BEXIMCO

BANGLADESH EXPORT IMPORT COMPANY LIMITED

ANNUAL REPORT 2016-17

AMAR STOCK



MISSION

EACH OF OUR ACTIVITIES MUST BENEFIT AND ADD VALUE TO THE COMMON WEALTH OF OUR SOCIETY. WE FIRMLY BELIEVE THAT, IN THE FINAL ANALYSIS WE ARE ACCOUNTABLE TO EACH OF THE CONSTITUENCIES WITH WHOM WE INTERACT; NAMELY: OUR EMPLOYEES, OUR CUSTOMERS, OUR BUSINESS ASSOCIATES, OUR FELLOW CITIZENS AND OUR SHAREHOLDERS.

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CORPORATE INFORMATION



left **Salman F Rahman,** *Vice Chairman and right* **A S F Rahman,** *Chairman*

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BOARD OF DIRECTORS

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Iqbal Ahmed
Director

O K Chowdhury
Director

A B S Rahman
Director

Barrister Faheemul Huq
Independent Director

Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

KEY OFFICERS

O K Chowdhury
Director
Group Finance & Corporate Affairs

Syed Naved Hussain
Chief Executive Officer
Textile Division

Parvez Hassan
Chief Executive Officer
Real Estate & Fisheries Division

Syed Samiul Wadood
Chief Executive Officer
IT Division

Anil Kumar Maheshwari
Head of MIS,
Textile Division

Md. Luthfor Rahman
Chief Financial Officer

Azahar Uddin Ahmed
Head of Internal Audit

AUDITORS

M/s. M. J. Abedin & Co.,
National Plaza (3rd Floor)
109, Bir Uttam C. R. Datta Road
Dhaka 1205

COMPLIANCE AUDITORS

Suraiya Parveen & Associates
(Chartered Secretaries)
House 144 (3rd floor)
Road 12, Block G
South Banasree Project
Eastern Housing, Goran
Dhaka 1219

LEGAL ADVISERS

M/s. Huq & Co.,
47/1, Purana Paltan
Dhaka 1000

BANKERS

Sonali Bank Ltd.
Rupali Bank Ltd.
Jananta Bank Ltd.
Agrani Bank Ltd.
IFIC Bank Ltd.

REGISTERED OFFICE

House No. 17, Road No. 2,
Dhanmondi R/A, Dhaka 1205

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NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING

BANGLADESH EXPORT IMPORT COMPANY LTD.
17, DHANMONDI, ROAD NO. 2, DHAKA-1205

NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-fourth Annual General Meeting of the Shareholders of Bangladesh Export Import Company Ltd. will be held on Saturday, the 23rd December, 2017 at 12:00 noon at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

A G E N D A

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June, 2017 together with reports of the Auditors and the Directors thereon.
2. To declare 5% Cash and 5% Stock Dividend.
3. To elect Directors.
4. To appoint Auditors for the year ended 30th June, 2018 and to fix their remuneration.

By order of the Board,

MOHAMMAD ASAD ULLAH, FCS
Executive Director & Company Secretary

Dated : 22 November, 2017

N O T E S

(1) The Shareholders whose names appeared in the Share Register of the Company or in the Depository Register on the record date i.e. 15 November, 2017, will be entitled to attend at the Annual General Meeting and to receive the dividend.

(2) A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.

(3) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).

(4) No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No.SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

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PICTORIAL VIEW OF 43RD ANNUAL GENERAL MEETING

















চেয়ারম্যানের প্রতিবেদন



প্রিয় শেয়ারহোল্ডারবৃন্দ,

কোম্পানীর ৪৪তম বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আমি আপনাদের সকলকে স্বাগত জানাচ্ছি এবং একই সাথে কোম্পানীর ১লা জুলাই ২০১৬ ইং হইতে ৩০শে জুন ২০১৭ ইং সময় কালের নিরীক্ষিত হিসাব এবং সাথে নিরীক্ষক ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করছি।

অর্থবিল ২০১৫ এর ধারার সাথে সামঞ্জস্য রেখে জারীকৃত বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ২৭শে এপ্রিল ২০১৬ ইং তারিখের নির্দেশনা (নং-এসইসি/এসআরএমআইসি/২০১১/১২৪০/৪৪৫) অনুযায়ী ১লা জুলাই ২০১৬ ইং থেকে আয় বছর জুলাই-জুন অনুসরণকল্পে আমাদের কোম্পানী চলতি অর্থ বছরে পরিবর্তন এনেছে।

আমাদের প্রত্যাশা সত্ত্বেও গ্যাস এর সরবরাহ ও গ্যাস এর চাপ গত কয়েক বছর ধরে অব্যাহতভাবে অপরিবর্তনীয়। বিদ্যুৎ সরবরাহের উন্নতি সত্ত্বেও গ্যাস এর সরবরাহ ও গ্যাস এর চাপ পূর্বের ন্যায় অপরিবর্তনীয়। বিদ্যুৎ এর উন্নতি সত্ত্বেও সরবরাহের বিঘ্নতা রয়েছে এবং বিদ্যুৎ বিঘ্নতার সময় গ্যাস স্বল্পতার কারনে আমাদের জেনারেটর থেকে পর্যাপ্ত বিদ্যুৎ সঞ্চালন করতে সক্ষম হচ্ছি না।

বিগত সময়গুলোতে গড়ে তোলা সুযোগগুলি ধরে রাখার প্রচেষ্টা আমরা অব্যাহত রেখেছি। আমরা আস্থাশীল যে, যতশীঘ্র আবার বৈশ্বিক দৃশ্যপটের উন্নতি হবে এবং বৈরী অবস্থায় কাজ করার আস্থা নিজেদের ফিরে আসবে আর আপনাদের কোম্পানী তা পুরো সুবিধা নিতে সক্ষম হবে।

সামাজিক প্রতিশ্রুতি

বেক্সিকো লিমিটেড-এ আমাদের কর্মকান্ড সমাজের প্রতি দায়িত্ববোধের দৃষ্টিকোন থেকে আমরা পরিচালনা করছি বলে বিশ্বাস করি। সেজন্য আমাদের সকল কার্যক্রম প্রধানতঃ সমাজের মঙ্গলের দিক লক্ষ্য রেখেই সম্পাদিত হয়ে থাকে। সামাজিক অঙ্গিকারের অংশ হিসাবে কোম্পানী সামাজিক গুরুত্ব সম্পন্ন অনুষ্ঠানাদি উপলক্ষে ক্রোড়পত্র প্রকাশনায় সহযোগিতা করে থাকে। বিভিন্ন প্রতিষ্ঠান ও পেশাদারিত্ব প্রতিষ্ঠানের আর্থ-সামাজিক ও সাংস্কৃতিক উন্নয়ন কার্যক্রমে আমরা একান্ত সহযোগিতা ও সমর্থন যুগিয়ে থাকি। কোম্পানী তার উৎপাদন স্থান এবং ইন্ডাষ্ট্রিয়াল পার্কের আশেপাশে অবস্থিত বেশ কিছু বিদ্যালয়ে নিয়মিত সহায়তা দিয়ে যাচ্ছে।

কৃতজ্ঞতা স্বীকার

আমি আমাদের সম্মানিত ক্রেতা, বিক্রেতা, ব্যাংকার, সরকারী সংস্থাসমূহ, বিধিবদ্ধ প্রতিষ্ঠান এবং আমাদের ব্যবসা পরিচালনার সাথে যারা জড়িত তাদের সকলকে আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমি কোম্পানীর শেয়ারহোল্ডারদের প্রতি কৃতজ্ঞ, যাদের সার্বক্ষনিক মূল্যবান সহযোগিতা এবং সমর্থন কোম্পানীকে আজকের এই অবস্থানে এনেছে। আমরা যে সাফল্য অর্জন করেছি তা সকলের সম্মিলিত প্রচেষ্টারই ফল।

আমি আবারো আমাদের সকল শুভাকাঙ্খীকে আন্তরিক ধন্যবাদ জানাই এবং ভবিষ্যতে তাদের অব্যাহত সমর্থন ও সহযোগিতা কামনা করি।

এ এস এফ রহমান
চেয়ারম্যান
তারিখঃ ২৫ অক্টোবর, ২০১৭

CHAIRMAN'S STATEMENT

Dear Shareholders.

I take this opportunity to welcome you on behalf of the Board of Directors to this 44th Annual General Meeting of your Company and to present you the Audited Accounts for the year 2016 – 2017 and Auditors' and Directors' report thereon.

Pursuant to the Directive issued by the Bangladesh Securities and Exchange Commission (No. SEC/SRMIC/2011/1240/445) dated April 27, 2016 to follow July – June as income year with effect from July 01, 2016 in compliance with the provision of the Finance Act 2015, the company has adopted the change in this financial year.

Despite expectation of the improvement in gas supply availability, pressure problem is continuing for last few years unabated although improvement in electricity supply has taken place. There are power cuts and we are not able to generate adequate electricity from our generators as gas is still in short supply.

Our endeavour to hold on to our advantages built up over the years are still continuing. We are confident that as soon as the global scenario improves further and confidence returns in our own ability to perform under difficult situations we will be able to take full advantage of the market.

SOCIAL COMMITMENT

In Beximco, we believe in our responsibilities towards the society we operate in. All our activities are therefore directed to the wellbeing of the society in general. As part of the social commitment, the company sponsors news supplements on important social occasions. We also provide active cooperation and support to different organizations and professional institutions in their sociocultural development programs. The Company helps to to run many Schools in and around its production sites and Industrial Park.

ACKNOWLEDGEMENT

I take this opportunity to express my sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone with whom the Company interacted in conducting its business. We are grateful to you, the shareholders, for extending at all times, your valuable support and cooperation to bring the company to the level it has reached today. The success we have achieved so far was only possible because of the collective efforts of all concerned.

Once again, I convey my heartiest thanks to all our stakeholders and look forward to their continued support and cooperation in future.

Thank you.

A S F Rahman
Chairman
Dated 25 October, 2017

DIRECTORS' REPORT
FOR THE YEAR 2016-17

Dear Shareholders.

The Directors have pleasure in submitting hereunder their report together with the Audited Accounts of the company for the year July 1, 2016 to June 30, 2017 and Auditors' Report thereon:

Pursuant to the Directive issued by the Bangladesh Securities and Exchange Commission (No. SEC/SRMIC/2011/1240/445) dated April 27, 2016 to follow July – June as income year with effect from July 01, 2016 in compliance with the provision of the Finance Act 2015, the company has adopted the change in this financial year.

Analysis of Operating Performance

Business Outlook – a general overview

The vertical manufacturers like Beximco having world class facilities will have the advantage over other producers in the long run. Under the new Zero Tolerance Compliance requirements both building and fire safety will be a central focus. Most marginal players and many buying houses exploiting them will disappear. An industry consolidation will take place.

We still feel that in spite of all the problems, Bangladesh has a long term competitive advantage, and extensive needlework experience, which cannot be easily substituted by any other country in the near future. RMG is definitely a sector which is highly beneficial for the Bangladeshi workers.

The net revenue of the Textile Division increased and other division's revenues slightly decreased during the year.

Domestic and Export Sales

Net sales during the period had increased compared to last year (Jan – Dec 2015).

Profitability

Pretax profit of the Company slightly decreased due to higher cost of revenue.

Working Results

The Directors are pleased to report that the working results of the company for the year ended on June 30, 2017 are as follows:

Taka in million

	For the year	For the period from
	2016-2017	01.01.2015 to 30.06.2016
Net profit before tax	873.53	1,316.83
Add / (Less): Income tax income / (Expense)	144.39	(202.59)
Net profit after tax	1,017.92	1,114.24
Add: Balance brought forward from previous period	14,914.27	14,836.79
Profit available for appropriation	15,932.19	15,951.03
Appropriation Recommended		
Cash & Stock Dividend (5% + 5%) 10%	794.85	1,036.76
Balance carried forward	15,137.34	14,914.27
Total	**15,932.19**	**15,951.03**

Dividend

The Board of Directors have recommended a cash dividend @ 5% and stock dividend (Bonus share) @ 5% total 10% per share of Tk.10 each for the year ended on June 30, 2017 subject to approval of the Shareholders in the Annual General Meeting.

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Directors

Retirement and Re-election of Directors

Mr. Salman F Rahman and Mr. Iqbal Ahmed, Directors of the Company retire by rotation as per Articles 123 and 124 of the Articles of Association of the Company and being eligible offer themselves for re-election.

Auditors

The Directors hereby report that the existing Auditors M/s. M. J. Abedin & Co. , Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 who appointed as Auditors of the Company in Forty Fourth Annual General Meeting carried out the audit for the year 2016 - 2017.

M/s. M. J. Abedin & Co. , Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 the Auditors of the Company retire at this meeting and have expressed their willingness to continue in the office for the year 2017-18.

Board Audit Committee

Barrister Faheemul Huq	Chairman
Mr. Iqbal Ahmed	Member
Mr. O K Chowdhury, FCA	Member
Mr. Mohammad Asad Ullah, FCS	Secretary

A detail of the activities of the Audit Committee has been provided in "Audit Committee Report".

Board Meeting and Attendance

8 (eight) Board Meetings were held during the year 2016 - 2017. The attendance record of the Directors of the Company is as follows:

Name of Directors	Meeting Attended
Mr. A S F Rahman	8
Mr. Salman F Rahman	8
Mr. Iqbal Ahmed	8
Mr. O K Chowdhury	8
Mr. A B S Rahman	8
Barrister Faheemul Huq	8

Corporate and Financial Reporting

The Directors are pleased to confirm that:

(a) The financial statements together with the notes thereon have drawn up in conformity with the Companies Act 1994 and Securities and Exchanges Rules 1987. These statements presents fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity.

(b) Proper books of accounts of the company have been maintained.

(c) Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

(d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.

(e) Internal Control System is sound in design and has been effectively implemented and monitored.

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(f) No significant doubts about the ability of the Company to continue as a going concern.

(g) There is no significant deviation in operating result compared to last year.

(h) The summarized key operating and financial data of last five preceding years is annexed as "Comparative Statistics" in the Annual Report.

(i) The related party transactions have been disclosed in preparation of the financial statements (Note # 24).

(j) The Pattern of share holding is as followings:

	Name	Shares held
(i)	Parent/Subsidiary/Associated Companies and other related Parties:	
	Beximco Holdings Ltd.	22,984,479
	New Dacca Industries Ltd.	11,149,948
	Beximco Engineering Ltd.	1,065,829
	Esses Exporters Ltd.	301,484
	Beximco Pharmaceuticals Ltd.	152,249
	Shinepukur Ceramics Ltd.	2,469,492
	Beximco Apparels Ltd.	383,669
(ii)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:	
	Mr. A S F Rahman, Director	57,328,792
	Mr. Salman F Rahman, Director	64,326,253
	Chief Executive Officer, Spouse and minor children	Nil
	Company Secretary, Spouse and minor children	Nil
	Chief Financial Officer, Spouse and minor children	Nil
	Head of Internal Audit, Spouse and minor children	Nil
(iii)	Executives	Nil
(iv)	Shareholders holding 10% or more Voting interest in the company	Nil

Certification by the Chief Executive Officer and Chief Financial Officer

Chief Executive Officer and the Chief Financial Officer have certified to the Board that:

(i) They have reviewed the Financial Statements for the period 01 July, 2016 to 30 June, 2017 and to the best of their knowledge and belief:

a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the period which are fraudulent, illegal or violation of the company's code of conduct.

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Key Operating and Financial Data

Taka In '000

Particulars	2016 - 17	2015-16	2014	2013	2012
Paid up Capital	7,948,471	6,911,713	6,010,186	5,226,248	4,544,564
Revenue	22,626,804	32,409,554	22,161,145	21,692,955	24,459,599
Gross Profit	6,671,190	11,492,442	7,006,175	7,602,425	8,719,338
Profit Before Income Tax	873,528	1,316,834	656,577	522,952	2,298,296
Net Profit after Income Tax	1,017,920	1,114,242	639,021	354,416	1,689,416
Tangible Assets (Gross)	33,186,667	32,919,655	32,567,603	32,529,678	30,157,548
Cumulative Surplus	15,932,197	15,951,035	17,601,951	16,861,659	17,188,927
Dividend-both Cash and Stock	10%(B & C)	15%(B)	15%(B)	15%(B)	15%(B)
Return on Paid up Capital	13%	16%	11%	7%	37%
Shareholders' Equity	59,646,623	57,951,100	50,441,976	49,268,675	45,332,071
Earnings per Share (Taka)	1.28	1.62	1.06	0.68	3.73
Shareholders' Equity Per Share(Taka)	75	84	84	94	100
Number of Shareholders	148,973	162,349	192,160	200,809	181,593
Number of Employees	6,689	6,963	7,852	7,942	7,852

Corporate Governance Compliance Status Report

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Compliance Status Report" is annexed.

Acknowledgement

The Directors has taken this opportunity to express our sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone with whom the company interacted in conducting its business. We are grateful to you, the shareholders, for extending at all times, your valuable support and cooperation.

On behalf of the Board of Directors.

A S F Rahman
Chairman

Dated: 25 October, 2017

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CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

ANNEXURE-I

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	**BOARD OF DIRECTORS:**			
1.1	Board's Size [number of Board members to be 5 – 20]	√		
1.2	Independent Directors			
1.2 (i)	Number of Independent Directors [at least 1/5]	√		
1.2 (ii)	Independent Director (ID) means a director:			
1.2 (ii) (a)	Holding no share or holding less than 1% shares	√		
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	√		
1.2 (ii) (c)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	√		
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	√		
1.2 (ii) (f)	Not being partner/executive at present or during the preceding 3 years of the company's statutory audit firm	√		
1.2 (ii) (g)	Not being an ID in more than 3 listed companies	√		
1.2 (ii) (h)	Not convicted as defaulter in any loan of a bank or NBFI	√		
1.2 (ii) (i)	Not convicted for a criminal offence	√		
1.2 (iii)	To be appointed by BOD and approved in the AGM	√		
1.2 (iv)	The post cannot remain vacant for more than 90 days	--	--	N/A
1.2 (v)	Laying down of code of conduct of Board members and recording of annual compliance of the code	√		
1.2 (vi)	Tenure of ID : 3 years, may be extended for one term	√		
1.3	Qualification of Independent Director			
1.3 (i)	Being knowledgeable, having integrity, ability to ensure compliance with laws and make meaningful contribution	√		
1.3 (ii)	Being a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher(Economics/Business/ Law)/CA/CMA/CS having 12 years of management/professional experience	√		
1.3 (iii)	Prior approval of the Commission in special cases	--	--	N/A
1.4	Appointment of Chairman and CEO, defining their roles	√		
1.5	The Director's Report to Shareholders shall include			
1.5 (i)	Industry outlook and possible future developments	√		
1.5 (ii)	Segment-wise or product-wise performance	√		Company operates in Trading, Textile, Denim, Knitting, IT, Fisheries & Real Estate. However, in relevant cases market segment performance has been analyzed
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1.5 (v)	Discussion on continuity of Extra-Ordinary gain or loss	--		N/A
1.5 (vi)	Basis for and a statement of related party transactions	√		
1.5 (vii)	Utilization of proceeds from issuing instruments	--	--	N/A
1.5 (viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc	--	--	N/A
1.5 (ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements	--	--	N/A

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Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (x)	Remuneration to directors including IDs	√		No remuneration has been paid to any Director during the period under review except Independent Director.
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results	√		
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend	--	--	N/A
1.5 (xx)	Number of Board meetings and attendance of directors	√		
1.5 (xxi)	Pattern of shareholding (along with name wise details) by-			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
1.5 (xxii)	In case of the appointment/re-appointment of a director,			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
2	**CFO, HEAD OF INTERNAL AUDIT AND CS:**			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
3	**AUDIT COMMITTEE:**			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
3.1	Constitution of the Audit Committee			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month	√		
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		

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CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

ANNEXURE-I

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue	-	-	N/A
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests	--	--	N/A
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system	--	--	N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws	--	--	N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately	--	--	N/A
3.4.2	Reporting to BSEC	--	--	N/A
3.5	Reporting to the Shareholders and General Investors	√		
4	**EXTERNAL / STATUTORY AUDITORS**			
4.00 (i)	Non-engagement in appraisal/valuation/fairness opinions	√		
4.00 (ii)	Non-engagement in designing & implementation of FIS	√		
4.00 (iii)	Non-engagement in Book Keeping or accounting	√		
4.00 (iv)	Non-engagement in Broker-Dealer services	√		
4.00 (v)	Non-engagement in Actuarial services	√		
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
4.00 (ix)	Non-engagement in Audit/Certification Services on Compliance of Corporate Govrnance as requird under clause (i) of condition No. 7	√		
5	**SUBSIDIARY COMPANY**			
5 (i)	Composition of BOD to be similar to holding company	--	--	Not Similar
5 (ii)	One ID to be in both holding and subsidiary company	--	--	Different Independent Director in holding and subsidiary
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	√	--	
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	√	--	
5 (v)	Audit Committee of holding company to review financial statements / investments of subsidiary company	√	--	
6	**DUTIES OF CEO AND CFO:**			
6 (i) (a)	To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
7	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

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CERTIFICATE ON COMPLIANCE

OF CORPORATE GOVERNANCE GUIDELINES



Suraiya Parveen FCS
Chartered Secretary in Practice
Private Practice Certificate No.:006
Phone No: 7811804
E-mail : parveensuraiya2@yahoo.com

Suraiya Parveen & Associates
(Chartered Secretaries)

Certification on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission to the shareholders of Bangladesh Export Import Company Limited.

We have studied the Statement of Compliance of the Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission dated 7 August 2012 through Notification # SEC/CMRRCD/2006-158/134/Admin/44, of Bangladesh Export Import Company Limited for the year ended 30th June 2017, as has been produced before us for our examination by the Company.

The compliance of conditions of Corporate Governance Guidelines is the accountability of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for confirming compliance of the conditions of Corporate Governance Guidelines. It is a scrutiny and verification only and not an expression of an opinion on the financial statements of the Company.

In our view and to the best of our information and according to the explanations delivered to us, subject to the remarks and observations as reported under 2.1 of condition # 7 in the attached Compliance Statements, the Company has complied with the conditions of the Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dhaka, 26 November 2017

Suraiya Parveen, FCS
Suraiya Parveen & Associates
(Chartered Secretaries)

House # 144, 3rd Floor,Road # 12 Block # G,South Banasree Project Eastern Housing, Goran, Dhaka-1219.

AUDIT COMMITTEE REPORT

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE FOR THE YEAR ENDED ON 30TH JUNE 2017

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2017.

The Audit Committee Report presented under condition No.3.5 of the Bangladesh Securities and Exchange Commission(BSEC) Corporate Governance Guidelines provides an insight on the functions of the Audit Committee for the year ended on 30th June 2017.

Composition:

As mentioned in the Compliance Statement, the Board has formed an Audit Committee in terms of the conditions of BSEC Guidelines which is appended with the Compliance Report and also enclosed with the Directors' Report. The Committee is comprised of Barrister Faheemul Huq, Mr. O. K. Chowdhury, FCA and Mr. Iqbal Ahmed, of whom Barrister Faheemul Huq is an Independent Director and also the Chairman of the Committee. Mr. Mohammad Asad Ullah, FCS, Company Secretary, performs as Secretary to the Audit Committee. The Audit Committee is appointed by the main Board and all the Members are Non-Executive Directors.

As required, all Members of the Audit Committee are 'financially literate' and are able to analysis and interpret financial statements to effectively discharge their duties and responsibilities as Members of the Audit Committee.

The Role of Audit Committee:

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review when appropriate, make recommendations to the main Board on business risk, internal controls and compliance. The committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control system are in place to identify and contain business risk and that the Company's business is conducted in a proper and economically sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

The role of the Audit Committee includes the following:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control and Risk Management process.
- Oversee hiring and performance of external Auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.
- To review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. framed/issued by the regulatory authorities have been complied with.
- Other matters as per Terms Of Reference (TOR) of the Audit Committee and also as directed by the Board, from time to time.

Authority:

In terms of Corporate Governance Guidelines, the Audit Committee is authorized by the Board to review any activity within the business as per its Terms Of Reference(TOR). It is authorized to seek any information it requires from, and requires the attendance at any of its meeting of any Director or Member of Management, and all employees are expected to co-operate with any request made by the Committee.

The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The TOR of the Audit Committee may be amended from time to time as required for the business in line with BSEC Notifications, subject to approval by the Board of the Company.

Reporting of the Audit Committee:

Reporting to the Board of Directors: The Audit Committee reports on its activities to the Board of Directors. The Audit Committee immediately reports to the Board of Directors on the following findings, if any:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter that it deems necessary.

In compliance with condition No.6 of the Corporate Governance Guidelines of BSEC Notification dated August 7, 2012, the Chief Executive Officer(CEO) and Chief Financial Officer (CFO) have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended on 30 June 2017, and state that:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws, and
- To the best of their knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.

This certificate has been reviewed by the Audit Committee before submitting to the Board.

Reporting to the Shareholders and General Investors:

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) of the BSEC's Corporate Governance Notification mentioned above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

Main Activities and recommendations of the Audit Committee for the year ended on 30th June 2017:

In terms of reference, the Committee in its first meeting held on September 28, 2016 reviewed the Annual Financial Statements for the period of 18 months ended on 30 June 2016. During the meeting the Chief Financial Officer presented the draft annual accounts along with the independent auditors' report to the Committee and briefed the committee regarding the financial performance of the Company.

The Audit Committee in its aforesaid meeting also had detailed discussion with the Members of the accounts and finance department on various aspects of the financial statements and accounts. The Committee also reviewed the financial reporting process, discussed the adequacy of the internal control processes in place to prevent errors and fraudulent activities and thoroughly scrutinized the related party transactions carried out during the year. The committee was fully satisfied that the related party transactions were made on an arm length basis as part of normal course of business and the transactions have been adequately disclosed in the financial statements. The Independent Auditors' report also did not contain any material audit observation that warranted the Boards' attention. The Committee being satisfied, authorized for onward submission of the Audited Financial Statements to the Board for approval.

In addition to the above meeting, the Audit Committee met three times during the year ended on 30 June 2017. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 13, 2016, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2016. The Committee reviewed the financial progress during the first quarter and examined in detail and recommended the same for approval by the Board to release to the Shareholders of the Company.

The third meeting of the Committee was held on January 23, 2017 to review the un-audited half-yearly financial Statements of the Company. The Committee being satisfied recommended for issue of the financial statements for the half-year ended on December 31, 2016.

The fourth meeting of the Committee was held on April 24, 2017 to release of the un-audited third quarter financial statements of the Company for the quarter ended March 31, 2017. The detailed review of the financial statements was made by the Committee and recommended to the Board for approval of the financial statements for release to the Shareholders of the Company.

The Chief Executive Officers of concerned Divisions, Chief Financial Officer, Internal Auditors of the Company and representatives of the External Auditors had attended all the meetings upon invitation by the Audit Committee. From time to time, other senior Members of Management have also been invited by the Audit Committee to attend in the above Audit Committee meetings. The Audit Committee met with the External Auditors and separately, with the internal Auditors on an annual basis.

The Audit Committee also reviewed, approved and monitored the procedures and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and did not find any material deviation, discrepancies or any adverse findings/observation in the areas of reporting.

External Auditors:

The Audit Committee conducted a formal evaluation of the effectiveness of the external audit process. The Committee has considered the tenure, quality and fees of the auditors, considered and made recommendations to the Board on the appointment and remuneration of external Auditors, M/s. M. J. Abedin & Company, Chartered Accountants for the year 2017-18, subject to the approval of shareholders in the 44th AGM of the Company, who had carried out the audit of the Company for the period ended on 30 June 2016.

On behalf of the Audit Committee



(BARRISTER FAHEEMUL HUQ)
CHAIRMAN
Dated: 25 October, 2017

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STATEMENT OF CORPORATE GOVERNANCE

The maintenance of effective corporate governance remains a key priority of the Board of Bangladesh Export Import Company Limited. Recognizing the importance of it, the board and other senior management remained committed to high standards of corporate governance. To exercise clarity about directors' responsibilities towards the shareholders, corporate governance must be dynamic and remain focused to the business objectives of the Company and create a culture of openness and accountability. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of Company's management, both in its day-today business and in the areas associated with internal control have been instituted.

Internal Financial Control

The Directors are responsible for the Company's system of internal financial control. Although no system of internal control can provide absolute assurance against material misstatement and loss, the Company's system is designed to provide the directors with reasonable assurance that problems are timely identified and dealt with appropriately. Key procedures to provide effective internal financial control can be described in following heads:

Management structure - The Company is operating through a well defined management structure headed by three CEOs for separate units, under whom Executive Directors, General Managers for various departments and according to hierarchy, various senior and mid level management staffs. The CEOs, Executive Directors, General Managers meet at regular intervals represented also by finance, marketing and personnel heads.

Budgeting - There are comprehensive management reporting disciplines which involve the preparation of annual budgets by all operating departments. Executive management reviews the budgets and actual results are reported against the budget and revised forecasts are prepared at regular intervals.

Asset management - The Company has sound asset management policy, which reasonably assures the safeguarding of assets against unauthorized use or disposition. The Company also follows proper records and policy regarding capital expenditures.

Functional reporting - In pursuance with keeping the reliability of financial information used within the business or for publication, the management has identified some key areas which are subject to monthly reporting to the chairman of the board. These include monthly treasury operations and financial statements. Other areas are also given emphasis by reviewing on a quarterly basis. These include information for strategy, environmental and insurance matters.

Statement of Directors' responsibilities for preparation and presentation of the Financial Statements

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors in relation to the financial statements. The Companies Act, 1994 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit for the year to that date. In preparing those financial statements, the directors:

- select suitable accounting policies and then apply them in a consistent manner;
- make reasonable and prudent judgments and estimates where necessary;
- state whether all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the notes to the financial statements;
- take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company;
- ensure that the financial statements comply with disclosure requirements of the Companies Act, 1994 and the Securities and Exchange Rules, 1987; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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Board Committees

The board - The board is responsible to the shareholders for the strategic development of the company, the management of the Company's assets in a way that maximizes performance and the control of the operation of the business.

The board of directors is responsible for approving Company policy and is responsible to shareholders for the Company's financial and operational performance. Responsibility for the development and implementation of Company policy and strategy, day-to-day operational issues is delegated by the board to the management of the Company.

Board structure and procedure - The membership of the board during the year 2016 - 2017 stood at six directors. All directors are equally accountable as per law to the shareholders for the proper conduct of the business.

The Company's board currently comprises the Chairman, Vice-Chairman and other four directors. The name of the directors appears on page 3. The quorum for the board is at least three directors present in person.

Going Concern

After making enquires, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the Company have adequate resources to continue operation for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

Rights and Relations with Shareholders

Control rights of shareholders - At annual general meeting, shareholders have rights of participation. They have the right to ask questions on and request from information from the board regarding item on the agenda to the extent necessary to make an informed judgment of the Company's affairs.

Relations with shareholders - The annual general meeting are used as an important opportunity for communication with both institutional and general shareholders. In addition, the Company maintains relations with its shareholders through the corporate affairs secretarial department. The following information can be addressed through the secretarial department:

- Dividend payment enquires;
- Dividend mandate instruction;
- Loss of share certificate/dividend warrants;
- Notification of change of address; and
- Transfer of shares.

The Board believes that it is important to respond adequately to all the queries of both institutional and general shareholders. At the AGM, the shareholders are offered an opportunity to raise with the

Board any specific question they have concerning the Company. In addition, meetings are also held between individual directors and institutional shareholders at various times during the year.

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FINANCIALS



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AUDITORS' REPORT

AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

OF

BANGLADESH EXPORT IMPORT COMPANY LTD. AND ITS SUBSIDIARIES

AS AT AND FOR THE YEAR ENDED 30 JUNE 2017

AMAR STOCK

INDEPENDENT AUDITORS' REPORT

To The Shareholders on the Consolidated Financial Statements of

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

We have audited the accompanying consolidated financial statements of Bangladesh Export Import Company Limited and its Subsidiaries (the Group) which comprise the Statement of Financial Position as at 30 June 2017, the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year from 01 July 2016 to 30 June 2017 then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the company as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.03 & 3.00, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1994 and the Securities and Exchange Rules 1987, we report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

(c) the Statement of Financial Position (Balance Sheet) and the Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books of account ; and

(d) the expenditure incurred was for the purposes of the company's business.

25 October 2017
Dhaka

M.J. ABEDIN & CO.
Chartered Accountants

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	Amount in Taka	
		As at 30-Jun-17	As at 30-Jun-16
ASSETS			
Non-Current Assets		**41,701,465,748**	**42,403,583,005**
Property, Plant and Equipment	5.00	27,015,985,929	27,458,927,028
Investment Property	6.00	14,015,580,293	14,013,591,113
Investment in Shares	7.00	669,899,526	931,064,864
Current Assets		**78,259,741,269**	**74,431,371,094**
Inventories	8.00	2,826,835,399	2,820,676,850
Trade and Other Receivables	9.00	31,956,420,373	27,398,224,199
Advances, Deposits and Pre-Payments	10.00	43,387,394,199	43,898,468,391
Cash and Cash Equivalents	11.00	89,091,298	314,001,654
Total Assets		**119,961,207,017**	**116,834,954,099**
SHAREHOLDERS' EQUITY, NON-CONTROLLING INTEREST AND LIABILITIES			
Equity attributable to the owners of the company		**60,420,759,367**	**59,317,339,748**
Issued Share Capital	12.00	7,923,775,640	6,890,239,690
Reserve		36,657,877,873	36,573,303,337
Retained Earnings		15,839,105,854	15,853,796,721
Non-Controlling (Minority) Interest in Subsidiaries	**13.00**	**2,084,524,914**	**2,064,427,771**
Total Equity		**62,505,284,281**	**61,381,767,519**
Non-Current Liabilities		**37,854,645,259**	**41,128,492,693**
Long Term Loans - Net off Current Maturity(Secured)	14.00	36,621,908,305	39,956,764,005
Gratuity Payable	15.00	109,631,647	101,599,302
Deferred Tax Liability	16.00	1,123,105,307	1,070,129,386
Current Liabilities		**19,601,277,477**	**14,324,693,887**
Short Term Loans from Banks and Others	17.00	2,802,502,753	3,381,610,433
Long Term Loans - Current Maturity(Secured)	18.00	9,069,158,505	2,890,529,769
Trade and Other Payables	19.00	7,729,616,219	8,052,553,685
Total Equity and Liabilities		**119,961,207,017**	**116,834,954,099**

The accompanying notes form an integral part of the financial statements.

Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

M. J. ABEDIN & CO.
Chartered Accountants

Dated : 25 October 2017
Dhaka.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	Amount in Taka			
		01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
		12 Months	18 Months	6 Months	12 Months
Revenue (Turnover) from net Sales	20.00	24,081,925,113	34,490,102,247	11,677,127,939	22,812,974,308
Cost of Goods Sold	21.00	(17,067,455,155)	(22,517,256,154)	(7,658,776,679)	(14,858,479,475)
Gross Operating Profit		**7,014,469,958**	**11,972,846,093**	**4,018,351,260**	**7,954,494,833**
Operating Expenses		**(920,668,680)**	**(1,374,063,818)**	**(481,234,601)**	**(892,829,217)**
Administrative Expenses	22.00	(794,594,117)	(1,275,448,325)	(446,056,988)	(829,391,337)
Selling and Distribution Expenses	23.00	(126,074,563)	(98,615,493)	(35,177,613)	(63,437,880)
Operating Profit		**6,093,801,278**	**10,598,782,275**	**3,537,116,659**	**7,061,665,616**
Finance Cost	24.00	(5,152,916,095)	(9,275,954,254)	(3,126,372,590)	(6,149,581,664)
Net Profit before Contribution to WPPF		**940,885,183**	**1,322,828,021**	**410,744,069**	**912,083,951**
Contribution to Workers' Profit Participation / Welfare Fund		(44,804,056)	(66,738,772)	(23,306,203)	(43,432,569)
Net Profit before Income Tax		**896,081,127**	**1,256,089,248**	**387,437,866**	**868,651,382**
Income Tax (Expenses)/Income	25.00	130,131,414	(174,408,240)	(28,346,565)	(146,061,675)
Net Profit after Tax		**1,026,212,542**	**1,081,681,008**	**359,091,301**	**722,589,707**
Non-Controlling (Minority) Interest in Loss/ (Income)		(4,146,379)	16,280,462	19,293,330	(3,012,867)
Net Profit after tax and Non-Controlling (Minority) Interest		**1,022,066,163**	**1,097,961,470**	**378,384,630**	**719,576,840**
Other Comprehensive Income					
Revaluation Surplus on Investment Property		-	7,708,611,028	7,708,611,028	-
Adjustment for Fair Value Gain/(Loss) on Investment in Shares		97,195,789	75,993,950	(1,713,429)	77,707,379
Total Comprehensive Income after Minority Interest		**1,119,261,952**	**8,882,566,448**	**8,085,282,229**	**797,284,219**
EPS (Par Value of Share Tk. 10/=)	26.00	**1.29**	**1.39**	**0.48**	**0.91**

The accompanying notes form an integral part of the financial statements.

Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 25 October 2017
Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

Particulars	Amount in Taka					
	Share Capital	Retained Earnings	Reserve	Total	Non-Controlling (Minority) Interest in Subsidiaries	Total Equity
As on 01 January 2015	**5,991,512,770**	**15,695,436,510**	**28,772,585,298**	**50,459,534,578**	**2,132,297,492**	**52,591,832,070**
Net Profit after Tax and Non-Controlling (Minority) Interest for the period from 01.01.2015 to 30.06.2016 (18 Month)	-	1,097,961,470	-	1,097,961,470	(16,280,462)	1,081,681,008
Other Comprehensive Income:						
Revaluation Surplus on Investment Property	-	-	7,708,611,028	7,708,611,028		7,708,611,028
Fair Value loss on Investment in Shares	-	-	75,993,950	75,993,950	(13,515,851)	62,478,100
Excess of Fair Value over Book Value on Consolidation	-	-	16,113,061	16,113,061		16,113,061
Prior Year Adjustment of Depreciation of Shinepukur Ceramics Ltd		(38,073,409)	-	(38,073,409)	(38,073,409)	(76,146,817)
Transactions with Shareholders:						
Issue of Bonus Shares for the prior Year (2014)	901,527,850	(901,527,850)	-	-	-	-
Adjustment for Shinepukur Ceramics Ltd.'s Investments with Beximco Ltd.	(2,800,930)	-	-	(2,800,930)	-	(2,800,930)
As on 30 June 2016	**6,890,239,690**	**15,853,796,721**	**36,573,303,3367**	**59,317,339,748**	**2,064,427,771**	**61,381,767,519**
As on 01 July 2016	**6,890,239,690**	**15,853,796,721**	**36,573,303,3367**	**59,317,339,748**	**2,064,427,771**	**61,381,767,519**
Net Profit after Tax and Non-Controlling (Minority) Interest for the year	-	1,022,066,163	-	1,022,066,163	4,146,379	1,026,212,542
Other Comprehensive Income:						
Fair Value gain on Investment in Shares	-	-	97,195,789	97,195,789	15,950,764	113,146,554
Excess of Fair Value over Book Value on Consolidation	-	-	(12,621,253)	(12,621,253)	-	(12,621,253)
Transactions with Shareholders:						
Issue of Bonus Shares for the prior periods	1,036,757,030	(1,036,757,030)	-	-	-	-
Adjustment for Shinepukur Ceramics Ltd.'s Investments with Beximco Ltd.	(3,221,080)	-	-	(3,221,080)	-	(3,221,080)
As on 30 June 2017	**7,923,775,640**	**15,839,105,854**	**36,657,877,873**	**60,420,759,367**	**2,084,524,914**	**62,505,284,281**

The accompanying notes form an integral part of the financial statements.

Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

M. J. ABEDIN & CO.
Chartered Accountants

Dated : 25 October 2017
Dhaka.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Amount in Taka	
	01.07.2016 - 30.06.2017 12 Months	**01.01.2015 - 30.06.2016** 18 Months
Cash Flows from Operating Activities :		
Collection from turnover and other income	19,523,728,939	33,508,909,675
Payments for cost and expenses including interest & tax	(21,723,749,417)	(39,079,258,882)
Net Cash Used in Operating Activities	***(2,200,020,479)***	***(5,570,349,206)***
Cash Flows from Investing Activities :		
Property, plant and equipment acquired	(287,962,104)	(490,065,063)
Sales Proceeds of Property, plant and equipment	-	690,000
Net Cash Used in Investing Activities	***(287,962,104)***	***(489,375,063)***
Cash Flows from Financing Activities :		
Increase in loan	2,263,072,227	6,293,141,992
Net Cash Generated From Financing Activities	***2,263,072,227***	***6,293,141,992***
Increase/(Decrease) in Cash and Cash Equivalents	***(224,910,356)***	***233,417,722***
Cash and Cash Equivalents at Beginning of the year	***314,001,654***	***80,583,932***
Cash and Cash Equivalents at End of the year	***89,091,298***	***314,001,654***

The accompanying notes form an integral part of the financial statements.
Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

M. J. ABEDIN & CO.
Chartered Accountants

Dated : 25 October 2017
Dhaka.

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

1.00 The background and activities of the Company

1.01 Status of the Company

Bangladesh Export Import Company Limited (the Company) was incorporated in Bangladesh in 1972 under the Companies Act, 1913 as a public Limited Company and commenced its commercial operation in the same year. The company listed its shares with Dhaka Stock Exchange in 1989 and with Chittagong Stock Exchange in 1995 on its debut.

On 30-06-2017, the Company holds 50% shares (50% shares on 30-06-2016) of Shinepukur Ceramics Ltd., a company of Beximco Group engaged in manufacturing and marketing of ceramics tableware.

The company has a branch at London which has a subsidiary in USA named Beximco USA Ltd.

The company has its registered office and operational office at Beximco Corporate Head Quarters, 17, Dhanmondi Residential Area, Road No.2, Dhaka - 1205. The London Branch is situated at 12 Barkat House, 116-118 Finchley Road, London NW3 5HT, UK and Beximco USA Ltd. is located at 310, Selvidge Street, Delton, Georgia – 30722, USA.

1.02 Principal Activities

The business activities include investment operation, agency and trading in other commodities and produces and is engaged in manufacturing and marketing of yarn that are consumed by weaving mills of Bangladesh including its own weaving mills producing and marketing of high quality fabric, that are eventually consumed by the export oriented garments industries of Bangladesh including the garments factories of Beximco Group.

2.00 Bases of Financial Statements-Its Preparation and Presentation

2.01 Measurement bases

The financial statements have been prepared on the Historical Cost basis as modified to include the revaluation of certain property, plant and equipments which are stated at revalued amount, investment in shares of listed companies are carried at fair value based on the period end quoted price of Dhaka Stock Exchange Ltd. & investment property are valued at fair value.

2.02 Consolidated Financial Statements of the Group (Parent and Subsidiaries)

(a) ***Shinepukur Ceramics Ltd. and Beximco USA Ltd. (subsidiaries) and Bangladesh Export Import Co. Ltd. (the Parent)***

The financial statements of subsidiaries have been consolidated with those of Bangladesh Export Import Co. Ltd. in accordance with BAS 27: Consolidated and Separate Financial Statements. In respect of the subsidiary undertakings, financial statements for the year ended 30 June 2017 have been used to draw up these financial statements.

(b) ***Subsidiary***

Subsidiary is an entity controlled by the parent company. Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(c) ***Transactions eliminated on consolidation***

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions have been eliminated while preparing the consolidated financial statements. Unrealised gains arising from transactions with equity account of investees have been eliminated against the investment to the extent of the parent company's interest in the investee. Unrealised losses were eliminated in the same way as unrealised gains, but only to the extent that there was no evidence of impairment.

(d) ***Non-Controlling Interest (Minority Interest)***

Non Controlling Interest represents minority's share of subsidiary's net assets.

2.03 Reporting Framework and Compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable, and in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.04 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by BAS 1: Presentation of Financial

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Statements.

The Financial Statements Comprises:

(a) a statement of financial position as at 30 June 2017;
(b) a statement of profit or loss and other comprehensive income for the year from 01 July 2016 to 30 June 2017;
(c) a statement of changes in equity for the year from 01 July 2016 to 30 June 2017;
(d) a statement of cash flows for the year from 01 July 2016 to 30 June 2017; and
(e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.05 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 25 October 2017.

2.06 Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.07 Reporting Period and Comparative Information

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2016 to 30th June 2017) as per a directive of Bangladesh Securities & Exchange Commission (BSEC) to facilitate the adoption of reporting period of July to June in compliance to the requirement of the National Board Of Revenue (NBR) to follow uniform financial year.

Therefore, the financial statements for the year of (01.07.2016 to 30.06.2017) are not entirely comparable with the comparative of 18 months (01.01.2015 to 30.06.2016).

Figures for earlier periods have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.08 Use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables.

2.09 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows.

The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.10 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis.

The information as required by BAS 24: Related Party Disclosures has been disclosed in a separate note to the accounts.

2.11 Events after the Reporting Period

In compliance with the requirements of BAS 10: Events after the Reporting Period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

3.00 Significant Accounting Policies

3.01 Revenue Recognition

In compliance with the requirements of BAS 18: Revenue, revenue from receipts from customers against sales is recognized when

MARSTOCK

NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 30 June 2017

products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Cash dividend income on investment in shares is recognized on approval of said dividend in the annual general meeting / Board meeting of relevant company. Stock dividend income (Bonus Shares) is not considered as revenue.

3.02 Property, Plant and Equipment

3.02.1 Recognition and Measurement

Property, plant and Equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of BAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In terms of paragraph 29 of BAS 16: Property, Plant and Equipment, the Company has chosen "Revaluation Model" for the measurement of Lands, Buildings and Plant and Machinery; and "Cost Model" for the measurement of Furniture and Fixtures and Vehicles. In terms of paragraph 31 of the aforesaid BAS, after recognition as an asset, the aforesaid items of property, plant and equipment whose fair value can be measured reliably has been carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made after every three years to ensure that the carrying amount does not differ materially from that which has been determined using fair value at the end of the reporting period.

3.02.2 Pre-Operating Expenses and Borrowing Costs

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing cost considering the requirement of BAS 23: Borrowing Costs.

3.02.3 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the statement of profit or loss and other comprehensive income as expenses if incurred. All up-gradation/ enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.02.4 Software

Software is generally charged off as revenue expenditure. Purchase of software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.02.5 Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.02.6 Depreciation on Fixed Assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation is provided for the period in use of the assets. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. Depreciation is provided on all fixed assets except land at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction	.5% - 10%
Plant and Machinery	1.5% - 15%
Furniture, Fixture & Equipment	10% - 20%
Transport & Vehicle	20%
Furniture & Equipment of London Branch	15%

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

3.03 Investment Property

This represents Land & Building held by the company for capital appreciation and/or rental income. The Company has applied BAS 40, "Investment Property" and has adopted "fair value model". The gain arose from a change in the fair value has been recognized in other comprehensive income in compliance with the Bangladesh Securities and Exchange Commission's (BSEC) Notification dated 18 August 2013 on "Revaluation of Assets" which requires that "no dividend shall be issued out of revaluation surplus", although the BAS 40 requires that such gain or loss shall be recognized in profit or loss for the year.

3.04 Impairment

(a) Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

(b) Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.05 Leased Assets

In Compliance with the BAS 17 : Leases, cost of assets acquired under finance lease along with related obligation have been accounted for as assets and liabilities respectively of the company, and the interest element has been charged as expenses.

3.06 Investment in Shares

3.06.1 Investment in shares of Beximco USA Ltd. by Beximco London Branch is carried in this statement of financial position at Net Assets by consolidating assets and liabilities thereof.

3.06.2 Investment in shares of listed companies are carried in the statement of financial position at fair value based on DSE quoted price at the Period end and the gain/loss thereon were accounted for through other comprehensive income considering it as "Available – for – Sale" financial assets.

Investment in other shares is carried in the statement of financial position at cost.

3.07 Financial Instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

3.07.1 Financial Assets

Financial Assets of the company include cash and cash equivalents, accounts receivable and other receivables.

The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

(a) Accounts Receivables

Accounts receivables are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of profit or loss and other comprehensive income.

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

(b) Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the statement of profit or loss and other comprehensive income.

(c) Cash and Cash Equivalents

Cash and Cash equivalents are carried in the statement of financial position at cost and include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.07.2 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.08 Inventories

Inventories are valued at the lower of cost or net realizable value with cost determined by weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.09 Provision

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinary measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

3.10 Borrowing Costs

This has been dealt with the requirements of BAS 23: Borrowing Costs.

Borrowing costs relating to projects in commercial operation are recognized as expenses in the year in which they are incurred. In respect of projects that have not yet commenced commercial production, borrowing costs are debited to capital work in progress.

3.11 Income Tax Expenses

This is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted after the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised in compliance with BAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate income taxes levied by the same tax authority on the same taxable entity.

3.12 Employee Benefits

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the deed.

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

The company contributes to a registered provident fund scheme (defined contribution plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

trust. All permanent employees contribute 10% of their basis salary to the provident fund and the company also makes equal contribution.

(b) Short-term employee benefits

Short-term employee benefits include salaries, bonuses, leave encashment etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(c) Contribution to Workers' Participation/Welfare Funds

This represents 5% of net profit before tax contributed by the Company as per provisions of Bangladesh Labor Law, 2013 and is payable to workers as defined in the said law.

3.13 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of Bangladesh Accounting Standard (BAS) 1 (Revised 2009): Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of Bangladesh Accounting Standard (BAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board Directors.

3.14 Earnings Per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings (Numerator)

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, extra ordinary items, the net profit after tax and Non-controlling (Minority) interest for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Shares in Issue (Denominator)

Current Year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the years. However, the Bonus Shares issued during the year were treated as if they always had been in issue. Hence, in computing the Basic EPS, the total number of bonus shares has been considered.

Earlier Periods

The number of shares outstanding before the bonus shares issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issues had occurred at the beginning of the earliest periods reported, and accordingly, in calculating the adjusted EPS of earlier periods, the total number of shares including the subsequent bonus issue in current year has been considered as the Weighted Average Number of Shares Outstanding during the earlier periods.

The basis of computation of number of shares as stated above, is in line with the provisions of BAS 33: Earnings Per Share. The logic behind this basis, as stated in the said BAS is that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

Diluted Earnings Per Share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

3.15 Foreign Currency Translations

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. The assets and liabilities denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange difference is charged off as revenue expenditure in compliance with the provisions of BAS 21: The Effects of Changes in Foreign Exchange Rates. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

4.00 Financial risk management

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

4.01 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

4.02 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

4.03 Market risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and EURO and relate to procurement of raw materials, machineries and equipment from abroad.

(b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

5.00 Property, Plant and Equipment : Tk. 27,015,985,929

The details are stated below:

Particulars	Amount in Taka						
	Land and Land Development	Building and Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost / Valuation							
At 31 January 2015	13,884,140,503	6,925,797,021	16,496,050,858	680,704,861	209,537,383	1,700,331,064	39,896,561,689
Addition during the periods (18 Month)	-	340,798,929	324,846,584	34,599,553	-	128,435,869	828,680,935
Disposal during the period	-	-	-	-	(1,090,000)	(338,615,872)	(339,705,872)
At 30 June 2016	**13,884,140,503**	**7,266,595,950**	**16,820,897,442**	**715,304,414**	**208,447,383**	**1,490,151,061**	**40,385,536,752**
Addition during the year	-	-	224,279,695	20,338,241	6,370,000	36,974,168	287,962,104
At 30 June 2017	**13,884,140,503**	**7,266,595,950**	**17,045,177,136**	**735,642,655**	**214,817,383**	**1,527,125,229**	**40,673,498,856**
Depreciation							
At 31 January 2015	-	1,756,937,712	9,338,224,586	535,911,041	149,239,955	-	11,780,313,294
Charged during periods (18 Month)	-	367,063,038	731,466,011	31,668,713	16,685,154	-	1,146,882,915
Disposal during the period	-	-	-	-	(586,484)	-	(586,484)
At 30 June 2016	**-**	**2,124,000,750**	**10,069,690,597**	**567,579,753**	**165,338,625**	**-**	**12,926,609,724**
Charged during year	-	233,429,372	467,107,449	20,507,527	9,858,855		730,903,202
At 30 June 2017	**-**	**2,357,430,122**	**10,536,798,046**	**588,087,279**	**175,197,480**	**-**	**13,657,512,926**
Carrying Value							
At 30 June 2017	**13,884,140,503**	**4,909,165,828**	**6,508,379,090**	**147,555,375**	**39,619,903**	**1,527,125,229**	**27,015,985,929**
At 30 June 2016	**13,884,140,503**	**5,142,595,200**	**6,751,206,845**	**147,724,661**	**43,108,758**	**1,490,151,061**	**27,458,927,028**

	Amount in Taka	
	As at 30-Jun-17	**As at 30-Jun-16**

6.00 Investment Property : Tk. 14,015,580,293

This represents Land & Building held by the company for capital appreciation and/or rental income and is arrived as follows:

Opening Balance	14,013,591,113	5,746,743,113
Addition during the year	1,989,180	558,236,972
Surplus on Revaluation for the year	-	7,708,611,028
	14,015,580,293	**14,013,591,113**

During the period of 18 month ended 30 June 2016 a portion of land was transfer from Inventory (Cost-558,236,972) to investment property and this portion is included in Investment property at fair value.This revaluation was done by an independent valuer Shiraz Khan Basak & Co., Chartered Accountants, R K Tower, 86 Bir Uttam C R Datta Road (312, Sonargaon), Level 10, Hatirpool, Dhaka-1205, and the valuer has revalued the said land of the Company as of 30 March 2016, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 8,354,043,028.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

		Amount in Taka	
		As at 30-Jun-17	As at 30-Jun-16
7.00	**Investment in Shares : Tk. 669,899,526**		
	This consists of as follows:		
	(i) In Associated undertakings :		
	(a) In Shares 2,899,933 (30.06.2016: 2,761,841) of Beximco Pharmaceuticals Ltd. [Listed company, Market value Tk. 113.00 (30.06.2016: Tk. 83.50)per share on 30 June 2017]	327,692,429	230,613,723
	(b) In 68,246 (30.06.2016: 68,246) Shares of Beximco Synthetics Ltd. [Listed company, Market value Tk. 9.60 (30.06.2016: Tk. 6.30) per share on 30 June 2017]	655,162	429,950
	(ii) Others :		
	(a) In 35,846,956 Shares of Tk.10/= each Dhaka Shanghai Ceramics Ltd.	-	358,469,560
	(b) In 32,997,800 Shares of Tk.10/= each of GMG Airlines Ltd(Average cost price per share is Tk. 9.09)	299,980,000	299,980,000
	(e) In 12 (30.06.2016: 12) Shares of Jamuna Oil Ltd. (Listed Company) [Market value Tk. 207.10 (30.06.2016: Tk. 181.80) per share on 30 June 2017]	2,485	2,181
	(f) In 571,181 shares of Central Depository Bangladesh Ltd. [Avg. cost price per share is Tk.2.74 against face value of Tk.10]	1,569,450	1,569,450
	(g) In 4,000,000 Shares of Beximco Power Co. Ltd. (Face value of Tk. 10.00)	40,000,000	40,000,000
		669,899,526	**931,064,864**
8.00	**Inventories : Tk. 2,826,835,399**		
	This represents as follows:		
	Land (Real Estate Business)	442,507,717	441,517,697
	Construction work in progress (Real Estate Business)	321,541,652	321,385,478
	Land Development and Others (Real Estate Business)	42,926,952	42,926,952
	Work in Process	629,188,167	554,634,249
	Raw Materials	412,676,945	622,521,924
	Stores and Spares	265,807,214	218,838,572
	Finished Goods	687,260,576	560,360,605
	Fish & Shrimp	6,884,400	7,415,298
	Packing Materials	17,484,841	50,800,629
	Fish Feed	485,822	204,334
	Jute Yarn(London Branch)	71,112	71,112
		2,826,835,399	**2,820,676,850**
9.00	**Trade and Other Receivables - Tk. 31,956,420,373**		
	This is unsecured but considered good.		
10.00	**Advances, Deposits and Pre-payments : Tk. 43,387,394,199**		
	This consists of as follows:		
	(i) Advances:	**43,268,518,851**	**43,772,180,547**
	Advance Income Tax	249,679,194	253,298,875
	L/C Margin & Others	244,205,655	229,860,648
	Suppliers	2,625,617	54,140,788
	Trade Fair	9,599,500	13,469,541
	Other Advances	42,762,408,886	43,221,410,694
	(ii) Deposits	**82,061,814**	**89,474,310**
	(iii) London Branch	**36,813,535**	**36,813,535**
		43,387,394,199	**43,898,468,391**

This is unsecured but considered good.

No amount was due by the directors (including Managing Director), Managing Agents, Managers and other officers of the company and any of them severally or jointly with any other person.

No amount was due by the associated undertakings.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	Amount in Taka	
	As at 30-Jun-17	As at 30-Jun-16

11.00 Cash and Cash Equivalents : Tk. 89,091,298

This consist of as follows:

In Hand	24,357,094	45,424,957
In Current Account with banks	32,649,445	256,824,491
In STD account with banks	28,903,614	8,658,670
In fixed deposit and accrued interest with bank	2,913,334	2,825,724
London Branch	267,812	267,812
	89,091,298	**314,001,654**

12.00 Issued Share Capital : Tk. 7,923,775,640

(a) Authorised:

1,000,000,000 Ordinary Shares of Tk. 10/-each	**10,000,000,000**	**10,000,000,000**

(b) Issued, Subscribed and Paid-Up:

4,000,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	40,000,000	40,000,000
619,133,992 (30.06.2016: 515,458,289 Ordinary Shares of Tk.10/-each issued as fully paid-up bonus shares	6,191,339,920	5,154,582,890
22,019,999 Ordinary Shares of Tk.10/-each issued in exchange for acquisition of shares of Shinepukur Ceramics Ltd.	220,199,990	220,199,990
12,600,000 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Real Estate Ltd.	126,000,000	126,000,000
650,000 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Fisheries Ltd.	6,500,000	6,500,000
11,909,840 Ordinary Shares of Tk. 10/- each issued to the shareholders of Bangladesh Online Ltd.	119,098,400	119,098,400
9,187,487 Ordinary Shares of Tk. 10/- each issued to the shareholders of Dhaka-Shanghai Ceramics Ltd.	91,874,870	91,874,870
107,282,919 Ordinary Shares of Tk. 10/- each issued to the shareholders of Bextex Ltd.	1,072,829,190	1,072,829,190
2,649,470 Ordinary Shares of Tk. 10/- each issued to the shareholders of International Knitwear & Apparels Ltd.	26,494,700	26,494,700
2,372,506 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Fashions Ltd.	23,725,060	23,725,060
2,489,502 Ordinary Shares of Tk. 10/- each issued to the shareholders of Cresent Fashions & Design Ltd.	24,895,020	24,895,020
551,342 Ordinary Shares of Tk. 10/- each issued to the shareholders of RR Washing Ltd. (Former Freshtex Bangladesh Ltd.)	5,513,420	5,513,420
Adjustment for Shinepukur Ceramics Ltd.'s Investment with Beximco 2,469,493 Ordinary Shares of Tk. 10/- each.	(24,694,930)	(21,473,850)
Total 792,377,564 Shares of Tk. 10/= each	**7,923,775,640**	**6,890,239,690**

(c) Composition of Shareholding:

	30 June 2017		30 June 2016	
	No. of Shares	%	No. of Shares	%
Sponsors:				
A S F Rahman	57,328,792	7.24%	49,851,124	7.24%
Salman F Rahman	64,326,253	8.12%	55,935,873	8.12%
Associates	36,037,657	4.55%	31,337,096	4.55%
Foreign Investors	76,686,447	9.68%	67,693,862	9.82%
ICB including ICB Investors' Account	92,811,222	11.71%	104,386,951	15.15%
General Public & Financial Institutions	465,187,193	58.71%	379,819,063	55.12%
	792,377,564	**100%**	**689,023,969**	**100%**

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

(d) Distributions Schedule– Disclosures under the Listing Regulations of Stock Exchanges:

The distribution schedule showing the number of shareholders and their shareholdings in percentage has been disclosed below as a requirement of the "Listing Regulations" of Dhaka and Chittagong Stock Exchanges:

Share holding Range in number of Shares	Number of holders	% of total holders	Number of Shares	% of Share Capital
1 to 499	80,536	54.06%	12,235,968	1.54%
500 to 5,000	54,081	36.30%	90,764,401	11.45%
5,001 to 10,000	7,155	4.80%	51,913,967	6.55%
10,001 to 20,000	3,762	2.53%	53,378,667	6.74%
20,001 to 30,000	1,290	0.87%	32,105,915	4.05%
30,001 to 40,000	588	0.39%	20,336,444	2.57%
40,001 to 50,000	401	0.27%	18,444,787	2.33%
50,001 to 100,000	657	0.44%	47,131,679	5.95%
100,001 to 1,000,000	459	0.31%	115,834,771	14.62%
Over 1,000,000	43	0.03%	350,230,965	44.20%
Total :	**148,972**	**100%**	**792,377,564**	**100%**

(e) Option on Unissued Shares :

There is no option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares.

(f) Market Price :

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 33.70 and Tk. 33.70 per share in the Dhaka and Chittagong Stock Exchanges on 29 June 2017.

(g) Voting Rights :

The rights and privileges of the shareholders are stated in the Bye Laws (Articles of Association) of the company.

13.00 Non-Controlling (Minority) Interest in Subsidiaries : Tk. 2,084,524,914

This represents minority's share of subsidiary's net assets.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	Amount in Taka	
	As at 30-Jun-17	**As at 30-Jun-16**
14.00 Long Term Loans - Net off Current Maturity(Secured) : Tk. 36,621,908,305		
This represents Loans from:		
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	6,167,052,939	7,330,133,084
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	2,363,589,517	3,609,611,742
Janata Bank Ltd. - Long Term Loan-2	2,438,233,676	2,545,185,256
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	1,141,223,793	1,529,093,786
AB Bank Ltd- Term Loan (12 Years)	474,298,860	501,985,026
Phonix Finance & Investment	229,981,881	254,650,911
Bank Asia Ltd. - Term Loan	242,380,869	283,617,019
Bangladesh Development Bank Ltd.- Term Loan	5,236,856	22,636,856
Term loan(FLIL)	14,435,963	36,775,428
Bangladesh Development Bank Ltd.- Interest Block	10,501,596	18,901,596
Southeast Bank Ltd. - Term Loan	-	37,343,934
Lease Obligation	-	2,210,999
Rupali Bank Ltd. - Long Term mLoan (12 Years)	3,609,604,637	3,662,350,485
Rupali Bank Ltd. - Long Term mLoan (6 Years)	3,681,837,036	4,069,378,450
Janata Bank Ltd. - Long Term mLoan (12 Years)	8,234,246,626	7,961,734,965
Exim Bank -Forced Loan	2,961,094,837	2,656,596,534
Agrani Bank-Industrial Credit Loan-1	2,286,558,298	2,325,791,933
Agrani Bank- Demand Loan	1,635,775,398	2,049,103,729
AB Bank Ltd. - Term Loan	985,789,296	933,592,426
AB Bank Ltd. - Time Loan	140,066,227	126,069,848
	36,621,908,305	**39,956,764,005**

Nature of security :

(I) Equitable mortgage over the immovable property.
(ii) Hypothecation by way of a floating charge on all other movable assets both present and future.
(iii) First charge over all the finished stock, work - in - process and current assets excluding book debts.

Terms of Repayment :

Bank Asia Ltd. - Term Loan :
In 20 (Twenty) equal Quarterly installments commencing from 30 March 2017 as per revised sanction.

Phonix Finance & Investment
In 96 (Ninety six) equal monthly installments commencing from 25 July 2015 as per revised sanction.

Rates of Interest:

Bank Asia Ltd. - Term Loan :
12% p.a. or the lending rate applicable from time to time based on Bank rate / policy.
Phonix Finance & Investment
17 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

15.00 Gratuity Payable : Tk. 109,631,647		
This is arrived at as follows:		
Opening Balance	101,599,302	92,417,698
Add: Addition during the year	9,625,474	12,410,479
	111,224,776	104,828,177
Less: Payment during the year	(1,593,129)	(3,228,875)
Closing Balance	**109,631,647**	**101,599,302**

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	Amount in Taka	
	As at 30-Jun-17	**As at 30-Jun-16**

16.00 Deferred Tax Liability : Tk. 1,123,105,307

Deferred Tax Liability is arrived at as follows:		
Book Value of Depreciable Fixed Assets	10,316,791,946	10,755,714,813
Less: Tax Base	(2,673,022,414)	(3,457,719,944)
Taxable Temporary Difference	**7,643,769,532**	**7,297,994,869**
Effective Tax Rate	14.69%	14.66%
Deferred Tax Liability	**1,123,105,307**	**1,070,129,386**

17.00 Short Term Loans from Banks and Others : Tk. 2,802,502,753

This is secured and consists of as follows:		
Secured:		
Janata Bank- CCH	1,067,787,089	1,033,930,812
Sonali Bank- CC (Hypothecation)	568,798,083	574,623,467
Janata Bank Cash Subsidy	152,127,688	147,515,220
Sonali Bank- LTR	127,212,987	74,382,775
Southeast Bank - LTR	-	72,562,456
Sonali Bank Ltd. -EDF	-	39,557,890
Unsecured:		
Beximco Pharmaceuticals Ltd.	886,576,906	1,439,037,813
	2,802,502,753	**3,381,610,433**

18.00 Long Term Loans - Current Maturity(Secured) Tk. 9,069,158,505

This consists of as follows:		
Agrani Bank-Industrial Credit Loan-1	276,427,902	-
Agrani Bank- Demand Loan	571,404,524	-
10% Debentures	955,454,968	908,055,926
AB Bank Ltd. - Term Loan	51,451,339	-
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	1,918,050,898	523,600,000
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	2,118,432,272	460,800,000
Lease Obligation	170,367,548	143,798,032
Southeast Bank Ltd. - Term Loan	35,535,640	29,141,304
Term Loan (FLIL)	42,105,756	82,715,516
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	575,648,673	62,788,151
Sonali Bank Ltd. - Project	-	20,236,264
Bangladesh Development Bank Ltd.- Term Loan	33,353,413	32,240,965
Janata Bank Ltd. - Long Term Loan-2	352,000,000	22,000,000
Bangladesh Development Bank Ltd.- Interest Block	18,708,431	19,935,313
AB Bank Ltd- Term Loan (12 Years)	98,759,346	15,416,146
Agrani Bank-Industrial Credit Loan-2	-	4,742,415
Rupali Bank Ltd. - Long Term Loan (12 Years)	357,124,485	136,645,833
Rupali Bank Ltd. - Long Term Loan (6 Years)	788,972,236	303,533,333
Janata Bank Ltd. - Long Term Loan (12 Years)	525,264,502	40,000,000
Bank Asia Ltd. (Term Loan)	81,242,926	34,999,722
Phoenix Finance & Investment Ltd.	98,853,647	49,880,848
	9,069,158,505	**2,890,529,769**

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	Amount in Taka	
	As at 30-Jun-17	As at 30-Jun-16

19.00 Trade and Other Payables : Tk. 7,729,616,219

This consists of as follows:

Creditors for Goods	2,834,208,748	2,833,855,732
Income Tax Payables	1,026,471,236	1,235,602,208
Advance Against sale of Investment in Shares	274,470,349	274,470,348
Other Current Liabilities	3,538,123,427	3,652,482,938
London Branch	37,152,459	37,152,459
Security Deposit from Distributor	19,190,000	18,990,000
	7,729,616,219	**8,052,553,685**

	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months

20.00 Revenue : Tk. 24,081,925,113

This is made-up as follows:

Sale of Goods (Net)	23,558,045,690	34,342,819,180	11,589,146,251	22,753,672,929
Commission and Other Income	17,311,397	57,413,320	12,896,323	44,516,997
Dividend Income	5,570,714	4,215,631	120	4,215,511
Capital (Loss)/Gain on Sale of Shares	500,997,312	85,654,116	75,085,245	10,568,871
	24,081,925,113	**34,490,102,247**	**11,677,127,939**	**22,812,974,308**

21.00 Cost of Goods Sold : TK. 17,067,455,154

This represents cost of goods sold against sale of:

Yarn, Fabrics & Others	15,717,504,146	20,615,671,738	7,028,858,542	13,586,813,197
Table Ware (Shinepukur Ceramics Ltd.)	1,111,841,194	1,600,154,418	527,673,093	1,072,481,325
Internet Services & Software	214,403,695	258,279,568	85,634,456	172,645,113
Shrimp and Fish (Fisheries Unit)	23,706,119	37,286,129	10,746,288	26,539,841
Land	-	5,864,300	5,864,300	-
	17,067,455,154	**22,517,256,154**	**7,658,776,679**	**14,858,479,475**

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months
22.00 Administrative Expenses : Tk. 794,594,117				
This Consists of as follows:				
Salaries and Allowances	448,788,782	850,251,910	296,397,341	553,854,569
Car Repairs and Maintenance	35,621,401	75,926,661	19,240,509	56,686,152
Fees and Charges	49,228,306	44,957,199	5,537,244	39,419,955
Repairs and Maintenances	40,532,882	52,092,236	18,799,156	33,293,080
Rent, Rates and Taxes	30,746,375	39,519,415	12,799,137	26,720,278
Miscellaneous Overhead	39,806,908	51,520,955	29,128,526	22,392,429
Travelling and Conveyance	34,326,606	39,436,521	15,691,934	23,744,587
Depreciation	15,876,367	21,153,221	9,270,072	11,883,149
Postage, Telegram, Telex and Telephone	15,638,515	18,302,542	6,885,528	11,417,014
General Office Expenses	12,516,936	21,978,462	11,883,587	10,094,875
Welfare Expenses	21,301,655	2,393,377	724,039	1,669,338
Entertainment	10,396,202	13,057,583	4,023,006	9,034,577
Insurance	2,877,992	6,794,110	2,240,580	4,553,530
Petrol, Fuel, Electricity, Gas and Water	4,027,734	6,485,747	2,323,444	4,162,303
Printing and Stationery	7,981,508	5,802,164	2,515,735	3,286,429
AGM Expenses	1,660,920	2,160,100	603,340	1,556,760
Audit Fees (Including VAT @ 15%)	2,185,000	3,277,500	1,092,500	2,185,000
Publicity and Advertisement	2,139,043	2,236,757	371,012	1,865,745
Gratuity	1,128,986	1,287,455	71,215	1,216,240
Subscriptions	8,820,098	3,329,180	2,219,622	1,109,558
Contribution to Provident Fund	8,701,414	13,225,724	4,187,056	9,038,668
Training and Conference	290,487	259,505	52,405	207,100
	794,594,117	**1,275,448,325**	**446,056,988**	**829,391,337**
23.00 Selling and Distribution Expenses : Tk. 126,074,563				
This consists of as follows:				
Salaries & Allowances	86,516,383	51,120,865	20,522,211	30,598,654
Promotional Expenses	18,932,437	18,521,333	5,505,861	13,015,472
Occupancy Expenses	8,094,549	10,766,985	3,436,477	7,330,508
Office Expenses	5,036,870	6,762,319	2,165,412	4,596,907
Transport Expenses	1,881,056	2,935,394	875,816	2,059,578
Travelling & Conveyance Expenses	990,499	1,777,976	676,004	1,101,972
Gratuity	664,217	1,136,422	62,860	1,073,562
Communication Expenses	801,987	1,239,001	481,434	757,567
Utilities Expenses	677,144	1,027,150	365,683	661,467
Handling & Carrying Expenses	44,310	939,101	292,585	646,516
Show Room Expenses	427,195	852,408	256,644	595,764
Lease Rental	-	499,930	-	499,930
Legal & Professional Fees	367,134	511,045	302,636	208,409
Advertising & Publicity	475,968	338,880	135,240	203,640
Product Research	1,164,815	186,684	98,750	87,934
	126,074,563	**98,615,493**	**35,177,613**	**63,437,880**

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months
24.00 Finance Cost : Tk. 5,152,916,095				
This Consists of as follows:				
Interest on Loan from Banks and Others	4,953,005,764	8,790,848,737	2,998,476,601	5,792,372,136
Bank Charges and Commission	40,371,238	83,594,535	28,288,184	55,306,351
Interest on Loan from Related Company	159,539,093	401,510,982	99,607,805	301,903,177
	5,152,916,095	**9,275,954,254**	**3,126,372,590**	**6,149,581,664**
25.00 Income Tax Expenses : Tk. -130,131,414				
This represents:				
Current Tax Expenses	74,429,716	225,424,161	73,117,111	152,307,050
Deferred Tax Income	52,975,922	(66,616,744)	(60,371,370)	(6,245,375)
Short Provision of Tax for Earlier years	55,337,217	15,600,824	15,600,824	-
Excess Provision of Tax for Earlier years	(312,874,269)	-	-	-
	(130,131,414)	**174,408,240**	**28,346,565**	**146,061,675**
26.00 Basic Earnings per Share (EPS)				
The computation of EPS is given below :				
(a) Net Profit for the year after tax and Non-controlling (minority interest)	1,022,066,163	1,097,961,470	378,384,630	719,576,840
(b) Weighted average number of shares used for EPS (Note - 3.14)	792,377,564	792,377,564	792,377,564	792,377,564
(c) Basic EPS (a/b)	**1.29**	**1.39**	**0.48**	**0.91**

27.00 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The nature of transactions and their total value is shown below:

Name of the Related Parties	Nature of transactions	Value of transactions during the year	Balance at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	327,692,429
Beximco Pharmaceuticals Ltd.	Short Term Loan	871,539,093	(886,576,906)
Beximco Pharmaceuticals Ltd.	Interest Expense	159,539,093	-
Beximco Synthetics Ltd.	Investment in Shares	-	24,288

Nature of Relationship

The Company, and the parties as stated above are subject to common control from same source i.e., Beximco Group.

28.00 Contingent Liabilities

There was no sum for which the company is contingently liable as on 30 June 2017.

29.00 Capital Expenditure Commitment

(a) There was no capital expenditure contracted but not incurred or provided for at 30 June 2017.

(b) There was no material capital expenditure authorized by the board but not contracted for at 30 June 2017.

IFMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

30.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 30 June 2017.

31.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed of as on 30 June 2017 other than trade credit available in the ordinary course of business.

32.00 Benefit to Directors

During the year under review

(i) no compensation was allowed by the company to the Managing Director of the company;
(ii) no amount of money was spent by the company for compensating any member of the Board for special service rendered; and
(iii) No board meeting attendance fee was paid to the directors of the Company except to the independent director of Tk. 120,000.

33.00 Events After The Reporting Period

Subsequent to the Statement of Financial Position date,.The directors recommended 5% cash (i.e. Tk. 0.50 per share) and 5% Stock dividend (i.e. 5 shares for every 100 shares held) for the year ended 30 June 2017 which is subject to shareholders' approval at the forthcoming Annual General Meeting. Except the fact as stated above, no circumstances has has arisen since the balance sheet date which would require adjustments to, or disclosure in, the financial statements or notes thereto.

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

Dated : 25 October 2017
Dhaka

AMARSTOCK

AUDITORS' REPORT

AND AUDITED FINANCIAL STATEMENTS

OF

BANGLADESH EXPORT IMPORT COMPANY LTD.

AS AT AND FOR THE YEAR ENDED 30 JUNE 2017

AMAR STOCK

INDEPENDENT AUDITORS' REPORT

To The Shareholders of
BANGLADESH EXPORT IMPORT COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Bangladesh Export Import Company Limited, which comprise the Statement of Financial Position as at 30 June 2017, the Statements of Profit or Loss & Other Comprehensive Income, Changes in Equity and Cash Flows for the year from 01 July 2016 to 30 June 2017 then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.02 & 3.00, the Companies Act 1994, the Securities and Exchange Rules 1987 and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.02 & 3.00, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1994 and the Securities and Exchange Rules 1987, we report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books ;

(c) the Statement of Financial Position (Balance Sheet) and the Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books of account ; and

(d) the expenditure incurred was for the purposes of the company's business.

25 October 2017
Dhaka

M.J. ABEDIN & CO.
Chartered Accountants

AMARSTOCK

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	Amount in Taka	
		30-Jun-17	30-Jun-16
ASSETS			
Non - Current Assets		**37,461,541,444**	**37,506,400,538**
Property, Plant and Equipment - Carrying Value	4.00	21,549,526,249	21,915,508,093
Investment Property	5.00	14,015,580,293	14,013,591,113
Investment in Shares	6.00	1,896,434,902	1,577,301,332
Current Assets		**77,338,968,017**	**73,542,324,171**
Inventories	7.00	2,192,908,612	2,208,352,560
Trade and Other Receivables	8.00	31,790,617,783	27,303,274,137
Advances, Deposits and Pre-Payments	9.00	43,285,016,470	43,732,991,042
Cash and Cash Equivalents	10.00	70,425,152	297,706,432
Total Assets		**114,800,509,461**	**111,048,724,709**
EQUITY AND LIABILITIES			
Shareholders' Equity		**59,646,622,608**	**57,951,099,696**
Issued Share Capital	11.00	7,948,470,570	6,911,713,540
Reserves	12.00	35,765,954,729	35,088,351,600
Retained Earnings		15,932,197,309	15,951,034,556
Non - Current Liabilities		**37,182,488,914**	**40,352,178,600**
Long Term Loans - Net-off Current Maturity (Secured)	13.00	36,149,545,556	39,381,152,142
Deferred Tax Liability	14.00	1,032,943,358	971,026,458
Current Liabilities		**17,971,397,939**	**12,745,446,413**
Long Term Loans - Current Maturity (Secured)	15.00	8,853,526,292	2,756,271,631
Short Term Loans	16.00	2,106,491,683	2,620,483,845
Trade and Other Payables	17.00	7,011,379,964	7,368,690,937
Total Equity and Liabilities		**114,800,509,461**	**111,048,724,709**

The accompanying notes form an integral part of these financial statements.

Approved and authorised for issue by the board of directors on 25 October 2017 and signed for and on behalf of the board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

M. J. ABEDIN & CO.
Chartered Accountants

Dated : 25 October 2017
Dhaka.

AMARSTOCK

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	Amount in Taka			
		01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
		12 Months	18 Months	6 Months	12 Months
Revenue	18.00	22,626,803,968	32,409,544,223	11,022,640,913	21,386,903,310
Cost of Revenue	19.00	(15,955,613,960)	(20,917,101,736)	(7,131,103,586)	(13,785,998,150)
Gross Profit		**6,671,190,008**	**11,492,442,487**	**3,891,537,327**	**7,600,905,160**
Operating Expenses		**(5,753,985,836)**	**(10,109,766,612)**	**(3,402,107,069)**	**(6,707,659,543)**
Administrative Expenses	20.00	(736,882,519)	(1,183,489,675)	(406,393,789)	(777,095,886)
Selling and Distribution Expenses		(64,296,374)	(17,340,196)	(9,583,760)	(7,756,436)
Finance Cost	21.00	(4,952,806,943)	(8,908,936,741)	(2,986,129,520)	(5,922,807,221)
Profit before WPPF and Income Tax		**917,204,172**	**1,382,675,875**	**489,430,258**	**893,245,617**
Contribution to WPPF		(43,676,389)	(65,841,709)	(23,306,203)	(42,535,506)
Net Profit before Tax		**873,527,783**	**1,316,834,166**	**466,124,055**	**850,710,111**
Income Tax (Expense)/Income	22.00	144,392,000	(202,592,233)	(68,446,095)	(134,146,138)
Net Profit after Tax (NPAT) for the year		**1,017,919,783**	**1,114,241,933**	**397,677,959**	**716,563,973**
Other Comprehensive Income:					
Revaluation Surplus on Investment Property (Note 3.03 & 12)		-	7,708,611,028	7,708,611,028	-
Fair Value Loss on Investment in Shares		677,603,129	(335,307,181)	(170,671,777)	(164,635,404)
Total Comprehensive Income for the year		**1,695,522,912**	**8,487,545,780**	**7,935,617,210**	**551,928,569**
EPS based on NPAT (Adjusted EPS of 2016)	**23.00**	**1.28**	**1.40**	**0.50**	**0.90**

The accompanying notes form an integral part of these financial statements.

Approved and authorised for issue by the board of directors on 25 October 2017 and signed for and on behalf of the board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

M. J. ABEDIN & CO.
Chartered Accountants

Dated : 25 October 2017
Dhaka.

AMARSTOCK

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Amount in Taka			
	Share Capital	Reserves (Note - 12)	Retained Earnings	Total Equity
As on 01 January 2015	**6,010,185,690**	**27,715,047,753**	**15,738,320,473**	**49,463,553,916**
Net Profit after tax for the Periods	-	-	1,114,241,933	1,114,241,933
Other Comprehensive Income:				
Fair Value Loss on Investment in Shares	-	(335,307,181)	-	(335,307,181)
Revaluation Surplus on Investment Property	-	7,708,611,028	-	7,708,611,028
Transaction with Shareholders:				
Issue of Bonus Shares for the prior year (2014)	901,527,850	-	(901,527,850)	-
As on 30 June 2016	**6,911,713,540**	**35,088,351,600**	**15,951,034,556**	**57,951,099,696**
Number of Shares				**691,171,354**
Net Assets Value Per Share				**83.84**
As on 01 July 2016	**6,911,713,540**	**35,088,351,600**	**15,951,034,556**	**57,951,099,696**
Net Profit after tax for the year ended 30 June 2017	-	-	1,017,919,783	1,017,919,783
Other Comprehensive Income:				
Fair Value Gain on Investment in Shares (Note-12)	-	677,603,129	-	677,603,129
Transaction with Shareholders:				
Issue of Bonus Shares for the prior periods	1,036,757,030	-	(1,036,757,030)	-
As on 30 June 2017	**7,948,470,570**	**35,765,954,729**	**15,932,197,309**	**59,646,622,608**
Number of Shares				**794,847,057**
Net Assets Value Per Share				**75.04**

The accompanying notes form an integral part of these financial statements.
Approved and authorised for issue by the board of directors on 25 October 2017 and signed for and on behalf of the board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

M. J. ABEDIN & CO.
Chartered Accountants

Dated : 25 October 2017
Dhaka.

AMARSTOCK

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Amount in Taka	
	01.07.2016 - 30.06.2017 12 Months	**01.01.2015 - 30.06.2016** 18 Months
Cash Flows From Operating Activities:	**(2,312,225,095)**	**(5,855,989,090)**
Cash Received Against Revenue and Others	18,139,460,322	31,365,615,057
Cash Paid to Suppliers and Others	(20,451,685,416)	(37,221,604,147)
Cash Flows From Investing Activities:	**(266,712,098)**	**(352,351,620)**
Purchase of Property, Plant and Equipment	(266,712,098)	(352,351,620)
Cash Flows From Financing Activities:	**2,351,655,913**	**6,447,094,297**
Increase in Loan	2,351,655,913	6,447,094,297
Increase/(Decrease) in Cash and Cash Equivalents	***(227,281,280)***	***238,753,587***
Cash and Cash Equivalents at Opening	***297,706,432***	***58,952,845***
Cash and Cash Equivalents at Closing	***70,425,152***	***297,706,432***
Net Operating Cash Flow Per Share	***(2.91)***	***(8.47)***

The accompanying notes form an integral part of these financial statements.

Approved and authorised for issue by the board of directors on 25 October 2017 and signed for and on behalf of the board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

M. J. ABEDIN & CO.
Chartered Accountants

Dated : 25 October 2017
Dhaka.

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

1.00 The background and activities of the Company

1.01 Status of the Company

Bangladesh Export Import Company Limited (the company) is a public limited company incorporated in Bangladesh in 1972 under the Companies Act, 1913 and launched its commercial operation in the same year. The company listed its shares with Dhaka Stock Exchange in 1989 and with Chittagong Stock Exchange in 1995 on its debut.

The company has a branch at London which has a subsidiary in USA named Beximco USA Ltd.

The company has its registered office and operational office at Beximco Corporate Head quarters, 17, Dhanmondi Residential Area, Road No.2, Dhaka - 1205. The London Branch is situated at 12 Barkat House, 116-118 Finchley Road, London NW3 5HT, UK and Beximco USA Ltd. is located at 310, Selviddge Street, Delton, Georgia – 30722, USA.

1.02 Principal Activities

The business activities include investment operation, agency and trading in other commodities and produces and is engaged in manufacturing and marketing of yarn that are consumed by weaving mills of Bangladesh including its own weaving mills producing and marketing of high quality fabric, that are eventually consumed by the export oriented garments industries of Bangladesh including the garments factories of Beximco Group.

2.00 Bases of Financial Statements-Its Preparation and Presentation

2.01 Measurement bases

The financial statements have been prepared on the Historical Cost basis as modified to include the revaluation of certain Property, Plant and Equipments which are stated at revalued amount, investment in shares of listed companies are carried at fair value based on the period end quoted price of Dhaka Stock Exchange Ltd. and investment property are valued at fair value.

2.02 Reporting Framework and Compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable, and in accordance with the Bangladesh Financial Reporting Standards (BFRSs) as explained in Note-3.

2.03 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by BAS: 1 Presentation of Financial Statements.

The Financial Statements Comprises:

(a) a statement of financial position as at 30 June 2017;
(b) a statement of profit or loss and other comprehensive income for the year from 01 July 2016 to 30 June 2017;
(c) a statement of changes in equity for the year from 01 July 2016 to 30 June 2017;
(d) a statement of cash flows for the year from 01 July 2016 to 30 June 2017; and
(e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.04 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 25 October 2017.

2.05 Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.06 Reporting Period and Comparative Information

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2016 to 30th June 2017) as per a directive of Bangladesh Securities & Exchange Commission (BSEC) to facilitate the adoption of reporting period of July to June in compliance to the requirement of the National Board Of Revenue (NBR) to follow uniform financial year.

Therefore, the financial statements for the year of (01.07.2016 to 30.06.2017) are not entirely comparable with the comparative of 18 months (01.01.2015 to 30.06.2016).

Figures for earlier periods have been re-arranged wherever considered necessary to ensure better comparability with the current year.

DMA RSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

2.07 Use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables.

2.08 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows.

The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.09 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis.

The information as required by BAS 24: Related Party Disclosures has been disclosed in a separate note to the accounts.

2.10 Events after the Reporting Period

In compliance with the requirements of BAS 10: Events after the Reporting Period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

3.00 Significant Accounting Policies

3.01 Revenue Recognition

In compliance with the requirements of BAS 18: Revenue, revenue receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Cash dividend income on investment in shares is recognized on approval of said dividend in the annual general meeting / Board meeting of relevant company. Stock dividend income (Bonus Shares) is not considered as revenue.

3.02 Property, Plant and Equipment

3.02.1 Recognition and Measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of BAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In terms of paragraph 29 of BAS 16: Property, Plant and Equipment, the Company has chosen "Revaluation Model" for the measurement of Lands, Buildings and Plant and Machinery; and "Cost Model" for the measurement of Furniture and Fixtures and Vehicles. In terms of paragraph 31 of the aforesaid BAS, after recognition as an asset, the aforesaid items of property, plant and equipment whose fair value can be measured reliably has been carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made after every three years to ensure that the carrying amount does not differ materially from that which has been determined using fair value at the end of the reporting period.

FINAL STOCK

NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 30 June 2017

3.02.2 Pre-Operating Expenses and Borrowing Costs

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing cost considering the requirement of BAS 23: Borrowing Costs.

3.02.3 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the statement of profit or loss and other comprehensive income as expenses if incurred. All up-gradation/ enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.02.4 Software

Software is generally charged off as revenue expenditure. Purchase of software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.02.5 Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.02.6 Depreciation on Fixed Assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation is provided for the period in use of the assets. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. Depreciation is provided on all fixed assets except land at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction	2% - 10%
Plant and Machinery	5%-15%
Furniture, Fixture & Equipment	10% - 20%
Transport & Vehicle	20%
Furniture & Equipment of London Branch	15%

3.03 Investment Property

This represents Land & Building held by the company for capital appreciation and/or rental income. The Company has applied BAS 40, "Investment Property" and has adopted "fair value model". The gain arose from a change in the fair value has been recognized in other comprehensive income in compliance with the Bangladesh Securities and Exchange Commission's (BSEC) Notification dated 18 August 2013 on "Revaluation of Assets" which requires that "no dividend shall be issued out of revaluation surplus", although the BAS 40 requires that such gain or loss shall be recognized in profit or loss for the year.

3.04 Impairment

(a) Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

(b) Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the

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recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.05 Leased Assets

In Compliance with the BAS 17: Leases, cost of assets acquired under finance lease along with related obligation has been accounted for as assets and liabilities respectively of the company, and the interest element has been charged as expenses.

3.06 Financial Instruments

Non-derivative financial instruments comprise investment in shares, accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

3.06.1 Financial assets

Financial assets of the company include investment in shares, cash and cash equivalents, accounts receivable and other receivables.

(a) Investment in Shares

Investment in shares of listed companies are carried in the statement of financial position at fair value based on DSE quoted price at the period end and the gain/loss thereon were accounted for through other comprehensive income considering it as "Available – for – Sale" financial assets.

Investment in other shares is carried in the statement of financial position at cost.

(b) Accounts Receivables

Accounts receivables are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of profit or loss and other comprehensive income.

(c) Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the statement of profit or loss and other comprehensive income.

(d) Cash and Cash Equivalents

Cash and Cash equivalents are carried in the statement of financial position at cost and include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.06.2 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.07 Inventories

Inventories are valued at the lower of cost or net realizable value with cost determined by weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.08 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the

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present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

3.09 Borrowing Costs

This has been dealt with the requirements of BAS 23: Borrowing Costs.

Borrowing costs relating to projects in commercial operation are recognized as expenses in the period in which they are incurred. In respect of projects that have not yet commenced commercial production, borrowing costs are debited to capital work in progress.

3.10 Income Tax Expenses

Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted after the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised in compliance with BAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate income taxes levied by the same tax authority on the same taxable entity.

3.11 Employee Benefits

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the deed.

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

The company contributes to a registered provident fund scheme (defined contribution plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

(b) Short-term employee benefits

Short-term employee benefits include salaries, bonuses, leave encashment, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(c) Contribution to Workers' Participation/Welfare Funds

This represents 5% of net profit before tax contributed by the Company as per provisions of Bangladesh Labor Law, 2013 and is payable to workers as defined in the said law.

3.12 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of Bangladesh Accounting Standard (BAS) 1 (Revised 2009): Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of Bangladesh Accounting Standard (BAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board Directors.

3.13 Earnings Per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings (Numerator)

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Shares in Issue (Denominator)

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Current year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year. However, the Bonus Shares issued during the Period were treated as if they always had been in issue. Hence, in computing the Basic EPS, the total number of bonus shares has been considered.

Earlier periods

The number of shares outstanding before the bonus shares issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issues had occurred at the beginning of the earliest periods reported, and accordingly, in calculating the adjusted EPS of earlier periods, the total number of shares including the subsequent bonus issue in current year has been considered as the weighted Average Number of Shares Outstanding during the earlier periods.

The basis of computation of number of shares as stated above is in line with the provisions of BAS 33 Earnings Per Share. The logic behind this basis, as stated in the said BAS is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

Diluted Earnings Per Share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

3.14 Foreign Currency Translations

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. The assets and liabilities denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange difference is charged off as revenue expenditure in compliance with the provisions of BAS 21: the Effects of Changes in Foreign Exchange Rates. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

3.15 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as encouraged by BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.16 Events after the Reporting Period

In compliance with the requirements of BAS 10: Events after the Reporting Period, post balance sheet events that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

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As at and for the year ended 30 June 2017

4.00 Property, Plant and Equipment - Carrying Value: Tk. 21,549,526,249

The details are stated below:

Particulars	Amount in Taka						
	Land and Land Development	Building and other construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost/Valuation :							
At 01 January 2015	12,187,111,000	5,545,116,752	13,713,701,871	596,319,521	186,737,904	338,615,872	32,567,602,920
Total addition during the periods (18 Month)	-	338,615,872	314,832,141	32,236,036	-	(333,332,429)	352,351,620
At 30 June 2016	**12,187,111,000**	**5,883,732,624**	**14,028,534,012**	**628,555,557**	**186,737,904**	**5,283,443**	**32,919,954,540**
Total addition during the year	-	-	222,265,665	18,518,436	6,370,000	19,557,998	266,712,098
At 30 June 2017	**12,187,111,000**	**5,883,732,624**	**14,250,799,677**	**647,073,993**	**193,107,904**	**24,841,441**	**33,186,666,638**
Depreciation :							
At 01 January 2015	-	1,456,168,782	7,966,651,624	462,886,624	131,485,896	-	10,017,192,926
Total Charged during the periods (18 Month)	-	325,051,182	618,957,428	27,831,490	15,413,421		
At 30 June 2016	**-**	**1,781,219,964**	**8,585,609,052**	**490,718,114**	**146,899,317**	**-**	**11,004,446,447**
Total charged during the year	-	207,052,076	398,270,923	18,166,123	9,204,820	-	632,693,942
At 30 June 2017	**-**	**1,988,272,040**	**8,983,879,975**	**508,884,237**	**156,104,137**	**-**	**11,637,140,389**
Carrying Value :							
At 30 June 2017	**12,187,111,000**	**3,895,460,584**	**5,266,919,701**	**138,189,756**	**37,003,767**	**24,841,441**	**21,549,526,249**
At 30 June 2016	**12,187,111,000**	**4,102,512,660**	**5,442,924,960**	**137,837,443**	**39,838,587**	**5,283,443**	**21,915,508,093**

Details of Revaluation done during the years 1977, 1988 , 2011 & 2013 :

Particulars	**Amount in Tk.**
Increase by re-valuation in 1977	1,733,120
Increase by re-valuation in 1988	4,617,873
Increase by re-valuation in 2011	5,988,990,434
Increase by re-valuation in 2013	2,133,194,757
Increase by revaluation	**8,128,536,184**
Original Cost	25,058,130,454
Gross carrying amounts	**33,186,666,638**

	Amount in Taka	
	As at 30-Jun-17	**As at 30-Jun-16**

5.00 Investment Property: Tk. 14,015,580,293

This consists of as follows:

Opening Balance	14,013,591,113	5,746,743,113
Addition during the year	1,989,180	558,236,972
Surplus on Revaluation for the year	-	7,708,611,028
	14,015,580,293	**14,013,591,113**

This represents Land & Building held by the company for capital appreciation and/or rental income.

During the period of 18 month ended 30 June 2016 a portion of land was transfer from Inventory (Cost-558,236,972) to investment property and this portion is included in Investment property at fair value.This revaluation was done by an independent valuer Shiraz Khan Basak & Co., Chartered Accountants, R K Tower, 86 Bir Uttam C R Datta Road (312, Sonargaon), Level 10, Hatirpool, Dhaka-1205, and the valuer has revalued the said land of the Company as of 30 March 2016, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 8,354,043,028.

Revaluation of remaining portion was done by an independent valuer Ata Khan & Co., Chartered Accountants, 67 Motijheel C/A, Dhaka -1000, and the valuer has revalued the said land of the Company as of 31 December 2014, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 885,208,513.

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As at and for the year ended 30 June 2017

	Amount in Taka	
	As at 30-Jun-17	As at 30-Jun-16
6.00 Investment in Shares : Tk. 1,896,434,902		
This consists of as follows:		
(a) In Associated undertakings :		
(i) In 73,483,009 Shares of Shinepukur Ceramics Ltd. (Subsidiary Company-50% Shares) (Face value of Tk. 10.00) {Listed company, Market value Tk. 16.70 per share on 30 June 2017}	1,227,166,250	646,650,479
(ii) In 2,899,933 Shares of Beximco Pharmaceuticals Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 113.00 per share on 30 June 2017}	327,692,429	230,613,723
(vii) In 2,530 Shares of Beximco Synthetics Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 9.60 per share on 30 June 2017}	24,288	15,939
	1,554,882,967	**877,280,141**
(b) Others		
(iii) In 12 Shares of Jamuna Oil Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 207.10 per share on 30 June 2017}	2,485	2,181
(iv) In 32,997,800 Shares of GMG Airlines Ltd. (Average cost price per share is Tk. 9.09 against face value of Tk.10.00)	299,980,000	299,980,000
(v) In 571,181 Shares of Central Depository Bangladesh Ltd. (Average cost price per share is Tk. 2.74 against face value of Tk. 10.00)	1,569,450	1,569,450
(vi) In 35,846,956 Shares of Tk.10/= each of Dhaka Shanghai Ceramics Ltd.	-	358,469,560
(vii) In 4,000,000 Shares of Beximco Power Co. Ltd. (Face value of Tk. 10.00)	40,000,000	40,000,000
	341,551,935	**700,021,191**
Total=(a+b)	**1,896,434,902**	**1,577,301,332**

(c) The basis of valuation is stated in Note 3.06.1(a).

Disclosure in Respect of Subsidiary Company Under Section 186 of The Companies Act 1994

(d) Investment in subsidiary company Shinepukur Ceramics Ltd. of 73,483,009 shares represents 50.00% of the paid-up capital of the said Company (146,966,055 shares of Tk. 10/ each). The accumulated loss of Shinepukur Ceramics Ltd. as on 30 June 2017 of Tk. (186,182,913) including net profit after tax for the year ended 30 June 2017 of Tk. 8,292,758 as per its audited financial statements for the year ended 30 June, 2017 is being carried forward to the next year's accounts of the said subsidiary company and has not been dealt with in or for the purpose of the accounts of Bangladesh Export Import Company Limited.

7.00 Inventories : Tk. 2,192,908,612		
This consists of as follows:		
Land (Real Estate Business)	442,507,717	441,517,697
Construction work in progress (Real Estate Business)	321,541,652	321,385,478
Land Development and Others (Real Estate Business)	42,926,952	42,926,952
Work in Process	444,720,461	390,431,119
Raw Materials	289,802,494	457,009,091
Stores and Spares	163,361,908	217,029,712
Finished Goods	465,893,111	326,610,103
Fish & Shrimp	6,884,400	7,415,298
Packing Materials	14,712,983	3,751,664
Fish Feed	485,822	204,334
Jute Yarn(London Branch)	71,112	71,112
	2,192,908,612	**2,208,352,560**

8.00 Trade and Other Receivables : Tk. 31,790,617,783

This is unsecured but considered good.

No amount was due by the directors (including Managing Director), Managing Agents, Managers and other officers of the company and any of them severally or jointly with any other person.

No amount was due by the associated undertakings.

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As at and for the year ended 30 June 2017

		Amount in Taka	
		As at 30-Jun-17	As at 30-Jun-16
9.00	**Advances, Deposits and Pre-payments : Tk. 43,285,016,470**		
	This consists of as follows:		
	Advances against Purchase of Land and Others	42,697,248,915	43,142,549,395
	L/C Margin	213,318,415	201,986,916
	Advance Income Tax	223,328,952	237,359,042
	Security Deposit	56,000,265	55,975,765
	Other Advances	50,219,760	50,219,760
	London Branch	36,813,535	36,813,535
	Lease Deposit	7,801,220	7,801,220
	Bank Guarantee Margin	285,409	285,409
		43,285,016,470	**43,732,991,042**
	This is unsecured but considered good.		
	No amount was due by the directors (including Managing Director), Managing Agents, Managers and other officers of the company and any of them severally or jointly with any other person.		
	No amount was due by the associated undertakings.		
10.00	**Cash and Cash Equivalents : Tk. 70,425,152**		
	This consist of as follows:		
	Cash in Hand	23,992,134	45,282,060
	In Current Account with Banks	17,636,324	246,343,724
	In STD Account with Banks	26,828,919	4,201,983
	In Fixed Deposit and Accrued Interest thereon with a Bank	1,699,963	1,610,853
	London Branch	267,812	267,812
		70,425,152	**297,706,432**
11.00	**Issued Share Capital : Tk. 7,948,470,570**		
	(a) Authorised		
	1,000,000,000 Ordinary Shares of Tk. 10/-each	**10,000,000,000**	**10,000,000,000**
	(b) Issued, Subscribed and Paid-up		
	4,000,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	40,000,000	40,000,000
	619,133,992 (2016: 515,458,289 Ordinary Shares of Tk.10/-each issued as fully paid-up bonus shares	6,191,339,920	5,154,582,890
	22,019,999 Ordinary Shares of Tk.10/-each issued in exchange for acquisition of shares of Shinepukur Ceramics Ltd	220,199,990	220,199,990
	12,600,000 Ordinary Shares of Tk.10/-each issued to the shareholders of Shinepukur Holdings Ltd.	126,000,000	126,000,000
	650,000 Ordinary Shares of Tk.10/-each issued to the shareholders of Beximco Fisheries Ltd.	6,500,000	6,500,000
	11,909,840 Ordinary Shares of Tk.10/-each issued to the shareholders of Bangladesh Online Ltd.	119,098,400	119,098,400
	9,187,487 Ordinary Shares of Tk.10/-each issued to the shareholders of Dhaka-Shanghai Ceramics Ltd.	91,874,870	91,874,870
	107,282,919 Ordinary Shares of Tk. 10/-each issued to the shareholders of Bextex Ltd.	1,072,829,190	1,072,829,190
	2,649,470 Ordinary Shares of Tk. 10/-each issued to the shareholders of International Knitwear & Apparels Ltd.	26,494,700	26,494,700
	2,372,506 Ordinary Shares of Tk. 10/-each issued to the shareholders of Beximco Fashions Ltd.	23,725,060	23,725,060
	2,489,502 Ordinary Shares of Tk. 10/-each issued to the shareholders of Crescent Fashions & Design Ltd.	24,895,020	24,895,020
	551,342 Ordinary Shares of Tk. 10/-each issued to the shareholders of Freshtex Bangladesh Ltd.	5,513,420	5,513,420
	Total 794,847,057 Shares of Tk. 10/= each	**7,948,470,570**	**6,911,713,540**

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As at and for the year ended 30 June 2017

(c) Composition of Shareholding

	30-June-2017		30-June-2016	
	No. of Shares	%	No. of Shares	%
Sponsor:				
A S F Rahman	57,328,792	7.21%	49,851,124	7.21%
Salman F Rahman	64,326,253	8.09%	55,935,873	8.09%
Associates	38,507,150	4.84%	33,484,481	4.84%
Foreign Investors	76,686,447	9.65%	67,693,862	9.79%
Institutions	92,811,222	11.68%	104,386,951	15.10%
General Public	465,187,193	58.53%	379,819,063	54.95%
	794,847,057	**100%**	**691,171,354**	**100%**

(d) Distributions Schedule–Disclosures under the Listing Regulations of Stock Exchanges:

The distribution schedule showing the number of shareholders and their shareholdings in percentage has been disclosed below as a requirement of the "Listing Regulations" of Dhaka and Chittagong Stock Exchanges:

Share holding Range in number of Shares	30-June-17			30-June-16		
	Number of			Number of		
	Shares	Holders	% of total holding	Shares	Holders	% of total holding
1 to 499	12,235,968	80,536	1.54%	14,265,941	91,459	2.06%
500 to 5,000	90,764,401	54,081	11.42%	94,851,846	58,366	13.72%
5,001 to 10,000	51,913,967	7,155	6.53%	47,473,583	6,705	6.87%
10,001 to 20,000	53,378,667	3,762	6.72%	45,303,366	3,254	6.55%
20,001 to 30,000	32,105,915	1,290	4.04%	25,253,460	1,032	3.65%
30,001 to 40,000	20,336,444	588	2.56%	14,840,112	427	2.15%
40,001 to 50,000	18,444,787	401	2.32%	12,710,556	278	1.84%
50,001 to 100,000	47,131,679	657	5.93%	31,770,902	457	4.60%
100,001 to 1,000,000	115,834,771	459	14.57%	82,193,740	327	11.89%
Over 1,000,000	352,700,458	44	44.37%	322,507,848	44	46.66%
Total	**794,847,057**	**148,973**	**100.00%**	**691,171,354**	**162,349**	**100.00%**

(e) Option on un issued shares

There is no option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares.

(f) Market Price

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 33.70 and Tk. 33.70 per share in the Dhaka and Chittagong Stock Exchanges on 29 June 2017.

(g) Voting rights

The rights and privileges of the shareholders are stated in the Bye Laws (Articles of Association) of the company.

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12.00 Reserves : Tk. 35,765,954,729

This is arrived at as follows:	Amount in Tk.				
	Fair Value Gain/ (Loss) on Investment in Shares	Capital Reserve	Revaluation Reserve on PPE	Revaluation Reserve on Investment property	Total
As on 01-01-2015	200,189,863	15,420,659,353	8,128,536,184	3,965,662,353	27,715,047,753
Addition/(Adjustment) during the Periods-18 Month (Note : 12.01)	(335,307,181)	-	-	7,708,611,028	7,373,303,847
As on 30-06-2016	**(135,117,318)**	**15,420,659,353**	**8,128,536,184**	**11,674,273,381**	**35,088,351,600**
Addition/(Adjustment) during the year (Note-12.01)	677,603,129	-	-	-	677,603,129
As on 30-06-2017	**542,485,811**	**15,420,659,353**	**8,128,536,184**	**11,674,273,381**	**35,765,954,729**

12.01 Addition/(Adjustment) to fair value of investment in shares represents gain/(loss) on revaluation of shares of listed companies at quoted price on the balance sheet date.

	Amount in Taka	
	As at 30-Jun-17	As at 30-Jun-16

13.00 Long Term Loans - Net-off Current Maturity (Secured) : Tk. 36,149,545,556

This is secured and consists of as follows:

Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	6,167,052,939	7,330,133,084
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	2,363,589,517	3,609,611,742
Janata Bank Ltd. - Long Term Loan(6 years)	2,438,233,676	2,545,185,256
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	1,141,223,793	1,529,093,786
AB Bank Ltd- Term Loan (6 years)	474,298,860	501,985,026
Bangladesh Development Bank Ltd.- Term Loan	5,236,856	22,636,856
Term loan(FLIL)	14,435,963	36,775,428
Bangladesh Development Bank Ltd.- Interest Block	10,501,596	18,901,596
Lease Obligation	-	2,210,999
Rupali Bank Ltd. - Long Term Loan (12 Years)	3,609,604,637	3,662,350,485
Rupali Bank Ltd. - Long Term Loan (6 Years)	3,681,837,036	4,069,378,450
Janata Bank Ltd. - Long Term Loan (12 Years)	8,234,246,626	7,961,734,965
Exim Bank -Forced Loan	2,961,094,837	2,656,596,534
Agrani Bank-Industrial Credit Loan-1	2,286,558,298	2,325,791,933
Agrani Bank- Demand Loan	1,635,775,398	2,049,103,729
AB Bank Ltd. - Term Loan	985,789,296	933,592,426
AB Bank Ltd. - Time Loan	140,066,227	126,069,848
	36,149,545,556	**39,381,152,142**

Nature of security:

Pursuant to supplemental Lender's Pari-passu Security Sharing Agreement between the Company and the Lenders, the loans are secured by:

(i) first pari-passu charges of immovable property of present and future; and

(ii) first pari-passu charge by way of hypothecation of all other assets of the company both present and future terms of repayment.

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

14.00 Deferred Tax Liability : Tk. 1,032,943,358

	30.06.2017	30.06.2016	31.12.2014
(a) Deferred Tax Liability is arrived at as follows:			
Book Value of Depreciable Fixed Assets	9,493,614,693	9,838,162,137	10,110,170,665
Less: Tax Base	(2,571,140,757)	(3,332,990,688)	(3,555,643,601)
Taxable Temporary Difference	6,922,473,937	6,505,171,449	6,554,527,064
Effective Tax Rate	14.92%	14.93%	14.93%
Deferred Tax Liability	**1,032,943,358**	**971,026,458**	**978,422,017**
(b) Deferred Tax Expense is arrived at as follows:			
Closing Deferred Tax Liabilities	1,032,943,358	971,026,458	978,422,017
Opening Deferred Tax Liabilities	971,026,458	978,422,017	980,628,684
Deferred Tax (Income) / Expense	**61,916,900**	**(7,395,559)**	**(2,206,667)**

(c) Deferred Tax Expenses of 2017 : Tk. 61,916,900

This represents the Increase of Deferred tax Liability in the year ended 30 June 2017 in comparison to the 18 month period ended 30 June 2016.

(d) Deferred Tax Income of 2016 : Tk. -7,395,559

This represents the decrease of Deferred tax liability in the period ended 30 June 2016 in comparison to the year ended 31 December 2014.

	Amount in Taka	
	As at 30-Jun-17	**As at 30-Jun-16**

15.00 Long Term Loans - Current Maturity (Secured) : Tk. 8,853,526,292

This is secured and consists of as follows:

10% Debentures	955,454,968	908,055,926
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	1,918,050,898	523,600,000
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	2,118,432,272	460,800,000
Term Loan (FLIL & Phonix Finance)	170,367,548	143,798,032
Lease Obligation	42,105,756	82,715,516
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	575,648,673	62,788,151
Bangladesh Development Bank Ltd.- Term Loan	33,353,413	32,240,965
Janata Bank Ltd. - Long Term Loan-2	352,000,000	22,000,000
Bangladesh Development Bank Ltd.- Interest Block	18,708,431	19,935,313
AB Bank Ltd- Term Loan (6 Years)	98,759,346	15,416,146
Rupali Bank Ltd. - Long Term Loan (12 Years)	357,124,485	136,645,833
Rupali Bank Ltd. - Long Term Loan (6 Years)	788,972,236	303,533,333
Janata Bank Ltd. - Long Term Loan (12 Years)	525,264,502	40,000,000
Agrani Bank-Industrial Credit Loan-2	-	4,742,415
Agrani Bank-Industrial Credit Loan-1	276,427,902	-
Agrani Bank- Demand Loan	571,404,524	-
AB Bank Ltd. - Term Loan	51,451,339	-
	8,853,526,292	**2,756,271,631**

This represents that portion of term loan which has been due for repayment up to the date of statement of financial position and the amount repayable within 12 (twelve) months from the date of statement of financial position.

16.00 Short Term Loan : Tk. 2,106,491,683

This consists of as follows:

Secured:		
Janata Bank Ltd. - CCH	1,067,787,089	1,033,930,812
Janata Bank Ltd. - Cash Subsidy	152,127,688	147,515,220
Beximco Pharmaceuticals Ltd.	886,576,906	1,439,037,813
	2,106,491,683	**2,620,483,845**

TAMAR STOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Loan from Beximco Pharmaceuticals Ltd. represents temporary loan, carrying interest @ 12.50% computed on day's product basis. This loan is repayable as and when required by the lender.

	Amount in Taka	
	As at 30-Jun-17	As at 30-Jun-16
17.00 Trade and Other Payables : Tk. 7,011,379,964		
This is made-up as follows:		
Creditors for Goods	2,525,549,535	2,683,656,516
Income Tax Payables	976,633,062	1,182,941,962
Advance Against sale of Investment in Shares	274,470,349	274,470,348
Other Current Liabilities	3,182,574,559	3,175,469,652
London Branch	37,152,459	37,152,459
Security Deposit from Distributor	15,000,000	15,000,000
	7,011,379,964	**7,368,690,937**

	Amount in Taka			
	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months
18.00 Revenue : Tk. 22,626,803,968				
This is made-up as follows:				
Sale of Goods (Note - 18.01)	22,120,178,832	32,289,319,250	10,947,518,026	21,341,801,224
Dividend Income	5,570,714	4,215,631	120	4,215,511
Capital Gain/(Loss) on Sale of Shares	500,997,312	85,654,116	75,085,245	10,568,871
Other Income	57,110	30,355,226	37,522	30,317,704
	22,626,803,968	**32,409,544,223**	**11,022,640,913**	**21,386,903,310**
18.01 Sale of Goods : Tk. 22,120,178,832				
This represents sales of:				
(a) Yarn, Fabrics & Others	20,879,581,455	31,952,678,916	10,835,354,416	21,117,324,500
(b) Internet Service	129,733,091	218,699,238	95,054,850	123,644,388
(c) Software Sale	1,093,434,350	81,505,471	-	81,505,471
(d) Fish & Shrimp	17,429,936	28,373,125	9,046,260	19,326,865
(e) Sale of Land	-	8,062,500	8,062,500	-
	22,120,178,832	**32,289,319,250**	**10,947,518,026**	**21,341,801,224**
19.00 Cost of Revenue : Tk. 15,955,613,960				
This represents cost of goods sold against sale of:				
(a) Yarn, Fabrics & Others (Including depreciation of Tk. 616,213,576)	15,717,504,146	20,615,671,738	7,028,858,542	13,586,813,197
(b) Internet Service and Software (Including depreciation of Tk 5,033,899)	214,403,695	258,279,568	85,634,456	172,645,113
(c) Shrimp and Fish (Including depreciation of Tk. 3,577,440)	23,706,119	37,286,129	10,746,288	26,539,841
(d) Land	-	5,864,300	5,864,300	-
	15,955,613,960	**20,917,101,736**	**7,131,103,586**	**13,785,998,150**

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	Amount in Taka			
	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months
20.00 Administrative Expenses : Tk. 736,882,519				
This consists of:				
Salaries and Allowances	423,315,857	811,804,022	281,704,165	530,099,857
Car Repairs and Maintenance	35,621,401	75,926,661	19,240,509	56,686,152
Fees and Charges	48,250,422	42,708,545	5,219,894	37,488,651
Repairs and Maintenances	40,503,382	52,004,856	18,797,276	33,207,580
Rent, Rates and Taxes	29,099,813	36,866,591	11,752,153	25,114,438
Travelling and Conveyance	32,219,484	35,359,097	13,120,555	22,238,542
Miscellaneous Overhead	35,356,132	41,922,944	25,874,599	16,048,345
Postage, Telegram, Telex & Telephone	15,638,515	18,302,542	6,885,528	11,417,014
Entertainment	10,396,202	13,057,583	4,023,006	9,034,577
Depreciation	7,869,029	11,513,333	4,157,046	7,356,287
Insurance	2,877,992	6,794,110	2,240,580	4,553,530
Petrol, Fuel, Electricity, Gas and Water	3,344,164	5,580,083	1,957,769	3,622,314
Printing and Stationery	7,981,508	5,802,164	2,515,735	3,286,429
Publicity and Advertisement	2,139,043	2,236,757	371,012	1,865,745
Staff Welfare	21,301,655	2,393,377	724,039	1,669,338
AGM Expenses	1,660,920	2,160,100	603,340	1,556,760
Audit Fee (Including VAT @ 15%)	1,495,000	2,242,500	747,500	1,495,000
Subscription	8,820,098	3,329,180	2,219,622	1,109,558
Contribution to Provident Fund	8,701,414	13,225,724	4,187,056	9,038,668
Training	290,487	259,505	52,405	207,100
	736,882,519	**1,183,489,675**	**406,393,789**	**777,095,886**
21.00 Finance Cost : Tk. 4,952,806,943				
This consists of as follows:				
Interest on Loan from Banks and Others	4,757,309,066	8,434,496,005	2,861,187,891	5,573,308,114
Interest on Loan from Related Company	159,539,093	401,510,982	99,607,805	301,903,177
Bank Charges	35,958,784	72,929,754	25,333,824	47,595,930
	4,952,806,943	**8,908,936,741**	**2,986,129,520**	**5,922,807,221**
22.00 Income Tax Expense/(Income) : Tk. -144,392,000				
This represents:				
Provision for the year	51,228,152	209,987,792	69,267,343	140,720,449
Short provision for the Year 2014	55,337,217	-	-	-
Excess provision for the earlier Years	(312,874,269)	-	-	-
Deferred Tax (Income) / Expenses	61,916,900	(7,395,559)	(821,248)	(6,574,311)
	(144,392,000)	**202,592,233**	**68,446,095**	**134,146,138**
23.00 Basic Earnings Per Share (EPS)				
The computation of EPS is given below :				
(a) Net Profit after Tax for the year	1,017,919,783	1,114,241,933	397,677,959	716,563,973
(b) Number of Shares in issue(Note-3.13)	**794,847,057**	**794,847,057**	**794,847,057**	**794,847,057**
(c) Basic EPS (a/b) (Par Value of Share Tk. 10/=) (Adjusted EPS of 2016)	**1.28**	**1.40**	**0.50**	**0.90**

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

24.00 Related Party Transactions

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis.

The nature of transactions and their total value is shown below:

Name of the Related Parties	Nature of transactions	Amount in Taka	
		Value of transactions during the year	Receivable / (Payable) at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	327,692,429
Beximco Pharmaceuticals Ltd.	Short Term Loan	871,539,093	(886,576,906)
Beximco Pharmaceuticals Ltd.	Interest Expense	159,539,093	-
Shinepukur Ceramics Ltd	Investment in Shares	-	1,227,166,250
Beximco Synthetics Ltd.	Investment in Shares	-	24,288

Nature of Relationship

The Company, and the parties as stated above are subject to common control from same source i.e., Beximco Group.

25.00 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 30 June 2017.

26.00 Capital Expenditure Commitment

(a) There was no capital expenditure contracted but not incurred or provided for at 30 June 2017.

(b) There was no material capital expenditure authorized by the Board but not contracted for at 30 June 2017.

27.00 FInance Lease Commitment

At 30th June 2017, the company has annual commitment under finance Leases as set out below :

Leases expiring within 1 year(Net basis)	42,105,756
Leases expiring within 2-5 years	-
Tk.	**42,105,756**

28.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 30 June 2017.

29.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed of as on 30 June 2017 other than trade credit available in the ordinary course of business.

30.00 Payments in Foreign Currency

(a) As the company has no loan in foreign currency, no loan and interest was remitted during the year.

(b) No dividend was remitted in foreign currency, during the year.

(c) No other expenses including royalty, technical expert and professional advisory fee, etc. was incurred or paid by the company in foreign currency during the year.

(d) Payment against Imported Raw Material & Spares: USD 26,505,685 (Equivalent BDT 2,120,454,800).

31.00 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the company against sales during the year.

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

32.00 Payments/Perquisites to Managers & Directors

(a) The aggregate amounts paid / provided during the year in respect of managers and directors of the company as defined on the Securities and Exchange Rules, 1987 are disclosed below :

Particulars	Amount in Taka	
	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016
	12 Months	18 Months
Basic Salary	138,467,652	153,298,178
House rent allowance	40,791,860	69,544,815
Other allowances and benefits	59,405,566	41,667,040
	238,665,078	**264,510,033**

(b) During the year under review:

(i) No compensation was allowed by the company to the Managing Director of the company;

(ii) No amount of money was spent by the company for compensating any member of the Board for special service rendered; and

(iii) No board meeting attendance fee was paid to the directors of the Company except to the independent director of Tk. 120,000.

33.00 Production Capacity, Actual Production and reason of Excess/Short Fall

Yarn				Woven Fabric				Knit Fabric (Quantity in Kgs.)		Denim Fabric (Capacity in Lm.)	
Spindles		Quantity in '000 Lbs (40's equivalent)		Looms		Output Capacity (Lm.)					
No. of Spindles installed	No. of Spindles Actually Operated	Installed Capacity	Actual Production	No. of looms Installed	No. of looms Actually Operated	Installed Capacity	Actual Production	Installed Capacity	Actual Production	Installed Capacity	Actual Production
119,520	119,520	43,200,000	33,049,105	293	293	40,800,000	29,736,738	9,000,000	6,989,435	12,000,000	8,949,127

Reason for Shortfall : Production as per market demand.

34.00 Disclosure on Operating Segments

Perticulars	Textile division	Other divisions	Total
External revenue	20,879,581,455	1,747,222,513	22,626,803,968
Intra-segment revenue	-	-	-
Total revenue	**20,879,581,455**	**1,747,222,513**	**22,626,803,968**
Depreciation	616,213,576	16,480,367	632,693,943
Operating expenses	15,832,223,360	335,551,939	16,167,775,299
Finance costs	3,804,293,180	1,148,513,763	4,952,806,943
Segment profit before tax	**626,851,339**	**246,676,444**	**873,527,783**
Segment assets	71,352,764,652	43,447,744,809	114,800,509,461
Segment liabilities	43,028,050,911	12,125,835,942	55,153,886,853

Note : In Compliance to the requirement of BFRS 8 (Operating Segment), information of the segments having 10% or more revenue or profit or assets have been disclosed separately.

35.00 Financial Risk Management

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

(a) Credit risk
(b) Liquidity risk
(c) Market risk

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

35.01 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

35.02 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

35.03 Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency Risk

The company is exposed to currency risk on certain purchase such as import of raw material, machineries and equipment. Majority of the foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

(b) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

36.00 Events after the Reporting Period

(a) Subsequent to the Statement of Financial Position date, The directors recommended 5% cash (i.e. Tk. 0.50 per share) and 5% Stock dividend (i.e. 5 shares for every 100 shares held) for the year ended 30 June 2017. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.

(b) Except the above fact, no circumstances have arisen since this statement of Financial Position date which would require adjustments to, disclosure in, the financial statements or notes thereto.

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Luthfor Rahman
Chief Financial Officer

Dated : 25 October 2017
Dhaka

AMARSTOCK

AUDITORS' REPORT

AND AUDITED FINANCIAL STATEMENTS

OF

SHINEPUKUR CERAMICS LIMITED

AS AT AND FOR THE YEAR ENDED 30 JUNE 2017

AMAR STOCK

INDEPENDENT AUDITORS' REPORT

To The Shareholders of

SHINEPUKUR CERAMICS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Shinepukur Ceramics Limited, which comprise the Statement of Financial Position as at 30 June 2017, the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year from 01 July 2016 to 30 June 2017 then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1994 and the Securities and Exchange Rules 1987, we report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books ;

(c) the Statement of Financial Position (Balance Sheet) and The Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books of account ; and

(d) the expenditure incurred was for the purposes of the company's business.

25 October 2017
Dhaka

M.J. ABEDIN & CO.
Chartered Accountants

AMARSTOCK

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	Amount in Taka	
		30-Jun-17	30-Jun-16
ASSETS			
Non-Current Assets		**5,550,312,459**	**5,595,370,184**
Property, Plant and Equipment - Carrying Value	4.00	3,964,175,891	4,058,551,315
Investment in Shares	5.00	83,852,779	51,951,251
Capital Work in Progress	6.00	1,502,283,789	1,484,867,618
Current Assets		**920,773,253**	**889,046,924**
Inventories	7.00	633,926,786	612,324,290
Accounts & Other Receivables	8.00	165,802,590	94,950,062
Advances, Deposits & Prepayments	9.00	102,377,730	165,477,349
Cash and Cash Equivalents	10.00	18,666,147	16,295,223
Total Assets		**6,471,085,712**	**6,484,417,108**
EQUITY AND LIABILITIES			
Shareholders' Equity		**4,169,049,827**	**4,128,855,541**
Issued Share Capital	11.00	1,469,660,550	1,469,660,550
Revaluation Surplus on Property, Plant and Equipment	12.00	2,966,690,015	2,966,690,015
Fair Value Loss on Investment in Shares		(81,117,825)	(113,019,353)
Retained Earnings		(186,182,913)	(194,475,671)
Non-Current Liabilities		**672,156,347**	**776,314,094**
Long Term Loans - Net-off Current Matuirity(Secured)	13.00	472,362,750	575,611,864
Gratuity Payable	14.00	109,631,647	101,599,302
Deferred Tax Liability	15.00	90,161,950	99,102,928
Current Liabilities		**1,629,879,538**	**1,579,247,473**
Short Term Loans from Banks (Secured)	16.00	696,011,070	761,126,588
Long Term Loans-Current Matuirity (Secured)	17.00	215,632,213	134,258,138
Creditors, Accruals and Other Payables	18.00	718,236,255	683,862,747
Total Equity and Liabilities		**6,471,085,712**	**6,484,417,108**

The accompanying notes form an integral part of these financial statements.

Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

Dated, Dhaka
25 October 2017

M. J. ABEDIN & CO.
Chartered Accountants

AMARSTOCK

STATEMENT OF PROFIT OR LOSS

for the year ended 30 June 2017

	Notes	Amount in Taka			
		01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
		12 Months	18 Months	6 Months	12 Months
Revenue	19.00	1,437,866,858	2,053,499,930	641,628,225	1,411,871,705
Cost of Goods Sold	20.00	(1,111,841,194)	(1,600,154,418)	(527,673,093)	(1,072,481,325)
Gross Profit		**326,025,664**	**453,345,512**	**113,955,132**	**339,390,380**
Other Income	21.00	**17,254,287**	**27,058,094**	**12,858,801**	**14,199,293**
Operating Expenses		**(119,489,788)**	**(173,233,947)**	**(65,257,052)**	**(107,976,895)**
Administrative Expenses	22.00	(57,711,599)	(91,958,650)	(39,663,199)	(52,295,451)
Selling & Distribution Expenses	23.00	(61,778,189)	(81,275,297)	(25,593,853)	(55,681,444)
Profit from Operations		**223,790,163**	**307,169,659**	**61,556,881**	**245,612,778**
Finance Cost	24.00	(200,109,152)	(367,017,513)	(140,243,070)	(226,774,443)
Profit/(Loss) before contribution to WPPF		**23,681,011**	**(59,847,854)**	**(78,686,189)**	**18,838,335**
Contribution to Workers' Profit Participation		(1,127,667)	(897,064)	-	(897,064)
Net Profit/(Loss) Before Tax		**22,553,344**	**(60,744,918)**	**(78,686,189)**	**17,941,271**
Income Tax Income/(Expense)	25.00	(14,260,586)	28,183,993	40,099,530	(11,915,537)
Net Profit /(Loss) After Tax for the year		**8,292,758**	**(32,560,925)**	**(38,586,659)**	**6,025,734**
Earning Per Share	26.00	**0.06**	**(0.22)**	**(0.26)**	**0.04**

The accompanying notes form an integral part of these financial statements.

Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

Dated, Dhaka
25 October 2017

M. J. ABEDIN & CO.
Chartered Accountants

SAMPLE STOCK

STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Notes	Amount in Taka			
		01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
		12 Months	18 Months	6 Months	12 Months
Net Profit /(Loss) After Tax for the year		**8,292,758**	**(32,560,925)**	**(38,586,659)**	**6,025,734**
Fair Value Gain/(Loss) on Investment in Shares	5.00	31,901,528	(27,031,701)	(10,842,065)	(16,189,636)
Total Comprehensive Income/(Loss) for the year		**40,194,286**	**(59,592,626)**	**(49,428,724)**	**(10,163,902)**

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

Particulars	Amount in Taka				
	Share Capital	Revaluation Surplus on PPE	Fair Value Loss on Investment in Shares	Retained Earnings	Total Equity
Balance as on 31 December 2014	**1,469,660,550**	**2,966,690,015**	**(85,987,652)**	**(85,767,929)**	**4,264,594,984**
Net Profit after tax for the year	-	-	-	6,025,734	6,025,734
Fair Value Loss on Investnment in Shares (Note - 5)	-	-	(16,189,636)	-	(16,189,636)
Total Balance as on 31 December 2015	**1,469,660,550**	**2,966,690,015**	**(102,177,288)**	**(79,742,195)**	**4,254,431,082**
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share					**28.95**
Balance as on 31 December 2015	**1,469,660,550**	**2,966,690,015**	**(102,177,288)**	**(79,742,195)**	**4,254,431,082**
Prior Year Adjustment of Depreciation	-	-	-	(76,146,817)	(76,146,817)
Net Loss after tax for the period ended 30 June 2016	-	-	-	(38,586,659)	(38,586,659)
Fair Value Loss on Investnment in Shares (Note - 5)	-	-	(10,842,065)	-	(10,842,065)
Total Balance as on 30 June 2016	**1,469,660,550**	**2,966,690,015**	**(113,019,353)**	**(194,475,671)**	**4,128,855,541**
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share					**28.09**
Balance as on 30 June 2016	**1,469,660,550**	**2,966,690,015**	**(113,019,353)**	**(194,475,671)**	**4,128,855,541**
Net Profit after tax for the year ended 30 June 2017	-	-	-	8,292,758	8,292,758
Fair Value Gain on Investnment in Shares (Note - 5)	-	-	31,901,528	-	31,901,528
Total Balance as on 30 June 2017	**1,469,660,550**	**2,966,690,015**	**(81,117,825)**	**(186,182,913)**	**4,169,049,827**
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share					**28.37**

The accompanying notes form an integral part of these financial statements.
Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

Dated, Dhaka
25 October 2017

M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Amount in Taka			
	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months
Cash Flows From Operating Activities:				
Collections from turnover and other income	1,384,268,617	2,143,294,618	659,867,736	1,483,426,882
Payments for costs, expenses & others	(1,039,933,257)	(1,446,828,107)	(365,153,492)	(1,081,674,615)
Interest Paid	(195,696,698)	(356,352,732)	(137,288,710)	(219,064,022)
Income-Tax paid and /or deducted at sources	(36,434,046)	(51,245,019)	(6,968,665)	(44,276,354)
Net cash generated from operating activities	***112,204,616***	***288,868,760***	***150,456,869***	***138,411,891***
Cash Flows From Investing Activities:				
Property, Plant and Equipment acquired	(3,833,835)	(14,561,017)	(2,769,622)	(11,791,395)
Disposal of Vehicles	-	690,000	-	690,000
Addition of Capital Work in Progress	(17,416,171)	(123,152,426)	(18,198,657)	(104,953,769)
Net cash used in investing activities	***(21,250,006)***	***(137,023,443)***	***(20,968,279)***	***(116,055,164)***
Cash Flows From Financing Activities:				
Decrease in Loan	(86,990,557)	(153,952,305)	(128,870,350)	(25,081,955)
Gratuity Payment	(1,593,129)	(3,228,875)	(328,000)	(2,900,875)
Net cash used in financing activities	**(88,583,686)**	**(157,181,180)**	**(129,198,350)**	**(27,982,830)**
Increase/(Decrease) in Cash and Cash Equivalents	**2,370,924**	**(5,335,863)**	**290,240**	**(5,626,103)**
Cash and Cash Equivalents at the beginning of the year	16,295,223	21,631,087	16,004,983	21,631,087
Cash and Cash Equivalents at the end of the year	**18,666,147**	**16,295,223**	**16,295,223**	**16,004,983**
Net Operating Cash Flows Per Share	**0.76**	**1.96**	**1.02**	**0.94**

The accompanying notes form an integral part of these financial statements.

Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

Dated, Dhaka
25 October 2017

M. J. ABEDIN & CO.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

1. The background and activities of the Company

1.1 Status of the Company

Shinepukur Ceramics Limited (SCL/the company) was incorporated in Bangladesh on 26 January 1997 under the Companies Act, 1994 as a Private Limited Company and launched its manufacturing operation in 1999. The Company was converted into a Public Limited Company on 7 May 2008. The Shares of the Company have been listed in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 18 November 2008 under the DSE and CSE Direct Listing Regulations 2006.

The registered office of the company is located at House No.17, Road No.2, Dhanmondi R/A, Dhaka. The industrial units are located at Sarabo of Gazipur.

1.2 Principal Activities

The company operates in a single industry segment. It is engaged in manufacturing and marketing of high quality Porcelain and high value added Bone China Tableware, which it sells in the local as well as international markets.

2. Bases of Financial Statements – Preparation and Presentation

2.1 Measurement Bases

The financial statements have been prepared on the Historical Cost basis, except lands, buildings and plant & machinery re-stated at current cost and investment in shares of listed companies are carried at fair value based on the period end quoted price of Dhaka Stock Exchange Limited

2.2 Reporting Framework and Compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws and regulations as applicable and in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.3 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by BAS 1: Presentation of Financial Statements.

The Financial Statements Comprises:

(a) a statement of financial position as at 30 June 2017;
(b) a statement of profit or loss and other comprehensive income for the year from 01 July 2016 to 30 June 2017;
(c) a statement of changes in equity for the year from 01 July 2016 to 30 June 2017;
(d) a statement of cash flows for the year from 01 July 2016 to 30 June 2017; and
(e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 25 October 2017.

2.5 Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.6 Reporting Period and Comparative Information

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2016 to 30th June 2017) as per a directive of Bangladesh Securities & Exchange Commission (BSEC) to facilitate the adoption of reporting period of July to June in compliance to the requirement of the National Board Of Revenue (NBR) to follow uniform financial year.

Therefore, the financial statements for the year of (01.07.2016 to 30.06.2017) are not entirely comparable with the comparative of 18 months (01.01.2015 to 30.06.2016).

Figures for earlier periods have been re-arranged wherever considered necessary to ensure better comparability with the current year.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

2.7 Use of Estimates and Judgments

The preparation of financial statements in conformity with BFRSs / BASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during the period and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors prescribes that the effects of the revision of accounting estimates has to be recognized in the period in which the estimates are revised.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables.

3. Significant Accounting Policies

3.1 Revenue Recognition

In compliance with the requirements of BAS 18: Revenue, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Receipts from customers comprise sales price against export sales and domestic sales.

Export sales are considered as revenue at FOB value. Usually export sales are transacted in FOB basis. Where export sales are carried out other than at FOB price, additional costs are added to FOB price, accordingly those added costs (Ocean Freight, Commission Payable, Cost of Insurance etc.) if any, are net off to arrive at FOB value of the said export sales in order to be uniformed in revenue recognition.

3.2.0 Property, Plant and Equipment

3.2.1 Recognition and Measurement

Property, plant and equipment (including assets acquired under finance lease) are capitalized at cost of acquisition and subsequently stated at cost revalued amount less accumulated depreciation in compliance with the requirements of BAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.2.2 Pre-Operating Expenses and Borrowing Costs

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing cost considering the requirement of BAS 23: Borrowing Costs.

3.2.3 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenances is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the statement of profit or loss and other comprehensive income as expenses if incurred. All up-gradation/ enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.2.4 Software

Software is generally charged off as revenue expenditure. Purchase of software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.2.5 Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

3.2.6 Depreciation on Fixed Assets

Depreciation is provided on all fixed assets except Land & Land Development at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction	0.5% to 5%
Plant and Machinery	1.5% to 7.5%
Furniture & Fixture	20%
Transport & Vehicle	20%
Office Equipment	20%

3.3 Leased Assets

In compliance with the BAS: 17 Leases, costs of assets acquired under finance lease along with obligation there against have accounted for as assets and liabilities respectively of the company, and the interest element has been charged as expenses.

3.4 Financial Instruments

Non-derivative financial instruments comprise investment in shares, accounts and other receivables, cash and cash equivalents, borrowings and other payables.

3.4.1 Financial Assets

(a) **Investment in Shares**

Investment in Shares of listed companies are carried in the statement of financial position at fair value based on DSE quoted price at the period end and the gain / loss thereon were accounted for through other comprehensive income considering it as "Available – for - Sale" financial assets.

(b) **Accounts Receivable**

Accounts receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of profit or loss and other comprehensive income.

(c) **Advances and Deposits**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

(d) **Cash and Cash Equivalents**

Cash and Cash equivalents are carried in the statement of financial position at cost and include cash in hand and with banks on current and deposit accounts, which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.4.2 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.5 Impairment

(a) Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

TRUE STOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

(b) *Non-Financial Assets*

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.6 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.7 Provisions

A provision is recognized in the statement of financial position when the company has legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation.

3.8 Income Tax Expenses

Current Tax

Applicable Income Tax Rate is 25% on taxable income. However, Tax deducted at source (TDS) as per Section 53BBBB under Income Tax Ordinance, 1984 is minimum tax u/s 82(C) .

Deferred Tax

Deferred tax is recognised in compliance with BAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate income taxes levied by the same tax authority on the same taxable entity.

3.9 Interest Income

Interest Income is recognized on accrual basis.

3.10 Borrowing Costs

This has been dealt with the requirements of BAS 23: Borrowing Costs.

Borrowing costs relating to projects in commercial operation are recognized as expenses in the period in which they are incurred. In respect of projects that have not yet commenced commercial production, borrowing costs are debited to capital work in progress.

3.11 Employee Benefits

The company maintains both contribution plan and defined benefit plan for its eligible permanent employees.

The company's employee benefits include the following:

(a) *Defined Contribution Plan (Provident Fund)*

The company contributes to a registered provident fund scheme (defined contribution plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrecoverable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

(b) ***Defined Benefits Plan (Gratuity)***

Employees are entitled to gratuity benefit after completion of minimum five years of services in the company. The gratuity is calculated on the latest applicable basic pay and is payable at the rate of one month basic pay for every completed year of service.

(c) ***Short-term Employee Benefits***

Short-term employee benefits include salary, bonuses, leave encashment etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(d) ***Contribution to Workers' Participation/Welfare Funds***

This represents 5% of net profit before tax contributed by the Company as per provisions of Bangladesh Labor Act 2013 (amendment) and is payable to workers as defined in the said law.

(e) ***Group Insurance Scheme***

Employees of the company are covered under group life insurance scheme.

3.12 Proposed Dividend

The amount of proposed dividend is not accounted for but disclosed in the notes to the accounts in accordance with the requirements of the International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events After the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the board of Directors.

3.13 Earnings per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings (Numerator)

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding during the year (Denominator)

Current Year

The total number of shares has been considered as the Weighted Average number of Shares outstanding during the year.

Earlier Periods

The total number of shares has been considered as the Weighted Average Number of Shares outstanding during the year earlier periods.

The basis of computation of number of shares as stated above is in line with the provisions of BAS 33: "Earnings Per Share".

Diluted Earnings per Share

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

3.14 Foreign Currency Transactions

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of BAS 21: The Effects of Changes in Foreign Exchange Rates. However, as a requirement of the companies Act 1994, exchange loss relating to foreign currency loan has been capitalized to relevant fixed assets being procured under the said obligation.

3.15 Segmental Reporting

No segmental reporting is applicable for the company as required by BAS 14: Segmental Reporting, as the company operates in a single industry segment and within a single geographical segment.

3.16 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as encouraged by BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.17 Events after the Reporting Period

In compliance with the requirements of BAS 10: Events after the Reporting Period, post balance sheet events that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

4.00 Property, Plant and Equipment-Carrying Value : Tk. 3,964,175,891

Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation:							
At 31 December 2015	**1,697,029,503**	**1,382,863,326**	**2,789,625,025**	**57,130,698**	**29,586,940**	**21,709,479**	**5,977,944,971**
Addition during the period	-	-	2,738,405	31,217	-	-	2,769,622
At 30 June 2016	**1,697,029,503**	**1,382,863,326**	**2,792,363,430**	**57,161,915**	**29,586,940**	**21,709,479**	**5,980,714,593**
Addition during the year	-	-	2,014,030	988,050	831,755	-	3,833,835
At 30 June 2017	**1,697,029,503**	**1,382,863,326**	**2,794,377,460**	**58,149,965**	**30,418,695**	**21,709,479**	**5,984,548,428**
Depreciation:							
At 31 December 2015	**-**	**306,785,266**	**1,394,376,820**	**50,671,046**	**25,132,978**	**17,695,595**	**1,794,661,705**
Prior year Depreciation	-	22,241,812	53,565,608	(70,393)	29,429	380,361	76,146,816
Depreciation for the period	-	13,753,709	36,139,116	656,126	442,453	363,352	51,354,756
At 30 June 2016	**-**	**342,780,787**	**1,484,081,544**	**51,256,779**	**25,604,859**	**18,439,308**	**1,922,163,277**
Depreciation for the year	-	26,377,296	68,836,525	1,378,637	962,767	654,034	98,209,260
At 30 June 2017	**-**	**369,158,083**	**1,552,918,070**	**52,635,416**	**26,567,626**	**19,093,342**	**2,020,372,537**
Carrying Amount:							
As at 30 June 2017	**1,697,029,503**	**1,013,705,243**	**1,241,459,390**	**5,514,549**	**3,851,069**	**2,616,137**	**3,964,175,891**
As at 30 June 2016	**1,697,029,503**	**1,040,082,539**	**1,308,281,885**	**5,905,136**	**3,982,081**	**3,270,171**	**4,058,551,315**
As at 31 December 2015	**1,697,029,503**	**1,076,078,060**	**1,395,248,204**	**6,459,652**	**4,453,963**	**4,013,884**	**4,183,283,265**

Disclosure on Revaluation:

(a) The break-up of total revaluation surplus as included in the carrying amount is stated below:

Particulars	Amount in Taka			
	Land & land Development	Building & other Construction	Plant & Machinery	Total
Surplus on Revaluation in 2004	192,466,272	-	-	192,466,272
Surplus on Revaluation in 2008	376,892,108	351,072,849	433,853,724	1,161,818,681
Surplus on Revaluation in 2011	953,362,500	547,975,861	111,066,701	1,612,405,062
Total Surplus on Revaluation	**1,522,720,880**	**899,048,710**	**544,920,425**	**2,966,690,015**

(b) M/S G.K.Adjusters Ltd.(Insurance Surveyors, Loss Adjusters, Controllers, Consultants and Valuers) of Chand Mansion (5th floor) , 66, Dilkusha Commercial Area, was involved to carry out the revaluation of 2004.

(c) SF Ahmed & Co, Chartered Accountants, House 25, Road 13A, Block - D, Banani, Dhaka - 1213 and valuers have revalued the lands, buildings and plant & machinery of the Company as of 31 December 2008, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 1,161,818,681.

MAF STOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

(d) Ata Khan & Co, Chartered Accountants, 67 Motijheel Commercial Area, Dhaka - 1000 and valuers have revalued the lands, buildings and plant & machinery of the Company as of 31 December 2011, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 1,612,405,062.

	Amount in Taka	
	As at 30-Jun-17	**As at 30-Jun-16**

5.00 Investment in Shares : Tk. 83,852,779

The basis of valuation is stated in Note 3.4.1 (a).

This consists of Investment in Shares of listed Companies as follows :

(a) In 65,716 (30.06.2016: 65,716) Shares of Beximco Synthetics Ltd. (Face value Tk. 10.00),(Listed company, Market value Tk. 9.60 per share on 30 June 2017)	630,874	414,011
(b) In 2,469,493 (30.06.2016: 2,147,385) Shares of Bangladesh Export Import Co. Ltd. (Face value Tk. 10.00),(Listed company, Market value Tk. 33.70 per share on 30 June 2017)	83,221,906	51,537,240
	83,852,779	**51,951,251**

This is arrived at as follows:

	30.06.2017			30.06.2016		
	Beximco Synthetics Ltd.	**Beximco Ltd.**	**Total**	**Beximco Synthetics Ltd.**	**Beximco Ltd.**	**Total**
Opening Balance	414,011	51,537,240	51,951,251	519,156	62,274,159	62,793,316
Adjustment for Sales during the year	-	-	-	-	-	-
	414,011	51,537,240	51,951,251	519,156	62,274,159	62,793,316
Less: Quoted Price on year end	630,874	83,221,906	83,852,779	414,011	51,537,240	51,951,251
Fair Value Gain/(Loss) on Investment in Shares	**216,863**	**31,684,666**	**31,901,528**	**(105,146)**	**(10,736,919)**	**(10,842,065)**

6.00 Capital Work in Progress : Tk. 1,502,283,789

This represents as follows:

Opening Balance	1,484,867,618	1,466,668,961
Add: Addition during the year	17,416,171	18,198,657
	1,502,283,789	1,484,867,618
Less: Transferred to PPE during the year	-	-
Closing Balance	**1,502,283,789**	**1,484,867,618**

7.00 Inventories : Tk. 633,926,786

This represents as follows:

Raw Material & Chemical	122,874,451	165,512,833
Finished Goods	221,367,465	233,750,502
Work-In- Process	184,467,706	164,203,130
Stores & Spares	102,445,306	1,808,860
Packing Material	2,771,858	47,048,965
	633,926,786	**612,324,290**

8.00 Accounts & Other Receivables : Tk. 165,802,590

This is considered good and is falling due within the year.

No amount was due by the directors (including Managing Director), managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

No amount was due by any associated undertaking.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	Amount in Taka	
	30-Jun-17	30-Jun-16

9.00 Advances, Deposits & Prepayments : Tk. 102,377,730

This is considered good and consists of as follows:

Advances (Note - 9.01)	84,402,810	140,065,433
Deposits (Note - 9.02)	17,974,920	25,411,916
	102,377,730	**165,477,349**

9.01 Advances : Tk. 84,402,810

This represents as follows:

Suppliers	2,625,617	54,140,788
L/C-Margin & Others	30,887,240	27,873,732
Advance Income Tax (Note - 9.01.01)	26,350,242	15,939,833
Employees (other than officers)	10,447,526	18,706,878
Advance against Expenses	4,492,685	9,934,661
Trade Fair	9,599,500	13,469,541
	84,402,810	**140,065,433**

No amount was due by the Directors (including Managing Director), Managing Agent, Managers and other Officers of the Company and any of them severally or jointly with any other person.

No amount was due by any associated undertaking.

Advances to employees (other than officers) are realisable from monthly salary in installments.

9.01.01 Advance Income Tax : Tk. 26,350,242

This has been arrived at :

Opening Balance	15,939,833	51,330,050
Add : Paid/Deducted during the year under review	26,350,242	6,968,665
	42,290,075	**58,298,715**
Less: Adjustments for the AY 2016-17	(15,939,833)	(42,358,882)
Closing Balance	**26,350,242**	**15,939,833**

9.02 Deposits : Tk. 17,974,920

This represents as follows:

VAT Deposit	90,807	7,547,803
Security Deposit	11,408,261	11,388,261
Lease Deposit	3,700,134	3,700,134
Bank Guarantee Margin	2,755,718	2,755,718
Earnest Money Deposit	20,000	20,000
	17,974,920	**25,411,916**

10.00 Cash and Cash Equivalents : Tk. 18,666,147

This consists of :

(a)	In Hand:	**364,960**	**142,897**
(b)	At Banks in :	**18,301,187**	**16,152,326**
	(i) Current Account	15,013,121	10,480,768
	(ii) STD Account	2,074,695	4,456,687
	(iii) FDR Account	1,213,371	1,214,871
		18,666,147	**16,295,223**

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As at and for the year ended 30 June 2017

	Amount in Taka	
	30-Jun-17	30-Jun-16

11.00 Issued Share Capital : Tk. 1,469,660,550

This represents :

(a) Authorised :

500,000,000 Ordinary Shares of Tk.10/-each	**5,000,000,000**	**5,000,000,000**

(b) Issued, subscribed and paid -up:

66,060,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	660,600,000	660,600,000
61,736,571 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	617,365,700	617,365,700
19,169,485 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	191,694,850	191,694,850
Total 146,966,055 shares of Tk. 10/- each fully paid-up	**1,469,660,550**	**1,469,660,550**

(c) Statement of Share Position:

Name of the Shareholders	30-June-17		30-June-16	
	No. Of Shares	Holding %	No. Of Shares	Holding %
Bangladesh Export Import Co.Ltd.	73,483,009	50.00%	73,483,009	50.00%
Sponsors & Directors	4	0.00%	4	0.00%
Institutions	24,215,135	16.48%	25,237,684	17.17%
General Public	49,267,907	33.52%	48,245,358	32.83%
	146,966,055	**100%**	**146,966,055**	**100.00%**

(d) Distribution Schedule:

Share holdings	30-Jun-17		
	No. of Shareholders	No.of Shares	Holding %
Less than 500 shares	9,841	1,299,178	0.88
500 to 5,000 shares	6,121	10,176,191	6.92
5001 to 10,000 shares	685	5,052,173	3.44
10,001 to 20,000 shares	397	5,691,871	3.87
20,001 to 30,000 shares	130	3,190,354	2.17
30,001 to 40,000 shares	75	2,547,937	1.73
40,001 to 50,000 shares	49	2,273,548	1.55
50,001 to 100,000 shares	73	5,218,273	3.55
100,001 to 1,000,000 shares	60	17,887,106	12.17
Over 1,000,000 shares	7	93,629,424	63.71
Total	**17,438**	**146,966,055**	**100.00**

(e) Market Price:

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 16.70 (in 30 June 2016: Tk. 8.80) per share in the Dhaka Stock Exchange and Tk. 16.70 (in 30 June 2016: Tk. 8.80) per share in the Chittagong Stock Exchange on 29 June 2017.

(f) Option on unissued shares :

There is no option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid up capital through the issuance of new shares.

(g) Voting Rights :

The rights and privileges of the shares are stated in the Bye-laws (Articles of Association) of the Company.

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As at and for the year ended 30 June 2017

		Amount in Taka	
		30-Jun-17	30-Jun-16
12.00	**Revaluation Surplus on Property, Plant and Equipment : Tk. 2,966,690,015**		
	This is as per last accounts. Details are stated in Note -4 .		
13.00	**Long Term Loans- Net-Off Current Maturity (Secured) : Tk. 472,362,750**		
	This represents loans from :		
	Bank Asia Ltd. - Term Loan	242,380,869	283,617,019
	Southeast Bank Ltd. - Term Loan	-	37,343,934
	Phoenix Finance & Investment Ltd.- Term Loan	229,981,881	254,650,911
		472,362,750	**575,611,864**
	Nature of Security :		
	(i) Equitable mortgage over the immovable property.		
	(ii) Hypothecation by way of a floating charge on all other movable assets both present and future.		
	(iii) First Charge over all the finished stock, Work-In-Process and current assets excluding book debts.		
	Terms of Repayment :		
	Bank Asia Ltd. - Term Loan :		
	In 20 (Twenty) equal Quarterly installments commencing from 30 March 2017 as per revised sanction.		
	Phonix Finance & Investment:		
	In 96 (Ninety six) equal monthly installments commencing from 25 July 2015 as per revised sanction.		
	Rate of interest :		
	Bank Asia Ltd. - Term Loan :		
	12% p.a. or the lending rate applicable from time to time based on Bank rate / policy.		
	Phonix Finance & Investment:		
	17 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.		
14.00	**Gratuity Payable : Tk. 109,631,647**		
	This is arrived at as follows:		
	Opening Balance	101,599,302	101,240,828
	Add: Addition during the year	9,625,474	686,474
		111,224,776	101,927,302
	Less: Payment during the year	(1,593,129)	(328,000)
	Closing Balance	**109,631,647**	**101,599,302**
15.00	**Deferred Tax Liability : Tk. 90,161,950**		
	Deferred Tax Liability is arrived at as follows:		
	Opening Deferred Tax Liabilities	99,102,928	158,653,050
	Deferred Tax Expense /(Income): (Note-25 (b))	(8,940,978)	(59,550,122)
	Closing Deferred Tax Liabilities	**90,161,950**	**99,102,928**
16.00	**Short Term Loans From Banks (Secured) : Tk. 696,011,070**		
	This is secured and consists of as follows:		
	Sonali Bank Ltd. - CC (H)	568,798,083	574,623,467
	Sonali Bank Ltd. - LTR	127,212,987	74,382,775
	Southeast Bank Ltd. - LTR	-	72,562,456
	Sonali Bank Ltd. -EDF	-	39,557,890
		696,011,070	**761,126,588**

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

	Amount in Taka	
	30-Jun-17	30-Jun-16

17.00 Long Term Loans - Current Maturity (Secured) : Tk. 215,632,213

This consists of as follows:

Sonali Bank Ltd. - Project Loan	-	20,236,264
Bank Asia Ltd. -Term Loan	81,242,926	34,999,722
Southeast Bank Ltd. - Term Loan	35,535,640	29,141,304
Phoenix Finance & Investment Ltd.- Term Loan	98,853,647	49,880,848
	215,632,213	**134,258,138**

Terms of Repayment :

Southeast Bank Ltd. - Term Loan :
In 21 (Twenty one) equal monthly installments commencing from 30 September 2016 as per revised sanction.

Sonali Bank Ltd. - Project Loan :
In 41 (Forty-one) equal quarterly installments commencing from 31 March 2005.

Rate of interest :

Southeast Bank Ltd. - Term Loan :
9.75 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank Ltd. - Project Loan :
13% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

18.00 Creditors, Accruals and Other Payables : Tk. 718,236,255

This consists of as follows:

Gas & Electricity	127,528,037	132,087,539
Creditors for Goods	308,659,213	150,199,215
Other Payables	140,228,276	183,039,028
Income Tax Payable (Note - 18.01)	49,838,174	52,660,246
Salaries & Wages	34,173,533	34,343,924
Employees' Provident Fund	33,980,612	42,687,375
Interest due	12,447,958	79,189,272
Security Deposit	4,190,000	3,990,000
WPPF Payable	3,114,623	1,986,956
Tax Deducted at source (Employee Tax)	2,793,824	1,659,833
Group Insurance Payable	592,005	984,359
Audit Fee (Including VAT @15%)	690,000	1,035,000
	718,236,255	**683,862,747**

18.01 Income Tax Payable : Tk. 49,838,174

This is arrived at as follows :

Opening Balance	52,660,246	75,568,536
Add: Tax provided for the year (Note - 25 (a))	23,201,564	19,450,592
	75,861,810	**95,019,128**
Less: Adjustments of AIT for AY 2016-17	(15,939,833)	(42,358,882)
Less: Tax paid for the AY 2011-12 to 2015-16	(10,083,803)	-
Closing Balance	**49,838,174**	**52,660,246**

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Status of Tax Assessment & Provisions made there against are as follows:

Accounting Year/Period Ended	Net Profit/(Loss) Before Tax	Tax Provision	% of Provision on Net Profit/(Loss)	Remarks
31.12.2011	214,965,537	58,442,423	27.19%	-
31.12.2012	175,133,762	58,667,708	33.50%	-
31.12.2013	(29,072,368)	8,522,836	∞ (Infinity)	Appeal pending before Tribunal
31.12.2014	21,797,848	5,100,853	23.40%	-
31.12.2015	(78,686,189)	3,849,768	∞ (Infinity)	Appeal pending before Commissioner
30.06.2016	(897,064)	15,436,369	∞ (Infinity)	
30.06.2017	22,553,344	23,201,564	102.87%	Provision

	Amount in Taka			
	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months
19.00 Revenue : Tk. 1,437,866,858				
This is made up as follows :				
A. Local Sales	541,254,450	712,839,735	258,469,656	454,370,079
B. Export Sales	896,612,408	1,340,660,195	383,158,569	957,501,626
	1,437,866,858	**2,053,499,930**	**641,628,225**	**1,411,871,705**
20.00 Cost of Goods Sold : Tk. 1,111,841,194				
This is arrived at as follows:				
Opening WIP	164,203,130	198,733,539	197,001,903	198,733,539
Raw Material Issued (Note- 20.01)	404,903,850	633,893,629	192,238,214	441,655,415
Material available for consumption	**569,106,980**	**832,627,168**	**389,240,117**	**640,388,954**
Closing WIP	(184,467,706)	(164,203,130)	(164,203,130)	(197,001,903)
Consumption	**384,639,274**	**668,424,038**	**225,036,987**	**443,387,051**
Manufacturing overhead (Note- 20.02)	714,818,883	928,367,134	320,185,398	608,181,736
Cost of production	**1,099,458,157**	**1,596,791,172**	**545,222,385**	**1,051,568,787**
Opening Finished Goods	233,750,502	237,113,748	216,201,210	237,113,748
Cost of Goods Available for Sale	**1,333,208,659**	**1,833,904,920**	**761,423,595**	**1,288,682,535**
Closing Finished Goods	(221,367,465)	(233,750,502)	(233,750,502)	(216,201,210)
Cost of Goods Sold	**1,111,841,194**	**1,600,154,418**	**527,673,093**	**1,072,481,325**
20.01 Raw Material Issued : Tk. 404,903,850				
This is arrived at as follows:				
Opening Stock of Raw Material	165,512,833	176,635,130	183,413,938	176,635,130
Purchased of Raw Material	362,265,468	622,771,332	174,337,109	448,434,223
	527,778,301	**799,406,462**	**357,751,047**	**625,069,353**
Closing Stock of Raw Material	(122,874,451)	(165,512,833)	(165,512,833)	(183,413,938)
Raw Material Issued	**404,903,850**	**633,893,629**	**192,238,214**	**441,655,415**

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As at and for the year ended 30 June 2017

		Amount in Taka			
		01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
		12 Months	18 Months	6 Months	12 Months
20.02	**Manufacturing Overhead : Tk. 714,818,883**				
	This consists of as follows :				
	Depreciation	90,201,925	73,842,690	46,241,730	27,600,960
	Salaries ,Wages,etc	293,307,318	441,553,876	132,712,176	308,841,700
	Gratuity	7,832,271	9,986,602	552,399	9,434,203
	Power & Fuel	102,835,240	130,198,479	54,673,391	75,525,088
	Packing Materials	121,226,441	111,503,098	33,462,155	78,040,943
	Consumable Store & Spares	41,851,517	60,199,510	19,445,585	40,753,925
	Transport Expenses	33,663,363	50,282,280	17,432,218	32,850,062
	Office Expenses	8,884,910	9,339,066	3,076,282	6,262,784
	Welfare Expenses	6,561,959	20,030,334	6,773,593	13,256,741
	Insurance Expenses	3,259,568	4,256,027	1,819,663	2,436,364
	Communication Expenses	794,643	994,974	398,374	596,600
	Occupancy Expenses	49,650	622,191	303,350	318,841
	Travelling & Conveyance	1,170,839	2,706,384	504,828	2,201,556
	Handling & Carrying Expenses	1,023,540	215,274	92,173	123,101
	Repairs & Maintenances	2,155,699	12,586,357	2,697,481	9,888,876
	Lease Rental	-	49,993	-	49,993
		714,818,883	**928,367,134**	**320,185,398**	**608,181,736**
21.00	**Other Income: Tk. 17,254,287**				
	This consists of as follows :				
	Duty Drawback	14,695,442	18,872,656	5,376,056	13,496,600
	Misc. Income	299,693	1,436,496	1,436,496	-
	Profit on Sale of Fixed Assets	-	186,484	-	186,484
	Sale of Scrap	2,259,152	5,852,943	5,852,943	-
	Interest Receipts	-	709,515	193,306	516,209
		17,254,287	**27,058,094**	**12,858,801**	**14,199,293**
22.00	**Administrative Expenses : Tk. 57,711,599**				
	This consists of as follows :				
	Depreciation	8,007,338	9,639,888	5,113,026	4,526,862
	Salaries & Allowances	25,472,924	38,447,888	14,693,176	23,754,712
	Gratuity	1,128,986	1,287,455	71,215	1,216,240
	Office Expenses	12,471,396	21,935,947	11,871,022	10,064,925
	Transport Expenses	4,040,805	8,910,088	2,998,994	5,911,094
	Legal, Professional & Others Fees & AGM Expenses	977,884	2,248,654	317,350	1,931,304
	Communication Expenses	400,121	686,273	254,383	431,890
	Occupancy Expenses	1,646,563	2,652,824	1,046,984	1,605,840
	Travelling & Conveyance Expenses	2,107,122	4,077,424	2,571,379	1,506,045
	Utilities Expenses	683,570	905,664	365,675	539,989
	Repairs & Maintenances	29,500	87,380	1,880	85,500
	Audit Fee (Including VAT @15%)	690,000	1,035,000	345,000	690,000
	General Expenses	45,540	42,515	12,565	29,950
	Handling & Carrying Expenses	9,850	1,650	550	1,100
		57,711,599	**91,958,650**	**39,663,199**	**52,295,451**

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NOTES TO THE FINANCIAL STATEMENTS

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	Amount in Taka			
	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months
23.00 Selling & Distribution Expenses : Tk. 61,778,189				
This consists of as follows :				
Promotional Expenses	18,932,437	18,521,333	5,505,861	13,015,472
Salaries & Allowances	22,220,008	33,780,669	10,938,451	22,842,218
Gratuity	664,217	1,136,422	62,860	1,073,562
Advertising & Publicity	475,968	338,880	135,240	203,640
Occupancy Expenses	8,094,549	10,766,985	3,436,477	7,330,508
Office Expenses	5,036,870	6,762,319	2,165,412	4,596,907
Transport Expenses	1,881,056	2,935,394	875,816	2,059,578
Travelling & Conveyance Expenses	990,499	1,777,976	676,004	1,101,972
Communication Expenses	801,987	1,239,001	481,434	757,567
Utilities Expenses	677,144	1,027,150	365,683	661,467
Show Room Expenses	427,195	852,408	256,644	595,764
Handling & Carrying Expenses	44,310	939,101	292,585	646,516
Legal & Professional Fees	367,134	511,045	302,636	208,409
Product Research	1,164,815	186,684	98,750	87,934
Lease Rental	-	499,930	-	499,930
	61,778,189	**81,275,297**	**25,593,853**	**55,681,444**
24.00 Finance Cost : Tk. 200,109,152				
This consists of as follows :				
Interest on Loan from Banks & Others	195,696,698	356,352,732	137,288,710	219,064,022
Bank Commission & Charges	4,412,454	10,664,781	2,954,360	7,710,421
	200,109,152	**367,017,513**	**140,243,070**	**226,774,443**
25.00 Income Tax Expenses/(Income): Tk. 14,260,586				
This represents:				
(a) Current Tax:				
Tax for the year under review	23,201,564	15,436,369	3,849,768	11,586,601
Short Provision of Income tax for earlier periods	-	15,600,824	15,600,824	-
Current Tax	**23,201,564**	**31,037,193**	**19,450,592**	**11,586,601**
(b) Deferred Tax (Income) / Expenses	(8,940,978)	(59,221,186)	(59,550,122)	328,936
Total (a+b)	**14,260,586**	**(28,183,993)**	**(40,099,530)**	**11,915,537**
26.00 Earning Per Share (EPS):				
(a) Earning Attributable to the Ordinary Shareholders (Net Profit/(Loss) After Tax)	**8,292,758**	**(32,560,925)**	**(38,586,659)**	**6,025,734**
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.13)	**146,966,055**	**146,966,055**	**146,966,055**	**146,966,055**
(c) EPS (a/b)	**0.06**	**(0.22)**	**(0.26)**	**0.04**

The calculation of the basic earnings per share is made in accordance with BAS 33 (Earning Per Share), dividing the Profit / (Loss) for the year by weighted average number of the shares outstanding during the year.

27.00 Payments / Perquisites to Directors and Officers

(a) Directors

During the year no amount of money was expended by the company for compensating any member of the board for special services rendered.

During the year no board meeting attendance fee was paid to the directors of the company except the Independent Director of Tk. 100,000.

(b) No remuneration was paid to CEO during the year.

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	Amount in Taka			
	01.07.2016 - 30.06.2017	01.01.2015 - 30.06.2016	01.01.2016 - 30.06.2016	01.01.2015 - 31.12.2015
	12 Months	18 Months	6 Months	12 Months
(c) Officers:				
Managerial Remuneration	59,209,728	77,741,051	23,016,749	54,724,302
Bonus	8,211,034	11,196,623	3,636,125	7,560,498
Perquisites:				
Housing	20,501,748	24,582,247	8,357,300	16,224,947
Transport	4,006,572	5,653,555	1,792,635	3,860,920
	91,929,082	**119,173,476**	**36,802,809**	**82,370,667**

28.00 Production Capacity, Actual Production and reason of Excess/Short Fall:

	From 01 July 2016 to 30 June 2017(12 Months)				From 01 January 2016 to 30 June 2016(6 Months)			
	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization
Porcelain	14,400,000	13,236,308	(1,163,692)	91.92%	7,200,000	5,117,814	(2,082,186)	71.08%
Bone China	3,240,000	2,720,281	(519,719)	83.96%	1,620,000	1,356,893	(263,107)	83.76%

Reason for Shortfall : Production as per market demand.

29.00 Capital Expenditure Commitment

There was capital expenditure contracted but not incurred or provided for as on 30 June 2017.

There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2017.

30.00 Contingent Liabilities

There was no sums for which the company is contingently liable as on 30 June 2017 .

31.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 30 June 2017.

32.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 30 June 2017 under any contract, other than trade credit available in the ordinary course of business.

33.00 Related Party Disclosure

Name of Related Party	Nature of Transactions	Value of Transactions During the year	Balance at the year ended 30 June 2017
Bangladesh Export Import Co. Ltd.	Investment in Shares	-	83,221,906
Beximco Synthetics Ltd.	Investment in Shares	-	630,874

34.00 Financial Risk Management

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

Credit risk
Liquidity risk
Market risk

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency Risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and EURO and relate to procurement of raw materials, machineries and equipment from abroad.

Exposure to Currency Risk

Foreign Currency Denominated Assets	30-June-17		30-June-16	
Trade Debtors- Foreign	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
US$	1,147,219	92,454,346	276,309	21,552,113
EURO	75,112	6,914,660	39,385	3,426,495
GBP	-	-	-	-
Total Equivalent US$	**1,233,020**	**99,369,007**	**320,238**	**24,978,608**

(b) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There is no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

35.00 Payments Made in Foreign Currency :

	01.07.2016-30.06.2017		01.01.2016-30.06.2016	
	12 Months		6 Months	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:	-	-	-	-
	-	-	-	-
Import of Raw & Packing Material :				
	US$ 3,575,634	285,974,409	US$ 1,856,142	142,922,934
	Euro 417,915	36,205,998	Euro 175,230	15,245,010
	JP¥ 43,864,550	35,457,267	JP¥ 17,895,803	9,842,692
	GBP 214,478	21,427,364	GBP 100,673	10,937,115

No other expenses including royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

36.00 Foreign Exchange Earned / Received against Collection from Export Sales:

	01.07.2016-30.06.2017		01.01.2016-30.06.2016	
	12 Months		6 Months	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
	US$ 9,488,354	764,666,469	US$ 5,482,026	427,418,230
	Euro 625,210	57,555,541	Euro 13,683	1,161,583
	-	-	GBP 2,284	263,673

37.00 Particulars of Disposal of Property, Plant and Equipment

The following assets were disposed off during the earliar periods:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit	Mode of Disposal	Name of Parties
Transport & Vehicle	1,090,000	586,484	503,516	690,000	186,484	Negotiation	Various Individuals

38.00 Events After The Reporting Period

No circumstance have arisen since this statement of financial position date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

Dated, Dhaka
25 October 2017

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BANGLADESH EXPORT IMPORT CO. LTD.

Registered Office: 17 Dhanmondi R/A, Road # 2, Dhaka-1205

PROXY FORM

I/We _____ of _____

being a member of **BANGLADESH EXPORT IMPORT CO. LTD.** hereby appoint Mr./Mrs./Miss _____

_____of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the **44th ANNUAL GENERAL MEETING** of the Company to be held on Saturday, the 23rd December, 2017 at 12:00 noon at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur and at any adjournment thereof.

As witness my/our hand this _____ day of June, 2017.

Signed by the said in presence of _____

Revenue Stamp Tk. 20.00

_____

(Signature of the Proxy)

Dated _____

_____

(Signature of the witness)

_____

Signature of the Shareholder(s)

Register BO ID/Folio No. _____

Dated _____

NOTE :

A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature verified

_____

Authorized Signatory

BANGLADESH EXPORT IMPORT CO. LTD.

Registered Office: 17 Dhanmondi R/A, Road # 2, Dhaka-1205

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my/our attendance at the **44th ANNUAL GENERAL MEETING** being held on Saturday, the 23rd December, 2017 at 12:00 noon at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur.

Name of Member/Proxy _____

Register BO ID/Folio No. _____

holding of _____ ordinary Shares of BANGLADESH EXPORT IMPORT CO. LTD.

_____

Signature of Shareholder(s)

N. B.

Please present this slip at the reception desk. Children and non-members will not be allowed at the meeting.

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Scan code with a QR code reader-enable mobile phone to find out more about the company

BEXIMCO

REGISTERED OFFICE
BANGLADESH EXPORT IMPORT CO. LTD.
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Fax : +880 2 58613470
URL : www.beximco.com