

Directors' Report

Dear Shareholders,

Assalamualaikum,

On behalf of the Board of Directors I welcome you all to 20th Annual General Meeting. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the year ended June 30, 2023, Auditors' report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act 1994, International Accounting Standards, the guideline issued by Bangladesh Securities and Exchange Commission, listing regulations of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and other applicable rules and regulations.

BACKGROUND

Olympic Accessories Limited (OAL) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) on May 28, 2003 and has been converted into Public Limited Company on July 02, 2014 under the Companies Act, 1994. The Authorized capital of the company is Tk. 2,500.00 million and paid-up capital 1,695.27 million. We are listed to DSE and CSE on 2015.

REVENUE

As you are aware that the Company is 100% deemed exporter, mainly engaged in the business of manufacturing of all kinds of Hanger, Carton, Elastic, Woven Belt, Twill tape, Back board, Tissue paper, Gum tape, Interlining, Label, Poly Bag, Sewing Thread, Sticker, Photo inlay, Bar code, Hangtag etc. and supply to the oriented garments Industries. The revenue stood at 73.28 million for the year 2022-2023 under BTB L/C

The operating financial results of the Company for the year ended June 30, 2023 as compared to previous year are summarized here under:

Particular	June 30, 2023	June 30, 2022
Revenue	73,275,682	4456,788,926
Gross Profit	(90,568,248)	1,548,153
Net Profit/Loss Before Tax	(380,597,516)	(33,659,204)
Provision for Taxation	(1,762,363)	4,020,049
Net Profit/Loss After Tax	(394,487,295)	(31,727,503)
Gross Margin (Revenue)	(123.59%)	0.33%
Net Margin (BT)	(519.40%)	(7.34%)
Net Margin (AT)	(538.36%)	(6.94%)
Earnings Per Share (EPS) (Tk.)	(2.33)	(0.19)

Industry outlook and possible future developments in the industry

The company is 100% deemed exporter, mainly engaged in the business of manufacturing of all kinds of Hanger, Carton, Elastic, Woven Belt, Twill tape, Back board, Tissue paper, Gum tape, Interlining, Label, Poly Bag, Sewing Thread, Sticker, Photo inlay, Bar code, Hangtag etc. for use in export-oriented garments. Competitive wage rate together with easily trainable workforce, entrepreneurial skill, expanding supply side capacity, and government policy support helped to translate the comparative advantages into competitive advantages of this industry. The core strength of the accessories sector is its backward linkage.

Segment Reporting

The company operates in one segment, which is the business of garments accessories.

Risk and concerns

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any price hike of raw materials due to change in policy in the international market might hamper the product price and profitability. Moreover, the performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general. Similarly, risks and concern of the industry depends on the upcoming Government policy as well. However, garments being the major foreign currency earner have always enjoyed special consideration from all the successive Governments and expectation is that it will continue in the future.

A discussion on cost of goods sold, gross margin and net profit margin:

Particulars	June 30, 2023		June 30, 2022	
Cost of Goods Sold	(163,843,930)	(223.59%)	455,240,773	(99.66%)
Gross Profit	(90,568,248)	(123.59%)	1,548,153	(0.33)%
Net Profit/Loss for the year	(394,487,295)	(538.36%)	(31,727,503)	(6.94%)

Discussion on continuity of extra-ordinary gain or loss

There is no significant extra-ordinary gain or loss during the financial year.

Related party transactions

The company had transactions with Chairman, Managing Director, Navana Poly Packaging Ltd., M/s Riverside Apparels Ltd. and Mr. Golam Kibria of same management which have been disclosed in related party transaction in note no. 35.00 of the notes to the financial statements.

Significant variance of financial statements

The management of the company is trying to increase sales and profit by taking various effective methodology. Due to the present economic volatility situation in the country, our sales for the year from July 01, 2022 to June 30, 2023 has decreased compared to the year from July 01, 2021 to June 30, 2022. Resultant Gross Profit for the year ended June 30, 2023 has decreased compare to the year ended June 30, 2022. In the current year, administrative expenses has been increased 250,208,737 Tk. compared to previous year. Administrative expense has increased due to identified some uncollectable receiveable declared as bad debts and some inventory has damaged that incurred Damaged Goods loss of inventory. On the otherhand , selling expenses has reduced compare to previous year. In the year ended 30th June 2023 our Net profit/(Loss) before tax has been increase (347,033,884) tk. (1033.96%) compared to 30th June 2022. Resultant EPS for the year ended 30th June, 2023 has been decreased to (2.33) from (0.19) of year ended 30th June, 2022. In the financial year 2022-2023 collection from customers has been decreased of 300,061,920 tk (70.66%), on the other hand payment to suppliers and others has been decreased 352,756,373 tk (103.74%) compared to financial year 2021-2022. As a result, net cash generated from operating activities has been increased tk 60,552,512; 422.59% compare to previous year. Hence, net operating cash flow for year ended June 30, 2023 per share has been increased to 0.44 from 0.08 compare to the year ended June 30, 2022.

Compliance of Notification No BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.**Board Size:**

The number of members of the Board of Directors consist of 5 members (including one Independent Director) as per direction of BSEC.

Independent Directors

As per Bangladesh Securities and Exchange Commission notification the board of directors of Olympic Accessories Ltd. appointed Mr. Nurul Islam Chowdhury, FCA on January 30, 2022 as Independent Directors for three years (1st term), Subsequently the appointment of Mr. Nurul Islam Chowdhury, FCA was confirmed in the 19th Annual General Meeting (AGM) of the company.

Company Secretary, Chief Financial Officer, and Head of Internal Audit

As per corporate governance of BSEC, the company has allocated the responsibilities as follows:

Company Secretary (Acting)	: Mr. Md. Shahriar
Chief Financial Officer	: Mr. Md. Mamun Hossain
Head of Internal Audit	: Mr. Sayed Abu Nayeem

Audit Committee

The Audit Committee, as a subcommittee of the Board of Director, has been constituted of three members from the board of directors with one independent director as a chairman. The company Secretary acts as Secretary to the Audit Committee. This committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company. The Audit Committee shall conduct at least its four meetings in a financial year. The quorum of the meeting of the Audit committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. Audit committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The role of the Audit Committee has been started in the annual audit committee report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC), as a sub-committee of the Board of Director has been constituted of three members from the board of directors with one Independent Director as a chairman. The company Secretary acts as Secretary to the Nomination and Remuneration Committee. The Nomination and Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

External Statutory Auditors

The BSEC guidelines are being strictly followed in engaging statutory Auditors.

Maintaining a website

The company maintains an official website, www.olympicaccessoriesbd.com, which is linked with the website of the stock exchange.

Subsidiary Company

The company has no subsidiary company.

Duties of CEO & CFO

The provision of BSEC regulations have been compiled in the Annual Report.

Reporting and Compliance of Corporate Governance Code

Requirement of the above are being complied with and is shown as Annexure-C

Directors' Appointment and Re-Appointment

With regard to the appointment, retirement and reappointment of directors, the company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Director of the Board will retire at the annual general meeting and eligible for reappointment as director.

1. Mr. Md. Golam Kibria
2. Mr. Zulfiquer Haider (Nominee Director of Navana Poly Packaging Ltd.)

Mr. Md. Golam Kibria and Mr. Zulfiquer Haider (Nominee Director of Navana Poly Packaging Ltd.) will be re-appointed as Director, subject to the approval of the members at the 20th Annual General Meeting of the company.

Shareholding of Directors

The shareholding of directors at the end of 30th June, 2023 is shown as Annexure-D of this report. Directors involved in other companies are shown as Annexure-E.

Board Meeting and Attendance

5 (Five) Board Meetings were held during the year. The attendance record of the directors is as given below:

Name of Directors	Designations	No. of Meeting	Attendance	Remarks
Mrs. Farida Akhter	Chairman	5	5	
Mr. Md. Golam Kibria	Managing Director	5	5	
Mr. Zulfiquer Haider (Nominated by NPPL)	Director	5	5	
Mr. Md. Golam Haider Mazumder (Nominated by Riverside Apparels Ltd.)	Director	5	5	
Mr. Nurul Islam Chowdhury, FCA	Independent Director	5	5	

Director's remuneration

Director's remuneration is shown in the note no. 24.00 of the notes to the Financial Statements.

Statement of Directors on Financial Reports

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018, the Directors are pleased to confirm the following:

- i. Proper books and accounts of the company have been maintained.
- ii. Appropriate accounting policies have been applied consistently in preparation of the Financial Statements and the accounting estimates are based on reasonable and prudent judgment.
- iii. The International Financial Reporting standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- iv. The Financial Statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.
- v. Internal control system is sound and has been implemented and monitored effectively.
- vi. Minority shareholders have been protected from abusive actions by controlling shareholders acting either directly or indirectly.
- vii. No bonus shares or stock dividend has been or shall be declared as interim dividend.
- viii. The key operating and financial data for the last five years are shown on page 5.
- ix. The pattern of shareholding is provided in Annexure-D of the annual report.

Internal Control

The Board has ultimate responsibilities to establish the effective system of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the company already has a strong internal audit department.

Going Concern

While approving the Financial Statements, the directors have analyzed the Financials Statements, business operation as well as other indicators for enabling them to understand the ability of the company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future.

Significant deviation of Operating Result

Our sales for the period from 1st July, 2022 to 30th June, 2023 and profit/(loss) after tax has been reduced compare to previous year.

Dividend

The Board of Directors has recommended No Dividend to the all shareholders for the year ended June 30, 2023, subject to the approval in the forthcoming AGM.

Unclaimed or Undistributed or Unsettled Dividend

Bangladesh Securities and Exchange Commission issued a directive no. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 to transfer unclaimed or undistributed dividend to the capital market stabilization fund. In compliance with the circular, Olympic Accessories Ltd. has deposited unclaimed IPO Subscription amount and unclaimed dividend amount for the year up to 2017-2018 to the Capital Market Stabilization Fund. Remaining unclaimed dividend of BDT. 3,660,828 from 2018-2019 to 2022-2023 is kept with the company. Details break up of unclaimed/unpaid dividend including BO wise shareholders list are given in our website: www.olympicaccessoriesbd.com.

Statutory Auditors

M/s Rahman Mostafa Alam & Co. Chartered Accountants, Paramount Heights (7th Floor- D2 & C1), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka –1000 was appointed as External Auditor for the year 2022-2023 of the Company by the shareholders in 19th AGM held on December 22, 2022. But the unfortunately M/s Rahman Mostafa Alam & Co. Chartered Accountants refused to carried out the audit for the year 2022-2023. Subsequently, FAMES & R Chartered Accountants, Hossain Tower (11th Floor), 116 Nayapaltan, Box Culvert Road, Dhaka-1000 expressed their interest to be auditor for the year 2022-2023. The Audit Committee reviewed the proposals for appointment and conducted a formal assessment and recommended to the board for appointment of M/s FAMES & R Chartered Accountants as the statutory auditor for the year 2022-2023. The board appointed FAMES & R Chartered Accountants, as Statutory Auditor for the year 2022-2023 and will be placed in the next AGM before the shareholders for approval of the appointment of the statutory auditor of the Company.

Chartered Accountants firm, M/s FAMES & R Chartered Accountants, has carried out the audit for the year 2022-2023. This is their 1st year audit in the Company and the firm is eligible for re-appointment for the year 2023-2024.

Upon the recommendation of the Audit Committee, the board of directors is proposing the appointment of M/s FAMES & R Chartered Accountants, Hossain Tower (11th Floor), 116 Nayapaltan, Box Culvert Road, Dhaka-1000 as the Statutory Auditor to the shareholders in the 20th AGM for approval and fix their fees.

Statutory Auditor's opinion in the Financial Statements

Emphasis of matter:

1. The company reported tk. 158,136,932 as damaged goods loss of stock (raw materials tk. 35,969,322 and finished goods Tk 122,167,610) in note no. 24.01 due to cancellation of order by buyer as impact of Covid -19. The same has been written off during the year
2. The company made provision for an accumulated amount tk. 93,597,357 as doubtful debts in note no.08, since this amount is doubtful of recovery.
3. The company reported tk. 3,660,828 as unclaimed dividend out of which tk. 367,626 has been deposited in BRAC Bank Ltd. which is not as per circular of Bangladesh Security and Exchange Commission (BSEC).

We do not qualify our report in these respect.

Professionals for Compliance of Corporate Governance Code

The board has appointed M/s. Mujibur Rahman & Co., Cost & Management Accounts, Saj Bhaban, Suite # C-30 (15th Floor), 27, Bijoynagar, Dhaka-1000 as professional for Report on Compliance Governance Code for the year 2022-2023.

Acknowledgment

I would like to take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to the valued shareholders, clients, and well-wishers at home and aboard for their wholehearted co-operation and active support in discharging the responsibilities lies on me and the Board during the year.

I also would like to thank Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Registrar of Joint Stock Companies (RJSC), Central Depository Bangladesh Ltd. (CDBL), Government and many others for their sincere support and wholehearted co-operation to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of all the Directors, Executives, officers' employees, workers of the company at all levels without which we could not have achieved this result.

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Audited Financial Statements 2023 and Directors' Report placed before you.

Thanking you,

On behalf of the Board of Directors,



Farida Akhter
Chairman