

নিরীক্ষা প্রতিবেদন
AUDITORS' REPORT

OF

Thakurgaon Sugar Mills Limited.

Thakurgaon Road, Thakurgaon

For as at year ended 30 June, 2021



Solution....Begins

রহমান মোস্তফা আলম এন্ড কোং
RAHMAN MOSTAFA ALAM & CO.
CHARTERED ACCOUNTANTS



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Independent Auditor's Report

To the Shareholders of Thakurgaon Sugar Mills Limited Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Thakurgaon Sugar Mills Limited**, which comprise the Statement of Financial Position as at June 30, 2021, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 40, Annexure A to G & Schedule 1 to 10.

In our opinion, except for the effect of the matter described in the basis for Qualified opinion section of our report the accompanying financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the companies Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

1. No fund has been created against provision for Leave pay & Gratuity fund for employees.
2. We observed Rupali bank shown in amounting Tk. 34,938 instead of amounting tk. 4,077,193. They were provided bank reconciliation, and we saw that differentiate amount posting date 05-07-2021 but this amounting Tk. 4,042,225 bank statement shown date 30-06-2021
3. We could not able to verify following items as related documents were not provided to us-

S/L No.	Particulars	Amount (Tk.)	Remarks
1.	Loans and Advances	61,433,561	Note - 7
2.	Share Capital	15,244,000	Note -10
3.	Government Equity	2,961,587	Note - 11
4.	Reserve and Surplus	21,127,674	Note - 12
5.	Government & Others Grants	24,880,727	Note - 13
6.	Long Term Loan	524,419,607	Note - 14
7.	Employees P.F. Contribution (Com.)	32,787,098	Note - 15.3
8.	Employees P.F. Contribution (Own.)	35,734,749	Note - 15.3
9.	Inter Project P.F. Contribution (HO)	2,510,656	Note - 15.3
10.	T S M Provident Fund(Permanent)	18,159,544	Note - 15.3
11.	T S M Provident Fund (Seasonal)	2,668,418	Note -15.3
12.	Provisions	35,783,470	Note - 18

(Signature)

4. We could not verify the Form X, XII as we were not provided any documents.
5. We could not verify the provision made various payments as we were not provided any documents.
6. Following schedules & Annexures with ageing analysis were not provided to us.

S.L. No	Particulars	Note
1.	Store in transit schedule	Note - 4.5
2.	Operational result soft copy and graph were not provided	
3.	Liabilities of other finance schedule with ageing analysis.	Note -15.3
4.	Liabilities for goods supplier schedule with ageing analysis	Note -15.2
5.	Schedule of interest on loan.	Note - 29
6.	Schedule of miscellaneous income.	Note - 22

7. During our audit period, we found that slow moving inventories item Tk. 40,200,000 and obsolete items Tk. 1,165,000. As per Para 67 of IAS 16 "Carrying amount of an item of Property, Plant and Equipment (PPE) shall be derecognized when no future economic benefits are expected from its use". The entity shown derecognize its PPE from which the entity did not get any future economic benefits are expected to flow (obsolete assets).
8. Rate of Sugar recovery from sugarcane is gradually decreasing year by year. Recovery rate in 1990-1991 was 8.38% and now recovery rate is reduced to 5.33%. As a result cost of production is increasing accordingly and loss is also increasing.
9. No impairment test (annually) of the asset amounting of Tk. 51,323,317 as per IAS-36, was done by the company.
10. Lease agreements for land, pond and rent were not provided to us and presentation of leased property was not made as per IFRS 16.
11. During our course of audit , we found following balances are being carry forwarded more than three (3) years-

S/L No.	Particulars	Amount (Tk.)	Remarks
1.	P.E.C project	Tk. 18,544,571	Note - 4
2.	Sundry Debtors (M/s Judge Distilleries Ltd., Marshall Distilleries Ltd., Rangpur Distilleries Ltd, Farm)	Tk. 2,343,965	Note - 6
3.	Grants (ICDS Pashe-1, IDA Credit No. 1124 BD, IDA Credit No. 1399 BD)	Tk. 24,848,355	Note -13
4.	Inter Project Current Account (Kushtia Sugar Mills Ltd. and Faridpur Sugar Mills Ltd., Renwick & Jogeshwar Co. Ltd)	Tk. 22,340,588	Note -15.1

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5.	Creditors for Goods supply (Jamuna fertilizer Co. Ltd, M/s ACI Formulation Ltd, M/S Chowdury Enterprise, M/S Shohel, TSP Complex, M/S Usha Chemical Industry, Nokon Ltd, Rani Printing & Packaging, Setu Pesties, Dinajpur Hati culture, BCIC Bafar Gudam, M/S Octopas Suntific.)	41,905,895	Note -15.2
6.	Mills Road Development fund	Tk. 888,000	Note -15.3
7.	Amount deducted from Ataur Rahman & Samsul	Tk. 282,900	Note -15.3
8.	T.S.M provident fund (permanent & seasonal)	20,827,962	Note -15.3

12. No provision for deferred Tax has been made for temporary difference as per IAS-12.

13. When we conduct our audit, we found that growers welfare fund amount of Tk. 1,139,263 has been carry forwarding since long moreover we have not got any supporting documents.

14. Inter Project dues (Creditors) amount of Tk. 3,127,433 was carry forwarded for more than 3 years. Details are given below:

Sl. No.	Particulars	Amount	Remarks
		2020-2021	
1	Faridpur Sugar Mills Ltd.	1,951,315	
2	Kustia Sugar Mills Ltd.	1,176,118	
	Total	3,127,433	

15. We could not verify the tax liability as we were not provided tax assessment copy to us of the previous years.

16. We could not verify the cost audit report as we were not provided to us of the previous year audit report.

17. We could not verify the audit of the provident fund as we were not provided any documents of financial position.

18. There were some negative balances on store accounts in software.

19. Following these matters below-

SL No.	Particulars	Rate	Remarks
1.	Price of molasses	1,163%	Increase
2.	Cost of lime	9.7%	Increase
3	Cost of sulfur	25%	Decrease

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We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof; except the areas mentioned in basis for qualification.



- = in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of these books; except the areas mentioned in basis for qualification.
- = the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; except the areas mentioned in basis for qualification.

Firm's Name

: Rahman Mostafa Alam & Co., Chartered Accountants

Signature

:

Auditor's Name

: Md. Anwaruzzaman FCA,

Enroll No.: 1268

Date

: December, 30 2021

Place

: Dhaka

DVC

: 2201271268AS237633



Thakurgaon Sugar Mills Limited
Thakurgaon Road, Thakurgaon
Statement of Financial Position
As at 30 June, 2021

Particulars	Notes	Mills	Farm	Amount in Taka	
				June 30, 2021	June 30, 2020
Assets:					
A. PROPERTY, PLANT AND EQUIPMENT :					
Fixed Assets	3	43,077,147	8,246,170	51,323,317	56,693,756
B. CURRENT ASSETS:		917,797,998	20,067,491	937,865,489	786,665,406
Stock and Others	4	480,752,743	270,984	481,023,727	291,005,227
Inter project current account	5	391,231	-	391,231	10,363,525
Accounts Receivable	6	33,458,929	30,000	33,488,929	8,845,915
Loans and Advances	7	61,018,698	392,742	61,411,440	105,587,601
Crop in Progress of Farm	8	-	19,373,764	19,373,764	32,826,205
Amount due from Farm as per Contra		314,225,291	-	314,225,291	335,622,375
Cash and Bank Balances	9	27,951,107	-	27,951,107	2,414,558
Total (A+B)		960,875,146	28,313,661	989,188,807	843,359,162
EQUITY & LIABILITIES :					
C. SHAREHOLDERS' EQUITY:					
		(6,889,288,219)	(339,982,616)	(7,229,270,835)	(6,269,424,011)
Share Capital	10	15,244,000	-	15,244,000	15,244,000
Government Equity	11	2,961,587	-	2,961,587	2,961,587
Reserve and Surplus	12	20,469,298	658,376	21,127,674	21,127,674
Government & Others Grants	13	24,880,727	-	24,880,727	24,903,621
Retained Earnings		(6,952,843,831)	(340,640,992)	(7,293,484,823)	(6,333,660,893)
D. NON-CURRENT LIABILITIES:					
Long Term Loan	14	856,959,463	-	856,959,463	670,147,113
E. CURRENT LIABILITIES & PROVISIONS:					
		6,993,203,902	368,296,277	7,361,500,179	6,442,636,061
Liabilities	15	1,002,952,226	54,070,987	1,057,023,212	668,867,257
Credit with Sonali Bank	16	2,384,731,281	-	2,384,731,281	2,272,101,627
Head Office Current Account	17	3,569,736,925	-	3,569,736,925	3,120,541,067
Provisions	18	35,783,470	-	35,783,470	45,503,734
Amount due to Mills as per Contra		-	314,225,291	314,225,291	335,622,375
Total (C+D+E)		960,875,146	28,313,661	989,188,807	843,359,162

Managing Director

Director

Director

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature :

Auditors' Name : Md. Anwaruzzaman FCA, Enroll No.: 1268

Date : December, 30 2021

Place : Dhaka

DVC : 2201271268AS237633



Thakurgaon Sugar Mills Limited
Thakurgaon Road, Thakurgaon
Statement of Profit & Loss Account and other Comprehensive Income
For the year ended 30 June, 2021

Particulars	Notes	Mills	Farm	Amount in Taka	
				July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
		(355,669,406)	27,616,668	(328,052,737)	(172,988,130)
Gross Profit/(Loss):		(362,254,307)	(3,060,477)	(365,314,784)	(189,484,405)
Add: Miscellaneous Income	22	6,584,902	30,677,145	37,262,047	16,496,275
Less: Administrative Expenses		607,036,208	22,821,743	629,857,951	496,500,672
Salary and wages	23	107,244,865	18,479,967	125,724,832	72,640,605
Over time	24	1,166,531	77,331	1,243,862	406,174
Repairs and Maintenance	25	277,783	377,072	654,855	960,894
Insurance	26	2,519,479	-	2,519,479	3,050,523
Directors' Remuneration		140,400	-	140,400	60,400
Depreciation	27	1,138,616	2,284,783	3,423,399	3,382,451
Power and Fuel		6,421,409	66,474	6,487,883	6,280,125
Head office General expenses		18,311,047	-	18,311,047	12,906,266
Selling and Distribution Expenses		1,543,559	-	1,543,559	1,347,001
Other Administrative Overhead	28	2,964,428	1,536,117	4,500,545	5,647,192
Finance Cost					
Less: Interest on loan	29	465,308,091	-	465,308,091	389,819,039
Net Profit/(Loss) Before Taxation		(962,705,613)	4,794,925	(957,910,688)	(669,488,802)
Less: Provision for Taxation		1,913,242	-	1,913,242	2,433,245
Net Profit/(Loss) After Taxation		(964,618,855)	4,794,925	(959,823,930)	(671,922,047)
Add: Head Office & wage commission adjustment from Final Bill		-	-	-	574,040
Less: Commercial Audit Objection Refund/ Others		-	-	-	12,093,819
Net Profit/(Loss) during the year		(964,618,855)	4,794,925	(959,823,930)	(683,441,826)

Managing Director

Director

Director

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature :

Auditors' Name : Md. Anwaruzzaman FCA, Enroll No.: 1268

Date : December, 30 2021

Place : Dhaka

DVC : 2201271268AS237633

Thakurgaon Sugar Mills Limited
Thakurgaon Road, Thakurgaon
Statement of Trading Account
For the year ended 30 June, 2021



Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Notes	Mills	Farm	Amount in Taka	
				July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Sales		312,288,752	29,765,728	342,054,480	446,767,099
Sugar	19	272,450,740	-	272,450,740	357,039,050
Molasses	20	39,838,012	-	39,838,012	48,501,737
Transfer form Farm	21	-	29,765,728	29,765,728	41,226,312
Less: Cost of Goods Sold					
A Direct Materials:		448,539,314	-	448,539,314	203,722,773
Cost of Sugarcane and other incidental cost	30	437,000,381	-	437,000,381	198,191,152
Other production materials	31	6,879,027	-	6,879,027	2,862,825
Packing materials		4,659,906	-	4,659,906	2,668,796
B Add: Direct expenses		403,312,563	32,826,205	436,138,768	287,761,176
Salary and wages	32	330,739,357	-	330,739,357	189,946,721
Overtime	33	14,955,543	-	14,955,543	7,409,850
Repairs and Maintenance	34	26,921,993	-	26,921,993	27,957,408
Power and Fuel	35	18,133,649	-	18,133,649	8,062,920
Insurance	36	-	-	-	-
Depreciation	37	8,347,491	-	8,347,491	7,640,106
Manufacturing Overhead	38	2,944,309	-	2,944,309	2,738,354
Cane Development Expenses		1,270,221	-	1,270,221	1,329,328
Farm Direct Expenses	39	-	32,826,205	32,826,205	42,676,489
Opening Work - in - process		718,506	-	718,506	2,254,404
Less: Closing Work in Process					
D Process	40 (C)	824,839	-	824,839	718,506
Cost of Production (A+B+C-D)		851,745,543	-	884,571,749	493,019,847
Add: Opening Stock of Finished Goods					
Sugar		210,828,912	-	210,828,912	354,060,570
Molasses		186,240,000	-	186,240,000	311,547,500
		24,588,912	-	24,588,912	42,513,070
Less: Closing Stock of Finished Goods					
Sugar	40 (A)	388,031,396	-	388,031,396	210,828,912
Molasses	40 (B)	295,972,521	-	295,972,521	186,240,000
		92,058,875	-	92,058,875	24,588,912
Cost of goods sold		674,543,059	32,826,205	707,369,264	636,251,504
Gross Profit / Loss		(362,254,307)	(3,060,477)	(365,314,784)	(189,484,406)

Managing Director

Director

Director

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature :

Auditors' Name : Md. Anwaruzzaman FCA, Enroll No.: 1268

Date : December, 30 2021

Place : Dhaka



Thakurgaon Sugar Mills Limited
Thakurgaon Road, Thakurgaon
Statement of Cash Flow
For the year ended 30 June, 2021

Particulars	Amount in Taka	Amount in Taka
Flow from Operating Activities		
Profit/(Loss) after tax	(959,823,930)	(683,441,826)
Adjustment for Income & Expense		
Commission & others Adjustment		
Office & Others realised from Final Bill (Income)		
Adjustment to reconcile net income to net cash		
Depreciation	11,793,785	11,045,451
Increase/(Decrease) in Stock and Others	(190,018,500)	148,450,234
Increase/(Decrease) in Inter project current account	9,972,294	20,502,603
Increase/(Decrease) in Accounts Receivable	(24,643,014)	(6,000,000)
Increase/(Decrease) in Loans and Advances	44,176,161	(13,370,802)
Increase/(Decrease) in Crop in Progress of Farm	13,452,441	9,850,284
Increase/(Decrease) in Amount due from Farm as per Contra	21,397,084	(6,984,235)
Increase/(Decrease) in Government & Others Grants	(22,894)	(22,895)
Increase/(Decrease) in Liabilities	388,155,955	70,285,585
Increase/(Decrease) in Provisions	(9,720,264)	5,281,303
Increase/(Decrease) in Amount due to Mills as per Contra	(21,397,084)	6,984,235
Cash Provided / (Used) by Operating Activities	(716,677,965)	(437,420,062)
Flow from Investing Activities		
Disposal of Fixed Assets	(6,423,347)	(7,598,733)
Cash Provided / (Used) by Investing Activities	(6,423,347)	(7,598,733)
Flow from Financing Activities		
Increase/(Decrease) in Credit with Sonali Bank	112,629,653	158,247,864
Increase/(Decrease) in Head Office Current Account	449,195,858	152,578,304
Increase/(Decrease) in Long Term Loan	186,812,350	135,360,050
Cash Provided / (Used) by Financing Activities	748,637,861	446,186,218
Cash Increase/ (Decrease) (A+B+C)	25,536,549	1,167,423
Opening Cash in Hand & Bank Balance	2,414,558	1,247,136
Closing Cash in Hand & Bank Balance	27,951,107	2,414,559

Managing Director

Director

Director





Thakurgaon Sugar Mills Limited
Notes to the Accountants
For the year ended June 30, 2021

1.00 Background of the Company:

Legal States: Thakurgaon Sugar Mills Ltd. is a public limited by shares, incorporated on May 16, 1963 at Dhaka. Its plant is located in the district of Thakurgaon. The company was nationalized as per Nationalization Order of 1972 and was placed under Bangladesh Sugar & Food Industries Corporation (BSFIC) for its control, supervision & direction.

Business activity: The Company produces & sells Sugar & Molasses

2.00 Significant Accounting Policies & Other Materials Information

2.01 Basic Accounting:

These Financial statements have been prepared on going concern historical cost convention using accrual method of accounting.

2.02 Statement of compliance with local laws

The Financial Statement have been prepared in compliance with the requirement of the Company Act, 1994 & other relevant local laws as applicable.

2.03 Statement of compliance with International Accounting Standards:

The Financial Statement have been prepared in compliance with the requirement of the International Accounting Standards (IAS) approved by the International Accounting Standards Committee (IASC) and as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as Applicable.

2.04 Going Concern:

When preparing financial statements, management makes an assessment of the entity's ability to continue as a going concern. The entity prepares financial statements on a going concern basis. In spite of retained earnings constant, the entity has adequate resources and legal position to continue in operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the financial statements.

2.05 Fixed Assets:

Fixed Assets are stated at historical cost less accumulated depreciation.





206 Depreciation Rate:

i) The rates at which the assets are depreciated per annum depending on the nature and estimated useful live of each class of assets are as follows:

SL No.	Particulars	Rate of Depreciation
1	Land Group	
	Railway siding	7%
	Trolley lines	7%
	Culverts, Drains, Sewerage	15%
	Deep Tubewells	12%
2	Buildings	
	Main Factory Buildings	2.5%
	First Class Building	2.5%
	Second Class Building	5%
	Temporary Structures	25%
	Sheds	25%
3	Transport Vehicals	
	Motor cars	20%
	Cycles	20%
	Motor Launch	12.5%
	Speed Boat	20.0%
	Trucks	25%
	Other including trollies, cranes etc.	25%
4	All Electrical Installation & Equipments	10%
5	Plant & Machinery	
	Factory, Plant and Machinery	5%
	Power and others machinery	10%
	Road making machinery	15%
	Sugar cane crushers (indigenous)	20%
6	Factory Equipments	15%
7	Office Equipments	15%
8	Furniture	6%
9	Fixtures & Fittings	15%
10	Other Equipments	
	Refrigerators	15%
	Aircondition	20%
	All other Equipments	10%
11	Books	20%
12	Live stock	Revaluation
13	Crockery, Cutlery and Furnishings	20%
14	Loose tools	Revaluation

- ii) No Depreciation has been Charged on Land & Land Development.
iii) Depreciation has been charged on all fixed assets on Straight-line Method
iv) Depreciation has been charged on a full year basis on the addition made during the year to the assets irrespective of date of the acquisition





2.07 Valuation of Stock & Stores:

(a) Sugar Production

- i) Stock of sugar is valued at lower of cost & market value
- ii) Stock of molasses is valued at last selling price.

(b) Farm Products:

Stock of farm products are valued at market price. The work-in- process 9 Standing Crops) is valued at actual expenditure incurred up to the date of Statement of Financial Position.

(c) Work in Process

Work in process has been valued at 100% Materials cost i.e. sugar cane, loading charge, lime, sulphur & other overhead on proportion basis.

(d) Stores & Spares

Stores & Spares are valued at weighted average cost.

(e) Store-in- Transit:

Store-in-transit is shown at cost incurred up to the date of Statement of Financial Position

2.08 Reserve:

i) Capital Reserve:

The Company capitalizes the profit of Fixed assets & relief & rehabilitation grant.

ii) General Reserve:

The Company transferred unpaid pre-liberation dividend to the said account as per Board's resolution.

2.09 Government & Others Grants:

The grants were used for acquiring fixed assets & are subsequently being capitalized. Depreciation is Provided in usual way from the day they are brought under use. The depreciation of fixed assets is set off against the grants on completion of the project. After the set off, the balance represents the fixed assets capitalized at written down value on the assets side of Statement of Financial Position like a contra item. The subsequent yearly depreciation charges are set off against the grant balance.

2.10 Long Term Loan:

The fund and loans were used for acquiring fixed assets & have subsequently been capitalized. The interest on loans & funds are capitalized up to the date of completion of the project & thereafter charged to the profit & loss unless otherwise directed by the government.

2.11 Reporting Currency:

Figures in the Financial Statement are presented in Bangladesh Taka.

2.12 Provision for Taxation:

Provision for Income Tax has been made as per applicable sections/rules of Income Tax ordinance, 1984.