

ANNUAL REPORT | 2014



BANGLADESH EXPORT IMPORT COMPANY LIMITED

MISSION

Each of our activities must benefit and add value to the common wealth of our society. We firmly believe that, in the final analysis we are accountable to each of the constituencies with whom we interact; namely: our employees, our customers, our business associates, our fellow citizens and our shareholders.



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CORPORATE INFORMATION



A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Board of Directors

A S F Rahman	Chairman
Salman F Rahman	Vice Chairman
Iqbal Ahmed	Director
O K Chowdhury	Director
A B S Rahman	Director
Barrister Faheemul Huq	Independent Director
Mohammad Asad Ullah, FCS	Executive Director & Company Secretary

Key officers

O K Chowdhury	Director, Group Finance & Corporate Affairs
Syed Naved Husain	Chief Executive Officer, Textile Division
Parvez Hassan	Chief Executive Officer, Real Estate & Fisheries Division
Syed Samiul Wadood	Chief Executive Officer, IT Division
Anil Kumar Maheshwari	Head of MIS, Textile Division
Ajay Pratap Singh	Chief Financial Officer, Textile Division
Md. Luthfor Rahman	Chief Financial Officer
Azahar Uddin Ahmed	Head of Internal Audit

Auditors:

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

Compliance Auditors

SARashid & Associates (Chartered Secretaries)
Noakhali Tower, (10th Floor, 11-F), 55/B Purana Paltan
Dhaka 1000

Legal Advisers

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

Bankers

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

Registered Office

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

NOTICE OF THE FORTY-SECOND ANNUAL GENERAL MEETING

BANGLADESH EXPORT IMPORT CO. LTD.

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

NOTICE OF THE FORTY-SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-Second Annual General Meeting of the Shareholders of Bangladesh Export Import Company Ltd. will be held on Saturday, the 13th June, 2015 at 3:00 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 31st December, 2014 together with reports of the Auditors and the Directors thereon.
2. To declare 15% Stock Dividend.
3. To elect Directors.
4. To appoint Auditors for the year 2015 and to fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By order of the Board,



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

Dated : 11 May, 2015

NOTES :

- (1) The Record Date of the Company shall be on 21 May, 2015.
- (2) The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 21 May, 2015, will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (3) 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.
- (4) 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).
- (5) 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.



চেয়ারম্যানের প্রতিবেদন



A S F Rahman
Chairman

প্রিয় শেয়ারহোল্ডারবৃন্দ,

কোম্পানীর ৪২তম বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আমি আপনাদের সকলকে স্বাগত জানাচ্ছি এবং একই সাথে কোম্পানীর ৩১শে ডিসেম্বর ২০১৪-এ সমাপ্ত বছরের নিরীক্ষিত হিসাব এবং সাথে নিরীক্ষিত ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করছি।

বিদ্যুৎ সরবরাহের উন্নতি স্বত্বেও গ্যাসের সরবরাহ এবং গ্যাসের চাপ সমস্যা অব্যাহত ভাবেই অপরিবর্তনীয়। বিদ্যুৎ-এর উন্নতি স্বত্বেও সরবরাহের বিগ্নতা রয়েছে এবং বিদ্যুৎ বিগ্নতার সময় গ্যাস স্বল্পতার কারণে আমাদের জেনারেটর থেকে পর্যাপ্ত বিদ্যুৎ সঞ্চালন করতে সক্ষম হচ্ছি না। তদুপরি ২০১৩ সালের শেষ ভাগে রাজনৈতিক অস্থিরতার কারণে ব্যবসায়িক পরিবেশ সম্পূর্ণভাবে বিপর্যস্ত হয়, যা এখনও আমাদের ভোগাচ্ছে।

এই কঠিন সময়গুলোতে গড়ে উঠা সুযোগগুলো হারিয়ে না ফেলি তা নিশ্চিত করার জন্য আমরা এখনও আমাদের তৎপরতা চালিয়ে যাচ্ছি। আমরা আস্থাশীল যে, যতশীঘ্র বৈশ্বিক দৃশ্যপটের উন্নতি হবে এবং আমাদের নিজ দেশের আস্থা ফিরে আসবে আর আপনাদের কোম্পানী তা পুরো সুবিধা নিতে সক্ষম হবে।

সামাজিক প্রতিশ্রুতি

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

কৃতজ্ঞতা স্বীকার

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

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

X. S. F. Rahman

এ এস এফ রহমান
চেয়ারম্যান

তারিখ: ২৭ এপ্রিল, ২০১৫

CHAIRMAN'S STATEMENT

Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 42nd Annual General Meeting of your Company, and to present you the Audited Accounts for the year ended 31st December 2014 and Auditors' and Directors' report thereon.

The Gas availability and pressure problem is continuing unabated despite improvement in electricity supply. There are power cuts and during power cuts we are not able to generate adequate electricity from our generators as gas is in short supply. Moreover, the political turmoil at the end of 2013 completely destroyed business environment which is still affecting us.

We are still continuing our efforts to ensure that we do not lose advantages built up over the years during these difficult times and we are confident that as soon as the global scenario improves and confidence returns in our own country your company will be able to take full advantage of that.

Social Commitment

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

Acknowledgement

I take this opportunity to express my sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone with

whom the company interacted in conducting its business. We are grateful to you, the shareholders, for extending at all times, your valuable support and cooperation to bring the company to the level it has reached today. The success we have achieved so far was only possible because of the collective efforts of all concerned.

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

Thank you,

A. S. F. Rahman

A S F Rahman
Chairman

Dated: 27 April, 2015

DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2014

Dear Shareholders,

The Directors have pleasure in submitting hereunder their report together with the Audited Accounts of the company for the year ended on 31st December, 2014 and Auditors' Report thereon:

WORKING RESULTS

The Directors are pleased to report that the working results of the company for the year 2014 are as follows:

	Taka in million	
	For the year 2014	For the year 2013
Net profit before tax	656.58	522.95
Less: Provision for income tax	17.56	168.54
Net profit after tax	639.02	354.41
Add: Balance brought forward from previous year	16,077.72	16,507.25
Profit available for appropriation	16,716.74	16,861.66
Add: Capital appreciation on Investment Property	885.21	-
Total	17,601.95	16,861.66
Appropriation Recommended		
Stock Dividend (Bonus Share) at 15%	901.53	783.94
Add: Capital appreciation on Investment Property	885.21	-
Balance carried forward	15,815.21	16,077.72
Total	17,601.95	16,861.66

DIVIDEND

The Board of Directors have recommended a stock dividend (Bonus share) @15% per share of Tk. 10 each for the year 2014, subject to approval of the Shareholders in the AGM.

ANALYSIS OF OPERATING PERFORMANCE

Business Outlook – a general overview

The unfortunate political situation prior to the beginning of the year destroyed the business environment within the country very badly and the foreign buyers also become extremely cautious in dealing with Bangladeshis exporters.

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

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

The net revenue of the Textile Division increased and other division's revenues slightly decreased compared to 2013.

Domestic and Export Sales

Net sales of the Company had increased from Tk. 21,692.96 millions to Tk. 22,161.15 millions resulting into a net increase in sales by 2.16%.

Profitability

Pre tax profit of the Company increased due to higher sale and reduction of operating expenses.

DIRECTORS

RETIREMENT AND RE-ELECTION OF DIRECTORS

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

AUDITORS

The Directors hereby report that the existing Auditors M/s. M. J. Abedin & Co. , Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 who appointed as Auditors of the Company in Forty First Annual General Meeting carried out the audit for the year ended on 31 December, 2014.

M/s. M. J. Abedin & Co., Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 the Auditors of the Company retire at this meeting and have expressed their willingness to continue in the office for the year 2015.

BOARD AUDIT COMMITTEE

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

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

BOARD MEETING AND ATTENDANCE

During the year 15 (fifteen) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meeting Attended
Mr. A S F Rahman	15
Mr. Salman F Rahman	15
Mr. Iqbal Ahmed	12
Mr. O K Chowdhury	15
Mr. A B S Rahman	15
Barrister Faheemul Huq	14

CORPORATE AND FINANCIAL REPORTING

The Directors are pleased to confirm that:

- The financial statements together with the notes thereon have drawn up in conformity with the Companies Act 1994 and Securities and Exchanges Rules 1987. These statements presents fairly the Company’s statement of affairs, the result of its operation, cash flow and statement of changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

- (d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- (e) Internal Control System is sound in design and has been effectively implemented and monitored.
- (f) No significant doubts about the ability of the Company to continue as a going concern.
- (g) There is no significant deviations in operating result compared to last year.
- (h) The summarised key operating and financial data of last five preceding years is annexed as “Comparative Statistics” in the Annual Report.
- (i) The related party transactions have been disclosed in preparation of the financial statements (Note # 25).
- (j) The Pattern of share holding is as followings:

Name	Shares held
i) Parent/Subsidiary/Associate Companies and other related parties:	
Beximco Holdings Ltd.	17,379,569
New Dacca Industries Ltd.	8,430,963
Beximco Engineering Ltd.	805,920
Esses Exporters Ltd.	227,966
Beximco Pharmaceuticals Ltd.	115,123
Shinepukur Ceramics Ltd.	1,867,292
Beximco Apparels Ltd.	290,110
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, Director	43,348,804
Mr. Salman F Rahman, Director	48,639,890
Chief Executive Officer, Spouse and minor children	Nil
Company Secretary, Spouse and minor children	Nil
Chief Financial Officer, Spouse and minor children	Nil
Head of Internal Audit, Spouse and minor children	Nil
iii) Executives:	Nil
iv) Shareholders holding 10% or more Voting interest in the company	Nil

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

- (i) They have reviewed the Financial Statements of the Company for the year ended 31 December 2014 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 violation of the company’s code of conduct.

KEY OPERATING AND FINANCIAL DATA

The summarized key operating and financial data since 2010 is as below:

Taka in thousand

Particular's	2014	2013	2012	2011	2010
Paid up Capital	6,010,186	5,226,248	4,544,564	3,555,023	1,654,796
Revenue	22,161,145	21,692,955	24,459,599	27,438,488	16,596,875
Gross Profit	7,006,175	7,602,425	8,719,338	12,425,636	7,439,817
Profit Before Income Tax	656,577	522,952	2,298,296	7,793,010	6,949,140
Net Profit after Income Tax	639,021	354,416	1,689,416	7,164,222	6,629,098
Tangible Assets (Gross)	32,567,603	32,529,678	30,157,548	30,024,132	748,361
Cumulative Surplus	17,601,951	16,861,659	17,188,927	16,408,424	10,071,600
Dividend-both Cash and Stock	15%(B)	15%(B)	15%(B)	25%(B)	50%(B)
Return on Paid up Capital	11%	7%	37%	202%	401%
Shareholders' Equity	50,441,976	49,268,675	45,332,071	43,426,941	15,556,700
Earning per Share (Taka)	1.06	0.68	3.73	23.73	40.82
Shareholders' Equity Per Share(Taka)	84	94	100	122	94
Number of Shareholders	192,160	200,809	181,593	188,726	97,540
Number of Employees	7,852	7,942	7,852	7,561	204

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

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

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors.



A S F Rahman
Chairman

Dated: 27 April, 2015

Corporate Governance Compliance Status Report

Annexure-I

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

(Report under Condition No. 7.00)

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

Condition No.	Title	Compliance Status ("v" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements	--	--	N/A
1.5 (x)	Remuneration to directors including IDs	√		No remuneration has been paid to any Director during 2014 except Independent Director.
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results	√		
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend	--	--	N/A
1.5 (xx)	Number of Board meetings and attendance of directors	√		
1.5 (xxi)	Pattern of shareholding (along with name wise details) by-			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
1.5 (xxii)	In case of the appointment/re-appointment of a director,			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
2	CFO, HEAD OF INTERNAL AUDIT AND CS:			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
3	AUDIT COMMITTEE:			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
3.1	Constitution of the Audit Committee			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month	√		
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
4.00 (ix)	Non-engagement in Audit/Certification Services on Compliance of Corporate Governance as required under clause (i) of condition No. 7	√		
5	SUBSIDIARY COMPANY			
5 (i)	Composition of BOD to be similar to holding company	--	--	Not Similar
5 (ii)	One ID to be in both holding and subsidiary company	--	--	Different Independent Director in holding and subsidiary
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	√	--	
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	√	--	
5 (v)	Audit Committee of holding company to review financial statements / investments of subsidiary company	√	--	
6	DUTIES OF CEO AND CFO:			
6 (i) (a)	To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

S. Abdur Rashid FCS

BCom (Hons), MBS (Finance & Banking), MBA (Finance), PGD-HRM, AIPM

Chartered Secretary in Practice

Private Practice Certificate No.: 003

Phone # 01726-533 655, 01193-095 297

E-mail : sarashid12000@yahoo.com

SARashid & Associates

(Chartered Secretaries)

Noakhali Tower (10th Floor, 11-F)

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E-mail : sarashidnasso@gmail.com

Certificate on Compliance of Corporate Governance Guidelines

[Issued under Condition # 7(i) of Corporate Governance Guidelines of BSEC vide Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **Bangladesh Export Import Company Limited** ("the Company") for the year ended 31 December 2014. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (BSEC).

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements or future viability of the Company.

According to the information and explanations provided to me by the Company, I hereby certify that all the conditions of the Corporate Governance Guidelines have been complied with by the Company

SARashid

S. Abdur Rashid FCS



Dhaka, 14 May 2015

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year 2014.

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 2014.

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

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

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.

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

The role of the Audit Committee includes the following:

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

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.

Main Activities and recommendations of the Audit Committee in 2014:

The Audit Committee met four times during the year 2014. All the Members were present in all meetings of the Committee.

The Committee held its first meeting of 2014 on April 24, to review the Audited Financial Statements of the Company for the year ended December 31, 2014. Detail discussions on the financial statements were held with the representatives of the Management of the Company. No material audit observation that warrants for Board's attention was noted. The Committee, therefore, recommended for onward submission of the Audited Financial Statements to the Board for its approval.

The second meeting of the Committee was held on May 11, 2014 prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on March 31, 2014. 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 2014 was held on July 15, 2014 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 June 30, 2014.

The fourth meeting of the Committee was held on October 23, 2014 to release of the un-audited third quarter financial statements of the Company for the quarter ended September 30, 2014. The detailed review of the financial statements was made by the Committee and recommended to the Board for approval of the financial statements for release to the Shareholders of the Company.

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

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

External Auditors

The Audit Committee conducted a formal evaluation of the effectiveness of the external audit process. The Committee has considered the tenure, quality and fees of the auditors, considered and made recommendations to the Board on the appointment and remuneration of external Auditors, M/s. M. J. Abedin & Company, Chartered Accountants for the year 2015, subject to the approval of shareholders in the 42nd AGM of the Company, who had carried out the audit of the Company for the year 2014.



Barrister Faheemul Huq
Chairman, Audit Committee

Date: 21 April, 2015

STATEMENT OF CORPORATE GOVERNANCE

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

INTERNAL FINANCIAL CONTROL

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

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

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

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

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

on a quarterly basis. These include information for strategy, environmental and insurance matters.

STATEMENT OF 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 that date. In preparing those financial statements, the directors:

- ✓ select suitable accounting policies and then apply them in a consistent manner;
- ✓ make reasonable and prudent judgments and estimates where necessary;
- ✓ state whether all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the notes to the financial statements;
- ✓ take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;



- ✓ ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company;
- ✓ ensure that the financial statements comply with disclosure requirements of the Companies Act, 1994 and the Securities and Exchange Rules, 1987; and
- ✓ prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

BOARD COMMITTEES

The Board –

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

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

Board structure and procedure - The membership of the board during the year end as on 31st December 2014 stood at six directors. All directors are equally accountable as per law to the shareholders for the proper conduct of the business.

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

GOING CONCERN

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

RIGHTS AND RELATIONS WITH SHAREHOLDERS

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

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

The following information can be addressed through the secretarial department:

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

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.

FINANCIALS



AUDITORS' REPORT
AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF
BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2014

Independent Auditors' Report

To The Shareholders on the Consolidated Financial Statements of **BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES**

We have audited the accompanying consolidated financial statements of Bangladesh Export Import Company Limited and its subsidiaries (the Group) which comprise the Statement of Financial Position as at 31 December 2014, the Statements of Profit or Loss & Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books ;
- (c) the Statement of Financial Position (Balance Sheet) and the Statement of Profit or Loss & Other Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books of account ; and
- (d) the expenditure incurred was for the purposes of the company's business.



M.J. ABEDIN & CO.
Chartered Accountants

27 April 2015
Dhaka

An independent member firm of
MOORE STEPHENS
INTERNATIONAL LIMITED

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position

As at 31 December 2014

	Notes	31-Dec-14	31-Dec-13
ASSETS			
Non-Current Assets		35,373,742,281	34,734,019,464
Property, Plant and Equipment	5.00	28,116,248,396	28,297,113,649
Investment Property	6.00	5,746,743,113	4,861,534,600
Investment in Shares	7.00	1,510,750,772	1,575,371,215
Current Assets		65,659,277,574	61,564,912,032
Inventories	8.00	3,077,924,432	3,419,868,729
Trade and Other Receivables	9.00	26,417,218,111	25,260,994,727
Advances, Deposits and Pre-Payments	10.00	36,083,551,099	32,789,199,980
Cash and Cash Equivalents	11.00	80,583,932	94,848,596
Total Assets		101,033,019,855	96,298,931,496
SHAREHOLDERS' EQUITY, NON-CONTROLLING INTEREST AND LIABILITIES			
Shareholders' Equity		51,437,956,594	49,988,396,524
Issued Share Capital	12.00	5,991,512,770	5,207,576,310
Reserves		27,887,376,785	27,960,877,060
Retained Earnings	13.00	17,559,067,039	16,819,943,154
Non-Controlling (Minority) Interest in Subsidiaries	14.00	2,132,297,492	2,124,584,973
Long Term Loan	15.00	9,719,259,661	13,727,774,635
Gratuity Payable	16.00	92,417,698	74,840,687
Deferred Tax Liability	17.00	158,324,114	170,286,327
Current Liabilities		37,492,764,296	30,213,048,350
Short Term Loan from Banks and Others	18.00	14,425,555,672	12,479,616,071
Long Term Loan - Current Portion	19.00	15,790,946,883	10,806,655,874
Trade and Other Payables	20.00	7,276,261,741	6,926,776,405
Total Equity and Liabilities		101,033,019,855	96,298,931,496

The notes are an integral part of the financial statements.

Approved and authorised for issue by the board of directors on 27 April 2015 and signed for and on behalf of the board :



A S F Rahman
Chairman

Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015


M.J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES
Consolidated Statement of Profit or Loss & Other Comprehensive Income
For the year ended 31 December 2014

	Notes	2014	2013
Revenue (Turnover) from net Sales	21.00	23,861,429,595	23,397,641,260
Cost of Revenue	22.00	(16,408,413,689)	(15,331,635,043)
Gross Operating Profit		7,453,015,906	8,066,006,217
Operating Expenses		(1,048,854,054)	(1,057,691,500)
Administrative Expenses	23.00	(935,616,947)	(982,709,288)
Selling and Distribution Expenses	24.00	(113,237,107)	(74,982,212)
Operating Profit		6,404,161,852	7,008,314,717
Loss on Sale of Shares		-	(6,191,823)
Financial Expenses	25.00	(5,691,868,241)	(6,499,935,010)
Net Profit before Contribution to WPPF		712,293,611	502,187,884
Contribution to Workers' Profit Participation/Welfare Fund		(33,918,743)	(26,147,591)
Net Profit before Income Tax		678,374,868	476,040,293
Income Tax Expenses	26.00	(41,690,350)	(179,252,494)
Net Profit after Tax		636,684,518	296,787,799
Non-Controlling (Minority) Interest in Loss/(Income)		1,168,115	28,814,313
Net Profit after Non-Controlling (Minority) Interest		637,852,633	325,602,112
Other Comprehensive Income			
Revaluation Surplus on Property, Plant & Equipment		-	2,133,194,757
Revaluation Surplus on Investment Property		885,208,513	3,080,453,840
Adjustment for Fair Value Loss on Investment in Shares		(350,928,167)	(796,152,604)
Total Comprehensive Income after Minority Interest		1,172,132,979	4,743,098,105
EPS (Par Value of Share Tk. 10/=)	27.00	1.06	0.54

The notes are an integral part of the financial statements.

Approved and authorised for issue by the board of directors on 27 April, 2015 and signed for and on behalf of the board :



A S F Rahman
Chairman


Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015


M.J. Abedin & Co.
Chartered Accountants


BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

Particulars	Amount in Taka			
	Share Capital	Retained Earnings	Reserves	Total
As at 31 December 2012	4,525,890,960	17,272,460,397	23,112,355,523	44,910,706,880
Adjustment for Deferred Tax Liability (SCL)	-	(67,934,017)	-	(67,934,017)
Adjustment for Gratuity Payable (SCL)	-	(28,500,769)	-	(28,500,769)
Balance as on 31 December 2012 after Adjustment	4,525,890,960	17,176,025,612	23,112,355,523	44,814,272,094
Balance as on 1 January 2013	4,525,890,960	17,176,025,612	23,112,355,523	44,814,272,094
Net Profit after Tax and Non-Controlling (Minority) Interest for the Year	-	325,602,112	-	325,602,112
Other Comprehensive Income:				
Revaluation Surplus on PPE	-	-	2,133,194,757	2,133,194,757
Revaluation Surplus on Investment Property	-	-	3,080,453,840	3,080,453,840
Adjustment for Fair Value loss on Investment in Shares	-	-	(796,152,604)	(796,152,604)
Excess of Fair Value over Book Value on Consolidation	-	-	431,025,544	431,025,544
Transactions with Shareholders:				
Issue of Bonus Shares for the prior Year (2012)	681,684,570	(681,684,570)	-	-
Adjustment for Shinepukur Ceramics Ltd.'s Investments with Beximco Ltd.	780	-	-	780
As on 31 December 2013	5,207,576,310	16,819,943,154	27,960,877,060	49,988,396,523
Balance as on 1 January 2014	5,207,576,310	16,819,943,154	27,960,877,060	49,988,396,523
Net Profit after Tax and Non-Controlling (Minority) Interest for the Year	-	637,852,633	-	637,852,633
Other Comprehensive Income:				
Revaluation Surplus on Investment Property	-	885,208,513	-	885,208,513
Adjustment for Fair Value loss on Investment in Shares	-	-	(350,928,167)	(350,928,167)
Excess of Fair Value over Book Value on Consolidation	-	-	277,427,892	277,427,892
Transactions with Shareholders:				
Issue of Bonus Shares for the prior Year (2013)	783,937,260	(783,937,260)	-	-
Adjustment for Shinepukur Ceramics Ltd.'s Investments with Beximco Ltd.	(800)	-	-	(800)
As on 31 December 2014	5,991,512,770	17,559,067,039	27,887,376,785	51,437,956,594

Approved and authorised for issue by the board of directors on 27 April 2015 and signed for and on behalf of the board :


A S F Rahman
 Chairman

Salman F Rahman
 Vice Chairman


Md. Luthfor Rahman
 Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
 27 April 2015


M.J. Abedin & Co.
 Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Amount in Taka	
	2014	2013
Cash Flows from Operating Activities :		
Collection from turnover and other income	22,767,313,257	26,083,901,347
Payments for cost and expenses including interest & tax	(24,783,629,988)	(25,882,000,962)
Net Cash Generated from Operating Activities	(2,016,316,731)	201,900,385
Cash Flows from Investing Activities :		
Sale of shares	-	9,497,805
Property, plant and equipment acquired	(614,316,958)	(258,432,056)
Net Cash Used in Investing Activities	(614,316,958)	(248,934,251)
Cash Flows from Financing Activities :		
Long term loan decreased	2,616,369,025	(23,493,627)
Net Cash Used in Financing Activities	2,616,369,025	(23,493,627)
Decrease in Cash And Cash Equivalents	(14,264,664)	(70,527,493)
Cash and Cash Equivalents at Beginning of the Year	94,848,596	165,376,089
Cash and Cash Equivalents at End of the Year	80,583,932	94,848,596

Approved and authorised for issue by the board of directors on 27 April 2015 and signed for and on behalf of the board :



A S F Rahman
Chairman

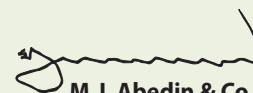
Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015



M.J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

1.00 The background and activities of the Company

1.01 Status of the Company

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

On 31-12-2014, the Company holds 50% shares (50% shares on 31-12-2013) of Shinepukur Ceramics Ltd., a company of Beximco Group engaged in manufacturing and marketing of ceramics tableware.

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

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

1.02 Principal Activities

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

2.00 Bases of Financial Statements-Its Preparation and Presentation

2.01 Measurement bases

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

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

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

The financial statements of subsidiaries have been consolidated with those of Bangladesh Export Import Co. Ltd. in accordance with *BAS 27: Consolidated and Separate Financial Statements*. In respect of the subsidiary undertakings, financial statements for the year ended 31 December 2014 have been used to draw up these financial statements.

(b) Subsidiary

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

(c) Transactions eliminated on consolidation

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

(d) Non-Controlling Interest (Minority Interest)

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

2.03 Reporting Framework and Compliance thereof

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

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

2.04 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a statement of financial position as at the end of the year 2014;
- (b) a statement of profit or loss & other comprehensive income for the year 2014;
- (c) a statement of changes in equity for the year 2014;
- (d) a statement of cash flows for the year 2014; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.05 Reporting Period

The financial statements cover one calendar year from 01 January 2014 to 31 December 2014.

2.06 Authorisation for Issue

The financial statements have been authorized for issue by the Board of Directors on 27 April 2015.

2.07 Functional and Presentation Currency

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

2.08 Comparative Information

Comparative information has been disclosed in respect of the year 2013 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2013 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.09 Use of Estimates and Judgments

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

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

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

2.10 Statement of Cash Flows

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

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

2.11 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by *BAS 24: Related Party Disclosures* has been disclosed in a separate note to the accounts.

2.12 Events after the Reporting Period

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

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

3.00 Significant Accounting Policies

3.01 Revenue Recognition

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

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

3.02 Property, Plant and Equipment

3.02.1 Recognition and Measurement

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

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

3.02.2 Pre-Operating Expenses and Borrowing Costs

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

3.02.3 Subsequent Expenditure

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

3.02.4 Software

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

3.02.5 Disposal of Fixed Assets

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

3.02.6 Depreciation on Fixed Assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of *BAS 16: Property, Plant and Equipment*. Depreciation is provided for the period in use of the assets.

Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. Depreciation is provided on all fixed assets except land at the following rates on reducing balance basis over the periods

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

appropriate to the estimated useful lives of the different types of assets:

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

3.03 Investment Property

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

3.04 Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

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

3.05 Leased Assets

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

3.06 Investment in Shares

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

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

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

3.07 Financial Instruments

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

3.07.1 Financial Assets

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

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

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

(a) Accounts Receivables

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

(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 & other comprehensive income.

(c) Cash and Cash Equivalents

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

3.07.2 Financial Liability

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

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

3.08 Inventories

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

3.09 Provision

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

3.10 Borrowing Costs

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

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

3.11 Income Tax Expenses

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

3.12 Employee Benefits

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

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

(b) Short-term employee benefits

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

(c) Contribution to Workers' Participation/Welfare Funds

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

3.13 Proposed Dividend

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

3.14 Earnings Per Share

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

Basic Earnings (Numerator)

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

Weighted Average Number of Shares in Issue (Denominator)

Current Year (2014)

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year. However, the Bonus Shares issued during the year 2014 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2014, the total number of bonus shares has been considered.

Earlier Year (2013)

The number of shares outstanding before the bonus shares issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issues had occurred at the beginning of the earliest period reported (2013), and accordingly, in calculating the adjusted EPS of 2013, the total number of shares including the subsequent bonus issue in 2014 has been considered as the weighted Average Number of Shares Outstanding during the year 2013.

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

Diluted Earnings Per Share

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

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

3.15 Foreign Currency Translations

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

4.00 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

4.01 Credit risk

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

4.02 Liquidity risk

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

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

4.03 Market risk

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

(a) Currency risk

As at 31 December 2014 there was no exposure to currency risk as there were no foreign currency transactions made during the year under review.

(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.

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

5.00 Property, Plant and Equipment : Tk. 28,116,248,396

The details are stated below:

Particulars	Amount in Taka						Total
	Land and Land Development	Building and Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	
Cost / Valuation							
At 31 December 2013	13,884,140,503	6,595,626,221	16,453,030,906	662,853,484	216,559,773	1,475,360,028	39,287,570,915
Addition in 2014	-	330,170,800	43,019,952	17,851,377	1,400,000	224,971,036	617,413,165
Disposal in 2014	-	-	-	-	(8,422,390)	-	(8,422,390)
At 31 December 2014	13,884,140,503	6,925,797,021	16,496,050,858	680,704,861	209,537,383	1,700,331,064	39,896,561,690
Depreciation							
At 31 Dec, 2013	-	1,517,708,671	8,818,331,933	514,549,653	139,867,009	-	10,990,457,266
Charged in 2014	-	239,229,041	519,892,653	21,361,388	15,019,056	-	795,502,138
Disposal in 2014	-	-	-	-	(5,646,110)	-	(5,646,110)
At 31 December 2014	-	1,756,937,712	9,338,224,586	535,911,041	149,239,955	-	11,780,313,294
Carrying Value							
At 31 December 2014	13,884,140,503	5,168,859,309	7,157,826,272	144,793,821	60,297,428	1,700,331,064	28,116,248,396
At 31 December 2013	13,884,140,503	5,077,917,550	7,634,698,973	148,303,831	76,692,764	1,475,360,028	28,297,113,649

6.00 Investment Property : Tk. 5,746,743,113

This is made-up as follows:

	Amount in Taka	
	as at 31-Dec-14	as at 31-Dec-13
Opening Balance as on 01.01.14	4,861,534,600	1,781,080,760
Surplus on Revaluation for the year	885,208,513	3,080,453,840
	5,746,743,113	4,861,534,600

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

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

7.00 Investment in Shares : Tk. 1,510,750,772

This consists of as follows:

(i) In Associated undertakings :

(a) In 2,630,325 Shares (2013: 2,505,072) of Beximco Pharmaceuticals Ltd. [Listed company, Market value Tk. 58.70 (2013: Tk. 47.20) per share on 30 December 2014]	154,400,078	118,239,399
(b) In 68,246 (2013: 68,246) Shares of Beximco Synthetics Ltd. [Listed company, Market value Tk. 12.5 (2013: Tk. 16.70) per share on 30 December 2014]	853,075	1,139,711
(c) In 999,800 Shares of Tk.100/= each of International Knitwear and Apparels Ltd. (Cost price per share is Tk. 26.50)	26,494,700	26,494,700
(d) In 1,744,490 Shares of Tk.100/= each of Beximco Fashions Ltd. (Cost price per share is Tk. 13.60)	23,725,060	23,725,060
(e) In 999,800 Shares of Tk.100/= each of Crescent Fashions and Design Ltd. (Cost price per share is Tk. 24.90)	24,895,020	24,895,020
(f) In 158,888 Shares of Tk.100/= each of RR Washing Ltd. (Former Freshtex Bangladesh Ltd.) (Cost price per share is Tk. 34.70)	5,513,420	5,513,420

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

(ii) Others :

(a) In 42,278,206 Shares of Tk.10/= each Dhaka Shanghai Ceramics Ltd.	422,782,060	422,782,060
(b) In 32,997,800 Shares of Tk.10/= each of GMG Airlines Ltd	299,980,000	299,980,000
(c) In 8,281,153 (2013: 8,281,153) Shares of Tk. 10/= each of Unique Hotel & Resort Ltd [Listed company, Market value Tk.65.90 (2013: Tk. 78.00) per share on 30 December 2014]	545,727,983	645,929,934
(d) In 3,491 Shares of Tk.100/= each of Investment Corporation of Bangladesh [Listed company, Market value Tk. 1,377.10 (2013: Tk. 1,461) per share on 30 December 2014]	4,807,456	5,100,351
(e) In 12 (2013: 11) Shares of Jamuna Oil Ltd. (Listed Company) [Market value Tk. 205.90 (2013: Tk. 191.80) per share on 30 December 2014]	2,471	2,110
(f) In 571,181 shares of Central Depository Bangladesh Ltd. Avg. cost price per share is Tk.2.74 against face value of Tk.10	1,569,450	1,569,450
	1,510,750,772	1,575,371,215

8.00 Inventories : Tk. 3,077,924,432

This represents as follows:

Raw Materials	396,607,187	540,123,983
Finished Goods	382,569,389	420,119,532
Construction Work in Progress	304,602,113	337,810,656
Other Direct Expenses	32,334,502	32,641,501
Work-In-Process	492,401,982	588,754,828
Stores and Spares	211,723,494	274,975,672
Packing Materials	48,987,338	54,987,390
Land	1,144,708,618	959,189,655
Land Development and Others	59,317,339	207,049,653
Fish & Shrimp	4,496,636	4,049,232
Fish Feed	104,722	95,515
Jute Yarn (London Branch)	71,112	71,112
	3,077,924,432	3,419,868,729

Amount in Taka

as at 31-Dec-14 **as at 31-Dec-13**

9.00 Trade and Other Receivables - Tk. 26,417,218,111

This is unsecured but considered good.

10.00 Advances, Deposits and Pre-payments : Tk. 36,083,551,099

This consists of as follows:

(i) Advances:

Advance Income Tax	191,952,291	115,610,280
L/C Margin & Others	296,466,299	289,694,950
Suppliers	35,812,868	1,384,948
Trade Fair	4,353,717	4,715,657
Marketing Expenses	9,565,101	8,712,141
Other Advances	35,386,692,586	32,241,817,864

(ii) Deposits

(iii) London Branch

121,894,702	90,450,605
36,813,535	36,813,535
36,083,551,099	32,789,199,980

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

11.00 Cash and Cash Equivalents : Tk. 80,583,932

	Amount in Taka	
	as at 31-Dec-14	as at 31-Dec-13
This consist of as follows:		
In Hand	23,061,584	41,528,208
In Current Account with banks	36,151,668	29,991,326
In STD account with banks	18,793,610	21,120,740
In fixed deposit and accrued interest with bank	2,309,258	1,940,510
London Branch	267,812	267,812
	80,583,932	94,848,596

12.00 Issued Share Capital : Tk. 5,991,512,770

(a) Authorised:	10,000,000,000	10,000,000,000
1,000,000,000 Ordinary Shares of Tk. 10/-each		
(b) Issued, Subscribed and Paid-Up:		
4,000,000 Ordinary Shares of Tk.10/-each	40,000,000	40,000,000
425,305,504 (2013: 346,911,778) Ordinary Shares of Tk.10/-each issued as fully paid-up bonus shares	4,253,055,040	3,469,117,780
22,019,999 Ordinary Shares of Tk.10/-each issued in exchange for acquisition of shares of Shinepukur Ceramics Ltd.	220,199,990	220,199,990
12,600,000 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Real Estate Ltd.	126,000,000	126,000,000
650,000 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Fisheries Ltd.	6,500,000	6,500,000
11,909,840 Ordinary Shares of Tk. 10/- each issued to the shareholders of Bangladesh Online Ltd.	119,098,400	119,098,400
9,187,487 Ordinary Shares of Tk. 10/- each issued to the shareholders of Dhaka-Shanghai Ceramics Ltd.	91,874,870	91,874,870
107,282,919 Ordinary Shares of Tk. 10/- each issued to the shareholders of Bextex Ltd.	1,072,829,190	1,072,829,190
2,649,470 Ordinary Shares of Tk. 10/- each issued to the shareholders of International Knitwear & Apparels Ltd.	26,494,700	26,494,700
2,372,506 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Fashions Ltd.	23,725,060	23,725,060
2,489,502 Ordinary Shares of Tk. 10/- each issued to the shareholders of Cresent Fashions & Design Ltd.	24,895,020	24,895,020
551,342 Ordinary Shares of Tk. 10/- each issued to the shareholders of RR Washing Ltd. (Former Freshtex Bangladesh Ltd.)	5,513,420	5,513,420
Adjustment for Shinepukur Ceramics Ltd.'s Investment with Beximco 1,867,292 Ordinary Shares of Tk. 10/- each	(18,672,920)	(18,672,120)
Total 599,151,277 Shares of Tk. 10/= each	5,991,512,770	5,207,576,310

(c) Composition of Shareholding:

Sponsors:

A S F Rahman
Salman F Rahman
Associates
Foreign Investors
ICB including ICB Investors' Account
General Public & Financial Institutions

2014		2013	
No. of Shares	%	No. of Shares	%
43,348,804	7.24	37,694,613	7.24
48,639,890	8.12	42,295,557	8.12
27,249,651	4.55	23,695,681	4.55
61,238,826	10.22	44,514,714	8.55
36,440,340	6.08	31,688,419	6.09
382,233,766	63.80	340,868,647	65.46
599,151,277	100%	520,757,631	100%

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

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

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

Share holding Range in number of Shares	Number of holders	% of total holders	Number of Shares	% of Share Capital
1 to 499	116,620	60.69	18,517,433	3.09
500 to 5,000	62,864	32.71	98,697,536	16.47
5,001 to 10,000	6,154	3.20	43,198,317	7.21
10,001 to 20,000	4,372	2.28	40,477,584	6.76
20,001 to 30,000	879	0.46	21,890,134	3.65
30,001 to 40,000	340	0.18	11,905,808	1.99
40,001 to 50,000	229	0.12	10,433,452	1.74
50,001 to 100,000	403	0.21	28,603,733	4.77
100,001 to 1,000,000	6	0.00	2,243,843	0.37
Over 1,000,000	292	0.15	323,183,437	53.94
Total :	192,159	100%	599,151,277	100%

(e) Option on Unissued Shares :

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

(f) Market Price :

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 36.40 and Tk. 36.40 per share in the Dhaka and Chittagong Stock Exchanges respectively on 30 December, 2014.

(g) Voting Rights :

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

	Amount in Taka	
	as at 31-Dec-14	as at 31-Dec-13
13.00 Retained Earnings: Tk. 17,559,067,039		
This consists of as follows:		
Distributable as dividend	16,673,858,526	16,819,943,154
Not distributable as dividend (Note 3.03 & 6.00)	885,208,513	-
	17,559,067,039	16,819,943,154

13.00 Retained Earnings: Tk. 17,559,067,039

This consists of as follows:

Distributable as dividend

Not distributable as dividend (Note 3.03 & 6.00)

14.00 Non-Controlling (Minority) Interest in Subsidiaries : Tk. 2,132,297,492

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

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

15.00 Long Term Loan : Tk. 9,719,259,661

This represents Loans from:

	as at 31-Dec-14	Amount in Taka as at 31-Dec-13
Sonali Bank- Demand loan on PAD	3,004,570,192	2,713,529,499
Janata Bank-Demand Loan Cash 1	1,506,194,140	3,289,131,624
Janata Bank -Demand Loan BBLC	874,920,563	1,692,526,521
Janata Bank- Demand Loan Cash 2	735,615,472	1,424,156,663
Sonali Bank- PAD Blocked	588,357,057	817,378,490
Rupali Bank Ltd. - Forced Loan 2	488,524,042	477,946,916
National Bank Ltd.-Term Loan 2	314,408,606	426,083,643
Bank Asia Ltd. - Term Loan	309,512,312	188,931,649
Rupali Bank - PAD Segregation	300,580,000	386,460,000
Rupali Bank CCP and CCH Segregation	298,089,498	383,257,926
Sonali Bank- Interest Bearing Block	293,269,732	377,061,084
Sonali Bank- IBP Loan	283,501,948	386,593,566
National Bank Ltd.-Term Loan 1	227,233,866	306,785,329
Rupali Bank-Term Loan 1	146,132,000	187,884,000
Rupali Bank-Term Loan 2	96,964,000	124,668,000
Rupali Bank- Interest Free Block	74,246,902	95,490,000
Southeast Bank - Term Loan	66,763,653	75,408,304
Rupali Bank Ltd. - Forced Loan 1	42,614,539	42,614,539
Bangladesh Development Bank- Term Loan	34,236,856	45,836,856
Bangladesh Development Bank- Interest Block	24,501,596	30,101,596
Sonali Bank- Interest Free	9,022,687	27,368,060
Sonali Bank- Project Loan	-	41,970,046
10% Debentures	-	180,525,324
The City Bank Ltd	-	6,065,000
	9,719,259,661	13,727,774,635

Nature of security :

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

Terms of Repayment :

Sonali Bank Project Loan:

In 41 (Forty one) equal quarterly installments commencing from March 31, 2005.

Sonali Bank PAD Blocked Loan:

In 64 (Sixty-four) equal monthly installments commencing from 31 March 2010, as per revised sanction.

Bank Asia Ltd. - Term Loan :

In 120 (One Hundred Twenty) equal monthly installments commencing from 31 January 2015, as per revised sanction.

Southeast Bank Ltd. - Term Loan :

In 47 (Forty-seven) equal monthly installments commencing from 31 July 2012, as per revised sanction.

Sonali Bank Project Loan:

15% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank PAD Blocked Loan:

16% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Bank Asia Ltd. - Term Loan :

12% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Southeast Bank Ltd. - Term Loan :

18 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

	as at 31-Dec-14	Amount in Taka as at 31-Dec-13
16.00 Gratuity Payable : Tk. 92,417,698		
This is arrived at as follows:		
Opening Balance	74,840,687	57,001,537
Add: Addition during the year	21,339,471	17,839,150
	96,180,158	74,840,687
Less: Payment during the year	(3,762,460)	-
Closing Balance	92,417,698	74,840,687
17.00 Deferred Tax Liability : Tk. 158,324,114		
Deferred Tax Liability is arrived at as follows:		
Book Value of Depreciable Fixed Assets	1,063,124,570	1,143,729,183
Less: Tax Base	158,415,349	170,664,457
Taxable Temporary Difference	904,709,221	973,064,726
Effective Tax Rate	17.50%	17.50%
Deferred Tax Liability	158,324,114	170,286,327
18.00 Short Term Loan from Banks and Others : Tk. 14,425,555,672		
This is secured and consists of as follows:		
Secured :		
Sonali Bank- CC (Hypothecation)	4,060,938,879	3,579,719,862
Janata Bank Ltd. - SBLC (M Bank, Dubai)	2,206,277,483	2,436,000,000
Agrani Bank - SBLC (M Bank, Dubai)	1,965,000,000	-
Rupali Bank-Overdraft	1,483,874,783	1,458,905,320
Janata Bank- CCH	1,079,517,928	1,041,999,544
AB Bank Ltd.	369,987,500	392,500,000
Phoenix Finance and Investment Ltd.	291,647,057	252,266,430
Sonali Bank- LTR	137,974,109	80,531,628
State Bank of India-CCH	128,014,902	122,372,656
Janata Bank Cash Subsidy	119,160,228	36,983,941
Southeast Bank - LTR	66,335,972	51,953,529
Sonali Bank Ltd. - PAD	41,800,000	-
Unsecured :		
Beximco Pharmaceuticals Ltd.	2,475,026,831	3,026,383,161
	14,425,555,672	12,479,616,071

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES**Notes to the Financial Statements**

As at and for the year ended 31 December 2014

	<i>Amount in Taka</i>	
	<u>as at 31-Dec-14</u>	<u>as at 31-Dec-13</u>
19.00 Long Term Loan (Current Portion) Tk. 15,790,946,883		
This consists of as follows:		
Exim Bank -Forced Loan	2,168,082,458	1,831,100,389
Janata Bank Ltd- Demand Loan (Cash-1)	1,920,716,983	-
Agrani Bank- Forced Loan	1,661,193,897	2,295,999,749
Sonali Bank- PAD Blocked	1,316,675,227	872,284,147
Janata Bank Ltd- Demand Loan (BBLC)	915,862,149	-
Rupali Bank - Forced Loan-2	860,746,373	-
10% Debentures	853,584,111	689,293,677
Janata Bank Ltd- Demand Loan (Cash-2)	748,198,151	-
AB Bank Ltd. - Term Loan	699,237,203	-
Rupali Bank - PAD Block	671,078,422	585,198,422
Rupali Bank- CCP & CCH Segregation	652,062,646	566,894,218
Sonali Bank- CCP & CCH Segregation	563,970,635	391,759,985
Sonali Bank- IBP Loan	520,478,453	338,753,350
National Bank Ltd.-Term Loan 2	431,699,261	207,062,616
National Bank Ltd.-Term Loan 1	348,857,770	182,380,852
Rupali Bank-Term Loan 1	328,530,444	253,445,999
Rupali Bank-Term Loan 2	219,635,112	169,698,424
Rupali Bank Ltd.- Forced Loan	206,233,703	1,077,989,826
Lease Obligation	125,035,932	167,831,887
Term Loan (FLIL)	96,055,532	21,572,496
Sonali Bank- Project Loan	93,129,957	98,767,853
ABBL- Time Loan	89,745,565	679,380,175
Rupali Bank- Interest Free Block	86,068,000	64,824,902
Southeast Bank - Term Loan	71,700,000	76,660,764
Consortium Loan	50,049,239	50,049,239
Sonali Bank- Interest Free	31,391,830	17,746,457
Bangladesh Development Bank-Term Loan	31,085,768	11,600,000
Bangladesh Development Bank- Interest Block	17,179,740	13,155,954
The City Bank Ltd	12,662,322	43,383,388
Sonali Bank- CC Blocked	-	99,999
Bank Asia Ltd.- Term Loan	-	99,721,106
	15,790,946,883	10,806,655,874
20.00 Trade and Other Payables : Tk. 7,276,261,741		
This consists of as follows:		
Creditors for Goods	5,094,402,260	4,963,326,422
Others	2,159,694,681	1,944,457,637
Security Deposit	18,315,000	18,315,000
L/C and Others	3,849,800	677,346
	7,276,261,741	6,926,776,405

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES**Notes to the Financial Statements**

As at and for the year ended 31 December 2014

	<i>Amount in Taka</i>	
	<i>for the year 2014</i>	<i>for the year 2013</i>
21.00 Revenue : Tk. 23,861,429,595		
This is made-up as follows:		
Sale of Goods (Net)	23,816,555,527	23,169,750,350
Commission and Other Income	23,218,943	14,320,881
Dividend Income	22,270,547	23,844,379
Capital (Loss)/Gain on Sale of Shares	(615,421)	189,725,650
	23,861,429,595	23,397,641,260
22.00 Cost of Revenue : TK. 16,408,413,689		
This represents cost of goods sold against sale of:		
Yarn, Fabrics & Others	14,972,349,511	13,864,826,123
Table Ware (Shinepukur Ceramics Ltd.)	1,253,443,603	1,241,105,073
Internet Services & Software	155,331,150	173,676,983
Shrimp and Fish (Fisheries Unit)	27,289,425	32,755,833
Land	-	19,271,031
	16,408,413,689	15,331,635,043
23.00 Administrative Expenses : Tk. 935,616,947		
This Consists of as follows:		
Salaries and Allowances	554,691,599	571,573,190
Car Repairs and Maintenance	113,003,722	114,943,742
Miscellaneous Overhead	43,911,703	48,080,807
Travelling and Conveyance	41,028,366	67,201,922
Repairs and Maintenances	35,434,829	38,264,428
Rent, Rates and Taxes	27,438,602	17,004,928
Fees and Charges	23,232,382	14,623,996
Depreciation	17,543,972	19,236,088
Insurance	16,293,960	21,738,551
Postage, Telegram, Telex and Telephone	12,310,588	17,375,126
Welfare Expenses	11,352,816	12,811,455
General Office Expenses	10,877,656	3,208,238
Entertainment	7,109,358	6,288,424
Petrol, Fuel, Electricity, Gas and Water	5,722,129	5,650,738
Printing and Stationery	4,042,042	8,895,969
Subscription	3,301,932	4,527,097
Audit Fee (Including VAT @ 15%)	2,070,000	2,070,000
Gratuity	1,966,028	2,185,296
AGM Expenses	1,946,474	3,862,998
Contribution to Provident Fund	660,120	660,120
CDBL Charges	593,021	546,207
Utilities Expenses	541,786	654,113
Training and Conference	403,012	593,210
Publicity and Advertisement	140,850	483,790
London Branch Expenses	-	228,855
	935,616,947	982,709,288

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2014

		<i>Amount in Taka</i>	
		for the year 2014	for the year 2013
24.00	Selling and Distribution Expenses : Tk. 113,237,107		
This consists of as follows:			
Promotional Expenses		47,916,768	18,605,027
Distribution Expenses		21,173,845	22,470,026
Salaries and Allowances		20,692,369	17,054,528
Occupancy Expenses		5,032,352	3,153,600
Office Expenses		4,761,613	2,353,631
Transport Expenses		3,518,339	2,377,248
Welfare Expenses		2,648,927	1,966,101
Travelling and Conveyance Expenses		2,111,261	2,110,194
Gratuity		1,610,347	1,444,971
Communication Expenses		889,552	977,492
Lease Rental		655,204	149,979
Showroom Expenses		637,564	706,714
Advertising and Publicity		627,724	321,895
Utilities Expenses		534,481	654,113
Product Research		171,318	48,000
Handling and Carrying Expenses		144,290	156,135
Legal and Professional Fees		94,153	403,758
Repair and Maintenance		17,000	28,800
		113,237,107	74,982,212
25.00	Financial Expenses : Tk. 5,691,868,241		
This Consists of as follows:			
Interest on Loan from Banks and Others		4,793,274,937	5,003,783,354
Bank Charges and Commission		411,225,689	1,036,116,820
Interest on Loan from a Related Company		487,367,615	460,034,836
		5,691,868,241	6,499,935,010
26.00	Income Tax Expenses : Tk. 41,690,350		
This represents:			
Current Tax Expenses		104,700,933	32,264,277
Deferred Tax Income (SCL)		(11,962,213)	25,961,715
Short Provision of Tax for Earlier years		32,304,777	121,026,502
Excess Provision of Tax for Earlier years		(83,353,147)	-
		41,690,350	179,252,494
27.00	Basic Earnings per Share (EPS)		
The computation of EPS is given below :			
(a)	Net Profit for the year (after tax and Non-controlling (minority interest)	637,852,633	325,602,112
(b)	Weighted average number of shares used for EPS (Note - 3.14)	599,151,277	598,871,275
(c)	Basic EPS (a/b)	1.06	0.54

BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES**Notes to the Financial Statements**

As at and for the year ended 31 December 2014

28.00 Related Party Disclosures

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

Name of the Related Parties	Nature of transactions	Value of transactions during the year	Balance at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	154,400,078
Beximco Pharmaceuticals Ltd.	Short Term Loan & interest Expense	487,367,615	(2,475,026,831)
Beximco Synthetics Ltd.	Investment in Shares	-	853,075

Nature of Relationship

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

29.00 Contingent Liabilities

There was no sum for which the company is contingently liable as on 31 December 2014.

30.00 Capital Expenditure Commitment

- (a) There was no capital expenditure contracted but not incurred or provided for at 31 December 2014.
- (b) There was no material capital expenditure authorized by the board but not contracted for at 31 December 2014.

31.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 31 December 2014.

32.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed of as on 31 December 2014 other than trade credit available in the ordinary course of business.

33.00 Benefit to Directors**During the year under review**

- (i) no compensation was allowed by the company to the Managing Director of the company;
- (ii) no amount of money was spent by the company for compensating any member of the Board for special service rendered; and
- (iii) no board meeting attendance fee was paid to the directors of the company.

34.00 Events After The Reporting Period

Subsequent to the Statement of Financial Position date, the board of directors recommended 15% stock dividend of Tk. 10/= each (15 Bonus Shares for each 100 shares held). The dividend (Bonus Shares) proposal is subject to shareholders' approval at the forthcoming annual general meeting. Except the fact as stated above, no circumstances has arisen since the balance sheet date which would require adjustments to, or disclosure in, the financial statements or notes thereto.



A S F Rahman
Chairman

Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

Date: 27 April 2015
Dhaka.

AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
OF
BANGLADESH EXPORT IMPORT COMPANY LIMITED
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2014

Independent Auditors' Report **To The Shareholders of** **BANGLADESH EXPORT IMPORT COMPANY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Bangladesh Export Import Company Limited, which comprise the Statement of Financial Position as at 31 December 2014, the Statement of Profit or Loss & Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.02 & 3.00, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.02 & 3.00, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books ;
- (c) the Statement of Financial Position (Balance Sheet) and the Statement of Profit or Loss & Other Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books of account ; and
- (d) the expenditure incurred was for the purposes of the company's business.



M.J. ABEDIN & CO.
Chartered Accountants

27 April 2015
Dhaka

An independent member firm of
MOORE STEPHENS
INTERNATIONAL LIMITED

Statement of Financial Position

As at 31 December 2014

	Notes	31-Dec-14	31-Dec-13
ASSETS			
Non - Current Assets		30,865,237,760	31,276,598,243
Property, Plant and Equipment	4.00	22,550,409,994	23,194,466,672
Investment Property	5.00	5,746,743,113	4,861,534,600
Investment in Shares	6.00	2,568,084,653	2,919,012,820
Long Term Loan	7.00	-	301,584,151
Current Assets		64,614,651,537	59,916,953,429
Inventories	8.00	2,406,572,933	2,507,226,322
Trade and Other Receivables	9.00	26,259,344,971	24,648,434,345
Advances, Deposits and Pre-Payments	10.00	35,889,780,788	32,680,932,502
Cash and Cash Equivalents	11.00	58,952,845	80,360,260
Total Assets		95,479,889,297	91,193,551,672
EQUITY AND LIABILITIES			
Shareholders' Equity		50,441,975,933	49,268,674,841
Issued Share Capital	12.00	6,010,185,690	5,226,248,430
Reserves	13.00	26,829,839,240	27,180,767,407
Retained Earnings	14.00	17,601,951,003	16,861,659,004
Non - Current Liabilities		9,342,983,696	13,406,391,224
Long Term Loans - Net of Current Maturity (Secured)	15.00	9,342,983,696	13,406,391,224
Current Liabilities		35,694,929,668	28,518,485,607
Long Term Loans - Current Maturity (Secured)	16.00	15,607,932,401	10,483,962,891
Short Term Loan	17.00	13,359,897,224	11,515,144,622
Trade and Other Payables	18.00	6,727,100,043	6,519,378,094
Total Equity and Liabilities		95,479,889,297	91,193,551,672
Net Assets Value Per Share		83.93	94.27

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

Approved and authorised for issue by the board of directors on 27 April 2015 and signed for and on behalf of the board :



A S F Rahman
Chairman

Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015


M.J. Abedin & Co.
Chartered Accountants


Statement of Profit or Loss & Other Comprehensive Income

For the year ended 31 December 2014

	Notes	Amount in Taka	
		2014	2013
Revenue	19.00	22,161,145,166	21,692,955,124
Cost of Revenue	20.00	(15,154,970,086)	(14,090,529,970)
Gross Profit		7,006,175,080	7,602,425,154
Operating Expenses		(6,316,769,209)	(7,053,325,752)
Administrative Expenses	21.00	(862,603,829)	(923,946,469)
Selling and Distribution Expenses		(21,173,845)	(22,470,026)
Finance Cost	22.00	(5,432,991,535)	(6,106,909,257)
Profit before WPPF and Income Tax		689,405,871	549,099,402
Contribution to WPPF		(32,828,851)	(26,147,591)
Net Profit before Tax		656,577,020	522,951,811
Income Tax Expenses	23.00	(17,556,274)	(168,535,371)
Net Profit after Tax (NPAT) for the year		639,020,746	354,416,440
Other Comprehensive Income:			
Revaluation Surplus on PPE		-	2,133,194,757
Revaluation Surplus on Investment Property (Note 3.03 & 14)		885,208,513	3,080,453,840
Fair Value Loss on Investment in Shares		(350,928,167)	(796,152,604)
Total Comprehensive Income for the year		1,173,301,092	4,771,912,433
EPS based on NPAT (Adjusted EPS of 2013)	24.00	1.06	0.59

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

Approved and authorised for issue by the board of directors on 27 April 2015 and signed for and on behalf of the board :


A S F Rahman
Chairman

Saiman F Rahman
Vice Chairman


Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015


M.J. Abedin & Co.
Chartered Accountants

Statement of Changes in Equity

For the year ended 31 December 2014

Particulars	Amount in Taka			
	Share Capital	Reserves (Note-13)	Retained Earnings (Note-14)	Total Equity
As on 31 December 2013	5,226,248,430	27,180,767,407	16,861,659,004	49,268,674,841
Net Profit after tax for the year	-	-	639,020,746	639,020,746
Other Comprehensive Income:				
Revaluation Surplus on investment property (Note - 14)	-	-	885,208,513	885,208,513
Fair Value Loss on Investment in Shares	-	(350,928,167)	-	(350,928,167)
Transaction with Shareholders:				
Issue of Bonus Shares for the prior year (2013)	783,937,260	-	(783,937,260)	-
As on 31 December 2014	6,010,185,690	26,829,839,240	17,601,951,003	50,441,975,933

The accompanying notes form an integral part of this financial statement.

Approved and authorised for issue by the board of directors on 27 April 2015 and signed for and on behalf of the board:



A S F Rahman
Chairman

Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015



M.J. Abedin & Co.
Chartered Accountants

Statement of Cash Flows

For the year ended 31 December 2014

	Amount in Taka	
	2014	2013
Cash Flows From Operating Activities:	(2,888,797,388)	125,429,962
Cash Received Against Revenues and Others	20,550,234,540	24,200,908,324
Cash Paid to Suppliers and Others	(23,439,031,928)	(24,075,478,362)
Cash Flows From Investing Activities:	(37,924,611)	(238,935,988)
Purchase of Property, Plant and Equipment	(37,924,611)	(238,935,988)
Cash Flows From Financing Activities:	2,905,314,584	44,500,068
Increase in Loan	2,905,314,584	44,500,068
Decrease in Cash and Cash Equivalents	(21,407,415)	(69,005,958)
Cash and Cash Equivalents at Opening	80,360,260	149,366,218
Cash and Cash Equivalents at Closing	58,952,845	80,360,260
Net Operating Cash Flow Per Share	(4.81)	0.24

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

Approved and authorised for issue by the board of directors on 27 April 2015 and signed for and on behalf of the board :



A S F Rahman
Chairman


Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015



M.J. Abedin & Co.
Chartered Accountants

Notes to the Financial Statements

As at and for the year ended 31 December 2014

1.00 The background and activities of the Company

1.01 Status of the Company

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

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

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

1.02 Principal Activities

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

2.00 Bases of Financial Statements-Its Preparation and Presentation

2.01 Measurement bases

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

2.02 Reporting Framework and Compliance thereof

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

2.03 Presentation of Financial Statements

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

The Financial Statements comprises:

- (a) a statement of financial position as at the end of the year 2014;
- (b) a statement of profit or loss & other comprehensive income for the year 2014;
- (c) a statement of changes in equity for the year 2014;
- (d) a statement of cash flows for the year 2014; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.04 Reporting Period

The financial statements cover one calendar year from 01 January 2014 to 31 December 2014.

2.05 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 27 April 2015.

2.06 Functional and Presentation Currency

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

2.07 Comparative Information

Comparative information has been disclosed in respect of the year 2013 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2013 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

Notes to the Financial Statements

As at and for the year ended 31 December 2014

2.08 Use of Estimates and Judgments

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

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

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

2.09 Statement of Cash Flows

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

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

2.10 Related Party Disclosures

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

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

2.11 Events after the Reporting Period

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

3.00 Significant Accounting Policies

3.01 Revenue Recognition

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

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

3.02 Property, Plant and Equipment

3.02.1 Recognition and Measurement

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

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

Notes to the Financial Statements

As at and for the year ended 31 December 2014

3.02.2 Pre-Operating Expenses and Borrowing Costs

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

3.02.3 Subsequent Expenditure

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

3.02.4 Software

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

3.02.5 Disposal of Fixed Assets

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

3.02.6 Depreciation on Fixed Assets

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

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

3.03 Investment Property

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

3.04 Impairment

(a) Financial Assets

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

Notes to the Financial Statements

As at and for the year ended 31 December 2014

(b) Non-Financial Assets

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

3.05 Leased Assets

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

3.06 Financial Instruments

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

3.06.1 Financial assets

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

(a) Investment in Shares

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

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

(b) Accounts Receivables

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

(c) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

(d) Cash and Cash Equivalents

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

3.06.2 Financial Liability

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

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

Notes to the Financial Statements

As at and for the year ended 31 December 2014

3.07 Inventories

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

3.08 Provisions

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

3.09 Borrowing Costs

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

Borrowing costs relating to projects in commercial operation are recognized as expenses in the 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 Income Tax Expenses

Current Tax

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

Deferred Tax

Deferred tax asset is not recognized as it is probable that future taxable profit will not be available against which temporary differences can be utilized.

3.11 Employee Benefits

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

(b) Short-term employee benefits

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

(c) Contribution to Workers' Participation/Welfare Funds

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

3.12 Proposed Dividend

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

Notes to the Financial Statements

As at and for the year ended 31 December 2014

3.13 Earnings Per Share

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

Basic Earnings (Numerator)

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

Weighted Average Number of Shares in Issue (Denominator)

Current Year (2014)

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year. However, the Bonus Shares issued during the year 2014 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2014, the total number of bonus shares has been considered.

Earlier Year (2013)

The number of shares outstanding before the bonus shares issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issues had occurred at the beginning of the earliest period reported (2013), and accordingly, in calculating the adjusted EPS of 2013, the total number of shares including the subsequent bonus issue in 2013 has been considered as the weighted Average Number of Shares Outstanding during the year 2014.

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

Diluted Earnings Per Share

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

3.14 Foreign Currency Translations

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

4.00 Property, Plant and Equipment : Tk. 22,550,409,994

The details are stated below:

Amount in Taka

Particulars	Land and Land Development	Building and other construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost/Valuation :							
At 31 December 2013	12,187,111,000	5,219,133,510	13,701,236,720	579,418,303	185,337,904	657,440,872	32,529,678,309
Addition in 2014	-	325,983,242	12,465,151	16,901,218	1,400,000	(318,825,000)	37,924,611
At 31 December 2014	12,187,111,000	5,545,116,752	13,713,701,871	596,319,521	186,737,904	338,615,872	32,567,602,920
Depreciation :							
At 31 December 2013	-	1,245,913,747	7,527,204,230	444,365,467	117,728,195	-	9,335,211,639
Charged in 2014	-	210,255,035	439,447,394	18,521,157	13,757,701	-	681,981,287
At 31 December 2014	-	1,456,168,782	7,966,651,624	462,886,624	131,485,896	-	10,017,192,926
Carrying Value							
At 31 December 2014	12,187,111,000	4,088,947,970	5,747,050,247	133,432,897	55,252,008	338,615,872	22,550,409,994
At 31 December 2013	12,187,111,000	3,973,219,763	6,174,032,490	135,052,838	67,609,709	657,440,872	23,194,466,672

Notes to the Financial Statements

As at and for the year ended 31 December 2014

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

Particulars	Amount in Taka
Increase by re-valuation in 1977	1,733,120
Increase by re-valuation in 1988	4,617,873
Increase by re-valuation in 2011	5,988,990,434
Increase by re-valuation in 2013	2,133,194,757
Increase by revaluation	8,128,536,184
Original Cost	23,558,363,349
Gross carrying amounts	31,686,899,533

5.00 Investment Property: Tk. 5,746,743,113

This consists of as follows:

Opening Balance as on 01.01.14
Surplus on Revaluation for the year

	Amount in Taka	
	as at 31-Dec-14	as at 31-Dec-13
	4,861,534,600	1,781,080,760
	885,208,513	3,080,453,840
	5,746,743,113	4,861,534,600

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

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

6.00 Investment in Shares : Tk. 2,568,084,653

This consists of as follows:

(a) In Associated undertakings :

(i) In 73,483,009 Shares of Shinepukur Ceramics Ltd. (Subsidiary Company-50% Shares) (Face value of Tk. 10.00) {Listed company, Market value Tk. 14.40 per share on 30 December 2014}	1,058,155,330	1,344,739,065
(ii) In 2,630,325 Shares of Beximco Pharmaceuticals Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 58.70 per share on 30 December 2014}	154,400,078	118,239,399
(iii) In 999,800 Shares -costs per share is Tk. 26.50 against face value of Tk. 100/= each of International Knitwear & Apparels Ltd.	26,494,700	26,494,700
(iv) In 1,744,490 Shares - costs per share is Tk. 13.60 against face value of Tk.100/= each of Beximco Fashions Ltd.	23,725,060	23,725,060
(v) In 999,800 Shares - costs per share is Tk. 24.90 against face value of Tk. 100/= each of Crescent Fashions & Design Ltd.	24,895,020	24,895,020
(vi) In 158,888 Shares - costs per share is Tk. 34.70 against face value of Tk. 100/= each of RR Washing Ltd. (Former Freshtex Bangladesh Ltd.)	5,513,420	5,513,420
(vii) In 2,530 Shares of Beximco Synthetics Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 12.5 per share on 30 December 2014}	31,625	42,251
	1,293,215,233	1,543,648,915

Notes to the Financial Statements

As at and for the year ended 31 December 2014

	Amount in Taka	
	as at 31-Dec-14	as at 31-Dec-13
(b) Others		
(i) In 8,281,153 Shares of Unique Hotel & Resort Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk.65.90 per share on 30 December 2014}	545,727,983	645,929,934
(ii) In 3,491 Shares of Investment Corporation of Bangladesh (Face value of Tk. 100.00) {Listed company, Market value Tk. 1,377.1 per share on 30 December 2014}	4,807,456	5,100,351
(iii) In 12 Shares of Jamuna Oil Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 205.90 per share on 30 December 2014}	2,471	2,110
(iv) In 32,997,800 Shares of GMG Airlines Ltd. (Average cost price per share is Tk. 9.09 against face value of Tk.10.00)	299,980,000	299,980,000
(v) In 571,181 Shares of Central Depository Bangladesh Ltd. (Average cost price per share is Tk. 2.74 against face value of Tk. 10.00)	1,569,450	1,569,450
(vi) In 42,278,206 Shares of Tk.10/= each of Dhaka Shanghai Ceramics Ltd.	422,782,060	422,782,060
	1,274,869,420	1,375,363,905
Total=(a+b)	2,568,084,653	2,919,012,820

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

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

- (d) Investment in subsidiary company Shinepukur Ceramics Ltd. of 73,483,009 shares represents 50.00% of the paid-up capital of the said Company (146,966,055 shares of Tk. 10/ each). The accumulated loss of Shinepukur Ceramics Ltd. as on 31 December 2014 of Tk. 85,767,929 including net loss after tax for the year ended 31 December 2014 of Tk. 2,336,228 as per its audited financial statements for the year ended 31 December, 2014 is being carried forward to the next year's accounts of the said subsidiary company and has not been dealt with in or for the purpose of the accounts of Bangladesh Export Import Company Limited.

7.00 Long Term Loan: Tk. Nil

The Amount (2013: Tk. 301,584,151) represents the loan given to Shinepukur Ceramics Ltd. a related company. This is unsecured and beared interest @ 14% per annum which is subsequently repayed in the period under review as mutually agreed upon.

8.00 Inventories : Tk. 2,406,572,933

This consists of as follows:

Land	1,144,708,618	959,189,655
Construction work in progress	304,602,113	337,810,656
Work in Process	293,668,443	404,292,993
Raw Materials	219,972,057	181,053,456
Stores and Spares	201,114,957	202,509,484
Finished Goods	145,455,641	172,975,409
Land Development and Others	59,317,339	207,049,653
Other Direct Expenses	32,334,502	32,641,501
Fish & Shrimp	4,496,636	4,049,232
Packing Materials	726,793	5,487,656
Fish Feed	104,722	95,515
Jute Yarn	71,112	71,112
	2,406,572,933	2,507,226,322

Notes to the Financial Statements

As at and for the year ended 31 December 2014

9.00 Trade and Other Receivables : Tk. 26,259,344,971

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

10.00 Advances, Deposits and Pre-payments : Tk. 35,889,780,788

This consists of as follows:

	<u>as at 31-Dec-14</u>	<u>Amount in Taka as at 31-Dec-13</u>
Advances against Purchase of Land and Others	35,365,444,441	31,356,491,603
L/C Margin	261,303,687	272,889,287
Advance Income Tax	161,398,596	77,804,282
Security Deposit	56,733,901	52,816,401
London Branch	36,813,535	36,813,535
Lease Deposit	7,801,220	7,801,220
Bank Guarantee Margin	285,409	876,316,174
	<u>35,889,780,788</u>	<u>32,680,932,502</u>

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

11.00 Cash and Cash Equivalents : Tk. 58,952,845

This consist of as follows:

Cash in Hand	21,871,248	34,259,808
In Current Account with Banks	19,584,969	25,795,617
In STD Account with Banks	15,854,712	18,795,955
In Fixed Deposit and Accrued Interest thereon with a Bank	1,374,104	1,241,068
London Branch	267,812	267,812
	<u>58,952,845</u>	<u>80,360,260</u>

Notes to the Financial Statements

As at and for the year ended 31 December 2014

12.00 Issued Share Capital : Tk. 6,010,185,690

	Amount in Taka	
	as at 31-Dec-14	as at 31-Dec-13
(a) Authorised		
1,000,000,000 Ordinary Shares of Tk. 10/-each	10,000,000,000	10,000,000,000
(b) Issued, Subscribed and Paid-up		
4,000,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	40,000,000	40,000,000
425,305,504 (2013: 346,911,778) Ordinary Shares of Tk.10/-each issued as fully paid-up bonus shares	4,253,055,040	3,469,117,780
22,019,999 Ordinary Shares of Tk.10/-each issued in exchange for acquisition of shares of Shinepukur Ceramics Ltd.	220,199,990	220,199,990
12,600,000 Ordinary Shares of Tk.10/-each issued to the shareholders of Shinepukur Holdings Ltd.	126,000,000	126,000,000
650,000 Ordinary Shares of Tk.10/-each issued to the shareholders of Beximco Fisheries Ltd.	6,500,000	6,500,000
11,909,840 Ordinary Shares of Tk.10/-each issued to the shareholders of Bangladesh Online Ltd.	119,098,400	119,098,400
9,187,487 Ordinary Shares of Tk.10/-each issued to the shareholders of Dhaka-Shanghai Ceramics Ltd.	91,874,870	91,874,870
107,282,919 Ordinary Shares of Tk. 10/-each issued to the shareholders of Bextex Ltd.	1,072,829,190	1,072,829,190
2,649,470 Ordinary Shares of Tk. 10/-each issued to the shareholders of International Knitwear & Apparels Ltd.	26,494,700	26,494,700
2,372,506 Ordinary Shares of Tk. 10/-each issued to the shareholders of Beximco Fashions Ltd.	23,725,060	23,725,060
2,489,502 Ordinary Shares of Tk. 10/-each issued to the shareholders of Crescent Fashions & Design Ltd.	24,895,020	24,895,020
551,342 Ordinary Shares of Tk. 10/-each issued to the shareholders of Freshtex Bangladesh Ltd.	5,513,420	5,513,420
Total 601,018,569 Shares of Tk. 10/= each	6,010,185,690	5,226,248,430

(c) Composition of Shareholding

	2014		2013	
	No. of Shares	%	No. of Shares	%
Sponsor:				
A S F Rahman	43,348,804	7.21	37,694,613	7.21
Salman F Rahman	48,639,890	8.09	42,295,557	8.09
Associates	29,116,943	4.84	25,562,893	4.89
Foreign Investors	61,238,826	10.19	44,514,714	8.52
ICB including ICB Investors' Account	36,440,340	6.06	31,688,419	6.06
General Public & Institutions	382,233,766	63.60	340,868,647	65.22
	601,018,569	100.00	522,624,843	100.00

Notes to the Financial Statements

As at and for the year ended 31 December 2014

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

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

Share holding Range in number of Shares	31-Dec-14 Number of			31-Dec-13 Number of		
	Shares	Holders	% of total holders	Shares	Holders	% of total holders
1 to 499	18,517,433	116,620	60.69%	19,876,636	126,651	63.07%
500 to 5,000	98,697,536	62,864	32.71%	99,415,129	64,550	32.14%
5,001 to 10,000	43,198,317	6,154	3.20%	37,779,807	5,423	2.70%
10,001 to 20,000	40,477,584	4,372	2.28%	34,008,831	2,475	1.23%
20,001 to 30,000	21,890,134	879	0.46%	15,856,622	657	0.33%
30,001 to 40,000	11,905,808	340	0.18%	11,816,872	342	0.17%
40,001 to 50,000	10,433,452	229	0.12%	7,432,378	167	0.08%
50,001 to 100,000	28,603,733	403	0.21%	19,663,513	285	0.14%
100,001 to 1,000,000	2,243,843	6	0.00%	55,806,110	227	0.11%
Over 1,000,000	325,050,729	293	0.15%	220,968,945	32	0.02%
Total	601,018,569	192,160	100.00%	522,624,843	200,809	100.00%

(e) Option on un issued shares

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

(f) Market Price

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 36.40 and Tk. 36.40 per share in the Dhaka and Chittagong Stock Exchanges on 30 December 2014.

(g) Voting rights

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

13.00 Reserves : Tk. 26,829,839,240

This is arrived at as follows:

Amount in Taka

	Fair Value Gain/ (Loss) on Investment in Shares	Capital Reserve	Revaluation Reserve on PPE	Revaluation Reserve on Investment property	Total
As on 01-01-2014	551,118,030	15,420,659,353	8,128,536,184	3,080,453,840	27,180,767,407
Addition/(Adjustment) during the year (Note-13.01)	(350,928,167)	-	-	-	(350,928,167)
As on 31-12-2014	200,189,863	15,420,659,353	8,128,536,184	3,080,453,840	26,829,839,240

- 13.01 Adjustment to fair value of investment in shares represents loss on revaluation of shares of listed companies at quoted price on the balance sheet date.

Amount in Taka
as at 31-Dec-14 as at 31-Dec-13

14.00 Retained Earnings: Tk. 17,601,951,003

This consists of as follows:

Distributable as dividend	16,716,742,490	16,861,659,004
Not distributable as dividend (Note 3.03 & 5.00)	885,208,513	-
	17,601,951,003	16,861,659,004

Notes to the Financial Statements

As at and for the year ended 31 December 2014

	Amount in Taka	
	as at 31-Dec-14	as at 31-Dec-13
15.00 Long Term Loans - Net of Current Maturity (Secured) : Tk. 9,342,983,696		
This is secured and consists of as follows:		
Sonali Bank Ltd.- Demand loan on PAD	3,004,570,192	2,713,529,499
Janata Bank-Demand Loan Cash 1	1,506,194,140	3,289,131,624
Janata Bank -Demand Loan BBLC	874,920,563	1,692,526,521
Janata Bank-Demand Loan Cash 2	735,615,472	1,424,156,663
Sonali Bank Ltd.- PAD Block	588,357,057	802,305,078
Rupali Bank Ltd. - Forced Loan 2	488,524,042	477,946,916
National Bank Ltd.-Term Loan 2	314,408,606	426,083,643
Rupali Bank Ltd. - PAD Segregation	300,580,000	386,460,000
Rupali Bank Ltd.- CCP and CCH Segregation	298,089,498	383,257,926
Sonali Bank Ltd.- Interest Bearing Block	293,269,732	377,061,084
Sonali Bank Ltd.- IBP Loan	283,501,948	386,593,566
National Bank Ltd.-Term Loan 1	227,233,866	306,785,329
Rupali Bank Ltd.- Term Loan 1	146,132,000	187,884,000
Rupali Bank Ltd.- Term Loan 2	96,964,000	124,668,000
Rupali Bank Ltd.- Interest Free Block	74,246,902	95,490,000
Rupali Bank Ltd. - Forced Loan 1	42,614,539	42,614,539
Bangladesh Development Bank Ltd.- Term Loan	34,236,856	45,836,856
Bangladesh Development Bank Ltd.- Interest Block	24,501,596	30,101,596
Sonali Bank Ltd.- Interest Free	9,022,687	27,368,060
10% Debenture	-	180,525,324
The City Bank Ltd	-	6,065,000
	9,342,983,696	13,406,391,224

Nature of security:

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

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

Notes to the Financial Statements

As at and for the year ended 31 December 2014

16.00 Long Term Loans - Current Maturity (Secured) : Tk. 15,607,932,401

This is secured and consists of as follows:

	As at 31-Dec-14	Amount in Taka As at 31-Dec-13
Exim Bank -Forced Loan	2,168,082,458	1,831,100,389
Janata Bank Ltd- Demand Loan (Cash-1)	1,920,716,983	-
Agrani Bank- Forced Loan	1,661,193,897	2,295,999,749
Sonali Bank Ltd.- PAD Block	1,298,490,702	824,840,886
Janata Bank Ltd- Demand Loan (BBLC)	915,862,149	-
Rupali Bank - Forced Loan-2	860,746,373	-
10% Debentures	853,584,111	689,293,677
Janata Bank Ltd- Demand Loan (Cash-2)	748,198,151	-
AB Bank Ltd. - Term Loan	699,237,203	-
Rupali Bank Ltd. - PAD Block	671,078,422	585,198,422
Rupali Bank Ltd.- CCP and CCH Segregation	652,062,646	566,894,218
Sonali Bank Ltd.- CCP &CCH Segregation	563,970,635	391,759,985
Sonali Bank Ltd.- IBP Loan	520,478,453	338,753,350
National Bank Ltd.- Term Loan 2	431,699,261	207,062,616
National Bank Ltd.- Term Loan 1	348,857,770	182,380,852
Rupali Bank Ltd.- Term Loan 1	328,530,444	253,445,999
Rupali Bank Ltd.- Term Loan 2	219,635,112	169,698,424
Rupali Bank Ltd.- Forced Loan	206,233,703	1,077,989,826
Lease Obligation	125,035,932	167,831,887
Term Loan (FLIL)	96,055,532	21,572,496
AB Bank Ltd. - Time Loan	89,745,565	679,380,175
Rupali Bank Ltd.- Interest Free Block	86,068,000	64,824,902
Consortium Loan	50,049,239	50,049,239
Sonali Bank Ltd.- Interest Free	31,391,830	17,746,457
Bangladesh Development Bank Ltd.- Term Loan	31,085,768	11,600,000
Bangladesh Development Bank Ltd.- Interest Block	17,179,740	13,155,954
The City Bank Ltd	12,662,322	-
City Bank NA Ltd.- Term Loan	-	43,383,388
	15,607,932,401	10,483,962,891

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

17.00 Short Term Loan : Tk. 13,359,897,224

This consists of as follows:

Secured:

Sonali Bank Ltd. - CCH	3,491,237,569	3,000,000,000
Janata Bank Ltd. - SBLC (M Bank, Dubai)	2,206,277,483	2,436,000,000
Agrani Bank - SBLC (M Bank, Dubai)	1,965,000,000	-
Rupali Bank Ltd. - Overdraft	1,483,874,783	1,458,905,320
Janata Bank Ltd. - CCH	1,079,517,928	1,041,999,544
AB Bank Ltd.- (Noor I Bank)	369,987,500	392,500,000
State Bank of India - CCH	128,014,902	122,372,656
Janata Bank Ltd. - Cash Subsidy	119,160,228	36,983,941
Sonali Bank Ltd. - PAD	41,800,000	-

Unsecured:

Beximco Pharmaceuticals Ltd.	2,475,026,831	3,026,383,161
	13,359,897,224	11,515,144,622

Loan from Beximco Pharmaceuticals Ltd. represents temporary loan, carrying interest @ 15.5% for 2014, computed on day's product basis. This loan is repayable as and when required by the lender.

Notes to the Financial Statements

As at and for the year ended 31 December 2014

18.00 Trade and Other Payables : Tk. 6,727,100,043

This is made-up as follows:

	As at 31-Dec-14	Amount in Taka As at 31-Dec-13
Creditors for Goods	4,953,678,422	4,950,025,368
Income Tax Payables	906,950,198	1,171,912,017
Advance Against sale of Investment in Shares	451,474,440	-
Other Current Liabilities	362,844,524	345,288,250
London Branch	37,152,459	37,152,459
Security Deposit from Distributor	15,000,000	15,000,000
	6,727,100,043	6,519,378,094

19.00 Revenue : Tk. 22,161,145,166

This is made-up as follows:

	for the year 2014	Amount in Taka for the year 2013
Sale of Goods (Note - 19.01)	22,138,897,853	21,477,305,636
Dividend Income	22,270,547	23,844,379
Capital (Loss)/Gain on Sale of Shares	(615,421)	189,725,650
Other Income	592,188	2,079,459
	22,161,145,166	21,692,955,124

19.01 Sale of Goods : Tk. 22,138,897,853

This represents sales of:

(a) Yarn, Fabrics & Others	21,910,961,984	20,340,638,929
(b) Internet Service	120,806,709	119,312,942
(c) Software Sale	79,441,175	968,132,840
(d) Fish & Shrimp	27,687,985	25,033,297
(e) Land	-	24,187,628
	22,138,897,853	21,477,305,636

20.00 Cost of Revenue : Tk. 15,154,970,086

This represents cost of goods sold against sale of:

(a) Yarn, Fabrics & Others (Including depreciation of Tk. 664,694,985)	14,972,349,511	13,864,826,123
(b) Internet Service and Software (Including depreciation of Tk. 8,405,336)	155,331,150	173,676,983
(c) Shrimp and Fish (Including depreciation of Tk. 1,254,409)	27,289,425	32,755,833
(d) Land	-	19,271,031
	15,154,970,086	14,090,529,970

Notes to the Financial Statements

As at and for the year ended 31 December 2014

	for the year 2014	Amount in Taka for the year 2013
21.00 Administrative Expenses : Tk. 862,603,829		
This consists of:		
Salaries and Allowances	530,522,128	550,908,924
Car Repairs and Maintenance	113,003,722	114,943,742
Fees and Charges	22,902,982	13,088,996
Miscellaneous Overhead	35,654,702	48,074,647
Repairs and Maintenances	35,417,369	38,231,578
Travelling and Conveyance	35,276,905	58,120,270
Rent, Rates and Taxes	27,438,602	15,815,806
Insurance	16,293,960	21,738,551
Postage, Telegram, Telex & Telephone	12,310,588	17,375,126
Depreciation	7,626,557	7,720,824
Entertainment	7,109,358	6,288,424
Petrol, Fuel, Electricity, Gas and Water	5,722,129	5,650,738
Printing and Stationery	4,042,042	8,895,969
Subscription	3,301,932	4,527,097
Staff Welfare	2,000,262	5,812,930
Audit Fee (Including VAT @ 15%)	1,380,000	1,380,000
AGM Expenses	740,228	2,855,565
Contribution to Provident Fund	660,120	660,120
CDBL Charges	593,021	546,207
Training	403,012	568,310
Publicity and Advertisement	140,850	483,790
Local Travel	63,360	30,000
London Branch Expenses	-	228,855
	862,603,829	923,946,469
22.00 Finance Cost : Tk. 5,432,991,535		
This consists of as follows:		
Interest on Loan from Banks and Others	4,545,226,785	4,725,209,029
Interest on Loan from/to Related Companies (Net)	487,367,615	355,347,576
Bank Charges	400,397,135	1,026,352,652
	5,432,991,535	6,106,909,257
23.00 Income Tax Expense : Tk. 17,556,274		
This represents:		
Provision for the year	99,600,080	23,741,441
Short provision for the earlier Years	1,309,341	144,793,930
Excess provision for the earlier Years	(83,353,147)	-
	17,556,274	168,535,371
24.00 Basic Earnings Per Share (EPS)		
The computation of EPS is given below :		
(a) Net Profit after Tax for the year	639,020,746	354,416,440
(b) Number of Shares in issue (Note-3.13)	601,018,569	601,018,569
(c) Basic EPS (a/b) (Par Value of Share Tk. 10/=) (Adjusted EPS of 2013)	1.06	0.59

Notes to the Financial Statements

As at and for the year ended 31 December 2014

25.00 Related Party Transactions

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

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

Amount in Taka

Name of the Related Parties	Nature of transactions	Value of transactions during the year	Receivable/ (Payable) at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	154,400,078
Beximco Pharmaceuticals Ltd.	Short Term Loan & Interest Expense	487,367,615	(2,475,026,831)
Shinepukur Ceramics Ltd	Investment in Shares	-	1,058,155,330
Shinepukur Ceramics Ltd	Long Term Loan	301,584,151	-
Beximco Synthetics Ltd.	Investment in Shares	-	31,625

Nature of Relationship

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

26.00 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 31 December 2014.

27.00 Capital Expenditure Commitment

- (a) There was no capital expenditure contracted but not incurred or provided for at 31 December 2014.
- (b) There was no material capital expenditure authorized by the Board but not contracted for at 31 December 2014.

28.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 31 December 2014.

29.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed of as on 31 December 2014 other than trade credit available in the ordinary course of business.

30.00 Payments in Foreign Currency

- (a) As the company has no loan in foreign currency, no loan and interest was remitted during the year.
- (b) No dividend was remitted in foreign currency, during the year.
- (c) No other expenses including royalty, technical expert and professional advisory fee, etc. was incurred or paid by the company in foreign currency during the year.
- (d) Payment against Imported Raw Material & Spares: USD 23,045,951 (Equivalent BDT 1,820,630,139).

31.00 Commission, Brokerage or Discount Against Sales

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

Notes to the Financial Statements

As at and for the year ended 31 December 2014

32.00 Payments/Perquisites to Managers & Directors

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

	<i>Amount in Taka</i>	
	For the year 2014	For the year 2013
Basic Salary	93,860,495	111,892,190
House rent allowance	50,667,023	59,641,226
Other allowances and benefits	15,644,932	21,544,562
	160,172,450	193,077,978

- (b) During the year under review:

- (i) No compensation was allowed by the company to the Managing Director of the company;
- (ii) No amount of money was spent by the company for compensating any member of the Board for special service rendered; and
- (iii) No board meeting attendance fee was paid to the directors of the Company except to the independent director of Tk. 180,000.

33.00 Financial Risk Management

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

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

33.01 Credit Risk

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

33.02 Liquidity Risk

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

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

33.03 Market Risk

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

(a) Currency Risk

As at 31 December 2014 there was no exposure to currency risk as there were no foreign currency transactions made during the year under review

(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.

Notes to the Financial Statements

As at and for the year ended 31 December 2014

34.00 Events after the Reporting Period

- (a) Subsequent to the Statement of Financial Position date, the board of directors recommended 15% stock dividend of Tk. 10/= each (15 Bonus Shares for each 100 shares held) which is subject to shareholders' approval at the forthcoming Annual General Meeting.
- (b) Except the above fact, no circumstances have arisen since this statement of Financial Position date which would require adjustments to, disclosure in, the financial statements or notes thereto.



A S F Rahman
Chairman

Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

Dated, Dhaka
27 April 2015

AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
OF
SHINEPUKUR CERAMICS LTD.
AS AT AND FOR THE YEAR 31 DECEMBER 2014

Independent Auditors' Report

To The Shareholders of **SHINEPUKUR CERAMICS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Shinepukur Ceramics Limited, which comprise the Statement of Financial Position as at 31 December 2014, the Statements of Profit or Loss & Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2014, 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 (Profit and Loss Account) dealt with by the report are in agreement with the books of account ; and
- (d) the expenditure incurred was for the purposes of the company's business.



M.J. Abedin & Co.
Chartered Accountants

Dhaka , 27 April 2015

SHINEPUKUR CERAMICS LIMITED

Statement of Financial Position

as at 31 December 2014

		Amount in Taka				
	Notes	31-Dec-14	1-Jan-14 Restated	31-Dec-13	1-Jan-13 Restated	31-Dec-12
ASSETS						
Non-Current Assets		5,644,821,352	5,163,868,663	5,163,868,663	5,323,600,351	5,323,600,351
Property, Plant and Equipment - Carrying Value	4.00	4,204,123,208	4,284,727,821	4,284,727,821	4,384,003,402	4,384,003,402
Investment in Shares	5.00	78,982,952	61,221,686	61,221,686	121,705,206	121,705,206
Capital Work in Progress	6.00	1,361,715,192	817,919,156	817,919,156	817,891,743	817,891,743
Current Assets		1,044,626,037	1,710,385,576	1,710,385,576	1,796,412,804	1,796,412,804
Inventories	7.00	671,351,499	912,642,408	912,642,408	845,059,407	845,059,407
Accounts & Other Receivables	8.00	157,873,140	674,987,355	674,987,355	853,413,145	853,413,145
Advances, Deposits & Prepayments	9.00	193,770,311	108,267,477	108,267,477	81,930,381	81,930,381
Cash and Cash Equivalents	10.00	21,631,087	14,488,336	14,488,336	16,009,871	16,009,871
Total Assets		6,689,447,389	6,874,254,239	6,874,254,239	7,120,013,155	7,120,013,155
EQUITY AND LIABILITIES						
Shareholders' Equity		4,264,594,984	4,249,169,946	4,487,866,589	4,351,592,479	4,544,462,049
Issued Share Capital	11.00	1,469,660,550	1,469,660,550	1,469,660,550	1,277,965,700	1,277,965,700
Revaluation Surplus on Property, Plant and Equipment	12.00	2,966,690,015	2,966,690,015	2,966,690,015	2,966,690,015	2,966,690,015
Fair Value Loss on Investment in Shares		(85,987,652)	(103,748,918)	(103,748,918)	(58,955,026)	(58,955,026)
Retained Earnings		(85,767,929)	(83,431,701)	155,264,942	165,891,790	358,761,360
Non-Current Liabilities		627,017,777	868,094,576	629,397,933	996,353,559	803,483,989
Long Term Loan - Net-off Current Maturity(Secured)	13.00	376,275,965	321,383,411	321,383,411	296,189,631	296,189,631
Long Term Loan (Unsecured)		-	301,584,151	301,584,151	498,837,779	498,837,779
Gratuity Payable	14.00	92,417,698	74,840,687	-	57,001,537	-
Deferred Tax Liability	15.00	158,324,114	170,286,327	6,430,371	144,324,612	8,456,579
Current Liabilities		1,797,834,628	1,756,989,717	1,756,989,717	1,772,067,117	1,772,067,117
Short Term Loan from Banks (Secured)	16.00	1,065,658,448	964,471,449	964,471,449	1,183,795,749	1,183,795,749
Long Term Loan-Current Maturity (Secured)	17.00	183,014,482	322,692,983	322,692,983	143,242,382	143,242,382
Creditors, Accruals and Other Payables	18.00	549,161,698	469,825,285	469,825,285	445,028,986	445,028,986
Total Equity and Liabilities		6,689,447,389	6,874,254,239	6,874,254,239	7,120,013,155	7,120,013,155
Net Asset Value Per Share (Note 11.c)		29.02	28.91	30.54	34.05	35.56

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

Approved and authorized for issue by the board of directors on 27 April 2015 and signed for and on behalf of the Board:



A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015



M. J. ABEDIN & CO
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED

Statement of Profit or Loss & Other Comprehensive Income

for the year ended 31 December 2014

	Notes	Amount in Taka	
		2014	2013
Revenue	19.00	1,677,657,674	1,692,444,714
Cost of Goods Sold	20.00	(1,253,443,603)	(1,241,105,073)
Gross Profit		424,214,071	451,339,641
Other Income	21.00	22,626,755	12,241,422
Operating Expenses		(165,076,380)	(111,275,005)
Administrative Expenses	22.00	(73,013,118)	(58,762,819)
Selling & Distribution Expenses	23.00	(92,063,262)	(52,512,186)
Profit from Operations		281,764,446	352,306,058
Loss on Sale of Shares		-	(6,191,823)
Finance Cost	24.00	(258,876,706)	(393,025,753)
Profit/(Loss) before contribution to WPPF		22,887,740	(46,911,518)
Contribution to Workers' Profit Participation/Welfare Funds		(1,089,892)	-
Net Profit/(Loss) Before Tax		21,797,848	(46,911,518)
Income Tax Expense	25.00	(24,134,076)	(10,717,123)
Net Loss After Tax for the year		(2,336,228)	(57,628,641)
Other Comprehensive Income:			
Fair Value Gain/(Loss) on Investment in Shares	5.00	17,761,266	(44,793,892)
Total Comprehensive Profit/(Loss) for the year		15,425,038	(102,422,533)
Earning Per Share	26.00	(0.02)	(0.39)

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

Approved and authorized for issue by the board of directors on 27 April 2015 and signed for and on behalf of the Board:



A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.



M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
27 April 2015

SHINEPUKUR CERAMICS LIMITED**Statement of Changes in Equity***for the year ended 31 December 2014*

	Amount in Taka				
	Share Capital	Revaluation Surplus on PPE	Fair Value Loss on Investment in Shares	Retained Earnings	Total Equity
Balance as on 31 December 2012 before adjustment	1,277,965,700	2,966,690,015	(58,955,026)	358,761,360	4,544,462,049
Deferred Tax Liability	-	-	-	(135,868,033)	(135,868,033)
Gratuity Payable	-	-	-	(57,001,537)	(57,001,537)
Balance as on 31 December 2012 after Adjustment	1,277,965,700	2,966,690,015	(58,955,026)	165,891,790	4,351,592,479
Balance as on 1 January 2013	1,277,965,700	2,966,690,015	(58,955,026)	165,891,790	4,351,592,479
Net Loss after tax for the year	-	-	-	(57,628,641)	(57,628,641)
Fair Value Loss on Investment in Shares	-	-	(44,793,892)	-	(44,793,892)
Issue of Bonus Shares for the prior year (2012)	191,694,850	-	-	(191,694,850)	-
Balance as on 31 December 2013	1,469,660,550	2,966,690,015	(103,748,918)	(83,431,701)	4,249,169,946
Balance as on 1 January 2014	1,469,660,550	2,966,690,015	(103,748,918)	(83,431,701)	4,249,169,946
Net Loss after tax for the year	-	-	-	(2,336,228)	(2,336,228)
Fair Value Gain on Investment in Shares (Note - 5)	-	-	17,761,266	-	17,761,266
Total Balance as on 31 December 2014	1,469,660,550	2,966,690,015	(85,987,652)	(85,767,929)	4,264,594,984

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

Approved and authorized for issue by the board of directors on 27 April 2015 and signed for and on behalf of the Board:



A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015



M. J. ABEDIN & CO
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED**Statement of Cash Flows**
for the year ended 31 December 2014

	Amount in Taka	
	2014	2013
Cash Flows From Operating Activities:		
Collections from turnover and other income	2,217,078,717	1,882,993,023
Payments for costs, expenses & others	(1,070,864,322)	(1,213,006,959)
Interest Paid	(248,048,152)	(402,285,732)
Income-Tax paid and /or deducted at sources	(25,685,587)	(47,290,057)
Net cash generated from operating activities	872,480,656	220,410,275
Cash Flows From Investing Activities:		
Property, Plant and Equipment acquired	(10,615,917)	(19,468,655)
Disposal of Vehicle	3,096,207	-
Sale of Shares	-	9,497,805
Capital Work in Progress	(568,872,637)	(27,413)
Net cash used in from investing activities	(576,392,347)	(9,998,263)
Cash Flows From Financing Activities:		
Decrease in Loan	(285,183,099)	(211,933,547)
Gratuity Payment	(3,762,460)	-
Net cash used in financing activities	(288,945,559)	(211,933,547)
Increase/(Decrease) in Cash and Cash Equivalents	7,142,750	(1,521,535)
Cash and Cash Equivalents at the beginning of the year	14,488,336	16,009,871
Cash and Cash Equivalents at the end of the year	21,631,087	14,488,336
Net Operating Cash Flow Per Share	5.94	1.50

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

Approved and authorized for issue by the board of directors on 27 April 2015 and signed for and on behalf of the Board:



A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
27 April 2015



M. J. ABEDIN & CO
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

1. The background and activities of the Company

1.1 Status of the Company

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

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

1.2 Principal Activities

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

2. Bases of Financial Statements – Preparation and Presentation

2.1 Measurement Bases

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

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 year 2014;
- (b) a statement of profit or loss and other comprehensive income for the year 2014;
- (c) a statement of changes in equity for the year 2014;
- (d) a statement of cash flows for the year 2014;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information; and
- (f) a statement of financial position as at the beginning of the earliest comparative periods as the company applied accounting policies retrospectively and made a retrospective restatement of items in its financial statements.

2.4 Reporting Period

The financial statements cover one calendar year from 1 January 2014 to 31 December 2014.

2.5 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 27 April 2015.

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.

2.7 Comparative Information and Restatement of Financial Position as at 1 January 2014 & as at 1 January 2013

Comparative information has been disclosed in respect of the year 2013 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures prior to 2013 have been restated at 1 January 2013 and figures up to 2013 have been restated at 1 January 2014. These restatements were done to comply with Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BASs) to recognized

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

Employees Benefits – Gratuity (BAS-19) and Deferred Income Tax Liability (BAS-12). Accordingly comparative figures in Statement of Financial Position and Statement of Changes in Equity have been rearranged and restated. The restated Statement of Financial Position has been presented along with the audited statement of financial position of 2013 & 2012 to ensure better comparability with the current year.

2.8 Use of Estimates and Judgments

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

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors prescribes that the effects of the revision of accounting estimates has to be recognized in the period in which the estimates are revised. Accordingly, prior year's effects for revision of accounting estimates on Financial Cost (For unpaid liability to Titas Gas) and short provision for (earlier years') Income Tax has been recognized in the Statement of Profit or Loss and Other Comprehensive Income for the year 2014.

3. Significant Accounting Policies

3.1 Revenue Recognition

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

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

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

3.2.0 Property, Plant and Equipment

3.2.1 Recognition and Measurement

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

3.2.2 Pre-Operating Expenses and Borrowing Costs

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

3.2.3 Subsequent Expenditure

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

3.2.4 Software

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

3.2.5 Disposal of Fixed Assets

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

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

3.2.6 Depreciation on Fixed Assets

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

Building and Other Construction	2.5% to 5%
Plant and Machinery	5% to 7.5%
Furniture & Fixture	20%
Transport & Vehicle	20%
Office Equipment	20%

3.3 Leased Assets

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

3.4 Financial Instruments

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

3.4.1 Financial Assets

(a) Investment in Shares

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

(b) Accounts Receivable

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

(c) Advances and Deposits

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

Deposits are measured at payment value.

(d) Cash and Cash Equivalents

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

3.4.2 Financial Liability

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

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

3.5 Impairment

(a) Financial Assets

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

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

(b) Non-Financial Assets

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

3.6 Inventories

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

3.7 Provisions

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

3.8 Income Tax Expenses

Current Tax up to – 2012

Income Tax Assessment has been completed by the Tax Authority up to assessment year 2013 -2014 (Accounting year 2012) and accordingly short provisions thereagainst has been provided during the year 2014. However, a Writ Petition No. 2659 Of 2015 against a letter dated 24-02-2015 signed by DCT for additional tax Tk. 90,822,873 for the accounting years 2011 & 2012 corresponding assessment years 2012 -2013 & 2013 – 2014 (originated from a C & AG – Local revenue audit observation) is pending with the Honorable High Court. Since the said letter has been served after finalization of the assessment under the Income Tax Ordinance 1984 (which was accepted by the assessee company), the company (SCL) contests the additional Tax claim for Tk. 90,822,873, and accordingly, no provision for the said additional tax claim of Tk. 90,822,873 has been made in the current year's Statement of Profit or Loss & Other Comprehensive Income.

Current Tax – 2013

Against the tax provision of Taka 8,522,836, the tax authority made a provisional assessment order dated 31-08-2014 claiming total income tax of Taka 56,718,750 resulting an apparent short provision of Taka 48,195,914 for the accounting year 2013. Since it was a provisional assessment order & company expects that as per final assessment the said claimed tax of Taka 56,718,750 will reduce, no provision, therefore, for the said 'apparent short provisions' has been made during the year 2014.

Current Tax – 2014

Applicable Income Tax Rate is 35% on taxable income. However, Company enjoys tax rebate @ 50% against profit on export sales. Considering the tax rebate on the profit against export sales, Income tax on the accounting profit becomes lower than minimum tax U/S 16CCC payable @ 0.30% on Gross receipts i.e., revenue & other income earned by the Company during the year. Accordingly, based on the minimum tax calculation, Income Tax provision for the year 2014 has been made. However, after final assessment by the authority, the said provision may be 'short' (as the tax assessing authority may disallow expenses at their discretion, thereby 'taxable income' may be higher than accounting profit).

Deferred Tax

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

3.9 Interest Income

Interest Income is recognized on accrual basis.

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

3.10 Borrowing Costs

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

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

3.11 Employee Benefits

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

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

(b) Defined Benefits Plan (Gratuity)

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

(c) Short-term Employee Benefits

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

(d) Contribution to Workers' Participation/Welfare Funds

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

(e) Group Insurance Scheme

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

3.12 Proposed Dividend

No dividend was proposed for the year 2014.

3.13 Earnings per Share

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

Basic Earnings (Numerator)

This represents earnings for the 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 (2014)

The total number of shares has been considered as the Weighted Average number of Shares outstanding during the year 2014.

Earlier Year (2013)

The total number of shares has been considered as the Weighted Average Number of Shares outstanding during the year 2013.

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.

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

3.14 Foreign Currency Transactions

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

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

3.15 Segmental Reporting

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

3.16 Statement of Cash Flows

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

3.17 Events after the Reporting Period

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

4.00 Property, Plant and Equipment : Tk. 4,204,123,208

Amount in Taka

	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation							
At 31 December 2013	1,697,029,503	1,376,492,711	2,751,794,186	55,503,266	27,931,913	31,221,869	5,939,973,448
Addition during the year	-	4,187,558	30,554,801	542,000	408,159	-	35,692,518
Disposal during the year	-	-	-	-	-	(8,422,390)	(8,422,390)
At 31 December 2014	1,697,029,503	1,380,680,269	2,782,348,987	56,045,266	28,340,072	22,799,479	5,967,243,576
Depreciation							
At 31 December 2013	-	271,794,925	1,291,127,702	47,198,862	22,985,324	22,138,814	1,655,245,627
Depreciation for the year	-	28,974,006	80,445,259	1,769,281	1,070,950	1,261,355	113,520,851
Disposal during the year	-	-	-	-	-	(5,646,110)	(5,646,110)
At 31 December 2014	-	300,768,931	1,371,572,961	48,968,142	24,056,274	17,754,059	1,763,120,368
Carrying Amount as at 31 December 2014	1,697,029,503	1,079,911,338	1,410,776,025	7,077,124	4,283,799	5,045,420	4,204,123,208
Carrying Amount as at 31 December 2013	1,697,029,503	1,104,697,787	1,460,666,483	8,304,404	4,946,589	9,083,055	4,284,727,821

Assets include Leased Assets of Tk. 7,750,000 at cost and Tk. 895,844 at written down value.

Disclosure on Revaluation:

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

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

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- (b) M/S G.K.Adjusters Ltd.(Insurance Surveyors, Loss Adjusters, Controllers, Consultants and Valuers) of Chand Mansion (5th floor) , 66, Dilkusha Commercial Area, was involved to carry out the revaluation of 2004.
- (c) SF Ahmed & Co, Chartered Accountants, House 25, Road 13A, Block - D, Banani, Dhaka - 1213 and valuers have revalued the lands, buildings and plant & machinery of the Company as of 31 December 2008, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 1,161,818,681.
- (d) Ata Khan & Co, Chartered Accountants, 67 Motijheel Commercial Area, Dhaka - 1000 and valuers have revalued the lands, buildings and plant & machinery of the Company as of 31 December 2011, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 1,612,405,062.

	<i>Amount in Taka</i>	
	as at 31-Dec-14	as at 31-Dec-13

5.00 Investment in Shares : Tk. 78,982,952

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

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

(a) In 65,716 (2013: 65,716) Shares of Tk. 10 each Beximco Synthetics Ltd.	821,450	1,097,460
(b) In 1,867,292 (2013: 1,867,212) Shares of Tk. 10 each Bangladesh Export Import Co. Ltd.	78,161,502	60,124,226
	78,982,952	61,221,686

This is arrived at as follows:

	Beximco Synthetics Ltd.	Beximco Ltd.	Total
At Cost as on 31.12.13	1,097,460	60,124,226	61,221,686
Less: Quoted Price on 31.12.14	821,450	78,161,502	78,982,952
Fair Value Gain on Investment in Shares in 2014	(276,010)	18,037,276	17,761,266

6.00 Capital Work in Progress : Tk. 1,361,715,192

This represents as follows:

Opening Balance	817,919,156	817,891,743
Add: Addition during the year	568,872,637	27,413
	1,386,791,793	817,919,156
Less: Transferred to PPE during the year	(25,076,601)	-
Closing Balance	1,361,715,192	817,919,156

7.00 Inventories : Tk. 671,351,499

This represents as follows:

Raw Material & Chemical	176,635,130	359,070,527
Finished Goods	237,113,748	247,144,124
Work-In- Process	198,733,539	184,461,835
Stores & Spares	10,608,537	72,466,188
Packing Material	48,260,545	49,499,734
	671,351,499	912,642,408

8.00 Accounts & Other Receivables : Tk. 157,873,140

This is 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.

No amount was due by any associated undertaking.

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9.00 Advances, Deposits & Prepayments : Tk. 193,770,311

This is considered good and consists of as follows:

	as at 31-Dec-14	as at 31-Dec-13
Advances (Note - 9.01)	136,410,730	78,434,493
Deposits (Note - 9.02)	57,359,581	29,832,984
	193,770,311	108,267,477

9.01 Advances : Tk. 136,410,730

This represents as follows:

Suppliers	35,812,868	1,384,948
L/C-Margin & Others	35,162,612	16,805,663
Advance Income Tax (Note - 9.01.01)	30,553,696	37,805,998
Employees (other than officers)	20,652,956	8,296,114
Marketing Expenses	9,565,101	8,712,141
Trade Fair	4,353,717	4,715,657
Advance Travel	309,780	360,220
Advance against Construction	-	353,753
	136,410,730	78,434,493

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

No amount was due by any associated undertaking.

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

9.02 Deposits : Tk. 57,359,581

This represents as follows:

The break -up of deposits is as follows:

VAT Deposit	39,495,468	12,170,211
Security Deposit	11,388,261	11,388,261
Lease Deposit	3,700,134	3,518,794
Bank Guarantee Margin	2,755,718	2,755,718
Earnest Money Deposit	20,000	-
	57,359,581	29,832,984

9.01.01 Advance Income Tax : Tk. 30,553,696

This has been arrived at :

Opening Balance	37,805,998	20,515,941
Add : Paid/Deducted during the year under review	13,185,587	17,290,057
	50,991,585	37,805,998
Less : Adjustment made during the year under review	(20,437,889)	-
	30,553,696	37,805,998

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Notes to the Financial Statements

as at and for the year ended 31 December 2014

10.00 Cash and Cash Equivalents : Tk. 21,631,087

	<i>Amount in Taka</i>	
	<u>as at 31-Dec-14</u>	<u>as at 31-Dec-13</u>
This consists of :		
(a) In Hand	1,190,336	7,268,400
(b) At Banks in :	20,440,751	7,219,936
(i) Current Deposit	16,566,699	4,195,709
(ii) STD	2,938,898	2,324,785
(iii) FDR	935,154	699,442
	21,631,087	14,488,336

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

This represents :

(a) Authorised :		
500,000,000 Ordinary Shares of Tk.10/-each	5,000,000,000	5,000,000,000
(b) Issued, subscribed and paid -up:		
66,060,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	660,600,000	660,600,000
61,736,571 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	617,365,700	617,365,700
19,169,485 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	191,694,850	191,694,850
Total 146,966,055 shares of Tk. 10/- each fully paid-up	1,469,660,550	1,469,660,550

(c) Statement of Share Position:

<u>Name of the Shareholders</u>	<u>31-Dec-14</u>		<u>31-Dec-13</u>	
	<u>No. Of Shares</u>	<u>Holding %</u>	<u>No. Of Shares</u>	<u>Holding %</u>
Bangladesh Export Import Co.Ltd.	73,483,009	50.00%	73,483,009	50.00
Directors & Associates	4	0.00%	7	0.00%
ICB Including ICB Investors' Account	13,092,659	8.91%	12,748,072	8.67
General Public & Institution	60,390,383	41.09%	60,734,967	41.33
	146,966,055	100.00%	146,966,055	100.00

(d) Distribution Schedule:

<u>Share holdings</u>	<u>No. of Shareholders</u>	<u>No. of Shares</u>	<u>Holding %</u>
Less than 500 shares	18,734	2,388,948	1.63
500 to 5,000 shares	10,216	16,320,787	11.11
5001 to 10,000 shares	1,022	7,310,600	4.97
10,001 to 20,000 shares	461	6,552,381	4.46
20,001 to 30,000 shares	148	3,638,625	2.48
30,001 to 40,000 shares	73	2,479,336	1.69
40,001 to 50,000 shares	42	1,889,531	1.29
50,001 to 100,000 shares	69	4,650,267	3.16
100,001 to 1,000,000 shares	60	16,532,441	11.25
Over 1,000,000 shares	3	85,203,139	57.97
	30,828	146,966,055	100.00

12.00 Revaluation Surplus on Property, Plant and Equipment : Tk. 2,966,690,015

This is as per last accounts. Details are stated in Note - 4.

SHINEPUKUR CERAMICS LIMITED

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13.00 Long Term Loan - Net-Off Current Maturity (Secured) : Tk.376,275,965

This represents loans from :

	as at 31-Dec-14	Amount in Taka as at 31-Dec-13
Sonali Bank Ltd. - PAD Blocked Loan	-	15,073,412
Sonali Bank Ltd. - Project Loan	-	41,970,046
Bank Asia Ltd. - Term Loan	309,512,312	188,931,649
Southeast Bank Ltd. - Term Loan	66,763,653	75,408,304
	376,275,965	321,383,411

Nature of Security :

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

Terms of Repayment :

Sonali Bank Ltd. - Project Loan :

In 41 (Forty-one) equal quarterly installments commencing from 31 March 2005.

Sonali Bank Ltd. - PAD Blocked Loan :

In 64 (Sixty-four) equal monthly installments commencing from 31 March 2010, as per revised sanction.

Bank Asia Ltd. - Term Loan :

In 120 (One Hundred Twenty) equal monthly installments commencing from 31 January 2015, as per revised sanction.

Southeast Bank Ltd. - Term Loan :

In 47 (Forty-seven) equal monthly installments commencing from 31 July 2012, as per revised sanction.

Rate of interest :

Sonali Bank Ltd. - Project Loan :

15 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank Ltd. - PAD Block Loan :

16% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Bank Asia Ltd. - Term Loan :

12% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Southeast Bank Ltd. - Term Loan :

18 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

14.00 Gratuity Payable : Tk. 92,417,698

This is arrived at as follows:

	2014	2013	2012
Opening Balance	74,840,687	57,001,537	-
Add: Addition during the year	21,339,471	17,839,150	57,001,537
	96,180,158	74,840,687	57,001,537
Less: Payment during the year	(3,762,460)	-	-
Closing Balance	92,417,698	74,840,687	57,001,537

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

15.00 Deferred Tax Liability : Tk. 158,324,114

	Amount in Taka		
	as at 31 Dec		
	2014	2013	2012
(a) Deferred Tax Liability is arrived at as follows:			
Book Value of Depreciable Fixed Assets	1,063,124,570	1,143,729,183	1,253,579,764
Less: Tax Base	158,415,349	170,664,457	203,946,222
Taxable Temporary Difference	904,709,221	973,064,726	1,049,633,542
Effective Tax Rate	17.50%	17.50%	13.75%
Deferred Tax Liability	158,324,114	170,286,327	144,324,612
(b) Deferred Tax Expense is arrived at as follows:	2014	2013	2012
Closing Deferred Tax Liabilities	158,324,114	170,286,327	144,324,612
Opening Deferred Tax Liabilities	170,286,327	144,324,612	9,965,449
Income Realized in Previous Years	-	-	(1,508,870)
Deferred Tax (Income)/Expense	(11,962,213)	25,961,715	135,868,033

(c) Deferred Tax Liability up to 2012 : Tk. 135,868,033

This has been adjusted with opening balance of retained earnings of 01.01. 2013 in the Statement of Changes in Equity in compliance with the provisions of Bangladesh Accounting Standard (BAS)-8 "Net Profit or Loss for the period, Fundamental Error and Changes in Accounting Policies".

(d) Deferred Tax Expenses of 2013 : Tk. 25,961,715

This represents the increase of Deferred tax Liability in 2013 in comparison to 2012 which has been shown by restating comparative figures of 2013 in the statement of profit or loss and other comprehensive income in accordance with the requirements of above referred BAS-8.

(e) Deferred Tax Income of 2014 : Tk. 11,962,213

This represents the decrease of Deferred tax liability in 2014 in comparison to 2013.

16.00 Short Term Loan From Banks (Secured) : Tk. 1,065,658,448

This is secured and consists of as follows:

	Amount in Taka	
	as at 31-Dec-14	as at 31-Dec-13
Sonali Bank Ltd. - CC (H)	569,701,310	579,719,862
Sonali Bank Ltd. - LTR	137,974,109	80,531,628
Southeast Bank Ltd. - LTR	66,335,972	51,953,529
Phoenix Finance & Investment Ltd.	291,647,057	252,266,430
	1,065,658,448	964,471,449

17.00 Long Term Loan - Current Maturity (Secured) : Tk. 183,014,482

This consists of as follows:

Sonali Bank Ltd. - Project	93,129,957	98,767,853
Southeast Bank Ltd. - Term Loan	71,700,000	76,660,764
Sonali Bank Ltd. - PAD Blocked	18,184,525	47,443,261
Sonali Bank Ltd. - CC Blocked	-	99,999
Bank Asia Ltd. - Term Loan	-	99,721,106
	183,014,482	322,692,983

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

18.00 Creditors, Accruals and Other Payables : Tk. 549,161,698

This consists of as follows:

	<i>Amount in Taka</i>	
	as at 31-Dec-14	as at 31-Dec-13
Gas & Electricity	151,430,913	132,154,533
Creditors for Goods	140,723,838	13,301,054
Other Payables	112,133,805	96,149,510
Income Tax Payable (Note - 18.01)	87,481,935	84,323,535
Salary & Wages	26,058,899	38,391,465
Employees' Provident Fund	16,007,864	36,241,412
Interest due	3,942,336	62,426,975
L/C & Others	3,849,800	677,346
Security Deposit	3,315,000	3,315,000
Tax Deducted at source (Employee Tax)	2,374,106	2,062,512
Group Insurance Payable	850,201	82,944
Audit Fee (Including VAT @15%)	690,000	690,000
Provision for Legal Fees	303,000	9,000
	549,161,698	469,825,285

18.01 Income Tax Payable : Tk. 87,481,935

This is arrived at as follows :

Opening Balance	84,323,535	129,568,127
Add: Tax provided for the year (Note - 25)	36,096,289	8,522,836
	120,419,824	138,090,963
Less: Adjustments for earlier years' tax	(20,437,889)	(23,767,428)
Less: Tax paid	(12,500,000)	(30,000,000)
	87,481,935	84,323,535

Status of Tax Assessment & Provisions made thereagainst and effective tax rate of 5 years are as follows:

Accounting Year	Net Profit/Loss Before Tax	Total Tax Provision	Tax Liability as per Assessment (Note - 3.8)			Effective Income Tax Rate	Remarks
			Un-Disputed	Disputed	Total		
2010	305,074,085	88,060,317	88,060,317	-	88,060,317	28.87%	Final Assessed
2011	214,965,537	34,674,995	34,674,995	28,139,596	62,814,591	29.22%	Writ Petition
2012	175,133,762	58,667,708	58,667,708	62,683,277	121,350,985	69.29%	Submitted
2013	(29,072,368)	8,522,836	8,522,836	56,718,750	65,241,586	(Infinity)	Prov. Assessment
2014	21,797,848	5,100,853	N/A	N/A	N/A	23.40%	On Provision

19.00 Revenue : Tk. 1,677,657,674

This is made up as follows :

	<i>Amount in Taka</i>	
	for the year 2014	for the year 2013
A. Local Sales	442,049,371	151,492,335
B. Export Sales	1,235,608,303	1,540,952,379
	1,677,657,674	1,692,444,714

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

20.00 Cost of Goods Sold : Tk. 1,253,443,603

This is arrived at as follows:

	<i>Amount in Taka</i>	
	for the year 2014	for the year 2013
Opening WIP	184,461,835	175,298,714
Raw Material Issued (Note- 20.01)	551,007,502	663,584,171
Material available for consumption	735,469,337	838,882,885
Closing WIP	(198,733,539)	(184,461,835)
Consumption	536,735,798	654,421,050
Manufacturing overhead (Note- 20.02)	709,214,583	616,092,602
Cost of production	1,245,950,381	1,270,513,652
Opening Finished Goods	247,144,124	218,653,144
Cost of Goods Available for Sale	1,493,094,505	1,489,166,796
Closing Finished Goods	(237,113,748)	(247,144,123)
Cost of Free Distribution of Sample	(2,537,154)	(917,600)
	1,253,443,603	1,241,105,073

20.01 Raw Material Issued : Tk. 551,007,502

This is arrived at as follows:

Opening Stock of Raw Material	359,070,527	316,644,315
Purchase of Raw Material	368,572,105	706,010,383
	727,642,632	1,022,654,698
Closing Stock of Raw Material	(176,635,130)	(359,070,527)
	551,007,502	663,584,171

20.02 Manufacturing Overhead : Tk. 709,214,583

This consists of as follows :

Depreciation	103,603,436	107,228,972
Salaries, Wages, etc	261,263,040	228,459,920
Gratuity	17,763,096	14,208,883
Power & Fuel	116,162,827	83,759,786
Packing Materials	89,808,900	77,836,523
Consumable Store & Spares	48,063,776	42,364,520
Transport Expenses	30,817,626	30,991,407
Office Expenses	7,007,405	5,617,503
Welfare Expenses	17,852,244	13,445,127
Insurance Expenses	3,731,059	4,629,539
Communication Expenses	807,246	900,816
Occupancy Expenses	57,350	358,790
Travelling & Conveyance	1,442,004	1,788,499
Handling & Carrying Expenses	105,845	371,355
Repairs & Maintenances	9,397,944	3,973,393
Lease Rental	1,328,990	149,979
General Expenses	1,795	7,590
	709,214,583	616,092,602

21.00 Other Income: Tk. 22,626,755

This consists of as follows :

Duty Drawback	21,923,527	12,122,520
Profit on Sale of Fixed Assets	319,927	-
Bank Interest and Others	383,301	118,902
	22,626,755	12,241,422

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

	<i>Amount in Taka</i>	
	<i>for the year 2014</i>	<i>for the year 2013</i>
22.00 Administrative Expenses : Tk. 73,013,118		
This consists of as follows :		
Depreciation	9,917,415	11,515,264
Salaries & Allowances	24,169,471	20,664,266
Gratuity	1,966,028	2,185,296
Welfare Expenses	9,352,554	6,998,525
Office Expenses	10,791,006	3,169,493
Transport Expenses	5,925,242	4,943,634
Legal Fees, Prof. & Others Fees	329,400	1,535,000
AGM Expenses	1,206,246	1,007,433
Communication Expenses	900,476	1,703,679
Occupancy Expenses	1,419,983	1,189,122
Travelling & Conveyance Expenses	5,688,101	2,404,339
Utilities Expenses	541,786	654,113
Repairs & Maintenances	17,460	32,850
Audit Fees	690,000	690,000
General Expenses	86,650	38,745
Training & Conference	-	24,900
Handling & Carrying Expenses	11,300	6,160
	73,013,118	58,762,819
23.00 Selling & Distribution Expenses : Tk. 92,063,262		
This consists of as follows :		
Promotional Expenses	47,916,768	18,605,027
Salaries & Allowances	20,692,369	17,054,528
Gratuity	1,610,347	1,444,971
Advertising & Publicity	627,724	321,895
Occupancy Expenses	5,032,352	3,153,600
Office Expenses	4,761,613	2,353,631
Transport Expenses	3,518,339	2,377,248
Travelling & Conveyance Expenses	2,111,261	2,110,194
Welfare Expenses	2,648,927	1,966,101
Communication Expenses	889,552	977,492
Utilities Expenses	534,481	654,113
Show Room Expenses	637,564	706,714
Handling & Carrying Expenses	144,290	156,135
Repairs & Maintenances	17,000	28,800
Legal & Professional Fees	94,153	403,758
Product Research	171,318	48,000
Lease Rental	655,204	149,979
	92,063,262	52,512,186
24.00 Finance Cost : Tk. 258,876,706		
This consists of as follows :		
Interest on Loan from Banks & Others	248,048,152	278,574,325
Interest on Long Term Loan from a Related Party	-	104,687,260
Bank Commission & Charges	10,828,554	9,764,168
	258,876,706	393,025,753

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

25.00 Income Tax Expenses : Tk. 24,134,076

	<i>Amount in Taka</i>	
	<u>for the year 2014</u>	<u>for the year 2013</u>
This represents:		
(a) Current Tax		
Tax for the year under review	5,100,853	8,522,836
(Excess)/Short Provision for earlier years	30,995,436	(23,767,428)
Current Tax	36,096,289	(15,244,592)
(b) Deferred Tax (Income)/Expenses	(11,962,213)	25,961,715
	24,134,076	10,717,123

26.00 Earning Per Share (EPS):

(a) Earning Attributable to the Ordinary Shareholders (Net Profit After Tax)	(2,336,228)	(57,628,641)
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.13)	146,966,055	146,966,055
(c) EPS (a/b)	(0.02)	(0.39)

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

At the end of 3rd Quarter, EPS was Tk. 0.29 before considering certain provision (Note - 2.8) amounting Tk. 30,995,436 for Short Provision for Income Taxes and Tk. 17,349,355 for Interest of Titas Gas being provided at the year end.

27.00 Payments / Perquisites to Directors and Officers

(a) Directors

During the year no amount of money was expended by the company for compensating any member of the board for special services rendered. (2013 - Nil)

During the year no board meeting attendance fee was paid to the directors of the company except the Independent Director of Tk. 140,000. (2013 - Tk. 120,000)

(b) No remuneration was paid to CEO in 2014. (2013 - Nil)

(c) Officers

Managerial Remuneration	56,169,732	43,805,768
Bonus	7,819,375	6,981,860

Perquisites

Housing	19,773,934	19,371,464
Transport	3,682,995	1,838,756

	87,446,036	71,997,848
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28.00 Capital Expenditure Commitment

There was capital expenditure contracted but not incurred or provided for as on 31 December 2014.

There was no material capital expenditure authorised by the board but not contracted for as on 31 December 2014.

29.00 Contingent Liabilities

There was no sums for which the company is contingently liable as on 31 December 2014 (2013 - Nil), except the facts as stated in Note-3.8.

30.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 31 December 2014. (2013 - Nil)

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

31.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 31 December 2014 under any contract, other than trade credit available in the ordinary course of business.

32.00 Related Party Disclosure

Name of Related Party	Nature of Transactions	Value of Transactions During the year	Balance at the year end
Bangladesh Export Import Co. Ltd.	Investment in Shares	-	78,161,502
Bangladesh Export Import Co. Ltd.	Short Term Loan	301,584,151	-
Beximco Synthetics Ltd.	Investment in Shares	-	821,450

33.00 Financial Risk Management

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

Credit risk
Liquidity risk
Market risk

Credit risk

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

Liquidity risk

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

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

Market Risk

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

(a) Currency Risk

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

Exposure to Currency Risk

Foreign Currency Denominated Assets	31-Dec-14		31-Dec-13	
	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
Trade Debtors- Foreign				
US\$	1,190,107	92,173,808	7,184,577	555,942,550
EURO	10,322	966,002	941,970	99,693,099
GBP	13,065	1,566,981	67,120	8,533,733
Total Equivalent US\$	1,222,812	94,706,791	8,583,218	664,169,381

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2014

(b) Interest Rate Risk

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

34.00 Payments Made in Foreign Currency :

	Amount in Foreign Currency	Equivalent in Taka
Import of Machinery, Equipments & Spares	US\$ 44,805	3,523,653
	Euro 60,000	6,133,423
Import of Raw & Packing Material	US\$ 2,324,797	182,729,019
	Euro 676,114	64,832,259
	JP¥ 36,502,854	24,059,031
	GBP 297,376	36,373,792

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

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

	Amount in Foreign Currency	Equivalent in Taka
	US\$ 15,583,591	1,198,205,432
	Euro 350,449	34,704,244
	GBP 20,928	2,698,627

36.00 Events After The Reporting Period

No circumstances have arisen since this Statement of Financial Position date which would require adjustments to, disclosure in, the financial statements or notes thereto.



A S F Rahman
Chairman

Salman F. Rahman
Vice-Chairman



Md. Luthfor Rahman
Chief Financial Officer

Dated, Dhaka
27 April 2015

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