



BANGLADESH EXPORT IMPORT COMPANY LIMITED

ANNUAL REPORT 2020-2021

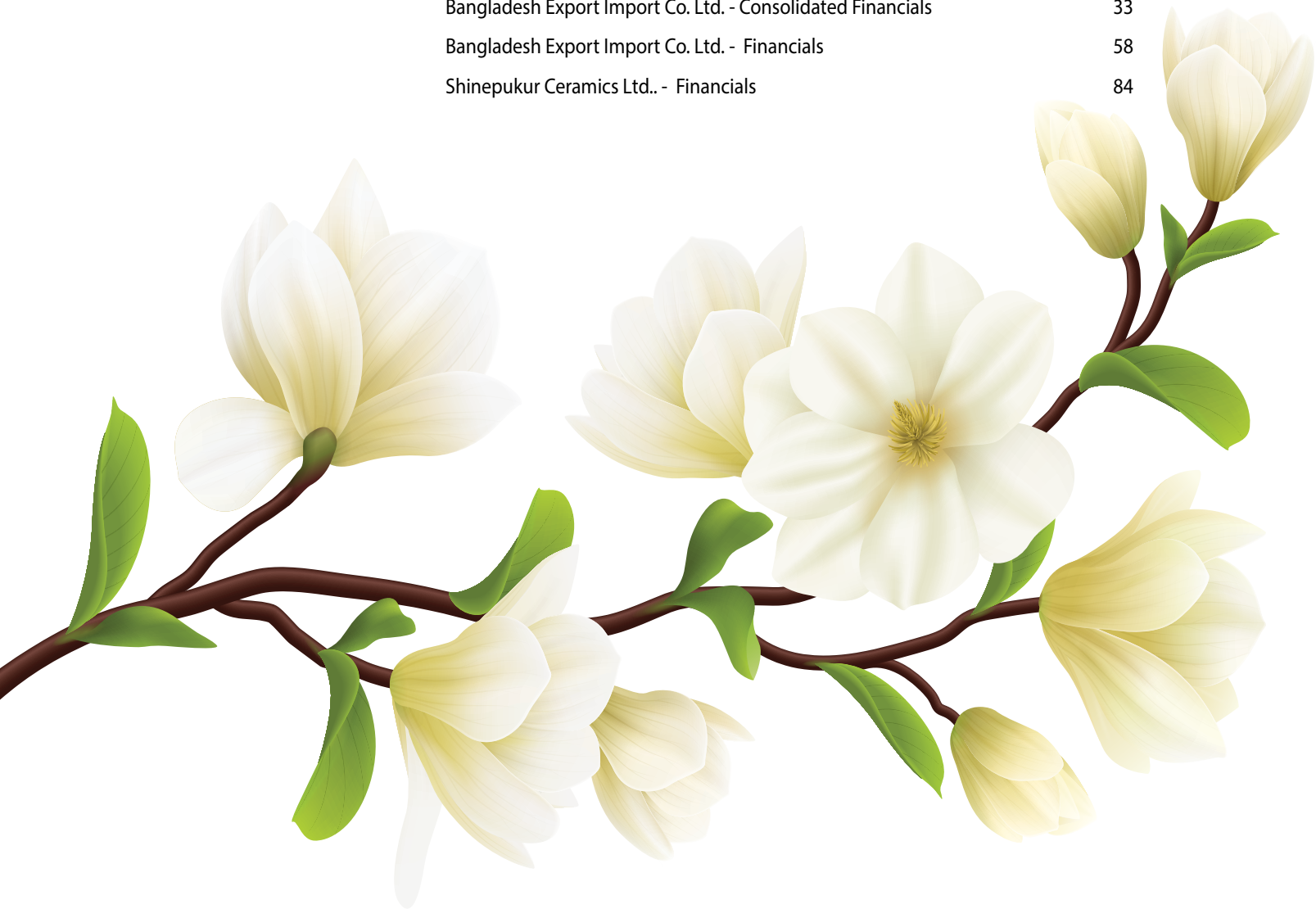




Each of our activities must benefit and add value to the common wealth of our society. We firmly believe that, in the final analysis we are accountable to each of the constituents with whom we interact; namely: our employees, our valued customers, our business associates, our fellow citizens and our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

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Corporate **Information**



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

Board of Directors

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Iqbal Ahmed
Director

O K Chowdhury
Managing Director

A B Siddiqur Rahman
Director

Reem H. Shamsuddoha
Director

Masud Ekramullah Khan
Independent Director

Shah Monjurul Hoque
Independent Director

Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Key officers

O K Chowdhury
Managing Director

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)
Avalon Serabella, (5th Floor), 09 Dilu Road,
New Eskaton, 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, Dhaka 1205

Notice of the 48th Annual General Meeting

BANGLADESH EXPORT IMPORT COMPANY LTD.

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

NOTICE OF THE 48TH ANNUAL GENERAL MEETING

Notice is hereby given that the 48th Annual General Meeting of the Shareholders of Bangladesh Export Import Company Ltd. will be held under Virtual Platform on Thursday, the 23rd December, 2021 at 12:30 p.m. to transact the following business:

AGENDA

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30th June, 2021 together with reports of the Auditors and the Directors thereon.
2. To declare 35% cash dividend.
3. To elect Directors.
4. To confirm the appointment of Managing Director.
5. To appoint Auditors for the year 2021-22 and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year 2021-22 and to fix their remuneration.

Special Business:

To pass special resolutions for amendment of Clause-V of the Memorandum of Association and Article-4 of the Articles of Association of the Company to increase the Authorized Share Capital of the Company from Tk.1000,00,00,000/- (Taka one thousand crore) to Tk.3000,00,00,000/- (Taka three thousand crore).

The draft Special Resolutions proposed to be passed for the amendments are given below:

- i) Clause-V of the Memorandum of Association of the Company:
"Resolved that the figures and words Tk. 1000,00,00,000/- (Taka one thousand crore) and the figure 100,00,00,000 (One hundred crore) appearing in the first and 2nd lines of Clause-V of the Memorandum of Association of the Company be substituted by the figures and words Tk. 3000,00,00,000/- (Taka three thousand crore) and 300,00,00,000 (Three hundred crore) respectively."
- ii) Article-4 of the Articles of Association of the Company:
"Resolved that the existing Article-4 of the Articles of Association of the Company shall be substituted as follows:
The Authorized Share Capital of the Company is Tk. 3000,00,00,000/- (Taka three thousand crore) divided into 300,00,00,000 (Three hundred crore) ordinary shares of Tk. 10/- each."

By order of the Board,



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

Dated : November 15, 2021

NOTES

- (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. 22 November, 2021, 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 2020-21 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 into 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.

Chairman's Statement



A S F Rahman
Chairman

Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 48th Annual General Meeting of your Company and to present to you the Audited Accounts for the year 2020-2021 and Auditors' and Directors' report thereon.

In my last year's statement, I had mentioned that 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. Now in 2020-21 there has been a further improvement but the long term impact worldwide went from bad to worse although presently economies of the world are doing better.

Textile Division

Last year as mentioned the state-of-the-art washing plant for Denim fabric, using green technology, the first of its kind in Bangladesh had started trial production and now it is fully operational. Increased spinning and weaving capacities and new contracts with garment units are now expected to be fully operational by June 2022. 600,000 square feet new factory space is being completed and almost at the final stage. The reported major expansion of the Textiles Division is at the final stages.







Beximco Health

Production facility is fully operational and now PPE products are being manufactured in full swing. The testing Lab for testing these products for export and local sales have also been set up by Beximco as a Joint Venture with Intertek UK an internationally renowned world class inspection agency. Massive investment made for setting up a completely vertical manufacturing category 1 to category 4 PPE gowns and all kinds of masks including N 95 masks are now in production. Spun bound and melt blown fabric are also in production allowing three layers SMS fabric for PPE production possible.

It is with great pleasure we can say that the export of PPE produced in our factory has started in full swing. Beximco health is exporting to USA & soon will start exporting to other countries.

Beximco Power Company Limited

Due to the continuation of the pandemic, no foreign consultants or contractors could come to Bangladesh and as a result the construction of our solar power projects of 200 MW (AC) and 30 MW (AC) had to be delayed. But we are glad to inform that all the activities are now running at full swing and we are confident to complete the projects in record time.

Beximco Green Sukuk

As I write this statement, Beximco is on the verge of completing the raising of 3,000 crore taka by floating Beximco Green-Sukuk (an Islamic Bond) for the first time in Bangladesh mainly to finance the above two power projects and expansion of the Textile Division.

2020-2021 Results & Future Prospects

The Company was all set to witness a significant increase in sales. Revenue of Taka 42.02 billion compared to previous year's Revenue of Taka 19.82 billion which has more than doubled in the year. Net Profit After Tax for the year is Taka 6.60 billion as against Taka 0.45 billion of previous year. EPS for the year is 7.53 which is also a significant growth compared to previous year's EPS 0.51. This is due to 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.

As stated last year I feel that through the Pandemic has created huge challenges, 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: 21 October 2021

Directors' Report to the Shareholders

for the year from July 1, 2020 to June 30, 2021

Dear Shareholders,

The Directors have pleasure in submitting hereunder their report together with the Audited Financial Statements of the company for the year July 1, 2020 to June 30, 2021 and Auditors' Report thereon:

Analysis of Operating Performance

Business Outlook – a general overview

We would like to report that COVID-19 has changed the way of business was being carried out but after COVID ways are totally unpredictable starting from raw materials to logistics and it has impacted everyone.

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 that is also increasing in post covid sales.

China being non-preferential supplier for US and partially for EU has made situation conducive for Bangladesh market and we can already see big influx of new customers as well as increased demand from old customer.

Buyers are searching for alternative sourcing destination which has collectively reduced China's export share to USA and European apparel market in 2021 and it will be further reduced in 2022 and upcoming years.

In this scenario buyer's choice is Vietnam, India, Myanmar and Bangladesh. Vietnam is already so expensive and supply base is saturated for manufacturing and Myanmar being handicapped due to their political un-stability. Only India and Bangladesh will be in the race to serve the Knit wear/lingerie/sportswear to the world.

According to the General statistics of Vietnam data, Vietnam earned USD 15.31 billion during January – June period of 2021, whereas Bangladesh earned USD 15.91 billion during the same period. The figures show that Bangladesh is going to be the first choice for the customers, with recent customers visit to Bangladesh, this can be foreseen that Bangladesh's export will touch USD 40.00 billion this year and USD 45.00 billion during 2022.

On the supply side, China remains the largest apparel exporter, Bangladesh being No. 2. However, China has become expensive

and is rapidly moving to 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 Ethiopia collapsed at the same time after US banned duty free status.

Bangladesh has made excellent progress in putting up many "World Class Factories" which are very efficient, as well as sustainable. Heavy investment have been made in backward linkage particularly in Denim and Knits.

Beximco has reinvented itself with a new brand 2.0 in the last 3 years. It has invested in transformational technology in fabrics, apparel manufacturing, washing and garment dying 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 Green Certified".

We would like to mention here that we have upgraded our production facilities at a huge cost to ensure very old, obsolete and unproductive units be modernized and this process will continue to ensure further profit and dividends.

Beximco focus is always on 3P, people, Planet and Profit. We have a highly skilled leadership to run upgraded operations by 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 margin 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 have grown rapidly since start of fiscal year. 2021-2022 will our highest export target sales and thanks to our investment in new 6 storied garment factory it will help us to cater the higher demand and keep the leadership in higher export from the biggest industrial park of Bangladesh.

Profitability

Pretax profit of the Company increased substantially compared to last year due to higher revenue and overheads do not increase in proportion to increase in revenue.

Working Results

The Directors are pleased to report that the working results of the company for the year ended on June 30, 2021 are as follows:

Taka in million

	For the year 2020-2021	For the year 2019-2020
Net profit before tax	7,695.80	795.10
Less: Income tax Expense	1,095.19	348.92
Net profit after tax	6,600.61	446.18
Add: Balance brought forward from previous period	16,558.21	16,550.19
Profit available for appropriation	23,158.82	16,996.37
Appropriation Recommended:		
Cash Dividend 35%	3,067.12	438.16
Balance carried forward	20,091.70	16,558.21
Total	23,158.82	16,996.37

Dividend

The Board of Directors have recommended a cash dividend @ 35% per share of Tk.10 each for the year ended on June 30, 2021, subject to the approval of the Shareholders in the Annual General Meeting.

Directors

Retirement and Re-election of Directors

Mr. A S F Rahman and Mr. A B Siddiqui Rahman, 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. A S F Rahman is the Chairman and founder of Beximco Group. He is distinguished business personality of the country and has received many awards and accolades for his outstanding contribution to Bangladesh's industrial sector. Mr. Rahman was instrumental in introducing best-in-class corporate practice in Bangladesh and widely credited as the architect of Group's successful global strategy.

Mr. A B Siddiqui Rahman holds senior positions at a number of entities within the Beximco Group of companies and has over 48 years business experiences in trading, jute, textiles, pharmaceuticals and other sectors. He has been in the Board of Bangladesh Export Import Company Limited. since 1991. Mr. Rahman is also a member of the Board of Directors of Beximco Pharmaceuticals Limited.

Appointment of Managing Director

As per Article-119 of the Articles of Association of the Company, Mr. O K Chowdhury, existing Director of the Company has been appointment as Managing Director of the Company being the nominee of Beximco Holdings Limited for a period of 5 (five) years effective from 07.06.2021 to 06.06.2026, subject to the approval of Shareholders of the Company.

Auditors

The Directors hereby report that the existing Auditors M/S. M. J. Abedin & Co. , Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 who were appointed as Auditors of the Company in Forty Seventh Annual General Meeting carried out the audit for the year 2020 - 2021.

M/S. M. J. Abedin & Co. , Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 the Auditors of the Company retire at this meeting and have expressed their willingness to continue in the office for the year 2021-2022.

Compliance Auditors

Pursuant to code 9.2 of the Codes of Corporate Governance issued by BSEC, Suraiya Parveen & Associates, Chartered Secretaries who were appointed as Compliance Auditors of the Company in the 47th Annual General Meeting of the Company have examined the compliance status to the Corporate Governance Code by the Company for the year ended on 30th June, 2021.

Suraiya Parveen & Associates, Chartered Secretaries, the Compliance Auditors of the Company retires at this meeting and has expressed their willingness to continue in office for the year 2021-22. The Board after due consideration of the proposal made by Audit Committee recommends for reappointment of Suraiya Parveen & Associates, Chartered Secretaries as Compliance Auditors for the year 2021-22.

Board Audit 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 the Member	Representing in the Board	Position in the Committee	Attendance in Meeting
Mr. Shah Monjurul Hoque	Independent Director	Chairman	4
Mr. Masud Ekramullah Khan	Independent Director	Member	4
Mr. Iqbal Ahmed	Director	Member	4
Mr. O K Chowdhury, FCA	Managing Director	Member	4
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary	4

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

Nomination and Remuneration Committee (NRC)

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 the Member	Representing in the Board	Position in the Committee	Attendance in Meeting
Mr. Shah Monjurul Hoque	Independent Director	Chairman	1
Mr. Masud Ekramullah Khan	Independent Director	Member	1
Mr. Iqbal Ahmed	Director	Member	1
Mr. O K Chowdhury, FCA	Managing Director	Member	1
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary	1

Board Meeting and Attendance

12 (Twelve) Board Meetings were held during the year 2020–2021. The attendance record of the Directors of the Company are as follows:

Name of Directors	Representing in the Board	Nos. of Meeting Attendend
Mr. A S F Rahman	Chairman	8
Mr. Salman F Rahman	Vice Chairman	12
Mr. Iqbal Ahmed	Director	8
Mr. O K Chowdhury	Managing Director	12
Mr. A B Siddiquir Rahman	Director	12
Ms. Reem H Shamsuddoha	Director	7
Mr. Masud Ekramullah Khan	Independent Director	12
Mr. Shah Monjurul Hoque	Independent Director	8

Corporate and Financial Reporting

The Directors are pleased to confirm that:

- The financial statements together with the notes thereon have drawn up in conformity with the Companies Act 1994 and Securities and Exchanges Rules 1987. These statements presents fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- No significant doubts about the ability of the Company to continue as a going concern.
- There is a significant deviation in operating result compared to last year due to higher revenue and overheads do not increase in proportion to increase in revenue.
- The summarized key operating and financial data of last five preceding years is annexed as "Comparative Statistics" in the Annual Report.
- The related party transactions have been disclosed in preparation of the financial statements (Note # 28).
- 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
	Pharmatech Chemicals Ltd	925,769
	Baghkhali Fisheries Ltd.	159,080
	National Investment & Finance Co. Ltd.	16,988
	Mr. S M Shariqullah	133,322
(ii)	Shareholders who nominated Directors in the Board	
	Absolute Construction and Engineering Ltd.	40,970,624
	NTC A/C GHL	29,886,282
	NTC A/C SAEL	19,012,842
(iii)	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

Declaration by CEO & CFO

Declaration by CEO & CFO on the Financial Statement of the Company is attached as Annexure - A.

Key Operating and Financial Data

Taka in '000

Particulars	2020-2021	2019-2020	2018 - 19	2017 - 18	2016 - 17
Paid up Capital	8,763,189	8,763,189	8,763,189	8,345,894	7,948,471
Revenue	42,017,157	19,824,795	23,942,599	23,845,878	22,626,804
Gross Profit	14,031,526	6,952,850	7,860,959	7,602,698	6,671,190
Profit Before Income Tax	7,695,803	795,103	1,566,955	1,327,435	873,528
Net Profit after Income Tax	6,600,610	446,182	1,426,237	1,259,354	1,017,920
Tangible Assets (Gross)	64,825,323	64,674,038	33,427,749	33,368,681	33,186,667
Cumulative Surplus	23,158,825	16,996,375	16,988,352	16,396,705	15,932,197
Dividend-both Cash and Stock	35% (C)	5%(C)	5%(C)	10%(B&C)	10%(B&C)
Return on Paid up Capital	75%	5%	17%	15%	13%
Shareholders' Equity	68,594,542	60,759,191	61,189,444	60,453,162	59,646,623
Earnings per Share (Taka)	7.53	0.51	1.63	1.51	1.28
Shareholders' Equity Per Share(Taka)	78	69	70	72	75
Number of Shareholders	103,145	130,460	134,148	140,991	148,973
Number of Employees	5,455	5,780	6,248	6,710	6,689

Corporate Governance Compliance Status Report

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Compliance Status Report" is attached as Annexure - C.

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: 21 October, 2021

Certification by the CEO & CFO

Annexure - A

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) have certified to the Board that:

- (1) The financial statements of the Company for the year ended 30 June 2021 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 2021 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: 21 October, 2021

Certificate on Compliance of Corporate Governance Guidelines

Annexure - B



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 2021. 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:

- (a) 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;
- (b) 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;
- (c) 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
- (d) The Governance of the company is satisfactory.

Dhaka, Dated
November 10, 2021



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

Avalon Serabella, (5th Floor), 09, Dilu Road, New Eskaton, Ramna, Dhaka- 1000

Cell : 01911 421 998, 01713 110 408

E-mail : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

Compliance Report on SEC's Notification

Annexure - C

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRC/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 ("√"/"n") 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 Hear 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		

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

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

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

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

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

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

Condition No.	Title	Compliance Status ("√"/"")		Remarks (If any)
		Complied	Not Complied	
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	√		
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 2021

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2021.

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 2021.

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:

Committee Members	Board Members	Position
Mr. Shah Monjurul Hoque	Independent Director	Chairman
Mr. Masud Ekramullah Khan	Independent Director	Member
Mr. O K Chowdhury, FCA	Non-Executive Director	Member
Mr. Iqbal Ahmed	Non-Executive Director	Member
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary

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.

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 2021, and they state that:

- (i) They have reviewed the financial statements for the year ended on 30th June, 2021 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.

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 2021. 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 2021:

Financial Reporting

In terms of reference, the Committee in its first meeting held on October 25, 2020 reviewed the Annual Financial Statements for the year ended on 30 June 2020. 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 2021. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 11, 2020, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2020. 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 20, 2021 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, 2020.

The fourth meeting of the Committee was held on April 27, 2021 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, 2021. 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 2021 for inclusion in the Annual Report, 2020-21, 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 2021-2022, subject to the approval of shareholders in the 48th AGM of the Company, who had carried out the audit of the Company for the year ended on 30 June 2021.

Report Authorization

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 21 October 2021.

On behalf of the Audit Committee,



Shah Monjurul Hoque
Chairman

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-to-day business and in the areas associated with internal control have been instituted.



Internal Financial Control

The Directors are responsible for the Company's system of internal financial control. Although no system of internal control can provide absolute assurance against material misstatement and

loss, the Company's system is designed to provide the directors with reasonable assurance that problems are timely identified and dealt with appropriately. Key procedures to provide effective

internal financial control can be described in following heads:

Management structure - The Company is operating through a well defined management structure headed by 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 2020 - 2021 stood at eight 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, Managing Director 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 2021

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 2021 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 2021, 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 2020 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	
<p>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.</p> <p>See Note No. 21.00 to the financial statements.</p>	<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.
Valuation of Property, Plant and Equipment (PPE)	
<p>The carrying value of the PPE was Tk. 53,800,668,734 as at 30 June, 2021.</p> <p>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.</p> <p>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.</p> <p>See Note No.5.00 to the financial statements.</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none">• 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.

INDEPENDENT AUDITOR'S REPORT

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



Risk	Our response to the risk
Valuation of Inventory	
<p>The inventory of Tk. 10,303,197,770 as at 30 June, 2021.</p> <p>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.</p> <p>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.</p> <p>See Note No. 8.00 to the financial statements</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • 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	
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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.
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. 32.00 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 2020 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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 consolidated 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.
- 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 2020 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 payments made were for the purpose of the company's business for the year.

Date: 21 October, 2021
Dhaka

M. J. ABEDIN & CO.
Chartered Accountants
Reg.No: N/A



Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC: N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at 30 June 2021

	Notes	Amount in Taka	
		30 June 2021	30 June 2020
ASSETS			
Non-Current Assets		72,528,231,127	73,564,288,896
Property, Plant and Equipment	5.00	53,800,668,734	55,652,211,852
Investment Property	6.00	16,277,763,848	16,276,493,324
Investment in Shares	7.00	2,449,798,545	1,635,583,720
Current Assets		67,484,716,960	57,579,242,592
Inventories	8.00	10,303,197,770	7,267,675,446
Trade and Other Receivables	9.00	28,546,563,346	28,091,805,170
Advances, Deposits and Pre-Payments	10.00	28,354,499,766	21,920,667,721
Cash and Cash Equivalents	11.00	280,456,078	299,094,255
Total Assets		140,012,948,087	131,143,531,488
SHAREHOLDERS' EQUITY, NON-CONTROLLING INTEREST AND LIABILITIES			
Equity attributable to the owners of the company		68,706,085,373	62,275,165,500
Issued Share Capital	12.00	8,735,962,640	8,735,962,640
Reserve		36,817,969,890	36,557,993,526
Retained Earnings		23,152,152,842	16,981,209,334
Non-Controlling (Minority) Interest in Subsidiaries	13.00	2,251,130,349	2,137,599,149
Total Equity		70,957,215,722	64,412,764,649
Non-Current Liabilities		38,917,012,062	25,106,697,249
Long Term Loans - Net off Current Maturity(Secured)	14.00	37,556,940,233	23,878,407,661
Gratuity Payable	15.00	138,496,316	133,421,835
Deferred Tax Liability	16.00	1,221,575,513	1,094,867,753
Current Liabilities		30,138,720,303	41,624,069,590
Short Term Loans from Banks and Others	17.00	5,086,632,120	1,831,888,310
Long Term Loans - Current Maturity (Secured)	18.00	11,635,812,362	26,618,857,841
Trade and Other Payables	19.00	13,363,970,220	13,137,698,940
Dividend payable/Unclaimed Dividend	20.00	52,305,601	35,624,499
Total Equity and Liabilities		140,012,948,087	131,143,531,488

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

Approved and authorized for issue by the board of directors on 21 October 2021 and signed for and on behalf of the Board:


O K Chowdhury
Managing Director


A B Siddiqur Rahman
Director


Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 21 October 2021
Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants
Reg No: N/A


Hasan Mahmood FCA, Partner
Enrollment No : 564
DVC : N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

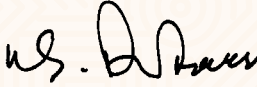


	Notes	Amount in Taka	
		01.07.2020-30.06.2021	01.07.2019-30.06.2020
Revenue (Turnover) from net Sales	21.00	43,403,790,011	21,035,688,558
Cost of Goods Sold	22.00	(29,152,064,130)	(13,891,162,203)
Gross Operating Profit		14,251,725,881	7,144,526,356
Operating Expenses		(1,030,334,542)	(907,305,994)
Administrative Expenses	23.00	(930,188,210)	(805,276,743)
Selling and Distribution Expenses	24.00	(100,146,332)	(102,029,252)
Operating Profit		13,221,391,339	6,237,220,362
Finance Cost	25.00	(5,096,840,763)	(5,390,501,231)
Net Profit before Contribution to WPPF		8,124,550,576	846,719,131
Contribution to Workers' Profit Participation / Welfare Fund		(388,847,507)	(40,319,959)
Net Profit before Income Tax		7,735,703,069	806,399,172
Income Tax (Expenses)/Income	26.00	(1,103,410,774)	(328,624,790)
Net Profit after Tax		6,632,292,295	477,774,382
Non-Controlling (Minority) Interest in Loss/ (Income)		(23,189,346)	(15,796,325)
Net Profit after tax and Non-Controlling (Minority) Interest		6,609,102,949	461,978,057
Other Comprehensive Income			
Adjustment for Fair Value Gain/(Loss) on Investment in Shares		365,014,825	(41,466,590)
Total Comprehensive Income after Minority Interest		6,974,117,773	420,511,467
EPS (Per Value of Share Tk. 10/=)	27.00	7.57	0.53

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

Approved and authorized for issue by the board of directors on 21 October 2021 and signed for and on behalf of the Board:


O K Chowdhury
 Managing Director

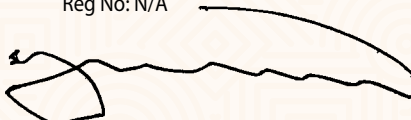

A B Siddiqur Rahman
 Director


Md. Luthfor Rahman
 Chief Financial Officer

As per our separate report of even date annexed.

Dated : 21 October 2021
 Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants
 Reg No: N/A


 Hasan Mahmood FCA ,Partner
 Enrollment No : 564
 DVC : N/A

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

As at 30 June 2021

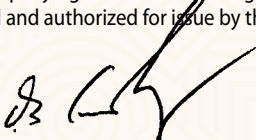
Particulars	Amount in Taka					
	Share Capital	Retained Earnings	Reserve	Total	Non-Controlling (Minority) Interest in Subsidiaries	Total Equity
As on 01 July 2020	8,735,962,640	16,981,209,334	36,557,993,526	62,275,165,500	2,137,599,149	64,412,764,649
Net Profit after Tax and Non-Controlling (Minority) Interest for the year	-	6,609,102,949	-	6,609,102,949	23,189,346	6,632,292,295
Other Comprehensive Income:						
Fair Value Gain on Investment in Shares	-	-	365,014,825	365,014,825	105,038,460	470,053,285
Excess of Fair Value over Book Value on Consolidation	-	-	(105,038,460)	(105,038,460)	-	(105,038,460)
Transactions with Shareholders:						
Payment of Cash Dividend for the prior year (2019-2020)		(438,159,440)		(438,159,440)	(14,696,606)	(452,856,046)
As on 30 June 2021	8,735,962,640	23,152,152,842	36,817,969,890	68,706,085,373	2,251,130,349	70,957,215,722


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 01 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

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

Approved and authorized for issue by the board of directors on 21 October 2021 and signed for and on behalf of the Board:

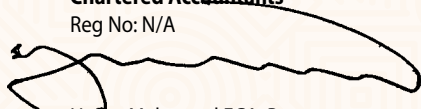

O K Chowdhury
 Managing Director


A B Siddiqur Rahman
 Director


Md. Luthfor Rahman
 Chief Financial Officer

As per our separate report of even date annexed.

Dated : 21 October 2021
 Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants
 Reg No: N/A

 Hasan Mahmood FCA, Partner
 Enrollment No : 564
 DVC : N/A

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY


For the year ended 30 June 2021

	Notes	Amount in Taka	
		01.07.2020-30.06.2021	01.07.2019-30.06.2020
Cash Flows from Operating Activities :			
Collection from turnover and other income		42,963,728,440	44,672,985,208
Payments for cost and expenses including interest & tax		(44,730,260,263)	(12,978,383,355)
Net Cash Used in Operating Activities	30.00	(1,766,531,823)	31,694,601,853
Cash Flows from Investing Activities :			
Property, plant and equipment acquired		(172,944,047)	(31,248,112,822)
Net Cash Used in Investing Activities		(172,944,047)	(31,248,112,822)
Cash Flows from Financing Activities :			
Increase in loan		1,920,837,693	(497,810,809)
Net Cash Generated From Financing Activities		1,920,837,693	(497,810,809)
Increase/(Decrease) in Cash and Cash Equivalents		(18,638,177)	(51,321,779)
Cash and Cash Equivalents at Beginning of the year		299,094,255	350,416,034
Effect of Exchange Rate Changes on Cash & Cash Equivalents	30.00	-	-
Cash and Cash Equivalents at End of the year		280,456,078	299,094,255
Net Operating Cash Flow Per Share	29.00	(2.02)	36.28

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

Approved and authorized for issue by the board of directors on 21 October 2021 and signed for and on behalf of the Board:


O K Chowdhury
 Managing Director


A B Siddiqur Rahman
 Director


Md. Luthfor Rahman
 Chief Financial Officer

As per our separate report of even date annexed.

Dated : 21 October 2021
 Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants
 Reg No: N/A


 Hasan Mahmood FCA ,Partner
 Enrollment No : 564
 DVC : N/A

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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 30-06-2021, the Company holds 50% shares (50% shares on 30-06-2020 of Shinepukur Ceramics Ltd., a company of Beximco Group engaged in manufacturing and marketing of ceramics tableware.

The company has its registered office and operational office at Beximco Corporate Head Quarters, 17, Dhanmondi Residential Area, Road No.2, Dhaka - 1205.

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 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 2021 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 2020, 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).

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 2021;
- (b) a Consolidated statement of profit or loss and other comprehensive income for the year from 01 July 2020 to 30 June 2021;
- (c) a Consolidated statement of changes in equity for the year from 01 July 2020 to 30 June 2021;

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

- (d) a Consolidated statement of cash flows for the year from 01 July 2020 to 30 June 2021; 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 21 October 2021.

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 2020 to 30th June 2021).

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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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 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%

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 2021

(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 Limited 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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 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)

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

Current Year

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

Earlier Periods

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

The basis of computation of number of shares as stated above, is in line with the provisions of 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 Translations

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. The assets and liabilities denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange difference is charged off as revenue expenditure in compliance with the provisions of 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 2021

5. Property, Plant and Equipment : Tk. 53,800,668,734

The details are stated below:

As at 30 June 2021

Particulars	Amount in Taka						
	Land and Land Development	Building and Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost / Valuation							
At 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
Addition during the year	915,178	1,540,709,055	1,597,936,008	17,518,676	3,134,945	-	3,160,213,862
Disposal during the year	-	-	-	-	(1,742,000)	-	(1,742,000)
Transferred in & Capitalized	-	-	-	-	-	(2,987,269,815)	(2,987,269,815)
At 30 June 2021	15,128,313,564	11,886,371,852	28,808,910,687	1,123,174,133	340,212,239	15,069,267,421	72,356,249,896
Depreciation							
At 30 June 2020	-	3,142,391,227	12,480,723,808	687,452,027	222,268,935	-	16,532,835,996
Charged during the year	-	403,195,362	1,531,500,983	65,727,948	23,911,365	-	2,024,335,658
Adjustment for Assets disposed off	-	-	-	-	(1,590,493)	-	(1,590,493)
At 30 June 2021	-	3,545,586,589	14,012,224,791	753,179,975	244,589,807	-	18,555,581,161
Carrying Value At 30 June 2021	15,128,313,564	8,340,785,263	14,796,685,896	369,994,158	95,622,432	15,069,267,421	53,800,668,734

As at 30 June 2020

Particulars	Amount in Taka						
	Land and Land Development	Building and Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost / Valuation							
At 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020

6.00 Investment Property : Tk. 16,277,763,848

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

Opening Balance	16,276,493,324	14,024,387,243
Addition during the year	1,270,524	2,252,106,081
	16,277,763,848	16,276,493,324

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".

7.00 Investment in Shares : Tk. 2,449,798,545

This consists of as follows:

(i) In Associated undertakings :

(a) In 3,189,926 (30.06.2020: 2,899,933) Shares of Beximco Pharmaceuticals Ltd. [Listed company, Market value Tk. 177.30 (30.06.2020 : Tk. 69.20) per share on 30 June 2021]	565,573,880	200,675,364
(b) In 68,246 (30.06.2020: 68,246) Shares of Beximco Synthetics Ltd. [Listed company, Market value Tk. 8.40 (30.06.2020: Tk. 6.70) per share on 30 June 2021]	573,266	457,248

(ii) Others :

(c) In 32,997,800 Shares of Tk.10/= each of GMG Airlines Ltd(Average cost price per share is Tk. 9.091)	299,980,000	299,980,000
(d) In 12 (30.06.2020: 12) Shares of Jamuna Oil Ltd. (Listed Company) [Market value Tk. 162.40 (30.06.2020: Tk. 138.20) per share on 30 June 2021]	1,949	1,658
(e) In 571,181 shares of Central Depository Bangladesh Ltd. [Avg. cost price per share is Tk.2.748 against face value of Tk.10]	1,569,450	1,569,450
(f) In 158,210,000 Shares of Beximco Power Co. Ltd. (Face value of Tk. 10.00)	1,582,100,000	1,132,900,000
	2,449,798,545	1,635,583,720

8.00 Inventories : Tk. 10,303,197,770

This represents as follows:

Land (Real Estate Business)	418,811,023	453,896,682
Construction work in progress (Real Estate Business)	294,294,201	300,614,741
Land Development and Others (Real Estate Business)	64,697,501	66,702,700
Work in Process	1,563,459,204	743,199,912
Raw Materials	6,949,692,242	4,745,601,454
Stores and Spares	240,292,099	243,138,206
Finished Goods	759,651,894	700,444,101
Fish & Shrimp	5,750,846	5,804,161
Packing Materials	5,455,550	7,483,753
Fish Feed	1,093,210	789,735
	10,303,197,770	7,267,675,446

9.00 Trade and Other Receivables: Tk. 28,546,563,346

This is unsecured but considered good.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020

10.00 Advances, Deposits and Pre-payments : Tk. 28,354,499,766

This consists of as follows:

(i) Advances:

Advance Income Tax
L/C Margin & Others
Other Advances

28,297,022,381

515,817,798
91,990,208
27,689,214,375

21,831,442,295

251,378,460
21,719,834
21,558,344,002

(ii) Deposits

57,477,385

89,225,426

28,354,499,766

21,920,667,721

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

11.00 Cash and Cash Equivalents : Tk. 280,456,078

This consist of as follows:

In Hand
In Current Account with banks
In STD account with banks
In fixed deposit and accrued interest with bank

19,504,470
168,476,167
88,353,434
4,122,006

15,169,438
204,077,593
76,226,764
3,620,460

280,456,078

299,094,255

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

(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(30.06.2020: 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 Shinepukur Holdings Ltd.	126,000,000	126,000,000
650,000 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Fisheries Ltd.	6,500,000	6,500,000
11,909,840 Ordinary Shares of Tk. 10/- each issued to the shareholders of Bangladesh Online Ltd.	119,098,400	119,098,400
9,187,487 Ordinary Shares of Tk. 10/- each issued to the shareholders of Dhaka-Shanghai Ceramics Ltd.	91,874,870	91,874,870
107,282,919 Ordinary Shares of Tk. 10/- each issued to the shareholders of Bextex Ltd.	1,072,829,190	1,072,829,190
2,649,470 Ordinary Shares of Tk. 10/- each issued to the shareholders of International Knitwear & Apparels Ltd.	26,494,700	26,494,700
2,372,506 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Fashions Ltd.	23,725,060	23,725,060
2,489,502 Ordinary Shares of Tk. 10/- each issued to the shareholders of Crescent Fashions & Design Ltd.	24,895,020	24,895,020
551,342 Ordinary Shares of Tk. 10/- each issued to the shareholders of 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

(c) Composition of Shareholding:	30 June 2021		30 June 2020	
	No. of Shares	% of Total Holders	No. of Shares	% of Total Holders
Sponsors:				
A S F Rahman	63,204,992	7.21%	63,204,992	7.24%
Salman F Rahman	70,919,693	8.09%	70,919,693	8.12%
Associates	43,697,686	4.99%	39,739,912	4.55%
Shareholders who nominated Directors in the Board	89,869,748	10.26%	-	0.00%
Foreign Investors	12,848,235	1.47%	68,283,726	7.82%
Institutions	119,337,184	13.62%	196,363,384	22.48%
General Public	473,718,726	54.36%	435,084,557	49.80%
	873,596,264	100%	873,596,264	100%

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

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

Share holding Range in number of Shares	Number of holders	% of total holders	Number of Shares	% of Share Capital
1 to 499	64,306	1.10%	9,674,003	1.11%
500 to 5,000	30,919	5.75%	50,390,671	5.77%
5,001 to 10,000	3,565	2.98%	26,126,149	2.99%
10,001 to 20,000	2,026	3.32%	29,052,160	3.33%
20,001 to 30,000	742	2.12%	18,539,931	2.12%
30,001 to 40,000	347	1.39%	12,181,305	1.39%
40,001 to 50,000	235	1.25%	10,989,047	1.26%
50,001 to 100,000	473	3.94%	34,544,791	3.95%
100,001 to 1,000,000	477	15.20%	133,159,461	15.24%
Over 1,000,000	55	62.95%	548,938,746	62.84%
Total :	103,145	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. 89.50 and Tk. 89.50 per share in the Dhaka and Chittagong Stock Exchanges on 30 June 2021.

(g) Voting Rights :

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
13.00 Non-Controlling (Minority) Interest in Subsidiaries : Tk. 2,251,130,349		
This represents minority's share of subsidiary's net assets.		
14.00 Long Term Loans - Net off Current Maturity(Secured) : Tk. 37,556,940,233		
This represents Loans from:		
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	472,826,030	126,069,848
Rupali Bank Ltd. - Long Term loan -IDCP(12 years)	1,368,867,870	392,296,000
Agrani Bank Ltd.- Demand Loan	1,408,900,000	2,208,059,873
AB Bank Ltd. - Time Loan (6 Years) A/C-462	1,478,152,301	3,271,300,000
Phonix Finance & Investment	119,264,234	209,322,141
Bank Asia Ltd. - Term Loan	39,458,469	81,941,664
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C (CCP & CCH)	11,844,000,000	-
Janata Bank Ltd. - Long Term Loan(6 years)	9,953,220,298	-
Rupali Bank Ltd. - Long Term Loan (6 Years)	6,320,000,000	-
Agani Bank Ltd- Intestrial Credit project	1,101,600,000	-
Exim Bank Ltd-LD1936318294	2,207,120,000	-
Exim Bank Ltd LD2108820251	1,243,531,031	-
Janata Bank Ltd. - Long Term Loan(12 years)	-	6,774,285,347
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	-	7,188,430,293
Agrani Bank Ltd.-Industrial Credit Loan-1	-	2,559,270,931
AB Bank Ltd. - Term Loan (12 Years) A/C-464	-	933,592,426
AB Bank Ltd- Term Loan (12 Years) A/C-463	-	133,839,138
	37,556,940,233	23,878,407,661

Nature of security :

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

Terms of Repayment :

Bank Asia Ltd. - Term Loan :

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

Phonix Finance & Investment

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

Rates of Interest:

Bank Asia Ltd. - Term Loan :

8% 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. 138,496,316

This is arrived at as follows:

Opening Balance	133,421,835	131,536,452
Add: Addition during the year	8,065,824	2,985,718
	141,487,659	134,522,170
Less: Payment during the year	(2,991,343)	(1,100,335)
Closing Balance	138,496,316	133,421,835

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
16.00 Deferred Tax Liability : Tk. 1,221,575,513		
(a) Deferred Tax Liability is arrived at as follows:		
Book Value of Depreciable PPE	22,355,776,547	20,902,500,425
Less : Tax base WDV of PPE	(11,769,970,561)	(11,044,515,537)
Un-absorbed portion of Depreciation Benefit	(2,522,851,883)	(2,650,111,623)
Taxable Temporary Difference	8,062,954,103	7,207,873,265
Effective Tax Rate	15%	15%
Closing Deferred Tax Liabilities	1,221,575,513	1,094,867,753
(b) Deferred Tax Expense is arrived at as follows:		
Closing Deferred Tax Liabilities	1,221,575,513	1,094,867,753
Opening Deferred Tax Liabilities	(1,094,867,753)	(1,094,867,753)
	126,707,760	-

17.00 Short Term Loans From Banks and Others Tk. 5,086,632,120

This is secured and consists of as follows:

Secured:

Janata Bank- CCH	927,495,527	985,742,693
Sonali Bank- CC (Hypothecation)	553,446,024	554,797,314
Janata Bank Cash Subsidy	91,826,067	79,808,801
Sonali Bank- LTR	71,795,954	162,539,502
Covid 19 Loan	168,664,759	-
United Commercial Bank Ltd OD/CC	3,236,903,789	

Unsecured:

New Dacca Industries Ltd. (Interest Free)	36,500,000	49,000,000
	5,086,632,120	1,831,888,310

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
18.00 Long Term Loans - Current Maturity(Secured) Tk. 11,635,812,362		
This consists of as follows:		
10% Debentures	29,831,765	901,686,833
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	66,855,188	4,496,105,061
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	134,928,209	1,804,958,019
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	308,502,048	1,525,077,084
AB Bank Ltd.- Term Loan (12 Years) A/C-462	163,271,476	481,393,648
Exim Bank Ltd-LD1936318294	471,653,615	2,925,846,682
Rupali Bank Ltd. - Long Term Loan (6 Years)	2,261,778,344	4,904,901,506
Bank Asia Ltd. -Term Loan	73,973,580	82,485,694
Phoenix Finance & Investment Ltd.- Term Loan	202,315,263	72,608,844
Sonali Bank Ltd. - Long Term (Block-Interest Bearing)-New	2,919,338,781	-
Janata Bank Ltd. - Long Term Loan (12 Years)	831,232,820	-
AB Bank - Time Loan AC-463	1,139,728,499	-
AB Bank - Term Loan AC-464	136,816,752	-
Agani Bank Ltd- Demand loan Principal	763,370,549	-
Agani Bank Ltd- Demand loan Interest	216,636,312	-
Agani Bank Ltd- Intestrial Credit project	1,418,683,489	-
Agani Bank Ltd- Intestrial Credit project Interest	147,360,348	-
Agrani Bank Ltd Interest Block Account	106,768,572	-
Exim Bank Ltd LD2108820251	242,766,752	-
Janata Bank Ltd. - Long Term Loan(6 years)	-	2,797,107,044
Rupali Bank Ltd. - Long Term Loan (12 Years)	-	1,088,802,345
Janata Bank Ltd. - Long Term Loan (12 Years)	-	2,584,982,041
UCBL OD A/C# 775	-	2,952,903,040
	11,635,812,362	26,618,857,841

19.00 Trade and Other Payables :Tk. 13,363,970,220

This consists of as follows:

Creditors for Goods	7,814,992,105	7,295,434,280
Income Tax Payables	1,516,754,928	1,017,741,175
Advance Against sale of Investment in Shares	-	274,470,349
Other Current Liabilities	4,011,033,186	4,530,063,136
Security Deposit from Distributor	21,190,000	19,990,000
	13,363,970,220	13,137,698,940

20.00 Dividend payable/Unclaimed Dividend: Tk. 52,305,601

The Cash Dividend declared for the year 2019-2020 were approved by the shareholders in the Annual General Meeting held on December 19,2020. The Dividend Payable/Unclaimed dividend as on June 30, 2021 consists of Tk.16,681,102 payable for the year 2020-21 and the balance Tk. 35,624,499 for the prior years unclaimed to date.The unclaimed dividend included in Trade and Other Payables in the prior period has been reclassified in this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
21.00 Revenue : Tk. 43,403,790,011		
This is made-up as follows:		
Sale of Goods (Net)	43,349,744,786	21,023,868,720
Commission and Other Income	50,137,009	7,289,344
Dividend Income	5,206,811	5,777,852
Capital (Loss)/Gain on Sale of Shares	(1,298,596)	(1,247,358)
	43,403,790,011	21,035,688,558
22.00 Cost of Goods Sold : TK. 29,152,064,130		
This represents cost of goods sold against sale of:		
Yarn, Fabrics & Others (Including depreciation of Tk. 1,887,651,564)	27,666,973,824	12,630,669,435
Table Ware Shinepukur Ceramics Ltd.(Including depreciation of Tk.119,419,688)	1,166,433,505	1,019,217,711
IT Support Service and Software (Including depreciation of Tk. 6,182,129)	308,388,590	231,937,140
Shrimp and Fish (Including depreciation of Tk.1,877,827)	10,268,212	9,337,917
	29,152,064,130	13,891,162,203
23.00 Administrative Expenses : Tk. 930,188,210		
This Consists of as follows:		
Salaries and Allowances	710,027,839	506,123,538
Car Repairs and Maintenance	20,965,023	39,064,494
Fees and Charges	25,767,109	42,242,703
Repairs and Maintenances	34,752,515	39,709,586
Rent, Rates and Taxes	43,359,809	42,417,198
Travelling and Conveyance	13,612,290	25,611,375
Miscellaneous Overhead	15,459,764	12,916,439
Postage, Telegram, Telex & Telephone	14,804,782	11,938,114
Entertainment	9,226,322	8,790,590
Depreciation	9,204,450	9,979,844
Insurance	948,574	3,397,835
Petrol, Fuel, Electricity, Gas and Water	2,530,645	3,468,862
Printing and Stationery	6,048,845	7,859,269
Publicity and Advertisement	2,267,384	938,819
Staff Welfare	8,241,319	33,475,178
AGM Expenses	1,139,250	3,100,280
Audit Fee (Including VAT @ 15%)	2,875,000	2,386,250
Subscription	1,202,360	857,125
Contribution to Provident Fund	422,498	349,848
Training	111,719	439,759
General Office Expenses	7,220,713	10,209,637
	930,188,210	805,276,743

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
24.00 Selling and Distribution Expenses : Tk. 100,146,332		
This consists of as follows:		
Salaries & Allowances	79,164,408	79,318,500
Promotional Expenses	2,402,685	5,319,402
Occupancy Expenses	3,949,191	3,451,333
Office Expenses	3,813,329	5,149,062
Transport Expenses	1,901,418	2,084,895
Travelling & Conveyance Expenses	1,719,069	4,787,740
Communication Expenses	451,456	846,242
Utilities Expenses	47,799	171,393
Show Room Expenses	218,155	286,045
Handling & Carrying Expenses	48,302	92,641
Legal & Professional Fees	362,355	499,821
Product Research	6,068,165	22,177
	100,146,332	102,029,252
25.00 Finance Cost : Tk. 5,096,840,763		
This Consists of as follows:		
Interest on Loan from Banks and Others	5,056,116,290	5,275,852,136
Bank Charges and Commission	40,724,473	96,399,080
Interest on Loan from Related Company	-	18,250,014
	5,096,840,763	5,390,501,231
26.00 Income Tax Expenses : Tk. 1,103,410,774		
This Consists of as follows:		
Provision for the year	957,407,795	114,854,307
Short Provision for the year 2018-2019	-	124,140,077
Short Provision for the year 2019-2020	-	117,262,776
Short Provision for the year 2020-2021	22,626,104	-
Excess Provision for the Previous Years	(3,330,885)	(27,632,370)
Deferred Tax (Income) / Expenses [Note-16.(b)]	126,707,760	-
	1,103,410,774	328,624,790
27.00 Basic Earnings per Share (EPS)		
The computation of EPS is given below :		
(a) Net Profit for the year after tax and Non-controlling (minority interest)	6,609,102,949	461,978,057
(b) Weighted average number of shares used for EPS (Note - 3.13)	873,596,264	873,596,264
(c) Basic EPS (a/b)	7.57	0.53
28.00 Net Asset Value Per Share		
Total Assets	140,012,948,087	131,143,531,488
Less: Total Liabilities	69,055,732,365	66,730,766,839
Total Equity	70,957,215,722	64,412,764,649
Number of Ordinary Shares of Tk. 10 each at Financial Position date	873,596,264	873,596,264
Net Asset Value Per Share	81.22	73.73

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
29.00 Net Operating Cash Flows Per Share (NOCFPS)		
Net cash flows from operating activities	(1,766,531,823)	31,694,601,853
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)	(2.02)	36.28

30.00 Reconciliation of Net profit with cash flows from operating activities.:

Net Profit After Tax	6,632,292,295	477,774,382
Adjustments for noncash items, non operating items and for the net changes in operating accruals:		
Depreciation	2,024,335,658	1,480,767,487
(Increase)/Decrease in Investment in Shares	(449,200,001)	(344,100,000)
(Gain)/Loss on sale of vehicle	151,505	
Increase/(Decrease) Deferred Tax Liability	126,707,760	-
(Increase)/Decrease in Inventories	(3,035,522,324)	(4,485,193,195)
Transfer to Investment Property	(1,270,524)	(2,252,106,081)
(Increase)/ Decrease in Trade and Other receivables	(454,758,176)	23,637,296,649
(Increase)/ Decrease in Advances, Deposits and Pre-payments	(6,433,832,044)	10,428,210,362
Increases/(Decreases) in Creditors and Other Payables	508,443,365	2,791,611,420
Increases/(Decreases) Accruals	(271,138,297)	396,614,886
Dividend Paid	(417,815,521)	(438,159,440)
Increases/(Decreases) Gratuity Payable	5,074,481	1,885,383
Net cash flows from operating activities	(1,766,531,823)	31,694,601,853

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

31.00 Related Party Disclosures

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

Name of the Related Parties	Nature of transactions	Value of transactions during the year	Balance at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	565,573,880
Beximco Synthetics Ltd.	Investment in Shares	-	573,266

Nature of Relationship

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

32.00 Contingent Liabilities

This consists of as follows:

(a) Outstanding letter of credit	110,326,124	23,727,105
(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)	13,656,520	13,656,520
	123,982,644	37,383,625

33.00 Capital Expenditure Commitment

(a) There was no capital expenditure contracted but not incurred or provided for at 30 June 2021.

(b) There was no material capital expenditure authorized by the board but not contracted for at 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

34.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 30 June 2021.

35.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed of as on 30 June 2021 other than trade credit available in the ordinary course of business.

36.00 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.

37.00 Events After The Reporting Period

- (a) Subsequent to the Statement of Financial Position date, the directors recommended 35% cash dividend (i.e. Tk.3.50 per share) for the year ended 30 June 2021 which is subject to shareholders' approval at the forthcoming Annual General Meeting
- (b) Subsequent to the Statement of Financial Position date the Company issued Asset-backed Beximco Green Sukuk Al Istiana'a.

The main features of Sukuk are as follows:

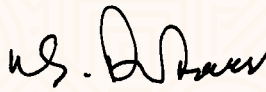
Issue size	: 30.00 billion
Tenure	: 5 years
Face value	: BDT 100
Base Rate	: 9% + Profit Margin Rate
Beneficiaries	: Teesta Solar Ltd. (TSL), Korotoa Solar Ltd. (KSL) & Beximco Ltd.

Conversion / Redemption Option : Investors may gradually convert their Sukuk to Beximco Ltd's shares over the 5 years tenure up to a maximum of 20% per year but if any Sukukholder does not exercise the conversion option in full or in part during the tenure of Sukuk, the remaining amount of sukuk will be redeemable at maturity in one bullet payment.

- (c) 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
Managing Director



A B Siddiqur Rahman
Director



Md. Luthfor Rahman
Chief Financial Officer

Dated : 21 October 2021
Dhaka.



AUDITOR` S REPORT
AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF

BANGLADESH EXPORT IMPORT COMPANY LIMITED

AS AT AND FOR THE YEAR ENDED 30 JUNE 2021

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 2021 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 2021, 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 2020 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.	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.
Valuation of Property, Plant and Equipment (PPE)	
The carrying value of the PPE was Tk. 48,755,749,638 as at 30 June, 2021. 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: <ul style="list-style-type: none">• 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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED



Valuation of Inventory	
<p>The inventory of Tk.9,426,635,986 as at 30 June, 2021.</p> <p>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.</p> <p>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.</p> <p>See Note No. 7 to the financial statements</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none">• 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	
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none">• 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.

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 2020 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:

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED

- 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 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 2020 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 payments made were for the purpose of the company's business for the year.

Date: 21 October, 2021
Dhaka

M.J. ABEDIN & CO.
Chartered Accountants
Reg.No: N/A



Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC: 2110280564AS741813

BANGLADESH EXPORT IMPORT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at 30 June 2021

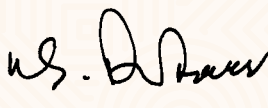
	Notes	Amount in Taka	
		30 June 2021	30 June 2020
ASSETS			
Non - Current Assets			
		69,378,621,649	69,005,777,676
Property, Plant and Equipment - Carrying Value	4.00	48,755,749,638	50,506,276,857
Investment Property	5.00	16,277,763,848	16,276,493,324
Investment in Shares	6.00	4,345,108,163	2,223,007,495
Current Assets			
		66,216,844,982	56,343,228,443
Inventories	7.00	9,426,635,986	6,364,849,421
Trade and Other Receivables	8.00	28,360,078,917	27,913,103,474
Advances, Deposits and Pre-Payments	9.00	28,176,124,951	21,773,985,170
Cash and Cash Equivalents	10.00	254,005,128	291,290,378
Total Assets		135,595,466,631	125,349,006,119
EQUITY AND LIABILITIES			
Shareholders' Equity			
		68,594,542,137	60,759,190,704
Issued Share Capital	11.00	8,763,188,790	8,763,188,790
Reserves	12.00	36,672,527,989	34,999,627,322
Retained Earnings		23,158,825,358	16,996,374,592
Non - Current Liabilities			
		38,538,320,966	24,600,539,531
Long Term Loans - Net-off Current Maturity (Secured)	13.00	37,398,217,530	23,587,143,855
Deferred Tax Liability	14.00	1,140,103,436	1,013,395,676
Current Liabilities			
		28,462,603,528	39,989,275,884
Long Term Loans - Current Maturity (Secured)	15.00	11,359,523,519	26,463,763,303
Short Term Loans	16.00	4,256,225,383	1,065,551,494
Trade and Other Payables	17.00	12,803,504,431	12,427,644,680
Dividend payable/Unclaimed Dividend	18.00	43,350,195	32,316,407
Total Equity and Liabilities		135,595,466,631	125,349,006,119

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

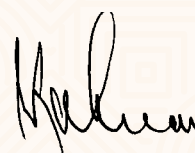
Approved and authorised for issue by the board of directors on 21 October 2021 and signed for and on behalf of the board:



O K Chowdhury
 Managing Director



A B Siddiquir Rahman
 Director



Md. Luthfor Rahman
 Chief Financial Officer

As per our separate report of even date annexed.

Dated : 21 October 2021
 Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants
 Reg No: N/A



Hasan Mahmood FCA ,Partner
 Enrollment No : 564
 DVC : 2110280564AS741813

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

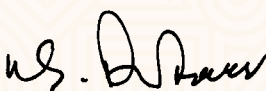
	Notes	Amount in Taka	
		01.07.2020-30.06.2021	01.07.2019-30.06.2020
Revenue	19.00	42,017,156,905	19,824,794,641
Cost of Revenue	20.00	(27,985,630,626)	(12,871,944,492)
Gross Profit		14,031,526,279	6,952,850,149
Operating Expenses		(5,949,605,456)	(6,117,992,108)
Administrative Expenses	21.00	(880,955,914)	(755,852,217)
Selling and Distribution Expenses		(50,646,847)	(52,832,382)
Finance Cost	22.00	(5,018,002,695)	(5,309,307,509)
Profit before WPPF and Income Tax		8,081,920,823	834,858,041
Contribution to WPPF		(386,117,681)	(39,755,145)
Net Profit before Tax		7,695,803,142	795,102,896
Income Tax (Expense)/Income	23.00	(1,095,192,936)	(348,921,165)
Net Profit after Tax (NPAT) for the year		6,600,610,206	446,181,731
Other Comprehensive Income:			
Fair Value Gain/ (Loss) on Investment in Shares		1,672,900,667	(438,275,694)
		8,273,510,873	7,906,037
EPS based on NPAT (Adjusted EPS)	24.00	7.53	0.51

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

Approved and authorised for issue by the board of directors on 21 October 2021 and signed for and on behalf of the board:



O K Chowdhury
Managing Director



A B Siddiqur Rahman
Director



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 21 October 2021
Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants
Reg No: N/A



Hasan Mahmood FCA, Partner
Enrollment No : 564
DVC : 2110280564A5741813

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021



	Amount in Taka			
	Share Capital	Reserves (Note - 12)	Retained Earnings	Total Equity
As on 01 July 2020	8,763,188,790	34,999,627,322	16,996,374,592	60,759,190,704
Net Profit after tax for the year ended 30 June 2021	-	-	6,600,610,206	6,600,610,206
Other Comprehensive Income:				
Fair Value Gain on Investment in Shares (Note-12)	-	1,672,900,667	-	1,672,900,667
Transaction with Shareholders:				
Payment of 5% Cash Dividend for the prior year (2019-2020)	-	-	(438,159,440)	(438,159,440)
As on 30 June 2021	8,763,188,790	36,672,527,989	23,158,825,358	68,594,542,137
Number of Shares				876,318,879
Net Assets Value Per Share (Note: 25.00)				78.28
As on 01 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)
Transaction 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: 25.00)				69.33

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

Approved and authorised for issue by the board of directors on 21 October 2021 and signed for and on behalf of the board:

O K Chowdhury
Managing Director

A B Siddiqur Rahman
Director

Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 21 October 2021
Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants
Reg No: N/A

Hasan Mahmood FCA ,Partner
Enrollment No : 564
DVC : 2110280564AS741813

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Notes	Amount in Taka	
		01.07.2020-30.06.2021	01.07.2019-30.06.2020
Cash Flows From Operating Activities:	27.00	(1,781,766,684)	31,558,702,781
Cash Received Against Revenue and Others		41,570,181,462	43,367,843,695
Cash Paid to Suppliers and Others		(43,351,948,146)	(11,809,140,914)
Cash Flows From Investing Activities:		(153,026,346)	(31,246,289,185)
Purchase of Property, Plant and Equipment		(153,026,346)	(31,246,289,185)
Cash Flows From Financing Activities:		1,897,507,780	(346,030,099)
Increase in Loan		1,897,507,780	(346,030,099)
Increase/(Decrease) in Cash and Cash Equivalents		(37,285,250)	(33,616,504)
Cash and Cash Equivalents at Opening		291,290,378	324,906,882
Effect of Exchange Rate Changes on Cash & Cash Equivalents	27.00	-	-
Cash and Cash Equivalents at Closing	10.00	254,005,128	291,290,378
Net Operating Cash Flow Per Share	26.00	(2.03)	36.01

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

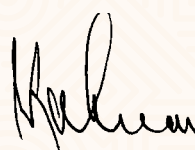
Approved and authorised for issue by the board of directors on 21 October 2021 and signed for and on behalf of the board:



O K Chowdhury
Managing Director



A B Siddiqur Rahman
Director



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 21 October 2021
Dhaka.

M. J. ABEDIN & CO.
Chartered Accountants
Reg No: N/A



Hasan Mahmood FCA, Partner
Enrollment No : 564
DVC : 2110280564AS741813

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 its registered office and operational office at Beximco Corporate Head quarters, 17, Dhanmondi Residential Area, Road No.2, Dhaka - 1205.

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 2020, 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 2021;
- (b) a statement of profit or loss and other comprehensive income for the year from 01 July 2020 to 30 June 2021;
- (c) a statement of changes in equity for the year from 01 July 2020 to 30 June 2021;
- (d) a statement of cash flows for the year from 01 July 2020 to 30 June 2021; 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 21 October 2021.

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 2020 to 30th June 2021).

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

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 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.

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 Property, Plant and Equipment

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 Property, Plant and Equipment

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%

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 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.

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.

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 Translations

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. The assets and liabilities denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange difference is charged off as revenue expenditure in compliance with the provisions of 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 encouraged by IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.15 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 2021

4.00 Property, Plant and Equipment - Carrying Value: Tk. 48,755,749,638

The details are stated below:

As at 30 June 2021							
Particulars	Amount in Taka						
	Land and Land Development	Building and other construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost /Valuation :							
At 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
Total addition during the year	915,178	1,537,632,965	1,581,322,397	17,290,676	3,134,945	-	3,140,296,161
Disposal during the year	-	-	-	-	(1,742,000)	-	(1,742,000)
Total Transferred & Capitalized	-	-	-	-	-	(2,987,269,815)	(2,987,269,815)
At 30 June 2021	13,246,242,158	10,021,853,969	25,136,825,617	1,032,630,797	318,502,760	15,069,267,422	64,825,322,723
Depreciation :							
At 30 June 2020	-	2,678,365,338	10,684,358,475	603,138,790	201,898,917	-	14,167,761,520
Total charged during the year	-	368,183,062	1,447,093,595	64,481,928	23,643,473	-	1,903,402,058
Adjustment for Assets disposed off	-	-	-	-	(1,590,493)	-	(1,590,493)
At 30 June 2021	-	3,046,548,400	12,131,452,070	667,620,718	223,951,897	-	16,069,573,085
Carrying Value :							
At 30 June 2021	13,246,242,158	6,975,305,569	13,005,373,547	365,010,079	94,550,863	15,069,267,422	48,755,749,638
As at 30 June 2020							
Particulars	Amount in Taka						
	Land and Land Development	Building and other construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost /Valuation :							
At 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

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
Total increase by re-valuation	8,128,536,184
Original Cost	56,696,786,539
Gross carrying amounts	64,825,322,723

BANGLADESH EXPORT IMPORT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
5.00 Investment Property: Tk. 16,277,763,848		
This consists of as follows:		
Opening Balance	16,276,493,324	14,024,387,243
Addition during the year	1,270,524	2,252,106,081
	16,277,763,848	16,276,493,324

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. 4,345,108,163

This consists of as follows:

(a) In Associated undertakings :

(i) In 73,483,009 Shares of Shinepukur Ceramics Ltd. (Subsidiary Company-50% Shares) (Face value of Tk. 10.00) {Listed company, Market value Tk. 25.80 per share on 30 June 2021}	1,895,861,632	587,864,072
(ii) In 3,189,926 Shares of Beximco Pharmaceuticals Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 177.30 per share on 30 June 2021}	565,573,880	200,675,364
(iii) In 2,530 Shares of Beximco Synthetics Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 8.40 per share on 30 June 2021}	21,252	16,951
	2,461,456,764	788,556,387

(b) Others

(iv) In 12 Shares of Jamuna Oil Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 162.40 per share on 30 June 2021}	1,949	1,658
(v) In 32,997,800 Shares of GMG Airlines Ltd. (Average cost price per share is Tk. 9.091 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
(vii) In 158,210,000 Shares of Beximco Power Co. Ltd. (Face value of Tk. 10.00)	1,582,100,000	1,132,900,000
	1,883,651,399	1,434,451,108

Total=(a+b)

4,345,108,163 **2,223,007,495**

(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 2021 of Tk. (13,345,041) including net profit after tax for the year ended 30 June 2021 of Tk.46,378,692 as per its audited financial statements for the year ended 30 June, 2021 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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
7.00 Inventories : Tk. 9,426,635,986		
This consists of as follows:		
Land (Real Estate Business)	418,811,023	453,896,682
Construction work in progress (Real Estate Business)	294,294,201	300,614,741
Land Development and Others (Real Estate Business)	64,697,501	66,702,700
Work in Process	1,287,684,909	457,315,463
Raw Materials	6,807,792,006	4,582,437,050
Stores and Spares	149,149,332	148,696,839
Finished Goods	396,546,812	347,775,904
Fish & Shrimp	5,750,846	5,804,161
Packing Materials	816,146	816,146
Fish Feed	1,093,210	789,735
	9,426,635,986	6,364,849,421

8.00 Trade and Other Receivables : Tk. 28,360,078,917

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. 28,176,124,951

This consists of as follows:

Advances against Purchase of Land and Others	27,638,994,615	21,508,124,242
L/C Margin	15,346,368	15,346,368
Advance Income Tax	407,477,314	136,207,906
Security Deposit	40,387,176	63,801,485
Other Advances	50,219,760	50,219,760
Bank Guarantee Margin	23,699,718	285,409
	28,176,124,951	21,773,985,170

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. 254,005,128

This consist of as follows:

Cash in Hand	19,326,030	15,141,566
In Current Account with Banks	157,193,924	199,457,309
In STD Account with Banks	75,416,447	74,725,917
In Fixed Deposit and Accrued Interest thereon with a Bank	2,068,727	1,965,586
	254,005,128	291,290,378

BANGLADESH EXPORT IMPORT COMPANY LIMITED
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As at and for the year ended 30 June 2021

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

	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
(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 (2020 :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 Shinepukur Holdings Ltd.	126,000,000	126,000,000
650,000 Ordinary Shares of Tk.10/-each issued to the shareholders of Beximco Fisheries Ltd.	6,500,000	6,500,000
11,909,840 Ordinary Shares of Tk.10/-each issued to the shareholders of Bangladesh Online Ltd.	119,098,400	119,098,400
9,187,487 Ordinary Shares of Tk.10/-each issued to the shareholders of Dhaka-Shanghai Ceramics Ltd.	91,874,870	91,874,870
107,282,919 Ordinary Shares of Tk. 10/-each issued to the shareholders of Bextex Ltd.	1,072,829,190	1,072,829,190
2,649,470 Ordinary Shares of Tk. 10/-each issued to the shareholders of International Knitwear & Apparels Ltd.	26,494,700	26,494,700
2,372,506 Ordinary Shares of Tk. 10/-each issued to the shareholders of Beximco Fashions Ltd.	23,725,060	23,725,060
2,489,502 Ordinary Shares of Tk. 10/-each issued to the shareholders of Crescent Fashions & Design Ltd.	24,895,020	24,895,020
551,342 Ordinary Shares of Tk. 10/-each issued to the shareholders of 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

Sponsor:

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	43,697,686	4.99%	42,462,527	4.85%
Shareholders who nominated Directors in the Board	89,869,748	10.26%	-	0.00%
Foreign Investors	12,848,235	1.47%	68,283,726	7.79%
Institutions	119,337,184	13.62%	196,363,384	22.41%
General Public	476,441,341	54.36%	435,084,557	49.65%
	876,318,879	100%	876,318,879	100%

30-June-2021		30-June-2020	
No. of Shares	%	No. of Shares	%
63,204,992	7.21%	63,204,992	7.21%
70,919,693	8.09%	70,919,693	8.09%
43,697,686	4.99%	42,462,527	4.85%
89,869,748	10.26%	-	0.00%
12,848,235	1.47%	68,283,726	7.79%
119,337,184	13.62%	196,363,384	22.41%
476,441,341	54.36%	435,084,557	49.65%
876,318,879	100%	876,318,879	100%

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

(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-21			30-June-20		
	Number of			Number of		
	Shares	Holders	% of total holding	Shares	Holders	% of total holding
1 to 499	9,674,003	64,306	1.10%	10,788,109	68,127	1.23%
500 to 5,000	50,390,671	30,919	5.75%	81,641,396	46,917	9.32%
5,001 to 10,000	26,126,149	3,565	2.98%	51,597,775	7,202	5.89%
10,001 to 20,000	29,052,160	2,026	3.32%	60,073,161	4,281	6.86%
20,001 to 30,000	18,539,931	742	2.12%	37,394,031	1,517	4.27%
30,001 to 40,000	12,181,305	347	1.39%	24,851,226	715	2.84%
40,001 to 50,000	10,989,047	235	1.25%	19,230,788	423	2.19%
50,001 to 100,000	34,544,791	473	3.94%	52,004,106	741	5.93%
100,001 to 1,000,000	133,159,461	477	15.20%	198,251,036	522	22.62%
Over 1,000,000	551,661,361	55	62.95%	340,487,251	15	38.85%
Total	876,318,879	103,145	100.00%	876,318,879	130,460	100.00%

(e) **Option on un issued shares**

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

(f) **Market Price**

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 89.50 and Tk. 89.50 per share in the Dhaka and Chittagong Stock Exchanges on 30 June 2021.

(g) **Voting rights**

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 30 June 2021

12.00 Reserves : Tk. 36,672,527,989

This is arrived at as follows:	Amount in Tk.				
	Fair Value Gain/ (Loss) on Investment in Shares	Capital Reserve	Revaluation Reserve on PPE	Revaluation Reserve on Investment property	Total
As on 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
Addition/(Adjustment) during the year (Note-12.01)	1,672,900,667	-	-	-	1,672,900,667
As on 30-06-2021	1,449,059,071	15,420,659,353	8,128,536,184	11,674,273,381	36,672,527,989

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

	Amount in Taka	
	As at	
	30 June 2021	30 June 2020

13.00 Long Term Loans - Net-off Current Maturity (Secured) : Tk. 37,398,217,530

This is secured and consists of as follows:

National Bank Ltd. - Long Term (12 years) Loan General LD -1293	1,368,867,870	392,296,000
Rupali Bank Ltd. - Long Term loan -IDCP(12 years)	1,478,152,301	3,271,300,000
Agrani Bank Ltd.- Demand Loan	1,408,900,000	2,208,059,873
AB Bank Ltd. - Time Loan (6 Years) A/C-462	472,826,030	126,069,848
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C (CCP & CCH)	11,844,000,000	-
Janata Bank Ltd. - Long Term Loan(6 years)	9,953,220,298	-
Rupali Bank Ltd. - Long Term Loan (6 Years)	6,320,000,000	-
Agani Bank Ltd- Intestrial Credit project	1,101,600,000	-
Exim Bank Ltd-LD1936318294	2,207,120,000	-
Exim Bank Ltd LD2108820251	1,243,531,031	-
Janata Bank Ltd. - Long Term Loan(12 years)	-	6,774,285,347
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	-	7,188,430,293
Agrani Bank Ltd.-Industrial Credit Loan-1	-	2,559,270,931
AB Bank Ltd. - Term Loan (12 Years) A/C-464	-	933,592,426
AB Bank Ltd- Term Loan (12 Years) A/C-463	-	133,839,138
	37,398,217,530	23,587,143,855

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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
14.00 Deferred Tax Liability : Tk. 1,140,103,436		
(a) Deferred Tax Liability is arrived at as follows:		
Book Value of Depreciable PPE	20,636,897,992	19,082,605,970
Less : Tax base WDV of PPE	(10,839,872,133)	(10,130,374,069)
Un-absorbed portion of Depreciation Benefit	(2,196,981,286)	(2,196,981,286)
Taxable Temporary Difference	7,600,044,573	6,755,250,615
Effective Tax Rate	15%	15%
Closing Deferred Tax Liabilities	1,140,103,436	1,013,395,676
(b) Deferred Tax Expense is arrived at as follows:		
Closing Deferred Tax Liabilities	1,140,103,436	1,013,395,676
Opening Deferred Tax Liabilities	1,013,395,676	1,013,395,676
Deferred Tax (Income) / Expense	126,707,760	-

15.00 Long Term Loans - Current Maturity (Secured) : Tk. 11,359,523,519

This is secured and consists of as follows:

10% Debentures	29,831,765	901,686,833
Sonali Bank Ltd. - Short Term (6 years) Interest Bearing Block -A/C-12718	66,855,188	4,496,105,061
Sonali Bank Ltd. - Long Term (12 years) Interest Bearing Block -A/C-12701	134,928,209	1,804,958,019
National Bank Ltd. - Long Term (12 years) Loan General LD -1293	308,502,048	1,525,077,084
AB Bank Ltd.- Term Loan (12 Years) A/C-462	163,271,476	481,393,648
Exim Bank Ltd-LD1936318294	471,653,615	2,925,846,682
Rupali Bank Ltd. - Long Term Loan (6 Years)	2,261,778,344	4,904,901,506
Sonali Bank Ltd. - Long Term (Block-Interest Bearing)-New	2,919,338,781	-
Janata Bank Ltd. - Long Term Loan (12 Years)	831,232,820	-
AB Bank - Time Loan AC-463	1,139,728,499	-
AB Bank - Term Loan AC-464	136,816,752	-
Agani Bank Ltd- Demand loan Principal	763,370,549	-
Agani Bank Ltd- Demand loan Interest	216,636,312	-
Agani Bank Ltd- Intestrial Credit project	1,418,683,489	-
Agani Bank Ltd- Intestrial Credit project Interest	147,360,348	-
Agrani Bank Ltd Interest Block Account	106,768,572	-
Exim Bank Ltd LD2108820251	242,766,752	-
Janata Bank Ltd. - Long Term Loan(6 years)	-	2,797,107,044
Rupali Bank Ltd. - Long Term Loan (12 Years)	-	1,088,802,345
Janata Bank Ltd. - Long Term Loan (12 Years)	-	2,584,982,041
UCBL OD A/C# 775	-	2,952,903,040
	11,359,523,519	26,463,763,303

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. 4,256,225,383

This consists of as follows:

Secured:

Janata Bank Ltd. - CCH	927,495,527	985,742,693
Janata Bank Ltd. - Cash Subsidy	91,826,067	79,808,801
United Commercial Bank Ltd OD/CC	3,236,903,789	-
	4,256,225,383	1,065,551,494

BANGLADESH EXPORT IMPORT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
17.00 Trade and Other Payables : Tk. 12,803,504,431		
This is made-up as follows:		
Creditors for Goods	7,406,185,452	6,798,862,337
Income Tax Payables	1,451,048,960	929,886,958
Advance Against sale of Investment in Shares	-	274,470,349
Other Current Liabilities	3,931,270,019	4,409,425,036
Security Deposit from Distributor	15,000,000	15,000,000
	12,803,504,431	12,427,644,680

18.00 Dividend payable/unclaimed Dividend : Tk. 43,350,195

The Cash Dividend declared for the year 2019-2020 were approved by the shareholders in the Annual General Meeting held on December 19,2020. The Dividend Payable/Unclaimed dividend as on June 30,2021 consists of Tk.11,033,788 payable for the year 2020-21 and the balance Tk. 32,316,407 for the prior years unclaimed to date.The unclaimed dividend included in Trade and Other Payables in the prior period has been reclassified in this financial statement.

	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
19.00 Revenue : Tk. 42,017,156,905		
This is made-up as follows:		
Sale of Goods (Note - 19.01)	41,956,186,380	19,818,792,393
Dividend Income	19,903,417	5,777,852
Capital Gain/(Loss) on Sale of Shares	(1,298,596)	(1,247,358)
Other Income	42,365,704	1,471,753
	42,017,156,905	19,824,794,641

19.01 Sale of Goods : Tk. 41,956,186,380

This represents sales of:

(a) Yarn, Fabrics & Others	41,554,920,304	17,656,463,521
(b) IT Supprt Service	396,347,791	205,378,922
(c) Software Sale	-	1,947,612,817
(d) Fish & Shrimp	4,918,285	9,337,133
	41,956,186,380	19,818,792,393

20.00 Cost of Revenue : Tk. 27,985,630,626

This represents cost of goods sold against sale of:

(a) Yarn, Fabrics & Others (Including depreciation of Tk. 1,887,651,564)	27,666,973,824	12,630,669,435
(b) IT Support Service and Software (Including depreciation of Tk. 6,182,129)	308,388,590	231,937,140
(c) Shrimp and Fish (Including depreciation of Tk.1,877,827)	10,268,212	9,337,917
	27,985,630,626	12,871,944,492

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
21.00 Administrative Expenses : Tk. 880,955,914		
This consists of:		
Salaries and Allowances	675,979,424	475,343,807
Car Repairs and Maintenance	20,965,023	39,064,494
Fees and Charges	25,538,559	41,256,853
Repairs and Maintenances	34,252,439	39,709,586
Rent, Rates and Taxes	43,359,809	42,417,198
Travelling and Conveyance	9,723,072	21,944,837
Miscellaneous Overhead	15,459,764	12,030,619
Postage,Telegram,Telex &Telephone	14,268,663	11,938,114
Entertainment	9,226,322	8,790,590
Depreciation	7,690,538	8,144,454
Insurance	948,574	3,397,835
Petrol, Fuel, Electricity, Gas and Water	2,345,282	3,468,862
Printing and Stationery	6,048,845	7,859,269
Publicity and Advertisement	2,267,384	938,819
Staff Welfare	8,241,319	33,475,178
AGM Expenses	834,320	2,786,220
Audit Fee (Including VAT @ 15%)	2,070,000	1,638,750
Subscription	1,202,360	857,125
Contribution to Provident Fund	422,498	349,848
Training	111,719	439,759
	880,955,914	755,852,217

22.00 Finance Cost : Tk. 5,018,002,695

This consists of as follows:

Interest on Loan from Banks and Others	4,980,386,305	5,196,296,629
Interest on Loan from Related Company	-	18,250,014
Bank Charges	37,616,389	94,760,866
	5,018,002,695	5,309,307,509

23.00 Income Tax Expense/(Income) : Tk. 1,095,192,936

This represents:

(a) Current Tax:

Provision for the year	945,859,072	107,518,312
Short Provision for the year 2020-2021	22,626,104	-
Short Provision for the year 2019-2020	-	117,262,776
Short Provision for the year 2018-2019	-	124,140,077

(b) Deferred Tax (Income) / Expenses (Note-14.b)

	126,707,760	-
	1,095,192,936	348,921,165

(a) Current Tax:

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

- i) 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)
- ii) Turnover tax at the rate of 0.60% total Gross Revenue U/S 82C(4)
- iii) Tax payable under regular assessment

Since Tax payable under regular assessment were higher during the year, the company has charged the total amount of the Tax payable under regular assessment as provision of income tax expenses in the profit and loss account.

BANGLADESH EXPORT IMPORT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
24.00 Basic Earnings Per Share (EPS)		
The computation of EPS is given below :		
(a) Net Profit after Tax for the year	6,600,610,206	446,181,731
(b) Weighted Average 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)	7.53	0.51
25.00 Net Asset Value Per Share		
Total Assets	135,595,466,631	125,349,006,119
Less: Total Liabilities	(67,000,924,494)	(64,589,815,415)
Total Equity	68,594,542,137	60,759,190,704
Number of Ordinary Shares of Tk. 10 each at Financial Position date	876,318,879	876,318,879
Net Asset Value Per Share	78.28	69.33
26.00 Net Operating Cash Flows Per Share (NOCFPS)		
Net cash flows from operating activities	(1,781,766,684)	31,558,702,781
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)	(2.03)	36.01
27.00 Reconciliation of Net profit with cash flows from operating activities.:		
Net Profit After Tax	6,600,610,206	446,181,731
Adjustments for noncash items, non operating items and for the net changes in operating accruals:		
Depreciation	1,903,402,058	1,355,541,469
(Gain)/Loss on sale of vehicle	151,507	-
(Increase)/Decrease in Investment in Shares	(449,200,001)	(344,100,000)
Increase/(Decrease) Deferred Tax Liability	126,707,760	-
(Increase)/Decrease in Inventories	(3,061,786,565)	(4,448,714,782)
Transfer to Investment Property	(1,270,524)	(2,252,106,081)
(Increase)/ Decrease in Trade and Other receivables	(446,975,442)	23,543,049,053
(Increase)/ Decrease in Advances, Deposits and Pre-payments	(6,402,139,782)	10,444,544,261
Increases/(Decreases) in Creditors and Other Payables	618,356,904	2,853,221,261
Increases/(Decreases) Accruals	(231,463,365)	399,245,308
Dividend Paid	(438,159,440)	(438,159,440)
Net cash flows from operating activities	(1,781,766,684)	31,558,702,781
There was no Unrealised Foreign exchange gain or Loss during the year.		

28.00 Related Party Transactions

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

Name of the Related Parties	Nature of transactions	Amount in Taka	
		Value of transactions during the year	Receivable / (Payable) at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	565,573,880
Shinepukur Ceramics Ltd	Investment in Shares	-	1,895,861,632
Beximco Synthetics Ltd.	Investment in Shares	-	21,252

Nature of Relationship

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

29.00 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 30 June 2021.

30.00 Capital Expenditure Commitment

- (a) There was no capital expenditure contracted but not incurred or provided for at 30 June 2021.
- (b) There was no material capital expenditure authorized by the Board but not contracted for at 30 June 2021.

31.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 30 June 2021.

32.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed of as on 30 June 2021 other than trade credit available in the ordinary course of business.

33.00 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 21,751,960 (Equivalent BDT 1,829,339,836).

34.00 Commission, Brokerage or Discount Against Sales

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

35.00 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, 2020 are disclosed below :

Particulars	Amount in Taka	
	01.07.2020 - 30.06.2021	01.07.2019 - 30.06.2020
Basic Salary	140,437,871	132,540,056
House rent allowance	30,412,774	38,942,130
Other allowances and benefits	28,314,108	53,616,316
	199,164,753	225,098,502

- (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.

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

Yarn				Woven Fabric				Knit Fabric (Quantity In Kgs.)		Looms	Denim Fabric (Capacity in Lm.)	
Spindles		Quantity in Lbs (16's equivalent)		Looms		Output Capacity (Lm.)		Installed Capacity	Actual Production	No. of looms Installed	Installed Capacity	Actual Production
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					
119,520	119,520	72,060,000	67,525,812	293	293	67,873,000	64,479,350	9,000,000	8,104,000	110	24,140,200	22,933,198

Reason for Shortfall : Production as per market demand.

37.00 Disclosure on Operating Segments

Particulars	Textile division	Other divisions	Total
External revenue	41,554,920,304	462,236,601	42,017,156,905
Intra-segment revenue	-	-	-
Total revenue	41,554,920,304	462,236,601	42,017,156,905
Depreciation	1,887,651,564	15,750,494	1,903,402,058
Operating expenses	26,539,177,023	474,654,306	27,013,831,329
Finance costs	5,019,612,308	(1,609,613)	5,018,002,695
Segment profit before tax	8,108,479,409	(26,558,586)	8,081,920,823
Segment assets	84,316,572,162	51,278,894,469	135,595,466,631
Segment liabilities	62,156,897,094	4,844,027,400	67,000,924,494

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.

38.00 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

38.01 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.

38.02 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.

38.03 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.

39.00 Events after the Reporting Period

(a) Subsequent to the Statement of Financial Position date, the directors recommended 35% cash dividend (i.e. Tk. 3.50 per share) for the year ended 30 June 2021. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.

(b) Subsequent to the Statement of Financial Position date the Company issued Asset-backed Beximco Green Sukuk Al Istiana'a. The main features of Sukuk are as follows:

Issue size	: 30.00 billion
Tenure	: 5 years
Face value	: BDT 100
Base Rate	: 9% + Profit Margin Rate
Beneficiaries	: Teesta Solar Ltd. (TSL), Korotoa Solar Ltd. (KSL) & Beximco Ltd.

Conversion / Redemption Option : Investors may gradually convert their Sukuk to Beximco Ltd's shares over the 5 years tenure up to a maximum of 20% per year but if any Sukukholder does not exercise the conversion option in full or in part during the tenure of Sukuk, the remaining amount of sukuk will be redeemable at maturity in one bullet payment.

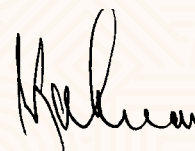
(c) Except the above fact, no circumstances have arisen since this statement of Financial Position date which would require adjustments to, disclosure in, the financial statements or notes thereto.



O K Chowdhury
Managing Director

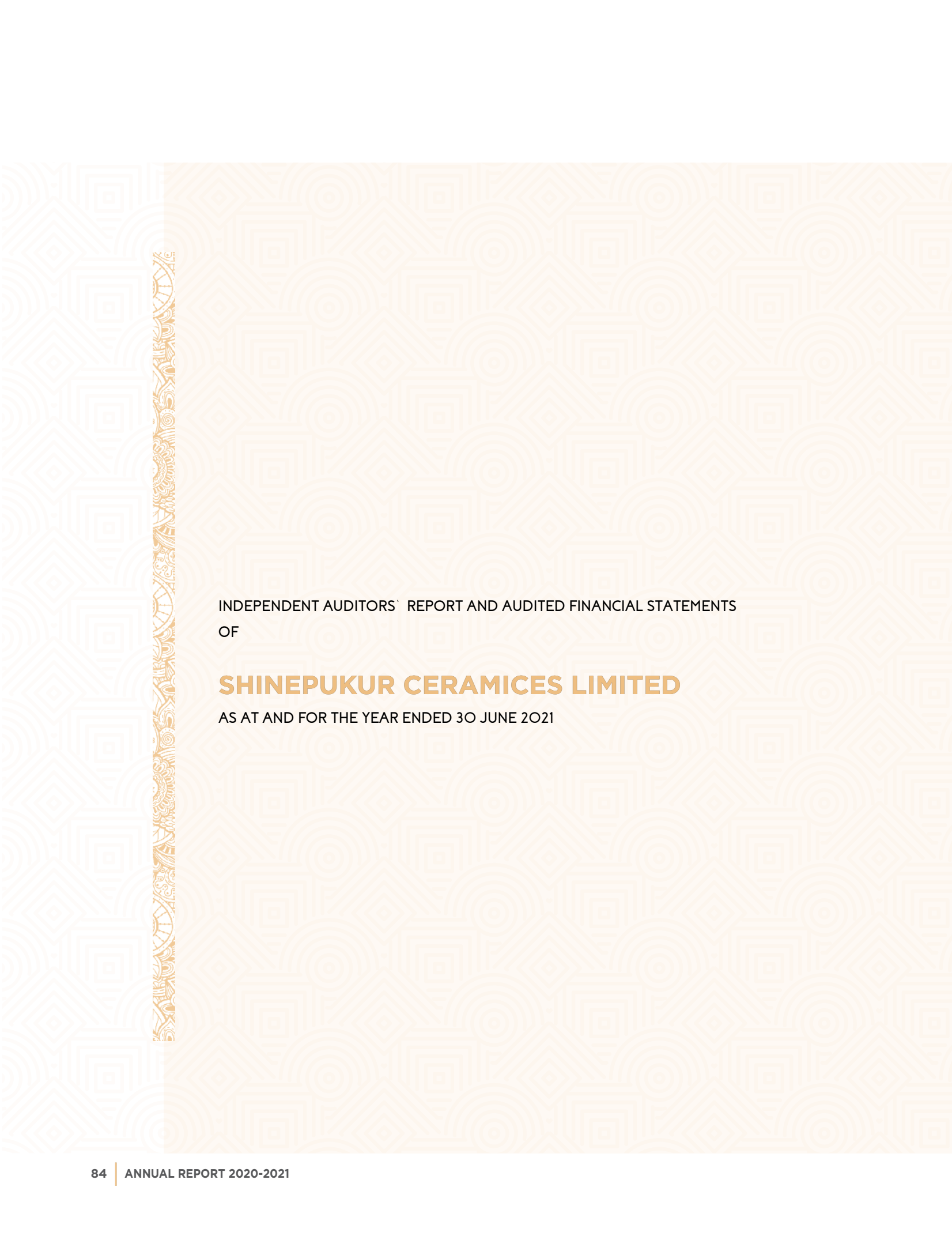


A B Siddiqui Rahman
Director



Md. Luthfor Rahman
Chief Financial Officer

Dated : 21 October 2021
Dhaka.



INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS
OF

SHINEPUKUR CERAMICES LIMITED

AS AT AND FOR THE YEAR ENDED 30 JUNE 2021

INDEPENDENT AUDITORS' 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 2021, 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 2021 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, 2020 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 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	
<p>At year end the company reported total revenue of Tk. 1,393,558,406.</p> <p>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.</p>	<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 to identification of performance obligations and determining timing of revenue recognition. • Selected a sample of contract 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 new accounting standard.
See note No:(3.1 & 18.00) to financial statements	
Valuation of inventory	
<p>The company had inventory of Tk. 876,561,784. As at 30 June, 2021 held in factory and showroom.</p> <p>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.</p> <p>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.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <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. <p>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.</p>
See Note No:(3.5 & 6.00) to the financial statements	

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

Valuation of Property, Plant and equipment (PPE)	
<p>The carrying value of the PPE was Tk. 5,044,919,096 as at June, 2021.</p> <p>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.</p> <p>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.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • 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.
See Note No: (3.2 & 4.00) to the financial statements	

IT systems and controls	
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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.
See Note No: (2.8) to the financial statements	

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, 2020 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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, 2020 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.

Dated, Dhaka
21 October 2021

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A



Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC: 2110260564AS621128

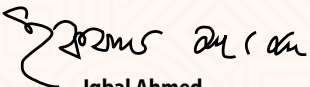
STATEMENT OF FINANCIAL POSITION


As at 30 June 2021

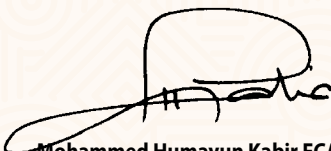
	Notes	Amount in Taka	
		30-June-2021	30-June-2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment - Carrying Value	4.00	5,044,919,096	5,145,934,995
Investment in Shares	5.00	244,225,788	34,148,868
Current Assets			
Inventories	6.00	876,561,784	902,826,025
Accounts & Other Receivables	7.00	186,484,430	178,701,696
Advances, Deposits & Prepayments	8.00	178,374,814	146,682,551
Cash and Cash Equivalents	9.00	26,450,949	7,803,877
Total Assets		6,557,016,861	6,416,098,012
EQUITY AND LIABILITIES			
Shareholders' Equity			
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		79,255,174	(130,821,746)
Retained Earnings		(13,345,041)	(30,330,522)
Non-Current Liabilities			
Long Term Loans - Net-off Current Maturity(Secured)	12.00	158,722,703	291,263,805
Gratuity Payable	13.00	138,496,316	133,421,835
Deferred Tax Liability	14.00	81,472,077	81,472,077
Current Liabilities			
Short Term Loans from Banks & Other	15.00	830,406,737	766,336,816
Long Term Loans-Current Maturity (Secured)	16.00	276,288,843	155,094,538
Creditors, Accruals and Other Payables	17.00	560,414,081	710,002,552
Unclaimed dividend	29.00	8,955,405	3,308,092
Total Equity and Liabilities		6,557,016,861	6,416,098,012


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

Approved and authorized for issue by the board of directors on 21 October 2021 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
21 October 2021

M. J. ABEDIN & CO.
Chartered Accountants
 Reg No : N/A


Hasan Mahmood FCA, Partner
 Enrollment No: 564
 DVC: 2110260564AS621128

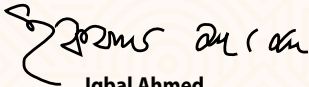
STATEMENT OF PROFIT OR LOSS

for the year ended 30 June 2021

	Notes	Amount in Taka	
		01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
Revenue	18.00	1,393,558,406	1,205,076,326
Cost of Goods Sold	19.00	(1,166,433,505)	(1,019,217,711)
Gross Profit		227,124,901	185,858,615
Other Income	20.00	7,771,305	5,817,591
Operating Expenses		(98,731,782)	(98,621,395)
Administrative Expenses	21.00	(49,232,297)	(49,424,525)
Selling & Distribution Expenses	22.00	(49,499,485)	(49,196,870)
Profit from Operations		136,164,424	93,054,811
Finance Cost	23.00	(78,838,068)	(81,193,722)
Profit before WPPF		57,326,356	11,861,089
Workers' Profit Participation Fund		(2,729,826)	(564,814)
Net Profit Before Tax		54,596,530	11,296,275
Income Tax Income/(Expense)	24.00	(8,217,838)	20,296,375
Net Profit After Tax for the year		46,378,692	31,592,650
Earning Per Share	25.00	0.32	0.21

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

Approved and authorized for issue by the board of directors on 21 October 2021 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
21 October 2021

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A


Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC: 2110260564AS621128

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		01.07.2020-30.06.2021	01.07.2019-30.06.2020
Net Profit/(Loss) After Tax for the year		46,378,692	31,592,650
Fair Value Gain/(Loss) on Investment in Shares	5.00	210,076,920	(24,321,327)
Total Comprehensive Income/(Loss) for the year		256,455,613	7,271,323


STATEMENT OF CHANGES IN EQUITY


for the year ended 30 June 2021

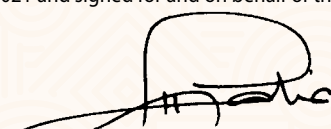
Particulars	Amount in Taka				
	Share Capital	Revaluation Surplus on PPE	Fair Value Loss on Investment in Shares	Retained Earnings	Total Equity
Balance as on 1 July 2019	1,469,660,550	2,966,690,015	(106,500,419)	(61,923,172)	4,267,926,974
Net Profit after tax for the year ended 30 June 2020	-	-	-	31,592,650	31,592,650
Fair Value (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					29.09
Balance as on 1 July 2020	1,469,660,550	2,966,690,015	(130,821,746)	(30,330,522)	4,275,198,297
Net Profit after tax for the year ended 30 June 2021	-	-	-	46,378,692	46,378,692
Fair Value Gain/(Loss) on Investment in Shares (Note-5)	-	-	210,076,920	-	210,076,920
Cash Dividend	-	-	-	(29,393,211)	(29,393,211)
Total Balance as on 30 June 2021	1,469,660,550	2,966,690,015	79,255,174	(13,345,041)	4,502,260,698
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share (Note: 26)					30.63


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

Approved and authorized for issue by the board of directors on 21 October 2021 and signed for and on behalf of the Board:


Iqbal Ahmed
 Director

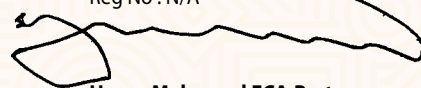

O K Chowdhury, FCA
 Director


Mohammed Humayun Kabir FCA
 Chief Executive


Nargis Sultana
 Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
21 October 2021
M. J. ABEDIN & CO.
Chartered Accountants
 Reg No : N/A


Hasan Mahmood FCA, Partner
 Enrollment No: 564
 DVC: 2110260564AS621128

STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Notes	Amount in Taka	
		01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
Cash Flows From Operating Activities:			
Collections from turnover and other income		1,393,546,977	1,305,141,513
Payments for costs, expenses & others		(1,279,046,116)	(1,059,678,735)
Interest Paid		(75,729,985)	(79,555,507)
Income-Tax paid and /or deducted at sources		(23,536,016)	(30,008,199)
Net cash generated from operating activities	27.00	15,234,860	135,899,072
Cash Flows From Investing Activities:			
Property, Plant and Equipment acquired		(19,917,701)	(1,823,637)
Net cash used in investing activities		(19,917,701)	(1,823,637)
Cash Flows From Financing Activities:			
Increase/(Decrease) in Loan		52,723,124	(151,780,710)
Dividend Payment		(29,393,211)	-
Net cash generated from financing activities		23,329,913	(151,780,710)
Increase/(Decrease) in Cash and Cash Equivalents		18,647,072	(17,705,275)
Cash and Cash Equivalents at the beginning of the year		7,803,877	25,509,152
Effect of exchange rate changes on cash and cash equivalents	27.00	-	-
Cash and Cash Equivalents at the end of the year	9.00	26,450,949	7,803,877
Net Operating Cash Flows Per Share	28.00	0.10	0.92

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

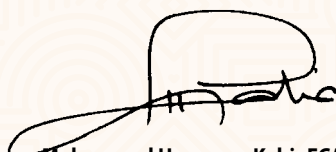
Approved and authorized for issue by the board of directors on 21 October 2021 and signed for and on behalf of the board.



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
21 October 2021

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A



Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC: 2110260564AS621128

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 2020, 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 2021;
- (b) a statement of profit or loss and other comprehensive income for the year ended from 01 July 2020 to 30 June 2021;
- (c) a statement of changes in equity for the year ended from 01 July 2020 to 30 June 2021;
- (d) a statement of cash flows for the year ended from 01 July 2020 to 30 June 2021; 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 21 October 2021.

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 2020 to 30th June 2021).

Figures for the year ended 30 June 2020 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.

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 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 PPE

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 PPE

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%

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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.

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

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As at and for the year ended 30 June 2021

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 22.50% on taxable income. However, there are provisions for minimum tax u/s 82(C). Provision for current tax has been made considering the minimum tax payable which is higher than tax would be payable under regular assessment.

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.

3.8 Interest Income

Interest Income is recognized on accrual basis.

3.9 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.

3.10 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.

3.11 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 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.

3.12 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.

3.13 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 encouraged by IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. However, Cash generated from operating activities using indirect method has also been calculated and disclosed in notes to the accounts (Note: 27)

3.14 Events after the Reporting Period

In compliance with the requirements of IAS 10: Events after the Reporting Period, post balance sheets 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 2021

4.00 Property, Plant and Equipment-Carrying Value : Tk. 5,044,919,096

As at 30 June 2021							
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 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
Addition during the year	-	3,076,090	16,613,611	228,000	-	-	19,917,701
At 30 June 2021	1,882,071,406	1,864,517,883	3,672,085,071	59,387,466	31,155,868	21,709,479	7,530,927,173
Depreciation:							
At 30 June 2020	-	464,025,890	1,796,365,333	55,670,585	28,642,652	20,370,017	2,365,074,477
Depreciation for the year	-	35,012,300	84,407,388	743,376	502,643	267,892	120,933,600
At 30 June 2021	-	499,038,190	1,880,772,721	56,413,961	29,145,295	20,637,909	2,486,008,077
Carrying Amount:							
As at 30 June 2021	1,882,071,406	1,365,479,693	1,791,312,350	2,973,505	2,010,573	1,071,570	5,044,919,096
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

Disclosure on Revaluation:

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

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

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

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
5.00 Investment in Shares : Tk. 244,225,788		
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 (30.06.2020: 65,716) Shares of Beximco Synthetics Ltd.(Face value Tk. 10.00), (Listed company, Market value Tk. 8.40 per share on 30 June 2021)	552,014	440,297
(b) In 2,722,612 (30.06.2020: 2,722,612) Shares of Bangladesh Export Import Co. Ltd. (Face value Tk. 10.00),(Listed company, Market value Tk. 89.50 per share on 30 June 2021)	243,673,774	33,708,571
	244,225,788	34,148,868

This is arrived at as follows:

	30.06.2021			30.06.2020		
	Beximco Synthetics Ltd.	Beximco Ltd.	Total	Beximco Synthetics Ltd.	Beximco Ltd.	Total
Opening Balance	440,297	33,708,571	34,148,868	387,724	58,082,461	58,470,185
Adjustment for Sales during the year	-	-	-	-	-	-
	440,297	33,708,571	34,148,868	387,724	58,082,461	58,470,185
Less: Quoted Price on year end	552,014	243,673,774	244,225,788	440,297	33,708,571	34,148,868
Fair Value Gain/(Loss) on Investment in Shares	111,717	209,965,203	210,076,920	52,573	(24,373,890)	(24,321,327)

6.00 Inventories : Tk. 876,561,784

This represents as follows:

Raw Material & Chemical	141,900,236	163,164,404
Packing Material	4,639,404	6,667,607
Stores & Spares	91,142,767	94,441,367
Work-in-process	275,774,295	285,884,449
Finished Goods	363,105,082	352,668,197
	876,561,784	902,826,025

7.00 Accounts & Other Receivables : Tk. 186,484,430

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. 178,374,814

This is considered good and consists of as follows:

Advances (Note - 8.01)	161,284,605	121,258,611
Deposits (Note - 8.02)	17,090,209	25,423,941
	178,374,814	146,682,551

8.01 Advances : Tk. 161,284,605

This represents as follows:

L/C-Margin & Others	52,107,189	5,179,659
Advance Income Tax (Note - 8.01.01)	108,340,483	115,170,554
Employees (other than officers)	425,245	486,793
Advance against Expenses	411,688	421,605
Trade Fair	-	-
	161,284,605	121,258,611

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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.

	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
8.01.01 Advance Income Tax : Tk. 108,340,483		
This has been arrived at :		
Opening Balance	115,170,554	85,162,355
Add : Paid/Deducted during the year under review	23,536,016	30,008,199
Less Adjustment during the year(Note 17.01)	(30,366,087)	-
Closing Balance	108,340,483	115,170,554
8.02 Deposits : Tk. 17,090,209		
This represents as follows:		
VAT Deposit	2,926,230	11,259,962
Security Deposit	11,408,261	11,408,261
Bank Guarantee Margin	2,755,718	2,755,718
	17,090,209	25,423,941
9.00 Cash and Cash Equivalents : Tk. 26,450,949		
This consists of :		
(a) In Hand:	178,440	27,872
(b) At Banks in :	26,272,509	7,776,004
(i) Current Account	11,282,243	4,620,284
(ii) STD Account	12,936,987	1,500,847
(iii) FDR Account	2,053,279	1,654,874
	26,450,949	7,803,877
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
(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-21		30-June-20	
	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	12,250,355	8.34%	25,097,978	17.08%
General Public	61,232,687	41.66%	48,385,064	32.92%
	146,966,055	100%	146,966,055	100%

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

(d) Distribution Schedule:

Share holdings	30-June-2021		
	No. of Shareholders	No. of Shares	Holding %
Less than 500 shares	7,339	1,049,806	0.71
500 to 5,000 shares	7,097	12,849,236	8.74
5001 to 10,000 shares	1,114	8,531,840	5.81
10,001 to 20,000 shares	646	9,502,690	6.47
20,001 to 30,000 shares	201	5,040,032	3.43
30,001 to 40,000 shares	103	3,583,728	2.44
40,001 to 50,000 shares	74	3,428,748	2.33
50,001 to 100,000 shares	110	8,155,712	5.55
100,001 to 1,000,000 shares	66	11,856,036	8.07
Over 1,000,000 shares	4	82,968,227	56.45
Total	16,754	146,966,055	100

(e) Market Price:

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges, and quoted at Tk. 25.50 (in 30 June 2020: Tk. 8.20) per share in the Dhaka Stock Exchange And Tk. 25.50 per share in the Chittagong Stock Exchange (in 30 June 2020: Tk. 8.20)

(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 year accounts. Details are stated in Note - 4.

	Amount in Taka	
	As at	
	30 June 2021	30 June 2020

12.00 Long Term Loans- Net-Off Current Maturity (Secured) : Tk. 158,722,703

This represents loans from :

Bank Asia Ltd. - Term Loan	39,458,469	81,941,664
Phoenix Finance & Investment Ltd.- Term Loan	119,264,234	209,322,141
	158,722,703	291,263,805

Nature of Security :

- Equitable mortgage over the immovable property.
- Hypothecation by way of a floating charge on all other movable assets both present and future.
- 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 :**

8% 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.

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As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
13.00 Gratuity Payable : Tk. 138,496,316		
This is arrived at as follows:		
Opening Balance	133,421,835	131,536,452
Add: Addition during the year	8,065,824	2,985,718
	141,487,659	134,522,170
Less: Payment during the year	(2,991,343)	(1,100,335)
Closing Balance	138,496,316	133,421,835
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	5,044,919,096	5,145,934,995
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	1,718,878,556	1,819,894,454
Year end tax base WDV of PPE	930,098,429	914,141,468
Taxable Temporary Difference	788,780,127	905,752,986
Applicable Tax Rate	18%	18%
Deferred Tax Liability before unabsorbed tax depreciation benefit	138,825,302	163,035,538
Less: Unabsorbed tax depreciation benefit	(57,353,225)	(81,563,461)
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 22.5%. However, it enjoys tax rebate @ 50% on the taxable income derived from export sales. During the year export sales to total sales comes to 44%. 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 charging 'Minimum Tax', the temporary difference arisen between accounting and tax depreciation remain 'unabsorbed' and therefore no provision for deferred tax expense/(income) is applicable for the year 2020-2021.		
15.00 Short Term Loans From Banks & Other : Tk. 830,406,737		
This is secured and consists of as follows:		
Sonali Bank Ltd. - CC (H) (Secured)	553,446,024	554,797,314
Sonali Bank Ltd. - LTR (Secured)	71,795,954	162,539,502
Covid 19 Loan	168,664,759	-
New Dacca Industries Ltd. (Unsecured interest Free)	36,500,000	49,000,000
	830,406,737	766,336,816

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020

16.00 Long Term Loans - Current Maturity (Secured) : Tk. 276,288,843

This consists of as follows:

Bank Asia Ltd. -Term Loan	73,973,580	82,485,694
Phoenix Finance & Investment Ltd.- Term Loan	202,315,263	72,608,844
	276,288,843	155,094,538

17.00 Creditors, Accruals and Other Payables : Tk. 560,414,081

This consists of as follows:

Gas & Electricity	7,378,520	30,484,283
Creditors for Goods	408,806,652	496,571,943
Income Tax Payable (Note-17.01)	65,705,968	87,854,217
Salary & Wages	48,181,876	46,667,661
Provident Fund Employee	12,628,381	15,302,328
Interest due	1,981,950	9,124,909
Security Deposit	6,190,000	4,990,000
WPPF Payable	4,819,841	12,373,553
Tax Payable Party	2,975,496	3,753,778
Group Insurance Payable	940,393	2,074,880
Audit Fees Payable	805,000	805,000
	560,414,081	710,002,552

17.01 Income Tax Payable : Tk. 65,705,968

This is arrived at as follows :

Opening Balance	87,854,217	108,150,592
Add: Tax provision for the year	11,548,723	7,335,995
Short/(Excess) Provision for previous years	(3,330,885)	(27,632,370)
Less: Adjustment against AIT (Note 8.01.01)	(30,366,087)	-
Closing Balance	65,705,968	87,854,217

	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020

18.00 Revenue :Tk. 1,393,558,406

This is made up as follows :

	629,111,337	671,512,069
A. Export Sales	589,428,637	578,313,206
Export Sales (Cash Subsidy)	39,682,700	93,198,863
B. Local Sales	764,447,069	533,564,257
Distributors	500,076,609	364,517,754
Institutional	201,217,378	119,731,458
Show Room	5,670,991	9,031,082
Factory Sales	57,482,091	40,283,963
	1,393,558,406	1,205,076,326

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
19.00 Cost of Goods Sold : Tk. 1,166,433,505		
This is arrived at as follows:		
Raw Material Issued (Note- 19.01)	447,816,841	381,712,852
Opening WIP	285,884,449	301,795,744
Material available for consumption	733,701,290	683,508,596
Closing WIP	(275,774,295)	(285,884,449)
Consumption	457,926,995	397,624,147
Manufacturing overhead (Note- 19.03)	718,943,395	701,319,411
Cost of production	1,176,870,389	1,098,943,558
Opening Finished Goods	352,668,197	272,942,350
Cost of Goods Available for Sale	1,529,538,587	1,371,885,908
Closing Finished Goods	(363,105,082)	(352,668,197)
Cost of Goods Sold	1,166,433,505	1,019,217,711
19.01 Raw Material Issued : Tk. 447,816,841		
This is arrived at as follows:		
Opening Stock of Raw Material	163,164,404	129,642,713
Purchased of Raw Material	426,552,673	415,234,543
	589,717,077	544,877,256
Closing Stock of Raw Material	(141,900,236)	(163,164,404)
Raw Material Issued	447,816,841	381,712,852
19.02 Quantity Information	Quantity in KG	Quantity in KG
Opening Stock of Raw Materials in Quantity	1,722,536	1,188,083
Add: Purchase fo Raw Materials in Quantity	8,073,776	7,396,633
Availabe for Use	9,796,312	8,584,716
Less: Raw Material Issued in Quantity	8,420,941	6,862,180
Closing Raw Materials in Quantity	1,375,371	1,722,536
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. 718,943,395		
This consists of as follows :		
Wages,etc	341,845,721	303,237,224
Depreciation	119,419,688	123,390,628
Packing Materials	80,525,146	84,475,683
Power & Fuel	100,919,162	105,684,282
Consumable Stores & Spares	52,142,631	45,469,084
Transport Expenses	11,983,392	26,542,189
Office Expenses	6,601,327	7,467,052
Insurance Expense	3,164,633	2,988,819
Communication Expenses	670,645	876,251
Handling & Carrying Expenses	1,671,050	1,188,199
	718,943,395	701,319,411

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
20.00 Other Income: Tk. 7,771,305		
This consists of as follows :		
Dividend Income	1,361,306	1,329,342
Sale of Scrap	5,754,136	4,349,068
Misc. Income	655,863	139,181
	7,771,305	5,817,591
21.00 Administrative Expenses : Tk. 49,232,297		
This consists of as follows :		
Salaries & Allowances	34,048,415	30,779,731
Depreciation	1,513,912	1,835,390
Office Expenses	6,739,474	9,317,692
Transport Expenses	2,875,343	2,754,379
Legal, Professional & Others Fees	228,550	985,850
AGM Expenses	304,930	314,060
Communication Expenses	536,119	759,125
Occupancy Expenses	481,239	424,491
Conveyance Expenses	1,013,876	854,659
Utilities Expenses	185,363	460,274
Audit Fee (Including VAT @15%)	805,000	805,000
General Expenses	-	7,180
Handling & Carrying Expenses	500,076	126,695
	49,232,297	49,424,525
22.00 Selling & Distribution Expenses : Tk. 49,499,485		
This consists of as follows :		
Promotional Expenses	2,402,685	5,319,402
Salaries & Allowances	28,517,561	27,945,916
Occupancy Expenses	3,949,191	3,451,333
Transport Expenses	1,901,418	2,084,895
Office Expenses	3,813,329	3,689,265
Communication Expenses	451,456	846,242
Travelling & Conveyance Expenses	1,719,069	4,787,740
Show Room Expenses	218,155	286,045
Utilities Expenses	47,799	171,393
Handling & Carrying Expenses	48,302	92,641
Legal & Prof. Expenses	362,355	499,821
Product Research & Sample	6,068,165	22,177
	49,499,485	49,196,870
23.00 Finance Cost : Tk. 78,838,068		
This consists of as follows :		
Interest on Loan from Banks & Others	75,729,985	79,555,507
Bank Commission & Charges	3,108,083	1,638,214
	78,838,068	81,193,722

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
24.00 Income Tax Expenses/(Income): Tk. 8,217,838		
This represents:		
(a) Current Tax:		
Tax for the year under review	11,548,723	7,335,995
Short/ (Excess) Provision for previous years	(3,330,885)	(27,632,370)
Current Tax	8,217,838	(20,296,375)
(b) Deferred Tax (Income) / Expenses Note- 14.02	-	-
Total (a+b)	8,217,838	(20,296,375)
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:		
i) Turnover tax @ 0.60% on local sale and other Income , @ 0.50% on export sale and @10% on export subsidy income u/s 82C or		
ii) Tax payable under regular assessment		
b) Since minimum tax payable U/S 82C 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 2020-2021		
25.00 Basic Earnings Per Share (EPS)		
(a) Earning Attributable to the Ordinary Shareholders (Net Profit/(Loss) After Tax)	46,378,692	31,592,650
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.11)	146,966,055	146,966,055
(c) EPS (a/b)	0.32	0.21
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.		
26.00 Net Asset Value (NAV) per share		
Total Assets	6,557,016,861	6,416,098,012
Less: Total Liabilities	(2,054,756,163)	(2,140,899,715)
Net Assets	4,502,260,698	4,275,198,297
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	146,966,055	146,966,055
Net Asset Value (NAV) per share	30.63	29.09
27.00 Reconciliation of Net profit with cash flows from operating activities.:		
Net profit after tax	46,378,692	31,592,650
Adjustments for noncash items, non-operating items and for the net changes in operating accruals		
Depreciation	120,933,600	125,226,018
(Increases)/Decreases in Inventories	26,264,241	(36,478,413)
(Increases)/Decreases in Accounts & Other Receivables	(7,782,734)	94,247,596
(Increases)/Decreases in Advances	(40,025,995)	(8,026,725)
(Increases)/Decreases in Deposits	8,333,732	(8,307,174)
Increases/(Decreases) in Creditors for goods and Other Payables	(109,913,539)	(61,609,831)
Increases/(Decreases) Accruals	(39,674,932)	(2,630,422)
Increases/(Decreases) Gratuity Payable	5,074,481	1,885,383
Increases/(Decreases)Unclaimed dividend	5,647,313	-
	15,234,860	135,899,072

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

At the year end, there was no unrealized exchange gain or loss and as such no adjustment was required while calculating of NOCF.

	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
28.00 Net Operating Cash Flows Per Share (NOCFPS)		
Net cash flows from operating activities	15,234,860	135,899,072
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)	0.10	0.92

29.00 Unclaimed dividend

(a) The dividend payable/unclaimed dividend as on June 30 2021 consists of:		
i) FY 2019-2020	5,647,313	-
ii) FY2007-2008	3,308,092	3,308,092
	8,955,405	3,308,092
(i) The Cash Dividend @2% declared for the year 2019-2020 were approved by the shareholders in the Annual General Meeting held on December 19, 2020.		
(ii) Unclaimed dividend of Taka 3,308,091.97 of FY 2007-2008 has been paid on 29-09-2021 as per directive of BSEC dated 06 July 2021		
(b) The unclaimed dividend which was included in Creditors and Other Payables in the prior period has been reclassified in this financial statement.		

30.00 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 2020-2021 an amount of Taka 7,000,000 paid as CEO's remuneration (FY 2019-20 was Tk. 6,540,000).		
(c) Officers:		
Managerial Remuneration	64,001,218	62,484,624
Bonus	8,053,588	8,191,460
Perquisites:		
Housing	19,002,473	18,577,668
Transport	3,674,875	3,976,740
	94,732,154	93,230,492

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

	From 01 July 2020 to 30 June 2021				From 01 July 2019 to 30 June 2020			
	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	11,717,699	2,682,301	81.37%	14,400,000	10,523,613	3,876,387	73.08%
Bone China	5,400,000	3,246,418	2,153,582	60.12%	5,400,000	2,690,726	2,709,274	49.83%

Reason for Shortfall : Production as per market demand.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

32.00 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 30 June 2021.
There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2021.

33.00 Contingent Liabilities

This consists of as follows:

(a) Outstanding letter of credit-	110,326,124	23,727,105
(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)	13,656,520	13,656,520
	123,982,644	37,383,625

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

34.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 30 June 2021.

35.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 30 June 2021 under any contract, other than trade credit available in the ordinary course of business.

36.00 Related Party Disclosure

Name of Related Parties	Nature of Transactions	Value of Transactions During the year	Balance at the year ended 30 June 2021
Bangladesh Export Import Co. Ltd.	Investment in Shares	-	243,673,774
Beximco Synthetics Ltd.	Investment in Shares	-	552,014
Due to Related Party:			
New Dacca Industries Limited	Short Term Loan	12,500,000	36,500,000

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.

- 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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-21		30-June-20	
	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
Trade Debtors- Foreign				
US\$	1,169,066	97,410,812	636,317	53,003,551
EURO	383,916	38,614,293	68,456	6,391,254
Total	1,552,982	136,025,105	704,773	59,394,805

(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) and its Management :

The virus known as Covid-19, has affected the economy of Bangladesh in general and the operations of the company in particular. As per general order of the Govt. of Bangladesh, the offices including production facilities of the company were closed down for 60 days during April and May 2021 and therefore the operational activities of the company could not be continued in full scale, primarily, due to:

- (i) Non presence in work place(s) by the employees fearing infection from the virus and due to restrictions in plying public transports.
- (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 due to slowdown in the world economies.

Covid 19 disrupted the movements of goods, increased voyage time and freight charges. Consequently importing cost at the buyers end increased, causing declining the demand for the product. Also delayed clearance of the goods because of lockdown/congestion imports in the importing countries affected the export sales. Therefore revenue generation and cash inflows affected. To improve the liquidity and to pay employees, suppliers and utility bills, the company focused to increase the domestic sales. Also, the company availed the additional CC hypo loan to overcome the liquidity constraints during the year.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

38.00 Payments Made in Foreign Currency :

	01.07.2020-30.06.2021		01.07.2019-30.06.2020	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:				
US\$	98,561	8,216,360	-	-
Euro	26,570	2,698,981	-	-
JP¥	4,931,500	3,895,885	-	-
Total		14,811,226		-
Import of Raw & Packing Material :				
US\$	3,172,668	269,982,582	US\$ 2,088,720	178,295,896
Euro	604,979	62,683,891	Euro 192,150	18,013,319
JP¥	288,271	34,024,924	JP¥ 21,186,650	16,697,853
GBP	34,955,230	28,203,473	GBP 422,349	45,827,240
		394,894,870		258,834,308
Total		403,111,230		258,834,308

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

39.00 Foreign Exchange Received against Collection from Export Sales:

	01.07.2020-30.06.2021		01.07.2019-30.06.2020	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
US\$	5,572,806	469,230,216	US\$ 6,796,500	570,905,972
EURO	456,244	159,563,490	Euro 1,734,386	159,563,490
Total		628,793,706		730,469,462

40.00 Events After The Reporting Period

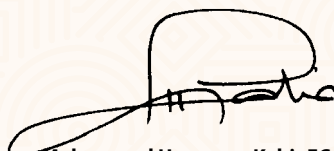
- The directors recommended 2.5% cash dividend (i.e. Tk. 0.25 per share) for the year 2020-21. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.
- No circumstance have arisen since this statement of financial position date which would require adjustment 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
21 October 2021

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more about the company*



REGISTERED OFFICE:

BANGLADESH EXPORT IMPORT COMPANY LIMITED

17 Dhanmondi, Road No. 2, Dhaka 1205, Bangladesh

Phone : +880 2 58611891, 58612040-7

Fax : +880 2 58613470

URL : www.beximco.com