

## Daily Market Update

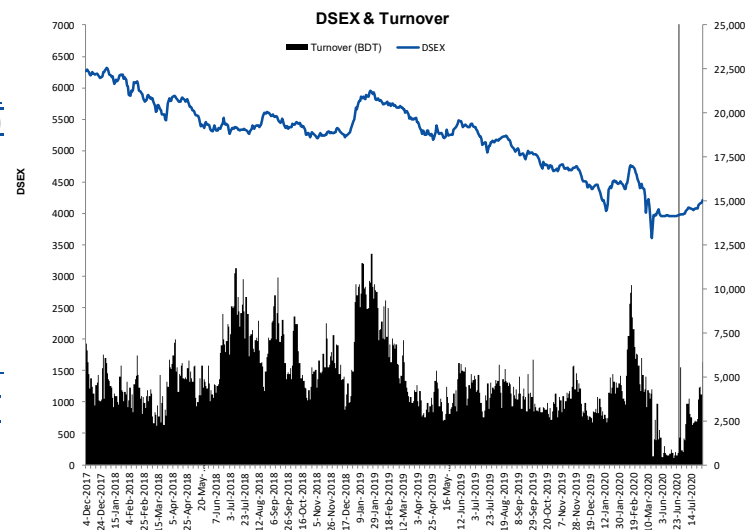
The market closed in green today. The benchmark index DSEX (+1.04%) gained 43.22 points and closed at 4,214.43 points. The blue-chip index DS30 (+1.34%), the Shariah-based index DSES (+1.23%), and large cap index CDSET (+0.96%) all closed in green. All the large cap sectors posted positive performance today. Telecommunication booked the highest gain of 1.88% followed by Pharmaceuticals (+1.04%), Engineering (+0.82%), Power (+0.63%), Food & Allied (+0.58%), NBFIs (+0.31%), and Banks (+0.17%). Turnover stood at BDT 5.8 billion (USD 68.4 million). Block trade contributed 14.3% of the overall market turnover. Beximco Pharmaceuticals (+3.5%) was the most traded share with a turnover of BDT 281.1 million.

Sector Index	Closing	Opening	Δ(Pts)	Δ%	No. of Cos	Sectoral Mcap (mn BDT)	% of Total Mcap	Sectoral Turnover (mn BDT)	% of Total Turnover
Banks	1,141.78	1,139.86	1.92	0.17%	30	465,389.8	17.21%	114.0	2.29%
NBFIs	1,416.90	1,412.58	4.32	0.31%	23	130,991.6	4.84%	76.1	1.53%
Mutual Funds	571.24	570.96	0.28	0.05%	37	29,686.7	1.10%	38.5	0.77%
General Insurance	2,178.24	2,128.89	49.34	2.32%	35	58,852.0	2.18%	918.6	18.45%
Life Insurance	2,059.92	1,996.22	63.70	3.19%	12	57,433.6	2.12%	176.2	3.54%
Telecommunication	3,643.72	3,576.33	67.39	1.88%	2	366,219.2	13.54%	293.0	5.88%
Pharmaceuticals	2,623.54	2,596.46	27.08	1.04%	32	494,537.5	18.28%	991.1	19.90%
Fuel & Power	1,492.99	1,483.66	9.33	0.63%	19	370,110.3	13.68%	350.2	7.03%
Cement	1,197.32	1,195.27	2.05	0.17%	7	72,815.6	2.69%	40.8	0.82%
Services & Real Estate	972.79	970.16	2.63	0.27%	8	38,838.5	1.44%	53.8	1.08%
Engineering	2,073.85	2,057.00	16.85	0.82%	39	134,569.7	4.98%	461.0	9.26%
Food & Allied	11,561.61	11,494.79	66.82	0.58%	17	213,503.9	7.89%	250.6	5.03%
IT	1,969.12	1,962.87	6.25	0.32%	9	21,771.0	0.80%	220.3	4.42%
Textiles	1,004.05	984.00	20.05	2.04%	56	101,341.7	3.75%	700.2	14.06%
Paper & Printing	5,784.29	5,627.20	157.09	2.79%	4	14,581.6	0.54%	31.8	0.64%
Tannery	1,667.26	1,667.26	0.00	0.00%	6	17,849.2	0.66%	6.7	0.13%
Jute	8,051.14	8,001.48	49.66	0.62%	3	1,779.3	0.07%	16.1	0.32%
Ceramics	391.40	390.24	1.16	0.30%	5	19,845.1	0.73%	27.4	0.55%
Miscellaneous	1,704.08	1,694.95	9.12	0.54%	13	94,553.7	3.50%	213.3	4.28%

Top Ten Gainers	Close	Δ%	Turnover (mn BDT)
Pioneer Insurance	55.00	10.0%	204.3
Agni Systems Ltd.	17.60	10.0%	34.5
Peoples Insurance	20.90	10.0%	21.9
Eastern Insurance	75.80	9.9%	88.2
United Insurance	51.30	9.9%	31.3
Emerald Oil Industries Ltd.	10.40	9.5%	.9
Fu Wang Food	13.90	9.4%	37.4
Dragon Sweater & Spinning Ltd.	10.50	9.4%	39.2
Active Fine Chemicals Limited	14.00	9.4%	48.7
Prime Textile	19.90	9.3%	10.5

Top Ten Losers	Close	Δ%	Turnover (mn BDT)
GQ Ball Pen	128.00	-4.8%	47.3
Padma Islami Life Insurance Limited	15.40	-3.8%	.2
Tallu Spinning	2.90	-3.3%	.0
Premier Cement Mills Limited	62.60	-3.2%	.2
Matin Spinning Mills Ltd.	33.50	-3.2%	.1
Linde Bangladesh Limited	1,212.40	-2.8%	76.7
Green Delta Insurance	53.80	-2.5%	1.4
Reliance Insurance Mutual Fund	8.10	-2.4%	.2
Aamra Network Limited	37.60	-2.3%	12.0
City General Insurance	17.10	-2.3%	12.0

Most Traded Share	Close	Δ%	Turnover (mn BDT)
Beximco Pharmaceuticals	80.70	3.5%	281.1
Pioneer Insurance	55.00	10.0%	204.3
Bangladesh Submarine Cable Company Limited	104.10	7.8%	148.4
Grameenphone Ltd.	258.50	1.6%	144.6
Square Pharmaceuticals	181.00	1.0%	134.8
Eastern Insurance	75.80	9.9%	88.2
Sonar Bangla Ins	42.10	-0.2%	85.3
Beacon Pharmaceuticals Limited	77.60	7.6%	80.4
Nahee Aluminium Composite Panel Ltd.	56.00	-0.2%	77.0
Linde Bangladesh Limited	1,212.40	-2.8%	76.7



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Index	Closing	Opening	Δ(Pts)	Δ%	%ΔYTD
DSEX	4,214.43	4,171.21	43.22	1.04%	-5.36%
DS30	1,420.64	1,401.79	18.85	1.34%	-6.13%
DSES	976.50	964.66	11.84	1.23%	-2.33%
CDSET	830.28	822.38	7.90	0.96%	-7.72%

	Advanced	Declined	Unchanged	Total
All Category	162	60	128	350
A Category (Equity)	117	47	90	254
B Category (Equity)	22	7	19	48
N Category (Equity)	0	1	0	1
Z Category (Equity)	23	5	19	47
Mutual Funds	6	4	25	35
Corporate Bonds	1	0	1	2

Market Stat	Today	Last Day	% Change	
Mcap	Mn BDT	3,257,327.6	3,233,469.6	
	Mn USD	38,339.5	38,058.7	0.7%
Turnover	Mn BDT	5,809.1	3,995.2	45.4%
	Mn USD	68.4	47.0	
Volume	Mn Shares	178.7	111.6	60.2%
Trade		121,017	95,161	27.2%

Top Ten Market Cap	Mcap (bn BDT)	% of Total Mcap	Turnover (mn BDT)	PE	PB
Grameenphone Ltd.	349.1	12.9%	144.59	10.3x	8.2x
British American Tobacco Bangladesh Company Limited	163.4	6.1%	46.59	18.9x	6.7x
Square Pharmaceuticals	152.8	5.7%	134.84	11.1x	2.3x
United Power Generation & Distribution Company Ltd	116.0	4.3%	13.44	16.2x	7.9x
Renata Ltd.	97.2	3.6%	9.28	22.7x	5.3x
Berger Paints	60.7	2.2%	2.28	25.1x	9.1x
Investment Corporation of Bangladesh	54.9	2.0%	3.81	NM	2.6x
Marico Bangladesh Limited	53.6	2.0%	21.70	19.2x	36.4x
BRAC Bank	42.3	1.6%	1.66	9.4x	0.9x
Summit Power	41.8	1.5%	37.19	7.4x	1.6x

Top Ten Free Float Mcap	Free Float Mcap (bn BDT)	% of Total Free Float	Turnover (mn BDT)	PE	PB
Square Pharmaceuticals	100.0	9.1%	134.84	11.1x	2.3x
Renata Ltd.	47.5	4.3%	9.28	22.7x	5.3x
British American Tobacco Bangladesh Company Limited	43.2	3.9%	46.59	18.9x	6.7x
Grameenphone Ltd.	34.9	3.2%	144.59	10.3x	8.2x
Beximco Pharmaceuticals	28.4	2.6%	281.14	9.6x	1.2x
Olympic Industries	24.7	2.3%	17.81	16.9x	5.4x
BRAC Bank	23.6	2.1%	1.66	9.4x	0.9x
Eastern Bank	17.2	1.6%	5.29	6.3x	0.9x
Summit Power	15.4	1.4%	37.19	7.4x	1.6x
Pubali Bank	15.2	1.4%	.19	9.8x	0.7x

Block Trade	Maximum Price	Minimum Price	Turnover (mn BDT)	Quantity	Trade
British American Tobacco Bangladesh Company Limited	907.00	860.00	450.49	523,241	134
BRAC Bank	28.80	28.80	5.79	201,100	8
Dhaka Bank	11.90	11.90	0.83	70,000	1
Dutch-Bangla Bank	57.50	57.50	87.98	1,530,000	4
Grameenphone Ltd.	272.30	256.40	25.14	97,739	3
Kohinoor Chemicals	435.00	432.50	2.08	4,800	3
LafargeHolcim Bangladesh Limited	35.90	32.60	23.38	715,499	2
Mercantile Insurance	26.80	26.80	0.50	18,660	1
Nitol Insurance	27.10	27.10	21.79	804,153	1
Padma Oil Co.	158.50	158.50	25.36	160,000	1
Paramount Insurance	95.50	94.00	3.78	39,900	2
Pharma Aids	428.00	428.00	3.85	9,000	1
Pioneer Insurance	51.80	51.80	19.94	385,000	1
The Premier Bank	9.00	9.00	0.54	60,000	1
Paramount Textile Limited	55.50	52.40	6.18	112,000	2
Renata Ltd.	1,100.00	1,100.00	101.09	91,900	5
Runner Automobiles Limited	45.50	44.10	3.08	68,131	5
Rupali Life Insurance Co. Ltd.	44.30	44.30	0.53	12,000	1
Sea Pearl Beach Resort & Spa Limited	79.10	71.20	6.66	89,401	8
Shurwid Industries Limited	21.60	19.80	3.04	143,000	2
Singer Bangladesh	147.00	132.30	17.32	126,710	25
SK Trims & Industries Limited	60.00	56.00	12.69	223,699	21
Standard Ceramic	293.50	293.50	0.59	2,000	1
VFS Thread Dyeing Limited	22.60	20.30	6.68	317,800	12
<b>Total</b>			<b>829.31</b>		<b>245</b>

**Corporate Actions: Upcoming Record Dates**

DSE Ticker	Company Name	Rights	Stock	Cash	Year End	Record Date
GP	Grameenphone Ltd.		0.0%	130.0%	31-Dec-19	05-Aug-20
MIDASFIN	MIDAS Financing Ltd.		2.5%	2.5%	31-Dec-19	05-Aug-20
PROVATIINS	Provati Insurance Co. Ltd.		0.0%	12.0%	31-Dec-19	05-Aug-20
EASTLAND	Eastland Insurance Company Ltd.		5.0%	5.0%	31-Dec-19	06-Aug-20
CITYGENINS	City General Insurance Co. Ltd.		0.0%	5.0%	31-Dec-19	06-Aug-20
RUPALIINS	Rupali Insurance Company Ltd.		0.0%	10.0%	31-Dec-19	06-Aug-20

**Important DSE News**
**DHAKAINS**

(Q1 Un-audited): EPS was Tk. 0.63 for January-March 2020 as against Tk. 0.53 for January-March 2019. NOCFPS was Tk. 1.49 for January-March 2020 as against Tk. (0.26) for January-March 2019. NAV per share (with revaluation) was Tk. 30.62 as on March 31, 2020 and Tk. 30.13 as on March 31, 2019, NAV per share (without revaluation) was Tk. 19.98 as on March 31, 2020 and Tk. 19.49 as on March 31, 2019.

(Q2 Un-audited): EPS was Tk. 1.10 for January-June 2020 as against Tk. 1.02 for January-June 2019. NOCFPS was Tk. 1.89 for January-June 2020 as against Tk. (0.09) for January-June 2019. NAV per share (with revaluation) was Tk. 31.06 as on June 30, 2020 and Tk. 30.13 as on June 30, 2019, NAV per share (without revaluation) was Tk. 20.43 as on June 30, 2020 and Tk. 19.49 as on June 30, 2019.

The Board of Directors has recommended 15% cash dividend for the year ended on December 31, 2019. Date of AGM: 24.09.2020, Time: 11:00 AM, Venue: Digital Platform as per BSEC Order. Record Date: 24.08.2020. The Company has also reported EPS of Tk. 2.06, NAV per share (with revaluation) of Tk. 30.13, NAV per share (without revaluation) of Tk. 19.49 and NOCFPS of Tk. 1.60 for the year ended on December 31, 2019 as against Tk. 1.99, Tk. 24.06, Tk. 19.25 and Tk. 0.82 respectively for the same period of the previous year.

**SOUTHEASTB**

(Q2 Un-audited): Consolidated EPS was Tk. 0.65 for April-June 2020 as against Tk. 1.82 for April-June 2019; Consolidated EPS was Tk. 1.63 for January-June 2020 as against Tk. 2.25 for January-June 2019. Consolidated NOCFPS was Tk. (3.61) for January-June 2020 as against Tk. 6.42 for January-June 2019. Consolidated NAV per share was Tk. 27.95 as on June 30, 2020 and Tk. 26.23 as on June 30, 2019.

**EBL**

(Q2 Un-audited): Consolidated EPS was Tk. 0.91 for April-June 2020 as against Tk. 0.89 for April-June 2019; Consolidated EPS was Tk. 1.94 for January-June 2020 as against Tk. 1.95 for January-June 2019. Consolidated NOCFPS was Tk. (14.22) for January-June 2020 as against Tk. 16.30 for January-June 2019. Consolidated NAV per share was Tk. 33.95 as on June 30, 2020 and Tk. 31.98 as on December 31, 2019.

**SHAHJABANK**

(Q2 Un-audited): Consolidated EPS was Tk. 0.47 for April-June 2020 as against Tk. 0.63 for April

-June 2019; Consolidated EPS was Tk. 1.10 for January-June 2020 as against Tk. 1.13 for January-June 2019. Consolidated NOCFPS was Tk. 5.28 for January-June 2020 as against Tk. 7.28 for January-June 2019. Consolidated NAV per share was Tk. 18.80 as on June 30, 2020 and Tk. 17.05 as on June 30, 2019.

**ASIAINS**

(Q2 Un-audited): EPS was Tk. 0.43 for April-June 2020 as against Tk. 0.40 for April-June 2019; EPS was Tk. 1.03 for January-June 2020 as against Tk. 0.94 for January-June 2019. NOCFPS was Tk. 2.38 for January-June 2020 as against Tk. 1.42 for January-June 2019. NAV per share was Tk. 20.48 as on June 30, 2020 and 19.91 as on June 30, 2019.

**EASTERNINS**

(Q2 Un-audited): EPS was Tk. 0.67 for April-June 2020 as against Tk. 0.76 for April-June 2019; EPS was Tk. 1.57 for January-June 2020 as against Tk. 1.56 for January-June 2019. NOCFPS was Tk. 0.13 for January-June 2020 as against Tk. 0.75 for January-June 2019. NAV per share was Tk. 45.98 as on June 30, 2020 and Tk. 44.54 as on December 31, 2019.

**TRUSTBANK**

(Q2 Un-audited): Consolidated EPS was Tk. 1.14 for April-June 2020 as against Tk. 1.08 for April-June 2019; Consolidated EPS was Tk. 2.10 for January-June 2020 as against Tk. 1.77 for January-June 2019. Consolidated NOCFPS was Tk. 39.76 for January-June 2020 as against Tk. 32.91 for January-June 2019. Consolidated NAV per share was Tk. 27.10 as on June 30, 2020 and Tk. 23.35 as on June 30, 2019.

**NCCBANK**

(Q2 Un-audited): Consolidated EPS was Tk. 0.36 for April-June 2020 as against Tk. 0.84 for April-June 2019; Consolidated EPS was Tk. 1.19 for January-June 2020 as against Tk. 1.25 for January-June 2019. Consolidated NOCFPS was Tk. (1.05) for January-June 2020 as against Tk. 6.93 for January-June 2019. Consolidated NAV per share was Tk. 22.28 as on June 30, 2020 and Tk. 21.02 as on December 31, 2019.

**STANDBANKL**

Referring to their earlier news disseminated by DSE on 19.11.2019 regarding Issuance of Perpetual Bond as Additional Tier- 1 Capital, the Company has further informed that BSEC has accorded consent under the provisions of the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012 for issuance of unsecured, non-convertible, floating rate 1st Standard Bank Perpetual Bond of Tk. 5000.00 million through Private Placement as part of the Additional Tier-I of Revised Regulatory Capital Framework for banks in line with Basel III subject to No Objection Certificate (NOC) from Bangladesh Bank and compliance with the relevant laws and regulatory requirements and also adherence to the conditions imposed by BSEC under Section 2CC of the Securities and Exchange Ordinance, 1969. The purpose of the proposed bond is to strengthen the capital base of the Bank.

**CITYGENINS**

(Q2 Un-audited): EPS was Tk. 0.18 for April-June 2020 as against Tk. 0.28 for April-June 2019; EPS was Tk. 0.25 for January-June 2020 as against Tk. 0.62 for January-June 2019. NOCFPS was Tk. 0.53 for January-June 2020 as against Tk. 0.17 for January-June 2019. NAV per share was Tk. 15.93 as on June 30, 2020 and Tk. 15.68 as on December 31, 2019.

**DBH**

(Q2 Un-audited): EPS was Tk. 0.08 for April-June 2020 as against Tk. 1.08 for April-June 2019; EPS was Tk. 1.77 for January-June 2020 as against Tk. 3.79 for January-June 2019. NOCFPS was Tk. (12.77) for January-June 2020 as against Tk. 9.72 for January-June 2019. NAV per share was Tk. 37.73 as on June 30, 2020 and Tk. 39.69 as on December 31, 2019. The Company has also informed that main reason for increase in cash outflow from operating activities during June quarter for loan and deposits from banks and other customers. As a result, NOCFPS for June 30, 2020 was decrease.

**LINDEBD**

(Q2 Un-audited): EPS was Tk. 4.79 for April-June 2020 as against Tk. 18.49 for April-June 2019; EPS was Tk. 25.16 for January-June 2020 as against Tk. 36.76 for January-June 2019. NOCFPS was Tk. 13.74 for January-June 2020 as against Tk. 53.39 for January-June 2019. NAV per share was Tk. 357.85 as on June 30, 2020 and Tk. 258.52 as on December 31, 2019.

**IFIC**

Referring to their earlier news disseminated on 25.08.2019, the Company has further informed that the Board of Directors has decided to revise the ratio of Right Shares to 1R:5 (1 Right Share for every 5 shares held) instead of earlier recommended 1R:4 (1 Right Share for every 4 share held) subject to the approval of the shareholders in the EGM and by the BSEC. Date of EGM: 12.11.2020, Time and Venue for EGM: 11:00 AM and will be notified later. Record Date for EGM: 10.09.2020. Another record date will be declared after obtaining approval from the BSEC.

(Q2 Un-audited): Consolidated EPS was Tk. 0.11 for April-June 2020 as against Tk. 0.58 for April-June 2019; Consolidated EPS was Tk. 0.59 for January-June 2020 as against Tk. 1.01 for January-June 2019. Consolidated NOCFPS was Tk. (4.40) for January-June 2020 as against Tk. 3.45 for January-June 2019. Consolidated NAV per share was Tk. 18.48 as on June 30, 2020 and Tk. 17.12 as on June 30, 2019. The Company also informed that NOCFPS during the period has been decreased due to higher level of lending growth over deposits over the same period of previous year.

**GENNEXT**

(Q3 Un-audited): EPS was Tk. (0.12) for January-March 2020 as against Tk. (0.01) for January-March 2019; EPS was Tk. 0.23 for July 2019-March 2020 as against Tk. 0.44 for July 2018-March 2019. NOCFPS was Tk. (0.01) for July 2019-March 2020 as against Tk. 0.09 for July 2018-March 2019. NAV per share was Tk. 12.12 as on March 31, 2020 and Tk. 11.89 as on June 30, 2019.

**GHAIL**

(Q3 Un-audited): EPS was Tk. 0.04 for January-March 2020 as against Tk. 0.40 for January-March 2019; EPS was Tk. 0.60 for July 2019-March 2020 as against Tk. 0.86 for July 2018-March 2019. NOCFPS was Tk. 2.41 for July 2019-March 2020 as against Tk. 1.37 for July 2018-March 2019. NAV per share was Tk. 15.58 as on March 31, 2020 and Tk. 11.12 as on June 30, 2019.

**UNITEDFIN**

(Q2 Un-audited): EPS was Tk. 0.11 for April-June 2020 as against Tk. 0.33 for April-June 2019; EPS was Tk. 0.27 for January-June 2020 as against Tk. 0.71 for January-June 2019. NOCFPS was Tk. (4.62) for January-June 2020 as against Tk. 3.03 for January-June 2019. NAV per share

was Tk. 17.25 as on June 30, 2020 and Tk. 16.98 as on December 31, 2019. The Company also informed that NOCFPS per share decreased on June 30, 2020 due to payment of short term loan and decreased accrued expenses and payable compared to the same period of last year.

#### **NITOLINS**

(Q2 Un-audited Additional Information): The Company has further informed that EPS was Tk. 0.74 for April-June, 2020 instead of EPS was Tk. 1.21 for April-June, 2020.

#### **PRIMEINSUR**

The Company has informed that the Board of Directors has appointed Mr. Bayezid Mujtoba Siddik as the Chief Executive Officer of the Company. The Insurance Development and Regulatory Authority (IDRA) has approved his appointment.

#### **KARNAPHULI**

(Q2 Un-audited): EPS was Tk. 0.28 for April-June 2020 as against Tk. 0.24 for April-June 2019; EPS was Tk. 0.63 for January-June 2020 as against Tk. 0.60 for January-June 2019. NOCFPS was Tk. 1.58 for January-June 2020 as against Tk. 0.50 for January-June 2019. NAV per share was Tk. 18.85 as on June 30, 2020 and Tk. 18.29 as on June 30, 2019.

#### **ISLAMIINS**

(Q2 Un-audited): EPS was Tk. 0.33 for April-June 2020 as against Tk. 0.38 for April-June 2019; EPS was Tk. 0.78 for January-June 2020 as against Tk. 0.80 for January-June 2019. NOCFPS was Tk. 2.46 for January-June 2020 as against Tk. 1.26 for January-June 2019. NAV per share was Tk. 15.63 as on June 30, 2020 and Tk. 14.85 as on December 31, 2019.

#### **JUTESPINN**

Qualified Opinion: 1. Material Uncertainty Related to Going Concern: The company incurred a net loss of Tk. 78,528,333 during the year ended 30 June 2019 and the accumulated loss of the company as on June 30, 2019 stands at Tk. 533,045,616. As of that date, the Company's current liabilities stood Tk. 542,399,765 which exceeded its total assets Tk. 295,899,468 by Tk. 246,500,297. We also draw attention to the labour difficulties, inability to pay creditors on due dates, inefficiency of key management and negative operating cash flows indicated by financial statements of the Company. And also loan holders (Janata Bank Ltd.) initiated legal proceedings against the company. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and that the financial statements do not adequately disclose this matter. 2. Revaluation of Property, Plant and Equipment: The revaluation of Property Plant and Equipment of Jute Spinners Limited were affected in 1990 and subsequently no other revaluation has been commensurate till the date of reporting. As directed by IAS - 16, Para - 31, revaluation shall be made with subsequent regularity i.e. 3 to 5 years that carrying amount does not differs materiality from the fair value at the end of the reporting period. 3. As per IAS-36 Para-9, An entity shall at the end of each reporting period assess whether there is an indication that assets may be impaired (If any) such indication exists the entity shall estimate the recoverable amount of the asset and compute impairment and reports to the statement of Profit or Loss and Other Comprehensive Income as impairment loss. Jute Spinners Limited has not reviewed any assets that could be impaired at the end of the year so this constitutes a departure of International Accounting Standards (IAS). However, reporting assets without any impairment shall overstate /understate the fixed assets of the organization. 4. Inventory: i. The company's inventories value are carried forward from previous year in the statement of financial position as at 30 June 2019. The Company's policy note no. 3.5 valuation of inventories indicates that management stated the inventories at lower of cost and

net realizable value. And company has not disclosed any fair market value except cost of inventory Tk. 243,791,989. We were unable to determine the value and quantity of inventories to be reported in the financial statements as our appointment of statutory audit was post dated on 10 September 2019. Consequently, inventory might be overstated so as to profit or asset of the organization. ii. The company has not disclosed write down policy of inventories in the notes to the financial statements since the factory was closed down from 2016, either the quality of the inventories is obsolete or unusable condition (Raw Jute, Finished Goods, Work in Progress & Stores and Spares). 5. The company has taken loan total amount Tk. 19,236,541 from the Managing Director. But no Board resolution or agreement was made between the Managing Director and the Company. Therefore, no interest was charged by the Company against the loan amount. 6. The company has taken loan from Mrs. Ayesha Kadir amounting to Tk. 3,500,000 which remained unpaid and no interest has been provided in the accounts resulting understatement of liability. 7. The carrying amount of property, plant, and equipment (PPE) comes to Tk. 25,582,753. We were not provided with any document regarding checking of physical existence as a part of internal control as of statement of financial position. 8. Constitution of management board and management of the fund regarding Workers Profit Participation Fund (WPPF) has not been maintained in accordance with the provision made in section 232 to 235 of the Bangladesh Labour Act, 2006 as amended 2013 and amount of Tk. 13,744,387 of WPPF has not been distributed for long times. 9. The company did not form Gratuity Fund (GF) and Provident Fund (PF) during the year. 10. Major portion of transaction with directors have been made by cash which is a violation of Companies Act 1994 and Income Tax Ordinance 1984. 11. In note no. 14:00 Short Term Loan P.C. A/c Tk. 40,252,040 was not confirmed because the company did not provide us bank statements. In addition, the company charged bank interest of around 13% amount Tk. 5,493,433 against this loan. Note 14.00 Short Term Loan: Balance of Short Term Loan as on 30.06.2019 was Tk. 322,995,490 and as on 30.06.2018 was Tk. 322,967,990. Jute Spinners Limited, has used loan facilities under different classification with Janata Bank Limited, Local Office, Motijheel, Dhaka. The account is now classified and the loan amount is Tk. 49,16,69,209.48 dt.: 31-05-2018. The Bank filed a suit against Jute Spinners Ltd. and the others Directors in the 1st Artha Rin Adalat, Dhaka. The suit number is Artha Rin Suit No. 125/2018. Jute Spinners Limited attended the case and immediately compromised with the Bank and already submitted a prayer to settle the case and pay the dues and start the production. Now maintenance work is going on to production of the mill. 12. In note no. 09.00 Cash & Cash equivalents, the E.R.Q Account Tk. 136,874 was not confirmed by us because the company did not provide us bank statements. Note 9.00 Cash and Cash Equivalents: Balance of Cash and Cash Equivalents as on 30.06.2019 was Tk. 177,271 and as on 30.06.2018 was Tk. 703,590. 13. Advance, Deposits & Prepayments (note 7.00) amounting Tk. 17,592,139 and Accounts Receivable (note 8.00) amounting Tk. 307,716 have not been adjusted for long times. This illustrates that major portion of money has not been realized by the company. Resulting, these current assets might be subject to credit loss for which the company did not make any provisions. Note 7.00 Advances, Deposits and Prepayments: Balance of Advances, Deposits and Pre-payments as on 30.06.2019 and as on 30.06.2018 was Tk. 17,592,139. Note 8.00 Accounts Receivable: Balance of Accounts Receivable as on 30.06.2019 and as on 30.06.2018 was Tk. 307,716. Emphasis of Matter: 1. In note no. 14.00 Short Term Loan P.C. A/c Tk. 40,252,040 has been shown by the company but in the Artha Rin Suit No. 125/2018, bank claimed an amount Tk. 41,999,839. Note 14.00 Short Term Loan: Balance of Short Term Loan as on 30.06.2019 was Tk. 322,995,490 and as on 30.06.2018 was Tk. 322,967,990. Jute Spinners Limited, has used loan facilities under different classification with Janata Bank Limited, Local Office, Motijheel, Dhaka. The account is now classified and the loan amount is Tk. 49,16,69,209.48 dt.: 31-05-2018. The Bank filed a suit against Jute Spinners Ltd. and the others Directors in the 1st Artha Rin Adalat, Dhaka. The suit number is Artha Rin

Suit No. 125/2018. Jute Spinners Limited attended the case and immediately compromised with the Bank and already submitted a prayer to settle the case and pay the dues and start the production. Now maintenance work is going on to production of the mill. 2. The West Zone Power Distribution Company Ltd. has filed a suit against the company Suit No. DIGAS-318 an amount of Tk. 1,590,111. Managements of the Jute Spinners Limited did not show this amount in the liability side whereas the company has paid an amount Tk. 294,555 against this claim. Therefore, the liability of the Jute Spinners Limited has not been reflected fairly in the financial statements.