BEXIMCO SYNTHETICS LIMITED

STOCK

ANNUAL REPORT
2017-18



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 CONSTITUENTS WITH WHOM WE INTERACT; NAMELY: OUR EMPLOYEES, OUR VALUED CUSTOMERS, OUR BUSINESS ASSOCIATES, OUR FELLOW CITIZENS AND OUR SHAREHOLDERS.

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OPERATIONAL & FINANCIAL HIGHLIGHTS

	1 July 2017 to 30 June 2018	1 July 2016 to 30 June 2017
Turnover	1,227,964	407,051
Gross Profit/(Loss)	(55,665)	(69,353)
Net Loss Before Tax	(264,206)	(226,348)
Net Loss After Tax	(270,698)	(227,459)
Earnings Per Share	(3.12)	(2.62)
Total Assets	3,312,380	3,241,016
Shareholders' Equity	1,525,287	1,795,985

all figures in thousand Taka except indicate otherwise

AMARSTOCK

COMPANY PROFILE

Corporate Headquarters	- 17 Dhanmondi R/A, Road No. 2, Dhaka-1205, Bangladesh Phone : 880-2-58611891 Email : beximchq@bol-online.com Web Site : http://www.beximco.com
Operational Headquarters	- Kabirpur, Savar, Dhaka-1344, Bangladesh Email: beximsyn@bol-online.com Website: http://www.beximcosynthetics.com
Factory	- Kabirpur, Savar, Dhaka
Year of Establishment	- July 18, 1990
Commercial Production	- July 01, 1994
Nature of Activities	- Manufacturing & Marketing of Polyester Filament Yarn, namely Partially Oriented Yarn (POY) and Drawn Texturising Yarn (DTY).
Listing Status	- Public Listed Company
Stock Exchange Listing	- Dhaka & Chittagong
Authorized Capital	- 2,000 million Taka
Paid up Capital	- 867.123 million Taka
Number of Shareholders	- 15,961

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CORPORATE DIRECTORIES

BOARD OF DIRECTORS

A S F RAHMAN
Chairman

SALMAN F RAHMAN
Vice-Chairman

IQBAL AHMED
Director

O K CHOWDHURY
Director

TIPU SULTAN FARAZI
Director, Nominee of ICB
(Representing Institutional Debenture Holders)

MASUD EKRAMULLAH KHAN
Independent Director

MOHAMMAD ASAD ULLAH, FCS
Executive Director & Company Secretary

MANAGEMENT COMMITTEE

O K CHOWDHURY
Director, Group Finance & Corporate Affairs

SYED NAVED HUSSAIN
Chief Executive Officer

MD. RAFIQUL ISLAM
Chief Financial Officer



SALMAN F RAHMAN, *VICE CHAIRMAN (LEFT) AND* **A S F RAHMAN,** *CHAIRMAN (RIGHT)*

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NOTICE OF THE
TWENTY-SEVENTH ANNUAL GENERAL MEETING

BEXIMCO SYNTHETICS LIMITED

17, DHANMONDI R.A, ROAD NO. 2,
DHAKA-1205

NOTICE OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-seventh Annual General Meeting of the Shareholders of Beximco Synthetics Limited will be held on Saturday, the 22nd December, 2018 at 1.30 p.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30th June, 2018 together with reports of the Auditors and the Directors thereon.
2. To elect Director.
3. To approve the appointment of Independent Director.
4. To appoint Auditors for the year 2018-2019 and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditor for the year 2018-2019 and to fix remuneration.

By order of the Board,

(MOHAMMAD ASAD ULLAH, FCS)
Executive Director & Company Secretary

Dated : 05 December, 2018

NOTES:

(1) The Shareholders whose names appeared in the Share Register of the Company or in the Depository Register on the record date i.e. 26 November, 2018, will be entitled to attend at the Annual General Meeting.

(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.

AMAR STOCK

চেয়ারম্যানের প্রতিবেদন



এ এস এফ রহমান
চেয়ারম্যান

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বেক্সিমকো সিনথেটিক্স লিমিটেড এর ২৭তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সকলকে আবারো স্বাগত জানাতে পেরে এবং কোম্পানীর ৩০শে জুন ২০১৮ সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনসহ নিরীক্ষকের প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করতে পেরে আমি খুবই আনন্দিত।

কার্যক্রম

স্থানীয় বাজারে তৈরী কাপড়ের চাহিদা হ্রাসের সাথে সাথে আমাদের উৎপাদিত সূতার চাহিদা ও মূল্য বিগত বছরের মত কম থাকায় এবং অন্যান্য প্রতিকূল অবস্থার কারণে আপনাদের কোম্পানী আরও একটি কঠিন বছর অতিক্রম করেছে। আমাদের সমস্ত আন্তরিক প্রচেষ্ঠা থাকা সত্বেও বর্তমান অবস্থা আগের মত থেকে যাওয়ায় আমরা আমাদের আকাংখিত উৎপাদন ও মুনাফা অর্জন করতে পারি নাই। তবে নিকট ভবিষ্যতে সঠিক সিদ্ধান্ত গ্রহণ করে বর্তমান অবস্থা হইতে উত্তরণের জন্য কোম্পানীর পরিচালনা পর্ষদ নিরলস প্রচেষ্টা চালিয়ে যাচ্ছে।

বিপণন

স্থানীয় বাজারে কাপড়ের চাহিদা কম থাকায় আমাদের সূতার মূল্য ব্যাপকভাবে হ্রাস পায় যা আমাদের বিক্রয়লক্ষ্য অর্জনে নেতিবাচক ভূমিকা পালন করে। কিন্ত সকল অনাকাংখিত এবং অনিয়ন্ত্রিত বিপণন কারণ সত্বেও আমাদের বিপণন দল আমাদের পণ্যের বাজার পরিধি যতটুকু সম্ভব ধরে রাখতে সর্বদা সচেষ্ট।

উপসংহার

পরিশেষে আমাদের পণ্যের উপর আস্থার জন্য আমি আমার নিজের ও পরিচালনা পর্ষদের পক্ষ থেকে সম্মানিত ক্রেতা সাধারণকে আন্তরিক ধন্যবাদ জানাচ্ছি। সেই সাথে আমাদের কর্মকর্তা ও কর্মচারীদেরকে তাদের অক্লান্ত প্রচেষ্টার জন্য, সরবরাহকারীদেরকে তাদের সমর্থনের জন্য, ব্যাংক, সরকারী সংস্থা ও অন্যান্য আর্থিক প্রতিষ্ঠানসমূহকে তাদের সহযোগিতার জন্য এবং সর্বোপরি সম্মানিত শেয়ারহোল্ডারদেরকে কোম্পানীর মঙ্গলে তাদের ক্রমাগত উৎসাহ প্রদানের জন্য আন্তরিক প্রশংসা ও সাধুবাদ জানাই।

আমি আশা করি আপনাদের সকলের অকুণ্ঠ সমর্থন ও সহযোগিতা নিয়ে আগামী বছরগুলিতেও আমরা আমাদের সকল সমস্যা কাটিয়ে উঠতে সক্ষম হব।

এ এস এফ রহমান
চেয়ারম্যান

২৫শে অক্টোবর, ২০১৮
ঢাকা।

CHAIRMAN'S STATEMENT

Dear Shareholders,

It is a great pleasure for me once again to welcome you all to this 27th Annual General Meeting of Beximco Synthetics Limited and to present before you the Audited Financial Statements and the Auditors' and Directors' Report thereon of the Company for the year ended 30 June 2018.

Operations

We have passed another difficult year for your company as smooth business operation was hampered once again due to unavoidable circumstances like continuous decreasing of demand as well as price of polyester filament yarn in local market for decreasing the demand of local finished fabrics. Our total effort to overcome and improve the current situation remained same like previous year as a result we could not maintain our targeted production and profitability during the year under review. However, the Board of Directors of the company is now analyzing the current situation of the company seriously to take proper decision for better results in near future.

Marketing

Market situation remain same like previous year due to continuous fall of yarn price as well as decrease of demand of finished fabrics in the local market that ultimately played a negative role in our targeted sales achievement. But despite of having all those unpredictable & uncontrollable market factors, our marketing team is always concentrating on keeping the market share intact.

Conclusion

Finally, on behalf of the Board of Directors and on my own behalf, I would like to express my deepest appreciation to all our valued customers for their confidence in our products, to the employees for their tireless efforts, to the suppliers for their support, to the Banks, Govt. agencies and Financial Institutions for their co-operation and above all, to our most honoured shareholders for demonstrating their continued interest in the well-being of the Company.

I hope, we will be able to overcome all problems with continuous support and co-operation from all of you in the years to come.

A S F Rahman
Chairman

25 October, 2018
Dhaka.

AMARSTOCK

DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year 2017-18

Dear Shareholders,

The Board of Directors of Beximco Synthetics Limited are pleased to present the Directors' Report and Audited Financial Statements of the Company for the year ended on 30 June 2018 together with the auditor's report thereon.

1. Principal Activity

The principal activity of the company was production & sales of high quality Polyester Filament Yarn namely, Partially Oriented Yarn (POY) and Drawn Texturising Yarn (DTY).

2. Financial Results & Appropriations

The financial results and recommended appropriations are stated below:

Taka in Thousand

Particulars	2017- 2018	2016 -2017
Net loss after tax for the year	(270,699)	(227,459)
Profit/(Loss) brought forward	(400,474)	(173,015)
Loss carried forward	(671,173)	(400,474)

3. Dividend

No dividend is possible based on the Company's accounts for the period.

4. Analysis of Operating Performance

4.1 Production and Sales

During the year, the Company has produced 1,846,328 kgs of POY 115 denier filament yarn and 1,753,316 kgs of DTY both in Intermingle and Non-Intermingle form. Gross turnover was Tk. 1,227.96 million.

4.2 Profitability

As smooth business operation was hampered once again due to unavoidable circumstances like continuous decreasing of demand as well as price of polyester filament yarn in local market for decreasing the demand of local finished fabrics which ultimately played a negative role to achieve our targeted production and sales. As a result, we could not maintain our targeted turnover and profitability and the company has incurred losses.

5. Directors

Retirement and Re-election

Mr. O. K. Chowdhury, Director of the Company retires by rotation as per Articles 124 and 125 of the Articles of Association of the Company and being eligible offer himself for re-election.

Mr. O. K. Chowdhury has been in the Board since 1993 and holds senior positions within the Beximco Group of Companies. He is a Member of the Institute of Chartered Accountants in England and Wales and also Fellow of the Institute of Chartered Accountants of Bangladesh. He has over 13 years' experience working abroad, including the United Kingdom.

Independent Director

As per the provisions of Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission dated 07.08.2012, the 2nd tenure of the Office of Mr. Masud Ekramullah Khan as Independent Director of the Company shall be expired on 19.12.2018. The Board of Directors of the Company in its Meeting held on 25.10.2018 appointed Barrister Faheemul Huq as Independent Director in place of Mr. Masud Ekramullah Khan for a period of three years effective from 20.12.2018.

Barrister Faheemul Huq is qualified as a Barrister-at-Law from Lincon's Inn, UK and is currently an Advocate in the Supreme Court of Bangladesh, both in the High Court Division and Appellate Division and acted as Legal Advisor of different corporate bodies and enlisted lawyer of different Banks and Financial Institutions in Bangladesh. He is a Senior Associate of M/s. Huq & Company, a renowned Lawyers' Firm in Bangladesh since 1997 and he also Member of The Honorable Society of Lincoln's Inn, UK.

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6. Auditors

The existing Auditors, M/S M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C.R. Datta Road, Dhaka-1205 who were appointed as Auditors of the Company in the 26th Annual General Meeting of the Company has carried out the audit for the period ended on 30 June, 2018.

M/S M.J. Abedin & Co., Chartered Accountants, the Auditors of the Company retire at this meeting and have expressed their willingness to continue in office for the year 2018-2019.

7. Board Audit Committee

The Board constituted the Audit Committee comprises the following members as per provision of Corporate Governance Guidelines issued by BSEC dated 07.08.2012.

Mr. Masud Ekramullah Khan	Chairman
Mr. Iqbal Ahmed	Member
Mr. O. K. Chowdhury FCA	Member
Mr. Mohammad Asad Ullah, FCS	Secretary

8. Board Meetings and Attendance

During the year, 5 Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meeting Attended
Mr. A S F Rahman	4
Mr. Salman F Rahman	5
Mr. Iqbal Ahmed	5
Mr. O K Chowdhury	5
Mr. Tipu Sultan Farazi	5
Mr. Masud Ekramullah Khan	5

9. Corporate and Financial Reports

Directors are pleased to report that:

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

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

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

(d) The International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in the preparation of financial statements.

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

(f) There are no significant doubts upon the Company's ability to continue as a going concern.

10. Certification by the Chief Executive Officer and Chief Financial Officer

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

i) They have reviewed the Financial Statements of the Company for the year ended on 30 June 2018 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 year which are fraudulent, illegal or in violation of the Company's code of conduct.

11. Key operating and Financial Data

The summarized key operating and financial data for 2017-2018 and immediately preceding four years are presented below:

MARKET STOCK

DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year 2017-18

Result of Operations

	2017-2018	2016-2017	2016 (upto June)	2015	2014
Revenue (Turnover) Net	1,227,964	407,051	401,436	977,572	1,187,413
Gross Profit/(Loss)	(55,665)	(69,353)	38,709	83,822	121,113
Operating Profit/(Loss)	(70,557)	(86,868)	26,968	64,382	100,135
Net Loss before Tax	(264,206)	(226,348)	(30,348)	(67,182)	(28,336)
Net Loss after Tax	(264,206)	(226,348)	(30,348)	(67,182)	(28,336)
Basic Earnings per Share	(3.12)	(2.62)	(0.37)	(0.81)	(0.34)

Financial Positions

	2017-2018	2016-2017	2016 (upto June)	2015	2014
Total Assets	3,312,380	3,241,016	3,376,774	3,329,702	3,313,423
Fixed Assets-Gross	2,401,960	2,401,960	2,401,578	2,400,869	2,385,560
Fixed Assets-Net	1,287,028	1,322,050	1,356,883	1,373,821	1,392,946
Gross Working Capital	2,020,244	1,913,858	2,014,783	1,950,774	1,915,369
Net Working Capital	1,396,518	720,481	996,544	1,039,658	1,145,233
Authorized Capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Paid up Capital	867,123	867,123	867,123	867,123	867,123
Reserve & Surplus	658,163	928,862	1,156,321	1,188,760	1,258,691
Shareholders' Equity	1,525,287	1,795,985	2,023,444	2,055,883	2,125,815

Key Financial Ratios, Figures and Market Data

	2017-2018	2016-2017	2016 (upto June)	2015	2014
Current Ratio	3.29	1.60	1.98	2.14	2.49
Return on Paid-up Capital	(31.22%)	(26.23%)	(3.74%)	(8.06%)	(3.44%)
Return on Investment	(10.06%)	(12.66%)	(1.60%)	(3.40%)	(1.40%)
Net Asset Value Per Share (Tk.)	17.59	20.71	23.34	23.71	24.52
Market Price of Share (at DSE)(Tk.)	8.60	9.60	6.30	7.90	12.50
Market Price of Share (at CSE)(Tk.)	8.60	9.60	6.30	7.90	12.50
Price Earnings Ratio (DSE price)(Times)	(2.75)	(3.64)	(17.02)	(9.75)	(36.76)
Price Earnings Ratio (CSE price)(Times)	(2.75)	(3.64)	(17.02)	(9.75)	(36.76)

Others

	2017-2018	2016-2017	2016 (upto June)	2015	2014
Number of Shares	86,712,359	86,712,359	86,712,359	86,712,359	86,712,359
Number of Shareholders	15,965	16,582	18,224	19,051	21,832

all figures in thousand Taka except indicate otherwise

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12. The Pattern of Shareholding

	Name wise details	Numbers of Shares held
i)	**Parent/Subsidiary/Associate Companies and other related parties:**	
	Beximco Holdings Ltd.	1,532,686
	New Dacca Industries Limited	1,375,067
	Shinepukur Ceramics Limited	65,716
ii)	**Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer,**	
	Head of Internal Audit and their spouses and minor children:	
	Mr. A S F Rahman, Chairman	14,518,467
	Mr. Salman F Rahman, Vice Chairman	13,441,800
	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 ten percent (10%) or more voting interest in the company:**	
	Mr. A S F Rahman, Chairman (mentioned in Sl. No. (ii) above	14,518,467
	Mr. Salman F Rahman, Vice Chairman (mentioned in Sl. No. (ii) above	13,441,800

13. Corporate Governance Compliance Report

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

14. Conclusion

The directors wish to express their sincere appreciation to the valued shareholders for their support and to the employees of the Company for their effort. We are also thankful to our customers, suppliers, bankers, government authorities an all concerned agencies for their continued support.

Thank you all.

On behalf of the Board

A S F Rahman
Chairman

25 October, 2018
Dhaka.

AMARSTOCK

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

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 a single product segment-Polyester Yarn. 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

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (vi)	Basis for and a statement of related party transactions	--		N/A
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	√		
1.5 (x)	Remuneration to directors including ID	√		No remuneration has been paid to any Director during 2017-2018 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	√		No dividend is possible based on the Company's accounts for the year ended on 30.06.2018
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**			

DHAKA STOCK

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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 Committee	√		
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	√		

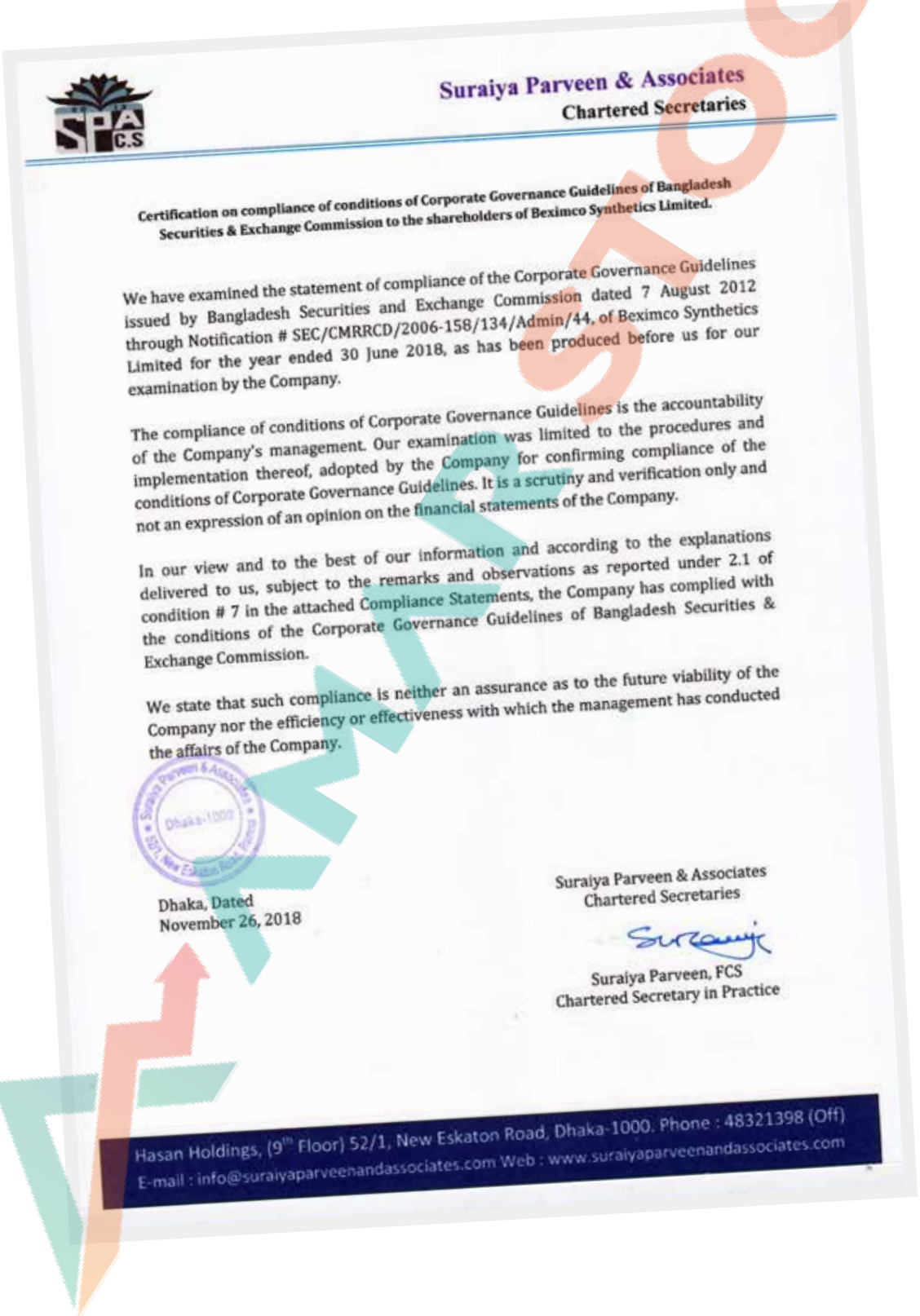
MAR STOCK

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
5	**Subsidiary Company**			
5 (i)	Composition of BOD to be similar to holding company	--	--	N/A
5 (ii)	One ID to be in both holding and subsidiary company	--	--	N/A
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	--	--	N/A
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	--	--	N/A
5 (v)	Audit Committee of holding company to review financial statements / investments of subsidiary company	--	--	N/A
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	√		

AMARSTOCK



CORPORATE GOVERNANCE COMPLIANCE REPORT



Suraiya Parveen & Associates
Chartered Secretaries

Certification on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission to the shareholders of Beximco Synthetics Limited.

We have examined the statement of compliance of the Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission dated 7 August 2012 through Notification # SEC/CMRRCD/2006-158/134/Admin/44, of Beximco Synthetics Limited for the year ended 30 June 2018, 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, Dated
November 26, 2018

Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chartered Secretary in Practice

Hasan Holdings, (9th Floor) 52/1, New Eskaton Road, Dhaka-1000. Phone : 48321398 (Off)
E-mail : info@suraiyaparveenandassociates.com Web : www.suraiyaparveenandassociates.com

AMI STOCK

REPORT ON THE ACTIVITIES
OF THE AUDIT COMMITTEE FOR THE YEAR ENDED ON 30TH JUNE 2018

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2018.

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 during the year ended on 30 June 2018.

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 Mr. Masud Ekramullah Khan, Mr. Iqbal Ahmed and Mr. O. K. Chowdhury, FCA, of whom Mr. Masud Ekramullah Khan 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 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 2018, and state that:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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 during the year ended on 30th June 2018:

In terms of reference, the Committee in its first meeting held on October 19, 2017 reviewed the Annual Financial Statements for the year ended on 30 June 2017. 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.

In the aforesaid meeting the Audit Committee also had detailed discussion with the members of the accounts and finance department on various aspects of the financial statements and accounts. The Committee in detail looked into the compliance of the disclosure requirements set by the BSEC for the special reporting covering longer than usual accounting period. 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, the Audit Committee met three times during the year ended on 30 June 2018. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 08, 2017, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2017. 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 28, 2018 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, 2017.

The fourth meeting of the Committee was held on April 25, 2018 to release the un-audited third quarter financial statements of the Company for the quarter ended on March 31, 2018. 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, 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 2018-19, subject to the approval of shareholders in the 27th AGM of the Company, who had carried out the audit of the Company for the year ended on 30 June 2018.

On behalf of Audit Committee,

(MASUD EKRAMULLAH KHAN)
CHAIRMAN

CORPORATE GOVERNANCE

The maintenance of effective Corporate Governance remains a key priority to the Board of Beximco Synthetics Ltd. Recognizing the importance of it, the board and other senior management remained committed to high standards of Corporate Governance. To exercise about clarity of director's responsibilities towards the shareholders, Corporate Governance must be dynamic and focus 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-to-day 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 a Director under whom there are CEO, CFO, Senior General Managers and according to hierarchy, various senior & mid level management staffs. The Director, CEO, CFO, Senior General Manager and the Senior Mangers meet at regular interval represented also by Administration, Finance, Marketing & Production heads.

Financial Reporting – 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 expenditure.

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, Financial Statements. Other areas are also given emphasis by reviewing on quarterly basis. These include information strategy, environmental and insurance matters.

Statement of Director's 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 the date. In preparing those financial statements the directors are required:

- to select suitable accounting policies and the apply them in a consistent manner;
- to make reasonable and prudent judgements and estimates where necessary;
- to state whether all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the notes to the financial statements;
- to 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;
- to ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with disclosure requirements to the Companies Act 1994 and the Securities and Exchange Rules 1987; and
- to prepare the financial statements on a going concern basis unless it is inappropriate to presume 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 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 ended 30 June 2017 stood at six directors. All directors are equally accountable at law to the shareholders for the proper conduct of the business.

The Company's Board currently comprises the Chairman, Vice-Chairman, one Independent Director and other three directors. The name of the Directors appears on page 4.

Appraisal Review Board – Appraisal review board annually appraises the performances of every level of employees as per established policy. It determines the annual increment, promotion and parameter of remuneration for all level of executives.

Audit Committee

The Board of Directors of Beximco Synthetics Limited has constituted the Audit Committee in terms of the conditions of Bangladesh Securities and Exchange Commission's (BSEC) guidelines which is appended with the Compliance Report and also enclosed with the Director's report. The Committee comprise of Mr. Masud Ekramullah Khan, Mr. O.K. Chowdhury FCA and Mr. Iqbal Ahmed, of whom Mr. Masud Ekramullah Khan is an Independent Director and also the Chairman of the Committee. Mr. Md. Asad Ullah FCS is the secretary of the committee. The Audit Committee appointed by the main Board and all the members are non-executive Directors. All members of the Audit Committee are financially literate are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The details of the Audit Committee has been provided in "Report of the Audit Committee" on page 18.

Going Concern

After making enquiries, 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 and supervision. They have the right to ask questions of and request of 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 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
- 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.

Corporate Governance Compliance Report

In accordance with the requirement of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 Corporate Governance Compliance and Status Report is attached in Annexure-I on page 12 to 16.


Super DrawSet

26TH ANNUAL GENERAL MEETING

The 26th Annual General Meeting of Shareholders of Beximco Synthetics Limited was held on 23rd December, 2017 at 1.00 pm at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur. A good number of shareholders attended the meeting. In absence of Mr. A S F Rahman, Chairman of the Board of Directors of the Company, Mr. Salman F Rahman, Vice-Chairman of the Company presided over the meeting. Verses from Holy Quran along with its translation in Bengali were recited at the very outset of the meeting.

The Chairman welcomed the Shareholders in the AGM. With the permission of the Chair meeting started and the Shareholders expressed their valued opinion on the Audited Financial Statements of the Company for the year ended on 30th June, 2017 and also on other affairs.

Mr. Salman F Rahman, Vice Chairman of the Company replied to the queries and explained various comments of distinguished Shareholders. He also gave the hints of future activities of the Company.

After approving the Audited Financial Statements, electing directors, appointing Auditors and fixing their remuneration by the Shareholders, the meeting ended with a vote of thanks to and from the chair.









FINANCIALS



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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BEXIMCO SYNTHETICS LIMITED

We have audited the accompanying financial statements of Beximco Synthetics Limited, which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year from 01 July 2017 to 30 June 2018, 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 preparation 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 2018, 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 Statement of Profit or Loss and Other Comprehensive Income 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 2018
Dhaka

M.J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	Amount in Taka	
		As at 30 June 2018	As at 30 June 2017
ASSETS			
Total Non-Current Assets		**1,292,135,330**	**1,327,157,891**
Property, Plant and Equipment - Carrying Value	5	1,287,028,032	1,322,050,593
Long Term Security Deposits	6	5,107,298	5,107,298
Current Assets		**2,020,244,681**	**1,913,858,151**
Inventories		3,110,071	968,232,483
Accounts & Other Receivables	7	2,011,351,479	936,772,263
Advances, Deposits & Prepayments	8	5,231,592	5,375,106
Cash and Cash Equivalents	9	551,538	3,478,299
Total Assets		**3,312,380,011**	**3,241,016,042**
EQUITY AND LIABILITIES			
Shareholders' Equity		**1,525,286,752**	**1,795,985,534**
Issued Share Capital	10	867,123,598	867,123,598
Revaluation Surplus	11	1,329,335,883	1,329,335,883
Retained Earnings		(671,172,729)	(400,473,947)
Non-Current Liabilities		**1,163,364,271**	**251,653,797**
Long Term Borrowing-Net off Current Maturity	12	386,141,057	242,928,775
Long Term Interest Bearing Blocked Account	13	769,373,232	-
Deferred Tax Liabilities	14	7,849,983	8,725,022
Current Liabilities		**623,728,987**	**1,193,376,711**
Debentures-Current Maturity (Secured)	15	40,160,096	40,160,096
Interest Free Block Account-Current Maturity	16	42,401,457	42,401,457
Short Term Loan from Banks (Secured)	17	17,941,344	517,941,344
Long Term Borrowing-Current Maturity	18	85,655,076	163,757,266
Long Term Interest Bearing Block Account-Current Maturity	19	111,594,252	-
Obligation under Finance Lease		27,519,974	27,519,974
Accounts & Other Payables	20	189,312,960	132,290,709
Accrued Expenses	21	109,143,828	269,305,864
Total Equity and Liabilities		**3,312,380,011**	**3,241,016,042**

The notes are an integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 25 October, 2018 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam
Chief Financial Officer

Per our report of even date.

M. J. ABDIN & CO.
Chartered Accountants

25 October, 2018
Dhaka.

MAR STOCK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Notes	Amount in Taka	
		Jul 2017 - Jun 2018	Jul 2016 - Jun 2017
Revenue	**22**	**1,227,964,152**	**407,051,438**
Cost of Revenue	23	(1,283,629,008)	(476,404,389)
Gross (Loss)		**(55,664,856)**	**(69,352,950)**
Operating Expenses		**(14,891,894)**	**(17,514,756)**
Administrative Expenses	24	(12,443,331)	(14,615,291)
Selling Expenses	25	(2,448,563)	(2,899,465)
Loss from Operations		**(70,556,749)**	**(86,867,706)**
Finance Cost	26	(193,649,286)	(139,480,416)
Loss before contribution to WPPF		**(264,206,035)**	**(226,348,122)**
Contribution to Workers' Profit Participation / Welfare Funds	27	-	-
Net Loss before Tax		**(264,206,036)**	**(226,348,122)**
Income Tax Expense	28	(6,492,745)	(1,111,121)
Loss After Tax for the year		**(270,698,781)**	**(227,459,244)**
Other Comprehensive Income		-	-
Total Comprehensive Loss for the year		**(270,698,781)**	**(227,459,244)**
Earning Per Share (EPS)		**(3.12)**	**(2.62)**
Number of Shares used to compute Earning Per Share (EPS)		86,712,359	86,712,359

The notes are an integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 25 October, 2018 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam
Chief Financial Officer

Per our report of even date.

M. J. ABDIN & CO.
Chartered Accountants

25 October, 2018
Dhaka.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

Particulars	Amount in Taka			
	Share Capital	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on 01-07-2016	**867,123,598**	**1,329,335,883**	**(173,014,703)**	**2,023,444,778**
Total Comprehensive Loss for the year ended:				
Loss for the period	-	-	(227,459,244)	(227,459,244)
Other Comprehensive Income			-	-
Transaction with Share Holders:	-	-	-	-
Balance on 30-06-2017	**867,123,598**	**1,329,335,883**	**(400,473,947)**	**1,795,985,534**
Balance as on 01-07-2017	**867,123,598**	**1,329,335,883**	**(400,473,947)**	**1,795,985,534**
Total Comprehensive Loss for the year ended:				
Loss for the period	-	-	(270,698,781)	(270,698,781)
Other Comprehensive Income			-	-
Transaction with Share Holders:	-	-	-	-
Balance on 30-06-2018	**867,123,598**	**1,329,335,883**	**(671,172,729)**	**1,525,286,752**

Total number of shares 86,712,359
Shareholders equity per share Tk. 17.59

Approved and authorized for issue by the board of directors on 25 October, 2018 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam
Chief Financial Officer

Per our report of even date.

25 October, 2018
Dhaka.

M. J. ABDIN & CO.
Chartered Accountants

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STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Amount in Taka	
	Jul 2017-Jun 2018	Jan 2016-Jun 2017
Cash Flows From Operating Activities :		
Collections from Revenue- net	153,384,935	469,673,953
Cash Paid to Suppliers & Employees	(272,818,713)	(393,295,604)
Cash (Used In)/Generated from Operations	**(119,433,778)**	**76,378,349**
Interest Paid	(169,671,331)	(78,998,137)
Income tax paid	(0)	(643,468)
Net Cash Used in Operating Activities	**(289,105,109)**	**(3,263,256)**
Cash Flows From Investing Activities :		
Acquisition of tangible fixed assets	-	(381,162)
Net Cash Used In Investing Activities	**-**	**(381,162)**
Cash Flows From Financing Activities :		
Increased in Long Term Interest Bearing Block Account	328,312,684	-
Long Term Loan Paid-Phoniex	(42,134,334)	-
Net Cash Generated from Financing Activities	**286,178,350**	**-**
(Decrease) in Cash & Cash Equivalents	**(2,926,759)**	**(3,644,418)**
Cash & Cash Equivalents at the beginning of the period	**3,478,298**	**7,122,717**
Cash & Cash Equivalents at End of the period	**551,538**	**3,478,299**
Net Operating Cash Flow Per Share	**(3.33)**	**(0.04)**
Number of Shares used to compute Net Operating Cash Flow Per Share	86,712,359	86,712,359

The notes are an integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 25 October, 2018 and signed for and on behalf of the Board

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam
Chief Financial Officer

Per our report of even date.

M. J. ABDIN & CO.
Chartered Accountants

25 October, 2018
Dhaka.

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

1. The background and activities of the Company

1.1. Status of the Company

Beximco Synthetics Limited (the Company) is a Public Limited Company incorporated in Bangladesh in 1990 under the Companies Act, 1913. It launched its manufacturing operation in 1994. The company became a listed company in 1993.The shares of the Company are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and the debentures of the company were listed with Dhaka Stock Exchange of Bangladesh.

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 Kabirpur, Savar, Dhaka.

1.2. Principal Activities

The company operates in a single industry segment. It is engaged in manufacturing and marketing of Polyester Filament Yarn namely, Partially Oriented Yarn (POY) and Drawn Texturized Yarn (DTY) which it sells in the local market.

2. Bases of Financial Statements-Its Preparation and Presentation

2.1. Measurement Bases

The financial statements have been prepared on the Historical Cost basis, as modified to include the revaluation of land, building and plant & machinery which are stated at revalued amount.

Accordingly, historical cost is employed to determine the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and statement of comprehensive income.

Under the Historical Cost, assets are recorded at the amount of cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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 the end of the 30 June 2018;
(b) a statement of profit or loss and other comprehensive income for the year ended 30 June 2018;
(c) a statement of changes in equity for the year ended 30 June 2018;
(d) a statement of cash flows for the year ended 30 June 2018; and
(e) notes, comprising a summary of significant accounting policies and other explanatory information

2.4. Reporting Period

The financial statements cover one financial year from 1st July 2017 to 30th June 2018 consistently.

2.5. Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on October 25, 2018.

2.6. 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.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

2.7. Comparative Information

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2017 to 30th June 2018) 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.

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

2.8. Use of Estimates and Judgments

The preparation of financial statements in conformity with the 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 particulars, 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

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these financial statements.

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 domestic sales.

3.2 Property, Plant and Equipment

3.2.1 Recognition and Measurement

Property, plant and equipment are capitalized at cost of acquisition except land, building and plant & machineries being revalued 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 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

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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 are generally charged off as revenue expenditure. Purchased 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.

3.2.6 Depreciation on Fixed Assets

Depreciation is provided to amortize the cost/revalued amount 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 on fixed assets except land for the period in use of the assets. Depreciation is provided at the following rates on straight line basis over the periods appropriate to the estimated useful lives of the different types of assets:

Factory Building and Other Construction	2.50-5%
Plant and Machinery	2.50-7.5%
Factory Equipment	10%
Furniture & Fixtures and Office Equipment	20%
Motor Vehicle	20%

3.3 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.

Lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability.

3.4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial Assets

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

The company initially recognizes receivables 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 risks and rewards of ownership of the financial asset are transferred.

3.4.1(a) Accounts Receivables

Accounts Receivables are recognized at cost which is the fair value of the consideration given for them.

3.4.1(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.

3.4.1(c) Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost and includes 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 expire.

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 that 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.

3.6. 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 Expense

Current Tax

Minimum Tax has been provided under Income Tax Ordinance, 1984 as there is a net loss during the year.

Deferred Tax

The Company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purposes and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per share (EPS).

3.9. 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.

3.10. Employee Benefits

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

The company has accounted for and disclosed of employee benefits in compliance with the provisions of BAS 19: Employee Benefits.

The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate.

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 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.

(b) Contribution to Workers' Profit Participation/ Welfare Funds

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour Law (Amendment) Bill 2013 and is payable to workers as defined in the said scheme.

(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) Group Insurance Scheme

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

3.11 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.

3.12 Earning Per Share (EPS)

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 period 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 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

3.13 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 in compliance with the provisions of BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.14 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.

3.15 Related Party Disclosures

The company did not carry out any transaction with related parties during the year under review.

Therefore, disclosure of information as required by BAS 24: Related Party Disclosures is not applicable.

3.16. Segmental Reporting

No segmental reporting is applicable for the company as required by BFRS 8 : Operating Segments as the company operates in a single industry segment and within a single geographical segment.

3.17. 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 its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

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 purchases such as import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relates to procurement of raw materials, machineries and equipment from abroad.

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(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.

4. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

5. Property, Plant and Equipment: Tk. 1,287,028,032

The relevant information in respect of Property, Plant and Equipment as required by the laws, rules and the accounting standards is setout below:

As on June 30, 2018

Amount in Taka

Particulars	Land & Land Development	Factory building & other construction	Plant & Machinery	Factory Equipment	Furniture & Office Equipment	Motor Vehicle	Total
Cost/Revaluation							
At 01 July, 2017	583,658,435	466,289,887	1,280,447,284	45,683,253	21,512,206	4,369,033	2,401,960,098
Addition for the year 2017-18	-	-	-	-	-	-	-
At 30 June, 2018	**583,658,435**	**466,289,887**	**1,280,447,284**	**45,683,253**	**21,512,206**	**4,369,033**	**2,401,960,098**
Depreciation							
At 01 July, 2017	-	183,523,954	836,232,117	34,461,156	21,323,244	4,369,033	1,079,909,504
for the year 2017-18	-	11,657,247	20,282,928	2,943,009	139,377	-	35,022,562
At 30 June, 2018	**-**	**195,181,201**	**856,515,045**	**37,404,165**	**21,462,621**	**4,369,033**	**1,114,932,066**
Carrying Amount At 30 June, 2018	**583,658,435**	**271,108,686**	**423,932,239**	**8,279,088**	**49,585**	**-**	**1,287,028,032**

A. DISCLOSURE ON REVALUATION IN THE YEAR 2004

In compliance with the requirements of Bangladesh Accounting Standard (BAS) - 16 "Property, Plant and Equipment, following information have been disclosed on revaluation of land:

(a) The effective date of revaluation is 27.12.2004

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

(c) The revaluation surplus was Tk. 173,718,295.

B. DISCLOSURE ON REVALUATION IN THE YEAR 2008

In compliance with the requirements of Bangladesh Accounting Standard (BAS) - 16 "Property, Plant and Equipment, following information have been disclosed on revaluation of land, building and plant & machinery:

(a) The effective date of revaluation is 31.12.2008

(b) An independent professional valuer, M/S S. F. Ahmed & Co., Chartered Accountants, House 25, Road 13A, Block D, Banani, Dhaka-1213, Bangladesh have revalued the land, building and plant & machinery of the Company as of 31 December 2008.

(c) The revaluation surplus was Tk. 1,155,617,588.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

		Amount in Taka	
		As at 30 June 2018	As at 30 June 2017
6.	**Long-Term Security Deposits : Tk. 5,107,298**		
	This represents the amount deposited with utility providers in respect of :		
	Bangladesh Telegraph & Telephone Board for Telephone	864,000	864,000
	Titas Gas Transmission & Distribution Co. Ltd. for Gas Connection	4,243,298	4,243,298
		5,107,298	**5,107,298**
7.	**Accounts & Other Receivables : Tk. 2,011,351,479**		
	This is unsecured but considered good, and is falling due within one 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.		
8.	**Advances, Deposits & Prepayments : Tk. 5,231,592**		
	This consists of :		
	Advances :		
	Duty, taxes & clearing charges	55,414	56,658
	Advance Income Tax	2,619,741	2,619,741
	Advance VAT	191,698	191,698
	Suppliers	140,970	176,573
	Mill Expenses	33,154	34,309
		3,040,977	**3,078,979**
	Deposits	**1,692,605**	**1,692,605**
	Prepayments	**498,010**	**603,522**
		5,231,592	**5,375,106**
	This is unsecured but considered good.		
	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.		
9.	**Cash and Cash Equivalents : Tk. 551,538**		
	This consists of :		
	(a) Cash in Hand	7,531	1,236,357
	(b) Cash at Banks :		
	(i) In Current Accounts	111,040	78,915
	(ii) In STD Accounts	432,967	2,163,027
		544,007	**2,241,942**
		551,538	**3,478,299**
10.	**Issued Share Capital : Tk. 867,123,598**		
(a)	**Authorized :**		
	200,000,000 ordinary shares of Tk. 10/- each	**2,000,000,000**	**2,000,000,000**
(b)	**Issued, Subscribed and paid-up :**		
	29,900,000 Ordinary Shares of Tk. 10/- each fully paid up in cash	299,000,000	299,000,000
	100,000 Ordinary Shares of Tk. 10/- each issued in consideration of value of land acquired (issued in 1993)	1,000,000	1,000,000
	56,712,359.80 Bonus shares of Tk. 10 each	567,123,598	567,123,598
		867,123,598	**867,123,598**

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

(c) Compositions of share holdings:

	As at 30 June, 2018		As at 30 June 2017	
	No. of Shares	%	No. of Shares	No. of Shares
A. Sponsors:				
1. A S F Rahman	14,518,467	16.74	14,518,467	16.74
2. Salman F Rahman	13,441,800	15.50	13,441,800	15.50
B. Associates	2,973,469	3.43	2,973,469	3.43
	30,933,736	35.67	30,933,736	35.67
C. Governments	-	-	-	-
D. Foreign Investors	13,607	0.02	13,607	0.02
E. Institutions	10,959,269	12.64	16,947,839	19.54
F. General Public	44,805,747	51.67	38,817,177	44.77
	86,712,359	100.00	86,712,359	100.00

(d) Distribution Schedule -Disclosures Under the Listing Regulations of the Stock Exchange :

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

Share holdings Range in number of shares	Number of holders		% of total holders		Number of Shares		% of Share Capital	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
1 to 499	8,283	8,743	51.90%	52.73%	1,136,615	1,196,001	1.31%	1.38%
500 to 5,000	6,071	6,181	38.04%	37.28%	9,860,941	10,102,567	11.37%	11.65%
5,001 to 10,000	794	805	4.97%	4.85%	5,966,965	6,069,388	6.88%	7.00%
10,001 to 20,000	428	448	2.68%	2.70%	6,131,502	6,367,337	7.07%	7.34%
20,001 to 30,000	150	167	0.94%	1.01%	3,815,959	4,217,669	4.40%	4.86%
30,001 to 40,000	66	64	0.41%	0.39%	2,319,210	2,238,702	2.67%	2.58%
40,001 to 50,000	33	41	0.21%	0.25%	1,485,751	1,846,240	1.71%	2.13%
50,001 to 100,000	87	85	0.55%	0.51%	6,117,052	5,965,013	7.05%	6.88%
100,001 to 1,000,000	41	41	0.26%	0.25%	10,044,235	8,875,313	11.58%	10.24%
Over 1,000,000	8	7	0.05%	0.04%	39,834,129	39,834,129	45.94%	45.94%
	15,961	16,582	100.00%	100.00%	86,712,359	86,712,359	100.00%	100.00%

(e) Market Price:

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 8.60 (in 2017: Tk. 9.60) per share in the Dhaka Stock Exchange and Tk. 8.60 (in 2017: Tk. 9.60) per share in the Chittagong Stock Exchange on 28 June 2018

(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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

11. Revaluation Surplus : Tk. 1,329,335,883

This represents the surplus on land revalued in the year 2004 Tk. 173,718,295 and surplus on land, factory building and plant & machinery revalued Tk. 1,155,617,588 in the year 2008.

	Amount in Taka	
	30 June 2018	30 June 2017

12. Long Term Borrowings-Net off Current maturity : Tk. 386,141,057

This represents loan from Phoenix Finance & Investments Ltd. Which is arrived as follows:

Opening Balance-Principal	-	297,514,530
Total Amount Capitalized & Restructure as Principal on 30-06-2017	513,930,467	-
Less: Principal paid during the year	42,134,334	-
Principal outstanding on 30-06-2018	**471,796,133**	**297,514,530**
Less: Transferred to Current Maturity	85,655,076	54,585,755
	386,141,057	**242,928,775**

The Board of Directors of Phoenix Finance and Investments Limited in its 254th Meeting held on May 04, 2017 has reduced their Interest Rate and restructure the loan amount as above.

13. Long Term Interest Bearing Block Account- Net off Current Maturity: Tk. 769,373,232

This amount is consist as follows	
Transferred from CC (H) Account including Interest upto June 30, 2018	532,963,793
Forced PAD Account including Interest upto June 30, 2018	348,003,691
Total amount transferred to Long Term Loan Block Account	**880,967,484**
Less: Transfer to Current Maturity Account	111,594,252
	769,373,232

The 10% Long Term Interest bearing Block Account was created by transferring of present outstanding CC (H) of Tk. 532,963,793 and Forced PAD of Tk. 348,003,691 including interest upto June 30, 2018. The scheme has been approved by the Board of Directors of Sonali Bank Ltd. on its Board Meeting held on April 22, 2018 to be paid by quarterly equal installment started from December 31, 2018 with 6 months grace period.

14. Deferred Tax Liability : Tk. Tk. 7,849,983

(a) Deferred Tax Assets are arrived at as follows:		
Book Value of Depreciable Fixed Assets	85,471,810	99,046,463
Less: Tax Base	33,138,593	40,879,649
Taxable Temporary Difference	**52,333,217**	**58,166,814**
Effective Tax Rate	15%	15%
Deferred Tax (Assets)/Liability	**7,849,983**	**8,725,022**
(b) Deferred Tax (Income)/Expense is arrived at as follows:		
Closing Deferred Tax (Assets)/Liabilities	7,849,983	8,725,022
Opening Deferred Tax (Assets)/Liabilities	8,725,022	10,056,209
Closing Deferred Tax (Assets)/Liabilities	-	-
Deferred Tax (Income)/Expense	**(875,039)**	**(1,331,187)**

Deferred tax Income of 2015 Tk. 183,390

This represents the decrease in deferred tax liability in 2015 in comparison with 2014.

Deferred tax Income of 2016 Tk. 318,670

This represents the decrease in deferred tax liability as on 30-06-2016 in comparison with 2015.

Deferred tax Income of 2017 Tk. 1,331,187

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

This represents the decrease in deferred tax liability as on 30-06-2017 in comparison with 2016.

Deferred tax Income of 2018 Tk. 875,039

This represents the decrease in deferred tax liability as on 30-06-2018 in comparison with 2017.

15. Debenture- Current Maturity (Secured) Tk. 40,160,096

The debentures are secured by first pari-passu charge by way of an equitable mortgage on the fixed assets of the company i.e. the debenture holders will rank senior along with Sonali Bank to other creditors on the assets of the company on liquidation/winding up.

16. Interest Free Block Account-Current Maturity Tk. 42,401,457

This is payable as per decision of the Trustee to the Institutional Debentures Holders in a meeting held on 10.07.2005.

	Amount in Taka	
	30 June 2018	30 June 2017
17. Short Term Loans From Banks (Secured) : Tk. 17,941,344		
Sonali Bank Limited	500,000,000	500,000,000
IPDC of Bangladesh Ltd.	17,941,344	17,941,344
	517,941,344	517,941,344
Less: Transferred to Interest bearing Block Account	500,000,000	0
	17,941,344	**517,941,344**
18. Long Term Borrowings-Current maturity : Tk. 85,655,076		
Opening Balance	163,757,266	109,171,511
Less : Transferred to Long Term Loan Loan Account for capitalised	163,757,266	0
	0	109,171,511
Add: Transfer from long term current portion (Note-13)	85,655,076	54,585,755
	85,655,076	**163,757,266**
19. Interest Bearing Long Term Block Account-Current Maturity Tk. 111,594,252		
Please see Note 13.		
20. Accounts & Other Payables : Tk. 189,312,960		
Goods Supplied	18,393,351	18,443,351
Gas and Services	154,304,226	97,231,975
Insurance	3,730,481	3,730,481
Advance Against Sales	7,033	7,033
Others	12,877,869	12,877,869
	189,312,960	**132,290,709**
21. Accrued Expenses : Tk. 109,143,828		
Accruals	34,048,143	40,955,700
Provision for Taxation	51,153,879	43,786,094
Workers' Participation / Welfare Funds	16,732,108	18,275,724
Interest Payable -Cash Credit	-	52,654,800
Interest Payable -Finance Lease	4,191,251	4,191,251
Interest Payable -Term Loan(Phoenix)	-	106,423,848
Interest Payable -Short Term Loan(IPDC)	3,018,447	3,018,447
	109,143,828	**269,305,864**

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

		Amount in Taka	
		July 2017-June 2018	July 2016-June 2017
22.	**Revenue (Net) : Tk. 1,227,964,152**		
	Sales of DTY (1,771,765 kgs.)	297,184,564	403,070,640
	Sales of Inventory	925,017,500	-
		1,222,202,065	403,070,640
	Less : Sales Commission	-	6,593,235
		1,222,202,065	396,477,405
	Sales of Wastage	5,762,087	10,574,033
		1,227,964,152	**407,051,438**
23.	**Cost of Revenue : Tk. 1,283,629,008**		
	Raw Material Consumed (Note - 23.1)	334,105,515	245,984,472
	Packing Material Consumed (Note- 23.2)	13,132,873	14,358,726
	Manufacturing Overhead (Note - 23.3)	332,767,668	172,655,495
	Depreciation	35,022,562	35,214,094
	Manufacturing Costs for the year	**715,028,618**	**468,212,787**
	Opening WIP	5,465,352	5,657,194
	Manufacturing Costs to date	720,493,970	473,869,982
	Closing WIP	535,648	5,465,352
	Cost of Goods manufactured	**719,958,322**	**468,404,629**
	Opening Finished Goods	563,670,686	571,670,444
	Cost of Goods available for revenue	**1,283,629,008**	**1,040,075,073**
	Closing Finished Goods	0	563,670,686
	Cost of Revenue	**1,283,629,008**	**476,404,389**
23.1.	**Raw Material Consumed : Tk. 334,105,515**		
	Opening Stock	138,020,579	145,817,083
	Purchases	198,459,931	238,187,967
		336,480,510	384,005,050
	Closing Stock	2,374,995	138,020,579
		334,105,515	**245,984,472**
23.2.	**Packing Material Consumed : Tk. 13,132,873**		
	Opening Stock	885,435	241,215
	Purchases	12,446,866	15,002,946
		13,332,301	15,244,161
	Closing Stock	199,428	885,435
		13,132,873	**14,358,726**
23.3.	**Manufacturing Overhead : Tk. 332,767,668**		
	Salary and wages	30,578,832	48,234,688
	Power & Gas	78,021,900	85,118,883
	Indirect Material (Stores & Spares)	218,754,367	32,657,266
	Insurance	2,311,531	2,450,463
	Other Manufacturing Overhead	3,101,039	4,194,197
		332,767,668	**172,655,495**

(a) Salary and Wages includes Provident Fund contribution.
(b) The value of imported stores and spares consumed is 70% of total stores and spares consumed.
(c) Other manufacturing overhead does not include any item exceeding 1% of total revenue.

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NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

		Amount in Taka	
		July 2017-June 2018	July 2016-June 2017
24.	**Administrative Expenses: Tk. 12,443,331**		
	Salary	7,732,785	8,693,759
	Repairs & Maintenance	22,312	55,692
	Entertainment	364,688	558,552
	Stationery Items	97,547	103,676
	Books, News Papers & Periodicals	28,730	32,920
	Medical Expenses	205,300	261,310
	Renewals, Rates & Registrations	126,380	192,880
	Subscription & Membership Fees	1,039,766	1,014,334
	Travelling and Conveyance	125,185	143,340
	Telephone, Telex, Fax	131,436	156,276
	Vehicles Fuel & Maintenance Cost	1136520	1,688,585
	Bank Charges & Commission	75,420	102,118
	Utilities-Electricity, Water & Gas	84688	261,234
	Audit Fee	450,000	450,000
	Independent Directors Fees	100,000	100,000
	Group Insurance Premium	231,384	241,704
	A G M Expenses	480,000	400,000
	Security Guard Hire Expenses	5,440	148,392
	Other Administrative Overhead	5,750	10,519
		12,443,331	**14,615,291**

(a) Salary includes Provident Fund contribution.

(b) The audit fee represents the fees for auditing the accounts of the Company. No other fee was paid to the auditor for any other services.

(b) Remuneration was paid to Independent Director for attending board, Audit Committee and other meetings.

25.	**Selling Expenses : Tk. 2,448,563**		
	Transport	2,433,143	2,813,000
	Market Research	15,420	86,465
		2,448,563	**2,899,465**
26.	**Finance Cost : Tk. 193,649,286**		
	Interest on Cash Credit & Forced PAD	123,129,197	69,663,951
	Interest on Long Term Loan	70,520,089	69,816,465
		193,649,286	**139,480,416**

27. Contribution To Workers' Profit Participation / Welfare Funds :

No contribution is provided as per provisions of the Bangladesh Labour Law, 2006 as there is net loss for the period.

28. Income Tax Expenses : Tk. 6,492,745

This represents current tax expense & consist of:

(i)	Current Tax		
	Tax for the year	7,367,785	2,442,309
	Prior Year Adjustment	-	-
		7,367,785	**2,442,309**
(ii)	Deferred Tax Income Note 14(b)	(875,039)	(1,331,187)
		6,492,745	**1,111,121**

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

	Amount in Taka	
	July 2017-June 2018	July 2016-June 2017

29. Earnings Per Share (EPS)

The relevant accounting policies have been stated in Note 3.12

(a) Net loss after tax (Numerator)	**(270,698,781)**	**(228,790,431)**
(b) Weighted average number of shares in issue (Denominator)	86,712,359	86,712,359
(c) Earning Per Share (EPS)	(3.12)	(2.64)

30. Contingent Liabilities

There was no contingent liability as on 30 June, 2018.

31. Capital Expenditure Commitment

(a) There was no capital expenditure commitment but not incurred or provided at 30 June, 2018.
(b) There was no material capital expenditure authorized by the Board but not contracted for at 30 June, 2018.

32. Un-availed Credit Facility

There was no credit facility available to the Company under any contract, but not availed of as on 30 June, 2017 and 2018 other than trade credit available in the ordinary course of business.

33. Foreign Exchange Earned

No foreign exchange was earned against sales. No other foreign exchange was earned or received by the Company during the period.

34. Payments in Foreign Currency

The Company remitted foreign currency in respect of the following:

(a) Payment against imported Raw Material & Spares

July 2017-Jun 2018		July 2016-Jun 2017	
Currency		Currency	
In US$	In Taka	In US$	In Taka
0	0	2,464,068	200,294,103

(b) No other expenses including royalty, technical expert and professional advisory fees, etc. was incurred or paid by the Company in foreign currency, during the period.

35. Commission, Brokerage or Discount Against Sales

(a) Distribution commission of Tk. 6,593,235 was incurred and paid during the period to the distributors of the Company.

(b) No other commission, brokerage or discount was incurred or paid by the Company against sales during the period.

	Amount in Taka	
	July 2017-June 2018	July 2016-June 2017

36. Production Capacity, Actual Production and Reason of Shortfall

(a) POY 115/230 Denier (Qty. in tons)		
Installed capacity	8,400	8,400
Actual Production	1,846	2,784
(b) DTY 75 (NI) Equivalent Denier (Qty. in tons)		
Installed capacity	8,336	8,336
Actual Production	1,753	2,631

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2018

		Amount in Taka	
		July 2017-June 2018	July 2016-June 2017

37. Payment/ Perquisites to Directors/Officers

(a) The aggregate amounts paid/provided during the year in respect of Officers of the Company as defined in the Security and and Exchange Rules, 1987 are disclosed below :

Basic Salary		3,640,100	4,621,560
House Rent Allowance		1,820,050	2,310,780
Conveyance & Other Allowances		688,510	873,960
Provident Fund Contribution		364,010	462,156
Total	**Tk.**	**6,512,670**	**8,268,456**

(b) No compensation was allowed by the Company to the Managing Director of the Company.

(c) No amount of money was spent by the Company for compensating any member of the Board for special services rendered.

38. Post Closing Events

No circumstances have 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. Rafiqul Islam
Chief Financial Officer

25 October, 2018
Dhaka.

AMARSTOCK

COMPANY PROFILE

CORPORATE HEADQUARTERS
17 Dhanmondi R/A, Road No. 2
Dhaka-1205, Bangladesh
Phone : 880-2-58611891
Email : beximchq@bol-online.com
Web Site : http://www.beximco.com

FACTORY & OPERATIONAL HEADQUARTERS
Kabirpur, Savar, Dhaka-1344, Bangladesh
Email: beximsyn@bol-online.com
Website: http://www.beximcosynthetics.com

INDEPENDENT AUDITORS
M/S M. J. Abedin & Co.
Chartered Accountants
National Plaza (3rd Floor)
109, Bir Uttam C.R. Datta Road, Dhaka-1205

DAY, DATE & TIME OF AGM
Saturday, 22 December, 2018 at 1.30 p.m.

COMPLIANCE AUDITORS
Suraiya Parveen & Associates
(Chartered Secretaries)
Hasan Holdings (9th floor)
52/1 New Eskaton Road, Dhaka -1000

LEGAL ADVISERS
M/S Huq & Co.
Barristers & Advocates
47/1 Purana Paltan, Dhaka-1000

BANKERS
Sonali Bank Limited
IFIC Bank Limited.

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