

Daily Market Update

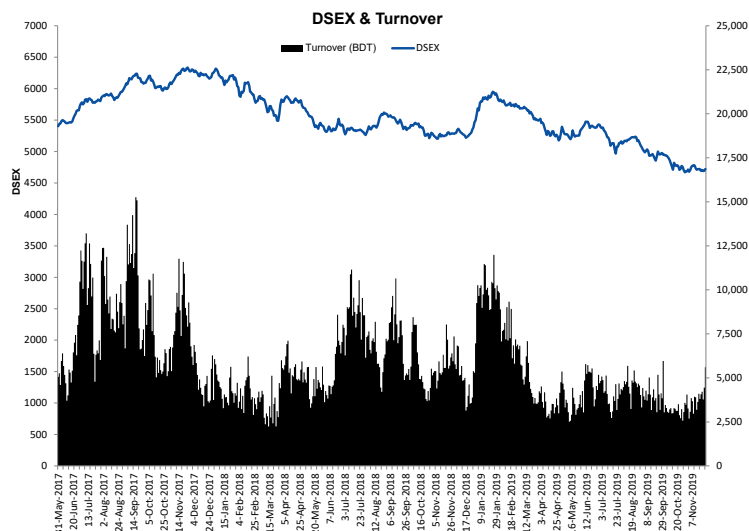
Market closed in green today. The benchmark index DSEX (+0.61%) gained 28.68 points and closed at 4,722.31 points. Both the blue chip index DS30 (-0.06%) and the Shariah-based index DSES (-0.13%) closed in red. The large cap sectors showed mixed performance today. NBFIs booked the highest gain of 3.49% followed by Banks (+1.24%) and Engineering (+0.11%). Food & Allied experienced the highest loss of 0.80% followed by Telecommunication (-0.58%), Pharmaceuticals (-0.31%), and Power (-0.08%). Turnover stood at BDT 5.6 billion (USD 67.4 million). National Tubes (-2.6%) was the most traded share with a turnover of BDT 134.5 million.

Sector Index	Closing	Opening	Δ(Pts)	Δ%	No. of Cos	Sectoral Mcap	% of Total Mcap	Sectoral Turnover	% of Total Turnover
Banks	1,346.53	1,330.06	16.47	1.24%	30	549,595.2	18.37%	770.2	14.06%
NBFIs	1,668.55	1,612.21	56.34	3.49%	23	154,254.9	5.16%	301.6	5.50%
Mutual Funds	601.34	600.82	0.51	0.09%	37	31,250.0	1.04%	66.6	1.22%
General Insurance	1,958.57	1,987.82	-29.25	-1.47%	35	53,052.3	1.77%	517.2	9.44%
Life Insurance	2,108.27	2,110.07	-1.79	-0.09%	12	58,781.7	1.96%	88.6	1.62%
Telecommunication	4,289.98	4,314.92	-24.94	-0.58%	2	431,172.7	14.41%	126.6	2.31%
Pharmaceuticals	2,693.18	2,701.68	-8.50	-0.31%	32	507,944.5	16.98%	759.5	13.86%
Fuel & Power	1,653.43	1,654.72	-1.29	-0.08%	20	409,882.8	13.70%	394.7	7.20%
Cement	1,124.06	1,125.67	-1.61	-0.14%	7	68,359.3	2.28%	31.4	0.57%
Services & Real Estate	937.21	935.16	2.06	0.22%	8	36,721.3	1.23%	70.4	1.28%
Engineering	2,447.10	2,444.33	2.77	0.11%	39	158,802.4	5.31%	738.9	13.48%
Food & Allied	13,483.68	13,592.91	-109.23	-0.80%	17	249,036.0	8.32%	177.4	3.24%
IT	1,711.10	1,687.37	23.73	1.41%	9	18,918.3	0.63%	96.4	1.76%
Textiles	1,103.51	1,065.27	38.24	3.59%	55	107,021.5	3.58%	835.8	15.25%
Paper & Printing	5,348.51	5,270.10	78.41	1.49%	3	10,225.9	0.34%	27.1	0.49%
Tannery	1,835.99	1,846.19	-10.20	-0.55%	6	19,770.5	0.66%	109.9	2.01%
Jute	12,601.66	12,631.28	-29.62	-0.23%	3	2,785.0	0.09%	11.1	0.20%
Ceramics	481.03	479.81	1.22	0.25%	5	23,233.4	0.78%	69.2	1.26%
Miscellaneous	1,826.65	1,828.21	-1.57	-0.09%	13	101,354.9	3.39%	287.2	5.24%

Top Ten Gainers	Close	Δ%	Turnover (mn BDT)
Saiham Textile	37.60	9.9%	8.7
Queen South Textiles Mills Limited	34.30	9.9%	43.5
Progressive Life Ins	86.50	9.9%	.0
Zaheen Spinning Limited	6.70	9.8%	12.2
Agni Systems Ltd.	15.90	9.7%	13.5
Dragon Sweater & Spinning Ltd.	11.40	9.6%	33.9
Tosrifia Industries Limited	12.70	9.5%	4.9
Central Pharmaceuticals Limited	9.30	9.4%	28.8
Maksons Spinning Mills Limited	4.80	9.1%	4.7
Hakkani Pulp & Paper	47.40	9.0%	9.9

Top Ten Losers	Close	Δ%	Turnover (mn BDT)
Emerald Oil Industries Ltd.	12.70	-8.6%	3.8
Renwick Jajneswar	903.40	-7.4%	2.1
Janata Insurance	18.60	-4.6%	5.3
Samata Leather	109.20	-4.3%	4.3
Silco Pharmaceuticals Limited	34.00	-4.2%	17.1
EBL First MF	4.60	-4.2%	.1
Agrani Insurance Co. Ltd.	29.90	-4.2%	24.5
Rupali Life Insurance Co. Ltd.	50.90	-3.8%	33.3
BD Welding	15.80	-3.7%	.4
Federal Insurance	14.60	-3.3%	26.2

Most Traded Share	Close	Δ%	Turnover (mn BDT)
National Tubes	154.20	-2.6%	134.5
City Bank	22.30	4.2%	127.4
Kattali Textile Limited	13.30	8.1%	127.0
Lankabangla Finance	18.70	6.2%	122.3
Beacon Pharmaceuticals Limited	36.60	0.5%	120.1
The Premier Bank	12.80	4.1%	114.4
Sonar Bangla Ins	51.50	3.6%	113.3
Meghna Petroleum	193.70	-0.3%	109.5
Dutch-Bangla Bank	72.20	-0.7%	101.5
SK Trims & Industries Limited	46.30	4.8%	101.1



Associate:
Md. Rafiqul Islam
 (880)1708805229
 mrafiqulislam@bracepl.com

Associate:
Md. Mahirul Quddus
 (880)1709636546
 mmahirul.quddus@bracepl.com

Index	Closing	Opening	Δ(Pts)	Δ%	%ΔYTD
DSEX	4,722.31	4,693.63	28.68	0.61%	-12.32%
DS30	1,634.80	1,635.85	-1.05	-0.06%	-13.08%
DSES	1,075.24	1,076.64	-1.40	-0.13%	-12.78%

	Advanced	Declined	Unchanged	Total
All Category	184	133	33	350
A Category (Equity)	126	104	28	258
B Category (Equity)	20	12	1	33
N Category (Equity)	6	3	0	9
Z Category (Equity)	32	14	4	50
Mutual Funds	8	11	18	37
Corporate Bonds	0	1	0	1

Market Stat	Today	Last Day	% Change	
Mcap	Mn BDT	3,551,794.0	3,542,932.8	
	Mn USD	42,725.8	42,619.2	0.3%
Turnover	Mn BDT	5,603.6	4,440.8	26.2%
	Mn USD	67.4	53.4	
Volume	Mn Shares	227.5	159.5	42.6%
Trade		153,010	132,206	15.7%

Top Ten Market Cap	Mcap (mn BDT)	% of Total Mcap	Turnover (mn BDT)	PE	PB
Grameenphone Ltd.	413.5	13.8%	53.67	11.9x	9.8x
British American Tobacco Bangladesh Company Limited	194.8	6.5%	27.60	22.6x	8.0x
Square Pharmaceuticals	179.3	6.0%	82.99	14.0x	2.7x
United Power Generation & Distribution Company Ltd	138.0	4.6%	26.29	16.3x	9.4x
Renata Ltd.	103.6	3.5%	19.53	26.3x	5.7x
BRAC Bank	72.8	2.4%	36.96	14.2x	1.9x
Berger Paints	65.9	2.2%	4.52	28.4x	9.8x
Investment Corporation of Bangladesh	64.1	2.1%	6.16	NM	2.2x
Marico Bangladesh Limited	53.8	1.8%	2.77	21.5x	36.5x
Summit Power	40.2	1.3%	9.32	7.8x	1.5x

Top Ten Free Float Mcap	Free Float Mcap (mn BDT)	% of Total Free Float	Turnover (mn BDT)	PE	PB
Square Pharmaceuticals	117.6	9.7%	82.99	14.0x	2.7x
British American Tobacco Bangladesh Company Limited	51.5	4.3%	27.60	22.6x	8.0x
Renata Ltd.	50.6	4.2%	19.53	26.3x	5.7x
Grameenphone Ltd.	41.3	3.4%	53.67	11.9x	9.8x
BRAC Bank	40.5	3.4%	36.96	14.2x	1.9x
Beximco Pharmaceuticals	27.9	2.3%	22.78	10.2x	1.1x
Olympic Industries	26.4	2.2%	14.41	18.7x	5.8x
Eastern Bank	19.3	1.6%	.39	8.6x	1.2x
Pubali Bank	17.9	1.5%	2.52	6.8x	0.9x
National Bank	16.7	1.4%	20.65	7.2x	0.5x

Block Trade	Maximum Price	Minimum Price	Turnover (mn BDT)	Quantity	Trade
British American Tobacco Bangladesh Company Limited	1,086.00	1,086.00	4.34	4,000	1
BRAC Bank	59.00	59.00	32.45	550,000	2
Coppertech Industries Limited	30.20	30.20	0.53	17,500	1
Fortune Shoes Limited	27.70	27.70	1.84	66,500	1
Grameenphone Ltd.	307.20	307.20	15.36	50,000	1
Jamuna Oil	156.00	156.00	15.60	100,000	1
Lankabangla Finance	16.10	16.10	0.71	44,000	1
Marico Bangladesh Limited	1,715.00	1,715.00	3.40	1,983	1
Prime Insurance	25.80	25.80	1.55	60,000	1
Shurwid Industries Limited	30.00	30.00	2.97	99,100	2
Singer Bangladesh	180.00	180.00	12.25	68,033	1
SK Trims & Industries Limited	44.50	44.50	1.77	39,800	2
S. S. Steel Limited	30.20	30.20	3.02	100,000	3
Tosrifa Industries Limited	12.60	12.60	0.63	50,000	1
Uttara Bank	24.90	24.90	27.39	1,100,000	27

Corporate Actions: Upcoming Record Dates

DSE Ticker	Company Name	Rights	Stock	Cash	Year End	Record Date
MLDYEING	M.L. Dyeing Limited		15.0%	5.0%	30-Jun-2019	27-Nov-2019
NLTUBES	National Tubes Limited		10.0%	0.0%	30-Jun-2019	27-Nov-2019
SALAMCRST	S. Alam Cold Rolled Steel Mills Limited		0.0%	10.0%	30-Jun-2019	27-Nov-2019
HRTEX	H.R. Textile Mills Ltd.		0.0%	10.0%	30-Jun-2019	27-Nov-2019

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Important DSE News

SAMATALETH

Referring to their earlier news disseminated by DSE on 03.11.2019 regarding dividend declaration, corporate benefit was not adjusted in connection with declaration of 2 % stock dividend as they did not comply the BSEC Notification No. BSEC/CMRRC/2009-193/222/admin/91 dated May 23, 2019. BSEC instructed not to further process (provisional crediting of bonus shares to respective BO accounts with regard to corporate action) until final approval at AGM as well as disposal of said violation.

CENTRALPHL

Qualified Opinion: 1. Three Bank Accounts of the company with Janata Bank Ltd. Local office, Dhaka were frozen by the Tax Authority demanding Tax Liability amount of Tk. 93,082,463 vide their letter no. 178456845965/Circle-155/2014-2015/232 dated 26.04.2015 and no subsequent development thereof was noticed. Accordingly the company has been running through cash transactions since long. 2. No latest status on Tax assessment position of the company was provided and it was seen from a letter of the tax authority vide no. Tax liability/A-13/Circle-155/2017-2018 dated 04.04.2018 that an accumulated amount of Tk. 488,160,889 was payable as tax liability as against the assessment years from 2007-2008 to 2016-2017. It was also found that IT returns of the company for the assessment years 2017-2018 and 2018-2019 were submitted on 22.10.2019 and tax assessment thereof not been completed. Accordingly, Advance Tax Tk. 271,125,547 and Liabilities for Tax Tk. 278,978,472 remain unadjusted in the accounts as a result Gross Assets and Gross Liabilities have been overstated. Moreover, no supporting documents as against payment of advance tax of Tk. 18,097,893 during the year 2018-2019 have been provided. 3. The volume of inventories is so high in comparison to purchase, production capacity, cost of goods sold and turnover as a whole and has been increasing years to year. No technical status report as on 30 June, 2019 on the quantity, quality and value of inventories has been provided. And we could not also be able to verify the inventories physically as on 30 June, 2019 as we were appointed as auditors of the company on 05.10.2019. As such, physical existence with good condition and saleable value of major portion of inventories is doubtful, as movement of inventory were not recorded properly by the company and no valid evidence has been provided. 5. The balance of accounts receivable has been increasing years to year. No latest status report thereof and confirmation certificate of lying balances as on 30.06.2019 with the concerned sales centers and parties have been provided. The company does not have details of receivables or any policy regarding recoverability of these receivables. Hence, recovery of accounts receivable is doubtful, but no provision for bad debts has been accounted for.

SONARGAON

Basis for Qualified Opinion: As per Note-16 to the Financial Statements, the Company has recorded a deferred tax liability of BDT 5,38,54,640 on the statement of financial position and a deferred tax expense of BDT 1,78,784 on the Statement of Profit & Loss. Due to limitation of the Company's financial records and information systems, the Company was unable to provide adequate and reliable audit evidence to determine the temporary differences between the accounting and tax values of the Company's assets and liabilities. Consequently, we were unable to quantify the necessary adjustment amount for the relevant financial line items. Note. 16: Deferred tax liability is Tk. 53,854,640 as on 30 June 2019 and Tk. 53,675,856 as on 30 June 2018. Emphasis of Matter: We would like to draw your attention to Note 11 and 14 which describes the Company's on-going legal proceedings with two of their financial institutions: Mutual Trust Bank Limited and Bangladesh Development Bank Limited. Our audit opinion is not qualified in respect to this matter

emphasized. Note No. 11: Current portion of Long Term Loan (Secured) is Tk. 348,821,599 for the year ended on 30 June 2019 and Tk. 263,424,661 for the year ended on 30 June 2018. In respect of the loan facilities availed from Bangladesh Development Bank Ltd. (BDBL) (Former Bangladesh Shilpa Bank) for Unit No. 1, 2 & 3, the loan amount presented in the statement of financial position equals Tk. 29,16,78,689. However, the bank has made a suit through Artha Rin Adalat vide suit no. 7 of 2017 with suit value 34,62,91,000. The company is currently contesting this claim in the courts. The loan balance presented in the statement of financial position represent the original principle amount due plus accrued interest calculated as per the original interest and not the interest rate claimed by the bank. Due to the ongoing litigation with the courts, the loan balance is subject to confirmation. Note No. 14: Long term loan (not due secured) is Tk. 523,858,156 for the year ended on 30 June 2019 and Tk. 520,933,135 for the year ended on 30 June 2018. The Company availed loan from Rupali Bank Limited (RBL) for Unit 3 through mortgage of Company's Fixed Assets and personal guarantee of all sponsor Directors. The bank performed a reschedule for the loan in the current year. The bank charges interest on the loan facilities @ 13% of CC Hypo & 16% of the Term Loan. In the current year, the bank performed a reschedule for the loan due and the difference between the old and updated loan balance was accrued by the Company as interest expense to ensure the carrying value of the loan matches the amount confirmed by the bank. Long Term Loan includes a classified loan availed from Mutual Trust Bank (MTB) with a loan balance representing taka 29,20,80,230. However, the bank made a suit through "Artha Rin Adalat" vide suit no. 878 of 2015 against the company for recovery of money with suit value taka 219,501,331 the company is currently contesting this claim in the courts. (cont. 7) (Continuation news of SONARGAON): The loan balance presented in the statement of financial position represent the original principle amount due plus accrued interest calculated as per the original interest and not the interest rate claimed by the bank. Due the ongoing litigation with the courts, the loan balance is subject to confirmation.

DULAMIACOT

Material Uncertainty Related to Going Concern: We draw attention to Note # 1.06 in the financial statements, which indicates that the Company incurred a net loss of TK. 17,218,067 during the year ended June 30, 2019 and as of that date, the Company's current liabilities exceeded its total assets by TK. 192,557,063. As stated in Note 1.06, these events or conditions, along other matters as set forth in Note 1.06 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. Note 1.06 Going Concern: The Company's financing arrangement expires & amounts outstanding are payable June 30, 2019. The Company has been unable to conclude re-negotiation. This situation indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. The issues are stated below: (a) The company is incurring loss for several years till reporting date and its accumulated net asset is Tk. (264,219,099) as at 30 June 2019. However, the going concern uncertainty is appropriate. (b) AS per the accounts as of 30th June 2019, the accumulated loss is Tk. 339,965,245. However, our capital base stood at Tk. 75,566,000 as on 30th June 2019. If we compare our accumulated prior year loss with the current capital base, the equity would be negative to the amount of Tk. 264,399,245. (c) If we compare our current asset base amounted to Tk. 27,130,533 against current liabilities amounted to Tk. 321,230,045, the negative net working capital is amounted to TK. (294,099,512), this indicates another weakness of the working capital financing. (d) Negative net operating cash flow has stood at Tk. 6,668,619 for the year ended on June 30, 2019. (e) Long term liabilities have stood at Tk. 71,662,036 on June 30, 2019.

AAMRANET

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Disclaimer of Opinion: 1. We could not confirm revenue amounting to Tk. 697,793,571 as management could not provide us original sales invoice due to loss of relevant documents caused by fire (Note: 1.3). However company provided us with system printed invoices from NBR approved VAT software. 2. We could not confirm cost of goods sold amounting to Tk. 341,729,677 as management could not provide us original Purchase order due to loss of relevant document caused by fire (Note: 1.3). However company provided us with system printed purchase order. In addition to that we could not confirm operating expenses amounting to Tk. 57,107,555 as management could not provide us documents due to loss of relevant document caused by fire (Note: 1.3). Note 1.3 Fire Incident at company's head office: FR Tower at Banani in Dhaka catches fire on Thursday, March 28, 2019. The fire incident, at FR Tower in Banani, caused huge losses to life and property. The companies accounts department was situated in FR Towers 9th floor. The companies nine months (from 01 July 2018 to 28 March 2019) hard copy evidences, Cash amounting to Tk 246,222 and property, plant and equipment amounting to Tk. 3,505,446 have been destroyed by fire as mentioned in G.D at Banani Thana G.D No. 660(5) dated 10.04.2019.

ECABLES

Qualified Opinion: i) No balance confirmation certificate has returned by the party to verify the amount of BDT 165,460,836.00 of trade receivable. (Note - 9.01) Note 9.01: Balance of Trade Receivable before adjusting Amount Considered Bad & Doubtful was Taka 165,460,836 as on 30-Jun-19 and Taka 125,841,659 as on 30-Jun-18. The above receivable balances are unsecured but considered good. The Company has no receivable either from any of the Directors or Officers of the company. Out of the above balance receivable from Cemex Cement (BD) Ltd., Bangladesh Textiles Mills Ltd., Narayangonj, Chittagong Port Authority, M/S Purbanchal Electric Dhaka, Faridpur Sugar Mills Ltd., are negligible. ii) An amount of BDT 1,333,990.25 of other receivable has been carried forward in the statement of financial position since long without making any provision. The company made correspondences with the parties to realize the long outstanding balances but the amounts are not realized yet. Since the amount was not provided in financial statements as bad debt provision, expenses have been understated in some extent. Note 9.02 Balance of Other Receivable was Taka 1,333,990 as on 30-Jun-19 & Taka 1,349,226 as on 30-Jun-18. The above balances are unsecured but considered good. The Company has no receivable either from any of the director or officer of the company. The aforesaid balance of bad & doubtful consist of duty draw back BDT 252,702.00, Unclaimed Insurance BDT 218,521.00 and survey fee BDT 277.

JUTESPINN

Qualified Opinion: 1. Material Uncertainty Related to Going Concern: Unfortunately, the Company is passing through a critical time arisen from dull international jute goods market which indicates clearly a material uncertainty in respect of going concern. But the management assured that the uncertainty will be removed very soon because the management is trying afresh to overcome the rough situation by all means. 2. Revaluation of Property, Plant and Equipment: Unfortunately, the mill is closed since June, 2016 and all business and related activities disrupted accordingly. However, the management will take necessary steps to re-value the property, plant & equipments and comply the direction of IAS-16, Para 31 accordingly immediately after re-start of mill. 3. Proper steps will be taken under para 9 of IAS-36 immediately after re-start of mill. 4. Inventory: Inventory are carried forward from the previous year as the mill is closed since June, 2016 proper steps to be taken immediately after re-start of mill at soonest possible time. 5. The Managing Director & CEO Mr. Muhammad Shams-uz Zoha willingly pay Tk. 19,236,541/- in two years for the existence of the company on some humanitarian grounds. He would not take interest and the loan amount may be refunded back after the company return to a solvent position. 6. Interest/profit on

loan from Ayasha Kadir has not been provided due to the fact that the interest/profit may not be paid during the year. 7. Property, Plant and Equipment: Property, Plant and Equipment is properly in existence but the physical inventory was not taken due to the fact that the mill is closed since June, 2016. 8. WPPF: The management will take necessary steps to comply with all the legal requirement in respect of WPPF account. 9. Gratuity Provision: The Company is not paying workers wages & staff salary for more than 30 months. In such a case provision for gratuity is out of question. If the mill restarts, all the problem will be solve gradually. 10. Transaction with directors were made in cash due to the emergency causes only. 11. The Bank does not provide statement of P.C Loan. But interest has been provided on the balance @ 13%. 12. We could not collect the ERQ account statement from Janata Bank Ltd., Local Office, Dhaka. The Bank informed verbally that permission required to supply any document as that submit a money suit against our company. 13. The Management seems that no provision is required against advance because all the amount will be recovered after restart the mill. Emphasis Matter: i) Interest could not be provided due to take of Bank Statement of P.C Loan. However, it will be provided later on. ii) The claim of west zone Power Distribution Co. Ltd. will be accounted for on payment basis.

NLTUBES

Material Uncertainty Related to Going Concern: As referred to in Note # 3.06 in the financial statements which describes the basis of using going concern in preparing financial statements by the Company. The Company has been making losses over the last few years which has also resulted in the decrease of its retained earnings balance at the reporting date. Besides, due to continuous losses its operating cash flows were also in negative during the year. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter. Note. 3.06: Going Concern: The financial statements of the company have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence it is assumed that the entity has neither intention nor need to liquidate or curtail materially the scale of its operation. The company has been incurring loss for consecutive three years including current year. Due to making loss continuity, its retained earnings balance is running out frequently. The management will take proper step to run the company as going concern (plan of continuation of business). Emphasis of Matter: Without qualifying our opinion, we draw attention on the matter as disclosed below: a) The Company has reported Tk. 283,111,233 as advance income tax as disclosed in Note # 11.00 to the financial statements. However, corresponding provision for income tax stood at Tk. 59,135,822 at the same date. As a result, the Company is yet to recover or fully adjust this excess amount of income tax of Tk. 223,975,411 as paid till the reporting period from tax authority. Note 11: Advance Income Tax as on 30 June 2019 is Tk.283,111,233 and Tk. 266,597,278 as on 30 June 2018. b) In reference to Note no. 16.01 of the Financial Statement, the Company has made adjustment against enhancement of new wages scale with Retained Earnings as per the order of Ministry of Labor and Employment vide letter no. 40.00.0000.016.31.016.18-57. Dated October 22, 2018. Which should be presented as per IAS 1: (Presentation of Financial Statements) Note 16.01: Prior Year's Income/ Expenses Adjustment Account: Tk. (17,825,999) as on 30 June 2019. This is made up as follows: Deduction for Excess Payment of incentive & Festival Bonus (FY 90-91) & increment to associated Muktijoddha, Festival Bonus on dearness allowance, Conveyance, washing allowance & store in transit. During the year, Employees and Staff benefits has been increased by order of Ministry of Labour and Employment vide letter no. 40.00.0000.016.31.016.18-57, dated October 22, 2018 and accordingly the company made provision against implement of new wages scale of employees and staff. As per permission of order clause 4(GA) required increased benefits to be paid by two installments within two financial years 2018-2019 and 2019-2020. As result, the company has created

provision of 50% of incurred in the financial year 2018-2019.

KPPL

Qualified Opinion: a) As disclosed in Note # 20 and 7 to the financial statements, Inventories were carried at Tk. 516,081,100 in the statement of financial position as on 30 June 2019. Physical inventory count was taken as on 30 June 2019 by the management. The Company stated that inventory was valued at the lower of cost and net realization value. Though the quality of the stocks is not certified any competent authority as it remained unused for long period. Inventory records were not properly updated and valuation was also not performed to determine net realizable value. Inventory quantities held at the reporting date contain obsolete and damaged items for which no write-off or obsolescence allowances was recognized by the Company. Note 20.00 Inventories: Balance of Inventories was Taka 516,081,100 as on 30.06.2019 and Taka 354,400,000 as on 30.06.2018. Physical inventory was taken as on 30.06.2019. It was valued at cost being lower of net realization value. Though the quality of the stocks is not certified by any competent authority as it is remained unused for long period. Note 7.00 Inventories: Inventories comprise raw materials and finished goods. They are stated at the lower of cost and net realizable value on consistent basis in accordance with IAS 2 as adopted by ICAB as IAS 2 Inventories". Net realizable value is based on estimated selling price less any further costs expected to be incurred for completion and disposal. B) As referred in Note # 21.00 to the financial statements, the Company reported goods in transit of Tk. 146,409,839. The management has certified that these goods were imported through various L/C. The realization of the value of these goods in transit is subject to uncertainty due to long gap which would result in write-off of its recorded amount to realizable value. Note 21.00 Goods in Transit: Balance of Goods in Transit was Taka 146,409,839 as on 30.06.2019 and Taka 138,747,608 as on 30.06.2018. Realization of the value is uncertain after such long gap. C) As disclosed in Note # 22.00 in the financial statements, trade receivables of Tk. 282,072,221 were reported as on 30 June 2019. The Company stated that the amount of trade receivables is considered good and will be fully realizable within the next 12 months. The age of some portion of these trade debtors falls below six months and the rest over six months. No provision has been made for doubtful or bad debts. Though some portion of these may be realizable after such long gap as management believes, the recoverability of these long outstanding balances is still doubtful against which provision for doubtful debt should have been recognized in the financial statements Note 22.00 Trade Receivables: Balance of Trade Receivables was Taka 282,072,221 as on 30.06.2019 and Taka 271,671,882 as on 30.06.2018. Emphasis of Matter: We draw attention on the following matters in respect of which our opinion is not qualified: a) As disclosed in Notes # 35.00, 57.00, 60.00 to the financial statements, which describes that due to non-operation for several years the wastage of raw materials has caused significant deterioration in the Company's financial performance during the year as evidenced by the increase in its net loss by Tk. 82,257,562 to Tk. 171,194,706 as compared with the last year. In addition, operating cash flows were also deteriorated in line with the increase in net loss as occurred during the year. The Company has adequately disclosed the issues and continued to use going concern basis of accounting in the preparation of the financial statements as referred in Note # 18.07 to the financial statements. Note 35.00 Cost of Goods Sold/Factory Expenses: Balance of Cost of Goods Sold/Factory Expenses was Taka 392,394,015 as on 30.06.2019 and Taka 15,650,954 as on 30.06.2018. Due to non-operation during last several years raw materials became wastages so the cost of goods sold became high. Note 57.00 Events After the Reporting Period 1. The Board of Directors of the Company, in its meeting held on 28.10.2019 decided to recommend 1% cash dividend from retained profit for shareholders excluding the Directors and Sponsors for the year ended June 30, 2019. 2. Quality of raw materials in hand and in transit became deteriorated and the financial loss could not be finalised as at June 30, 2019 because it is

still with customs authority. Note 60.00 Commercial operation of the Company re-started from the dated November 30, 2018 and turnover was low, wastages of raw materials of the Company was high due to close of operation for several years lead to significant loss during the year. Note 18.07 Going Concern: The Company has been able to resume its production during the year following temporary shutdown of its production which was halted because BIN of the Company was locked down by the Customs authority. The Management of the Company has performed assessment forecasting its projected performance for the next financial year. The Company has been generating enough revenue as evidenced by its subsequent increase in sales revenue as compared to corresponding period of the previous year. Therefore, Management believes the Company has adequate access to resources to continue to operate as a going concern and hence, adopted the basis of going concern in the preparation and presentation of the financial statements. b) As described in Note # 29 to the financial statements, the Company has classified loans in the form of B/L (Bad or Loss) of Tk. 221,319,626 under various credit facilities from Al -Arafah Islami Bank Ltd. Note 29.00 Bank Loan: Balance of Bank Loan was Taka 483,322,866 as on 30.06.2019 & Taka 432,293,357 as on 30.06.2018. The above loan facilities from Al -Arafah Islami Bank Ltd, are secured by the land and building of the Company as well as personal guarantee of all the directors. The loan has been carrying with interest at the rate of 13%-14%. Out of total outstanding loans of Tk. 483,322,866, the Company has classified loans as Bad or Loss (B/L) under Murabaha (Trust Receipt) loan of Tk. 99,477,344 and under MPI (Trust Receipt) of Tk. 120,008,699 and under BaiMuazzal (Gen) MEF of Tk. 1,833,583 as per outstanding liability position as on 30 June 2019 provided by the bank.

USMANIAGL

Qualified Opinion: Material uncertainty relating to Going Concern: Designed production capacity of Furnace- 1 & 2 of "Usmania Glass Sheet Factory Limited" was 20,100,000 (2mm basis) sft. Out of 20,100,000 (2mm basis) sft designed capacity of Furnace-1 is 6,700,000 sft (2 mm basis) & Furnace -2 is 13,400,000 sft (2mm basis). But in the year of 2018-2019 Furnace- 1 has been closed as there was overstock of finished goods remained unsold due to lower market demand & water logging for heavy rain and it would not restart without major overhauling. Moreover the Usmania Glass Sheet Factory Limited suffers huge technological problem for production. Production technology of the company has become backdated comparing with its competitors. For backdated technology, cost of the product is exceeded its selling price resulting the company has been incurring huge Operating loss both in current as well as last few years. (Refer to Note- 32, Para iii) Note- 32, Para iii: Finished goods of previous Financial year 2017-18 includes 32,00,000 sft (2 m.m. basis) Sub-Standard glass sheet, which was sold in the Financial year 2018-19. Which net realizable value was (32,00,000 sft x Tk.7.94) = Tk. 2,54,08,000.00 against valuation price (32,00,000 x Tk.14.74) = Tk. 4,71,68,000.00 Where net loss arises from these goods Tk. 2,17,60,000/- Implementation of wages commission 2015 involves Tk.2,61,34,524 excess with compare to previous year. Which is the another reason for operational loss. Beside these Raw materials i.e. (Soda Ash & Dolomite Stone) Price was higher than previous year. On the other hand, sales commission was also higher than previous year that's why operational loss increases in the Financial year 2018-19. The accumulated loss has been arrived to the amount of Tk. 356,445,800. The fact indicates that the existence of material uncertainty that may cast significant doubt on the ability to continue as a going concern in the foreseeable future, unless the competent authority gives future liquidity support and or install new machinery with latest technology for improving operational efficiency on the certainty of installation of the new technology. Moreover, the company suffers huge liquidity crisis to meet its day to day activities. The company encashed its FDR to meet liquidity crisis without acquisition of any non-current assets. A disclosure regarding going concern has been made in note no. # 02.06 of notes to the financial statements but the disclosure is inadequate. Note 02.06 Going Concern: Float glass technology as

used in the company is the oldest & outdated compared to the present day technology of much more improved glass products all over the world not to speak of our country alone, So the company's Float glass is substantially losing year after year in terms of production efficiency and marketability simultaneously forcing the increase in production cost added with gradually decrease in selling price thus justifying the company shifting of its product line. As such the company is going to implement a new project for production of container glass within three years. Which will take over the existing facilities as much as possible. Matter of Emphasis: 1. The reason for decrease in EPS from (1.50) in the previous year to this year (6.21) is mainly due to increase in operating losses (Refer to Note-32.00). Note 32.00 Sales Commission/Discount was Taka 49,798,378 for the year ended on 2018-2019 & Taka 27,213,590 for the year ended on 2017-2018. The above amount represents the normal trade commission allowed during the year @ 3% Net Sales of amount. In addition to special trade commission @ 2% on net sales, 1% breakage commission & Truck fare which has been provided at different slab based on different area; (i) 318th Board Meeting Dated 27-06-18 & 319th Board Meeting Dated 24-07-18 Effect 01 July to 31 -10-18, 9.5% (ii) 322th Board Meeting Dated 29-10-18 & 325th Board Meeting Dated 30-01-19, 9.5% & Extra 10.00% 31-10-18 to 01-02-19 (ii) (a) 327th Board Meeting & Dated 29-04-19 Effect 9.5% & Extra 10% 01-03-19 to 30-06-19 (iii) Finished goods of previous Financial year 2017-18 includes 32,00,000 sft (2 m.m. basis) Sub-Standard glass sheet, which was sold in the Financial year 2018-19. Which net realizable value was (32,00,000 sft x Tk.7.94) = Tk. 2,54,08,000.00 against valuation price (32,00,000 x Tk.14.74) = Tk. 4,71,68,000.00 Where net loss arises from these goods Tk. 2,17,60,000/- Implementation of wages commission 2015 involves Tk.2,61,34,524 excess with compare to previous year. Which is the another reason for operational loss. Beside these Raw materials i.e. (Soda Ash & Dolomite Stone) Price was higher than previous year. On the other hand, sales commission was also higher than previous year that's why operational loss increases in the Financial year 2018-19. (iv) Designed capacity of Furnace-1 is 67,00,000 sft (2 m.m. basis) & Furnace-2 is 13,400,000 sft (2 m.m. basis). In the year 2018-19, the production target of Furnace-2 was revised by the Board of Director 1,45,00,000 sft (2 m.m. basis) which was achieved by UGSFL by producing 1,53,87,352 sft (2 m.m. basis). Subsequently selling target was 1,45,00,000 sft which was also achieved by selling 18,906,546 sft (2 m.m. basis). 2. As per Para 32 of IFRS 7, the company shall require to disclose about the types of risks that arise from financial instruments (such as financial assets and financial liabilities) and how they are managed those risk. But the company did not provide any information about the risks arising from financial instruments in the report.

LHBL

Referring to their earlier news disseminated on 17.01.2019 regarding EGM for approval from shareholders for proposed amalgamation, the Company has further informed that the Hon'ble High Court Division of the Supreme Court of Bangladesh passed its judgment in Company Matter No. 376 of 2018 approving the Scheme of Amalgamation of Holcim Cement (Bangladesh) Limited (Transferor Company) with LafargeHolcim Bangladesh Limited (Transferee Company). The certified copy of the said order was received November 21, 2019. On November 26, 2019, the said judgment dated October 21, 2019 has been filed with the Registrar of the Joint Stock Companies & Firms as per direction of the Hon'ble Court.