



ANNUAL REPORT
2019-20

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 constituents with whom we interact; namely: our employees, our valued customers, our business associates, our fellow citizens and our Shareholders.

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CORPORATE INFORMATION



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

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

MASUD EKRAMULLAH KHAN

Independent Director

SHAH MONJURUL HOQUE

Independent Director

MOHAMMAD ASAD ULLAH, FCS

Executive Director & Company Secretary

KEY OFFICERS

O K CHOWDHURY

Director

Group Finance & Corporate Affairs

SYED NAVED HUSSAIN

Chief Executive Officer

Textile Division

PARVEZ HASSAN

Chief Executive Officer

Real Estate & Fisheries Division

SYED SAMIUL WADOOD

Chief Executive Officer

IT Division

ANIL KUMAR MAHESHWARI

Chief Operating Officer

Textile Division

MD. LUTHFOR RAHMAN

Chief Financial Officer

MOSTAFA ZAMANUL BAHAR

Head of Internal Audit

AUDITORS

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

COMPLIANCE AUDITORS

Suraiya Parveen & Associates
(Chartered Secretaries)
Razzak Plaza (5th floor)
Suite, 6C, 01, New Eskaton Road
Ramna, 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 47TH ANNUAL GENERAL MEETING

BANGLADESH EXPORT IMPORT COMPANY LTD.

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

NOTICE OF THE 47TH ANNUAL GENERAL MEETING

Notice is hereby given that the 47th Annual General Meeting of the Shareholders of Bangladesh Export Import Company Ltd. will be held virtually on Saturday, the 19th December, 2020 at 12:30 p.m. to transact the following business:

A G E N D A

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30th June, 2020 together with reports of the Auditors and the Directors thereon.
2. To declare 5% cash dividend.
3. To elect Directors.
4. To approve the appointment of Independent Director.
5. To appoint Auditors for the year 2020-21 and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditor for the year 2020-21 and to fix their remuneration.

By order of the Board,



(MOHAMMAD ASAD ULLAH, FCS)

Executive Director & Company Secretary

Dated : November 18, 2020

N O T E S

- (1) The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 25 November, 2020, will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (2) A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- (3) Annual Report for the year 2019-20 will be sent through e-mail address of the Shareholders and will be available in the Website of the Company at: www.beximco.com.
- (4) The Shareholders will join the Virtual AGM through the link <https://beximco.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 1 (one) hour before commencement of the AGM and also during the AGM. For logging in to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credential as proof by visiting the said link.
- (5) We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email : monir@beximco.net or mazibur@beximco.net.

pictorial view of 46th annual general meeting



চেয়ারম্যানের প্রতিবেদন



এ এস এফ রহমান
চেয়ারম্যান

প্রিয় শেয়ারহোল্ডারবৃন্দ,

কোম্পানীর ৪৭তম বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আমি আপনাদের সকলকে স্বাগত জানাই এবং একই সাথে কোম্পানীর ১লা জুলাই ২০১৯ইং হইতে ৩০শে জুন ২০২০ইং সময় কালের নিরীক্ষিত হিসাব এবং সাথে নিরীক্ষক ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করছি।

আমরা এমন এক পরিস্থিতির মধ্যে দিয়ে যাচ্ছি যা আমাদের কেউই ভাবতে পারিনি যে আমরা আমাদের জীবদ্দশায় এই ধরনের অভিজ্ঞতা অর্জন করব। কোভিড-১৯ ভাইরাসের কারণে সৃষ্ট মহামারীটি বিশ্বজুড়ে বিপর্যয় সৃষ্টি করেছে এবং উন্নত ও উন্নয়নশীল উভয় দেশের সামাজিক ও অর্থনৈতিক কাঠামোকে একইভাবে ব্যাহত করেছে। প্রথমদিকে অন্যান্য দেশের মতো বাংলাদেশেরও খুব বিরূপভাবে প্রভাবিত হয়েছিল। তবে সরকারের সময়মতো হস্তক্ষেপের কারণে আমরা এখন ভালভাবে এই পরিস্থিতি মোকাবেলা করে সামনের দিকে এগিয়ে চলেছি।

টেক্সটাইল ডিভিশন

পর্যালোচনাধীন বছরের সময়কালে, আপনাদের কোম্পানীর টেক্সটাইল ডিভিশনের আধুনিকরন শুরু হয়েছে। এশিয়াতে এই প্রথম সবুজ প্রযুক্তি ব্যবহার করে ডেনিম ফ্যাব্রিকের জন্য একটি অত্যাধুনিক ওয়াশিং প্ল্যান্ট তৈরির কাজ শেষ হয়েছে এবং পরীক্ষামূলকভাবে উৎপাদন শুরু হয়েছে। স্পিনিং এবং উইভিং এর সক্ষমতা তিনগুন বৃদ্ধি করা হয়েছে এবং কোম্পানীর ম্যানেজমেন্ট ইন্ডাস্ট্রিয়াল পার্কের মধ্যে ছয়টি নতুন পোশাক ইউনিট পরিচালনার জন্য প্রয়োজনীয় চুক্তি সম্পাদন করেছে। জাপানের উদ্ভাবিত সাম্প্রতিক প্রযুক্তির এয়ার-জেড লুম (তাঁত), প্লাস ওয়ার্পিং এবং সাইজিং মেশিন অর্ডার দেওয়া হয়েছে। গাজীপুরের বেক্সিমকো ইন্ডাস্ট্রিয়াল পার্কে অতিরিক্ত জমি ক্রয় ও উন্নয়ন করা হয়েছে যেখানে পোশাক ও পিপিই উৎপাদনের জন্য ৬,০০,০০০ বর্গফুটের নতুন কারখানা নির্মিত হচ্ছে।

আমি অত্যন্ত গর্বের সাথে জানাচ্ছি যে আমরা মহামারীজনিত কারণে সৃষ্ট এই প্রতিকূল অবস্থাতে বিশ্বব্যাপী পিপিই সরবরাহ করার যে চাহিদা সৃষ্টি হয়েছে তা আমরা সময়মত সনাক্ত এবং সময়োচিত পদক্ষেপ গ্রহণ করতে সক্ষম হয়েছি। যখন বেশিরভাগ কারখানা বন্ধ ছিল, তখন আমাদের কোম্পানী দ্রুত ও প্রয়োজনীয় ব্যবস্থা গ্রহণ করেছে যাতে আমরা সময়মতো প্রচুর পরিমাণে পিপিই উৎপাদন করতে সক্ষম হই। দেশীয় চাহিদা পূরণের পাশাপাশি আমরা বেশ কয়েকটি দেশে পিপিই রপ্তানি করেছি।

আমি বিশেষভাবে উল্লেখ করতে চাই আমেরিকাতে জরুরি ভিত্তিতে ৬ মিলিয়ন পিপিই রপ্তানি করার কথা যা তাদের হাসপাতালের জরুরি প্রয়োজন মেটাতে বিমানের মাধ্যমে (air-freight) পাঠানো হয়েছে। এই অর্জনের জন্য বাংলাদেশ এবং আমাদের কোম্পানিকে মার্কিন যুক্তরাষ্ট্রের পররাষ্ট্রমন্ত্রী, ইউএসএনএসএ এবং হোয়াইট হাউস বিশেষভাবে প্রশংসিত করেছে।

বেক্সিমকো হেলথ (স্বাস্থ্য)

আপনাদের কোম্পানি এখন পিপিই উৎপাদন এবং রপ্তানিকে বৈচিত্র্যময় করার সিদ্ধান্ত নিয়েছে এবং এই উদ্দেশ্য অর্জনের জন্য টেক্সটাইল বিভাগ ‘বেক্সিমকো স্বাস্থ্য’ প্রতিষ্ঠা করেছে। পিপিই রপ্তানি করার আগে বিভিন্ন দেশের জাতীয় নিয়ন্ত্রক কর্তৃপক্ষের কাছ থেকে ছাড়পত্র গ্রহণ করতে হয়। এই ছাড়পত্র পাওয়ার জন্য, বিভিন্ন দেশের জাতীয় নিয়ন্ত্রক কর্তৃপক্ষের বেঁধে দেওয়া মানদণ্ড যেন পূরণ হয় তা নিশ্চিত করার জন্য পণ্যগুলি পরীক্ষা করতে হয়। দুর্ভাগ্যক্রমে, বাংলাদেশে এই ধরনের পরীক্ষার সুবিধা সীমিত এবং উচ্চ মানের বিভাগ-৩ (High value category 3) এবং (High value category 4) পণ্যগুলি পরীক্ষার জন্য বিদেশে প্রেরণ করতে হয়। এই প্রতিবন্ধকতা কাটিয়ে উঠতে আমাদের কোম্পানি বেক্সিমকো স্বাস্থ্যের মধ্যে একটি বিশ্বমানের স্বতন্ত্র পরীক্ষামূলক পরীক্ষাগার স্থাপনের জন্য আন্তর্জাতিক খ্যাতিসম্পন্ন পরিদর্শন কোম্পানি ইন্টারটেক যুক্তরাজ্যের সাথে একটি যৌথ উদ্যোগ চুক্তি সম্পাদন করেছে এবং পরীক্ষাগারটি চলতি বছরের ডিসেম্বরে চালু করার জন্য সব ধরনের অবকাঠামো, সরঞ্জাম ও জনশক্তি ইতিমধ্যে প্রস্তুত করেছে।

ক্যাটাগরি-১ থেকে ক্যাটাগরি-৪ মানের পিপিই গাউন এবং এন-৯৫ মাস্কসহ সকল ধরনের মাস্ক উৎপাদনের লক্ষ্যে নতুন কারখানা তৈরির জন্য প্রচুর পরিমাণে বিনিয়োগ করা হয়েছে। এর জন্য প্রয়োজনীয় যন্ত্রপাতি আমদানি করা হয়েছে এবং যন্ত্রপাতি গুলোর ইনস্টলেশনের কাজ চলছে। আশা করা যাচ্ছে যে, ২০২০ সালের মধ্যে স্পানবান্ড এবং মেল্ট ব্লোন কাপড় উৎপাদন শুরু হবে, যার মাধ্যমে পিপিই পণ্যগুলির জন্য প্রয়োজনীয় তিন স্তরের এসএমএস ফ্যাব্রিকের উৎপাদন নিশ্চিত করা যাবে। আপনাদের কোম্পানি আত্মবিশ্বাসী যে বেক্সিমকো স্বাস্থ্য এই বাজার বিভাগে একটি বিশ্বনেতা হয়ে উঠবে।

রিয়েল এস্টেট বিভাগ

আপনাদের কোম্পানির রিয়েল এস্টেট বিভাগ ঢাকা এবং এর আশেপাশে অবস্থিত বিশাল পরিমাণ জমির সত্ত্বাধিকারী। গত বেশ কয়েক বছর ধরে রিয়েল এস্টেটের ব্যবসা নিম্নমুখী। তবে, আশা করা যায় যে, করোনা মহামারী শেষ হয়ে গেলে এবং আমাদের অর্থনৈতিক প্রবৃদ্ধি, এনআরবি রেমিট্যান্স এবং দ্রুত নগরায়ণের পরিকল্পনা বাস্তবায়ন হলে এই খাতের পুনরুজ্জীবন ঘটবে। আপনাদের কোম্পানি কীভাবে এই জমিগুলি সর্বোত্তম ব্যবহার করবে এবং সেক্টরটি পুনরুদ্ধারের সাথে সাথেই পরবর্তী বছরগুলিতে আয় এবং মুনাফা উভয়কে সর্বাধিকরণ করবে সেই পরিকল্পনা করছে।

আইটি ও ফিশারি বিভাগ

প্রতিযোগিতা বৃদ্ধি পাওয়ার কারণে এবং আর্থিক বছরের শেষ প্রান্তিকে মহামারীর প্রভাবের কারণে আইটি বিভাগটি প্রত্যাশা মতো পারফরম্যান্স করেনি। রাজস্ব এবং কর পরবর্তী মুনাফার পরিমাণ বৃদ্ধির লক্ষ্যে, ভবিষ্যতে পণ্য ও পরিসেবাগুলির বৈচিত্র্য আনার জন্য বিভিন্ন উপায় অনুসন্ধান করা হচ্ছে।

মৎস্য বিভাগের কার্যক্রম গত কয়েক বছর ধরে স্থবির ছিল। এই পরিস্থিতির উন্নতি করা সম্ভব কিনা এবং আপনাদের কোম্পানির এই বিভাগের রাজস্ব এবং পিএটি এর নিরবচ্ছিন্ন বৃদ্ধি নিশ্চিত করার লক্ষ্যে কোন কোন পদক্ষেপগুলি নেয়া প্রয়োজন তা পরীক্ষা নিরীক্ষা করা হচ্ছে।

বেক্সিমকো পাওয়ার কোম্পানি লিমিটেড

আপনাদের কোম্পানির বেক্সিমকো পাওয়ার কোম্পানি লিমিটেডে শেয়ারে বিনিয়োগ রয়েছে। বেক্সিমকো পাওয়ার লিমিটেডের গাইবান্ধায় একটি ২০০ মেগাওয়াট এবং পঞ্চগড়ে একটি ৩০ মেগাওয়াট সৌর বিদ্যুৎকেন্দ্র রয়েছে, যাহা থেকে বিদ্যুৎ সরবরাহের জন্য বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ডের (বিপিডিবি) সাথে দুটি পাওয়ার (বিদ্যুৎ) ক্রয় চুক্তি (পিপিএ) সম্পাদিত হয়েছে। আশা করা যায় যে, এই দুটি সৌর বিদ্যুৎ কেন্দ্র থেকে পিপিএর আওতায় বিপিডিবিতে বিদ্যুৎ সরবরাহ শুরু হবে ২০২২ সালে, যা আপনাদের কোম্পানির আয় এবং লাভ উভয় ক্ষেত্রে গুরুত্বপূর্ণ ভূমিকা রাখবে।

২০১৯-২০২০ ফলাফল এবং ভবিষ্যত সম্ভাবনা

২০২০ সালের মার্চ মাসে মহামারীটি ছড়িয়ে পড়ার পূর্বে কোম্পানিটির বিক্রয় ব্যবস্থা উল্লেখযোগ্য পরিমাণে বৃদ্ধি পাওয়ার দ্বারপ্রান্তে ছিল। রপ্তানি আদেশ বাতিল করা বা স্থগিত রাখা হয়েছিল এবং যার কারণে পর্যালোচনাধীন বছরের চতুর্থ ত্রৈমাসিকের সময় আমাদের কোম্পানির কর্মক্ষমতা মারাত্মকভাবে বাধাগ্রস্ত হয়েছে। যার ফলে এই বছরের জন্য ইপিএস কমে ০.৫১ টাকা হয়েছে যা আগের বছরে ১.৬৩ টাকা ছিল। রাজস্ব হ্রাস পেয়ে ১৯.৮৩ বিলিয়ন টাকা হয়েছে যা পূর্ববর্তী বছরের রাজস্ব ২৩.৯৪ বিলিয়ন টাকার তুলনায় ১৭.১৭% কম, এবং কর পরবর্তী মুনাফা (পিএটি) ৬৮.৭২% হ্রাস পেয়ে ৪৪৬.২ মিলিয়ন টাকায় নেমে এসেছে, যেখানে আগের বছরের (পিএটি) ১.৪৩ বিলিয়ন টাকা ছিল।

আমি এটা জানতে পেরে আনন্দিত যে, এই অর্থবছরের ২য় ত্রৈমাসিকের সময় পোশাক রপ্তানির চাহিদা যথেষ্ট পরিমাণে বৃদ্ধি পেয়েছে এবং আশা করা যাচ্ছে যে অর্ধবার্ষিক ফলাফল আশাব্যঞ্জক হবে। নতুন বিনিয়োগ ও কৌশলের ভিত্তিতে গৃহীত পদক্ষেপের পরিপ্রেক্ষিতে বলা যায় যে, টেক্সটাইল বিভাগ এবং নবগঠিত বেক্সিমকো স্বাস্থ্য কেবলমাত্র এই আর্থিক বছরের জন্য নয়, বরং ভবিষ্যতের

চেয়ারম্যানের প্রতিবেদন

বছরগুলিতেও বিক্রয় এবং মুনাফা উভয়ক্ষেত্রেই অবিচ্ছিন্ন বৃদ্ধি অর্জন করতে সক্ষম হবে।

রিয়েল এস্টেট বিভাগ পুনর্জীবিত হলে এবং বেক্সিমকো পাওয়ারের বিদ্যুৎ কেন্দ্রগুলি কার্যকর হলে, রিয়েল এস্টেট বিভাগ এবং বেক্সিমকো পাওয়ারও রাজস্ব এবং পিএটি-তে গুরুত্বপূর্ণ অবদান রাখবে।

করোনা মহামারীটি বিশাল চ্যালেঞ্জ তৈরি করেছে বটে, একই সাথে সুযোগও সৃষ্টি করেছে। আমি আশাবাদি যে ইনশাআল্লাহ, ভবিষ্যতে, আমরা যখন বিভিন্ন চ্যালেঞ্জ এর মুখোমুখি হবো, আমরা তখন সম্ভাব্য সুযোগগুলোও কাজে লাগাতে সক্ষম হবো। সম্ভাব্য সুযোগগুলো সফলভাবে কাজে লাগানোর জন্য আমাদের যথেষ্ট পরিমাণ ব্যবহারযোগ্য তহবিল থাকা দরকার, এবং তার সাথে আমাদের নিষ্ঠা ও আন্তরিকতার সাথে কঠোর পরিশ্রম করতে হবে এবং উদ্ভাবনী চিন্তাসম্পন্ন হতে হবে এবং নতুন ধারণা গ্রহণ করার জন্য সदा প্রস্তুত থাকতে হবে।

সামাজিক দায়বদ্ধতা

আপনাদের কোম্পানি সমাজের প্রতি নিজস্ব দায়বদ্ধতায় বিশ্বাসী। সুতরাং আমাদের সমস্ত কাজই সাধারণভাবে সমাজের কল্যাণের কথা মাথা রেখে পরিচালিত হয়। আমাদের সিএসআর কার্যকলাপের অংশ হিসাবে আমরা সক্রিয়ভাবে বিভিন্ন সংস্থা এবং পেশাদার প্রতিষ্ঠানের মানবিক সহায়তা কর্মসূচী, শিক্ষা, স্বাস্থ্য, পরিবেশ, সংস্কৃতি এবং ক্রীড়া ক্ষেত্রে সামাজিক-সাংস্কৃতিক বিকাশের লক্ষ্যে গৃহীত বিভিন্ন কর্মসূচীতে স্পনসর করে সহযোগিতা এবং সমর্থন করার মাধ্যমে গুরুত্বপূর্ণ অবদান রাখি।

আপনাদের কোম্পানি সবার জন্য সমান সুযোগ প্রদানে বিশ্বাসী একটি প্রতিষ্ঠান এবং লিঙ্গ, জাতি বা ধর্মের মধ্যে কোনও ধরনের বৈষম্য করে না।

স্বীকৃতি

এই অত্যন্ত কঠিন সময়ে সমস্ত সুরক্ষা প্রোটোকল অনুসরণ করে, সহকর্মীদের এবং তাদের পরিবারকে সুরক্ষিত করে, কোম্পানির জন্য নিবেদিত প্রাণ হয়ে এবং নিঃস্বার্থ সেবা প্রদানের জন্য আমি আমাদের সমস্ত কর্মচারীদের আন্তরিক ধন্যবাদ জানাই। আমি আমাদের গ্রাহক, ব্যাংকার, সরবরাহকারী, সরকারী প্রতিষ্ঠান, নিয়ন্ত্রক প্রতিষ্ঠানগুলি এবং যাদের সাথে আমরা এই কঠিন সময়ে এই ব্যবসা পরিচালনার জন্য পারস্পরিক যোগাযোগ করছি, তাদের প্রত্যেককে আন্তরিকভাবে ধন্যবাদ জানাই। কোম্পানি আজ যে অবস্থানে পৌঁছেছে তাতে সর্বদা আপনাদের মূল্যবান সমর্থন এবং সহযোগিতা দেওয়ার জন্য আমরা আপনাদেরকে, আমাদের সম্মানিত শেয়ারহোল্ডারদের নিকট কৃতজ্ঞ প্রকাশ করি।

আপনাদের পরিবারের সকলের জন্য আমার শুভকামনা রইল এবং আমরা সবাই যে কঠিন সময়ের মধ্য দিয়ে যাচ্ছি, প্রার্থনা করি আপনারা এই অত্যন্ত কঠিন সময়কালে সুস্থ, নিরাপদ এবং ভাল থাকুন।

E. Kabir

এ এস এফ রহমান

চেয়ারম্যান

তারিখঃ ২৮ অক্টোবর, ২০২০

CHAIRMAN'S STATEMENT

Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 47th Annual General Meeting of your Company and to present to you the Audited Accounts for the year 2019-2020 and Auditors' and Directors' report thereon.

We are facing a situation which none of us believed we would experience in our lifetime. The pandemic due to the COVID 19 virus has caused havoc across the world disrupting the social and economic fabric of both developed and developing countries alike. Initially, like all other countries, Bangladesh was also very adversely affected. However, because of timely intervention by the government, we are now well on the way to recovery.

TEXTILE DIVISION

During the year under review your Company embarked on a major expansion of the textile division. Construction of a state-of-the-art washing plant for Denim fabric, using green technology, the first of its kind in Asia, was completed and trial production started. Spinning and weaving capacities was increased three-fold and management contracts with six new garment units within the industrial park was concluded. Orders were placed for brand new latest technology air jet looms, plus warping and sizing machines from Japan. Additional land was purchased and developed at the Beximco Industrial Park in Gazipur where 600,000 square feet of new factory space for garment and PPE manufacture is being constructed.



CHAIRMAN'S STATEMENT

Earl R. Miller @USAmbBangladesh - May 25
Pleased to welcome #Bangladesh to the club of world-class, large-scale #PPE manufacturing nations. This @Beximco_Group - @Hanes flagship partnership is the best of 🇺🇸 & 🇧🇩 working together to beat #COVID19. #InThisTogether #PPEfromBeximco #USBDPartnership



BEXIMCO forays into US with 6.5 m PPE gowns. State Minister for Foreign Affairs Md Shahriar Alam joins US Ambassador Earl R. Miller, Beximco Textile CEO Syed Naved Hussain, Nazmul Hasan to see off the first shipment of PPE to US.



In a landmark event Bangladesh joined the select group of countries that manufacture world-class, large-scale personal protective equipment (PPE) through shipping of 6.5 million pieces of PPE gowns by BEXIMCO to US brand Hanes for ultimate delivery to Federal Emergency Management Agency (FEMA).



The first batch of BEXIMCO's 6.5 million PPE gowns being loaded on a flight



New 600,000 Square feet purpose built building for garment manufacturing Unit

CHAIRMAN'S STATEMENT

I am extremely proud to report that during this difficult time your Company was able to identify and take advantage of the opportunity of supplying PPE, worldwide demand for which increased tremendously, due to the Pandemic. While most factories were closed, your Company quickly adopted necessary conversion measures which enabled it to manufacture large quantities of PPE. Besides meeting domestic demand, PPE product was exported to a number of countries. I would like to specially mention export of 6 million PPE which was air freighted to USA on an urgent basis to meet emergency hospital needs there. Bangladesh and your Company were commended for this achievement by none other than the US Secretary of State, the US NSA and the White House, among others.

BEXIMCO HEALTH

Your Company has now decided to diversify into PPE manufacture and export in a big way and for achieving this objective, the Textile Division has established Beximco Health. PPE products must obtain certification from National Regulatory Authorities before products can be imported into their respective countries. For this, products have to be tested to confirm they meet regulatory requirements and standards. Unfortunately testing facilities in Bangladesh are limited and high value Category 3 and Category 4 products have to be sent abroad for testing. In order to overcome this obstacle your Company entered into a joint venture agreement with Intertek UK, an internationally renowned inspection agency to set up a world class independent testing laboratory within Beximco Health premises. Physical facilities, equipment and manpower are all in place and the laboratory will be operational in December this year.

Massive investments have also been made for setting up a completely vertical manufacturing facilities for manufacturing Category 1 to Category 4 PPE gowns and all kinds of masks including N95 masks. Machineries have all arrived and installation is ongoing, and it is expected production of spun bound and melt blown fabric will commence by the end of 2020, thereby ensuring the production of the three-layer SMS fabric essential for PPE products. Your Company is confident that Beximco Health will become a global leader in this market segment.

REAL ESTATE DIVISION

The Real Estate Division of your Company owns large area of land in and around Dhaka. The real estate business has been depressed for a number of years. However, it is expected that once the Pandemic is over there will be a revival of this sector with our economic growth, NRB remittances and rapid urbanization. Your Company is making plans of how to best utilize these lands and maximize both revenue and profit over the next years starting as soon as the sector revives.

IT & FISHERIES DIVISION

The IT Division did not perform as well as expected mainly because of increased competition and the effect of the Pandemic during

the last quarter of the financial year. Avenues are being explored for product and services diversification in the future with a view to increasing its contribution to Revenue and Profit After Tax (PAT).

Activities of the Fisheries Division have remained stagnant for the last few years. It is being examined if it is possible to improve the situation and what steps are necessary to ensure steady growth of Revenue and PAT for this Division of your Company.

BEXIMCO POWER COMPANY LIMITED

Your Company owns shares in Beximco Power Company Ltd who have concluded two Power Purchase Agreements (PPA) with the Bangladesh Power Development Board (BPDB) for supply of electricity from a 200 MW Solar power plant in Gaibanda and a 30 MW Solar Power plant in Panchagarh. It is expected that electricity supply to BPDB under the PPA from both these solar power plants will begin in 2022 thereby contributing significantly to both revenue and profits of your Company.

2019-2020 RESULTS & FUTURE PROSPECTS

The Company was all set to witness a significant increase in sales, when in March 2020 the Pandemic struck. Export orders were cancelled or put on hold and as a result during the 4th quarter of the year under review, your Company's performance was seriously hampered resulting in drastic reduction in EPS for the year to Taka 0.51 compared to previous year's Taka 1.63. Revenue of Taka 19.83 billion was down 17.17% compared to the previous year's Revenue of Taka 23.94 billion as was Profit After Tax (PAT) of Taka 446.2 million down 68.72% compared to the previous year's PAT of Taka 1.43 billion.

I am pleased to report there has already been a substantial increase in sales of various fabrics for the garment exports during the 2nd Quarter of this financial year and it is expected that the half yearly results will be encouraging. In view of the actions taken in terms of new investments and strategy, going forward the Textile Division including the newly formed Beximco Health should achieve steady growth in both sales and profit not only for this financial year but also in future years.

Significant contribution to Revenue and PAT will be forthcoming from the Real Estate Division, once the sector revives and Beximco Power, once the power plants go into operations.

The Pandemic has created huge challenges but at the same time, opportunity. I am hopeful that InShaAllah, in the future, while we face the challenges, we will also be able to take advantage of the opportunity. In order to do this successfully we will need to have access to funding sources, we will need to work hard with dedication and sincerity and be innovative and be ready to embrace new ideas.

SOCIAL COMMITMENT

Your Company believes in its responsibilities towards the society it operates in. All our actions are therefore directed to the wellbeing of the society in general. As part of our CSR activities, your Company provides active cooperation and support, sponsors and contributes to various organizations and professional institutions in their sociocultural development programs in the field of humanitarian aid, education, health, environment, culture and sports.

Your Company is an equal opportunity employer and does not discriminate between gender, ethnicity or religion.

ACKNOWLEDGEMENT

I would like to thank all our employees for their dedicated and selfless service to the Company, following all safety protocols, protecting co-workers and their families, during these very challenging times. I would also like to convey my sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone with whom the Company interacted in conducting its business in these trying times. We are grateful to you, our respected shareholders, for extending at all times, your valuable support and cooperation to bring the Company to the level it has reached today.

My prayers are with all of your families and yourselves that you remain healthy, safe and well during this very difficult period, we all are passing through.

Thank you.



A S F Rahman

Chairman

Dated 28 October, 2020

DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year from July 1, 2019 to June 30, 2020

Dear Shareholders,

The Directors have pleasure in submitting hereunder their report together with the Audited Accounts of the company for the year July 1, 2019 to June 30, 2020 and Auditors' Report thereon:

ANALYSIS OF OPERATING PERFORMANCE

Business Outlook – a general overview

We would like to report that the operation of the company was normal from July 2019 to December 2019, however after that the Pandemic of Covid-19 started to impact the world and finally affecting Bangladesh from second week of March 2020 which impacted the operation of the company. In the last week of March 2020 as per general order of the Government of Bangladesh the offices including production facilities were totally closed down from 26th March 2020 to 6th May 2020 and thereafter operational activities could not be resumed in full scale due to absence of new orders and reduction of the presence of employees and workforces fearing infection from the virus. Furthermore, the international supply chain came to halt in addition to declining of demand abroad.

The Global retail market for apparel is rapidly changing. Many old iconic retailers have collapsed, whereas those with differentiated, aesthetically beautiful product, and fast, flexible, and agile supply chains are thriving. Online sales are rapidly growing and replacing brick & mortar retail sales. Most Malls are in trouble and closures are frequent.

On the supply side, China remains the largest apparel exporter, with Bangladesh being No.2. However, China has become very expensive and is rapidly moving into high value added technologies and shifting their apparel industry to other countries like Vietnam, Cambodia, Africa as well as Bangladesh. Vietnam and Cambodia are also becoming comparatively expensive and Africa still needs many years to achieve efficiencies and acceptable quality standards.

Bangladesh has made excellent progress in putting up many “world class factories” which are very efficient, as well as sustainable. Heavy investments have been made in backward linkage particularly in Denim and Knits.

Beximco has reinvented itself in the last 3 years. It has invested in transformational technology in fabrics, apparel manufacturing, washing and garment dyeing as well as ground breaking sustainably initiatives, and digitalizing of the supply chain using advanced 3D Design, ERP/ MIS. Moreover, it will be South Asia's first and only completely vertical Industrial Park to be “Leeds certified”.

We would like to mention here that we are in the process of revamping our production facilities at a huge costs to ensure very old, obsolete and unproductive units be modernized and this process will continue to ensure further profits and dividends.

Beximco's focus is to maintain it's leadership by continued improvements in its market intelligence, design, product development and fast track bulk manufacturing. Furthermore, to reduce market risk aggressive marketing to add more “Gold Standard “Customers , and achieve better margins by enhancing the quality of the products to enable buyers to sell for higher retail prices.

Overall we are excited and optimistic about the future for the Bangladesh Apparel Industry in general and Beximco in particular.

Domestic and Export Sales

Domestic and export sales during the Pandemic period particularly during last quarter April – June 2020 were minimum, when export orders either cancelled or postponed. Even exported goods in transit / port were not cleared on time and payments against either delayed or held up due to closer / lock down in the imported countries. Domestic sales also minimum due to closer / lock down countrywide as per Government order.

Profitability

Pretax profit of the Company decreased compared to last year due to decrease of revenue for totally close down of offices including production facilities from 26th March to 6th May 2020 as per general order of the Government.

WORKING RESULTS

The Directors are pleased to report that the working results of the company for the year ended on June 30, 2020 are as follows:

Taka in million

	For the year 2019-2020	For the year 2018-2019
Net profit before tax	795.10	1,566.95
Less: Income tax Expense	348.92	140.72
Net profit after tax	446.18	1,426.24
Add: Balance brought forward from previous year	16,550.19	15,562.11
Profit available for appropriation	16,996.37	16,988.35
Appropriation Recommended		
Cash Dividend 5%	438.16	438.16
Balance carried forward	16,558.21	16,550.19
Total	16,996.37	16,988.35

DIVIDEND

The Board of Directors have recommended a cash dividend @ 5% per share of Tk.10 each for the year ended on June 30, 2020, subject to the approval of the Shareholders in the Annual General Meeting.

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.

Mr. Shah Monjurul Hoque has been appointed as an Independent Director of the Company on 18.10.2020 for the period of three years, subject to the approval of the Shareholders in the Annual General Meeting.

Salman F Rahman, Vice Chairman

Mr. Salman F Rahman is an industrialist, philanthropist and politician of Bangladesh. A Member of Parliament, Mr. Rahman currently serves as the Prime Minister's Private Industry and Investment Advisor, with the rank and status of a cabinet minister, principally tasked with promoting trade, business and investment in the country.

He is best known as the Co-founder and Vice Chairman of the Beximco Group, the country's largest private conglomerate, comprising of four publicly listed and seventeen privately held companies. He anchored the key initiatives that have helped to build Beximco's corporate identity at home and abroad, and led the Group into becoming a leading industrial conglomerate in the country.

He was the President of SAARC Chamber of Commerce and Industry, Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), Metropolitan Chamber of Commerce and Industry (MCCI), Bangladesh Textile Mills Association, Bangladesh Association of Pharmaceuticals Industry and Association of Television Channel Owners (ATCO).

Currently, he is the Chairman of the Board of Governors, Bangladesh Enterprise Institute, a leading think tank focusing on the growth of private enterprise in Bangladesh. He is also Chairman of IFIC Bank Limited, Chairman of the Board of Editors, the Independent, one of the leading English-language newspapers, Chairman of the Independent Television, a popular and influential 24-hour news channel and the Chairman of Abahani Ltd. the nation's premier sporting club and the Advisor of Bangladesh Association of Pharmaceuticals Industries (BAP).

Mr. Rahman has many accolades to his name and he holds a degree from Karachi University.

Mr. O K Chowdhury, Director

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

Independent Director

Shah Monjurul Hoque, Independent Director

Mr. Shah Monjurul Hoque is practicing lawyer in the Supreme Court of Bangladesh, both in the High Court Division and Appellate Division. Mr. Hoque is the founder of Hoque & Associates, a law firm in Bangladesh, of which he is the Proprietor (a position equivalent to that of a director). He has held various academic appointments in the field of law and has also acted as legal adviser to a number of corporate clients in Bangladesh and as the enlisted lawyer of several Bangladeshi Banks.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Statutory Auditors

The existing Auditors, M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C. R. Datta Road, Dhaka-1205 who were appointed as auditors of the Company in the 46th Annual General Meeting of the Company has carried out the Audit for the year ended 30 June 2020.

M. J. Abedin & Co., Chartered Accountants, the Auditors of the Company retires at this meeting and has expressed their willingness to continue in office for the year 2020-21. The Board after due consideration of the proposal made by Audit Committee recommends for reappointment of M. J. Abedin & Co., Chartered Accountants as Auditors for the year 2020-21.

BOARD AUDIT COMMITTEE

The Board of Directors of the Company re-constituted Audit Committee comprising the following 4 Members of the Board and Company Secretary as the Secretary of the Committee. The Audit Committee held four meetings to carry out its business as per the provision of Corporate Governance Code issued by BSEC dated 03.06.2018 during the year. The Membership of the Audit Committee together with their attendance at the meeting is given below:

Name of Members	Position in the Committee	Attendance in Meeting
Mr. Shah Monjurul Hoque	Chairman	1
Mr. Iqbal Ahmed	Member	4
Mr. O K Chowdhury, FCA	Member	4
Mr. Masud Ekramullah Khan	Member	3
Mr. Mohammad Asad Ullah, FCS	Secretary	4

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

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors of the Company re-constituted Nomination and Remuneration Committee (NRC) comprising the following 4 Members of the Board and Company Secretary as the Secretary of the Committee. The Nomination and Remuneration Committee held one meeting during the year to carry out its business as per provision of Corporate Governance Code issued by BSEC dated 03-06-2018. The Membership of the Nomination and Remuneration Committee together with their attendance at the meeting is given below:

Name of Members	Position in the Committee	Attendance in Meeting
Mr. Shah Monjurul Hoque*	Chairman	-
Mr. Iqbal Ahmed	Member	1
Mr. O K Chowdhury, FCA	Member	1
Mr. Masud Ekramullah Khan**	Member	1
Mr. Mohammad Asad Ullah, FCS	Secretary	1

* Mr. Shah Monjurul Hoque appointed as Member as well as Chairman of Nomination and Remuneration Committee (NRC) on 22-10-2020.

** Mr. Masud Ekramullah Khan had been the Chairman of the Committee upto 21.10.2020.

BOARD MEETING AND ATTENDANCE

Eight Board Meetings were held during the year 2019-20. The attendance records of Directors are as follows:

Name of the Directors	Nos. of Board Meetings attended
Mr. A S F Rahman	6
Mr. Salman F Rahman	8
Mr. Iqbal Ahmed	6
Mr. O K Chowdhury, FCA	8
Mr. A B Siddiqui Rahman	8
Mr. Masud Ekramullah Khan	6

CORPORATE AND FINANCIAL REPORTING

The Directors are pleased to confirm that:

- (a) The financial statements together with the notes thereon have drawn up in conformity with the Companies Act 1994 and Securities and Exchanges Rules 1987. These statements presents fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity.
- (b) Proper books of accounts of the company have been maintained.
- (c) Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- (d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- (e) Internal Control System is sound in design and has been effectively implemented and monitored.
- (f) No significant doubts about the ability of the Company to continue as a going concern.
- (g) There is no significant deviation in operating result compared to last year.
- (h) The summarized key operating and financial data of last five preceding years is annexed as "Comparative Statistics" in the Annual Report.
- (i) The related party transactions have been disclosed in preparation of the financial statements (Note # 27).
- (j) The Pattern of share holding is as followings:

	Name	Shares held
(i)	Parent/Subsidiary/Associated Companies and other related Parties:	
	Beximco Holdings Ltd.	25,340,387
	New Dacca Industries Ltd.	12,301,217
	Beximco Engineering Ltd.	1,175,076
	Esses Exporters Ltd.	332,385
	Beximco Pharmaceuticals Ltd.	167,854
	Shinepukur Ceramics Ltd.	2,722,614
	Escorp Apparels Ltd.	422,994
(ii)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:	
	Mr. A S F Rahman, Director	63,204,992
	Mr. Salman F Rahman, Director	70,919,693
	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

DIRECTORS' REPORT TO THE SHAREHOLDERS

KEY OPERATING AND FINANCIAL DATA

					Taka In '000
Particulars	2019-2020	2018 - 19	2017 - 18	2016 - 17	30-06-2016
Paid up Capital	8,763,189	8,763,189	8,345,894	7,948,471	6,911,713
Revenue	19,824,795	23,942,599	23,845,878	22,626,804	32,409,554
Gross Profit	6,952,850	7,860,959	7,602,698	6,671,190	11,492,442
Profit Before Income Tax	795,103	1,566,955	1,327,435	873,528	1,316,834
Net Profit after Income Tax	446,182	1,426,237	1,259,354	1,017,920	1,114,242
Tangible Assets (Gross)	64,674,038	33,427,749	33,368,681	33,186,667	32,919,655
Cumulative Surplus	16,996,375	16,988,352	16,396,705	15,932,197	15,951,035
Dividend-both Cash and Stock	5%(C)	5%(C)	10%(B & C)	10%(B & C)	15%(B)
Return on Paid up Capital	5%	17%	15%	13%	16%
Shareholders' Equity	60,759,191	61,189,444	60,453,162	59,646,623	57,951,100
Earnings per Share (Taka)	0.51	1.63	1.51	1.28	1.62
Shareholders' Equity Per Share (Taka)	69	70	72	75	84
Number of Shareholders	130,460	134,148	140,991	148,973	162,349
Number of Employees	5,780	6,248	6,710	6,689	6,963

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: 28 October, 2020

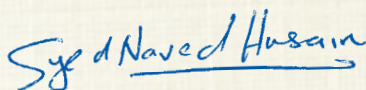
CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

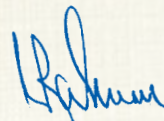
- (i) The financial statements of the Company for the year ended 30 June 2020 have been prepared in compliance with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgment related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) The company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records to ensure the above;
- (5) Our internal auditors have conducted periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regards, we also certify that:

- i) We have reviewed the Financial Statements of the Company for the year ended on 30 June 2020 and to the best of their knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.



Syed Naved Husain
Chief Executive Officer



Md. Luthfor Rahman
Chief Financial Officer

Date: 28 October, 2020

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

Report to the Shareholders of
Bangladesh Export Import Company Limited on compliance on the Corporate
Governance Code

We have examined the compliance status to the Corporate Governance Code by Bangladesh Export Import Company Limited for the year ended on 30 June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Dhaka, Dated
November 22, 2020



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

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CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

Annexure - C

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 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) (a)	Independent Director(s) (at least one fifth of total number of directors shall be Independent Director)	√		
1 (2) (b)	Independent Director (ID) means a Director			
1 (2) (b) (i)	who either does not hold any share in the company or holds less than one percent(1%) shares of the total paid up shares of the company	√		
1 (2) (b) (ii)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds 1% or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1 (2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1 (2) (b) (iv)	who does not have any other relationship , whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1 (2) (b) (v)	who is not a member or TREC holder, director or officer of any stock exchange;	√		
1 (2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1 (2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of the Code	√		
1 (2) (b) (viii)	who is not independent director in more than 5 (five) listed companies			
1 (2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter In payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	√		
1 (2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the AGM.	√		
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		
1 (2) (e)	The tenure of office on an independent director shall be for a period of 3(three) years, which may be extended for 1 tenure only.	√		
1.3	Qualification of Independent Director			
1 (3) (a)	Independent director shall be a knowledgeable Individual with Integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1 (3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or member of any national or international chamber of commerce or business association	N/A		
1 (3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company.	N/A		
1 (3) (b) (iii)	Former official of Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree In economics or commerce or business or law	N/A		
1 (3) (b) (iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law	N/A		

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(3)(b)(v)	Professional who is or was an advocate practicing at least In the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or Equivalent qualification	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the commission	N/A		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director(MD) and/or Chief Executive Officer(CEO) of the company shall be filled by different individuals	√		
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Boards meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
1(5)	The directors' Report to Shareholders	√		
1(5)(i)	industry outlook and possible future developments in the industry	√		
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 Including internal and external risk factors, threat to sustainability and negative impact on environment	√		
1(5)(iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss)	√		
1(5)(vi)	Detail discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1(5)(vii)	Statement of utilization of proceeds raised through public issues, rights issues, and/or any other instruments	N/A		
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc	N/A		
1(5)(ix)	Explanation on any significant variance that occurs between quarterly Financial performances and Annual Financial Statements	√		
1(5)(x)	Statement of remuneration paid to the directors including independent directors	√		No remuneration has been paid to any Director during the period under review except Independent Director.
1(5)(xi)	Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	Statement that proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	Statement that 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	√		
1(5)(xiv)	Statement that IAS or IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		

Condition No.	Title	Compliance Status ("√"/" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xv)	Statement that the system in internal control is sound in design and has been effectively Implemented and monitored	√		
1(5)(xvi)	Statement that minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1(5)(xvii)	Statement that there is no significant doubt upon the issuer company's ability to continue a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1(5)(xviii)	Explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1(5)(xix)	Statement where key operating and financial data of at least preceding 5 years shall be summarized	√		
1(5)(xx)	Explanation on the reasons if the issuer company has not declared dividend (Cash or stock) for the year	N/A		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as Interim dividend	√		
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director	√		
1(5)(xxiii)	Report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by	√		
1(5)(xxiii)(a)	parent or subsidiary or associated companies and other related parties	√		
1(5)(xxiii)(b)	Directors, COE, Company Secretary, CFO, Head of Internal Audit and Compliance and their spouses and minor children	√		
1(5)(xxiii)(c)	Executives,	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	√		
1(5)(xxiv)	in case of appointment or reappointment of a director, a disclosure on the following information to the shareholders	√		
1(5)(xxiv)(a)	Brief resume of the director	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas	√		
1(5)(xxiv)(c)	names of company in which the person also holds the directorship and the membership of committees of the Board	√		
1(5)(xxv)	Management's discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, If any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5 (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe	√		
1(5) (xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e, actual position shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure - A	√		
1(5)(xxvii)	the report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per	√		

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	Code of Conduct for the Chairperson, Other Board members and CEO			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee at condition No.6, for the Chairperson of the Board, other board members and CEO of the company	√		
1(7)(b)	The Code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws; rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers and independency,	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company.	√		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3	MD or CEO, CFO, Head of Internal Audit & Compliance and Company Secretary			
3(1)	Appointment	√		
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and a Head of Internal Audit and Compliance	√		
3(1)(b)	The position of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals	√		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3 (1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, HIAC and CS.	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3(2)	Requirement to attend Board of Directors' Meetings			
3(3)	Duties of MD or CEO and CFO			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors	√		
5(1)(a)	The company shall have an audit committee as a subcommittee of the Board	√		

Condition No.	Title	Compliance Status ("√"/"") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The audit committee shall be responsible to the Board; the duties of the audit committee shall be clearly set forth in writing	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director.	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10(ten) years of such experience	√		
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3(three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1(one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	√		No such incident was occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	√		No such incident was occurred
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1(one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM)	√		
5 (4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and principles	√		
5(5)(c)	Monitor internal audit and compliance process to ensure that it is adequately resourced, including approval of the internal audit and compliance, plan and review of the internal audit and compliance report	√		
5(5)(d)	Oversee hiring and performance of external auditors	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(h)	Review the adequacy of internal audit function	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Review statement of all related party transactions submitted by the management	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5(5)(m)	Oversee whether the proceeds raised through IPO or RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	√		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	√		
5(6)(a)(i)	The audit committee shall report on its activities to the Board	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings if any:			
5(6)(a)(ii)(a)	Report on conflicts of interests	N/A		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	N/A		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	N/A		
5(6)(a)(ii)(d)	Any other matter which the audit committee deems necessary shall be disclosed to the Board immediately	√		
5(6)(b)	Reporting to the Authorities: If the audit committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee find that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of six months from the date of first reporting to the Board, whichever is earlier.	N/A		
5(7)	Reporting to the Shareholders and General investors: report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a subcommittee of the Board	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	√		
6(1)(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director	√		
6(2)(b)	All members of the Committee shall be non-executive directors	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	√		
6(2)(e)	In case of death, resignation, disqualification or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staffs shall be required or valuable for the Committee	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		

Condition No.	Title	Compliance Status ("√"/") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial Year	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board	√		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	To be complied		No such list as yet
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	√		
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely	√		
7(1)(i)	appraisal or valuation services or fairness opinions	√		
7(1)(ii)	financial information systems design and implementation	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	broker-dealer services	√		

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
7(1)(v)	actuarial services	√		
7(1)(vi)	internal audit services or special audit services	√		
7(1)(vii)	any service that the Audit Committee determines	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	any other service that creates conflict of interest	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		
8(2)	The company shall keep the website functional from the date of Listing	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED ON 30TH JUNE 2020

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2020.

The Audit Committee Report presented under condition No.5 of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code provides an insight on the functions of the Audit Committee for the year ended on 30th June 2020.

COMPOSITION OF THE AUDIT COMMITTEE:

The Audit Committee of Bangladesh Export Import Company Ltd, a prime Board sub-committee, assists the Board in discharging its governance responsibilities. The Board has formed the Audit Committee, required under Codes of Corporate Governance of BSEC with some specific assignments under its Terms of Reference. The existing Audit Committee of the Company is as follows:

Mr. Shah Monjurul Hoque, Independent Director, Chairman of the Audit Committee

Mr. Masud Ekramullah Khan, Independent Director, Member

Mr. O. K. Chowdhury, FCA, Non-Executive Director, Member, and

Mr. Iqbal Ahmed, Member, Non-Executive Director, Member

Mohammad Asad Ullah, FCS, Company Secretary, Secretary of the Audit Committee

The Audit Committee is appointed by the main Board and all the Members are Non-Executive Directors and the Chairman is an Independent Director.

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.

ROLE OF AUDIT COMMITTEE:

The Audit Committee performs in coherence and consistency and ensures compliance with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review when appropriate, make recommendations to the main Board on business risk, internal controls and compliance and audit. 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 audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- Oversee hiring and performance of external Auditors.
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- 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 the Management's Discussion and Analysis before disclosing in the Annual Report;
- Review statement of all related party transactions submitted by the management;
- Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- To review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. framed/issued by the regulatory authorities have been complied with.
- Other matters as per Terms of Reference (ToR) of the Audit Committee and also as directed by the Board, from time to time.

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED ON 30TH JUNE 2020

AUTHORITY:

In terms of Corporate Governance Code issued by BSEC, 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.

RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Audit Committee are:

FINANCIAL REPORTING

- To review the quarterly and annual financial statements of the Company, focusing particularly on:
- Any significant changes to accounting policies and practices;
- Significant adjustments arising from the audits;
- Compliance with applicable financial reporting standards and other legal and regulatory requirements, and
- The going concern assumption.

RELATED PARTY TRANSACTIONS

- To review any related party transactions and conflict of interest situations that may arise within the Company, including any transaction, procedure or course of conduct that may arise questions of management integrity.

AUDIT COMMITTEE REPORTS

- To prepare the annual Audit Committee Report and submit it to the Board which includes: the composition of the Audit Committee, its terms of reference, number of meetings held and attendance thereat, a summary of its activities and the performance of internal audit services for inclusion in the Annual Report, and to review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.

INTERNAL CONTROL

- To consider annually the risk management framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Company to minimize losses and maximize opportunities;
- To ensure that the system of internal control is thoroughly conceived and in place, effectively administered and regularly monitored;
- To review the extent of compliance with established internal policies, standards, plans and procedures, including, for example, the Company's Standards of Business Conduct;
- To obtain assurance that proper plans for control has been developed prior to the commencement of major areas of change within the Company; and
- To recommend to the Board about steps needed to improve the system of internal control derived from the findings of the internal and external auditors, and from the consultations of the Audit Committee itself.

INTERNAL AUDIT

- To be satisfied that the plan, methodology and resource for internal auditing are communicated down through the Company. Specifically :
- To review the internal audit plans and to be satisfied as to their consistency with the risk management framework used and adequacy of coverage;
- To be satisfied that Internal Audit has the competency and qualifications to complete its mandates and approved audit plans.

- To review status reports from internal audit and ensure that appropriate actions have been taken to implement the audit recommendations;
- To recommend any broader review deemed necessary as a consequence of the issues or concerns identified;
- To ensure that internal audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its activities; and
- To request and review any special audit which it deems necessary.

EXTERNAL AUDIT

- To review the external auditor's audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;
- To review with the external auditor, the Statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report;
- To review any matter concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditor;
- To review and evaluate factors related to the independence of the external auditor and assist them in preserving their independence;
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditor is not deemed to be compromised; and
- To review the external auditor's findings arising from audits, particularly and comments and responses in management letters, as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

OTHER MATTERS

- To act on any other matters as may be directed by the Board.

REPORTING OF THE AUDIT COMMITTEE:

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

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter which the Audit Committee deems necessary shall be disclosed to the board immediately.

The Audit Committee further ensures that, in compliance with condition No.5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission dated 3 June 2018 the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 30th June 2020, and they state that:

- (i) They have reviewed the financial statements for the year ended on 30th June 2020 and that 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 statement collectively 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 their knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct of the Company's Board of Directors or its Members.

Such joint certificate of the CEO and CFO is thoroughly reviewed by the Audit Committee before submission to the Board.

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED ON 30TH JUNE 2020

REPORTING TO THE AUTHORITIES

The Audit Committee reports to the Board of Directors about anything which has a material impact on the financial condition and results of operation. The Committee also discusses with the Board of Directors and the management if any rectification is necessary. If the Audit Committee finds that such rectification has been unreasonably ignored, the Committee reports such findings to the Bangladesh Securities and Exchange Commission upon reporting of such matters to the Board of Directors for three times or completion of a period of six months from the date of first reporting to the Board of Directors, whichever is earlier.

REPORTING TO THE SHAREHOLDERS AND GENERAL INVESTORS:

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition No.5(6)(a)(i) of the BSEC's Corporate Governance Code mentioned above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

MEETING ATTENDANCE

The Audit Committee met four times during the year ended on 30 June 2020. All the Members were present in all meetings of the Committee. The Managing Director, Chief Financial Officer, Head of Internal Audit and Compliance of the Company and representatives of the external Auditors had attended the meetings upon invitation by the Audit Committee. From time to time, relevant stakeholders and other senior members of the management have also been invited by the Audit Committee to attend Audit Committee meetings. The Audit Committee met with the external Auditors separately, and with the Internal Auditors, on an annual basis without any Executive Director being present. The Company Secretary, being the Secretary of the Audit Committee, facilitates the Chairman and other Members for effective functioning of the Committee, as per its terms of reference as well as Corporate Governance Code of BSEC.

Summary of activities and recommendations of the Audit Committee for the year ended on 30th June 2020:

FINANCIAL REPORTING

In terms of reference, the Committee in its first meeting held on October 23, 2019 reviewed the Annual Financial Statements for the year ended on 30 June 2019. During the meeting the Chief Financial Officer presented the draft annual accounts along with the independent auditors' report to the Committee and briefed the committee regarding the financial performance of the Company.

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

In addition to the above meeting, the Audit Committee met three times during the year ended on 30 June 2020. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 12, 2019, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2019. The Committee reviewed the financial progress during the first quarter and examined in detail and recommended the same for approval by the Board to release to the Shareholders of the Company.

The third meeting of the Committee was held on January 21, 2020 to review the un-audited second quarter financial Statements of the Company. The Committee being satisfied recommended for issue of the financial statements for the half-year ended on December 31, 2019.

The fourth meeting of the Committee was held on June 18, 2020 during pandemic situation of Covid-19 to release of the un-audited third quarter financial statements of the Company for the quarter ended March 31, 2020. 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.

ANNUAL REPORTING

Reviewed disclosures required by the statement on corporate governance, audit committee report, standards of business conduct, statement on risk management and internal control for the financial year ended 30th June 2020 for inclusion in the Annual Report, 2019-20, and recommended their adoption to the Board.

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 2020-21, subject to the approval of shareholders in the 47th AGM of the Company, who had carried out the audit of the Company for the year ended on 30 June 2020.

REPORT AUTHORIZATION

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 28 October 2020.

On behalf of the Audit Committee



(SHAH MONJURUL HOQUE)
CHAIRMAN

STATEMENT OF CORPORATE GOVERNANCE

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

Internal Financial Control

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

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

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

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

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

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

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the

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

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

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 2019 - 2020 stood at seven 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 five directors. The name of the directors appears on page 3. The quorum for the board is at least three directors present in person.

Going Concern

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

Rights and Relations with Shareholders

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

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

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

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

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

FINANCIALS



AUDITOR'S REPORT
AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF
BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT AND FOR THE YEAR ENDED 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES (the "Group Company"), which comprise the Statement of Financial Position as at 30 June 2020 and Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue Recognition	
The Company manufactures and sells a number of products and provides numerous services to its customers. The Company has adopted the accounting standard IFRS 15 as accordingly has reviewed its sales contracts for determining the principles for recognizing revenue in accordance with the standard. Some of the sales contracts contain various performance obligations and management exercises judgement to determine timing of revenue recognition, i.e., over time or a point in time.	Principal audit procedures: <ul style="list-style-type: none">• Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company.• Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition.• Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.• Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the accounting standard.
See Note No. 20.00 to the financial statements	

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Valuation of Property, Plant and equipment (PPE)

The carrying value of the PPE was

Tk. 55,652,211,852 as at 30 June, 2020.

Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.

The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.

See Note No. 5.00 to the financial statements

Our audit included the following procedure:

- We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.
- We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.
- We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.

We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.

Valuation of inventory

The inventory of Tk. 7,267,675,446 as at 30 June, 2020.

Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.

Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.

See Note No. 8.00 to the financial statements

We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:

- Evaluating the design and implementation of key inventory controls.
- Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data.
- Reviewing the requirement of inventory provisioning and action there upon by the management.
- Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.

IT systems and controls

Our audit procedures have a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

- We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (Logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.
- We tested the company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Contingent Liabilities	
<p>The Company is subject to contingent liabilities on account of outstanding letter of credit and letter of bank guarantee as on the date of financial position. Letter of credit is issued for importing raw materials and the bank guarantee issued favoring Titas Gas Transmission and Distribution Company Ltd. The contingent liabilities will be turned to actual liability if and when the beneficiaries perform as per contract or the company fails to perform its obligations.</p> <p>As per the management judgement there requires no provision against the contingent liabilities as of the date of financial position.</p> <p>See Note No. 31.00 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of the outstanding letter of credit and bank guarantee.</p> <p>We enquired of the Company's internal legal counsel for the bank guarantee and inspected internal notes and reports. We also reviewed formal confirmations in this regard from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are required to be recalculated, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Company's contingent liabilities disclosure.</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal controls management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, The Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The consolidated Statements of Financial Position (Balance sheet) and consolidated Statement of Profit or Loss and Other Comprehensive Income (Profit & Loss Account) dealt with by this report are in agreement with the books of accounts and;
- d) The expenditures incurred and payment made were for the purpose of the company's business for the year.

The engagement partner on the audit resulting in this independent auditor's report is Hasan Mahmood FCA.

Date: 28 October 2020
Dhaka



M. J. Abedin & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

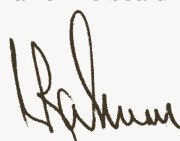
	Notes	Amount in Taka	
		30-June-2020	30-June-2019
ASSETS			
Non-Current Assets		73,564,288,896	41,242,152,352
Property, Plant and Equipment	5.00	55,652,211,852	25,884,866,517
Investment Property	6.00	16,276,493,324	14,024,387,243
Investment in Shares	7.00	1,635,583,720	1,332,898,592
Current Assets		57,579,242,592	87,210,878,187
Inventories	8.00	7,267,675,446	2,782,482,251
Accounts & Other Receivables	9.00	28,091,805,170	51,729,101,819
Advances, Deposits & Prepayments	10.00	21,920,667,721	32,348,878,083
Cash and Cash Equivalents	11.00	299,094,255	350,416,034
Total Assets		131,143,531,488	128,453,030,539
SHAREHOLDERS' EQUITY, NON-CONTROLLING INTEREST AND LIABILITIES			
Equity attributable to the owners of the company		62,275,165,500	62,280,652,813
Issued Share Capital	12.00	8,735,962,640	8,735,962,640
Reserve		36,557,993,526	36,587,299,457
Retained Earnings		16,981,209,334	16,957,390,716
Non-Controlling (Minority) Interest in Subsidiaries	13.00	2,137,599,149	2,133,963,487
Total Equity		64,412,764,649	64,414,616,300
Non-Current Liabilities		25,106,697,249	33,131,092,570
Long Term Loans - Net off Current Maturity(Secured)	14.00	23,878,407,661	31,904,688,365
Gratuity Payable	15.00	133,421,835	131,536,452
Deferred Tax Liability	16.00	1,094,867,753	1,094,867,753
Current Liabilities		41,624,069,590	30,907,321,669
Short Term Loans from Banks & Other	17.00	1,831,888,310	2,342,323,736
Long Term Loans-Current Maturity (Secured)	18.00	26,618,857,841	18,579,952,519
Trade and Other Payables	19.00	13,173,323,439	9,985,045,414
Total Equity and Liabilities		131,143,531,488	128,453,030,539

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


Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the board.


O K Chowdhury
 Director


A B Siddiqur Rahman
 Director


Md. Luthfor Rahman
 Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020

M. J. ABEDIN & CO.
 Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020


	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Revenue (Turnover) from net Sales	20.00	21,035,688,558	25,485,452,571
Cost of Goods Sold	21.00	(13,891,162,203)	17,274,336,397
Gross Operating Profit		7,144,526,356	42,759,788,969
Operating Expenses		(907,305,994)	(923,792,397)
Administrative Expenses	22.00	(805,276,743)	(844,094,834)
Selling & Distribution Expenses	23.00	(102,029,252)	(79,697,563)
Operating Profit		6,237,220,362	41,835,996,571
Finance Cost	24.00	(5,390,501,231)	(5,544,919,089)
Net Profit before Contribution to WPPF		846,719,131	36,291,077,483
Contribution to Workers' Profit Participation / Welfare Fund		(40,319,959)	(1,728,146,547)
Net Profit before Income Tax		806,399,172	1,659,433,036
Income Tax (Expenses)/Income	25.00	(328,624,790)	(170,484,366)
Net Profit After Tax		477,774,382	1,488,948,670
Non-Controlling (Minority) Interest in Loss/ (Income)		(15,796,325)	(31,355,856)
Net Profit after tax and Non-Controlling (Minority) Interest		461,978,057	1,457,592,814
Other Comprehensive Income			
Adjustment for Fair Value Gain/(Loss) on Investment in Shares		(41,466,590)	(30,166,282)
Total Comprehensive Income after Minority Interest		420,511,467	1,427,426,532
EPS (Per Value of Share Tk. 10/=)	26.00	0.53	1.67

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


Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the Board:


O K Chowdhury
 Director


A B Siddiquir Rahman
 Director


Md. Luthfor Rahman
 Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020

M. J. ABEDIN & CO.
 Chartered Accountants

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

As at 30 June 2020

Particulars	Amount in Taka					
	Share Capital	Retained Earnings	Reserve	Total	Non-Controlling (Minority) Interest in Subsidiaries	Total Equity
As on 1 July 2019	8,735,962,640	16,957,390,716	36,587,299,457	62,280,652,813	2,133,963,487	64,414,616,300
Net Profit after Tax and Non-Controlling (Minority) Interest for the year	-	461,978,057	-	461,978,057	15,796,325	477,774,382
Other Comprehensive Income						
Fair Value Loss on Investment in Shares	-	-	(41,466,590)	(41,466,590)	(12,160,664)	(53,627,253)
Excess of Fair Value over Book Value on Consolidation	-	-	12,160,659	12,160,659	-	12,160,659
Transactions with Shareholders						
Payment of 5% Cash Dividend for the prior year (2018-2019)		(438,159,440)		(438,159,440)		(438,159,440)
As on 30 June 2020	8,735,962,640	16,981,209,334	36,557,993,526	62,275,165,500	2,137,599,149	64,412,764,649

As at 30 June 2019

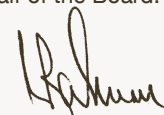
Particulars	Amount in Taka					
	Share Capital	Retained Earnings	Reserve	Total	Non-Controlling (Minority) Interest in Subsidiaries	Total Equity
As on 1 July 2018	8,319,964,420	16,334,387,302	36,611,331,333	61,265,683,055	2,107,622,991	63,373,306,046
Net Profit after Tax and Non-Controlling (Minority) Interest for the year	-	1,457,592,814	-	1,457,592,814	31,355,856	1,488,948,670
Other Comprehensive Income						
Fair Value Loss on Investment in Shares	-	-	(30,166,282)	(30,166,282)	(5,015,359)	(35,181,641)
Excess of Fair Value over Book Value on Consolidation	-	-	6,134,406	6,134,406	-	6,134,406
Transactions with Shareholders						
Issue of Bonus Shares for the prior year (2017-2018)	417,294,700	(417,294,700)	-	-	-	-
Payment of 5% Cash Dividend for the prior year (2017-2018)		(417,294,700)		(417,294,700)		(417,294,700)
Adjustment for Shinepukur Ceramics Ltd.'s Investments with Beximco Ltd.	(1,296,480)	-	-	(1,296,480)	-	(1,296,480)
As on 30 June 2019	8,735,962,640	16,957,390,716	36,587,299,457	62,280,652,813	2,133,963,487	64,414,616,300

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

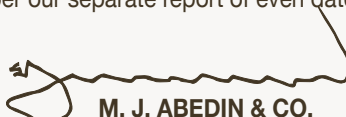
Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the Board:


O K Chowdhury
 Director


A B Siddiquir Rahman
 Director


Md. Luthfor Rahman
 Head of Finance & Accounts

As per our separate report of even date annexed.


M. J. ABEDIN & CO.
 Chartered Accountants
Dated, Dhaka
28 October 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020


	Amount in Taka	
	01.07.2019-30.06.2020	01.07.2018-30.06.2019
Cash Flows From Operating Activities:		
Collections from turnover and other income	44,672,985,208	15,428,265,654
Payments for cost and expenses including interest & tax	(12,978,383,355)	(16,336,992,024)
Net Cash Used in Operating Activities	31,694,601,853	(908,726,370)
Cash Flows From Investing Activities:		
Property, Plant and Equipment acquired	(31,248,112,822)	(80,874,175)
Net cash used in investing activities	(31,248,112,822)	(80,874,175)
Cash Flows From Financing Activities:		
Increase in loan	(497,810,809)	1,272,491,750
Net Cash Generated From Financing Activities	(497,810,809)	1,272,491,750
Increase/(Decrease) in Cash and Cash Equivalents	(51,321,779)	282,891,204
Cash and Cash Equivalents at Beginning of the year	350,416,034	67,524,829
Cash and Cash Equivalents at End of the year	299,094,255	350,416,034

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the board.


O K Chowdhury
 Director


A B Siddiqur Rahman
 Director


Md. Luthfor Rahman
 Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
 28 October 2020


M. J. ABEDIN & CO.
 Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

1.00 The background and activities of the Company

1.01 Status of the Company

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

On 30-06-2020, the Company holds 50% shares (50% shares on 30-06-2019) of Shinepukur Ceramics Ltd., a company of Beximco Group engaged in manufacturing and marketing of ceramics tableware.

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

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

1.02 Principal Activities

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

2.00 Bases of Financial Statements-Its Preparation and Presentation

2.01 Measurement Bases

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

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

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

The financial statements of subsidiaries have been consolidated with those of Bangladesh Export Import Co. Ltd. in accordance with IFRS 10: Consolidated Financial Statements. In respect of the subsidiary undertakings, financial statements for the year ended 30 June 2020 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 unrealized income and expenses arising from intra-group transactions have been eliminated while preparing the consolidated financial statements. Unrealized 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. Unrealized losses were eliminated in the same way as unrealized 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 International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

2.04 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a Consolidated statement of financial position as at 30 June 2020;
- (b) a Consolidated statement of profit or loss and other comprehensive income for the year from 01 July 2019 to 30 June 2020;
- (c) a Consolidated statement of changes in equity for the year from 01 July 2019 to 30 June 2020;
- (d) a Consolidated statement of cash flows for the year from 01 July 2019 to 30 June 2020; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.05 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 28 October 2020.

2.06 Functional and Presentation Currency

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

2.07 Reporting Period and Comparative Information

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2019 to 30th June 2020).

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

2.08 Use of Estimates and Judgments

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

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

3.00 Significant Accounting Policies

3.01 Revenue Recognition

In compliance with the requirements of IFRS 15: Revenue from Contracts with Customers, revenue receipts from customers against sales is recognized when all the performance obligation have been satisfied.

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 *IAS 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 *IAS 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 *IAS*, 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 *IAS 23: Borrowing Costs*.

3.02.3 Subsequent Expenditure

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

3.02.4 Software

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

3.02.5 Disposal of Fixed Assets

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

3.02.6 Depreciation on Fixed Assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of *IAS 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

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	0.5% - 10%
Plant and Machinery	1.5% - 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 IAS 40, "Investment Property" and has adopted "fair value model".

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 Investment in Shares

3.05.1 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.

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

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

3.06 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.

3.06.1 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

(a) Accounts Receivables

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

(b) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

(c) Cash and Cash Equivalents

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

3.06.2 Financial Liability

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

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

3.07 Inventories

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

3.08 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.

3.09 Borrowing Costs

This has been dealt with the requirements of *IAS 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

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

Deferred Tax

Deferred tax is recognised in compliance with IAS 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate income taxes levied by the same tax authority on the same taxable entity.

3.11 Employee Benefits

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

The company contributes to a registered provident fund scheme (defined contribution plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable trust. All permanent employees contribute 10% of their 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 *International Accounting Standard (IAS) 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 *International Accounting Standard (IAS) 10: Events After The Reporting Period*, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board Directors.

3.13 Earnings per Share

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

Basic Earnings (Numerator)

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

Weighted Average Number of Shares in Issue (Denominator)

Current Year

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

Earlier Periods

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

The basis of computation of number of shares as stated above, is in line with the provisions of *IAS 33: Earnings Per Share*. The logic behind this basis, as stated in the said IAS 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 Transactions

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 *IAS 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

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

(b) Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

5.00 Property, Plant and Equipment : Tk. 55,652,211,852**As at 30 June 2020**

Particulars	Amount in Taka						Total
	Land & Land Development	Building & Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	
Cost / Valuation							
At 30 June 2019	14,069,182,406	7,755,232,771	18,056,187,585	800,567,817	232,747,503	23,016,945	40,936,935,027
Addition during the year	1,058,215,980	2,590,430,026	9,154,787,094	305,087,640	106,071,791	18,056,537,237	31,271,129,768
Transferred in & Capitalized	-	-	-	-	-	(23,016,946)	(23,016,946)
At 30 June 2020	15,127,398,386	10,345,662,797	27,210,974,679	1,105,655,457	338,819,294	18,056,537,236	72,185,047,849
Depreciation:							
At 30 June 2019	-	2,799,740,952	11,427,501,431	631,541,580	193,284,547	-	15,052,068,509
Charged during the year	-	342,650,274	1,053,222,378	55,910,447	28,984,388	-	1,480,767,487
At 30 June 2020	-	3,142,391,227	12,480,723,808	687,452,027	222,268,935	-	16,532,835,996
Carrying Value							
At 30 June 2020	15,127,398,386	7,203,271,570	14,730,250,871	418,203,430	116,550,359	18,056,537,236	55,652,211,852

As at 30 June 2019

Particulars	Amount in Taka						Total
	Land & Land Development	Building & Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	
Cost / Valuation							
At 30 June 2018	14,069,182,406	7,742,558,517	18,019,218,138	785,754,733	216,330,113	31,005,491	40,864,049,398
Addition during the year	-	12,674,254	36,969,447	14,813,084	16,417,390	-	80,874,175
Transferred in & Capitalized	-	-	-	-	-	(7,988,546)	(7,988,546)
At 30 June 2019	14,069,182,406	7,755,232,771	18,056,187,585	800,567,817	232,747,503	23,016,945	40,936,935,027
Depreciation:							
At 30 June 2018	-	2,579,232,380	10,979,910,504	610,184,210	183,421,486	-	14,352,748,579
Charged during the year	-	220,508,572	447,590,927	21,357,370	9,863,061	-	699,319,930
At 30 June 2019	-	2,799,740,952	11,427,501,431	631,541,580	193,284,547	-	15,052,068,509
Carrying Value							
At 30 June 2019	14,069,182,406	4,955,491,819	6,628,686,155	169,026,237	39,462,956	23,016,945	25,884,866,517

	Amount in Taka	
	as at	
	30-June-20	30-June-19

6.00 Investment Property: Tk. 16,276,493,324

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

Opening Balance	14,024,387,243	14,016,835,187
Addition during the year	2,252,106,081	7,552,056
	16,276,493,324	14,024,387,243

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

No revaluation was done during the year under review.

However, during the year ended 30 June 2016, a revaluation was done by an independent valuer Shiraz Khan Basak & Co., Chartered Accountants, R K Tower, 86 Bir Uttam C R Datta Road (312, Sonargaon), Level 10, Hatirpool, Dhaka-1205, and the valuer has revalued the said land of the Company as of 30 March 2016, following "current cost method".

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19
7.00 Investment in Shares : Tk. 1,635,583,720		
This consists of as follows:		
(i) In Associated undertakings :		
(a) In 2,899,933 (30.06.2019: 2,899,933) Shares of Beximco Pharmaceuticals Ltd. [Listed company, Market value Tk.69.20 (30.06.2019: Tk.83.50) per share on 30 June 2020]	200,675,364	242,144,405
(b) In 68,246 (30.06.2019: 68,246) Shares of Beximco Synthetics Ltd. [Listed company, Market value Tk. 6.70 (30.06.2019: Tk. 8.60) per share on 30 June 2020]	457,248	402,651
(ii) Others :		
(c) In 32,997,800 Shares of Tk.10/= each of GMG Airlines Ltd. (Average cost price per share is Tk. 9.09)	299,980,000	299,980,000
(d) In 12 (30.06.2019: 12) Shares of Jamuna Oil Ltd. (Listed Company) [Market value Tk. 138.20 (30.06.2019: Tk. 173.80) per share on 30 June 2020]	1,658	2,086
(e) 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
(f) In 113,290,000 Shares of Beximco Power Co. Ltd. (Face value of Tk. 10.00)	1,132,900,000	788,800,000
	1,635,583,720	1,332,898,592
8.00 Inventories : Tk. 7,267,675,446		
This represents as follows:		
Land (Real Estate Business)	453,896,682	448,493,789
Construction work in progress (Real Estate Business)	300,614,741	322,349,004
Land Development and Others (Real Estate Business)	66,702,700	42,926,952
Work in Process	743,199,912	611,602,866
Raw Materials	4,745,601,454	562,725,696
Stores and Spares	243,138,206	252,447,005
Finished Goods	700,444,101	525,426,958
Fish & Shrimp	5,804,161	5,858,267
Packing Materials	7,483,753	10,554,112
Fish Feed	789,735	26,490
Jute Yarn (London Branch)	-	71,112
	7,267,675,446	2,782,482,251
9.00 Trade and Other Receivables: Tk. 28,091,805,170		
This is unsecured but considered good.		
10.00 Advances, Deposits and Pre-payments : Tk. 21,920,667,721		
This consists of as follows:		
(i) Advances:	21,831,442,295	32,231,146,297
Advance Income Tax	251,378,460	355,792,427
L/C Margin & Others	21,719,834	69,756,796
Other Advances	21,558,344,002	31,805,597,074
(ii) Deposits	89,225,426	80,918,251
(iii) London Branch	-	36,813,535
	21,920,667,721	32,348,878,083

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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19
11.00 Cash and Cash Equivalents : Tk. 299,094,255		
This consist of as follows:		
In Hand:	15,169,438	32,014,819
In Current Account with banks	204,077,593	158,981,607
In STD account with banks	76,226,764	155,627,167
In fixed deposit and accrued interest with bank	3,620,460	3,524,629
London Branch	-	267,812
	299,094,255	350,416,034

12.00 Issued Share Capital : Tk. 8,735,962,640**(a) Authorised :**

1,000,000,000 Ordinary Shares of Tk. 10/-each	10,000,000,000	10,000,000,000
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(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
700,605,814(30.06.2019: 700,605,814) Ordinary Shares of Tk.10/- each issued as fully paid-up bonus shares	7,006,058,140	7,006,058,140
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 Crescent Fashions & Design Ltd.	24,895,020	24,895,020
551,342 Ordinary Shares of Tk. 10/- each issued to the shareholders of RR Washing Ltd. (Former Freshtex Bangladesh Ltd.)	5,513,420	5,513,420
Adjustment for Shinepukur Ceramics Ltd.'s Investment with Beximco 2,722,615 Ordinary Shares of Tk. 10/- each.	(27,226,150)	(27,226,150)
Total 873,596,264 Shares of Tk. 10/= each	8,735,962,640	8,735,962,640

(c) Composition of Shareholding:

Name of the Shareholders	30-June-20		30-June-19	
	No. Of Shares	%	No. Of Shares	%
Sponsors:				
A S F Rahman	63,204,992	7.24%	63,204,992	7.24%
Salman F Rahman	70,919,693	8.12%	70,919,693	8.12%
Associates	39,739,912	4.55%	39,739,912	4.55%
Foreign Investors	68,283,726	7.82%	71,029,068	8.13%
ICB including ICB Investors' Account	196,363,384	22.48%	193,901,169	22.20%
General Public & Financial Institutions	435,084,557	49.80%	434,801,430	49.77%
	873,596,264	100%	873,596,264	100%

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

(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 holders	% of total holders	Number of Shares	% of Share Capital
1 to 499	68,127	52.22%	10,788,109	1.23%
500 to 5,000	46,917	35.96%	81,641,396	9.35%
5,001 to 10,000	7,202	5.52%	51,597,775	5.91%
10,001 to 20,000	4,281	3.28%	60,073,161	6.88%
20,001 to 30,000	1,517	1.16%	37,394,031	4.28%
30,001 to 40,000	715	0.55%	24,851,226	2.84%
40,001 to 50,000	423	0.32%	19,230,788	2.20%
50,001 to 100,000	741	0.57%	52,004,106	5.95%
100,001 to 1,000,000	522	0.40%	198,251,036	22.69%
Over 1,000,000	15	0.01%	337,764,636	38.66%
Total :	130,460	100%	873,596,264	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. 13.00 and Tk. 13.00 per share in the Dhaka and Chittagong Stock Exchanges on 30 June 2020.

(g) Voting Rights :

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

13.00 Non-Controlling (Minority) Interest in Subsidiaries : Tk. 2,137,599,149

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

	Amount in Taka	
	as at	
	30-June-20	30-June-19

14.00 Long Term Loans - Net off Current Maturity(Secured) : Tk. 23,878,407,661

This represents loans from:

Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	7,188,430,293	8,024,396,092
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	-	2,893,039,793
Janata Bank Ltd. - Long Term Loan-2	-	982,983,260
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	392,296,000	1,109,878,000
Phonix Finance & Investment	209,322,141	187,889,577
Bank Asia Ltd. - Term Loan	81,941,664	125,879,124
Rupali Bank Ltd. - Long Term Loan (12 Years)	3,271,300,000	3,638,000,000
Rupali Bank Ltd. - Long Term Loan (6 Years)	-	2,356,500,000
Janata Bank Ltd. - Long Term Loan (12 Years)	6,774,285,347	7,577,140,785
Agrani Bank-Industrial Credit Loan-1	2,559,270,931	2,270,453,889
Agrani Bank- Demand Loan	2,208,059,873	1,421,587,640
AB Bank Ltd. - Term Loan	1,067,431,564	1,190,870,358
AB Bank Ltd. - Time Loan	126,069,848	126,069,848
	23,878,407,661	31,904,688,365

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19

Nature of Security :

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

Terms of Repayment :**Bank Asia Ltd. - Term Loan :**

In 20 (Twenty) equal Quarterly installments commencing from 30 March 2017 as per revised sanction.

Phonix Finance & Investment:

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

Rate of interest :**Bank Asia Ltd. - Term Loan :**

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

Phonix Finance & Investment:

17 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

15.00 Gratuity Payable : Tk. 133,421,835

This is arrived at as follows:

Opening Balance	131,536,452	120,142,415
Add: Addition during the year	2,985,718	11,907,790
	134,522,170	132,050,205
Less: Payment during the year	(1,100,335)	(513,753)
Closing Balance	133,421,835	131,536,452

16.00 Deferred Tax Liability : Tk. 1,094,867,753**Deferred Tax Liability is arrived at as follows:**

Book Value of Depreciable Fixed Assets	19,385,679,663	10,546,332,822
Less: Tax Base	(10,130,374,069)	(1,793,244,761)
Taxable Temporary Difference	9,255,305,593	8,753,088,061
Effective Tax Rate	11.83%	12.51%
Deferred Tax Liability	1,094,867,753	1,094,867,753

17.00 Short Term Loans from Banks and Others : Tk. 1,831,888,310

This is secured and consists of as follows:

Secured:

Janata Bank- CCH	985,742,693	1,022,234,146
Sonali Bank- CC (Hypothecation)	554,797,314	560,243,801
Janata Bank Cash Subsidy	79,808,801	133,089,476
Sonali Bank- LTR	162,539,502	249,391,777

Unsecured:

Beximco Pharmaceuticals Ltd.	-	323,364,536
New Dacca Industries Ltd. (Interest Free)	49,000,000	54,000,000
	1,831,888,310	2,342,323,736

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19
18.00 Long Term Loans - Current Maturity (Secured) Tk. 26,618,857,841		
This consists of as follows:		
10% Debentures	901,686,833	824,583,378
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	4,496,105,061	1,607,126,690
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	1,804,958,019	771,501,073
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	1,525,077,084	760,368,611
Janata Bank Ltd. - Long Term Loan (6 years)	2,797,107,044	1,896,994,229
Bangladesh Development Bank Ltd.- Interest Block	-	4,671,220
AB Bank Ltd- Term Loan (12 Years)	481,393,648	342,837,227
Rupali Bank Ltd. - Long Term Loan (12 Years)	1,088,802,345	662,868,350
Rupali Bank Ltd. - Long Term Loan (6 Years)	4,904,901,506	2,507,110,067
Janata Bank Ltd. - Long Term Loan (12 Years)	2,584,982,041	1,997,314,889
Agrani Bank-Industrial Credit Loan-1	-	318,956,836
Agrani Bank- Demand Loan	-	844,014,070
EXIM Bank Ltd.-IBB Loan	2,925,846,682	3,037,990,197
Bank Asia Ltd. - Term Loan	82,485,694	90,702,300
Phoenix Finance & Investment Ltd.- Term Loan	72,608,844	96,369,290
UCBL OD A/C# 775	2,952,903,040	2,816,544,092
	26,618,857,841	18,579,952,519
19.00 Trade and Other Payables : Tk. 13,173,323,439		
This consists of as follows:		
Creditors for Goods	7,298,799,872	4,113,301,872
Income Tax Payables	1,021,494,953	1,001,716,854
Advance Against sale of Investment in Shares	274,470,349	274,470,349
Other Current Liabilities	4,558,568,265	4,539,013,881
London Branch	-	37,152,459
Security Deposit from Distributor	19,990,000	19,390,000
	13,173,323,439	9,985,045,414
	Amount in Taka	
	01.07.2019-30.06.2020	01.07.2018-30.06.2019
20.00 Revenue : Tk. 21,035,688,558		
This is made up as follows :		
Sale of Goods (Net)	21,023,868,720	25,469,904,712
Commission and Other Income	7,289,344	10,083,648
Dividend Income	5,777,852	6,349,353
Capital (Loss)/Gain on Sale of Shares	(1,247,358)	(885,141)
	21,035,688,558	25,485,452,571
21.00 Cost of Goods Sold : TK. 13,891,162,203		
This represents cost of goods sold against sale of:		
Yarn, Fabrics & Others	12,630,669,435	15,840,837,980
Table Ware (Shinepukur Ceramics Ltd.)	1,019,217,711	1,192,696,859
IT Supprt Service	231,937,140	221,565,553
Shrimp and Fish (Fisheries Unit)	9,337,917	19,236,006
	13,891,162,203	17,274,336,397

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	01.07.2019-30.06.2020	01.07.2018-30.06.2019
22.00 Administrative Expenses : Tk. 805,276,743		
This consists of as follows :		
Salaries and Allowances	506,123,538	504,689,429
Car Repairs and Maintenance	39,064,494	42,587,591
Fees and Charges	42,242,703	44,087,749
Repairs and Maintenances	39,709,586	38,864,608
Rent, Rates and Taxes	42,417,198	42,157,901
Travelling and Conveyance	25,553,875	28,909,267
Miscellaneous Overhead	12,916,439	19,277,196
Postage, Telegram, Telex & Telephone	11,938,114	14,937,239
Entertainment	8,790,590	8,689,507
Depreciation	9,979,844	11,989,144
Insurance	3,397,835	4,483,170
Petrol, Fuel, Electricity, Gas and Water	3,468,862	4,044,736
Printing and Stationery	7,859,269	7,861,287
Publicity and Advertisement	938,819	1,103,815
Staff Welfare	33,475,178	45,697,445
AGM Expenses	3,100,280	3,787,075
Audit Fee (Including VAT @ 15%)	2,443,750	2,271,250
Subscription	857,125	1,886,884
Contribution to Provident Fund	349,848	497,334
Training	439,759	813,667
General Office Expenses	10,209,637	15,458,540
	805,276,743	844,094,834
23.00 Selling and Distribution Expenses : Tk. 102,029,252		
This consists of as follows :		
Salaries & Allowances	79,318,500	55,424,708
Promotional Expenses	5,319,402	5,388,670
Occupancy Expenses	3,451,333	5,979,321
Office Expenses	5,149,062	5,542,808
Transport Expenses	2,084,895	2,431,861
Travelling & Conveyance Expenses	4,787,740	2,334,159
Communication Expenses	846,242	875,599
Utilities Expenses	171,393	853,203
Show Room Expenses	286,045	472,931
Handling & Carrying Expenses	92,641	93,897
Legal & Professional Fees	499,821	97,141
Product Research	22,177	203,265
	102,029,252	79,697,563
24.00 Finance Cost : Tk. 5,390,501,231		
This consists of as follows :		
Interest on Loan from Banks & Others	5,275,852,136	5,433,077,260
Bank Commission & Charges	96,399,080	77,874,467
Bank Commission & Charges	18,250,014	33,967,362
	5,390,501,231	5,544,919,089

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	01.07.2019-30.06.2020	01.07.2018-30.06.2019
25.00 Income Tax Expenses : Tk. 328,624,790		
This Consists of as follows:		
Provision for the year	114,854,307	91,151,172
Short Provision for the year 2018-2019 & 2017-2018	124,140,077	128,451,689
Short Provision for the year 2019-2020	117,262,776	-
Excess Provision for the Previous Years	(27,632,370)	(35,696,370)
Deferred Tax (Income) / Expenses	-	(13,422,125)
	328,624,790	170,484,366
26.00 Basic Earnings Per Share (EPS)		
The computation of EPS is given below :		
(a) Net Profit for the year after tax and Non-controlling (minority interest)	461,978,057	1,457,592,814
(b) Weighted average number of shares used for EPS (Note - 3.13)	873,596,264	873,596,264
(c) Basic EPS (a/b)	0.53	1.67
27.00 Net Asset Value (NAV) per share		
Total Assets	131,143,531,488	128,453,030,539
Less: Total Liabilities	66,730,766,839	64,038,414,239
Net Assets	64,412,764,649	64,414,616,299
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	873,596,264	873,596,264
Net Asset Value (NAV) per share	73.73	73.73
28.00 Net Operating Cash Flows Per Share (NOCFPS)		
Net cash flows from operating activities	31,694,601,853	(908,726,371)
Number of Ordinary Shares of Tk. 10 each at Financial Position date	873,596,264	873,596,264
Net Operating Cash Flows Per Share (NOCFPS)	36.28	(1.04)
Note: Net Operating Cash Flow Per Share (NOCPS) for the year ended 30 June 2020 is Tk. 30.97 which is higher than the NOCPS of Tk.(0.89) for the corresponding previous year. Realization from debtors & advances and less payment to suppliers and others improved the cash flows during the Year and that were used for acquisition of property, plant and equipments, capital work-in-progress & investment property.		
29.00 Reconciliation of Net profit with cash flows from operating activities.:		
Net profit after tax	477,774,382	1,488,948,670
Adjustments for noncash items, non operating items and for the net changes in operating accruals:		
Depreciation	1,480,767,487	699,319,930
(Increase)/Decrease in Investment in Shares	(344,100,000)	(421,000,000)
Increase/(Decrease) Deferred Tax Liability	-	(13,422,125)
(Increase)/Decrease in Inventories	(4,485,193,195)	(68,785,292)
Transfer to Investment Property	(2,252,106,081)	(7,552,056)
(Increase)/ Decrease in Trade and Other receivables	23,637,296,649	(10,057,186,916)
(Increase)/ Decrease in Advances, Deposits and Pre-payments	10,428,210,362	4,525,936,944
Increases/(Decreases) in Creditors and Other Payables	2,791,611,430	3,428,553,412
Increases/(Decreases) Accruals	396,614,886	(77,638,273)
Dividend Paid	(438,159,440)	(417,294,700)
Increases/(Decreases) Gratuity Payable	1,885,383	11,394,037
Net cash flows from operating activities	31,694,601,853	(908,726,370)
There was no Unrealised Foreign exchange gain or Loss during the year.		

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

30.00 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 Related Parties	Nature of Transactions	Value of Transactions During the year	Balance at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	200,675,364
Beximco Pharmaceuticals Ltd.	Short Term Loan	323,364,536	-
Beximco Pharmaceuticals Ltd.	Interest Expense	18,250,014	-
Beximco Synthetics Ltd.	Investment in Shares	-	457,248

Nature of Relationship

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

	Amount in Taka	
	01.07.2019-30.06.2020	01.07.2018-30.06.2019

31.00 Contingent Liabilities

This consists of as follows:

(a) Outstanding letter of credit	23,727,105	57,439,262
(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)	13,656,520	13,656,520
	37,383,625	71,095,782

32.00 Capital Expenditure Commitment

- (a) There was no capital expenditure contracted but not incurred or provided for as on 30 June 2020.
 (b) There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2020.

33.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 30 June 2020.

34.00 Credit Facilities not Availed

There was no credit facility available to the company under any contract, but not availed of as on 30 June 2020 other than trade credit available in the ordinary course of business.

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


- (i) no compensation was allowed by the company to the Managing Director of the company;
 (ii) no amount of money was spent by the company for compensating any member of the Board for special service rendered; and
 (iii) No board meeting attendance fee was paid to the directors of the Company except to the independent director of Tk. 100,000.

36.00 Events After The Reporting Period

Subsequent to the Statement of Financial Position date, the directors recommended 5% cash dividend (i.e. Tk. 0.50 per share) for the year ended 30 June 2020 which 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.


O K Chowdhury
 Director


A B Siddiquir Rahman
 Director


Md. Luthfor Rahman
 Head of Finance & Accounts

Dated, Dhaka
 28 October 2020

AUDITOR'S REPORT
AND AUDITED FINANCIAL STATEMENTS
OF
BANGLADESH EXPORT IMPORT COMPANY LIMITED
AS AT AND FOR THE YEAR ENDED 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BANGLADESH EXPORT IMPORT COMPANY LIMITED (the "Company"), which comprise the Statement of Financial Position as at 30 June 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue Recognition	
The Company manufactures and sells a number of products and provides numerous services to its customers. The Company has adopted the accounting standard IFRS 15 as accordingly has reviewed its sales contracts for determining the principles for recognizing revenue. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.	<p>Principal audit procedures:</p> <ul style="list-style-type: none">• Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company.• Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition.• Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.• Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the accounting standard.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED

Valuation of Property, Plant and equipment (PPE)

The carrying value of the PPE was

Tk. 50,506,276,857 as at 30 June, 2020.

Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.

The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.

See Note No. 4 to the financial statements

Our audit included the following procedure:

- We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.
- We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.
- We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.

We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.

Valuation of inventory

The inventory of Tk. 6,364,849,421 as at 30 June, 2020.

Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.

Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.

See Note No. 7 to the financial statements

We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:

- Evaluating the design and implementation of key inventory controls.
- Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data.
- Reviewing the requirement of inventory provisioning and action there upon by the management.
- Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.

IT systems and controls

Our audit procedures have a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

- We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (Logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.
- We tested the company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal controls management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, The Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

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

The engagement partner on the audit resulting in this independent auditor's report is Hasan Mahmood FCA.

Date: 28 October 2020
Dhaka



M. J. Abedin & Co.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2020


	Notes	Amount in Taka	
		30-June-2020	30-June-2019
ASSETS			
Non-Current Assets		69,005,777,676	36,957,099,573
Property, Plant and Equipment - Carrying Value	4.00	50,506,276,857	20,615,529,141
Investment Property	5.00	16,276,493,324	14,024,387,243
Investment in Shares	6.00	2,223,007,495	2,317,183,189
Current Assets		56,343,228,443	85,915,723,479
Inventories	7.00	6,364,849,421	1,916,134,639
Accounts & Other Receivables	8.00	27,913,103,474	51,456,152,527
Advances, Deposits & Prepayments	9.00	21,773,985,170	32,218,529,431
Cash and Cash Equivalents	10.00	291,290,378	324,906,882
Total Assets		125,349,006,119	122,872,823,052
EQUITY AND LIABILITIES			
Shareholders' Equity		60,759,190,704	61,189,444,106
Issued Share Capital	11.00	8,763,188,790	8,763,188,790
Reserve	12.00	34,999,627,322	35,437,903,016
Retained Earnings		16,996,374,592	16,988,352,300
Non-Current Liabilities		24,600,539,531	32,604,315,340
Long Term Loans - Net off Current Maturity (Secured)	13.00	23,587,143,855	31,590,919,664
Deferred Tax Liability	14.00	1,013,395,676	1,013,395,676
Current Liabilities		39,989,275,884	29,079,063,606
Long Term Loans - Current Maturity (Secured)	15.00	26,463,763,303	18,392,880,929
Short Term Loans	16.00	1,065,551,494	1,478,688,158
Trade and Other Payables	17.00	12,459,961,087	9,207,494,519
Total Equity and Liabilities		125,349,006,119	122,872,823,052

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the board.


O K Chowdhury
Director


A B Siddiqur Rahman
Director


Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020


M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Revenue	18.00	19,824,794,641	23,942,598,755
Cost of Revenue	19.00	(12,871,944,492)	(16,081,639,539)
Gross Profit		6,952,850,149	7,860,959,216
Operating Expenses		(6,117,992,108)	(6,215,656,127)
Administrative Expenses	20.00	(755,852,217)	(780,844,300)
Selling & Distribution Expenses		(52,832,382)	(23,821,297)
Finance Cost	21.00	(5,309,307,509)	(5,410,990,530)
Profit before WPPF and Income Tax		834,858,041	1,645,303,089
Contribution to WPPF		(39,755,145)	(78,347,766)
Net Profit before Tax		795,102,896	1,566,955,323
Income Tax (Expenses)/Income	22.00	(348,921,165)	(140,718,364)
Net Profit after Tax (NPAT) for the year		446,181,731	1,426,236,959
Other Comprehensive Income			
Fair Value Gain/(Loss) on Investment in Shares		(438,275,694)	(272,660,211)
Total Comprehensive Income for the year		7,906,037	1,153,576,748
EPS based on NPAT (Adjusted EPS)	23.00	0.51	1.63

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the Board:


O K Chowdhury
Director

A B Siddiquir Rahman
Director

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020

M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

As at 30 June 2020

Particulars	Amount in Taka			
	Share Capital	Reserves (Note - 12)	Retained Earnings	Total Equity
As on 1 July 2019	8,763,188,790	35,437,903,016	16,988,352,300	61,189,444,106
Net Profit after tax for the year ended 30 June 2020	-	-	446,181,731	446,181,731
Other Comprehensive Income				
Fair Value Loss on Investment in Shares (Note-12)	-	(438,275,694)	-	(438,275,694)
Transactions with Shareholders				
Payment of 5% Cash Dividend for the prior year (2018-2019)	-	-	(438,159,440)	(438,159,440)
As on 30 June 2020	8,763,188,790	34,999,627,322	16,996,374,592	60,759,190,704
Number of Shares				876,318,879
Net Assets Value Per Share (Note: 24.00)				69.33

As at 30 June 2019

Particulars	Amount in Taka			
	Share Capital	Reserves (Note - 12)	Retained Earnings	Total Equity
As on 1 July 2019	8,345,894,090	35,710,563,227	16,396,704,742	60,453,162,059
Net Profit after tax for the year ended 30 June 2019	-	-	1,426,236,959	1,426,236,959
Other Comprehensive Income				
Fair Value Loss on Investment in Shares (Note-12)	-	(272,660,211)	-	(272,660,211)
Transactions with Shareholders				
Issue of Bonus Shares for the prior year (2017-2018)	417,294,700	-	(417,294,700)	-
Payment of 5% Cash Dividend for the prior year (2017-2018)	-	-	(417,294,700)	(417,294,700)
As on 30 June 2019	8,763,188,790	35,437,903,016	16,988,352,300	61,189,444,106
Number of Shares				876,318,879
Net Assets Value Per Share (Note: 24.00)				69.83

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

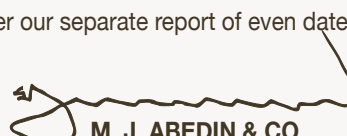
Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the Board:


O K Chowdhury
 Director


A B Siddiqui Rahman
 Director


Md. Luthfor Rahman
 Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020

M. J. ABEDIN & CO.
 Chartered Accountants

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Cash Flows From Operating Activities:	26.00	31,558,702,781	(968,908,387)
Cash Received Against Revenue and Others		43,367,843,695	13,960,132,634
Cash Paid to Suppliers and Others		(11,809,140,914)	(14,929,041,021)
Cash Flows From Investing Activities:		(31,246,289,185)	(67,057,124)
Purchase of Property, Plant and Equipment		(31,246,289,185)	(67,057,124)
Cash Flows From Financing Activities:		(346,030,099)	1,304,102,700
Increase in loan		(346,030,099)	1,304,102,700
Increase/(Decrease) in Cash and Cash Equivalents		(33,616,504)	268,137,189
Cash and Cash Equivalents at Opening		324,906,882	56,769,693
Cash and Cash Equivalents at Closing	10.00	291,290,378	324,906,882
Net Operating Cash Flow Per Share	25.00	36.01	(1.11)

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the board.



O K Chowdhury
 Director


A B Siddiquir Rahman
 Director


Md. Luthfor Rahman
 Chief Financial Officer

As per our separate report of even date annexed.

Dated, Dhaka
 28 October 2020


M. J. ABEDIN & CO.
 Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

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 period end quoted price of Dhaka Stock Exchange Ltd. and investment property are valued at fair value.

2.02 Reporting Framework and Compliance thereof

The financial statements have been prepared in compliance with the requirements of the *Companies Act 1994*, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable, and in accordance with the International Financial Reporting Standards (IFRSs) 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 *IAS 1: Presentation of Financial Statements*.

The Financial Statements Comprises:

- (a) a statement of financial position as at 30 June 2020;
- (b) a statement of profit or loss and other comprehensive income for the year from 01 July 2019 to 30 June 2020;
- (c) a statement of changes in equity for the year from 01 July 2019 to 30 June 2020;
- (d) a statement of cash flows for the year from 01 July 2019 to 30 June 2020; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.04 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 28 October 2020.

2.05 Functional and Presentation Currency

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

2.06 Reporting Period and Comparative Information

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2019 to 30th June 2020).

Figures for earlier periods 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 30 June 2020

2.07 Use of Estimates and Judgments

The preparation of financial statements in conformity with International 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 *IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors*.

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

2.08 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of *IAS 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 *IAS 7* whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.09 Related Party Disclosures

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

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

2.10 Events after the Reporting Period

In compliance with the requirements of *IAS 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 *IFRS 15: Revenue from Contracts with Customers*, revenue receipts from customers against sales is recognized when all the performance obligation have been satisfied.

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 *IAS 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 *IAS 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 *IAS*, 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 30 June 2020

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 IAS 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 IAS 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 IAS 40, *Investment Property* and has adopted "fair value model".

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 30 June 2020

(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 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.

3.05.1 Financial Assets

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

(a) Investment in Shares

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

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

(b) Accounts Receivables

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

(c) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

(d) Cash and Cash Equivalents

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

3.05.2 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.

3.06 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

3.07 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.

3.08 Borrowing Costs

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

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

3.09 Income Tax Expenses

Current Tax

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

Deferred Tax

Deferred tax is recognised in compliance with *IAS 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.

3.10 Employee Benefits

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

(b) Short-term Employee Benefits

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

(c) Contribution to Workers' Participation/Welfare Funds

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

3.11 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 *International Accounting Standard (IAS) 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 *International Accounting Standard (IAS) 10: Events After The Reporting Period*, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board Directors.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

3.12 Earnings per Share

This has been calculated in compliance with the requirements of *IAS 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**

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

Earlier Periods

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

The basis of computation of number of shares as stated above is in line with the provisions of *IAS 33 Earnings Per Share*. The logic behind this basis, as stated in the said IAS 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.

3.13 Foreign Currency Transactions

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 *IAS 21: the Effects of Changes in Foreign Exchange Rates*. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

3.14 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of *IAS 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 IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

4.15 Events after the Reporting Period

In compliance with the requirements of *IAS 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

4.00 Property, Plant and Equipment - Carrying Value: Tk. 50,506,276,857**As at 30 June 2020**

Particulars	Amount in Taka						Total
	Land & Land Development	Building & Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	
Cost / Valuation							
At 30 June 2019	12,187,111,000	5,893,790,978	14,401,616,126	711,176,118	211,038,024	23,016,946	33,427,749,192
Total addition during the year	1,058,215,980	2,590,430,026	9,153,887,094	304,164,003	106,071,791	18,056,537,237	31,269,306,131
Total Transferred & Capitalized	-	-	-	-	-	(23,016,946)	(23,016,946)
At 30 June 2020	13,245,326,980	8,484,221,004	23,555,503,220	1,015,340,121	317,109,815	18,056,537,237	64,674,038,377
Depreciation:							
At 30 June 2019	-	2,371,546,240	9,718,695,548	548,728,867	173,249,395	-	12,812,220,051
Total charged during the year	-	306,819,097	965,662,927	54,409,923	28,649,522	-	1,355,541,469
At 30 June 2020	-	2,678,365,338	10,684,358,475	603,138,790	201,898,917	-	14,167,761,520
Carrying Value							
At 30 June 2020	13,245,326,980	5,805,855,666	12,871,144,745	412,201,331	115,210,898	18,056,537,237	50,506,276,857

As at 30 June 2019

Particulars	Amount in Taka						Total
	Land & Land Development	Building & Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	
Cost / Valuation							
At 30 June 2018	12,187,111,000	5,884,032,624	14,375,183,798	696,727,066	194,620,634	31,005,492	33,368,680,613
Total addition during the year	-	9,758,354	26,432,328	14,449,052	16,417,390	-	67,057,124
Total Transferred & Capitalized	-	-	-	-	-	(7,988,546)	(7,988,546)
At 30 June 2019	12,187,111,000	5,893,790,978	14,401,616,126	711,176,118	211,038,024	23,016,946	33,427,749,192
Depreciation:							
At 30 June 2018	-	2,184,698,253	9,362,789,910	529,016,243	163,804,916	-	12,240,309,322
Total charged during the year	-	186,847,987	355,905,638	19,712,624	9,444,479	-	571,910,728
At 30 June 2019	-	2,371,546,240	9,718,695,548	548,728,867	173,249,395	-	12,812,220,051
Carrying Value							
At 30 June 2019	12,187,111,000	3,522,244,738	4,682,920,577	162,447,251	37,788,629	23,016,946	20,615,529,141

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

Particulars	Amount in Tk.
Increase by re-valuation in 1977	1,733,120
Increase by re-valuation in 1988	4,617,873
Increase by re-valuation in 2011	5,988,990,434
Increase by re-valuation in 2013	2,133,194,757
Increase by revaluation	8,128,536,184
Original Cost	56,545,502,193
Gross carrying amounts	64,674,038,377

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19
5.00 Investment Property: Tk. 16,276,493,324		
This consists of as follows:		
This consists of Investment in Shares of listed Companies as follows :		
Opening Balance	14,024,387,243	14,016,835,187
Addition during the year	2,252,106,081	7,552,056
	16,276,493,324	14,024,387,243

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

No revaluation was done during the year under review.

However, during the year ended 30 June 2016, a revaluation was done by an independent valuer Shiraz Khan Basak & Co., Chartered Accountants, R K Tower, 86 Bir Uttam C R Datta Road (312, Sonargaon), Level 10, Hatirpool, Dhaka-1205, and the valuer has revalued the said land of the Company as of 30 March 2016, following "current cost method".

6.00 Investment in Shares : Tk. 2,223,007,495

This consists of as follows:

This consists of Investment in Shares of listed Companies 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.8.00 per share on 30 June 2020}	587,864,072	984,672,321
(ii) In 2,899,933 Shares of Beximco Pharmaceuticals Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 69.20 per share on 30 June 2020}	200,675,364	242,144,405
(ii) In 2,530 Shares of Beximco Synthetics Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 6.70 per share on 30 June 2020}	16,951	14,927
	788,556,387	1,226,831,653

(ii) Others :

(iv) In 12 Shares of Jamuna Oil Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 138.20 per share on 30 June 2020}	1,658	2,086
(v) "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
(vi) 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
(f) In 113,290,000 Shares of Beximco Power Co. Ltd. (Face value of Tk. 10.00)	1,132,900,000	788,800,000
	1,434,451,108	1,090,351,536
Total= (a+b)	2,223,007,495	2,317,183,189

(c) The basis of valuation is stated in Note 3.05.1(a).

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

(d) Investment in subsidiary company Shinepukur Ceramics Ltd. of 73,483,009 shares represents 50.00% of the paid-up capital of the said Company (146,966,055 shares of Tk. 10/ each). The accumulated loss of Shinepukur Ceramics Ltd. as on 30 June 2020 of Tk. (30,330,522) including net profit after tax for the year ended 30 June 2020 of Tk.31,592,650 as per its audited financial statements for the year ended 30 June, 2020 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19
7.00 Inventories : Tk. 6,364,849,421		
This represents as follows:		
Land (Real Estate Business)	453,896,682	448,493,789
Construction work in progress (Real Estate Business)	300,614,741	322,349,004
Land Development and Others (Real Estate Business)	66,702,700	42,926,952
Work in Process	457,315,463	309,807,122
Raw Materials	4,582,437,050	386,498,857
Stores and Spares	148,696,839	147,005,496
Finished Goods	347,775,904	252,484,608
Fish & Shrimp	5,804,161	5,858,267
Packing Materials	816,146	612,942
Fish Feed	789,735	26,490
Jute Yarn (London Branch)	-	71,112
	6,364,849,421	1,916,134,639
8.00 Trade and Other Receivables : Tk. 27,913,103,474		
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.		
9.00 Advances, Deposits and Pre-payments : Tk. 21,773,985,170		
This consists of as follows:		
Advances against Purchase of Land and Others	21,508,124,242	31,754,786,171
L/C Margin	15,346,368	41,993,000
Advance Income Tax	136,207,906	270,630,071
Security Deposit	63,801,485	63,801,485
Other Advances	50,219,760	50,219,760
London Branch	-	36,813,535
Bank Guarantee Margin	285,409	285,409
	21,773,985,170	32,218,529,431
This is unsecured but considered good.		
No amount was due by the directors (including Managing Director), Managing Agents, Managers and other officers of the company and any of them severally or jointly with any other person.		
No amount was due by the associated undertakings.		
10.00 Cash and Cash Equivalents : Tk. 291,290,378		
This consist of as follows:		
Cash in Hand	15,141,566	31,254,157
In Current Account with banks	199,457,309	154,705,678
In STD account with banks	74,725,917	136,811,981
In Fixed Deposit and Accrued Interest thereon with a Bank	1,965,586	1,867,255
London Branch	-	267,812
	291,290,378	324,906,882

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19

11.00 Issued Share Capital : Tk. 8,763,188,790**(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

700,605,814(30.06.2019: 700,605,814) Ordinary Shares of Tk.10/-
each issued as fully paid-up bonus shares 7,006,058,140 7,006,058,140

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
Crescent 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 Freshetex Bangladesh Ltd.) 5,513,420 5,513,420

Total 876,318,879 Shares of Tk. 10/= each 8,763,188,790 8,763,188,790

(c) Composition of Shareholding:

Name of the Shareholders	30-June-20		30-June-19	
	No. Of Shares	%	No. Of Shares	%
Sponsors:				
A S F Rahman	63,204,992	7.21%	63,204,992	7.21%
Salman F Rahman	70,919,693	8.09%	70,919,693	8.09%
Associates	42,462,527	4.85%	42,462,527	4.85%
Foreign Investors	68,283,726	7.79%	71,029,068	8.11%
Institutions	196,363,384	22.41%	193,901,169	22.13%
General Public	435,084,557	49.65%	434,801,430	49.62%
	876,318,879	100%	876,318,879	100%

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

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

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

Share holding Range in number of Shares	30-June-20			30-June-19		
	number of			number of		
	Shares	Holders	% of total holding	Shares	Holders	% of total holding
1 to 499	10,788,109	68,127	1.23%	11,198,604	70,966	1.28%
500 to 5,000	81,641,396	46,917	9.32%	82,773,625	47,792	9.45%
5,001 to 10,000	51,597,775	7,202	5.89%	51,857,710	7,307	5.92%
10,001 to 20,000	60,073,161	4,281	6.86%	59,702,678	4,303	6.81%
20,001 to 30,000	37,394,031	1,517	4.27%	36,079,688	1,473	4.12%
30,001 to 40,000	24,851,226	715	2.84%	23,807,519	694	2.72%
40,001 to 50,000	19,230,788	423	2.19%	17,340,993	385	1.98%
50,001 to 100,000	52,004,106	741	5.93%	49,577,766	710	5.66%
100,001 to 1,000,000	198,251,036	522	22.62%	109,866,136	469	12.54%
Over 1,000,000	340,487,251	15	38.85%	434,114,160	49	49.54%
Total :	876,318,879	130,460	100.00%	876,318,879	134,148	100.00%

(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. 13.00 and Tk. 13.00 per share in the Dhaka and Chittagong Stock Exchanges on 30 June 2020.

(g) Voting Rights :

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

12.00 Reserves : Tk. 34,999,627,322

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

Share holding Range in number of Shares	Amount in Tk.				
	Fair Value Gain/ (Loss) on Investment in Shares	Capital Reserve	Revaluation Reserve on PPE	Revaluation Reserve on Investment property	Total
As on 30-06-2018	487,094,309	15,420,659,353	8,128,536,184	11,674,273,381	35,710,563,227
Addition/(Adjustment) during the year (Note-12.01)	(272,660,211)	-	-	-	(272,660,211)
As on 30-06-2019	214,434,098	15,420,659,353	8,128,536,184	11,674,273,381	35,437,903,016
Addition/(Adjustment) during the year (Note-12.01)	(438,275,694)	-	-	-	(438,275,694)
As on 30-06-2020	(223,841,596)	15,420,659,353	8,128,536,184	11,674,273,381	34,999,627,322

12.01 Addition/(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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19
13.00 Long Term Loans - Net-off Current Maturity (Secured) : Tk. 23,587,143,855		
This is secured and consists of as follows:		
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	7,188,430,293	8,024,396,092
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	-	2,893,039,793
Janata Bank Ltd. - Long Term Loan (6 years)	-	982,983,260
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	392,296,000	1,109,878,000
Rupali Bank Ltd. - Long Term Loan (12 Years)	3,271,300,000	3,638,000,000
Rupali Bank Ltd. - Long Term Loan (6 Years)	-	2,356,500,000
Janata Bank Ltd. - Long Term Loan (12 Years)	6,774,285,347	7,577,140,785
Agrani Bank-Industrial Credit Loan-1	2,559,270,931	2,270,453,889
Agrani Bank- Demand Loan	2,208,059,873	1,421,587,640
AB Bank Ltd. - Term Loan (12 Years)	933,592,426	933,592,426
AB Bank Ltd. - Time Loan (6 Years)	126,069,848	126,069,848
AB Bank Ltd. - Time Loan (12 Years)	133,839,138	257,277,932
	23,587,143,855	31,590,919,664

Nature of Security :

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

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

14.00 Deferred Tax Liability : Tk. 1,013,395,676**Deferred Tax Liability is arrived at as follows:**

Opening Deferred Tax Liability	1,013,395,676	1,026,817,801
Deferred Tax (Income) / Expenses(Note-14.02)	-	(13,422,125)
	1,013,395,676	1,013,395,676

14.01 Deferred Tax Expense/(Income) is arrived at as follows:

Year end WDV of PPE including revalued amount	50,506,276,857
Less: Capital Work in Progress	18,056,537,237
Less: Revalued amount of Building, Plant & Machinery	121,806,670
Less: Land and Land Development at Revalued amount	13,245,326,980
Year end WDV of PPE excluding revalued amount	19,082,605,970
Year end tax base WDV of PPE	10,130,374,069
Taxable Temporary Difference	8,952,231,901
Applicable Tax Rate	15%
Deferred Tax Liability before unabsorbed tax depreciation benefit	1,342,834,785
Less: Unabsorbed tax depreciation benefit	329,439,109
Closing deferred Tax Liability	1,013,395,676

Bangladesh Export Import Company Ltd. is a listed company comprised of multiple business/income divisions which enjoy various tax rates (including reduced rate of tax @ 15% for Textile based income) for calculating income tax and deferred tax. However, due to charge of 'Minimum Tax' rates for calculating income tax for the year the temporary differences which arisen between accounting and tax depreciation remain 'unabsorbed' and therefore no provision for deferred tax expense/(income) is applicable for the year 2019-2020.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	as at	
	30-June-20	30-June-19
14.02 Deferred Tax Expense is arrived at as follows:		
Closing Balance of Deferred Tax Liability	50,506,276,857	
Opening Balance of Deferred Tax Liability	18,056,537,237	
	-	

15.00 Long Term Loans - Current Maturity (Secured) : Tk. 26,463,763,303

This consists of as follows:

10% Debentures	901,686,833	824,583,378
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	4,496,105,061	1,607,126,690
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	1,804,958,019	771,501,073
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	1,525,077,084	760,368,611
Janata Bank Ltd. - Long Term Loan(6 years)	2,797,107,044	1,896,994,229
Bangladesh Development Bank Ltd.- Interest Block	-	4,671,220
AB Bank Ltd.- Term Loan (12 Years)	481,393,648	342,837,227
Rupali Bank Ltd. - Long Term Loan (12 Years)	1,088,802,345	662,868,350
Rupali Bank Ltd. - Long Term Loan (6 Years)	4,904,901,506	2,507,110,067
Janata Bank Ltd. - Long Term Loan (12 Years)	2,584,982,041	1,997,314,889
Agrani Bank Ltd.-Industrial Credit Loan-1	-	318,956,836
Agrani Bank Ltd.- Demand Loan	-	844,014,070
EXIM Bank Ltd.-IBB Loan	2,925,846,682	3,037,990,197
UCBL OD A/C# 775	2,952,903,040	2,816,544,092
	26,463,763,303	18,392,880,929

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

16.00 Short Term Loan : Tk. 1,065,551,494

This consists of as follows:

Secured:

Janata Bank Ltd. - CCH	985,742,693	1,022,234,146
Janata Bank Ltd. - Cash Subsidy	79,808,801	133,089,476
Beximco Pharmaceuticals Ltd.	-	323,364,536
	1,065,551,494	1,478,688,158

17.00 Trade and Other Payables : Tk. 12,459,961,087

This consists of as follows:

Creditors for Goods	6,798,862,337	3,945,641,076
Income Tax Payables	929,886,958	890,828,250
Advance Against sale of Investment in Shares	274,470,349	274,470,349
Other Current Liabilities	4,441,741,443	4,044,402,385
London Branch	-	37,152,459
Security Deposit from Distributor	15,000,000	15,000,000
	12,459,961,087	9,207,494,519

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	01.07.2019-30.06.2020	01.07.2018-30.06.2019
18.00 Revenue : Tk. 19,824,794,641		
This is made up as follows :		
Sale of Goods (Note - 18.01)	19,818,792,393	23,936,783,531
Dividend Income	5,777,852	5,052,869
Capital (Loss)/Gain on Sale of Shares	(1,247,358)	(885,141)
Other Income	1,471,753	1,647,497
	19,824,794,641	23,942,598,755
18.01 Sale of Goods : Tk. 19,818,792,393		
This represents sales of:		
(a) Yarn, Fabrics & Others	17,656,463,521	21,200,317,070
(b) IT Support Service	205,378,922	173,865,673
(c) Software Sale	1,947,612,817	2,550,596,594
(d) Fish & Shrimp	9,337,133	12,004,194
	19,818,792,393	23,936,783,531
19.00 Cost of Revenue : Tk. 12,871,944,492		
This represents cost of goods sold against sale of:		
(a) Yarn, Fabrics & Others (Including depreciation of Tk. 1,338,736,331)	12,630,669,435	15,840,837,980
(b) IT Support Service and Software (Including depreciation of Tk. 6,458,275)	231,937,140	221,565,553
(c) Shrimp and Fish (Including depreciation of Tk. 2,202,409)	9,337,917	19,236,006
	12,871,944,492	16,081,639,539
20.00 Administrative Expenses : Tk. 755,852,217		
This consists of as follows :		
Salaries and Allowances	475,343,807	470,126,298
Car Repairs and Maintenance	39,064,494	42,587,591
Fees and Charges	41,256,853	43,144,236
Repairs and Maintenances	39,709,586	38,864,608
Rent, Rates and Taxes	42,417,198	42,157,901
Travelling and Conveyance	21,944,837	23,842,250
Miscellaneous Overhead	12,030,619	17,320,858
Postage, Telegram, Telex & Telephone	11,938,114	14,937,239
Entertainment	8,790,590	8,689,507
Depreciation	8,144,454	8,248,353
Insurance	3,397,835	4,483,170
Petrol, Fuel, Electricity, Gas and Water	3,468,862	3,213,532
Printing and Stationery	7,859,269	7,861,287
Publicity and Advertisement	938,819	1,103,815
Staff Welfare	33,475,178	45,697,445
AGM Expenses	2,786,220	3,787,075
Audit Fee (Including VAT @ 15%)	1,638,750	1,581,250
Subscription	857,125	1,886,884
Contribution to Provident Fund	349,848	497,334
Training	439,759	813,667
	755,852,217	780,844,300

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	01.07.2019-30.06.2020	01.07.2018-30.06.2019
21.00 Finance Cost : Tk. 5,309,307,509		
This consists of as follows :		
Interest on Loan from Banks & Others	5,196,296,629	5,302,121,942
Interest on Loan from Related Company	18,250,014	33,967,362
Bank Charges	94,760,866	74,901,227
	5,309,307,509	5,410,990,530

22.00 Income Tax Expense/(Income) : Tk. 348,921,165

This represents:

(a) Current Tax:

Provision for the year	107,518,312	61,385,170
Short Provision for the year 2017-2018	-	128,451,689
Short Provision for the year 2018-2019	124,140,077	-
Short Provision for the year 2019-2020	117,262,776	-
Excess Provision for the year 2016-2017	-	(35,696,370)

(b) Deferred Tax (Income) / Expenses

	-	(13,422,125)
	348,921,165	140,718,364

(a) Current Tax

Different divisions enjoy different tax rates and provisions. Also, Minimum tax payable by the company is higher of the following:

- Tax deducted at source U/S 52 and Rule 16 (against supply of local sales), U/S 53 (against Import materials) and U/S 53BBBB (against exports sales)
- Turnover tax at the rate of 0.60% total Gross Revenue U/S 82C(4)
- Tax payable under regular assessment

Since tax deducted at sources were higher during the year, the company has charged the total amount of the tax deducted at sources as provision of income tax expenses in the profit and loss account.

(b) Deferred Tax (Income) / Expenses

Since minimum tax payable U/S 82C (5) of ITO 1984 is higher than the tax payable under regular assessment, there is no room for adjustment of the 'Temporary Differences' arisen out of difference between accounting and tax depreciation during the year.

In other words, the amount of temporary differences remain 'unabsorbed' and therefore no provision for deferred tax expenses / (income) is applicable for the year 2019-20.

23.00 Basic Earnings Per Share (EPS)

The computation of EPS is given below :

(a) Net Profit after Tax for the year	446,181,731	1,426,236,959
(b) Weighted Avarage Number of Shares Outstanding(Note-3.12)	876,318,879	876,318,879
(c) Basic EPS (a/b) (Par Value of Share Tk. 10/=) (Adjusted EPS)	0.51	1.63

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Amount in Taka	
	01.07.2019-30.06.2020	01.07.2018-30.06.2019
24.00 Net Asset Value (NAV) per share		
Total Assets	125,349,006,119	122,872,823,052
Less: Total Liabilities	64,589,815,415	61,683,378,946
Total Equity	60,759,190,704	61,189,444,106
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	876,318,879	876,318,879
Net Asset Value per share	69.33	69.83

25.00 Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities	31,558,702,781	(968,908,387)
Number of Ordinary Shares of Tk. 10 each at Financial Position date	876,318,879	876,318,879
Net Operating Cash Flows Per Share (NOCFPS)	36.01	(1.11)

Note: Net Operating Cash Flow Per Share (NOCPS) for the year ended 30 June 2020 is Tk. 36.01 which is higher than the NOCPS of Tk.(1.11) for the corresponding previous year. Realization from debtors & advances and less payment to suppliers and others improved the cash flows during the Year and that were used for acquisition of property, plant and equipments, capital work-in-progress & investment property.

26.00 Reconciliation of Net profit with cash flows from operating activities

Net profit after tax	446,181,731	1,426,236,959
Adjustments for noncash items, non-operating items and for the net changes in operating accruals		
Depreciation	1,355,541,469	571,910,728
(Increase)/Decrease in Investment in Shares	(344,100,000)	(421,000,000)
Increase/(Decrease) Deferred Tax Liability	-	(13,422,125)
(Increase)/Decrease in Inventories	(4,448,714,782)	50,508,001
Transfer to Investment Property	(2,252,106,081)	(7,552,056)
(Increase)/ Decrease in Trade and Other receivables	23,543,049,053	(9,982,466,122)
(Increase)/ Decrease in Advances, Deposits and Pre-payments	10,444,544,261	4,547,588,857
Increases/(Decreases) in Creditors and Other Payables	2,853,221,261	3,356,592,659
Increases/(Decreases) Accruals	399,245,308	(80,010,588)
Dividend Paid	(438,159,440)	(417,294,700)
Net cash flows from operating activities	31,558,702,781	(968,908,387)

There was no Unrealised Foreign exchange gain or Loss during the year.

27.00 Related Party Transactions

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

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

Name of Related Parties	Nature of Transactions	Value of Transactions During the year	Receivable / (Payable) at the end of the year
Beximco Pharmaceuticals Ltd.	Short Term Loan	323,364,536	-
Beximco Pharmaceuticals Ltd.	Interest Expense	18,250,014	-
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	200,675,364
Shinepukur Ceramics Ltd	Investment in Shares	-	587,864,072
Beximco Synthetics Ltd.	Investment in Shares	-	16,951

Nature of Relationship

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

28.00 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 30 June 2020.

29.00 Capital Expenditure Commitment

There was no sum for which the Company is contingently liable as on 30 June 2020.

- (a) There was no capital expenditure contracted but not incurred or provided for at 30 June 2020.
- (b) There was no material capital expenditure authorized by the Board but not contracted for at 30 June 2020.

30.00 Claims Not Acknowledged As Debt

There was no claim against the company not acknowledged as debt as on 30 June 2020.

31.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 30 June 2020 under any contract, other than trade credit available in the ordinary course of business.

32.00 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, Machinery & Spares: USD 15,182,847 Equivalent BDT 1,282,950,593).

33.00 Commission, Brokerage or Discount Against Sales

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

34.00 Payments/Perquisites to Managers & Directors

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

Particulars	Amount in Taka	
	01.07.2019 - 30.06.2020	01.07.2018 - 30.06.2019
Basic Salary	132,540,056	135,247,429
House rent allowance	38,942,130	39,952,735
Other allowances and benefits	53,616,316	37,635,248
	225,098,502	212,835,412

- (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. 100,000.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

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

Yarn				Woven Fabric				Knit Fabric (Quantity in Kgs.)		Denim Fabric (Capacity in Lm.)	
Spindles		Quantity in '000 Lbs (40's equivalent)		Looms		Output Capacity (Lm.)					
No. of Spindles installed	No. of Spindles Actually Operated	Installed Capacity	Actual Production	No. of looms Installed	No. of looms Actually Operated	Installed Capacity	Actual Production	Installed Capacity	Actual Production	Installed Capacity	Actual Production
119,520	119,520	43,200,000	39,405,759	293	293	40,800,000	36,774,266	9,000,000	6,889,414	12,000,000	10,785,035

Reason for Shortfall : Production as per market demand.

36.00 Disclosure on Operating Segments

Perticulars	Textile division	Other divisions	Total
External revenue	17,656,463,521	2,168,331,120	19,824,794,641
Intra-segment revenue	-	-	-
Total revenue	17,656,463,521	2,168,331,120	19,824,794,641
Depreciation	1,338,736,331	16,805,138	1,355,541,469
Operating expenses	12,007,555,347	357,287,420	12,364,842,767
Finance costs	4,241,013,726	1,068,293,783	5,309,307,509
Segment profit before tax	69,158,117	725,944,779	795,102,896
Segment assets	78,639,871,292	46,709,134,827	125,349,006,119
Segment liabilities	50,205,457,226	14,384,358,189	64,589,815,415

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

37.00 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

37.01 Credit risk

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

37.02 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

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.

37.03 Market Risk

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

(a) Currency Risk

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

(b) Interest Rate Risk

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

(c) Risk(s) from Pandemic (Covid 19) :

"The virus known as covid-19 which originated from China in December 2019 has impacted the operations of the company. As per general order of the Govt. of Bangladesh the offices including production facilities were totally closed down from 26th March 2020 to 6th May 2020 and thereafter operational activities could not be resumed in full scale, primarily, due to:

- (i) Non presence in work place(s) of the employees/workforces fearing infection from the virus;
- (ii) Non opening /functioning of domestic market;
- (iii) Disruptions in international supply chain(s); and
- (iv) Declining of export demand.

Therefore, revenue(s) generation during the pandemic period from January - June 2020 is affected in general and particularly during last quarter April - June 2020 were minimum, when export orders either cancelled or postponed. Even exported goods in transit/port were not cleared on time and payments there against either delayed or held up because of closer/lock down in the imported countries. Some of the customers' companies applied for reconstruction or went under court administration to stay afloat avoiding to wind up. The company to meet its recurring periodic expenses and particularly to pay employees, suppliers and utilities bills faced severe liquidity constraint. Therefore, the company, to ease the situation and as a safety measure for keeping the operation continued in subsequent months, applied for additional bank finances under the Government stimulus package which was sanctioned later on.

38.00 Events After The Reporting Period

- a) Subsequent to the Statement of Financial Position date, the directors recommended 5% cash dividend (i.e. Tk. 0.50 per share) for the year ended 30 June 2020. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.
- b) Except the above fact, no circumstances have arisen since this statement of Financial Position date which would require adjustments to, disclosure in, the financial statements or notes thereto.



O K Chowdhury
Director



A B Siddiqur Rahman
Director



Md. Luthfor Rahman
Chief Financial Officer

Dated, Dhaka
28 October 2020

AUDITOR'S REPORT
AND AUDITED FINANCIAL STATEMENTS
OF
SHINEPUKUR CERAMICS LIMITED
AS AT AND FOR THE YEAR ENDED 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shinepukur Ceramics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shinepukur Ceramics Limited (the "Company"), which comprise the statement of financial position as at 30 June 2020, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA code and the Institute of Chartered Accountants Bangladesh (ICAB). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue Recognition	
At year end the company reported total revenue of Tk. 1,205,076,326. The company manufactures and sells a number of products for customers. The company sales contracts for determining the principles for recognizing revenue in accordance with accounting standard IFRS 15. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time. See note No: (3.1 & 18.00) to financial statements	Principal audit procedures: <ul style="list-style-type: none">• Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the company• Evaluated the design of internal controls to identification of performance obligations and determining timing of revenue recognition.• Selected a sample of contract and though inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.• Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.
Valuation of inventory	
The company had inventory of Tk. 902,826,025. As at 30 June, 2020 held in factory and showroom. Inventories are carried at the lower of cost and net realisable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items. Since the values of inventory are significant to the financial statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit. See Note No: (3.5 & 6.00) to the financial statements	We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by: <ul style="list-style-type: none">• Evaluating the design and implementation of key inventory controls operating across the factory and showroom.• Attending Inventory counts and reconciling the count results to the inventory listing to the test the completeness of data.• Reviewing the requirement of inventory provisioning and action there upon by the management. Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shinepukur Ceramics Limited

Valuation of Property, Plant and equipment (PPE)

The carrying value of the PPE was Tk. 5,145,934,995 as at June, 2020.

Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they related to repair or maintenance of the assets. Classification of the expenditures involves judgment's useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. the estimates are based on historical experience and market practice and take into consideration the physical conditions of the assets.

The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.

See Note No: (3.2 & 4.00) to the financial statements

Our audit included the following procedures:

- We assessed whether the accounting policies on relation to the capitalization of expenditures are in compliance with IFRS and found them to be inconsistent.
- We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.
- We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.
- We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with date of the act of completion of the work.

IT systems and controls

Our audit procedures have a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.

See Note No: (2.8) to the financial statements

- We tested the design and operating effectiveness of the company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and inspects of IT operational controls).this included testing that requests for access to systems were appropriately reviewed and authorized.
- We tasted the company's periodic review of access rights. We inspect requests of changes to system for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with, International Financial Reporting Standards (IFRSs), 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.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shinepukur Ceramics Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

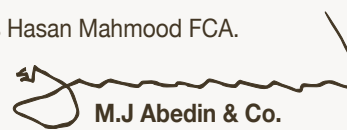
Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1994 and The Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, and the other applicable laws and regulations, we also report the following:

- 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 and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the company's business.

The engagement partner on the audit resulting in this independent auditor's report is Hasan Mahmood FCA.

Date: 28 October 2020
Dhaka



M.J. Abedin & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	Amount in Taka	
		30-June-2020	30-June-2019
ASSETS			
Non-Current Assets		5,180,083,863	5,327,807,561
Property, Plant and Equipment - Carrying Value	4.00	5,145,934,995	5,269,337,376
Investment in Shares	5.00	34,148,868	58,470,185
Current Assets		1,236,014,149	1,295,154,708
Inventories	6.00	902,826,025	866,347,612
Accounts & Other Receivables	7.00	178,701,696	272,949,292
Advances, Deposits & Prepayments	8.00	146,682,551	130,348,652
Cash and Cash Equivalents	9.00	7,803,877	25,509,152
Total Assets		6,416,098,012	6,622,962,269
EQUITY AND LIABILITIES			
Shareholders' Equity		4,275,198,297	4,267,926,974
Issued Share Capital	10.00	1,469,660,550	1,469,660,550
Revaluation Surplus on Property, Plant and Equipment	11.00	2,966,690,015	2,966,690,015
Fair Value Loss on Investment in Shares		(130,821,746)	(106,500,419)
Retained Earnings		30,330,522	(61,923,172)
Non-Current Liabilities		506,157,717	526,777,230
Long Term Loans - Net-off Current Maturity(Secured)	12.00	291,263,805	313,768,701
Gratuity Payable	13.00	133,421,835	131,536,452
Deferred Tax Liability	14.00	81,472,077	81,472,077
Current Liabilities		1,634,741,998	1,828,258,065
Short Term Loans from Banks & Other	15.00	766,336,816	863,635,578
Long Term Loans-Current Maturity (Secured)	16.00	155,094,538	187,071,590
Creditors, Accruals and Other Payables	17.00	713,310,644	777,550,897
Total Equity and Liabilities		6,416,098,012	6,622,962,269

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the board.



Iqbal Ahmed
Director



O K Chowdhury, FCA
Director



Mohammed Humayun Kabir FCA
Chief Executive



Nargis Sultana
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020


M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF PROFIT OR LOSS

for the year ended 30 June 2020

	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Revenue	18.00	1,205,076,326	1,533,121,181
Cost of Goods Sold	19.00	(1,019,217,711)	(1,192,696,859)
Gross Profit		185,858,615	340,424,322
Other Income	20.00	5,817,591	9,732,635
Operating Expenses		(98,621,395)	(119,126,800)
Administrative Expenses	21.00	(49,424,525)	(63,250,534)
Selling & Distribution Expenses	22.00	(49,196,870)	(55,876,266)
Profit from Operations		93,054,811	231,030,157
Finance Cost	23.00	(81,193,722)	(133,928,558)
Profit before WPPF		11,861,089	97,101,599
Workers' Profit Participation Fund		(564,814)	(4,623,886)
Net Profit Before Tax		11,296,275	92,477,713
Income Tax Income/(Expense)	24.00	20,296,375	(29,766,002)
Net Profit After Tax for the year		31,592,650	62,711,711
Earning Per Share	25.00	0.21	0.43

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the Board:



Iqbal Ahmed
Director



O K Chowdhury, FCA
Director




Mohammed Humayun Kabir FCA
Chief Executive



Nargis Sultana
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020



M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Net Profit /(Loss) After Tax for the year		31,592,650	62,711,711
Fair Value Gain/(Loss) on Investment in Shares	5.00	(24,321,327)	(10,030,718)
Total Comprehensive Income/(Loss) for the year		7,271,323	52,680,993

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

Particulars	Amount in Taka				
	Share Capital	Revaluation Surplus on PPE	Fair Value Loss on Investment in Shares	Retained Earnings	Total Equity
Balance as on 1 July 2018	1,469,660,550	2,966,690,015	(96,469,701)	(124,634,883)	4,215,245,981
Net Profit after tax for the year ended 30 June 2018	-	-	-	62,711,712	62,711,712
Fair Value Gain or (Loss) on Investment in Shares (Note - 5)	-	-	(10,030,718)	-	(10,030,718)
Total Balance as on 30 June 2019	1,469,660,550	2,966,690,015	(106,500,419)	(61,923,172)	4,267,926,974
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share					29.04
Balance as on 1 July 2019	1,469,660,550	2,966,690,015	(106,500,419)	(61,923,172)	4,267,926,974
Net Profit after tax for the year ended 30 June 2020	-	-	-	31,592,650	31,592,650
Fair Value Gain/(Loss) on Investment in Shares (Note-5)	-	-	(24,321,327)	-	(24,321,327)
Total Balance as on 30 June 2020	1,469,660,550	2,966,690,015	(130,821,746)	(30,330,522)	4,275,198,297
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share (Note: 26)					29.09

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the Board:


Iqbal Ahmed
Director

O K Chowdhury, FCA
Director

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020

M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Cash Flows From Operating Activities:			
Collections from turnover and other income		1,305,141,513	1,468,133,022
Payments for costs, expenses & others		(1,059,678,735)	(1,247,229,684)
Interest Paid		(79,555,507)	(130,955,318)
Income-Tax paid and /or deducted at sources		(30,008,199)	(29,766,002)
Net cash generated from operating activities	27.00	135,899,072	60,182,018
Cash Flows From Investing Activities:			
Property, Plant and Equipment acquired		(1,823,637)	(13,817,051)
Addition of Capital Work in Progress		-	-
Net cash used in investing activities		(1,823,637)	(13,817,051)
Cash Flows From Financing Activities:			
Decrease in Loan		(151,780,710)	(31,610,950)
Net cash used in financing activities		(151,780,710)	(31,610,950)
Increase/(Decrease) in Cash and Cash Equivalents		(17,705,275)	14,754,016
Cash and Cash Equivalents at the beginning of the year		25,509,152	10,755,136
Cash and Cash Equivalents at the end of the year	9.00	7,803,877	25,509,152
Net Operating Cash Flows Per Share	28.00	0.92	0.41

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the board.

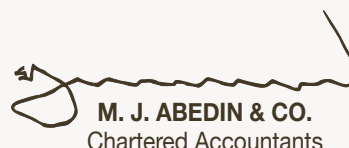

Iqbal Ahmed
Director

O K Chowdhury, FCA
Director

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020


M. J. ABEDIN & CO.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

1 The background and activities of the Company**1.1 Status of the Company**

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

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

1.2 Principal Activities

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

2 Bases of Financial Statements – Preparation and Presentation**2.1 Measurement Bases**

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

2.2 Reporting Framework and Compliance thereof

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

2.3 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a statement of financial position as at 30 June 2020;
- (b) a statement of profit or loss and other comprehensive income for the year ended from 01 July 2019 to 30 June 2020;
- (c) a statement of changes in equity for the year ended from 01 July 2019 to 30 June 2020;
- (d) a statement of cash flows for the year ended from 01 July 2019 to 30 June 2020; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 28 October 2020.

2.5 Functional and Presentation Currency

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

2.6 Reporting Period and Comparative Information

The financial Statements have been prepared for 12 (Twelve) months (from 1st July 2019 to 30th June 2020).

Figures for the year ended 30 June 2019 have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on value of assets and liabilities as reported in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

2.7 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRSs / IASs 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. IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors prescribes that the effects of the revision of accounting estimates has to be recognized in the period in which the estimates are revised.

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

2.8 IT system and control

The company maintains its General Ledger in Application system (AS) 400 Server through software MAPICS (Manufacturing Accounting and production Information Control System). Records relating to Human Resource (HR) including Employee's Attendance and Leave Registers and Payroll Accounting etc. and records relating to Operational activities including Production, Inventory, Sales, Receivable, VAT accounting, etc. are maintains in desktop computers through database software (s). Control on input and output end of the data on both (AS) 400 Server and desktop computers are secured. The communication system(s) linked to intranet and internet are also secured from external risk(s) and threat(s) through use of necessary firewall(s).

3. Significant Accounting Policies**3.1 Revenue Recognition**

In compliance with the requirements of *IFRS 15: Revenue*, revenue from receipts from customers against sales is recognized when all performance obligation have been satisfied. 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 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 *IAS 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 *IAS 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

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.

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%
Plant and Machinery	4.5%
Furniture & Fixture	20%
Transport & Vehicle	20%
Office Equipment	20%

3.3 Financial Instruments

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

3.3.1 Financial Assets**(a) Investment in Shares**

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

(b) Accounts Receivable

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

(c) Advances and Deposits

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

Deposits are measured at payment value.

(d) Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

3.3.2 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.

3.4 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.

3.5 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by *IAS 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.

3.6 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.

3.7 Income Tax Expenses**Current Tax**

Applicable Income Tax Rate is 25% on taxable income. However, Tax deducted at source (TDS) as per Section 53BBBB under Income Tax Ordinance, 1984 is minimum tax u/s 82(C). the company enjoys the 50% tax rebate on their export sales.

Tax deducted at sources U/S 52 and Rule 16 (against supply of local sales), U/S 53 (against imported materials) and U/S 53BBBB (against export sales)

Deferred Tax

Deferred tax is recognised in compliance with *IAS 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

3.8 Interest Income

Interest Income is recognized on accrual basis.

3.9 Borrowing Costs

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

Borrowing costs relating to projects in commercial operation are recognized as expenses in the period in which they are incurred. In respect of projects that have not yet commenced commercial production, borrowing costs are debited to capital work in progress. Borrowing cost which where capitalized in prior years showing as liabilities has been transferred to retain earning during the year.

3.10 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.

3.11 Proposed Dividend

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

3.12 Earnings per Share

This has been calculated in compliance with the requirements of *IAS 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

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

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

Earlier Periods

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

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

Diluted Earnings per Share

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

3.13 Foreign Currency Transactions

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

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 IAS 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.

3.14 Segmental Reporting

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

3.15 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 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 IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. However, Cash generation from operating activities using indirect method and also been calculated and disclosed in notes to the accounts (Note: 27)

3.16 Events after the Reporting Period

In compliance with the requirements of IAS 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

4.00 Property, Plant and Equipment-Carrying Value : Tk. 5,145,934,995**As at 30 June 2020**

Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation:							
At 30 June 2019	1,882,071,406	1,861,441,793	3,654,571,460	58,745,829	30,645,868	21,709,479	7,509,185,835
Addition during the year	-	-	900,000	413,637	510,000	-	1,823,637
At 30 June 2020	1,882,071,406	1,861,441,793	3,655,471,460	59,159,466	31,155,868	21,709,479	7,511,009,472
Depreciation:							
At 30 June 2019	-	428,194,713	1,708,805,882	54,798,365	28,014,348	20,035,151	2,239,848,459
Depreciation for the year	-	35,831,177	87,559,451	872,220	628,304	334,866	125,226,018
At 30 June 2020	-	464,025,890	1,796,365,333	55,670,585	28,642,652	20,370,017	2,365,074,477
Carrying Amount:							
As at 30 June 2020	1,882,071,406	1,397,415,903	1,859,106,127	3,488,881	2,513,216	1,339,462	5,145,934,995

As at 30 June 2019

Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation:							
At 30 June 2018	1,882,071,406	1,858,525,893	3,644,034,341	58,515,829	30,511,836	21,709,479	7,495,368,784
Addition during the year	-	2,915,900	10,537,119	230,00	134,032	-	13,817,051
At 30 June 2019	1,882,071,406	1,861,441,793	3,654,571,460	58,745,829	30,645,868	21,709,479	7,509,185,835
Depreciation:							
At 30 June 2018	-	394,534,128	1,617,120,593	53,811,499	27,356,468	19,616,569	2,112,439,257
Depreciation for the year	-	33,660,585	91,685,289	986,866	657,880	418,582	127,409,202
At 30 June 2019	-	428,194,713	1,708,805,882	54,798,365	28,014,348	20,035,151	2,239,848,459
Carrying Amount:							
As at 30 June 2019	1,882,071,406	1,433,247,080	1,945,765,578	3,947,464	2,631,520	1,674,328	5,269,337,376

Disclosure on Revaluation:

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

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

- (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.

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

5.00 Investment in Shares : Tk. 34,148,868

The basis of valuation is stated in Note 3.3.1 (a).

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

(a) In 65,716 (30.06.2019: 65,716) Shares of Beximco Synthetics Ltd. (Face value Tk. 10.00), (Listed company, Market value Tk. 6.70 per share on 30 June 2020)	440,297	387,724
(b) In 2,722,612 (30.06.2019: 2,722,612) Shares of Bangladesh Export Import Co. Ltd. (Face value Tk. 10.00), (Listed company, Market value Tk. 13.00 per share on 30 June 2020)	33,708,571	58,082,461
	34,148,868	58,470,185

This is arrived at as follows:

	30.06.2020			30.06.2019		
	Beximco Synthetics Ltd.	Beximco Ltd.	Total	Beximco Synthetics Ltd.	Beximco Ltd.	Total
Opening Balance	387,724	58,082,461	58,470,185	565,158	67,935,746	68,500,904
Adjustment for Sales during the year	-	-	-	-	-	-
	387,724	58,082,461	58,470,185	565,158	67,935,746	68,500,904
Less: Quoted Price on year end	440,297	33,708,571	34,148,868	387,724	58,082,461	58,470,185
Fair Value Gain/(Loss) on Investment in Shares	52,573	(24,373,890)	(24,321,327)	(177,434)	(9,853,285)	(10,030,718)

6.00 Inventories : Tk. 902,826,025

This represents as follows:

Raw Material & Chemical	163,164,404	129,642,713
Packing Material	6,667,607	9,941,170
Material In Transit	-	46,584,126
Stores & Spares	94,441,367	105,441,509
Work-in-process	285,884,449	301,795,744
Finished Goods	352,668,197	272,942,350
	902,826,025	866,347,612

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

7.00 Accounts & Other Receivables : Tk. 178,701,696

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

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

No amount was due by any associated undertaking.

8.00 Advances, Deposits & Prepayments : Tk. 146,682,551

This is considered good and consists of as follows:

Advances (Note - 8.01)	121,258,611	113,231,885
Deposits (Note - 8.02)	25,423,941	17,116,766
	146,682,551	130,348,652

8.01 Advances : Tk. 121,258,611

This represents as follows:

L/C-Margin & Others	5,179,659	27,478,387
Advance Income Tax (Note - 8.01.01)	115,170,554	85,162,355
Employees (other than officers)	486,793	205,890
Advance against Expenses	421,605	385,253
	121,258,611	113,231,885

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.

8.01.01 Advance Income Tax : Tk. 115,170,554

This has been arrived at :

Opening Balance	85,162,355	55,396,353
Add : Paid/Deducted during the year under review	30,008,199	29,766,002
Closing Balance	115,170,554	85,162,355

8.02 Deposits : Tk. 25,423,941

This represents as follows:

VAT Deposit	11,259,962	32,653
Security Deposit	11,408,261	10,608,261
Lease Deposit	-	3,700,134
Bank Guarantee Margin	2,755,718	2,755,718
Earnest Money Deposit	-	20,000
	25,423,941	17,116,766

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

9.00 Cash and Cash Equivalents : Tk. 7,803,877

This consists of :

(a) In Hand:	27,872	760,662
(b) At Banks in :	7,776,004	24,748,490
(i) Current Account	4,620,284	4,275,929
(ii) STD Account	1,500,847	18,815,187
(iii) FDR Account	1,654,874	1,657,374
	7,803,877	25,509,152

10.00 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
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(b) Issued, subscribed and paid -up:

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

(c) Statement of Share Position:

Name of the Shareholders	30-June-20		30-June-19	
	No. Of Shares	Holding %	No. Of Shares	Holding %
Bangladesh Export Import Co.Ltd.	73,483,009	50.00%	73,483,009	50.00%
Sponsors & Directors	4	0.00%	4	0.00%
Institutions	23,708,448	16.13%	25,097,978	17.08%
General Public	49,774,594	33.87%	48,385,064	32.92%
	146,966,055	100%	146,966,055	100%

(d) Distribution Schedule:

Share holdings	30-June-2020		
	No. of Shareholders	No. of Shares	Holding %
Less than 500 shares	7,827	1,079,194	0.73
500 to 5,000 shares	5,455	9,415,579	6.41
5001 to 10,000 shares	782	5,809,645	3.95
10,001 to 20,000 shares	469	6,741,445	4.59
20,001 to 30,000 shares	156	3,815,408	2.60
30,001 to 40,000 shares	73	2,535,673	1.73
40,001 to 50,000 shares	48	2,222,099	1.51
50,001 to 100,000 shares	83	5,863,169	3.99
100,001 to 1,000,000 shares	69	17,813,331	12.12
Over 1,000,000 shares	7	91,670,512	62.38
Total	14,969	146,966,055	100

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

(e) Market Price:

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges, and quoted at Tk. 8.20 (in 30 June 2019: Tk. 13.40) per share in the Dhaka Stock Exchange and Tk. 8.20 and per share in the Chittagong Stock Exchange (in 30 June 2019: Tk. 14).

(f) Option on unissued shares :

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

(g) Voting Rights :

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

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

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

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

12.00 Long Term Loans- Net-Off Current Maturity (Secured) : Tk. 291,263,805

This represents loans from:

Bank Asia Ltd. - Term Loan	81,941,664	125,879,124
Phoenix Finance & Investment Ltd.- Term Loan	209,322,141	187,889,577
	291,263,805	313,768,701

Nature of Security :

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

Terms of Repayment :**Bank Asia Ltd. - Term Loan :**

In 20 (Twenty) equal Quarterly installments commencing from 30 March 2017 as per revised sanction.

Phoenix Finance & Investment:

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

Rate of interest :**Bank Asia Ltd. - Term Loan :**

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

Phoenix Finance & Investment:

17 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

13.00 Gratuity Payable : Tk. 133,421,835

This is arrived at as follows:

Opening Balance	131,536,452	120,142,415
Add: Addition during the year	2,985,718	11,907,790
	134,522,170	132,050,205
Less: Payment during the year	(1,100,335)	(513,753)
Closing Balance	133,421,835	131,536,452

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19
14.00 Deferred Tax Liability : Tk. 81,472,077			
Deferred Tax Liability is arrived at as follows:			
Opening Deferred Tax Liabilities		81,472,077	81,472,077
Deferred Tax Expense /(Income): 14.02		-	-
Closing Deferred Tax Liabilities		81,472,077	81,472,077
14.01 Deferred Tax Expense/(Income) is arrived at as follows			
Year end WDV of PPE including revalued amount		5,145,934,995	5,269,337,376
Less: Revalued amount of Building, Plant & Machinery		(1,443,969,135)	(1,443,969,135)
Less: Land and Land Development at Revalued amount		(1,882,071,406)	(1,882,071,406)
Year end WDV of PPE excluding revalued amount		1,819,894,455	1,943,296,835
Year end tax base WDV of PPE		914,141,468	1,139,004,896
Taxable Temporary Difference		905,752,987	804,291,939
Applicable Tax Rate		18%	18%
Deferred Tax Liability before unabsorbed tax depreciation benefit		163,035,538	144,772,549
Less: Unabsorbed tax depreciation benefit		(81,563,461)	(63,300,472)
Closing deferred Tax Liability		81,472,077	81,472,077
14.02 Deferred Tax Expense is arrived at as follows			
Closing Balance of Deferred Tax Liability		81,472,077	81,472,077
Opening Balance of Deferred Tax Liability		81,472,077	81,472,077
Deferred Tax Expense for the year		-	-
SCL is a listed company and as per ITO 1984, tax rate for the year is 25%. However, it enjoys tax rebate @ 50% on the taxable income derived from export sales. During the year export sales to total sales comes to 56%. As such, if there were no minimum tax payable, applicable tax rate for the company comes to around 18%. Accordingly for deferred tax calculation applicable tax rate @ 18% has been considered. However, because of the charged 'Minimum Tax' the temporary differences arisen between accounting and tax depreciation remain 'unabsorbed' and therefore no provision for deferred tax expense/(income) is applicable for the year 2019-2020.			
15.00 Short Term Loans From Banks & Other : Tk. 766,336,816			
This is secured and consists of as follows:			
Sonali Bank Ltd. - CC (H) (Secured)		554,797,314	560,243,801
Sonali Bank Ltd. - LTR (Secured)		162,539,502	202,807,651
PAD Liability		-	46,584,126
New Dacca Industries Ltd. (Unsecured interest Free)		49,000,000	54,000,000
		766,336,816	863,635,578
16.00 Long Term Loans - Current Maturity (Secured) : Tk. 155,094,538			
This consists of as follows:			
Bank Asia Ltd. -Term Loan		82,485,694	90,702,300
Phoenix Finance & Investment Ltd.- Term Loan		72,608,844	96,369,290
		155,094,538	187,071,590

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19
17.00 Creditors, Accruals and Other Payables : Tk. 713,310,644			
This consists of as follows:			
Gas & Electricity		30,484,283	42,060,001
Creditors for Goods		499,880,035	541,250,991
Income Tax Payable (Note-17.01)		87,854,217	108,150,592
Salary & Wages		46,667,661	43,640,296
Provident Fund Employee		15,302,328	17,966,737
Interest due		9,124,909	4,037,285
Security Deposit		4,990,000	4,390,000
WPPF Payable		12,373,553	11,808,739
Tax Payable Party		3,753,778	2,738,011
Group Insurance Payable		2,074,880	760,744
Audit Fees Payable		805,000	747,500
		713,310,644	777,550,897
17.01 Income Tax Payable : Tk. 87,854,217			
This is arrived at as follows :			
Opening Balance		108,150,592	78,384,590
Add: Tax provision for the year		7,335,995	29,766,002
Less: Excess Provision for previous years		(27,632,370)	-
Closing Balance		87,854,217	108,150,592
18.00 Revenue : Tk. 1,205,076,326			
This is made up as follows :			
		671,512,069	877,512,009
A. Export Sales			
Export Sales (Cash Subsidy)		578,313,206	877,512,009
		93,198,863	-
B. Local Sales		533,564,257	655,609,172
Distributors		364,517,754	447,142,748
Institutional		119,731,458	156,461,721
Show Room		9,031,082	13,027,018
Factory Sales		40,283,963	38,977,684
		1,205,076,326	1,533,121,181
19.00 Cost of Goods Sold : Tk. 1,019,217,711			
This is arrived at as follows:			
Raw Material Issued (Note- 19.01)		381,712,852	499,159,678
Opening WIP		301,795,744	225,005,730
Material available for consumption		683,508,596	724,165,408
Closing WIP		(285,884,449)	(301,795,744)
Consumption		397,624,147	422,369,664
Manufacturing overhead (Note- 19.03)		701,319,411	806,001,708
Cost of production		1,098,943,558	1,228,371,372
Opening Finished Goods		272,942,350	237,267,837
Cost of Goods Available for Sale		1,371,885,908	1,465,639,209
Closing Finished Goods		(352,668,197)	(272,942,350)
Cost of Goods Sold		1,019,217,711	1,192,696,858

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19
19.01 Raw Material Issued : Tk. 381,712,852			
This is arrived at as follows:			
Opening Stock of Raw Material		129,642,713	133,938,124
Purchased of Raw Material		415,234,543	494,864,267
		544,877,256	628,802,391
Closing Stock of Raw Material		(163,164,404)	(129,642,713)
Raw Material Issued		381,712,852	499,159,678
19.02 Quantity Information		Quantity in KG	Quantity in KG
Opening Stock of Raw Materials in Quantity		1,188,083	1,856,738
Add: Purchase fo Raw Materials in Quantity		7,396,633	8,635,488
Availabe for Use		8,584,716	10,492,226
Less: Raw Material Issued in Quantity		6,862,180	9,304,143
Closing Raw Materials in Quantity		1,722,536	1,188,083
The company manufactures tableware of different shapes, designs and sizes (more than three thousand) using both solid and liquid inputs, and therefore quantification of the WIP and the finished goods in weight with accuracy is very difficult. Similarly, packing's materials are used in small/large boxes of (printed or unprinted) cartoon paper in different sizes/pieces ,quantification in weight of which are not practicable.			
19.03 Manufacturing Overhead : Tk. 701,319,411			
This consists of as follows :			
Wages,etc		303,237,224	368,595,143
Depreciation		123,390,628	123,668,411
Packing Materials		84,475,683	75,635,733
Power & Fuel		105,684,282	127,939,797
Consumable Stores & Spares		42,510,606	56,127,008
Transport Expenses		26,542,189	34,632,740
Repair & Maintenance		2,958,478	4,872,426
Office Expenses		10,455,871	12,448,867
Communication Expenses		876,251	998,073
Handling & Carrying Expenses		1,188,199	1,083,510
		701,319,411	806,001,708
20.00 Other Income: Tk. 5,817,591			
This consists of as follows :			
Duty Drawback		-	502,913
Dividend Income		1,329,342	1,296,484
Sale of Scrap		4,349,068	7,792,892
Misc. Income		139,181	140,346
		5,817,591	9,732,635

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19
21.00 Administrative Expenses : Tk. 49,424,525			
This consists of as follows :			
Salaries & Allowances		30,779,731	34,563,132
Depreciation		1,835,390	3,740,791
Office Expenses		9,317,692	15,398,540
Transport Expenses		2,754,379	2,440,259
Legal, Professional & Others Fees		985,850	946,013
AGM Expenses		314,060	368,295
Communication Expenses		759,125	731,426
Occupancy Expenses		424,491	1,890,638
Conveyance Expenses		854,659	1,527,037
Utilities Expenses		460,274	831,204
Audit Fee (Including VAT @15%)		805,000	747,500
General Expenses		7,180	19,745
Handling & Carrying Expenses		126,695	45,955
		49,424,525	63,250,534
22.00 Selling & Distribution Expenses : Tk. 49,196,870			
This consists of as follows :			
Promotional Expenses		5,319,402	5,388,670
Salaries & Allowances		26,486,118	28,342,383
Occupancy Expenses		3,451,333	5,979,321
Transport Expenses		2,084,895	2,431,861
Office Expenses		3,689,265	5,542,808
Communication Expenses		846,242	875,599
Welfare Expenses		1,459,798	3,261,028
Travelling & Conveyance Expenses		4,787,740	2,334,159
Show Room Expenses		286,045	472,931
Utilities Expenses		171,393	853,203
Handling & Carrying Expenses		92,641	93,897
Legal & Prof. Expenses		499,821	97,141
Product Research & Sample		22,177	203,265
		49,196,870	55,876,266
23.00 Finance Cost : Tk. 81,193,722			
This consists of as follows :			
Interest on Loan from Banks & Others		79,555,507	130,955,318
Bank Commission & Charges		1,638,214	2,973,240
		81,193,722	133,928,558
24.00 Income Tax Expenses/(Income): Tk. -20,296,375			
This represents:			
(a) Current Tax:			
Tax for the year under review		7,335,995	29,766,002
Less: Excess Provision for previous years		(27,632,370)	
Current Tax		(20,296,375)	29,766,002
(b) Deferred Tax (Income) / Expenses Note- 14.02		-	-
Total (a+b)		(20,296,375)	29,766,002

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

- a) There are laws for minimum tax payable. Hence, provision for income tax expense of the company for the year has been determined based on the minimum tax payable by the company. Minimum tax payable by the company is higher of the following:
- Turnover tax at the rate of 0.60% total gross receipts U/S 82C (4)
 - Tax payable under regular assessment
- b) Since minimum tax payable U/S 82C (5) of ITO 1984 is higher than the tax payable under regular assessment, there is no room for adjustment of the 'Temporary Differences' arisen out of difference between accounting and tax depreciation during the year. In other words, the amount of temporary differences remain 'unabsorbed' and therefore no provision for deferred tax expense/ (Income) is applicable for the year 2019-2020

25.00 Basic Earnings Per Share (EPS)

(a) Earning Attributable to the Ordinary Shareholders (Net Profit/(Loss) After Tax)	31,592,650	62,711,711
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.13)	146,966,055	146,966,055
(c) EPS (a/b)	0.21	0.43

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

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

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

26.00 Net Asset Value (NAV) per share

Total Assets	6,416,098,012	6,622,962,269
Less: Total Liabilities	(2,140,899,715)	(2,355,035,294)
Net Assets	4,275,198,297	4,267,926,974
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	146,966,055	146,966,055
Net Asset Value (NAV) per share	29.09	29.04

27.00 Reconciliation of Net profit with cash flows from operating activities

Net profit after tax	31,592,650	62,711,712
Adjustments for noncash items, non-operating items and for the net changes in operating accruals		
Depreciation	125,226,018	127,409,202
(Increases)/Decreases in Inventories	(36,478,413)	(119,293,293)
(Increases)/Decreases in Accounts & Other Receivables	94,247,596	(74,720,794)
(Increases)/Decreases in Advances	(8,026,725)	(24,491,075)
(Increases)/Decreases in Deposits	(8,307,174)	2,839,162
Increases/(Decreases) in Creditors for goods and Other Payables	(61,609,831)	71,960,753
Increases/(Decreases) Accruals	(2,630,422)	2,372,315
Increases/(Decreases) Gratuity Payable	1,885,383	11,394,037
	135,899,073	60,182,018

During the year there is no unrealized gain or loss and as such no adjustment therefore is required while calculating of NOCF

28.00 Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities	135,899,073	60,182,016
Number of Ordinary Shares of Tk. 10 each at Financial Position date	146,966,055	146,966,055
Net Operating Cash Flows Per Share (NOCFPS)	0.92	0.41

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

29.00 Payments / Perquisites to Directors and Officers**(a) Directors**

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

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

(b) During the year 2019-2020 an amount of Taka 6,540,000 paid as CEO's remuneration (FY 2018-19 was Tk. 7,050,000).**(c) Officers:**

Managerial Remuneration	62,484,624	65,994,192
Bonus	8,191,460	8,703,956

Perquisites:

Housing	18,577,668	19,807,692
Transport	3,976,740	4,279,212

93,230,492 **98,785,052**

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

	From 01 July 2019 to 30 June 2020				From 01 July 2018 to 30 June 2019			
	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization
Porcelain	14,400,000	10,523,613	3,876,387	73.08%	14,400,000	11,385,355	(3,014,645)	79.06%
Bone China	5,400,000	2,690,726	2,709,274	49.83%	5,400,000	4,169,707	(1,230,293)	77.22%

Reason for Shortfall : Production as per market demand.

31.00 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 30 June 2020.

There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2020.

32.00 Contingent Liabilities

This consists of as follows:

	01.07.2019-30.06.2020	01.07.2018-30.06.2019
(a) Outstanding letter of credit-	23,727,105	57,439,262
(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)	13,656,520	13,656,520
	37,383,625	71,095,782

No provision is required as on the date of financial position for contingent liabilities.

33.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 30 June 2020.

34.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 30 June 2020 under any contract, other than trade credit available in the ordinary course of business.

35.00 Related Party Disclosure

Name of Related Parties	Nature of Transactions	Value of Transactions During the year	Balance at the year ended 30 June 2020
Bangladesh Export Import Co. Ltd.	Investment in Shares	-	33,708,571
Beximco Synthetics Ltd.	Investment in Shares	-	440,297
Due to Related Party:			
New Dacca Industries Limited	Short Term Loan	5,000,000	49,000,000

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

36.00 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.

- i) Credit risk
- ii) Liquidity risk
- iii) 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	30-June-20		30-June-19	
	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
Trade Debtors- Foreign				
US\$	636,317	53,003,551	2,485,296	198,364,612
EURO	68,456	6,391,254	5,418	510,760
Total		59,394,805		198,875,372

(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.

(c) Risk(s) from Pandemic (Covid 19) :

The virus known as Covid-19, which originated from China in January 2020, spreaded over Eurpore and North America by ebruary 2020 and later on, in other countries. This virus has affected Bangladesh also and the operations of the company as well. As per general order of the Govt. of Bangladesh, the offices including production facilities of the company were totally closed down from March 26th 2020 to 6th May 2020 and thereafter the operational activities of the company could not be resumed in full scale, primarily, due to:

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

- (i) Non presence in work place(s) of the employees/workforces fearing infection from the virus;
- (ii) Non opening /functioning of domestic market/Shops/Retail Stores due to continuation of lockdown and/or non presence of customers.
- (iii) Disruptions in international supply chain(s); and
- (iv) Declining of export demand.

Therefore, revenue(s) generation during the pandemic period from January - June 2020 is affected in general and particularly during last quarter April – June 2020 were minimum, when export orders either cancelled or postponed. Even exported goods in transit/port were not cleared on time and payments there against either delayed or held up because of closer/lock down in the imported countries. Some of the customers' companies applied for reconstruction or went under court administration to stay afloat avoiding the winding up process. The company (SCL) to meet its recurring and periodic expenses, particularly to pay employees, suppliers and utilities bills faced severe liquidity constraint. The company, to ease the situation and as a safety measure for keeping the operation continued in subsequent months, applied for additional bank finances under the Government stimulus package which was sanctioned later on.

37.00 Payments Made in Foreign Currency

	01.07.2019-30.06.2020		01.07.2018-30.06.2019	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:				
US\$	-	-	US\$ 26,864	2,291,917
Import of Raw & Packing Material :				
US\$	2,088,720	178,295,896	US\$ 3,596,652	311,405,915
Euro	192,150	18,013,319	Euro 528,340	32,776,005
JP¥	21,186,650	16,697,853	JP¥ 45,228,810	32,365,242
GBP	422,349	45,827,240	GBP 239,478	64,747,687
Grand Total		258,834,308		441,294,849
Total		258,834,308		443,586,766

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

38.00 Foreign Exchange Received against Collection from Export Sales

	01.07.2019-30.06.2020		01.07.2018-30.06.2019	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
US\$	6,796,500	570,905,972	US\$ 9,970,053	834,991,939
Euro	1,734,386	159,563,490	Euro 554,488	53,930,921
Total		730,469,462		888,922,860

39.00 Events After The Reporting Period

- a) Additional Bank loan: Upon application by the company, Sonali Bank Limited sanctioned Tk. 16.50 crores as additional working capital under Government announced stimulus package on September 14, 2020.
- b) The directors recommended 2% cash dividend (i.e. Tk. 0.20 per share) for the year 2019-20. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.
- c) No circumstance have arisen since this statement of financial position date which would require adjustment to, or disclosure in, the financial statements or notes thereto.



Iqbal Ahmed
Director



O K Chowdhury, FCA
Director

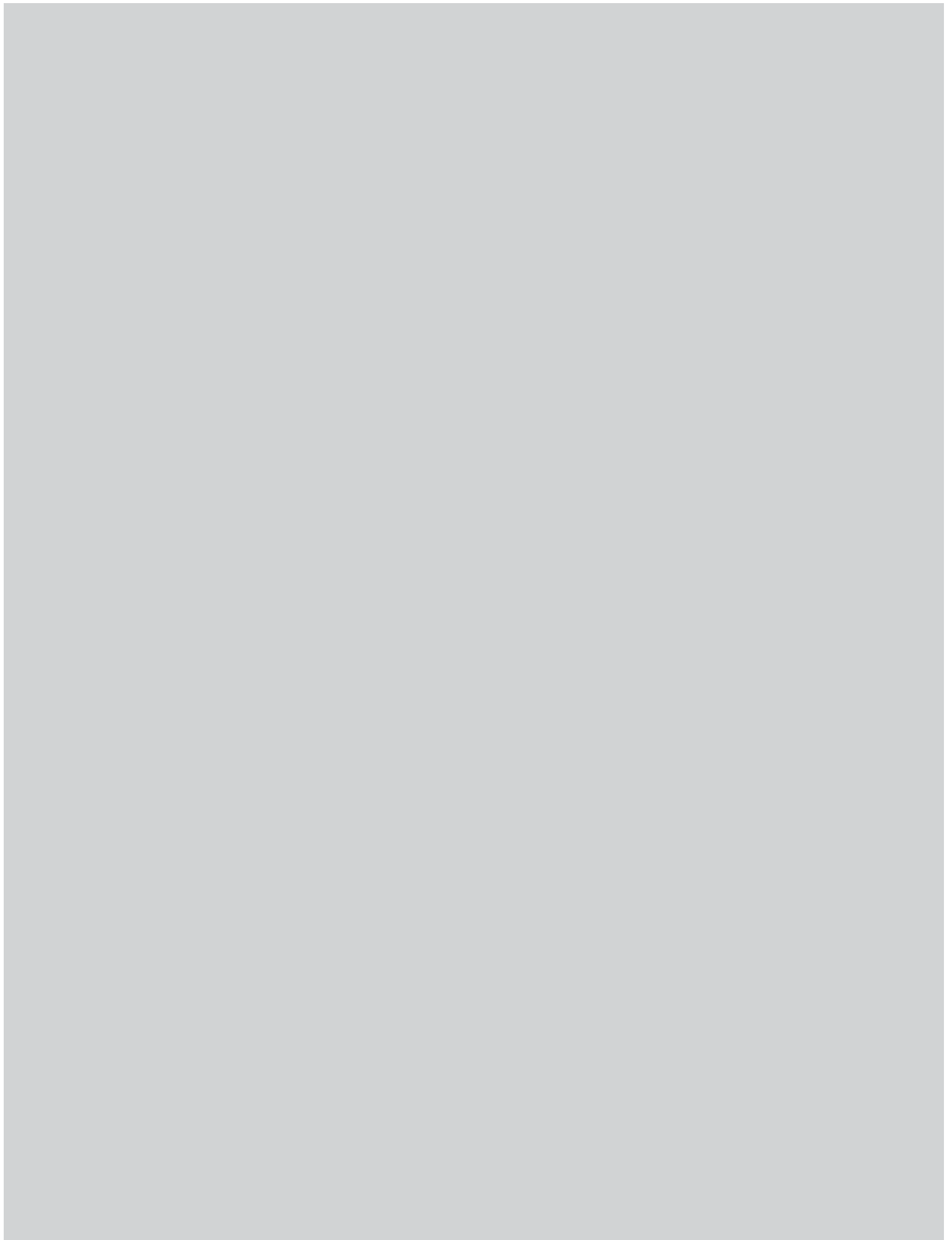


Mohammed Humayun Kabir FCA
Chief Executive



Nargis Sultana
Head of Finance & Accounts

Dated, Dhaka
28 October 2020





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company



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