going concern. The Directors continue to adopt the going concern assumption while preparing the financial statements though the company remains closed since 1998 and thereafter this company is funded by the BCIC to meet up its regular expenses such as staff salary, general administrative overhead etc.

3.0 Summary of significant accounting policies

The accounting policies set out below have been applied to the accounts consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

As per IAS 16 : *Property, Plant and Equipment*, items of property, plant and equipment should be depreciated when the assets becomes useable as intended by the management and should have been measured at cost less accumulated depreciation and accumulated impairment losses, if any but no depreciation is charged from 1998-1999 and till to date no impairment / impairment review has taken place as the company has remained fully closed since 1998. As a result PPE is materiality overstated by Tk. 570,922,851.

Moreover, the company recognised Land and Land Development amounting to Tk.17,381,633 but the company has no ownership documents like mutation and simultaneously maintaining a provision for the purchase of 18 Acres land from Bangladesh Council of Scientific and Industrial Research (BCSIR) amounting to Tk. 5,400,000.

3.2 Inventory

As per IAS 2 : *Inventory*, items of inventory should be recognised at "lower of cost and Net Realizable Value" but the company has maintained the inventory at cost.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank.

3.4 Revenue recognition

The company remains closed since 1998, there is no revenue to be recognised.



3.5 Employees benefit plans

The Company, for its employees, operates the following schemes:

Gratuity scheme

The Company has two gratuity schemes one for the central cadre (Officer) of the DLCL managed centrally by the BCIC Trustee Board that means funded and another for the Staff of the DLCL managed by the DLCL itself which is unfunded. Gratuity is provided to employees on retirement of employment; equivalent to two last basic salary for every completed year (more than 4 months considered as full year) of service.

Provident Fund Scheme-funded

The Company operates contributory provident fund for all its permanent employees as per the government policy. This fund is recognised by National Board of Revenue and managed by an independent Board of Trustee. The provident fund is administered by the Board of Trustees and is funded by contributions from employees @10% and from the Company @ 12.5% of the basic pay. These contributions are invested separately from the Company's business.

3.6 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate for the Company for the reporting period was 35%.

However, the company has no taxable income for this period.

3.7 Deferred tax

As per BAS 12: *Income Taxes*, deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities and their tax base. The deferred tax asset / income or liability / expense does not create a legal obligation to, or recoverability from the income tax authority.

However, no deferred tax is recognised in this financial statements as the company remains closed since 1998.

3.8 Statement of cash flows

Statement of cash flows have been prepared under direct method in accordance with BAS 7, "*Statement of Cash Flows*"

3.9 General

1. Previous period / year's figures have been rearranged, wherever considered necessary to conform to the current period's presentation.

2. All amounts in this financial statement have been recorded off to the nearest Taka.



4 Property, Plant and Equipment

Sl. No.	Particulars	Cost		Depreciation			Written Down Value as on 30 June 2019
		Balance as at 1 July 2018	Additions / (Adjustment) during the year	Balance as at 30 June 2019	Balance as at 1 July 2018	Charged for the year	
1.	Land & Land Development	17,381,633	-	17,381,633	-	-	17,381,633
2.	Building & Other Costs	199,446,413	-	199,446,413	23,581,206	23,581,206	175,865,207
3.	Factory Plant, Machinery & Other Equipment	494,933,176	-	494,933,176	76,906,863	76,906,863	418,026,313
4.	Office Equipment	397,829	-	397,829	370,125	370,125	27,705
5.	Furniture & Equipment	3,122,846	-	3,122,846	1,474,686	1,474,686	1,648,160
6.	Other Assets	402,164	-	402,164	277,769	277,769	124,395
7	Computer		118,000	118,000		11,800	106,200
	Total 2019	715,684,061	118,000	715,802,061	102,610,649	11,800	613,179,612
	Total 2018	715,684,061	-	715,684,061	102,610,649	-	613,073,412

*Note : Depreciation on fixed assets of DLCL has been charged up to 1998-99 and there after no depreciation has been charged on fixed assets as the factory was closed since then.



	2018- 19 Taka	2017- 18 Taka
5 Pre-operating expenses		
A. Expenses		
Factory Overhead	40,443,250	40,443,250
General Admin. Expenses	8,995,907	8,995,907
Interest & Financial Expenses	16,727,815	16,727,815
Revaluation of Finished Stock	101,755,621	101,755,621
Salaries & Allowance	1,709,088	1,709,088
	169,631,680	169,631,680
B. Less : Sales & Other Income		
Sales	25,089	25,089
Job Work	1,020,578	1,020,578
Miscellaneous Income	384,795	384,795
Gain on Sales of Car	42,207	42,207
Interest Received	528,857	528,857
Registration Fees	79,315	79,315
Adjustment	5,610,668	5,610,668
	7,691,509	7,691,509
	161,940,172	161,940,172

In the present status this expenses has got hardly any value.

6 Preliminary expenses

Preliminary expenses are the expenses that the company incurs prior to the incorporation of the company.

This expenses incurred by the founders of the Dhaka Leather Company Ltd at 1996 to incorporate the company, develop the logo, register company name, etc.

7 Inventory

Packing Materials	6,978	6,978
Spares Accessories & Stores	20,715,828	20,715,828
	20,722,806	20,722,806

7.1 Spares, Accessories & Stores

Motor vehicles, Trailer & Cycle parts	2,175	2,175
Spare Parts	10,299,812	10,299,812
Bearing	13,469	13,469
Metal Working	49,527	49,527
Special Industries Machinery	7,647,982	7,647,982
Handling Equipment	314,264	314,264
Pumps & Compressor	387,400	387,400
Pipe, Tube & Fittings	102,154	102,154
Hand Tools	614,155	614,155
Hardware	209,698	209,698
Construction Building Materials	414,676	414,676
Electrical Equipment	301,563	301,563
Electrical Ware	132,319	132,319
Laboratory Equipment	67,295	67,295
Furniture	4,200	4,200
Hardware & Appliance	15,584	15,584
Office Equipment	225	225
Books	791	791
Brushes & Paints	20,012	20,012
Fuel & Lubricants	67,653	67,653
Misc. Stores	8,073	8,073
Rope, Cable, Chain & Fittings	42,800	42,800
	20,715,828	20,715,828

		2018- 19	2017- 18
		Taka	Taka
8	Current account with enterprise-related parties		
	a. Running		
	Bangladesh Insulator and Sanitary Ware Factory Ltd.	2,849,356	2,849,356
	Triple Super Phosphate Complex Ltd.	3,014,253	3,014,253
	Shahjalal Fertilizer Company Ltd. (Ex- NGFFL)	1,426,031	1,426,031
	Training Institute for Chemical Industries	5,318	5,318
	Polash Urea Fertilizer Factory Ltd.	334	334
	Chhatak Cement Company Ltd.	2,284	2,284
	Jamuna Fertilizer Company Ltd.	14,150	
	b. Pay off / Closed		
	North Bengal Paper Mills Ltd.	1,461,331	1,461,331
	Karnaphuli Rayon Chemicals Ltd.	28,950	28,950
	Khulna News print Mills Ltd.	83,362	83,362
	Takerghat Limestone Mining Project	1,930	1,930
		8,887,299	8,873,149
9	Advances, deposits & pre-payments		
	Advances	9.1 1,098,984	1,172,494
	Deposits	9.2 958,175	958,175
		2,057,159	2,130,669
9.1	Advances		
	a. Advance Against Purchase Exp.		
	Md. Iqbal Hossain (Manager Admn.)	13,000	13,000
	A. K. Roy (SAT)	4,200	4,200
	Md. Nazmul Hoque (S.A.C)	4,235	4,235
	Fazlul Haque (D.M)		19,710
	Zakir Hossain (Addl. C.M.M)		420
	Abdul Hakim (AO)		27,990
	Anwar Hossain (M. Admin.)		90
	b. Advance Against Party		
	Linde Bangladesh Limited (Ex- BOC Ltd.)	19,397	19,397
	c. Advance Against Carrying		
	M/S. Dider Transport Agency	578,614	578,614
	d. Advance Against Income Tax	427,360	427,360
	e. Advance Against Facilities	21,847	51,847
	f. Arrear Festival Bonus Officers	8,840	8,840
	g. Advance Against - TA/ DA Mr. Md. Shamsul Alam Khan . Manager (Admin)	4,700	
	h. I.T. Deduction	16,791	16,791
		1,098,984	1,172,494
9.2	Deposits		
	Deposit with T & T Board (BTCL)	15,720	15,720
	Deposit with Palli Biddyat Samity	523,375	523,375
	Deposit with Titas Gas Trans & Distribution Co. Ltd.	409,080	409,080
	Deposit with Linde Bangladesh Ltd. (BOC Ltd.)-former	10,000	10,000
		958,175	958,175
10	Cash at bank (Dormant A/C)		
	Janata Bank Ltd. (Nayrhat Branch, Savar)		
	STD A/C No. - 06	367	367

	2018- 19 Taka	2017- 18 Taka
11 Share capital		
Authorized Capital	500,000,000	500,000,000
5,000,000 Ordinary Shares of Taka 100 each		

Ordinary Share/Paid Up Capital
10,000 shares at Tk.100 per share

Name of Share holders	Nationality	Holdings %	No. of shares	30-Jun-19	30-Jun-18
1. Bangladesh Chemical Industries Corporation (BCIC) Represented by Mr. M. Badiuzzaman	Bangladeshi	99.93%	9,993	999,300	999,300
2. Mr. M. Badiuzzaman	Bangladeshi	0.01%	1	100	100
3. Dr. A. K. M. Masood	Bangladeshi	0.01%	1	100	100
4. Mr. Atiqur Rahman	Bangladeshi	0.01%	1	100	100
5. Mr. K. M. R. Islam Abu Wahed	Bangladeshi	0.01%	1	100	100
6. Mr. J. C. Biswas	Bangladeshi	0.01%	1	100	100
7. Mr. Md. Abdul Aziz Mollah	Bangladeshi	0.01%	1	100	100
8. Mr. N. N. M. Nazrul Hasan	Bangladeshi	0.01%	1	100	100
Total		100%	10,000	1,000,000	1,000,000

12 Share Money Deposit (BCIC Equity)	299,000,000	299,000,000
When the amount was paid and related documents		

13 Retained Earnings (Accumulated Loss)		
Opening Balance of Accumulated Loss	(627,680,727)	(600,439,977)
Add : Loss for the year	(11,559,156)	(27,240,750)
	(639,239,883)	(627,680,727)

14 Govt. Loan (ADP)		
Principal Loan from ADP	13,035,500	13,035,500
Add: Accumulated Interest	33,923,166	33,271,391
Opening balance	46,958,666	46,306,891
Add: Interest During the year	651,775	651,775
	47,610,441	46,958,666

Basis, the interest was calculated @ 5%

15 Deferred Liabilities (Gratuity)		
Opening Balance as per last year A/C	6,587,922	6,848,024
Addition during the year	572,760	740,980
Adjustment during the year	7,160,682	7,589,004
	337,500	1,001,082
	6,823,182	6,587,922

Payment document and current year charging calculation



	2018- 19 Taka	2017- 18 Taka
15.1 Addition during the year		
Md. Rifaqul Islam (MD)		152,980
Md. Anwar Hossain (DM)		98,180
Md. Mizanur Rahman (ACA)		86,340
Md. Abul Kalam (Ex. MD)		-
Md. Abul Hakim (A.O)	68,340	65,080
Kamal Hossain Hawladar (RS)	73,340	68,220
Md. Babul Sarkar (MLSS)	87,160	81,980
Md. Munshi Akkas Uddin (SG)	78,280	73,460
Md. Shamsul Alam Khan (M. A.)	112,060	
Md. Jasim Uddin (SG)	23,820	23,540
Md. Nizamul Haque (SG)	33,440	30,400
Md. Janab Ali (Laskar)	33,440	30,400
Md. Aktaruzzman (SG)	33,440	30,400
Md. Nazrul Islam (Peon)	29,440	
	572,760	740,980
16 Accrued and other liabilities		
Audit fees	100,000	100,000
Legal Expenses	577,089	552,409
Electricity Bill		31,442
Gas Bill		3,200
Land Tax	723,184	683,184
Casual & Labour Contract Bill	133,134	305,403
Overtime Allowance	18,454	31,187
Newspaper Bill		2,460
Didar Transport Agency	715,951	715,951
Car Running Expenses	5,702	5,702
Printing & Stationery	1,371	1,371
Telephone Bill 1998	52,377	52,377
Board Meeting Exp.	20,000	
	2,347,262	2,484,686
17 Creditor for Other Finance		
Liabilities for land purchases (BCSIR)	5,400,000	5,400,000
VAT deduction	25,650	25,650
Revenue Stamp	21,780	20,920
Welfare Loan (Other Project)	69,710	78,460
BCIC P.F	316,769	213,786
DLCL P.F	125,337	203,806
DLCL Welfare Loan	838,995	854,375
House Building Loan	9,831	158,831
Income Tax deduction	5,702	5,702
Material Loan	3,809	3,809
Security Deposit	437,432	437,432
Housing Allowance deduction	378,224	378,224
Conveyance Allowance deduction	13,546	13,546
Washing Allowance deduction	2,620	2,620
Salary Advance deduction	95,523	95,523
Purchase Advance deduction		360
Incentive Bonus deduction	1,400	1,400
P.F Loan deduction (Officer)		
P.F Loan deduction (DLCL)		
Uniform & Laveries deduction	12,736	12,736
Vehicle Loan (Motor cycle)	63,318	63,318
Excess Lump grant deduction	63,215	63,215
Electricity bill deduction	4,107	4,107
Arrear Festival Bonus	4,780	4,780
Facility Advance deduction		8,946
Motor Cycle Loan (BCIC)		12,092
	7,894,484	8,063,638

	2018- 19 Taka	2017- 18 Taka
17.1 Security Deposit :		
Didar Transport (1994-95)	250,000	250,000
Hakkane Enterprise (1992-93)	50,000	50,000
Helena Enterprise (1998-99)	39,256	39,256
Delux Enterprise (1992-93)	10,000	10,000
Chowdhury Leather Co. Ltd. (1998-99)	16,026	16,026
Millems Pump (2013-14)	12,228	12,228
Saiful Enterprise (1992-93)	3,302	3,302
People Typewriter (1992-93)	286	286
Ali & Co. (1992-93)	7,021	7,021
Samad & Sons (1992-93)	5,443	5,443
Bangladesh Traders	1,800	1,800
Gafur Enterprise (1992-93)	132	132
Kazi wood works (1992-93)	3,000	3,000
Bengal Auto (1992-93)	5,000	5,000
Dhaka Traders (1992-93)	3,000	3,000
Welcome Tailors (1992-93)	6,000	6,000
The Dhaka Oxyliarize Ltd. (1992-93)	3,000	3,000
Rimco Ltd. (1995-96)	3,000	3,000
BD Leather Development Co. Ltd. (1995-96)	3,138	3,138
Tilak Enterprise (1996-97)	800	800
Reliable Leather works (1996-97)	3,000	3,000
S.K.G. Enterprise (1996-97)	3,000	3,000
Tanchem Trading (1996-97)	3,000	3,000
Dewan Traders (1996-97)	3,000	3,000
Setu Enterprise (1996-97)	3,000	3,000
	437,432	437,432
18 Current account with enterprise-related parties		
<i>Running Factory</i>		
Urea Fertilizer Factory Ltd. Ghorashal	26,515	26,515
Chittagong Urea Fertilizer Ltd.	17,180	17,180
Ashuganj Fertilizer & Chemical Company Ltd.	2,008	2,008
Jamuna Fertilizer Co. Ltd		9,279
BCIC Head Office	34,665	34,665
Karnaphuli Paper Mills Ltd.	9,000	9,000
<i>Pay Off / Closed</i>		
Chittagong Chemical Complex	73,535	75,520
BMI Ltd. (Ujala Match Factory Ltd.)	592	592
	163,495	174,759
19 BCIC Loan Account		
Opening Balance	635,000,000	635,000,000
Addition during the year	1,064,696	
	636,064,696	635,000,000
This amount of loan had been taken by the Dhaka Leather Company Ltd from BCIC during its establishment period to make payment for its plant and machinery.		
20 Current Account with BCIC		
Opening balance	435,240,112	408,589,986
Addition during the year	11,036,803	26,650,126
	446,276,915	435,240,112
Less: Adjustment during the year	1,064,696	
	445,212,219	435,240,112

The company remains closed since 1998 and thereafter this company is funded by the BCIC to meet up its regular expenses such as Officers & staff salary, general administrative overhead etc.



	2018- 19 Taka	2017- 18 Taka
21 Officers & Staff Salary		
Officers' Salary	3,565,228	20,041,244
Staff Salary	3,164,828	3,149,395
	6,730,056	23,190,639
21.1 Officers' Salary		
Basic Salary	1,851,546	2,533,575
House Rent Allowance	940,664	1,304,653
Medical Allowance	53,855	84,150
Gratuity & Leave pay	170,779	15,421,176
Honorarium	6,000	6,000
Festival Bonus	297,490	392,590
Company's Contribution to P.F	184,031	228,532
Education Allowance	22,823	25,800
Baishakhi Allowance	18,040	44,768
Food & Conveyance	20,000	
	3,565,228	20,041,244
21.2 Staff Salary		
Basic Salary	1,353,954	1,332,513
House Rent Allowance	620,247	656,260
Medical Allowance	133,935	140,026
Washing Allowance	8,929	9,333
Tiffin Allowance	17,858	18,668
Gratuity & Leave pay	408,320	379,150
Overtime Expenses	180,578	185,349
Education Allowance	54,000	54,873
Festival Bonus	227,400	214,670
Company's Contribution to P.F	135,395	132,831
Baishakhi Allowance	24,212	25,722
	3,164,828	3,149,395
22 General Administrative Overhead		
Telephone Exp.	6,808	
Electricity Bill	420,961	358,004
Gas Bill	38,400	39,000
Repairs & Maintenance	527,619	413,443
Casual & Contract Labour Bill	2,720,535	2,242,959
Uniform & Leverages	26,880	25,662
Audit Fees	50,000	50,000
Legal & Professional Fees	75,000	75,000
Entertainment Expenses	67,589	32,097
Printing & Stationery	37,285	16,006
Board Meeting Expenses	87,000	74,000
Land Tax	40,000	40,000
TA/DA	67,448	32,165
Depreciation	11,800	
	4,177,325	3,398,336

23 Related Party Transactions

During the year under review, the company carried out a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of *BAS 24: Related Party Disclosures*

Name of the parties	Relationship	Nature of transaction	Transactions during the year		Outstanding Balances		Notes ref.
			Revenue	Cost	Receivables	Payables	
Bangladesh Insulator and Sanitary Ware Factory Ltd.	Sister concern of BCIC	Current Account with enterprise	-	-	2,849,356	-	8
Triple Super Phosphate Complex Ltd.			-	-	3,014,253	-	8
Shahjalal Fertilizer Company Ltd. (Ex- NGFPL)			-	-	1,426,031	-	8
Training Institute for Chemical Industries			-	-	5,318	-	8
Polaah Urea Fertilizer Factory Ltd.			-	-	334	-	8
Chhatak Cement Company Ltd.			-	-	2,284	-	8
North Bengal Paper Mills Ltd.			-	-	1,461,331	-	8
Karnaphuli Rayon Chemicals Ltd.			-	-	28,950	-	8
Khulna News print Mills Ltd.			-	-	83,362	-	8
Takerghat Limestone Mining Project			-	-	1,930	-	8
Urea Fertilizer Factory Ltd. Ghorashal			-	-	-	26,513	18
Chittagong Urea Fertilizer Ltd.			-	-	-	17,180	18
Ashuganj Fertilizer & Chemical Company Ltd.			-	-	-	2,008	18
Jamuna Fertilizer Co. Ltd.			14,150	-	14,150	-	8
BCIC Head Office			-	-	-	34,665	18
Karnaphuli Paper Mills Ltd.			-	9,000	-	9,000	18
Chittagong Chemical Complex			-	-	-	73,535	18
BMI Ltd. (Ujala Match Factory Ltd.)			-	-	-	592	18
Sub-total					14,150	9,000	8,887,299
BCIC	Shareholder of DLCL (99.93%)	BCIC Loan Account-related party	-	-	-	636,064,696	19
		Current Account with BCIC-related party	-	9,972,107	-	445,212,219	20
Total			14,150	9,981,107	8,887,299	1,081,440,410	

24 Events after reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the statement of financial position date and the date when the financial statements are authorised for issue. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

However, there is no non adjusting events for this period.

Muhammad
28/9/2020
Managing Director

[Signature]
28.9.2020
Director

[Signature]
28.09.2020
Company Secretary

